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PROCEEDINGS AND DEBATES OF THE 98th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, July 11, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. MURTHA).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
July 1, 1983.

I hereby designate the Honorable JOHN P. MURTHA to act as Speaker pro tempore on Monday, July 11, 1983.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Reverend Edward G. Latch, D.D., former Chaplain of the House of Representatives, offered the following prayer:

And thou do that which is right and good in the sight of the Lord: that it may be well with thee.—Deuteronomy 6: 18.

Eternal God, our Father, returning from our brief recess restored in mind and renewed in spirit, we come committing ourselves anew to Thee and trusting in the leading of Thy Spirit as we face the challenging tasks before us.

Grant that our President, our Speaker, our Representatives, and all who work with them and for them, may be endued with wisdom and endowed with power to lead our Nation in right and good paths. Help us to relate our resources to our responsibilities that we may truly meet the needs of our people and strengthen the causes of peace and justice and freedom in our world.

Just as we are, strong and free,
To be the best that we can be
For truth and righteousness and Thee,
Lord of our lives, we come.

Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On May 26, 1983:

H.J. Res. 265. Joint resolution to provide for the temporary extensions of certain insurance programs relating to housing and community development, and for other purposes; and

H.R. 2990. An act to increase the permanent public debt limit, and for other purposes.

On June 6, 1983:

H.R. 2681. An act to make certain amendments to sections 4, 13, 14, 15, and 15B of the Securities Exchange Act of 1934.

On June 13, 1983:

H.J. Res. 201. Joint resolution designating June 14, 1983, as "Baltic Freedom Day."

On June 20, 1983:

H.J. Res. 234. Joint resolution designating the week beginning June 19, 1983, as "National Children's Liver Disease Awareness Week."

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2920. An act to amend title 38, United States Code, to revise and extend certain health-care programs of the Veterans' Administration, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1287. An act to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1984.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bills on Friday, July 1, 1983:

H.R. 1271. An act with regard to Presidential certifications on conditions in El Salvador;

H.R. 1746. An act to authorize appropriations for the Navajo and Hopi Indian Relocation Commission;

H.R. 2065. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research of program management, and for other purposes;

H.R. 3132. An act making appropriations for energy and water development for the fiscal year ending September 30, 1984, and for other purposes;

H.R. 3135. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1984, and for other purposes;

S. 273. An act to amend section 8(a) of the Small Business Act;

S. 680. An act entitled the "Gladys Noon Spellman Dedication"; and

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 11, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from The White House as follows:

(1) At 10:30 a.m. on Thursday, July 7, 1983 and said to contain a message from the

President wherein he transmits the Eighteenth Annual Report on the status of the National Wilderness Preservation System for the calendar year 1981; and

(2) At 10:30 a.m. on Thursday, July 7, 1983 and said to contain the ninth special message for fiscal year 1983 in accordance with the Impoundment Control Act of 1974.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

PROPOSAL TO RESCIND BUDGET AUTHORITY AND REPORTING NEW DEFERRALS OF BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, July 11, 1983.)

EIGHTEENTH ANNUAL REPORT ON STATUS OF NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interior and Insular Affairs;

(For message, see proceedings of the Senate of today, Monday July 11, 1983.)

PEOPLE ARE STILL SUFFERING

(Mr. HARRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRISON. Mr. Speaker, like many of my colleagues, I used last week's district work period to hold a series of town meetings across my district. At every one of those five meetings I asked the same question: "What is the most critical problem facing our area?" And at every one of those five meetings, the answer was nearly unanimous: Unemployment.

And, like many of my colleagues, I held office hours, and I saw a steady stream of men and women and most of them all asked the same question: "How can I get a job?"

What I saw in the eyes of those people was not an economy beginning to sparkle but the spark of hope that is slowly dying.

And so, Mr. Speaker, the message I bring back from northeastern Pennsylvania is as simple as it is painful: The economy may be recovering, but the people are still suffering. We have got to put America back to work.

SUPREME COURT DECISION IN ARIZONA GOVERNING COMMITTEE AGAINST NORRIS

(Mr. FLORIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLORIO. Mr. Speaker, on July 6, 1983, the Supreme Court reaffirmed that the use of gender discriminatory statistical tables by the insurance industry produces pension benefits inconsistent with the intent of the civil rights laws of this country. The Court determined this in 1978 regarding pension contributions in the Manhart case, and numerous Federal courts have subsequently reaffirmed the principle. In fact, the Supreme Court also, on July 6, remanded to lower Federal courts several companion appeals for resolution by the lower courts consistent with its opinion in Norris. One would hope this decision could be a watershed event for bringing to an end the practice by the insurance industry of using statistical tables that result in discrimination.

The opportunity is here. We should use the Court's guidance in eliminating the practice for non-employment-related insurance as well. H.R. 100 provides the vehicle for accomplishing this. The sponsors have repeatedly stated their determination to move the bill, and their willingness to consider any amendments that would preserve the civil rights purpose but make the legislation more workable. However, the industry's amendments offered so far would do nothing but frustrate the intent of the bill.

All press accounts about the Norris case reflect a general perception that this decision is a victory for those who wish to see the civil rights principle that now exists in so many areas of commerce extended to the field of insurance. I call upon the insurance industry to return to the negotiating table with a serious intent to support this legislation. We had all but fashioned a compromise version of H.R. 100 that would have preserved the purpose of the legislation, minimized unfunded costs to the industry, and, as we can now see, would be consistent with the concerns of the Court, when on May 11, 1983, the industry voted to leave those negotiations. The industry left for the purpose of fighting to kill the legislation entirely—to continue to use these discriminatory statistical tables.

The industry has the ability to create statistical tables from data that are more predictive of the loss to be rated and on basis that are not discriminatory. Nonetheless, a negative, expensive, and nonproductive media and lobbying effort was begun. It is my belief that the industry has many important problems to solve which deserve this energy and money. The industry should turn its attention to these pressing problems and end this fight.

The Supreme Court decision offers an opportunity to change tactics. The sponsors again indicate their willingness to negotiate; the supporting groups have remained in this posture. But I must remind the industry that the sponsors have stated their determination to go forward on H.R. 100 with or without the industry's support. Time is short as the issue is ready for resolution. A change in tactics would be the responsible course for the industry to follow.

TELEPHONE RATES

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, on June 21, 1983, I introduced three companion bills that seek to address the threat of increasing telephone rates.

Telephone rates are rising across the Nation. In fact, under Pacific Telephone Co.'s new proposal, California residents are being asked to bear a 134-percent increase in residential rates, and business rates are schedule to increase by 175 percent. Even the most basic "lifeline" service will increase by 50 percent. This represents a $2.7 billion increase, with $1.7 billion paid by ratepayers and $1 billion by long-distance providers. If this is any indication of what is to come, it seems inevitable that many people and companies will lose their access to the basic communication medium of this Nation.

This is all contrary to what we were told about the divestiture of American Telephone & Telegraph. President Charles Brown and a host of other Bell operating companies told the Telecommunication, Consumer Protection, and Finance Subcommittee last year, in no uncertain terms, that "divestiture will not raise rates."

The subcommittee members disagreed with Mr. Brown. The members said then, and it is now true, that divestiture could have a significant effect on rates unless the continued financial viability of the Bell operating companies is assured.

It is for this very reason that I have introduced these bills. I feel that it is essential that Congress devise and implement a comprehensive plan to insure that universal service, continued research and development, and genuine competition remain a part of our telephone system. I believe that my bills, H.R. 3364, H.R. 3365, and

H.R. 3366 will begin to make this a reality.

THE 1982 ANNUAL REPORT ON U.S. GOVERNMENT'S INTERNATIONAL ACTIVITIES IN SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and the Committee on Science and Technology:

(For message, see proceedings of the Senate of today, Monday, July 11, 1983.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken on Tuesday, July 12, 1983.

AGRICULTURAL ACT OF 1949 AMENDMENT

Mr. ROSE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3392) to amend the Agricultural Act of 1949.

The Clerk read as follows:

H.R. 3392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective for the 1983 crop of tobacco, section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding the foregoing provisions of this section, for the 1983 crop of any kind of tobacco for which marketing quotas are in effect or for which marketing quotas are not disapproved by producers, the support level in cents per pound shall be the support level in cents per pound at which the respective 1982 crop was supported.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. ROSE) will be recognized for 20 minutes, and the gentleman from Kansas (Mr. ROBERTS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House Agriculture Committee unanimously passed on July 1, this bill which does nothing more than freeze the price support levels on all types of tobacco in 1983 at the 1982 level.

There are many who are interested in legislation coming over to this body very shortly from the other body. That legislation should be here later in July. I have made promises that there will be a thorough and full debate at that time on many aspects of the tobacco price support program.

Today I simply ask the adoption of a 1-year price freeze, nothing else in the legislation. I will keep my agreements and understandings with those who want this legislation that comes from the other body to restrict tobacco in this country that has foreign pesticides on it, that will phase out the process of leasing allotments off of land. We will phase out lease and transfer in that legislation and we will begin a study of the cost of administering the tobacco price support program.

□ 1215

But, Mr. Speaker, in this legislation we ask our colleagues simply to allow us to freeze tobacco prices this year at last year's levels.

Mr. Speaker, I reserve the balance of my time.

● Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 3392. It is a very simple bill. It has a very concise purpose—to freeze the support level for the 1983 crop of all kinds of tobacco which are under the support program at the level for the 1982 crop.

The need for the legislation is, in the view of the Committee on Agriculture, very plain. The support price for tobacco has increased in recent years because, under present law, the support level reflects the growers' cost of production which, needless to say, has risen continually and dramatically. In view of the combination of a weakening world market for tobacco and the increasing support level, there has been a tendency for stocks of the major types of tobacco—Flue-cured and burley—going under the price support program, to increase.

It should be noted that in 1982 Congress enacted the No Net Cost Tobacco Program Act which, among other things, requires the producers to bear the cost of the tobacco price support program, except for governmental administrative costs. The result of that legislation is that, should there ultimately be a loss incurred when loan stocks of 1982 and subsequent crops of tobacco are sold, that loss must be made up or borne by the producers. In this respect, the tobacco price support program is unique.

To halt the escalation in the support price and to assist domestic tobacco in retaining its competitive position in the marketplace, the price freeze imposed by H.R. 3392 seems an obvious first step. The administration favors enactment of the bill, which was adopted by the Committee on Agriculture by unanimous voice vote. I strongly urge my colleagues to support this remedial measure.

I might add that the Committee on Agriculture has reported out a comprehensive bill which addresses not only a freeze or an adjustment with respect to the tobacco price support level for future years, but other significant issues concerning this commodity, which is so important to thousands of farmers in the United States. However, the tobacco markets for this year's crop are set to open this month. Therefore, immediate action is necessary if the support level issue is to be confronted for the 1983 crop. The committee has reported H.R. 3392 for precisely this purpose.●

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us today simply freezes the 1983 price support for all kinds of tobacco at their respective 1982 levels. This legislation is needed to halt, at least temporarily, the ever escalating increases in price supports for tobacco. This freeze is intended to send a signal to both domestic and foreign buyers that American tobacco farmers realize their prices are fast becoming noncompetitive and that they intend to remain the world's most reliable supplier of quality tobacco.

With the no net cost tobacco program now in operation, tobacco farmers are required to cover any losses in the loan program. This is done through an assessment which each farmer is required to pay. This money is maintained in case the tobacco under loan must be sold at less than cost. Increasing price supports hold the threat of large loan stocks, which cause the farmer assessment to increase.

For both these reasons, this legislation is necessary.

The Subcommittee on Tobacco and Peanuts and the full Agriculture Committee have reported this legislation favorably and recommend its passage.

Both bodies have also passed H.R. 1440, legislation making additional changes in price supports and adjustments in the allotment system. The legislation now under consideration is needed immediately in order to be in place for the opening of Flue-cured markets later this month. Without it, price supports for some kinds of tobacco could increase as much as 14 percent per pound.

Mr. Speaker, I urge my colleagues to vote for H.R. 3392. Thank you.

Mr. Speaker, I yield such time as he may consume to my good friend and colleague, the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I rise in reluctant support of the bill.

Mr. Speaker, I would like to begin by commending the distinguished gentleman from North Carolina and my good friend from just north of my district, the ranking minority member of the Subcommittee on Tobacco and Peanuts. Tobacco could have no more dedicated and effective friends than these gentlemen.

Mr. Speaker, I rise in support of the bill H.R. 3392, which freezes the tobacco price supports for 1 year. But I rise in reluctant support. I do recognize the need to keep American tobacco competitive. But I am extremely reluctant to tamper with a program that has worked so well for 50 years, a program which has provided America and foreign countries with the tobacco and tobacco products they have demanded, while at the same time giving our domestic producers needed marketing stability.

I am also reluctant to freeze price supports because I firmly believe that American tobacco growers have had to bite the bullet often enough.

But, unfortunately, one thing is clear: Right now, we have too much tobacco coming under loan. As a matter of fact, in 1982, 24 percent of the Flue-cured crop and 31 percent of the burley crop went under loan. And with this much tobacco coming under loan, the no net cost program assessments will go up—with burley farmers paying as much as 5 cent per pound. So we do have to act to bring this problem under control.

There are many reasons for the problems we are facing today. First, in 1982, Congress passed TEFRA which doubled the excise tax on cigarettes from 8 to 16 cents per package.

Second, we have a problem with imports. This is a particularly serious problem since there is growing evidence that other countries are subsidizing their tobacco, persuading manufacturers to put more and more foreign tobacco into each cigarette. And today we have reached the point where foreign imports of burley have skyrocketed from 49 million pounds in 1973 all the way to an expected 282 million pounds this year.

Finally, there is the problem of exports. For a variety of reasons, our foreign sales are not what they should be. Of course, this is not just a tobacco problem since all American agricultural exports are down, largely because of the extremely strong dollar. But the fact remains that American tobacco, while it is of high quality, is also more expensive than most foreign tobacco.

This legislation is no panacea. But I urge my colleagues to support it as the most responsible action we can take today to help keep American tobacco competitive. Because, Mr. Speaker, tobacco is vitally important to America and it is high time we recognized this fact.

Tobacco is a key ingredient in our agricultural sector. It is our Nation's sixth largest cash crop, and it helps us drain off our trade deficit by providing 2.7 billion dollars' worth of exports per year.

And our local, State, and Federal economies benefit from tobacco, since we derive about $7.1 billion in taxes from tobacco.

Altogether, tobacco provides jobs, wages, earnings, and revenue—to such an extent that tobacco gives us 2½ cents for every dollar's worth of goods and services in our Nation's economy.

It is my hope that this legislation will help keep our tobacco competitive. But at the same time, let me point out that we must take additional efforts as well. We need an aggressive export policy, with traders and Government officials committed to meeting worldwide demand for tobacco with American-grown tobacco, grown by American farmers, on American farms, providing revenue for building up American schools, hospitals, and churches.

And at the same time, we have to give our farmers the protection they deserve from unfair, underpriced foreign-grown tobacco.

In Kentucky, we have 200,000 tobacco producers. Many of them have told me that they are willing to bite the bullet once again if this is what we need to do to keep tobacco strong.

So, reluctantly, I stand in support of this legislation and urge my colleagues' support.

● Mr. HOPKINS. Mr. Speaker, the legislation under consideration is an emergency measure necessary to attempt to retain a healthy economy in the tobacco-producing community. It, quite simply, freezes 1983 price supports for all kinds of tobacco at the 1982 level.

As you recall, last year we passed the No Net Cost Tobacco Program Act of 1982. That law requires that, as of 1982, the tobacco price support and production control programs be operated in a manner resulting in no net cost to the American taxpayers, excluding administrative expenses. This simply means that any price support losses must be paid collectively by the tobacco farmers participating in the program. To facilitate this, each farmer is required, as a condition of eligibility for price supports, to pay an assessment according to the amount of tobacco marketed. For instance, in 1982, producers of burley tobacco, the kind of tobacco grown in the area I represent, paid 1 cent per pound of tobacco marketed into the no net cost account.

The 1982 crop of burley was unusually large and of exceptionally good quality. Because of a number of factors—including increasing imports and declining domestic consumption—more than one-third of the crop went under loan in the price support program. In order to cover potential losses from the sale of this tobacco, burley tobacco farmers will have to pay an assessment of more than 5 cents per pound of tobacco marketed during the 1983 season.

The legislation before us today is one step toward solving the problem of increased imports, declining exports and larger farmer contributions to the no net cost account. Imports of tobacco into this country have increased to the point where they now account for 31 percent of an American cigarette. Developing countries have entered the world marketplace with substantially underpriced, and in some cases, subsidized tobacco. When imports increase and exports decline, domestically produced tobacco is displaced, causing it to come under price support loan.

In an effort to address this, H.R. 3392 will freeze for 1 year the escalating price support loan levels for all tobacco. Without this legislation, the average 1983 loan level for burley tobacco could increase as much as 14 cents per pound.

Timely enactment of this legislation is needed because the auction markets in the Flue-cured belt are scheduled to open later this month. Any change in the price support loan needs to be announced before then. The Flue-cured producers are struggling to function under the burden of a huge surplus. The situation in the burley belt, with its excess, represents an extraordinary occurrence. Because of the need to address the problems of the Flue-cured belt, we from the burley area find ourselves being reluctant companions in this legislation. There is a need to maintain the existing differential between the price supports for burley and Flue-cured. If the burley producers did not go along with this freeze, we would find ourselves with prices too high to compete even with our neighbors in the Flue-cured region.

Tobacco farmers have been asked to bear a load heavier than the one carried by any other agricultural producer—they pay for their own program. We are here asking them to make yet another sacrifice—to freeze their potential for profit in light of rising expenses. As the ranking minority member of the Subcommittee on Tobacco and Peanuts, I say to my colleagues, especially those of a different view when it comes to this program—take note of this.

The full Committee on Agriculture has also passed H.R. 1440, comprehensive legislation to address some of the more substantive issues involved in the tobacco program. I hope my colleagues will accept the legislation before us today with the knowledge that more changes to the program are to follow.

I urge my colleagues to vote for H.R. 3392.

Thank you, Mr. Speaker.●

● Mr. JONES of North Carolina. Mr. Speaker, I rise in enthusiastic support of H.R. 3392. This possibly is one of the most uncomplicated bills that has been introduced during this session. It does nothing more or less than freeze the 1983 tobacco support prices, as set by the Secretary of Agriculture, at the 1982 levels.

The present law concerning tobacco supports requires that the Secretary take into consideration the cost of production and several other complicated formulas which would force him to increase the support price for 1983 over 1982 levels. And that is the reason that this legislation is necessary. Those of us concerned with the tobacco control program realize that this action is necessary in order to maintain our export markets.

Mr. Speaker, it is difficult for me to believe that even the most ardent opponents of the tobacco program could possibly oppose this bill. In fact, if there is any tobacco legislation they might support it would certainly be this, which will bring the tobacco farmer less, and hopefully will increase our tobacco exports which, unfortunately, have been declining in recent years. Therefore, I urge a yes vote on H.R. 3392, and yield back the balance of my time.●

● Mr. VALENTINE. Mr. Speaker, I rise today in support of H.R. 3392 to amend the Agricultural Act of 1949 by freezing the 1983 tobacco crop support at the 1982 level. Such a freeze is essential if we are to restore financial stability to the important tobacco sector of our farm economy. Such action would also improve our balance of trade by making American tobacco more attractive to world markets.

Mr. Speaker, the problems facing American tobacco producers are many, varied, and complex. Nonetheless, it is incumbent upon us as Members of Congress to take a long, hard look at these problems, to analyze the issue cooly and dispassionately, to sift the wheat from the chaff.

A famous folksinger once said: "You don't need a weatherman to know which way the wind blows." Those of us who are vitally interested in tobacco have seen which way the wind has been blowing for many years.

Every new year seems to bring with it a new onslaught. The vitally important tobacco program is confronted with attacks, it seems, from every quarter and at every turn.

These attacks are unrelenting in frequency. They represent simplistic arguments about complex questions that ultimately have a broad impact on our Nation's economy.

Fortunately, because of the leadership shown by many thoughtful Members of Congress, notable among them my colleagues from North Carolina, Congressmen ROSE, WHITLEY, and JONES, we are in a position today to correct tobacco's very real problems in a rational fashion. We can change the baby's bathwater without throwing out the baby.

Mr. Speaker, as the duly elected Representative of the Second District of North Carolina, I must confess that I have a great deal of interest in the future of tobacco—an interest mirrored by my constituents. Because as far back as anyone in this Chamber can remember, and quite a bit further, tobacco has been the economic mainstay of my district and my State.

But make no mistake. Mine is not merely a parochial interest. Tobacco is vital to the economy of a number of States. And it is essential to the economic well-being of our great Nation.

Tobacco is grown on more than 200,000 farms in 22 American States and in Puerto Rico. Total U.S. harvest of the golden leaf in 1981 was 2 billion pounds. This same crop was worth nearly $3.5 billion, which was 2.3 percent of the total for all cash crops and farm commodities. In fact, tobacco is this Nation's sixth largest cash crop.

What this means is a lot of jobs for a lot of people. More than half a million farm families, plus seasonal workers, are directly or indirectly involved in U.S. tobacco production. An estimated 1.4 million retail outlets distribute tobacco products, with related employment in the millions. At the wholesale level there are 2,400 distributors.

A complex service and industrial network further extends the contributions of tobacco to the Nation's economy. Farm and manufacturing materials, equipment and supplies, and services ranging from advertising to transportation employ millions of workers and add billions to personal and business income throughout the land.

Every nation in the world consumes tobacco. But only the United States stands as the world leader for exporting tobacco. The tobacco industry contributes more than $2 billion annually to our balance of trade.

In addition, tobacco and tobacco products generate almost $60 billion annually toward the gross national product. This figure represents approximately 2½ times the net expenditures on the industry's products, a reflection of tobacco's enormous spillover effect on the national economy. Tobacco products have always greatly contributed to local, State, and Federal Governments in the form of excise and sales taxes, and with the recent doubling of the Federal tax, that contribution will be dramatically increased.

But all is not golden for the golden leaf. In addition to the legislative attacks that I mentioned before, the tobacco industry is reeling from hard times.

The cost of raising tobacco keeps going up. The sales of tobacco are going down. And that is why, Mr. Speaker, the tobacco program needs some fine tuning.

Typical of our small tobacco farmers are Bobby and Lois Stephenson, who own a farm in Johnston County, N.C. Here is a farm family that is caught between a rock and a hard place. If the Congress were to abolish the tobacco program, they would be in deep, deep trouble—trouble so bad it would ruin them. But if we let the program continue unchanged, they still have a problem.

Their problem stems from several causes, including high production costs, and the price support level. The legislation before us today addresses the latter cause—an important one.

A recent article in the Washington Post describes the Stephenson's plight. Mr. Speaker, I ask unanimous consent that it be placed in the RECORD.

[From the Washington Post, June 26, 1983]

TOBACCO, THE SMALL FARMER'S SAVIOR

(By Ferrel Guillory)

RALEIGH, N.C.—Bobby and Lois Stephenson operate a family farm. He tends their 60 acres of tobacco. She takes care of the books. They live on the edge of anxiety.

Like tobacco farmers throughout the Southeast, the Stephensons worry that Congress will abolish the federal program that ensures that they can make a living from their crop. The government regulates tobacco farming by restricting how much can be grown and by guaranteeing farmers a base price for the leaf.

If the tobacco program would end, said Mrs. Stephenson, "We'd stop farming. That's our only security, and that's very little." Her husband, sounding less certain that they would quit farming, assserted, "We'd be at the mercy of the tobacco companies."

Should Congress worry about the Stephensons, who, after all, grow a weed to which the government attributes more than 300,000 deaths annually? Or, to put the question as it usually is posed in Congress, isn't it a contradiction for the federal government to aid tobacco farmers while simultaneously warning of the dangers of smoking cigarettes?

The question is a hardy perennial of Washington politics, as hardy as the pale green tobacco plants that are shooting out of the gray sandy soil of eastern North Carolina. In fact, the House agriculture committee is scheduled to consider two tobacco price support bills this week. But the answer that appears self-evident from afar does not seem quite so clear up close.

Even Joseph A. Califano Jr., the former secretary of Health, Education and Welfare, came to understand that it is not unreasonable for the federal government both to encourage people to avoid smoking and to subsidize tobacco farmers.

Califano called cigarette smoking "public health enemy number one." But in his book, "Governing America," he wrote: "As I reflected on the cigarette habit, I realized that not one person would quit or not start smoking if price supports didn't exist. The subsidy had nothing to do with any individ-

ual decision to smoke; if anything, it made cigarette smoking more expensive."

And yet, on the ground that the government shouldn't give support to a poison, members of Congress prepare legislation to do away with the program, which is under great strain of its own, due in part to the high price of American tobacco. The debate has been joined again as Rep. Charlie Rose (D-N.C.) and Sen. Jesse Helms (R-N.C.) have agreed to seek legislation to cure the program's ills. Sen. Jake Garn (R-Utah), sponsor of legislation to abolish tobacco subsidies, has called the government's dual policy an "offensive paradox."

But if it is a paradox, is it necessarily unacceptable? To answer that question requires posing another question: Is the United States prepared to make the growing of tobacco and the manufacturing and smoking of cigarettes illegal? No one in Congress has proposed such a ban. The country has no stomach for another Prohibition.

Tobacco, therefore, assuredly will remain a legal commodity. Its growing will continue. So long as it is legal, the cigarette manufacturers doubtless will obtain tobacco, one way or another. In deciding the future of the tobacco program, then, the issue before Congress is not stopping smoking, but whether to set in motion a change in the system for growing tobacco.

The system under which tobacco farmers like the Stephensons operate originated in the Depression as part of the New Deal's Agricultural Adjustment Acts. Until then, farmers had difficulty adjusting supply to demand, regularly overproducing, and prices dropped precipitously from 1928 to 1932. Buying of tobacco was dominated at that time by three American cigarette makers and two foreign companies, the dearth of competition also working to the farmer's disadvantage.

Bobby Stephenson's father, Wade Hampton Stephenson—named for the Confederate cavalry commander under whom his grandfather fought—recalled that in the 1930s farmers were losing their land and "all of a sudden were becoming tenant farmers." The Stephensons, father and son, own farm land near Smithfield in Johnston County, about 25 miles southeast of Raleigh.

"We were living with no plumbing in the house, no electricity, no roads, no automobile," said the elder Stephenson. He marks the creation of the tobacco program and the Rural Electrification Authority as the start of his personal turnaround. "We began to have a little money left to buy a refrigerator and a washing machine," he said. "The lights began to come on."

As a consequence of the stability and the protection afforded by the tobacco program, said Wade Stephenson, he built a modern house and his four children all went to college. "We couldn't maintain our church and our community without it," he said.

Although the pride of tobacco farmers wouldn't allow them to put it in these terms, federal price supports have in effect served as a social program. It has preserved a rural way of life, being a source of stability not only for farmers but also for the bankers and merchants with whom they deal. The tobacco program has at least slowed the decline of family farms.

It is impossible to say that any single tobacco farmer is "typical." Tobacco is produced on 203,000 farms, whose operators range across the spectrum in age, income and education. Nevertheless, Bobby and Lois Stephenson exemplify the modern tobacco farmer.

They own a 123-acre farm, on which they live in a restored 1910-vintage farmhouse. Two of their four children, all daughters, have already gone off to college. They grow corn, soybean and wheat, mostly to justify their investment in land and equipment and to provide some crop rotation. But the Stephensons clearly consider themselves dependent on growing tobacco.

Last year, for example, they got a yield of 100 bushels per acre of corn, which sold at $2.10 a bushel, for a gross income of $210 per acre. They got 2,300 pounds of tobacco per acre, which sold at an average of $1.80 per pound, for a gross income of $4,100 per acre.

Stephenson holds a 10-acre allotment, which is the government-granted license to grow tobacco. It is through allotments that the tobacco program controls production. The law, however, permits the leasing of allotments. Through such leases from other allotment-holders, Stephenson acquires the right to grow an additional 50 acres. Stephenson grows more tobacco than the average farmer, but his operation illustrates two significant developments.

One is the trend, spurred by mechanization, toward larger farm units. The average flue-cured tobacco farm was 5 acres in 1964, but had grown to 13.8 acres by 1979.

The other development is the dramatic increase in the incidence and cost of leasing. The federal government has issued 545,000 allotments or quotas, but substantially less than half of allotment-holders actually grow tobacco themselves. Rather, they earn money by leasing their allotments to farmers.

Through land sales over the last 50 years, allotments have come to be held by such non-farming entities as banks, Duke University, Carolina Power and Light Company and some local governments. Allotments are also held by elderly farmers and widows, who consider earnings from leases part of their retirement income.

Stephenson paid $50,000 last year for the 50 acres of allotments he rented. Among the eight farms from which he rented allotments, four are owned by, as he calls them, "widow women."

After Stephenson and other farmers harvest their tobacco, they take it to a warehouse where it is auctioned to buyers for domestic cigarette manufacturers and exporters. If no buyer bids more than a penny per pound above the federal support price, the tobacco is bought by a farmers cooperative—in North Carolina, it's the Flue-Cured Tobacco Cooperative Stabilization Corp.—with money borrowed from the federal government. Stabilization, then, attempts to resell the tobacco and pays the government back when it does so.

Since the inception of the tobacco program, the U.S. Commodity Credit Corp., has made $5 billion in loans to tobacco farmer cooperatives. The U.S. Department of Agriculture reported in 1982 that the CCC had losses of $57 million in unpaid principal and $152.8 million in unpaid interest. Except for annual operating expenses, these losses form the bulk of the federal subsidy. Coming over five decades, the average loss of $4 million a year by the government has been relatively modest in an age of multibillion-dollar budgets.

However, the tobacco program is showing its age. It could collapse unless reformed.

The federal price support has been indexed to inflation and risen steadily so that it now averages about $1.75 per pound. American tobacco is being priced out of the world market. Hugh C. Kiger, executive vice president of the Leaf Tobacco Exporters Association, says that the U.S. share of world exports of flue-cured tobacco fell from 60 percent in 1966 to 28 percent in 1981. Now, 31 percent of the tobacco in American-made cigarettes was grown overseas, whereas it was only 14 percent 10 years ago.

Not only has competition with foreign-grown tobacco stiffened, but the domestic sales of cigarettes has flattened. Sales dropped from 640 billion cigarettes in 1981 to 634 billion in 1982. In response to depressed demand, the U.S. Department of Agriculture has steadily decreased quotas in recent years.

Despite reductions in marketing quotas, the Stabilization Corp. has a glut of unsold tobacco. Last year, nearly one-fourth of the flue-cured tobacco grown was not bought by companies, and the cooperative took in 260 million pounds under government loan. Now, Stabilization holds 660 million pounds of unsold tobacco.

In an effort at reform last year, Rose and Helms won enactment of legislation that required farmers to pay a fee so that the price support system would be operated at "no net cost" to the taxpayer. The legislation also required nonfarming corporations to sell their allotments to farmers.

In a second effort to coax the program back to sound financial health, Rose and Helms have reached a general consensus on new legislation to impose a freeze on tobacco price supports and to place restraints on leasing of allotments.

Some congressmen, such as Rep. Thomas Petri (R-Wis.), point to such developments as the widespread leasing of allotments at high rates as reasons to abolish it. And, indeed, some tobacco farmers, disenchanted over the high lease rates, have urged a return to a free-market system, But the fundamental question remains, should Congress worry about the Stephensons?

Charles R. Pugh, agriculture extension economist at North Carolina State University, has done extensive analysis of the consequences of eliminating the federal tobacco program. His findings are that:

The price of tobacco would drop.

Production of tobacco would increase.

Land whose value has been enhanced by a tobacco allotment would drop in value.

A consolidation of farm ownership would ensue.

There would be some farm foreclosures.

American tobacco exports would go up.

Some geographical shifts in the location of tobacco program would occur.

And because tobacco is a relatively small part of the price of a cigarette, consumer prices "would not be greatly affected."

Without the program, says Frank Bordeaux, economist for the North Carolina Department of Agriculture, "The farmer would be reexposed to the very conditions he's been trying to get away from all these years. . . . Many of these people aren't as autonomous as they think they are if they didn't have the program."

The major cigarette companies, of course, have supported the program. It gives them a reliable supply of high-quality domestic tobacco. And by supporting farmers the cigarette companies preserve a broad political base for their campaign against antismoking efforts.

Although the tobacco lobby is often viewed as a unified juggernaut, the farmers and the companies do not share equal financial power. Farmers still must sell to a relatively small number of buyers. The major

cigarette manufacturers could cope much better with an elimination of the federal tobacco program than could the average farmer.

After all, American tobacco companies have diversified and several of them exist in the realm of multinational conglomerates. R.J. Reynolds, for example, also owns Del Monte Corp., Kentucky Fried Chicken and Hueblein Inc., a liquor distributor. Philip Morris Inc. not only makes money from tobacco but also from Miller Brewing Co. and Seven-Up Co. Further, American companies have assisted foreign tobacco growers. R.J. Reynolds has 90 paid agricultural extension agents in Brazil, where it also employs 5,000 Brazilians to farm tobacco.

If the tobacco program were eliminated, the current system for selling on the warehouse floor could be maintained without government involvement, but this is not what agricultural interests in tobacco-growing territory think would happen. Mostly, farmers believe the companies would opt for a contract system—an arrangement under which the company would pay a certain amount to a farmer for growing a certain quantity and quality of tobacco.

"You'd be a tenant on your own farm and can't move," said Bobby Stephenson.

Another possibility would be for cigarette manufacturers to become tobacco-farm owners, assign farm managers and grow their own. An agricultural extension agent in eastern North Carolina reported being approached for assistance recently by a consultant for a cigarette company seeking to study what it would take to run a 1,000-acre tobacco farm. The cigarette manufacturers have experience from their operations in foreign countries to draw upon.

An abrupt end to the federal program would inevitably mean considerable economic dislocation in the tobacco-growing counties in North Carolina, Kentucky and elsewhere in the southeast. But are there other ways for farmers, as well as farm suppliers, to make a living?

In fact, some agricultural diversification has already taken place. Tobacco now represents only about one-third of the farm receipts in North Carolina, down from 47 percent in 1955. Also, state government aggressively has sought to recruit new industry.

It is going to take more time, however, for North Carolina and other states to achieve the economic diversification to ensure a sound living for farmers and other rural residents. Rep. Henry Reuss (D-Wis.) has proposed that the federal government provide financial assistance for weaning tobacco farmers away from their crop in much the same way the United States has sought to cut overseas production of heroin.

Although Reuss' proposal hasn't been received favorably in tobaccoland, economic diversification remains one of the chief challenges facing North Carolina and other Southeastern states. And retaining the tobacco program would give these states the time needed to develop economic alternatives to prepare for the potential decline in tobacco consumption. Simply to abolish the tobacco program would be to ask Southeastern states to go through a cold-turkey withdrawal from their economic, cultural and historic addiction to tobacco.

However contradictory the government's policies toward tobacco may seem, a case can be made for the duality. Surely a government with a mandate to protect Americans' health cannot ignore the compelling evidence that cigarette smoking contributes to severe lung and heart disease. But to eliminate government assistance to farmers who grow tobacco would hurt the Bobby and Lois Stephensons of the Southeast economically without necessarily improving anyone's health.

Mr. Speaker, H.R. 3392 will have a broad, positive effect on the tobacco program that will eventually result in many benefits for tobacco producers.

It addresses the problem of tobacco prices. By freezing price supports at 1982 levels, it puts on the kind of damper needed right now.

The impact of increasing support prices this year would be much broader than might be immediately apparent. To do so would give tobacco companies an increased incentive to look elsewhere—that is, overseas—for more of their tobacco. In 1965, American cigarettes contained about 10 percent imported tobacco. That figure is about 30 percent today.

As domestic consumption drops, domestic surpluses grow, regardless of any restrictions placed on production by the allotment system. Under the No-Net-Cost Tobacco Program Act recently put into place, these growing surpluses translate directly into growing losses for tobacco farmers. Their contribution to the no-net-cost fund on Flue-cured tobacco has more than doubled from 3 cents per pound in 1982 to 7 cents per pound in 1983.

So who stands to lose from this terrible state of affairs? Everybody does—farmers, manufacturers, State and local governments, the Nation as a whole—everybody. Farmers don't sell enough of their product, and are saddled with assessments for the high cost of carrying surpluses. Manufacturers pay a higher price for their product and look abroad for substitutes. Governments lose revenues from the decreased trade in and consumption of domestic tobacco. And the people of this Nation subsidize those lost revenues with higher taxes, while paying higher prices for inferior tobacco products—I must remind my colleagues that imported tobacco does not match American tobacco for quality—in a generally weakened economy.

For once, let us cut through all of the rhetoric and hyperbole that characterizes so much of the dialog and debate these days concerning tobacco issues. The truth is that the realized cost of the tobacco program since it began 50 years ago has been less than one-tenth of one percent of the cost for all 13 farm commodity price support programs. The recent no-net-cost provisions have knocked even that cost out the window.

The problem is not one of cost to the Government. The problem is one of growing surpluses. In the interest of fairness, in the interest of sound economic policy, we must take the necessary action to correct this problem before an epidemic of farm failures awakens us to this very sorry state of affairs.

H.R. 3392 well reflects the wise leadership that my distinguished colleague from my State of North Carolina (Mr. ROSE) has shown as chairman of the Tobacco and Peanuts Subcommittee. I urge my colleagues to joint me in supporting this much-needed legislation.●

● Mr. DANIEL. Mr. Speaker, I rise in support of H.R. 3392, which would freeze tobacco price supports for the 1983 crop at the 1982 level.

It is desirable that this legislation be approved as soon as possible, because 1983 markets will shortly be opening. Without this action, the Department of Agriculture will be forced to set 1983 supports at a higher level, according to the present law.

Even though Congress provided last year for some adjustment in the support level, experience has shown that this has not been sufficient to improve our export situation.

It is usually true that part of the art of dealing with a problem is to acknowledge that a problem exists. The problem in this instance is that more of our tobacco is going unsold and imports are increasing. The No-Net-Cost Tobacco Program Act of 1982 (Public Law 97-218) provided that growers pay for any losses that are incurred from the tobacco program, and any tobacco that goes unsold adds to the ultimate cost to the growers.

One of the keys to the success of the tobacco program over the years has been that growers have been willing to make adjustments to keep the program sound and workable. At times, this has meant increasing or decreasing allotments. More recently, it has meant adjusting the support level to make certain that our tobacco remains competitive in the world market. Tobacco sales abroad continue to add tremendously to our balance of payments—amounting to nearly $2 billion annually.

By freezing support prices on all kinds of tobacco this year, American leaf should improve its competitive position—both on foreign markets and domestically—and growers will likewise benefit from paying less assessments. In my opinion, this is responsible management of the program and I urge enactment of the bill.●

Mr. ROBERTS. Mr. Speaker, I know of no objection to this legislation on our side. I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. ROSE) that the House suspend the rules and pass the bill (H.R. 3392).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REPORT ON 23D ANNUAL INTERPARLIAMENTARY MEETING

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker and my colleagues, late last night a group of Members of the House and the Senate, Senator CHARLES PERCY of Illinois as chairman for the Senate side and the gentleman from Texas as chairman for the House side, returned from the 23d annual interparliamentary meeting between the United States and Mexico.

This meeting was held in Puebla, Mexico, which is a city some 60 or 70 miles from Mexico City.

As always, the hospitality of the Mexican delegation was one that cannot be equaled perhaps any place in the world. The substantive part of the meeting though is the important factor, and that is that we as legislators meet with our counterparts and discuss all of the issues that impact on our two countries.

They, of course, present their views on issues such as trade, law of the sea, maritime issues, and certain other measures that are pending in their Congress or in our Congress, so that we might have direct and frank discussions on how it impacts on the respective countries.

I think possibly, aside from the ceremonial aspect of the inaugural session, a formal closing session, and the substantive talks in between, shortly before we left, yesterday, I think possibly it was, with all due respect to all of us who participated, the most important part of the whole visit and this was a program presented by 25,000 schoolchildren of the city of Puebla who filled, if you can visualize a football stadium, the stands on one side and around both sides, wherein they used, as you see in football games, I guess I could say, where they used placards or cards to form figures and letters that you can see from across the field.

And on the field they used flags and banners and streamers to present what I think has been something that I have never, or would ever, see in my life and something that I would hope that every American or every person in the world could see; for what these children presented in such a graphic way, and I might add again with all due respect to those of us who participated in the formal ceremonies, they said, with about 12 words, what we took hours to say in our speeches. They said it in English and they said it in Spanish, as they formed the letters in the background of that stadium. And it said: "Friendship, Understanding, Cooperation, Peace," and then they said something which I thought was perhaps the most important thing that they could say to us as legislators and as responsible officials of our two countries, they flashed across the words: "Trust us", and then, in a different color, it switched to, "We trust you."

And I do not think that I have ever had that much impact from as few words as those 25,000 schoolchildren gave us yesterday afternoon in the city of Puebla.

Mr. Speaker, I thank the Speaker and the Members for allowing me this time to present this very brief report. Later we will have a special order and give a more concrete and lengthy report on the visit and the meeting.

NATIONAL DEVELOPMENT INVESTMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 250 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10, with Mr. ROSE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

The gentleman from Minnesota (Mr. OBERSTAR) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. CLINGER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. VALENTINE) on behalf of the Committee on Public Works.

Mr. VALENTINE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I understand that the chairman of our Subcommittee on Economic Development is on his way to the Chamber.

Mr. Chairman, as a member of the subcommittee which reported this bill, I rise in support of the National Investment Development Act, H.R. 10. I wish to offer the statement of JIM OBERSTAR, the chairman of the Economic Development Subcommittee.

Mr. Chairman, I am proud to join my colleagues, Mr. CLINGER and Mr. LAFALCE, in bringing to the floor H.R. 10, the National Development Investment Act, which is a major congressional initiate to foster long-term economic development at the local level. It is designed to solve the economic problems of local areas which would otherwise be left behind in what we hope is the beginning of a national economic recovery.

The bill has broad bipartisan support, and is cosponsored by 134 Members of the House.

The National Development Investment Act, and finish-up program for the Appalachian Regional Commission, will provide badly needed funds to promote local economic recovery, to foster economic growth and stability in urban and rural areas, and to create permanent jobs in all sectors of the private economy.

This bill reinforces the longstanding commitment of the Public Works and Transportation Committee to come to the assistance of distressed areas, to provide jobs for the jobless, and to help communities solve their specific economic problems.

The National Development Investment Act is the logical successor to the Economic Development Administration. It incorporates the experience and the lessons of the past, and addresses the changed circumstances of the 1980's.

H.R. 10 recognizes that economic recovery depends on the ability of communities and townships throughout this Nation to create jobs for their residents and to achieve economic stability. It provides matching grants to local governments to support economic development activities while giving local officials the maximum flexibility to choose the course of action best suited to their unique economic needs.

This new approach responds to the criticisms which have been leveled at the Economic Development Administration, which our new act would supersede. It scales back eligibility so that areas of greatest need will receive this assistance. Under the present EDA programs, once a community is designated as eligible, it remains so no matter how much its economic circumstances improve. Under our new bill an applicant must demonstrate distress with every application.

Second, we have tightened up the eligibility criteria. Applicants must have either an unemployment rate of 1 percent above the national average for the past 2 years, or a per capita income of 80 percent of the national average.

Areas which have lost, or are about to lose, their major employer, such as a large industry or a military base, would remain eligible for assistance under the new bill.

H.R. 10 retains the economic development tools which have proven their value over the past 18 years of experience under the Public Works and Economic Development Act.

Assistance to support local goals is provided through grants for the construction, rehabilitation, repair, and improvement of developmental facilities—the community's basic infrastructure.

Business development loans are retained, but under a new approach which recognizes local capacity. H.R. 10 provides grants to communities which, themselves, establish and administer revolving loan funds to support small business expansion and to retain existing firms.

Funds are also available to provide technical assistance and to aid communities in planning and in developing an investment strategy.

But we have made changes as well where these are necessary. We recognize the increased expertise at the local level, and have placed greater reliance on local communities to chart their own goals and set their own courses toward economic self-sufficiency.

Communities set their own priorities and devise their own economic development strategies.

Gone is the project-for-project's-sake approach to economic development. Under the new legislation, each project will have to be an integral part of the community's recovery strategy.

The need for private involvement is recognized and required.

There is less Federal financial responsibility as well as a lowered Federal oversight. A 50-percent non-Federal match is required for all development investment grants.

In a further refinement of the process, the Secretary of Commerce is charged with selecting those projects which have the most potential—those which will give the most progress for the dollar. The bill contains the criteria against which those projects will be measured.

H.R. 10 authorizes $500 million per year for 3 years for these programs: $425 million each year for development investment, and $75 million per year for planning and strategy development.

To make sure the money reaches the largest number of applicants, a limit of $2 million is set on each application. The revolving loan fund is limited to $1 million per applicant.

The second title of the bill contains the finish-up program for the Appalachian Regional Commission, as proposed by the Governors of those States. The Appalachian Regional Commission has made tremendous strides in bringing increased economic diversity to this region. However, the job is not yet finished; the task is not complete. The proposal developed by the Governors provides for an orderly phaseout of the programs, and for attainment of long-sought goals of establishing adequate transportation, and of bringing jobs, community development, private investment, and basic health care to this area.

For fiscal year 1984, the bill provides $298 million to fund these programs: $215 million for highways, $83 million for the nonhighway activities.

Mr. Chairman, this bill is the product of 3 years of work, including 16 days of hearings in Washington and in other parts of the country, and has been developed with the assistance of local officials and their representatives: mayors, county, and township officials, and economic development district and other regional officials. In short, it bears the indelible imprint of the experience gained over many years by the real experts in economic development: local public and private officials and community leaders.

Last year, the Public Works and Transportation Committee and the Banking, Finance and Urban Affairs Committee joined in bringing to the floor very similar legislation. H.R. 6100 passed this body on August 12, 1982, by an overwhelming margin of 281 to 95.

H.R. 10 passed the Public Works Committee this year by a unanimous vote of 50-to-0, and has strong bipartisan support throughout the House.

I urge your support for H.R. 10. It is a very modest proposal in view of the condition of many local economies and the number of workers still unemployed—but it is an opportunity to do something positive to encourage economic recovery.

□ 1230

In conclusion, Mr. Chairman, I am pleased to have this opportunity to stand in for the chairman of the Economic Development Subcommittee. This legislation is most important to my State of North Carolina which includes areas of substantial need. Economic development and job creation is vital to towns and communities throughout North Carolina and the Nation. This bill is a constructive step toward promoting economic recovery.

Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. HOWARD), the chairman of the committee.

Mr. HOWARD. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act. This legislation provides assistance to distressed communities to expand employment opportunities, to improve necessary public facilities, and to establish an economic climate more conducive to private investment.

I want to take this opportunity to commend JIM OBERSTAR, chairman of the Economic Development Subcommittee, for his dedication and leadership in drafting and refining the National Development Investment Act. This economic development initiative has been carefully shaped to respond to the economic needs and realities of the 1980's. JIM OBERSTAR and other members of the subcommittee are to be complimented for their commitment to funding economic development approaches which will stimulate job creation and local economic recovery.

As has been customary on this committee, this bill is the product of bipartisan efforts. BILL CLINGER, ranking minority member of the subcommittee, has been a major contributor to this economic development legislation. Also, I want to thank my colleague, the ranking member of the Public Works and Transportation Committee, GENE SNYDER, for his cooperation. The fact that this legislation was reported out of committee by a 50-to-0 vote attests to this bipartisan spirit.

In addition, I wish to express a special word of appreciation to members of the House Banking, Finance and Urban Affairs Committee and Chairman ST GERMAIN for moving this bill forward so expeditiously.

Title I of the National Development Investment Act provides $1.5 billion over the next 3 years to promote local economic development, to repair, and improve core capital facilities, and to initiate economic recovery strategies that create jobs and facilitate economic growth. Title II extends both the highway and nonhighway programs of the Appalachian Regional Development Act. Finish-up funds are provided for Appalachian area development programs through fiscal year 1988 and for construction of the Appalachian highway system through fiscal year 1991.

H.R. 10 provides grants for the construction, rehabilitation, repair and improvement of developmental facilities. In addition, it permits States, economic development districts, and local governments to establish locally administered revolving loan funds to support small business expansion and to retain existing firms. Funds are available to provide technical assistance and to aid communities in developing an investment strategy.

This legislation builds on the previous economic development and job creation measures which have been enacted by the Public Works and Transportation Committee over the years. This program will fund community-generated projects which create jobs in the private sector, leverage additional investments into public facilities, and build a solid foundation to revitalize economically depressed areas.

The National Development Investment Act has been thoroughly examined in congressional hearings over the last 2 years. It is sound legislation

which is appropriate and necessary to address some of the economic changes facing this Nation. H.R. 10 recognizes that local communities facing fiscal strains and high unemployment caused by economic changes, both cyclical and structural, cannot solve their problems alone. It provides Federal support, which must be locally matched, to enable rural and urban communities to improve the basic public facilities which are essential for sustained economic growth. It requires a long-term strategy to tackle the problems unique to that community. It encourages small business development and job creation actions. It is directed to areas of greatest need and it offers a true partnership among all levels of government and the private sector.

I urge the passage of H.R. 10. It is a realistic proposal aimed at developing long-range economic strategies, addressing regional and local disparities, and promoting private and public capital investment. It improves the programs currently administered by the Economic Development Administration and it puts in place an outgoing economic development assistance program. It is a chance to say to people in the 13-State Appalachian region, where unemployment is still 30 percent above the national average, "we are not going to abandon you in your time of need." It is an opportunity to show high unemployment communities without the financial means to improve their economic climate that the Federal Government is willing to offer them a helping hand. It is a way to do something positive to encourage economic recovery.

Mr. CLINGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to indicate at the outset my commendation and sincere congratulations to the chairman of the Economic Development Subcommittee, the gentleman from Minnesota (Mr. OBERSTAR) for his unflagging work in bringing this bill to the floor. He has been most accommodating to Members on the minority side and has taken into account many of our suggestions for improving the bill and for creating a leaner, tighter bill. I think the results of the bipartisan cooperation which the chairman, the gentleman from New Jersey, spoke about are abundantly clear in this legislation. It does represent, I think, a give and take on both sides of the aisle to come up with a package which we feel will address the critical economic development needs in the country.

I would also like to commend the chairman of our committee, the gentleman from New Jersey (Mr. HOWARD) for his leadership in this effort and in bringing this bill to the floor at this time.

Mr. Chairman, the National Development Investment Act is intended to address stagnation of our Nation's economy because of inadequate and failing infrastructure systems, an issue I think that has become high on the list of the Nation's priorities of recent months and years. These are the very systems which enabled our Nation to achieve prosperity in the past.

H.R. 10 addresses that problem and is aimed at rebuilding the economic base of our Nation's distressed areas.

As we are apparently, and seemingly every day it becomes clearer, on the threshold of a recovery in our national economy, there are always some areas of the country that are going to be left behind that will not enjoy the same rapidity of recovery as the rest of the country. Many factory workers simply will not find their jobs waiting for them at plants that have been closed forever.

These distressed areas are going to need some additional help in order to participate in economic development and growth and that has been the historic role of EDA.

I would point out also, I think that EDA provides a significant role in that as the Federal Government has imposed greater responsibilities and greater standards for various types of infrastructure on the communities, it seems to me incumbent that the Federal Government has a continuing responsibility to at least help fund to meet those standards to some small degree.

I would like to make it clear at the outset that this is not another Government handout program that simply shovels millions of Federal dollars toward isolated economic development projects. The past has shown us that this approach simply does not work. And I would differentiate H.R. 10 from H.R. 2554, the emergency jobs bill, which I do not personally support and make the point that this is significantly different. This is a tighter focused concentrated bill.

Instead in this bill we are involving the Federal Government in a new approach and I think a significant new approach. The current administration, I think, has rightly criticized EDA for a number of serious flaws and shortcomings such as eligibility criteria which would have permitted and which now presently does permit over 80 percent of the Nation to qualify for funding, and a loan portfolio, which has been criticized as having a current delinquency rate of nearly 40 percent.

This bill addresses and I believe corrects those shortcomings that exist in the present legislation. In this legislation we have addressed these and other criticisms of the agency. One of the most significant revisions was to insure that when an area reaches a level of prosperity or employment and it no longer meets the distress qualifications in the act, it no longer is eligible for funding and must apply for funding each time it seeks a new project, it must meet those distress criteria. That is far different from the situation as it exists today. Thus, eligibility criteria will be more highly targeted and is going to apply to less than 40 percent of the Nation. I make the point again. We are reducing the eligible areas of the country, those eligible to apply for funding, from 80 percent of the population of this country down to less than 40 percent. I think that represents a serious and sincere tightening of a worthwhile program.

We have also eliminated the direct loan and loan guarantee programs. In their place a revolving loan program is made available to States and local communities for up to a maximum loan of $1 million to provide seed capital to small business. The local community, not the Federal Government, selects and monitors the loan portfolio. And I would also point out that this is required to be matched by the local community. This is not again a handout. The local community must make a significant investment in this project or in this program in order for them to be eligible to participate in the program.

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The emphasis of this legislation, as I say, is on the local community, and the emphasis is on cooperation at all levels of government. In order to be considered for funding under H.R. 10, a community must utilize every tool at its disposal. It must enlist the cooperation of private industry, and it must develop a coherent strategy. Something we have learned over the last 15 years is that it is extremely important to have ongoing economic development and economic development that has a chance of success. We in this legislation call it a development investment strategy, which is simply a long-term, carefully planned community course toward economic self-sufficiency.

Certain key factors are essential for any area to support development and thus become economically viable. And they must be considered as a part of the overall development strategy. These, again, are factors that we have learned throughout the years must be present for there to be any hope of an investment taking root and creating private sector jobs, and they include: There must be available land present, there must be the presence of sufficient public facilities or at least the capability of developing those public facilities, there has to be an availability of capital. The tax policy on investments is a critical item for successful economic development. Certainly the skill of the labor force must be taken into account, and the ability of the

State and local governments to provide financial assistance.

We place emphasis on these factors because we have learned through experience that they might be present for economic development to work.

The most significant factor in a community achieving economic growth and stability is the involvement of the private sector. And the whole point of this program is to create private sector jobs. In this bill, the level of private sector dollars committed to a community's development is very important in the Secretary's selection of those projects to receive funding. That represents, I think, a major departure from the approach taken to economic development by EDA in the past, but one which undoubtedly will prove vitally important to the future.

The President in his state of the Union message said that "We who are in government must take the lead in restoring the economy." I think that, in terms of investment, there is a need for that kind of continuing involvement, albeit on a much-reduced scale. I think that this bill certainly addresses itself to some of the very real problems that we face. In our committee we have considered the question of economic development in a strictly bipartisan manner, as the gentleman from New Jersey (Mr. HOWARD) indicated. Both sides of the aisle unanimously reported H.R. 10 on a 50-to-0 vote. What we have come up with is a united commitment to assisting our distressed communities in an innovative fashion based on coupling a community's existing resources with a limited amount of Federal assistance to produce a workable, cohesive, and well-planned approach to economic self-sufficiency.

Mr. Chairman, title II of H.R. 10, which authorizes a program to finish the work of the Appalachian Regional Commission, is the product of our legislative process at its best, in my opinion.

This program was devised by the 13 Appalachian Governors, Republicans and Democrats alike, in consultation with Members of Congress from both parties. Our Economic Development Subcommittee held hearings on this program both in Washington and in Appalachia.

There are two basic reasons why I particularly urge my colleagues on this side of the aisle to support this legislation.

First, the way ARC does business is consistent with the effort of our party and our administration to return more authority from Washington to the States and to the local committees.

ARC projects are not dreamed up in Washington but initiated through negotiations in the States and in the communities in Appalachia. Priorities are set in the region, not in Washington. State and local officials identify their needs and realistic ways to meet them.

At the same time, this unique ARC way of doing business, and one which I think has stood the test of time and is universally agreed to be an effective delivery system of what are, obviously, going to be limited Federal resources, this unique delivery system makes it possible for the Federal Government to guard the national interest in the spending of Federal dollars. The Federal cochairman, currently Winifred A. Pizzano, an outstanding native of Pennsylvania, is appointed by the President to work in partnership with the Appalachian Governors to set ARC policy.

This, in my opinion, is the kind of New Federalism that works.

The time and the funding for all of these programs is limited, and I would stress that. The program is a phaseout program, which has been agreed to by all 13 of the Appalachian Governors on a bipartisan basis. So this is a precisely defined finish-up program, a program with a fixed sunset hour, which I think is essential. It is a program that I believe my colleagues from all parts of the country can take pride in supporting.

So, Mr. Chairman, I would urge support of H.R. 10 because I think it does provide an ongoing involvement of the Federal Government at a greatly reduced level from what presently exists; it refines the programs that have worked well; it eliminates those programs on which there is a feeling they have not worked as well and, in general, I think it represents a real step forward in improving our economic development programs at the Federal level.

● Mr. SNYDER. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act.

Briefly stated, I rise in support of H.R. 10, the National Development Investment Act.

Briefly stated, H.R. 10 does two things. First, it completely revises the programs provided by the Public Works and Economic Development Act of 1965 and authorizes new economic development programs through fiscal year 1986. And second, the bill extends the Appalachian Regional Development Act by adopting a finish-up program for the Appalachian highway system and the area development programs funded through the Appalachian Regional Commission.

H.R. 10 addresses past criticisms of the economic development program and provides a new look at addressing the economic development needs of the 1980's. It channels assistance to distressed communities where there is a reasonable expectation that this assistance can contribute to the economic vitality and diversification in the area.

As I mentioned, H.R. 10 cures many of the faults in the existing EDA program. For example, the bill simplifies the qualifying criteria and eliminates long-term designations. This will result in a decrease in the number of areas that currently qualify from the present 80 percent of the Nation to approximately 40 percent. Moreover, H.R. 10 abolishes the direct loan guarantee program which has been severely criticized by the administration.

Frankly, I have not been a supporter of the EDA program. However, it has become obvious to me that Congress is not going to allow this program to die—at least not for the foreseeable future. Despite strong administration opposition, the EDA program has been saved time and time again. Even though the authorizations for the EDA program expired in fiscal year 1982, funding for the program was not only continued in fiscal year 1983 under the continuing resolution, but was increased by $100 million in the emergency jobs legislation enacted earlier this year.

Under these circumstances, it would seem to make sense to enact H.R. 10. Why continue to spend funds under a program which everyone recognizes has flaws and can be improved? Should we not make the improvements in the EDA program so that Federal funds can be spent in the most efficient and effective manner? I think the answer is obvious. If Congress is going to continue to fund the EDA program, then we have an obligation to fix it up.

In closing, Mr. Chairman, I strongly believe that the private sector is the mainstay of our economy and the proper place for the vast majority of permanent meaningful jobs. I hope Congress maintains that perspective.

I urge my colleagues to support H.R. 10.●

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. MINETA), a member of the committee.

Mr. MINETA. Mr. Chairman, I rise in support of H.R. 10, and I wish to congratulate the gentleman from Minnesota (Mr. OBERSTAR) and the ranking minority member, the gentleman from Pennsylvania (Mr. CLINGER), for their leadership in bringing this bill to the House. I would like to thank the chairman, as well, for his part in bringing this urgently needed legislation up.

Mr. Chairman, the National Development Investment Act is urgently needed. Passage of this legislation will help solve the serious problems of decaying infrastructure, high unemployment, and lack of capital in distressed areas, currently facing many of our urban and rural communities.

This legislation has been carefully crafted to eliminate the problems of

the original Economic Development Act. Eligibility criteria have been tightened, local governments will be required to work in cooperation with the private sector, and the Federal share of development money has been reduced to 50 percent for capital projects to assure local commitment.

The program will no longer continuously feed communities which are not helping themselves, but will instead require a commitment by the community to work toward successful economic improvement.

Given the current poor fiscal condition of our States and localities, it is imperative that the Federal Government continue to assist local communities in their efforts to promote economic development. Productivity and growth will be further eroded if our local economies continue to deteriorate.

I urge your support of this measure.

Mr. HOWARD. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. CLARKE), a member of the committee.

Mr. CLARKE. Mr. Chairman, I rise today in strong support of H.R. 10, the National Development Investment Act, which will continue the important work of the Appalachian Regional Commission and the Economic Development Administration.

I wish to commend Members of both parties on the Subcommittee on Economic Development, especially Chairman OBERSTAR, the ranking minority member, Mr. CLINGER, and the members of the Public Works and Transportation Committee, especially Chairman HOWARD, for their fine work in advancing this important legislation to the floor of the House.

Since its inception in 1965, the Appalachian Regional Commission has brought an unbelievable amount of help to States in the Appalachian area. It has enabled counties and cities to construct new or expanded water and sewer systems; made possible vocational education buildings in high schools and technical colleges; provided needed additions to hospitals and libraries; brought new facilities for industrial development; given major upgrading to the highway access system throughout Appalachia; and made possible other public projects which could not have been accomplished without ARC help.

The Appalachian Regional Commission has raised the level of education and health in the States it serves. It has helped to create jobs and reduce unemployment throughout the region.

The goal of the Commission in the next several years is to bring the same kind of assistance to those counties and municipalities which were not able to participate fully in the work of the Commission in its earlier years. These areas need and deserve the Commission's help.

With the Appalachian Regional Commission's record of successful accomplishment already demonstrated, I urge my colleagues' support for H.R. 10.

Mr. CLINGER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. WYLIE), the ranking minority member on the Committee on Banking, Finance and Urban Affairs, which had jurisdiction of this bill.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I must oppose this legislation before us today, and I do so somewhat reluctantly because I do realize that the gentleman from New Jersey (Mr. HOWARD), the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Pennsylvania (Mr. CLINGER) have worked very hard on this legislation, and I certainly do respect their position. However, H.R. 10, the National Development Investment Act, reauthorizes Economic Development Administration and Appalachian Regional Commission programs at a combined level of well over $4 billion. While I am in full agreement with the objectives of this bill—the promotion of economic development in distressed areas of our Nation—I share the administration's concern that the level of funding proposed is excessive.

The single greatest threat to continued broadly based economic recovery—a recovery which will benefit all regions and sectors—is the specter of high interest rates. Real interest rates are still at historically high levels, even though they have come down recently. But the prospects over the last few days that interest rates might go back up causes one concern and holds very serious implications for the key sectors of our economy, such as housing and autos, on which our hopes for recovery rest.

The primary reason that real interest rates remain high, of course, is our inability to bring Federal budget deficits under control. Until the financial markets are convinced that we, in Government, are prepared to make the hard choices necessary to do so, the expectation of future deficits and future inflation, caused by the financing of such deficits, will prevent substantial improvement on the interest rate front. In addition, the Federal Government now consumes well over half of all the private credit available in our capital markets—again, because of deficit spending, as well as off-budget credit activity. As private credit demand increases with economic recovery, the phenomenon known as crowding out will thus also apply upward pressure on interest rates.

While the intent on H.R. 10 is laudable, therefore, and EDA programs have traditionally enjoyed widespread support, enactment of this legislation would only exacerbate our budgetary problems. In other words, although H.R. 10 may well authorize popular programs, they are programs we just cannot afford.

Further, there exists some degree of disagreement over the success of EDA programs. At this point, I would like to quote from a letter written by OMB Director Stockman to Chairman HOWARD of the Public Works Committee, a copy of which was sent to me:

> The bill would continue to subsidize inefficiency. Firms and industries no longer viable would be artificially propped up. Delinquencies or defaults on federally assisted financing, now running at 40 percent of the current EDA portfolio, would continue.

Stockman went on to state that:

> Instead of relying on past ineffective approaches to economic development, the administration seeks to stimulate economic expansion and job creation for this Nation as a whole through tax reductions, regulatory relief and fiscal constraint. For those cases where a more targeted approach may be required, the administration has supported funding for the Community Development Block Grant program ($3.6 billion program level in fiscal year 1984) and the Urban Development Action Grant program ($0.5 billion program level in fiscal year 1984). In addition, the President's Enterprise Zone initiative will stimulate private development in particularly distressed areas.

In conclusion, I will say again that I share fully the intent of the bill before us; economic development is an objective on which we all can agree. What concerns me, however, is that, in voting for H.R. 10, Members may inadvertently be contributing to the very problems—excessive deficits and high interest rates—which are largely responsible for our current economic difficulties. I urge my colleagues, therefore, to keep these concerns, and the administration's position, in mind when voting.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LUNDINE), a member of the Committee on Banking, Finance and Urban Affairs.

Mr. LUNDINE. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act. This legislation replaces authorizations for the Public Works and Economic Development Act and the Appalachian Regional Development Act which expired in September of last year. Since then, these important programs have only continued in existence by virtue of stopgap funding contained in the continuing resolution.

It is important to national economic revitalization that we approve this legislation without further delay. Solutions to many of our economic problems can only be found at the local level, and therefore, the State and Federal governments must continue to provide support to facilitate development of innovative local efforts to address economic problems.

The bill before us today is particularly suited to assist in this effort. It authorizes $500 million annually for fiscal years 1984, 1985, and 1986, to fund public facilities construction and to establish locally administered revolving loan funds to assist small business and to retain existing businesses which promote economic development and create jobs.

Great care has been taken in this legislation to address the past criticisms of administration of EDA programs. To insure that projects funded under this legislation are part of an overall development strategy, preparation of a development strategy by local concerns interested in assistance is required. To insure that assistance goes to the most distressed communities, eligibility for assistance under the legislation will be determined by a combination of need as defined by high unemployment or per capita income below the national average, and the ability to prepare an adequate development strategy which provides maximum private sector leveraging for Federal dollars.

I am particularly pleased that this legislation contains a provision which allows funding for matching grants for both technical assistance and capital funds to promote employee stock ownership. Such assistance is particularly important in cases where employees seek to purchase plants or firms which otherwise would be shut down.

Employee stock ownership plans (ESOP's) have grown significantly in recent years; there are more than 5,000 of them in America today. Most of these ESOP's hold only a small percentage of a company's stock. Such stock plans can facilitate the capital expansion of a business, broaden the base of ownership, and provide an incentive for improved productivity.

In a small, but growing, number of cases, however, ESOP's have been used by employees to acquire a majority interest in a firm. There are more than 250 such firms in the United States today. In most of these cases, the motivation of the employees for purchase of the firm was to preserve jobs. The most widely publicized case recently has been the effort by employees of the Wierton, W. Va., steel mill to purchase and operate the largest employer in their town.

The success of this option has been examined and confirmed over the last few years during hearings by the House Banking Committee on which I serve, the House Small Business Committee, and the Senate Finance and Small Business Committees. There appears to be three main reasons why businesses which are on the brink of closing can be turned around to operate profitably through employee-ownership. First, a particular division of a conglomerate may suffer from absentee management. If, instead, it is guided by those at the plant level who are familiar with its products and operation, performance may well improve. Second, a plant may be part of an older, declining firm, even though its own operations are profitable. Finally, in this era of fast tax writeoffs and frequent mergers, a parent company may even abandon plants which are still profitable in search of greater returns on investment.

Most often, access to technical assistance and help in leveraging private credit for potential employee-owned firms is crucial to their success. The employee ownership provisions of this bill build on the limited, but important, past involvement of EDA under their title IX program.

The advantages of such assistance is no more vividly illustrated than in a case which enabled the employee purchase of a specialty steel firm in my congressional district in Dunkirk, N.Y. In 1976, EDA granted $10 million to the State of New York which was, in turn, loaned to 35 management employees to purchase the Al Tech Specialty Steel Corp. Since then, the record of Al Tech has been very successful. Perhaps the most impressive fact is that within the first 2 years alone, Al Tech employees paid more than $10 million in Federal income taxes.

I also want to express my strong support for title II of this legislation which extends the Appalachian Regional Development Act by adopting a finishup program for the Appalachian highway system by 1991 and the area redevelopment program by 1988.

Since coming to Congress, I have been an advocate for the Appalachian Regional Commission and have worked specifically to secure the necessary funding for the completion of the Appalachian development highway system. The Appalachian highway program has been particularly important to the area of Appalachia which I represent, providing essential support for the construction of the yet-to-be-completed Southern Tier Expressway. This highway provides an important link for western New York to the rest of the State and Appalachia and has already reduced the traveltime from upstate New York to New York City from 10 hours to 7 hours. Completion of this highway is the single most important public project in the region and is essential to the economic development of the southern tier of New York State. A phaseout of this preferential highway funding program, as provided by H.R. 10, will provide the necessary support for the completion of vital segments of the Appalachian highway system, including the Southern Tier Expressway.

If we are to adequately address the serious economic problems we face, this legislation must go forward. I urge my colleagues in the Senate not to permit this bill to die in that body as they did during the last Congress, but rather to join in moving forward with the House to design an effective program for local economic development.

As many in this House know, I believe our Nation must move in coordination with a national industrial strategy which must have, as one focus, local economic development initiatives such as we consider here today. Such a strategy must be based on increased cooperation between local, State, and Federal governments as well as between the private sector and government at all levels. Absent such a coordinated industrial strategy, as is the case today, the legislation before us becomes more important because it does encourage the type of cooperation between various levels of government and the type of leveraging of Federal dollars necessary to economic growth.

I am hopeful that in the coming months, we will devote a great deal more time to considering how we can better coordinate the important objectives and structure of this legislation with other economic policies and development programs at the Federal level. To the extent that we can do so, I am convinced that we will be utilizing both our public and private resources more effectively to improve productivity and foster economic growth.

□ 1300

Mr. CLINGER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from California (Mr. SHUMWAY), a member of the Committee on Banking, Finance and Urban Affairs.

Mr. SHUMWAY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have the utmost respect for the gentleman from Pennsylvania, (Mr. CLINGER), and his work and his support of this bill, and it is for that reason that I am reluctant to rise in opposition to the bill; nevertheless, I feel constrained to do so. I likewise have that same kind of respect for Members on the other side of the aisle who have labored long and hard to bring this bill to the floor and believe that it is the kind of therapy that our economy is in need of.

Mr. Chairman, I rise in opposition to H.R. 10, the National Development Investment Act. I do so with some reluctance. I am well aware of the widespread support for EDA and ARC programs by Members on both sides of the aisle; further, my own district has, in the past, benefited from EDA assistance. As has been mentioned, the Public Works Committee favorably reported this legislation by a vote of 50 to 0; the Banking Committee, to which it was jointly referred, reported it by voice vote. I therefore, have little

doubt as to the ultimate outcome when we vote tomorrow.

I would nevertheless like to outline my reasons for opposition. First, the administration does not support this legislation but, rather, has recommended the orderly phaseout of the Economic Development Administration and the Appalachian Regional Commission. The administration's view is that categorical economic development programs, such as those of the EDA, have generally not resulted in net economic gain. By distorting capital and labor flows, according to the administration, such programs have allowed certain geographical areas to disproportionately benefit relative to others.

Although I appreciate the sponsors' efforts to more strictly target the bill—an effort which addresses one of the most serious problems with EDA programs as traditionally implemented—here, too, the administration argues that some 60 percent of the Nation's counties would remain eligible. I am aware that this figure may be open to question, but the fact that the matter of eligibility is disputed at all is cause for concern.

Finally—and in my view most importantly—I must ask whether we can really afford this legislation, no matter how popular it may be. The prospect of Federal budget deficits in the $200 billion range and up for the foreseeable future is the single greatest threat to the economic recovery now underway. As private credit demand grows with increased business activity, the credit markets will experience even greater pressure. At a time when the Federal Government already consumes well over half of the credit available, the inevitable response of interest rates—already historically high in real terms because of concern about future deficits—is not difficult to predict.

The funds authorized by H.R. 10—$1.5 billion over 3 years for EDA and more than $2 billion for ARC programs—are not especially large relative to the entire Federal budget. Nevertheless, the money authorized is money which will be borrowed and consumed by the Federal Government, either through direct spending or indirectly through credit assistance, at the expense of the private sector.

In short, Mr. Chairman, the firms and regions that this legislation is intended to benefit may well be better off as a result of a healthy, sustainable economic recovery. To the degree that we persist in passing legislation—no matter how popular and attractive—that we cannot afford, we threaten such recovery. I, therefore, urge that H.R. 10 be rejected.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky (Mr. PERKINS), the chairman of the Committee on Education and Labor.

Mr. PERKINS. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act. This legislation authorizes the continuation of the Economic Development Administration and the Appalachian Regional Commission.

Title I contains the authorization for the Economic Development Administration (EDA). EDA has over the years provided valuable assistance to the district I am privileged to represent. It has enabled the local communities to develop the necessary economic infrastructure to provide for the creation of jobs in the private sector. The continuation of this program will provide the necessary means to continue to foster economic progress.

I would be remiss if I did not commend the chairman of the Subcommittee on Economic Development, Mr. OBERSTAR, for the hard work he has done in crafting this legislation, as well as the members of his subcommittee and the Committee on Public Works and Transportation. This subcommittee visited the Seventh District of Kentucky last year and saw not only the progress that has been made, but also the unmet needs of this area.

I strongly support the passage of H.R. 10, title II which provides for the Appalachian Regional Commission finish-up program developed by the Appalachian Governors at the request of Congress. This legislation is absolutely necessary to assure continued progress toward a sound base for economic stability and growth in Appalachia. It would be tragic to abruptly terminate a program that has contributed so much to the welfare of one of the areas of greatest need, and potential, in our Nation.

Let me review the situation in my own district that leads me to this conclusion. As I look back over the life of the Appalachian Regional Commission's programs, many signs of improving conditions are evident.

In 1960 over half of the people in my district lived in poverty as defined by generally accepted standards. By 1976 this figure had dropped to one-fourth. Per capita personal income was less than half the national average in 1959. Between 1970 and 1979 it climbed from 60 to 73 percent of the average.

In the early 1960's, unemployment had been almost three times that of the Nation. By 1981 my district had gained more than 43,000 jobs and brought the unemployment rate down to more nearly that of the Nation in the late 1970's.

The decrease in population that took place between 1960 and 1970 has been reversed and in the decade of the seventies population grew by 25 percent while the Nation as a whole grew by slightly over 11 percent.

These changes are encouraging. There are a number of reasons for this progress. Certainly the Commission program and other activities supported by it have contributed significantly.

However, as the Governors observed in their report to Congress in December 1981, the job is not done. My district still lags behind the Nation in many indicators that spell continued problems. Although substantial gains have been made in income levels, one-fourth of the population is still below the poverty level, and there are wide disparities in income. About one-third of the counties have incomes averaging only 50 percent of the national average. Unemployment is one-third higher than the national average.

What especially troubles me is this: Unemployment in most of the counties in my district, and elsewhere throughout Appalachia, is still on the rise, in contrast to the rest of the Nation.

For example, in my district, unemployment was running at 18.3 percent at the end of April, an increase of 4 percentage points over the 1982 average. In other words, although the Nation's economic recovery began in February of this year, and national unemployment figures began to turn down, unemployment in the Appalachian region was still rising dramatically.

As of the end of April, there were only two counties in my district with unemployment rates below 11 percent, and there were six counties with unemployment running over 20 percent, including Letcher with a rate of 35.4 percent.

Even though we have seen this region make dramatic strides in its efforts to close the economic gap from which it has suffered so long, the unemployment figures I have cited suggest that Appalachia has been hit substantially harder by the recession than the rest of the Nation.

So I am deeply concerned about the effort to eliminate a program such as ARC, which has as its mission the creation of new jobs. In my opinion, it would be shortsighted and heartless to cut off such a program at this moment in our Nation's history.

We must not allow the gains already made to be lost. A firm foundation for future growth has been established. But we must see Appalachia through this further period of economic distress until we are confident that the region is once more solidly on the path of economic growth with the rest of the Nation.

Mr. CLINGER. Mr. Chairman, I yield 4½ minutes to the distinguished gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. I thank the gentleman for yielding this time to me.

Mr. Chairman, I want to add my strong support of H.R. 10, and especially to title II of H.R. 10, which would authorize a finish-up program for the Appalachian Regional Commission.

Last year, in considering H.R. 6100, the predecessor legislation to H.R. 10, I emphasized the progress ARC has made in getting health care out to the isolated parts of Appalachia. I pointed out that the Commission had funded a network of clinics and hospitals, with a goal of putting a primary health care facility, often staffed with a nurse practitioner or physician assistant, within 30 minutes driving time of every person in the region.

But I also pointed out that some 60 of our 397 counties still remained beyond the reach of this network and that the finish-up program would help reach these. Progress has been made since last August 12, when we debated this legislation, but the ARC health program cannot be completed without the passage of H.R. 10.

I have supported all of the provisions of title II because the ARC finish-up program it authorizes is a carefully considered, sound one with bipartisan support at local, State, and Federal levels.

Today, however, I would like to call attention to that portion of the bill which is especially important to the very poorest communities in the Appalachian region. It provides for a change in the philosophy of the original ARC enabling legislation, which dictated that funds be concentrated on those areas that had the best chance for economic growth.

This philosophy led to the successful development of many growth centers but allowed ARC to provide little assistance for the most isolated Applachian counties, among which are some of the poorest counties in the entire Nation.

These counties, in fact, are classic examples of one of Appalachia's historic problems: they are so poor that they have no way of raising money to help themselves through such devices as local bond issues, or to provide the local share to attract dollars from other Federal agencies.

The bill before us would take steps to help correct that problem by setting aside $15 million from ARC's annual appropriation for 5 years to help these counties obtain some of the basic components of a decent standard of living, such as clean drinking water and safe sewage disposal system.

More than 1 million Appalachians live in the distressed counties targeted by ARC to receive these funds. They live in communities ranging from settlements of 50 to 75 persons to small cities 5,000 to 7,000 population. Many live on scattered homesites and farms.

The lack of basic water and sewer facilities not only limits their opportunity to meet critical housing needs; it virtually guarantees disinterest on the part of private investors.

When ARC is terminated, there will be no single source of help for these counties. Therefore, ARC has taken the lead through the bill before us to insure that the Appalachian States and the Federal Government will assume some responsibility for these counties, to give them some basis for future hope and a better living standard.

Projects provided by these special funds might range from a small, package sewage treatment plant serving a half dozen homes at a cost of about $25,000, to a $100,000 water system serving a settlement of 150 people, to a small city sewage treatment plant at a cost of $1 million or more.

Even as ARC is phasing out, we can provide assistance to these distressed counties at a reasonable cost, under the terms of ARC's finish-up plan.

I urge my colleagues to consider these "poorest of the poor" in casting their votes for this bill.

Mr. OBERSTAR. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia (Mr. WISE).

Mr. WISE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise today in strong support of H.R. 10 to amend the Public Works and Economic Development and Appalachian Regional Development Acts. As a member of the Committee on Public Works and Transportation, I can tell my colleagues that coming from Appalachia, and West Virginia in particular, I strongly supported H.R. 10 in committee and I thank my full chairman, the gentleman from New Jersey (Mr. HOWARD), and the subcommittee chairman, the gentleman from Minnesota (Mr. OBERSTAR), for focusing the committee's attention on this issue in a timely manner.

H.R. 10, of course, was reported by a 50-to-0 vote.

Mr. Chairman, I live in the heart of Appalachia, West Virginia, and my district includes many towns and communities that need the assistance that will be provided by this measure. Visiting any part of West Virginia quickly shows how much the Appalachian Regional Commission has contributed to the development of my State and my region. Let me take Members for just a moment on a tour of my district and they will see the impact the Appalachian Regional Commission has had and will continue to have on our growth and development.

Of course, this legislation provides grants to States' economic development districts and the local governments to encourage economic development, development that occurs, for instance, if you drive the four-lane artery of Appalachian corridor G that has opened up Kanawha County, Boone County, Lincoln County, Mingo County, and Logan County. The new development where there was nothing 10 years ago, now one sees businesses beginning to flourish.

An industrial park will bring new jobs to Jackson County, and that is there because of Appalachian Regional Commission assistance.

Another Appalachian highway has opened up Nicholas County, and as I drove to Summersville the other night, I followed cars with many different license plates from across the country, drawn there now by easy transportation.

Go to Putnam County, for instance, and visit Eleanor, and see the vocational technical center that trains people for new occupations. Drive up on Cabin Creek, a coal-mining community right now hard hit by unemployment, and see people getting primary health care for the first time at the Cabin Creek Clinic.

Go to one of the many senior centers in my district, many there because of the Appalachian Regional Commission, and see the opportunities that it created for seniors, opportunities, Mr. Chairman, not handouts, and I think that is important to concentrate on because what we are talking about is not a dole, not a continuation of a benefit program, not continuation of something that, when it is spent, runs out. We are talking about growth and opportunities.

The people of the Third Congressional District well appreciate the value of the Appalachian Regional Commission. The people of West Virginia certainly do. It has been a valuable program and we want it to continue over the phaseout period. We know that it will bring the opportunity, the growth, and the climb back from the recession that we are in.

Mr. Chairman, I urge all my colleagues to join with me.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Connecticut (Mr. MCKINNEY), a member of the Committee on Banking, Finance and Urban Affairs.

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Mr. MCKINNEY. Mr. Chairman, I would like to congratulate my friends, the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Pennsylvania (Mr. CLINGER), for the hard work they have done on this bill. As a member of a congressional group along with my friend, the gentleman from Pennsylvania, let me say that this has been a major concern of ours. As a officer of the Northeast-Midwest Economic Advancement Coalition, it has been a concern of ours.

Connecticut is probably one of the richest per capita States in the United States, and yet our development is

very uneven. We, unbelievably enough, have two of the top poverty level cities in the United States of America—Hartford and New Haven. They are among the top 12. Bridgeport, Conn., which I represent, is not far behind. We are the seat of the brass industry no more, we are the seat of the ball bearing industry no more, and we are the seat of the electric appliance industry no more—the specialty steel business, maybe. I could go on and on and talk about Dictaphone, and so on.

We have used the old economic assistance program to great effect within the city of Bridgeport. I do not think in our case it has been wasteful or profligate, and I do not think it has been short-ended. I think it has created economic activity which sustains today, so that in a city with all our problems, we still only—and I use that word, "only," with great sadness—have a 10-percent unemployment rate, where we could have had a 17- to 20-percent unemployment rate.

The National Development Investment Act, I think, is an even better concept. I have some problems with public works, and I am willing to realize that it is not a totally perfect solution. The fact of the matter is that it brings in a private-public partnership, and it looks forward to something more than just temporary short-term jobs. I think the chairman and the ranking minority member are to be commended on that.

I also, Mr. Chairman, feel that we have to recognize that in this particular investment climate, we are not going to get those base industries, which this country must have for our national defense and which this country must have to be a world leader, off the ground without some sort of assistance, some sort of prioritizing, and some sort of effort on the part of the Federal Government.

Last but not least, no one is more concerned than I am with the forcing of credit, having been a 14-year member of the Committee on Banking, Finance and Urban Affairs and serving on the Subcommittee on Financial Institutions. There is a shortage of credit in this country. There is no question that credit is forced out of the market by the Federal Government, but I would suggest that the tragedy is that so much of it is forced out of the market by the Federal Government through waste and stupidity. The Grace Committee has stated that $92 billion alone, I believe, is within the Defense Department. So it seems to me that we should recognize that if this program is used correctly, as I expect its proponents want it to be and I hope it will be with their oversight, this will at least be credit which will produce jobs, which will produce income, which will produce taxes, and which will take people and put them back to work, and that is where in fact savings and credit in the United States come from.

Once again, Mr. Chairman, I commend the committee. We have exercised the jurisdiction, and I am very proud of what it has come forth with. I hope that the House will pass this bill in an overwhelming fashion.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. DE LA GARZA), chairman of the Committee on Agriculture.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman for yielding this time to me, and I take the time to commend the members of the committee, along with the respective chairmen, including the subcommittee chairman and ranking members.

Mr. Chairman, as one of the cosponsors of the original EDA bill, let me say that we looked at the time with great expectation and with great optimism, as we always do with all legislation that we enact, and let me assure the Members, Mr. Chairman, that this is one of those bills that has evolved into all the expectations that we had at that time.

I know that there are problems, and some Members may be concerned about reducing credit or taking money out of the private sector, but in areas such as mine in south Texas, where we have low income, high unemployment, and many other problems that the private sector cannot take care of by and of itself, the EDA has been our salvation in many areas.

I can assure the Members that in my area one can walk around through all my congressional district and point to the rural water supply district, point to the factories, point to the fisheries installations, and point to where the jobs are and realize this is true.

Sometime ago, I saw a very graphic presentation by one of our economic development districts. No one spoke; They just showed slides showing how much money went in from EDA, how much money went in from the private sector, and how many jobs were there at that time. No one spoke. I wish that all of the Members could have seen that presentation, because that was what the initiators of this program were looking for, and there it was fulfilled in my congressional district where we can count the jobs. And we can probably count the savings accounts and probably count the bank accounts of people that would not otherwise have a job or a steady job, as many of them were migrants that had to rely on seasonal employment. Many jobs are there now because of EDA and similar programs. I might add that we have had exemplary leadership from the professionals at our regional headquarters from EDA, and cooperation with local interests.

Mr. Chairman, I commend the committee, and I hope that we can continue with this type of program that enhances the quality of life and makes it possible for the individual to care for himself, and his family as all of us would want him to do.

Mr. OBERSTAR. Mr. Chairman, I yield 1 minute to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 10, legislation to amend the Public Works and Development Act of 1965.

The bill before us today, the National Development Investment Act of 1983, would modify and expand the various programs of the Federal Economic Development Administration, an agency that has been an invaluable tool since its inception in helping distressed areas such as Puerto Rico to combat high unemployment.

The EDA's programs to help develop public facilities such as roads, ports, water and sewage systems, and education and health facilities fund projects at the local level. In doing so, EDA gives our Nation's cities, and the cities and towns of Puerto Rico, direct Federal assistance for economic development. This assistance has been extremely flexible in providing productive job opportunities, and in helping develop infrastructure so necessary for progressive economic development.

Mr. Chairman, our colleague and floor manager for this bill, Congressman JAMES OBERSTAR of Minnesota, has once again done a commendable job in reporting this legislation which, I would like to note, has the strong bipartisan support of the House Committee on Public Works and Transportation.

It is necessary to pass this authorization since the continuing appropriations resolution for fiscal year 1983 kept alive the programs of the Economic Development Administration and the Appalachian Regional Development Commission.

In passing a similar bill last year in the 97th Congress, the House clearly recognized the importance of EDA in helping the country on the road back to economic recovery.

In passing the emergency jobs stimulus earlier this year, the Congress provided additional funds to EDA to help put people to work in a very short period of time. EDA was provided $100 million in additional funds for public works grants and the response to this provision from Puerto Rico can provide an indication of EDA's proven and time-tested popularity.

The legislation before us today authorizes $500 million for each of the next 3 fiscal years for a new economic development program to replace the existing public works grants authority. It also provides funds for the highway program of the Appalachian Regional Development Commission, and a total

of $399 million for ARDC's nonhighway programs.

In addition to the public works provisions for which $425 million of the $500 million will be allocated, H.R. 10 sets aside $75 million for a very important program of technical assistance grants to help mayors and their communities develop broad, long range economic development plans. It also allows them to come up with a development investment strategy which would analyze a specific area's economic problems and priorities, and help develop other available resources on the Federal, State, and local level to help communities achieve self-sufficiency for that area.

Since 1965 and the inception of EDA, Puerto Rico has made wise and imaginative use of the regular programs of EDA such as business loans and guarantees, technical assistance projects to municipalities and governmental entities on the island.

A total of $126,366,000 in Federal assistance in regular EDA programs benefited Puerto Rico since then. This included the development of 91 public works projects in the amount of $71,165,000 plus 40 business loans and guarantees at a level of $28,079,000 in loans and $16,695,000 in guarantees and 48 technical assistance projects at a level of $2,993,000.

In addition, the island utilized a total of $1,254,000 in Federal funds for 16 planning grants, and undertook 7 economic adjustment projects with $6,180,000 in Federal funds.

Applications which display a high ratio of private investment to public funding would be given highest priority, and this provision assures that Federal assistance will be used to leverage additional investment from the private sector.

Given the constrained resources at the Federal level, I believe the language in H.R. 10 calling for increased involvement of the private sector and the cooperation between mayors and private investors will greatly benefit the living environment in urban areas.

Mr. Chairman, H.R. 10 is a positive and reasonable approach to modifying the existing programs of EDA for economic development.

It merits our support, and I am hopeful that the House vote on this legislation will indicate the strong support for the continued presence of the Federal Government in economic development programs throughout the Nation, including Puerto Rico.

Mr. Chairman, I commend the gentleman from Minnesota (Mr. OBERSTAR) and the ranking minority member for the excellent and commendable work they have done on this bill.

Mr. CLINGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to respond to some of the points that have been made during the debate this afternoon. I was particularly interested in the remarks by the gentleman from California whose opinion I respect and with whose concern for this bill I am very sensitive. But I would make a couple of points with regard to some of those concerns.

However one may feel about the Economic Development Administration, whether one is pro-EDA or anti-EDA, I think it has become abundantly clear over the past 2 years that EDA is going to be with us and that it is not going to go away. Whereas I can respect the administration's feelings that it would like to see EDA phased out and block grant programs replace it, as a pragmatic matter that is just not going to happen.

The point that I think should be made here is that the program that we now have, as administered under the Public Works and Economic Development Act of 1965, as amended, has many of the programs in it that the administration most seriously objects to, and what H.R. 10 does is to eliminate those very programs it feels have been ineffective and wasteful and creates a program which will insure, we believe, a cost-effective program. So even if one may have reservations or be skeptical about the Economic Development Administration, this bill represents a vast improvement over what exists to the present time, and I think it also needs to be said that the program is going to be with us.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Chairman, I want to associate myself with the remarks of the distinguished gentleman from Pennsylvania (Mr. CLINGER), the ranking minority member of the EDA Subcommittee and state as a former member of that committee and ranking minority member of the subcommittee, I am very pleased that he is taking this active role.

Mr. Chairman, H.R. 10 passed out of the Public Works and Transportation Committee by a unanimous 50-to-0 vote. This bipartisan effort by a full committee is, in my opinion, due to two facts. First, that EDA's existence is a political reality. Money has been appropriated for EDA without any authorization and the recent jobs bill included $100 million in emergency jobs legislation for EDA. All this is with the administration expressing its strong opposition to the EDA program. The second fact is H.R. 10 will result in a complete overhaul of the EDA program.

H.R. 10 cures many of the current faults found with EDA. H.R. 10 makes the qualifying criteria simple and straightforward and requires the aplicant to requalify with each application. This will result in a decrease of the areas that currently qualify from the present 80 percent of the Nation to approximately 40 percent of the Nation resulting in the targeting of the aid to distressed areas. Further, H.R. 10 will abolish the direct loan guarantees administered by Washington and allow those functions to be carried out by revolving loan funds at the local level.

These changes are well thought out and make sense to both those who support EDA and EDA's critics given the programs existence.

H.R. 10 also continues the Appalachian regional program along the lines of the Government finish-up plan.

As stated in H.R. 10, the private sector is the mainstay of our economy and the proper place for the vast majority of permanent meaningful jobs. I hope Congress maintains that perspective. However, I believe EDA will exist in one form or another for the next several years and thus reorganization to make EDA more efficient.

Mr. CLINGER. Mr. Chairman, I thank the gentleman from Arkansas (Mr. HAMMERSCHMIDT) and I would just like to publicly acknowledge the impact that the gentleman has had on this bill, not only on this bill, but on economic development programs over the many years that he served as ranking minority member of the Economic Development Subcommittee.

The one point that I would make is that the Office of Management and Budget under Mr. Stockman insists over and over again that EDA does not create any net improvement in the number of jobs in this country, and that just flatly is not true. We have study after study and evidence piled up to the ceiling where we can demonstrate that EDA has had a significant impact in many areas of this country, not creating short-term public service employment jobs, leaf-raking, make-work jobs, but indeed long-term, permanent private sector jobs. To me that is what economic development is all about, creating private sector jobs which returns something to the economy rather than taking something out of it.

Finally, I would point out that the budget that the administration objects to, with the $4.3 billion, is a little misleading, because it combines a 3-year EDA authorization with a 5-year ARC nonhighway program authorization and a 10-year ARC highway authorization. So it is a little misleading to say that this is a vast budget buster because we are really talking about a combination of three programs over a 10-year period. We only deal in 3-year increments in the Congress, and in that context this is well within the budget authority we have set. Finally,

I would say that it is well below the budget authority that is contained in the Public Works and Economic Development Act as it exists now.

So, Mr. Chairman, any way we look at this thing, we improve the program by enacting this bill.

Mr. Chairman, I have no further request for time, and I yield back the balance of my time.

Mr. OBERSTAR. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Minnesota (Mr. OBERSTAR) is recognized for 3 minutes to conclude debate.

Mr. OBERSTAR. Mr. Chairman, I want to make it clear that this is economic development legislation, and that this is a program to promote long-term job-creating industries that will create permanent employment in the private sector. This is not a quick-hitter, short-term economic recovery, put-people-back-to-work type of program. This is basic economic development legislation to assist communities which will not share in the Nation's general economic prosperity, regardless of how resounding a recovery we may have. We hope this prosperity will come and indeed it now appears to be painfully, step by step, taking place. But regardless of how strong that recovery is, there are communities and there are areas that are going to be bypassed. This legislation helps fill those gaps, and it does so in a way that provides communities, States, counties, and areawide economic development districts the greatest amount of flexibility to design those programs and projects which will serve their areas as they see fit to help create jobs where they are most needed, without Washington hovering over and telling them how to do it or what to forbear from doing.

We have devised here, I think, the ultimate economic development legislation for the decade of the 1980's and beyond. We have built upon the practice, the experience, and, yes indeed, the mistakes of the past, and we hope and we feel very confident, on the basis of our hearings, that we have corrected the mistakes, cleared the path and charted new ones for economic development in the future.

Mr. Chairman, I want to thank my colleague, the gentleman from Pennsylvania (Mr. CLINGER) who has step by step walked with me along the path of creating this new legislation. It is not very often that we do that in the Congress, that we take the slate and wipe it clean and start with fresh ideas and create something new and solid, something that really does look to the future without holding on rigidly to the past. We have done that in this legislation thanks to the splendid bipartisan cooperation on both sides of the committee aisle.

I want to thank the genteman from Connecticut (Mr. MCKINNEY) for his splendid observations on the need for this legislation even in a State such as his which overall has general prosperity but which has pockets of distress and a serious need for a helping hand to help chart the course for the future. I thank the gentleman for his support of this legislation. I appreciate again all the support the members of our committee have given us.

Finally, on the subject of the Appalachian Regional Commission, our subcommittee traveled through that area, held hearings there, and received testimony from witnesses throughout the region. I can say, from that record, that what we have charted for the future of Appalachia is a modest close-out program, one that is needed to help that area which is so close to getting itself upright again after 100 years of neglect. We cannot cure that long a period of decline in the 18 years we have had in our experience with ARC, but just a few more years will put it over the top in the key areas of health, education, vocational training, community facilities, and highway programs.

Mr. Chairman, I urge the support of the full House for this legislation.

● Mrs. BOGGS. Mr. Chairman, I rise to express my enthusiastic support for the National Development Investment Act. The work of the chairman of the subcommittee, the gentleman from Minnesota (Mr. OBERSTAR), and for the ranking minority member, the gentleman from Pennsylvania (Mr. CLINGER) for formulating a most responsible bill is certainly praiseworthy. Their experience, dedication, and leadership along with the knowledge of other subcommittee members combined with long hours of work have fashioned a piece of legislation that will make major improvements in the effectiveness of our Nation's economic development initiatives. I would also like to recognize the leadership and vision of the full committee chairman, the gentleman from New Jersey (Mr. HOWARD), and ranking minority member, the gentleman from Kansas (Mr. SNYDER) in insuring that the House would again have the opportunity to express its approval of this much-needed legislation.

EDA assistance has been important to the district I am privileged to represent, the New Orleans and Jefferson Parish areas in addressing critical infrastructure needs and in providing or—importantly—retaining jobs. At a time when the need for shoring up the infrastructure and encouraging industry is so important and the need for jobs is so great, it is essential that we breathe new life into our economic development program.

H.R. 10 consolidates the most successful features of the previous program and changes features that have been unsuccessful. This measure represents a restructuring and tightening of EDA programs and provides a focused, streamlined, cost-effective approach. The new approach scales down eligibility requirements by setting up very clear and specific criteria so that areas of greatest need will receive assistance.

This proposal assists local government in developing a strong economic base to support growth and encourage economic renewal, while at the same time giving local officials the maximum flexibility to choose the course of action best suited to their economic needs. By placing the responsibility for development largely at the local level, by requiring a strategy for the area concerned that includes long-term goals, and by limiting Federal grants, the impetus for continuing economic development with the use of private and public nonprofit financing is reinforced.

Aimed at rebuilding the economic base of our Nation's distressed areas, this bill puts emphasis on infrastructure repair and rehabilitation, instead of new construction, to help overcome decades of public capital neglect. It concentrates its impact on small businesses—which, not at all incidentally, generate two-thirds of the Nation's new jobs—by establishing locally administered revolving loan funds to provide seed capital business startups and expansions.

This legislation combines the strengths of the EDA with the developed professionalism of communities in economic development planning and operation. It is an excellent prescription for addressing our economic development needs. I am proud to be a cosponsor of H.R. 10, the National Development Investment Act, and I urge you to join me in supporting its passage.●

● Mr. NOWAK. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act, which includes reauthorization and refinement of programs under the Economic Development Administration (EDA).

In recent years there have been efforts to abolish EDA. However, our experience with this agency in western New York indicates it has been a valuable resource, providing badly needed funds to foster economic growth and stability and to create jobs.

H.R. 10 would revise the EDA loan and grant programs, placing particular emphasis on targeting these limited Federal dollars to certified distressed communities and also specifically assisting small businesses which are such a vital component of our Nation's economy. This legislation, therefore, would continue a prime EDA role, namely providing sorely needed seed money to stimulate private investment

and the creation of permanent and meaningful jobs in the private sector.

Unemployment has risen to 17.5 percent in Buffalo, N.Y., and the national rate is still hovering at the 10-percent mark; thus, from both my districts' point of view and the Nation's, we need the targeted assistance the Economic Development Administration has proven it can provide.

In recent years EDA has provided assistance to the Erie County, N.Y., Industrial Development Agency, which has used these funds for a variety of purposes including establishing a revolving loan fund which was particularly helpful to small, growth-oriented firms lacking access to easy sources of investment capital.

With EDA seed money, the ECIDA-affiliated Buffalo and Erie County Regional Development Corporation provides permanent working capital, in the form of near equity financing to employment-generating manufacturing companies locating or expanding in the area.

In 1982, the RDC closed loans totaling $3.16 million, leveraging an additional $19.875 million in private sector financing participation for 12 area firms.

By the end of 1982, the RDC had loaned a total of $7.8 million for 38 local manufacturing company expansions which have created or retained 2,033 jobs. In conjunction with other agencies and the area's commercial lending institutions, RDC loans have leveraged more than $40 million—4:8:1 leverage ratio—in additional expansion funding.

Thus, it has been my experience that EDA has worked well to help stimulate private sector growth and development and I support this legislation which would continue EDA as an invaluable element in the long-range revitalization of our national economy.

Finally, I would like to commend our colleagues from Minnesota (Mr. OBERSTAR), the distinguished chairman of the Subcommittee on Economic Development, for the leadership, patience, and perseverance he exhibited during the last 2 years in developing this important legislation.●

● Mr. RAHALL. Mr. Chairman, I rise to express my strong support for H.R. 10, the National Development Investment Act. This legislation establishes a successor agency to the Economic Development Administration and adopts the Governor's finish-up program for the Appalachian Regional Commission (ARC).

Under title I of this act, States, economic development districts, and local governments would be able to receive a 50-percent matching grant to encourage economic development, diversification, and adjustment. In contrast to the previous EDA program, this act will target funds to the most distressed areas of our country. To qualify for funds a community must meet one of the following criteria; unemployment 1 percent above the national average for the most recent 24-month period, per capita income of 80 percent or less than the national average, or an unexpected sudden rise in unemployment brought about by a factory or base closing. This bill will authorize $500 million annually for 3 years under title 1. Funds can be used for the construction of public facilities, the establishment of a locally administered revolving loan fund that would assist small businesses and help to retain them, and other projects that promote development and create jobs.

Those of us who live in Appalachia are most pleased with the inclusion of title II in this act. Title II adopts the Appalachian Governor's phaseout program for ARC. ARC has been the major catalyst with reversing population trends, encouraging the further development of the region's energy resources—mainly coal—providing safe drinking water for many communities, improving access to medical care, and building vocational centers for our children. H.R. 10 directs our attention to some of the most pressing problems still facing Appalachia, such as the need for an efficient highway system and adequate health care, for those areas that badly need help from the Federal Government.

The bill accelerates construction of the ARC highway system for completion by 1991, authorizing $215 million for fiscal year 1984 with graduating increases to $364 million in fiscal year 1991—$83 million is authorized for nonhighway programs for fiscal year 1984 and fiscal year 1985, $79 million for fiscal year 1986 and fiscal year 1987, and $75 million for fiscal year 1988. This will allow for the completion of the primary health care program under ARC by the end of fiscal year 1986 and the completion of other area development projects by the end of fiscal year 1988.

Mr. Chairman, as I travel throughout my district I find a great deal of suffering remaining in our small towns an rural areas. My State, West Virginia, still leads the Nation in unemployment with nearly 20 percent of its workers jobless. One county in my district, McDowell, has an unemployment rate close to 40 percent. We cannot afford any more plant closings. Many communities in West Virginia need assistance, such as that provided in H.R. 10 to create development districts which will provide urgently needed jobs.

I wish to thank both the chairman of the Committee on Public Works and Transportation, Congressman JAMES HOWARD, and the chairman of the Subcommittee on Economic Development, JAMES OBERSTAR, for their help in bringing some fairness to this administration's policies. This legislation shows a continued commitment by Congress to small and rural America and I urge its adoption by the House of Representatives.●

● Mr. BORSKI. Mr. Chairman, the Economic Development Administration has provided much-needed support for vital economic revitalization projects in Philadelphia over the past 10 years. EDA grants have leveraged millions of dollars of local money to renovate commercial areas, rehabilitate port facilities, and make improvements in industrial parks.

The largest single project to date has been the American Street Industrial Conservation District program. The loan fund for this project has awarded 32 loans totaling $10 million for investment in this area, creating 1,022 new jobs and retaining 2,113 existing jobs. Development is continuing in this District and, if additional funds are approved through the emergency jobs bill passed earlier this year, 2,100 more city residents could benefit through the creation or retention of jobs.

Today I rise in support of H.R. 10, the National Development Investment Act. This legislation will not only reauthorize but restructure the EDA, generating permanent, private sector jobs in areas of the country that have experienced great distress.

It is not a quick-fix, short-term jobs bill. It authorizes $500 million annually for the next 3 years to promote economic and regional develpment, and assist local governments in building the necessary public facilities to support private investment. The Federal Government will provide a 50-percent grant to States, local governments, and economic development districts for the construction of public facilities, or to establish locally administered revolving loan funds to assist small business or to retain existing business. This leverages private investment, and requires that public officials and private enterprise work together to solve local economic problems. As such, it is an effective tool for stimulating private investment, employment, and productivity in targeted areas.

Mr. Chairman, in the past we have heard criticisms of the EDA. This bill, however, has been carefully authored to address these shortcomings.

One of the key changes in this bill is the requirement of local governments to develop a total investment strategy. This replaces the piecemeal project-by-project approach used in the past, and thus concentrates resources in a far more coordinated economic development effort. Private sector and intergovernmental cooperation and coordination is required to identify local economic problems. Local officials must give a history of their investments in the area and their sources,

address ways to solve the problem, and identify the projects and benefits of such projects. This comprehensive approach will give local officials the maximum flexibility to choose the course of action best suited to their economic needs, while allowing for Federal dollars to be spent far more wisely.

This is a modest bill, yet it gives us the opportunity to do something positive to encourage economic recovery. It provides for a true partnership between the Federal, State, and local governments with the private sector. With the current poor fiscal condition of our States and localities, it is crucial that the Federal Government continue to assist local communities in their efforts to promote economic development.

I would like to commend the author of this legislation, JIM OBERSTAR, who chairs the Subcommittee on Economic Development, for his leadership on this innovative approach to economic development. His continued dedication in searching for solutions to our twin concerns of employment and infrastructure repair are indeed admirable.

I would also like to commend my colleague from Pennsylvania, BILL CLINGER, the ranking minority member of this subcommittee, who was instrumental in the 97th as well as the 98th Congress in fashioning and supporting this bill.

H.R. 10 was reported out of Public Works by a unanimous 50 to 0 vote. I hope that the bipartisan support this bill received in committee will be duplicated in the full House, and I strongly urge my colleagues to support this vital legislation.●

● Mr. SUNIA. Mr. Chairman, I rise in strong support of H.R. 10 today, and wish to offer my remarks in the form of an extension and revision of my remarks, if there is no objection.

Mr. Speaker, H.R. 10 is a very important bill and an important piece of legislation for my district—the territory of American Samoa.

I am happy to speak in favor of H.R. 10, the legislation that we are debating today. As a member of the Subcommittee on Economic Development, I have tried to be a diligent participant in the hearings leading to development of this important bill. I am pleased to be a cosponsor and to be an advocate for the Economic Development Administration (EDA).

Our subcommittee, under the thoughtful leadership of Chairman JIM OBERSTAR, has carefully reviewed the present and past activities of the Economic Development Administration and the Appalachian Regional Commission. We have heard from dozens of witnesses from all parts of the country who have had experience with these programs. There was virtually unanimous agreement among them that we need to continue Federal programs which provide development assistance to economically distressed urban and rural areas. The only negative comments were from the representatives of the administration.

The bill has an unusually broad base of support among Democratic and Republican Members of Congress, big city mayors, small town leaders, county officials, and professional economic development practitioners—the gamut of political and interest group leaders.

Of particular importance to me and the people I represent, is the value of economic development funds for rural areas. While funds for development in large urban centers as provided by the Department of Housing and Urban Development have been maintained during the past 2 years, funds for most rural economic development programs have been cut. And, if the administration had had its way, programs, like EDA and ARC would have been abolished, while development programs in the Farmers Home Administration (FmHA) would have been cut by 75 percent and folded into a block grant.

Our committee has examined the program and has responded to criticisms by tightening eligibility; requiring a development strategy to be prepared by local governments with participation by the private sector; and reducing the Federal share to 50 percent for capital projects to assure local commitment. This means that funds will go to the neediest communities who have a strategy for economic self-improvement—this is very important.

The problems of rural areas are severe, to quote from the Reagan administration's rural development strategy:

> Progress has not visited every rural region. Many rural areas continue to suffer poverty, isolation, and decay of facilities. On the average, rural America still lags behind urban America in measurable indicators of income, education, and housing conditions.

The National Association of Development Organizations (NADO) which represents locally based economic development organizations located principally in small cities and rural areas has said:

> Without the help provided by this legislation, many of the nation's small communities will not be able to expand or even to retain their economic bases and will again lose population. One result would be additional burdens on major cities as unemployed rural youth would migrate in search of jobs. What is needed is a nationwide approach, such as H.R. 10, which gives balances consideration to both urban and rural economic development needs.

This, in conclusion, Mr. Chairman, I cannot support H.R. 10 too strongly—it is good for my district and it is vital to our Nation. Thank you for the opportunity to include my humble comments—even as a nonvoting Congressman.●

● Mr. MOLLOHAN. Mr. Chairman, I am pleased to associate myself with the many positive aspects of H.R. 10, the National Development Investment Act of 1983, which we are considering today. This bill—if enacted—would be extremely beneficial to the First Congressional District which I represent as well as the entire State.

While the economy seems to be improving throughout the country, West Virginia does not appear to be encountering the economic upturn that other, more fortunate areas are experiencing.

Many of you are familiar with the high unemployment and severely depressed economy of West Virginia—a tragic situation for the State's proud people and aggressive business community. People are not working; factories are not producing; cities and counties are not able to make ends meet; and the State overall is not in a position to continue many longstanding programs, services, salaries, and projects.

As a cosponsor of this measure, I believe H.R. 10 goes a long way toward addressing both the symptoms and the underlying causes of West Virginia's economic misfortune. By extending and consolidating the programs of the Economic Development Administration (EDA) and reauthorizing the programs of the Appalachian Regional Commission (ARC), we seek to make long-term structural adjustments which will facilitate economic recovery. Both EDA and ARC have made significant contributions to my district and to the State of West Virginia over the years. A continuation of these programs is essential at this particular time.

The passage of H.R. 10 will assure the availability of EDA grant money to establish a wide range of economic and community development strategies in distressed areas, including money for public facility construction, economic adjustment planning, and locally administered revolving loan funds to assist area business and industrial growth.

My entire district qualifies for EDA assistance and, if H.R. 10 is adopted, I know West Virginia will have an opportunity to help itself, because I will personally make First District city and county officials aware of EDA's ability to help local economies and, in turn, help the entire State's economy. I will also work with the private sector to strengthen its involvement in economic and community development activities.

In addition, H.R. 10 provides direction for the finish up of ARC through fiscal year 1988 for its nonhighway programs and through fiscal year 1991 for its highway programs.

During its existence, ARC has helped West Virginians in so many

ways. Many essential public facilities—county courthouses, fire stations, water and sewer systems, and recreation areas—would not have been possible without ARC and EDA assistance. On many occasions, these Federal programs served to round out the financing package at a point when the future of the project was uncertain.

Further, ARC's area development assistance to community health centers, hospital, vocational education facilities, libraries, and housing complexes are responsible, in large part, for West Virginia's meaningful health and social gains.

Building interstate-grade highways in mountainous West Virginia is not easy, but ARC's highway development aid has been instrumental in furthering State transportation goals. My district and adjacent areas have been most fortunate in that ARC's highway development aid helped build U.S. Route 50 from Clarksburg to Parkersburg, as well as U.S. Route 48 from Morgantown to Cumberland, Md.

Significant progress has been made throughout Appalachia, but ARC's helping hand is still needed, and I fervently support its continuation as directed by the finishup plan included as part of H.R. 10.

I heartily commend the members of the House Public Works and Transportation Committee, as well as the members of the House Banking, Finance and Urban Affairs Committee for their timely consideration of Development Administration and the Appalachian Regional Commission.

Knowing that this bill will give individual communities an opportunity to regain control of their economic futures by helping them solve the problems of high unemployment, decaying infrastructure, and lack of capital in distressed areas, I urge my colleagues to join in support of H.R. 10.●

● Ms. KAPTUR. Mr. Chairman, I would like to express my strong support for H.R. 10. This legislation would provide assistance for local and regional economic development—area-based development which is vitally needed today. The news of a nationwide economic recovery masks the severe and deep-rooted economic dislocation which continues in areas across America.

The bill provides $1.5 billion for economic development programs over the next 3 fiscal years. These programs would include the support of infrastructure development. Our Nation's infrastructure—its bridges, ports, roads, sewage disposal—are essential to our economic growth. The Nation's infrastructure is in terrible disrepair. A recent CBO study estimated that it would take $53 billion a year to correct the infrastructure problem between now and 1990. The funding in H.R. 10 is a modest, but important step toward the country's reconstruction.

Moreover, H.R. 10 would require applicants to prepare development investment strategies. As a result, localities would have to fit any funding they receive into a master plan. Short-term projects would have to accord with a long-run plan. The development investment strategies would also include identifying other possible sources of funding (Federal, State, local, or private sources). A small amount of H.R. 10 funding could then be leveraged with funding from these additional sources.

H.R. 10 also extends the Appalachian Regional Development Act. It is no secret that the Appalachian region is one of the most underdeveloped in this country. The completion of the Appalachian highway system for which this bill provides should contribute to the region's vitalization.

Finally, I would like to express my support for the Banking Committee amendments to be offered by Congressman LAFALCE. In particular, I am strongly in favor of the amendment which would prohibit assistance for projects intended to relocate industrial or commercial plants from one area to another. Rotating companies around the country does not, in sum, benefit this country. In fact, these transitions are not costless, as communities struggle to cope with the dislocation caused by a plant's departure and, oftentimes, as communities struggle to cope with the costs of rapid growth. The Federal Government should not be assisting this counterproductive competition between different areas.

H.R. 10 is a good bill. Nationwide economic recovery does not benefit all areas of the country equally. The need for economic assistance targeted to needy areas remains. The economic recovery also would benefit from another push in the right direction. Infrastructure development helps insure growth in the economy far into the future.●

□ 1330

The CHAIRMAN. All time has expired.

Mr. OBERSTAR. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore. (Mr. DE LA GARZA) having assumed the chair, Mr. ROSE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, had come to no resolution thereon.

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 10.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

HOUSING AND URBAN-RURAL RECOVERY ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, with Mr. MINETA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. GONZALEZ) will be recognized for 1 hour, and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may require and reserve the balance of the time.

Mr. Chairman, I take considerable and great pride in bringing before the House the pending bill, H.R. 1, which is the Housing and Urban-Rural Recovery Act of 1983.

The designation of this bill as H.R. 1 should be a very clear indication of the urgent importance of this Nation's housing policy, not only as a question of economic policy, but as an absolute human imperative.

I must say that even though I am very proud of the fact that we are being offered this opportunity to present H.R. 1, that this bill was a result of a crying need that has emanated from our American citizens throughout the country.

The Subcommittee on Housing and Urban Development for the past 2 years conducted the most extensive and comprehensive set of hearings in the history of that or any other committee. Despite the tremendous opposition, not on the merits of the policies and the programs, but because of budgetary imperatives and constrictions, we had to confront a very headstrong opposition to even a minimal consideration of the sustenance of these programs for the past 2½ years;

so that at the beginning of this Congress, or not later than 2 weeks after the formation of the committees, the subcommittee got to work and immediately subtracted from the original H.R. 1 two emergency sections; first, to help these American families who are about to lose the great American dream, a home, due to unemployment, and the other to help those poor, destitute persons who have no home and are forced to live in the street.

Again, this was the result of a burgeoning critical need that we saw and heard as late as last December in the lameduck session in which we had emergency hearings for such a problem as the home mortgage assistance program.

Finally, even though the committee acted expeditiously and did act in line with the designation of that bill as a housing emergency bill for the homeless, as well as assistance for the homeowner, and actually this assistance was not an entitlement program, it was a loan program. Even that is today languishing in the Senate, opposed bitterly as a basic principle of program and policy.

There is no denial of the need, as there is no rebuttal of the need and the burgeoning cries of the need emanating from the American people and the reason and the basis for the structure of H.R. 1, which we are presenting here today.

Every living creature has certain absolute needs: Adequate food, adequate health, and adequate shelter. It does not matter what order of life we are talking about, for not even the simplest one-cell microbes can survive without those essential minimum conditions. From the bottom of the ladder of biological things up to ourselves and our fellow human beings, survival is not possible without adequate shelter. That is what this bill is all about, shelter, and that is the one single issue before us here today.

The position of the present administration is that Government has no need to be involved in the business of providing shelter. It claims that there is plenty of adequate housing already in existence, although there is no rebuttal of the factual testimony and the facts to buttress that testimony and even despite the flimflam and the attempted brainwashing of our people in the so-called recovery, is this need denied.

The claim that there is plenty of adequate housing already in existence is not borne out by the facts of the testimony presented by witnesses, Americans from every single geographical center or region of this country in both urban as well as rural. The administration is not troubled at all that for millions of Americans it is not possible to pay the rents or the mortgages for that housing. As I am speaking to you, I am receiving these cries, pitiful cries for help and assistance, not even a bailout, but just the ability to have credit allocated, where for once it would be for Americans of the most stable kind, the people who have been paying on a home for as long as 15 years and want to hold on to the only connection they have with the soil of this great country.

The administration is not concerned that because millions cannot afford a decent life, that those millions are forced to live in conditions that are at best intolerable and at worst impossible, not because these people are any less human, not because they have tried their best not to help themselves, because they have given up trying is it that they live in degradation or cold, as this last winter, and dying on our streets. As I have said repeatedly, we do not have to go to Calcutta, India, any more to see people dropping dead on the streets from exposure.

□ 1340

We had them right here in this country, in this Capital this last winter, and still we have an impervious, hard-shelled resistance, obstruction to even a minimal lifeline of help to these great American families.

They live in such conditions because they have no choice.

Franklin Roosevelt said early in his Presidency that the picture of America was an America where one-third was ill housed, ill clothed, and ill fed. This is the economic recovery that our President is talking about? This is where we are fast approaching.

In the interim period these housing programs that we are fighting desperately now to save have housed America.

The miracle of the world was performed because of housing programs, because of Government intervention under FHA which this administration was considering abolishing early in the inception of this administration. Had it not been for this subcommittee they would have succeeded. Let us face it. This is the fight that is confronting us today.

I say what a horrible tragedy it would be to turn mischievously the hands of the clock backward this way where we can say now that just in the last 2½ years the number of substandard, unacceptable dwellings has increased by more than 10 percent. This is adequate housing when the programs of a President and an administration call for the elimination of the only programs and policies that have housed Americans and performed, I repeat, the miracle of the world?

In 1940 over 60 percent of America's housing was substandard. When the President was talking about one-third ill sheltered, he was talking about really being ill sheltered, shelterless. But the standard of quality of the housing was so deteriorated in 1940 that over 60 percent was undesirable.

In 40 years' time, by 1980, that figure was less than 7 percent. But in 2½ years' time it has gone to over 10 percent.

Why? Because this is a burgeoning country. This is made up of living human beings that do not stand still, and the needs of the country grow with its growth. I do not care what is said today or what has been said here about economic recovery plans that are so nebulous. We do not know what recovery they are talking about. They are talking about an economic recovery to what? To halfway full employment? We do not have it.

Or are we talking about the dream of home ownership? Even the most staunch supporters of this will admit that that is a dream gone lost. It is not entertained any longer now by the average American family.

This is our fight. This is what we are talking about. This is the issue.

I say that we must be responsive to those needs and that no matter the claims, no one will ever, will ever hogtie this country. Nobody will ever put this country in binders. So we are going to have, despite all of this opposition, a need to house Americans.

We may lose a battle, but eventually we are going to be responsive to the American people. I mean the American people, not just one segment, not just one area of our population, but to the crying national needs.

Every one of us knows the truth of the matter and the truth is this: there is no way we can insure that our fellow human beings, our fellow citizens, can live in decent homes unless those less fortunate among us get some kind of help through the Federal Government. There is not a country in the world that has created a housing program for its people without a national commitment.

The issue is a President who says that you cannot trust the American family to pay back the loan at 10 percent, which is a meager thing that we came out at as a lifeline in our so-called emergency mortgage assistance program, but even that would have saved, it would have saved in the intervening months since March, it would have saved more than 25,000 families, their shelter, and their attachment to the land.

They are gone now. The hammer has come down on those homes, and all they were asking was for an allocation of credit, of resources, so that they could continue to hold on to that home.

The record of the depression showed the American families kept their pledges and paid in such quantities their debts back that the Government made money, over $350 million, by the

time they closed the books on the old Home Owners Loan Corporation.

Ours was just a sort of half baked, weak imitation of the Home Owners Loan Corporation. Why? Because of this distorted and perverted priority reflected by a President who says you cannot trust these people; this is a squandering of our resources. But he says I have got to have $10 billion to bail out the biggest banks in this country because they trust some foreigners to pay their debts and pay their loans.

What kind of perversion of priorities is this? Has the Congress reached the point where it will accept this perversion continuously? I do not think so.

I think this is an issue in which the line is drawn, just as clear as if I were to erect a 10-foot wall here in front of me. That is the line. I ask my fellow Congressmen to vouch for the fact that the need, reflected in this bill's attempt to answer and fulfill, is minimal. Even at that, we are trying to compromise.

I do not know how much more we could go in seeking a compromise on our side without capitulating on principle, which I will never do, or on basic policy and program, which, again, I do not think I was elected to do.

This has always been an issue with me from the beginning. But we know the truth of the matter and the truth is that there is no way we can have a national commitment for housing unless we make a national commitment.

Every one of us also knows that the type of help and the extent of it must vary with the conditions. Some families need more room than others. Some need less financial help than others. Some can get along with a little boost toward making over and rehabilitating with their own sweat and muscle as we have seen in one State after the other.

This is what this bill does. It provides the type of help necessary to meet the wide range of needs that our fellow citizens have if they are to obtain decent housing within their financial and physical means. That is the way this bill will provide help.

This is not a generous bill. Let me say that personally it is one that I have compromised beyond my own personal wishes. But, as I said, and I repeat, it is an attempt to compromise.

Up to now the biggest argument has been either, that it would be a budget breaker or that it was administratively unfeasible.

□ 1350

Today I have introduced a substitute, an amendment by way of a substitute, in an attempt to meet 100 percent of those criticisms. In this substitute we provide the exact figure with one exception, and that is rural housing, where this administration is against it, period. They do not want any type of rural housing.

Now, the rural needs are great or maybe even greater than some of the cases of urban needs.

Let me assure you of that. I have been to the rural sections.

As a matter of fact, as long as our country allows what continues to happen even today, 2 years later; just take a drive, less than an hour and a half away from this Capitol and you will see unbelievable housing conditions for our farmworkers.

Oh, sure, compared to the total vast labor force we have in this country, they are a drop in the bucket, but since when is human life degraded and cheapened, even if it involves one life, in our American way of doing things?

I invite my colleagues and my fellow Americans, if they have any doubts about the need, to come and take a trip. They do not have to go far, just to the Eastern Shore here. They will see something that I think even they would agree needs to be improved.

I take great pride in bringing before the House the pending bill, H.R. 1, the Housing and Urban-Rural Recovery Act of 1983. The designation of this bill, H.R. 1, is a clear indication of the urgent importance of this Nation's housing policy—not only as a question of economic policy, but as an absolute human imperative.

Every living creature has certain absolute needs—adequate food, adequate health, and adequate shelter. It does not matter what order of life we are talking about—for not even the simplest of one-celled microbes can survive without those essential, minimal conditions. From the bottom of the ladder of biological beings, up to ourselves and our fellow human beings, survival is not possible without adequate shelter. That is what this bill is about—shelter—and that is the issue before us today.

The position of the administration is that Government has no need to be involved in the business of providing shelter. They claim that there is plenty of adequate housing already in existence. It does not trouble them at all that for millions of Americans, it is not possible to pay the rents or mortgages for that housing. It does not concern them at all that because millions cannot afford the good life, those millions are forced to live in conditions that are at best intolerable and at worst impossible. Not because these people are any less human; not because they have not tried their best; not because they have given up trying, do they live in degradation or cold or in run-down and overcrowded places. They live in such conditions because they have no choice: they are the poor or the near-poor. And they are also the reasonably skilled, what we might call the working poor, who cannot afford to buy a home at today's mortgage interest rate of nearly 13 percent, or who cannot afford to pay immense rents on decent apartments. The administration does not make the connection between lack of personal means, lack of wealth, and a life lived out in unsanitary, indecent, or inadequate housing. They deny that it exists at all. But it does, and that is the issue.

Every one of us knows the truth of the matter, and the truth is this: there is no way that we can insure that our fellow human beings, our fellow citizens, can live in decent homes, unless those less fortunate among us get some kind of help through the Federal Government. Every one of us also knows that the type of help and the extent of it must vary with conditions: some families need more room than others; some need less financial help than others; and some can get along with as little as a boost toward taking over and rehabilitating, with their own sweat and muscle, an empty but redeemable house. And that is what this bill does: it provides the types of help necessary to meet the wide range of needs that our fellow citizens have, if they are to obtain decent housing within their financial and physical means.

This is not a generous bill; it in fact provides only a survival program for housing. It provides for vastly less housing assistance than the Nation needs, but the administration is opposed even to a token effort. They want no effective housing program at all. The bill is not generous because it conforms with the very limited budget authority that was provided for in the House budget resolution. Yet, it does not abandon the principle that this Congress must keep faith with its 35-year-old commitment to a safe, decent, affordable home for every American. That is the question we face with this bill: since we know there is a need, and since we know the need can only be met through a positive, comprehensive Federal housing program, are we going to keep our commitment; are we going to work toward meeting that need? The issue is that simple. The provisions of this bill are many, and they are as complex as they are numerous, but every vote on this bill comes down to that simple issue: are we going to provide a reasonable effort toward providing absolutely essential help to people who are unable to afford one of life's absolute essentials, which is decent shelter? It does not matter how high flown the debate may be, nor how complex the particular amendment, I want to assure my colleagues that every item in this bill, and every stand that I will take, rests on the simple test of whether or not the proposition actually would help people achieve their goal of decent housing at a price they can afford to pay. If there

is a great disparity between what the opponents of this bill want, and what the administration wants, and what the Housing Subcommittee and the Banking Committee call for in this bill, it is because the administration wants no housing policy, and no meaningful housing program of any kind, while we do.

Let me cite an example. The administration advances the view that there ought to be a housing voucher program, and that all existing housing production programs ought to be scrapped. As an economic theory, this housing voucher program could work only if it provided adequate subsidies, and then only if it were an entitlement. Without those conditions, it could never replace the existing housing assistance programs. But what has the administration brought forward? A proposition that would provide housing vouchers for maybe 80,000 families that are not already being helped. Even then, these vouchers would be set at such a low level they would not pay rent on any decent place, in any kind of market where there is any strong demand—which is the case in almost all markets. The administration's voucher program would provide rental assistance for less than 80 people in each one of America's 946 towns of 25,000 or greater population. Suppose you were to hand out a dozen housing vouchers even in a town of 2,000—who among us would say that the result would be to create a vast new supply of privately constructed rental housing? And so, when you examine the administration's voucher program, when you measure it against the real world, it is seen for what it is—a sham, a Trojan horse that would allow them to proclaim that they have brought America the great gift of a new housing program, when, in fact, they would destroy what little of a housing program we now have left, save only a token 10,000 units for the elderly and handicapped.

I remind my colleagues that even if H.R. 1, were to be enacted as reported from the committee, the funding level for housing would still be 60 percent below what existed in 1981. At the proper time, I will offer an amendment that approximately conforms the funding levels to the budget conference and to closely track the funding levels agreed to in HUD appropriations conference, which will represent a still greater cut. But no matter how great the reduction from the 1981 level is, the fundamental question is still whether we have a housing program at all. After all, what the administration wants is a production program that would, in all likelihood, not even be adequate to finish existing commitments. What they recommend is a closeout, a shutdown of any Federal assistance for new housing construction—this in the face of their own admission that there are at least 1.1 million families who today live in substandard units and pay better than a third of their incomes for housing. What is needed, what we recommend, and what this bill provides, is continuation—continuation of programs that are clearly needed, programs that have met the test of time, and programs that work.

Let me turn to a few of the issues that will come up during the course of action on this bill.

First, community development block grants. Congress has, from the beginning, insisted that community development block grants be something more than general revenue sharing. We know that communities themselves are best equipped to set out a community renewal and redevelopment strategy, and that is why this block grant was developed. But we also know that unless the funds are targeted in a way that benefits the truly needed, and unless there is some means by which to insure good planning and careful administration, the whole concept of community development block grants will be destroyed. Unless we have targeting and planning and some kind of ability to measure results, CDBG would not only fail to benefit the truly needy, but would in all likelihood fail to accomplish anything that we intend or envision. Therefore, this bill requires that 51 percent of CDBG funds be expended on activities that benefit persons of low and moderate income. It will require that communities maintain their existing planning methods, and it will establish a uniform reporting system, so that Congress can gage how well the program is actually operating. These are commonsense provisions that insure the CDBG program operates effectively and prudently, and that it benefits areas and people with the greatest needs.

The administration, which does not blink at imposing huge paperwork burdens on the hapless, poor welfare recipients, or the powerless and impoverished applicants for food stamps, all in the name of prudence and efficiency, says that any effort to target or plan or evaluate CDBG programs is unreasonable. But, in fact, their aim is to reduce CDBG into a general revenue sharing program, and then later claim that it ought to be killed altogether because there is no way to determine what effect the money has had.

Up until this time, there has been bipartisan agreement that the CDBG program should be targeted, and that cities receiving these funds should undertake reasonable planning efforts, provide reasonable reports, and be reasonably accountable. Yet, the administration persists in adamantly opposing these commonsense approaches. Since they will not accept any kind of reasonable guidance on what the intent of Congress is and has always been with regard to the CDBG program, we have no recourse other than to write into explicit law how this program is to operate.

Let me turn to an assisted housing issue. The pending bill provides for a maximum rent of 25 percent of a family's adjusted gross income, for those residing in assisted housing. In addition, the bill sets out how adjusted income is to be arrived at. For example, food stamps would not be counted as income, which the administration wants to do, despite the warning from its own Assistant Secretary for Research and Development that this idea most severely affects the lowest income—and that it could have disastrous consequences for the poorest of the poor.

In this case, we can expect to hear all manner of demagoguery, but the issue once again comes down to the question of a fair and effective housing policy. You will hear it said that since a vast number of poor Americans who cannot live in public housing are paying more than 25 percent of their income for rent, it is not unreasonable to expect people who live in assisted housing to pay 30 percent or more. But it is senseless and cruel to say that as a matter of policy all the poor should be equally impoverished. It is like arguing that because God did not provide an ark for everyone, He should not have caused Noah to build one. The fact that we have people in need of housing does not support the argument that those who live in public housing ought to be paying more; it, in fact, supports our argument for more housing production. But notwithstanding logic or need, the administration wants to drive the working poor out of public housing altogether, and it wants to impose a huge new burden on those who remain. They want to do this in the name of reducing the deficit—but the whole operating subsidy for the entire public housing stock of this country, for a whole year, would not operate the Pentagon for even one full 8-hour shift. Let me tell you how the administration's rent increase program actually works—and this is an actual letter from a man who lives in public housing in Erie, Pa.

> My rent has increased from $65 a month to $89 a month . . . We only receive $169 twice a month cash assistance and out of that I've got to pay $89 for rent, $124 for food, clothing, medical expenses and bus fare. There are no jobs anywhere. We've got an unemployment rate in Erie in excess of 30 percent . . . Reaganomics is killing me and my family.

The fact of the matter is that the poor, who have already had to endure vast reductions in food stamps, and for whom there has been no way at all to increase their cash income in the face of inflation, simply cannot pay stiff increase in rents for assisted housing and expect to survive. Unless the rent

provisions of H.R. 1, are adopted, tens of thousands of poor people will have no choice but to leave public housing, and go back to unsafe, inadequate, wholly indecent housing. Why? Because the Reagan rent increases will force them to choose between living in bad housing, or the impossibility of economic survival. Many will leave public housing to take their chances back in the slums and tenements, because there will be no other way that they can hope to meet their irreducible need for clothing, for food, for transportation, for those absolute essentials of existence.

Finally, let me point out that this bill includes with it new approaches for the production of assisted housing, through a flexible subsidy for multifamily units. This flexible subsidy, developed largely by my friend and able colleague from New York (Mr. SCHUMER) is a less expensive, more expeditious way to obtain new or rehabilitated multifamily units than the section 8 new construction program. And there is a great need for affordable units. How great? Not long ago, 216 new units became available in the South Bronx, New York. There were 6,000 applicants for those units. That is how great the need is. And the fact of the matter is that we ought to produce as many as a half million low-cost homes each year, if we are going to meet all the need for good quality, affordable housing. The administration, itself, through its own Housing Commission, admits to the absolute need for affordable housing by better than 1.1 million families that now pay exorbitant amounts of their income for substandard housing. What would they provide for that million families? Inadequate housing vouchers for 80,000. A token 10,000 units for the elderly and handicapped. Nothing—nothing at all—for those who are poor that they have no real choice other than public housing. In the face of needs that everyone knows, we cannot abandon our housing production programs in favor of a handful of housing vouchers that would not be adequate to pay the rent in a decent place in any active market.

And that summarizes the issue. For the ill-housed, this bill provides the continuation of programs that work. The administration proposes abandonment of those programs. They simply want to deny the fact that there is need for decent new housing, and they aim to consign the poor and the near-poor to hopeless despair. But we have a responsibility to continue our commitment to decent and affordable housing—for, as I said at the outset, every living creature has certain basic, irreducible needs, and among those is adequate shelter. This bill aims to provide shelter to those who need help, no more and no less. And this country cannot, in good conscience, abandon its commitment to the American people, nor fail to keep faith with the commitment of a safe, decent, affordable home for everyone, the poor as well as the fortunate, the little as well as the big.

ASSISTED HOUSING PROGRAM

	Appropriations conference		H.R. 1 amendment	
	Units	Budget authority	Units	Budget authority
Public Housing				
New construction	5,000	$900,000,000	5,000	$900,000,000
Indian	2,500	389,550,000	2,500	389,550,000
Amendments	NA	200,000,000	NA	200,000,000
Interest rate adjustments	NA	200,000,000	NA	200,000,000
Modernization	NA	1,550,000,000	NA	1,620,430,000
Total	7,500	3,239,000,000	7,500	3,309,980,000
Section 8				
Rent supplement/RAP conversions	45,000	2,148,903,000	45,000	2,148,903,000
Existing regular	35,000	2,100,000,000	41,017	[1] 2,461,052,000
Loan management	5,000	75,000,000	5,000	75,000,000
Property disposition	10,000	705,000,000	10,000	705,000,000
Moderate rehab	5,000	328,575,000	5,000	328,575,000
Amendment	NA	391,000,000	NA	391,000,000
Section 202	14,000	1,926,400,000	14,000	[1] 1,926,400,000
Deferred authority	NA	1,500,000,000		
Section 235			6,300	166,600,000
Rental production			75,000	900,000,000
Total		12,412,000,000		12,412,510,000
Less recaptures		−2,500,000,000		−2,500,000,000
Total new budget authority	121,500	9,912,928,000	208,817	[2] 9,912,510,000

[1] H.R. 1 amendment provides that $1,926,400,000 in budget authority for Sec. 8/202 and $573,600,000 for regular existing Sec. 8 will be provided out of recaptures of prior Sec. 8 and public housing funds.
[2] Budget resolution provides $10,848,680,000 in budget authority for assisted housing, $935 million more than provided for in the appropriations conference or in H.R. 1 as amended.

COMPARISON OF H.R. 1 AMENDMENT AND BUDGET RESOLUTION

	H.R. 1 amendment	Budget resolution
CDBG	$3,500,000,000	$3,500,000,000
UDAG	440,000,000	440,000,000
Urban homesteading	24,000,000	12,000,000
Neighborhood development grant program	5,000,000	0
Emergency assistance for homeless	100,000,000	0
Neighborhood reinvestment corporation	16,000,000	16,000,000
Public housing and section 8	[1] 5,988,000,000	7,991,000,000
Public housing operating subsidies	1,450,000,000	1,450,000,000
Public housing daycare grants	3,000,000	0
Section 202 housing loan authority	628,000,000	628,000,000
Congregate housing	4,000,000	4,000,000
State/Federal demo program	25,000,000	0
Section 235 loan assistance	167,000,000	0
Multifamily production program	900,000,000	0
Rural housing loans and rental assistance	2,096,000,000	2,077,000,000
Rural housing grants	43,400,000	27,000,000
Solar bank	35,000,000	25,000,000
Crime and riot insurance	17,000,000	17,000,000
Flood insurance	117,000,000	71,000,000
Flood studies	59,000,000	59,000,000
HUD research	19,000,000	18,000,000
Housing counseling assistance	4,000,000	4,000,000
Total	15,640,000,000	16,339,000,000

[1] Assuming $2,858,000,000 rescission.

Mr. Chairman, I yield such time as he may consume to the gentleman from Rhode Island (Mr. ST GERMAIN), the distinguished chairman of the Committee on Banking, Finance and Urban Affairs.

Mr. ST GERMAIN. Mr. Chairman, I too rise in support of H.R. 1, the Housing and Urban-Rural Recovery Act of 1983, and I have to give every plaudit and commendation to our colleagues on the Committee on Banking, Finance and Urban Affairs, but in particular the chairman of the Subcommittee on Housing and Community Development, my beloved colleague from Texas (Mr. GONZALEZ), for his untiring efforts in bringing forth the first major housing authorization bill since 1980 for consideration by this House.

Our committee bill is the result of a 2-year effort on the part of the House subcommittee and represents our committee's effort to address the housing and community development needs of this Nation as we in the House perceive them.

I also want to pay special tribute to the staff of the Subcommittee on Housing and Community Development, under their able staff director, for the herculean efforts they have put into this legislation. In this instance staff certainly has been of invaluable assistance.

H.R. 1 was reported out of the Committee on Banking, Finance and Urban Affairs in early May, well before the budget issues in the first budget resolution were resolved and prior to the Committee on Appropriations had completed its action on H.R. 3133, the HUD-independent agency appropriation bill.

The committee-reported bill therefore provides for higher authorization levels than were subsequently agreed to by the House Budget Committee and the conference on the budget resolution. An amendment will be offered by the gentleman from Texas (Mr. GONZALEZ) and myself that will bring the authorization levels contained in the committee-reported version of H.R. 1 down to the levels set forth in the budget resolution and as are contained in the conference report on the HUD-independent agency appropriation bill.

Mr. Chairman, I regret that we had to further reduce the authorization levels in H.R. 1 because the levels set forth in H.R. 1 were, in the committee's view, minimal levels necessary to meet the low- and moderate-income housing needs and the community development needs that we believe our Nation requires.

Be we believe that this House and the other body would be in no mood to consider these higher authorization levels for assisted housing and community development. The members of the Committee on Banking, Finance and Urban Affairs, and I believe I speak for both sides of the aisle, feel that it is absolutely necessary for Congress to approve this year's housing authorization bill.

Our responsibilities revolve not only around setting the authorization levels for our HUD programs but in providing the policy direction that we expect the administration to follow and the necessary program changes that we believe must be made to make our programs responsive to the housing and

community development needs of our Nation.

Perhaps in a better climate this Congress can consider in a more rational manner our assisted housing and community development needs.

Mr. Chairman, I commend my senior Republican colleagues on the Committee on Banking, Finance and Urban Affairs, the gentleman from Ohio (Mr. WYLIE), and, yes, we do have a gentleman from Connecticut (Mr. MCKINNEY), for the cooperation that they bring to our consideration of H.R. 1 and the responsible attitudes of this House. I also want to commend their staff for their cooperation as well on this matter.

I believe that we will be able to go to conference with the Senate and present the President with a housing bill that meets our responsiblities as elected representatives of our constituents and our responsiblities as members of the Committee on Banking in addressing the housing and community development needs of our Nation.

Mr. Chairman, I look forward to a very productive debate when we get into the amendatory process, which I hope will be early on this week, and for a successful conclusion to this very lengthy effort, wherein a great many parties have expended a great deal of time, so that we can go forth and meet with the honorable Senate and discuss the needs of this Nation.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. St GERMAIN. I am happy to yield to the gentlewoman from Louisiana, a very distinguished former member, a graduate, an alumnae of the Committee on Banking, Finance and Urban Affairs.

Mrs. BOGGS. I thank the gentleman for yielding and for his kind remarks.

Mr. Chairman, I would like to join my remarks with those of the gentleman from Rhode Island (Mr. ST GERMAIN) in commending the subcommittee and the full committee and of course the chairman and ranking members of the full committee and the subcommittee for their diligent work, and the staffs for their very comprehensive attitude toward the multiple housing and urban development and rural development problems and challenges throughout this country.

I should also like to particularly mention that with the flooding that has been so rampant over the entire United States, there is new interest among all Members from every part of our country in the flood control programs and the flood insurance program. I would like to especially thank the committee for including within this bill the authorization for the continuance of the flood mapping program and the flood insurance program. I thank the gentleman for yielding.

Mr. ST GERMAIN. I thank the gentlewoman for her very, very kind, meaningful remarks.

Mr. Chairman, I yield back the balance of my time.

Mr. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this country has not had a housing authorization bill since 1980.

I consider that to be a tremendous tragedy. I do not think that in these times when things move along so quickly that we can stand not to review and not to make some changes in the basic housing law of the United States.

□ 1400

There is a great deal that is wrong with H.R. 1, not the least of which is as it is presently printed it is a gigantic budget blockbuster. I found myself, as ranking member of the Housing Subcommittee, confronted on the one side by an administration that was totally unrealistic at $8 billion and by a committee bill that was totally unrealistic at $24 billion. In fact last year we appropriated somewhere in the neighborhood of $17.8 billion.

Reality should have suggested to the White House, and should definitively have suggested to the committee, that both of those figures were out of balance.

I am delighted to hear that today there will be an amendment to the committee's bill put in by my friend, the chairman, the gentleman from Texas, which will bring this authorization bill into line with the appropriation amounts, though it remains not programmatically correct as we would like to see it.

I think the chairman of the full committee and the chairman of the subcommittee are well aware that the minority at no time has tried to be dilatory in the consideration of this bill. It has been this Member's feeling that a bill was needed so desperately that I was willing to get it to the full House floor as quickly as possible so that the elected Members of this body could work their will and we could go to conference.

I find it a tragedy that once more we are confronted with an authorization, following an appropriation. If this continues I begin to question the necessity, in fact, even the advisability of having an authorizing committee, because our work is being done for us by people who do not spend all of their time concerned with the intricacies of housing.

I mentioned the financial problem which I think has been solved. The programmatical problems are so severe that I question whether they can be solved. I would be confused as to how my vote would be cast if this bill were proper in the appropriations phase, but if it were simply as unacceptable in the appropriations phase as it is in the programmatical phase, I would not have any problem voting against it.

Some of the things that really bother me about this bill are that very great improvements that we made to try to make things work better seem to have been put backward. Community development block grant programs got tied up in so much redtape, so much bureaucracy, that in fact many of our communities found themselves buried in paperwork. We did a great deal to cut back on that paperwork. We had made the whole process much simpler. We had followed along with the same intent that Secretary Harris had when she started the urban development action grant program and that I had when I separated the Neighborhood Reinvestment Corporation from HUD. We had made community development block grant process a simpler process, a speedier process, but I am afraid this bill programmatically takes us right back to ground zero. In fact, it makes it a complicated, difficult, and very convoluted process for the communities and cities of this country.

I want to thank my friend, the gentleman from Texas (Mr. BARTLETT) for at least getting an amendment put into this bill which would allow cities to say that they had complied.

A qualification was put on the community development block grant program which states that 51 percent or more must go to low- and moderate-income families. I feel the 51 percent is an arbitrary number. I feel it is an unnecessary number. The average community is now dedicating about 60 percent of their money to that category. But I feel that 51 percent done on a yearly basis is an absolute disgrace because it is going to totally tie down the hands of our communities.

I offered an amendment within the committee which would have had the 51-percent test based on an average of 3 years. This would have given a community, for instance, with the first year, the right to buy property, to move on and do the other qualifications within the next 2 years of the 3-year cycle, proving that they had lived up to the means and the desires of the committee and the House of Representatives at the end.

Fifty-one percent will not work, cannot work, and is terribly cumbersome on a yearly basis.

I am very disappointed that the committee did not see fit after weeks and weeks of negotiations and many meetings between staff on both sides to allow communities as a matter of last resort to build new low- and moderate-income housing as part of a neighborhood strategies area. How many of us

have had cities and towns where we have almost finished with a neighborhood strategy area, everything is almost done, and there are one or two or three impossible lots that tear down the whole progress we have made by becoming resting places for junk cars, garbage, dope addicts and all of those other things that seem to grow in urban neigborhoods. I felt to give the mayors of this country who are responsible for their communities this one little bit of help to finish off would have been helpful. However, everybody dashed forth and said that I was trying to change the program.

I would suggest to my colleagues that the language was so severe it would have taken the utmost qualification and accounting to prove that you were eligible for the housing.

This bill rolls back the maximum rent that anyone can pay from 30 to 25 percent of income. I do not want to raise anybody's rent, but I find it hard put to go back to Bridgeport, Conn., or Stamford or Norwalk and turn around to the average factory worker, janitor, the working men and women of my district to say that those who are on public welfare are only going to have to pay 25 percent of their income, while many of my constituents, particularly in Fairfield County are paying 35, 40 and sometimes as high as 45 percent of their income for basic dwelling. And I think that 30 percent is painful, but taken up at a slow basis, it certainly is fair across the whole row.

I think that the expansion of deductions to registered gross adjusted income makes this even more of a travesty. In fact we are giving more help to those at the lower end than those who are struggling, double working families and trying to maintain themselves. It is something that we certainly should have looked at.

I feel very sorry that we did not have an opportunity within this bill to test the voucher system. And as the chairman of the subcommittee knows, this ranking member does not like the voucher system much either, but there is a saying in this town, "If you don't prove something and finally put it to bed, it is going to be around bothering you forever." And it seemed to me that this was the bill to try in a demonstration program in various different areas a voucher program in a rural area and in a big city and in a medium size city and in a small town to see if in fact rental vouchers, free market movement, might not be a simpler way to house Americans who need help being housed.

There is in this bill a monstrously large multifamily housing incentive for new construction. This is, once more, here we go. If this program in fact comes into effect we are building a project program, we are building a builders program. Only 20 percent of the tenants in these new buildings would be required to be in low- and moderate-income circumstances. What we are doing is developing a program which will be used to build a project, to get a builder started, we are not developing a program that is going to help low- and moderate-income people. How can we justify the Federal support of 80 percent of the construction of $900 million, when we are only going to affect out of that $900 million 20 percent of those who are low income? Plus the fact that one of the qualifications for this is a severe rental shortage. Where is a severe rental shortage? A severe rental shortage is in the cities that force through rent control and in fact included on new buildings that are just being constructed.

I have been ranking member of the District of Columbia Committee for 6 years. I have served on it for 13. I invite my colleagues if they wish to see new apartment construction that is not luxury apartment construction, drive down Route 95, drive down Route 1 in Virginia. Do not come to Washington. Because you are never going to find it, because the minute we put rent control in on this city and included new construction, there was no new construction done.

The Wylie amendment which has been offered on previous housing bills would have allowed communities to keep rent control but not on new construction.

□ 1410

What we are doing with this multifamily housing program is, to turn around and reward the cities that have rent control by saying, "Here, we are going to give you the money to build some apartments, and we are only going to require that in fact 20 percent of that help go to low income."

My friends in the House, we need a housing bill. I hope that during the consideration of this bill an accommodation can be reached that will take this bill to conference. There are things that desperately need to be done at the Department of Housing and Urban Development. They cannot be done and we cannot effectively know where we are going without a new housing authorization. We are presently today, I would suggest, stuck in the largest morass of interpreting regulations, deregulations, overregulation criteria, that all of us, whether we come from Louisiana, like the gracious gentlewoman who complimented us, or Fairfield County, find it almost impossible to get anything meaningful done for our cities and towns.

And we need to get this behind us because there are so many other things that need to be defined and determined, such as the status of public housing authorities, right on across the entire list of the involvement of the Department of Housing and Urban Development.

I have appreciated working with my chairman. We have, though, a different opinion. We have enjoyed working together. I want a housing bill as well as he does. We have our programmatical differences, but they certainly have not been personal. I have appreciated the effort.

Mr. Chairman, I yield 7 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in opposition to H.R. 1, which is the bill before us. I rise in opposition to H.R. 1 in its present form. I understand that there will be amendments offered or have been offered which will substantially change the thrust of H.R. 1, and I am pleased about that, certainly. I do want to compliment the chairman of the Housing Subcommittee, the gentleman from Texas (Mr. GONZALEZ), for his tireless efforts in holding those many, many hours of hearings on this very, very important subject that is now before us. I also want to compliment the ranking minority Member, the gentleman from Connecticut (Mr. MCKINNEY), for his attention to duty, and Chairman ST GERMAIN for his expert leadership in bringing the housing bill to the House floor.

We are all for a housing bill. We need a housing program. We have not had one, as has been suggested, for about 3 years. I think it is very important that this body express its will on a housing program and on a housing bill and establish the parameters that we think ought to be placed into law as far as a housing program is concerned.

There has been, I think it is fair to say, little willingness on the part of the Members of the other side to come up with a consensus housing bill. I think it is unfair to say today that the administration is against a housing bill.

H.R. 1 is so excessive that it is ludicrous, in my thinking; $25.6 billion in new budget authority cannot be sustained in our present economy. Even in the area of housing, we need to ask whether we can afford $25.6 billion in new budget authority. The prospect of a Federal budget deficit of $200 billion constitutes our greatest threat to affordable housing, in my judgment. At a time when the Federal Government consumes over one-half of the total credit available in the marketplace, adding that much money to that deficit would surely kill off a housing program that is now really coming to life again.

I think it is not fair to say that the administration is against a rural housing program. We think that the section 502 rural housing program is excessive in amount. I have found that

there is more abuse in this section 502 program than probably any housing program in history. This is what is known as a deep subsidy program. It pays interest down to 1 percent on loans. There is almost a 20-percent foreclosure rate in this program. There are a lot of houses in the inventory right now. As a matter of fact, on Friday, the Farmers Home Administration announced that, rather than direct the moneys to individual counties in Ohio, it would pool all of the moneys on a statewide basis. This means that something like $73 million would be available in a pool for the section 502 program in the State of Ohio.

Now, that seems to be like a very adequate amount for the rural housing program. But when compared to the administration's budget recommendations, H.R. 1 is almost $16 billion higher. As a result, I looked upon a freeze at the fiscal year 1983 levels as a split-fee-difference compromise with the administration and a rational effort to come up with a housing bill that could be signed into law.

We do not want to do a vain thing here and just debate the housing issue. We want to try to come up with a bill that can be signed into law. Even when compared to the higher than warranted funding found in the completed action of the HUD appropriations bill, H.R. 1 is out of line. H.R. 1 is $5.5 billion higher on the HUD programs alone.

Now, we understand that Chairman GONZALEZ, along with Chairman ST GERMAIN, will offer an amendment or a series of amendments which will bring H.R. 1 down to about $17 billion or $16 billion. I have not been able to examine that amendment in detail, but I applaud their efforts in this regard. But even a comparison of budget authority figures leaves some major spending issues unaddressed.

For instance, H.R. 1 repeals the tenant rent increases enacted as a part of the Omnibus Budget Reconciliation Act of 1981. On its face, that does not mean much in terms of Federal spending. However, if you look at the Congressional Budget Office cost estimates for this one provision, you will be astounded by the figures you see there. According to CBO, this change in tenant rent would increase outlays by $174 million in fiscal year 1984, an increase to over $1 billion by fiscal year 1988. That would total approximately $4 billion in increased outlays for the next 5 years.

Now, these figures would even be higher, except that CBO estimates there will be a 1-year lag between the rents as they are decreased and the additional operating subsidies.

The program which has to do with the community development block grants, this would be burdened by a statutory requirement that 51 percent of the community development block grant funds must be used to benefit persons of low income and moderate income. This change naturally leads to a series of other provisions dealing with how you measure benefits to low- and moderate-income-persons for various community development projects. This causes a lot of decisionmaking at the HUD level, which I think encumbers the community development block grant program.

In addition to that, there are other programs which are embodied in this bill which I think add to it unnecessarily. A new $1.3 billion multifamily housing production program, I think the timing on this is very bad.

A resurrected neighborhood development grants program authorized at $15 million.

A new program of non-interest-bearing advances for section 202 elderly housing.

A $100 million farm home program of housing preservation grants, which has never been subject to any hearings.

With the budget problems that we have, I do not believe that we can afford H.R. 1 in its present form and, as I say, I am glad to hear and I am encouraged by the words of the chairman of the Housing Subcommittee and the chairman of the full committee that a more reasonable bill will be forthcoming through amendments that will be offered on the House floor tomorrow.

□ 1420

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. BROWN) for purposes of a colloquy.

Mr. BROWN of California. I thank the gentleman for yielding this time to me.

Mr. Chairman, before I pose a very simple question to the distinguished chairman, I would like to compliment him on the legislation which he has brought to the floor. Looking at the committee report, I agree wholeheartedly with the statement on page 2 that the committee's recommendations contained in this bill are modest in comparison with the housing need, and it is an effort to maintain our commitment to the housing needs of the poor and the elderly in our district. I want to assure the gentleman of my wholehearted support for the legislation.

In my district, we have made particular use of the provisions with regard to housing for the elderly and for rural housing, programs which are sometimes under attack. I would like to assure the chairman that these program have accomplished more good for the people in my part of California. I might mention that our distinguished colleague, the gentleman from Florida (Mr. PEPPER) was in my district last week dedicating a program of 36 units of senior housing which has been undertaken several years ago. There are no funds available for such programs today, and this could be the last of a very important program if it were not for the support given by legislation such as has been brought to the floor today.

Mr. Chairman, if I could, I would like to propound a question to the distinguished chairman, and this has to do with a clarification of a provision, section 119, of the act, which has been amended to allow distressed areas within identifiable but unincorporated communities in urban counties to qualify for UDAG pockets-of-poverty assistance.

As we understand it, Mr. Chairman, urban counties will be able to qualify, distressed pockets in small communities that are similar to small cities except for incorporation in the same manner that small cities now qualify as pockets.

Am I correct in this assumption?

Mr. GONZALEZ. If the gentleman will yield, yes, the gentleman is quite correct. That is the precise intention of the subcommittee. Permit me to clarify that the gentleman refers to section 119 of the 1974 act.

The CHAIRMAN. The time of the gentleman from California (Mr. BROWN) has expired.

Mr. GONZALEZ. I yield 5 additional minutes to the gentleman from California (Mr. BROWN).

Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I gladly yield to the chairman, the gentleman from Texas.

Mr. GONZALEZ. The need for this was very dramatically illustrated when we made a trip. The subcommittee went to California, and a gentleman there came up to the hearing and brought out the plight of such unincorporated communities. So the intention is very clearly that it would allow distressed pockets within unincorporated communities in urban counties, which have many of the characteristics of municipalities that are incorporated, to qualify for UDAG pockets-of-poverty assistance. It was to fill in that gap that this language is included in this version of the bill.

The qualification of pockets in small, unincorporated communities, would be handled in the same way as it is now for small incorporated communities. We would expect that the counties would identify the pockets of unincorporated areas that are historically and geographically recognized as a community. A pocket in such a community, of course, meets all of the requirements of a pocket of poverty that apply to similar small cities.

As I said, and repeat, we would expect the county to initiate the process by identifying the unincorporated

community based on a variety of census-defined areas, such as census tracts, block groups, enumeration districts, or other such areas that are defined by the U.S. Census Bureau. In the same way that it is currently handled for small cities, the county in this case would submit the information to HUD as part of the application process.

Mr. BROWN of California. I thank the chairman very much for these assurances, and I would just like to point out to the gentleman what he perhaps already knows: that I represent portions of two very large urban counties adjoining Los Angeles. They are in the process of rapid growth. Many of these areas that we are talking about perhaps will be cities within 5 years or 10 years, but currently, because they are not incorporated, they have difficulty in qualifying, and it is in recognition of this problem that I sought clarification from the chairman. I am very pleased at the response that he has given me.

Mr. GONZALEZ. Let me, in turn, on behalf of the subcommittee, thank the gentleman for his interest and his concern and his diligence in being responsive to the needs of his area. This is a real need and it will fulfill what I consider to be an obligation on our part to try to answer that need in this program. What it does is to make available to these areas that ought to be, and I think the Congress never intended to exclude them, from the UDAG program.

Mr. BROWN of California. I thank the chairman again, and I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. I thank the gentleman for yielding this time to me.

Mr. Chairman, I want to thank the chairman of the subcommittee and the chairman of the full committee for their persistence in pushing ahead with this legislation against a variety of obstacles.

The House will be making a very momentous decision this week when we take up the housing bill. What we have on the part of the Reagan administration is an effort to implement an ideology that says that helping housing get built is simply none of the Federal Government's business. We have been in a severe and profound housing depression for many years. We began to see some increase in housing earlier this year, but it is threatened. Interest rates have already gone up. The most recent action of HUD was, giving in to market pressures, to increase the mortgage rates for federally assisted programs.

The central part of the Reagan housing program is to end virtually all programs by which the Federal Government helps housing be constructed, not because of a decision that we no longer need Federal assistance, not because of a view that the market is going to take care of it, but because of the ideology of this administration which says as it reads the Constitution of the United States, it does not see anything in there about housing.

So its decision, which will be faithfully implemented in the Republican substitute, will be to say that there will be no more Federal housing construction programs with the exception of, I think, about 10,000 units of housing for the elderly and the handicapped, to be built only by nonprofit institutions.

Mr. Chairman, my experience, and I think that of many other Members, is that when I go to my district, when I meet with people, a demand, a request, a plea for affordable housing by the poor, by the elderly, by moderate-income people with large families is one of the most difficult requests we get, because the housing in many parts of the country simply is not there.

I will be putting into the RECORD later today material from the Attleboro area of my district, not the most crowded of the urban areas that I represent, but an area in which there is a desperate need for housing in which people who are engaged in work with the elderly and work with children and work with distressed families over and over have this need for housing and simply cannot find it.

What the bill that came out of the subcommittee and the full committee will do is to establish a new housing production program. We have had, since the Gerald Ford administration, a Republican program known as section 8 housing. People have felt that section 8 new construction costs more than we could afford. Whatever the merits of that debate, it has been decided that there will be no more section 8 new housing or substantial rehabilitation.

□ 1430

The question is whether we will do anything in its place. What this administration has done in housing is similar to what it has done elsewhere, although it has been more extreme here than in any other policy area. They begin by analyzing the existing program and making the not surprising finding that they are false, they have problems. Government gets into things and does not do them perfectly; sometimes it does them badly.

The problem is not their analysis of past programs but their prescription, because this administration is not proposing that we improve, renovate, or make more cost-efficient housing production programs. Their prescription is that the Federal Government should do nothing to build housing except very limited units for the handicapped and elderly and only by nonprofit institutions.

What the committee has come up with is a bill which would provide some new housing construction.

Now, in a ploy which my friends on the other side have become very good at, they first deny the need for anything at all, and then they scoff because what we come up with is not quite big enough. I agree that it is not big enough. I agree that with the emphasis on budgetary constraints, we have come forward with a program which does not have enough in community development block grants, which does not build enough housing for the elderly, and which does not do enough to preserve the existing housing stocks in public housing and elsewhere which we have.

But it does make an effort to do something, and the choice is between that and a program from the other side which carries forth the David Stockman nobody-is-entitled-to-anything philosophy or the Samuel Pierce "HUD-shouldn't-be-involved-in-housing philosophy," which says that we should not have a new unit of construction.

We do have, I guess, a variant of the food stamp program for housing, which is the new Republican approach to dealing with housing, and it will provide, if that is all we have got, some additional money to some people, but it will not directly help housing to be built. It is far too marginal a program to lead to the construction of new housing, and the result will be, come October 1, that there will be no new housing.

And we are already there, by the way. People know that who have had an opportunity to discuss with the Housing and Urban Development Department proposals for new housing construction, other than that very limited program whereby nonprofit programs are provided for the elderly—a good program but hardly an adequate one for the whole country. They are just hearing today, if they call HUD, that we have no new programs, either for construction of new housing or for substantial rehabilitation. Those programs have been stopped and if this administration has its way, they will not be allowed to continue after October 1.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. FRANK) has expired.

Mr. GONZALEZ. Mr. Chairman, I yield 5 additional minutes to the distinguished gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding me this additional time.

Mr. Chairman, the new production program requires that 20 percent of

the units be set aside for low- and moderate-income people. We hope it will provide even more. The gentlemen from the other side say it is not enough. I agree that it is not enough. If they would support us in allocating more money, we could get more low-income and moderate-income units.

The reason this program does not call for more low- and moderate-income units is that we are under these budgetary constraints, and it requires some subsidy. But it is not only those at the low- and moderate-income level, 80 percent of the median and below, who need housing. The real estate section of Saturday's Washington Post is full of articles on the subject. The U.S. Savings & Loan League is telling us that the dream of housing for all Americans is going out, that people, if they are young, can no longer expect to own houses unless they are wealthy.

We are trying to address that, but with regard to the budgetary constraints, yes, with less than ought to be done. But we are told that we cannot afford it. We are told we cannot afford it by an administration which can build an MX missile at $20 billion plus. We are told that we cannot afford it by people who tell us we can afford $8.5 billion for the IMF.

Now, that is off budget, Mr. Chairman. When we call something off budget, it is not real dollars. It is not supposed to bother us, but it has a budgetary impact, and it seems to me inappropriate for the Federal Government to be allocating $8.5 billion additionally for the IMF and then to tell Americans who are literally homeless, who are living in excessively crowded conditions, with far too much of their income spent on housing, that we cannot afford any money to build them a new production program at all.

If Members on the other side or Members anywhere or people in the administration think our particular new production program is not a good one, let us talk about it. But we will not hear that from them; we will hear that we cannot afford to do anything at all. We can afford $3 billion for agricultural subsidies, we can afford the MX missile, we can afford $8.5 billion for the IMF, but we cannot afford a penny for a new production program in which the Federal Government helps housing to get built and adds to the housing stocks in a country where we badly need additional housing.

We have the view from this administration that we have overhoused and that resources should be shifted out of housing. They submitted a budget by which the Federal Government would have made money off the housing programs because of their desperate desire to fund it elsewhere.

We have one chance now this week in the House and later on, on the other side, to keep the Federal Government in the business of helping people build housing. If we do not, if we fail with this bill, if it fails on the other side, or if it is vetoed, people will wake up next year to a situation in which there are no programs whatsoever to help people get desperately needed housing built, and it would be too late then to undo the great damage.

There are other provisions in this bill that are important. There is an amendment in there which I sponsored that would prevent HUD from allowing buildings that were built as subsidized units from being sold off for upper class condominiums. There are two projects right now, one in the city of Boston and one in the city of Philadelphia, built with Federal subsidies by developers for low-income people, and the developers have walked away. I do not know why, but they have walked away. HUD is now going to be in possession of the buildings, and in those cases, HUD plans sales, the result of which will be that the poor people who in good faith relied on the Government's word and moved into that housing would be thrown out because they are in an area that is gentrifying. The housing would be bought by people who would throw out the poor and put in new levels of income or perhaps condominiumize them. They would profit substantially by this Federal subsidized housing, and the people for whom it was built will be thrown out in the streets.

HUD refuses to do anything about it. This bill includes a provision which would prevent HUD from consumating those sales. It would say, yes, sell the property, but if poor and moderate income, people with families, people struggling to make it, single parents worried about their children and trying to provide them a decent place to live, had moved in there in good faith on that assumption, then we will not allow them to be thrown out because somebody decided to take his or her tax advantage and sell the units for condominiums. That is in our bill.

We have in our bill provisions to restore the rental level from 25 to 30 percent. The poorest older people in this country, elderly people living on SSI, on minimum amounts of income, people who live in public housing, have been told by this Congress and this President in 1981, "You are not paying enough rent." It used to be that when your social security check went up, your rent went up. This administration had taken care of that. That is no longer the case. Today your rent goes up even when your social security check does not go up. We have broken the linkage. People who got no social security increase on July 1 still get a rent increase, and they are the poorest people in America and live in public housing.

This bill says to the elderly:

No, we will go back to the 25 percent. We don't think you should get a 20 percent increase in your rent when you got no increase in your income if you are living at a desperate poverty level.

The bill does other things as well. Does it do all that ought to be done? Obviously not. It does not do half of those things. But if is an effort, with the constraints that the budget imposes on it, to meet some of the most desperate needs of this country, and the administration's answer is an ideologically based, rigid negativism that will leave us badly off.

Mr. Chairman, I include at the conclusion of my remarks the following material:

MEMORANDUM OF JOANNE MOORE TO CONGRESSMAN FRANK ON HOUSING PROBLEMS IN THE ATTLEBORO AREA

I was invited to a meeting at the Welfare Office last week by Mr. Silva regarding the plight of the homeless person and family in the Attleboro area. In attendance were representatives of numerous local agencies who are being asked to deal with the problem. As you know, we get numerous calls asking us to find housing for people . . . from what I heard at the meeting, our calls are only a fraction of what some of the other agencies are experiencing.

Welfare pointed out what they can and can't do—the difficulties that they are experiencing when they try to find apartments etc. They are interested in working with the whole community in trying to set up a place where a temporary shelter might be established. Mr. Silva mentioned the feasibility of using a building from the Foxboro State Hospital as a site . . . or unused building at Taunton State.

New Hope cited the difficulties they are experiencing in getting people to leave the shelter since there are no apartments to rent—particulary for AFDC mothers.

Manfield Housing Authority Director said that they were building 9 units for low-income families and had 217 applications. N. Attleboro the same. Public Health nurse in N. Atleboro made a special plea for a United effort.

The meeting soon evolved into a discussion on the very real unavailability of housing even for the intact low or middle income family who want to rent. It was decided to form an ongoing committee to come up with some recommendations. I offered to serve on the committee, since Mr. Silva had specifically asked if there was any plan in Congress to address the housing problem . . . he hadn't realized that Sec. 8 was dead.

I have enclosed a report and survey done by the Office for Children which was the only real data submitted to back up the problem:

HOMELESSNESS IN THE GREATER ATTLEBORO AREA

(By Janet Sylvia, Child Advocate Coordinator)

Long held dreams of the American citizen of owning a white house with a white picket fence may not come to fruition in our society today because of unemployment, high interest rates and the economy in general.

Homelessness in the greater Attleboro area is not unique to the state of Masssachusetts. This is a problem I have observed in the past eight and one half years as a

Child Advocate Coordinator for the Office for Children. Through the Help for Children caseload, I have been able to document the needs, gaps in services and barriers relating to this issue. Oftentimes, parents will call the HFC program seeking housing resources of which there are few. They have been referred to local housing authorities and South Shore Housing which services this area for subsidized housing. Waiting lists at the local housing authorities are a mile long or a two-year wait. Sometimes a family's name will be moved up on a list because of political pressure. The South Shore Housing uses a lottery system to place names on a list.

Families with more than two children experience great difficulty obtaining adequate housing due to the fact that landlords who own tenement houses have divided the tenements in half so they rent out three room apartments, thus, resulting in double the rental income to the landlord. Three bedroom apartments in the Attleboro area are scarce! There has never been enough low to moderate income housing in Attleboro.

Many homes have been condemned in North Attleboro, thus, leaving the tenants displaced. The town of North Attleboro is addressing this matter now. Most of these families end up in motels if they can not move in with relatives. Those families that do go to motels have little resources available to them. Usually they are funded by the local Salvation Army, a church or the Help for Children Program. These financial resources are only temporary. Those who are on AFDC could not apply for emergency assistance because it did not come under the emergency assistance regulations until quite recently. There are two such families residing with their children in a North Attleboro motel now.

Because of Attleboro being a jewelry industrial area, families have moved up here from the southern states with the hope of obtaining employment. These families have been known to the Help for Children Program since they have been referred by other agencies which could not service them financially or with housing resources. For example, in the recent past, DPW has referred a family, new in the area and without resources, because first they must have a residence in order to receive an AFDC grant.

Many of the HFC information calls are related to a lack of housing, housing resources or inadequate housing. Many of these have been a result of evictions for non-payment of rent. If these recipients have already used their emergency assistance during the year they are not entitled to use it again until that year is up. Thus, leaving them homeless. Most families have to rely on classified ads, many of which are discriminatory, i.e., one child accepted, rent is an exorbitant amount. Landlords will tell potential tenants they do not want divorcees, welfare recipients, Hispanics and Puerto Ricans.

Our minority populations such as Puerto Ricans, Hispanics, Cambodians, Laotians and Guatemalans end up renting in out pocket areas of Attleboro, thus paying higher rents for substandard housing. The Health Agent and the Building Inspector can not keep up with the requests. However, I must state they do their job and well!

We have a number of adolescents who are out on the street because their families have disowned them, they left foster care because of some problem and they are runaways. We have no drop-in center, soup kitchen, visible Salvation Army Unit or shelter.

Because of revitalization of downtown Attleboro and North Attleboro many families have been displaced. Due to having to relocate, these families have had to face great hardships such as having to leave the area, due to lack of available housing, ineligibility of emergency assistance and discrimination.

Women who are staying at our Battered Women's Shelter, New Hope, experience the same difficulties when they become displaced. A great many of these women from other areas decide to relocate in the Attleboro area because the support systems for the battered women and their children are here.

Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. BARTLETT).

Mr. BARTLETT. Mr. Chairman, I rise in strong opposition to H.R. 1 in its present form.

Throughout this session during this spring, I have been active, as have the gentleman who have spoken earlier, in the hearings and in the debate, and I would take a moment to commend my colleague, the gentleman from Texas (Mr. GONZALEZ), chairman of the subcommittee, for his diligence and openness. I commend also the chairman of the full committee, the gentleman from Rhode Island (Mr. ST GERMAIN), and likewise commend the ranking members on the Republican side of the Committee on Banking, Housing, and Urban Affairs.

What is wrong with H.R. 1 is not the intent of the sponsors but the result of what this housing bill, H.R. 1, does in its present form, because the emphasis in housing should, in fact, be on housing and should be on the opportunities for decent, safe, and sanitary housing for all Americans and on increasing those opportunities. The emphasis should not be on Federal programs, on Government agencies, on politics, or on promises that cannot be kept or on how many Federal housing units one can put in this bill.

The emphasis ought to be on providing opportunities for decent, safe, and sanitary housing for Americans at all economic levels, and particularly for increasing the opportunities for homeownership for low- and moderate-income Americans.

Mr. Chairman, I would commend the chairman for his announcement that we will not have a debate purely over funding. I would commend the chairman of the subcommittee for his statement that he would reduce the funding in H.R. 1 from $22.2 to $15.8 billion. That increase, if it were allowed to stay in H.R. 1, would in fact have decreased the opportunities for housing, would have increased interest rates across the board, and ultimately would have denied Americans new housing opportunities.

□ 1440

So that the debate will not be on funding alone, but will be on those significant program changes from existing program levels and existing management and existing housing programs that are beginning to work, those significant changes in the programmatic changes in H.R. 1.

Now the debate will be on the merits or the demerits of this bill, those changes in programs, those changes that could in fact hurt the cause of good housing. Those changes that, in fact, make housing and the ability of our cities and our housing authorities more complicated to deal with housing and would in my judgment help fewer people.

I would cite this afternoon several of the demerits of those program changes and the severe disadvantges of this bill. First, as has been mentioned several times, this bill would roll back from a decision that was made 2 years ago, from 30 percent of tenant income for housing to 25 percent of income. That is an unfair and an ill-timed rollback and I will have more to say on that later, as will I think a number of Members from both sides of the aisle.

In addition, this bill would add new construction. It would add so near as this Member can tell approximately 15,000 new units of subsidized housing that would be newly contructed and the construction subsidy would come from this bill at a cost of $900 million.

I would point out to the Members that that $900 million is not an add-on. In fact, it would be the same amount as is included in the appropritions bill, but that $900 million to assist middle-income Americans and that $900 million to assist apartment builders would, in fact, come from what would otherwise be assisted housing in section 8 for low- and moderate-income Americans; so it is charging those low- and moderate-income Americans to increase new construction for middle income, and I do not think that is fair.

This bill would add to the cost and the burdens of administering the community development block grants with some changes. Now, the committee did make some changes to make that less onerous, but in fact this bill would return in part to the bad old days when community development block grants did not resemble a block grant at all, but resembled a series of categorical grants.

This bill has significant omissions that I think will be addressed by amendments from this side of the aisle. This bill does not prohibit rent controls in cities which receive Federal funds for housing and, in fact, in that sense the Federal Government would work against itself.

This bill would continue prevailing wage rates on rehabilitation of public housing, in fact, when the prevailing wage is almost impossible to obtain and we could renovate and rehabilitate 20 to 40 percent more units using the same amount of money.

This bill does not, and it should, increase FNMA loan limits in high-cost areas to allow FNMA to serve the needs of housing.

I said a minute ago that this bill, we are not going to deal directly with the funding, but with those program changes because the funding is about the same on the surface; but, Mr. Chairman, I would at this time detail some of those other costs of funding, those costs that will never show up in the budget calculations, but they are just as important to the taxpayer and they are just as much funding increases, would add to interest rates paid in this country, if you begin to recognize the taxpayer as a taxpayer and forget about layers of government.

Now, the costs that are added into this bill that I am talking about are costs that are attributable to structural changes in existing programs that would occur if H.R. 1 were adopted.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McKINNEY. Mr. Chairman, I yield 3 additional minutes to the gentleman from Texas.

Mr. BARTLETT. Mr. Chairman, these are hidden costs, costs that cannot be shown in a bookkeeping document, such as a budget, but costs that are, nevertheless, real and must be paid by someone sometime.

The most obvious example is the rollback in tenant rent contributions from 30 to 25 percent. I would support such a rollback if, in fact, that lower figure were in line with what other taxpayers are paying for their shelter costs; but on the average, the American people pay 33 percent of their income for shelter and on the average, low-income Americans who are not subsidized, pay 50 percent of their income for housing costs. This one rollback along, while it looks like small amounts of money individually, and it is, in fiscal year 1984 would mean $174 million in additional Federal costs. By fiscal year 1986, adoption of this 25-percent rule, the difference would be $1 billion in outlays, which translates into either cost overruns adding to the deficit and adding to the interest rate for all Americans, or would translate into less funds available for those same Americans.

There are other changes in the tenant rent determination that will cost the Federal Government more, but will never show up in this bill as a budget authority or funding figure. By excluding an additional $100 for each elderly person from each tenant's adjusted income, you add $62 million in Federal costs. By excluding extraordinary medical expenses in excess of 3 percent of income, you add $198 million. By excluding child and dependent care expenses, you add another $30 million.

There are other structural changes in the assisted housing section which will have an impact on our budget. The 50th percentile of recent mover rents, as opposed to the 40th percentile, which was previously discussed, would add approximately $97 million in fiscal year 1984 and $485 million over the period of the fiscal years 1984 to 1988.

Mr. Chairman, what I am trying to say is that these are real dollars that will add to the funding costs of this bill, even though we do not see them reflected in the budget authority figures that we are used to dealing with.

Who pays for these figures? It is clear the taxpayer does. What difference does it make if he pays additional Federal taxes or additional taxes at the State and local level so that they can comply with the Federal requirements? The net result is the same.

Mr. Chairman, the point I have attempted to make is that we cannot look to the budget authority figures alone in determining the costs of these programs. Someone either now or later must pay the piper. With many of these structural changes, it is now. H.R. 1 forces upon us immediate Federal outlay expenditures that this country can ill afford, expenditures that are not listed on the budget authority figure, but are real. Other provisions of the bill simply shift the increased costs to the State and local governments. The taxpayer is going to suffer in the end because he pays taxes at all levels.

Therefore, I caution my colleagues to beware of the siren song of reduced authorization. It is not only how much we spend, but how we spend and when we spend that is important. Without major changes in the structure of the programs in H.R. 1, reduced authorization levels will not be the answer. Spending less money on bad programs is not good government. Spending the same amount for good programs is.

I thank the chairman and I thank my colleagues.

Mr. GONZALEZ. Mr. Chairman, I yield 5 minutes to the distinguished gentleman and a very valued member of the subcommittee, the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman, I rise in support of H.R. 1, the Housing and Urban-Rural Recovery Act of 1983. I wish to commend the chairman of the Housing Subcommittee (Mr. GONZALEZ) for his effort and leadership in developing this comprehensive housing legislation and also for offering amendments to bring the authorization levels in the legislation into accord with those recently approved by Congress in the first concurrent budget resolution for fiscal year 1984. I also compliment the full committee chairman, the gentleman from Rhode Island (Mr. ST GERMAIN) and the ranking subcommittee member, the gentleman from Connecticut (Mr. MCKINNEY) for their contributions to this legislation.

There remains much uncertainty in the Nation's housing markets. While it appears the most severe housing recession since the Great Depression has ended, the prospect for recovery in housing continues to change with each month's economic reports. New predictions of rising interest rates have again dampened earlier hopes for a vigorous upturn in housing construction and sales during the second half of the year.

This continues to pose very serious problems for Federal housing policy. Two years of stagnant housing activity have seriously aggravated an existing shortage of decent and affordable housing for the great majority of American households. Persistently high mortgage interest rates have forced all but a small percentage of home buyers out of the market for new homes and rising demand for existing housing has made it increasingly difficult for lower income households to obtain housing that is either adequate or affordable.

The Reagan administration continues to ignore these serious housing problems. It lacks any comprehensive housing policy and remains unwilling to even consider such a policy. From the outset, this administration has dedicated itself to destroying all existing Federal housing efforts. It has successfully halted all but a token level of federally assisted new housing construction and has severely restricted housing-related services to the poor. Now, after two of the worst years on record for housing, the administration persists in seeking to restrict all remaining housing assistance, including vital aid to home buyers provided with FHA mortgage insurance and Federal secondary mortgage market activities.

In place of our current housing programs, the administration has offered only inadequate housing vouchers, limited block grants, and a vague promise that tax benefits and reduced regulation will induce the private market to do what it has been unwilling to do—provide housing to meet the needs and budgets of the majority of American households. This approach has not worked in the past and is clearly inadequate to meet current housing shortages.

In a series of speeches earlier this year, I attempted to outline an alternative policy to guide Federal housing efforts during the next few years. Given the administration's hardened views on housing assistance and the lack of consensus in Congress on the future direction of Government housing programs, it appeared that only an interim housing policy would be possible for the foreseeable future—a policy designed specifically to address

our most pressing housing needs while beginning to lay the groundwork for new, less costly approaches to meeting low-income housing needs.

Essential to such an interim policy is an effort to shift more of our limited housing resources to less costly housing rehabilitation programs and to programs, like the elderly housing program, that meet pressing housing needs while also freeing existing housing for repair and occupancy by young families. An interim policy must also seek to strengthen existing programs to assist moderate income home buyers both directly with mortgage insurance and loan guarantees and by expanding our secondary mortgage financing system.

As part of this policy, Congress must begin to build a new consensus regarding long-term housing goals and priorities, as well as develop new housing programs that permit an expansion of housing assistance within the tighter budget limits of the next decade.

I support the housing authorization legislation currently before the House and believe it will do much to implement the kind of interim housing policy I have advocated. H.R. 1 continues existing programs that meet the most pressing housing needs of the poor, while offering new proposals that could serve as models for less costly housing assistance programs in the future. It shifts increased priority to housing rehabilitation and neighborhood preservation efforts, and strengthens current programs to facilitate private home construction and finance.

In short, H.R. 1 offers what the Nation has lacked for the past 2 years—a comprehensive approach to our current housing problems and an indication that new, more efficient approaches are being devised to preserve the Government's traditional commitment to decent housing for all Americans.

Mr. Chairman, I wish to highlight a number of the provisions in H.R. 1 that I think are particularly noteworthy and deserving of support. The legislation, as amended by the Gonzalez amendment, would provide $9.9 billion in new budget authority for low-income housing assistance. This is a significant reduction from prior authorizations and a level of spending consistent with the fiscal year 1984 budget resolution.

In an effort to continue to serve as many of the Nation's poor as possible, the bill shifts funding priorities for assisted housing by increasing the proportion of funds allocated to the section 8 existing housing program and the section 8 housing rehabilitation programs. Rather than providing new public housing construction, H.R. 1 seeks to preserve the public's existing investment in public housing by increasing funds for project operation and modernization, and by making additional funding available to meet problems in troubled housing projects.

Housing rehabilitation is given much greater emphasis in this legislation than in any prior housing authorization. In addition to providing a larger proportion of funding for public housing repair and the section 8 rehabilitation program, H.R. 1 seeks to continue funding for rehabilitation grants under the section 312 program, institutes a new program of assistance to neighborhood organizations to finance neighborhood preservation activities, and includes housing rehabilitation as an eligible activity under a new multifamily housing production program.

In rural housing, H.R. 1 also makes needed changes to encourage housing rehabilitation under the current section 515 rental housing program and authorizes a new rehabilitation block grant program to assist small communities in converting existing structures into needed low-income rental housing. This constitutes a major change in rural housing policy, one that could significantly increase housing opportunities in many rural areas for a fraction of the cost of current new housing construction.

Other provisions in H.R. 1 offer creative examples of how urgent housing needs can continue to be met through more efficient use of scarce Federal resources. The multifamily housing production program in title III of the bill offers minimal "up front" financial assistance to developers to promote construction of up to 100,000 units of multifamily rental housing. Unlike current rental construction programs, assistance would be offered through local public agencies and designed to meet the specific housing needs of a community and would not necessitate expensive long-term Federal subsidy payments.

Of equal importance is the proposed changes in the section 202 elderly and handicapped housing program contained in title II. By revising the financing and subsidy mechanisms for the section 202 program to eliminate costly section 8 payments, the proposal significantly reduces the cost of providing new housing for the elderly. Through the improved use of program funds, it would be possible to assist some 36,000 units of section 202 housing during fiscal year 1985, with the same amount of budget authority currently provided for only 14,000 units.

I have only addressed a few of the important program and policy changes contained in H.R. 1. The legislation incorporates many additional provisions that are unlikely to demand headlines, but make important and much needed improvements in our basic housing laws.

I call upon my colleagues to consider the needed changes that are incorporated in H.R. 1 and to recognize the effort that has been made to reduce housing costs and devise creative approaches to meeting pressing housing needs. I support the Housing and Urban-Rural Recovery Act of 1983 and urge its adoption.

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Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, it seems to me that the problems with H.R. 1 go beyond the spending limits and the program changes that are included in the bill. Some of my colleagues, notably the gentleman from Connecticut (Mr. MCKINNEY), have already highlighted a number of the problems in the bill, such as the limitations in the CDBG program and the multifamily housing program.

I would like to focus, however, on one particular failure that I see in the bill, and I take here the opposite position of the previous speaker, my colleague from New York (Mr. LUNDINE). I am referring to the program of housing payment certificates or vouchers.

Unfortunately, there was no effective effort made in committee to work with the administration on this initiative. This was true even with respect to a demonstration voucher program for something like 25,000 units, a proposal which was made in committee and one would assume that there would have been room within the increases in funding for assisted housing that have been appropriated in this bill for such a modest demonstration program.

However, efforts to provide such a demonstration were inexplicably opposed on party lines.

This stands in stark contrast with the more bipartisan approach taken by the Appropriations Committee. Despite the lack of authorization, the Appropriations Act for 1984 provides deferred budget authority sufficient to permit a 25,000-unit demonstration contingent upon an authorization bill being enacted.

At least the Appropriations Committee has made an effort to come up with a compromise that could be enacted, rather than being strictly confrontational on the subject of vouchers.

I believe all members of the Committee on Banking, Housing, and Urban Affairs want a housing bill this year. It will be the first in 3 years. However, the rigid approach taken by the majority when they excluded the minority from any aspect of developing the legislation is not conducive to compromise.

In my opinion, much of this bill perpetuates the inefficiencies of the bureaucracy and in some cases compounds our problems. I think the case could be made, as the gentleman from

Connecticut (Mr. McKINNEY) has previously stated on the multifamily housing program, that we are now initiating a yet more costly program with a shallow subsidy. However, only 20 percent of this costly program will be set aside for low-income housing.

That, to me, is not the purpose of a new housing bill. It seems to me that we should be looking for innovative, cost-efficient ways of providing housing. Again, I would like to point out, the voucher system is not a cure-all. It is not a panacea. But it certainly seems to provide a method of looking at a problem in a new way, and it is worthy of the modest pilot project that has been proposed by the Appropriations Committee.

I regret that the Banking Committee has refused to go along with this approach.

Mr. McKINNEY. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I am happy to yield to the gentleman.

Mr. McKINNEY. I just would like to join with the gentlewoman in her remarks. I find it very difficult, as someone who quite frankly really was not too enthralled with the voucher idea or housing payment certificates—they will not work where I represent, I am convinced, because of our low vacancy rate—but I do feel, as I said in my statement earlier, that they needed to be examined and investigated under a demonstration setup.

I think the Appropriations Committee was very wise in putting aside 25,000 units to demonstrate. I think we made a great mistake and I tried to amend it within the committee.

But it would seem to me everybody on the committee would really want to put this issue to rest one way or the other since it has been sort of moving around for about 10 years. No one seems to really know and appreciate what the gentlewoman has said.

I am at least glad we have in the bill a stipulation that would bring HHS and HUD together because that, of course, is now where we have the rental income supplemental payments and it is the most gigantic voucher program in the world already going on with no coordination and direction.

Mrs. ROUKEMA. I thank the gentleman and I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the distinguished Commissioner from the great Commonwealth of Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 1, and would like to commend the House Banking, Finance and Urban Affairs Committee and its Subcommittee on Housing for bringing this vital legislation to the House floor.

This legislation bears, once again, the talents and leadership of the Housing Subcommittee Chairman HENRY GONZALEZ and other committee members who have, with considerable patience and diligence, acted responsibly in paving the way for what will hopefully resolve a problem of considerable proportions, that of the necessity to reauthorize our country's housing and community development program.

Mr. Chairman, one of the highest priorities in the midst of our current economic situation should be to preserve and protect those time-honored and vital housing programs at the Federal level. For years, these programs have adequately provided a decent shelter for the citizens of the Nation and Puerto Rico.

This bill reauthorizes the most important housing and community development programs administered by the Department of Housing and Urban Development.

It will also continue the rural housing programs administered by the Farmers Home Administration. It will start up a new rental housing program.

But, perhaps most important of all, this bill modifies in a positive and constructive manner, the existing housing programs which—in Puerto Rico over the years—have helped U.S. citizens attain the right to a decent living environment.

I believe it fair to say, Mr. Chairman, that the report on this legislation is both a concise and vivid document that will help us understand the present housing problems and how best to continue the Federal role in this fundamental area.

The report notes that there is a national and historic commitment to a housing policy that must be continued, and that H.R. 1 is definitely a survival program in the current recession to continue a fair and decent national housing policy.

The community development block grant (CDBG) program is proposed to be reauthorized, at a level of $4.5 billion for each of the next 3 fiscal years.

This total is approximately $1 billion more than the current level of the CDBG program which, in the current fiscal year, is providing a total of $115,516,000 to help every municipality in Puerto Rico with projects to carry out a wide range of activities geared toward neighborhood economic revitalization, economic and urban development, and the provision of improved community facilities and services.

The higher total will allow our island's mayors an annual reassurance that—if the funds are appropriated to the level of the new authorization—the problems caused by inflation and high construction costs will be adequately met.

A total of 10 of our our island's 78 municipalities receive guaranteed funds on an entitlement basis under the CDBG program.

In June, the CDBG State block grant program for the current year was approved, which will allow the 68 smaller municipalities on the island help meet the needs of low-income families, at a level of $54,796,000. The approval of our nonentitlement, or small cities program, which is operated by the Municipal Services Administration of Puerto Rico, constitutes a new approach in Puerto Rico. Under H.R. 1, we would be reauthorizing this program for fiscal years 1984, 1985, and 1986.

The State block grant program will meet three objectives.

First, it will focus benefits on low- and moderate-income persons, the most needy in our society. Second, it will help eliminate slums and blight in various neighborhoods throughout the island and, third, meet economic development needs so pressing in Puerto Rico.

The tightening of various rules and regulations of the CDBG program on the national level provided in H.R. 1, are met with approval in Puerto Rico, for it helps us continue to focus on the areas of need in various municipalities throughout the island.

In the case of a companion urban program, the urban development action grant program is reauthorized at a level of the current national total of $440 million. This program has my strong support.

In recent years, the UDAG program has provided an invaluable tool to both large and small cities in increasing private sector investment in helping solve urban problems.

Since the UDAG program began in 1978, Puerto Rico's participation in this program has consistently increased. UDAG grants focus aid to cities and counties experiencing economic distress. UDAG grants have brought into play considerable private investment in Puerto Rico to help construct, throughout the island, shopping centers and hospitals, merchant and retail centers, housing units for low- and middle-income families at lower interest rates, and other construction projects which serve the dual purpose of creating construction as well as permanent jobs.

The most recent estimates for this program, which I consider essential, is that Puerto Rico has utilized a total level of Federal funding of more than $71 million since the program began.

This has funded 69 projects throughout Puerto Rico but, most important of all, has generated an additional investment of $259,972,552 from the private sector.

The provisions in H.R. 1 which would allow substantial technical assistance to smaller communities are, in my opinion, necessary in helping many

small towns throughout the Nation which lack the expertise to develop sound, imaginative and practical proposals, and the committee properly notes that simple dissemination of information on the UDAG program is not enough to help those communities lacking the full-time staff to develop good proposals.

Title II of this legislation authorizes the various low income assisted housing programs and other programs such as public housing operating subsidies, public housing modernization, section 8 rehabilitation and conversion program and others.

In rejecting the proposal for a housing voucher program to substitute many of these programs, the committee has opted to continue the traditional and effective role of the Federal Government in helping low-income families. These programs have been and continue to be important to us in Puerto Rico to house and shelter many of our low-income families. Continuation of the traditional HUD role is welcome news in Puerto Rico. The bill breaks new ground in the case of title III.

Title III provides $1.3 billion for fiscal year 1984 for a new program, to help State and local governments build or rehabilitate multifamily rental and cooperative housing. This housing is needed in areas with a severe shortage of affordable alternatives.

Finally, Mr. Chairman, title IV reauthorizes the various rural housing programs of the Farmers Home Administration.

In Puerto Rico, for the most recent fiscal years for which data is available, the island received a grand total of $76,836,000 for housing programs of the Farmers Home Administration.

The reauthorization of rural housing programs, as well as the other reauthorizations contained in H.R. 1, will offer reassurance that the national role in housing will be continued. It is a sound, solid piece of legislation and it has my support. It comes at a time when the need for decent and affordable housing has been heightened by high interest rates and the severe recession from which we appear to be finally emerging.

I commend the committee and the House leadership for bringing this bill, shaped as it is, to the House floor and urge my colleagues to support it.

□ 1500

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished Commissioner Representative from Puerto Rico and also for his assistance with respect to some of the programs that we have incorporated in H.R. 1, because he and some of the constituents he represents were very instrumental in some of these sections.

Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. I thank the chairman.

I want to compliment the chairman on the splendid work that he has done, and the committee and the ranking member, Mr. MCKINNEY, also for bringing forth H.R. 1, the Housing and Urban-Rural Recovery Act of 1983.

The legislation will reaffirm and strongly reinforce the longstanding national commitment to the well-being of our Nation's cities. The legislation will also strengthen and restate the essential elements of our national housing program. And I know the committee has labored long and with great detail over this legislation, to examine these programs, in their every facet, and has brought forth a piece of legislation that our Nation's cities both large and small desperately need. I do rise to express a matter of concern about the urban development action grant program for small cities.

This year, some 2,000 cities across the country will lose eligibility for what has come to be recognized as a very important development tool to regenerate, strengthen local economies, even at a time when many of those cities are experiencing severe economic recession and distress.

The 1980 census will not gage the extent or the impact of the deep recession that many small communities have experienced particularly in the last 2½ years.

My own hometown of Chisholm, Minn., is located in a county which has 26.9-percent unemployment. That is 1 out of every 3 workers out of a job. Yet, the city has been notified that it will not be eligible to compete for UDAG's in fiscal year 1984.

Another example in another county, Taconite, Minn., in Itasca County, Taconite has been notified that it will not be eligible for the UDAG program for small cities; yet the county in which it is located has 22.4-percent unemployment.

Other small cities throughout Minnesota, throughout the Great Lakes States, the New England, Middle Atlantic States, the great industrial heartland of the United States, are in the same problem, principally because the census data collected for the 1980 census will not reflect the distress of the current recession.

Now, as I examined the program for large cities and for urban counties, I find that they are allowed to include unemployment as a factor in their qualification formula as well as the employment lag. Two additional factors along with the four basic factors for small cities.

Now, while unemployment data and I recognize there is a problem here, unemployment data is not collected for small cities per se. Chisholm does not show up in the U.S. Department of Labor statistics. But the Labor Department does collect data for the balance of the county. We use that information for the Economic Development Administration programs.

We have provided in the bill that was debated just prior to this one, H.R. 10, the National Development Investment Act, an alternative; that a city, to qualify for the program, could use either unemployment at 1 percent above national average unemployment for the past 24 months or it could use the per capita income, 80 percent of the per capita income, similar to the UDAG formula.

Now, it would seem to me that it would be a measure of fairness to small cities to allow them to use the unemployment data as a measure of distress. The Labor Department does make those certifications, does declare certain areas to be labor-surplus regions. And there is a specific formula written in the law; standards already exist; you would not be creating anything new.

So, I really am considering offering an amendment, and I would like to have the chairman's reaction to this, to inclusion of unemployment as a measure of the distress, one of the factors for consideration.

Mr. GONZALEZ. If the gentleman will yield, let me answer briefly that in section 102A of our bill, we are taking cognizance of that and we provide for these pockets of depressed areas for UDAG purposes within communities that are not even incorporated where, of course, distress or unemployment is a factor.

On top of that, counsel for the committee has notified us that HUD has notified us that they are proposing issuing regulations that will provide these standards of consideration of unemployment rates and the like for UDAG purposes.

We are monitoring this very much to see that they implement them as quickly as possible.

But there is a cognizance of this need. Both in our bill as well as in the administration's proposed regulations it is being taken cognizance of.

So, it may not be necessary to have an amendment. But let me not preclude the gentleman from considering something that might perfect the bill.

Mr. OBERSTAR. I thank the chairman for that comment. I did want to discuss the matter of the proposed regulations that HUD is considering issuing. They have been in the works for many months, but the gestation period seems to be endless.

Mr. GONZALEZ. That is true, but we were just informed that they are apparently putting some heat under the vessel that is cooking the regulations.

Mr. OBERSTAR. Perhaps the discussion with the chairman could put additional heat and shed some light on the matter as well; if the chairman takes an interest in the matter that could expedite the action by the agency.

Mr. GONZALEZ. I do not want to disappoint my distinguished colleague. I do not know how much influence I would be able to muster.

The fact we have incorporated language in the bill itself and taken cognizance of this great need should be a clear message as to the congressional intent.

Mr. OBERSTAR. I thank the chairman.

Mr. McKINNEY. Mr. Chairman, in a spirit of bipartisan generosity, I yield back all except 5 minutes, which I will yield to the gentleman from New York (Mr. SCHUMER).

□ 1510

Mr. GONZALEZ. Mr. Chairman, let me acknowledge the generosity of our distinguished colleague, for whom I have nothing but the highest honor and praise, for offering this time in order that the distinguished and young and dynamic Congressman from New York will be able to sum up and close out the debate.

I yield whatever time is available to this side to the gentleman from New York (Mr. SCHUMER).

The CHAIRMAN. The gentleman from New York (Mr. SCHUMER) is recognized for 7 minutes.

Mr. SCHUMER. Mr. Chairman, before I begin my remarks, I would like to praise the chairman of our subcommittee, the gentleman from Texas (Mr. GONZALEZ) and the chairman of our full committee, our staff, and the members of our committee on both sides of the aisle, for the hard work that they have done, and the cooperative spirit that has prevailed.

Mr. McKINNEY. If the gentleman would yield for just 1 second, please do not praise me any more. It got the gentleman into a great deal of trouble the last time he did it.

Mr. SCHUMER. Mr. Chairman, this bill has had almost 3 years in percolation. It is the first housing bill to reach the floor of this House since I and the gentlewoman from New Jersey and the others in my class on the Banking Committee and the Housing Subcommittee have been Members of Congress.

And to me, Mr. Chairman, it represents a watershed. I think that this bill really reflects the direction that our country will take and our party in particular, the Democratic Party, will take in the years to come. I think that the bill shows that we have learned from some of our past mistakes. It is no secret that many of the housing programs that existed prior to 1981, came into disrepute, in Congress and throughout the country, for one reason or another. I am referring particularly to the section 8 new construction program.

Now, in my opinion, section 8 did what it was intended to do, house very poor people for a long period of time, but there is no doubt that it was expensive, extremely expensive, That it did not encourage cost effectiveness, and that there were a variety of other legitimate criticisms of the program.

The Reagan administration's response to the excesses, shall we call them, was simply to slash and cut. In the last 3 years, this administration has done just that. The Reagan administration record is one of devastation of lower income housing programs. The administration terminated low-income housing construction programs funded at $28 billion in the last year of the Carter administration, and proposed instead a $150 million program that would be aimed mostly at cosmetic improvements. The administration raised the rent for assisted housing tenants from 25 to 30 percent of their income. The administration twice proposed including food stamps in the calculation of tenant income. The administration studied the feasibility of demolishing large portions of public housing stopped. And this administration has opposed every neighborhood base program that has been proposed. It has proposed eliminating crime and riot reinsurance, which would leave thousands of small businessmen without any insurance in some of our Nation's most troubled neighborhoods. It proposed the elimination of solar energy and energy conservation bank, which everyone admits we will need in the future. Beyond these measures, the administration has used the regulatory process as a weapon in its war on housing programs.

This new housing bill does not make advocates of lower income housing very happy. It does not do everything we want it to do. But it is a modest attempt to say to the American people, to our colleagues in Congress, and to our party that we will not abandon social programs as the administration has done, that we will not throw out the baby with the bath water, that because one person on food stamps, for instance, is found to be cheating we will not cut off assistance to the many who honestly use those food stamps.

What we have tried to do is learn from our past mistakes and yet create a comprehensive housing bill.

This bill does that. It is a modest attempt to deal with the housing problems in our Nation. And I would remind all of my colleagues that we talk about the homeless and there is a great deal of sympathy and justified sympathy from all corners of this Nation about the homeless. The homeless are homeless because they do not have housing. And nothing we can do will make them nonhomeless again except produce housing. You cannot have it both ways. You cannot be really sympathic to the homeless and then not provide any funding for the production of housing.

Mr. Chairman, I know many of my colleagues have outlined different provisions of the bill, but the provision that I am most familiar with is the new rental assistance production part of the bill called the Dodd-Schumer program. It is this part of the bill that I have worked the hardest on and I think it shows the future for those of us Democrats who believe that we must do something to aid those who need help, that we must have some sympathy for the underdog, but we must be aware of the burgeoning costs and relentless bureaucracy.

The Dodd-Schumer program—and my colleague in the Senate, CHRISTOPHER DODD of Connecticut, has been an ardent spokesman for rental housing in the Senate and was instrumental in crafting this bill—is a program that has stimulated support from all parts of the spectrum in the housing world, from the National Association of Realtors and the National Association of Home Builders, to the National Low-Income Housing Coalition support this program. Why? Because it is a program that will work, will work in as cost-efficient a way as possible.

The program is called—and I think justifiably—a UDAG for housing. It is based on the same principles of leveraging private investment with public contributions that has made UDAG one of the most popular and successful programs, not only in the House, but in the country.

I might just outline the principles that underline, I think, this Dodd-Schumer program and the housing bill in general.

First, in Dodd-Schumer, assistance is designed not to supply the entire cost of production or rehabilitation, but to simply fill the gap between a project's actual cost and the cost that is necessary to make the project feasible in the private market.

Second, the assistance is flexible. In other words, too often localities, developers, and recipients of assistance, complain that rigid rules from Washington do not allow them to fulfill local needs. This bill bends over backward to take into account local needs.

Third, projects represent a local-Federal-private partnership, with the center of responsibility shifted to the local level.

Fourth, Federal assistance will leverage local assistance, in a competitive atmosphere which should maximize the local contribution.

Fifth, assistance is targeted to areas of the most need, as ranked according to objective measures of need, such as

overcrowding, vacancy rates, and the amount of substandard housing.

The substitute to be offered by Chairmen ST GERMAIN and GONZALEZ would provide $900 million for this program, which should be enough to produce or rehabilitate 70,000 units.

The CHAIRMAN. The time of the gentleman from New York (Mr. SCHUMER) has expired.

Mr. MCKINNEY. Mr. Chairman, I yield 1 additional minute to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, in conclusion, I would simply like to urge the Members of this body to look at this bill carefully, to examine its provisions, and to see that it does do what I think this Nation has mandated it to do, provide some housing. We do not have much rental housing being built in this country. If your income is below a certain level, you are out cold and that level is higher and higher. I am sure there are people in the Capitol right now who cannot afford a home, even though their income is substantial. But it also, Mr. Chairman, is mindful of cost. It does not go back to the old ways of spend, spend, spend. It is pared down. It is moderate. And it does the job as cost efficiently as possible.

I think the entire House and certainly our Banking Committee can be proud of the bill we are placing on the floor.

I urge its passage by all Members of this body.

Mr. MCKINNEY. Mr. Chairman, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

□ 1520

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. MINETA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 1, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AFDC COST CONTROL AND MANAGEMENT IMPROVEMENT ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● Mr. STARK. Mr. Speaker, today I am proposing legislation that will make our Nation's basic welfare program—aid to families with dependent children (AFDC)—more manageable, more effective, and better able to serve needy families.

No program has been more maligned that the AFDC program, suffering as it does from broad public misconception. Nonetheless, the problems that do exist in the program have been confounded by the extensive and often shortsighted changes that Congress has made in AFDC over the past 2 years, as we struggled to reduce the Federal deficit and respond to Reagan administration initiatives. My bill does not propose comprehensive welfare reform, although that certainly would be a worthy goal. Nor does it try to correct all of the inequities that have resulted from the President's misguided proposals. Instead, it takes incremental—but no less important—steps toward a fairer, more responsive, and more manageable AFDC program. These are steps which I believe we must take if we are interested in more than rhetorical criticisms of the program and want to make a substantive contribution to reducing error and waste and promoting sound administrative practice at a time of scarce public resources. My legislation contains several proposals that lead us in this direction.

First, it would make the AFDC program fairer by eliminating the inequities that have been created between working families who must pay their day care expenses themselves and those who can use federally subsidized day care or have friends or relatives that will care for their children free of charge; by assuring that AFDC recipients have the same access to the earned income tax credit for low-income families that other poor Americans do; and by holding organizations, who sponsor nonrefugee aliens, responsible for their support just as individuals are;

My proposal would also help AFDC respond to the truly needy by allowing AFDC children who got a late start in school or were held back due to illness or their need for extra educational development to continue to receive AFDC through age 20; by encouraging more States to provide temporary cash assistance, with strict work requirements, to needy two-parent families so that they may receive the Government help they need when the breadwinner is unemployed, but are discouraged from long-term welfare dependence; by eliminating mandatory monthly reporting and retrospective budgeting in AFDC, a technique that has not proved to be cost effective, can cause hardships for recipients, and unnecessarily increases paperwork; by revising the way lump sum income is treated in AFDC so that families made ineligible for a time by this income may return to aid sooner if circumstances warrant; and by not tying up already scarce resources to register for work a woman who is about to bear a child.

The plan I am proposing would make AFDC easier to manage by reducing the number of inconsistent rules in AFDC and food stamps which contribute to the potential for error and waste in programs which often serve the same families, such as forcing families to sell their burial plots to qualify for AFDC but exempting them in food stamps; by permitting five States to test common AFDC, food stamp, and medicaid definitions and a common budgeting process for the three programs; by allowing States to reimburse workfare recipients directly for all of their day care and transportation expenses as is done for food recipients who have jobs; by permitting States to forgo recoupment of overpayments when it can be reasonably assumed that the cost to collect will equal or exceed the overpayment amount; and by requiring States to make protective payments to third parties only in cases of money mismanagement or when it is clearly in the child's interests to do so.

Finally, the bill includes the provisions of H.R. 927, providing a regular program of assistance to homeless shelters and homes for victims of domestic violence. It is clear, Mr. Speaker, that the Nation faces a long-term period of high unemployment; while we have provided some assistance to the homeless this spring, I fear that it will be needed for the next several winters. H.R. 927 and its inclusion in this bill seek to provide some regularity and predictability in the funding of these centers.

These proposals will, in my estimation, make the AFDC program fairer for recipients, easier for them to understand, more responsive to truly needy families, and simpler for State and local officials to administer. These are goals which I believe all of my colleagues can support.

I want to thank Ways and Means Public Assistance Subcommittee Chairman HAROLD FORD for scheduling this bill for hearings on July 18. The following detailed discussion of the bill should help witnesses at that hearing to comment better on the need for this legislation:

SECTION-BY-SECTION SUMMARY OF THE STARK BILL

1. When calculating AFDC eligibility and benefits, disregard day care costs last, up to

the current limit of $160 per child per month. Under current law, a working AFDC recipient's day care expenses are deducted before the disregard of $30 plus ⅓ of remaining earnings (known as the work incentive disregard) is applied. In practice, this means that families who do not have to also pay their day care costs receive more encouragement to work (i.e. a larger work incentive) than those who must buy day care for their children. For an AFDC mother earning minimum wage with two children and day care expenses of $200 per month—well below the federal maximum for two children—this policy can result in a work incentive disregard that is roughly $65 less per month than that received by a family in the same circumstances but which does not have to pay day care costs because of Title XX assistance or because friends or relatives care for their children without cost. The proposed change deducts day care costs after the $30 and ⅓ work incentive is applied, assuring that families with the same incomes get an equal work incentive regardless of their day care requirements and assures that day care costs do not become a disincentive to work.

2. Disregard the earned income tax credit (EITC) from countable AFDC income. As a result of changes made by the Omnibus Budget Reconciliation Act of 1981, states must determine whether working AFDC recipients appear eligible for the EITC, ask them to apply for it through their employer, and consider it to be available on a monthly basis regardless of when—or if—it is actually received. (The EITC may be paid monthly or as a lump sum at the end of the year.) The current policy is unfair and confusing to recipients, difficult to administer, highly error prone and probably has not produced any of the savings that were expected. In fact, one state has reported that since October 1981 only 14 cases have been closed due to this requirement at an annual cost of $15,000 to apply the policy. In May 1983, only $27.00 in savings were reported by this same state.

3. Allow states that are not now aiding two-parent families to operate demonstration programs that test alternatives to the existing optional AFDC-unemployed parents (AFDC-UP) program. At state option, AFDC may be extended to dependent children in two-parent families who are needy due to the unemployment of the principal wage earner. Twenty-two jurisdictions now provide this coverage. The proposed change would encourage those states not now offering AFDC-UP to provide some aid for these families, but not necessarily to the extent now required under law. States could:

Place a time limit on aid to two-parent families.—This would encourage the principal earner in a two-parent family to find work as quickly as possible, with AFDC benefits used as a buffer for six months.

Eliminate the child care deduction. With two parents in the home, it may not be necessary to pay for child care costs, since one parent could be at home caring for the child(ren). Allowances would be made for families in which the second parent is incapacitated or also desires to work.

Mandate stricter work requirements for two-parent families. Currently the principal earner must register for work and may be required to participate in a community work experience program (CWEP, also known as workfare), job search or other work programs available in the state. Recipients may also volunteer for the work supplementation program—in which the AFDC benefit is used to subsidize wages for a job—if one is available in the state. This change would permit states to impose stricter work requirements for the AFDC-UP caseload than the basic AFDC caseload.

4. Allow any full time high school (or equivalent) student to continue to receive AFDC through age 20. States may provide AFDC to children only until they are age 18 or, at state option, 19 if they are expected to graduate from secondary school before reaching 19. This creates an unfair and unnecessary dilemma for teenagers who may be just a year behind their normal graduation date: their AFDC benefits may end before they have completed school, forcing them to end their education and take a job instead. With increasing national concern for assuring the quality of education and a long standing recognition that employment prospects are improved for those with a high school education, it makes sense to permit states to aid high school and vocational school students through age 20. Under no circumstances could college students receive this assistance.

5. Eliminate the policy that requires pregnant women to register for any type of work or training program in their third trimester of pregnancy. States must register all employable AFDC recipients for the work incentive (WIN) program—AFDC's core program for helping recipients to find work or get needed training. By regulation this includes registering pregnant women, even though they will be exempt from the work requirement once the child is born and they are caring for it. The regulations now present states with only two alternatives to WIN registration: they may exempt pregnant women from work after a case-by-case review—a costly and unnecessary administrative task—or they may declare pregnant women incapacitated and exempt them from work on that basis—a declaration that is untenable. The proposed change would exempt pregnant women in their third trimester from work registration, giving states more time and some added funds to devote to recipients in need of more immediate employment.

6. Make AFDC monthly reporting and retrospective budgeting (MRRB) a state option and allow federal matching for supplements under state MRRB systems when the system cannot respond promptly to immediate needs. The 1981 reconciliation legislation required states to implement MRRB systems for AFDC and food stamps. Under monthly reporting, recipients fill out and return a lengthy questionnaire each month. States may, with HHS approval, exempt certain categories of recipients from this requirement. With retrospective budgeting, a family's benefit for the upcoming month is based on his/her circumstances in the prior month (or in some states, two months prior). This can force recipients who lose their jobs to be without an adjusted AFDC payment for one or two months, unless the state can afford to pay supplements with its own funds. Under the proposal, MRRB would be an option for the state; HHS would be given authority to waive any of the AFDC MRRB requirements for greater compatibility with food stamp MRRB rules, and for states that choose to make supplemental payments, part of the costs would be underwritten by the federal government.

7. For families that receive lump sum income making them ineligible for AFDC, revise the treatment of this income to permit states to recalculate the ineligibility period when circumstances change in ways that increase financial need.

The 1981 reconciliation act, required states to consider non-recurring lump sum income—such as insurance settlements—to be available to the family over a period of time. The period of ineligibility resulting from this consideration is determined by dividing the lump sum amount by the state's standard of need, producing the number of months that the family is not qualified for aid. By regulation, states may only shorten the ineligibility period when a life-threatening circumstance exists, and the non-recurring income causing the period of ineligibility has been or will be expended in connection with that life-threatening circumstance. This does not allow states the flexibility they need to adjust the ineligibility period when circumstances change. If the family's needs increase because a child is born, a parent loses employment or the family faces high medical bills due to illness or accident—none of which are usually considered "life-threatening"—they are ineligible for aid, even though may have been forced to spend the income that caused them to be ineligible in the first place. The proposal would allow states to adjust the period of ineligibility whenever circumstances change in ways that increase financial need. This means that if family composition, income or resources change, the length of the ineligibility period would be shortened using the new information.

8. Allow states to reimburse the AFDC recipient directly for transportation and day care expenses that are directly attributable to community work experience program (CWEP, also known as workfare) participation. States are permitted to operate CWEP projects in which employable AFDC recipients may be required to work in public and non-profit agencies in exchange for benefits. By regulation, the Department of Health and Human Services has limited the amount that states may directly reimburse participant expenses—such as day care and transportation—to $25 per month. States may receive a 50 percent federal match if they elect to provide these services to CWEP participants.

The $25 ceiling is arbitrary, discourages states from trying CWEP projects, and it not in any way based on an assessment of a participant's actual and necessary CWEP expenses. To address this problem, states would be permitted to reimburse the AFDC recipient directly for:

Transportation costs directly related to CWEP participation and in an amount equal to local public transportation costs or, absent local public transportation, the next most economical means; and

Day care expenses directly attributable to CWEP participation but in no case greater than the comparable day care deduction for AFDC recipients who are working a similar number of hours.

9. Use the food stamp program's resource policy in AFDC by exempting from countable AFDC resources burial plots, funeral agreements and property a family is making a good faith effort to sell.

In 1981 new limits were set on the amount of resources an AFDC family may have and remain eligible for the program. States must establish a limit of $1,000 (or less) on the equity value of the resources an assistance unit may own, and must by regulation: deduct any obligations or debts on the resources; exclude the equity value of one automobile up to $1,500 (or lower if the state chooses); exclude the value of a home owned and occupied by the family; and count all other resources except, at state

option, basic items essential to day-to-day living, such as clothing, furniture, and other similarly essential items of limited value. This forces states to count as a resource burial plots, funeral agreements and property a household is making a good faith effort to sell. In most cases these items are of little cash value and locating and assessing their worth is an administrative task that can cost more than the value of the item itself. In the food stamp and SSI programs, these items are exempt from the resource requirements; the proposal would extend this policy to AFDC as well.

10. Allow states to forgo the recoupment of overpayments when it can be reasonably assumed that the cost to collect will equal or exceed the overpayment amount.

A provision in the 1981 reconciliation act requires states to promptly take all necessary steps to correct any overpayment or underpayment in AFDC. For overpayments that are made to current recipients, states may withhold a portion of the current benefit as repayment. Overpayments that have gone to persons who are no longer on AFDC must be recovered from the income and resources of the family, under any applicable state laws. This generally means taking the family to court. HHS regulations require states to attempt to recover all overpayments, taking all reasonable steps to correct and collect any overpayment that is known to the state. This does not give states sufficient flexibility to waive the recoupment process when it will not be cost effective to pursue collection. This occurs especially in the case when the overpayment was to a family that no longer receives AFDC and is a small amount. The court costs associated with obtaining the overpayment from these families can easily exceed the overpayment itself.

11. Give states discretion in choosing when to make a protective payment, requiring this only in cases of money mismanagement or when the state determines it is in the child's best interests to do so.

States must now remove the parent from aid and make a protective payment in three instances: (1) in WIN and CWEP for failure to cooperate; (2) in AFDC if a parent fails to assign support rights or refuses to cooperate with child support enforcement efforts; and (3) in cases of money mismanagement. In each of these cases it is assumed that the parent is unable to properly spend the AFDC benefit. When a protective payment is required, states must identify a person to serve as protective payee who is interested in or concerned about the recipient's welfare and most often try to identify a relative or friend willing to take on this responsibility (although private and public agency staff may also serve as protective payees).

While protective payments may be necessary in money mismanagement situations, greater state flexibility is needed for other situations. It is not always correct to assume that a parent who refuses to participate in CWEP or assign support rights is also incapable of properly using the AFDC benefit to support the children. Removal of the parent from aid is the appropriate penalty, as the current rules require. Mandating that a protective payment be made is simply an extra bureaucratic step, since the protective payee frequently just cashes the check and turns it over to the sanctioned parent. In urban areas it is especially hard to locate persons who are qualified for this responsibility, or who are better able to attend to the family's needs than the parent, and willing to do so. Under this proposal, protective payments would still be required in cases of money mismanagement, but states would be allowed to determine the appropriate payment method in other circumstances.

12. Allow five states to test common AFDC, Medicaid and food stamp definitions and a common budgeting process for the three programs.

Three sets of federal regulations exist for AFDC, food stamps, and Medicaid, which are administered by three separate federal agencies. In each program, a different set of program definitions, budgeting procedures and eligibility requirements has been developed. At the state and local levels one agency—the department of welfare or human services—usually administers these three programs. And frequently, the same recipients participate in all of some combination of them. This results in unnecessary complications for the social worker—who must apply all of the conflicting rules for the three programs—and the recipient—who must understand all of the different eligibility rules and meet the reporting requirements. The complications that occur are also costly from an administrative perspective and contribute to errors. Under the proposed demonstration, states could adopt any of the current rules in AFDC, food stamps, or Medicaid, as the standard for the other programs. This could include:

The development of a common set of terms for use in the three programs—for example, standard income, resource and household definitions could be established;

The development of uniform application and eligibility determination procedures for the three programs—a single application form could be designed for use with an integrated eligibility determination process;

The development of a unified budgeting process for the three programs—the same income budgeting and recipient reporting process could be established for the three programs;

Use of a single family case file for the three programs; and

Development of a common administrative structure that allows for unified planning and evaluation.

The 3-year demonstration of these changes would test: whether AFDC, food stamps and Medicaid can be more efficiently administered; whether the programs can be made easier for the recipient and the general public to understand; and whether agency and client errors can be reduced in each program as a result of greater program compatibility.

13. When determining a (non-refugee) alien's AFDC eligibility and benefits, require that the income of the agency sponsoring the alien be considered.

Current policy requires states to consider the income and resources of individuals who sponsor aliens when determining AFDC eligibility and benefits, but, in what is probably an unintended gap, does not extend this to organizations or agencies that sponsor aliens. The proposal would treat organizations that sponsor aliens in the same manner as individuals.

14. Emergency shelter for homeless individuals and families. Finally, the bill includes as its last section the provisions of my legislation, H.R. 927, introduced January 25th, which establishes a regular program of AFDC assistance to the States for the operation of shelters for the homeless and for victims of domestic violence. This bill is currently cosponsored by 60 of our colleagues. It is described in more detail in the CONGRESSIONAL RECORD of January 25, 1983, p. 336, and April 11, 1983, p. 7917.●

PRESIDENT SHOULD DIRECT OMB TO DROP OBJECTIONS TO USING BID PROCESS TO GET COTTON FOR PIK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 30 minutes.

Mr. DE LA GARZA. Mr. Speaker, I do not know whether President Reagan will hear what I have to say today. But I hope so, because there is still time for the President to prevent a totally unfair action by his administration—an action which could be a financial disaster for many cotton farmers.

There is not much time, Mr. Speaker. Within a few days, the Agriculture Department will begin the process of commandeering cotton from farmers in my congressional district in order to get supplies for the payment-in-kind program. In coming weeks, this process will move into the other cotton growing sections of the country.

The facts in this case are clear. Cotton farmers early this year were told that if they enrolled in the payment-in-kind program to reduce surpluses, the Government would not need to take 1983 cotton for use in making the in-kind payments. Yes, I know the USDA retained the legal right to take 1983 cotton, and provisions to that effect were in the program contracts. But the farmers were told not to worry about those contract provisions. They were told the provisions would not be exercised. The farmers relied on those assurances—and because they relied on those words from Government officials, many farmers are now facing an economic disaster.

In my district, as in many other areas, farmers normally sign advance contracts with private buyers for their cotton. What is about to happen is simple and disastrous. Farmers will harvest their cotton, but they will not be able to fulfill their private sales contracts because the Government is commandeering part of their crop. The result will be economic chaos, and farm experts in my district tell me that many producers will not be able to bear the resulting costs. In some cases, there could be a real threat of bankruptcy.

Farmers in my district report that 78 percent of our cotton is covered by forward contracts, along with 80 percent of the cotton our farmers are scheduled to be given as PIK payment. Because of this, I am told that forcing our 1983 cotton into Government hands for use in PIK payments will cause growers and shippers to short every contract by about 45 percent.

This is happening, I want to repeat, after farmers enrolled in a Government program with assurances from Government officials. Now, because

circumstances have changed, the assurances turn out to be wrong. The USDA told us it would not take our 1983 cotton for PIK, and now it is doing just what it said would not be done. Our farmers are frustrated at this turnaround. They are angry because they feel the administration has broken faith with them. In my area alone, this breach of faith could cost farmers up to $20 million, and it could touch off lawsuits based on the fact that producers will not be able to deliver the full amount of cotton covered by their existing private contracts.

There is a simple, clean, and fair way out of this problem. Congress can direct the Agriculture Department to get the cotton it needs for PIK payments by using a voluntary bidding process—just as the Department has done with other crops. The House Agriculture Committee has already approved a bill to this effect, and similar legislation may be considered in the conference committee on the 1984 agricultural appropriations bill.

Mr. Speaker, I hope we can act quickly on this legislation. But we all know that the legislative route may take more time than it should. And there is another solution, if the President will use it. The President has the power to act today. He does not need any new law. All he has to do is tell the Office of Management and Budget to drop its objections to using a bid process to get cotton for PIK payments. By tomorrow morning, this problem could be effectively solved.

That is why I am appealing to the President. We have thousands of farmers who are in a crisis situation today because they relied on the word of Government officials. That is not fair. That is not right.

The fair thing to do is to modify the USDA's policy so that a program which was set up to help cotton farmers can be operated without driving some of them into bankruptcy. I know the President prides himself on his spirit of fairness, and I hope that spirit will lead him to solve this very serious problem. If he does not, then Congress must act—and we must act quickly.

□ 1530

KEY SECTIONS OF HOUSING BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise because the present current plans now are to attempt to bring up the housing authorization bill, or the recovery bill as we call it, tomorrow and go into at least the amendatory process. During the general debate this afternoon, most of the discussion overlooked the key features of H.R. 1. I feel that our colleagues who are not members of the committee or subcommittee should have an opportunity and should benefit from having a discussion of the key sections of this legislation in the record of today's proceedings which they will be able to scrutinize tomorrow and study in anticipation of the debate and the amendatory process.

The administration has been of the mind that there is no longer any need or justification for housing production subsidies, but there is an emerging bipartisan consensus in the Congress that there is a need. At least this consensus has developed this year, unlike last year and the year before last. Both Democrats as well as Republicans recognize that housing programs have been cut too far and too much, and that wholesale abandonment of our proven housing programs is not warranted.

When the House acts on H.R. 1, we will have an opportunity to keep in place a survival program for housing, just a mere survival. We will have the opportunity to begin the process of rebuilding the historic, the national consensus on housing policy. That consensus rejects the notion that there is no longer any need for Federal help to produce housing for low- and moderate-income citizens.

The administration itself, while proclaiming that there is ample housing stock, does support the continuation of the section 202 housing program for the elderly and the handicapped, a clear admission that suitable housing at affordable prices in not always available. But it is not only the elderly and the handicapped who have problems finding suitable housing at a price they can afford. Among Americans who rent their homes, the median income is somewhat less than $11,000 a year. This is for all rental families in the country. The median income is less than $11,000 a year.

About 600,000 rental units a year are needed to meet basic, minimal demands, but only 100,000 unsubsidized rental units are being built each year. In fact, total rental housing production in the past 2 years has been at less than half the amount needed to meet the demand for rental units. This year the outlook is that only about two-thirds of the number of rental units needed will actually be built.

This shortfall, and it is a persistent one, is because the vast number of people simply cannot afford the princely sums that decent rental housing costs today. It is a fact of life. We can pride ourselves in the statistical decrease in the so-called inflationary rate, but everybody who has any touch with real life knows that rents have not gone down; rents are still going up. Where is inflation deflating there? It just simply is a fact of life that this question of shelter and rental housing particularly is still very much inflated and very much out of the reach of the average or especially the low- or moderate-income family.

The demand is there, but not the buying power that would cause the supply to rise enough to meet that demand. That is why we have to have a continued and a sustained effort to assist in the production of rental housing.

H.R. 1 offers a new and an innovative and an efficient way to encourage rental housing construction. Let me explain to my colleagues that this has been a real challenge because while even before this administration we were facing the critical need to review and have oversight of these programs. Some of these programs, for instance, those that this administration and one prior administration which was in power at the time of the programs' inceptions, did not have the benefit of my support. They have now turned out to be those programs that are highly expensive, cost prohibitive, and have given the ammunition to the David Stockmans and the others who point with horror to the high cost of production or construction of this type of housing. Those of us who saw this and visualized it in 1968, in 1974 particularly, with the advent of the so-called block grant program in housing, now are challenged with not only trying to defend a basic production policy just to keep a bare minimal amount, 10,000 units, as Mr. FRANK brought out earlier in the debate, from not getting axed and actually being constructed. It is just not even a lifeline, it is a bare minimum, and at the same time devising language that would improve the administration of the programs all the way back to the procedures that are followed in the construction of these programs.

What everybody forgets is that when we talk about tax-supported subsidization of housing, the construction of that housing is not made by the Government; the construction is all private enterprise. So that within the limits of our free system, the Congress can only go as far as it can in providing the guidelines that would prevent abuse, which has been, incidentally, the greatest reason for the excessive, high cost of this kind of subsidized housing construction. So that we now have perfected language, and this has been difficult while we were warding off the assaults to kill every program, to also polish the program, to try to perfect the language, to try to do everything possible from the legislative level that could be done to enable an honest, efficent administration and construction program.

So that this is a flexible subsidy offered mostly because it was the handiwork of our distinguished, very young,

but very dynamic and very skilled Member from New York, Mr. SCHUMER. With his cooperation and with his valuable help, we have perfected the language and have what we think is a very flexible and I think substantially improved program. It provides funds to local housing agencies to encourage multifamily rental construction.

One thing that has been my dream, and that was since I first came on this committee and subcommittee 22 years ago, my arrival here in the Congress, since I had had the great privilege of working in housing, and in public housing, in my own home, I felt I was charged with knowledge and I felt that the great challenge in America was to have the type of housing that would give the dignity and still the self-esteem and the feeling of attachment or possession to a little plot and that it could be done; that America not only has the know-how, it has the means, it has the genius, it has the wit and it has the will, but it has to have the leadership to go with it.

It is my dream that in this multifamily construction program that we will be able to provide for the first time, and I hope in the very near future, the type of construction that will make it look like an American construction. When I visit the teeming beehives of our densely concentrated urban areas, I feel great apprehension about the future of our country because what we are doing is submitting Americans to living in conditions that are degrading. Even when they are considered to be relatively new and standard construction, they look like habitations for beehives or anthills, rather than human beings.

□ 1540

At this point I want to take cognizance of a recent conference that was held in New York under the sponsorship of the AIA, the American Institute of Architects. They had a forum, and lo and behold, one of their seminars had to do with this very stated problem. I want my colleagues to know that some very valuable contributions were made by some of the most ingenious and creative minded architects present. I have read deeply into their proposals, and I see no reason why the Congress cannot sooner or later incorporate into subsidized housing the needed architectural designs that will maximize the quality of living for Americans.

This new multifamily program will allow local housing agencies to act as financial catalysts. Funds available to the local agencies could be used to buy land, or the funds could be applied as an up-front capital contribution in the nature of an interest buy-down, as a rental assistance fund, or in any other manner that would make a multifamily rental project financially feasible at low- and moderate-interest rates.

This is new, this is innovative, and I am sure that if the Congress approves it and the President sees fit to sign it into law, it will reveal itself to be a creative, constructive, and fruitable program.

The whole object of this approach is to do what is necessary, no more and no less, to increase the supply of rental housing. Because it is a flexible approach, it is well suited to the infinite variety of local conditions and needs. It works in the same way as a UDAG approach does, to encourage private developers and local housing agencies to devise the best possible way to deliver low and moderate cost rental housing. It rewards those who come up with the most effective and the most cost-effective and efficient proposals. It encourages innovation, and it creates the kind of competitive forces that have worked so well in the UDAG program.

We do expect that the new multifamily housing assistance program will be the most effective way possible to help meet the persistent shortfall in rental housing production in America whose needs are not now being met through the private construction sector alone.

H.R. 1 also recognizes the fact that the very low-income families of this country are not likely to be helped by anything other than the public housing program. This, I thought, was a well settled principle. I thought that the original opposition by the private sector had been long overcome, to the point where the private sector had no opposition, because today the private sector readily admits that it cannot construct housing for the poor or the moderate income people on its own. It just simply is not within the resources, and this is true in every other industrialized nation of the world.

As a matter of fact, real housing subsidies, what they call subsidy programs here, the kind that at this time have been under such heavy attack as being unnecessary Government intervention or unneeded, are now being stimulated in every one of the European industrialized nations, from Germany to France. As a matter of fact, it is a sorry repetition of the history following World War I. We are now going through the same thing. It is so hauntingly reminiscent that it is personally very troubling to me.

We have over half of our defense budget—and that means over $115 billion—that we are asking our taxpayers to come up with for the defense of Europe. That is over $115 billion just for the defense of Europe—a Europe that at this time is a lot more scared of us than it is of the Russians and that is telling us that they do not know about our defense plans that are predicated on this expenditure of $115 billion plus. At the same time, they have resisted this President's and the prior President's recommendations that they put in a little bit more for their own defense.

But where are they putting their priorities? In housing and some of the so-called social programs that our President says must be curtailed to the point of elimination, or, at least up to now, with some modification as a result of some resistance on the congressional level.

To me, this is such a needless and a sorry repetition of what happened after World War I. We had the same thing then. We had the same speculation by the bankers on the bonds and debts of the countries that we had defeated and that were supposed to be paying reparations. And then in the guise of breaking up and with our allies unable to pay their wartime debt to us as a result, they came in and we had the Dawes plan, the Young plan, and the moratorium of 1930 or 1931, or somewhere around there, and Uncle Sam ended up paying the whole kit and caboodle.

Meanwhile, the same countries were defaulting as they are today, except that we had a different scenario in different countries, different sections, and different economies, but we have the same basic operating procedures today as following World War I.

If we would look at the record and read what was being printed then, as I have, we would see that while these bankers were greedily investing American depositors' money because they were getting these big interest payments, so they thought, until they defaulted, we had the same thing happen as today, the same thing.

What were they doing? Germany initiated one of the biggest housing programs right then and there in the 1920's and 1930's. They showed where their priorities were. They were thinking of their people. They always assumed that this is what we ought to be doing, but it looks to me as if, for whatever reason, it has been the other way around.

What I am saying is that we reached the point in our destiny where our own demands and needs, the needs of a vital dynamic county, were not met, and as I say and repeat, America is not going to be straitjacketed by anybody, including the Congress or the President, because sooner or later it is just going to bust forth. This is still a growing, dynamic country, and this attempt of the last 2 years to try to straitjacket it and even try to reduce it in size to 30 or 40 years ago, is absolutely self-defeating and unbelievable to me. Yet this is what is transpiring. While we are talking about aborting or refusing to consider the basic needs of a shelter and of employment, we have the highest rate of unemployment still

persistent, still lingering, and we are condemning able-bodied, willing Americans who want to work and will do anything to work but are unable to find anything, even dishwashing.

□ 1550

Is this something that we have come to accept? I do not think so.

I have been critical, not only of this President, I have been critical of past Presidents since 1973.

The doctrine of blight and no growth, I think, is perverse. I think it is a disservice to this country and it is not really representing the people of this great country.

This is reflected in H.R. 1 in the sense that we are just trying to keep the flame alive, a little flame alive in these basic housing programs.

Public housing is a need. There is no other source of housing, other than publicly subsidized housing for the poor and to those of moderate income.

There are 1.2 million people, Americans, who live in public housing. On the whole, they have incomes that are about one-third of the median income for their areas. The typical public housing family exists on a cash income less than $5,000 a year. It is a family that is larger than the typical American renter family, two children as opposed to one, and it is a family that is larger than the families of section 8 rental housing, another subsidized rental housing program; but not only poor families are helped by public housing. There are a vast number of elderly people who live in public housing units today. Most of these are women living alone, believe it or not, and typically having a cash income of less than $3,900 a year.

The rental subsidy we provide in public housing runs at about $95 per unit a month. This is a national median. That is the median subsidy figure per unit in public housing. Public housing is essential if we are to meet the needs of the poorest people in this country. People, as I have said and repeat, are not only poor, but face circumstances that give them almost no choice at all. Realistically, there is no way to meet their needs except through a continuation of the time-tested public housing program and this we provide in H.R. 1 is a minimum.

At present rates, mortgage interest is slightly higher than 13 percent. In fact, this week, at least in my area, it jumped to about three-fourths of 1 percent more than that.

The outlook, unfortunately, is that interest rates especially for long-term commitments like mortgages, will rise. In fact, we are already beginning to see the falling stock market and other indicators that suggest higher interest rates are in the making; but not only is the interest rate high, it is at an historic high in terms of inflation. Such so-called real interest historically has run at 3 percent; but current mortgage rates are at least 10 percent above inflation and going up. Less than 15 percent of the people looking to buy a home today can qualify for a loan at these catastrophic rates. As I have said for years, and especially the last 2 years, extortionate rates; but not only is interest high, the price of homes has increased much faster than family incomes.

We have a twin squeeze, a persistent shortfall in housing production that runs up prices. As a matter of fact, better than 20 percent of the labor force in housing construction is still unemployed and the credit squeeze places the housing still further out of reach, thereby causing low rates of construction and sending prices still higher.

This year the housing industry will produce perhaps a million units fewer than are actually needed to meet the demand, even though the outlook is for construction of perhaps 1.4 million units. Unless we can make housing more affordable, we will see a burgeoning crisis, a crisis that as I have tried to tell my colleagues is already upon us.

I must point out, because I think the impression is out, that I am hypercritical of this administration and that my criticism is new and novel to it. I was fighting this fight with two or three prior administrations, because we have never met the minimal, even in the heyday of so-called prosperity, we did not meet the minimal needs of housing construction for the country and the average family.

I was critical then as I am now, especially because now the fight goes to the philosphy of housing, something I thought had been settled years ago. That is the only thing that has complicated the fight. We have been inveighing against what we knew would be extortionate thievery, I call it, in these interest rates.

I have taken this floor ad nauseam, gone into the history of interest rates, back to 7,000 years before Christ, and have shown that there is no country that has existed in the recorded annals of mankind that has had a viable kind of society with minimal economic needs satisfied with high interest rates or extortionate or usurious interest rates; but I never thought in my wildest fears, 15, 13, 12, 10, even 6 years ago, I would never have thought it possible that in our country we would have reached 21 percent interest. If that is not usurious and extortionate, I do not know what is.

SUBCOMMITTEE ON HUMAN RESOURCES TO HOLD HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. ALBOSTA) is recognized for 5 minutes.

● Mr. ALBOSTA. Mr. Speaker, I would like to announce that the Subcommittee on Human Resources of the Committee on Post Office and Civil Service will hold hearings on Tuesday, July 12, and Thursday, July 14, on H.R. 828 and H.R. 829, bills to prohibit the contracting of certain Federal positions reserved for preference eligibles. Both hearings will be held in 311 Cannon House Office Building and will begin at 9:30 a.m.●

SPECIAL ORDERS GRANTED

By unanimous consent, permisssion to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mrs. ROUKEMA) to revise and extend their remarks and include extraneous material:)

Mr. CLINGER, for 60 minutes, on July 26.

Mr. LEWIS of California, for 30 minutes, on July 13.

Mr. DANNEMEYER, for 30 minutes, on July 13.

Mr. DANNEMEYER, for 30 minutes, on July 14.

Mr. DANNEMEYER, for 30 minutes, on July 15.

(The following Members (at the request of Mr. FRANK) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. DE LA GARZA, for 30 minutes, today.

Mr. ALBOSTA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FRANK, and to include extraneous matter, during his remarks on H.R. 1, Housing and Urban-Rural Recovery Act of 1983, in the Committee of the Whole today.

(The following Members (at the request of Mrs. ROUKEMA) and to include extraneous matter:)

Mr. YOUNG of Alaska.

Mr. SHUMWAY.

Mr. SOLOMON in three instances.

Mr. KEMP.

Mr. BROOMFIELD in two instances.

Mr. YOUNG of Florida in 10 instances.

Mr. CLINGER.

(The following Members (at the request of Mr. FRANK) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Ms. LLOYD in five instances.

Mr. HAMILTON in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. MARKEY in two instances.
Mr. MAZZOLI in three instances.
Mr. PEPPER.
Mr. WEISS.
Mr. BARNES.
Mr. LONG of Maryland.
Mr. FLORIO.
Mr. MORRISON of Connecticut.
Mr. KILDEE in two instances.
Mr. STARK in three instances.
Mr. CONYERS.
Mr. DE LA GARZA in 10 instances.
Mr. DOWNEY of New York.
Ms. KAPTUR.
Mr. SYNAR.
Mr. AUCOIN.
Mr. HOWARD.
Mr. HARRISON.
Mr. LUNDINE.
Mr. MCDONALD in five instances.
Mr. BOUCHER.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1287. An act to authorize appropriations for the Public Buildings Service of the General Services Administration for fiscal year 1984; to the Committee on Public Works and Transportation.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1271. An act with regard to Presidential certifications on conditions in El Salvador;

H.R. 1746. An act to authorize appropriations for the Navajo and Hopi Indian Relocation Commission;

H.R. 2065. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research of program management, and for other purposes;

H.R. 3132. An act making appropriations for energy and water development for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 3135. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1984, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following title:

S. 273. An act to amend section 8(a) of the Small Business Act;

S. 680. An act entitled the "Gladys Noon Spellman Dedication"; and

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, bills of the House of the following title:

On July 1, 1983:

H.R. 2713. An act to amend the Public Health Service Act to authorize appropriations to be made available to the Secretary of Health and Human Services for research for the cause, treatment, and prevention of public health emergencies; and

H.R. 3133. An act making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1984, and for other purposes.

On July 5, 1983:

H.R. 1271. An act with regard to Presidential certifications on conditions in El Salvador;

H.R. 1746. An act to authorize appropriations for the Navajo and Hopi Indian Relocation Commission;

H.R. 2065. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research of program management, and for other purposes;

H.R. 3132. An act making appropriations for energy and water development for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 3135. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1984, and for other purposes.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 12, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1483. A letter from the Acting Assistant Administrator for Pesticides and Toxic Substances, Environmental Protection Agency, transmitting a proposed final rule under the Federal Insecticide, Fungicide and Rodenticide Act, pursuant to section 25(a)(4) of the act of June 25, 1947; to the Committee on Agriculture.

1484. A letter from the Acting Secretary of State, transmitting notification that it was in the national interest for the Commodity Credit Corporation to make payments to the U.S. creditors on credits guaranteed by the CCC on which payments had not been received from the Polish People's Republic, during the month of June, pursuant to section 306 of Public Law 97-257; to the Committee on Appropriations.

1485. A letter from the Deputy Secretary of Defense, transmitting notification that the GLCM missile system will exceed the estimated total program acquisition unit cost previously listed in the selected acquisition report, pursuant to 10 U.S.C. 139b; to the Committee on Armed Services.

1486. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Army's proposed sale of certain defense articles to the Netherlands (Transmittal No. 83-40), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1487. A letter from the Deputy Assistant Secretary of Defense (Reserve Affairs), transmitting a report on educational assistance to enlisted reservists, reenlistment bonuses for reservists, and enlistment bonuses for members of the Selective Reserve, pursuant to 10 U.S.C. 2134, 37 U.S.C. 308b(e) and 37 U.S.C. 308c(e); to the Committee on Armed Services.

1488. A letter from the Director, Federal Emergency Management Agency, transmitting the stockpile report for the period April-September 1982, pursuant to section 11 of the Strategic and Critical Materials Stock Piling Act, as amended; to the Committee on Armed Services.

1489. A letter from the U.S. Trade Representative, transmitting a resolution expressing the ACTN's sentiment with regard to adequate financing of the International Monetary Fund; to the Committee on Banking, Finance and Urban Affairs.

1490. A letter from the District of Columbia Auditor, transmitting a report entitled "Review of Medical Officers Pay in the Department of Human Services and the D.C. General Hospital," pursuant to Public Law 93-198, section 455(d); to the Committee on District of Columbia.

1491. A letter from the Student Loan Marketing Association, transmitting the annual report of the Association for the calendar year 1982, pursuant to section 439(n) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

1492. A letter from the Chairman, National Labor Relations Board, transmitting the annual report for the fiscal year 1981, pursuant to 5 U.S.C. 7104(e); to the Committee on Education and Labor.

1493. A letter from the Secretary of Commerce, transmitting the annual report of the U.S. Travel and Tourism Service for fiscal year 1982, pursuant to section 5 of the International Travel Act of 1961, as amended; to the Committee on Energy and Commerce.

1494. A letter from the Assistant Attorney General (Antitrust Division), Department of Justice, transmitting a report on the impact on competition and on small business of voluntary agreements with respect to international allocation of petroleum products, to the Committee on Energy and Commerce.

1495. A letter from the general Counsel, Department of Energy, transmitting notice of meetings relating to the international energy program to be held on July 11 and 12, 1983, in Paris, France; to the Committee on Energy and Commerce.

1496. A letter from the Chairman of the Board, U.S. Railway Association, transmitting the Association's first profitability determination with respect to the Consolidat-

ed Rail Corporation; to the Committee on Energy and Commerce.

1497. A letter from the Acting Secretary of State, transmitting the 31st annual report on U.S. contributions to international organizations, pursuant to section 2 of Public Law 806, 81st Congress, as amended; to the Committee on Foreign Affairs.

1498. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's proposed offer to sell certain defense articles to the Netherlands (Transmittal No. 83-40), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1499. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense articles and services to Denmark (transmittal No. 83-42), pursuant to section 36(b) of the Arms Control Act; to the Committee on Foreign Affairs.

1500. A letter from the Assistant Legal Adviser for Treaty Affairs, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to 1 U.S.C. 112b(a), as amended; to the Committee on Foreign Affairs.

1501. A letter from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting a report on a new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1502. A letter from the Executive Director, Committee for Purchase from the Blind and other Severely Handicapped, transmitting the annual report of the committee during the fiscal year ending September 30, 1982; to the Committee on Government Operations.

1503. A letter from Sidney T. Kaufmann, Kaufmann & Goble Associates, transmitting the Sacramento Farm Credit Employees' Retirement Plan for 1982, pursuant to section 121(a)(2) of the act of September 12, 1950; to the Committee on Government Operations.

1504. A letter from the Chairman, Federal Election Commission, transmitting proposed regulations pertaining to the administration of the Presidential Election Campaign Fund Act, pursuant to section 9009(c) of the Internal Revenue Code of 1954; to the Committee on House Administration.

1505. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under section 244(a)(1) of the Immigration and Nationality Act, together with a list of persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

1506. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a draft of proposed legislation to implement the Inter-American Convention on International Commercial Arbitration; to the Committee on the Judiciary.

1507. A letter from the Counsel to the Pacific Tropical Botanical Garden, transmitting the annual audit report of the garden for calendar year 1982, pursuant to section 10(b) of Public Law 88-449; to the Committee on the Judiciary.

1508. A letter from the Chairman, Merit Systems Protection Board, transmitting a study of the 1981 reductions in force in the Federal Government, pursuant to 5 U.S.C. 1205(a)(3); to the Committee on Post Office and Civil Service.

1509. A letter from the Secretary of Transportation, transmitting the seventh biennial report, "The Status of the Nation's Highways: Conditions and Performance," pursuant to section 307(a) of Public Law 89-139; to the Committee on Public Works and Transportation.

1510. A letter from the Assistant Secretary of the Army, (Civil Works), transmitting a report from the Chief of Engineers on Salinas-Monterey Bay Area urban study, California, together with other pertinent reports, pursuant to resolutions passed by the Committee on Public Works and Transportation of the U.S. House of Representatives; to the Committee on Public Works and Transportation.

1511. A letter from the Chairman, Interstate Commerce Commission, transmitting the third annual report on the passthrough of savings on food and grocery transportation, pursuant to 49 U.S.C. 10732(b), as amended; to the Committee on Public Works and Transportation.

1512. A communication from the President of the United States, transmitting a report on his decision to grant import relief to the specialty steel industry, pursuant to section 203(b) of Public Law 93-618 (H. Doc. No. 98-79); to the Committee on Ways and Means and ordered to be printed.

1513. A letter from the Chairman, U.S. International Trade Commission, transmitting the Commission's quarterly report on East-West trade statistics, pursuant to section 410 of Public Law 93-618; to the Committee on Ways and Means.

1514. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a report on the current status of planned programing of food assistance for fiscal year 1983, pursuant to section 408(b) of the act of July 10, 1954; jointly, to the Committees on Agriculture and Foreign Affairs.

1515. A letter from the Secretary of Energy, transmitting a report entitled "Payment Charges for Federal Interim Storage of Spent Nuclear Fuel from Civilian Nuclear Power Plants in the United States," pursuant to section 136(a)(2) of the Nuclear Waste Policy Act of 1982; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1516. A letter from the Comptroller General of the United States, transmitting a report entitled "Air Force and Navy Trainer Aircraft Acquisition Programs" (GAO/MASAD-83-22, July 5, 1983); jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on June 29, 1983, the following reports were filed on July 1, 1983]

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 1646. A bill to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure sufficient resources to pay current and future benefits under the Railroad Retirement Act of 1974, to make technical changes, and for other purposes; with amendments (Rept. No. 98-30, Pt. II). Referred to the Committee of the Whole House on the State of Union.

Mr. RODINO: Committee on the Judiciary. H.R. 1878. A bill to improve the international ocean commerce transportation system of the United States; with an amendment (Rept. No. 98-53, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2163. A bill to amend the Federal Boat Safety Act of 1971, and for other purposes; with an amendment (Rept. No 98-133, Pt. II). Ordered to be printed.

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 2809. A bill to establish a U.S. Fish and Wildlife Foundation; with amendments (Rept. No. 98-134, pt. II). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on June 30, 1983, the following report was filed on July 1, 1983]

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3392. A bill to amend the Agricultural Act of 1949 (Rept. No. 98-288). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

[Submitted July 1, 1983]

Referral of H.R. 2163 to the Committee on Interior and Insular Affairs for a period ending not later than July 11, 1983, for consideration of such provisions of the bill and amendments as fall within that committee's jurisdiction pursuant to clause 1(1), Rule X.

[Submitted July 11, 1983]

The Committee on Interior and Insular Affairs discharged from the further consideration of the bill H.R. 2163; referred to the Union Calendar.

The Committee on Appropriations discharged from the further consideration of the bill H.R. 3021; referred to the Union Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOXER:

H.R. 3505. A bill to insure that existing employees of nonprofit organizations are excluded from social security coverage in the same manner as existing Federal employees and to provide that new employees of nonprofits, effective January 1, 1984, will be covered by social security as will be new Federal employees; to the Committee on Ways and Means.

By Mr. COELHO:

H.R. 3506. A bill to authorize additional long-term leases in the El Portal administrative site adjacent to Yosemite National Park, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DYMALLY:

H.R. 3507. A bill to amend title 28, United States Code, to require civil actions to be expedited, upon motion of a party who is 65 years of age or older; to the Committee on the Judiciary.

By Mr. DYSON:

H.R. 3508. A bill to authorize the 11th Airborne Division Association to erect a memorial in the District of Columbia or its environs; to the Committee on House Administration.

By Mr. LEATH of Texas (by request):

H.R. 3509. A bill to amend title 38, United States Code, to modify and improve the educational assistance programs administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PRICE (for himself and Mr. DICKINSON) (by request):

H.R. 3510. A bill to amend title 10, United States Code, to increase the number of Assistant Secretaries in the Department of Defense, and for other purposes; to the Committee on Armed Services.

H.R. 3511. A bill to amend section 709 of title 32, United States Code, to eliminate the requirement that 30 days' notice of termination of employment be given to civilian National Guard technicians who serve under temporary appointments, who are serving during a trial or probationary period, or who voluntarily cease to be members of the National Guard; to the Committee on Armed Services.

By Mr. STARK:

H.R. 3512. A bill to amend part A of title IV of the Social Security Act to improve the program of aid to families with dependent children in order to make such program more manageable, more effective, and better designed to serve needy families; to the Committee on Ways and Means.

H.R. 3513. A bill to make permanent the increase in the tax on cigarettes and to provide cost-of-living adjustments in the amount of such tax; to the Committee on Ways and Means.

By Mr. WHITLEY (by request):

H.R. 3514. A bill to repeal that paragraph of the act of March 4, 1913, that designates 10 percent of all national forest receipts for the construction of roads and trails on the national forests (37 Stat. 843, as amended; 16 U.S.C. 501); jointly, to the Committees on Agriculture and Interior and Insular Affairs.

H.R. 3515. A bill to permit the use of firefighting forces of foreign nations and the reimbursement of such forces for costs incurred in fighting wildfires throughout the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Government Operations.

By Mr. YOUNG of Alaska:

H.R. 3516. A bill to amend the Internal Revenue Code of 1954 to simplify the tax system by repealing most deductions and credits for personal income taxes by providing a single, flat rate schedule for individuals, and providing taxpayer protections standards; to the Committee on Ways and Means.

By Mr. BENNETT:

H. Res. 259. Resolution relating to the building of weapons to destroy enemy ballistic missiles; to the Committee on Armed Services.

By Ms. FIEDLER:

H. Res. 260. Resolution expressing the sense of the House of Representatives with respect to the Soviet Union's obligations under international law to allow Lev Shapiro, his wife Elizaveta Shapiro, and their child to emigrate to Israel; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

205. By the SPEAKER: Memorial of the Legislature of the State of California, relative to equal educational opportunity on the basis of sex; to the Committee on Education and Labor.

206. Also, memorial of the Legislature of the State of Missouri, relative to an amendment to the Constitution to require a balanced Federal budget; to the Committee on the Judiciary.

207. Also, memorial of the Legislative Assembly of the State of Oregon, relative to the internment of Americans of Japanese descent and Japanese resident aliens during the years 1942 to 1946; to the Committee on the Judiciary.

208. Also, memorial of the Legislature of the State of California, relative to intrastate bus service; to the Committee on Public Works and Transportation.

209. Also, memorial of the Legislature of the State of California, relative to the taxation of tips; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVIS:

H.R. 3517. A bill to authorize the conveyance of certain lands to the Sand Lake Heights Men's Association of Iosco County, Mich.; to the Committee on Agriculture.

By Mr. KEMP:

H.R. 3518. A bill to direct the Administrator of Veterans' Affairs to release a reverter interest of the United States in certain real property in Canandaigua, N.Y., previously conveyed by the United States to Sonnenberg Gardens, a nonprofit educational institution of the State of New York; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. DWYER of New Jersey.

H.R. 210: Mr. CLARKE.

H.R. 216: Mrs. HOLT.

H.R. 408: Mr. MORRISON of Washington, Mr. BROWN of California, and Mr. WISE.

H.R. 410: Mr. MORRISON of Washington.

H.R. 486: Mr. WHITEHURST.

H.R. 493: Mrs. BOXER, Mr. BILIRAKIS, Mr. KINDNESS, Mr. FROST, Mr. WON PAT, Mr. ACKERMAN, Mr. ROE, Mr. NICHOLS, and Mr. MARLENEE.

H.R. 507: Mr. GRAY, Mr. MARLENEE, and Mr. FORD of Tennessee.

H.R. 549: Mr. PAUL.

H.R. 706: Mr. BILIRAKIS and Mr. EVANS of Illinois.

H.R. 1016: Ms. FERRARO and Mr. YOUNG of Missouri.

H.R. 1179: Mr. ROBERTS.

H.R. 1341: Mrs. HALL of Indiana.

H.R. 1597: Mr. STARK and Ms. SNOWE.

H.R. 1824: Mr. SMITH of New Jersey and Mr. SCHUMER.

H.R. 1952: Mr. ECKART, Mr. EDGAR, Mrs. SCHNEIDER, Mr. PURSELL, Mr. SIMON, Mr. MRAZEK, and Mr. BADHAM.

H.R. 1959: Mr. OTTINGER.

H.R. 2076: Mr. NEAL and Mr. BEREUTER.

H.R. 2128: Mr. MURPHY, Mr. SMITH of New Jersey, Mr. SIMON, Mr. HOWARD, Mr. STOKES, Mr. DYMALLY, Mr. LELAND, Mr. WON PAT, Mr. SUNIA, Mr. ROE, Mr. FORSYTHE, Mr. OWENS, Mr. DAUB, Mr. PURSELL, Mr. JONES of North Carolina, Mr. MINETA, Mr. HARRISON, Mr. WINN, Mr. YATRON, Mr. CONTE, Mr. VENTO, Mr. LAFALCE, Mr. TORRICELLI, Mr. ACKERMAN, Mr. EDGAR, Mr. LENT, Mr. LEVIN of Michigan, Mr. OTTINGER, and Mr. FAZIO.

H.R. 2131: Mr. EDGAR.

H.R. 2169: Mr. KILDEE, Mr. DYMALLY, Mr. ROE, Mr. MOLLOHAN, Mr. FRANK, Mr. HARRISON, Mr. RAHALL, Mr. WEISS, Mr. NEILSON of Utah, Mr. CONTE, Mr. MCNULTY, Mr. CONYERS, Mr. BERMAN, Mr. KOGOVSEK, and Mr. FEIGHAN.

H.R. 2382: Mr. SMITH of Iowa, Mr. DYSON, Mr. BRITT, Mr. KOGOVSEK, Mr. DICKINSON, and Mr. DREIER of California.

H.R. 2753: Mr. MITCHELL.

H.R. 2778: Mr. FAUNTROY, Mr. MITCHELL, Mr. KASICH, Mr. WEISS, Mr. GREEN, Mr. TOWNS, Mr. NEAL, Mr. VENTO, Mr. ROE, Mr. OWENS, Mr. MAVROULES, Mr. LELAND, Mr. EDWARDS of California, Mr. KILDEE, and Mrs. SCHROEDER.

H.R. 2779: Ms. MIKULSKI, and Mr. EDWARDS of Oklahoma.

H.R. 2817: Mr. ROBINSON, Mr. YATRON, Mr. MCDADE, and Mr. BORSKI.

H.R. 2887: Mr. YOUNG of Alaska.

H.R. 2939: Mr. MURPHY.

H.R. 2991: Mr. BROWN of California, Mr. STRATTON, Mr. SABO, and Mr. GRAY.

H.R. 2997: Mr. EDGAR and Mr. GUARINI.

H.R. 3072: Mr. BARNARD, Mr. FAZIO, Mrs. BOXER, Mr. SUNIA, and Mr. DE LUGO.

H.R. 3074: Mr. ANDERSON, Mr. MARLENEE, and Mr. FROST.

H.R. 3170: Mr. GUARINI.

H.R. 3242: Mr. FAUNTROY, Mr. FRANK, Mr. MOLLOHAN, Mr. WILSON, Mr. EVANS of Illinois, and Mr. LEWIS of Florida.

H.R. 3364: Mr. LELAND, Mr. DYMALLY, Mr. COELHO, Mr. OTTINGER, Mr. FAZIO, and Mr. FORD of Tennessee.

H.R. 3365: Mr. COELHO, Mr. OTTINGER, Mr. FAZIO, and Mr. FORD of Tennessee.

H.R. 3366: Mr. COELHO, Mr. OTTINGER, Mr. FAZIO, and Mr. FORD of Tennessee.

H.R. 3371: Mr. KASTENMEIER, Mr. EARLY, Mr. BATEMAN, Mr. BONIOR of Michigan, Mr. TOWNS, Mr. RICHARDSON, Ms. SNOWE, Mr. SEIBERLING, Mr. FROST, Mr. EDGAR, Mr. STANGELAND, Mr. VENTO, Mr. SKELTON, Mr. LEVIN of Michigan, Ms. FERRARO, and Mr. ANDREWS of Texas.

H.R. 3405: Mr. DWYER of New Jersey.

H.J. Res. 120: Mr. BOSCO.

H.J. Res. 227: Mr. DICKINSON, Mr. EDWARDS of Alabama, Mr. MCCAIN, Mr. ALEXANDER, Mrs. BOXER, Mr. DELLUMS, Mr. BROWN of Colorado, Mr. MORRISON of Connecticut, Mr. CARPER, Mr. JENKINS, Mr. HATCHER, Mr. THOMAS of Georgia, Mr. ROWLAND, Mr. HANSEN of Idaho, Mr. CRAIG, Mr. EVANS of Illinois, Mr. SAVAGE, Mr. CHAPPELL, Mr. BENNETT, Mr. MCCOLLUM, Mr. BILIRAKIS, Mr. WINN, Mr. SNYDER, Mr. MAZZOLI, Mr. TAUZIN, Mr. LONG of Maryland, Mr. CONTE, Mr. BOLAND, Mr. MARKEY, Mr. HERTEL of Michigan, Mr. CROCKETT, Mr. CARR, Mr. PURSELL, Mr. VENTO, Mr. SKELTON, Mr. WHEAT, Mr. D'AMOURS, Mr. RODINO, Mr. SMITH of New Jersey, Mr. BIAGGI, Mr. CLARKE, Mr. JONES of North Carolina, Mr. NEAL, Mr. VALENTINE, Mr. GRADISON, Mr. LUKEN, Ms. KAPTUR, Mr. MILLER of Ohio, Mr. OXLEY, Mr. MCDADE, Mr. GOODLING, Mr. RITTER, Mrs. SCHNEIDER, Mr. TALLON, Mr. DASCHLE, Mr. JONES of Tennessee, Mr. STEN-

HOLM, Mr. HIGHTOWER, Mr. ORTIZ, Mr. BATEMAN, Mr. ROBINSON, Mr. MORRISON of Washington, Mr. DICKS, Mr. PRITCHARD, Mr. CHANDLER, Mr. KASTENMEIER, Mr. PETRI, Mr. DE LUGO, Mr. ST GERMAIN, Mr. RINALDO, Mr. BEREUTER, Mr. SHAW, Mr. WEBER, Mr. STUMP, Mr. HAMMERSCHMIDT, Mr. HAWKINS, Mr. LAGOMARSINO, Mr. MARTINEZ, Mr. LUNGREN, Mr. PANETTA, Mr. LEVINE of California, Mr. CAMPBELL, Mr. SPRATT, and Mr. BOEHLERT.

H.J. Res. 266: Mr. UDALL, Mr. BENNETT, Mr. STANGELAND, Mr. HUTTO, Mr. HANSEN of Idaho, Mr. LAGOMARSINO, Mr. FORD of Tennessee, Mr. PASHAYAN, Mr. ACKERMAN, Mr. ROE, Mr. LANTOS, Mr. BEVILL, Mr. KASICH, Mr. BERMAN, Mr. RATCHFORD, Mr. BATEMAN, Mr. SMITH of Florida, Mr. LIPINSKI, Mr. RAHALL, Mr. COATS, Mr. FORSYTHE, Mr. DYSON, Mr. MURPHY, Mr. LEVIN of Michigan, Mr. STOKES, Mr. WORTLEY, Mr. SUNIA, Mr. WHITTAKER, Mr. RANGEL, Mr. HORTON, Mr. DUNCAN, Mr. WEAVER, Mr. TOWNS, Mr. ENGLISH, Mrs. HOLT, Mr. DE LA GARZA, Ms. KAPTUR, Mr. FAZIO, Mr. WOLF, Mr. VENTO, Mr. SIMON, Mrs. HALL of Indiana, Mr. OWENS, Mr. EDWARDS of Oklahoma, Mr. AKAKA, Mr. BOLAND, Mr. HOYER, Mr. DWYER of New Jersey, Mr. CHAPPIE, Mr. CORCORAN, Mrs. BYRON, Mr. DONNELLY, Mr. DICKINSON, Mrs. COLLINS, Mr. BONER of Tennessee, Mr. DYMALLY, Mr. HUGHES, Mr. MCEWEN, Mr. CONABLE, Mr. SCHEUER, Mr. BRITT, Mr. FISH, Mr. DEWINE, Mr. HAMMERSCHMIDT, Mr. NATCHER, Mr. GRAMM, Mr. LENT, Mr. LATTA, Mr. BURTON of Indiana, Mr. BROYHILL, Mr. DANIEL B. CRANE, Mr. HATCHER, Mr. KINDNESS, Mr. LOWERY of California, Mr. MARTINEZ, Mr. ORTIZ, Mr. MARRIOTT, Mr. BRYANT, Mr. MARTIN of North Carolina, Mr. MICHEL, Mr. MOORHEAD, Mr. PRICE, Mr. MURTHA, Mr. MAVROULES, Mr. LUJAN, Mr. JACOBS, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SAM B. HALL, JR., Mr. MCCLOSKEY, Mr. MAZZOLI, Mr. MCGRATH, Mr. JONES of North Carolina, Mr. MCCOLLUM, Mr. WINN, Mr. MOORE, Mr. MCDONALD, Mr. SNYDER, Mr. BARTLETT, Mr. QUILLEN, Mr. PEPPER, Mr. PORTER, Mr. ROEMER, Mr. WYLIE, Mr. ANDERSON, Mr. SILJANDER, Mr. BIAGGI, Mr. BOSCO, Mr. FRANKLIN, Mr. CAMPBELL, Mr. TORRICELLI, Mr. DANIEL, Mr. MILLER of Ohio, Mr. GINGRICH, Mr. GRAY, Mr. LIVINGSTON, Mr. PRITCHARD, Mr. HEFTEL of Hawaii, Mr. MCNULTY, Mr. SHELBY, Mr. PATTERSON, Mr. TAYLOR, Mr. VANDER JAGT, Mr. MCCAIN, Mr. LELAND, Mr. LEWIS of California, Mr. LUNGREN, Mr. PACKARD, Mr. LEWIS of Florida, Mr. ROBINSON, Mr. MINETA, Mr. LOTT, Mr. MCDADE, Mr. FAUNTROY, Mr. EARLY, Mr. HIGHTOWER, Mr. VANDERGRIFF, Mr. YOUNG of Florida, Mr. SPENCE, Mr. EMERSON, Mr. CONTE, Mr. GILMAN, Mr. WEBER, Mr. FLORIO, Mr. KRAMER, Mr. ROBERTS, Mr. STRATTON, Mr. TAYLOR, Mr. NICHOLS, Mr. MILLER of California, Mr. GREEN, Mr. LEHMAN of Florida, Mr. PANETTA, Mr. MADIGAN, Mr. REGULA, Ms. FERRARO, Mr. GRADISON, Mr. WAXMAN, Mr. ADDABBO, Mr. MINISH, Mr. STUMP, Mr. EVANS of Iowa, Mr. ARCHER, Mr. FRENZEL, Mr. SPRATT, Mr. MOLLOHAN, Mr. LONG of Maryland, Mr. PICKLE, Mr. BILIRAKIS, Mr. LAFALCE, Mr. O'BRIEN, Mr. HUNTER, Mr. LOWRY of Washington, Mr. GEKAS, Mr. CLAY, Mr. ANDREWS of Texas, Mr. MCKERNAN, Mr. RITTER, Mr. CHANDLER, Mr. YATRON, Mr. MATSUI, Mr. EDGAR, Mr. PAUL, Mr. LEVINE of California, Mr. SLATTERY, Mr. BORSKI, Mr. WEISS, Mr. WILSON, Mr. SHAW, Mr. HANSEN of Utah, Mr. WON PAT, Mr. BROOMFIELD, Mr. PURSELL, Mr. FOLEY, Mr. BATES, Ms. SNOWE, Mr. SISISKY, Mr. MOAKLEY, Mr. ANDREWS of North Carolina, Mr. BETHUNE, Mr. MORRISON of Washington, Mr. BREAUX, Mr. CARPER, Mr. CHAPPELL, Mr. TAUKE, Mr. WALGREN, Mr. DREIER of California, Mr. DAUB, Mr. RINALDO, Mr. BROWN of Colorado, Mr. DIXON, Mr. BROWN of California, Mr. BEREUTER, Mr. WILLIAMS of Ohio, Mr. WHITEHURST, Mr. TALLON, Mr. JENKINS, Mr. TRAXLER, Mr. PHILIP M. CRANE, Mr. CORRADA, Mr. BADHAM, Mr. MCEWEN, Mr. WIRTH, and Mr. GUARINI.

H. Con. Res. 28: Mr. CLINGER.

H. Con. Res. 129: Mr. ANDREWS of North Carolina.

H. Con. Res. 132: Mr. AUCOIN and Mr. RATCHFORD.

H. Con. Res. 137: Mrs. KENNELLY, Mr. MAVROULES, Mr. COYNE, Mr. ROE, Mr. MILLER of Ohio, Mr. LANTOS, Mrs. HALL of Indiana, and Mr. GEKAS.

H. Res. 149: Mr. BENNETT.

H. Res. 155: Mr. AKAKA, Mr. BATEMAN, Mr. BATES, Mr. BETHUNE, Mr. BORSKI, Mr. CAMPBELL, Mr. DICKS, Mr. DOWNEY of New York, Mr. DUNCAN, Mr. EDWARDS of California, Mr. GONZALEZ, Mr. JENKINS, Mr. LAGOMARSINO, Mr. LEHMAN of Florida, Mr. LEWIS of California, Mr. LIVINGSTON, Mr. MARKEY, Mr. MARTINEZ, Mr. MCNULTY, Mr. MINETA, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. PATTERSON, Mr. ROYBAL, Mr. SCHUMER, Mr. SPRATT, Mr. TAUZIN, Mr. TORRES, Mr. WISE, and Mr. WYDEN.

PETITIONS, ETC.

Under clause 1 of the rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

156. By the SPEAKER: Petition of the City Council, Tampa, Fla., relative to nuclear weapons; to the Committee on Foreign Affairs.

157. Also, petition of the Board of Supervisors, Los Angeles County, Calif., relative to H.R. 3103 and S. 1354, increasing emergency road relief funds to States; to the Committee on Public Works and Transportation.

158. Also, petition of the Board of Supervisors, Fresno County, Calif., relative to the Wine Equity Act of 1983; to the Committee on Ways and Means.

159. Also, petition of the County of San Luis Obispo Board of Supervisors, Calif., relative to the Wine Equity Act of 1983; to the Committee on Ways and Means.

160. Also, petition of the Democratic County Committee, New York County, N.Y., relative to health care; jointly, to the Committees on Ways and Means and Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. GONZALEZ:

—Page 7, strike out line 10 and insert in lieu thereof the following: "(A) the metropolitan area within which the metropolitan city or urban county involved is located, in".

—Page 8, strike out lines 3 through 5 and insert in lieu thereof the following:

(d) Section 103 of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for such purposes not to exceed $3,500,000,000 for fiscal year 1984 and not to exceed $3,450,000,000 for each of the fiscal years 1985 and 1986.".

—Page 22, after line 19, insert the following new subsection:

(k) Section 106(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1), the Secretary may reallocate to any metropolitan city any amounts allocated to, but not received by, the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such reallocation and the resulting transfer of responsibility for the administration of such amounts.".

—Page 22, strike out line 20 and all that follows through page 23, line 25.

—Page 24, line 1, strike out "The" and all that follows through the colon on line 2 and insert in lieu thereof the following: "Section 107(a) of such Act is amended by striking out the first sentence and inserting in lieu thereof the following:".

—Page 24, line 6, insert after the first period the following new sentence: "In addition to such amounts authorized to be set aside for grants under subsection (b), there is authorized to be appropriated $100,000,000 for fiscal year 1984 to carry out the provisions of subsection (d).".

—Page 24, line 24, strike out "(d) and (e)" and insert in lieu thereof "(e) and (f)".

—Page 25, line 2, strike out "subsection" and insert in lieu thereof "subsections".

—Page 25, line 19, strike out the quotation marks and final period.

—Page 25, after line 19, insert the following:

"(d) The Secretary shall, to the extent approved in appropriation Acts, make grants to States, units of general local government, and Indian tribes for the provision of shelter and essential services for individuals and families who are subject to life-threatening situations because of their lack of housing, except that in the case of a grant to a State the Secretary shall first certify that the purposes of this subsection will be more effectively carried out by making a grant to such State that has an existing program that serves such individuals and families. Such grants shall be awarded on the basis of the need for emergency housing in the area where the project is or will be located, shall take into account regional variations in the cost of providing shelter, and shall consider the extent to which units of general local government and nonprofit organizations are currently providing shelter and assistance. Such grants may be used by such units of general local government or by local nonprofit organizations to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any necessary health and safety measures that are required to protect the individuals using such shelter, and for other purposes described in section 105(a) that are consistent with the purpose of this program. In the case of a structure that is rehabilitated with assistance under this subsection, such structure shall be used for emergency housing, after such rehabilitation, for a period of not less than 3 years. In providing grants under this subsection, the Secretary shall take into consideration the special needs of families and single women. The Secretary shall ensure that grants provided under this subsection are used solely to provide additional shelter capacity and essential services and

are not used to replace amounts currently expended in the provision of such shelter and services. The restriction contained in the preceding sentence shall not apply to applicants under this subsection that, pursuant to a State constitutional mandate, have provided shelter to any person who presents himself or herself for shelter.".

(4) Section 107(e) of such Act, as so redesignated in this section, is amended by inserting ", or appropriated for use under subsection (d)," after "subsection (b)".

—Page 27, strike out lines 7 through 13 and insert in lieu thereof the following:

SEC. 102. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended.".

—Page 37, line 17, strike out "$15,000,000" and insert in lieu thereof "$5,000,000".

—Page 47, strike out line 19 and all that follows through page 48, line 3, and insert in lieu thereof the following:

"(n)(1) There are authorized to be appropriated—

"(A) $12,000,000 for fiscal year 1984 to carry out subsections (a), (b), (c), and (i); and

"(B) $12,000,000 for fiscal year 1984 to carry out subsections (f) and (g).

"(2) Any amount appropriated under this subsection shall remain available until expended.".

—Page 48, line 5, insert "(a)" after the section designation.

—Page 48, strike out lines 7 through 10 (and redesignate the subsequent paragraphs accordingly).

—Page 48, line 13, strike out "$69,000,000" and insert in lieu thereof "$72,000,000".

—Page 48, after line 24, insert the following new subsection:

(b) Section 312(h) of such Act is amended by striking out "1983" each place it appears and insert in lieu thereof "1984".

—Page 49, line 6, strike out "$18,512,000" and insert in lieu thereof "$16,000,000".

—Page 50, line 3, strike out "$729,033,000 on October 1, 1983" and insert in lieu thereof the following: "$549,949,000 on October 1, 1983 (of which amount $16,660,000 shall be available for contracts to make assistance payments under section 235 of the National Housing Act)".

—Page 50, line 8, strike out "$12,927,147,000" and insert in lieu thereof "$9,912,928,000".

—Page 50, line 9, insert after "1983" the following: "(of which amount $166,600,000 shall be available for assistance payments unders section 235 of the National Housing Act and $900,000,000 shall be available for assistance under the Rental Housing Production and Rehabilitation Act of 1983)".

—Page 50, line 19, strike out "$105,000,000" and insert in lieu thereof "$81,022,000".

—Page 51, strike out lines 1 through 16 and insert in lieu thereof the following:

"(i) at least $395,023,000 shall be made available for assistance under section 8—

"(I) not less than $125,883,000 of which shall be made available for assistance under section 8(b)(1);

"(II) not less than $21,905,000 of which shall be made available for assistance under section 8(e)(5), other than for use in connection with the sale of projects owned by the Department of Housing and Urban Development;

"(III) not less than $42,000,000 of which shall be made available for amendments to reservations of assistance under section 8 or to contracts for assistance entered into under section 8 in any fiscal year ending before October 1, 1983; and

"(IV) not more than $143,260,000 of which may be utilized to convert assistance under any other provision of law to assistance under section 8; and

"(ii) at least $57,244,000 shall be made available for lower income housing projects under this Act (other than under section 8), of which amount not less than $13,912,000 shall be made available to Indian public housing agencies.

"(C) Any authority approved in appropriation Acts under this subsection that is recaptured and made available for obligation during fiscal year 1984 shall be utilized by the Secretary for the following purposes:

"(i) for assistance under section 8(b)(2), with respect to projects assisted under section 202 of the Housing Act of 1959, not less than $1,926,400,000; and

"(ii) for assistance under section 8(b)(1), not less than $573,600,000 of the balance of such authority that remains after deducting the amount to be utilzed under clause (i).".

—Page 51, line 20, strike out "$1,550,000,000" and insert in lieu thereof "$1,450,000,000".

—Page 83, strike out line 25 and all that follows through page 84, line 6 (and redesignate the subsequent subsection accordingly).

—Page 84, strike out line 10 and all that follows through page 85, line 18, and insert in lieu thereof the following:

SECTION 236 ASSISTANCE

SEC. 222. (a) Section 236(h) of the National Housing Act is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants in units in projects assisted, but not subject to mortgages insured, under this section receive the benefit of assistance contracted for under subsection (f)(2), the Secretary shall offer annually to amend contracts entered into with project owners under such subsection to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants in such units if, after September 30, 1984, such payments are not already provided for under such contracts. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under subsection (f)(2).".

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise for the purpose of making assistance payments, including amendments as provided in subsection (h), with respect to housing projects assisted, but not subject to mortgages insured, under this section that remain covered by assistance under subsection (f)(2).".

—Page 86, line 7, strike out "$6,507,660,000" and insert in lieu thereof "$6,944,858,000".

—Page 88, line 6, insert "or" after the semicolon.

—Page 88, line 10, strike out "; or" and insert in lieu thereof a period.

—Page 88, strike out lines 11 through 15.

—Page 92, line 13, insert after "shall" the following: ", to the extent approved in appropriation Acts,".

—Page 95, line 2, strike out "$10,000,000" and insert in lieu thereof "$4,000,000".

—Page 95, strike out line 20 and all that follows through page 97, line 7, and insert in lieu thereof the following:

RENT SUPPLEMENT PROGRAM

SEC. 227. (a) Section 101(g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants in units in housing assisted under this section, but not subject to mortgages insured under the National Housing Act, receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with housing owners under this section to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants in such units if, after September 30, 1984, such payments are not already provided for under such contracts. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section.".

(b) Section 101(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1) for the purpose of making assistance payments, including amendments as provided in subsection (g), with respect to housing projects assisted under this section, but not subject to mortgages insured under the National Housing Act, that remain covered by assistance under this section; and (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act.".

—Page 106, line 3, insert after "1983" the following: "(from the additional authority to enter into contracts made available on such date under the first sentence of section 5(c)(1) of the United States Housing Act of 1937)".

—Page 106, line 8, insert before the period the following: "of the amount of budget authority made available for fiscal year 1984 under the third sentence of section 5(c)(1) of the United States Housing Act of 1937".

—Page 117, strike out lines 19 through 22 and insert in lieu thereof the following:

LIMITATION ON BUDGET AUTHORITY

SEC. 311. Of the budget authority made available for fiscal year 1984 under the third sentence of section 5(c)(1) of the United States Housing Act of 1937, not more than $900,000,000 shall be available for purposes of assistance under this title.

—Page 118, line 8, strike out "$3,955,600,000" and insert in lieu thereof "$3,291,000,000".

—Page 118, line 12, strike out "$3,705,600,000" and insert in lieu thereof "$3,262,000,000".

—Page 118, after line 16, insert the following new paragraph:

(4) in subsection (a)(2), by striking out "$25,600,000" and inserting in lieu thereof "$20,000,000;".

—Page 118, strike out lines 17 through 22.

—Page 119, line 3, strike out "$1,000,000,000" and insert in lieu thereof "$940,000,000".

—Page 119, line 7, strike out "$50,000,000" and insert in lieu thereof "$29,000,000".

—Page 119, after line 17, insert the following new paragraphs (and redesignate the subsequent paragraph accordingly):

(7) in subsection (b)(2), by striking out "$50,000,000" and "$25,000,000" and inserting in lieu thereof "$36,500,000" and "$12,500,000", respectively;

(8) in subsection (b)(3), by striking out "$25,000,000" and inserting in lieu thereof "$4,400,000"; and

—Page 119, line 25, strike out "; and" and insert in lieu thereof a period.

—Page 120, strike out lines 1 through 8.

—Page 120, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 120, line 13, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 120, line 17, strike out "$400,000,000" and insert in lieu thereof "$135,000,000".

—Page 120, line 23, strike out "$200,000,000" and insert in lieu thereof "$72,000,000".

—Page 121, beginning on line 4, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 121, line 6, strike out "$12,000,000" and insert in lieu thereof "$12,500,000".

—Page 137, line 19, strike out "$100,000,000" and insert in lieu thereof "$10,000,000".

—Page 138, strike out line 1 and all that follows through page 139, line 14 (and redesignate the subsequent section, and conform the table of contents, accordingly).

—Page 139, line 19, strike out the comma and all that follows through the comma on line 20.

—Page 139, line 21, strike out "appropriated" and insert in lieu thereof "available for any fiscal year".

—Page 140, line 7, strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

—Page 140, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 140 line 13, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 140, line 16, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 140, line 19, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 140, line 22, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141 line 1, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141, line 4, strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

—Page 141, line 8, strike out "May 20 and insert in lieu thereof "September 30, 1983".

—Page 141, line 11 strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141, line 14, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141 line 17, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141, line 20, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 141, line 24 strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

—Page 142, line 12, strike out "$45,900,000,000" and insert in lieu thereof "$50,900,000,000".

—Page 142, line 18 strike out "1982" and insert in lieu thereof "1983".

—Page 169, line 10 strike out "$100,000,000" and insert in lieu thereof "$35,000,000".

—Page 170, beginning on line 7, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 170, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 173, line 1, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

—Page 174, line 10, strike out "$8,000,000" and insert in lieu thereof "$4,000,000".

—Page 174, line 18, strike out "$24,000,000" and insert in lieu thereof "$19,000,000".

By Mr. OBERSTAR:

—Page 27, after line 13, insert the following new subsection (and redesignate the subsequent subsections accordingly):

(b) Section 119(b)(1) of such Act is amended by adding at the end thereof the following new sentence: "Standards established by the Secretary under this paragraph to determine the eligibility of any city that has a population of less than 50,000 persons and is not a central city of a metropolitan area shall include the extent of unemployment in such city or, if such data is not available, the extent of unemployment in the county or in the county, excluding cities that have populations of more than 50,000 persons, within which such city is located.".

By Mr. WYLIE:

(Amendment in the nature of a substitute to the committee amendment in the nature of a substitute.)

—Strike all after the enacting clause and insert in lieu thereof the following:

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TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT

AUTHORIZATIONS—TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

SEC. 101. (a) The second sentence of section 103 of the Housing and Community Development Act of 1974 is amended to read as follows: "There are authorized to be appropriated for these purposes not to exceed $3,908,000,000 for each of the fiscal years 1984, 1985 and 1986.".

(b) The first sentence of section 107(a) of such Act is amended to read as follows: "Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985 and 1986, not more than $56,500,000 for each such year may be set aside in a special discretionary fund for grants under subsection (b).".

(c) The second sentence of section 119(a) of such Act is amended to read as follows: "Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985 and 1986, not more than $440,000,000 shall be available for each such year for grants under this section.".

HOMESTEADING

SEC. 102. Section 810 of the Housing and Community Development Act of 1974 is amended to read as follows:

"HOMESTEADING

"SEC. 810. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may transfer, without payment, to any unit of general local government or public agency designated by such unit of general local government any real property—

"(1) that is improved by a one- to four-family residence;

"(2) to which the Secretary holds title;

"(3) that is not occupied by a person legally entitled to reside on such property; and

"(4) that is requested by such unit of general local government or agency for use exclusively in a single-family homesteading program that complies with the requirements of subsection (d).

"(b) The Secretary may convey to any unit of general local government or public agency designated by such unit of general local government any real property—

"(1) to which the Secretary holds title; and

"(2) that the Secretary determines to be suitable for a multifamily homesteading program that complies with the requirements of subsection (e);

for such consideration, if any, as may be agreed upon between the Secretary and such unit of general local government or public agency.

"(c)(1) The Secretary may provide funds to any unit of general local government or public agency designated by such unit of general local government for the acquisition of unencumbered title to any real property that—

"(A) is improved by a one- to four-family residence;

"(B) is not occupied by a person legally entitled to reside on such property; and

"(C) is designated by such unit of general local government or public agency for use exclusively in a single-family or multifamily homesteading program that complies with the requirements of subsection (d) or (e).

"(2) The Secretary may establish reasonable restrictions on the value and number of properties that may be acquired under this subsection.

"(d) Any single-family homesteading program carried out by any unit of general local government or public agency designated by such unit of general local government shall be considered a single-family homesteading program that complies with the requirements of this subsection if the Secretary determines that such program provides for—

"(1) the initial conveyance of vacant residential property by such unit of general local government or public agency without substantial consideration to a family of low or moderate income, upon condition that such family agrees to repair all defects in the property that pose a substantial danger to health and safety within 1 year of the date of such initial conveyance;

"(2) a procedure by which title to such property shall be conveyed to any such family without substantial consideration upon the repair of all such defects, under the condition that such family agrees to—

"(A) make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within 3 years of the date of initial conveyance; and

"(B) occupy such property as a principal residence for a period of not less than 5 years, except under such emergency circumstances as may be established by the Secretary;

"(3) an equitable procedure for selecting the recipients of such properties that—

"(A) gives a special priority to applicants—

"(i) whose current housing fails to meet standards of health and safety, including overcrowding;

"(ii) who currently pay in excess of 30 percent of their income for shelter; and

"(iii) who have little prospect of obtaining improved housing within the foreseeable future through means other than homesteading;

"(B) excludes applicants who are currently homeowners; and

"(C) takes into account the capacity of the applicant to contribute a substantive amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources; and

"(4) a plan for the provision of rehabilitation assistance and technical assistance to recipients of homestead properties who are in need of such assistance.

"(e) Any multifamily homesteading program carried out by any unit of general local government or public agency designated by any such unit of general local government shall be considered a multifamily homesteading program that complies with the requirements of this subsection if the Secretary determines that such program contains adequate asssurances that—

"(1) the primary use of all homestead properties following conversion or rehabilitation shall be residential;

"(2) not less than 75 percent of the residential occupants of homestead properties following conversion or rehabilitation shall be families of low or moderate income;

"(3) all dwelling units in homestead properties shall be owned by occupants under a limited-equity cooperative form of ownership;

"(4) such cooperative may not be dissolved without permission of the unit of general local government or public agency responsible for administering such homesteading program;

"(5) entities that are operated for profit shall be excluded from ownership of homestead properties at all times between the transfer of properties by the Secretary to such unit of general local government or public agency and the acquisiton of such properties by their occupants subsequent to conversion or rehabilitation;

"(6) a substantive amount of the labor required to rehabilitate homestead properties shall be provided by the occupants of such properties;

"(7) rehabilitation assistance and technical assistance shall be available to occupants of homestead properties who are in need of such assistance; and

"(8) the displacement of any individuals who reside in homestead properties prior to rehabilitation or conversion shall be minimized.

"(f)(1) The Secretary may to enter into agreements with any unit of general local government or public agency designated by such unit of general local government to provide technical assistance—

"(A) to such unit of general local government or public agency for the administration of a homesteading program that complies with the requirements of subsection (d) or (e); and

"(B) to any recipient of property under any such homesteading program.

"(2) Not more than 5 percent of any amount made available under subsection (n) may be used to carry out this subsection.

"(g)(1) The Secretary may assist families of low or moderate income receiving property under a homesteading program that complies with the requirements of subsection (d) or (e) in the rehabilitation of such property by providing grants to any unit of general local government or public agency designated by such unit of general local government for the sole purpose of assisting any such recipient within the jurisdiction of such unit of general local government or public agency. Such grants shall stimulate the rehabilitation of homestead properties by providing—

"(A) capital grants;

"(B) loans;

"(C) interest reduction payments;

"(D) technical assistance; and

"(E) other comparable assistance that the Secretary deems appropriate to reduce the costs of homesteading for families of low or moderate income.

"(2) Not less than 75 percent of any funds received by any unit of general local government or public agency for any purpose described in this subsection shall be allocated to aid families of very low income participating in approved homesteading. All money repaid to units of general local government or public agencies designated by a unit of general local government shall be used only for aiding homesteading activities.

"(h) In selecting projects for assistance under this section from among eligible projects, the Secretary shall make such selection on the basis of the extent—

"(1) of the severity of residential property abandonment in the area in which the project is to be located;

"(2) to which the assistance requested from the Secretary under this section will provide the maximum number of units for the least cost, taking into account the cost differences among different areas, among financing alternatives, and among the types of projects and homesteaders being served;

"(3) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this section;

"(4) to which the applicant has established a satisfactory performance in administration of homesteading, where applicable; and

"(5) of coordination of the homesteading program with other efforts to upgrade community services and facilities.

"(i)(1) The Secretary may reimburse the Administrator of Veterans' Affairs, in an amount to be agreed upon by the Secretary and the Administrator, for property that the Administrator conveys, for use in connection with a homesteading program that complies with the requirements of subsection (d) or (e), to any unit of general local government or public agency designated by such unit of general local government.

"(2) The Secretary may reimburse the Secretary of Agriculture, in an amount to be agreed upon by the Secretary and the Secretary of Agriculture, for property that the Secretary of Agriculture conveys, for use in connection with a homesteading program that complies with the requirements of subsection (d) or (e), to any unit of general local government or public agency designated by such unit of general local government.

"(j) In order to facilitate planning for purposes of this section, the Secretary, the Ad-

ministrator of Veterans' Affairs, and the Secretary of Agriculture shall, upon the request of any unit of general local government or public agency designated by such unit of general local government provide a listing of all unoccupied residential properties to which the Secretary, the Administrator, or the Secretary of Agriculture holds title and that are located within the geographic jurisdiction of such unit of general local government or public agency. Such listing shall be accessible to the public during ordinary business hours at the offices of such unit of general local government or public agency.

"(k) The Secretary shall conduct a continuing evaluation of any program carried out pursuant to this section and shall transmit to the Congress an annual report containing a summary of his evaluation of all such programs and his recommendations for the future conduct of such programs. Each such report shall include an assessment of the extent to which homesteading programs consider the requirements described in subsections (d)(2) and (e)(2) relating to housing need and income in selecting homestead recipients, and an estimate of the median income of such recipients during the year covered by such report.

"(l) For purposes of this section:

"(1) The term 'families of low or moderate income' means families whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Such term includes families consisting of one individual.

"(2) The term 'families of very low income' means families whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Such term includes families consisting of one individual.

"(3) The term 'Secretary' means the Secretary of Housing and Urban Development

"(4) The term 'unit of general local government' has the meaning given such term in section 102(a)(1).

"(m) The Secretary may prescribe such rules as may be necessary to carry out his functions under this section.

"(n) Of the total amount approved in appropriation Acts under section 103 fof fiscal year 1984—

"(1) not more than $6,000,000 shall be available for fiscal year 1984 to carry out subsections (a), (b), (c), and (i); and

"(2) not more than $6,000,000 shall be available for fiscal year 1984 to carry out subsections (f) and (g).".

COMMUNITY DEVELOPMENT DEFINITIONS

SEC. 103. (a)(1) Section 102(a)(4) of the Housing and Community Development Act of 1974 is amended by striking out "fifty thousand or until September 30, 1983, whichever is later" and inserting in lieu thereof "45,000".

(2) Section 102(a)(6) of such Act is amended—

(A) by striking out "through September 30, 1983, and shall not be subject to the provisions of section 102(d) in through such date" and inserting in lieu thereof "until the decennial census indicates that the population of such county is less than 180,000"; and

(B) by adding at the end thereof the following new sentence: "Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 106 if such county (A) complies with all other requirements set forth in the first sentence; (B) has a combined population between 190,000 and 199,999, inclusive; (C) had a population growth rate of not less than 25 percent during the most recent 10-year period measured by applicable censuses; and (D) has not previously qualified as an urban county under the first sentence.".

(b) Section 102(b) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this title, any unit of general local government qualifying as a metropolitan city described in subsection (a)(4)(A) for purposes of assistance under section 106 for fiscal year 1983 shall continue to qualify as such a city for purposes of assistance under such section for fiscal year 1984 and each succeeding fiscal year, if such city utilizes not less than 75 percent of the assistance received under such section for fiscal year 1982 and each succeeding fiscal year, respectively, in areas or on projects directly benefiting persons of low and moderate income.".

OBJECTIVE OF PROGRAM AND USE OF FUNDS

SEC. 104. (a) Section 101(c) of the Housing and Community Development Act of 1974 is amended by inserting "and of each grantee's program" after "The primary objective of this title".

(b) Section 104(b)(3) is amended by inserting before the semicolon at the end thereof the following: "so long as the use of funds taken as a whole, over a period specified by the grantee of not more than three years, will principally benefit persons of low and moderate income".

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 106. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $15,512,000 for fiscal year 1984."

TITLE II—ASSISTED HOUSING

SEC. 102. (a) Section 5(c) of the United States Housing Act of 1937 is amended by—

(1) striking out "and" in the first sentence of paragraph (1) and inserting after "1981" the following: ", and by $636,336,000 on October 1, 1983";

(2) striking out "and" in the third sentence of paragraph (1) and inserting after "1981" the following: ", and by $9,912,928,000 on October 1, 1983";

(3) redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively; and

(4) adding the following new paragraph after paragraph (3):

"(4)(A) Of the additional authority approved in appropriation Acts and made available on October 1, 1983, the Secretary shall enter into contracts aggregating at least $77,500,000 for assistance to projects under section 14.

"(B) Of the balance of the additional authority referred to in subparagraph (A) that remains after deducting the amount to be provided for assistance to projects under section 14, no more than $62,500,000 shall be made available for assistance under section 8(b)(1) pursuant to section 8(d).".

(b) Section 9(c) of such Act is amended by striking out "and" and by inserting after "1981" the following: ", not to exceed $1,350,000,000 on or after October 1, 1982, and not to exceed $1,362,200,000 on or after October 1, 1983".

SECTION 8 HOUSING PAYMENT CERTIFICATE PROGRAM

SEC. 202. (a) Section 8(b) of the United States Housing Act of 1937 is amended by adding the following new paragraph at the end thereof:

"(3) Assistance contracts entered into under this section shall provide for either (A) assistance payments under subsection (c) of this section based upon the maximum monthly rent which the owner is entitled to receive for each dwelling unit with respect to which the payments are to be made, or (B) assistance payments under subsection (d) of this section based upon a payment standard which is used to determine the maximum monthly assistance which may be paid for any family.".

(b) Section 8(c) of such Act is amended by—

(1) striking out the designation "(c)(1)" and the first sentence of paragraph (1) inserting in lieu thereof the following:

"(c) In the case of assistance contracts using a maximum monthly rent:

"(1) The contract shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made.";

(2) striking out the penultimate sentence in paragraph (1) and inserting in lieu thereof the following: "Fair market rentals for an area shall be published in the Federal Register.";

(3) striking out the second sentence in paragraph (3); and

(4) striking out "under this section" in paragraph (8) and inserting in lieu thereof "for newly constructed or substantially rehabilitated units"; and

(5) adding the following new paragraphs at the end thereof:

"(9) Each contract for an existing structure entered into under this subsection shall be for a term of not less than one month nor more than one hundred and eighty months.

"(10) Each such contract entered into by a public housing agency with an owner of existing housing units shall provide (with respect to any unit) that—

"(A) the selection of tenants for such units shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that the tenant selection criteria shall give preference to families which, at the time they are seeking assistance, occupy substandard housing, are involuntarily displaced, or are paying more than 50 per centum of income for rent;

"(B) the lease between the tenant and the owner shall be for at least one year or the term of such contract, whichever is shorter, and shall contain other terms and conditions specified by the Secretary;

"(C) the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(D) maintenance and replacement (including redecoration) shall be in accordance with the standard practice for the building concerned as established by the owner and agreed to by the agency; and

"(E) the agency and the owner shall carry out such other appropriate terms and conditions as may be mutually agreed to by them.

"(11) Notwithstanding any other provision of law, with the approval of the Secretary

the public housing agency administering an assistance contract with respect to existing housing units may exercise all management and maintenance responsibilities with respect to those units pursuant to a contract between such agency and the owner of such units.".

(c) Section 8(d) of such Act is amended to read as follows:

"(d) In the case of assistance contracts using a payment standard:

"(1) The Secretary shall establish payment standards periodically but not less than annually for dwelling units of various sizes and types in the market area. The payment standard shall be used to determine the maximum monthly assistance which may be paid for any family, as provided in paragraph (2) of this subsection. Payment standards shall be established at levels designed to assist families in securing decent, safe and sanitary housing while providing assistance to the greatest possible number of families. Payment standards for an area shall be published in the Federal Register.

"(2) The monthly assistance payment for any family shall be the amount by which the payment standard for the area exceeds 30 per centum of the family's monthly adjusted income, except that such monthly assistance payment shall not exceed the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 per centum of the family's monthly income. In addition, if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the monthly assistance payment shall not exceed the amount by which the lower of such rent or the payment standard exceeds the portion of such payment which is so designated.

"(3) Assistance payments may be made only for (A) a family determined to be a very low-income family at the time it initially receives assistance under this subsection, or (B) a family previously receiving assistance under this Act or (C) a lower income family previously participating in programs under section 101 of the Housing and Urban Development Act of 1965, the National Housing Act, section 202 of the Housing Act of 1959, section 312 of the Housing Act of 1964, or any other provision of law, where appropriate, as determined by the Secretary. In selecting families to be assisted, preference shall be given to those which, at the time they are seeking assistance, occupy substandard housing, are involuntarily displaced, or are paying more than 50 per centum of income for rent.

"(4) The Secretary is authorized, without regard to the preferences contained in the preceding paragraph, to use all or any of the authority to enter into contracts provided under section 5(c) to make assistance payments under this subsection for (A) families previously assisted under this Act, or (B) families eligible for assistance under paragraph (3)(C) of this subsection.

"(5) If a family vacates a dwelling unit before the expiration of a lease term, no assistance payment may be made with respect to the unit after the month during which the unit was vacated.

"(6) Contracts to make assistance payments for a dwelling unit shall be for a term of not less than one month nor more than sixty months.

"(7) The Secretary shall require with respect to any unit that (A) the public housing agency inspect the unit before any assistance payment may be made to determine that it meets housing quality standards established by the Secretary, and (B) the public housing agency make annual or more frequent inspections during the contract term. No assistance payment may be made for a dwelling unit which fails to meet such quality standards, unless any such failure is promptly corrected and the correction verified by the public housing agency.

"(8) Where the amount of the maximum annual commitment pursuant to an annual contributions contract exceeds the annual amount required for assistance payments pursuant to such contract, the Secretary may reserve the amount of such excess for assistance payments in following years.".

(d) Section 8(j) of such Act is amended by—

(1) inserting "or subsection (d)" after "under this subsection" in the first sentence of paragraph (1); and

(2) redesignating paragraph (8) as paragraph (9) and inserting a new paragraph (8), to read as follows:

"(8) With respect to assistance contracts under subsection (d) on behalf of a family which utilizes a manufactured home as its principal place of residence, paragraphs (2) through (7) of this subsection shall not be applicable, and the Secretary shall have the discretion to modify the amount of the payment standard as appropriate for assistance under this subsection. With respect to a family renting real property on which is located a manufactured home which is owned by the family, the term 'rent' in subsection (d)(2) shall include the monthly payment made by such family to amortize the cost of purchasing the manufactured home, and the monthly assistance payment under subsection (d)(2) may in no case exceed the maximum monthly rent permitted with respect to the real property which is rented by such family for the purpose of locating its manufactured home.".

(e)(1) Section 6(c)(4)(A) of the United States Housing Act of 1937 is amended by—

(A) striking out "or" after "substandard housing" and inserting a comma in lieu thereof; and

(B) inserting ", or are paying more than 50 per centum of income for rent," after "displaced".

(2) Section 8(e)(2) of such Act is amended by—

(A) striking out "or" after "substandard housing" and inserting a comma in lieu thereof; and

(B) inserting ", or are paying more than 50 per centum of income for rent," after "displaced".

(3) Section 101(e)(1)(B) of the Housing and Urban Development Act of 1965 is amended by—

(A) striking out "or" after "substandard housing" and inserting a comma in lieu thereof; and

(B) inserting ", or was paying more than 50 per centum of income for rent," after "displaced".

AMENDMENTS AFFECTING TENANT RENTS OR CONTRIBUTIONS

SEC. 203. (a) Section 3(a) of the United States Housing Act of 1937 is amended by—

(1) adding the following immediately after the first sentence: "Reviews of family income shall be made at least annually."; and

(2) inserting after "A family" in the final sentence the following: "(other than a family assisted under section 8(d))".

(b) Section 3(b) of the United States Housing Act of 1937 is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof the following: ", except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.".

(c) Section 322(i)(1) of the Omnibus Budget Reconciliation Act of 1981 is amended to read as follows:

"(i)(1)(A) The provisions of this subparagraph (A) apply to determinations of the rent to be paid by a tenant whose occupancy in housing assisted under the United States Housing Act of 1937, section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965 begins on or before the effective date of regulations implementing subsections (a) through (h) of this section. The Secretary shall provide that the rent required to be paid by a tenant shall not increase, as a result of any one or a combination of the provisions of subsections (a) through (h) of this section and any other provision of Federal law redefining which governmental benefits are required to or may be considered as income, by more than 10 per centum during any 12 month period, unless the increase above 10 per centum is attributed solely to increases in income which are not caused by such provisions.

"(B) the 10 per centum limitation in subparagraph (A) shall also cover increases in rent or contribution, as defined by the Secretary, of a tenant assisted under section 8(d) of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1983 (i) where such tenant previously received section 8 existing assistance with respect to occupancy of a unit selected by the family, and where the assistance under section 8(d) is for occupancy of the same unit; and (ii) with respect only to increases as a result of the provisions of subsections (a) through (h) of this section, where such tenant occupied housing assisted under the United States Housing Act of 1937, section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965, beginning on or before the effective date of regulations implementing subsections (a) through (h) of this section.

"(C) Tenants of assisted housing not meeting the occupancy requirements of subparagraphs (A) or (B) shall be subject to immediate rent payment or contribution determinations, as defined by the Secretary, in accordance with applicable law. However, the Secretary shall provide that the rent or contribution payable by any such tenant who is occupying assisted housing on the effective date of any provision of Federal law redefining which governmental benefits are required to or may be considered as income shall not increase, as a result of any such provision of Federal law, by more than 10 per centum during any 12 month period, unless the increase above 10 per centum is attributable to causes unrelated to such redefinitions.

"(D) Notwithstanding the provisions of subsections (a) through (h) of this section or section 8(d) of the United States Housing Act of 1937, as amended by the Housing and Community Development Act of 1983, the Secretary may provide for delayed applicability, or for staged implementation, of the procedures for determining rents or contributions, as defined by the Secretary, re-

quired by such provisions if the Secretary determines that immediate application of such procedures would be impracticable, would violate the terms of existing leases, or would result in extraordinary hardship for any class of tenants.

"(E) The limitations on increases in rent or contribution contained in subparagraphs (A), (B) and (C) shall remain in effect and may not be changed or superseded except by another provision of law which amends this subsection.

"(F) If the tenant is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the tenant's actual housing costs, is specifically designated by such agency to meet the tenant's housing costs and if the tenant's rent or contribution, as defined by the Secretary, is based on the part of such payments which is so designated, the 10 per centum limitation on increases in the rent or contribution in subparagraphs (A) and (B) shall not apply with respect to the portion of such payments which is so designated to the extent the Secretary determines the tenant will not bear the burden of the increases.

"(G) Notwithstanding any other provision of this section application of the procedures for determining rent or contribution, as defined by the Secretary, contained in the aforementioned provisions shall not result in a reduction in the amount of such rent or contribution below the amount paid by any tenant occupying housing assisted under the United States Housing Act of 1937, section 236 of the National Housing Act or section 101 of the Housing and Development Act of 1965 immediately preceding the effective date of regulations implementing this section.".

(d) Section 322(i) of the Omnibus Budget Reconciliation Act of 1981 is further amended by striking out paragraph (2) and by redesignating paragraph (3) as paragraph (2).

CONGREGATE SERVICES

SEC. 204. Section 411(a) of the Congregate Housing Services Act of 1978 is amended by—

(1) striking out "and" at the end of paragraph (3);

(2) striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) adding the following new paragraph at the end thereof:

"(5) for fiscal year 1984, not to exceed $4,000,000.".

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY PROJECTS

SEC. 205. Section 236(f)(3) of the National Housing Act is amended by striking out "September 30, 1982" in the third sentence and inserting in lieu thereof "September 30, 1984".

HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 206. (a) Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended—

(1) by striking out "and" after "1980," in the first sentence; and

(2) by inserting ", and to $6,507,660,000 on October 1, 1983," after "1981" in such sentence.

(b) Section 202(a)(4)(C) of such Act is amended by striking out "$850,848,000" and "1982" in the second sentence and inserting in lieu thereof "$666,400,000" and "1984", respectively.

(c) Section 202 of such Act is amended by adding at the end thereof the following new subsections:

"(i) Unless otherwise requested by the sponsor, a maximum of 25 percent of the units in a project financed under this section may be efficiency units, subject to a determination by the Secretary that such units are appropriate for the elderly or handicapped population residing in the vicinity of such project or to be served by such project.

"(j) The Secretary may not approve the prepayment of any loan made under this section, or sell or transfer such loan, unless such prepayment, sale, or transfer is made as part of a transaction that will ensure that the project involved will continue to operate until the original maturity date of such loan in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original loan agreement entered into under this section and any other loan agreements entered into under other provisions of law.".

SHARED HOUSING FOR THE ELDERLY

SEC. 207. Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection at the end thereof:

"(o) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue minimum property standards (or modify existing standards) for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

DEMONSTRATION PROJECT

SEC. 208. (a) The Congress finds that—

(1) the Department of Health and Human Services spends in excess of $5,000,000,000 annually for housing in the form of allowances for shelter for public assistance recipients;

(2) States administering the Department of Health and Human Services public assistance program often specify shelter allowances that have little relationship to the cost or the quality of the housing in which public assistance recipients live;

(3) at least 30 percent of public assistance recipients live in substandard housing;

(4) the older rental buildings in which many public assistance recipients live are in those neighborhoods that need the assistance of the programs of the Department of Housing and Urban Development for preservation and rehabilitation; and

(5) there is the potential for improving housing for many lower income families by coordinating State and local government efforts in order to assure that families receiving public assistance payments from the Department of Health and Human Services are able to live in decent, safe, and sanitary housing.

(b) The purpose of this section, therefore, is to provide assistance to units of general local government and their designated agencies in order to develop a program that will—

(1) encourage the upgrading of housing occupied primarily by lower income families, including families receiving assistance under the aid for families with dependent children program established under title IV of the Social Security Act; and

(2) provide for better coordination at the local level of the efforts to assist families receiving public assistance from the Department of Health and Human Services so that these families will be able to occupy affordable housing that is decent, safe, and sanitary and that, if necessary, is rehabilitated with funds provided by the Department of Housing and Urban Development.

(c) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") shall, to the extent approved in appropriation Acts, establish and maintain a demonstration project to carry out the purpose described in subsection (b).

(d) In carrying out such project, the Secretary shall make grants to units of general local government, or designated agencies thereof, to carry out administrative plans approved by the Secretary in accordance with subsection (e), and the Secretary may make grants to States to provide technical assistance for the purposes of assisting such units of general local government to develop and carry out such plans.

(e)(1) Grants may be made to States and units of general local government and agencies thereof that apply for them in a manner and at a time determined by the Secretary and that, in the case of units of general local government and their agencies, are selected on the basis of an administrative plan described in such application.

(2) No such administrative plan shall be selected by the Secretary unless it sets forth a plan for local government activities that are designed to—

(A) require or encourage owners of rental housing occupied by lower income families to bring such housing into compliance with local housing codes;

(B) provide technical assistance, loans, or grants to assist owners described in subparagraph (A) to undertake cost-effective improvements of such housing;

(C) work with the State to establish and implement a schedule of local shelter allowances for recipients of assistance under title IV of the Social Security Act on building quality that will be applicable to buildings involved in this program; and

(D) coordinate local housing inspection, housing rehabilitation loan or grant assistance, rental assistance, and social services programs for the purpose of improving the quality and affordability of housing for lower income families.

(3) Funds received from any grant made by the Secretary to a unit of general local government shall be made available for use according to the administrative plans and may be used for—

(A) technical assistance or financial assistance to property owners to upgrade housing projects described in paragraph (2)(A) of this subsection;

(B) temporary rental assistance to families who live in buildings assisted under this program and who are eligible for, but are not receiving, assistance under section 8 of the United States Housing Act of 1937, except that such families shall not include families receiving assistance under title IV of the Social Security Act, and the amount of such rental assistance may not exceed 20 percent of each grant received under this section;

(C) housing counseling and referral and other housing related services;

(D) expenses incurred in administering the program carried out with funds received under this section, except that such expenses may not exceed 10 percent of the grant received under this section; and

(E) other appropriate activities that are consistent with the purposes of this section and that are approved by the Secretary.

(f) Any recipient of a grant from the Secretary under this section shall agree to—

(1) contribute to the program an amount equal to 15 percent of the funds received from the Secretary under this section, and the Secretary shall permit the recipient to meet this requirement by the contribution of the value of services carried out specifically in connection with the program assisted under this section;

(2) permit the Secretary and the General Accounting Office to audit its books in order to assure that the funds received under this section are used in accordance with the section; and

(3) other terms and conditions prescribed by the Secretary for the purpose of carrying out this section in an effective and efficient manner.

(g) In making grants available under this section, the Secretary shall select as recipients at least 20 units of general local government (or their designated agencies). The selection of proposals for funding shall be based on criteria that result in a selection of projects that will enable the Secretary to carry out the purpose of this section in an effective and efficient manner and provide a sufficient amount of data necessary to make an evaluation of the demonstration project carried out under this section.

(h) The Secretary shall transmit, not later than March 1, 1984, to both Houses of the Congress a detailed report concerning the findings and conclusions that have been reached by the Secretary as a result of carrying out this section, along with any legislative recommendations that the Secretary determines are necessary.

(i) There is authorized to be appropriated for the purpose of carrying out this section an amount not in excess of $25,000,000 for fiscal year 1984.

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

EXTENSION OF MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1983" in the first sentence and inserting in lieu thereof "October 1, 1984".

(b) Section 217 of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1983" in the fifth sentence and inserting in lieu thereof "September 30, 1984".

(d)(1) Section 235(m) of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

(2) Section 235(q)(1) of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

(f) Section 244(d) of such Act is amended by striking out "September 30, 1983" in the first sentence and inserting in lieu thereof "September 30, 1984".

(g) Section 809(f) of such Act is amended by striking out "September 30, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(h) Section 810(k) of such Act is amended by striking out "September 30, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(i) Section 1002(a) of such Act is amended by striking out "September 30, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(j) Section 1101(a) of such Act is amended by striking out "September 30, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a)(1) of Public Law 90-301 is amended by striking out "October 1, 1983" and inserting in lieu thereof "October 1, 1984".

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOUSING ADMINISTRATION LIMITATIONS

SEC. 303. (a) Section 306(g) of the National Housing Act is amended by adding at the end thereof the following:

"(3) During fiscal year 1984, the Association may not enter into commitments to issue guarantees under this subsection in an aggregate amount in excess of $68,250,000,000.".

(b) Section 531 of the National Housing Act is amended—

(1) by inserting "(a)" after "SEC. 531."; and

(2) by adding at the end thereof the following:

"(b) During fiscal year 1984, the Secretary may not enter into commitments to insure mortgages under title II of this Act in an aggregate principal amount in excess of $50,900,000,000.".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 304. Section 519(f) of the National Housing Act is amended by inserting the following before the period at the end thereof: ", and further increased by $252,974,000 on October 1, 1982".

RESEARCH AUTHORIZATIONS

SEC. 305. The second sentence of section 501 of the Housing and Urban Development Act of 1970 is amended by striking out "and" each time it appears, and inserting immediately after "1982" the following: ", not to exceed $19,000,000 for the fiscal year 1983, not to exceed $18,000,000 for the fiscal year 1984".

COUNSELING

SEC. 306. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended by striking out "1982" and "$4,000,000" and inserting in lieu thereof "1984" and "$3,500,000", respectively.

INCREASED LOAN LIMITS FOR MANUFACTURED HOMES AND LOTS UNDER TITLE I OF THE NATIONAL HOUSING ACT

SEC. 307. (a) Section 2(b)(1) of the National Housing Act is amended by—

(1) striking out "$22,500" and all that follows through "modules)" in subparagraph (C) and inserting in lieu thereof "40,500";

(2) striking out "$35,000" and all that follows through "modules)" in subparagraph (D) and inserting in lieu thereof "$54,000"; and

(3) striking out "such an amount as may be necessary, but not exceeding $12,500," in subparagraph (E) and inserting in lieu thereof "$13,500".

(b) Section 2(b)(2) of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "In other areas, the maximum dollar amounts specified in subsections (b)(1)(D) and (b)(1)(E) may be increased on an area-by-area basis to the extent the Secretary deems necessary, but not to exceed the percentage by which the maximum mortgage amount for a one-family residence in the area is increased by the Secretary under section 203(b)(2) of this Act.".

AUTHORITY FOR REFINANCING MANUFACTURED HOMES UNDER TITLE I OF THE NATIONAL HOUSING ACT

SEC. 308. Section 2(b)(6) of the National Housing Act is amended by adding at the end thereof the following new subparagraph:

"(C) The owner-occupant of a manufactured home or a home and lot which was purchased without assistance under this section but otherwise meeting the requirements of this section may refinance such home or home and lot under this section provided that the home was constructed in accordance with standards established under section 604 of the National Manufactured Housing Construction and Safety Standards Act of 1974.".

SHELL HOME CONSTRUCTION

SEC. 309. (a) Section 203(k)(1) of the National Housing Act is amended by—

(1) striking out "The Secretary may, in order to assist in" in the first sentence and inserting in lieu thereof the following: "In order to assist in (A)";

(2) striking out all that follows "purposes," in the first sentence and inserting in lieu thereof the following: "or (B) the purchase, construction and completion of one-family shell homes, the Secretary is authorized to insure and make commitments to insure rehabilitation loans and shell home mortgage loans made by financial institutions, including advances made during rehabilitation or shell home purchase, construction and completion."; and

(3) adding at the end thereof the following: "Shell home mortgage loans may be insured under this subsection only on a coinsurance basis pursuant to section 244 of this Act, and the number of such loans which may be so insured may not exceed 30,000.".

(b) Section 203(k)(2) of such Act is amended by—

(1) striking out "and" at the end of subparagraph (a)(iii);

(2) striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) adding the following new subparagraph at the end thereof:

"(C) the term 'shell home mortgage' means a mortgage loan made for the purpose of financing the costs (including the provision of any necessary materials, appliances and specialized labor) of the purchase and development of a site; the purchase and construction on the site of a one-family shell home, as defined by the Secretary; and the completion of the shell home, which shall be owner-occupied.".

(c) Section 203(k)(3) of such Act is amended by—

(1) striking out "a rehabilitation loan shall" and inserting in lieu thereof "a loan shall";

(2) inserting after "(A)" the following: "(i) in the case of a rehabilitation loan,"; and

(3) inserting the following immediately after subparagraph (A):

"(ii) in the case of a shell home mortgage loan, involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary

shall approve) not exceeding the amount specified in subsection (b)(2), except that the Secretary shall establish as the appraised value of the property an amount not to exceed the sum of the appraised value of the site, the estimated costs of site development, and the estimated costs of purchase, construction and completion of the one-family shell home;".

(d) Section 203(k)(4) of such Act is amended by striking out "rehabilitation loan" and inserting in lieu thereof "loan or mortgage".

(e) Section 203(k) of such Act is amended by adding at the end thereof the following:

"(6) For the purpose of making one-family shell homes insured under this subsection more affordable to borrowers, the Secretary shall, to the maximum extent feasible, encourage borrowers to contribute the value of their labor as equity in the property.".

MORTGAGE INSURANCE FOR MANUFACTURED HOME PARKS FOR THE ELDERLY

SEC. 310. The first sentence of the second undesignated paragraph of section 207(b) of the National Housing Act is amended by striking out "no mortgage shall be insured hereunder" and inserting in lieu thereof the following: "the Secretary shall not insure any mortgage under this section (except a mortgage with respect to a manufactured home park designed exclusively for occupancy by elderly persons)".

CONDOMINIUM INSURANCE LIMITS

SEC. 311. The third sentence of section 234(c) of the National Housing Act is amended by inserting "(118 percent in the case on newly constructed units)" after "111 per centum".

GRADUATED PAYMENT MORTGAGES FOR MULTIFAMILY AND SINGLE FAMILY HOUSING

SEC. 312. Section 245 of the National Housing Act is amended by—

(1) striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) The Secretary may insure under any provision of this title mortgages and loans with provisions of varying rates of amortization corresponding to anticipated variations in family or, as appropriate, project income, to the extent the Secretary determines such mortgages or loans (1) have promise for expanding housing opportunities or meet special needs, (2) can be developed to include any safeguards for mortgagors, tenants or purchasers that may be necessary to offset special risks of such mortgages, and (3) have a potential for acceptance in the private market. A mortgage or loan may not be insured pursuant to this section after September 30, 1985, except pursuant to a commitment entered into on or before that date.

"(b) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this section involving property upon which there is located a dwelling designed principally for occupancy by one to four families—

"(1) shall not initially exceed the percentage of the initial appraised value of the property specified in section 203(b) of this title as of the date the mortgage or loan is accepted for insurance; and

"(2) thereafter (including all interest to be deferred and added to principal) (A) shall not at any time be scheduled to exceed 97 per centum, or, if the mortgagor is a veteran, such higher percentage as is provided under section 203(b)(2) for veterans, of the projected value of the property, and (B) shall not exceed 113 per centum of the initial appraised value of the property.

"(c) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this section involving property upon which there are located five or more dwelling units—

"(1) shall not initially exceed the percentage of value or replacement cost required by the provision under which the property is insured; and

"(2) thereafter (including all interest to be deferred and added to principal) shall not at any time be scheduled to exceed 100 per centum of the projected value of the property.

"(d) For purposes of this section, the Secretary shall calculate the projected value of the property by increasing the initial value of the property, as determined by the Secretary, at a rate not in excess of 2½ per centum per annum."; and

(2) redesignating subsection (c) as subsection (e).

ADJUSTABLE RATE MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 313. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

ADJUSTABLE RATE SINGLE FAMILY MORTGAGES

"SEC. 247. (a) The Secretary may insure under any provision of this title a mortgage involving property upon which there is located a dwelling designed principally for occupancy by one to four families, where the mortgage provides for periodic adjustments by the mortgagee in the effective rate of interest charged. These interest rate adjustments may be accomplished through adjustments in the monthly payment amount, the outstanding principal balance, or the mortgage term, or a combination of these factors, except that in no case may any extension of a mortgage term result in a total term in excess of 40 years. Adjustments in the effective rate of interest shall correspond to a specified national interest rate index approved in regulations by the Secretary, information on which is readily accessible from published sources. Adjustments in the effective rate of interest shall (1) be made on an annual basis; (2) be limited, with respect to any single interest rate increase, to no more than 1 per centum on the outstanding loan balance; and (3) be limited to a maximum increase of 5 percentage points above the initial contract interest rate over the term of the mortgage. A mortgage many not be insured pursuant to this section after September 30, 1985, except pursuant to a commitment entered into on or before that date.

"(b) The Secretary shall issue regulations requiring that the mortgagee make available to the mortgagor, at the time of loan application, a written explanation of the features of the adjustable rate mortgage, including but not limited to, a hypothetical payment schedule which displays the maximum potential increases in monthly payments to the mortgagor over the first five years of the mortgage term.

"(c) The number of mortgages and loans insured pursuant to this section in any fiscal year may not exceed 125,000 mortgages.".

SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

SEC. 314. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR SINGLE FAMILY HOUSING

"SEC. 248. (a) Notwithstanding any provision of this title which is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties upon which there is located a dwelling designed principally for occupancy by one- to four-families or providing for insurance of mortgages on the stock allocated to dwelling units in residential cooperative housing corporations, a mortgage secured by a first lien on such property or such stock, which (1) provides for the mortgagee to share in a predetermined percentage of the net appreciated value of the property or stock; (2) provides for amortization over a period of not to exceed thirty years, but the actual term of the mortgage (excluding any refinancing) may be not less than ten nor more than thirty years, and contains such provisions relating to refinancing of the principal balance and any contingent deferred interest as the Secretary may prescribe; and (3) meets such other conditions, including limitations on the rate of interest which may be charged, as the Secretary may require by regulation. A mortgage may not be insured pursuant to this section after September 30, 1985, except pursuant to a commitment entered into on or before that date.

"(b) The mortgagee's share of a property's or stock's net appreciated value shall be payable upon sale or transfer (as defined by the Secretary) of the property or stock or payment in full of the mortgages, whichever occurs first. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property or stock (less the mortgagor's selling costs) exceeds the value of the property or stock at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 204(a) of this title, but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal obligation of the mortgage' as used in section 204 shall not include the mortgagee's share of net appreciated value.

"(d) The Secretary shall prescribe adequate consumer protections and disclosure requirements with respect to mortgages insured under this section, and may prescribe such other terms and conditions as may be appropriate to carry out the provisions of this section.

"(e) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.

"(f) The number of mortgages insured pursuant to this section in any fiscal year may not exceed 50,000.".

SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 315. (a) Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SHARED APPRECIATION MORTGAGES FOR MULTIFAMILY HOUSING

"SEC. 249. (a) Notwithstanding any provision of this title which is inconsistent with this section, the Secretary may insure, under any provision of this title providing for insurance of mortgages on properties including five or more family units, a mortgage secured by a first lien on the property which (1) provides for the mortgagee to share in a predetermined percentage of the property's net appreciated value and (2) meets such other conditions, including limitations on the rate of interest which may be charged, as the Secretary may require by regulation. A mortgage may not be insured pursuant to this section after September 30, 1985, except pursuant to a commitment entered into on or before that date.

"(b) The mortgagee's share of a property's net appreciated value shall be payable upon maturity or upon payment in full of the loan or sale or transfer (as defined by the Secretary) of the property, whichever occurs first. The term of the mortgage shall not be less than 15 years, and shall be repayable in equal monthly installments of principal and fixed interest during the mortgage term in an amount which would be sufficient to retire a debt with the same principal and fixed interest rate over a period not exceeding thirty years. In the case of a mortgage which will not be completely amortized during the mortgage term, the principal obligation of the mortgage may not exceed 85 per centum of the estimated value of the property or project. For purposes of this section, the term 'net appreciated value' means the amount by which the sales price of the property (less the mortgagor's selling costs) exceeds the value (or replacement cost, as appropriate) of the property at the time the commitment to insure is issued (with adjustments for capital improvements stipulated in the loan contract). If there has been no sale or transfer at the time the mortgagee's share of net appreciated value becomes payable, the sales price for purposes of this section shall be determined by means of an appraisal conducted in accordance with procedures approved by the Secretary and provided for in the mortgage.

"(c) In the event of a default, the mortgagee shall be entitled to receive the benefits of insurance in accordance with section 207(g) of this title, but such insurance benefits shall not include the mortgagee's share of net appreciated value. The term 'original principal face amount of the mortgage' as used in section 207(g) shall not include the mortgagee's share of net appreciated value.

"(d) The Secretary shall establish by regulation the maximum percentage of net appreciated value which may be payable to a mortgagee as the mortgagee's share. The Secretary shall also establish disclosure requirements applicable to mortgagees making mortgage loans pursuant to this section, to assure that mortgagors are informed of the characteristics of such mortgages.

"(e) Mortgages insured pursuant to this section which contain provisions for sharing appreciation or which otherwise require or permit increases in the outstanding loan balance which are authorized under this section or under applicable regulations shall not be subject to any State constitution, statute, court decree, common law, rule or public policy limiting or prohibiting increases in the outstanding loan balance after execution of the mortgage.".

(b) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended by inserting immediately after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(c) Section 220(d)(4) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(d) Section 221(d)(6) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

(e) Section 231(c)(5) of such Act is amended by inserting after "periodic payments" the following: "(unless otherwise approved by the Secretary)".

DEMONSTRATION AUTHORITY TO INSURE HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

SEC. 316. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION AUTHORITY TO INSURE HOME EQUITY CONVERSION MORTGAGES FOR ELDERLY HOMEOWNERS

"SEC. 250. (a) The purpose of this section is to authorize a demonstration mortgage insurance program designed to—

"(1) meet the special needs of elderly homeowners by reducing the effect of economic hardship caused by the rising costs of meeting health, housing and subsistence needs at a time of reduced income, through the insurance of home equity conversion mortgages to permit the conversion of a portion of accumulated home equity into liquid assets;

"(2) encourage and increase the involvement of mortgagees and secondary market participants (lenders and investors) in the making and servicing of home equity conversion mortgages for elderly homeowners; and

"(3) permit the evaluation of data to determine—

"(A) the extent of the need and demand among elderly homeowners for insured and uninsured home equity conversion mortgages;

"(B) the types of home equity conversion mortgages which best serve the needs and interests of elderly homeowners, the Federal government and lenders; and

"(C) the appropriate scope and nature of participation by the Secretary in connection with home equity conversion mortgages for elderly homeowners.

"(b) For purposes of this section—

"(1) The terms 'elderly homeowner' and 'homeowner' mean any homeowner (or homeowners) at least 65 years old or such higher age as the Secretary may prescribe.

"(2) The term 'home equity conversion mortgage' means a loan, secured by a first lien on the property, which provides for periodic and/or lump sum payments to the homeowner based upon accumulated equity and which may provide for a fixed or variable term or for future sharing, between the lender and the homeowner, of the equity or appreciation in the value of the property. Such mortgages shall provide that—

"(A) the loan becomes due on the earlier of a specified date after disbursement of the full principal amount or when a specified event occurs, such as sale of the property or death of the homeowner;

"(B) periodic payments, if provided for in the mortgage instrument, are made directly by the lender or are made through purchase of an annuity from an insurance company authorized to engage in such business and supervised by the State in which it is incorporated; and are made monthly or upon such terms as agreed to by the parties;

"(C) lump sum payments, if provided for in the mortgage instrument, are used by the homeowner to purchase a deferred annuity or to pay for major housing or other needs as determined by the homeowner;

"(D) prepayment in whole or in part may be made without penalty at any time during the term of the loan; and

"(E) the interest rate may be fixed or adjusted periodically as may be agreed upon by the mortgagor and the mortgagee.

"(c) The Secretary is authorized, upon application by the mortgagee, to insure as hereinafter provided any home equity conversion mortgage which is eligible for insurance as hereinafter provided, and, upon such terms and conditions as the Secretary may prescribe, to make commitments for the insurance of such mortgages prior to the date of their execution or disbursement thereon to the extent that the Secretary determines such mortgages—

"(1) have promise for improving the financial situation or otherwise meeting the special needs of elderly homeowners;

"(2) can be developed to include any safeguards for mortgagors that may be necessary to offset the special risks of such mortgages; and

"(3) have a potential for acceptance in the private market.

"(d) To be eligible for insurance under this section, a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(2) have been executed by a mortgagor who qualifies as an elderly homeowner and meets requirements prescribed by the Secretary;

"(3) be secured by a property which is designed principally as a one-family residence and which is occupied by the mortgagor;

"(4) involve a principal obligation (including such initial service charges, appraisal, inspections, and other fees as the Secretary shall approve, and all interest to be deferred and added to the principal) which does not exceed the lesser of the maximum area dollar limitation for a one-family residence set forth in section 203(b)(2) of this Act and 90 per centum of the appraised value of the property as of the date the mortgage is accepted for insurance;

"(5) permit an interest rate to be fixed or adjusted periodically as may be agreed upon by the mortgagor and the mortgagee;

"(6) contain provisions for full satisfaction of the obligation satisfactory to the Secretary; and

"(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserve, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may prescribe.

"(e) The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204(a) of this Act with respect to mortgages insured under this section (except that in the case of a mortgage providing for shared appreciation, the insurance benefits shall not include the mortgagee's share of net appreciated value and the term 'original principal obligation of the mortgage' as used in section 204 shall not include the mortgagee's share of net appreciated value), and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 of this Act shall be applicable

to such mortgages insured under this section, except that all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund and all references therein to section 203 shall be construed to refer to this section.

"(f) The Secretary shall require that the mortgagee make available to the homeowners, at the time of loan application, a written explanation of the features of the home equity conversion mortgage. The explanation may include, but is not limited to, its effect on tax and estate planning and homeowner eligibility for governmental benefits and other assistance.

"(g) No mortgage may be insured under this section after September 30, 1986 except pursuant to a commitment to insure issued on or before that date. The total number of mortgages insured under this section may not exceed 5,000.

"(h) The Secretary is authorized to (1) enter into such contracts and agreements with Federal, State and local units of government, public and private entities and others as the Secretary determines to be necessary or desirable to carry out the purposes of this section, and (2) make such investigations and studies of data and publish and distribute such reports, as the Secretary determines to be appropriate.

"(i) Mortgages insured and authorized under this section and applicable regulations which contain or set forth provisions pertaining to (1) sharing appreciation, (2) increases in the outstanding balance after execution of the mortgage (including but not limited to adding deferred interest to principal), (3) disbursement of mortgage proceeds over an extended term, or (4) setting of a due date in relation to the earliest of a specified event shall not be subject to any State constitution, statute, court decree, common law, rule or public policy (1) limiting or prohibiting (A) sharing appreciation, (B) increases in the outstanding balance after execution of the mortgage, or (C) disbursement of mortgage proceeds over an extended time, or (2) requiring that the term of the mortgage be fixed.

"(j) Notwithstanding any other provisions of law, and in order to further the purposes of the demonstration program authorized by this section, the Secretary is authorized to take any action necessary to provide the mortgagor with funds to which he or she is entitled under the insured mortgage or ancillary contracts but has not received because of the default of the party responsible for payment, and to obtain repayment of such disbursements so provided from any source. Such actions may include, but are not limited to: (1) disbursing such funds to the mortgagor from the General Insurance Fund; (2) accepting an assignment of the insured mortgage notwithstanding that the mortgagor is not in default under its terms, and calculating the amount and making the payment of the insurance claim on such assigned mortgage; (3) requiring a junior mortgage from the mortgagor at any time in order to secure repayments of any funds advanced or to be advanced to the mortgagor; (4) requiring a subrogation to the Secretary of the rights of any parties to the transaction against any defaulting parties; (5) imposing premium charges; and (6) preempting any State or local law which may prohibit or limit any of the actions enumerated in items (1) through (5) of this subsection.".

ELIMINATION OF REQUIREMENT THAT FHA INTEREST RATES BE SET BY LAW

SEC. 317. (a) Sections 3 and 4 of Public Law 90-301 are hereby repealed.

(b) The National Housing Act is amended in the following respects:

(1) Section 2(b)(5) is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such rate as may be agreed upon by the borrower and the financial institution.".

(2) Section 203(b)(5) is amended to read as follows:

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(3) Section 203(k)(3)(B) is amended to read as follows:

"(B) bears interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(5) The first sentence of section 213(d) is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(6) The second sentence of section 220(d)(4) is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe.".

(7) Section 220(h)(2)(iii) is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(8) Section 221(d)(5) is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee".

(9) Section 231(c)(6) is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and".

(10) The first sentence of section 234(f) is amended to read as follows: "Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(11) Section 235(i)(3) is amended by—

(A) striking out "and" at the end of subparagraph (D);

(B) striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) adding the following new subparagraph at the end thereof:

"(F) bear interest at a rate not to exceed such per centum per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets.".

(12) Section 240(c)(4) is amended to read as follows:

"(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(13) Section 241(b)(3) is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(14) Section 1002(d)(2) is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee: *Provided*, That the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than ten years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;".

PART B—OTHER PROGRAMS

WEATHERIZATION PROGRAM

SEC. 321. Section 422 of the Energy Conservation in Existing Buildings Act of 1976 is amended by adding the following new sentence at the end thereof: "Of the funds authorized by section 1005(1) of the Omnibus Budget Reconciliation Act of 1981 for energy conservation for the fiscal year ending September 30, 1984, not less than $300,000,000 is authorized to be appropriated to carry out the weatherization program under this part.".

FLOOD INSURANCE

SEC. 322. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1985".

(b) Section 1336(a) of such Act is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 1376(c) of such Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof ", and not to exceed $58,600,000 for the fiscal year 1984".

(d)(1) The National Flood Insurance Act of 1968 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 1304(a) of such Act is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(3) Section 1333 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(4) Section 1340(a)(2) of the National Flood Insurance Act of 1968 is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(5) Section 1341 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(6) Section 1360(a)(2) of such Act is amended by striking out "within fifteen years following such date" and inserting in lieu thereof "by September 30, 1987".

(7) Section 1370(a)(6) of such Act is amended to read as follows:

"(6) the term 'Director' means the Director of the Federal Emergency Management Agency.".

(e)(1) The Flood Disaster Protection Act of 1973 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 3(a)(6) of such Act is amended to read as follows:

"(6) 'Director' means the Director of the Federal Emergency Management Agency.".

(f) Section 15(e) of the Federal Flood Insurance Act of 1956 is amended by striking out "Secretary" the first and third places it appears therein and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

CRIME AND RIOT INSURANCE

SEC. 323. (a) Section 1201(b) of the National Housing Act is amended—

(1) by striking out "September 30, 1983" in paragraph (1) and inserting in lieu thereof "September 30, 1985"; and

(2) by striking out "September 30, 1985" in paragraph (1)(A) and inserting in lieu thereof "September 30, 1988".

(b)(1) Title XII of the National Housing Act is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 1203(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting "; and" in lieu thereof; and

(C) by adding at the end thereof the following new paragraph:

"(17) 'Director' means the Director of the Federal Emergency Management Agency.".

(3) Section 1232(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(4) Section 1247 of such Act is amended by inserting "of the Secretary of Housing and Urban Development" after "regulations)".

TITLE IV—RURAL HOUSING

AUTHORIZATIONS

SEC. 401. Section 513 of the Housing Act of 1949 is amended to read as follows:

"AUTHORIZATIONS

"SEC. 513. (a) For fiscal year 1984, the Secretary may, as approved in appropriations Acts, insure loans under the authorities provided in this title in an aggregate principal amount not to exceed $1,840,000,000 except that—

"(1) not more than $1,128,000,000 shall be made available for loans insured under section 502 on behalf of borrowers receiving assistance pursuant to section 521(a)(1)(B);

"(2) not more than $12,000,000 may be made available for loans insured under section 514; and

"(3) not more than $700,000,000 may be made available for loans insured under section 515 on behalf of borrowers receiving assistance pursuant to section 521(a)(1)(B).

"(b) For fiscal year 1984, there are authorized to be appropriated—

"(1) not to exceed $10,000,000 for direct loans pursuant to section 504;

"(2) not to exceed $12,500,000 for financial assistance pursuant to section 516;

"(3) not to exceed $25,000,000 for financial assistance pursuant to section 504;

"(4) not to exceed $12,500,000 for financial assistance pursuant to section 523;

"(5) such sums as may be necessary to meet interest payments on notes or other obligations issued by the Secretary under section 511; and

"(6) such sums as may be required by the Secretary to administer the provisions of sections 203(b), 235, and 236 of the National Housing Act and Section 8 of the United States Housing Act of 1937.".

RURAL HOUSING INSURANCE FUND AMENDMENTS

SEC. 402. Section 517(j) of the Housing Act of 1949 is amended—

(1) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) to provide assistance authorized by section 521(a)(1);";

(2) by striking out "; and " at the end of paragraph (5) and inserting in lieu thereof a period; and

(3) by striking out paragraph (6).

EXTENSION OF RURAL RENTAL HOUSING INSURANCE AUTHORITY

SEC. 403. Section 515(b)(5) of the Housing Act of 1949 is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

EXTENSION OF RURAL HOUSING INSURANCE AUTHORITY

SEC. 404. Section 517(a)(1) of the Housing Act of 1949 is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

TENANT CONTRIBUTION

SEC. 405. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out "not exceeding 25 per centum of income" in the first sentence and inserting in lieu thereof "not exceeding the highest of the following amounts, rounded to the nearest dollar: (I) 30 percent of the family's monthly adjusted income; (II) 10 percent of the family's monthly income; or (III) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments that is so designated".

(b) Section 501(b)(5) of such Act is amended to read as follows:

"(5) For purposes of this title, the terms 'income' and 'adjusted income' shall have the same meaning given such terms in section 3(b) of the United States Housing Act of 1937.".

(c) The Secretary of Agriculture shall provide that the amount of rental payments to be made by any family shall not increase, as a result of the amendments made by this section and as a result of any other provision of Federal law redefining which governmental benefits are required to or may be considered as income, by more than 10 percent during any 12-month period unless the increase above such 10 percent is attributed solely to increases in income which are not caused by such amendments or by such redefinitions. The limitation contained in the preceding sentence shall remain in effect and may not be changed or superseded except by another provision of law that amends this subsection.

(d) The amendments made by this section shall be effective with respect to tenant rental payments due on or after the date of the enactment of this Act.

CERTIFICATES OF BENEFICIAL OWNERSHIP

SEC. 406. Section 517(k) of the Housing Act of 1949 is amended or read as follows:

"(k) Any transactions pertaining to certificates of beneficial ownership issued under this title shall be treated in accordance with generally accepted budget and accounting practices for participation certificates for purposes of chapter 11 of title 31, United States Code.".

RENTAL ASSISTANCE AUTHORIZATION

SEC. 407. Section 521(a)(2)(D) of the Housing Act of 1949 is amended to read as follows:

"(D) For fiscal year 1984, the Secretary, to the extent approved in appropriation Acts, may enter into rental assistance contracts aggregating not more than $100,000,000 in carrying out subparagraph (A).".

SELF-HELP TECHNICAL AND SUPERVISORY ASSISTANCE

SEC. 408. (a) Section 523(b)(1) of the Housing Act of 1949 is amended to read as follows:

"(1) to make grants to, or contract with, public or private nonprofit corporations, agencies, institutions, Indian tribes, and other associations approved by him, for developing, conducting, administering, or coordinating effective and comprehensive programs of technical and supervisory assistance which will aid needy low-income individuals and their families in carrying out mutual or self-help housing efforts; and".

(b) Section 523(b) of such Act is amended—

(1) in paragrah (2), by striking out "; and" and inserting in lieu thereof a period; and

(2) by striking out paragraph (3).

(c) Section 523(f) of such act is amended by striking out "1983" each place it appears and inserting in lieu thereof "1984".

SELF-HELP HOUSING LAND DEVELOPMENT FUND

SEC. 409. (a) The assets and liabilities of the Self-Help Housing Land Development Fund established in section 523 of the Housing Act of 1949 hereby are transferred to the Rural Housing Insurance Fund established in section 517 of such Act, and the Self-Help Housing Land Development Fund hereby is abolished.

(b) Section 523 of the Housing Act of 1949 is amended—

(1) by striking out subsection (g); and

(2) by redesignating subsection (h) as subsection (g).

DEFINITION OF RURAL AREA

SEC. 410. Section 520 of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "For purposes of this title, any area classified as 'rural' or a 'rural area' under paragraph (2) prior to the receipt of data from or after the 1980 decennial census and determined not to be 'rural' or a 'rural area' as a result of such data shall continue to be so classified through the end of fiscal year 1984, if such area has a population in excess of 10,000 but not in excess of 20,000 and complies with the requirements of paragraph (3)(B).".

TITLE V—GENERAL PROVISIONS

APPLICABILITY

SEC. 501. No provision of this Act, or any amendment made by this Act, may become effective prior to October 1, 1983 or be construed as providing for the expenditure of any amount, except to the extent approved in appropriation Act.

H.R. 2969,

By Mr. MONTGOMERY:

—Page 28, line 24, insert "and the Air National Guard" before "of the United States".

—Page 30, strike out lines 16 through 25 and insert in lieu thereof the following:

STATUS OF CERTAIN MEMBERS OF THE NATIONAL GUARD SERVING IN A FULL-TIME DUTY STATUS

SEC. 605. (a)(1) Chapter 3 of title 32, United States Code, is amended by adding at the end thereof the following new section:

"§ 335. Status of certain members performing full-time duty

"Members of the National Guard serving in a full-time duty status for the purpose of organizing, administering, recruiting, instructing, or training the National Guard shall be entitled to all rights, privileges, and benefits of members called to active duty under section 265 of title 10 and shall be considered to be serving on active duty for purposes of sections 524(a) and 976 of such title.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"335. Status of certain members performing full-time duty.".

(b) Not later than November 15, 1983, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a draft of legislation to provide on a permanent basis that members of the National Guard described in section 335 of title 32, United States Code, as added by subsection (a), are under State control except when explicitly ordered to Federal service in accordance with law.

By Mr. WHITEHURST:

—At the end of the bill add the following new section:

SECOND SOURCE FOR HARM MISSILE

SEC. 1111. None of the amounts appropriated pursuant to authorizations in title I for procurement of missiles for the Navy or the Air Force may be used for procurement of the HARM AGM-88A missile until the Secretary of the Navy has awarded a contract for procurement of that missile from a second source.

SENATE—*Monday, July 11, 1983*

The Senate met at 12 noon, and was called to order by Hon. THAD COCHRAN, a Senator from the State of Mississippi.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Unless the Lord build the house, those who built it labor in vain. Unless the Lord watches over the city, the watchman stays awake in vain.—Psalm 127: 1.

We thank Thee gracious Lord for the benefits enjoyed during recess: the time with our families, rest and relaxation, contacts with the people, and the work accomplished in office here and at home. We pray Thy peace and comfort for those working with Senator MELCHER who suffered the tragedy in his home office.

Now the Senate faces a demanding schedule. Help us Lord to order our priorities rightly. Deliver us from the futility of lost causes and bankrupt ideas. Save us Lord from thinking we are thinking when all we are doing is rearranging our prejudices. Help us to think originally, creatively, constructively. Lord God, let Thy will be done in hearts and homes and offices. We pray in the name of Him whose human perfection lay in obedience to Thee. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 11, 1983.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable THAD COCHRAN, a Senator from the State of Mississippi, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. COCHRAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE TWO OPTIONS OF FRANZ KAFKA

Mr. BAKER. Mr. President, last Sunday, July 3, marked the 100th anniversary of the birth of Franz Kafka. In honor of this great man, this week's poem will be in the form of a letter, one that Kafka wrote to his friend Max Brod on October 8, 1912. In the letter, Kafka revealed that he felt like he only had two options left open to him, and I ask unanimous consent that passages from the letter be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

. . . either to jump out the window after everyone has gone to bed or go to the factory and my brother-in-law's office daily for the next fourteen days. The first would give me the opportunity to rid myself of all responsibility for my interrupted writing and the neglected factory; the second would cut short my writing, of course—I simply can't wipe the sleeplessness of fourteen nights out of my eyes—but would allow me, if I had enough willpower and hope, the prospect of again possibly taking up at the point where I stopped today.

But I haven't jumped and the temptation to make this letter a farewell letter (my reasons for writing it lie in other directions) is not very strong. I stood at the window for a long time, pressing my face against the glass, and I felt more than once like scaring the toll-collector on the bridge by my plunge. But during all that time I had too firm a hold on myself to become depressed by the decision to the point of smashing myself to pieces on the pavement. It also seemed to me that staying alive would interrupt my writing less—even if all one does is talk about interruption—than death, and that between the beginning of the novel and its continuation in two weeks I will somehow, while in the factory and satisfying my parents, move and live in the heart of my novel.

TRIBUTE TO FORMER SENATOR LEN JORDAN

Mr. BAKER. Mr. President, may I take this opportunity to express my regret at the passing of our former colleague, the Senator from Idaho, Len Jordan. Len Jordan died on June 30 at the age of 84.

Senator Jordan served in the Senate from 1962 to 1973, and was a respected member on this side of the aisle. Before arriving in the Senate, Len served as a member of the International Development Advisory Board and as Governor of Idaho from 1951 to 1955. He also served in the Idaho Legislature.

I know all Members will join in sending their sympathies to Senator Jordan's wife Grace, to the Jordan family and the State of Idaho for the loss of a distinguished public servant.

THE RECORD OF ACHIEVEMENT OF THE SENATE DURING THE FIRST SESSION, 98TH CONGRESS

Mr. BAKER. Mr. President, I would like to take a moment on this, the Senate's first day of business after the July 4 recess, to reflect on the Senate's truly remarkable record of achievement in the first session of the 98th Congress.

Since the beginning of this session, the Senate has passed 248 pieces of legislation, including 75 Senate bills, 43 Senate joint resolutions, 77 Senate resolutions, 14 Senate concurrent resolutions, 23 House resolutions, 8 House joint resolutions, and 8 House concurrent resolutions. This is a remarkable yield for this body, and I want to congratulate all Members of the Senate.

Many of our accomplishments this session have been difficult; several of them have been indeed historic. The Senate passed H.R. 1900, the social security reform measure that insures the continued safety of social security. The Senate passed S. 529, the Immigration Reform and Control Act of 1983, which is a sweeping and much-needed adjustment of our Nation's immigration policies. After an arduous debate, the Senate approved Senate Concurrent Resolution 27, the first concurrent budget resolution for fiscal year 1984. The Senate also did what it likes to do least of all, I sometimes think, and that is pass an increase in the debt limit, H.R. 2990.

Perhaps equally as remarkable is the fact that the Senate has received six appropriations bills from the House, and has already passed four. Comparatively, in 1981 and 1982, no appropriation bills had been passed or even receive by this time in the Senate.

Other measures that the Senate has passed this session include: H.R. 1718, the payment-in-kind tax treatment for farmers; S. 46, the Shipping Act; S. 144, the International Trade and Investment Act; S. 445, the Bankruptcy Act; S. 695, the IMF authorization; and S. 66, the Cable Telecommunications Act.

There have been 12 wilderness related bills passed thus far by the Senate in the 98th Congress, including the adoption of S. 96 which authorizes the acquisition of land for an addition to the Effigy National Forest, and S. 543, the Wyoming Wilderness Act, which includes certain national forest system

lands in the State of Wyoming for inclusion in the National Wilderness Preservation System.

In the area of foreign affairs, the Senate proved that it was ready to meet the challenge of global developments and relations. Senate Resolution 112 expressed the Senate's concern for the refugees and civilians caught in the armed conflict on the Thailand and Kampuchea border. Senate Concurrent Resolution 11 protested Soviet emigration policies and called on the Soviet leadership to improve their human rights positions. The plights of Anatoly Shcharansky, Andrei Sakharov and Ida Nudel were characterized through Senate Resolution 133 and Senate Joint Resolution 96 which also reflected on the problem of Soviet Jewry and Helsinki Human Rights Day.

At home, National Child Abuse Prevention Week was the driving force behind Senate Joint Resolution 21, and Women's History Week was recognized. S. 61 authorized the establishment of the Nancy Hanks Center, which commemorated the achievements of the former head of the National Endowment for the Arts. Senate Resolution 132 supported Small Business Week in America.

Mr. President, obviously, none of these accomplishments could have been done without the cooperation of Members from both sides of the aisle and, in particular, the distinguished minority leader. I wish to thank him and my colleagues for enabling the Senate to act in quite a productive manner.

SENATE SCHEDULE

Mr. BAKER. Mr. President, under the order previously entered, the Senate stood in adjournment until noon today, and by unanimous consent the reading of the Journal has been dispensed with, the call of the calendar has been dispensed with, no resolutions shall come over under the rule, and the morning hour has been deemed to have expired.

There will be a period for the transaction of routine morning business, Mr. President, of not more than 1 hour in length in which Senators may speak for not more than 10 minutes each.

May I say, Mr. President, if there is no demand for time for the transaction of routine morning business prior to the hour of 1 p.m., it will be the intention of the leadership to advance the time for the consideration of the Department of Defense authorization bill to an earlier hour, perhaps as early as 12:30.

DEFENSE AUTHORIZATION BILL

The reason for that is that the bill, of course, is a controversial measure; there will be a great deal of debate on it. It is the intention of the leadership on this side to ask the Senate to finish this bill this week, and in order to do so we will need all the time we can get. It grieves me to say so, but it also means that it may be necessary to ask the Senate to stay in late evenings in order to accomplish that purpose. But I think it is absolutely essential that we make our best efforts, indeed that we succeed in passing the Department of Defense authorization bill this week not only because it is an important measure but also because there are appropriations bills and other important pieces of legislative business that are stacked up behind it that must be dealt with in the month of July.

Mr. President, is there any time remaining for me under the standing order?

The ACTING PRESIDENT pro tempore. The Senator has 2 minutes remaining.

Mr. BAKER. Mr. President, I yield it to the acting minority leader, if he wishes.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The acting minority leader is recognized.

Mr. BINGAMAN. Mr. President, we have no need for the time of the Democratic leader and, therefore, I yield that time back.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour with statements therein limited to 10 minutes each.

30TH ANNIVERSARY—APSA CONGRESSIONAL FELLOWSHIP

Mr. PROXMIRE. Mr. President, I am pleased to recognize the American Political Science Association's congressional fellowship program on its 30th anniversary. It is the oldest programs on Capitol Hill designed to place professionals from a variety of backgrounds in Congress for a year. During their time here, they contribute their skills and talents in return for a valuable and much valued educational experience.

Since 1953, the American Political Science Association has sponsored congressional fellowships for more than 1,000 scholars, journalists, Federal executives, and professionals from this country as well as from other nations. Originally begun as a small program with only six fellows—five political scientists and one journalist—the congressional fellowship program now includes between 40 and 50 fellows each year from many different backgrounds and funded in a number of different ways.

The current class includes newspaper and television journalists, Federal agency professionals, foreign service officers, social scientists, and foreign fellows sponsored by the German Marshall Fund and the Asia Foundation. Each of them competes for the opportunity to spend a year in Congress.

Over the years, more than 30 congressional fellows have worked in my office. As I look around me today, I realize that three of my senior staffers—one in my office and two with the committees on which I serve—first came to me as ASPA congressional fellows.

Congressional fellows are serious, hard working, and try to get the most out of their experience here. They also exhibit strong characteristics.

For instance, they are persistent, yes, sometimes very persistent. One Saturday, when a new fellow had been assigned to cover my office phones, I happened to call in. He asked me my name, then demanded that I repeat it. Finally, he made me spell it.

Fellows have inquiring minds. One once tried to chronicle the lives and loves of my personal staff. He was a tireless questioner. Finally, my administrative assistant gave him the ultimate hint. He moved the fellow's desk and chair outside into the corridor.

Fellows get the opportunity to work on important, sometimes risky assignments. In my office one of the most interesting and coveted jobs is getting to work on the Golden Fleece Award, a prize I give monthly to the biggest, most ridiculous, or most ironic example of Government waste. Once a fellow in the office researched a fleece which, when released, happened to make one very large former all-pro—NFL that is—defensive tackle very angry. Phone calls were exchanged and the football star told us he was coming to visit. That caused a hurried huddle in the office. We discussed all the options. Who should carry the ball? Obviously the fellow. The defensive tackle showed up that day, all 275 pounds of him. But the fellow? We just could not find him.

Mr. President, fellows come to Congress to learn. But while they are here they do some teaching as well. Journalists in my office have shown us how to research an issue. Civil servants have enriched our understanding of how laws are actually administered. Both sides profit from the program, which is the reason I think it is so valuable. For 30 years, the American Political Science Association's congressional fellowship program has been an economical, cost-effective way to draw upon an important resource for the Congress. My congratulations on the

program's 30th anniversary. I hope there are many more to come.

HOW A SINGLE NUCLEAR BOMB COULD PARALYZE THE UNITED STATES

Mr. PROXMIRE. Mr. President, without killing or injuring a single American, the electromagnetic pulse—known as EMP of just one 10 megaton nuclear bomb exploded at 300 miles above Kansas City could literally destroy the operations of our Nation's banks, telephones, and electric utilities. It could shut down the Social Security Administration. It could close much of the FBI. It could keep the Internal Revenue Service from collecting taxes. In an article in the June 28 issue of the New York Times, David Burnham spells out in detail how this could happen. The likelihood of such an explosion this year or next is probably small, but as the arms race speeds ahead, and technology races along with it, the situation could change. Then any of a number of countries—or even a terrorist organization which came into possession of such a nuclear weapon and the capacity to lift it far above the Earth and explode it, could paralyze this country.

Back in 1962, the United States exploded an experimental hydrogen bomb 248 miles above the Pacific. In a split second, 800 miles away in Hawaii, street lights failed, burglar alarms started ringing, and circuit breakers popped in powerlines. Today this country is especially vulnerable to such an explosion. More than half of our entire GNP is based on communication. Here is how the New York Times article describes our vulnerability to a 10 megaton nuclear explosion 300 miles over the center of our country.

Most of the Nation's banks could not operate without the complex electronic network operated by the Federal Reserve. The Internal Revenue Service could not collect taxes without its special network. The Federal Bureau of Investigation maintains a third national communications system that is used by Federal, State, and local criminal justice agencies all over the country to exchange information about wanted persons and stolen property. Several privately owned companies have developed computerized systems to provide local merchants almost instantaneous information about millions of Americans creditworthiness. All of this could perish with a single massive electromagnetic pulse.

We are spending nearly $100 million annually to protect military weapons and military communication against the effects of an electromagnetic pulse. And there have been tentative efforts to discover how we might protect our vital communications and power systems. Spending money and engaging in research unfortunately cannot assure us that we can develop the means of protecting our country at any cost. Generally military offensive measures can easily outpace any defensive measures. If a few hundred million or a few billion dollars can protect us against a rudimentary EMP from a 10 megaton bomb, would it protect us from a larger bomb, or a number of 10 megaton bombs? Could the electromagnetic pulse advance to a point where it could defeat any defense?

This development, Mr. President, should remind us of how very frail and fragile is our great country with our immensely productive economy, and how much more frail it is becoming with the onrush of the nuclear arms race. Here we stand as the supreme military power in the free world. We have a gross national product twice as great as the Soviet Union. Our science and technology is the envy of the world. And yet one bomb that killed no one, exploded hundreds of miles in the air, could in effect strike us deaf and dumb.

If we needed another reminder of the urgency of reaching a comprehensive halt to the arms race, an end to testing as well as the production and deployment of nuclear bombs, the electromagnetic pulse should be it. No one can foresee where the nuclear arms race may lead. But consider the possibilities of a nuclear attack preceded by some variation of the electromagnetic pulse that could destroy our communications industry. It would kill our electric transmission and thereby end radio and television communications. It might deaden our telephones. Five or ten years from now, our computers will have an even greater role, in fact, a vital role in running our economy. But with a sudden EMP, they could all die. We could in the fraction of a second become a helpless paralytic of a nation, unable to speak or hear and therefore unable to move as a national force.

Mr. President, I ask unanimous consent that the article to which I have referred from the Tuesday, June 28 issue of the New York Times by David Burnham be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 28, 1983]

EMP COULD DESTROY THE NATION'S COMMUNICATIONS.

(By David Burnham)

Technical experts in and out of government are concerned that the highly computerized economy of the United States could be brought to a crippling halt by the electrical effects of the explosion of a single nuclear weapon a few hundred miles over the center of the nation.

Because of this concern, the Reagan Administration has begun greatly expanding a program to protect radio stations, has started a research program to determine whether steps can be taken to prevent the disruption of electrical power and has built a backup emergency phone system for the military.

"With the increasing computerization of our society, this is a very real problem that I believe that American people should be aware of," said George A. Keyworth 2d, the White House science adviser.

The invisible force, which some experts say could possibly be released in a limited nuclear war, would upset the vast electronic networks that have become so essential to the functioning of the nation's public and private operations. The force—called EMP, for electromagnetic pulse—would disrupt banks, telephones, electric utilities and vast Government agencies such as the Social Security Administration, the Federal Bureau of Investigation and the Internal Revenue Service.

All nuclear explosions create EMP, although the pulse dissipates rapidly in explosions close to the earth's surface. But if a nuclear device were detonated above the earth's atmosphere, there would be no blast, shock, heat or roar—only an invisible, speeding electromagnetic pulse. At this high altitude, gamma rays and X-rays produced by the blast shoot through space and spread out over an extraordinarily wide area. Scientists estimate that one 10-megaton burst 300 miles above the center of the United States would create an intense burst of EMP capable of blanketing the entire country with a pulse that would put 50,000 volts into every meter of antenna. Metal objects such as power and telephone lines would pick up the jolt of electricity and deliver it to computers and communication centers, where delicate silicon chips would be knocked out of action.

While military planners have worried about EMP for many years, its potential impact on the civilian economy has been given little consideration until recently. An example of this new concern was a statement issued last month by the Department of Energy warning that such an explosion could seriously disrupt virtually every aspect of American life because the nation's electrical power system is "highly vulnerable to major disturbances."

Edward Teller, the pioneer nuclear scientist, has also warned about the far-reaching impact of EMP. "Civilians should remember that their electronic watches might be destroyed, television sets might become inoperable, cars with electronic ignition might stop functioning, and almost every big industry with electronic components would be affected," he said last year.

The Pentagon first recognized that EMP was a significant force in 1962 when the United States exploded an experimental hydrogen bomb 248 miles above the Pacific Ocean. A split second later, 800 miles away in Hawaii, street lights failed, burglar alarms started ringing and circuit breakers popped open in power lines.

But EMP has become a growing concern in the last few years because the rapid computerization of almost every aspect of military and civilian life in this country has left the nation extraordinarily vulnerable to its power.

Most of the nation's banks could not operate without the complex electronic network operated by the Federal Reserve. The Internal Revenue Service could not collect taxes without its special network. The Federal Bureau of Investigation maintains a third national communications system that is used by Federal, state and local criminal

justice agencies all over the country to exchange information about wanted persons and stolen property. Several privately owned companies have developed computerized systems to provide local merchants almost instantaneous information about the credit worthiness of millions of Americans.

EFFECT OF TESTING BAN

Because of the ban on atmospheric testing, EMP experiments are hard to conduct because they must be simulated. Further compounding the difficulty of predicting the precise effects of EMP, experts say, are the different technical characteristics of the various large computerized networks.

Donald C. Latham, Deputy Under Secretary for Communications, Command, Control and Intelligence in the Defense Department, reflected this uncertainty in an interview: "The Bell System, for example, has subjected several of its switches to experimental jolts and they sailed through the tests with only a couple of minor glitches. But that's not to say we know that the national telephone system would survive a burst."

Another reason for the recent concern in the Government is the adoption by both the Carter and Reagan Administrations of a nuclear strategy that includes the possibility that this country might have to wage a "prolonged, limited nuclear war."

For a nation to conduct such a war, military analysts stress, much would depend on its ability to organize an effective civil defense that would enable a large part of the population to continue to house and feed itself.

Many experts question the likelihood that any nuclear war would be limited to the exchange of a handful of nuclear explosions. "My personal feeling is that if an attack ever came it would be a massive one on our cities and military bases and the effect of EMP on the civilian economy would be irrelevant," said Dr. Gordon K. Soper, a senior scientists in the Defense Nuclear Agency. "But there has been a good deal of talk about the possibility of a protracted nuclear war." Mr. Latham, the Pentagon official, expressed the same kind of ambivalence. "I don't think a cheap shot is likely, but there is no way we can know for sure." The possibility of using EMP as a one-shot weapon is not considered likely because of impossibility of predicting the exact response.

But the Reagan Administration is worried enough about such a possibility to be spending close to $100 million a year on programs, some classified, related to protecting military weapons and communication lines against the effects of EMP, and on conducting research on how this little-understood phenomenon affects various kinds of equipment.

The Administration has also begun to increase spending on several limited programs intended to protect several of the communications and power systems so vital to the civilian economy. It is under these programs that the Federal Emergency Management Agency has requested $3.7 million for a program to increase the ability of radio stations that would broadcast emergency warnings to withstand the effects of EMP and fallout. This is more than double what the agency is now spending on the same project. Agency officials said 125 of the 2,771 stations in the emergency communications network had so far been hardened to withstand EMP at an average cost of about $60,000 per station.

PROTECTING AGAINST EMP

There are a number of complementary technical strategies to protect electrical equipment against EMP. One is to build a thin metal shield around sensitive installations. Known as a Faraday cage, this shield acts as an antenna to soak up and remove EMP energy that would otherwise knock out the equipment. A highly experienced engineer who was asked not to be identified said this method had been adopted to protect some of the nation's most important intelligence computers and communication centers. Another strategy is to replace traditional copper lines with fiber optics, a communication technique that is resistant to EMP because the pulse passes right through the thin glass threads that make up fiber optic lines.

Another example of the Government's new concern about the effects of EMP on the civilian economy is its recent decision to finance a research program to better protect electrical utilities against EMP. Nearly 60 percent of the nation's electrical industry relies on delicate computers for the orchestration of power reduction. The initial phase of the protection research is expected to cost $1 million.

"The potential chaos that may be created by high altitude EMP has national security implications," the Energy Department said in a statement explaining why it had started the new research program. "During a period of national crisis, electrical power will be required to operate military installations, civil defense facilities and critical industries. In addition, if EMP caused a disruption of the financial, manufacturing, retail, transportation and communication industries as well as basic utilities, serious economic and social consequences would result. Disruption of the nation's electrical power supply has grave implications."

In an article in Spectrum, the authoritative magazine of the Institute of Electrical and Electronics Engineers, Eric J. Lemer, a contributing editor, expressed similar concerns.

"The potential impact on the national power grid of a small number of high altitude EMP bursts would be comparable to that produced by large lightning bolts hitting every power line segment in the country," he said. "When it is considered that two ordinary lightning bolts were the proximate cause of the 1977 New York City blackout, it is easy to see why many analysts believe that a complete shutdown of the national power grid could be achieved by a handful of EMP detonations."

Robert Gradle, a vice president of the American Telephone and Telegraph Company, is somewhat less concerned about the effects of EMP on the telephone system.

"We live in an age when information transfer has become very important," he said. "Some say it now represents 50 percent of the gross national product. But I don't share the doomsday approach that things can't be made to work. Without enormous expense, however, we can't fix the existing plant and be 100 percent positive everything is going to work."

Mr. Gradle and other experts say that improving existing systems to resist EMP might cost almost as much as building the original equipment. New equipment capable of resisting EMP, however, would probably cost only 2 or 3 percent more than new equipment without such an ability, Mr. Gradle said.

JULY FOURTH AND HUMAN RIGHTS

Mr. PROXMIRE. Mr. President, with the passing of our great Nation's 207th birthday, let us reflect on its significance. Our country is based on a belief in distinct human values and individual rights embodied in the Declaration of Independence and the Constitution. These include the right to choose one's religion and to profess one's beliefs and thoughts, rights which reflect dedication to the worth of humanity.

The act of genocide runs counter to these values by denying the fundamental worth of human life and individuality. Unfortunately, many such denials of these rights have occurred throughout history. Man's recent history is blotted with the U.S.S.R.'s continuous persecution of Jews, the Turkish extermination of numerous Armenians during World War I, and Nazism's terrible attempt at liquidating the European Continent of Jews. These happenings should remind us that not all the world shares our beliefs.

We, as a nation, should not stand idly by watching people the world over being denied their rights—including the most fundamental right, the right to live—because of their race, culture, or creed. It is our duty to help protect their rights.

In 1948, a move was made to acknowledge these rights, in the light of the then-recent Nazi Holocaust. The leader of the movement was the United States. We signed the Genocide Convention, as did many other countries. Yet this great body of which we are a part has failed to ratify it.

Our great Nation, which stands for freedom and human rights has not ratified a treaty embodying those rights. I urge that we ratify the Genocide Convention, lest we lose sight of those values upon which this country was founded over 200 years ago.

NOMINATION OF LANGHORNE A. "TONY" MOTLEY TO BE ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS

Mr. MURKOWSKI. Mr. President, it is a great personal pleasure to again express my unqualified support for the nomination of Langhorne Motley to be Assistant Secretary of State for Inter-American Affairs. I have done so on several previous occasions.

The members of the Senate Foreign Relations Committee had an opportunity on June 28 of explore Ambassador Motley's qualifications for this important position. In the 97th Congress, the committee examined Ambassador Motley's knowledge of Latin American affairs during consideration of his nominations of the post of U.S. Am-

bassador of Brazil. The hearing on June 28 once more confirmed that Ambassador Motley is well suited for the rigorous demands which he will face as Assistant Secretary of State for Inter-American Affairs.

During yesterday's hearings, I questioned Ambassador Motley about his statement that there were "no quick fixes" to the problems of Central America. He replied that "it is true that democracy can be slow in achieving results, sometimes frustratingly so. But surely we have the patience to help our neighbors shield themselves from communism and build democratic institutions."

Mr. President, I am in total agreement with Tony's comments, both in terms of the need for patience and in terms of the frustration we all feel over the situation in Central America. The Soviet Union and its proxies—most notably Cuba and Nicaragua in this hemisphere—have become very adept at exporting revolution almost as a product—if I may be excused for stretching an anology too far. If the tree of democracy is to grow and flourish in Central and South America, we must carefully cultivate that growth. Ambassador Motley is right—there are no quick fixes. It is my firm conviction that Tony will work well with administration officials, Congress, and the American public, as well as with our hemispheric neighbors, to improve and develop U.S. policy toward all the Americas.

I want to take this opportunity to express my appreciation to Senator PERCY and Senator HELMS, and the Foreign Relations Committee staff for their expeditious, yet thorough, consideration of this nomination. I'd also like to thank the distinguished majority leader for his willingness to schedule the pending confirmation vote early this morning so that Tony can get on with the many important challenges which await him.

In closing, I would like to congratulate Tony, his wife, Judy, and his daughters, Valerie and Allison, on Tony's remarkable performance to date, which I am sure would not have been possible without their consistent support and understanding; they have every reason to be very proud of Tony. I thank my colleagues for supporting this nomination.

THE ADMINISTRATION'S FAIR HOUSING BILL

Mr. KENNEDY. Mr. President, over the weekend, the President sought to suggest his concern for fairness to all Americans by unfurling a fair housing proposal. Actually, it was simply the same scheme that Secretary Pierce of HUD unsuccessfully tried to sell this spring.

What the President has given us is the rhetoric of fair housing, but not the reality. Victims of discrimination need more than public relations and the recycling of a proposal that has already been rejected as plainly inadequate. It is a halfhearted approach, reminiscent of the administration's long, footdragging delay before it finally supported a strong Voting Rights Act last year.

Our Nation's minorities have testified repeatedly that the key to fast enforcement is the administrative hearings provided in the Mathias-Kennedy fair housing bill. Court suits would be too slow, because our courts are clogged and backlogged. Women, blacks, and Hispanics denied a home for their family need speedy relief, not long lawsuits.

If President Reagan was really serious about putting "teeth" into the act, he would have endorsed the strong bill already introduced by a bipartisan group of Senators and Representatives and backed by every major civil rights and women's group. Instead, he clearly hopes to patch his image with slogans, while dividing the Congress and thwarting a truly effective law.

JEROME B. WIESNER ON THE NUCLEAR WEAPONS FREEZE

Mr. KENNEDY. Mr. President, the Committee on Foreign Relations is presently considering the nuclear freeze and reductions proposal (S.J. Res. 2) which Senator HATFIELD and I introduced to this body. The House of Representatives considered a similar proposal this past spring and supported it nearly 2 to 1. I wish to draw the attention of my colleagues in Congress to a brilliant article on the nuclear freeze by Dr. Jerome B. Wiesner in today's New York Times. Dr. Wiesner, president emeritus and institute professor at the Massachusetts Institute of Technology, was science adviser to Presidents John F. Kennedy and Lyndon B. Johnson.

His article, entitled "Stockpile to Junkpile," is an insightful and eloquent analysis of the merits of a balanced and verifiable nuclear weapons freeze. Dr. Wiesner concludes that a freeze now "makes very good sense" and that "the risks in a freeze are incalculably smaller than the risks inherent in the continued escalation of weapons and polemics into the next century."

Dr. Weisner also justifiably attacks the current stance of the administration toward arms control, a stance which rigidly insists on deploying the MX missile and a whole new generation of destabilizing nuclear weapon systems. I strongly agree with Dr. Wiesner that:

It takes more than bargaining chips and new missiles to stop the arms race. It requires, most of all, a sincere commitment and proposals that are balanced and fair to both sides. It requires also a proposal substantial enough to make it worthy of a major effort. None of the proposals put forward recently by either superpower meets these criteria. The freeze does.

I ask that the full text of Dr. Wiesner's excellent and timely article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 11, 1983]

STOCKPILE TO JUNKPILE

(By Jerome B. Wiesner)

CAMBRIDGE, MASS.—Last fall, approximately 25 percent of the American voters were given an opportunity to consider a proposal for a balanced and verifiable freeze on the development, testing and deployment of nuclear weapons and their delivery systems. A majority of those who voted were for it. In the spring, members of the House of Representatives endorsed a similar proposition nearly two to one. On Wednesday, a freeze resolution is scheduled to come to a vote in the Senate Foreign Relations Committee. yet it is still not being considered seriously by the Administration or Congress.

Meanwhile, they have been concentrating on the MX missile as a bargaining chip. But it takes more than bargaining chips and new missiles to stop the arms race. It requires, most of all, a sincere commitment and proposals that are balanced and fair to both sides. It requires also a proposal substantial enough to make it worthy of a major effort. None of the proposals put forward recently by either superpower meets these criteria. The freeze does.

"Fatally flawed" was the President's reaction to the freeze proposal. What are these flaws? He doesn't specify them. In my view, the only flaws are ones easily fixed. The current freeze proposals are too vague, deliberately so, because their sponsors drafted them to draw maximum support, not to create a negotiating document. They insist that a freeze be balanced and verifiable, but they don't explain what this would mean.

What is to be balanced: Bombs? Missiles? Security? Fear? How can a freeze be verified? How thorough must verification be? How would peaceful space activities be accommodated? The answers to these and other important questions need to be spelled out. The President could start to keep his promise to Congress by serious consideration of a freeze.

A freeze now makes very good sense for several reasons. First, it is generally agreed that an acceptable balance of nuclear forces already exists. The United States has more nuclear warheads than the Soviet Union; theirs are larger. The Soviet Union has more and larger ballistic missiles than we do, but a much bigger fraction of the Soviet missiles are land-based and thus more vulnerable.

Most important, both sides have forces so much greater than needed to provide a secure deterrent that maintaining an exact balance is not essential. Actually, a change by a factor of two, up or down on either side, would not begin to undermine the existing stalemate. This means that there is no possibility of a winnable nuclear war. The only role for nuclear weapons is deterrence. This is a lesson that won't stay learned. Each new administration has to discover it all over again at the taxpayers' expense.

Second, existing national surveillance systems provide each side with more than enough information about the other's test-

ing and deployment of weapons to protect themselves against any buildup of missiles, present or new ones, or against a surprise technological breakthrough. Existing forces are so large that not even the unlikely invention of an effective antisubmarine system or a "Star Wars" missile defense system would undermine the other side's deterrent.

Some people object to the freeze because it does not immediately reduce or eliminate nuclear weapons. They should realize that a freeze would create the conditions favorable to reduction.

If testing of existing and new rockets and nuclear weapons were precluded, there would be a growing loss of confidence in their reliability and in the assumption that a given missile or bomb would function when its button was pressed. This is what first-strike proponents don't like about a freeze. No military commander or political leader would have much confidence in the success of a preemptive strike by weapons that had not been recently tested or demonstrated.

On the other hand, no one could be certain that a substantial number of them would not work. So, as time passed, there would be less and less fear of a first strike, but there would always remain a belief that some of the old weapons would work. This double uncertainty could obviously be a very effective deterrent. Moreover, it could well lead to reduction of stockpiles on both sides. (Even with flagging confidence in the reliability of the strategic weapons, the stockpiles of both countries would still be much larger than needed for an adequate deterrent.)

The risks in a freeze are incalculably smaller than the risks inherent in the continued escalation of weapons and polemics into the next century. If a freeze were achieved, nuclear weapons would slowly but surely become irrelevant to the security of both nations, and most of them would find their way from the stockpile to the junkpiles.

MISSISSIPPI LIONS ALL-STATE BAND VISITS THE CAPITAL

Mr. STENNIS. Mr. President, many musical bands visit Washington, D.C., each year, but I want to pay tribute today to a very special group, the Mississippi Lions All-State Band, which visited the Nation's Capital during the Fourth of July holiday.

This unique group of 127 of the most talented young musicians in Mississippi was selected through a very rigorous selection process requiring individual tryouts from more than 650 applicants from throughout the State. Students in the 9th through 12th grades are eligible for membership in the band, which makes a tour each year under sponsorship of the Mississippi Lions Clubs.

After the members are selected, they come together for 1 week of intensive training at Northeast Mississippi Junior College in Booneville, Miss. By intensive, I mean that they work almost steadily from 8 a.m. until 10 p.m. each day in preparation for a trip during which they will compete with bands who have performed together all year.

Since its organization in 1950 by Roy Martin of Greenwood, Miss., the Mississippi Lions All-State Band has visited many parts of our Nation, always representing Mississippi and the Lions in an excellent manner. Joe Berryman of Hattiesburg, Miss., has directed the band for many years and now holds the title of director emeritus. Mr. Berryman still travels with the band which is now directed by Dr. Kent Sills of Mississippi State University.

While in Washington, the Mississippi Lions All-State Band marched in the Fourth of July parade and performed concerts on the Capitol steps and in Lafayette Park. Although I was in Mississippi at the time, I have heard many fine reports from their performance and the good impression they made here.

Mr. President, I wish to commend the directors and leaders of this group and every member for the hard work which went into this tour. I also wish to congratulate the Lions Clubs throughout Mississippi for their sponsorship of this fine group.

The Mississippi Lions All-State Band represents the type of commitment to excellence which is so vital to our Nation's strength and to our system of government. I am personally proud of each member of this group, and I know all Mississippians join me in expressing appreciation to them and their leaders for a job well done.

REPRESENTATIVE JOEL PRITCHARD CITED AS LEGISLATOR OF THE MONTH

Mr. GORTON. Mr. President, on June 16, my distinguished colleague in the House of Representatives, JOEL PRITCHARD, who represents the First District of Washington, was cited by the Population Action Council as its Legislator of the Month. The award recognizes Mr. PRITCHARD's dedication to global humanitarian concerns and the achievement of world population stabilization.

Certainly the problem of bringing world population into balance with its resources ranks among the great challenges facing humankind today. Over the past decade and a half, the Population Action Council and its parent organization, the Population Institute, have been at the forefront of efforts to create an awareness of the overpopulation problem and to motivate world leaders to place this important issue high on the list of international priorities. In selecting Mr. PRITCHARD for this award, the Population Action Council honors an individual who understands that so many of our world problems—poverty, hunger, disease, unemployment, resource depletion, and environmental degradation—are rooted in or exacerbated by rampant population growth.

In accepting the award, Mr. PRITCHARD recalled that when he was an infantryman serving in the Pacific theater during World War II, the population of the Philippines was 12 million; today, some 40 years later, the population of that country is around 55 million and its population growth rate continues to be among the highest in that area of the world. Mr. PRITCHARD saw no hope of the Philippines solving its multitude of social and development problems unless it can substantially slow down its population growth.

Multiply the population problem in the Philippines by scores of other developing countries and you begin to have a picture of the devastating consequences of unchecked population growth. For it is in the developing world where 92 percent of the 1.7 billion increase in world population between now and the end of the century is projected to occur.

Mr. PRITCHARD has demonstrated his commitment to meet the population challenge, not only by his vote, but also by his diligent work on the House Foreign Affairs Subcommittee on Asia and the Pacific. It is the kind of work that a Member of Congress does, not because it can be translated into a bloc of votes back home but because the Member sincerely believes in it. It is the kind of work that a Member of Congress does because he feels it will lead to a better quality of life.

JOEL PRITCHARD personifies what a Member of Congress should be: An individual who works for the people of his district and State but who also works for people everywhere to the best of his or her ability and wisdom. His quiet sincerity and devotion to duty on matters such as the world population problem may not make daily headlines but they are symbolic of what Congress is all about.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of June 29, 1983, the Secretary of the Senate, on July 8, 1983, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on July 8, 1983, are printed at the end of the Senate proceedings.)

RESCISSION AND DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 64

Under the authority of the order of the Senate of June 29, 1983, the Secretary of the Senate, on July 7, 1983, received the following message from the

President of the United States, together with accompanying papers; which pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Energy and Natural Resources, and the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report a proposal to rescind $15,000,000 in budget authority previously provided by the Congress. In addition, I am reporting four new deferrals of budget authority totaling $34,795,142.

The rescission proposal is for the Department of State's migration and refugee assistance account. The deferrals affect Energy Activities, the Department of Health and Human Services, and the Board for International Broadcasting.

The details of the rescission proposal and deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *July 7, 1983.*

ANNUAL REPORT ON THE STATUS OF THE NATIONAL WILDERNESS PRESERVATION SYSTEM—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT—PM 65

Under the authority of the order of the Senate of June 29, 1983, the Secretary of the Senate, on July 7, 1983, received the followed message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Wilderness Act of 1964 (Public Law 88-577), I herewith transmit the Eighteenth Annual Report on the status of the National Wilderness Preservation System for the calendar year 1981.

RONALD REAGAN.

THE WHITE HOUSE, *July 7, 1983.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

REPORT ON UNITED STATES INTERNATIONAL ACTIVITIES IN THE FIELD OF SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT—PM 66

The Presiding Officer laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with Title V of the Foreign Relations Authorization Act for Fiscal Year 1979 (Public Law 95-426), I am pleased to transmit the 1982 annual report on the United States Government's international activities in the field of science and technology. This report, as were its predecessors, has been prepared by the Department of State in collaboration with other concerned Federal agencies.

In the past year, there have been several important developments in our international science relationships, all of them reflecting one of our principal foreign policy goals—to give science and technology a more prominent position in our relations with other countries. This is important not only to the conduct of our foreign relations, but to the successful fulfillment of many of our own science and technology objectives. As I have indicated in my Annual Science and Technology Report to the Congress, international collaboration can help advance many of our own national interests. Thus, I have asked my science adviser, Dr. George Keyworth, to pay special attention to international affairs and, throughout the Federal government, concerted action has been taken to demonstrate our commitment to using the advances in science to overcome both national and international challenges.

There has been substantial progress. For the first time, international science cooperation was a subject for discussion among the leaders of the principal industrial democracies at the Versailles Summit. Those discussions led to a study by the Summit countries of the relationship between technology, employment, and growth, and to the establishment of eighteen new projects for cooperation among us. Although these projects will, in the first instance, be led by one or another of the Summit countries, they could eventually involve other countries and international organizations and lead, in time, to advances for countries of the Third World. These projects for enhanced cooperation were endorsed by the heads of state at the Williamsburg Summit and it was agreed that we would discuss them again at our next meeting.

Last July, Prime Minister Gandhi and I initiated a new program for enhanced scientific collaboration between the United States and India. A group of some of the most distinguished scientists from both our countries met in India in January and prepared a far-reaching program in medicine, agriculture, meteorology, and energy. Work began in April 1983, and we expect to see the first results within the next twenty-four months.

Similarly, when I visited Brazil late last year, President Figueiredo and I reaffirmed our desire to strengthen science and technology collaboration. We have developed a program for joint work in five significant areas and, as part of our projected joint efforts in space, I proposed that a Brazilian payload specialist train with American astronauts for participation in a future space shuttle mission. When President Zia of Pakistan came to Washington in December, we agreed to establish a new Joint Commission to coordinate several bilateral activities, including common undertakings in science and technology.

In May, Dr. Keyworth led a highly successful mission to China for the third meeting of the U.S.-PRC Joint Commission for Scientific and Technological Cooperation. At the conclusion of the meeting, three new protocols on cooperation in nuclear physics and magnetic fusion, aeronautical science and technology, and transportation science and technology were signed. These supplement seventeen existing protocols that already include agriculture, students and scholars, space technology, high energy physics, and hydropower. In addition to the new protocols a memorandum of understanding on cooperation in the basic biomedical sciences was also signed. It is in our fundamental interest to advance our relations with China. Science and technology are an essential part of that relationship and I have taken steps recently to ensure that China has improved access to the U.S. technology it needs for its economic modernization goals. We will continue to assist China through mutually beneficial cooperative efforts in science and technology.

We are continuing our cooperation with the U.S.S.R. in science and technology. This is a complex matter made more difficult because of Soviet behavior regarding Afghanistan and Poland, as well as their efforts to acquire sensitive Western technology. Decisions to renew agreements are being made on a case-by-case basis taking these concerns into account along with the benefits to the U.S. through participation. For example, I have recently approved the renewal of an agreement for cooperation with the Soviets on atomic energy, with appropriate limitations to protect our interests while letting the work proceed.

These examples suggest the range of our international effort in science and technology, but they are hardly exclusive. We have programs with more than three dozen countries, in every part of the world, at every level of sophistication. Science, as we know, has always had a special international character, the advancement of science

can make profound contributions to freedom and prosperity around the world. These tasks are formidable, for our scale of measurement must be decades, even generations. For this reason alone, our government, in a cooperative spirit, will continue to work closely with others prepared to join with us.

RONALD REAGAN.

THE WHITE HOUSE, *July 11, 1983.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following bills and joint resolutions:

May 25, 1983:

S. 957. An act to provide for an increase in the number of members of the Congressional Award Board, and for other purposes.

May 27, 1983:

S. 653. An act to amend title 10, United States Code, to establish a Foundation for the Advancement of Military Medicine, and for other purposes.

June 6, 1983:

S. 967. An act to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1984, 1985, and 1986.

June 14, 1983:

S.J. Res. 75. Joint Resolution to provide for the designation of June 12 through 18, 1983, as "National Scleroderma Week."

June 22, 1983:

S.J. Res. 42. Joint resolution designating Alaska Statehood Day, January 3, 1984.

June 27, 1983:

S. 639. An act to authorize supplemental assistance to aid Lebanon in rebuilding its economy and armed forces, and for other purposes.

MESSAGES FROM THE HOUSE RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of June 29, 1983, the Secretary of the Senate on June 30, 1983, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House had passed the following bills, without amendment:

S. 680. An act entitled the "Gladys Noon Spellman Dedication"; and

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982.

Under the authority of the order of the Senate of June 29, 1983, the Secretary of the Senate on July 1, 1983, during the adjournment of the Senate, received a message from the House of Representatives announcing that the House agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 273) to amend section 8(a)(1) of the Small Business Act.

The message further announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day";

S.J. Res. 34. Joint resolution designating "National Reyes Syndrome Week"; and

S.J. Res. 68. Joint resolution to authorize and request the President to designate July 16, 1983, as "National Atomic Veterans' Day."

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3415. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1984, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had signed the following enrolled bills:

S. 273. An act to amend section 8(a) of the Small Business Act;

S. 680. An act entitled the "Gladys Noon Spellman Dedication";

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982;

H.R. 1271. An act with regard to Presidential certifications on conditions in El Salvador;

H.R. 1746. An act to authorize appropriations for the Navajo and Hopi Indian Relocation Commission;

H.R. 2065. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research of program management, and for other purposes;

H.R. 3132. An act making appropriations for energy and water development for the fiscal year ending September 30, 1984, and for other purposes; and

H.R. 3135. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1984, and for other purposes.

Under the authority of the order of the Senate on June 29, 1983, the enrolled bills were subsequently signed on July 1, 1983, during the adjournment of the Senate, by the President pro tempore (Mr. THURMOND).

HOUSE MEASURE REFERRED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of June 29, 1983, the following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3415. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the said District for the fiscal year ending September 30, 1984, and for other purposes; to the Committee on Appropriations.

MESSAGES FROM THE HOUSE

At 12:10 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its clerks, announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 861. An act to amend the Consumer Product Safety Act (15 U.S.C. 2051 et seq.) to provide authorization of appropriations, and for other purposes.

The message further announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 173. Joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7-day period commencing October 2, 1983, as "National Port Week."

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 126. Concurrent resolution providing for the commemoration of the 100th anniversary of the birth of Harry S. Truman.

At 1:50 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3392. An act to amend the Agricultural Act of 1949.

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 173. Joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7-day period commencing October 2, 1983, as "National Port Week"; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 126. Concurrent resolution providing for the commemoration of the 100th anniversary of the birth of Harry S. Truman; to the Committee on Rules and Administration.

HOUSE MEASURE PLACED ON CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3392. An act to amend the Agricultural Act of 1949.

ENROLLED BILLS PRESENTED

The Secretary reported that on July 1, 1983, he had presented to the President of the United States the following enrolled bills:

S. 273. An act to amend section 8(a) of the Small Business Act;

S. 680. An act entitled the "Gladys Noon Spellman Dedication"; and

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1347. A communication from the Acting Secretary of State transmitting, pursuant to law, a report on loans and credits to the Polish People's Republic; to the Committee on Appropriations.

EC-1348. A communication from the Secretary of State transmitting, pursuant to law, a report on loans and credits to the Polish People's Republic; to the Committee on Appropriations.

EC-1349. A communication from the President of the United States transmitting proposals for a net reduction in the request for supplemental appropriations for fiscal year 1983 and amended appropriation language for fiscal year 1984; to the Committee on Appropriations.

EC-1350. A communication from the President of the United States transmitting a request for supplemental appropriations for fiscal year 1983 for the Arms Control and Disarmament Agency; to the Committee on Appropriations.

EC-1351. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report on the examination of the attending physician's revolving fund financial statements for fiscal years 1981 and 1982; to the Committee on Appropriations.

EC-1352. A communication from the Clerk of the U.S. Claims Court transmitting, pursuant to law, a copy of the court's judgment order for the plaintiff in the Fort McDermitt Paiute Shoshone Tribe v. the U.S.; to the Committee on Appropriations.

EC-1353. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military sale to Lebanon; to the Committee on Armed Services.

EC-1354. A communication from the Acting Assistant Secretary of the Army for Manpower and Reserve Affairs transmitting a draft of proposed legislation to authorize the President, in time of war or national emergency, to prescribe a course of instruction of not less than three years at the U.S. Military, Naval, and Air Force Academies, and to appoint graduates therefrom as commissioned officers without Senate confirmation; to the Committee on Armed Services.

EC-1355. A communication from the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics transmitting, pursuant to law, a report on U.S. European manning plans; to the Committee on Armed Services.

EC-1356. A communication from the Principal Deputy Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, a report on a decision to convert the food service function at the Naval Submarine Medical Center, Groton, Conn., to performance under contract; to the Committee on Armed Services.

EC-1357. A communication from the Deputy Assistant Secretary of the Defense for Reserve Affairs transmitting, pursuant to law, a report on the Selected Reserve recruiting and retention incentives; to the Committee on Armed Services.

EC-1358. A communication from the Deputy Secretary of Defense transmitting, pursuant to law, certain certifications relative to the GLCM missile system; to the Committee on Armed Services.

EC-1359. A communication from the Comptroller General of the United States transmitting pursuant to law, a report entitled "Air Force and Navy Trainer Aircraft Acquisition Programs"; to the Committee on Armed Services.

EC-1360. A communication from the Director of the Federal Emergency Management Agency transmitting, pursuant to law, a report on the strategic and critical materials stockpile; to the Committee on Armed Services.

EC-1361. A communication from the Deputy Secretary of Defense transmitting, pursuant to law, a report on four violations of law involving overobligation of appropriations; to the Committee on Armed Services.

EC-1362. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision to convert the training and audiovisual support center activity at Fort Belvoir, Va., to performance under contract; to the Committee on Armed Services.

EC-1363. A communication from the President and Chairman of the Export-Import Bank of the United States transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions with Communist countries during May 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC-1364. A communication from the executive director of the U.S. Olympic Committee transmitting, pursuant to law, the committee's financial statement for the year ended December 31, 1982; to the Committee on Commerce, Science, and Transportation.

EC-1365. A communication from the Secretary of the Interstate Commerce Commission transmitting, pursuant to law, a report on an extension of time for acting on appeals in Volkswagen of America, Inc. v. The Baltimore and Ohio Railroad Co., et al. and an embraced proceeding, long-and-short haul application No. 43960, motor vehicles—Westmoreland, Pa., to named points in West; to the Committee on Commerce, Science, and Transportation.

EC-1366. A communication from the Chairman of the Interstate Commerce Commission transmitting, pursuant to law, a report on customer pickup of food and grocery products; to the Committee on Commerce, Science, and Transportation.

EC-1367. A communication from the Secretary of the Federal Communications Commission transmitting, pursuant to law, a memorandum of opinion and order in certain broadcasting applications; to the Committee on Commerce, Science, and Transportation.

EC-1368. A communication from the Assistant Secretary of State for Legislative and Intergovernmental Affairs transmitting a draft of proposed legislation to implement the Convention on the Conversion of Antarctic Marine Living Resources; to the Committee on Commerce, Science, and Transportation.

EC-1369. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of meetings related to the international energy program on July 11 and 12, 1983 in Paris, France; to the Committee on Energy and Natural Resources.

EC-1370. A communication from the Secretary of Energy transmitting, pursuant to law, a report on payment charges for interim storage of spent nuclear fuel; to the Committee on Energy and Natural Resources.

EC-1371. A communication from the Director of the Office of Technology Assessment, U.S. Congress, transmitting, pursuant to law, a summary and report brief on Industrial Energy Use; to the Committee on Energy and Natural Resources.

EC-1372. A communication from the Acting Assistant Secretary of the Interior transmitting a draft of proposed legislation relating to authority of the Secretary to accept volunteer services in aid of the work of the Bureau of Land Management; to the Committee on Energy and Natural Resources.

EC-1373. A communication from the Secretary of Energy transmitting, pursuant to law, a report on the program management plan for ocean thermal energy conversion systems; to the Committee on Energy and Natural Resources.

EC-1374. A communication from the President of the United States transmitting, pursuant to law, a report on the decision to grant import relief to the specialty steel industry; to the Committee on Finance.

EC-1375. A communication from the Secretary of the Treasury transmitting a draft of proposed legislation to authorize appropriations for the international affairs functions of the Department of the Treasury for fiscal years 1980 and 1981; to the Committee on Finance.

EC-1376. A communication from the Chairman of the U.S. International Trade Commission transmitting, pursuant to law, the 54th quarterly report on trade between the United States and nonmarket economy countries; to the Committee on Finance.

EC-1377. A communication from the U.S. trade representative transmitting, pursuant to law, a resolution of the President's Advisory Committee for Trade Negotiations; to the Committee on Finance.

EC-1378. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation entitled "Child Support Enforcement Amendments of 1983"; to the Committee on Finance.

EC-1379. A communication from the board of trustees of the Federal Hospital Insurance Trust Fund transmitting, pursuant to law, its 1983 annual report; to the Committee on Finance.

EC-1380. A communication from the board of trustees of the Federal Supplementary Medical Insurance Trust Fund transmitting, pursuant to law, its annual report for 1983; to the Committee on Finance.

REPORTS OF COMMITTEES RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of June 29, 1983, the following reports of committees were submitted on July 5, 1983:

By Mr. TOWER, from the Committee on Armed Services, with amendments:

S. 1230: A bill to authorize appropriations for the fiscal year 1984 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelli-

gence Agency Retirement and Disability System, and for other purposes (Rept. No. 98-171).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1046: A bill to clarify the applicability of a provision of law regarding risk retention (Rept. No. 98-172).

S. 1424: A bill to amend Public Law 92-444 to reflect the change in the name of the Pacific Tuna Development Foundation to the Pacific Fisheries Development Foundation (Rept. No. 98-173).

By Mr. TOWER, from the Committee on Armed Services, with an amendment in the nature of a substitute and an amendment to the title:

S. 675: A bill to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes (Rept. No. 98-174).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment and with a preamble:

S. Res. 118: A resolution to express the sense of the Senate in support of continued integrity of the National Oceanic and Atmospheric Administration.

By Mr. TOWER, from the Committee on Armed Services, without amendment:

S. Res. 172: An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 675; referred to the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ANDREWS, from the Select Committee on Indian Affairs, without amendment:

S. 1168. A bill to declare that the United States holds certain lands in trust for the Kaw Tribe of Oklahoma (Rept. No. 98-175).

By Mr. PERCY, from the Committee on Foreign Relations, with amendments, and amendments to the preamble:

S.J. Res. 111. A joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health.

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 1935. An act to ratify an exchange agreement concerning National Wildlife Refuge System lands located in Matagorda Island in Texas (Rept. No. 98-176).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

Ex. T, 96-1. Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries (the NAFO Convention) (Ex. Rept. No. 98-12).

Treaty Doc. 98-3. Eastern Pacific Ocean Tuna Fishing Agreement (Ex. Rept. No. 98-13).

Treaty Doc. 97-24. Shipping and Aircraft Tax Agreement with the Government of the People's Republic of China (Ex. Rept. No. 98-14).

Treaty Doc. 97-27. Tax Treaty (and Proposed Protocol) with the Government of New Zealand (Ex. Rept. No. 98-15).

Treaty Doc. 97-28. Tax Convention with the Government of Australia (Ex. Rept. No. 98-16).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. QUAYLE:

S. 1595. A bill to provide for a series of regional Presidential primary elections; to the Committee on Rules and Administration.

By Mr. TRIBLE (for himself, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. COCHRAN, Mr. FORD, and Mr. HUDDLESTON):

S. 1596. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles; to the Committee on Finance.

By Mr. STAFFORD:

S. 1597. A bill to amend the Elementary and Secondary Education Act of 1965 to provide comprehensive elementary school guidance and counseling programs for elementary students through States and local educational agencies; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. JEPSEN:

S. Con. Res. 51. A concurrent resolution expressing the sense of Congress that the 50 States and the District of Columbia should establish a program for the mutual recognition of the identification systems used by other States to indicate which vehicles are allowed to park in spaces reserved for the disabled; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. QUAYLE:

S. 1595. A bill to provide for a series of regional Presidential primary elections; to the Committee on Rules and Administration.

PRESIDENTIAL PRIMARIES TIMING ACT

● Mr. QUAYLE. Mr. President, the season of Presidential politics is drawing near, and there are less than 9 months before the first Presidential primary of the 1984 elections. I believe the time has come to consider serious reform of our primary elections system. Today I am proposing one model for that reform.

Mr. President, the primary elections have gotten so out of hand that many pundits call the approaching campaigns the silly season of Washington. When Lewis Carroll described a croquet game in "Alice in Wonderland", he could just as well have been describing our Presidential primary system:

> The players all play at once, without waiting for turns. . . . They don't seem to have any rules in particular: at least, if there are, nobody attends to them—and you've no idea how confusing it is.

Now is the time for primary reform. Since 1968 the nominating process has been altered dramatically by the proliferation of Presidential primaries in the States. In 1980 there were 37, beginning in February with New Hampshire and finishing with what one commentator called Sweepstakes Day, June 3, when 8 States held primaries. The process in between is no longer a series of independent State primaries, as some claim, but a serialized national primary, like some bad soap opera, carried on over a 5-month period.

If I might quote the majority leader at the end of the 1980 campaign season, "It's going to bore us to death, work us to death and spend us to death."

Reform legislation is needed now if we are to check the tide moving toward earlier and earlier Presidential politics. Candidates, and potential candidates, recognize that Presidential nominations in 1984 could be sewn up before the two parties' midsummer national conventions. Many States, anxious to play some role in deciding the national tickets, are rushing to advance their own primaries as early as possible next year. In the last election we had caucuses. Now we have straw polls. Where does it end?

At least 11 States, according to U.S. News & World Report, are considering endorsing candidates on March 13, 1984—already being dubbed "Super Tuesday." It now appears that nearly half our States will have chosen their favorites by the end of March 1984. This drawn-out schedule gives disproportionate influence to small States with early caucuses and primaries, while larger States find the race nearly over by the date of their primaries. Many States west of the Mississippi are nearly disenfranchised by the whole process.

I am not proposing that we do away with individual States' ability to hold primaries. The truth of the matter is that nothing ever devised by the American political parties to maximize citizen participation approaches the success of the Presidential primaries. Far from wanting to do away with this stunningly popular institution, I want to make it even more accessible to all the people.

The fact the Presidential primaries are popular is clear, Twenty-four States held Democratic primaries for Governor in 1978 and Presidential primaries in 1980. The Presidential vote was bigger in 15 of those States. There

were 23 States which held Republican primaries for Governor in 1978 and Presidential primaries in 1980. On the Republican side, Presidential primaries won 18 to 5.

In a number of States the differences were dramatic. In Ohio, New Hampshire, and Vermont the Democratic Presidential vote doubled the gubernatorial vote. In Illinois, Kansas, and Wisconsin it was half again as large. On the Republican side, Presidential primary turnout doubled the 1978 primary vote in Alabama, Illinois, Wisconsin, Texas, and Georgia. Overall, the combined 1980 primary vote for President in the 24 combined States was 4 million more than the combined primary vote for Governor in 1978.

To preserve the popularity of this system, and to expand voter participation, I am proposing a regional primary system. My regional primary plan would do away with the biggest flaw in the current system—that it makes irrelevant the votes of those casting their ballots late in the primary system.

The purpose of my bill is to establish an orderly system of regional Presidential primaries, to be held on the second Tuesday of 4 consecutive months, March through June. The four regions are defined so as to correspond to the time zones within the United States. To insure that no region or group of States receives undue early attention from the candidates, the order of the four primaries is selected at random, by drawing separate lots 70 days before each primary date.

My plan would cover both primaries and caucuses—as defined by current law—so as to include any selection process for choosing delegates, and any expression of preference for nomination to the Presidential election.

In order for any candidate to be eligible for matching funds under the Presidential primary matching account, any candidate of a political party must agree to be on the ballot in at least one State in each of the four regions. The candidates must notify the Federal Election Commission in writing of the primary they intend to enter within each region.

Mr. President, the American people are soon to be dragged through another long and tortuous Presidential campaign. The race is on, more than a year and a half before election day. There is no better time for a national debate on reforming our Presidential primary system, and I propose that we begin that debate today.●

By Mr. TRIBLE (for himself, Mr. BAUCUS, Mr. BOSCHWITZ, Mr. COCHRAN, Mr. FORD, and Mr. HUDDLESTON):

S. 1596. A bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles; to the Committee on Finance.

FARM TRUCK TAX EXEMPTION ACT OF 1983

Mr. TRIBLE. Mr. President, I rise to introduce a bill which increases the 5,000 mile per year exemption for farm trucks from payment of the heavy vehicle use tax to 10,000 miles per year. This tax, which will go into effect on July 1, 1985, is inequitable, penalizing the farmer whose only hauling activity is taking his produce to market.

Farmers are currently staggering under the burden of years of inflation, lagging exports, and persistently high interest rates. Farm debt is at an all-time high and bankruptcies are too common. This bill will make the lot of the farmer who trucks his own produce to market in either single or light combination trucks far less burdensome.

Under the provisions of my bill, farmers will be able to travel an additional 5,000 miles annually on public roads without having to pay the increased tax which will be imposed starting in July 1985. That increase could go as high as $1,600 in 1985, and up to $1,900 by 1988. That is a lot of money to spend simply to get your crops to market.

Many farm trucks are already exempt from paying the use tax because they fall under the 5,000-mile exclusion clause in existing law. However, in certain parts of the country—California, the Midwest and the coastal parts of the East—farmers frequently have to travel in excess of the permitted 5,000 miles to get their harvest to market. This situation has been aggravated by rail abandonments and grain elevator bankruptcies. The Department of Transportation estimates that about 35,000 vehicles would benefit from increasing the exemption to 10,000 miles annually.

Revenue loss in fiscal year 1985 is estimated by the Federal Highway Administration to be about $11 million annually; or 1 percent of the total annual estimated heavy vehicle use tax. This tax is expected to yield $953 million in fiscal year 1985, $1.027 billion in fiscal year 1986, and $1.172 billion in fiscal year 1987.

Mr. President, this much-needed legislation has been endorsed by the American Farm Bureau Federation and the Virginia Farm Bureau. I urge my colleagues to carefully consider the merits of the bill. It would be a great help to our beleaguered farmers.

I ask unanimous consent that the text of the bill be included in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1596

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (d) of section 4483 of the Internal Revenue Code of 1954 (relating to exemptions from highway use tax) is amended by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

"(5) 10,000 mile exemption for farm vehicles used for certain farm purposes.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of a farm vehicle, paragraphs (1) and (2) shall be applied by substituting '10,000' for '5,000' each place it appears.

"(B) NO MORE THAN 5,000 MILES FOR NONQUALIFIED FARM USE.—Subparagraph (A) shall not apply to any farm vehicle if such vehicle is used (or may reasonably be expected to be used) for more than 5,000 miles during such taxable period for purposes other than a qualified farm purpose.

"(C) QUALIFIED FARM PURPOSE.—For purposes of this paragraph, a farm vehicle is used for a qualified farm purpose if it is used in public highways to transport property—

"(1) substantially all of which is any farm commodity in its unmanufactured state, and

"(ii) at least one-half of which is any farm commodity produced by the owner of such vehicle.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FARM VEHICLE.—The term 'farm vehicle' means any highway motor vehicle the owner of which is the owner, tenant, or operator of a farm (within the meaning of section 6420(c)(2)).

"(ii) FARM COMMODITY.—

"(I) IN GENERAL.—The term 'farm commodity' means any agricultural or horticultural commodity, livestock, bees, poultry, furbearing animals, and wildlife.

"(II) SPECIAL RULE FOR TREES.—Trees shall be treated as a farm commodity only if the production thereof is incidental to the farming operations of the owner, tenant, or operator of the farm.".

(b) The amendments made by subsection (a) shall take effect as if included in the amendments made by section 513 of the Highway Revenue Act of 1982.

By Mr. STAFFORD:

S. 1597. A bill to amend the Elementary and Secondary Education Act of 1965 to provide comprehensive elementary school guidance and counseling programs for elementary students through States and local educational agencies; to the Committee on Labor and Human Resources.

ELEMENTARY SCHOOL GUIDANCE AND COUNSELING INCENTIVE ACT

● Mr. STAFFORD. Mr. President, the recent release of numerous analyses of the state of American education gives us all pause. While these studies may differ on various minor points, their major conclusions are remarkably similar: Our educational system needs a sustained overhaul.

Several recommendations have been made to begin this process of renewal in our school systems, and, I want to focus on just one key element to an

improved educational environment: Guidance and counseling.

Today, I am introducing the Elementary School Guidance and Counseling Incentive Act. As the preamble of this legislation underscores, the elementary school of today is no longer protected and isolated from society's problems and concerns, but it has become a setting where the early symptoms of these problems are displayed.

Mr. President, a child's education involves many individuals. The teacher is the most obvious influence on a student's in-school day, but other participants in the education system—parents, administrators, school board members, to name a few—play a definite role.

Let us not forget that individuals trained in guidance and counseling are indisputable parts of a child's educational universe as well, and this legislation promotes the improvement of guidance and counseling services in our elementary schools, where such services indeed can have a positive and long-lasting impact on a young person's life.

The beloved poet, Robert Frost, who adopted my State of Vermont, often wrote about the choices an individual makes throughout life. In one poem, using a trip along a road as a metaphor for life's journey, he wrote:

Two roads diverged in a wood
And I,—I took the less traveled by
And that's made all the difference.

When American elementary students standing at some fork in the road could benefit from effective guidance and counseling to help them with their choice, I hope it will be available. That is the purpose of this legislation.●

ADDITIONAL COSPONSORS

S. 44

At the request of Mr. KASTEN, the name of the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 44, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 74

At the request of Mr. MELCHER, the names of the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Mississippi (Mr. COCHRAN), the Senator from Arkansas (Mr. PRYOR), the Senator from Mississippi (Mr. STENNIS), and the Senator from Kentucky (Mr. FORD) were added as cosponsors of S. 74, a bill entitled the "Reye's Syndrome Act of 1983."

S. 314

At the request of Mr. GOLDWATER, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 314, a bill to encourage inflight emergency care aboard aircraft by requiring the placement of emergency equipment, supplies, and drugs aboard aircraft and by relieving appropriate persons of liability for the provision and use of such emergency equipment, supplies, and drugs.

S. 476

At the request of Mr. LEVIN, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 591

At the request of Mr. INOUYE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 591, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the United States Olympic Committee.

S. 1144

At the request of Mr. HEINZ, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1144, a bill to suspend periodic reviews of disability beneficiaries having mental impairments pending regulatory reform of the disability determination process.

S. 1146

At the request of Mr. BENTSEN, the names of the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 1146, a bidl to amefd the Federal Aviation Act of 1958 to provide for the revocation of the airman certificates and for additional penalties for the transportation by aircraft of controlled substances, and for other purposes.

S. 1278

At the request of Mr. MELCHER, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 1278, a bill to provide for an accelerated program of research, development, and demonstration with respect to the production of electricity from magnetohydrodynamics, leading to the construction and operation of at least one major proof of concept demonstration project in connection with an existing electric powerplant, and for other purposes.

S. 1348

At the request of Mr. MOYNIHAN, the names of the Senator from Tennessee (Mr. SASSER), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 1348, a bill to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to the widow of Roy Wilkins.

S. 1469

At the request of Mr. SPECTER, the names of the Senator from North Dakota (Mr. BURDICK), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 1469, a bill to amend title 18 of the United States Code relating to the sexual exploitation of children.

S. 1475

At the request of Mr. WALLOP, the names of the Senator from Wyoming (Mr. SIMPSON), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1475, a bill to amend the Internal Revenue Code of 1954 to repeal the highway use tax on heavy trucks and to increase the tax on diesel fuel used in the United States.

S. 1550

At the request of Mr. CHAFEE, the name of the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 1550, a bill to amend the Internal Revenue Code of 1954 to relieve international double taxation of overseas construction projects of U.S. contractors.

SENATE JOINT RESOLUTION 50

At the request of Mr. LEVIN, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Joint Resolution 50, a joint resolution designating the week beginning September 25, 1983, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 54

At the request of Mr. NICKLES, the names of the Senator from North Carolina (Mr. EAST), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of Senate Joint Resolution 54, a joint resolution to authorize and request the President to designate the month of January 1984 as "National Eye Health Care Month."

SENATE JOINT RESOLUTION 93

At the request of Mr. EAST, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of Senate Joint Resolution 93, a joint resolution to designate the month of September each year as "National Sewing Month."

SENATE JOINT RESOLUTION 98

At the request of Mr. TOWER, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 98, a joint resolution to designate October 2 through October 9, 1983, as "National Housing Week."

SENATE JOINT RESOLUTION 106

At the request of Mr. SIMPSON, the names of the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Georgia (Mr. MATTINGLY) were added as cosponsors of Senate Joint

Resolution 106, a joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

SENATE JOINT RESOLUTION 111

At the request of Mr. PERCY, the names of the Senator from Pennsylvania (Mr. HEINZ), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Joint Resolution 111, a joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health.

SENATE JOINT RESOLUTION 113

At the request of Mr. WILSON, the names of the Senator from Rhode Island (Mr. PELL) and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of Senate Joint Resolution 113, a joint resolution to provide for the designation of the week beginning June 3 through June 9, 1984, as "National Theatre Week."

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. COHEN, the names of the Senator from Illinois (Mr. PERCY) and the Senator from Wisconsin (Mr. PROXMIRE) were added as cosponsors of Senate Concurrent Resolution 21, a concurrent resolution expressing the sense of the Congress respecting the administration of title X of the Public Health Service Act.

SENATE RESOLUTION 130

At the request of Mr. GORTON, the name of the Senator from Indiana (Mr. QUAYLE), was added as a cosponsor of Senate Resolution 130, a resolution expressing the sense of the Senate that the President should award the Presidential Medal of Freedom to Barney Clark, to be presented to his family in his memory.

SENATE RESOLUTION 139

At the request of Mr. ZORINSKY, the names of the Senator from Iowa (Mr. GRASSLEY), the Senator from Georgia (Mr. MATTINGLY), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of Senate Resolution 139, a resolution disapproving the recommendation of the Study Group on Senate Practices and Procedures to abolish the Senate Committee on Veterans' Affairs.

SENATE CONCURRENT RESOLUTION 51—RELATING TO HANDICAPPED PARKING

Mr. JEPSEN submitted the following concurrent resolution, which was referred to the Committee on Governmental Affairs:

S. CON. RES. 51

Whereas all fifty States and the District of Columbia recognize the special needs of disabled individuals and have established disabled or handicapped parking spaces for the convenience of such individuals;

Whereas many disabled individuals who drive automobiles are given parking citations for parking in spaces designated for the disabled because the police do not recognize disability identification on out-of-State vehicles;

Whereas the special needs of the handicapped and disabled should be universally recognized and not subject to the vagaries of individual State laws with respect to special parking privileges;

Whereas the Congress and the Administration have historically supported programs and policies which recognize the special needs of the handicapped and the disabled;

Whereas the establishment of a coordinated vehicle identification system for handicapped and disabled drivers could facilitate interstate travel by assuring disabled individuals accessible parking while on vacations or business trips; and

Whereas confusion could be reduced and time and effort of police and courts saved by having a coordinated vehicle identification system: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the States, working through the National Governors Association should, as soon as possible, establish a cooperative program under which the legitimate parking privileges of the disabled and handicapped in each State are accorded to disabled and handicapped individuals displaying legitimate parking stickers of other States.

SEC. 2. As used in this resolution the term "State" means the several States and the District of Columbia.

SEC. 3. The Secretary of the Senate is directed to transmit a copy of this resolution to the Governors of all fifty States, and the Mayor of the District of Columbia.

● Mr. JEPSEN. Mr. President, today I am submitting a resolution that 2 months ago I would have thought unnecessary. But recently, a situation has been brought to my attention which I think most of my colleagues will agree necessitates correction.

As most of my colleagues are aware, many States provide special parking privileges for handicapped and disabled persons. In general, these special privileges include reserved parking spaces for persons displaying some type of "handicapped" parking sticker. As anyone who was traveled in different States can attest to, the type of sticker used or the location of the sticker varies from State to State.

In Iowa, for instance, there is a portable placard that can be displayed by hanging it from the rear view mirror. Other States have permanent license plates that designate the vehicle as being eligible for the special parking privileges. As a result of a very unfortunate incident involving a constituent of mine, it has come to my attention that many States do not recognize the valid handicapped parking permits issued by other States.

In the particular instance I am aware of, the handicapped person was traveling in a New England State and was displaying the Iowa handicapped parking permit. While shopping at a mall, the individual took advantage of the special spaces provided for the handicapped. Unfortunately, upon returning to her car, this person found a parking ticket for illegally parking in a space reserved for cars displaying a handicapped sticker. My constitutent found the police officer and pointed out her Iowa sticker but was still required to pay the fine.

The amount of the fine was not excessive, Mr. President, but it is a fine that never should have been levied. The individual is clearly handicapped and was displaying the valid Iowa handicapped parking sticker.

In talking with individuals at the Congressional Research Service and the Disabled American Veterans, I have found that the incident described is all too common. It seems to me that this is a situation which can be rectified if there was a better system of cooperation among the States.

I am therefore taking this opportunity to introduce a sense of Congress resolution calling upon the States, through the National Governors' Association, to come up with some type of cooperative approach to resolving this problem. I have spoken to the Governor of Iowa and he has agreed to bring up the subject at the next National Governors' Association meeting. I am hopeful that we can get the problem resolved in the near future.

Now some have suggested, Mr. President, that perhaps we should come up with some type of uniform symbol that all the States can use. It seems, however, that there are a number of problems with this type of approach, least of which is administrative.

Many handicapped persons, I have learned, do not like the idea of a permanent symbol such as a license plate. Others believe this type of approach is necessary in order to prevent fraudulent distribution of the symbol. Both sides have strong and valid arguments as to why their approach is the right approach.

Quite frankly, I do not have any opinion as to which approach is the correct approach. Furthermore, I do not think this is the type of matter that should be dictated by the Federal Government. That is why I have chosen to introduce a concurrent resolution instead of statutory language.

I believe, Mr. President, that it is important for Congress to use its powers of persuasion before resorting to its powers of legislation. I would point out, however, that should the situation still prove to be a problem next year, I am prepared to take more drastic steps. In particular, I note that some have suggested that a State's Federal transportation funds be restricted unless the State agreed to some type of reciprocity. I think that approach is unnecessary right now, but support for such a measure could

grow the longer the problem goes unresolved.

In closing, Mr. President, I want to put my colleagues on notice that I intend to offer my resolution in the form of an amendment when the Senate turns to consideration of the transportation appropriations bill later this session. I do not believe this is a matter that can wait and we must act as soon as possible.

I look forward to the day when handicapped and disabled individuals can travel from State to State without fear of inadvertently violating another State's special handicapped parking privileges.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding the following hearings:

On July 19, 1983, at 10 a.m., in room SD-608, a hearing on S. 1499, to settle certain claims of the Mashantucket Pequot Indians; and, S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe. Those wishing additional information should contact Paul Alexander of the committee at 224-2251.

On July 21, 1983, at 10 a.m., in room SD-608, an oversight hearing on the branch of Federal acknowledgment within the Bureau of Indian Affairs. Those wishing additional information should contact Marilyn Heller of the committee at 224-2251.

On July 26, 1983, at 10 a.m., in room SD-608, a hearing on S. 1151, to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime; and, House Joint Resolution 158, to make technical corrections in the act of January 12, 1983 (Public Law 97-459). The hearing will be followed by a business meeting on S. 1499, S. 1196, S. 1151, and House Joint Resolution 158. Those wishing additional information should contact Paul Alexander or Pete Taylor of the committee at 224-2251.

On July 28, 1983, at 10 a.m., in room SR-485, an oversight hearing on issues of Indian health. Those wishing additional information should contact Patricia Zell of the committee at 224-2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider the nomination of William Perry Pendley, of Wyoming, to be an Assistant Secretary of the Interior for Energy and Minerals. The hearing will be held on Tuesday, July 12, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room SD-360, U.S. Senate, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-5304.

In addition, I would like to announce that the full committee hearing regarding the geopolitics of strategic and critical minerals scheduled for Friday, July 22, will begin at 2 p.m. instead of 10 a.m.; and the full committee hearing on S. 1132 scheduled for Monday, July 25, will begin at 2 p.m. instead of 10 a.m.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the oversight hearing scheduled before the Subcommittee on Public Lands and Reserved Water regarding acquisition of land, and acquisition and termination of grazing permits or licenses, will begin at 2 p.m. on Tuesday, July 26, instead of 10 a.m. as previously scheduled.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mrs. HAWKINS. Mr. President, I would like to announce that the Senate Banking Committee's Subcommittee on Consumer Affairs hearing on S. 1152, a bill to amend the Consumer Credit Protection Act with respect to consumer leases and rental-purchase agreements scheduled for July 13, 1983, has been postponed until July 19, 1983. The hearing will be held at 9:30 a.m. in room SD-538 of the Dirksen Senate Office Building.

For further information, please contact Linda C. Zemke at 224-1566.

ADDITIONAL STATEMENTS

BUDGET STATUS REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1983 pursuant to section 311 of the Congressional Budget Act.

Since my last report the Congress has completed action on House Concurrent Resolution 91, the first budget resolution for fiscal year 1984. This status report reflects the revised revenue and spending totals for fiscal year 1983 that are contained in House Concurrent Resolution 91 and presents the current budget levels for fiscal year 1983 on a basis that is consistent with the economic and technical assumptions of House Concurrent Resolution 91.

The report follows:

REPORT No. 83-6

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 1983 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 91, REFLECTING COMPLETED ACTION AS OF JUNE 30, 1983

[In millions of dollars]

	Budget authority	Outlays	Revenues
Revised 2d budget resolution level	877,200	807,400	604,300
Current level	865,128	805,560	604,400
Amount remaining	12,072	1,840	100

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $12,072 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 91 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $1,840 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 91 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $100 million for fiscal year 1983, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 91.●

CAPITAL PUNISHMENT

● Mr. LEVIN. Mr. President, I wish to have printed in the RECORD two insightful articles regarding the effort currently underway in Great Britain to reinstitute capital punishment, which has been outlawed in that country since 1964. "The Case Against the Rope," which appeared in a British weekly, the Economist, was reprinted Monday, July 11, 1983, in the Washington Post. The editorial, "The Death Penalty as a Final Escape," appeared in the Detroit News on July 10, 1983. I hope my colleagues will have an opportunity to read both of these articles, which provide compelling arguments against reinstituting the death penalty.

The articles follow:

[From the Washington Post, July 11, 1983]

THE CASE AGAINST THE ROPE

(Britain's Parliament will soon consider the reinstitution of capital punishment. This contribution to the debate is reprinted, with permission, from the British weekly, The Economist.)

The last time a British government paid an official to break a criminal's neck with a rope was in 1964. The last state-sanctioned killing of a non-military offender in a civil-

ized European nation was in France in 1977. They cut the head off of a North African immigrant with a weighted blade on vertical runners—and a lot of respectable Frenchmen now think they guillotined the wrong man.

It had finally seemed in the past decade that instruments of execution had been swept off the Western European continent and its islands . . .

But there are still those who want to bring official violence back, hankering not so much for justice as for revenge against the enemies of society, or for better protection for those (like policemen) who stand in the front line of its defense. Most people in Britain, if asked the abstract question, say they would like certain classes of criminal killed in their name—although when individual hard cases arise they tend to be more forgiving. Something like half of the new, Tory-dominated House of Commons inclines to that popular view.

On a vote free of party pressure, Parliament will soon be asked whether it wants Britain to start executing people again. If the answer is yes, there would then have to be a grisly debate both about the offenses to be scheduled as meet for capital punishment, and about the appropriate technology for state-sponsored killing.

It is strange that it should be mainly Conservatives who wish to put this ultimate power in the hands of the state, whose authority in other ways they rightly wish to limit. What the pro-hangers hanker for, evidently is a simple solution to complex problems. They think execution is a unique deterrent, that because it is swift and sure it closes the endless arguments about crime and punishment, right and wrong, and signifies society's absolute abhorrence of certain sorts of offense. In practice, it does exactly the opposite.

The three main white-ruled countries that still execute people are Russia, South Africa and America. Presumably, British executioners would wish to be compared only with the last. In about three-quarters of the United States, hanging, shooting, electrocuting or poisoning are now on offer. Whether the prevalence of murder and violence there persists because of, or in spite of, this institutional contempt for human life is a question for Americans. But clearly the execution even of duly convicted American killers is far from being swift, sure and condign. So grave is the penalty that the legislators and the courts struggle to make it socially acceptable by finding distinctions between capital and non-capital offenses.

The resulting appeals against sentence last for years. Lawyers' ingenuity prevails over retributive justice—exactly what a simple and final punishment is meant to avoid. Any categories of crime subjected to capital punishment in Britain would have to be equally subtly defined. . . .

The principal effect of hanging about a dozen of Britain's 600 or so murderers a year would be to fasten enormous publicity on any trial which might qualify among those dozen. Before 1964 occasional executions were very good for sales of the popular Sunday newspapers; and, in general, whatever is lurid in the British popular Sunday newspapers is bad for the British people. With the advent of television, the danger of publicity leading to imitation becomes greater. As a child murderer is executed, details of how he tortured his victims to death are revealed to the telemass; deviants are excited thereby. "Bloggs, who is being hanged behind these walls", says the telereporter at the early morning wake, "was caught by the following million-to-one chance"; there are plenty of people who would like to murder somebody else when ceaselessly told of how to do it with only a million-to-one chance of being discovered.

When death was the sole penalty for all willful murder, capital punishment did at least have the attraction of straightforwardness. You killed, you were killed, and the account was square according to Deuteronomy. But nobody seriously supports that biblical objective any more.

Most murders in Britain are domestic or neighborly affairs, the terrible consequence of desperation (usually drunken, often sexual). Practically all pro-hangers now found their case, with an effort at rationality, on the degree of horror that particular offenses excite, or on the intention to deter specific categories of crime.

Which should be the categories? The murder of children—usually committed by distraught women or by sexual inadequates? These last generally confess quickly today when they can expect the medical treatment they know they need; if they feared the rope they might spin their defenses out, and disturbed people in the tele-audience would dangerously suck in their dreadful excitements. Murder by firearms—but not by poison, or with knives or car-jacks? Murder of policemen—but not of security guards or firemen on duty, or boy scouts looking after old ladies?

One category of crime that needs deterring is the use of firearms for robbery. It has increased in Britain, although not so much as is commonly supposed; but the rise in armed robbery is much smaller than the rise in undetected robbery. A greater risk of being caught and imprisoned would deter the gunmen. To propose execution, by contrast, would give criminals every incentive to make sure they have eliminated all potential witnesses.

The case for hanging terrorist murderers is even weaker, a rare ground for doubting the good sense of the new home secretary, Leon Brittan, is that in 1979 he voted against all judicial killing except in its most indefensible form, against terrorists. To accept that a criminal acted for "political" ends, and therefore to raise him into a more awful category, is to concede and glorify his case. The truly anti-terrorist penal system is one that treats all crime as crime, without exception. Killing rebels—remember the story of the Dublin Easter uprising of 1916—can hand them victory. It is absurd to advocate capital punishment of Irish terrorists when 10 of their members, only two years ago, were carefully inflicting capital punishment on themselves by hunger strike, because they thought they served their cause better dead than alive.

Most terrorists in Ulster possess Irish as well as British citizenship. The British government could not deny them an appeal against the death sentence to the European court of human rights, nor could the Irish government. . . . The political cost would infinitely outweigh the human satisfaction of revenge for their hateful acts. As an execution neared, there might be hostage-taking and the horrors of simultaneous revenge "execution" by the IRA. Today some terrorists are caught because the police are told where they are by other Irishmen, sometimes by their relatives; with any danger of hanging, that would stop.

Hanging, even only for rare and vicious crime, would upset the entire system of criminal justice, and put increased strain on the judges. From 1957 to 1965 Britain tried to operate a law that differentiated between capital and other murders. It was capital to kill while stealing or resisting lawful arrest; to kill a policeman or anybody helping a policeman; or, if a prisoner, to kill a prison officer on duty. . . .

The distinctions were intricate. The facts of the cases were heard before juries. But the fine legal points had to be disentangled by the bench. It thus fell upon the judge to rule without the assistance of a jury whether a man was on trial for his life or not. The judges hated the task, since it is their sound inclination to punish the criminal, not the crime. Nobody should want to reimpose that dreadful burden on the judges.

Some judges—some of the best—would decline this butchers' work. Many barristers would refuse on grounds of conscience to take part in capital cases. Others would prosecute less than wholeheartedly, and defend very emotionally. Juries proved less willing to convict just before 1964, when execution could follow their verdict. Prison governors would be reluctant to officiate in overcrowded jails whose latent atmosphere of violence and sexual frustration is knotted up by the grisly presence of the gallows.

The Conservative waverers, many of them newly elected, now probably hold the parliamentary balance. They are under pressure from their local pro-hanging party activists (who no more reflect public opinion than do the correspondingly militant Labor activists on other issues). . . .

Those tempted to vote yes to hanging must decide whether the duty they would lay on others is one that they would themselves discharge. Would they, if asked by the state, pull that lever and break that villain's neck? If not, they must vote no and lay the subject to rest for the life of this Parliament. Every year that passes makes a return to the old barbarity more remote, more unthinkable for a civilized nation, and less useful for a society that wishes to deter crime.

[From the Detroit News, July 10, 1983]

THE DEATH PENALTY AS A FINAL ESCAPE

(By Edwin A. Roberts, Jr.)

The Economist, a British news magazine whose thoroughness and respect for the written word puts its American counterparts on the children's shelf, published an editorial in its July 2-8 issue condemning the movement in the United Kingdom to bring back the hangman's rope.

The editorial notes: "The three main white-ruled countries that still execute people are Russia, South Africa, and America. Presumably, British executioners would wish to be compared only with the last. In about three-quarters of the United States, hanging, shooting, electrocuting, or poisoning are now on offer. Whether the prevalence of murder and violence there persists because of, or in spite of, this institutional contempt for human life is a question for Americans. But clearly the execution even of duly convicted American killers is far from being swift, sure, and condign. So grave is the penalty that the legislators and the courts struggle to make it socially acceptable by finicky distinctions between capital and noncapital offenses."

The Economist then goes on to make the familiar antiexecution arguments, disputing Old Testament support for capital punishment, insisting that the practice doesn't deter murderers, and winding up by asking whether prohanging politicians would, if

asked by the state, "pull that lever and break that villain's neck? If not, they must vote no and lay the subject to rest for the life of this parliament."

The only problem with the magazine's argument is that it is one to which many pro-execution people in that country, and in this one, are invincibly immune.

Such people are chiefly interested in retribution—i.e., refined revenge. The feeling is easy to understand. There *are* murderers whose monstrous crimes scream not just for death but for an extended sojourn on the rack. Nevertheless, how a society manages its emotions is a measure of its intelligence, maturity, and morality. Does an intelligent, mature, and moral society execute felons for civil crimes? To my mind, no.

What, then, is the best way to dissuade capital punishment advocates?

We must play to their emotional need. We must remind them that even as death can be called a blessing to a long-suffering hospital patient, so can it be defined as an escape for the murderer. When a killer is executed, he is set free. No longer does he face the possibility of a hopeless, almost unimaginably miserable life behind bars. Arguably perhaps, but still probably, a short period of terror and an instantaneous death are easier to bear than 30 or 40 years in a maximum-security prison, there to be denied everything that makes life endurable. Especially hope and freedom.

It follows, of course, that murderers who under present law in most states rate the death penalty should be forever denied parole and kept in the closest confinement. That would satisfy the demands of justice while sparing society the grisly business of killing even a hideously evil person in cold blood.

Since the beginning, Michigan has disdained capital punishment. Since 1964, Britain has too. That profound reverence for life reveals the kind of character civilized men can only honor.●

U.N. CONTRIBUTIONS

● Mr. D'AMATO. Mr. President, I rise today to join the distinguished senior Senator from my home State of New York in consponsorship of Senate Concurrent Resolution 50. This resolution urges the administration to withhold from the 1983 American contribution to the United Nations the proportionate U.S. share of funds that are spent on an "International Conference on the Fascist-Racist Alliance between South Africa and Israel," a meeting being held this week in Vienna.

The scheduled conference is but another of the blatantly one-sided attacks on Israel, and Jews worldwide, begun by elements of the United Nations more than 20 years ago. Increasingly, the rhetoric of Third World and Soviet alined countries has been vitriolic in its criticisms of Israel, while they continue to actively endorse the politics and the policies of the terrorist PLO.

In the past year alone, U.N. elements have viciously targeted Israel in a variety of arenas: the U.N. Educational, Cultural and Scientific Organizations passed one resolution which equates Zionism with colonialism and racial discrimination, and another resolution which calls for the rewriting of Biblical history to eliminate the role of the Jews; the International Atomic Energy Agency rejected Israel's credentials; an effort was made in the International Telecommunications Union to expel Israel; and Iran attempted to challenge Israel's credentials in the U.N. General Assembly.

These types of malicious and malevolent actions, funded in part through U.S. contributions to the United Nations, are reaching a pinnacle of deceit this week with the scheduling of a conference to examine Israel as a so-called "fascist-racist" state. And through all these efforts, the acclaimed heroes are the members of the most frightening terrorist groups in today's world: the PLO.

It is painfully obvious that the purposes of the conference are twofold: first, to defame our strong ally in the Middle East, the State of Israel, through irrational slander; and second, to glorify the PLO through propaganda and falsification. The first objective is clearly not within our own national interest, nor does it further world peace. The second, as noted by my colleague from New York, cannot legally be funded by U.S. contributions to the United Nations. This body recognized some years ago that it was totally inappropriate for the United States to finance activities which provide "political benefits to the Palestine Liberation Organization," and U.S. laws restrict our contributions to the U.N. accordingly. This resolution strengthens our position in this regard so that neither our financial nor moral support is provided to enhance a premeditated propaganda display designed to glorify terrorists at the expense of a strong ally.

Mr. President, I urge that immediate action be taken to bring this resolution to the Senate floor. We must pass it with resounding support. We can, in this way, show our concern for truth and honesty in the international arena, and our firm conviction that terrorist organizations should not be exalted as heroes.●

ARMS CONTROL IMPLEMENTATION FORCE STUDY

● Mr. DOLE. Mr. President, shortly before we adjourned for the Fourth of July recess, I had the opportunity to present my proposal on arms control, Senate Concurrent Resolution 46, to the Foreign Relations Committee. During that testimony, I indicated that the Congressional Research Service was preparing, under my general policy guidance, a force study that was illustrative of my approach. That study has now been completed, and I ask that it be printed in the RECORD, together with my letter of transmittal to Senator PERCY.

The Senator from Kansas believes, Mr. President, that we must all seriously address the awesome issue of the control of nuclear weapons. We must control those weapons, their numbers, and certainly their proliferation. Otherwise, we will run the clear risk that instead of furnishing a shield for our protection, that nuclear weapons will themselves become the problem.

That is why I have joined many of our colleagues in analyzing the nuclear arms control issue. I will have more to say on various aspects of this proposal and its component elements in the weeks and months to come. But for now, Mr. President, I want to make available for the consideration of all Senators and their staffs the attached practical illustration of my "triad" proposal.

I am not wedded to every detail of this illustration of the proposal, Mr. President, and I recognize that there could well be other ways of addressing the problem in an overall way, consonant with the general thrust and meaning of Senate Concurrent Resolution 46. But the Senator from Kansas believes that this is a useful contribution to the debate, that more such contributions are useful and indeed desirable, and that together, we can fashion an arms control package that is realistic, fully consonant with the requirements of our national defense and the general views of the Scowcroft Commission, and that advances the cause of peace and nonproliferation of nuclear weapons.

Mr. President, it is in that spirit that the Senator from Kansas brings this force study to the general attention of the Senate. I welcome comments and contributions on the proposal from both sides of the aisle.

The material follows:

U.S. SENATE,
Washington, D.C., June 24, 1983.

Hon. CHARLES PERCY,
Chairman, Senate Foreign Relations Committee, Washington, D.C.

DEAR MR. CHAIRMAN: During my arms control testimony before the Foreign Relations Committee last Tuesday, June 21, I referred to a Congressional Research Study that would set forth one illustration of my approach to overall nuclear arms negotiations at the strategic and intermediate ranges. That study has now been completed according to my general guidelines, and is attached.

The study, I believe, illustrates a number of the serious questions which arms negotiators must begin to address, particularly in the new negotiation area of intermediate range weapons. As I replied to Senator Kassebaum during the hearings on Tuesday, for example, the smaller missiles which may be developed under the Midgetman concept will also introduce special issues of verification. Similarly, dual purpose aircraft, such as F-16s, would require some modification to see whether any nuclear role could become observable on a functional basis.

Similarly, the highly dangerous submarine-launched cruise missiles deserve special study, and if possible, specially negotiated sublimitations. Further, the problem of any inclusion of French and British forces becomes illustrated clearly if we see what that would do to allowable weapons allocations on both sides. The problem, as Dr. Eugene Rostow testified on Wednesday, is however a political one primarily, and I would not favor the inclusion of these weapons in the negotiations. Nevertheless, for the sake of force comparison, I did ask for the study to set forth one scenario of inclusion.

As I mentioned on Tuesday afternoon, the Foreign Relations Committee is to be commended for its attention to this critical area. I am glad to add this further contribution to the debate and ask that this letter and enclosed study be included in the full record of your hearings.

Sincerely yours,

BOB DOLE.

A COMPREHENSIVE ARMS CONTROL PROPOSAL PREPARED ACCORDING TO THE INSTRUCTIONS OF THE HONORABLE ROBERT DOLE

ARMS CONTROL PROPOSAL: CONCEPTUAL FRAMEWORK

My recent comments on the floor of the Senate, together with the ideas expressed by myself and several of my colleagues in Senate Concurrent Resolution 46, suggest a number of basic principles related to the U.S. position on nuclear arms control. These principles, while not inconsistent with the proposals made by the President and many of my colleagues in the Congress, I believe form a basis for a conceptual framework for American arms control policy which combines and extends these proposals in a way that better promotes and protects our security.

My purpose in this discussion is to begin to go beyond these principles with some more specific ideas which could form a conceptual framework for future U.S. arms control negotiating positions. On the one hand, I believe such specific suggestions are essential if our policies are going to move in sensible directions. At the same time, I fully recognize the complexity and inherent difficulty of the problem we are trying to tackle. Therefore, I offer these suggestions not as sure fire prescriptions for success. Rather they are directed at channeling the public debate toward the tough problems which we in the United States need collectively to solve if our approach to arms control is to contribute measurably to our security.

In my remarks which follow, I will lay out the basic principles mentioned earlier together with some specific ways that they could be included in our arms control positions.

Balanced force structure

Traditionally the U.S. has relied on a balanced force structure based on a triad of manned bombers, submarine-based missiles and land-based missiles. This structure has effectively preserved deterrence. Any arms control approach we pursue should not preclude continuing with this balanced approach. At the same time, our experience should tell us that military power is a complex function of all three legs of the triad, and that any arms control agreement that will effectively check and reduce the military power of our adversaries must take this into account.

Relating this to the President's current proposal, it's worth noting that only two thirds of the triad—submarine and land-based missiles—are included. In the short terms, this might seem to be a shrewd negotiating strategy since the U.S. has a big advantage in bombers—the triad leg left out. Putting aside whether the Soviets would ever agree to such an approach, it is important to consider the consequences for American security of leaving Soviet bomber forces totally unchecked. We know from intelligence sources that the Soviets are aggressively pursuing development of a new bomber—the Blackjack, which appears to be designed along the lines of our B-1. We also know that the Soviets have considerable experience in developing cruise missiles that can be launched from aircraft—giving the potential for an even more lethal dimension to their bomber force. Finally, independent of whether one believes the Soviets violate arms control agreements, there is a widespread consensus that the Soviets will exploit loopholes in agreements to their best advantage.

With the stage set as it is, I believe we are not in a position where we can afford to allow the bomber forces to go unaccounted for in our arms control policy. Such a gaping void may skew the Soviet's force structure way out of kilter to the detriment of our security especially given the absence of U.S. continental air defenses. At the same time, reasonable, balanced limits which affect bombers on both sides can be designed in ways that accommodate necessary modernization of American forces while cutting back on the overall size of strategic nuclear arsenals.

Attention to destabilizing weapons

A major accomplishment of the Scowcroft Commission and the subsequent position adopted by the President is recognition that our arms control positions can and should pay particular attention to certain weapons that might unnecessarily lead to making nuclear warfare more likely. The President's proposal certainly heads in the right direction. It may be possible to take it further in certain areas.

One area concerns land-based ICBMs. An important lesson from the Scowcroft Commission is that for a given number of ICBM warheads on both sides, more ICBM launchers will improve stability in a crisis since it will be more difficult to disarm an opponent's ICBM force with a preemptive attack. Despite this lesson, press reports indicate that the U.S. negotiating position still includes a limit of 1200 ICBM launchers. While this 1200 limit is better than the earlier 850 proposal, there may be some circumstance where even 1200 launchers are too few to ensure stability. Since the limits on ICBM warheads already contained in the President's proposal are sufficient to limit effectively military capabilities from ICBMs, it would seem that limiting ICBM launchers would be at least superfluous, and as mentioned, actually contrary to improving stability in some circumstances.

Another area of substantial potential instability not dealt with in the President's proposal involves sea launched cruise missiles. While nuclear armed sea launched cruise missiles have been deployed in the past by both the U.S. and U.S.S.R., they have been relatively few in number and crude by performance standards. A new generation of sea launched cruise missiles promises a substantial jump in performance. Further, our plans to deploy hundreds of these systems, and apparent Soviet plans to invest in this type weapon in a big way (exemplified by their apparent plans to outfit their new Oscar submarine as a cruise missile carrier) seem to foretell a major jump in U.S./Soviet nuclear competition. From a standpoint of stability, such a circumstance will signal yet another turn in the arms race spiral and in a crisis, could tempt the Soviets to use these systems for essentially no warning attacks against the vast, undefended target complexes on American coasts and the shores of our allies. Because of this situation, I believe U.S. arms control policy should pay special attention substantially limiting this class of weapons which threatens to inject instability into the U.S./U.S.S.R. nuclear relationship.

A third area where I believe more effort is needed to check destabilizing nuclear weapons involves intermediate range nuclear aircraft. (These are aircraft which have range not sufficient to attack the U.S. from the U.S.S.R. and vice versa, but do have range to attack Western Europe from the Soviet Union and vice versa.) To begin with, these aircraft are not included in any of the President's proposals for arms control. Yet they constitute a significant threat in the first instance to our friends and allies in Europe, Asia and elsewhere. In the case of at least one aircraft sometimes put in this category—the Backfire—there are many who argue that it constitutes a threat to the United States itself. In addition to posing threats to our interests, these aircraft are also destabilizing in a crisis or conventional conflict. They are typically based in the theater of potential (or actual) conflict in very vulnerable postures at bases of fixed, known locations. As such, they provide easy targets which invite preemptive nuclear attack—a situation clearly to be avoided in the interests of maintaining stability. Thus, because of the destabilizing character of these weapons, I believe they deserve explicit treatment in our arms control positions.

Comprehensive coverage

As the preceding discussion indicates, while the President's proposals treat a range of nuclear weapons systems, they are by no means comprehensive. They leave out a number of weapons which are—or at least should be—of concern to ourselves and to the Soviets. Some of the weapons left out are particularly destabilizing, both in fueling an arms race and in making a nuclear conflict more likely in times of heightened international tension. In the interests of preserving our security and pursuing a permanent peace, our arms control positions need to be expanded to take on coverage of these additional weapons.

Realistic negotiating approach

To be realistic, our negotiating proposals must first recognize our legitimate security concerns. For example, some freeze proposals would effectively perpetuate Soviet advantages gained by their massive buildup in ICBM forces—advantages which have left our ICBMs potentially vulnerable to a preemptive attack. Such freeze proposals, however well intended, realistically do not help our security—in fact they hurt it.

Another element of realism for our negotiating approach is to seek approaches that offer something to both sides so that there will be some chance that both parties will come to an agreement. It takes little skill to develop proposals which are clearly in the American interest but clearly unacceptable under any circumstances to our adversaries. My objective in outlining these proposals here is to develop a negotiating framework which is realistic first and foremost in protecting U.S. security interests, but also one

which I think the Soviets should find in their best interest as well.

Verification

An absolute necessity for any arms control agreement to safeguard American security is that it be adequately verifiable—that any cheating on the part of our adversaries that would significantly affect the balance of military power be detected in time for the U.S. to take effective corrective action. There are some proposals actively supported today which unfortunately do not meet this test—for example freezes on the production of nuclear warheads seem beyond any practical means of verification currently available. There are others where the question of verification is at best unclear—for example limiting the number of mobile IRBMs or counting dual-capable aircraft. The arms control proposals offered here recognize these difficulties, and their enactment would be dependent on agreed adequate verification measures.

Unfortunately an informed public debate on verification is difficult to stage. Traditionally the intelligence community carefully guards the details of how good our intelligence resources are in gathering information on Soviet weapons. In order for Americans—in the Congress and in the public—to make intelligent choices, I call upon the Administration to make available to the greatest extent possible information on our capabilities and limitations for determining whether the Soviets will be living up to their part of any agreements that we may negotiate with them.

Mutual freeze at lower levels

The spirit of a freeze—calling a halt to an arms race—is an important one to capture in any arms control agreement. Freezes which perpetuate armament levels which are already too high, freezes which sanction a state of nuclear instability, and freezes which confer to our enemy advantage that we are precluded from redressing cannot on balance be worth our while. What is worth our while is a freeze which gives deep cuts in the nuclear arsenals for both sides, which deals directly and comprehensively with the most destabilizing weapons on both sides and which confers the rights to equal military power on both sides. This is the type of freeze which I propose.

In terms of specific ceilings and limitations, I believe a proposal along the following lines would capture these principles:

Phase I: START

The basic premise of the Phase I strategic reductions would be to follow the lead offered in President Reagan's START proposal by limiting the warheads (or reentry vehicles—RVs) on ballistic missiles on both sides. However, it may be necessary to move beyond the START proposal in two significant ways:

(1) by adding bombers and cruise missiles as part of an overall larger aggregate strategic ceiling;

(2) not setting specific limits for ballistic missile launchers, which may not be necessary with firm RV constraints. Indeed, force structure changes made by the United States along the lines recommended by the Scowcroft Commission could very well lead the Soviet Union to alter its force structure as US ICBMs de-MIRV.

The outline of the revised START proposal in Phase I would be:

(a) an aggregate ceiling of 6500 strategic RVs, nuclear bombs, and cruise missiles

(b) a sub-ceiling of no more than 5000 RVs on ballistic missiles (ICBMs and SLBMs)

(c) a sub-ceiling of no more than 2500 RVs on ICBMs within the 5000 ballistic missile RV sub-ceiling

(d) a ban on tests to increase the fractionation (i.e., the MIRV capacity) of ICBMs and SLBMs beyond those levels in SALT II

(e) force modernization of all legs of the strategic triad allowed on a 1:1 RV/weapon basis within the agreed ceilings.

Such a proposal would have the following effects:

(1) it preserves the basic goal of the START proposal by emphasizing warheads and not launchers, and offers genuine reductions in the strategic arsenals of both sides. The US arsenal would reduce from approximately 9,500 weapons to 6,500, and the Soviet inventory from approximately 8,500 to 6,500.

(2) it preserves the strategic triad.

(3) it would allow the US and the Soviet Union to modernize their strategic forces. For the US this would be especially important, and would allow us to carry out the proposals of the Scowcroft Commission.

(4) it moves strategic arms control away from launchers and firmly onto the weapons themselves.

(5) it requires the largest reductions in the most destabilizing weapons, the ICBMs.

(6) Verification could be carried out as follows:

(a) RV capabilities for missiles currently in the arsenals are already established, providing a data base for both sides;

(b) counting rules for bombers and cruise missiles have been established;

(c) rules and procedures for dismantling and destroying excess systems are already in place;

(d) National Technical Means (NTM) already in place can observe the RV capacity of new missiles during tests, or observe tests of current missiles to enforce the ban on increased fractionation.

Under this proposal the strategic force structure for the United States and the Soviet Union could look like the following illustrative examples, which presume that both nations decide to maintain their current asymmetrical forces, with the US emphasizing a greater overall balance, and the Soviets emphasizing ICBMs:

United States

ICBM:	
100 MX × 10 MIRV's	1,000
500 Minuteman II/SICBM × 1 RV	500
Total ICBM RV's	1,500
SLBM:	
12 *Ohio* SSBN's × 24 tubes = 288 Trident II × 8 MIRV's	2,304
9 [1] *Lafayette* SSBN's × 16 tubes = 144 Trident I × 8 MIRV's	1,152
Total SLBM RV's	3,456
Subtotal, U.S. ICBM + SLBM RV's	4,956
Manned bombers: 102 [1] B-1B's × 15 ALCM's/weapons	1530
Aggregate, U.S. Strategic weapons	6,486

[1] Under one of the INF approaches outlined below the United States would subsume the 144 SLBM RV's currently deployed by Britain and France in U.S. START totals. In that case the U.S. ICBM force could remain as above, while the SLBM and manned bomber totals under START would change as follows:

SLBM:	
12 U.S. *Ohio* SSBN's × 24 tubes = 288 Trident II × 8 MIRV's	2,304
9 U.S. *Lafayette* SSBN's × 16 tubes = 128 Trident I × 8 MIRV's	1,024
4 British Polaris SSBN's × 16 tubes = 64 Polaris × 1 RV	64
5 French SSBN's × 16 tubes = 80 MSBS × 1 RV	80
Total, allied SLBM RV's	3,472
Subtotal, U.S. ICBM RV's + allied SLBM RV's	4,972
Manned bomber: 101 B-1B's × 15 ALCM's/weapons	1,515
Aggregate, U.S. allied strategic weapons	6,487

Soviet Union

ICBM's:	
100 SS-18 × 10 MIRV's	1,000
100 SS-24 × 10 MIRV's	1,000
500 SS-11/SS-13/SICBM × 1 RV	500
Total, ICBM RV's	2,500
SLBM's:	
4 Typhoon SSBN's × 20=80 SS-N-X × 10 MIRV's	800
15 Delta III SSBN's × 16=240 SS-N-18 × 7 MIRV's	1,680
Total, SLBM RV's	2,480
Subtotal, Soviet ICBM + SLBM RV's	4,980
Manned bombers:	
101 Blackjack × 12 weapons	1,212
77 Tu-95 Bear × 4 weapons	308
Total, manned bomber weapons	1,520
Aggregate, Soviet strategic weapons	6,500

Phase II: INF

INF is a thornier problem than strategic systems for several reasons:

(a) there is less agreement as to which systems should be included, and what constitutes a balance in INF;

(b) unlike strategic arms, there are no precedents for INF arms control upon which to draw;

(c) verification issues become much more complex given systems that are more mobile, or that have dual (i.e., conventional and nuclear) capabilities, or in which the actual weapons themselves are much smaller.

To a large extent the outcome of the INF talks could depend on the resolution of the first issue, which systems should be included. The Soviet Union has insisted that British and French nuclear systems be included in this total, while the United States has said that this is not an issue for bilateral negotiations, and that the US has no control over those systems.

Obviously, it might be possible for the US and its allies to work out some arrangement to include these systems. The Phase I INF proposal could take either track, including or excluding these systems.

In the first proposal outlined below the current British and French nuclear forces have been included; in the second they have not. The first proposal does not take into account British and French plans for force modernization. These plans would greatly increase Allied RV totals (from the current

total of 162 RVs to some 934 RVs), which would have to be compensated for out of US SLBM totals under START, or by a major revision of INF to include SLBMs, which would then allow the Soviets to keep many of the SLBMs they otherwise would have to dismantle.

The INF proposal would take the following lines:

(a) a global ceiling of 1500 INF weapons, including IRBM/MRBM RVs, GLCMs, SLCMs, and dual capable aircraft weapons. British and French SLBMs would count as part of the US SLBM total under START;

(b) a sub-ceiling of 126 RVs on IRBMs and MRBMs;

(c) GLCMs and SLCMs are to be counted as part of the dual capable aircraft total;

(d) no SLCMs may be deployed on submarines; SLCMs may be deployed on surface vessels subject to agreed counting rules for the number of canisters per ship times the number of SLCMs carried on board.

Such a proposal would have the following effects:

(1) the global ceiling would require a reduction of Soviet systems down from current totals of approximately 2880 to 1500.

(2) the sub-ceiling on IRBM/MRBM RVs would require a reduction of approximately 318 SS-20s globally, and 198 in the SS-20 force now threatening Western Europe. Limits on IRBMs would affect the most destabilizing weapons.

(3) this ceiling could accommodate current British and French systems, but planned British and French force modernizations could be allowed only by decreasing US SLBM forces in START or raising INF limits with the possibility of Soviet SLBM deployments under INF.

(4) the US could carry out most of the planned GLCM deployment.

(5) Verification would be more difficult, especially in terms of counting aircraft and SLCMs. Agreed weapon loads counting rules for each type of aircraft and for ship loadings of SLCMs would be necessary. It might also be necessary to agree to identify all sites at which LRBMs and MRBMs and/or their mobile launchers are manufactured.

Allied and Soviet force structures might appear as follows under this proposal:

Allied INF

IRBM/MRBM:	
18 SSBS (French MRBM) × 1 RV	18
108 U.S. Pershing II × 1 RV	108
Total, allied IRBM/MRBM RV's	126
Aircraft/GLCM:	
48 Vulcan B-2 (Britain) × 2 weapons	96
33 Mirage IV A (France) × 1 weapon	33
165 F-111 (U.S.) × 2 weapons	330
60 FB-111A (U.S.) × 4 weapons	240
120 A-6E (U.S.) (12 aircraft carriers × 10 aircraft = 120 aircraft) × 1 weapon	120
150 F-16 [1] (U.S.) × 1 weapon	150
404 GLCMs (U.S.) × 1 weapon	404
Total, aircraft/GLCM weapons	1,373
Total, Allied INF	1,499

Soviet INF

IRBM/MRBM: 42 SS-20 × 3 MIRV's	126
Aircraft/GLCM's:	
62 TU-16 Badger × 2 weapons	124
150 Tu-22 Blinder × 2 weapons	300
350 Su-19/Su-24 × 1 weapon	350
300 Tu-26 Backfire × 2 weapons	600
Total, aircraft weapons	1,374
Total, Soviet INF	1,500

[1] The inclusion of F-16's assumes agreement on some kind of FROD—functionally related observable difference—to allow verification of those aircraft committed to a nuclear mission, and the larger number planned for a conventional role.

Finally, should be the INF negotiations not include British and French systems, the US could deploy the INF forces shown below. In this case the overall INF ceiling could be dropped to 1482 and the IRBM/MRBM sub-ceiling dropped to 108 (the decrease of French MRBMs), or the US could deploy 18 additional Pershing IIs. Should the overall ceilings be lowered the Soviet total of SS-20s would have to decrease to 36, while their aircraft total could remain as above. In the US force structure shown below the INF ceiling remains at 1500, with the IRBM RV sub-ceiling dropping to 108. This would allow the full planned GLCM deployment of 464, leaving room for 88 additional aircraft to be determined in the future. In an INF agreement of 1500 weapons and 108 IRBM RVs, the Soviet could also add 18 weapons to their Aircraft/GLCM total. An INF limit of 1482 would keep their aircraft levels as above.

United States INF

IRBM: 108 Pershing II × 1 RV	108
Aircraft/GLCM:	
165 FB-111 × 2 weapons	330
60 FB-111A × 4 weapons	240
120 A-6E (12 aircraft carriers × 10 aircraft = 120 A-6E's) × 1 weapon	120
150 F-16 × 1 weapon	150
464 GLCM's × 1 weapon	464
88 other nuclear aircraft, to be decided × 1 weapon	88
Total, aircraft weapons/GLCM	1,392
Total, U.S. INF	1,500

Beyond phase I

With Phase I successfully in place, which would probably require several years to implement, it would then be possible to freeze the inventories of both sides at levels that would indeed be equal. With such a freeze in place we could then proceed to further phased reductions on strategic and intermediate forces. A number of different methods would be possible, including percentage reductions to maintain the triads in both areas, or a willingness to continue to emphasize the more destabilizing weapons first.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, will the Chair inquire if there is further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to consider the bill, S. 675, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate proceeded to consider the bill (S. 675) which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause, and insert the following:

SHORT TITLES

SECTION 1. (a) This Act may be cited as the "Omnibus Defense Authorization Act, 1984".

(b) Title I may be cited as the "Department of Defense Authorization Act, 1984".

(c) Title II may be cited as the "Military Construction Authorization Act, 1984".

(d) Title III may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act, 1984".

TITLE I—PROCUREMENT, COMPENSATION, AND PERSONNEL MATTERS

PART A—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 101. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft, missiles, weapons and tracked combat vehicles, and ammunition, and for other procurement for the Army, as follows:

For aircraft, $3,230,900,000.

For missiles, $2,806,900,000.

For weapons and tracked combat vehicles, $4,531,016,000.

For ammunition, $2,144,589,000.

For other procurement, $4,758,170,000.

For Army National Guard equipment, $100,000,000.

(b) The Secretary of the Army shall continue to evaluate the feasibility of establishing a second production source for the M-1 tank engine and submit the results of his evaluation to the appropriate committees of the Congress at least 30 days before any funds are obligated under a second source contract for such engine.

AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 102. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft, weapons (including missiles and torpedoes), shipbuilding and conversion, and for other procurement for the Navy, as follows:

For aircraft, $10,457,400,000.

For weapons (including missiles and torpedoes), $3,769,400,000.

For shipbuilding and conversion, $11,391,600,000.

For other procurement, $4,375,338,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of $1,808,149,000.

(c) None of the funds appropriated pursuant to an authorization of appropriations in this or any prior Act may be used to equip any Naval Air Reserve unit with F/A-18 aircraft.

(d) None of the funds appropriated pursuant to any authorization of appropriations

contained in this or any other Act may be obligated or expended for the purchase of the 5-inch semiactive laser guided projectile until the Navy has caused to be published, after the date of the enactment of this Act, a notice of the proposed procurement of such projectile, as provided in section 8(e) of the Small Business Act (15 U.S.C. 637(e)), reflecting up-to-date information on such projectile. Such notice shall give reasonable opportunity, but in no event less than 90 days, for response before the award of any contract is made for procurement of such projectile.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft and missiles, and for other procurement for the Air Force, as follows:

For aircraft, $21,286,690,000.

For missiles, $8,532,334,000.

For other procurement, $7,150,902,000.

For Air National Guard equipment, $25,000,000.

(b) Of the funds authorized to be appropriated in this section for aircraft for the Air Force, the sum of $112,100,000 is available only for contribution by the United States as its share of the cost for fiscal year 1984 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 104. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement by the Defense agencies in the amount of $969,091,000.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE PRODUCTION ACT PURCHASES

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1984 for purchases of, or commitments to purchase, metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) in the amount of $150,000,000.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 106. Effective on October 1, 1983, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended by striking out "fiscal year 1983" both places it appears and inserting in lieu thereof "fiscal year 1984".

SECURE COMMUNICATIONS EQUIPMENT AND A SPECIAL CLASSIFIED PROGRAM

SEC. 107. The Secretary of Defense is authorized to procure secure telephone communication systems, including equipment and related items, during fiscal year 1984 for the Department of Defense and other Government agencies and entities to support a national program to provide secure telephone service. Of the funds authorized to be appropriated pursuant to this title, not more than $60,000,000 may be used to provide secure telephone equipment and related items to the Department of Defense and other Government agencies and entities in support of such a national program. Equipment provided to Government agencies and entities outside the Department of Defense under the authority of this section, and such related services as may be necessary, may be furnished by the Secretary of Defense with or without reimbursement. In addition, of the funds authorized to be appropriated pursuant to this title, not more than $220,000,000 is authorized for a special classified program.

AUTHORIZATION OF MULTIYEAR CONTRACTS FOR THE B-1B AIRCRAFT; PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 108. (a) Notwithstanding any other provision of law, procurement of the B-1B aircraft program may be carried out under a multiyear procurement contract in accordance with section 2306(h) of title 10, United States Code.

(b) The Department of Defense is denied the authority to execute multiyear procurement contracts, as proposed in the Department's fiscal year 1984 budget request, for procurement of any of the following:

(1) AH-64 helicopter engines.

(2) F-18 aircraft engines.

(3) LSD-41 class amphibious ships.

(4) F-15 aircraft.

(5) KC-135 reengining (airframes).

(6) Mark 30 targets.

(7) AN/SSQ-62 DICASS sonobouys.

(8) TB-16 towed arrays.

LIMITATIONS AND REQUIREMENTS WITH RESPECT TO THE PROCUREMENT AND DEPLOYMENT OF THE MX MISSILE

SEC. 109. (a)(1) Funds appropriated pursuant to the authorization of appropriations in section 103 may be used to procure not more than twenty-one operational MX missiles for deployment.

(2) MX missiles procured with funds authorized to be appropriated by section 103 shall be deployed in existing Minuteman missile silos that are part of the 319th and 400th Strategic Missile Squadrons and supported by Francis E. Warren Air Force Base, Wyoming. The first ten MX missiles procured for deployment by the Air Force shall be placed on alert status, with appropriate security and logistics facilities in operation, not later than December 31, 1986.

(b)(1) The Secretary of the Air Force shall prepare a full draft and final environmental impact statement in accordance with all terms, conditions, and requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) on the proposed deployment and peacetime operations of MX missiles in the Minuteman silos referred to in subsection (a). The final environmental impact statement on the proposed deployment of such missiles shall be published not later than January 31, 1984.

(2) Notwithstanding any other provision of law, the Secretary of the Air Force (A) may immediately commence planning, facility and equipment designing, surveying, and other predeployment activities with respect to the MX missile, and (B) shall proceed promptly following the publication of the final environmental impact statement referred to in paragraph (1) with deployment of MX missiles in the missile silos referred to in subsection (a).

(c) The President shall submit to the Committees on Armed Services of the Senate and the House of Representatives, coincident with the submission to the Congress of any request made after the date of the enactment of this Act for funds for the procurement of operational MX missiles intended for deployment, a written assessment relating to the requirement for and the anticipated impact of the procurement of such missiles. This assessment shall include the President's judgment with respect to—

(A) the degree to which current and projected international conditions require the procurement of such missiles for operational purposes;

(B) the expected impact the procurement of such missiles will have on the stability of the strategic balance between the United States and the Soviet Union; and

(C) the effect the procurement of such missiles, if approved by the Congress, will likely have on achieving negotiated reductions in the nuclear forces of the United States and the Soviet Union through sound, equitable, and verifiable arms control agreements.

PART B—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 111. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for the use of the Armed Forces for research, development, test, and evaluation, in amounts as follow:

For the Army, $4,193,364,000.

For the Navy (including the Marine Corps), $7,652,642,000.

For the Air Force, $12,499,116,000.

For the Defense agencies, $2,468,537,000, of which $55,800,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1984 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

RESTRICTION ON USE OF FUNDS FOR THE C-17 AIRCRAFT PROGRAM

SEC. 112. None of the funds appropriated pursuant to the authorization of appropriations in section 111 may be obligated or expended for the C-17 aircraft program until (1) a Selected Acquisition Report on the C-17 aircraft program has been submitted to the Committees on Armed Services of the Senate and House of Representatives, (2) the Secretary of Defense has submitted to such committees a report validating the requirement, concepts, and design of the C-17 aircraft, and (3) a period of 30 days has elapsed after the date on which such committees receive such submissions.

RESTRICTION ON THE USE OF FUNDS FOR THE JOINT TACTICAL MISSILE PROGRAM AND THE JOINT SURVEILLANCE AND TARGET ATTACK SYSTEM

SEC. 113. (a) None of the funds appropriated pursuant to the authorization contained in section 111 may be obligated or expended for the Joint Tactical Missile Program or the Joint Surveillance and Target Attack System until the Secretary of Defense and the Chairman of the Joint Chiefs of Staff have jointly submitted a report to the Committees on Armed Services of the Senate and the House of Representatives containing a comprehensive and coordinated plan for the development and procurement of such program and system and submunitions associated with such program and system. The Secretary of Defense and the Chairman of the Joint Chiefs of Staff shall clearly define the integration of such program and system within the Air-Land Battle concept developed in the Department of Defense and the expected contribution of such program and system to the disruption and destruction of follow-on enemy forces.

(b) The President shall submit a written report to the Congress, within 30 days after the receipt by the Committees on Armed Services of the Senate and the House of Rep-

resentatives of the report referred to in subsection (a), containing his views and recommendations on the subjects discussed in that report.

PART C—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 116. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follow:

For the Army, $17,460,900,000.
For the Navy, $22,538,100,000.
For the Marine Corps, $1,552,100,000.
For the Air Force, $18,017,000,000.
For the Defense agencies, $6,716,600,000.
For the Army Reserve, $654,000,000.
For the Naval Reserve, $675,300,000.
For the Marine Corps Reserve, $52,429,000.
For the Air Force Reserve, $785,700,000.
For the Army National Guard, $1,126,400,000.
For the Air National Guard, $1,808,900,000.
For the National Board for the Promotion of Rifle Practice, $899,000.
For Defense Claims, $172,900,000.
For the Court of Military Appeals, $3,372,000.

(b) There are authorized to be appropriated for fiscal year 1984, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary—

(1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a);

(2) for unbudgeted increases in fuel cost; and

(3) for increases as the result of inflation in the costs of activities authorized by subsection (a).

AUTHORIZATION OF APPROPRIATIONS FOR ASSISTANCE FOR 1984 GAMES OF THE XXIII OLYMPIAD

SEC. 117. (a) Notwithstanding any other provision of law, the Secretary of Defense is authorized—

(1) to provide logistical support and personnel services to the 1984 Games of the XXIII Olympiad;

(2) to lend and provide equipment in support of the 1984 Games of the XXIII Olympiad; and

(3) to provide such other services in support of the 1984 Games of the XXIII Olympiad as the Secretary may consider advisable.

(b) There is authorized to be appropriated to the Department of Defense for fiscal year 1984 an amount not to exceed $25,000,000 for the purpose of carrying out subsection (a). Except for funds used for pay and nontravel-related allowances for members of the Armed Forces other than members of the Reserve components thereof called or ordered to active duty to provide support for the XXIII Olympiad, no funds may be obligated for such purpose unless specifically appropriated for such purpose. The costs for pay and nontravel-related allowances of members of the Armed Forces, other than members of the Reserve components thereof called or ordered to active duty to provide support for the XXIII Olympiad, may not be charged to appropriations made pursuant to this authorization.

(c) None of the funds appropriated pursuant to the authorization contained in this section may be obligated until the President approves the justification for the assistance described in subsection (a) submitted by the Olympic Law Enforcement Coordination Council. The justification shall include an explanation of the necessity for the requested support for security, medical services, and for related equipment or other support. The justification shall also include the operational responsibilities and financial limitations of each governmental agency represented on the Council. Such justification shall be presented in such detail as the Secretary of Defense considers necessary.

(d) Upon approval of the justification referred to in subsection (c) by the President, a copy of such justification shall be forwarded to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives.

FORCE STRUCTURE CHANGES, AIR FORCE

SEC. 118. None of the funds appropriated pursuant to an authorization contained in this or any other Act for "Operation and Maintenance, Air Force" or "Operation and Maintenance, Air National Guard" may be obligated or expended to carry out alterations in the planned changes with respect to F-106, F-4, and F-15 aircraft types announced by the Air Force on January 31, 1983, in its plan for "Tactical and Air Defense Force Structure Changes", until—

(1) the Secretary of the Air Force has conducted a study of the cost-benefit, cost effectiveness, and military-effectiveness of the proposed alterations to such plan and has submitted a written report to the Congress, in conjunction with the submission of the Department of Defense's budget request for funds for fiscal year 1985, or in conjunction with any other formal budget request for the Department of Defense, containing the results of such study, including an analysis of (A) the impacts on the regional economies of the areas that would be affected by the proposed alterations to such plan and of the non-military costs to the United States, including increases in Federal outlays for unemployment compensation, for other benefits and services to individuals and communities, and for economic adjustment activities, and (B) the environmental, strategic, and operational consequences of the proposed alterations to such plan; and

(2) a period of 60 days has expired after the date on which such report is received by the Congress and the appropriate committees have had ample opportunity to consider fully the fiscal, economic, environmental, and military ramifications of these proposed alterations to the plan announced January 31, 1983.

LIMITATION ON AMOUNT THAT MAY BE MADE AVAILABLE FROM THE REVOLVING AND MANAGEMENT FUNDS FOR FISCAL YEAR 1984

SEC. 119. Not more than $2,519,166,600 may be made available out of the Revolving and Management Funds of the Department of Defense for fiscal year 1984.

PART D—ACTIVE FORCES

AUTHORIZATION OF END STRENGTH

SEC. 121. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1984, as follows:

(1) The Army, 780,459.
(2) The Navy, 565,782
(3) The Marine Corps, 196,872.
(4) The Air Force, 599,561.

QUALITY CONTROL ON ENLISTMENTS INTO THE ARMY

SEC. 122. Effective on October 1, 1983, section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1982" and "September 30, 1983" and inserting in lieu thereof "October 1, 1983" and "September 30, 1984", respectively.

EXTENSION OF AUTHORITY FOR THE TEMPORARY PROMOTIONS OF CERTAIN NAVY LIEUTENANTS

SEC. 123. Section 5721(f) of title 10, United States Code, is amended by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

PART E—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 131. (a) For fiscal year 1984, the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 424,400.
(2) The Army Reserve, 273,700.
(3) The Naval Reserve, 112,600.
(4) The Marine Corps Reserve, 40,300.
(5) The Air National Guard of the United States, 103,400.
(6) The Air Force Reserve, 68,600.
(7) The Coast Guard Reserve, 12,000.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 132. (a) Within the average strengths prescribed in section 131, the Reserve components of the Armed Forces are authorized, as of September 30, 1984, 45,098 Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components.

(b)(1) The end strengths for Reserves prescribed in subsection (a) shall be apportioned among the Army National Guard of the United States, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard of the United States, and the Air Force Reserve in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within 60 days after the date of the enactment of this Act on the manner in which the initial allocation of such Reserve personnel is made and shall include the rationale for each allocation.

(2) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strength prescribed in subsection (a) may be increased by a total of

not more than the number equal to 2 percent of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 133. (a) The table in section 517(b) of title 10, United States Code, is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E–9	314	156	143	6
E–8	1,494	381	617	56".

(b) The table in section 524(a) of such title is amended to appear as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander	1,948	823	408	95
Lieutenant Colonel or Commander	967	520	303	48
Colonel or Navy Captain	338	177	171	23".

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1983.

BONUSES FOR ENLISTMENTS, REENLISTMENTS, AND VOLUNTARY EXTENSIONS OF SERVICE IN ELEMENTS OF THE READY RESERVE OTHER THAN THE SELECTED RESERVE

SEC. 134. (a) Chapter 5 of title 37, United States Code, is amended by inserting after section 308f the following new sections:

"§ 308g. Special pay: bonus for enlistment in elements of the Ready Reserve other than the Selected Reserve

"(a) An eligible person who enlists in a combat or combat support skill of an element (other than the Selected Reserve) of the Ready Reserve of an armed force for a term of enlistment of not less than six years, and who has not previously served in an armed force, may be paid a bonus as provided in subsection (b) of this section.

"(b) Eligibility for and the amount and method of payment of a bonus under this section shall be determined in accordance with regulations prescribed under subsection (g) of this section, except that the amount of such a bonus may not exceed $1,000.

"(c) A bonus may not be paid under this section for a term of enlistment to any person who fails to complete satisfactorily initial active duty for training or who, upon completion of initial active duty for training, elects to serve the remainder of the term of enlistment in the Selected Reserve or in an active component of an armed force.

"(d) A person who receives a bonus payment under this section and who fails during the period for which the bonus was paid to serve satisfactorily in the element of the Ready Reserve with respect to which the bonus was paid shall refund to the United States an amount which bears the same ratio to the amount of the bonus paid to such person as the period which such person failed to serve satisfactorily bears to the total period for which the bonus was paid.

"(e) An obligation to reimburse the United States imposed under subsection (d) of this section is, for all purposes, a debt owed to the United States.

"(f) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an enlistment for which a bonus was paid under this section does not discharge the person receiving such bonus payment from the debt arising under subsection (d) of this section. This subsection applies to any case commenced under title 11 after the date of the enactment of the Department of Defense Authorization Act, 1984.

"(g) This section shall be administered under regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy.

"(h) A bonus may not be paid under this section to any person for an enlistment after September 30, 1985.

"§ 308h. Special pay: bonus for reenlistment, enlistment, or voluntary extension of enlistment in elements of the Ready Reserve other than the Selected Reserve

"(a)(1) An eligible person who is or has been a member of an armed force and who reenlists, enlists, or voluntarily extends an enlistment in a combat or combat support skill of an element (other than the Selected Reserve) of the Ready Reserve of an armed force for a period of not less than three years beyond any other period the person is obligated to serve may be paid a bonus as provided in subsection (b) of this section.

"(2) A bonus may not be paid under this section to a person who has failed to complete satisfactorily any original term of enlistment in the armed forces.

"(b) Eligibility for and the amount and method of payment of a bonus under this section shall be determined under regulations to be prescribed under subsection (f) of this section, except that the amount of such a bonus may not exceed $900.

"(c) A person who receives a bonus payment under this section and who fails during the period for which the bonus was paid to serve satisfactorily in the Ready Reserve shall refund to the United States an amount which bears the same ratio to the amount of the bonus paid to such person as the period which such person failed to serve satisfactorily bears to the total period for which the bonus was paid.

"(d) An obligation to reimburse the United States imposed under subsection (c) of this section is, for all purposes, a debt owed to the United States.

"(e) A discharge in bankruptcy under title 11 that is entered less than five years after the termination of a reenlistment, enlistment, or extension for which a bonus was paid under this section does not discharge the person receiving such bonus payment from the debt arising under subsection (c) of this section. This subsection applies to any case commenced under title 11 after the date of the enactment of the Department of Defense Authorization Act, 1984.

"(f) This section shall be administered under regulations to be prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy.

"(g) A bonus may not be paid under this section to any person for a reenlistment, enlistment, or voluntary extension of an enlistment after September 30, 1985.".

(b)(1) Section 308d of such title is repealed.

(2) The table of sections at the beginning of such chapter is amended—

(A) by striking out the item relating to item 308d; and

(B) by inserting after the item relating to section 308f the following new items:

"308g. Special pay: bonus for enlistment in elements of the Ready Reserve other than the Selected Reserve.

"308h. Special pay: bonus for reenlistment, enlistment, or voluntary extension of enlistment in elements of the Ready Reserve other than the Selected Reserve.".

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1983.

MODIFICATION OF VARIABLE HOUSING ALLOWANCE FOR MEMBERS OF RESERVE COMPONENTS SERVING SHORT TOURS OF ACTIVE DUTY

SEC. 135. (a) Section 403(a)(2) of title 37, United States Code, is amended—

(1) by striking out "A member" in the first sentence of subparagraph (A) and inserting in lieu thereof "Except as provided in subparagraph (D) of this paragraph, a member"; and

(2) by adding at the end thereof the following new subparagraph:

"(D) Under regulations prescribed by the Secretary of Defense, a member of a reserve component is not entitled to a variable housing allowance while on active duty for annual training or for any other purpose under a call or order specifying a period of duty of less than 140 days.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1983, and shall apply to entitlements to a variable housing allowance for active duty performed on or after that date by members of the Reserve components of the Armed Forces.

EXTENDING MEDICAL AND DENTAL CARE FOR RESERVISTS IN CERTAIN CIRCUMSTANCES

SEC. 136. (a)(1) Chapter 55 of title 10, United States Code, is amended by inserting after section 1074 the following new section:

"§ 1074a. Medical and dental care for members of the uniformed services for injuries incurred or aggravated while traveling to and from inactive duty training

"(a) Under joint regulations prescribed by the Secretary of Defense and the Secretary of Health and Human Services, a member of the uniformed services is entitled to the medical benefits described in subsection (b) for an injury incurred or aggravated while the member is traveling directly to or from the place at which he is to perform, or has performed, inactive duty training.

"(b) A person described in subsection (a) is entitled to—

"(1) the hospitalization, rehospitalization, medical care (including outpatient medical care), and dental care appropriate for the treatment of his injury until the resulting disability cannot be materially improved by further hospitalization or treatment; and

"(2) subsistence during hospitalization or rehospitalization.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1074 the following new item:

"1074a. Medical and dental care for members of the uniformed services for injuries incurred or aggra-

vated while traveling to and from inactive duty training.".

(b) Section 204 of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(j) A member of the uniformed services who is entitled to hospitalization, medical, or dental care under section 1074a is entitled to travel and transportation allowances, or a monetary allowance in place thereof, for necessary travel incident to his hospitalization and medical care, and return to his home upon discharge from treatment.".

(c) The amendments made by subsections (a) and (b) shall apply only in cases of injuries incurred or aggravated on or after the date of the enactment of this Act.

INCREASE IN THE PERIOD FOR WHICH MEMBERS OF THE SELECTED RESERVE MAY BE ORDERED TO ACTIVE DUTY

SEC. 137. Section 673b(a) of title 10, United States Code, is amended by striking out "90 days" and inserting in lieu thereof "180 days".

AUTHORITY OF PRESIDENT TO SUSPEND CERTAIN LAWS RELATING TO PROMOTION, RETIREMENT, AND SEPARATION

SEC. 138. (1) Chapter 39 of title 10, United States Code, is amended by adding after section 673b the following new section:

"§ 673c. Authority of President to suspend certain laws relating to promotion, retirement, and separation

"(a) Notwithstanding any other provision of law, during any period members of a Reserve component of the armed forces are serving on active duty pursuant to an order to active duty under authority of section 672, 673, or 673b of this title, the President may suspend any provision of law relating to promotion, retirement, or separation applicable to any member of the armed forces who the President determines is essential to the national security of the United States.

"(b) A suspension made under the authority of subsection (a) shall terminate (1) upon release from active duty of members of the Reserve component ordered to active duty under the authority of section 672, 673, or 673b, as the case may be, or (2) at such time as the President determines the circumstances which required the action of ordering members of the Reserve component to active duty no longer exist, whichever is earlier.".

(2) The table of sections at the beginning of chapter 39 of such title is amended by inserting immediately below the item relating to section 673b the following new item:

"673c. Authority of President to suspend certain laws relating to promotion, retirement, and separation.".

AUTHORITY TO INCREASE TOTAL TERM OF SERVICE IN THE ARMED FORCES

SEC. 139. (a)(1) Section 511 of title 10, United States Code, is amended—

(A) in subsection (b), by striking out "six years" and inserting in lieu thereof "not less than six years nor more than eight years"; and

(B) in subsection (d), by striking out "six years" and inserting in lieu thereof "not less than six years nor more than eight years".

(2) The amendments made by paragraph (1) shall apply only with respect to persons who enlist under the authority of subsection (b) or (d) of section 511 of title 10, United States Code, sixty or more days after the date of the enactment of this Act.

(b)(1) Subsection (a) of section 651 of title 10, United States Code, is amended to read as follows:

"(a) Each person who becomes a member of an armed force, other than a person deferred under the next to the last sentence of section 6(d)(1) of the Military Selective Service Act (50 U.S.C. App. 456(d)(1)) shall serve in the armed forces for a total period of not less than six years nor more than eight years, as provided in regulations prescribed by the Secretary of Defense for the armed forces under his jurisdiction and by the Secretary of Transportation for the Coast Guard when it is not operating as a service in the Navy, unless such person is sooner discharged under such regulations because of personal hardship. Any part of such service that is not active duty or that is active duty for training shall be performed in a reserve component.".

(2) The amendment made by paragraph (1) shall apply only with respect to persons who enter the Armed Forces sixty or more days after the date of the enactment of this Act.

AUTHORITY TO RETAIN IN AN ACTIVE STATUS CERTAIN RESERVE OFFICERS WHO ARE SUBJECT TO ELIMINATION FROM ACTIVE STATUS BECAUSE OF FAILURE OF PROMOTION

SEC. 140. (a) Section 3846 of title 10, United States Code is amended—

(1) by striking out "Except as provided in" and inserting in lieu thereof "(a) Except as provided in subsection (b) and"; and

(2) by adding at the end thereof the following new subsection:

"(b) The Secretary of the Army may retain in an active status an officer described in subsection (a) who is in the reserve grade of first lieutenant or captain for such period as the Secretary prescribes or until such officer's removal from an active status is required by another provision of law.".

(b) Section 8846 of such title is amended—

(1) in subsections (a) and (b), by striking out "Except as provided in" and inserting in lieu thereof "Except as provided in subsection (c) and"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Secretary of the Air Force may retain in an active status an officer described in subsection (a) or (b) who is in the reserve grade of first lieutenant or captain for such period as the Secretary prescribes or until such officer's removal from an active status is required by another provision of law.".

PROMOTION OF CERTAIN RESERVE COMMISSIONED OFFICERS SERVING ON ACTIVE DUTY

SEC. 140A. (a)(1) Section 3380 of title 10, United States Code, is amended to read as follows:

"§ 3380. Commissioned officers: promotion of reserve commissioned officers on active duty and not on the active duty list

"(a) Notwithstanding any other provision of law, a reserve commissioned officer on active duty for duty described in clause (1)(B), (1)(C), or (7) of section 523(b) of this title who is recommended by a selection board for promotion to, or found qualified for Federal recognition in, a higher reserve grade may, in accordance with regulations prescribed by the Secretary of Defense and subject to the limitations of section 524 of this title, be promoted to or extended Federal recognition in such higher reserve grade and may continue to serve on active duty, or be ordered to serve on active duty, in such higher reserve grade.

"(b) Notwithstanding any other provision of law, the service in grade for promotion purposes only of any reserve commissioned officer who is promoted to or extended Federal recognition in a higher reserve grade but whose promotion to or recognition in such higher reserve grade was delayed solely because of limitations imposed in accordance with regulations prescribed by the Secretary of Defense under subsection (a) or contained in section 524 of this title, is the date such officer would have been promoted to or recognized in such higher reserve grade if the limitations did not exist. In computing service in grade for the purposes of determining the date for discharge or transfer to the Retired Reserve under chapter 363 of this title, the date the officer would have been promoted to or recognized in such higher grade had the limitations not existed shall be considered the date of promotion to or recognition in such higher grade.".

(2) The item relating to section 3380 in the table of sections at the beginning of chapter 337 of such title is amended to read as follows:

"3380. Commissioned officers: promotion of reserve commissioned officers on active duty and not on the active duty list.".

(b)(1) Section 8380 of title 10, United States Code, is amended to read as follows:

"§ 8380. Commissioned officers: promotion of reserve commissioned officers on active duty and not on the active duty list

"(a) Notwithstanding any other provision of law, a reserve commissioned officer on active duty for duty described in clause (1)(B), (1)(C), or (7) of section 523(b) of this title who is recommended by a selection board for promotion to, or found qualified for Federal recognition in, a higher reserve grade may, in accordance with regulations prescribed by the Secretary of Defense and subject to the limitations of section 524 of this title, be promoted to or extended Federal recognition in such higher reserve grade and may continue to serve on active duty, or be ordered to serve on active duty, in such higher reserve grade.

"(b) Notwithstanding any other provision of law, the service in grade for promotion purposes only of any reserve commissioned officer who is promoted to or extended Federal recognition in a higher reserve grade but whose promotion to or recognition in such higher reserve grade was delayed solely because of limitations imposed in accordance with regulations prescribed by the Secretary of Defense under subsection (a) or contained in section 524 of this title, is the date such officer would have been promoted to or recognized in such higher reserve grade if the limitations did not exist. In computing service in grade for the purposes of determining the date for discharge or transfer to the Retired Reserve under chapter 863 of this title, the date the officer would have been promoted to or recognized in such higher grade had the limitations not existed shall be considered the date of promotion to or recognition in such higher grade.".

(2) The item relating to section 8380 in the table of sections at the beginning of chapter 837 of such title is amended to read as follows:

"8380. Commissioned officers: promotion of reserve commissioned officers on active duty and not on the active duty list.".

AUTHORITY TO ORDER RETIRED MEMBERS OF RESERVE COMPONENTS TO ACTIVE DUTY

SEC. 140B. (a) Section 675 of title 10, United States Code, is amended by inserting "or 688" after "672(a)".

(b) Section 688 of such title is amended—

(1) in the first sentence of subsection (a)—

(A) by striking out "or" before "Regular Marine Corps"; and

(B) by inserting ", a retired member of a reserve component who has completed at least twenty years of active service, or a member of the Fleet Reserve or Fleet Marine Corps Reserve" after "Marine Corps"; and

(2) in subsection (b) by striking out "A retired member of the Regular Army, Regular Navy, Regular Air Force, or Regular Marine Corps" and inserting in lieu thereof "A member ordered to active duty under this section".

(c) The section heading of section 688 of such title is amended to read as follows:

"§ 688. Authority to order retired members to active duty".

(d) The table of sections at the beginning of chapter 39 of such title is amended by striking out the item relating to section 688 and inserting in lieu thereof the following:

"688. Authority to order retired members to active duty.".

DETERMINING YEARS OF SERVICE FOR TRANSFER TO THE RETIRED RESERVE

SEC. 140C. (a) Section 3853(l) of title 10, United States Code, is amended—

(1) by inserting "and" at the end of clause (A);

(2) by striking out the comma and "and" at the end of clause (B) and inserting in lieu thereof a semicolon and "and";

(3) by striking out clause (C); and

(4) by striking out the last sentence.

(b) Sections 3360(b), 3360(c), and 3853 of such title are each amended by striking out the last sentence.

(c) Section 8853 of such title is amended—

(1) by inserting "and" at the end of clause (1);

(2) by striking the semicolon and "and" at the end of clause (2) and inserting in lieu thereof a period; and

(3) by striking out clause (3).

GRADE DETERMINATION FOR PERSONS RECEIVING ORIGINAL APPOINTMENTS AS RESERVE OFFICERS IN MEDICAL CORPS OF THE ARMY OR AIR FORCE

SEC. 140D. (a) Section 3359 of title 10, United States Code, is amended—

(1) by striking out "Based" at the beginning of such section and inserting in lieu thereof "(a) Except in the case of a person originally appointed as a reserve officer in the Medical Corps of the Army, based"; and

(2) by adding at the end of such section the following new subsection:

"(b) Based upon the service credited under section 3353 of this title, the commissioned grade in which a person credited with service under that section is originally appointed as a reserve officer in the Medical Corps of the Army is:

"(1) For persons with at least 4, but less than 14, years of service—captain.

"(2) For persons with at least 14, but less than 21, years of service—major.

"(3) For persons with at least 21 years of service—lieutenant colonel.

"(4) For persons with at least 23 years of service—lieutenant colonel or colonel, as the Secretary of the Army determines.".

(b) Section 8359 of title 10, United States Code, is amended—

(1) by striking out "Based" at the beginning of such section and inserting in lieu thereof "(a) Except in the case of a person originally appointed as a reserve officer in the Medical Corps of the Air Force, based"; and

(2) by adding at the end of such section the following new subsection:

"(b) Based upon the service credited under section 8353 of this title, the commissioned grade in which a person credited with service under that section is originally appointed as a reserve officer in the Medical Corps of the Air Force is:

"(1) For persons with at least four, but less than 14, years of service—captain.

"(2) For persons with at least 14, but less than 21, years of service—major.

"(3) For persons with at least 21 years of service—lieutenant colonel.

"(4) For persons with at least 23 years of service—lieutenant colonel or colonel, as the Secretary of the Air Force determines.".

(c) Reserve officers in the Medical Corps of the Army and Air Force who have at least four years of commissioned service shall be eligible for immediate promotion to the grade of captain if otherwise qualified.

AUTHORITY TO PERMIT RETIRED ENLISTED MEMBERS OF REGULAR COMPONENTS TO VOLUNTARILY BE PLACED IN THE READY RESERVE

SEC. 140E. Section 269(d) of title 10, United States Code, is amended to read as follows:

"(d) Under such regulations as the Secretary concerned may prescribe, any qualified member of a Reserve component or any qualified retired enlisted member of a regular component may, upon his request, be placed in the Ready Reserve. However, a member of the Retired Reserve entitled to retired pay or a retired enlisted member of a regular component may not be placed in the Ready Reserve unless the Secretary concerned makes a special finding that the member's services in the Ready Reserve are indispensable. The Secretary concerned may not delegate his authority under the preceding sentence.".

VALIDATION OF CERTAIN ARMY APPOINTMENTS MADE IN GRADES ABOVE THE GRADE OF SECOND LIEUTENANT

SEC. 140F. (a) The appointment of a person as a reserve commissioned officer of the Army in a grade above second lieutenant that was made during the period beginning on September 15, 1981 (the effective date of the Defense Officer Personnel Management Act (Public Law 96-513; 94 Stat. 2835)), and ending on August 24, 1982 (the date of a Department of the Army directive which terminated the appointments of reserve commissioned officers above the grade of second lieutenant under appointment criteria in effect before the effective date of the Defense Officer Personnel Management Act) shall be held and considered to be a valid appointment in the grade in which the appointment was made, subject to the consent of the officer concerned.

(b)(1) A reserve commissioned officer whose appointment in a grade above second lieutenant is validated by subsection (a) is entitled to all the rights, privileges, and benefits of the grade to which appointed as of the original date of that appointment, except that such officer is not entitled to any increase in pay or allowances for any period prior to the date of the enactment of this section by virtue of the enactment of this section.

(2) Appointments validated by subsection (a) supersede subsequent appointments or enlistments.

PART F—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTH

SEC. 141. (a)(1) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1984, of 1,054,155.

(2) In computing the authorized strength for civilian personnel prescribed in paragraph (1), any increase during fiscal year 1984 in civilian personnel employed in Department of Defense industrially funded activities in excess of the number of civilian personnel employed in such activities on September 30, 1982, shall not be counted.

(3) In computing the authorized strength for civilian personnel prescribed in section 601(a) of the Department of Defense Authorization Act, 1983 (Public Law 97-252; 96 Stat. 727), any increase during fiscal year 1983 in Department of Defense industrially funded activities in excess of the number of civilian personnel employed in such activities on September 30, 1982, shall not be counted.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy, the Department of the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the date of enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c)(1) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, the Federal junior fellowship program, and personnel participating in the worker-trainee opportunity program.

(2) Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed in section 3404 of that title. Personnel employed in an overseas area on a part-time basis under a nonpermanent local-hire appointment who are dependents accompanying a Federal civilian employee or a member of a uniformed service on official assignment or tour of duty shall also be counted as prescribed by section 3404 of that title.

(3) Whenever a function, power or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end-strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest, the Secretary of Defense

may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

PART G—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 151. (a) For fiscal year 1984, the components of the Armed Forces are authorized average military training student loads, as follows:

(1) The Army, 71,817.
(2) The Navy, 66,911.
(3) The Marine Corps, 21,105.
(4) The Air Force, 49,007.
(5) The Army National Guard of the United States, 21,105.
(6) The Army Reserve, 12,724.
(7) The Naval Reserve, 2,886.
(8) The Marine Corps Reserve, 3,223.
(9) The Air National Guard of the United States, 2,845.
(10) The Air Force Reserve, 1,705.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1984 shall be adjusted consistent with the manpower strengths authorized in parts D, E, and F of this title. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

SELECTION OF PERSONS FROM FOREIGN COUNTRIES TO RECEIVE INSTRUCTION AT THE SERVICE ACADEMIES

SEC. 152. (a)(1) Section 4344 of title 10, United States Code, is amended to read as follows:

"§ 4344. Selection of persons from foreign countries

"(a)(1) The Secretary of the Army may permit not more than 40 persons at any one time from foreign countries to receive instruction at the Academy. Such persons shall be in addition to the authorized strength of the Corps of the Cadets of the Academy under section 4342 of this title.

"(2) The Secretary of the Army, upon approval by the Secretary of Defense, shall determine the countries from which persons may be selected for appointment under this section and the number of persons that may be selected from each country. The Secretary of the Army may establish entrance qualifications and methods of competition for selection among individual applicants under this section and shall select those persons who will be permitted to receive instruction at the Academy under this section.

"(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a cadet appointed from the United States, and from the same appropriations.

"(2) Each foreign country from which a cadet is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of providing such instruction, including the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Army shall prescribe the rates for reimbursement under this paragraph.

"(c)(1) Except as the Secretary of the Army determines, a person receiving instruction under this section is subject to the same regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as a cadet at the Academy appointed from the United States. The Secretary may prescribe regulations with respect to access to classified information by a person receiving instruction under this section that differ from the regulations that apply to a cadet at the Academy appointed from the United States.

"(2) A person receiving instruction under this section is not entitled to an appointment in an armed force of the United States by reason of graduation from the Academy.

"(d) A person receiving instruction under this section is not subject to section 4346(d) of this title.".

(2) Section 4345 of such title is repealed.

(3) The table of sections at the beginning of chapter 403 of such title is amended by striking out the items relating to sections 4344 and 4345 and inserting in lieu thereof the following:

"4344. Selection of persons from foreign countries.".

(b)(1) Section 6957 of title 10, United States Code, is amended to read as follows:

"§ 6957. Selection of persons from foreign countries

"(a)(1) The Secretary of the Navy may permit not more than 40 persons at any one time from foreign countries to receive instruction at the Academy. Such persons shall be in addition to the authorized strength of the midshipmen under section 6954 of this title.

"(2) The Secretary of the Navy, upon approval of the Secretary of Defense, shall determine the countries from which persons may be selected for appointment under this section and the number of persons that may be selected from each country. The Secretary of the Navy may establish entrance qualifications and methods of competition for selection among individual applicants under this section and shall select those persons who will be permitted to receive instruction at the Academy under this section.

"(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a midshipman appointed from the United States, and from the same appropriations.

"(2) Each foreign country from which a midshipman is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Navy shall prescribe the rates for reimbursement under this paragraph.

"(c)(1) Except as the Secretary of the Navy determines, a person receiving instruction under this section is subject to the same regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as a midshipman at the Academy appointed from the United States. The Secretary may prescribe regulations with respect to access to classified information by a person receiving instruction under this section that differ from the regulations that apply to a midshipman at the Academy appointed from the United States.

"(2) A person receiving instruction under this section is not entitled to an appointment in an armed force of the United States by reason of graduation from the Academy.".

(2) The item relating to section 6957 in the table of sections at the beginning of chapter 603 of such title is amended to read as follows:

"6957. Selection of persons from foreign countries.".

(c)(1) Section 9344 of title 10, United States Code, is amended to read as follows:

"§ 9344. Selection of persons from foreign countries

"(a) The Secretary of the Air Force may permit not more than 40 persons at any one time from foreign countries to receive instruction at the Academy. Such persons shall be in addition to the authorized strength of the Air Force Cadets of the Academy under section 9342 of this title. The Secretary of the Air Force, upon approval by the Secretary of Defense, shall determine the countries from which persons may be selected for appointment under this section and the number of persons that may be selected from each country. The Secretary of the Air Force may establish entrance qualifications and methods of competition for selection among individual applicants under this section and shall select those persons who will be permitted to receive instruction at the Academy under this section.

"(b)(1) A person receiving instruction under this section is entitled to the pay, allowances, and emoluments of a cadet appointed from the United States, and from the same appropriations.

"(2) Each foreign country from which a cadet is permitted to receive instruction at the Academy under this section shall reimburse the United States for the cost of providing such instruction, including the cost of pay, allowances, and emoluments provided under paragraph (1) unless a written waiver of reimbursement is granted by the Secretary of Defense. The Secretary of the Air Force shall prescribe the rates for reimbursement under this paragraph.

"(c)(1) Except as the Secretary of the Air Force determines, a person receiving instruction under this section is subject to the same regulations governing admission, attendance, discipline, resignation, discharge, dismissal, and graduation as a cadet at the Academy appointed from the United States. The Secretary may prescribe regulations with respect to access to classified information by a person receiving instruction under this section that differ from the regulations that apply to a cadet at the Academy appointed from the United States.

"(2) A person receiving instruction under this section is not entitled to an appointment in an armed force of the United States by reason of graduation from the Academy.

"(d) A person receiving instruction under this section is not subject to section 9346(d) of this title.".

(2) Section 9345 of such title is repealed.

(3) The table of sections at the beginning of chapter 903 of such title is amended by striking out the items relating to sections 9344 and 9345 and inserting in lieu thereof the following:

"9344. Selection of persons from foreign countries.".

(d) Sections 4344(b)(2), 6957(b)(2), and 9344(b)(2) of title 10, United States Code, as added by this Act, do not apply to the cost of providing instruction to a person who, before the effective date of this Act, entered the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy under section 4344, 4345, 6957, 9344, or 9345 of such title, as in effect on the day before such date. Any such person shall be counted against the maximum of 40 persons who may attend the

Academy concerned at any time under any of those sections.

(e) The amendments made by this Act shall take effect one year after the date of enactment of this Act and shall apply to each person entering the United States Military Academy, the United States Naval Academy, or the United States Air Force Academy after that effective date.

PART H—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 161. There is hereby authorized to be appropriated for fiscal year 1984 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $161,497,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 162. Notwithstanding the second proviso of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260), $54,000,000 of the amount authorized to be appropriated by section 161 is available for appropriations for contributions to the States under section 205 of such Act (50 U.S.C. App. 2286) for personnel and administrative expenses.

PART I—PAY, TRAVEL AND TRANSPORTATION, AND RETIRED PAY MATTERS

PAY INCREASE OF FOUR PERCENT FOR MEMBERS OF THE UNIFORMED SERVICES EFFECTIVE ON APRIL 1, 1984

SEC. 171. (a) The adjustment required by section 1009 of title 37, United States Code, in certain elements of the compensation of members of the uniformed services to become effective on October 1, 1983, shall not be made.

(b)(1) Subject to the provisions of paragraphs (2) and (3), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 4 percent effective on April 1, 1984.

(2)(A) The increase provided for in paragraph (1) shall not apply to enlisted members in pay grade E-1 with less than 4 months active duty.

(B) The basic pay of enlisted members in grade E-5 shall be increased by 6 percent effective on April 1, 1984.

(C) The basic pay of enlisted members in grade E-6 shall be increased by 5 percent effective on April 1, 1984.

(3) The President may allocate the percentage increase specified under paragraphs (1) and (2) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title.

(c) Notwithstanding the effective date of April 1, 1984, prescribed in subsection (b) for the increase in compensation of members of the uniformed services, if an adjustment is made after the date of the enactment of this Act in the General Schedule of compensation for Federal classified employees and such adjustment is to become effective before April 1, 1984, the increase in the compensation of members of the uniformed services provided for in subsection (b) shall become effective on the first day of the first pay period for members of the uniformed services which begins on or after the effective date of the adjustment made in the compensation of Federal classified employees.

MODIFICATION OF PROVISIONS RELATING TO THE ANNUAL ADJUSTMENT OF PAY OF MEMBERS OF THE UNIFORMED SERVICES

SEC. 172. (a) Subsections (a) and (b) of section 1009 of title 37, United States Code, are amended to read as follows:

"(a)(1) The Secretary of Defense shall prepare and submit to the President on or before July 1 of each year a written report in which the Secretary—

"(A) compares the level of the elements of military compensation described in paragraph (2) of this subsection with the wage and salary levels in the civilian sector in March of that year as reflected in the Employment Cost Index For Wages and Salaries Only for Civilian Workers (including private industry and State and local government workers, but excluding farm, household, and Federal Government workers) published by the Bureau of Labor Statistics of the Department of Labor; and

"(B) recommends an overall percentage adjustment, based upon the comparison referred to in clause (A) of this paragraph, in the elements of military compensation described in paragraph (2) of this subsection.

"(2) When the President receives the report of the Secretary of Defense, he shall immediately transmit a copy of the report to the Congress and, in accordance with the recommendations of the Secretary, make an adjustment in—

"(A) the monthly basic pay authorized members of the uniformed services by section 203(a) of this title;

"(B) the basic allowance for subsistence authorized enlisted members and officers by section 402 of this title; and

"(C) the basic allowance for quarters authorized members of the uniformed services by section 403(a) of this title.

"(b) An adjustment under this section shall have the force and effect of law and shall—

"(1) become effective on October 1 following the date on which the report of the Secretary of Defense is submitted to the President;

"(2) be based on the rates of the various elements of compensation as defined in, or made under, section 402 or 403 of this title or this section; and

"(3) subject to subsections (c) and (d) of this section, provide all eligible members with an adjustment in each element of compensation set forth in subsection (a)(2) of this section of the same overall percentage recommended by the Secretary of Defense under subsection (a)(1)(B) of this section.".

(b)(1) Subsection (c)(1) of section 1009 of title 37, United States Code, is amended—

(A) by striking out "average"; and

(B) by inserting "(2)" after "subsection (a)".

(2) Subsection (c)(2) of such section is amended—

(A) by inserting "(2)" after "subsection (a)"; and

(B) by inserting "of this title" after "section 403 (b) or (c)" the first time it appears.

(3) Paragraph (2)(B) of subsection (d) of such section is amended—

(A) by inserting "(2)" after "subsection (a)"; and

(B) by striking out "in the General Schedule rates of basic pay for civilian employees" and inserting in lieu thereof "that becomes effective for members of the uniformed services".

(c) The amendments made by this section shall be effective with respect to adjustments in military pay to become effective on and after October 1, 1984.

EXTENSION OF SPECIAL PAY FOR AVIATION CAREER OFFICERS

SEC. 173. (a) Section 301b(e) of title 37, United States Code, is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) During the period beginning on October 14, 1981, and ending on September 30, 1984, only agreements executed by officers of the Navy or Marine Corps may be accepted under this section.

"(3) During the period beginning on October 1, 1983, and ending on September 30, 1984, only an agreement—

"(A) that is executed by an officer who—

"(i) has at least six but less than eleven years of active duty;

"(ii) has completed the minimum service required for aviation training; and

"(iii) has not previously been paid special pay authorized by this section; and

"(B) that requires the officer to remain on active duty in aviation service for either three or four years;

may be accepted under this section. An officer from whom an agreement is accepted during such period may be paid an amount not to exceed $4,000 for each year covered by that agreement if that officer agrees to remain on active duty for three years or an amount not to exceed $6,000 for each year covered by that agreement if that officer agrees to remain on active duty for four years. An agreement that requires an officer to remain on active duty in aviation service for six years may also be accepted during such period if the officer meets the requirements of clause (A) of this paragraph and the officer has completed less than seven years of active duty. An officer from whom such an agreement is accepted may be paid an amount not to exceed $6,000 for each year covered by the agreement.

"(4) An officer may not receive incentive pay under section 301 of this title for the performance of hazardous duty for any period of service which the officer is obligated to serve pursuant to an agreement entered into under this section.".

(b) Section 301b(f) of title 37, United States Code, is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

(c)(1) It is the sense of the Congress that eligibility for special pay for aviation career officers under section 301b of title 37, United States Code, should be made available only to officers who will likely be induced to remain on active duty in aviation service by receipt of the special pay.

(2) The Secretary of the Navy shall submit to the Congress not later than July 1, 1984, a written report, approved by the Secretary of Defense, on the payment of special pay for aviation career officers under section 301b of title 37, United States Code, since the date of the enactment of this Act. Such report shall include—

(A) a list of the specific aviation specialties by aircraft type determined to be critical for purposes of the payment of special pay under such section since the date of the enactment of this Act;

(B) the number of officers within each critical aviation specialty who received the special pay under such section since the date of the enactment of this Act by grade, years of prior active service, and amounts of special pay received under such section;

(C) an explanation and justification for the Secretary's designation of an aviation specialty as "critical" and for the payment of special pay under section 301b of such

title to officers who have more than eight years of prior active service and who are serving in pay grade O–4 or above, if payment of such pay was made to such officers; and

(D) an evaluation of the progress made since the date of the enactment of this Act toward eliminating shortages of aviators in the aviation specialties designated by the Secretary as critical.

FREEZE ON THE RATES AT WHICH VARIABLE HOUSING ALLOWANCES MAY BE PAID DURING FISCAL YEAR 1984

SEC. 174. Notwithstanding the provisions of subsection (a)(2)(B) of section 403 of title 37, United States Code, the monthly amount of a variable housing allowance payable to a member of a uniformed service during fiscal year 1984 shall be at a rate not to exceed the rate to which members serving in the same pay grade and assigned to duty in the same high housing cost area were entitled on September 30, 1983.

CLARIFICATION OF ALLOWANCE FOR TRANSPORTATION OF MOTOR VEHICLE

SEC. 175. Section 406(b)(1) of title 37, United States Code, is amended—

(1) by inserting "(A)" before "Except as provided in paragraph (2)"; and

(2) by striking out the third and fourth sentences; and

(3) by adding at the end thereof the following:

"(B) Subject to uniform regulations prescribed by the Secretaries concerned, in the case of a permanent change of station in which the Secretary concerned has authorized transportation of a motor vehicle under section 2634 of title 10 (except when such transportation is authorized from the old duty station to the new duty station), the member is entitled to a monetary allowance for transportation of that motor vehicle—

"(i) from the old duty station to—

"(I) the customary port of embarkation which is nearest the old duty station if delivery of the motor vehicle to the port of embarkation is not made in conjunction with the member's travel to the member's port of embarkation; or

"(II) the customary port of embarkation which is nearest to the member's port of embarkation if delivery of the motor vehicle to the port of embarkation is made in conjunction with the member's travel to the member's port of embarkation;

whichever is most cost-effective for the Government considering all operational, travel, and transportation requirements incident to such change of station; and

"(ii) from the customary port of debarkation which has been designated by the Government as most cost-effective for the Government considering all operational, travel, and transportation requirements incident to such change of station to the new duty station.

Such monetary allowance shall be established at a rate per mile that does not exceed the rate established under section 404(d)(1) of this title.".

LIMITATION ON APPLICABILITY OF ONE YEAR LOOK-BACK PROVISION

SEC. 176. (a)(1) Subsection (e) of section 1401a of title 10, United States Code, is repealed.

(2)(A) Notwithstanding the repeal of such subsection, the provisions of such subsection shall apply in the case of any member or former member of the Armed Forces eligible to retire on the date of the enactment of this Act for a period of three years after such date in the same manner such provisions would have applied had they not been repealed.

(B) The amount of retired or retainer pay of any member or former member of the Armed Forces who was eligible to retire on the date of the enactment of this Act and who becomes entitled to such pay at any time after the end of the three-year period beginning on the date of the enactment of this Act may not be less than it would have been had he become entitled to retired or retainer pay on the day before the end of such three-year period.

(b) Subsection (f) of such section is amended by striking out ", subject to subsection (e) of this section," in the second sentence.

ROUNDING OF RETIRED PAY AND SURVIVOR ANNUITIES TO NEXT LOWER WHOLE DOLLAR AMOUNT

SEC. 177. (a)(1) Section 1401(a) of title 10, United States Code, is amended by inserting after the second sentence the following new sentence: "The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(2) Section 1401a of such title is amended by adding at the end thereof the following new subsection:

"(g) Retired or retainer pay of a member or former member of an armed force as adjusted under this section, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(3) Section 1402(a) of such title is amended by striking out "as follows:" in the first sentence and inserting in lieu thereof "according to the following table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(4) Section 1402(d) of such title is amended by striking out "as follows:" in the first sentence and inserting in lieu thereof "according to the following table. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(5) Section 1402a(a) of such title is amended by striking out "as follows:" and inserting in lieu thereof "according to the following table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(6) Section 1402a(d) of such title is amended by striking out "as follows:" and inserting in lieu thereof "according to the following table. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(7) Section 3991 of such title is amended by inserting after the second sentence the following new sentence: "The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(8) Section 3992 of such title is amended by striking out "as follows:" and inserting in lieu thereof "according to the following table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(9) Section 6151 of such title is amended by adding at the end thereof the following new subsection:

"(e) Retired pay computed under subsection (b) or (c), if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(10)(A) Chapter 571 of such title is amended by adding at the end thereof the following new section:

"§ 6333. Treatment of fractions of dollar amounts in computing retired and retainer pay

"Retired or retainer pay computed under this chapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(B) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"6333. Treatment of fractions of dollar amounts in computing retired and retainer pay.".

(11) Section 6383 of such title is amended by adding at the end thereof the following new subsection:

"(k) Retired pay computed under subsection (c), if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(12) Section 8991 of such title is amended by inserting after the second sentence the following new sentence: "The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(13) Section 8992 of such title is amended by striking out "as follows:" and inserting in lieu thereof "according to the following table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(14)(A) Section 1437(a) of such title is amended by adding at the end thereof the following new sentence: "The monthly amount of an annuity payable under this subchapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(B) Section 1451 of such title is amended by adding at the end thereof the following new subsection:

"(e) The monthly amount of an annuity payable under this subchapter, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(b) Section 423(a) of title 14, United States Code, is amended by adding at the end thereof the following new sentence: "Retired pay, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(c) Section 16(a) of the Coast and Geodetic Survey Commissioned Officers' Act of 1948 (33 U.S.C. 853o) is amended by adding at the end thereof the following new sentence: "Retired pay, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(d) Section 211(a) of the Public Health Service Act (42 U.S.C. 212(a)) is amended by adding at the end thereof the following new paragraph:

"(7) Retired pay computed under section 210(g)(3) or under paragraph (4) or (5) of this subsection, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

(e) The amendments made by this section shall take effect on October 1, 1983.

REIMBURSEMENTS FOR ACCOMMODATIONS IN PLACE OF QUARTERS

SEC. 178. (a) Paragraph (3) of section 7572(b) of title 10, United States Code, is amended to read as follows:

"(3) The total amount of reimbursement under this subsection may not exceed $9,000,000 for fiscal year 1981, $6,300,000 for fiscal year 1982, $1,700,000 for fiscal year 1983, and $1,300,000 for fiscal year 1984.".

(b) Section 3 of Public Law 96-357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984".

ADVANCE PAYMENT OF TRAVEL AND TRANSPORTATION ALLOWANCES FOR ESCORTS AND ATTENDANTS OF DEPENDENTS

SEC. 179. (a) Section 1036 of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "The allowances authorized to be paid under this section may be paid in advance.".

(b) The last sentence of section 1040(a) of such title is amended by inserting "and may be paid in advance." after "attendants".

(c) The amendments made by subsections (a) and (b) shall apply to travel performed by escorts or attendants of dependents on and after the date of the enactment of this Act.

TRANSPORTATION OF REMAINS OF PERSONS ENTITLED TO RETIRED OR RETAINER PAY WHO DIE IN MILITARY MEDICAL FACILITIES

SEC. 180. (a)(1) Chapter 75 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1490. Transportation of remains of members entitled to retired or retainer pay who die in military medical facilities

"(a) Subject to subsection (b), when a member entitled to retired or retainer pay or equivalent pay dies while properly admitted under chapter 55 of this title to a medical facility of the armed forces located in the United States, the Secretary concerned may transport the remains, or pay the cost of transporting the remains, of the decedent to the place of burial of the decedent.

"(b)(1) Transportation provided under this section may not be to a place outside the United States or to a place farther from the place of death than the decedent's last place of permanent residence, and any amount paid under this section may not exceed the cost of transportation from the place of death to the decedent's last place of permanent residence.

"(2) Transportation of the remains of a decedent may not be provided under this section if such transportation is authorized by sections 1481 and 1482 of this title or by chapter 23 of title 38.

"(c) In this section, 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1490. Transportation of remains of members entitled to retired or retainer pay who die in military medical facilities.".

(b) Section 1490 of title 10, United States Code, as added by subsection (a), shall apply with respect to the transportation of the remains of persons dying on or after the first day of the month beginning after the date of the enactment of this Act.

TRANSPORTATION FOR DEPENDENT CHILDREN ATTENDING SCHOOL IN THE UNITED STATES WHEN THE MEMBER-PARENT IS STATIONED OVERSEAS

SEC. 180A. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 429 the following new section:

"§ 430. Travel and transportation: dependent children of members stationed overseas

"(a) Under regulations to be prescribed by the Secretary of Defense and subject to the provisions of subsection (b) of this section, a member of a uniformed service who—

"(1) is assigned a permanent duty station outside the United States,

"(2) is accompanied by his dependents at or near his oversea duty station (unless his only dependents are in the category of dependent described in clause (3) of this subsection), and

"(3) has a dependent child who is under 23 years of age attending a school in the United States for the purpose of obtaining a secondary or undergraduate college education;

may be paid the allowance set forth in subsection (b) of this section if he otherwise qualifies for such allowance.

"(b) A member described in subsection (a) of this section may be paid a transportation allowance for each unmarried dependent child, who is under 23 years of age and is attending a school in the United States for the purpose of obtaining a secondary or undergraduate college education, of one annual trip between the school being attended and the member's duty station in the oversea area and return. The allowance authorized by this section may be transportation in kind or reimbursement therefor, as prescribed by the Secretaries concerned. However, the transportation authorized by this section may not be paid a member for a child attending a school in the United States for the purpose of obtaining a secondary education if the child is eligible to attend a secondary school for dependents that is located at or in the vicinity of the duty station of the member and is operated under the Defense Dependents' Education Act of 1978.

"(c) Whenever possible, the Military Airlift Command or Military Sealift Command shall be used, on a space-required basis, for the travel authorized by this section.".

(b) The table of sections at the beginning of chapter 7 of such title is amended by adding at the end thereof the following new item:

"430. Travel and transportation: dependent children of members stationed overseas.".

(c) The amendments made by this section shall become effective October 1, 1983.

DELAY OF THE PAYMENT OF TEMPORARY LODGING EXPENSES BEFORE OCTOBER 1, 1984

SEC. 180B. No member of the uniformed services may be paid or reimbursed under section 404a of title 37, United States Code, for any subsistence expenses incurred before October 1, 1984, by the member or the member's dependents while occupying temporary quarters incident to a change of permanent station.

PART J—MISCELLANEOUS PERSONNEL PROVISIONS

TEMPORARY INCREASE IN THE NUMBER OF GENERAL AND FLAG OFFICERS ON ACTIVE DUTY

SEC. 181. (a) Notwithstanding section 811(a)(1) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), effective on the date of the enactment of this Act and ending on September 30, 1984, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and in the Navy above the grade of captain, may be a number in excess of 1,073, but not in excess of 1,100.

(b) Of the additional number of commissioned officers authorized by subsection (a) to be on active duty during the period specified in such subsection, in the grades specified in such subsection, the Navy shall be entitled to not less than seven and the Marine Corps shall be entitled to not less than two.

(c) Effective on the date of the enactment of this Act and ending on September 30, 1984, the number of officers of the Navy authorized under section 525(b)(2) of title 10, United States Code, to be on active duty in grades above rear admiral is increased by three. None of the additional officers in grades above recr admiral authorized by this section may be in the grade of admiral.

AUTHORITY FOR VARIABLE ENLISTMENT PERIODS

SEC. 182. Subsections (c) and (d) of section 505 of title 10, United States Code, are amended to read as follows:

"(c) The Secretary concerned may accept original enlistments of persons for the duration of their minority or for periods of at least two but not more than six years that are determined appropriate by the Secretary, in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be.

"(d) The Secretary concerned may accept reenlistments in the Regular Army, Regular Navy, Regular Air Force, Regular Marine Corps, or Regular Coast Guard, as the case may be, for periods of at least two but not more than six years that are determined appropriate by the Secretary. No enlisted member is entitled to be reenlisted for a period that would expire before the end of his current enlistment.".

AUTHORITY FOR INCREASED USAGE OF CONTRACT HEALTH CARE PROVIDERS

SEC. 183. (a)(1) Chapter 55 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1091. Contracts for direct health care providers

"(a) The Secretary concerned may contract with persons for personal and nonpersonal services for the purpose of obtaining direct health care services determined by the Secretary concerned to be required by the armed force under his jurisdiction.

"(b) A person who contracts under this section to provide direct health care services to members, former members, or dependents may be compensated at a rate prescribed by the Secretary concerned, but at a rate not greater than the rate of basic pay and allowances authorized by chapters 3 and 7 of title 37 for a commissioned officer in pay grade 0-6 with twenty-six or more years of service computed under section 205 of such title.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1091. Contracts for direct health care providers.".

(b)(1) Section 4022 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 373 of such title is amended by striking out the item relating to section 4022.

(c)(1) Section 9022 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 873 of such title is amended by striking out the item relating to section 9022.

(d) Section 201 of title 37, United States Code, is amended—

(1) by striking out subsection (b);

(2) by redesignating subsections (c) through (f) as subsections (b) through (e), respectively; and

(3) by striking out "subsections (d) and (e)" in subsection (e), as redesignated by clause (2), and inserting in lieu thereof "subsections (c) and (d)".

(e) Chapter 7 of title 37, United States Code, is amended—

(1) by striking out section 421; and

(2) by striking out in the table of sections at the beginning of such chapter the item relating to section 421.

(f) The amendments made by this section shall take effect on October 1, 1983. Any contract of employment entered into under the authority of section 4022 or 9022 of title 10, United States Code, before the effective date of this section and which is in effect on such date shall remain in effect in accordance with the terms of such contract.

TRANSFER OF PUBLIC HEALTH SERVICE OFFICERS TO OTHER UNIFORMED SERVICES

SEC. 184. (a)(1) Section 716 of title 10, United States Code, is amended to read as follows:

"§ 716. Commissioned officers: transfers among the armed forces, the National Oceanic and Atmospheric Administration, and the Public Health Service

"(a) Notwithstanding any other provision of law, the President, within authorized strengths and with the consent of the officer involved, may transfer any commissioned officer of a uniformed service from his uniformed service to, and appoint him in, another uniformed service. The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, and the Secretary of Health and Human Services shall jointly establish, by regulations approved by the President, policies and procedures for such transfers and appointments.

"(b) An officer transferred under this section may not be assigned precedence or relative rank higher than that which he held on the day before the transfer.

"(c) In this section, 'uniformed service' means any of the armed forces, the Commissioned Corps of the National Oceanic and Atmospheric Administration, or the Commissioned Corps of the Public Health Service.".

(2) The item relating to such section in the table of sections at the beginning of chapter 41 of such title is amended to read as follows:

"716. Commissioned officers: transfers among the armed forces, the National Oceanic and Atmospheric Administration, and the Public Health Service.".

(b)(1) Chapter 53 of such title is amended by adding at the end thereof the following new section:

"§ 1043. Service credit: service in the National Oceanic and Atmospheric Administration or the Public Health Service

"Active commissioned service in the National Oceanic and Atmospheric Administration or the Public Health Service shall be credited as active commissioned service in the armed forces for purposes of determining the eligibility for separation pay under section 1174, determining the retirement eligibility of a member of the armed forces, and computing the retired or retainer pay of a member of the armed forces.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1043. Service credit: service in the National Oceanic and Atmospheric Administration or the Public Health Service.".

(c)(1) Section 533(a)(1) of such title is amended by inserting ", the National Oceanic and Atmospheric Administration, or the Public Health Service" after "in any armed force".

(2) Section 3353(a)(1) of such title is amended—

(A) by striking out "chapters 337 and 363" and inserting in lieu thereof "this chapter and chapter 363"; and

(B) by inserting ", the National Oceanic and Atmospheric Administration, or the Public Health Service" after "in any armed force".

(3) Section 5600(a)(1) of such title is amended by inserting ", the National Oceanic and Atmospheric Administration, or the Public Health Service" after "in any armed force".

(4) Section 8353(a)(1) of such title is amended—

(A) by striking out "chapters 837 and 863" and inserting in lieu thereof "this chapter and chapter 863"; and

(B) by inserting ", the National Oceanic and Atmospheric Administration, or the Public Health Service" after "in any armed force".

(d) An individual who is a former commissioned officer of the Public Health Service who resigned from the Public Health Service after March 9, 1981, and who after such date and before the date of the enactment of this Act was given an original appointment as a commissioned officer in one of the Armed Forces—

(1) may be reappointed by the President in that Armed Force; and

(2) may be credited with any period of active commissioned service that such officer performed as a commissioned officer in the Public Health Service.

(e) Clause (13) of section 3(a) of the Act of August 10, 1956 (33 U.S.C. 857a(a)), is amended to read as follows:

"(13) Section 716, Commissioned officers: transfers among the armed forces, the National Oceanic and Atmospheric Administration, and the Public Health Service.".

EXTENSION OF PERIOD DURING WHICH CERTAIN ACCUMULATED LEAVE MAY BE USED

SEC. 185. (a) The last sentence of section 701(f) of title 10, United States Code, is amended by inserting "third" after "end of the".

(b)(1) The amendment made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to leave accumulated under section 701(f) of such title after September 30, 1980.

(2) A member of the Armed Forces who was authorized under section 701(f) of such title to accumulate ninety days' leave during fiscal year 1980, 1981, or 1982 and lost any leave at the end of fiscal year 1981, 1982, or 1983, respectively, because of the provisions of the last sentence of such section, as in effect on the day before the date of the enactment of this Act, shall be credited with such lost leave and may retain leave in excess of sixty days until (A) September 30, 1984, or (B) the end of the third fiscal year after the year in which such leave was accumulated, whichever is later, but in no case may such a member accumulate leave in excess of ninety days.

(3) Section 404 of the Department of Defense Authorization Act, 1983 (Public Law 97-252; 96 Stat. 725), is repealed.

AUTHORITY TO WAIVE AGE REQUIREMENT FOR ORIGINAL APPOINTMENT AS A COMMISSIONED OFFICER IN CERTAIN CASES

SEC. 186. Section 532 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Under regulations prescribed by the Secretary of Defense, the Secretary concerned may waive the requirement of subsection (a)(2) in the case of any person if the Secretary concerned determines that the waiver should be made because of exceptional or unusual circumstances and because the person with respect to whom the waiver is being made has a particular skill needed by the armed force concerned.".

PERFORMANCE OF CIVIL FUNCTIONS BY MILITARY OFFICERS

SEC. 187. (a) Subsection (b) of section 973 of title 10, United States Code, is amended by striking out subsection (b) and inserting in lieu thereof the following:

"(b)(1) This subsection applies—

"(A) to a regular officer of an armed force on the active-duty list (and a regular officer of the Coast Guard on the active duty promotion list);

"(B) to a retired regular officer of an armed force serving on active duty under a call or order to active duty for a period in excess of 180 days; and

"(C) to a reserve officer of an armed force serving on active duty under a call or order to active duty for a period in excess of 180 days.

"(2)(A) Except as otherwise authorized by law, an officer to whom this subsection applies may not hold, or exercise the functions of, a civil office in the Government of the United States—

"(i) that is an elective office;

"(ii) that requires an appointment by the President by and with the advice and consent of the Senate; or

"(iii) that is a position in the Executive Schedule under sections 5312 through 5317 of title 5.

"(B) An officer to whom this subsection applies may hold or exercise the functions of a civil office in the Government of the United States that is not described in subparagraph (A) when assigned or detailed to that office or to perform those functions.

"(3) Except as otherwise authorized by law, an officer to whom this subsection applies may not hold or exercise, by election or appointment, the functions of a civil office in the government of a State, the District of Columbia, or a territory, possession, or commonwealth of the United States (or of any political subdivision of any such government).

"(4) Nothing in this subsection shall be construed to invalidate any action undertaken by an officer in furtherance of assigned official duties.

"(c) The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to implement this section.".

(b) Nothing in section 973(b) of title 10, United States Code, as in effect before the date of the enactment of this Act, shall be construed—

(1) to invalidate any action undertaken by an officer of an Armed Force in furtherance of assigned official duties; or

(2) to have terminated the military appointment of an officer of an Armed Force by reason of the acceptance of a civil office, or the exercise of its functions, by that officer in furtherance of assigned official duties.

REDUCTION IN MILITARY AND CIVILIAN PERSONNEL ASSIGNED TO DUTY OR EMPLOYED IN THE DEPARTMENT OF DEFENSE TO PERFORM CERTAIN MANAGEMENT ACTIVITIES

SEC. 188. (a)(1) Not later than September 30, 1984, the Secretary of Defense shall reduce the total number of military personnel and the total number of civilian personnel assigned to duty in the Office of the Secretary of Defense to perform management headquarters activities or management headquarters support activities. The Secretary shall reduce the total number in each such category of personnel to a number which is at least 10 percent less than the total end strength in each such category of personnel requested by the President for fiscal year 1984 to perform such activities.

(2) Not later than September 30, 1984, the Secretary of Defense shall reduce the total number of military personnel and the total number of civilian personnel assigned to

duty in the agencies of the Department of Defense to perform management headquarters activities or management headquarters support activities. The Secretary shall reduce the total number in each such category of personnel to a number which is at least 5 percent less than the total end strength in each such category of personnel requested by the President for fiscal year 1984 to perform such activities.

(b) The Secretary of each military department shall reduce, by not later than September 30, 1984, the total number of military personnel and the total number of civilian personnel assigned to duty in each such department to perform management headquarters activities or management headquarters support activities. Each Secretary concerned shall reduce the total number in each such category of personnel to a number which is at least 5 percent less than the total end strength in each such category of personnel requested by the President for fiscal year 1984 to perform such activities.

(c) Any reduction in military or civilian personnel assigned to perform management headquarters activities or management headquarters support activities in the National Security Agency/Central Security Service, the Defense Intelligence Agency, the Organization of the Joint Chiefs of Staff, or the Naval Intelligence Command may not be included for the purposes of complying with the requirements of subsection (a) or (b).

(d) In this section, the terms "management headquarters activities" and "management headquarters support activities" have the same meanings as prescribed for such terms in Department of Defense Directive 4100.73 entitled "Department of Defense Management Headquarters and Headquarters Support", dated March 12, 1981.

ADJUSTMENT OF CONSTRUCTIVE SERVICE CREDIT IN THE CASE OF CERTAIN NAVAL MEDICAL AND DENTAL OFFICERS

SEC. 189. (a) The Secretary of the Navy shall convene boards of officers to review the records of each officer of the Medical Corps or the Dental Corps of the Navy who was appointed in either such corps before September 11, 1979, and adjust the service credited to any such officer to reflect any active commissioned service performed by such officer before such appointment or to reflect any professional civilian medical or dental experience gained by such officer in the United States before such appointment if that service or experience has not been credited to such officer. The credit granted for such prior service or experience shall be equal to that granted to similarly situated officers in the Army and Air Force.

(b) If an officer is credited under the authority of subsection (a) with additional service or experience, the Secretary of the Navy shall adjust the date of rank of such officer accordingly, and such officer shall be given precedence for promotion or advanced to a position on the active-duty list (or to a position on a corresponding list in the case of a Reserve officer not on the active-duty list) in accordance with such adjusted date of rank.

(c) If, as a result of an adjustment of his service credit under subsection (a), an officer in the Medical Corps or Dental Corps of the Navy attains precedence for promotion purposes over any other officer on the active-duty list or attains a position on the active-duty list equivalent to another officer who—

(1) is a member of the same corps as the officer whose service is adjusted under subsection (a);

(2) is serving in a grade (not above captain) higher than the grade of the officer whose service is adjusted under subsection (a); and

(3) has not been selected for early promotion to such higher grade or is on a promotion list to the next grade higher than his current grade and has not been selected for early promotion to such higher grade,

then the officer whose service is adjusted under subsection (a) may be promoted to the higher grade appropriate to his adjusted credit if he is recommended for promotion to such grade by a board of officers convened under subsection (a), and, upon promotion to such higher grade, may be assigned a position on the active-duty list (or to a position on a corresponding list in the case of a Reserve officer not on the active-duty list) commensurate with his adjusted service credit.

(d) An officer whose date of rank has been changed by virtue of service credited to him under this section shall not be entitled to any increase in pay or allowances or other compensation for any period before the date of that change, and an officer who is credited with additional service under this section and is promoted to a higher grade pursuant to the recommendation of a board convened under this section shall not be entitled to any increase in pay or allowances or other compensation for the grade to which promoted for any period before the date of the promotion.

(e) Failure of an officer for selection for promotion under the procedures provided for in this section shall not count as a failure of selection for promotion for any other purpose.

(f) As used in this section, the term "active-duty list" means the active-duty list for the Navy provided for in section 620 of title 10, United States Code.

STUDIES AND DEMONSTRATION PROJECTS ON HEALTH-CARE DELIVERY SYSTEMS

SEC. 190. (a)(1) Chapter 55 of title 10, United States Code, as amended by section 183, is amended by adding at the end thereof the following new section:

"§ 1092. Studies and demonstration projects on health-care delivery systems

"(a)(1) The Secretary of Defense, in consultation with the Secretary of Health and Human Services, shall conduct studies and demonstration projects on the health-care delivery system of the uniformed services with a view to improving the quality, efficiency, convenience, and cost effectiveness of providing health care services (including dental care services) under this title to members and former members and their dependents. Such studies and demonstration projects may include the following:

"(A) Alternative methods of payment for health and medical care services.

"(B) Cost-sharing by eligible beneficiaries.

"(C) Methods of encouraging efficient and economical delivery of health and medical care services.

"(D) Innovative approaches to delivery and financing of health and medical care services.

"(E) Alternative approaches to reimbursement for the administrative charges of health-care plans.

"(2) The Secretary of Defense shall include in the studies conducted under paragraph (1) alternative programs for the provision of dental care to the spouses and dependents of members of the uniformed services who are on active duty, including a program under which dental care would be provided the spouses and dependents of such members under insurance or dental plan contracts.

"(3) The Secretary of Defense shall submit to Congress from time to time written reports on the results of the studies and demonstration projects conducted under this subsection and shall include in such reports such recommendations for improving the health-care delivery systems of the uniformed services as the Secretary considers appropriate. The Secretary shall submit the first such report not later than March 1, 1984.

"(b) The Secretary of Defense may enter into contracts with public or private agencies, institutions, and organizations to conduct studies and demonstration projects under subsection (a).

"(c) The Secretary of Defense may obtain the advice and recommendations of such advisory committees as the Secretary considers appropriate. Each such committee consulted by the Secretary under this subsection shall evaluate the proposed study or demonstration project as to the soundness of the objectives of such study or demonstration project, the likelihood of obtaining productive results based on such study or demonstration project, the resources which were required to conduct such study or demonstration project, and the relationship of such study or demonstration project to other ongoing or completed studies and demonstration projects.

"(d) A demonstration project may not be conducted under this section that provides for the furnishing of dental care under an insurance or dental plan contract.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1092. Studies and demonstration projects on health-care delivery systems.".

(3) The amendments made by paragraphs (1) and (2) shall take effect on October 1, 1983, or the date of the enactment of this Act, whichever is later.

(b)(1) The Secretary of Defense, in consultation with the Secretary of Health and Human Services, shall conduct demonstration projects for the purpose of comparing and evaluating the cost-effectiveness, accessibility, patient acceptance, and the quality of medical care contracted for by the Secretary of Defense under sections 1079 and 1086 of title 10, United States Code, with the medical care provided in those facilities deemed to be facilities of the uniformed services by virtue of section 911 of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c). The Secretary of Defense shall begin conducting such projects within one year after the date of the enactment of this section and continue conducting such projects for not less than three years.

(2) The projects carried out by the Secretary of Defense under this subsection shall utilize various alternative mechanisms for the payment of medical services provided eligible persons, including capitation, prospective payment, all-inclusive fee-for-service charges, and other concepts and programs consistent with the purpose of this subsection.

(3) If the Secretary of Defense and the Secretary of Health and Human Services determine such action is necessary in order to permit a meaningful evaluation of alternative methods of providing medical care to persons eligible for such care under sections 1079 and 1086 of title 10, United States Code, they may jointly designate additional civilian medical facilities to be facilities of

the uniformed services for the purposes of section 1079 of such title. The Secretary may designate a facility under the authority of this paragraph for such purposes only if such action is agreed to by the governing body of the facility.

(4) The Secretary of Defense, in consultation with the Secretary of Health and Human Services, shall submit annually to the Committees on Appropriations and on Armed Services of the Senate and the House of Representatives a written report on the results of the studies and projects carried out under this subsection. The first such report shall be submitted not later than one year after the date of the enactment of this subsection. The last such report shall be submitted not later than one year after the completion of all such studies and projects.

(5) The Secretary of Defense and the Secretary of Health and Human Services may terminate, for purposes of chapter 55 of title 10, United States Code, the status of any facility referred to in paragraph (1) to furnish medical or dental care to members and former members of the uniformed services or their dependents at any time after the expiration of one year following submission to the Congress of the final annual report required under paragraph (4). The termination of such status in the case of any such facility may be effected only by an order jointly issued by the Secretary of Defense and the Secretary of Health and Human Services which identifies the facility whose status is being terminated and specifies the date on which such status is being terminated. A copy of each such order shall be furnished to the affected facility and the Committees on Appropriations and on Armed Services of the Senate and the House of Representatives and shall become effective in accordance with the terms of the notice, but not earlier than six months following the date on which a copy of the notice has been furnished to the facility and the committees. Any facility described in paragraph (1) or facility designated under paragraph (3) may terminate its status described in clause (1) or its designation made under clause (3), as the case may be, at any time after the expiration of six months following the date on which a copy of the order terminating the status or designation has been furnished the facility.

(6) Section 911(b) of the Military Construction Authorization Act, 1982 (42 U.S.C. 248c(b)), is amended by striking out "at any time after" and all that follows through the end of the second sentence and inserting in lieu thereof: "as provided for in section 190(b)(5) of the Department of Defense Authorization Act, 1984.".

PART K—NATO AND RELATED MATTERS

NORTH ATLANTIC DEFENSE COOPERATIVE PROGRAMS

SEC. 191. In order to fulfill the international obligations incurred by the United States under the North Atlantic Treaty Organization's Long-Term Defense Program for the rapid reinforcement of Europe, and recognizing that such action is in the national interest of the United States, the Secretary of Defense is directed to carry out commitments of the United States under the United States-German Wartime Host Nation Support Agreement of April 15, 1982, and under the Prepositioned Materiel Configured in Unit Sets (POMCUS) program not later than December 31, 1988. The Secretary of Defense shall include in his annual report to the Congress a statement describing the status of implementation of such agreement and program, including his assessment of whether our allies are bearing their equitable share under such agreement and program and whether the implementation of such agreement and program adversely affects the readiness of the reserve components of the Armed Forces of the United States.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

SEC. 192. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which has occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources;

(2) since May 1978, when each NATO member nation agreed to increase real defense spending annually in the range of 3 percent, most NATO members except for the United States have failed to meet the 3 percent real growth commitment consistently and performance toward this goal in 1983 is estimated to be the most deficient, on average, since the goal was established; and since May 1981, when the Government of Japan established its policy to defend the air and sea lines of communication out to 1,000 nautical miles from the coast of Japan, progress to develop the necessary self-defense capabilities to fulfill that 1,000 nautical mile defense pledge has been extremely disappointing;

(3) Japan, as the ally of the United States with the greatest potential to improve its self-defense capabilities, should accelerate current efforts to increase its contributions to the common defense, and, as a tangible sign of commitment to this, as well as other aims, Japan should immediately increase its annual defense spending to the levels required for its forces to deploy fully by 1990 an effective conventional self-defense capability, including the capability to carry out its 1,000-mile defense policy; and

(4) the continued unwillingness of such countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of the Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1984, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist and their impact on mutual defense efforts;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1984;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments;

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western Alliances;

(G) a description of what additional actions the executive branch plans to take should the efforts by the United States referred to in clauses (B) and (E) fail, and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being so considered;

(H) a description of the annual financial resources, and the military procurement and programs those resources would acquire, required for Japan to deploy fully by 1990 an effective self-defense capability, including the capability to carry out its 1,000 mile defense policy, and a description of any disparities between these requirements and the financial resources and military programs contained in the Japanese defense budget for 1984 and each succeeding annual budget in its current, multiyear defense plan, and the year by which Japan would develop the required capabilities, if not 1990; and

(I) a description of those United States forces stationed in Japan whose forward deployment in Japan is only for the purposes of defending that nation, as opposed to those United States forces stationed in Japan whose primary mission is to contribute to the defense of other nations in the Pacific Ocean and Indian Ocean regions whose security is of importance to the United States.

(2) The Secretary of Defense shall also submit to the Congress not more than 30 days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (I) of such paragraph.

LIMITATION ON NUMBER OF MILITARY PERSONNEL STATIONED IN EUROPE

SEC. 193. (a) Except as provided in subsections (b) and (c), none of the funds authorized to be appropriated by this or any other Act may be used for the purpose of supporting an end strength level, as of September 30, 1984, of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of the North Atlantic Treaty Organization (NATO) at any level in excess of 315,600.

(b) A number of United States military personnel in excess of 315,600, but not in excess of 320,000, may be permanently as-

signed to duty ashore in such European nations as of September 30, 1984, if—

(1) the Secretary of Defense determines and certifies to the Congress in writing that on September 30, 1984, the total number of military personnel of NATO member nations, other than the United States, stationed in the Federal Republic of Germany will not be less than the total number of military personnel of such member nations stationed in that country on the date of the enactment of this Act;

(2) the Secretary of Defense certifies to the Congress in writing on or after June 1, 1984, that the budget for the Department of Defense for fiscal year 1985 and the Five-Year Defense Plan of the Department of Defense for fiscal years 1985 through 1989 give significant priority to programs directly intended to improve NATO's conventional capabilities, particularly its capability for deep interdiction;

(3) the Department of Defense has conducted a thorough and detailed analysis of NATO's defense posture which the Secretary of Defense submits to Congress on or after June 1, 1984, with his certification in writing that a number of United States military personnel in excess of 315,600 is required to meet the United States commitment to NATO; and

(4) the studies required by sections 194 through 197 have been conducted and the reports and recommendations resulting from such studies have been submitted to the Congress.

(c) A number of United States military personnel in excess of 315,600 or in excess of 320,000 may be assigned to permanent duty ashore in European member nations of NATO as of September 30, 1984, without the conditions specified in subsection (b) having been met if the President (1) determines and certifies to the Congress in writing that overriding national security interests require a number of such personnel to be assigned to permanent duty ashore in such nations in excess of 315,600 or 320,000, as the case may be, and (2) includes in the certification the total number of such personnel required and an explanation of the overriding national security interests that require such number of personnel.

(d) In computing the limitation specified in subsections (a) and (b), there may be excluded not more than 2,600 military personnel assigned to the Ground Launched Cruise Missile program and the Pershing II Missile program.

REPORT ON IMPROVEMENT OF CONVENTIONAL FORCES OF NATO

SEC. 194. At the same time the President submits the budget for fiscal year 1985 pursuant to section 1105 of title 31, United States Code, but not later than March 1, 1984, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a comprehensive report and plan for improving conventional defense capabilities of the North Atlantic Treaty Organization (NATO). The Secretary shall include in such report—

(1) his recommendations on how NATO's strategy and military program could and should be changed to improve substantially the chances of a successful conventional defense of Europe;

(2) a statement and explanation of what the aggregate NATO conventional defense requirements are;

(3) a current assessment and statement of the status of the Air-Land Battle concept within the Department of Defense and NATO;

(4) an explanation of how and to what extent the various doctrines of NATO military forces are coordinated, and how variations in doctrine can be rectified or exploited to NATO's advantage;

(5) his judgment on the most effective means by which NATO military forces can be operationally integrated to implement the Air-Land Battle concept;

(6) the United States programs which are necessary to support improved NATO conventional capabilities, the changes which are needed, and what the fiscal year 1985 budget and Five-Year Defense Plan of the Department of Defense for fiscal years 1985 through 1989 provide for with respect to NATO conventional capabilities;

(7) the United States conventional programs and weapons that are provided for in the fiscal year 1985 budget and Five-Year Defense Plan of the Department of Defense for fiscal years 1985 through 1989 to enhance the disruption and destruction of Soviet follow-on echelons;

(8) the new weapons or systems which are available for such purpose that are not in the current budget or Five-Year Defense Plan of the Department of Defense;

(9) a determination of what are the achievable NATO-wide improvements in conventional defense capability; and

(10) a separate addendum and assessment by the Commander-in-Chief, Allied Forces Europe, on measures necessary to improve NATO conventional defense capabilities, including a recommended plan for such measures.

(b) The President shall submit to the Congress not later than April 1, 1984, his recommendations and plan for improving NATO conventional defense capabilities.

REPORT ON THE NUCLEAR POSTURE OF NATO

SEC. 195. (a) The Secretary of Defense shall conduct a study on the tactical nuclear posture of the North Atlantic Treaty Organization (NATO) and submit a report on the results of such study to the Committees on Armed Services of the Senate and the House of Representatives not later than March 1, 1984. Such study shall include—

(1) a detailed assessment of the current tactical nuclear balance in Europe and that projected for 1990;

(2) an assessment of the current, respective operational doctrines for the use of tactical nuclear weapons in Europe of the Warsaw Pact and NATO;

(3) an explanation of how the threat of the use of such weapons relates to deterrence and to conventional defense;

(4) an identification of the number and types of nuclear warheads, if any, considered to be inessential to the defense structure of Western Europe, the quantity and type of such weapons that could be eliminated from Europe under appropriate circumstances without jeopardizing the security of NATO nations and an assessment of what such circumstances might be;

(5) an explanation of the steps that can be taken to develop a rational and coordinated nuclear posture by NATO in a manner that is consistent with proper emphasis on conventional defense forces and the doctrine of Air-Land Battle; and

(6) an identification of any notable, relevant developments that have occurred since the submission to the Congress in April 1975 of the report entitled "The Theater Nuclear Force Posture in Europe", prepared by the Secretary of Defense pursuant to section 302 of the Department of Defense Appropriations Authorization Act, 1975 (Public Law 93-365), which might cause the findings and conclusions of that report to require revision and such revisions in such report as the Secretary considers appropriate.

(b) The President shall submit a written report to the Congress on or before April 1, 1984, containing his views on the Department of Defense study and report required under subsection (a) together with such recommendations with respect to such study and report as he deems appropriate.

REPORT ON COMBAT-TO-SUPPORT RATIO OF UNITED STATES FORCES IN EUROPE IN SUPPORT OF NATO

SEC. 196. (a) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and House of Representatives not later than March 1, 1984, on the combat, combat support, combat service support, and noncombat components of the Armed Forces of the United States assigned to permanent duty ashore in Europe in support of the North Atlantic Treaty Organization (NATO). The Secretary shall include in such report—

(1) an analysis of the current combat, combat support, combat service support, and noncombat components of the Armed Forces of the United States assigned to permanent duty ashore in Europe in support of NATO and their relationship to each other;

(2) a review of the requirements for such combat, combat support, combat service support, and noncombat components;

(3) an analysis and comparison of such components and the history of their ratios to each other since 1974 as well as the projected ratios to each other during fiscal year 1985 and during each year of the Five-Year Defense Plan of the Department of Defense for fiscal years 1985 through 1989; and

(4) his recommendations for improving the combat portion of the Armed Forces of the United States deployments in Europe or, if in his judgment, no improvements are practicable, the reasons they are not.

(b) For the purposes of the report required by subsection (a)—

(1) the combat component of the Army includes only the infantry, cavalry, artillery, armored, combat engineers, special forces, attack assault helicopter units, air defense, and missile combat units of battalion or smaller size;

(2) the combat component of the Navy includes only the combatant ships (aircraft carrier, battleship, cruiser, destroyer, frigate, submarine, and amphibious assault ships) and combat aircraft wings (fighter, attack, reconnaissance, and patrol); and

(3) the combat component of the Air Force includes only the tactical fighter, reconnaissance, tactical airlift, fighter interceptor, and bomber units of wing or smaller size.

REPORT ON UNITED STATES EXPENDITURES IN SUPPORT OF NATO

SEC. 197. (a) The Secretary of Defense shall review and analyze the fiscal year 1983 expenditures of the Department of Defense in fulfilling the United States commitment to the North Atlantic Treaty Organization (NATO) and the expenditures projected for such purpose for each of the fiscal years 1984 through 1989.

(b)(1) The Secretary of Defense shall submit a detailed written report to the Congress not later than June 1, 1984, on the review and analysis required under subsection (a). The Secretary shall set out in such report, in current and constant fiscal year 1983 dollar figures, the expenditures made in fiscal year 1983 and expenditures project-

ed to be made in fiscal years 1984 through 1989 by the United States in fulfilling its commitment to NATO in each of the following categories:

(A) Procurement.

(B) Operations and maintenance.

(C) Military construction.

(D) Military personnel.

(E) Research, development, test, and evaluation.

(2) The Secretary of Defense shall also include in such report a separate breakout of the fiscal year 1983 Department of Defense expenditures in each of the categories specified in paragraph (1) for the Armed Forces of the United States assigned to permanent duty ashore in the European member nations of NATO and the expenditures projected to be incurred by the Department of Defense in each of those categories in each of the fiscal years 1984 through 1989 for personnel of the Armed Forces of the United States planned to be assigned to permanent duty ashore in such nations during each of those fiscal years. The Secretary of Defense shall also include in such report similar separate breakouts for all classes of United States forces reflected in the data submitted to the Committee on Armed Services of the Senate and printed in part 1, pages 61-68, of that Committee's hearings on Department of Defense Authorization For Appropriations For Fiscal Year 1982.

(3) The Secretary of Defense shall also include in such report the estimated percentage growth in each of the five categories specified in paragraph (1) of subsection (b), after allowing for inflation, from one year to the next for the fiscal years 1983 through 1989. In the case of each category of expenditures for which the annual projected rate of expenditure growth after fiscal year 1983 exceeds 3 percent, after allowing for inflation, over the previous fiscal year, the Secretary shall include his assessment of the impact on NATO of limiting the growth of expenditures in that category to 3 percent real growth.

PART I—GENERAL PROVISIONS

LONG-TERM LEASE AND CHARTER OF AIRCRAFT AND NAVAL VESSELS

SEC. 1001. (a) After considering cost, schedule, and urgent security requirements, it is the sense of the Congress that the most appropriate method for acquiring the T-AKX class Maritime Prepositioning Ships and the T-5 class Tankers is the long-term charter arrangements as negotiated by the Department of the Navy. The Congress directs the Department of the Navy to continue the Maritime Prepositioning Ship and T-5 Tanker programs through such charter arrangements.

(b) No funds may be appropriated for any fiscal year to or for the use of any Armed Force or obligated or expended for the lease or charter or renewal of a lease or charter of aircraft or naval vessels for a long term or for which there is a substantial termination liability unless funds therefor have been specifically authorized by law.

(c) Authorization and appropriation requests for funds for the lease or charter of aircraft or naval vessels for a long term must include as a separate line item in the procurement accounts such amount of such funds that is attributable to capital-hire.

(d) The Office of Management and Budget and the Department of the Treasury shall promulgate guidelines for lease-versus-buy or charter-versus-buy decisions by departments and agencies.

(e) Any authorization request for a lease or charter of aircraft or naval vessels for a long term or for which there is a substantial termination liability must be accompanied by an analysis, submitted by the Department of Defense, of the costs to the United States Government, to include foregone tax revenues, of any such lease or charter program compared to the costs of procurement alternatives. Such analysis must be evaluated within a 30-day period by the Office of Management and Budget and the Department of the Treasury which are to conduct their reviews in accordance with the guidelines promulgated pursuant to subsection (d).

(f) For purposes of subsections (b), (c), and (e)—

(1) a lease or charter shall be considered to be for a long term if the term of the contract, including all options under the contract, is for five years or longer; and

(2) the United States shall be considered to have a substantial termination liability under a lease or charter if, as determined under regulations prescribed by the Secretary of Defense, the present value of the amount of the termination liability of the United States under the contract as of the end of the term of the contract (exclusive of any option to extend the contract) is more than one-fifth the value of the vessel involved.

(g) Subsection (b) does not apply with respect to a contract entered into before the date of the enactment of this Act.

TRANSFER OF CERTAIN AIRCRAFT FROM EXPORT-IMPORT BANK TO THE AIR FORCE

SEC. 1002. (a) The President of the Export-Import Bank of the United States shall transfer to the Secretary of the Air Force, within 30 days after the date of the enactment of this Act (1) the five DC-10-30 aircraft and associated spare parts in the ownership of such Bank as the result of a default on a loan made by such Bank, or (2) other suitable widebody aircraft of equivalent value in the possession of such Bank. Upon the transfer of such aircraft to the Secretary of the Air Force, there shall be transferred to the appropriate account of the Export-Import Bank from Air Force Treasury account numbered 57M3500 the sum of $100,000,000.

(b) None of the aircraft transferred to the Secretary of the Air Force under the authority of subsection (a) may be used as a replacement for Air Force 1 or Air Force 2, the President's aircraft.

REPEAL OF PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

SEC. 1003. Section 1110 of the Department of Defense Authorization Act, 1983 (Public Law 97-252; 96 Stat. 747), is repealed.

AUTHORIZATION TO PROVIDE RECIPROCAL COMMUNICATIONS SUPPORT OR RELATED SUPPLIES AND SERVICES

SEC. 1004. (a) Chapter 147 of title 10, United States Code, is amended by inserting after section 2482, the following new section:

"§ 2483. Reciprocal communications support or related supplies and services

"(a) The Secretary of Defense may, subject to the concurrence of the Secretary of State, enter into agreements with the Government of any allied country or North Atlantic Treaty Organization subsidiary body under which the United States agrees to provide communications support or related supplies and services to such country or subsidiary body in return for the reciprocal provision of an equivalent value of communications support or related supplies and services by such country or subsidiary body.

"(b) In this section:

"(1) 'Allied country' means any of the following:

"(A) A country that is a member of the North Atlantic Treaty Organization.

"(B) Australia or New Zealand.

"(C) Any other country designated as an allied country for the purposes of this section by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary body' means any organization or international military headquarters described in section 2331(2) of this title.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2482 the following new item:

"2483. Reciprocal communications support and related supplies and services.".

INDEPENDENT COST ESTIMATES OF MAJOR DEFENSE ACQUISITION PROGRAMS

SEC. 1005. (a)(1) Chapter 4 of title 10, United States Code, is amended by inserting after section 139b the following new section:

"§ 139c. Independent cost estimates of major defense acquisition programs

"(a) The Secretary of Defense shall not approve the full-scale engineering development or production and deployment of a major defense acquisition program unless an independent estimate of the cost of the program first has been prepared and submitted to (and considered by) the Secretary of Defense.

"(b) In this section:

"(1) 'Major defense acquisition program' has the same meaning as provided in section 139a(a)(1) of this title.

"(2) 'Independent estimate' means, with respect to a major defense acquisition program, an estimate of the cost of such program prepared by an office or other entity that is not under the supervision, direction, or control of the military department, defense agency, or other component of the Department of Defense that is directly responsible for carrying out the development or acquisition of the program.

"(3) 'Cost of the major defense acquisition program' means, with respect to a major defense acquisition program, all elements of the life-cycle costs of the program, including—

"(A) the cost of all research and development efforts, without regard to the funding source or management control;

"(B) the cost of the prime hardware and its major subcomponents; support costs including training, peculiar support, and data; initial spares; military construction costs; and the cost of all related procurements (including modifications to existing aircraft or ship platforms, where applicable), without regard to the funding source or management control of the program; and

"(C) all elements of operating and support cost.".

(2) The table of sections at the beginning of chapter 4 of such title is amended by inserting after the item relating to section 139b the following new item:

"139c. Independent cost estimates of major defense acquisition programs.".

(b) The provisions of section 139c of title 10, United States Code, as added by subsection (a), shall become effective on October 1, 1983.

(c) On the same date as the President submits the Department of Defense budget request for fiscal year 1985 to the Congress, the Secretary of Defense shall submit a written

report to the Committees on Armed Services of the Senate and the House of Representatives on the use of independent cost estimates in the planning, programing, budgeting, and selection process for major defense acquisition programs in the Department of Defense. Such report shall include an overall assessment of the extent to which such estimates were adopted by the Department in making decisions on the fiscal year 1985 budget and a general explanation of why such estimates might have been modified or rejected. In addition, the Secretary shall report on current and future initiatives to make greater or more productive use of independent cost estimates in the Department of Defense.

(d) It is the sense of the Congress that the Secretary of Defense should ensure that adequate personnel and financial resources are allocated at all levels of the Department of Defense to those organizations or offices charged with developing or assessing independent estimates of the costs of major defense acquisition programs.

CONTINUED OPERATION BY THE SECRETARY OF DEFENSE OF THE DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 1006. (a)(1) Sections 208 and 302, subsection (e) of section 202, and subsection (f) of section 401 of the Department of Education Organization Act (20 U.S.C. 3418, 3442, 3412(e), and 3461(f)) are repealed.

(2) Section 419(a) of such Act (20 U.S.C. 3479(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out paragraph (2).

(3) Section 503(a) of such Act (20 U.S.C. 3503(a)) is amended—

(A) by striking out "(1)" after the subsection designation "(a)"; and

(B) by striking out clause (2).

(4) The table of contents at the beginning of such Act is amended by striking out the items relating to sections 208 and 302.

(b) The second sentence of section 1410(b) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(c) Section 1411(a) of the Department of Defense Dependents' Education Act of 1978 (20 U.S.C. 929(a)) is amended to read as follows:

"(a) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(1) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(2) six individuals appointed by the Assistant Secretary, who shall be individuals versed by training or experience in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, and sponsors of students enrolled in the defense dependents' education system;

"(3) not more than three representatives from overseas military commands appointed by the Assistant Secretary; and

"(4) one individual appointed by the Secretary of Education.

The Director shall be the Executive Secretary of the Council.".

(d) Section 1411(b)(1) of such Act (20 U.S.C. 929(b)(1)) is amended—

(1) by striking out "four" each place it appears and inserting in lieu thereof "two"; and

(2) by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(e) Section 1411(c) of such Act (20 U.S.C. 929(c)) is amended—

(1) by striking out clause (2);

(2) by redesignating clauses (3), (4), and (5) as clauses (2), (3), and (4), respectively; and

(3) by striking out "Secretary of Education" in clause (4) (as redesignated in clause (2) of this subsection) and inserting in lieu thereof "Assistant Secretary".

(f) The Director of the Office of Management and Budget, the Secretary of Defense, and the Secretary of Education are each directed to take such action as may be necessary to assure the continued effective administration of the defense dependents' education system pursuant to title XIV of the Education Amendments of 1978.

USE OF POLYGRAPHS BY THE DEPARTMENT OF DEFENSE

SEC. 1007. (a) Chapter 49 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 979. Prohibition against certain actions based upon results of polygraph examinations

"(a)(1) Except as provided in subsection (c), a civilian employee of the Department of Defense may not be separated from his employment with the Department of Defense, suspended from such employment, reduced in grade or pay, furloughed, denied access to classified information, or subjected to any other adverse action with respect to his employment in any position in the Department of Defense solely on the basis of the results of a polygraph examination or solely on the basis of a refusal to submit to such an examination.

"(2) A member of the armed forces may not be permanently or temporarily transferred to a new duty station, assigned or detailed to perform new duties, denied access to classified information, or subjected to any other adverse action with respect to such member's military status or any duty assignment in the Department of Defense solely on the basis of the results of a polygraph examination or solely on the basis of a refusal to submit to such an examination.

"(b)(1) Not later than March 1, 1984, the President shall submit to the Congress a written report describing (A) unauthorized disclosures of classified information that necessitate expanded use of polygraph examinations in the Department of Defense, (B) the nature and extent of such unauthorized disclosures, and (C) the nature and extent of the damage to the national security that has resulted from the unauthorized disclosures, including specific examples of the damage and the manner in which the damage was determined and measured.

"(2) Not later than March 1, 1984, the Secretary of Defense shall submit to the Congress a written report which expresses the position of the Department of Defense regarding the accuracy and reliability of polygraph examinations and which includes—

"(A) a description of the specific studies (including statistical analyses based on such studies) conducted by or for the Department of Defense, or relied upon by the department, to support the department's use of the polygraph; and

"(B) the Secretary's analysis and explanation of how any potential damage to innocent persons erroneously identified by polygraph examinations as having given false responses or information during the course of polygraph examinations is offset by the potential benefits to the United States of expanded use of the polygraph.

"(c) Polygraph examinations may be used with respect to civilian employees and prospective civilian employees of the National Security Agency of the Department of Defense in accordance with and to the extent provided for in regulations of the Department of Defense or the National Security Agency as in effect on the date of the enactment of this Act.".

(b) The table of sections at the beginning of chapter 49 of such title is amended by adding at the end thereof the following new item:

"979. Prohibition against certain actions based upon results of polygraph examinations.".

ONE-YEAR EXTENSION OF TEST PROGRAM TO AUTHORIZE PRICE DIFFERENTIAL TO RELIEVE ECONOMIC DISLOCATIONS

SEC. 1008. (a) Subsection (a) of section 1109 of the Department of Defense Authorization Act, 1983 (10 U.S.C. 2392 note), is amended by striking out "fiscal year 1983" each place it appears and inserting in lieu thereof "fiscal years 1983 and 1984".

(b) Subsection (b) of section 1109 of such Act is amended—

(1) by inserting "and April 15, 1984," after "1983" in the first sentence; and

(2) by striking out "report" in the second sentence and inserting in lieu thereof "reports".

PROTECTION OF REPORTS OF MILITARY AIRCRAFT ACCIDENT SAFETY INVESTIGATIONS

SEC. 1009. (a)(1) Part I of subtitle A of title 10, United States Code, is amended by adding at the end thereof the following new chapter:

"CHAPTER 19—AIRCRAFT ACCIDENTS

"Sec.
"391. Definition.
"392. Investigation reports: limitation on use.

"§ 391. Definition

"In this chapter, 'safety investigation' means an investigation conducted solely to determine the cause of an aircraft accident and to obtain information which may prevent the occurrence of similar accidents.

"§ 392. Investigation reports: limitation on use

"(a) The Secretary concerned may conduct a safety investigation of any accident involving an aircraft under the jurisdiction of the Secretary.

"(b) No part of any record or report of a safety investigation described in subsection (c) may—

"(1) be released outside of the armed force concerned, unless expressly authorized by the Secretary concerned to be released for safety purposes;

"(2) be subject to discovery in any judicial or administrative proceeding; or

"(3) be used as evidence, or to obtain evidence, in any disciplinary action or suit or other judicial or administrative proceeding.

"(c) Subsection (b) applies to any part of a record or report of a safety investigation relating to—

"(1) the deliberative portions of an investigation, including any discussion, analysis, opinion, conclusion, finding, or recommendation;

"(2) statements or information obtained under an express or implied promise of confidentiality from a witness or manufacturer; or

"(3) life science reports.

"(d) This section does not limit or alter the authority of the National Transportation Safety Board under section 702(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1442(a)), section 304(a)(1)(A) of the Independent Safety Board Act of 1974 (49 U.S.C. 1903(a)(1)(A)), and section 6(d) of the Department of Transportation Act (49 U.S.C. 1655(d)).

"(e) The Secretary concerned shall prescribe regulations to carry out this section.".

(2) The table of chapters at the beginning of subtitle A, and the table of chapters at the beginning of part I of subtitle A, of title 10, United States Code, are each amended by adding the following new item after the item relating to chapter 18:

"19. Aircraft Accidents..... 391".

(b) The amendments made by subsection (a) shall apply to safety investigations of aircraft accidents that occurred before the date of the enactment of this Act and to aircraft accidents that occur after such date.

AUTHORIZATION OF FUNDS FOR UPGRADING THE INTERNATIONAL COORDINATING COMMITTEE (COCOM) LOGISTICAL SUPPORT

SEC. 1010. The Secretary of Defense may use, out of any funds available to the Department of Defense for fiscal year 1984, not to exceed $2,000,000 for the purpose of upgrading and improving the logistical support of the International Coordinating Committee (COCOM) in order to strengthen control over the export of technology and equipment to certain countries by the United States and certain of its allies.

ASSISTANT SECRETARIES

SEC. 1011. (a)(1) Section 136(a) of title 10, United States Code, is amended by striking out "seven" and inserting in lieu thereof "ten".

(2) Section 136(b) of such title is amended by inserting after the fifth sentence the following: "One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. He shall have as his principal duty the overall supervision of command, control, communications, and intelligence affairs of the Department of Defense.".

(b) The first sentence of section 3013 of title 10, United States Code, is amended by striking out "four" and inserting in lieu thereof "five".

(c) The first sentence of section 5034(a) of such title is amended by striking out "three" and inserting in lieu thereof "four".

(d) Section 5315 of title 5, United States Code, is amended—

(1) by striking out "(7)" after "Assistant Secretaries of Defense" and inserting in lieu thereof "(10)";

(2) by striking out "(4)" after "Assistant Secretaries of the Army" and inserting in lieu thereof "(5)"; and

(3) by striking out "(3)" after "Assistant Secretaries of the Navy" and inserting in lieu thereof "(4)".

COMPENSATION FOR INJURIES INCURRED IN THE PERFORMANCE OF DUTY BY MEMBERS OF THE CIVIL AIR PATROL

SEC. 1012. (a) Section 8141 of title 5, United States Code, is amended—

(1) in subsection (a), by inserting "under 18 years of age" after "Civil Air Patrol Cadet"; and

(2) in subsection (b)(1), by striking out "$300" and inserting in lieu thereof "the rate of basic pay payable for step 1 of grade GS-9 in the General Schedule under section 5332 of this title".

(b)(1) The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) The amendment made by subsection (a)(1) shall apply only to deaths or injuries occurring on or after the date of the enactment of this Act.

(3) The amendment made by subsection (a)(2) shall apply only to the computation of compensation payable for periods commencing on or after the date of the enactment of this Act.

DELAY ON USE OF FUNDS FOR THE PRODUCTION OF BINARY CHEMICAL MUNITIONS

SEC. 1013. (a)(1) Funds appropriated pursuant to the authorization of appropriations for the Army in section 101 of this Act may be used for the establishment of a production base for binary chemical munitions and for the procurement of components for 155-millimeter binary chemical artillery projectiles, but such funds may not be used for the actual production of binary chemical munitions before October 1, 1985.

(2) Notwithstanding the provisions of paragraph (1), before the production of binary chemical munitions may begin after September 30, 1985, the President must certify to Congress in writing that, in light of circumstances prevailing at the time the certification is made, the production of such munitions is essential to the national interest. The absence of constructive movement toward a negotiated, comprehensive, and verifiable ban on chemical weaponry would contribute to circumstances which justify the initiation of such production.

(b) For purposes of this section, "production of binary chemical munitions" means the final assembly of weapon components and the filling or loading of components with binary chemicals.

EMPLOYMENT PROTECTION FOR CERTAIN NONAPPROPRIATED FUND INSTRUMENTALITY EMPLOYEES

SEC. 1014. (a)(1) Chapter 81 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1587. Employees of nonappropriated fund instrumentalities

"(a) In this section:

"(1) 'Nonappropriated fund instrumentality employee' means a civilian employee who is paid from nonappropriated funds of Army and Air Force Exchange Service, Navy Resale and Services Support Office, Marine Corps exchanges, or any other instrumentality of the United States under the jurisdiction of the armed forces which is conducted for the comfort, pleasure, contentment, or physical or mental improvement of members of the armed forces.

"(2) 'Civilian employee' has the meaning given the term 'employee' by section 2105(a) of title 5.

"(3) 'Personnel action', with respect to a nonappropriated fund instrumentality employee (or an applicant for a position as such an employee), means—

"(A) an appointment;

"(B) a promotion;

"(C) any disciplinary or corrective action;

"(D) a detail, transfer, or reassignment;

"(E) a reinstatement, restoration, or reemployment;

"(F) a decision concerning pay, benefits, or awards, or concerning education or training if the education or training may reasonably be expected to lead to an appointment, promotion, or other action described in this paragraph; and

"(G) any other significant change in duties or responsibilities that is inconsistent with the employee's salary or grade level.

"(b) Any civilian employee, nonappropriated fund instrumentality employee, or member of the armed forces who has authority to take, direct others to take, recommend, or approve any personnel action shall not, with respect to such authority, take or fail to take a personnel action with respect to any nonappropriated fund instrumentality employee (or any applicant for a position as such an employee) as a reprisal for—

"(1) a disclosure of information by such an employee or applicant which the employee or applicant reasonably believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety;

if such disclosure is not specifically prohibited by law and if the information is not specifically required by or pursuant to executive order to be kept secret in the interest of national defense or the conduct of foreign affairs; or

"(2) a disclosure by such an employee or applicant to any civilian employee, nonappropriated fund instrumentality employee, or member of the armed forces designated by law or by the Secretary concerned to receive disclosures described in clause (1), of information which the employee or applicant believes evidences—

"(A) a violation of any law, rule, or regulation; or

"(B) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

"(c) This section does not apply to an employee in a position excluded from the coverage of this section by the President based upon a determination by the President that the exclusion is necessary and warranted by conditions of good administration.

"(d) The Secretary of Defense shall be responsible for the prevention of actions prohibited by subsection (b) and for the correction of any such actions that are taken. The authority of the Secretary to correct such actions may not be delegated to the Secretary of a military department or to the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics.

"(e) The Secretary of Defense, after consultation with the Director of the Office of Personnel Management and the Special Counsel of the Merit Systems Protection Board, shall prescribe regulations to carry out this section. Such regulations shall include provisions to protect the confidentiality of employees and applicants making disclosures described in clauses (1) and (2) of subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1587. Employees of nonappropriated fund instrumentalities.".

(b) Section 1587 of such title, as added by subsection (a), shall apply with respect to any conduct prohibited by subsection (b) of such section which occurs after the date of the enactment of this Act.

AMENDMENT TO MAKE COMMANDANT OF THE MARINE CORPS A MEMBER OF THE ARMED FORCES POLICY COUNCIL

Sec. 1015. Section 171(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of clause (9);

(2) by striking out the period at the end of clause (10) and inserting in lieu thereof a semicolon and "and"; and

(3) by adding after clause (10) the following new clause:

"(11) the Commandant of the Marine Corps.".

RETIREMENT DEDUCTIONS FROM THE PAY OF JUDGES OF THE UNITED STATES COURT OF MILITARY APPEALS

SEC. 1016. (a) Section 8334 of title 5, United States Code, is amended—

(1) in the first sentence of subsection (a)(1) by inserting "and a judge of the United States Court of Military Appeals" before the period; and

(2) by adding at the end of the table contained in subsection (c) the following:

"Judge of the United States Court of Military Appeals for service as a judge of that court	6	May 5, 1950, to October 31, 1956.
	6½	November 1, 1956, to December 31, 1969.
	7	January 1, 1970, to (but not including) the date of the enactment of the Omnibus Defense Authorization Act, 1984.
	8	On and after the date of the enactment of the Omnibus Defense Authorization Act, 1984.".

(b) Section 8836 of such title is amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection (k):

"(k) A judge of the United States Court of Military Appeals who is separated from the service after becoming 62 years of age and completing 5 years of civilian service or after completing the term of service for which he was appointed as a judge of such court is entitled to an annuity. If an annuity is elected before the judge becomes 60 years of age, it shall be a reduced annuity.".

(c) Section 8337(a) of such title is amended by inserting the following after the third sentence: "A judge of the United States Court of Military Appeals who completes 5 years of civilian service and who is found by the Office to be disabled for useful and efficient service as a judge of such court or who is removed for mental or physical disability under section 867(a)(2) of title 10 shall be retired on the judge's own application or upon such removal.".

(d) Section 8338 of such title is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

"(c) A judge of the United States Court of Military Appeals who is separated from the service after completing 5 years of civilian service is entitled to an annuity beginning at the age of 62 years. A judge of such court who is separated from the service after completing the term of service for which he was appointed is entitled to an annuity. If an annuity is elected before the judge becomes 60 years of age, it shall be a reduced annuity.".

(e) Section 8339 of such title is amended—

(1) in subsection (d), by adding at the end thereof the following new paragraph:

"(6) The annuity of an employee who is a judge of the United States Court of Military Appeals, or a former judge of such court, retiring under this subchapter is computed under subsection (a) of this section, except, with respect to his service as a judge of such court, his service as a member, his congressional employee service, and his military service (not exceeding five years) creditable under section 8332 of this title, his annuity is computed by multiplying 2½ percent of his average annual pay by the years of that service.".

(2) by adding at the end of subsection (h) the following new sentence: "The annuity computed under subsection (d)(6) for a judge of the United States Court of Military Appeals retiring under section 8336(k) or 8338(c) of this title is reduced by 1/12 of 1 percent for each full month not in excess of 60 months, and 1/6 of 1 percent for each full month in excess of 60 months, the judge is under 60 years of age at the date of separation.".

(f) The increase in deductions from the pay of a judge of the United States Court of Military Appeals required by section 8334(c) of title 5, United States Code, as amended by subsection (a) of this section, shall be effective with respect to the first pay period that begins after the date of enactment of this Act.

CLARIFICATION OF SURVIVOR BENEFITS COVERAGE FOR FORMER SPOUSES

SEC. 1017. (a)(1) The second sentence of subsection (a)(5) of section 1448 of title 10, United States Code, is amended by inserting "except in accordance with subsection (b)(3)" after "may not be revoked".

(2) Subsection (b) of such section is amended to read as follows:

"(b)(1) A person who is not married and does not have a dependent child when he becomes eligible to participate in the Plan may elect to provide an annuity to a natural person with an insurable interest in that person. In the case of a person providing an annuity under this paragraph by virtue of eligibility under subsection (a)(1)(B), such an election shall include a designation under subsection (e).

"(2) A person who has a former spouse when he becomes eligible to participate in the Plan may elect to provide an annuity to that former spouse. In the case of a person with a spouse or a dependent child, such an election prevents payment of an annuity to that spouse or child, including payment under subsection (d). If there is more than one former spouse, the person shall designate which former spouse is to be provided the annuity. In the case of a person providing an annuity under this paragraph by virtue of eligibility under subsection (a)(1)(B), such an election shall include a designation under subsection (e).

"(3)(A) A person—

"(i) who is a participant in the Plan and is providing coverage for a spouse or a spouse and child (even though there is no beneficiary currently eligible for such coverage), and

"(ii) who has a former spouse who was not that person's former spouse when he became eligible to participate in the Plan,

may (subject to subparagraph (B)) elect to provide an annuity to that former spouse. Any such election terminates any previous coverage under the Plan and must be written, signed by the person, and received by the Secretary concerned within one year after the date of the decree of divorce, dissolution, or annulment.

"(B) A person may not make an election under subparagraph (A) to provide an annuity to a former spouse who that person married after becoming eligible for retired or retainer pay unless—

"(i) the person was married to that former spouse for at least one year, or

"(ii) that former spouse is the parent of issue by that marriage.

"(C) An election under this paragraph may not be revoked except in accordance with section 1450(f) of this title and is effective as of the first day of the first calendar month following the month in which it is received by the Secretary concerned. This paragraph does not provide the authority to change a designation previously made under subsection (e).

"(D) If a person who is married makes an election to provide an annuity to a former spouse under this paragraph, that person's spouse shall be notified of that election.

"(4) A person who elects to provide an annuity to a former spouse under paragraph (2) or (3) shall, at the time of making the election, provide the Secretary concerned with a written statement (in a form to be prescribed by that Secretary and signed by such person and the former spouse) setting forth whether the election is being made pursuant to a written agreement previously entered into voluntarily by such person as a part of or incident to a proceeding of divorce, dissolution, or annulment and (if so) whether such voluntary written agreement has been incorporated in, or ratified or approved by, a court order.".

(3) Section 1450 of title 10, United States Code, is amended—

(A) by striking out "at the time the person to whom section 1448 applies became entitled to retired or retainer pay" in subsection (a)(4); and

(B) by inserting "(without regard to the eligibility of the person making the change of election to make an election under such section)" before the period at the end of the third sentence of subsection (f)(1).

(b) In the case of a person who on the date of the enactment of this Act is a person described in subparagraph (A) of subsection (b)(3) of section 1448 of title 10, United States Code (as amended by subsection (a)(2)), such subsection shall apply to that person as if the one-year period provided for in subparagraph (A) of such subsection began on the date of the enactment of this Act.

(c)(1) Section 1447(8) of title 10, United States Code, is amended by striking out "annulment, or legal separation," both places it appears and inserting in lieu thereof "or annulment".

(2) Section 1448(a)(3) is amended—

(A) by inserting "for a former spouse" after "an annuity" the second place it appears in subparagraphs (A) and (B); and

(B) by striking out "of this section" both places it appears.

(3) Section 1450(f) of such title is amended—

(A) by striking out "of this subsection" in paragraph (1); and

(B) by striking out "annulment, or legal separation," in paragraph (2) and inserting in lieu thereof "or annulment,".

(4) Section 1006(e)(3) of the Uniformed Services Former Spouses' Protection Act (title X of Public Law 97-252; 96 Stat. 738) is amended by striking out "section" and all that follows and inserting in lieu thereof "section 1072 of title 10, United States Code.".

CLARIFICATION OF CONTINUING RESPONSIBILITY FOR FUNDING OF CERTAIN SURVIVORS' BENEFITS

SEC. 1018. Section 156(g)(1) of Public Law 97-377 (96 Stat. 1922) is amended—

(1) by striking out "fiscal year 1983" and inserting in lieu thereof "each fiscal year";

(2) by striking out "from the 'Retired Pay, Defense' account of the Department of Defense"; and

(3) by inserting between the first and second sentences the following: "During fiscal year 1983, transfers under this subsection shall be made from the 'Retired Pay, Defense' account of the Department of Defense. During subsequent fiscal years, such transfers shall be made from such account or from funds otherwise available to the Secretary for the purpose of the payment of such benefits and expenses.".

AUTHORITY FOR REGULAR MEMBER OF THE ARMED FORCES TO SERVE AS THE FEDERAL COMMISSIONER ON THE RED RIVER COMPACT COMMISSION

SEC. 1019. The Act entitled "An Act to grant the consent of the United States to the Red River Compact among the States of Arkansas, Louisiana, Oklahoma, and Texas", approved December 22, 1980 (94 Stat. 3305), is amended by adding at the end thereof the following new section:

"SEC. 5. (a) The President may appoint a regular officer of the Army, Navy, Air Force, or Marine Corps who is serving on active duty as the Federal Commissioner of the Commission.

"(b) Notwithstanding the provisions of section 973(b) of title 10, United States Code, acceptance by a regular officer of the Army, Navy, Air Force, or Marine Corps of an appointment as the Federal Commissioner of the Commission, or the exercise of the functions of Federal Commissioner and chairman of the Commission, by such officer shall not terminate or otherwise affect such officer's appointment as a military officer.".

TEST PROGRAM ON LIMITED USE OF COMMISSARY STORES BY MEMBERS OF THE SELECTED RESERVE

SEC. 1020. (a) The Secretary of Defense shall carry out in one or more areas of the United States a test program under which members of the Selected Reserve of the Ready Reserve of a Reserve component of the Armed Forces will be permitted to use commissary stores of the Department of Defense a number of days each year equal to the number of days the member performs active duty for training as a member of the Selected Reserve. Under any such test program, a member of the Selected Reserve shall be permitted a period of one year, from the date on which the member performs active duty for training, to use a day of eligibility for using commissary stores.

(b) The Secretary of Defense shall report the results of the test program to the Congress no later than June 1, 1984, together with such comments and recommendations as he determines appropriate.

REPORT ON PROPOSED LEGISLATION FOR CODIFICATION OF CERTAIN PROVISIONS OF LAW

SEC. 1021. The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives not later than January 1, 1984, proposed legislation for codification into appropriate titles of the United States Code, or for incorporation into other existing laws, those provisions of law that have been enacted during the past five years as a part of the annual Department of Defense Authorization Act or the annual Department of Defense Appropriation Act under the heading "General Provisions" and that in the opinion of the Secretary should be so codified or incorporated.

REQUIREMENT FOR PROPOSALS OF SUBSTANTIVE LEGISLATION PERTAINING TO THE DEPARTMENT OF DEFENSE BE SUBMITTED TO THE COMMITTEES ON ARMED SERVICES

SEC. 1022. On and after the date of the enactment of this Act, the Secretary of Defense shall require that all proposals or requests by the Department of Defense for legislation which would confer new or expanded authority on the Department of Defense or which would amend, supersede, or otherwise charge any existing law pertaining to any program administered by the Department of Defense shall be submitted or directed only to the Committees on Armed Services of the Senate and the House of Representatives. The preceding sentence does not apply to proposals or requests for legislation that would prohibit or limit the expenditure of funds or to proposals or requests for legislation that is not within the jurisdiction of the Committees on Armed Services of the Senate and the House of Representatives.

COMMITTEES ON ARMED SERVICES TO BE FURNISHED COPIES OF ALL DEPARTMENT OF DEFENSE REGULATIONS

SEC. 1023. (a) The Secretary of Defense shall furnish to the Committees on Armed Services of the Senate and the House of Representatives copies of all regulations promulgated by the Department of Defense, and of all regulations proposed to be promulgated by that department, on and after the date of the enactment of this Act. The Secretary shall furnish such copies to the Committees within five days after the date on which such regulations are first promulgated or first proposed to be promulgated, as the case may be.

(b) The Secretary of Defense shall, within 30 days after the date of the enactment of this Act, furnish to the Committees on Armed Services of the Senate and the House of Representatives a complete set of all regulations of the Department of Defense that are in effect on the date of the enactment of this Act.

AUTHORITY TO WITHHOLD FROM PUBLIC DISCLOSURE CERTAIN TECHNICAL DATA

SEC. 1024. (a) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Authority of Secretary of Defense to withhold from public disclosure certain technical data

"(a) Notwithstanding any other provision of law, the Secretary of Defense may withhold from public disclosure any technical data with military or space application in the possession of or under the control of the Department of Defense, if such data may not be exported lawfully outside the United States without an approval, authorization, or license under the Export Administration Act (50 U.S.C. App. 2401-2420) or the Arms Export Control Act (22 U.S.C. 2751 et seq.), except that technical data may not be withheld under this section if regulations promulgated under either such Act authorize the export of such data pursuant to a general, unrestricted license or exemption in such regulations.

"(b)(1) Within 90 days after enactment of this section, the Secretary of Defense shall propose regulations to implement this section, which shall be published in the Federal Register for a period of no less than thirty days for public comment prior to promulgation. Such regulations shall address, where appropriate, releases of technical data to allies of the United States and to qualified United States contractors for use in performing United States Government contracts.

"(2) In this section, 'technical data with military or space application' means any blueprints, drawings, plans, instructions, computer software and documentation, or other technical information that can be used, or be adapted for use, to design, engineer, produce, manufacture, operate, repair, overhaul, or reproduce any military or space equipment or technology concerning such equipment.".

(b) The table of sections at the beginning of chapter 4 of such title is amended by adding at the end thereof the following new item:

"140c. Authority of Secretary of Defense to withhold from public disclosure certain technical data.".

REDUCTION IN AUTHORIZATION OF FUNDS FOR CERTAIN INTELLIGENCE ACTIVITIES

SEC. 1025. The authorization of appropriations contained in this Act are reduced by $100,000,000 in accordance with the classified appendix of the Senate Committee on Armed Services to the classified schedule of appropriations for fiscal year 1984 prepared by the Select Committee on Intelligence of the Senate.

PART M—TECHNICAL AMENDMENTS

TECHNICAL AMENDMENTS TO TITLE 10, UNITED STATES CODE

SEC. 1031. Title 10, United States Code, is amended as follows:

(1) Section 139b(g)(2) is amended by striking out "procurment" and inserting in lieu thereof "procurement".

(2) Section 140 is amended by striking out "of this section" in subsections (a) and (c).

(3) Section 520(a) is amended—

(A) by striking out "For the fiscal year beginning on October 1, 1980" and all that follows through "1982, the" and inserting in lieu thereof "The";

(B) by striking out "such fiscal year" the first place it appears in the last sentence and inserting in lieu thereof "any fiscal year"; and

(C) by striking out "number of such" and all that follows through "into" in the last sentence and inserting in lieu thereof "total number of persons originally enlisted or inducted to serve on active duty (other than active duty for training) in".

(4) Section 1079 is amended—

(A) by striking out "thirty" in subsections (a) and (d) and inserting in lieu thereof "30"; and

(B) by striking out "of this section" in subsection (g).

(5)(A) The heading of section 1081 is amended by striking out the semicolon and the last word.

(B) The item relating to that section in the table of sections at the beginning of chapter 55 is amended by striking out the semicolon and the last word.

(6) Section 1085 is amended by inserting a comma after "or his dependent" the first place it appears.

(7) Section 1090 is amended by striking out "(a)".

(8) Section 1126(a)(1) is amended by striking out "Who" and inserting in lieu thereof "who".

(9) Section 1489(a)(2) is amended by striking out "the date of the enactment of this section" and inserting in lieu thereof "October 14, 1980".

(10) Section 2005 is amended—

(A) by striking out "of this section" each place it appears in subsections (c) and (d); and

(B) by striking out "section—" in subsection (e) and inserting in lieu thereof "section:".

(11) Section 2101 is amended—

(A) by striking out "chapter—" and inserting in lieu thereof "chapter:";

(B) by striking out " 'program' " and inserting in lieu thereof " 'Program' ";

(C) by striking out the semicolon at the end of paragraph (1) and inserting in lieu thereof a period;

(D) by striking out " 'member' " and inserting in lieu thereof " 'Member' ";

(E) by striking out "; and" and inserting in lieu thereof a period; and

(F) by striking out " 'advanced' " and inserting in lieu thereof " 'Advanced' ".

(12)(A) Section 2116 is repealed.

(B) The table of sections at the beginning of chapter 104 is amended by striking out the item relating to section 2116.

(13) Section 2120 is amended by striking out "chapter—" and inserting in lieu thereof "chapter:".

(14) Section 2134 is amended by striking out the second sentence of such section.

(15) The table of chapters at the beginning of subtitle A and the table of chapters at the beginning of part II of such subtitle are amended by striking out "and" in the item relating to chapter 60 and inserting in lieu thereof "or".

TITLE II—MILITARY CONSTRUCTION MATTERS

PART A—ARMY

AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 201. The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $31,100,000.
Fort Campbell, Kentucky, $15,300,000.
Fort Carson, Colorado, $17,760,000.
Fort Devens, Massachusetts, $3,000,000.
Fort Douglas, Utah, $910,000.
Fort Drum, New York, $1,500,000.
Fort Hood, Texas, $76,050,000.
Fort Irwin, California, $27,150,000.
Fort Lewis, Washington, $35,310,000.
Fort Meade, Maryland, $5,150,000.
Fort Ord, California, $6,150,000.
Fort Polk, Louisiana, $16,180,000.
Fort Richardson, Alaska, $940,000.
Fort Riley, Kansas, $68,700,000.
Fort Stewart, Georgia, $29,720,000.
Presidio of Monterey, California, $1,300,000.

UNITED STATES ARMY WESTERN COMMAND

Schofield Barracks, Hawaii, $31,900,000.

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Benjamin Harrison, Indiana, $5,900,000.
Fort Benning, Georgia, $21,750,000.
Fort Bliss, Texas, $40,580,000.
Fort Jackson, South Carolina, $39,190,000.
Fort Knox, Kentucky, $4,200,000.
Fort Leavenworth, Kansas, $13,550,000.
Fort Lee, Virginia, $5,930,000.
Fort Leonard Wood, Missouri, $12,600,000.
Fort McClellan, Alabama, $4,220,000.
Fort Rucker, Alabama, $9,650,000.
Fort Sill, Oklahoma, $25,150,000.
Fort Story, Virginia, $9,000,000.

MILITARY DISTRICT OF WASHINGTON

Fort Myer, Virginia, $2,750,000.

UNITED STATES ARMY MATERIEL DEVELOPMENT AND READINESS COMMAND

Aberdeen Proving Ground, Maryland, $26,400,000.
Detroit Arsenal, Michigan, $270,000.
Harry Diamond Laboratories, Maryland, $400,000.
Kansas Army Ammunition Plant, Kansas, $1,150,000.
Louisiana Army Ammunition Plant, Louisiana, $4,250,000.
Milan Army Ammunition Plant, Tennessee, $550,000.
Picatinny Arsenal, New Jersey, $460,000.
Red River Army Depot, Texas, $1,250,000.
Redstone Arsenal, Alabama, $25,400,000.
Rock Island Arsenal, Illinois, $26,500,000.
Sierra Army Depot, California, $3,950,000.
White Sands Missile Range, New Mexico, $310,000.

AMMUNITION FACILITIES

Iowa Army Ammunition Plant, Iowa, $2,000,000.
Lake City Army Ammunition Plant, Missouri, $600,000.
Lone Star Army Ammunition Plant, Texas, $1,300,000.
Longhorn Army Ammunition Plant, Texas, $270,000.
Milan Army Ammunition Plant, Tennessee, $340,000.
Radford Army Ammunition Plant, Virginia, $4,620,000.
Scranton Army Ammunition Plant, Pennsylvania, $1,000,000.

UNITED STATES ARMY COMMUNICATIONS COMMAND

Fort Huachuca, Arizona, $2,750,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $12,840,000.

UNITED STATES ARMY HEALTH SERVICES COMMAND

Fort Detrick, Maryland, $1,650,000.
Walter Reed Army Medical Center, Washington, District of Columbia, $4,200,000.

CLASSIFIED PROJECT

Various Locations, $1,300,000.

OUTSIDE THE UNITED STATES

UNITED STATES ARMY, JAPAN

Okinawa, $1,400,000.

EIGHTH UNITED STATES ARMY

Korea, $59,580,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Kwajalein, $5,620,000.

UNITED STATES ARMY FORCES COMMAND OVERSEAS

Fort Buchanan, Puerto Rico, $1,550,000.
Panama, $1,460,000.

UNITED STATES ARMY, EUROPE

Europe, $19,000,000.
Germany, $286,920,000.
Italy, $2,710,000.
Turkey, $5,250,000.

UNITED STATES ARMY INTELLIGENCE AND SECURITY COMMAND OVERSEAS

Korea, $260,000.

FAMILY HOUSING

SEC. 202. (a) The Secretary of the Army may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Various Locations, Alaska, six units, $1,158,000.
Aliamanu, Hawaii, community center, $9,900,000.
Various Locations, Europe NATO, five hundred units, $40,000,000.
Fort Greely, Alaska, thirty-eight units, $5,203,000.
Fort Polk, Louisiana, two hundred units, $15,342,000.
Fort Stewart, Georgia, two hundred and forty-four units, $14,626,000.
Wildflecken, Federal Republic of Germany, one hundred and fifty-three units, $12,157,000.
Bayreuth, Federal Republic of Germany, thirteen units, $1,132,000.
Kitzingen, Federal Republic of Germany, one hundred and three units, $11,140,000.
Vicenza, Italy, two units, $354,000.

CONTRACTING FOR CERTAIN PROJECTS

SEC. 203. (a) The following projects authorized in sections 201 and 202 may be carried out only as provided in subsection (b):

Operations Building in the amount of $2,000,000 at Fort Carson, Colorado.

Child Care Center in the amount of $3,000,000 at Fort Devens, Massachusetts.

Bulk Fuel Storage Facility in the amount of $4,200,000 at Fort Hood, Texas.

Multipurpose Training Range in the amount of $3,350,000 at Fort Hood, Texas.

Hangar Addition in the amount of $2,800,000 at Fort Lewis, Washington.

Instrument Landing System in the amount of $870,000 at Fort Lewis, Washington.

Barracks in the amount of $5,900,000 at Fort Benjamin Harrison, Indiana.

Infantry Remote Target Systems Ranges in the amount of $3,000,000 at Fort Bliss, Texas.

Physical Fitness Training Center in the amount of $2,850,000 at Fort Bliss, Texas.

Chapel/Child Care Center in the amount of $6,400,000 at Fort Jackson, South Carolina.

Education Center in the amount of $5,200,000 at Fort Jackson, South Carolina.

Trainee Barracks in the amount of $26,800,000 at Fort Jackson, South Carolina.

Trainee Barracks with Dining Facility in the amount of $23,000,000 at Fort Sill, Oklahoma.

Brigade Headquarters in the amount of $1,500,000 at Fort Huachuca, Arizona.

Bridge Repair in the amount of $4,500,000 at Rock Island Arsenal, Illinois.

Construction of Family Housing in the amount of $40,000,000 at various North Atlantic Treaty Organization locations in Europe.

(b) A contract for a project listed in subsection (a) may be entered into only if the funds to be obligated for the contract are derived from the total amount of funds (if any) available from (1) the net savings from the execution of the projects authorized by section 201 other than those listed in subsection (a), (2) total savings from cancellations of such projects, and (3) other sources, including savings from projects authorized for the Army in previous military construction authorization Acts.

(c) Before the Secretary of the Army may advertise for bids, or may negotiate, for a contract described in subsection (b), the Secretary shall submit a written report to the appropriate committees of Congress certifying that funds for the contract are available in accordance with subsection (b) and identifying the source of the funds. Such a report may not be submitted before January 1, 1984.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 204. Subject to section 2825 of title 10, United States Code, the Secretary of the Army may make expenditures to improve existing military family housing units in an amount not to exceed $102,893,000, of which $26,623,000 is available only for energy conservation projects.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 205. The Secretary of the Army may carry out architectural and engineering services and construction design in connection with military family housing construction (including improvements), in the amount of $6,750,000.

PROJECTS USING UNOBLIGATED PRIOR YEAR AUTHORITY

SEC. 206. (a) The Secretary of the Army may carry out the following projects (for which funds are not authorized under section 251) as provided in subsection (b):

Unspecified Minor Construction projects in the amount of $4,600,000 at various locations.

Construction projects of $1,000,000 or less in the amount of $6,800,000 at various locations.

(b) A contract for a project listed in subsection (a) may be entered into using authorization amounts available from approved projects authorized under title I of any previous Military Construction Authorization Act.

PART B—NAVY

AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 211. The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Air Station, Beaufort, South Carolina, $3,530,000.

Marine Corps Base, Camp Lejeune, North Carolina, $31,760,000.

Marine Corps Base, Camp Pendleton, California, $39,070,000.

Marine Corps Air Station, Cherry Point, North Carolina, $1,805,000.

Marine Corps Air Station, El Toro, California, $14,030,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $7,900,000.

Marine Corps Air Station, New River, North Carolina, $2,730,000.

Marine Corps Camp Detachment, Camp Elmore, Norfolk, Virginia, $1,160,000.

Camp H. M. Smith, Oahu, Hawaii, $2,700,000.

Marine Corps Development and Education Command, Quantico, Virginia, $2,570,000.

Marine Corps Recruit Depot, San Diego, California, $10,690,000.

Marine Corps Air Station, Tustin, California, $465,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $25,120,000.

Marine Corps Air Station, Yuma, Arizona, $8,920,000.

CHIEF OF NAVAL OPERATIONS

Naval Academy, Annapolis, Maryland, $6,650,000.

Naval Station, Annapolis, Maryland, $405,000.

Naval Space Surveillance Field Station, Hollandale, Mississippi, $495,000.

COMMANDER IN CHIEF, UNITED STATES ATLANTIC FLEET

Naval Air Station, Brunswick, Maine, $7,800,000.

Naval Air Station, Cecil Field, Florida, $17,670,000.

Naval Station, Charleston, South Carolina, $43,150,000.

Naval Air Station, Key West, Florida, $27,435,000.

Naval Amphibious Base, Little Creek, Virginia, $9,170,000.

Naval Station, Mayport, Florida, $25,520,000.

Naval Submarine Base, New London, Connecticut, $8,200,000.

Naval Station, Norfolk, Virginia, $2,560,000.

Naval Air Station, Oceana, Virginia, $415,000.

Tactical Training Group, Atlantic, Virginia Beach, Virginia, $3,750,000.

COMMANDER IN CHIEF, UNITED STATES PACIFIC FLEET

Naval Station, Adak, Alaska, $2,970,000.

Naval Submarine Base, Bangor, Washington, $8,040,000.

Naval Air Station, Barbers Point, Hawaii, $890,000.

Naval Amphibious Base, Coronado, California, $21,222,000.

Naval Air Station, Fallon, Nevada, $11,900,000.

Naval Air Station, Lemoore, California, $20,920,000.

Naval Air Station, Miramar, California, $2,020,000.

Naval Air Station, Moffett Field, California, $1,870,000.

Naval Air Station, North Island, California, $20,650,000.

Fleet Intelligence Center, Pacific, Pearl Harbor, Hawaii, $990,000.

Naval Station, Pearl Harbor, Hawaii, $3,350,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $2,590,000.

Tactical Training Group, Pacific, San Diego, California, $3,260,000.

Naval Station, San Diego, California, $980,000.

Naval Submarine Base, San Diego, California, $6,660,000.

Naval Station, Mare Island, Vallejo, California, $210,000.

Naval Air Station, Whidbey Island, Washington, $3,160,000.

NAVAL EDUCATION AND TRAINING COMMAND

Naval Air Station, Chase Field, Texas, $2,625,000.

Naval Air Station, Corpus Christi, Texas, $495,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $12,190,000.

Naval Guided Missiles School, Dam Neck, Virginia, $1,860,000.

Naval Air Station, Kingsville, Texas, $4,830,000.

Naval Air Station, Memphis, Tennessee, $11,800,000.

Naval Air Station, Meridian, Mississippi, $610,000.

Naval Education and Training Center, Newport, Rhode Island, $1,110,000.

Fleet Anti-Submarine Warfare Training Center, Atlantic, Norfolk, Virginia, $4,130,000.

Fleet Training Center, Norfolk, Virginia, $1,120,000.

Naval Training Center, Orlando, Florida, $19,690,000.

Naval Technical Training Center, Pensacola, Florida, $210,000.

Fleet Training Center, San Diego, California, $10,000,000.

Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $14,200,000.

Naval Air Station, Whiting Field, Florida, $3,270,000.

BUREAU OF MEDICINE AND SURGERY

National Naval Medical Center, Bethesda, Maryland, $37,170,000.

Naval Regional Medical Center, Long Beach, California, $8,370,000.

Naval Regional Medical Clinic, Pearl Harbor, Hawaii, $8,490,000.

NAVAL MATERIEL COMMAND

Naval Air Rework Facility, Alameda, California, $21,560,000.

David W. Taylor Naval Ship Research and Development Center, Bethesda, Maryland, $5,030,000.

Naval Supply Center, Puget Sound, Bremerton, Washington, $200,000.

Naval Ordnance Test Unit, Cape Canaveral, Florida, $57,000,000.

Charleston Naval Shipyard, Charleston, South Carolina, $15,000,000.

Naval Weapons Station, Charleston, South Carolina, $1,570,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $20,040,000.

Naval Weapons Center, China Lake, California, $31,100,000.

Naval Weapons Station, Concord, California, $2,720,000.

Naval Surface Weapons Center, Dahlgren, Virginia, $5,355,000.

Fleet Combat Direction Systems Support Activity, Dam Neck, Virginia, $4,000,000.

Naval Weapons Station, Earle, New Jersey, $465,000.

Naval Construction Battalion Center, Gulfport, Mississippi, $2,960,000.

Naval Ordnance Station, Indian Head, Maryland, $1,950,000.

Naval Air Rework Facility, Jacksonville, Florida, $2,875,000.

Naval Submarine Base, Kings Bay, Georgia, $118,129,000, of which $6,019,000 may be used to provide community impact and planning assistance to the communities near the submarine base.

Naval Air Engineering Center, Lakehurst, New Jersey, $4,195,000.

Naval Air Rework Facility, Norfolk, Virginia, $3,020,000.

Naval Supply Center, Norfolk, Virginia, $6,400,000.

Naval Coastal Systems Center, Panama City, Florida, $670,000.

Naval Air Test Center, Patuxent River, Maryland, $10,150,000.

Pearl Harbor Naval Shipyard, Pearl Harbor, Hawaii, $1,440,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $13,100,000.

Pacific Missile Test Center, Point Mugu, California, $840,000.

Portsmouth Naval Shipyard, Kittery, Maine, $7,600,000.

Norfolk Naval Shipyard, Portsmouth, Virginia, $8,850,000.

Puget Sound Naval Shipyard, Bremerton, Washington, $7,300,000.

Naval Transmitter Facility, Republic, Michigan, $13,000,000.

Naval Ocean Systems Center, San Diego, California, $8,000,000.

Naval Supply Center, San Diego, California, $1,110,000.

Navy Public Works Center, San Francisco, California, $220,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanographic Office, Bay St. Louis, Mississippi, $6,320,000.

Fleet Numerical Oceanography Center, Monterey, California, $6,980,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Atlantic, Norfolk, Virginia, $1,690,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Sugar Grove, West Virginia, $7,400,000.

OUTSIDE THE UNITED STATES

UNITED STATES MARINE CORPS

Marine Corps Air Station, Iwakuni, Japan, $750,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Air Station, Bermuda, $810,000.

Naval Facility, Bermuda, $1,110,000.

Naval Station, Guantanamo Bay, Cuba, $730,000.

Naval Station, Keflavik, Iceland, $6,850,000.

Naval Station, Roosevelt Roads, Puerto Rico, $1,300,000.

Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $1,945,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Commander, U.S. Naval Forces Korea Detachment, Chinhae, Korea, $460,000.

Navy Support Facility, Diego Garcia, $32,500,000.

Naval Station, Subic Bay, Republic of the Philippines, $7,860,000.

COMMANDER IN CHIEF, NAVAL FORCES, EUROPE

Navy Personnel Support Activity, Naples, Italy, $640,000.

Naval Support Activity, Naples, Italy, $4,700,000.

Naval Station, Rota, Spain, $9,250,000.

Naval Air Station, Sigonella, Italy, $19,610,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanography Command Center, Rota, Spain, $980,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Station, Harold E. Holt, Exmouth, Australia, $3,020,000.

Naval Communication Area Master Station Western Pacific, Guam, Mariana Islands, $980,000.

Classified Location, $1,280,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Detachment, Guantanamo Bay, Cuba, $1,700,000.

HOST NATION INFRASTRUCTURE SUPPORT

Various Locations, $2,970,000.

CONTRACTING FOR CERTAIN PROJECTS

SEC. 212. (a) The following project authorized in section 211 may be carried out only as provided in subsection (b):

TRIDENT Training Facility in the amount of $81,700,000 at the Naval Submarine Base, Kings Bay, Georgia.

(b) A contract for the project in subsection (a) may be entered into only if the funds to be obligated for the contract are derived from the total amount of funds (if any) available from (1) the net savings from the execution of the projects authorized by section 211, (2) total savings from cancellations of such projects, and (3) other sources, including savings from projects authorized for the Navy in previous military construction authorization Acts.

(c) Before the Secretary of the Navy may advertise for bids, or may negotiate, for a contract described in subsection (b), the Secretary shall submit a written report to the appropriate committees of Congress certifying that funds for the contract are available in accordance with subsection (b) and identifying the source of the funds. Such a report may not be submitted before January 1, 1984.

FAMILY HOUSING

SEC. 213. The Secretary of the Navy may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Marine Corps Air Station, El Toro, California, one hundred and thirty units, $11,666,000.

Marine Corps Base, Camp Pendleton, California, three hundred units, $23,160,000.

Navy Public Works Center, Subic Bay, Republic of the Philippines, three hundred units, $29,300,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 214. Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may make expenditures to improve existing military family housing units in an amount not to exceed $13,240,000, of which $3,953,000 is available only for energy conservation projects.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 215. The Secretary of the Navy may carry out architectural and engineering services and construction design in connection with military family housing construction (including improvements), in the amount of $7,395,000.

MODIFICATION OF LEASING LIMITATION FOR NAVAL AIR STATION, LEMOORE, CALIFORNIA

SEC. 216. Section 2 of Public Law 92-378 (86 Stat. 530) relating to leases of lands for agricultural and grazing purposes at the Naval Air Station, Lemoore, California, is amended by striking out "160 irrigable acres" and inserting in lieu thereof "960 irrigable acres".

MODIFICATION OF AUTHORITY FOR PROCUREMENT OF STEAM SUPPLY FOR THE CHARLESTON NAVAL STATION

SEC. 217. Clause (1) of section 205(a) of the Military Construction Authorization Act, 1982 (Public Law 97-99; 95 Stat. 1366), is amended to read as follows:

"(1) construct steam lines and any other needed facilities, or pay a connection fee, to make use of energy generated by a waste heat recovery facility or a process related coal-fired cogeneration facility to be built by the Macalloy Corporation or a successor to its interest; and".

LAND ACQUISITION FOR FUTURE FAMILY HOUSING REQUIREMENTS, SAN DIEGO, CALIFORNIA

SEC. 218. The Secretary of the Navy may acquire up to 125 acres of real property in San Diego, California (or the surrounding area), that the Secretary determines to be suitable as a site or sites for future construction of military family housing for the Department of the Navy. Such property may be acquired by exchange or by purchase using funds derived from savings in carrying out previously authorized projects. The Secretary may acquire options on such property as provided in section 2677(a) of title 10, United States Code, and (notwithstanding section 2677(b) of such title) may pay, from funds available for projects under section 2805 of title 10, United States Code, not more than $1,000,000 for such options.

PART C—AIR FORCE

AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

SEC. 221. The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $16,155,000.

Kelly Air Force Base, Texas, $22,590,000.

McClellan Air Force Base, California, $10,200,000.

Newark Air Force Station, Ohio, $800,000.

Robins Air Force Base, Georgia, $18,780,000.

Tinker Air Force Base, Oklahoma, $12,560,000.

Wright-Patterson Air Force Base, Ohio, $5,923,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $12,552,000.

Brooks Air Force Base, Texas, $10,110,000.

Cape Canaveral Air Force Station, Florida, $9,400,000.

Eastern Launch Site, Florida, $6,000,000.

Edwards Air Force Base, California, $12,400,000.

Eglin Air Force Base, Florida, $9,840,000.

Laurence G. Hanscom Air Force Base, Massachusetts, $3,670,000.

Johnson Space Center, Texas, $700,000.

Los Angeles Air Force Station, California, $2,670,000.

Patrick Air Force Base, Florida, $2,392,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $2,000,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $89,210,000.

Columbus Air Force Base, Mississippi, $2,180,000.

Goodfellow Air Force Base, Texas, $10,140,000.

Gunter Air Force Station, Alabama, $6,750,000.

Keesler Air Force Base, Mississippi, $24,620,000.

Lackland Air Force Base, Texas, $10,700,000.

Lowry Air Force Base, Colorado, $6,100,000.

Mather Air Force Base, California, $4,460,000.

Reese Air Force Base, Texas, $1,550,000.

San Antonio Area, Texas, $12,000,000.

Sheppard Air Force Base, Texas, $16,080,000.

Vance Air Force Base, Oklahoma, $1,250,000.

Williams Air Force Base, Arizona, $4,700,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $58,390,000.

Elmendorf Air Force Base, Alaska, $12,070,000.

Galena Airport, Alaska, $13,350,000.

Shemya Air Force Base, Alaska, $45,600,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $18,200,000.

Andrews Air Force Base, Maryland, $1,786,000.

Charleston Air Force Base, South Carolina, $3,200,000.
Dover Air Force Base, Delaware, $1,300,000.
Kirtland Air Force Base, New Mexico, $2,240,000.
Little Rock Air Force Base, Arkansas, $3,120,000.
McChord Air Force Base, Washington, $12,410,000.
McGuire Air Force Base, New Jersey, $620,000.
Pope Air Force Base, North Carolina, $6,500,000.
Scott Air Force Base, Illinois, $790,000.
Travis Air Force Base, California, $1,200,000.

PACIFIC AIR FORCES

Hickam Air Force Base, Hawaii, $3,150,000.

PEACEKEEPER CONSTRUCTION

Various Locations, $46,700,000.

SPACE COMMAND

NORAD Cheyenne Mountain Complex, Colorado, $5,660,000.
Peterson Air Force Base, Colorado, $78,700,000.

SPECIAL PROJECT

Various Locations, $24,000,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $34,970,000.
Beale Air Force Base, California, $5,550,000.
Blytheville Air Force Base, Arkansas, $6,950,000.
Carswell Air Force Base, Texas, $4,110,000.
Castle Air Force Base, California, $6,500,000.
Dyess Air Force Base, Texas, $14,300,000.
Ellsworth Air Force Base, South Dakota, $6,700,000.
Fairchild Air Force Base, Washington, $24,050,000.
Forsyth Air Force Station, Montana, $4,225,000.
Grand Forks Air Force Base, North Dakota, $8,525,000.
Griffiss Air Force Base, New York, $3,450,000.
Grissom Air Force Base, Indiana, $10,330,000.
Havre Air Force Station, Montana, $4,936,000.
K. I. Sawyer Air Force Base, Michigan, $40,460,000.
Loring Air Force Base, Maine, $36,400,000.
Malmstrom Air Force Base, Montana, $630,000.
March Air Force Base, California, $3,550,000.
McConnell Air Force Base, Kansas, $2,840,000.
Minot Air Force Base, North Dakota, $13,800,000.
Offutt Air Force Base, Nebraska, $39,020,000.
Pease Air Force Base, New Hampshire, $7,200,000.
Plattsburgh Air Force Base, New York, $1,765,000.
Vandenberg Air Force Base, California, $46,002,000.
Whiteman Air Force Base, Missouri, $16,600,000.
Wurtsmith Air Force Base, Michigan, $5,000,000.

TACTICAL AIR COMMAND

Bangor International Airport, Maine, $10,100,000.
Bergstrom Air Force Base, Texas, $20,310,000.
Cannon Air Force Base, New Mexico, $6,800,000.
Davis-Monthan Air Force Base, Arizona, $5,850,000.
England Air Force Base, Louisiana, $3,857,000.
George Air Force Base, California, $220,000.
Holloman Air Force Base, New Mexico, $20,500,000.
Homestead Air Force Base, Florida, $4,060,000.
Langley Air Force Base, Virginia, $8,300,000.
Luke Air Force Base, Arizona, $9,663,000.
MacDill Air Force Base, Florida, $6,360,000.
Moody Air Force Base, Georgia, $1,300,000.
Mountain Home Air Force Base, Idaho, $6,590,000.
Myrtle Beach Air Force Base, South Carolina, $1,550,000.
Nellis Air Force Base, Nevada, $4,490,000.
Seymour-Johnson Air Force Base, North Carolina, $5,240,000.
Shaw Air Force Base, South Carolina, $9,990,000.
Tyndall Air Force Base, Florida, $29,040,000.
Unspecified Location, $500,000.

UNITED STATES AIR FORCE ACADEMY

United States Air Force Academy, Colorado, $10,085,000.

OUTSIDE THE UNITED STATES

AIR FORCE SYSTEMS COMMAND

Ascension Island, South Atlantic Ocean, $4,010,000.

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $1,400,000.
Rhein-Main Air Base, Germany, $1,870,000.

PACIFIC AIR FORCES

Clark Air Base, Republic of the Philippines, $8,850,000.
Diego Garcia Air Base, Indian Ocean, $58,200,000.
Kadena Air Base, Japan, $11,260,000.
Korea, Various Locations, $5,900,000.
Kunsan Air Base, Korea, $31,013,000.
Kwang-Ju Air Base, Korea, $210,000.
Misawa Air Base, Japan, $1,700,000.
Osan Air Base, Korea, $42,150,000.
Saechon Air Base, Korea, $210,000.
Suwon Air Base, Korea, $400,000.
Taegu Air Base, Korea, $2,750,000.
Yokota Air Base, Japan, $1,250,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $24,710,000.

TACTICAL AIR COMMAND

Howard Air Force Base, Canal Zone, $613,000.

UNITED STATES AIR FORCES IN EUROPE

Camp New Amsterdam, The Netherlands, $2,050,000.
Germany, Various Locations, $52,954,000.
Italy, Various Locations, $30,430,000.
Morocco, Various Locations, $28,000,000.
Oman, Various Locations, $28,600,000.
Spain, Various Locations, $6,832,000.
Turkey, Various Locations, $73,220,000.
United Kingdom, Various Locations, $46,580,000.
Various Locations, $70,180,000.

CONTRACTING FOR CERTAIN PROJECTS

SEC. 222. (a) The following projects authorized in section 221 may be carried out only as provided in subsection (c):

Non-Destruct Inspection Facility in the amount of $5,900,000 and Depot Production Support Facility in the amount of $3,500,000 at McClellan Air Force Base, California.

Alter Unaccompanied Enlisted Personnel Housing in the amount of $1,450,000 at Robins Air Force Base, Georgia.

Alter F-107 Engine Facility in the amount of $420,000; Combat Communications Headquarters in the amount of $2,150,000; and Communications Electronic Installation Facility in the amount of $960,000 at Tinker Air Force Base, Oklahoma.

Fire Protection-Bulk Fuel Farm in the amount of $382,000 at Arnold Engineering Development Center, Tennessee.

RAPCON/CCF Facility in the amount of $490,000 at Edwards Air Force Base, California.

Central Heat Plant in the amount of $79,000,000 at Chanute Air Force Base, Illinois.

PMEL Laboratory in the amount of $530,000 at Columbus Air Force Base, Mississippi.

Alter Electrical Distribution System in the amount of $1,600,000 and Voice Processing Training Facility in the amount of $7,800,000 at Goodfellow Air Force Base, Texas.

Unaccompanied Enlisted Personnel Housing/Senior NCO Academy in the amount of $5,000,000 at Gunter Air Force Station, Alabama.

Computer Training Facility in the amount of $11,900,000 and Unaccompanied Enlisted Personnel Housing with Dining Hall in the amount of $6,400,000 at Keesler Air Force Base, Mississippi.

Chapel in the amount of $2,900,000 at Lackland Air Force Base, Texas.

Academic Classroom (Weapons) in the amount of $6,100,000 at Lowry Air Force Base, Colorado.

Gymnasium in the amount of $3,180,000 at Sheppard Air Force Base, Texas.

Addition to EMCS in the amount of $2,000,000 at Williams Air Force Base, Arizona.

Composite Operations in the amount of $3,700,000 and Composite Support Facility in the amount of $5,700,000 at Galena Airport, Alaska.

Composite Wing Facility in the amount of $3,200,000 at Charleston Air Force Base, South Carolina.

Base Transportation Complex in the amount of $3,700,000 at Pope Air Force Base, North Carolina.

Upgrade Power Plants ADWS in the amount of $710,000 at Carswell Air Force Base, Texas.

Unaccompanied Enlisted Personnel Housing in the amount of $8,500,000; Dining Hall in the amount of $3,730,000; Alter Consolidated Base Personnel Office in the amount of $1,100,000; and Alter Unaccompanied Enlisted Personnel Housing in the amount of $5,000,000 at Fairchild Air Force Base, Washington.

Add to and alter Vehicle Maintenance Shop in the amount of $1,030,000; Dining Hall in the amount of $3,200,000; and Military Personnel Support Center in the amount of $5,600,000 at Grissom Air Force Base, Indiana.

Heating Plant Addition in the amount of $35,000,000 at K. I. Sawyer Air Force Base, Michigan.

Unaccompanied Officer Personnel Housing in the amount of $4,000,000 at Offutt Air Force Base, Nebraska.

Base Civil Engineer Maintenance Complex in the amount of $7,200,000 at Pease Air Force Base, New Hampshire.

Alter Heat Plant in the amount of $1,800,000; Unaccompanied Enlisted Personnel Housing in the amount of $8,600,000; Dining Hall in the amount of $3,300,000; and Vehicle Maintenance Shop in the amount of $2,900,000 at Whiteman Air Force Base, Missouri.

Base Support Center in the amount of $6,500,000; Composite Wing Facility in the amount of $1,280,000; Education Center in the amount of $2,750,000; and Alter Base Entrance/Land Acquisition in the amount of $3,000,000 at Bergstrom Air Force Base, Texas.

Consolidated Support Center in the amount of $6,800,000 at Cannon Air Force Base, New Mexico.

Aircraft Maintenance Hangar in the amount of $7,700,000; Munitions Storage in the amount of $3,700,000; add to Aircraft Maintenance Unit in the amount of $600,000; add to Engine Inspection and Repair in the amount of $1,000,000; Aircraft Corrosion Control in the amount of $1,400,000; alter Unaccompanied Enlisted Personnel Housing in the amount of $3,100,000; and Airmen Dining Hall in the amount of $3,000,000 at Holloman Air Force Base, New Mexico.

Unaccompanied Officer Personnel Housing in the amount of $4,600,000; Unaccompanied Enlisted Personnel Housing in the amount of $4,500,000; Civil Engineer Science Lab in the amount of $4,650,000; Education Center in the amount of $2,000,000; and Base Support Center in the amount of $6,500,000 at Tyndall Air Force Base, Florida.

(b) The following advance payment to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, may be carried out only as provided in subsection (c).

Access Roads/Widen Tippacanoe Avenue Bridge in the amount of $6,400,000 at Norton Air Force Base, California.

(c) A contract for a project listed in subsection (a) may be entered into and the advance payment listed in subsection (b) may be made only if the funds to be obligated for the contract or advance payment are derived from the total amount of funds (if any) available from (1) the net savings from the execution of the projects authorized by section 221 other than those listed in subsection (a), (2) total savings from cancellations of such projects, and (3) other sources, including savings from projects authorized for the Air Force in previous military construction authorization Acts.

(d) Before the Secretary of the Air Force may advertise for bids, or may negotiate, for a contract described in subsection (a) or make the advance payment under subsection (b), the Secretary shall submit a written report to the appropriate committees of Congress certifying that funds for the contract or advance payment are available in accordance with subsection (c) and identifying the source of the funds. Such a report may not be submitted before January 1, 1984.

FAMILY HOUSING

SEC. 223. The Secretary of the Air Force may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Lajes Field, Portugal, one hundred and fifty units, $12,262,000.

Havre Air Force Station, Montana, five units, $496,000.

Forsyth Air Force Station, Montana, fifty units, $4,000,000.

Camp New Amsterdam, The Netherlands, fifty units, $5,218,000.

RAF Upper Heyford, United Kingdom, three hundred units, $33,982,000.

RAF Greenham Common, United Kingdom, two hundred and fifty units, $24,246,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 224. (a) Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may make expenditures to improve existing military family housing units in an amount not to exceed $63,161,000, of which $10,877,000 is available only for energy conservation projects.

(b) Within the amount specified in subsection (a), the Secretary of the Air Force may, notwithstanding the maximum amount per unit prescribed in section 2825(b) of title 10, United States Code, carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation:

Carswell Air Force Base, Texas, two hundred and three units, $7,477,500.

Kadena Air Base, Japan, three hundred and forty-two units, $20,586,200.

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 225. The Secretary of the Air Force may carry out architectural and engineering services and construction design in conjection with military family housing construction (including improvements), in the amount of $5,000,000.

PART D—DEFENSE AGENCIES

AUTHORIZED CONSTRUCTION PROJECTS AND LAND ACQUISITION FOR THE DEFENSE AGENCIES

SEC. 231. The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations:

INSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Adak, Alaska, $14,200,000.

Defense Property Disposal Office, Anchorage, Alaska, $2,500,000.

Defense Fuel Support Point, Ozol, California, $1,100,000.

Defense Fuel Support Point, Long Beach, California, $42,100,000.

Defense Depot, Tracy, California, $480,000.

Defense Property Disposal Office, Vandenberg, California, $880,000.

Defense Property Disposal Office, Colorado Springs, Colorado, $810,000.

Defense Fuel Support Point, Escanaba, Michigan, $1,000,000.

Defense Depot, Memphis, Tennessee, $750,000.

Defense Property Disposal Office, San Antonio, Texas, $500,000.

Defense Property Disposal Office, Tooele, Utah, $420,000.

Defense Property Disposal Office, Norfolk, Virginia, $940,000.

Defense Property Disposal Office, Fort Lewis, Washington, $650,000.

DEFENSE MAPPING AGENCY

Hydrographic/Topographic Center, Brookmont, Maryland, $1,830,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $31,000,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Activity, Fort Belvoir, Virginia, $3,000,000.

Defense Systems Management College, Fort Belvoir, Virginia, $4,700,000.

Presidio of Monterey, California, $29,100,000.

DEFENSE INVESTIGATIVE SERVICE

Fort Holabird, Maryland, $210,000.

DEFENSE NUCLEAR AGENCY

Armed Forces Radiobiology Institute, Bethesda, Maryland, $10,900,000.

DEFENSE COMMUNICATIONS AGENCY

Pentagon Building, Virginia, $1,000,000.

OUTSIDE THE UNITED STATES

DEFENSE LOGISTICS AGENCY

Defense Property Disposal Office, Hanau, Germany, $1,300,000.

DEFENSE NUCLEAR AGENCY

Johnston Island, $600,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $10,000,000.

NATIONAL SECURITY AGENCY

Classified Location, $21,550,000.

Classified Location, $25,200,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOLS

Ansbach, Germany, $4,800,000.

Baumholder, Germany, $1,200,000.

Darmstadt, Germany, $6,000,000.

Giessen, Germany, $6,040,000.

Spangdahlem Air Base, Germany, $6,350,000.

Wildflecken, Germany, $5,200,000.

Comiso, Italy, $12,990,000.

Vicenza, Italy, $2,310,000.

Lajes Field, Portugal, $4,590,000.

Zaragoza Air Force Base, Spain, $680,000.

Incirlik Air Base, Turkey, $5,800,000.

RAF Greenham Common, United Kingdom, $12,770,000.

RAF Lakenheath, United Kingdom, $1,120,000.

RAF Wethersfield, United Kingdom, $2,832,000.

Classified Location, $9,690,000.

FAMILY HOUSING

SEC. 232. The Secretary of Defense may construct or acquire family housing units (including land acquisition), and acquire manufactured home facilities at the following installations, in the number of units shown, and in the amount shown, for each installation:

Classified Locations, eleven units, $1,210,000.

IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

SEC. 233. Subject to section 2825 of title 10, United States Code, the Secretary of Defense may make expenditures to improve existing military family housing units in an amount not to exceed $35,000.

PART E—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

AUTHORITY OF THE SECRETARY OF DEFENSE TO MAKE CONTRIBUTIONS

SEC. 241. The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the amount authorized to be appropriated in section 255.

AUTHORITY TO USE UNOBLIGATED PRIOR YEAR AUTHORITY FOR CONTINGENCY CONSTRUCTION

SEC. 242. (a) The Secretary of Defense may carry out contingency construction projects

in fiscal year 1984 under section 2804 of title 10, United States Code, as provided in subsection (b) in an amount not to exceed $16,000,000.

(b) A contract for a project entered into under the authority of subsection (a) may be entered into using authorization amounts available from Defense Agency contingency construction funds authorized under any previous Military Construction Authorization Act.

PART F—AUTHORIZATION OF APPROPRIATIONS AND RECURRING ADMINISTRATIVE PROVISIONS

AUTHORIZATION OF APPROPRIATIONS, ARMY

SEC. 251. (a) Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,426,173,000 as follows:

(1) For projects authorized by section 201 that are to be carried out inside the United States, $564,980,000.

(2) For projects authorized by section 201 that are to be carried out outside the United States, $362,950,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $27,400,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $188,000,000.

(5) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by title I, $165,655,000;

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m)), $1,117,188,000, not more than $86,258,000 of which may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, NAVY

SEC. 252. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,741,483,000 as follows:

(1) For projects authorized by section 211 that are to be carried out inside the United States, $851,751,000.

(2) For projects authorized by section 211 that are to be carried out outside the United States, $96,705,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $22,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $115,600,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $900,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by title II, $74,961,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m)), $579,566,000, of which not more than $149,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $18,063,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 253. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,428,908,000 as follows:

(1) For projects authorized by section 221 that are to be carried out inside the United States, $841,234,000;

(2) For projects authorized by section 221 that are to be carried out outside the United States, $511,586,000;

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $19,000,000;

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $147,000,000;

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $3,250,000;

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by part C, $136,111,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m)), $770,727,000, of which not more than $492,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $56,438,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 254. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $341,836,000 as follows:

(1) For projects authorized by section 231 that are to be carried out inside the United States, $143,070,000.

(2) For projects authorized by section 231 that are to be carried out outside the United States, $126,022,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $4,000,000.

(4) For construction projects under the contingency construction authority of the Secretary of Defense under section 2804 of title 10, United States Code, $16,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $33,000,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, including minor construction, improvements to existing military family housing units and facilities, relocation of military family housing units under section 2827 of title 10, United States Code, and architectural and engineering services and construction design, as authorized by part D, $1,245,000; and

(B) for support of military family housing (including operating expenses, leasing expenses, maintenance of real property expenses, payments of principal and interest on mortgage debts incurred, payments of mortgage insurance premiums authorized under section 222 of the National Housing Act (12 U.S.C. 1715m)), $18,499,000, of which not more than $15,231,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

AUTHORIZATION OF APPROPRIATIONS, NATO

SEC. 255. Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1983, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of construction projects for the North Atlantic Treaty Organization Infrastructure program as authorized by part E, $150,000,000.

PART TOTAL LIMITATION ON COST VARIATIONS

SEC. 256. Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects, excluding projects contained in sections 203, 212, and 222, carried out under each of parts A, B, C, and D may not exceed the total amount authorized under sections 251, 252, 253, and 254, respectively, to be appropriated for the military department concerned or the Secretary of Defense, as the case may be.

EXPIRATION OF AUTHORIZATIONS: EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS

SEC. 257. (a)(1) Except as provided in paragraph (2), all authorizations contained in parts A, B, C, D, and E for military construction projects, land acquisition, family housing projects, and contributions to NATO Infrastructure, and all authorizations of appropriations therefor contained in sections 251 through 255, expire on October 1, 1985, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1986, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military construction projects, land acquisition, family housing projects, and contributions to NATO Infrastructure, land acquisition, and authorizations of appropriations for such projects, for which appropriated funds have been obligated before October 1, 1985, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1986, whichever is later, for construction contracts or land acquisition.

(b) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Public Law 97-321, 96 Stat. 1549), authorizations for the following item authorized in section 101 of the Military Construction Authorization Act, 1982 (Public Law 97-99, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

Solid Waste Incinerator construction in the amount of $4,100,000 at Fort Dix, New Jersey.

(c) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Public Law 97-321, 96 Stat. 1549), authorization for the following items authorized in section 201 of the Military Construction Authorization Act, 1982 (Public Law 97-99, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Crane and Equipment Maintenance Shop in the amount of $13,600,000 at the Charleston Naval Shipyard, Charleston, South Carolina.

(2) Steam Plant in the amount of $150,000,000 at the Puget Sound Naval Shipyard, Bremerton, Washington.

(3) Aircraft Parking Apron in the amount of $3,200,000 at the Naval Air Station, Oceana, Virginia.

(d) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Public Law 97-321, 96 Stat. 1549), authorization for the following item authorized in section 201 of the Military Construction Authorization Act, 1981 (Public Law 96-418, 94 Stat. 1749), and extended in section 606(d) of the Military Construction Authorization Act, 1983 (Public Law 97-321, 96 Stat. 1549), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

Nautilus Memorial in the amount of $1,930,000 at the Naval Submarine Base, New London, Connecticut.

(e) Notwithstanding the provisions of section 606 of the Military Construction Authorization Act, 1983 (Public Law 97-321, 96 Stat. 1549), authorization for the following items authorized in section 201 of the Military Construction Authorization Act, 1980 (Public Law 96-125, 93 Stat. 928), and extended in section 705(d) of the Military Construction Authorization Act 1982 (Public Law 97-95, 95 Stat. 1359), shall remain in effect until October 1, 1984, or the date of enactment of the Military Construction Authorization Act for fiscal year 1985, whichever is later:

(1) Industrial Waste Collection and Treatment construction in the amount of $6,500,000 at the Long Beach Naval Shipyard, Long Beach, California.

(2) Aircraft Maintenance Hangar Addition in the amount of $1,500,000 at the Naval Air Facility, Sigonella, Italy.

ESTABLISHMENT OF CERTAIN AMOUNTS REQUIRED TO BE SPECIFIED BY LAW

SEC. 258. For projects or contracts initiated during the period beginning on October 1, 1983, and ending on the date of the enactment of the Military Construction Authorization Act for fiscal year 1985 or October 1, 1984, whichever is later, the following amounts apply:

(1) The maximum amount for an unspecified minor military construction project under section 2805 of title 10, United States Code, is $1,000,000.

(2) The amount of a contract for architectural and engineering services or construction design that makes such a contract subject to the reporting requirement under section 2807 of title 10, United States Code, is $300,000.

(3) The maximum amount per unit for an improvement project for family housing units under section 2825 of title 10, United States Code, is $30,000.

(4) The maximum annual rental for a family housing unit leased in the United States, Puerto Rico, or Guam under section 2828(b) of title 10, United States Code, is $6,000.

(5)(A) The maximum annual rental for a family housing unit leased in a foreign country under section 2828(c) of title 10, United States Code, is $16,800.

(B) The maximum number of family housing units that may be leased at any one time in foreign countries under section 2828(c) of title 10, United States Code, is 29,000.

(6) The maximum rental per year for family housing facilities, or for real property related to family housing facilities, leased in a foreign country under section 2828(f) of title 10, United States Code, is $250,000.

EFFECTIVE DATE FOR PROJECT AUTHORIZATIONS

SEC. 259. Parts A, B, C, D, and E of this title shall take effect on October 1, 1983.

PART G—GUARD AND RESERVE FORCES FACILITIES

AUTHORIZATION FOR FACILITIES

SEC. 261. There are authorized to be appropriated for fiscal years beginning after September 30, 1983, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities) the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States $59,300,000; and

(B) for the Army Reserve, $54,700,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $26,810,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $78,900,000; and

(B) for the Air Force Reserve, $41,200,000.

PART H—GENERAL PROVISIONS

ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 271. Subsection (a) of section 2807 of title 10, United States Code is amended—

(1) by deleting "such purposes" the first time it appears and inserting in lieu thereof "military construction and military family housing"; and

(2) by inserting ", family housing projects, and projects undertaken in connection with the authority provided under section 2854 of this title," in the first sentence after "projects".

SMALL BUSINESS SET-ASIDE FOR ARCHITECTURAL AND ENGINEERING SERVICES AND CONSTRUCTION DESIGN

SEC. 272. Section 2855 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Contracts" at the beginning of such section; and

(2) by adding at the end thereof the following new subsection:

"(b) Contracts for services and construction design referred to in subsection (a) that are for less than $85,000 shall be reserved for and awarded to small business concerns (as defined in section 3 of the Small Business Act) if the Secretary concerned determines that there are at least two small business concerns qualified to perform such services or design. Such contracts that are for $85,000 or more shall be open to all firms qualified to provide the services or design work required.".

REQUIREMENT WITH RESPECT TO FAMILY HOUSING CONSTRUCTED IN FOREIGN COUNTRIES

SEC. 273. (a) The Secretary of Defense shall require the use of manufactured or factory built housing for all military family housing constructed in any foreign country after the date of the enactment of this Act.

(b) Subsection (a) shall not apply to the two housing units authorized by this Act to be constructed by the Army at Vicenza, Italy.

FEDERAL CONTRIBUTION FOR MOVING LANDFILL NEAR LANGLEY AIR FORCE BASE

SEC. 274. The Secretary of the Air Force may contribute, as the fair share of the United States, a sum equal to not more than 50 percent of the cost of moving the existing landfill adjacent to Langley Air Force Base, Langley, Virginia, to a new location, but may not contribute more than $3,750,000. The Secretary may not make any contribution under this section unless the new location of the landfill meets the minimum standards for the location of landfills on or near airport facilities prescribed by the Federal Aviation Administration in Order Number 5200.5 (Guidance Concerning Sanitary Landfills on or Near Airports).

(b) The Secretary shall obtain such assurances as he determines necessary (including the execution of covenants and easements) to ensure that the present landfill location, adjacent to Langley Air Force Base, will be used in the future only in a manner compatible with the Air Installation Compatible Use Zone (AICUZ) for Langley Air Force Base.

IMPACT ASSISTANCE FOR AREAS AFFECTED BY THE DEPLOYMENT OF THE MX MISSILE

SEC. 275. Section 802 of the Military Construction Authorization Act, 1981 (10 U.S.C. 139 note), is amended—

(1) in subsection (a)—

(A) by inserting "MX Missile System sites, communities located near" before "the East Coast Trident Base" the first time it appears; and

(B) by striking out "East Coast Trident Base" the second time it appears and inserting in lieu thereof "MX Missile System or the East Coast Trident Base, as the case may be,";

(2) in subsection (b)—

(A) by strikng out "East Coast Trident Base" in paragraph (1)(C) and inserting in lieu thereof "MX Missile System site or the East Coast Trident Base, as the case may be"; and

(B) by striking out "East Coast Trident Base" in paragraph (3) and inserting in lieu thereof "MX Missile System sites or the East

Coast Trident Base, as the case may be"; and

(3) in subsection (d), by inserting "MX Missile System deployment program and the" before "East Coast Trident Base".

LAND CONVEYANCE, VENTURA COUNTY, CALIFORNIA

SEC. 276. (a) Subject to subsection (b), the Secretary of the Navy (hereinafter in this section referred to as the "Secretary") shall convey to the Oxnard Harbor District, a special district of the State of California, all right, title, and interest of the United States in and to a tract of land, together with the improvements on such land, located in the City of Port Hueneme in the County of Ventura, California, consisting of the United States Navy Wharf Number 2 and approximately 18.546 acres and more particularly described in the Official Records on file in the Office of the County Recorder of the County of Ventura, California, in Book 665, page 349.

(b) In consideration for the conveyance under subsection (a), the Oxnard Harbor District shall pay to the United States an amount equal to the appraised fair market value of the property to be conveyed (as determined by the Secretary).

(c) The exact acreage and legal description of the property to be conveyed under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the Oxnard Harbor District.

(d) The Secretary may require such additional terms and conditions with respect to the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(e) In the event of a war or a national emergency declared by the Congress or a national emergency declared by the President after the date of the enactment of this Act, and upon a determination by the Secretary of Defense that the property conveyed under subsection (a) is necessary or would be useful for military or other national defense purposes, the United States shall have the right, upon payment to the Oxnard Harbor District of just compensation, to reenter upon the property and use the property or any part of it, including any and all improvements made thereon, for the duration of the war or emergency plus six months.

SALE AND REPLACEMENT OF REAL PROPERTY

SEC. 277. (a) Chapter 169 of title 10, United States Code, is amended by adding at the end of Subchapter I the following new section:

"§ 2809. Sale and replacement of real property

"(a) The purpose of this section is to permit the sale of real property under the control of the Department of Defense, and to provide for the effective and efficient replacement of Defense functions displaced thereby. To facilitate this purpose, there is hereby established on the books of the Department of the Treasury the Department of Defense Facilities Replacement Management Account (hereinafter in this section referred to as the 'management account'), which shall be administered by the Secretary of the Defense as a single account.

"(b)(1) The Secretary of Defense, subject to subsections (c) through (g), may propose to the Congress transactions consisting of (A) the sale of any real property under the control of the Department of Defense, excluding public domain lands, property which can be considered excess under the provisions of the Federal Property and Administrative Services Act of 1949, and property determined by the Secretary of the Interior, in accordance with section 203(k)(2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)(2)) to be suitable for use as a public park or recreation area, and (B) such land acquisition, construction of replacement facilities, and relocations as may be required to insure efficient and effective continuity of defense functions.

"(2) All transactions proposed under this authority shall be authorized under a separate title of the annual military construction Act.

"(3) The authority to sell real property conferred by this section shall be in addition to any authority conferred by any other law, including the Federal Property and Administrative Services Act of 1949.

"(c) All transactions proposed pursuant to subsection (B)—

"(1) shall consist of a description of the property to be sold, its specific location, and estimate of its fair market value, an explanation of the need for any replacement property or facilities, an estimate of replacement or relocation costs, a schedule of expected payments, and a schedule of the anticipated proceeds to be realized from the sale;

"(2) shall be accomplished using competitive bid procedures or qualified contract realty brokers to the extent feasible;

"(3) shall not be entered into unless the property to be conveyed will be sold for at least the equivalent of its fair market value;

"(4) shall not be entered into unless the estimated proceeds from the sale of such property exceeds the amount of the costs set forth in subsection (e);

"(5) shall not be entered into unless the activities intended to be performed in the replacement facilities are substantially similar in character or nature to those performed in the property to be sold; and

"(6) shall not be proposed to the Congress until the Secretary of Defense has first notified the Secretary of the Interior in writing of the proposed sale and the Secretary of the Interior has determined whether the property proposed to be sold is suitable for use as a public park or recreation area. The Secretary of the Interior shall notify the Secretary of Defense in writing of his determination not later than 60 days after his receipt of the notification made by the Secretary of Defense.

"(d) The sale of any real property pursuant to this section shall be conducted by the Administrator of General Services. The Administrator may sell such property upon such credit terms and financial conditions as he and the Secretary of Defense may agree upon. The Administrator shall execute such documents for the transfer of title and take such other actions as he deems necessary and proper to dispose of such property under the provisions of this section. The Administrator shall receive reimbursement for expenses incurred in making such sales in accordance with subsection (e)(1).

"(e) The Secretary of Defense may, to the extent provided for in appropriations Acts, obligate a portion of the proceeds from any sale made under the authority of subsection (b) (including bonded proceeds contracted for in any sales agreement) to pay—

"(1) all expenses incident to such sale;

"(2) the reasonable and necessary costs of land acquisition and the construction of replacement facilities incident to such sale; and

"(3) the reasonable relocation expenses made necessary by the sale.

"(f)(1) Ninety-five percent of the proceeds remaining from any sale made under the authority of subsection (b), after subtracting the applicable costs described in subsection (e), shall be covered into the Treasury.

"(2) Five percent of the proceeds remaining from any sale made under the authority of subsection (b), after subtracting applicable costs described in subsection (e), shall be credited to the management account, which may be used for—

"(A) advances, where necessary to meet expenses of authorized transactions prior to the receipt of proceeds, and

"(B) advanced planning, design, and other expenses related to future proposed transactions.

"(3) Any unobligated moneys in the management account at the end of a fiscal year in excess of $50,000,000 or in excess of any lesser amount determined by the Secretary of Defense to be sufficient for the purpose of this section, shall be covered into the Treasury.

"(g) The Secretary of Defense and the Administrator of General Services are authorized to issue regulations as appropriate to implement this section.".

(b) There are authorized to be appropriated to the Defense Facilities Management Account, for purposes of initial capitalization, such amounts as may be necessary not to exceed $50 million.

(c) The table of sections at the beginning of subchapter I of chapter 169 of such title is amended by adding at the end thereof the following new item:

"2809. Sale and replacement of real property.".

AUTHORITY FOR THE SECRETARY OF THE NAVY TO ACQUIRE LAND FROM THE CITY OF LOS ANGELES, CALIFORNIA

SEC. 278. The Secretary of the Navy may acquire approximately 55 acres of land from the City of Los Angeles at a cost not to exceed $750,000.

PROHIBITION ON THE ACQUISITION OF ADDITIONAL LANDS AT BRUNSWICK NAVAL AIR STATION

SEC. 279. Notwithstanding any other provision of law, the Secretary of the Navy may not initiate any action after the date of the enactment of this Act, or complete any action commenced before such date, to acquire any land adjacent to or in the vicinity of Brunswick Naval Air Station, Brunswick, Maine, in connection with the Air Installation Compatible Use zone program for such air station without the consent of the owners of the property to be acquired.

TITLE III—DEPARTMENT OF ENERGY MATTERS

PART A—NATIONAL SECURITY PROGRAMS, FISCAL YEAR 1983

OPERATING EXPENSES

SEC. 301. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1983 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For naval reactors development program, $331,760,000 including $9,660,000 for program management.

(2) For weapons activities, $2,765,491,000 to be allocated as follows:

(A) For research and development, $644,600,000.

(B) For weapons testing, $420,400,000.

(C) For the defense inertial confinement fusion program, $140,000,000, of which—

(i) $75,100,000 shall be used for glass laser experiments;

(ii) $41,800,000 shall be used for gas laser experiments;

(iii) $20,000,000 shall be used for pulsed power experiments; and

(iv) $3,100,000 shall be used for supporting research and experiments, except that none of such funds may be used for the research, development, or demonstration of the use of heavy ion devices as drivers for defense inertial confinement fusion experiments and defense inertial confinement fusion systems.

(D) For production and surveillance, $1,507,200,000.

(E) For weapons program management, $53,291,000.

(3) For verification and control technology, $52,400,000 including $1,800,000 for program management.

(4) For defense nuclear materials production, $969,100,000, to be allocated as follows:

(A) For uranium enriching, $109,000,000.

(B) For production reactor operations, $345,460,000.

(C) For processing of defense nuclear materials, $210,600,000.

(D) For special isotope separation research, $63,000,000.

(E) For supporting services, $227,040,000.

(F) For program management, $14,000,000.

(5) For defense nuclear waste, $288,929,000, to be allocated as follows:

(A) For interim waste management $190,313,000.

(B) For long term waste management technology, $53,861,000.

(C) For terminal waste storage, $14,000,000.

(D) For byproducts beneficial uses, $10,000,000.

(E) For decontamination and decommissioning, $12,655,000.

(F) For transportation research and development, $6,100,000.

(G) For program management, $2,000,000.

(6) For nuclear materials security and safeguards development program (defense programs), $43,160,000, including $5,850,000 for program management.

(7) For security investigations, $28,500,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 302. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1983 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows—

(1) For naval reactors development:

Project 83-N-101, general plant projects, various locations, $1,500,000.

Project 83-N-102, additions to the radioactive materials laboratory, Knolls Atomic Power Laboratory, Schenectady, New York, $1,500,000.

Project 82-N-111, Materials Facility, Savannah River, South Carolina, $40,000,000, for a total project authorization of $55,000,000.

(2) For weapons activities:

Project 83-D-101, general plant projects, various locations, $15,800,000.

Project 83-D-122, Los Alamos Airport improvement, Los Alamos National Laboratory, New Mexico, $3,100,000.

Project 83-D-123, general plant projects, various locations, $16,300,000.

Project 83-D-124, standard missile-2 (SM-2) warhead production facilities, various locations, $2,000,000.

Project 83-D-200, plant capacity expansion, Pinellas Plant, St. Petersburg, Florida, $18,300,000.

Project 82-D-106, weapons assembly facilities, Pantex Plant, Amarillo, Texas, $16,500,000 for a total project authorization of $40,000,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, $132,900,000, for a total project authorization of $220,400,000.

Project 82-D-108, nuclear weapons stockpile improvement, various locations, $27,800,000, for a total project authorization of $42,800,000.

Project 82-D-109, 155-millimeter artillery-fired atomic projectile (AFAP) production facilities, various locations, $30,000,000, for a total project authorization of $65,000,000.

Project 82-D-110, exhaust plenum modifications, Rocky Flats Plant, Colorado, $500,000, for a total project authorization of $12,500,000.

Project 82-D-111, interactive graphics system, various locations, $6,000,000, for a total project authorization of $15,000,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, New Mexico, $3,000,000, for a total project authorization of $4,200,000.

Project 82-D-146, weapons production and production support facilities, various locations, $40,000,000, for a total project authorization of $48,000,000.

Project 82-D-150, weapons material research and development facility, Lawrence Livermore National Laboratory, California, $5,000,000, for a total project authorization of $7,500,000.

Project 82-D-152, new detonator facility, Los Alamos National Laboratory, New Mexico, $9,100,000, for a total project authorization of $17,100,000.

Project 82-D-153, tritium facility, Los Alamos National Laboratory, New Mexico, $2,600,000, for a total project authorization of $7,600,000.

Project 81-D-115, MX warhead production facilities, various locations, $34,100,000, for a total project authorization of $74,100,000.

Project 81-D-133, earthquake damage restoration, Lawrence Livermore National Laboratory, Livermore, California, $1,500,000, for a total project authorization of $5,500,000.

Project 81-D-134, earthquake damage restoration, Sandia National Laboratories, Livermore, California, $1,700,000, for a total project authorization of $3,700,000.

Project 79-7-c, proton storage ring, Los Alamos National Laboratory, Los Alamos, New Mexico, $2,800,000, for a total project authorization of $21,800,000.

Project 78-17-d, steam plant improvements, Y-12 Plant, Oak Ridge, Tennessee, $1,500,000, for a total project authorization of $27,000,000.

(3) For materials production:

Project 83-D-135, general plant projects, various locations, $26,000,000.

Project 83-D-136, plant engineering and design, various locations, $2,000,000.

Project 83-D-138, PUREX canyon and dissolver filter systems improvements, Richland, Washington, $4,250,000.

Project 83-D-142, fuel dissolver off-gas transfer and treatment system, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $3,500,000.

Project 83-D-146, water pollution control, Feed Materials Production Facility, Fernald, Ohio, $1,400,000.

Project 83-D-147, pollution discharge elimination, Savannah River, South Carolina, $1,000,000.

Project 83-D-148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

Project 83-D-180, facility storage modifications, various locations, $9,300,000.

Project 82-D-124, restoration of production capabilities, Phases II and III, various locations, $8,700,000, for a total project authorization of $134,700,000.

Project 82-D-126, reactor safety and reliability, various locations, $2,000,000, for a total project authorization of $44,900,000.

Project 82-D-136, fuel processing facilities upgrade, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $6,000,000, for a total project authorization of $46,000,000.

Project 82-D-201, special plutonium recovery facilities, F-chemical separations area, Savannah River, South Carolina, $9,000,000, for a total project authorization of $11,000,000.

Project 81-D-142, steam transfer header, Savannah River, South Carolina, $3,000,000, for a total project authorization of $11,000,000.

Project 81-D-143, L-reactor upgrade, Savannah River, South Carolina, $19,000,000, for a total project authorization of $134,000,000.

(4) For defense nuclear waste:

Project 83-D-156, general plant projects, interim waste operations, various locations, $19,145,000.

Project 83-D-157, additional radioactive waste storage facilities, Richland, Washington, $19,000,000.

Project 83-D-159, general plant projects, long-term waste management technology, Savannah River, South Carolina, $500,000.

Project 82-BU-1, byproducts beneficial uses demonstration plants, various locations, $10,000,000.

Project 81-T-104, radioactive waste facilities improvements, Oak Ridge National Laboratory, Tennessee, $1,000,000, for a total project authorization of $21,000,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, $40,000,000, for a total project authorization of $70,000,000.

Project 77-13-f, waste isolation pilot plant, Delaware Basin, Southeast, New Mexico, $76,200,000, for a total project authorization of $233,800,000.

(5) For nuclear materials security and safeguards development:

Project 83-D-175, general plant project, New Brunswick Laboratory, $500,000.

(6) For capital equipment not related to construction—

(A) for naval reactors development, $11,000,000;

(B) for weapons activities, $196,000,000;

(C) for verification and control technology, $1,500,000;

(D) for materials production, $107,700,000;

(E) for defense nuclear waste, $31,646,000; and

(F) for nuclear materials security and safeguards development, $3,700,000.

PART B—NATIONAL SECURITY PROGRAMS, FISCAL YEAR 1984

OPERATING EXPENSES

SEC. 311. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1984 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces,

strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For naval reactors development, $370,000,000.

(2) For weapons activities, $3,133,125,000.

(3) For verification and control technology, $65,300,000.

(4) For materials production, $1,182,200,000.

(5) For defense waste and byproducts management, $318,900,000.

(6) For nuclear safeguards and security, $48,000,000.

(7) For security investigations, $29,500,000.

PLANT AND CAPITAL EQUIPMENT

SEC. 312. Funds are authorized to be appropriated to the Department of Energy for fiscal year 1984 for plant and capital equipment (including planning, construction, acquisition, and modification of facilities, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For naval reactors development:

Project 84-N-101, general plant projects, various locations, $2,500,000.

Project 83-N-102, addition to the radioactive materials laboratory, Knolls Atomic Power Laboratory, Schenectady, New York, $6,500,000, for a total project authorization of $8,000,000.

Project 82-N-111, materials facility, Savannah River, South Carolina, $70,000,000, for a total project authorization of $125,000,000.

Project 81-T-112, modifications and additions to prototype facilities, various locations, $1,000,000, for a total authorization of $104,000,000.

(2) For weapons activities:

Project 84-D-101, general plant projects, various locations, $27,100,000.

Project 84-D-111, general plant projects, various locations, $25,000,000.

Project 84-D-103, hardened central guard force facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $600,000.

Project 84-D-104, nuclear materials storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $700,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, $38,500,000.

Project 84-D-112, TRIDENT II warhead production facilities, various locations, $19,300,000.

Project 84-D-114, consolidated manufacturing facility, Rocky Flats Plant, Golden, Colorado, $24,100,000.

Project 84-D-115, electrical system expansion, Pantex Plant, Amarillo, Texas, $1,500,000.

Project 84-D-117, inert assembly and test facility, Pantex Plant, Amarillo, Texas, $1,500,000.

Project 84-D-118, high-explosive subassembly facility, Pantex Plant, Amarillo, Texas, $7,000,000.

Project 84-D-119, railroad track replacement and upgrade, Pantex Plant, Amarillo, Texas, $800,000.

Project 84-D-120, explosive component test facility, Mound Facility, Miamisburg, Ohio, $3,100,000.

Project 84-D-121, safeguards and site security upgrading, Rocky Flats Plant, Golden, Colorado, $10,000,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, $209,200,000, for a total project authorization of $429,600,000.

Project 82-D-108, nuclear weapons stockpile improvement, various locations, $4,000,000, for a total project authorization of $46,800,000.

Project 82-D-111, interactive graphics systems, various locations, $10,600,000, for a total project authorization of $19,600,000.

Project 82-D-144, simulation technology laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $8,000,000, for a total project authorization of $12,200,000.

Project 82-D-146, weapons production and production support facilities, various locations, $14,200,000, for a total project authorization of $62,200,000.

Project 82-D-150, weapons materials research and development facility, Lawrence Livermore National Laboratory, Livermore, California, $2,900,000, for a total project authorization of $10,400,000.

Project 81-D-101, particle beam fusion accelerator-II, Sandia National Laboratories, Albuquerque, New Mexico, $5,400,000, for a total project authorization of $42,150,000.

Project 81-D-115, Missile X warhead production facilities, various locations, $30,000,000, for a total project authorization of $104,100,000.

(3) For materials production:

Project 84-D-125, general plant projects, various locations, $28,000,000.

Project 84-D-126, plant engineering and design, various locations, $2,000,000.

Project 84-D-130, modification processing facility substations, Savannah River, South Carolina, $5,600,000.

Project 83-D-138, PUREX filter systems improvements, Richland, Washington, $8,500,000, for a total project authorization of $12,750,000.

Project 83-D-142, fuel dissolver off-gas transfer and treatment system, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $4,100,000, for a total project authorization of $7,600,000.

Project 83-D-146, water pollution control, Feed Materials Production Center, Fernald, Ohio, $4,000,000, for a total project authorization of $5,400,000.

Project 83-D-147, pollution discharge elimination, Savannah River, South Carolina, $2,000,000, for a total project authorization of $3,000,000.

Project 83-D-148, nonradioactive hazardous waste management, Savannah River, South Carolina, $3,000,000, for a total project authorization of $4,000,000.

Project 82-D-118, N plant security and surveillance, Richland, Washington, $400,000, for a total project authorization of $4,400,000.

Project 82-D-124, restoration of production capabilities, Phases II, III, and IV, various locations, $103,600,000, for a total project authorization of $238,300,000.

Project 82-D-136, fuel processing facilities upgrade, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $6,000,000, for a total project authorization of $46,000,000.

Project 82-D-201, special plutonium recovery facilities, JB-Line, Savannah River, South Carolina, $26,000,000, for a total project authorization of $37,000,000.

Project 81-D-142, steam transfer header, Savannah River, South Carolina, $7,400,000, for a total project authorization of $18,400,000.

(4) For defense waste and byproducts management:

Project 84-D-150, general plant projects, interim waste operations and long-term waste management technology, various locations, $25,830,000.

Project 83-D-157, additional radioactive waste storage facilities, Richland, Washington, $31,000,000, for a total project authorization of $50,000,000.

Project 81-T-104, radioactive waste facilities improvements, Oak Ridge National Laboratory, Tennessee, $1,000,000 for a total project authorization of $21,000,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, $142,000,000, for a total project authorization of $212,000,000.

Project 77-13-f, waste isolation pilot plant, Delaware Basin, Southeast, New Mexico, $109,700,000, for a total project authorization of $343,500,000.

(5) For capital equipment not related to construction—

(A) for naval reactors development, $19,000,000;

(B) for weapons activities, $222,600,000;

(C) for verification and control technology, $1,750,000;

(D) for materials production, $97,500,000;

(E) for defense waste and byproducts management, $31,900,000; and

(F) for nuclear safeguards and security, $4,000,000.

PART C—GENERAL PROVISIONS

REPROGRAMING

SEC. 321. (a) Except as otherwise provided in this title—

(1) no amount appropriated pursuant to this title may be used for any program in excess of 105 percent of the amount authorized for that program by this title or $10,000,000 more than the amount authorized for that program by this title, whichever is the lesser, and

(2) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress,

unless a period of thirty calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the appropriate committees of Congress of notice from the Secretary of Energy (hereinafter in this part referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or unless each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

(b) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

LIMITS ON GENERAL PLANT PROJECTS

SEC. 322. (a) The Secretary may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated costs of the construction project does not exceed $1,000,000.

(b) If at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,000,000, the Secretary shall immediately furnish a complete report to the appropriate committees of Congress explaining the reasons for the cost variation.

(c) In no event may the total amount of funds obligated to carry out all general plant projects authorized by this title exceed the total amount authorized to be appropriated for such projects by this title.

LIMITS ON CONSTRUCTION PROJECTS

SEC. 323. (a) Whenever the current estimated cost of a construction project which is authorized by section 302 or section 312 of this title, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of (1) the amount authorized for the project, or (2) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress, construction may not be started or additional obligations incurred in connection with the project above the total estimated cost, as the case may be, unless a period of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three days to a day certain) has passed after receipt by the appropriate committees of the Congress of written notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the action, or unless each committee before the expiration of such period has notified the Secretary it has no objection to the proposed action.

(b) Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

FUND TRANSFER AUTHORITY

SEC. 324. To the extent specified in appropriation Acts, funds appropriated pursuant to this title may be transferred to other agencies of the Government for the performance of the work for which the funds were appropriated, and funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

AUTHORITY FOR CONSTRUCTION DESIGN

SEC. 325. (a)(1) Within the amounts authorized by this title for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such planning and design does not exceed $2,000,000.

(2) In any case in which the total estimated cost for such planning and design exceeds $300,000, the Secretary shall notify the appropriate committees of Congress in writing of the details of such project at least thirty days before any funds are obligated for design services for such project.

(b) In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $2,000,000, funds for such design must be specifically authorized by law.

AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

SEC. 326. In addition to the advance planning and construction design authorized by section 302 or 312, the Secretary may perform planning and design utilizing available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

SEC. 327. Subject to the provisions of appropriation Acts, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

ADJUSTMENTS FOR PAY INCREASES

SEC. 328. Appropriations authorized by this title for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

AVAILABILITY OF FUNDS

SEC. 329. When so specified in an appropriation Act, amounts appropriated for "Operating Expenses" or for "Plant and Capital Equipment" may remain available until expended.

NAVAL NUCLEAR PROPULSION PROGRAM

SEC. 330. The provisions of Executive Order No. 12344, dated February 1, 1982, pertaining to the Naval Nuclear Propulsion Program, as in effect on May 1, 1982, shall remain in effect until such time as the Congress provides otherwise by law.

TERMINATION OF USE OF CERTAIN SEEPAGE BASING; REQUIREMENT FOR PLAN

SEC. 331. The Secretary of Energy shall terminate the use of seepage basins associated with the fuel fabrication area within 24 months after the date of enactment of this Act.

(b) Not later than January 1, 1984, the Secretary of Energy shall submit a plan to the appropriate committees of Congress for the protection of groundwater at the Savannah River Plant. The Secretary shall include in such plan—

(1) various methods for discontinuing the use of seepage basins associated with the materials processing areas;

(2) provide for the implementation of other actions appropriate to mitigate any significant adverse effects of on-site or off-site groundwater and of chemical contaminates in seepage basins and adjacent areas, including the removal of such contaminates where necessary; and

(3) include provisions for continuing the expanded monitoring program of groundwater impacts involving the appropriate South Carolina agencies in accordance with the statutory responsibilities of such agencies.

CONTRACTOR LIABILITY FOR INJURY OR LOSS OF PROPERTY ARISING OUT OF ATOMIC WEAPONS TESTING PROGRAMS

SEC. 332. (a) The remedy against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, for injury or loss of property or personal injury or death shall apply to any civil action for injury or loss of property or personal injury or death due to exposure to radiation based on acts or omissions by a contractor in carrying out a contract in the conduct of the United States atomic weapons testing program. This remedy shall be exclusive of any other civil action or proceeding for the purpose of determining civil liability arising from any act or omission of the contractor without regard to when the act or omission occurred. The employees of such a contractor shall be considered to be employees of the Federal Government, as provided in section 2671 of title 28, United States Code, for the purposes of any such civil action or proceeding and the civil action or proceeding shall proceed in the same manner as any action against the United States filed pursuant to section 1346(b) of such title and shall be subject to the limitations and exceptions applicable to those actions.

(b) A contractor against whom a civil action or proceeding described in subsection (a) is brought shall promptly deliver all processes served upon that contractor to the Attorney General of the United States. Upon certification by the Attorney General that the suit against the contractor is within the provisions of subsection (a), a civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings shall be deemed a tort action brought against the United States under the provisions of section 1346(b), 2401(b), or 2402, or sections 2671 through 2680 of title 28, United States Code. For purposes of removal, the certification by the Attorney General under this subsection establishes contractor status conclusively.

(c) The provisions of this section shall apply to any action now pending or hereafter commenced which is an action within the provisions of subsection (a) of this section. Notwithstanding section 2401(b) of title 28, United States Code, if a civil action or proceeding pending on the date of enactment of this section is dismissed because the plaintiff in such action or proceeding did not file an administrative claim as required by section 2672 of that title, the plaintiff in that action or proceeding shall have 30 days from the date of the dismissal or 2 years from the date upon which the claim accrued, whichever is later, to file an administrative claim and any claim or subsequent civil action or proceeding shall thereafter be subejct to the provisions of section 2401(b) of title 28.

(d) For purposes of this section, "contractor" includes a contractor or cost reimbursement subcontractor of any tier participating in the conduct of the United States atomic weapons testing program for the Department of Energy (or its predecessor agencies, including the Manhattan Engineer District, the Atomic Energy Commission, and the Energy Research and Development Administration). "Contractor" also includes facilities which conduct or have conducted research concerning health effects of ionizing radiation in connection with the testing under contract with the Department of Energy (or its predecessor agencies).

MOTION TO WAIVE SECTION 402 OF CONGRESSIONAL BUDGET ACT OF 1974

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BAKER. Mr. President, I have been informed by the distinguished Senator from Ohio that he may have certain concerns that might ripen into a point of order against this measure. I regret to hear that, because I had thought that we had arranged a schedule that would permit us to proceed on this measure and to deal with it in an orderly way, which, at best, is going to be sort of disorderly, since it is so controversial, and to finish the measure this week. I still intend, to the extent that the Senate will permit me to do so, to finish this bill this week. It may take late evenings, it may

take all week, it may take the weekend; but, Mr. President, there are so many other matters backed up behind this bill that we simply have to do that. Appropriations bills must be attended to, urgent authorization bills must be dealt with in this month, before the statutory recess begins for the month of August.

Therefore, Mr. President, as the distinguished Senator from Ohio already knows, because I have already told him, what I intend to do, in an effort to avoid any pitfalls that might be occasioned by points of order on the measure, I now move, pursuant to section 904 of the Congressional Budget Act of 1974, to waive section 402 of that act as it pertains to S. 675, the Defense Authorization Act.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Tennessee.

Mr. METZENBAUM addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, we appear here this afternoon to discuss the defense authorization bill, and the motion of the distinguished majority leader under section 904 to waive section 402 of the Budget Act raises some very interesting questions. The one that particularly concerns the Senator from Ohio has to do with the fact that, in the closing hours of the deliberation of the measure in committee, it is my understanding that through some legerdemain——

Mr. TOWER. Will the Senator yield? The Senator is absolutely wrong on that point.

Mr. METZENBAUM. Mr. President, I have not yielded. I have the floor, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Ohio has the floor.

Mr. TOWER. Mr. President, will the Senator give his source of information on that, since it is totally inaccurate?

Mr. METZENBAUM. In due time, Mr. President, I intend to engage in colloquy with my good friend from Texas. It is my hope that, at that time, we shall all be informed as to the facts.

I am aware of the fact that published reports indicate that Mr. Stockman found something in the area of $2.1 or $2.3 billion as this measure was being brought to a conclusion in the final markup. I also heard the distinguished senior Senator from Massachusetts address himself to that very same issue the other day on the floor of the Senate before the recess.

I would appreciate it if the Senator from Texas, the manager of the bill, would be good enough to advise of the facts as he knows them and understands them to be with respect to the figure and also to clarify for the Senator from Ohio whether it is $2.1 billion or $2.3 billion about which we speak. Will the Senator from Texas be good enough?

Mr. TOWER. Mr. President, let me respond to the Senator from Ohio. I simply read from the opening statement that I intended to make and will make subsequently when we move on to consideration of the bill, to lay this matter to rest.

It is not true that the issue of savings of purchase from reduced inflation in the area was brought out only at the last minute. The committee records show this issue was raised before the full committee in early May, May 5 to be precise, and that uncertainty about the proper numbers to be used forced postponement of any committee endorsement. Letters from Secretary Weinberger dated May 9 and June 16 alluded to the availability of those savings. It was not until those savings were validated that we acted to consider those savings in the final determination of what would be spent and what would be authorized in the bill. I insisted on such validation, the committee insisted on it and, by a vote of 11 to 7, the committee voted to accept the validations of these changed assumptions and to incorporate some of those savings in the authorization—not all, but some.

So that is the fact of the matter. In fact, inflationary adjustments had been made for every other spending function except defense back in April. So we were caught up in that delay. It finally came to the point where, late in our proceedings, we were finally treated as every other committee had been treated, or every other jurisdictional committee with the spending or with the authorization responsibility of the various accounts. We were able, then, to move on the basis of those changed assumptions.

However, that is an issue, in my view, that would be more properly discussed during the consideration of the bill itself.

Senators will have adequate opportunity to offer amendments and there will be adequate opportunity to debate that particular issue if Senators would like to do so. But what we are talking about is a pro forma move, pro forma budget waiver resolution that is done every time we take up an authorization bill after May 15. The fact is that the Armed Services Committee waited until after the budget process on the first concurrent had been completed before it did its work. Had we gone ahead and ignored the budget process, which we could have done, and reported our bill by May 15, which we could have done, the budget waiver would not have been required. I hope that other Senators will not join in an effort to punish the Armed Services Committee—indeed, punish all committees that have bills that are coming up subsequent to the disposition of this bill—because we, true to the budget process, desirous of determining what our ceiling was, according to the budget process, acted in that fashion to be responsible and come in under the budget ceiling and therefore were delayed.

Mr. JACKSON. Will the Senator yield without losing his right to the floor?

Mr. METZENBAUM. I yield to the Senator.

Mr. JACKSON. Mr. President, I merely want to supplement the remarks of the distinguished chairman of the committee. I want to say for the benefit of the Senate, Senator TOWER made a diligent effort to get the necessary figures pertaining to savings that the administration is now projecting in the petroleum area as well as the overall inflation indexes. I kept in touch with Senator TOWER. The person that I think should have acted is Mr. Stockman, the head of OMB. That information should have been up a long time ago.

But the chairman of the committee pursued this matter diligently; he made every effort to get the information, but for whatever reason the administration did not make the information available in a timely manner.

Mr. METZENBAUM. Will the Senator from Washington yield for a question?

Mr. JACKSON. Yes.

Mr. METZENBAUM. Would the Senator not agree then that, although some effort was made to get these numbers earlier, indeed, public statements have been made in the press and a statement made on the floor of the Senate by the senior Senator from Massachusetts to the effect that only at the last minute was it discovered or was it learned in the Armed Services Committee that Mr. Stockman had now found—I am not sure of the number—is it $2.1 billion or $2.3 billion?

Mr. JACKSON. What is the exact number?

Mr. TOWER. The figure actually is $3.4 billion including the fuel savings and the 2.1 on changes of inflationary assumptions which are still about $0.4 billion below what they actually expect those assumptions will be at the end of the second quarter. We stayed very much on the low side of these assumptions and did not utilize the full 2.1.

Mr. METZENBAUM. Will the Senator from Texas respond as to when it was that the committee actually learned there would be $3.4 billion in savings including the 2.1 in the inflation figure?

Mr. TOWER. The committee discussed that on May 5 first. We were aware of the numbers but they had

not been validated by Mr. Stockman at that time.

Now, I cannot give any explanation of what goes on in OMB; I am at a loss to know myself sometimes, but the fact is that those numbers were not validated for us until the evening of May 27. Then they were discussed in the committee, and by a bipartisan vote of 11 to 7 the committee agreed to incorporate some of the savings involved in funding the programs under the bill. The committee still comes out $1.7 billion below the budget ceiling if one considers that there will be a 6-month pay increase. If one considers that there will be a 9-month pay increase, we come out $1.1 billion below. So we would still be below even if we have to absorb an additional $600 million in pay increase.

Mr. METZENBAUM. Would the Senator, the manager of the bill, indicate whether or not after the figures had been disclosed to him, as the chairman of the Armed Services Committee, that there would be a $3.4 billion saving, although a figure that had not as yet been validated—and I assure that to mean that it had not been——

Mr. TOWER. Let me say in response that the fuel savings had already been validated. It was the inflationary assumptions that had not been validated. So it was a $2.1 billion change in inflationary assumptions that had not been validated.

Mr. METZENBAUM. Did the Senator from Texas advise the chairman of the Senate Budget Committee at any point along the way while the Budget Committee was going through its deliberations that it could anticipate a savings in the area of either 2.1 or 3.4 and, if so, when did that occur and under what circumstances?

Mr. TOWER. The Budget Committee does not look behind what the authorizing committee does if it stays within the ceiling established by the Budget Committee. Historically, not only this year but last year, we took savings that were achieved through changed fuel assumptions, changed inflationary assumptions, and changed international monetary exchange assumptions and utilized that in funding our programs, staying within the budget ceiling. That is what we have done this time. We have come in below the budget ceiling.

Mr. DOMENICI. Will the Senator yield?

Mr. METZENBAUM. I yield to the Senator from New Mexico, the distinguished chairman of the Budget Committee.

Mr. DOMENICI. Let me say to my good friend from Ohio that in an ordinary authorizing bill, the Budget Committee has very little to say about what a committee has done other than one very simple issue. That has to do with the timeliness of bringing the authorization to the floor. A clear reading of the Budget Act indicates that the time that spending targets are addressed, and whether or not a particular subcommittee or function is going to exceed the targets set out in budget resolution is when the appropriations bills are considered on the floor.

We have gone to a great deal of effort, working with the Armed Services Committee, to determine where this bill lies with reference to the budget but only in an informational sense—not in the sense of the Budget Committee having any jurisdiction whatsoever over the substance or the amount of line items.

Let me give my friend from Ohio an example. Had this particular authorization bill come up prior to the May 23 filing deadline, it could have been $5 billion over an assumed target for 1984 expenditures, with the same numbers and the same deflators, and no point of order would lie. The Senate Budget Committee would have nothing whatsoever to say about it. The Senate and the Congress would have to wait until the appropriations bills came through, add them up, and judge them on the cumulative total for appropriations versus the target for the cumulative total in the resolution.

Now, it seems to me—and I say this in all deference to the concern of the Senator—that in a sense we are going to punish a committee that has worked very hard because they did not want to report out a bill that was higher than the recommended Budget Committee targets.

So they waited because the targets being discussed for defense varied from 5-percent real growth to 10-percent real growth to 2.8-percent real growth.

So this committee said: "We will wait, and we will attempt to live with the numbers the budget process produces."

This particular bill, I say to the Senator from Ohio, is the closest to a budget target for an authorization committee that we have had in 3 years. The Senate approved an authorization bill in excess of the targets last year, on the simple basis that the appropriators would make the remaining reductions.

This committee, the last 3 years—the last year under the chairmanship of Senator STENNIS and then 2 years under the chairmanship of Senator TOWER—tried very hard to have an authorizing bill on time each year.

We have had many years with late authorization bills, have we not?

Mr. JACKSON. That is right.

Mr. DOMENICI. We have had years without a timely authorizing bill in defense, or one that fit within the budget targets.

So they tried hard to produce a bill in accordance with the budget resolution targets.

If I am going to come down here, as chairman of the Budget Committee, on each authorization bill that is a few days late, such as this one, and put the Senate through some rigorous exercise to waive 402 of the Budget Act—which if you read it, it is nothing more than timeliness provision, and has nothing to do with dollar amounts; it will impede the progress of the Senate. Our business at this time is not to discuss the bill, but to vote the section 402 waiver up or down.

The 402 provision was put in the law with the expectation that it would push the authorizing committees to expedite delivery to the desk of authorizing legislation and lead to a more orderly appropriations process.

I have the greatest respect for the participation of the Senator from Ohio in the budget process, especially in the recent conference, but I think he should let the Senate work its will on this bill. If we have to call a meeting of the Budget Committee to discuss the waiver of the timeliness bill, it will cause delay. We as a committee want to let this bill come to the floor whether it was reported after May 23 or not. That is the budget issue. We could call that meeting, and in due course, we would get it done. But it seems to me that that would be an inordinate delay for no good, substantive reason.

My final statement to the distinguished Senator is that even if we wanted to scrutinize the authorized spending in this particular bill, as if it were an appropriation bill, and to say it does fit within the budget—that is not our prerogative—I assure the Senator it is not the Budget Committee's prerogative—but even if we did make that companion, I am informed that, if fully appropriated, this bill is $800 million under the budget authority target set for defense in the first budget resolution. That target is not binding. It becomes binding only in its cumulative nature, along with all other appropriations, and only after October 1, 1983. In the event there is not a second resolution. At that time, you add all the appropriations bills and the one that "breaks the bank" on cumulative budget authority and realistic outlay expectation flowing from it, would be the subject of a substantive complaint from the Budget Committee.

So, while I may not like some things in this bill and the Senator from Ohio may not, I assure him that we are going to have ample chance on the floor of the Senate in the ensuing week to vote up and down on amendments. I assume that the managers are aware of many amendments to be offered by members of the committee and by other Members of the Senate to give us an opportunity to address the policy issues that are authorized in this bill.

Obviously, the leader is well within his rights to move a section 904 waiver of the process and procedures I have just described. When he asked me about it this morning, around 11:30, when I conferred with him, I did not even consider it to be a very significant waiver, because it is a matter of timeliness only.

We will argue the substance of issues later. In due course, we will grant this waiver one way or another. We can vote up or down on the leader's motion; or, the Budget Committee can meet and grant the waiver. I assure the Senator that it is going to be done. Then, when S. 675 comes up, he can have all the time in the world to argue.

I assume that the managers expect to be here 4 or 5 days. I ask the Senator from Texas if that is correct.

Mr. TOWER. As long as it takes.

Mr. DOMENICI. Even in addition to the days it might take to debate this motion, which our distinguished leader stated.

So those are my feelings on the matter, as chairman of the Budget Committee. I have not been reluctant to speak out on defense, so I do not come here as a Johnny-come-lately. I have had an ongoing dialog, to say the least, with the White House over it. But I commend the committee for reporting an authorization bill and for getting it well within the budget authority that the congressional budget resolution contemplates. The Armed Services Committee action on this bill is nothing other than an exercise in prudence. It has no direct interplay with Budget Act activities.

The Budget Committee has no prerogatives in this matter, and the Senate is not waiving anything significant if it grants the leader's motion that relates only to the time this bill will come to the floor; nothing more.

I have a summary of the spending in this bill, in case we are going to be arguing whether they met the resolution targets or not. I ask unanimous consent to have the summary printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BUDGETARY IMPACT AND RELATION TO FIRST BUDGET RESOLUTION

Because the First Budget Resolution does not contain defense program detail, it is necessary to measure the costs of this bill against the President's defense request (as reestimated by CBO). To measure the savings in the bill against the budget resolution total, it is then necessary to adjust the President's budget request to include the cost of the pay raise as assumed in the Budget Resolution (since the President assumed no pay raise for FY 1984). These calculations yield the following result.

[In billions of dollars]

	Fiscal year 1984	
	Budget authority	Outlays (estimated)
President's budget request for function 050 (as reestimated by CBO)	280.2	244.7
Add pay raise assumption of first budget resolution	1.8	1.8
President's adjusted request	282.1	246.5
Savings from President's request contained in this bill [1]	−14.2	−5.6
OMB inflation adjustment	(−3.4)	(−2.3)
Total implied by this bill	267.8	240.9
First budget resolution total	268.6	240.0
Total implied by this bill over (+) or under (−) resolution	−.8	+.9

[1] This amount excludes the provisions of this bill dealing with the pay raise because the pay raise issue will be decided by other legislation.

Thus it can be determined that if the pay raise that is granted in FY 1984 is the same as assumed in the first budget resolution, the effect of this bill is to put budget authority for function 050 $0.8 billion below the first budget resolution and to put outlays $0.9 billion above the level of the resolution. If the President is able to sustain his proposal for a pay freeze in FY 1984, however, the resolution would be upheld without additional reductions in the defense and military construction Appropriation bills.

(Mr. HUMPHREY assumed the chair.)

Mr. METZENBAUM. Mr. President, I am pleased that the distinguished chairman of the Budget Committee, my good friend, is on the floor.

I point out to him that I well understand the question of timeliness and the issue that is before the Senate. It seemed to me that this was an appropriate time to raise some of the budgetary considerations, not particularly as a member of the Budget Committee but as a Member of this body.

One that I raise has to do with a fact that has been discussed, and I will come to that in a moment. But there is another matter that, in my opinion, is far more important than even the question of Mr. Stockman's finding $2.1 billion at the very last moment.

Although my friend from Texas indicates that it had been considered, it is the fact that it was reported in the press that "The Reagan administration abruptly announced yesterday that its defense program will cost $2.1 billion less next year than estimated before. The surprise reestimate enabled the Senate Armed Services Committee to stick close to congressional spending targets without cutting out some B-1 bomber funds, as it had planned."

The article goes on.

I point out that there is a part of this bill that, in my opinion, does have real budgetary implications, and I hope that the distinguished chairman of the Budget Committee will appreciate what I am about to say.

Some weeks ago, we discussed on the floor of the Senate the matter of the leasing of 13 TAKX ships and the fact that the leasing of those ships was done without the matter going through the Appropriations Committee; that the funds in connection with those ships were not a part of the budgetary consideration; that the funds for those ships come out of operation and maintenance accounts, and thereby deprive the gound forces and the regular forces of the necessary funds for either personnel or materiel.

And there was a considerable amount of discussion concerning the 13 TAKX ships, and then we learned that there were five tankers that were also involved.

I wish to point out to my good friend, the chairman of the Budget Committee, and I would appreciate it if I might have the attention of my friend, the chairman of the Budget Committee, to point out to him that we find in this bill now a total sievelike movement. Not only do we have those ships involved but we have a half-dozen other items, airplanes, other ships, I think 18 of them—I do not have the list in front of me—certain planes that are used especially for ferrying top military brass and ambassadorial-level diplomats, and a number of others that now will be provided for in this legislation.

What we are talking about is are we going to be using a backdoor route to go around the budget process? Are we going to be using as a regularity the whole question of the tax provisions of the U.S. Government and take from the Federal Treasury dollars that come from these tax-leasing arrangements, or are we going to use the normal processes of going to the proper appropriations committee and saying, "This is what we want as far as military equipment is concerned"?

This bill goes much farther than anyone contemplated or even talked about in the past with respect to this entire matter of leasing, and it is a question of congressional prerogatives.

We normally send to the Appropriations Committee matters having to do with the Armed Services appropriations bill. Here we have in the authorization bill a circuitous route, a different way to operate, without any appropriations authority, and what we are doing is first, we are breaking the budget process, second, we are providing for increased defense spending, and, third, we are getting involved in the whole question of the leasing programs and what they do as far as the tax dollars of this country are concerned.

So when I raise the question here this afternoon about the budget waiver and the timeliness it has to do with the implications of all of these other matters. I am even told that they are coming forward with a technical amendment. And I would appreciate it if the distinguished chairman of the committee would advise me. Am I correct that there is to be offered a

so-called technical amendment, the language of which will provide that the 13 TAKX planes-leasing program is being validated, and that is to be offered as a technical amendment?

That is what I am informed by my staff who tell me they were so informed by the Senator's staff. And if that is the case, I do not think any Member of this Senate would consider that to be a technical amendment.

Would the Senator from Texas be good enough to respond because if I am in error as to the facts I wish to be corrected.

Mr. TOWER. I quite frankly do not understand the question of the Senator from Ohio. The fact is that is a substantive issue that has nothing to do with the timelines of the bill and the budget waiver.

If the Senator would permit us to get on with our business we could plunge right into that if he likes. Once we get the bill up, there is adequate opportunity for anyone in the Chamber, including the Senator from Ohio, to offer any amendment that would change or delete or add to any provision of this bill. He is not barred from doing that. Because of our relatively loose rules of germaneness in this body, a Senator can offer about anything he wishes to offer.

The fact is the Senator's suggestion that there is some surreptitious backdoor method being resorted to in this bill is simply not true, and I think that will come out in subsequent debate once we get started on the bill.

Mr. METZENBAUM. Would the Senator from Texas be good enough to respond as to whether it is intended to offer a technical amendment that would by its terms validate the leasing of the 13 TAKX planes?

Mr. TOWER. The amendment I believe the Senator refers to is a stylistic change.

Mr. METZENBAUM. What?

Mr. TOWER. A stylistic change. We do not even have to offer it if we do not wish to. It was recommended to us by legislative counsel. But we do not even have to offer it. It is a stylistic change.

Mr. METZENBAUM. I understand. Is it intended to offer that amendment as a technical amendment? I think I agree with the Senator's first statement that is a substantive change.

Mr. TOWER. It is intended to be offered. As I say, it is a stylistic rather than substantive change, but if it is offered, of course, the Senator is fully within his rights in insisting on debate on it and getting a yea-and-nay vote on it.

Mr. METZENBAUM. Would the Senator from Texas be good enough to explain to the Senator from Ohio what a stylistic change is? I understand what a technical amendment is. I am not sure I know what a stylistic change is.

Mr. TOWER. I think that it is conforming language that is simply a matter of style and that has nothing to do with substance. But I think that this is a matter we should really get into once we get on the bill.

If the Senator wants to talk about the merits of delaying the waiver, the timeliness, I would think that is the appropriate thing to talk about now. I would prefer to wait and not get into substantive matters until we get on the bill itself because I think we are getting into a lot of repetition otherwise. I am sure the Senator will want to offer amendments on these various subjects. It seems to me to be time wasted to be getting substantive arguments that are going to be repeated during the course of the consideration of the bill itself.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I yield to the Senator from Ohio for a record insertion with the understanding that I not lose my right to the floor.

Mr. METZENBAUM. Mr. President, I want to say that in the discussion we were having, I will withhold further on it in order that the managers of the bill may make their opening statements, with the thought in mind of returning to the subject at a later point in the afternoon. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, the fiscal year 1984 omnibus defense authorization bill, S. 675, is one of the largest authorization bills that will be considered during the 98th Congress. During the past 6 months the Senate Armed Services Committee and its six subcommittees have met 46 times in consideration of this bill. S. 675 contains authorizations totaling $199.9 billion—it sounds like a bargain price, Mr. President, you will notice it is under $200 billion—includes what had previously been three separate pieces of legislation. The committee concluded that we would have a broader perspective of the entire national defense function by addressing this legislation at the same time rather than as individual bills. This is a departure from usual practice.

Title I of the bill includes the regular defense authorizations for procurement, research and development, operation and maintenance, manpower, and civil defense. Under title I the committee recommended $186 billion, a reduction of $11.9 billion for the request.

Title II contains the authorizations for military construction and family housing. Under title II, the committee recommended $7.3 billion, a reduction of $1.2 billion from the request.

Title III contains the authorizations for the national security programs of the Department of Energy. Here the committee recommended $6.6 billion, a reduction of $200 million from the request.

In addition to the reductions listed above, manpower changes and other legislative restrictions will reduce the administration's request by $215 million.

The net impact of the bill, therefore, is a reduction of $13.6 billion in budget authority from the President's request for national defense.

The first concurrent budget resolution for fiscal year 1984 called for a reduction of $11.9 billion in budget authority, so we are $1.7 billion beyond that target.

The budget resolution also called for reductions totaling $5.3 billion in outlays from the President's request. However, both the chairman and ranking member of the Budget Committee have acknowledged that, within a package of balanced defense reductions, $11.9 billion in budget authority will not yield $5.3 billion in outlays. In presenting the conference report on the budget before the Senate, Senators DOMENICI and CHILES noted that a reduction of $11.9 billion in budget authority would more likely equate to a reduction of $4 billion in outlays. CBO estimates that the recommended $13.6 billion budget authority reduction in this bill will reduce outlays by $3.6 billion below the President's request in fiscal year 1984.

While considering the President's request for defense, the committee took into account the most recent estimates of ongoing economic trends and their effect on the defense budget. In this regard, Mr. President, there have been several erroneous reports concerning the sources of savings assumed in this bill for fuel and purchase inflation.

First, it is not true that the issue of savings from purchase inflation in this area was brought up only at the last minute in our markup. The committee records show that this issue was raised before the full committee in early May, but that uncertainty about the proper numbers to be used forced postponement of any committee endorsement. Indeed, letters from Secretary Weinberger, dated May 9 and June 16, alluded to the availability of such savings.

Second, it has been implied that these numbers were drawn up to save the multiyear funding for the B-1,

which had been deleted at the subcommittee level. This assertion is also incorrect. The amount at issue with regard to the B-1 was less than $900 million, while changed economic forecasts involved $3.4 billion. In addition, having polled most of the committee membership personally, I can assure my colleagues that the votes were there to add back multiyear funding for the B-1, regardless of what action the committee might have taken concerning economic assumptions.

I might note that two or three Senators were at work identifying other programs where savings could be achieved so that multiyear funding of the B-1 can be authorized by the committee.

There has also been concern that these economic adjustments appeared out of thin air, and that other Federal agencies or congressional committees should now await some similar budget adjustment. The real situation is precisely the reverse. In April, the administration published an economic update for the Federal Government which outlined the impact of changing economic trends on the fiscal year 1984 budget request. However, the April economic update contained no adjusted numbers for national defense. It was not until late June that the Office of Management and Budget and the Department of Defense resolved their differences and arrived at an administration position approved by the President. So, in fact, the economic changes in this bill are only a reflection of the April update which has already been applied to other Federal agencies.

Finally, Mr. President, I would like to summarize the scope of the reductions in this bill. In my view, it is essential that Senators understand three things when they vote on this bill:

First, reductions are widespread. When you cut the defense budget by nearly $14 billion, virtually all areas are going to experience reductions. There are few, if any, areas which are considered sacrosanct in this bill;

Second, we are losing—or at least postponing—real military capabilities when we cut defense. In this bill, we have suspended the production of three programs—the A-6E and T-34C aircraft, and the Copperhead guided projectile—and eliminated funding for more than two dozen aircraft and 120 tanks; and

Third, and I want to make this point crystal clear—these funding reductions will cause us to take a giant step backward from our goal of finally injecting stability in defense procurement. These reductions are certain to result in increased unit costs. Because of budget constraints we have denied multiyear funding for eight programs, programs for which we are certain to have long-term requirements. While accusing the Department of Defense of a multitude of inefficiencies, the Congress—with what in my view is a shortsighted and unjustified call for defense budget reductions—must bear the blame for funding instability which causes so much of the cost growth in defense programs. In denying multiyear procurements, we are declaring that we cannot afford to invest money up-front to save money in the long term.

Mr. President, I voted against the conference report on the budget in part because I believed the reductions targeted for defense are too high. In reducing the President's request for defense by this magnitude, I believe we are reneging on the defense program Congress approved in 1981, and we are surely sanctioning many of the inefficiencies in procurement so many critics have cited.

Because it is the apparent will of the majority of the Congress, the committee has agreed to abide by the ceilings proposed in the budget resolution. I, for one, will do everything in my power to see that other committees exercise the same degree of self-discipline on funding nondefense programs.

Mr. President, because of these congressionally mandated defense budget reductions the committee, in its effort to comply with the apparent will of Congress, is compelled to recommend funding reductions in validated military programs which are bound to result in layoffs—thus compounding an already unacceptable unemployment situation in this country.

Now, Mr. President, I am prepared to yield to the ranking minority member, Senator JACKSON, for any statement he may wish to make. I would also encourage Members to introduce their amendments as soon as possible as it is my intention to complete action on this bill by Wednesday evening.

However, Mr. President, before I yield the floor I would be remiss if I did not express my heartfelt thanks, and I think the thanks of all of us on the majority side of the committee, to Senator JACKSON for his great statesmanship, his cooperation, in moving the bill expeditiously, for his good and wise counsel.

He is, I think, an extremely valued member of our committee. He is a very senior member. I have learned much at his feet in the years that I have had the privilege of serving on the committee. I have worked with him on many defense issues and always am glad to be his coworker. He has done a champion job, and I want to thank him too for his lucid remarks on the committee's action in response to some questions by Senator METZENBAUM.

With that, Mr. President, I will yield the floor for the opening remarks of the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I thank my good friend, the senior Senator from Texas, for his kind remarks.

Mr. President, as we begin deliberations on the fiscal year 1984 Defense Authorization Act, I would like to take a moment to commend Senator TOWER for the outstanding leadership he has displayed as chairman of the Committee on Armed Services. His dedication in shepherding the bill that is before us through the committee has been truly admirable. The distinguished Senator from Texas is a fair-minded individual whose devotion to the national interest and abilities as a leader have helped make our very difficult deliberations a truly bipartisan endeavor. I have immensely enjoyed working with him and with my other colleagues on the committee, all of whom have spent long hours laboring over this bill. I would also like to commend the entire staff of the committee for the high professionalism of their work.

Mr. President, a strong, capable, and vigorous national defense is absolutely essential at this juncture in our history. We have enjoyed independence and prosperity as a nation for the past 207 years, but these favorable conditions will not automatically continue without persistent effort on our part. On the other hand, if we make that effort, our Nation will remain a positive force in the world for peace, stability, and individual freedoms.

A troubled world looks to the United States for leadership and direction, perhaps more now than ever in our history. A strong and resolute United States acts as a powerful beacon and example to all nations, providing encouragement to forces of liberty and democracy in every corner of the Earth. The will and confidence of our allies, in particular, rests heavily on their perceptions of our own resolve and strength. This is one reason it is so essential that we maintain a vigorous national defense.

Another reason is the simple fact that the world we live in can be a dangerous place. It is a world that poses real threats to our survival and prosperity as a nation. The greatest threat that the United States now faces is that posed by the Soviet Union. The Soviets have massively expanded their military forces in the past two decades, posing an increasingly serious and direct threat to the United States and its allies. Over the same period, Moscow has stepped up its worldwide support of radical, anti-American regimes and groups throughout the world; the resulting conflict and upheaval threaten our well-being and require our attention. Nevertheless, if we do what is necessary to maintain

our strength, we need not fear our adversary.

Mr. President, the Department of Defense authorization bill before the Senate today, S. 675, is intended to provide the necessary means for safeguarding our Nation's security. The bill authorizes roughly $200 billion for procurement, research, operations, and other essential activities of our Armed Forces.

The Committee on Armed Services has worked on this legislation with full awareness of the severe budgetary constraints that the Nation now faces. Budgetary constraints have not allowed us to fund every program that might be desirable. They have not prevented us, however, from authorizing that which is essential. By keeping its priorities clear, the committee has managed to make necessary cuts in the President's budget request so as to meet the target set by the first concurrent budget resolution. In so doing, the committee has demonstrated its fiscal responsibility, while yet assuring that the security of our Nation can be maintained.

Three basic principles have guided my work and that of many of my colleagues on the committee in reviewing the administration's proposed defense budget for fiscal year 1984 and in recommending reductions in or additions to that budget.

DETERRENCE

First, we recognize the imperative of maintaining a credible deterrent. The United States and its allies must retain military forces in various categories sufficient to deter aggression from any quarter. The credibility of our strength and the steadiness of our hand are essential facts both in preventing war and in enabling the United States to undertake positive foreign policy initiatives. I would also remind my colleagues that our principal adversary, the Soviet Union, has a history stretching back into czarist time of avoiding risk and backing down in the face of military strength and political will.

Numerous U.S. defense efforts and programs contribute to the maintenance of allied military forces able to deter aggression. It is important that a proper balance be struck among them. High on our list of priorities in this regard has been the readiness of our present Armed Forces. It is important that current readiness not be sacrificed in the process of procuring new and more modern weapons.

Maintaining deterrence requires, furthermore, that research and development be pursued vigorously, both at a basic and at an applied level. Financing current procurement programs at the expense of essential R&D would be robbing from our future deterrent. This we simply must not do.

Yet another essential element in maintaining deterrence is the ongoing modernization of our force structure. Once current readiness and crucial research and development programs have been funded, it is important that modernization through new procurement be attended to. Deterrence a few years hence will rely heavily on new weapons systems going into production today.

ARMS CONTROL

Mr. President, the second fundamental principle that has guided my own work and that of many of my colleagues has been the crucial importance of providing our national leadership with the means and leverage to pursue sensible arms control negotiations. This requires among other things that the triad of our strategic forces be maintained and that its three legs be modernized.

It requires, moreover, that we do not allow our adversary to build highly destructive new weapons systems to which we have no counter. In instances where the Soviet Union has unilaterally deployed massive numbers of new weapons—such as the SS-20's that now threaten Western Europe—we may be forced to fund and deploy countervailing systems, even as we pursue arms control negotiations intended to make such counterdeployments unnecessary.

In other words, even while funding certain weapons programs in this bill, we hope that successful arms control negotiations will allow us to forgo or limit some programs in the future. By means of this legislation we are providing the administration with a solid basis for pursuing arms control negotiations with seriousness and resolve.

KEEPING FAITH WITH OUR ARMED SERVICES

A third and final principle that has been fundamental to the legislation before us is the obligation we feel to assure the welfare and maintain the confidence of the men and women of our armed services. We must keep faith with them. They, after all, are our most valuable national asset when it comes to the defense of the country.

It is therefore imperative that we never send a signal to our servicemen or servicewomen, through discriminatory pay cuts or caps, that they are in any way less important to the Nation than are its civil servants or civilian work force.

Keeping these principles and priorities in mind, Mr. President, I would like to discuss a number of items from the legislation before us.

STRATEGIC AND THEATRE NUCLEAR FORCES

In the area of strategic forces we have acted to provide for modernization of all three legs of our strategic triad. This bill provides the funding necessary to carry out the recommendations of the Scowcroft Commission. The bill provides $2.6 billion in research and development funding for the MX missile, of which $279 million is provided for initiating development of a small single warhead missile; $2.5 billion is authorized for procurement of 27 MX missiles and their associated spare parts.

The committee also took significant actions to strengthen the sea-based leg of our strategic deterrent. In addition to the authorization of funding for another Trident submarine, the bill provides authorization of $1.5 billion for research and development on the new Trident II missile.

The committee has recommended approval of 56 nuclear Tomahawk missiles for deployment aboard Navy attack submarines. The committee however, has not recommended procurement of 56 nuclear Tomahawks planned for deployment on surface ships because the Navy has not structured an integrated doctrine for employment of these surfaced-based weapons. In addition, as a result of technical and manufacturing problems and the cost overruns being experienced on this program the committee has recommended a reduction from 124 to 88 in the number of Tomahawk missiles authorized for fiscal year 1984. This action should provide the Navy and the contractor with sufficient breathing room to get this program back on track by fiscal year 1985.

The committee has recommended authorization of the full administration request for the advanced technology bomber (ATB). This provides the same funding level that was planned last year. The bill also provides for full funding of the B-1B Bomber as requested. This particular recommendation of the committee is questionable. It may be ill-advised to rapidly gear up and acquire tooling sufficient to support a maximum production rate of 48 aircraft per year for just 1 year, fiscal year 1986, only to terminate the program the following year as currently planned. Because of foreseeable budget constraints and a clear need to dovetail the B-1B and ATB programs, limiting the B-1B production capacity to 36 aircraft per year appears to be a more prudent course. I might add that the vote in the committee on this issue was 11 to 7, reflecting the difficulties several of my colleagues had in supporting the B-1B funding, as requested.

The bill also provides funding for continuation of the procurement of 240 air-launched cruise missiles in fiscal year 1984 and preserves the option to continue this program into fiscal year 1985 should problems arise with the advanced cruise missile—a program which is also funded at the level requested by the administration.

The committee has also adequately addressed the crucial matter of theater nuclear forces. It provided full funding for the ground launched cruise missile (GLCM) (120 missiles)

and the Pershing II (95 missiles). This should insure that the United States can pursue the INF arms control negotiations at Geneva in a credible posture vis-a-vis the U.S.S.R.

SEAPOWER AND FORCE PROJECTION

Mr. President, the committee has acted to continue the ongoing modernization and expansion of our naval forces and power projection capabilities. The bill authorizes the procurement of 20 new ships and $9.4 billion for the Navy shipbuilding and conversion account. The bill provides for three of the four mine countermeasures ships and two of the three oilers requested by the administration.

The committee has taken two significant actions toward enhancing our amphibious capability and upgrading the potential of our Rapid Deployment Force. It has recommended $1,380 million funding for the first LDH-1, a more capable follow on to the LHA. The committee has also continued the LSD-41 program, authorizing one ship in fiscal year 1984 and long-lead funding for two ships in fiscal year 1985.

The committee has recommended continuation of the SH-2F Lamps I ASW helicopter program, although at a rate of only 6 aircraft versus the 12 requested by the administration.

The committee has also proposed legislation to deal with the issue of long-term lease or charter of aircraft or naval vessels. This legislation requires specific authorization for any long-term lease, charter, or renewal of such lease or charter. This legislation also requires the Office of Management and Budget and the Department of the Treasury to publish guidelines for lease or charter versus buy decisions.

TACTICAL WARFARE

In addressing tactical warfare the committee has continued funding the urgently needed modernization of our conventional forces. However, in applying reductions necessary to stay within the guidelines provided by the budget resolution, we chose to slow the pace of modernization rather than reduce the readiness of our current forces. An example of this emphasis can be seen in the committee commitment to fund a fleet electronic warfare and support group aircraft essential for effective training of our surface fleet while imposing budget-dictated cuts in the F-14 and F-18 programs.

The bill provides $792 million for 21 F-14 aircraft in fiscal year 1984, a reduction of 3 aircraft and $94 million from the administration's request. Although the committee recommends procuring the F/A-18 in fiscal year 1984 at the levels requested by the administration (84 aircraft) the committee, in recognition of the out-year budget constraints, has provided advanced procurement funding for the same number of aircraft in fiscal year 1984. This is eight aircraft less than projected by the administration. The most significant action with respect to Navy Tactical Air Forces may be the committee's recommendation to suspend production of the A-6E while increasing production of the EA-6B by 33 percent. The objective of this action is to provide for more efficient buys of tactical aircraft while recognizing the constrained budget environment in which we must operate. It has become abundantly clear that it is very inefficient to maintain all of the production lines currently in existence to produce a few naval aircraft per year.

The bill reduces the F-15 program by 12 aircraft in fiscal year 1984 and reduces advanced funding for 33 aircraft in fiscal year 1985, saving just over $490 million. At the same time it increases the fiscal year 1984 F-16 buy by 24 aircraft and advanced procurement for 30 aircraft in fiscal year 1985 at a total increase in cost of $430 million.

The committee has also recommended termination of the MRASM, a program for which both Navy and Air Force support have waned. The committee has also provided for legislation which is designed to insure coordination on a comprehensive joint plan to develop and procure an airborne surveillance and acquisition system to detect and track moving formations of enemy surface units.

The committee has recommended disproportionately larger reductions in Army tactical programs than those of the other services, although it has still maintained the impetus for the Army's most extensive modernization program since World War II.

The committee has recommended procurement of 96 AH-64 aircraft for $1.1 billion, a reduction of $105 million from the administration request.

The committee has recommended procurement of 600 Bradley fighting vehicles as requested by the administration, but has recommended that fiscal year 1985 year procurement be maintained at the 600 level rather than ramping up to 830 vehicles as proposed by the administration.

One program particularly hard hit by budget reductions was the M-1 tank. The committee has recommended a buy of 600 tanks in 1984, in contrast to the 720 requested by the administration and the 855 tanks funded in the fiscal year 1983 budget. However, the committee did recommend advanced procurement of 720 tanks in fiscal year 1985.

The committee continued to place emphasis on the National Guard and Reserve Forces in support of the tactical mission. In addition to increased funding in several specific programs, it has recommended $100 million for unspecified procurement for the Army National Guard and $25 million for the Air Guard.

PREPAREDNESS

The jurisidiction of the Preparedness Subcommittee covers all of the operation and maintenance accounts as well as portions of the ammunition programs in the Army and the Air Force. Adequate funding of these programs is essential to maintaining the readiness and sustainability of our forces.

The committee's recommendations in the preparedness area result in reductions of approximately $2.6 billion from the President's request. Although this reduction is large, I think it can be accommodated with a minimum of disruption to essential readiness activities. Some of the largest reductions in this area, including revised fuel prices (−$1.3 billion) and lower purchase inflation (−$521 million), are no more than pricing adjustments and will not affect program execution. The committee fully funded, for example, the President's request for depot maintenance, operating tempos, training exercises, and real property maintenance. We were even able to provide increase of $46 million to the Army's request for training ammunition. However, I should point out to my colleagues that the committee found several important readiness programs in all of the services that we felt were underfunded in the President's fiscal year 1984 request. Unfortunately due to the constraints under which the committee operated, we just were not able to find the money to increase these programs. I make this point only to urge my colleagues not to support reductions in the readiness and sustainability programs beyond those recommended by the committee.

MANPOWER AND PERSONNEL

The committee carefully reviewed the President's request for all categories of defense manpower. For the Active Forces, the committee authorized an active-duty strength of 2,142,674 for fiscal year 1984. This is an increase of 12,674 over the fiscal year 1983 strength, but still represents a reduction of 22,026 from the President's request. This reduction was based partly on fiscal constraints. However, it was also meant to be an admonition and incentive to the military services to seriously consider transferring missions and units currently in the Active Force, or programed to be added to the Active Force, to the Reserve components.

For the Reserves, the committee recommended average strength of 1,036,000 in fiscal year 1984. This represents an increase of 9,000 over the level requested by the President, 3,000 of the increase going to the Army Reserves and 6,000 to the Army National Guard.

Civilian manpower levels in the Defense Department will be held at 1,056,185 in fiscal year 1984, approximately the current estimate for fiscal year 1983. This level is roughly 18,000 below the President's request. The committee felt that, with the substantial growth in Defense Department civilian strength over the last 3 years, the military services and defense agencies should be able to reallocate existing civilian manpower to meet essential requirements for which increases were requested in fiscal year 1984.

In addition to setting defense manpower strength levels for fiscal year 1984, S. 675 includes a number of important legislative provisions to improve Active and Reserve personnel management practices, to strengthen the military health care system, and to enhance the Nation's manpower mobilization capability. Finally, out of concern over the growing numbers of military and civilian personnel assigned to management headquarters and headquarters support functions in the Defense Department, the committee has mandated reductions in headquarters staffing across all of the military services and defense agencies in fiscal year 1984.

The President's fiscal year 1984 assumed no cost-of-living for Federal civilian or military employees next year. The committee, at the urging of Members on both sides of the aisle, has voted to give our servicemen and women a cost-of-living increase in fiscal year 1984 equivalent to that now contemplated for civilian employees in the Government. It has acted to assure that this will be an across-the-board increase, applicable to allowances as well as basic pay—as has been the past practice—and to insure that it will take place no later than the cost-of-living increase for Federal civilian employees. I personally believe that this is among the more important decisions taken by the committee.

MILITARY CONSTRUCTION

As a result of the committee's actions, a $1.2 billion reduction in the military construction areas was made from the Department of Defense request. In addition to those projects for which the services either canceled or revised a requirement, the committee did not authorize projects for which there was insufficient justification or where funds could not be obligated in the coming fiscal year. The committee's thorough assessment of each of the military construction projects requested for fiscal year 1984 has resulted in prudent cutbacks, consistent with the need to accommodate the Senate's budget ceiling for defense, or reductions which do not compromise our essential defense interests.

Two areas in which reductions were made deserve special emphasis. First, as a result of the new basing scheme for the MX missile, the military construction requirements for the MX were reduced by approximately $400 million. Second, several initiatives in the areas of military construction were taken to address concern by the committee over the contribution of our allies to the common defense. Funding for several NATO projects for which U.S. military construction funds were requested was denied by the committee. The committee believes NATO funding should be sought for these projects and continues to urge measures to increase the level of burden-sharing in the collective defense effort on the part of our allies. The committee is also very concerned over the family housing situation in NATO and hopes the level of effort by our allies in this area will be increased. The committee has recommended that this housing be built with U.S. manufactured housing. Such housing according to committee testimony can be built at about the same total cost per unit as those built for the United States by a foreign government.

DEPARTMENT OF ENERGY

The committee recommendation for the fiscal year 1984 DOE budget represents a net $200 million reduction from the administration's request. The reductions included delays in facilities for producing the SM-2 warhead, the ASW warhead, and the Sentry warhead.

The committee included $5 million, as requested, for conceptual design work on a new production reactor which the Department of Energy stated in hearing testimony will be necessary by about 1995. The committee increased the verification and control technology program by $5.4 million to continue an aggressive program in research on new nuclear detection techniques.

The committee fully funded the operating expenses and construction activities related to the disposal of defense nuclear wastes which have been accumulating for about 40 years. The committees' action supports getting started on the disposal plan for all the transuranic and high-level defense wastes as set forth in the Presidential report recently submitted to the Congress.

GENERAL PROVISIONS

Among the general provisions included by the committee, two were of the greatest interest to me. The first dealt with use of polygraph examinations in the Department of Defense. At my urging the committee adopted, without objection, an amendment which prohibits the Pentagon from taking adverse actions against military or civilian employees based solely on polygraph test results or the refusal to submit to a polygraph exam. It also requires reports from the President and Secretary of Defense on the need for and implications of plans for expanded use of the polygraph in DOD. Of course, the committee is not interested in protecting individuals who would cavalierly deal with national security information or deliberately reveal it in violation of law or regulation. Thus, the provision does not ban polygraph use, but recognizes that the polygraph is an inherently unreliable instrument. Individual's careers cannot be made to turn solely on the results of, or on their justifiable fears about, such an exam.

Second, the bill includes a provision permitting DOD to propose to the Congress the disposal of certain real property owned by the Department. Congress must approve each proposed disposal, and the bulk of any profits are covered into the Treasury. I am not comfortable about giving DOD this authority to exclude any Government property out of the longstanding procedures established under the Federal Property and Administrative Services Act. But my primary concern was to protect existing statutory mechanisms for channeling surplus Government land—including DOD land—to park and recreation use. This mechanism, which I helped put into place in the Federal Property and Administrative Services Act in 1970, has been of great benefit to State and municipal governments in many of our States. As reported, DOD would be able to dispose of land under its new authority only after the Secretary of the Interior has had an opportunity to determine whether the land is suitable for use as a park or recreation area. This modification to the original proposal should help maintain a priority that has been given in the past to allocation of excess Government lands for such uses.

Mr. President, I believe we have a balanced bill, a good bill. It will be open for amendments. I would trust that the Members of this body will review carefully the work of the committee. As I said at the outset, it has been a bipartisan effort with one interest in mind—the national security of the United States of America.

I yield the floor.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, is there a limitation on time?

The PRESIDING OFFICER. There is no limitation on time.

Mr. GOLDWATER. Mr. President, as chairman of the Tactical Warfare Subcommittee I report on the tactical portions of the fiscal year 1984 Department of Defense authorization bill with mixed feelings. I am pleased that this bill will continue the modernization of most of our conventional forces. However, I am disappointed that in order to comply with congressionally mandated budget reductions

we have been forced to reduce the production rates of several vital programs. These reduced production rates will inevitably result in higher unit costs and slower deliveries of new equipment to our inventory.

In the long run, these decisions will result in our paying more for defense than we would have under the administration's original proposal. In my opinion, this is a very shortsighted way to go about meeting our responsibilities to provide for our national security. By cutting the defense budget, as we have been compelled to do, we will end up paying more to get less. I hope that all those who participated so enthusiastically in reducing this defense budget will remember their participation when, next year, they read the familiar rush of press reports about continued cost growth in defense programs. Let us not kid ourselves. By repeatedly stretching out programs and denying production rate buildups, we are as much to blame for cost growth as anyone in the Pentagon or industry.

Mr. President, I would also like to express my profound disappointment at the way this body has allowed itself to become so encumbered by the budget process. We have reached the point where the entire legislative year is now virtually consumed by the task of passing our annual appropriation bills. The Budget Act of 1974, which was intended to streamline the process, has in fact produced just the opposite effect. Like a bureaucracy that has gone too long without a house cleaning, we have become mired in layer upon layer of duplicated effort and overlapping responsibilities.

I have yet to hear a persuasive explanation of why we must have one committee to set overall spending levels, a second to authorize expenditures and a third to appropriate funds for those expenditures, if they have a mind to do it. There has got to be a more efficient way of doing business. I remind you that last year we were here late into December in our efforts to pass the 1983 appropriations bills. And the fact of the matter is we failed. We ended up passing a continuing resolution which would provide for appropriations for an entire fiscal year. We took the easy way out—a short cut—and in so doing we neglected one of our primary responsibilities to the country, its defense.

Mr. President, we are in this mess not because of a lack of diligence or good intentions on the part of any Member of this body, but because the procedure that we have set up is simply not working. As a legislative body, we are like a drowning man, struggling vigorously but accomplishing little. Major issues deserving the attention of this body must be deferred or given only superficial consideration, because so much of our time is consumed by an inefficient budget process.

Mr. President, as the distinguished majority leader, Senator BAKER, recently remarked, we have allowed this body to evolve into an institution that bears little resemblance to what was conceived by the Founding Fathers. Having first come to this body 30 years ago I have witnessed much of that evolution. And I can tell you that some intelligent reform is long overdue.

Referring just briefly to the subject of committees, Mr. President, and I intend to speak at great length on this sometime in the near future, the Armed Services Committee has as one responsibility, its first, the authorization of equipment. This committee spends, Mr. President, months. We have staffs of experts, men who have spent, for example, I imagine a total of over 20,000 hours flying military aircraft. We have men extremely well acquainted with the difficult subject of ships at sea. We have men acquainted with the problems facing the man on the ground, the soldier. These staff members and members of the committee spend many, many weekends, Mr. President, out in the field studying the weapons systems, talking with the troops, talking with the airmen, talking with the sailors, so that we might have a better idea of what we are doing.

After months and months of consideration, this process goes through a final one of our subcommittee and the full committee deciding on what we will authorize.

Mind you, Mr. President, I am not saying this committee or my subcommittee are the sole possessors of knowledge in this field, but I will put the knowledge in the field of our subcommittee and our Armed Services Committee against the Appropriations Committee and the Budget Committee any time. It is not that they do not have efficient staff members; they do. But, Mr. President, I hope the body will keep in mind when this authorization is voted on, it travels over to the House, we have to have a joint meeting on what both Houses have agreed on, then it comes back here for another vote, then to the Budget Committee and then to the Appropriations Committee who will be the final people who will decide on just how this country will be defended in the coming years.

I do not want to sound egotistical or self-centered in this, but I would much rather depend on a committee made up of a staff and members of experts than on a committee whose determination on the armed services money is only a small part—or even say a big part; it is just a part of what they have to do. I am very hopeful that, in the few years I have left around here, I shall be able to see a reconstruction of the whole idea of the budget concept. It is a good idea; it just is not working. We are neglecting, week after week, day after day, important things that must be done for this country by this body.

Mr. President, returning to the defense authorization bill, I will highlight some of the committee's recommendations in the area of tactical warfare.

For the Army, we have reduced the administration's request for the Apache helicopter—which, by the way, is made in my State—by 16 helicopters. We have also recommended a reduction in the production rate of the M–1 tank from the administration's request of 720 vehicles per year to a level of 600 per year. This recommendation is based on the conclusion that the Army will not be able to sustain the higher production rate so long as Congress insists on continually reducing the defense budget. While these two recommendations will save us money in the short run—about $330 million in fiscal year 1983—they will add considerably to the overall cost of the programs. As I said earlier, we will spend more to get less.

In the Navy, we have once again expressed concern over the growing number of aircraft procurement lines. Last year, there were 13, this year there are 16, and next year, the Navy projects there will be 20. To remedy this situation, we have proposed that the production line of the A–6E Intruder and the T–34 Mentor be suspended. In the case of the A–6E, we have endorsed a program that will increase the maintainability, survivability and the capabilities of future production A–6E's. It is expected that after a suspension of 5 years, the A–6E line will be reopened and we will then be able to produce the aircraft at a rate more effective than the current six aircraft per year.

In order to comply with budget restrictions, we have also recommended the following reductions: 5 AV–8B Harriers, 3 F–14 Tomcats, and 2 C–2 Greyhound COD aircraft. We have recommended approval of the administration's request for Navy Sidewinder and Sparrow missiles, but have recommended a reduction of $81 million from the administration's request for the procurement of Phoenix missiles. This would deny the administration's request for surge production funding for the Phoenix and will sacrifice economies associated with higher rate production.

For the Air Force, we have recommended a reduction of 12 F–15's from the administration's request for 48 aircraft. Offsetting this reduction is an addition of 24 aircraft to the administration's request for 120 F–16's. The procurement of these additional F–16's will help to achieve a more economical

production rate and will also enable the Air Force to continue the modernization of Air National Guard units.

The committee recommends approval of the funding requested to conduct the alternate fighter engine competition, which has generated so much controversy over the past 2 years. The committee strongly supports the administration's efforts to increase the reliability of our fighter engines while, at the same time, reducing the cost of these engines through competition.

We have also recommended reductions in the funds requested for aircraft spares and aircraft modifications. And I tell you quite frankly, Mr. President, that I am not happy about having to make these recommendations. We have come a long way over the past 3 years toward increasing our availability rates and I am not eager to begin backsliding now. But, as the chairman stated in his opening statement, if we are to absorb these budget reductions in a balanced fashion, virtually all areas of the budget will be affected.

Mr. President, that briefly summarizes the recommendations of the Tactical Warfare Subcommittee.

I am pleased with the quality of the review each of the subcommittee members performed to insure that the expenditures authorized in this bill are both necessary and reasonable. I would particularly like to thank the three new members of our subcommittee, Senators KENNEDY, WILSON, and BINGAMAN, for their valuable contributions and genuine dedication to the task of preparing this authorization bill. I would also like to thank Senators WARNER, JEPSEN, and LEVIN, who have become the old hands on our subcommittee, for their consistently outstanding participation. I am grateful to each of them for their interest and hard work.

I would be extremely neglectful, Mr. President, if I did not mention the members of my staff on the subcommittee and the members of the full staff who performed so beautifully in this matter. I am grateful to every one of them for their work in this area.

THE CARTER BRIEFING BOOK AFFAIR

Mr. GOLDWATER. Mr. President, may I make a brief comment on something not related to this subject?

The PRESIDING OFFICER. The Senator may proceed.

Mr. GOLDWATER. Mr. President, as all of us have, I have just returned from our July 4 recess at home. It was a relief to be away from Washington. I did not read a thing in my local newspaper about the so-called Carter episode or how come the President got part of Mr. Carter's secret papers pertaining to the debate. That was a relief, believe me, because if you live in Washington and you read the morning papers—and there is no evening paper, unfortunately—you would have to come to the conclusion that there is nothing around here but a bunch of crooks. The same newspaper did not say a doggone word about a man named Lyndon Johnson, when he knew more about my speeches before I read them than I knew myself.

I do not know what you have to be around this place to be holy. I guess if I had been born in Texas, I would be considered above bowing to those things.

Then I read in the Wall Street Journal the other day that the eminent journalist, George Will, is going to be chastised by losing a paper here and there for having helped a man of his choice. Oh, you say anything that violates the first amendment and, my God, the newspaper people in this country go ape. But let one of their members support a President and say so; you would think that someone had just torn down the temple.

Mr. President, it is amusing to watch the evening television shows, particularly the Agronsky show.

Mr. KENNEDY. Will the Senator from Arizona yield on this issue?

Mr. GOLDWATER. Yes, Mr. President.

Mr. KENNEDY. Is the Senator suggesting that there was someone involved in his campaign who was leaking material to Lyndon Johnson, who was running at that time?

Mr. GOLDWATER. I am not making that now. That was common knowledge at the time. It was published in the press, made known over the TV and radio. In fact, it was my unfortunate duty one morning to ask a young lady to leave my train, a very attractive young lady too, I might say, because she was busy stealing material out of my mimeograph room.

We knew about it. Johnson's office knew about it. It was going on. It has been going on around here, I guess, ever since the days of George Washington, although he might turn over in his grave if I said so and, if he does, I apologize.

What I am trying to get at is I think the Senator from Massachusetts is as aware of these things as I am, not that we have performed it, but we have watched it. I watched the evening television show I mentioned, Mr. Agronsky's show. You would think these columnists never took political sides. I do not know a man in the writing profession who has not approached a typewriter sometime and banged out a piece that says, let us destroy this President, let us elect that man; let us get rid of this Senator, let us elect that man.

It is a laughable joke, Mr. President, what is going on in this town in the name of news. There are a lot more important things around here. I cannot think of any right now that are important here, but get me out to Arizona and I can think of a lot of important things that people are interested in: Getting their taxes cut, getting this body to act in a more responsible way, getting down to the business of this country and stop worrying about the fact that some of Mr. Carter's papers wound up in the hands of Mr. Reagan, given to Mr. Reagan undoubtedly by some member of Mr. Carter's staff who did not like Mr. Carter. That goes on all the time.

Mr. President, I just wanted to stand up and vent my little feelings on this. It is sort of funny to come back and watch this town literally falling apart at the seams for a happening that has been going on ever since there have been newspapers in this town.

I do not defend any member of the press, nor do I castigate any member of the press. They are all guilty, just as we are, of taking sides in politics.

That is all I have to say. I yield the floor.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate resumed consideration of the bill (S. 675).

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The motion of the Senator from Texas to waive section 402.

Mr. METZENBAUM and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. I am sorry, there was some shouting going on in the Chamber, and I could not quite understand. It is my understanding that the motion of the majority leader is the pending business. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. TOWER. At this point the Senate might be interested in knowing how long the debate on this issue will go on. I am prepared to stay all night if necessary, through the day tomorrow, whatever is required. It is a little unusual to filibuster a pro forma motion like this, particularly when a committee has been as cooperative as ours with the Budget Committee in honoring the budget process. But I am prepared to vote on this issue now. I hope that other Senators will feel inclined to permit us to get on with our business.

Mr. METZENBAUM. Will the Senator from Texas yield for a question?

Mr. TOWER. I yield to the Senator from Ohio.

Mr. METZENBAUM. Will the Senator from Texas be good enough to

advise the Senator from Ohio with reference to the exchange he had with Mr. Stockman back in May as to whether or not—I think the Senator indicated in connection with that $2.1 billion——

Mr. TOWER. I did not have an exchange with Mr. Stockman on that issue.

Mr. METZENBAUM. Was there a letter from him at that time?

Mr. TOWER. There was no letter from him at that time. They were estimating DOD savings due to revised inflationary assumptions, but we could not get validation of those numbers. We discussed it in committee. The committee elected not to consider that in our mark, and we proceeded on a different course until such time as those numbers were validated.

Mr. METZENBAUM. I want to repeat a question I asked before, but I am not sure I received the correct answer.

Did the Armed Services Committee ever notify the Budget Committee that the $2.1 billion in savings was to be effected?

Mr. TOWER. I do not recall that there was any formal notification by the Armed Services Committee to the Budget Committee. The Budget Committee has a much better flow of information from virtually all sources on budgetary matters than does the Armed Services Committee. I am sure that that information was available to the Budget Committee. I do not know that it was incumbent on the Armed Services Committee to discuss that with the Budget Committee, and I do not think it is relevant.

Mr. METZENBAUM. I should like to just point out to the manager of the bill that I do serve on the Budget Committee; that I never heard of the $2.1 billion. I think, had we heard of it, it is very likely that the Budget Committee would have arrived at a different figure as far as the Defense Department.

Mr. TOWER. And I respond back——

Mr. METZENBAUM. May I finish, please? That it came as a surprise to all of us when we read about it in the paper. I gather it came as a surprise to the members of the Armed Services Committee—I think that $2.1 billion is very significant—that it could just suddenly be found.

Mr. TOWER. I yielded to the Senator for a question. What is the question?

Mr. METZENBAUM. The Senator answered the question.

Mr. TOWER. It was not just suddenly found, as I have stated. The matter was discussed back in May. The figures simply were not validated at that time. The committee had it within its power to reject the additional savings and elected not to take all of it. But the committee voted to calculate those at the budget mark, and that was done by a bipartisan vote of 11 to 4.

Members of that committee or any Senator can, once we get into this bill, question this matter or offer amendments to reduce the bill by whatever amount they choose and by whatever programs they choose.

So I would hope we could get on with the business and get into substantive debate, because this is not relevant to the budget waiver. The budget waiver simply has to do with timeliness.

The fact is that right now, the Armed Services Committee is being punished by a member of the Budget Committee, maybe by several members of the Budget Committee; I do not know—I see some others around—for having cooperated with the budget process in waiting until the budget process had been completed on the first concurrent before reporting its bill. It could have reported its bill prior to May 15. It would not have required a budget waiver. It could have sent any figure, in fact, that it wanted and taken advantage of any savings that it felt it wanted to take advantage of, whether validated or not.

Now, if the Senator wants to delay the consideration of the bill, he has a right—the budget waiver motion is subject to debate—but I do not intend to get into the substance of the bill when what is the pending business is simply a pro forma resolution. So I do not intend to debate the substance of the bill but let the Senator from Ohio, if he can think up enough substantive comments to make on a simple pro forma resolution, go ahead and do so. I suggest that the proper time to discuss the substance of the bill would be when we get on the bill itself.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I would like to express my appreciation to the Senator from Arizona for his kind comments about me and my colleagues for our work on the Tactical Warfare Subcommittee. I had the opportunity to attend most of the hearings and to work with the Senator from Arizona both in the subcommittee and the full committee. I think all of us are very much in his debt for his experience in and knowledge of national security issues. He was always extremely accommodating to the members of the subcommittee.

Mr. President, I would like to comment on the issue that has been raised by the Senator from Ohio (Mr. METZENBAUM) on budgetary procedure. The point he raises should be a matter of major concern to this body. It is one of the main reasons that I reserved support for the bill that is now before the Senate.

It is true that the Armed Services Committee conformed with the budget resolution, but the amount that we set out to authorize in the Armed Services Committee was based on 5 percent real growth.

Basically, the Armed Services Committee now wants to have it both ways—take the mark, which was $268 billion, and have Mr. Stockman come in with a recalculated estimate of the rate of inflation and thereby actually increase the total percentage of real growth. So now, in effect, we have not fulfilled the understanding of this body that we were going to have 5 percent real growth in the defense budget.

The Senator from Texas is quite correct that we have not violated the budgetary requirements of the first budget resolution. But the point of the Senator from Ohio about the discipline which the various committees should exercise is very important. The Armed Services Committee and its subcommittees worked very long and hard, as the Senator from Arizona knows, in trying to reach its particular mark. The Tactical Warfare Subcommittee spent many hours deciding which weapons systems it was going to approve and at what cost. Then, suddenly, this recalculation was made a few hours before final consideration and new savings were available. And they were new, Mr. President.

I had the opportunity to talk informally with the chairman of the Budget Committee (Mr. DOMENICI) right after our committee had concluded its work.

He had absolutely no idea—was completely unaware—of the $2.1 billion. If the $2.1 billion was there in May, as some have claimed, then the chairman of the Budget Committee would certainly have been aware of it.

The Senator from Texas is quite right: We have the power to reverse decisions which have been made. But the point the Senator from Ohio, as a member of the Budget Committee, is making, is that the administration has engaged in budgetary trickery and the Senate should know this before we begin this debate.

This type of budgetary trickery demeans the hard work that has been done by members of the Armed Services Committee and demeans the entire budgetary process. I think the American people are probably confused enough trying to understand the budgetary process, and this kind of recalculation in the final hours only adds to the public's skepticism and cynicism.

I must say that I do not mean to be partisan. Many members on the other side of the aisle expressed disillusionment during the final day of markup.

I believe all of us are mindful of what the parliamentary situation is

and that we need authorization legislation on defense.

I also think it is important for us to understand, at the outset, what kind of budgetary power play the Armed Services Committee had to deal with in its final markup.

Mr. President, I reluctantly voted against this bill in the Armed Services Committee because I opposed the flagrant budgetary manipulation that accompanied the committee's action.

The executive branch "discovered" $2.1 billion of additional funds on the last day of our committee deliberations—enough to fund the multiyear procurement of B-1 bombers which our Strategic and Theater Nuclear Forces Subcommittee had recommended against. Such statistical trickery undermines the hard work of the Armed Services Committee and the credibility of the entire budgetary process.

Until the final day of our committee deliberations, I intended to vote in favor of this legislation. I disagreed with some provisions of the bill, but I was very favorably impressed by the conscientious process which we followed in the committee in marking up the defense budget.

The budget mark received by the Armed Services Committee from the Budget Committee permitted 5 percent real growth in defense spending, compared to the 10-percent growth requested in the President's budget. To meet the 5-percent target, the Armed Services Committee allocated reductions from the President's request to each subcommittee. The subcommittees then marked up their portions of the defense budget to meet the assigned target, and reported their conclusions to the full committee.

But then we got the $2.1 billion; there was no attempt to reallocate those savings according to subcommittee, even though we had initially reduced according to subcommittee.

Mr. President, the procedure worked very well until the final moments of our full committee markup. The Strategic and Theater Nuclear Forces Subcommittee had recommended deleting funds for multiyear procurement of the B-1 bomber and limiting production to a rate of three aircraft per month. This recommendation produced a saving of $887.7 million in fiscal year 1984 spending.

The full committee accepted this recommendation, and would have deleted this B-1 funding if the administration had not suddenly and conveniently revised its estimate of inflation. I am deeply concerned by this budget flimflam. I regard this result as bad budget policy and an insult to the hard work of this committee.

As a matter of defense policy, there is no justification for proceeding with the B-1 bomber. The Air Force's confidence in the new "stealth" technology has led it to accelerate development of advanced cruise missiles in order to insure that the bomber leg of the triad is viable well into the 1990's. This situation raises an obvious question that must be resolved before we proceed with the B-1 bomber. If the threat now posed by Soviet air defense justifies trading in the air-launched cruise missile for a new cruise missile with stealth technology, then it should also justify trading in the B-1 bomber, which has only limited stealth capabilities, and concentrating our resources on building a bomber that fully incorporates this new technology.

I think the Senate should face this dilemma squarely and impose some discipline on the Pentagon by choosing between the B-1 bomber and the stealth bomber. If we were to do so we could delete the $6 billion for the B-1 program and invite the Air Force to come back to the committee with a supplemental request for accelerating the stealth program. I believe that makes good defense sense as well as good financial sense.

Given the uncertainties about the future military requirements of our strategic bomber force, there is even less justification for the committee's decision to provide multiyear procurement of the B-1 bomber. The B-1 meets few, if any, of the congressionally mandated criteria for multiyear funding. In particular, the instability of the design of the system may very well reduce multiyear savings in the future. According to the recent GAO report on multiyear programs, the B-1 fails to meet four of the five criteria used to evaluate multiyear contracts, including cost confidence, funding stability, design stability, and most important, projected savings. Indeed, the GAO report casts considerable doubt on whether the Air Force can achieve any of the savings it originally estimated from multiyear contracting.

Mr. President, I hope that the Members of the Senate will have an opportunity to examine that GAO report as it relates to the multiyear funding of the B-1 bomber. I will have more to say about that when an amendment which I will cosponsor with two other of my colleagues is before the body, but I do believe that in preparation for that particular debate it would be most valuable for the Members of the Senate to examine the GAO report on this issue. I ask unanimous consent to have printed in the RECORD those relevant sections at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, I also voted against this bill in the committee because it provides funds for production of the MX missile, chemical munitions, and nuclear aircraft carriers, as well as other weapons systems that are wasteful or destabilizing.

The idea that more spending means greater security has led the Reagan administration to try to produce the MX missile, even though it cannot be protected, and even though it means building more nuclear weapons at the expense of the readiness of our conventional forces and our pressing economic needs.

I believe in maintaining a triad of strategic nuclear forces that includes a survivable land-based leg—not one that is crippled before it is built. Paradoxically, the deployment of the MX will make us weaker, not stronger. At the present time, the Soviets have little or no incentive to attack our Minuteman missiles in their silos. The MX, by posing a first-strike threat to their land-based systems, will increase the incentive for the Soviet to attack us in a crisis. Recent data from the Air Force reveal that just as we begin to deploy the MX in the later 1980's, Soviet improvements in missile accuracy will give them the capability to destroy all but 1 percent of our fixed-silo land-based missile force, 1 percent of 100 is 1 surviving MX missile. The result may well be to tip both sides toward a launch on warning or launch under attack strategy that takes us even closer to the fateful precipice of all-out nuclear war.

I support vigorous research and development of the small ICBM as a sane alternative to the MX. If the $279 million in this budget does not push small missile research and development as rapidly as possibly, I would favor increasing this amount.

I support a national defense second to none. I support steady, sustained, and responsible real growth in the defense budget. But excessive growth in defense is unacceptable. It comes at the expense of other important programs, and it adds to the already intolerable burden of massive Federal deficits.

Finally, in one of its most important actions, the Armed Services Committee recommended a 4-percent cost-of-living adjustment for our military forces. This adjustment will be a real 4-percent increase in total military compensation, not just in basic pay.

The men and women of our Armed Forces are serving our country with outstanding skill and dedication. They deserve not only our gratitude and respect, but a fair wage that is at least comparable to the compensation of their civilian counterparts in Federal service.

I strongly opposed President Reagan's scheme to freeze civilian and military pay in order to finance his wasteful increases in military procurement; in fact, the President's proposal would actually have slashed the pay of Federal civilian and military workers

once inflation is taken into account. I am pleased that the Armed Services Committee saw through the Reagan freeze on military pay, and saw fit to accept the amendment that I offered with Senator EXON to grant the same reasonable cost-of-living adjustment already agreed upon for civilian employees of the Government.

In terms of sound defense strategy, it is fundamentally shortsighted to cut readiness, manpower, and tactical warfare programs in order to preserve wasteful and unnecessary strategic and naval forces. It is especially difficult to justify making such cuts in order to preserve two new ICBM programs, five strategic bomber programs, and three new aircraft carriers and their battle groups.

We can fashion an effective defense at a manageable cost. There is no more important responsibility before us. But this task requires us to reorder our defense priorities and reexamine what is militarily necessary and effective. It also requires us to deal openly and candidly with the complex economic and military issues in this important bill, and to demonstrate a decent respect for the budget process. I believe the committee failed to meet its responsibility on these issues, and I hope that the full Senate will act wisely to remedy the serious defects in this particular legislation.

Mr. President, I yield the floor.

EXHIBIT 1

ANALYSIS OF THE DEPARTMENT OF DEFENSE'S REQUEST FOR MULTI-YEAR CONTRACT AUTHORITY FOR THE B-1B WEAPONS SYSTEM—GAO REPORT, JUNE 16, 1983 (EXCERPT)

ASSESSMENT OF THE B-1B MULTIYEAR JUSTIFICATION

You asked that we also testify concerning our analysis of the B-1B multiyear justification. Overall, we do not believe the Air Force has demonstrated that the B-1B program fully meets the criteria in Public Law 97-86. As you know, the B-1B program cost estimate, was based on achieving an $800 million (fiscal year 1981 dollars) savings from multiyear procurement. Therefore, achieving those savings is important to maintaining total program cost within the baseline of $30.5 billion (fiscal year 1981 dollars). The baseline program assumed that multiyear authority would begin in fiscal year 1984. The Air Force, however, requested fiscal year 1983 multiyear authority to initiate economic order quantity (EOQ) buying of selected B-1B components after it learned that a fiscal year 1984 multiyear start would not provide the desired savings.

Cost avoidance and confidence in cost estimates

In terms of the criteria we presented earlier, we believe the cost avoidance figures included in the multiyear justification package (based on budgetary estimates) were marginal for the engine (4.6 percent), offensive avionics (3.5 percent), and defensive avionics (0.5 percent). The program director stated that the proposals received confirmed the estimated savings, but assumed that EOQ would start by April 1, 1983. Since authority to initiate EOQ by April 1, 1983 was not granted, the savings estimate of $800 million (fiscal year 1981 dollars) has, according to the Air Force decreased to about $600 million (fiscal year 1981 dollars) assuming authority to start EOQ takes place in early June 1983.

We understand the proposals, in total, exceed the amounts budgeted by the Air Force for those efforts by about 31 percent. Therefore, it may be difficult for the Air Force to achieve the savings originally estimated and to acquire the system within the baseline cost of $20.5 billion (fiscal year 1981 dollars).

Although the Air Force has received proposals from the contractors, the Air Force denied us access to the proposals because they believed the proposals should remain confidential to the negotiation process. The Air Force does not intend to complete their analysis on the proposed multiyear prices with the contractors until they receive multiyear authority.

The award of the single largest contract and the one with the greatest potential savings, the airframe contract, is not planned until fiscal year 1985. Therefore, negotiations on the major part of the system will not begin until late 1984 consequently, there will be little basis for confidence in the total cost or the estimated cost avoidance until that time.

Design stability

The Air Force has testified that the design of the B-1B airframe, engine and avionics are stable. However, the operational testing that remains to be done on the B-1B could ultimately require some design change. In our April 13, 1983 report to the Secretary of Defense (GAO/MASAD-83-21) we stated:

"The research, development, test and evaluation phase for the B-1B, full-scale development effort is scheduled to continue into fiscal year 1987. For fiscal year 1984 through 1987, 51 percent of the research, development, test and evaluation funds are to be requested for the B-1B program. Further, the development flight testing for the program is to continue through June 1986. Avionics flight testing will not start until July 1984."

Since the operational testing of the B-1B program is only beginning, there is no basis to more specifically identify potential design problems or their impact on the program, either based on annual or multiyear contracting.

Matters for consideration

When the committee is satisfied that the Air Force has provided sufficient information to demonstrate confidence in the design stability of all B-1B systems, and determines that the B-1B program is an acceptable candidate for multiyear contracting, it may want to consider quickly approving EOQ for fiscal year 1983 because the Air Force states that delay is jeopardizing claimed savings. We believe, however, that approval of fiscal year 1983 EOQ authority and the fiscal year 1984 budget request for multiyear contracting authority should carry certain conditions. We suggest the committee require the Air Force to:

Make a detailed analysis of both multiyear and annual proposals for all associate contractors based on a fiscal year 1984 start before any multiyear contracts can be awarded;

Provide a detailed assessment that demonstrates the extent to which the negotiated multiyear target prices plus work already on contract and work not yet on contract compares with the $20.5 billion program baseline.

In addition, if the Committee wants our assessment of savings and total program cost based on negotiated multiyear contract prices prior to final congressional approval it should consider requiring the Air Force to provide all proposals and analyses for GAO review when the initial negotiation objectives under either multiyear and/or contract basis are established. Timely access to this data would be essential for us to be responsive to the Committee needs.

This concludes my statement Mr. Chairman, and I would be happy to answer any questions you or the other members may have.

CHART 2.—PRELIMINARY EVALUATION OF CANDIDATES

[× indicates a question whether criteria has been met]

System/subsystem	Savings[1]	Degree of cost confidence	Requirement stability	Funding stability	Design stability
Army					
Bradley fighting vehicle:					
Transmission.	×	×			×
Turret drive.	×	×			
Power control unit.		×			
Tow subsystem.		×			
CH-4/D modification[2].					
M-60 Thermal sight.		×			
AH-64 engine.	×	×			
Tow II missile[2].		×			
Armored combat earthmover.	×				×
Navy					
F/A-18 engine[2].		×	×	×	
TB-16 sonar.		×			
MK-45 gun mount/MK-6 ammo hoist.		×			
AN/TSQ-111[2] CNCE.		×			×
AN/SSQ-62B sonobuoy[2].		×			
LSD-41 ship.		×			
MK-30 target.		×			×
Air Force					
B-1B bomber:					
Airframe		×		×	×
Engine	×	×		×	×
Offensive avionics.	×	×		×	×
Defensive avionics.	×	×		×	×
Spares					
F-15 aircraft[2].	×	×		×	
KC-135 Reengining[2].	×	×		×	×

[1] We have considered all systems with a projected savings of less than 5 percent based upon budgetary data to be questionable.
[2] Multiyear authority denied by House Armed Services Committee.

Mr. QUAYLE and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER (Mr. WILSON). The Senator from Indiana is recognized.

Mr. QUAYLE. The Senator may go ahead if he wishes to speak.

What is the pending business?

The PRESIDING OFFICER. The question before the Senate is the motion by the majority leader to waive the requirements of section 402 of the Budget Act.

Mr. QUAYLE. Are we ready to vote on that?

Mr. METZENBAUM. Mr. President, if the Senator from Indiana wishes to be recognized for the purposes of making a speech, I have no objections of him doing so. Otherwise, I do intend to address myself to the motion.

Mr. QUAYLE. I wonder if the Senator from Ohio might just be able to enlighten the Senator from Indiana as to how long we are going to be on this procedural motion?

Mr. METZENBAUM. One never knows.

Mr. QUAYLE. Does the Senator have any idea?

Mr. METZENBAUM. The Senator from Texas indicated that he would like to work tonight. I am free, and I am available throughout the night and morning.

Mr. QUAYLE. What are we going to work on?

Mr. METZENBAUM. We are going to talk a little bit about——

Mr. QUAYLE. Leasing?

Mr. METZENBAUM. No. About the budget.

Mr. QUAYLE. The budget also?

Mr. METZENBAUM. The Defense Department authorization bill, and I suggest that if the Senator wishes to know what we are going to talk about, he just sit down and listen to me speak, and he will learn what I am going to talk about.

Mr. QUAYLE. The Senator cannot talk a whole lot about the defense authorization bill as we are not there yet.

Mr. METZENBAUM. If the Senator cares to make a point of order that the Senator from Ohio is out of order in anything that I am saying in the Chamber, he certainly is at liberty to do so. Absent that, I intend to address myself to the issue as I see it before the Senate.

Mr. QUAYLE. Will the Senator be 1 hour or 2 hours?

Mr. METZENBAUM. I really am not in a position to respond to the Senator from Indiana. If he has a commitment this evening, he can share it with me.

Mr. QUAYLE. I thank the Senator for shedding a little light on the situation.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, the distinguished manager of the bill has indicated that discussing the $2.1 billion adjustment is not relevant, that it is not relevant in connection with this waiver and that the only time to bring that up is when the bill is being considered.

Mr. President, I have no difficulty with that issue. When this matter or any other matter pertaining to this legislation is on the floor, all aspects of the matter are relevant, and we are talking about $2.1 billion that suddenly out of nowhere the Director of the Office of Management and Budget is able to find.

A lot of people have said they have difficulty with his credibility in dealing with Congress and in dealing with the people of this country, and I am one of those. I heard him appear before our committee time and time and time again about the need to cut spending and take food out of children's mouths, cut back on medicare and medicaid, cut back on funds for education, cut back on all of the human service programs and not once, not once since he has been in office has he found $2.1 billion for those programs.

Not once has he found half of that amount or a tenth of that amount. But suddenly out of nowhere he finds $2.1 billion. The audacity of the situation is that the Armed Services Committee uses the money in connection with the program that is at issue at that very moment. That is bad enough, but then they do something else. I was not at the committee hearing, so I can, therefore, only quote from the Washington Post of June 29:

> After voting the $888.7 million for the B-1 the committee proceeded to make additions to the authorization bill to use up most of the rest of the $2.1 billion.

Hurray, we have got $2 billion. Let us be sure we spend it all. Never mind all this talk of the conservatives about cutting back on spending. We are dealing with the Defense Department authorization bill. Let us spend every single dime we can find. Let us go right up to the level.

The distinguished manager of the bill has said "We did not get up to the level of the Budget Committee figure." But the fact is—and I served on that Budget Committee—there was tremendous pushing and pulling and fighting and negotiating and compromissing until we got to the figure that the Budget Committee agreed upon. Not all of us agreed upon that figure. I went along with it at 5 percent, the so-called 5-percent compromise. But the facts are that many of us thought it ought to be considerably less.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. METZENBAUM. I yield to the Senator from Massachusetts for a question.

Mr. KENNEDY. Was it the understanding of the Budget Committee when they finally gave us the $268 billion that it represented a 5-percent real growth?

Mr. METZENBAUM. Indeed it did.

Mr. KENNEDY. So even though the Armed Services Committee was conforming to the letter of the budgetary process by coming in under $268 billion, if we had followed the spirit of the budget process we would have authorized only 5-percent real growth and this would have been several billion dollars below the $268 billion as a result of the inflation reestimates; am I not correct?

Mr. METZENBAUM. The Senator from Massachusetts is 100 percent accurate.

If we were to have followed the usual procedures with respect to the 5 percent it would have been 5 percent and including taking into account the various inflation factors, economic projections on the cost of money, we would, therefore, have set a lower figure for the 5-percent figure.

We did not know that. Mr. Stockman had a secret. He ought to be on that TV program, "I Have A Secret," but the fact is he is supposed to make his information available to all of us in Congress and the people of the country, but he did not share it with us.

Mr. KENNEDY. Am I also correct that the Budget Committee was in conference with the House only 2 days prior to the final day of the Armed Services markup?

Mr. METZENBAUM. The time when the Budget Committee was in conference with the House relative to the figures agreed upon was very proximate to the time when Mr. Stockman advised the Armed Services Committee of the newly found money. I am not certain, and I am frank to say to the Senator from Massachusetts I am not certain, whether it was 2 days, but it was very close in time.

Mr. KENNEDY. It is shocking to me that neither the members of the Budget Committee, including the chairman, nor the Democratic or Republican members of the Armed Services Committee with whom I have spoken had knowledge of these inflation savings until the final day of markup.

I am just wondering whether the Senator from Ohio finds the manner in which the administration came up with savings at the end that would have changed the whole budget process had we known about them at the beginning flimflam economics?

Mr. METZENBAUM. I do indeed find it flimlam economics. I would point out——

Mr. TOWER. Mr. President, point of order.

The PRESIDING OFFICER. The Senator from Texas will state his point of order.

Mr. TOWER. Mr. President, under rule XIX, section 1(b) I raise the point

of order that the remarks of the Senator from Ohio are not germane.

The PRESIDING OFFICER. The Senator from Ohio may only debate the specific question before the House, that is upon the motion by the majority leader to waive section 402 of the Budget Act.

Mr. METZENBAUM. The Senator from Ohio is debating the matter before the House, and it is my opinion that neither the Presiding Officer nor any other Member of this body is in position to determine otherwise.

Mr. KENNEDY. Mr. President, I would certainly hope that——

Mr. TOWER. Mr. President, is the point of order sustained by the Chair?

The PRESIDING OFFICER. The point of order is well taken, and the Chairman will advise the Senator from Ohio that is the function of the Presiding Officer.

Mr. METZENBAUM. Mr. President, I appeal the decision of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the appeal.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Without objection, the ruling of the Chair is sustained.

CALL OF THE ROLL

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum if that is the way we are going to play.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. There is objection. The clerk will continue the call of the roll.

The legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard from the Senator from Ohio.

The legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. METZENBAUM. Objection.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 8 Leg.]

Bingaman	Jackson	Stennis
Cohen	Kennedy	Tower
Domenici	Levin	Trible
Goldwater	Metzenbaum	Wilson
Hart	Quayle	
Helms	Riegle	

The PRESIDING OFFICER (Mr. WILSON). A quorum is not present. The clerk will call the names of the absent Senators.

The legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 8 Leg.]

Boschwitz	Gorton	Stafford
Chafee	Kassebaum	Symms
Cochran	Leahy	Wallop
Danforth	Mattingly	
Ford	Rudman	

(During the call of the roll Mr. GOLDWATER occupied the chair.)

The PRESIDING OFFICER (Mr. COHEN). A quorum is not present. The clerk will call the names of absent Senators.

After some delay, the following Senators entered the Chamber and answered to their names:

[Quorum No. 8 Leg.]

Andrews	Durenberger	Lugar
Baker	Eagleton	Packwood
Bentsen	Grassley	Percy
Bradley	Heflin	Proxmire
Bumpers	Humphrey	Randolph
Byrd	Inouye	Weicker
Denton	Johnston	Zorinsky
Dole	Laxalt	

Mr. BAKER. I announce that the Senator from South Dakota (Mr. ABDNOR), the Senator from Colorado (Mr. ARMSTRONG), the Senator from New York (Mr. D'AMATO), the Senator from North Carolina (Mr. EAST), the Senator from Utah (Mr. GARN), the Senator from Utah (Mr. HATCH), the Senator from Oregon (Mr. HATFIELD), the Senator from Florida (Mrs. HAWKINS), the Senator from Nevada (Mr. HECHT), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Iowa (Mr. JEPSEN), the Senator from Wisconsin (Mr. KASTEN), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Oklahoma (Mr. NICKLES), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Alaska (Mr. STEVENS), the Senator from South Carolina (Mr. THURMOND), the Senator from Virginia (Mr. WARNER), and the Senator from Delaware (Mr. ROTH), are necessarily absent.

Mr. BYRD. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Oklahoma (Mr. BOREN), the Senator from Florida (Mr. CHILES), the Senator from North Dakota (Mr. BURDICK), the Senator from California (Mr. CRANSTON), the Senator from Arizona (Mr. DECONCINI), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. DODD), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Montana (Mr. MELCHER), the Senator from Maine (Mr. MITCHELL), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), the Senator from Maryland (Mr. SARBANES), the Senator from Tennessee (Mr. SASSER), and the Senator from Massachusetts (Mr. TSONGAS) are necessarily absent.

I also announce that the Senator from Delaware (Mr. BIDEN), is absent on official business.

(During the call of the roll Mr. SYMMS occupied the Chair.)

The PRESIDING OFFICER (Mr. GORTON). A quorum is present.

Mr. BAKER. Mr. President, once again, the distinguished Senator from West Virginia, the minority leader, has saved the day. [Laughter.]

Mr. President, we have been on this quorum call—one or the other of two quorums—since 2:25 this afternoon. I anticipated a slow day, but I had not anticipated it being this slow.

Mr. President, there is nothing more we can do today on the defense authorization bill. I have a few odds and ends I should like to take care of before I put the Senate into morning business.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business to extend not past 6:50 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 10:30 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, after the recognition of the two leaders on tomorrow under the standing order, I ask unanimous consent that three

Senators be recognized on special orders of not to exceed 15 minutes, in this order: Senators SPECTER, PROXMIRE, and SYMMS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM 12 NOON TO 2 P.M.

Mr. BAKER. Mr. President, tomorrow is Tuesday, and the caucuses of Senators of both parties will occur, as is the usual practice on Tuesday. Those caucuses are of a quasi-official nature. They occur out of the Senate Chamber and separately. In order to accommodate that, I ask unanimous consent that on tomorrow at 12 noon, the Senate stand in recess until 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that any time remaining after the execution of the special orders on tomorrow and prior to 12 noon be devoted to the transaction of routine morning business, in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. METZENBAUM. Mr. President, will the majority leader be good enough to respond to an inquiry?

I heard the statement about the special orders, and I know that a special arrangement for the caucuses of the respective parties will occur. Is it the understanding of the majority leader that we will return to the consideration of this bill sometime during the morning hour?

Mr. BAKER. Yes.

Mr. President, let me put it this way, because there should be a time tomorrow, before the caucuses, to get back to the defense authorization bill, at which time I believe the appeal of the ruling of the Chair will be the pending question.

Mr. President, I modify the request so that the time for the transaction of routine morning business will extend not later than 11:50 a.m., under the same terms and conditions, and that at 11:50 a.m. the Senate resume consideration of the pending measure. The remainder of the request is as I stated.

We will come in at 10:30 a.m., and the two leaders will be recognized for not more than 10 minutes each. There will be three special orders of not to exceed 15 minutes each.

There will be a period for the transaction of routine morning business, which will be of indeterminate length, depending on how long the leaders' time may be and how long the special orders may take—routine morning business until 11:50.

Then, for 10 minutes only, we will return to the consideration of this measure; and at 12 o'clock noon we will recess until 2 p.m.

Mr. METZENBAUM. So that if the Senator from Ohio is not on the floor at 11:50 a.m., that will be adequate to protect him.

Mr. BAKER. Mr. President, the Senate will resume consideration of this matter at 11:50 a.m.

Mr. METZENBAUM. I thank the majority leader for his courtesy.

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there is at least one other Senator who is on his way to the floor to make the quorum. The last best hopes we had were Senator DENTON, who I see has now arrived in the Chamber, and I express my gratitude to him for arriving under difficult circumstances, and the Senator from West Virginia.

There are two matters that appear to be cleared for action by unanimous consent, and I will state them now for the benefit of the minority leader and other Senators.

EXTENSION OF TIME FOR CONSIDERATION OF S. 869

Mr. BAKER. Mr. President, I ask unanimous consent that under the provisions of the unanimous consent agreement of June 10 (legislative day of June 6), the Committee on Foreign Relations have until July 18 for the consideration of section 205 of S. 869.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, this extension is necessary because 2 days prior to the committee's scheduled June 30 markup the Senate adjourned for the July 4 recess making it impossible to get a quorum of the committee to complete markup by the July 10 end of the referral period. I have discussed this request with the chairman and ranking member of the Banking Subcommittee. They do not object to extending the referral period from July 10 to July 18.

REMOVAL OF INJUNCTION OF SECRECY—TWO PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from two protocols for the extension of the International Wheat Agreement, 1971 (treaty document 98–5), transmitted to the Senate today by the President of the United States; and ask that the protocols be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Extension of the Wheat Trade Convention, 1971, and the Food Aid Convention, 1980, which Conventions constitute the International Wheat Agreement, 1971. The Protocols were adopted by the International Wheat Council which met in London in December 1982 and were open for signature in Washington from April 4 through May 10, 1983. They were signed by the Secretary of Agriculture for the United States on April 25, 1983.

I transmit also, for the information of the Senate, the report of the Secretary of State with respect to the Protocols.

The Protocols extend both Conventions through June 30, 1986. They maintain the framework for international cooperation in wheat trade matters, continue the existence of the International Wheat Council, and extend the parties' commitments to provide minimum annual quantities of cereals food aid to developing countries.

I ask that the Senate give early and favorable consideration to the two Protocols so that ratification by the United States can be effected at an early date. Doing so will demonstrate our continued commitment to cooperation on international wheat trade matters and to providing food aid to needy developing nations.

RONALD REAGAN.

THE WHITE HOUSE, *July 11, 1983.*

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have nothing further to address the Senate this evening.

I look about the Chamber and I see the Senator from Alabama, Senator DENTON, two Senators from the State of West Virginia, and numerous diligent and dedicated staff.

Mr. President, I will now ask that the Senate stand in recess, since none of them, including staff, appear to be seeking recognition.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to; and at 6:50 p.m., the Senate recessed until to-

morrow, Tuesday, July 12, 1983, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate July 8, 1983, under the authority of the order of the Senate of June 29, 1983:

FEDERAL RESERVE SYSTEM

Paul A. Volcker, of New Jersey, to be chairman of the Board of Governors of the Federal Reserve System for a term of 4 years (reappointment).

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. David A. Beasley, xxx-xx-xxxx
Maj. Teddy E. Brock, xxx-xx-xxxx
Maj. Gregory J. Maciolek, xxx-xx-xxxx
Maj. Donald E. Nieser, xxx-xx-xxxx
Maj. Robert F. Query, xxx-xx-xxxx
Maj. Charles D. Ralls, xxx-xx-xxxx
Maj. Kenneth A. Schroer, xxx-xx-xxxx
Maj. Gary L. Williard, xxx-xx-xxxx
Maj. George E. Wilson III, xxx-xx-xxxx

LEGAL

Maj. Steven W. Smoger, xxx-xx-xxxx

CHAPLAIN

Maj. Frank A. Mitolo, xxx-xx-xxxx
Maj. Xel Sant'Anna, xxx-xx-xxxx

Executive nominations received by the Senate July 11, 1983:

SECURITIES AND EXCHANGE COMMISSION

Charles C. Cox, of Texas, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1988, vice John R. Evans, term expired.

IN THE AIR FORCE

The following persons for appointment as Reserve of the Air Force, the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Absolon, Karel B., xxx-xx-xxxx
Airhart, Richard A., xxx-xx-xxxx
Brennan, James R., xxx-xx-xxxx
Brewer, Robert L., xxx-xx-xxxx
Camacho, Luis G., xxx-xx-xxxx
Campbell, Robert L., xxx-xx-xxxx
Cates, Donald H., xxx-xx-xxxx
Cayce, John H., xxx-xx-xxxx
Criares, Nicholas J., xxx-xx-xxxx
Ellis, Leland., xxx-xx-xxxx
Fischer, Craig L., xxx-xx-xxxx
Gehling, Gerald F., xxx-xx-xxxx
Grant, George N., xxx-xx-xxxx
Lawson, Herschel W., xxx-xx-xxxx
Lim, Roland A., xxx-xx-xxxx
McMenamin, Joseph D., xxx-xx-xxxx
Morrow, Robert L., Jr., xxx-xx-xxxx
Nellis, Noel, xxx-xx-xxxx
Picache, Reginaldo S., xxx-xx-xxxx
Rogers, James H., Jr., xxx-xx-xxxx
Sutliff, Lourell E., xxx-xx-xxxx
Sweeney, Donal F., xxx-xx-xxxx
Tramont, Charles V., xxx-xx-xxxx
Vaclavek, Caridad L., xxx-xx-xxxx
Walter, Charles T., Jr., xxx-xx-xxxx

The following person for appointment as a Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code.

LINE OF THE AIR FORCE

To be lieutenant colonel

Harper, Steven V., xxx-xx-xxxx

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

McLean, Thomas N., xxx-xx-xxxx

To be lieutenant colonel

Hagen, William M., xxx-xx-xxxx
King, John P., xxx-xx-xxxx
Lefton, Theodore E., xxx-xx-xxxx
Rosenthal, Paul G., xxx-xx-xxxx

The following officers for promotion in the Air Force Reserve, under the provisions of section 8376, title 10, United States Code (non-EAD).

MEDICAL CORPS

To be lieutenant colonel

Kidd, Ralph V., III, xxx-xx-xxxx
Hilsman, Thomas A., xxx-xx-xxxx

The following Air Force officer for appointment as permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

Royer, Erlind G., xxx-xx-xxxx

IN THE AIR FORCE

The following midshipmen, U.S. Naval Academy, for appointment as second lieutenants in the Regular Air Force, under the provisions of sections 541 and 531, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force.

Brummett, Scott L., xxx-xx-xxxx
Bubier, Scott L., xxx-xx-xxxx
Greenway, John P., xxx-xx-xxxx
Kornchuk, Carl W., xxx-xx-xxxx
Smith, Leonard, Jr., xxx-xx-xxxx

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, 533:

JUDGE ADVOCATE GENERAL'S CORPS

To be major

Stearns, James N., Jr., xxx-xx-xxxx

To be captains

Barton, Philip W., xxx-xx-xxxx
Beaudoin, David D., xxx-xx-xxxx
Bodager, Bradley E., xxx-xx-xxxx
Brunjes, David H., xxx-xx-xxxx
Caldwell, John W., Jr., xxx-xx-xxxx
Charters, Alexander W., xxx-xx-xxxx
Chiaparas, Emmanuel M., xxx-xx-xxxx
Coyne, James M., xxx-xx-xxxx
Egan, Becky A., xxx-xx-xxxx
Garza, Joe A., Jr., xxx-xx-xxxx
Grimstad, Paul T., xxx-xx-xxxx
Hoadley, Michael W., xxx-xx-xxxx
King, Blaine J., xxx-xx-xxxx
Laverdure, Richard P., xxx-xx-xxxx
Littlefield, Ralph L., xxx-xx-xxxx
Lodge, Joseph J., Jr., xxx-xx-xxxx
Lucey, Leonard L., xxx-xx-xxxx
McCallum, Daniel F., xxx-xx-xxxx
Mellies, Charles B., xxx-xx-xxxx
Puffer, Roger C., xxx-xx-xxxx
Saye, John J., xxx-xx-xxxx
Short, John J., xxx-xx-xxxx
Underwood, Anthony P., xxx-xx-xxxx
Vitaris, Richard W., xxx-xx-xxxx
Wagner, James C., xxx-xx-xxxx
Walsh, Gary L., xxx-xx-xxxx
Wolanin, Stanley J., xxx-xx-xxxx

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army, and appointment into the Regular Army as appropriate, in accordance with the appropriate provisions of title 10, United States Code:

To be lieutenant colonel

Caylor, Larry E., xxx-xx-xxxx
Kotouch, James H., xxx-xx-xxxx
Thomas, Cleveland Jr., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Hinkel, Robert E., xxx-xx-xxxx

To be major

Davidson, James D., xxx-xx-xxxx
Varin Francis W., xxx-xx-xxxx

MEDICAL CORPS

To be major

Beson, James L., xxx-xx-xxxx
Bryant, Clarence J., xxx-xx-xxxx
Busack, James A., xxx-xx-xxxx
Jumelle, Antoine J. M., xxx-xx-xxxx
Parke, Charles D., xxx-xx-xxxx
Vanasche, Christopher, xxx-xx-xxxx

IN THE ARMY

The following-named officers for permanent promotion in the U.S. Army, and appointment into the Regular Army as appropriate, in accordance with the appropriate provisions of title 10, United States Code:

To be colonel

Hickman, Stanford W., xxx-xx-xxxx

To be lieutenant colonel

Kennedy, Catherine L., xxx-xx-xxxx
Slakie, Ronald J., xxx-xx-xxxx

MEDICAL SERVICE CORPS

To be lieutenant colonel

Harrell, John C., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Woehrle, Richard R., xxx-xx-xxxx

JUDGE ADVOCATE GENERAL'S CORPS

To be major

Nockleby, Brian E., xxx-xx-xxxx

IN THE MARINE CORPS

The following-named Naval Reserve Officers Training Corps graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 2107, subject to the qualifications therefor as provided by law:

Caldwell, Robert H., xxx-...
Clark, Arthur L., xxx-...
Locke, Randall W., xxx...

The following-named U.S. Naval Academy graduate for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 531, subject to the qualifications therefor as provided by law:

Mitchell, Troy M., xxx...

EXTENSIONS OF REMARKS

HOW UNCLE SAM HELPED THE SANDINISTAS

HON. WM. S. BROOMFIELD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. BROOMFIELD. Mr. Speaker, I would like to share a most revealing article with all of my colleagues here in Congress about Nicaragua. The article was written by the former director of the U.S. Agency for International Development's program in Nicaragua. The author of the article clearly points out that the United States did much to build a new relationship with Nicaragua as the Sandinistas took control.

In spite of what many of my colleagues on the Hill and some Latin America experts in academia may say about America's real intentions in Central America, the facts speak for themselves. In 1979, our Government made a major effort to help the new government and the Nicaraguan people. We provided financial assistance totaling $124 million, including 100,000 tons of food that was airlifted from the United States. In addition, the United States was instrumental in getting Western nations to contribute. The total amount of economic assistance from the West was $1.6 billion. In that short period, America gave far more aid to the Sandinistas than it gave to Somoza during his entire time in office.

Our involvement was encouraged and continued on because of the promises of the Sandinista regime. False promises were made that Peace Corps volunteers would be welcomed and that political pluralism and nonalinement would be supported by the new government.

As time went on, it became obvious that America's efforts to accept the Nicaraguan revolution had been scorned. We were courted and duped by the Sandinistas. We bought their lies hook, line, and sinker.

The truth about the situation is that the Sandinistas have radicalized and betrayed the original Nicaraguan revolution which was designed to benefit the people. The Sandinistas have lied to America and to the Nicaraguan masses. What about the unfulfilled promises of that revolution? Where are the free elections, and the multiparty state? What happened to the personal and religious freedom? Why has the small Jewish community in Managua been driven out? Where are the real and effective social and economic reforms that the poor masses were guaranteed? Where are the moderates in the present government? Why have so many former members of the Sandinista junta left that group to take up arms against it? Former Sandinistas as Eden Pastora and Alfonso Robelo know, from much experience with that government, the failings of the so-called revolution. They know better than any of us that the Sandinistas have betrayed the revolution and the Nicaraguan peasants.

In the process, they have created a state which embodies the tyranny of the radical left. The American Government began to disassociate itself from the Somoza regime in 1974 for a multitude of human rights violations and related problems. The Sandinistas have set themselves up as an elite group which employs the same techniques of control which Somoza used, namely rapes, murders, threats, and prison terms. To draw attention away from their own failings and broken promises, the Sandinistas are attacking their so-called enemies. The United States is the colossus of the north that makes the biggest target while the "contras" are a good internal target.

When are the Sandinistas going to realize the truth? It is obvious that communism and tyranny are not the ultimate panaceas which will cure that Nation's ills. Perhaps the Sandinista minister's comment about truth reveals the sham of their revolution. He said, "What is true is what serves the ends of the revolution." The basic fact is that the revolution has failed and no amount of crying wolf about external and internal enemies will save that shabby effort.

With these introductory comments in mind, I strongly recommend this fine piece of journalism to my friends in the House.

The article follows:

[From the Washington Post, June 30, 1983]

WE TRIED TO ACCEPT NICARAGUA'S REVOLUTION—THE SANDINISTAS COULDN'T LIVE WITH A POSITIVE IMAGE OF THE UNITED STATES

(By Lawrence E. Harrison)[1]

The Sandinista Government of National Reconstruction was installed four years ago, on July 19, 1979. Three days later, I arrived in Nicaragua in a Flying Tigers DC-8 stretch jet loaded with food—the first of many such flights—to take charge of U.S. assistance programs, the most tangible evidence of our commitment to build a new relationship with Nicaragua.

I left Nicaragua two years later, on July 1, 1981. During those two years, the U.S. government was the most important source of food aid and one of the most important sources of financial aid to revolutionary Nicaragua. We provided assistance valued at $120 million, including 100,000 tons of food. We had tried very hard to build that new relationship. But the effort failed, principally, I believe, because the Sandinistas could not live with a positive image of the U.S. government. They did not try at all. And many in the United States cheered them on.

Within a few months of the installation of the Government of National Reconstruction, an article appeared in the Sandinista newspaper Barricada announcing the imminent arrival of 600 Cuban teachers. I called on the minister of education, with whom I had been working to reactivate an old school construction loan, to express concern that so large a number of Cuban teachers would be interpreted in the United States as a Cuban takeover of the Nicaraguan education system. The minister replied that the government would welcome qualified teachers from any country.

I told him that the United States would certainly be interested in sending teachers, possibly through the Peace Corps. He responded, somewhat apologetically, "You know, we Latin Americans have a view of the Peace Corps which would make it an inappropriate vehicle." (He meant, "We Latin Americans of the Left." What he had in mind was symbolized by the movie "Blood of the Condor," which depicts Aryan-looking Peace Corps volunteers engaging in genocidal sterilization programs in Bolivia.)

At the end of 1979, as a result of the intervention of then junta member Alfonso Robelo (who is now allied with ex-Sandinista Eden Pastora's guerrilla movement), we received Sandinista approval in principle to start a Peace Corps program. After a lengthy study, the Peace Corps sent in a husband-wife team as co-directors. Both were experienced in Latin America, altruistic and totally committed to building a new relationship with Nicaragua. After six months of being fobbed off by the Sandinistas, the left. Not one Peace Corps volunteer was accepted.

We often expressed our concern to Sandinista officials about the line in the Sandinista anthem, "We shall fight against the Yankee, enemy of humanity." In November 1979, Jaime Wheelock, one of the most influential comandantes and a person with whom I sustained a very frank dialogue throughout my two years in Managua, told me that the word "poverty" was going to be substituted for "the Yankee." Soon thereafter, I was told the same thing by then economic czar (and Stanford MBA) Alfredo Cesar, who has since defected. The change was never made.

At about the same time, a U.S. congressional delegation, led by Rep. Dante Fascell (D-Fla.), visited Managua at Ambassador Larry Pezzullo's initiative. Fascell was extremely effective, as were his colleagues, Lee Hamilton (D-Ind.), Matthew McHugh

[1] The writer, director of USAID in Nicaragua from 1979 to 1981, is now at Harvard's Center for International Affairs.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

(D-N.Y.) and David Obey (D-Wis.). They pressed hard on the issues of political pluralism and nonalignment in very intense meetings with both the junta, which was increasingly becoming a figurehead, and Sandinista National Directorate, which is where the real power resides. The congressional group was particularly forceful on the question of elections. In each session they were told that national reconstruction had to be the first priority but that the Sandinistas were committed to elections.

When Alfonso Robelo resigned from the junta in April 1980 and went into opposition, he was promptly labeled a traitor by the Sandinistas. In a conversation with Jamie Wheelock, I tried to explain our concept of dissent. I got nowhere—there is no Spanish word that accurately captures the nuances of "dissent." A day or two later I experienced similar frustration in a conversation about dissent with a young U.S.-trained cabinet minister who had on his desk a bottle of Cuban rum and a copy of "Das Kapital." At one point, he suddenly beamed and said, in English, "Now I know what you're talking about——civil disobedience!"

He has since defected.

A few months later, Larry Pezzullo and I were in Washington to lobby in Congress for the much-delayed $75 million special appropriation for Nicaragua. The Sandinista minister of health, with whom I was working on several programs, was also in Washington, and we had dinner together. During the conversation I complained about inaccuracies and distortions in Barricada, the official Sandinista newspaper, and El Nuevo Diario, which closely followed the Sandinista line. Both sounded very much like Cuba's official newspaper, Granma, particularly in their treatment of the United States. The minister's response: "You don't understand revolutionary truth. What is true is what serves the ends of the revolution."

The August 1980 ceremony to celebrate completion of the literacy campaign was a chilling experience. I had been invited to sit with the comandantes and the cabinet because AID had contributed food and some vehicles to the campaign. The ambassador sat in nearby stands with the diplomatic corps.

The Plaza of the Revolution was mobbed with kids in uniform shouting slogans in response to the urgings of leaders on the platform. I was reminded of films I had seen of Nuremberg in the 1930s.

Comandante Humberto Ortega gave the principal address. In the midst of a series of attacks on the United States, he announced that elections would not be held until 1985, thereby reneging on a commitment to opposition groups for early elections. Moreover, he assured his audience, the elections of 1985 would be nothing like the corrupted elections held in the United States. Larry Pezzullo and I both walked out.

My youngest daughter, Amy, then 16 years old, worked during the summer of 1980 as a volunteer with a Nicaraguan organization, Genesis II, which promoted breast-feeding and provided help to orphanages. The head of the organization was Geraldine Macias, a former American Maryknoll nun married to Edgard Macias, vice minister of labor. At the end of the summer (shortly after the completion of the literacy campaign), we had a get-together at our house for Amy and her co-workers. The evening was a little strained because some of the Genesis II people were totally committed to the Sandinista cause and doubtless felt uncomfortable being in the USAID director's house. The Maciases may have felt that way.

Two years later, after the Sandinista security police threatened his life, Edgard sought asylum in the Venezuelan embassy. The Maciases and their children arrived in Washington soon thereafter. They were treated as lepers by many left-leaning church people in the Washington area who had formerly been their friends. The Maciases have found it very difficult to get work and have been living on a shoestring ever since.

In a recent letter to friends, they said:

"Since leaving Nicaragua we have had access to documentation of [the Sandinistas] and some of [their] former members that proves beyond a doubt that their plans from 1979 on were to deny political and religious freedom. Documents that also show how their methods resemble Somoza to the point they appear as a mirror image: rapes, torture, disappearances, murders, threats, and control of unions and community groups through the formation of their 'elite' political party."

During the last part of 1980, the Partners of the Americas program between the state of Wisconsin and Nicaragua, which had endured for some 15 years, ran into trouble. Most of the activities were focused on the Atlantic Coast. Among other problems, the Sandinistas attempted to take over the Partners' educational radio station (they subsequently did take it over); two Wisconsin plastic surgeons were harassed during a visit to Puerto Cabezas, where they did some highly complicated surgery free; and the Sandinistas circulated the word that Partners personnel were CIA agents.

The ambassador sent a letter to the junta expressing his concern, and I called on the comandante responsible for the Atlantic Coast. After I ran down the litany of problems, the comandante said, "You have to understand, Mr. Harrison, that Americans are not very popular in this country." I replied that I had lived in Nicaragua for 18 months, traveled extensively, and had the impression that, notwithstanding Sandinista efforts to paint us as devils, most Nicaraguans liked Americans. I added that this seemed to be particularly true on the Atlantic Coast.

He paused for a few moments, then broke into a broad grin and said, "You're right."

Norma Pineda, an accountant, was the senior Nicaraguan employee of the USAID mission, an admirable professional and human being. Her husband, Byron, had been a lieutenant colonel in a noncombatant unit of the National Guard. Just prior to their triumphal entry into Managua, the Sandinistas announced that National Guard members who had committed no crimes had nothing to fear. Despite the pleadings of family and friends to seek asylum in a nearby embassy, Byron Pineda chose to stay in his house because, as he told his wife, "I have done nothing wrong."

About two weeks after the installation of the Sandinista government, Pineda was arrested and much of his property was confiscated. He was tried some six months later and sentenced to 11 years in jail. As in thousands of others cases, all that was proven by the prosecution was that he had been a member of the National Guard.

A few months later, the Sandinistas told Pineda that he would be freed if his wife would provide information on USAID activities to the government. She refused. He was, however, released to house arrest toward the end of 1980, perhaps because of representations the ambassador and I made at high levels of government. Shortly after, he was told that he would be returned to prison if he failed to persuade his wife to become a spy and if he refused to engage in spying activities himself.

A few weeks after that Norma Pineda left Nicaragua. Byron Pineda sought asylum in the Peruvian embassy in Managua, where he has lived for more than two years.

Late in 1980, the Latin American Studies Association, an organization of U.S. intellectuals interested in Latin America, held its annual meeting in Bloomington, Ind. Junta member Sergio Ramirez and Foreign Minister Miguel d'Escoto attended and were given a hero's ovation. James Cheek, then deputy assistant secretary of state for Latin America, was jeered and heckled. (Cheek, one of the Foreign Service's most distinguished and enlightened specialists on Latin America, had played a crucial role in U.S. disengagement from Somoza as far back as 1974).

In a subsequent Latin American Studies Association newsletter, Harvard Professor and Association President Jorge Dominguez described the Bloomington meeting as "one of the darkest moments of my professional life . . . appalling . . . scandalous . . . damnable."

I returned to the United States on July 1, 1981, and retired from AID early in 1982. I have been at Harvard working on a book on the relationship between culture and development. In December 1982, I was asked to appear on a panel at the John F. Kennedy School of Government at Harvard. The principal speaker was Francisco Fiallos, then Nicaraguan ambassador to the United States. Despite a subdued speech on Nicaragua's economic problems, Fiallos was given a hero's ovation by the 300 people in attendance. My comments focused on Sandinista human rights abuses and, in particular, Sandinist reneging on commitments to pluralism and nonalignment. I was booed and jeered repeatedly.

One week later, Fiallos defected.●

THE MISLEADING LOGIC OF UNILATERAL DISARMAMENT

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. SOLOMON. Mr. Speaker, many members of the movement for a nuclear freeze maintain that they have cornered the market on peace. They claim that "if you ain't with 'em, you're ag'in 'em," and against peace, security, and a future for our children.

This kind of faulty, simplistic logic hides a desire by many to unilaterally disarm America. What many in this movement resent is not the threat of nuclear war, but the struggle for peace through strength.

A July 7 editorial in the Albany Times-Union, entitled "Camping for Peace" makes this point about the misleading simplicity of the nuclear freeze movement quite cogently.

The article follows:

[From the Albany Times-Union, July 7, 1983]

CAMPING FOR PEACE

Thousands of women are camping out against the bomb.

They call in an encampment, and they've been doing it at the Greenham Common U.S. Air Force Base in England since 1981 and they will be doing it all summer long near the Seneca Army Depot in Romulus.

No one, certainly, would deny that they have every right to peaceably assemble and protest nuclear weaponry. Few would deny that they have legitimate fears.

Some of the rumblings from this female contingent of the peace movement, however, are more than curious. One American woman, for example, demonstrating at military base in England where Pershing and cruise missiles will soon be deployed, said this week that she's "against the way the United States is tyrannizing England and the rest of the world" with its bombs. Some of the women in Romulus, meanwhile refused to fly the flag on the 4th of July because they said it symbolized "militarism and conflict and did not jibe with the nature of our activities."

These self-styled proponents of peace (as if everyone were not desirous of peace) are playing as fast and loose with their epithets as they are with their history. The truth of matter is that America's defense expenditures—including its nuclear missiles—far from promoting tyranny, have prevented it; instead of threatening our freedom, have preserved it; instead of endangering our lives, assures us that life will remain worth living. And not only ours, but our allies too, including England's.

It was, after all America's military force that stopped the Russian advance on Western Europe after World War II, that prevented the enslavement of West Berlin during the air lift and that is today the only bulwark against Europe's becoming Finlandized. For the most part, the older generation in Europe knows that. The younger generation, however, in the words of the French political philosopher Raymond Aron, knows that it's free, but for some reason doesn't know why.

So also seems to be the case with those in the peace movement here who rave against America's arms, oblivious that it's those arms that insure their right to rave.

Their argument for disarmament is elegant in its simplicity: Death is bad. More death is worse. Bombs cause deaths. Nuclear bombs cause even more deaths. Ergo, bombs are bad and nuclear bombs are worst of all.

Its logic can't be faulted. But its logic is had at the expense of an accurate picture of the actual world. The real world is less black-and-white, more laden with contingency and uncertainty, and much too complex to lend itself to syllogistic treatment without a good deal of work by Procrustes.

Some of the protesters protest that they want American as well as Soviet disarmament. That's fine. The problem, of course, is that not only do the Soviets refuse the peace movement there a public forum—unless, of course, it's the officially sanctioned and Soviet-sponsored peace movement—but they wouldn't let it affect their arms policy even if it had such a forum.

That's hardly the case here. A peace movement here can affect our policy; it can result in unilateral arms reductions. Precisely therein lies the danger.●

PRESIDENT'S RECORD ON VOCATIONAL EDUCATION IS NEGATIVE

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. KILDEE. Mr. Speaker, the President is continuing his series of appearances around the country attempting to create the impression that he is and has been an advocate of quality education. However, those of us who have served in the House during his administration are aware of his true record in this area and know better.

Vocational education is just one example of where President Reagan's past record contradicts his current statements. It would seem obvious to anyone that vocational education is an integral part of any effort to revitalize our economy to ward off future economic downturns. Vocational education is an effective means to provide employers, both present and future, with the trained work force necessary to economic stability. There has been a significant and justifiable Federal commitment in vocational education since the passage of the Smith-Hughes Act in 1917. Despite this and despite his recent attempts to portray himself otherwise, President Reagan has been no friend to vocational education. Consistently since coming to office he has tried to undermine and compromise the Federal vocational effort with proposals to slash vocational education funding and combine it in block grants with other programs.

In his budget request to Congress for fiscal year 1982, President Reagan proposed to cut vocational education funding by 19 percent. For fiscal year 1983 and also for the coming fiscal year 1984 the President proposed to combine vocational education with adult education in a block grant to States totaling no more than $500 million. If his proposal for 1984 were to be enacted, the combined funding of vocational and adult education programs would be cut by 39 percent.

Any increase in vocational education funding during the Reagan administration has clearly been due to the concerns and actions of Congress, not as a result of any leadership shown by the President.●

POLLY MADENWALD IS NEW NATIONAL BPW PRESIDENT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. AuCOIN. Mr. Speaker, I rise to commend to the attention of my colleagues the achievement of a fellow Oregonian from my home county, Polly Madenwald of Hillsboro, Oreg. In ceremonies this month, she will be invested as president of the National Federation of Business & Professional Women's Clubs.

Since its founding in 1918, the BPW has committed itself to the advancement of working women. For more than 60 years, it has championed increased opportunities and recognition for women in all walks of life, both through national activities and community programs sponsored by 3,700 clubs throughout the country. With 155,000 members, it is the Nation's largest and oldest organization of working women.

In Polly Madenwald, the BPW has entrusted its leadership to a uniquely capable, committed and hard-working person. Over the past years, as vice chairman of the organization's National Commission on Women in the Workplace, she has worked to expand the BPW's outreach to working women across the spectrum of occupations in American's labor force.

In her hometown of Hillsboro, Polly Madenwald has operated an accounting and tax consulting service since 1963, and is a highly regarded business women and civic leader. She is a member of the chamber of commerce and the Oregon Society of Tax Consultants. She is past president of the Portland Zonta Club, past State president of the Oregon Lions Club Auxiliary and has served many years with the auxiliary of Tuality Hospital in Hillsboro. She is active in the Portland First Baptist Church, which she has served as treasurer and deaconess. In 1963, she received the Emma McKinney Woman of Achievement Award from the Hillsboro Jaycees.

A 24-years BPW member, Polly has held numerous national offices and chairmanships, and has represented BPW at international meetings in Mexico, Guatemala, London, Finland, and Switzerland. As new national president of BPW, she will lead the U.S. delegation at this year's international convention.

In addition, Polly will serve as president of the board of trustees of the Business & Professional Women's Foundation, a nonprofit research and educational organization whose activities include operating a library and information center on issues of importance to women, and providing education loans and scholarships.

Under her leadership, I look forward to working with the National Federation of Business & Professional Women's Clubs in Congress to advance economic equity and career opportunities for women. As she assumes the presidency of BPW, I am sure my colleagues join me in congratulating my

friend, Polly Madenwald, for her advocacy and service on behalf of women.●

UNITED COAL CO.: A PIONEER IN NEW COAL TECHNOLOGIES

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. BOUCHER. Mr. Speaker, the United Coal Co. in Bristol, Va., is an industry leader in research and development of new coal technologies, including the production of various forms of liquid coal which can be burned in the place of oil in industrial powerplants and electricity generating facilities. As one of America's most innovative and creative coal concerns, United Coal Co. is pioneering the development of new technologies which will greatly expand the commercial market for coal.

Our Nation's struggle for energy independence remains the great challenge of the 1980's, and it is clear that coal holds the key to energy self-sufficiency. Through new coal cleaning techniques, the use of liquid coal and other new technologies, American-mined coal promises to be the energy source of the future.

A recent article in the Journal of Commerce highlighted United Coal Co.'s research and development program, and I commend this article to the attention of my colleagues.

[From the Journal of Commerce, June 21, 1983]

LIQUID COAL CONSIDERED SIGNIFICANT NEW FUEL

BRISTOL, VA.—Researchers say coal could and should be the fuel of America's future.

The industry is plagued by the lowest demand, highest production, lowest profits and highest unemployment in about 50 years. Rail prices are going up, oil prices are going down and economists don't see a turnaround for coal before next spring.

Meanwhile, miners and mine owners are keeping a prayerful eye on a group of scientists trying to turn coal into the Cinderella of the synthetic fuels world.

"We're learning to diversify the coal industry—how to develop new products," said Dr. Richard Wolfe, who heads United Coal Co.'s research department. "We don't want to buy a chain of Montgomery Wards. We're talking about how to take the coal industry and develop increased markets."

Mr. Wolfe proudly displays three jars of black goo that could be Appalachia's answer to Arab oil wells—liquid coal, a concoction of coal dust, water and chemicals that burn like oil.

Experts say new customers are the only salvation for an up-and-down industry that swoons when oil prices slide.

Limited markets—mainly steel and electric power—caused every downturn in coal's boom-and-bust cycle this century. When steel and utilities stop buying—as they did last fall—coal prices drop from $40 to about $20 per ton, dipping below $20 in some cases.

Scientists say they can turn coal into efficient, clean-burning oil and natural gas substitutes if coal producers will only gamble on new markets and the federal government will finance more research.

Yet few southern coal companies are willing or able to finance the research. Instead, they rely on the U.S. Department of Energy and companies like United, the only Southern coal producer with a full research department.

"We have two priorities," said Mr. Wolfe, the son of a coal miner from Beckley, W. Va.

"We want to develop some new equipment to improve coal recovery and efficiency of operation. That's short-term. Second is the liquid coal market."

Liquid coal can take several forms—coal-water, coal-oil, and coal-methanol—all of which can be moved, stored and used like oil. "It's a very significant new fuel," said DOE spokesman Bob Porter.

Florida Power Co. is testing a coal-water mix in place of No 6 fuel oil, according to Dr. Water Hibbard of Virginia Polytechnical Institute. Tennessee Eastman Co. in Kingsport will become the first private corporation to make chemicals from coal-methanol this summer.

Researchers also are seeking ways to end coal's air pollution bug-a-boo.

They have found, for example, that sending electric beams through smokestacks zaps sulfur and nitrogen before they escape into the air. And burning coal on a bed of air and limestone, a process called fluidized bed combustion, also substantially removes sulfur from coal smoke.

Industry scientists are also experimenting with microwaves to remove sulfur atoms from coal.

"It won't start helping the coal industry next week, next month, or next year," the DOE's Mr. Porter said, "but by the latter part of this decade, maybe."

"Reducing imported oil is the biggest objective our country should have," Mr. Wolfe said. "Exceedingly strict government regulations on coal allowed more oil to replace coal being burned."●

SOLOMON HAILS FORTITUDE OF HANDICAPPED POSTAL EMPLOYEE

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. SOLOMON. Mr. Speaker, Melody Groat was recently appointed Postmaster of Stuyvesant Falls, N.Y. She is one of countless postal employees who perform an essential service, and do it well. But Melody Groat has managed to achieve something special, and we have every right to be proud of this outstanding American.

Mr. Speaker, Melody Groat was born with cerebral palsy, the result of a difficult delivery. But she never let that stop her. She was determined to have a career. Now, at age 35, she has come into her own.

She has been selected as the Outstanding Handicapped Postal Employee for 1983. She has been cited by Gov. Mario Cuomo and the New York State Legislature. The Stuyvesant Falls VFW and the Fire Company Auxiliaries recently observed Melody Groat Day. Indeed, Melody's life story exhibits the kind of pluck, the resourcefulness, and the fortitude that is so American.

For 12 years, Melody's mother, Natalie, went to school with her every day. At that time there were no aides available. Both Melody and Natalie were determined that she would finish her high school education. Even though Melody had difficulty maneuvering and walking on her own, she was undaunted. She graduated in 1965 and received an award for her outstanding achievement and effort.

Even though Melody was educated and had a good mind, her physical handicap was apparent and she had much difficulty with her speech. But she refused to be discouraged. She took the postal examination and passed.

Melody often went to the Stuyvesant Falls Post Office and came to know Postmaster Lydia Frick quite well. Lydia Frick decided to take a chance and she was never sorry. Her biggest concern was how Melody would handle tying out the mail. But with the help of a specially designed box with pegs for rubber bands which snapped around the mail, Melody became adept at this task.

Lydia Frick says she saw Melody improve constantly, especially her speech and mobility. She feels this can be attributed to Melody's new-found responsibility and renewed confidence. All she needed was a chance.●

TRIBUTE TO MR. RUSSELL R. JONES OF PHOENIX, MD.

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. LONG of Maryland. Mr. Speaker, it is my pleasure to pay tribute to Mr. Russell R. Jones of Phoenix, Md., who will retire as general manager of the Bethlehem Steel Co.'s Sparrows Point plant on July 31, 1983, after 35 years of outstanding service.

A native of Lehighton, Pa., Mr. Jones graduated from Lehigh University in 1948 with a B.S. in chemical engineering. Mr. Jones was an all-American football player, and a member of the national Phi Gamma Delta fraternity.

Turning down a career in professional football, Mr. Jones joined Bethlehem Steel following his service as a U.S. Air Corps pilot from 1943 to 1946. A conscientious and dedicated worker, he progressed steadily through the ranks of the corporation, traveling from Pennsylvania to Maryland and Indiana, and eventually returning and

settling in Maryland. In 1975, he assumed the position of general manager of Bethlehem's plant at Sparrows Point. As general manager, Mr. Jones oversaw $685,000,000 of major projects related to pollution control which greatly improved the quality of the air and water at Sparrows Point. One such project was the construction of the "L" furnace, which took approximately 85 months to construct and cost over $2½ million. Completed in 1979, it is one of the largest furnaces constructed by a major international steel industry.

Humble and unpretentious, he was always known for his warm personality. Mr. Jones was equally at ease whether he was casually chatting with a group of workers in the steel plant, or dining formally with his executive staff. An honest and fair manager, he was always open to suggestions, and admired and respected by all for his judgment and ability. Mr. Jones made Bethlehem Steel his life.

Throughout his career, Mr. Jones has remained very active in his community. In 1964, the Baltimore Chapter of the Boy Scouts of America showed their appreciation by presenting him with the National Silver Beaver Award for Outstanding Service. In 1965, the State of Maryland honored him with the Distinguished Citizen Award for Scouting; and in 1983, the Baltimore Area Council presented Mr. Jones with the Distinguished Scouter Citizen of the Year Award for his humanitarian service, including a term as president of the Baltimore Council in 1977.

Mr. Jones also served as chairman of the board of managers of the Porter County YMCA in Indiana, and the Dundalk YMCA in Maryland. He presently serves as the chairman of the 1983 Campaign for United Way of Central Maryland. In addition, Mr. Jones is a member of numerous professional and civic boards, councils, chambers, and clubs in and around the Baltimore area, including the Governor's Employment and Training Council, and the Maryland Business Round Table.

I ask my colleagues to join me in extending warm thanks to Mr. Jones for his truly outstanding contributions to the Maryland community.●

THE GREAT UNISEX DEBATE

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Ms. KAPTUR. Mr. Speaker, on July 6, the Supreme Court ruled in Arizona against Norris that the use of sex-segregated actuarial tables to calculate benefits in determining annuity payments is discrimination in employment. The elimination of sex-based distinctions for all types of insurance coverage—life, auto, disability, health—is now up to the Congress. To that end, the Nondiscrimination in Insurance Act, H.R. 100, would remove sex discrimination in insurance. Unfortunately, the insurance lobby has launched a massive national advertising campaign and a grassroots lobbying effort—much of it inaccurate and sensationalized—to defeat the legislation.

The following Newsweek business column by Jane Bryant Quinn sets the issue in its proper perspective:

THE GREAT UNISEX DEBATE

(By Jane Bryant Quinn)

Congress is considering legislation to end the practice of charging men and women different prices for insurance products. But would unisex rates help women, as the bill intends, or would they hurt? The insurance industry says they would hurt. But I'm persuaded that the drawbacks are small, compared with the gains.

PENSIONS

Most female workers today get the same pension incomes as similarly situated men, because the majority of pension plans are gender blind. But a woman might get less if she's in a public-employee plan or a private profit-sharing plan and takes her retirement benefit in the form of a life-time income.

Insurers blame the lower payment on female longevity. Women, on average, live longer than men, so a given sum has to stretch over more years. But biology need not be destiny in the matter of pensions. Thousands of employers pay men and women alike; why shouldn't the holdouts do the same? If you're in a discriminatory plan, unisex pricing would mean slightly more future income for women and less for men.

Insurance-industry attorney George K. Bernstein told Congress that women are not really entitled to equal pension, because of the logic of their longer life spans. "If the concern of the sponsors [of unisex benefits] is that older women do not have sufficient income, let them properly characterize the bill as providing charity," he complained. But Bernstein's logic stops with women. Whites live longer than blacks and married men live longer than single men, yet neither whites nor married men pay for their longevity with smaller pensions. Only women have the honor. "The primary purpose of pension plans is to meet the need for retirement income," says actuary Donald S. Grubbs Jr. of Buck Consultants. "To provide less retirement income to a person of one sex than one of the other cannot be acceptable."

Unisex pricing would also help widows who collect survivors' pensions after their husbands die. In more than half of today's pension plans, the survivor of a male worker gets a smaller monthly income than the survivor of a similarly situated female worker. Unisex pensions would raise benefits for widows, thereby aiding all aging women, not just working women.

LIFE INSURANCE

Women who buy their own life insurance pay less than men of the same age, with the size of the discount varying widely. After a switch to unisex pricing, the average man would pay a little less for his policy and the average woman a little more. A $50,000 term policy might cost a 35-year-old woman an extra $50.

The insurance industry hits this point hard, in hopes of turning women against the bill. But unisex pricing means bigger benefits for widows, because men will get more life insurance for the same dollar. Furthermore, insurance and pensions are two sides of the same coin. If women reject equal insurance rates they'll lose equal pensions, too, and pensions are crucial to their fight for a decent standard of living.

AUTO INSURANCE

A married woman gets her husband's rate, so any switch to unisex pricing is chiefly of interest to the unmarried. In most states, single women over 25 pay about 10 percent less than men, while younger women pay substantially less.

Insurers warn that unisex rates mean higher prices for single women across the board. But in the four states that already mandate gender-blind auto rates, the results are mixed. Some young women are paying more and some aren't. The real winners from unisex pricing should be safe-driving young men, who stand to pay less if insurers set rates solely on the basis of personal driving characteristics.

HEALTH INSURANCE

Most women are covered by employer plans which, under the law, cannot discriminate. In the individual market, 24 percent of the policies sold to people under age 65 are already written on a unisex basis, as are 10 percent of the disability policies and virtually all of the medigap policies for people age 65 and up.

The fair-insurance bill requires the rest of the industry to switch to unisex pricing, too. It also requires them to spread the expense of pregnancy among all their policyholders (as group insurance does), rather than burden younger couples with the full cost. Young families, women under 55 and men aged 55 to 65 might all pay less; their opposites would pay a bit more.

Many sectors of the insurance industry already live with unisex rates. It's long past time for all the rest to do the same.●

NO TRADE WITH IRAN UNTIL PERSECUTION OF BAHAIS CEASES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. STARK. Mr. Speaker, just 3 weeks ago the Iranian Government took yet another step in their attempted "genocide" of the Bahai people—16 Bahais in Shiraz, Iran, 10 of which were female including 3 teenagers, were executed because they would not recant their religious faith.

In February, Ayatollah Khomeini sentenced another 22 Shiraz prisoners to death. President Reagan wrote a plea of clemency for the prisoners, but his appeal was ignored. The Iranian Government carried out its inhumane slaughter of 16 Shiraz prisoners of the Bahai faith.

This Bahai bloodbath was not an unusual event for the Iranians. The

Bahais of Iran have been persecuted for over 100 years, but this terrorization was intensified after the revolution in 1978-79. Hundreds of Bahais have been jailed unjustly, dismissed from public and private employment, have had their schools closed, homes, businesses, crops and animals destroyed, and their bank accounts confiscated.

Some 150 Bahais have been executed since 1979, because they would not recant their religious faith. Numerous secret killings have taken place along with many mob beatings. An article in the September 19, 1982, Los Angeles Times described how two of these incidents were carried out.

In the first:

Fifteen masked men attacked a couple in their home at night, poured kerosene on the husband and set him on fire before forcing him to run a few yards. Finally, they heaped wood upon him, burning him to death. His wife, subjected to similar treatment, died a few days later.

The second event was just as barbaric as the first:

A mob after destroying the local Bahai center, fell upon a man and his son, dragged their bodies through the street and chopped them up into little pieces that were finally consigned to flames.

The Iranian Government not only terrorizes the living, but also tortures the dead Bahais. Many Bahais cemeteries have been destroyed, graves disinterred, and bodies defecated upon. Ayatollah Khomeini has cast aside all human rights and decency when dealing with the Bahai people.

In contrast to the violent actions of the Iranian Shiite Islams, the Bahai followers abide by a very peaceful religion. It teaches and strives for the unity of mankind, the equality of races, the equality of sexes, universal education, and the maintenance of world peace through collective security. Although they are enjoined to obey the laws of their respective countries, the Bahai religion does not allow its people to affiliate with any political party. However they may vote, but without regard for political affiliation. The Bahai people work to foster good characteristics among their people such as honesty, compassion, trustworthiness, and justice. A basic Bahai principle is the eradication of prejudices based on race, creed, class, nationality, and sex.

The Bahais believe that religious truth is not absolute, but relative. The divine revelation is therefore a continuous and progressive process. For that reason, the Bahai religion is able to adapt itself to modern times such as believing in the equality of males and females. Yet, the Bahais have standards which are not relative, but fixed. For instance, they still prohibit the consumption of alcohol and drugs, as well as premarital sex. The Bahai faith has 300,000 to 400,000 members in Iran, 100,000 members in the United States, and followers in many other countries.

According to the Iranian Government, the Bahai people have committed a few major crimes for which they deserve to be treated more harshly than any other minority in Iran. The Islamic religion believes in the Old and New Testament, as well as the Koran, the writings of Muhammed. The Bahais also believe in these writings. Islam believes that the last and final prophet was Muhammed. Since the Bahai people believe in Baha'u'llah, a prophet subsequent to Muhammed, Islam considers the Bahais to be heretics. The Moslems accuse these heretics of "corruption on Earth and warring against God," because of their belief in Baha'u'llah.

The Shiite Islamic people also accuse the Bahais of being Zionists, because they send money to Israel. The Bahai world headquarters and one of its largest shrines, is located in Haifa, Israel. The Iranian Bahais used to send money to the shrine in Haifa to help support it. The Iranian Government accused the Bahais of being Zionist on account of these "contributions to Israel." The Government ignores the fact that the shrine was placed in the Holy Land almost 50 years before Israel ever became a state. Also, the Iranian Moslems themselves, as do many peoples around the world, contribute to their respective houses of worship in Israel.

Ayatollah Khomeini also accuses the Bahais of being spies for Israel, Russia, and the United States. This charge is ridiculous since the Bahai religion forbids political affiliation and repudiates rebellions against any duly constituted government such as the present Government of Iran.

Ayatollah Khomeini also considers the Bahai women to be prostitutes. There is no civil marriage in Iran, yet the Iranian Government does not recognize Bahai marriages. Therefore any Bahai woman that ever consummates her marriage is considered to be a prostitute. The Shiite interpretation of the Koran places women in a subservient position to men, but the Bahais believe in the equality of the sexes. Bahai women do not wear the head to toe veil, they sit together with their husbands in religious services, they hold administrative positions, and their opinions are considered just as important as those of the Bahai men. The Moslems consider these actions as proof of the Bahai women's immorality.

Since the Bahais are considered heretics, unlike the other minority religions, they are not protected under the Iranian Constitution. The Bahai people cannot complain to the clergy about the Government, because the clergy is the authority.

Many Bahai people have tried to leave Iran. The majority of those who have escaped this persecution fled Iran illegally, because those who attempt to do so legally, usually fail in their endeavor. On the emigration form, there is a space left for the applicant to fill in his religion. If the Bahai member writes any religion other than Bahai, he has recanted his religion. It is written in the Bahai scriptures that it is better for one to die than to deny his membership to the Bahai faith, even for a fleeting moment.

The Bahais believe that the present life is preparation for the more important afterlife. Therefore few Bahais would fill in the name of another religion causing them to jeopardize their afterlives. If the Bahai member leaves the space blank, or draws a line through it, then the applicant's religion is open for questioning. Once the Government knows that the applicant is a Bahai, the Bahai member is charged with belonging to an obscene violent group that wars against God, corrupts Earth, and wishes to overthrow the Iranian Government. Permission to leave is denied and the applicants are often punished. The Bahai people are left in a catch-22 situation.

The Iranian Government continuously preys upon these trapped people; 20,000 Bahais have been executed in the last 100 years. Hundreds of other Bahai followers have been imprisoned by their oppressors. This ferocity and persecution forces the Bahai people to live a life full of fear and sorrow.

As fellow human beings, it is our duty to help answer the cry for help of this oppressed people.

The Iranian Government must know that the United States will not tolerate terrorist governments that deprive people of their basic human rights. Ayatollah Khomeini has ignored Congress' resolution calling for an end to the Bahai bloodbath. Although letter writing and public statements deploring this terrorization need to continue, we must resort to more forceful actions in our condemnation of Khomeini's genocide of the Bahai people.

I have introduced a bill, H.R. 2778, which will show our serious commitment to this cause. The bill states that no article which is the growth or product of Iran may be imported into the United States until the President determines, and certifies to the Congress, that the Government of Iran has ceased its persecution of the Bahais in Iran.

Of our imports from Iran, oil accounts for approximately 97 percent. The United States buys only 1 percent of its oil from Iran. And, oil of the same or higher grade can be purchased from several other countries at comparable prices with no time delays.

From their point of view, Iran sells 2 to 3 percent of its oil to the United States. Losing our business now would have an impact on the Iranian economy. Iran would have less money to fund its present war with Iraq and would have to look for a new buyer during an oil glut. That could be difficult.

The United States should go on record as a country who condemns the pogrom of the Bahai people. I therefore urge all Members to join in working for early passage of this bill. The faster we act, the more Bahai lives we may be able to save.●

THE NEED FOR INVESTMENT IN PUBLIC WORKS PROJECTS

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. HOWARD. Mr. Speaker, there have been numerous claims the last 2 years that the path to economic prosperity can be found only through private investment. In fact, there has been action taken in this body with the ostensible purpose of stimulating the economy by providing those at the top of the scale, both individuals and corporations, with additional money to invest. Those actions were taken under the debatable philosophy that it is economically valuable to have additional funds placed in the hands of those who already have much of it, while it is degrading and counterproductive to provide Government assistance for those who need help.

Mr. Speaker, we have seen how poorly that philosophy works when applied to the real world. We had the highest unemployment rate since World War II while backers of the misguided economic policy say things are looking up because the unemployment rate is no longer increasing.

Because that marred economic philosophy has been dominant in Washington these past 2 years, and because the opposition to Government spending to aid the economy still lingers, I am submitting for the CONGRESSIONAL RECORD an article by Prof. Frederick C. Thayer of the University of Pittsburgh. Professor Thayer seriously challenges the belief that relying on private investment can revive the economy. Promotion of economic growth, he says, can be done best by Government investment in public works.

I recommend to my colleagues the following article:

[From the New York Times, June 27, 1983]

TO HELP THE ECONOMY, INVEST IN PUBLIC WORKS

(By Frederick C. Thayer)

PITTSBURGH.—Almost everyone believes that substantial new investment in industry is the only sure road to economic recovery, both at home and abroad. But this assessment overlooks the fact that private industry—operating in a world economy that is glutted with industrial capacity—lacks good markets in which to invest. Our economy is characterized by overinvestment in unneeded and duplicative industrial projects, and underinvestment in public works—bridges, roads, transportation, environmental and water systems, which constitute the infrastructure.

In an unrestrained and competitive market—such as the global economy—industrial overcapacity is inevitable. The greater the competition, the greater the duplication, because too many sellers chase the same buyers. Even if every consumer had limitless funds, unchecked duplication would produce more goods and services than could be sold for reasonable profit.

Economic historians have long recognized industrial and agricultural overexpansion as a major cause of economic slumps. The overcapacity and depression of the 1930's were not relieved by New Deal programs or Keynesian economics but by World War II. The public works programs of the New Deal were initiated reluctantly and were cut back at the slightest sign of an economic recovery.

The problem of overcapacity was postponed for nearly a generation by the bombs that destroyed European and Japanese factories. With major competitors flattened, American prosperity was assured until Europe and Japan reindustrialized. As developing countries, then built their own industries duplication inevitably led to the economic crisis of the 1980's.

The present overcapacity afflicts nearly all nations—capitalist, socialist, advanced or developing. But what world leaders seem unwilling or unready to admit is that there are no winners in this competition. As individual producers (or countries) become "more competitive," either by reducing costs or "dumping" subsidized goods, they merely export unemployment from state to state and country to country.

Instead of addressing this fundamental problem, economists, politicians and business leaders worry over projected budget deficits that, it is said, keep interest rates high by making funds scarce and costly for other borrowers. High interest rates—which discourage the investment in plant and equipment needed to assure continued economic health—may choke off the growing recovery, they say.

But this line of reasoning conveniently overlooks the fact that private borrowers have had—and continue to have—ample investment capital. By historical standards, the Government's present role in the credit markets is slight. In 1950, the Government's share of total domestic credit was 43 percent. By 1981, the last year for which figures are available, its share had slipped to 16 percent. Corporate debt—two-thirds of Federal debt in 1950—by 1981 outstripped the national debt by 42 percent.

Private industry and investors have little trouble borrowing and spending, but their money is squandered in merger wars and get-rich-quick stock speculation. In a world glutted with industrial capacity, managers and bankers have done the intelligent thing: They have avoided building more. Business investment fell 5.5 percent in 1982 and is expected to drop 3.1 percent in 1983, the first back-to-back decline since World War II. We can expect a low investment rate to continue whether or not Federal budget deficits are reduced.

Do businesses need the investment tax credit, lower capital gains and income taxes and faster write-offs of capital assets simply to speed the development of more unneeded capacity? Do we need more industrial investment when our present factories operate at 70 percent of capacity? Can we depend upon the vaunted high-tech industries when even those are suffering from oversupply and global competition?

Until a way can be found to equitably regulate international competition and to minimize wasteful industrial duplication, we need to invest heavily in public works. Public works are tremendously beneficial and useful investments, even if Americans do not label them as such. Not only do they create desirable "ripple" or "multiplier" effects—creating jobs and spin-off businesses—but, unlike industrial duplication, they do not cause depressions. A giant public works effort would provide both a market for existing overcapacity and a sounder economic stimulus than the military production that ended the Great Depression. Rebuilding the country would give us time to design a systematic and orderly industrial renewal and sustainable economic growth.●

CENTRE HALL RECEIVES STATE AWARD

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. CLINGER. Mr. Speaker, it is my great pleasure to announce that Centre Hall, a community in my district, recently received a State award for its outstanding voter turnout in 1982. I believe that this significant achievement merits the attention of my distinguished colleagues in the U.S. House of Representatives.

The award, presented by the Pennsylvania State Association of Boroughs, was given in recognition of Centre Hall's turnout of 84.4 percent of the registered electorate. This was the highest turnout in the State for a borough with a population of 1,000 to 2,500. The people of Centre Hall are to be commended for their demonstrated interest in the affairs of their government and for their active participation in choosing their elected officials. This interest and participation in government is the very cornerstone upon which our great American Republic was founded some 207 years ago. The right to vote is a privilege for which many of our bravest citizens have fought and died. The political awareness and responsibility of the citizens of Centre Hall make me believe that the fight was not in vain—that the cornerstone shall not be weakened.●

LAWYERS AND NUCLEAR ARMS CONTROL

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. CONYERS. Mr. Speaker, the Lawyers Alliance for Nuclear Arms Control (LANAC) is a nationwide organization of people in the legal profession—judges, lawyers, law professors, paralegals, law students, and legal secretaries—working to reduce the threat of nuclear disaster. I commend this organization for its good work and call the attention of my colleagues to an article about LANAC that appeared recently in the Reporter, a publication of the Passaic County Bar Association. The article was written by Steven B. Hoskins, Esq., a partner in the Newark, N.J., law firm of McCarter & English. Because of the importance of LANAC's work, I an inserting Mr. Hoskins' article at this point in the RECORD.

[From the Reporter, April 1983]

NUCLEAR ARMS CONTROL: JOIN LANAC NOW

(By Steven B. Hoskins, Esq.)

I believe there will be a nuclear war in my lifetime unless mankind takes immediate action to control nuclear weapons. I believe such a war is likely to be occasioned by human error or the malfunction of equipment. I believe that if such a war is started intentionally as a matter of state policy, the action will be precipitated by a nation other than one of the major world powers.

A number of political and retired military leaders have stated that a nuclear war is unwinnable and unthinkable. The military strategy of deterrence is based upon the "mutual assured destruction" of each nation. In theory no nation will start a nuclear war because it is recognized that such a war is unwinnable. The fact that nuclear weapons have not been used in war for 37 years is cited as evidence that the strategy has been effective.

A key question is: Will this strategy continue to be effective? In my judgment, the answer is no. We are involved in a major escalation of the arms race with new weapons and new and improved delivery systems. As time passes, technology improves and more nations achieve nuclear capability. The risks of war escalate. Statements by members of the current federal administration that a limited nuclear war is winnable and that such a war would not expand into a major exchange have alarmed many concerned citizens (and scared the hell out of me).

I recently plowed my way through an article in The New Yorker magazine of February 1, 1982 by Jonathan Schell entitled "The Fate of the Earth" which graphically describes the consequences of a nuclear war and its aftermath. Jerrold Zacharias, a 77-year-old former M.I.T. physics professor who was at Los Alamos in 1945 says "The Fate of the Earth" is the most important article he has ever read. After reading the article I decided to become informed about the issues.

First. The United States Government includes in its nuclear arsenal approximately forty Polaris and Trident submarines. At least half of the submarines are at sea at all times. Each Polaris submarine carries 16 strategic missiles with each Poseidon missile having 10 or more warheads. The blast power of one Polaris submarine is equal to the blast power of all the weapons of all the nations that were engaged in World War II.

Second. In the United States alone there are approximately 1,052 strategic missile silos for Minuteman and Titan missiles. The young men on duty at the respective silos cope with a job that is boring, with long hours on duty, and it is reported that drugs and alcohol help relieve the stress. A mistake is waiting to happen.

Third. If a nuclear war were to occur, in addition to the immedicate destruction of life and property, the long range effects of radioactive fallout will be devastating to all forms of life. Jonathan Schell reports in "The Fate of the Earth" (The New Yorker 2/82) that because of radioactive fallout and other consequences of a nuclear war, the earth as we know it would eventually become a world of only insects and grasses. A nuclear exchange may throw enough dirt and debries into the atmosphere to change temperature and climate which will adversely affect life. Depletion of the ozone layer may cause blindness in all forms of life plus other equally serious consequences. (If you don't have time to read the Fate of the Earth, read "On The Beach" by Nevil Shute (1957). The eloquent novel about the consequences of nuclear war describes events in Australia after a major nuclear war in the northern hemisphere where radiation spreads over the entire earth destroying all life.)

Psychiatrists report that most individuals block out the threat of nuclear warfare and refuse to deal with this most crucial issue of our time. However, the concern and involvement of the average citizen in our country is increasing. At the June 12, 1982, rally in New York City over 750,000 citizens demonstrated peacefully to express their concern regarding the threat of nuclear war and their support for a nuclear freeze. Among the signs that I saw were "Mushrooms are for Quiche"; "You Can't Hug your Child with Nuclear Arms"; and "I have had enough!" A radio interview reported "This is an idea whose time has come. There are even lawyers in the crowd today!"

The risks of nuclear war have been evident for years. There have been numerous articles, books, movies, speeches and warnings since 1945, but even concerned people have said "Leave it to the experts," or "We have no choice because of the Russians," or "What can I do?"

As a concerned citizen and as a practicing attorney, I have determined that one action that I can personally take is to become a member of the Lawyers Alliance for Nuclear Arms Control, Inc. LANAC, organized in 1981, is a non-partisan organization of attorneys, judges, professors, law students, paralegals, legal secretaries and other people involved in the legal profession who seek to educate themselves about the threat presented by the existence of nuclear arms and to discuss and act in such a way as to minimize or reduce that threat.

Lawyers Alliance for Nuclear Arms Control, Inc. will encourage discussion, dialogue and education regarding the control of nuclear arms. LANAC is not directing its attention towards conventional arms or to the abolition of nuclear arms. LANAC seeks to make a contribution relating to the control of nuclear arms.

I believe that the time has come for all members of the legal community to become actively involved in this movement. As citizens in a democratic society we must intelligently participate in a discussion of the issues and participate with our elected representatives in proposing changes in current policy and military plans.

Some of the factors we must consider are:

First. Radioactive Fallout. The effect of nuclear fallout and radioactivity will be devastating to all forms of life. In addition to the direct effect on all living organisms, it is anticipated that the ozone layer which protects the earth from ultraviolet rays will be damaged. Some scientists believe that a reduction in ozone layer will result in third degree burns to human beings, birds and insects exposed to direct sunlight for over ten minutes. They will all die. It is possible that any surviving form of life will become blind because of damage to the eyes. Trees are particularly susceptible to the effects of radioactivity and will die. The survivors will be the fish in the ocean and certain types of insects and grasses.

Second. Weapons Will Be Used. The history of mankind shows that human intelligence develops and improves weapon systems and that once weapons exist they are used. Weapons available to mankind have progressed from stones, clubs, spears, bows and arrows, catapults, cannons, guns, ships of the line, aircraft, poison gas, tanks, bombs, submarines, missiles and probably lasers and weapons in space. The arms race is based, in part, on the fear that some other nation will develop the next "super" weapon. Other nations, based on experience, assume the United States is most likely to have a major technological breakthough at any moment. The existence of nuclear weapons suggests that they will be used by individuals or by governments. We must assume that nuclear weapons will eventually be used. Albert Einstein said "The splitting of the atom has changed everything but our way of thinking, and thus we drift toward unparalleled catastrophe."

Third. Mistakes Will Be Made. Human error in the form of negligence, or mistake, or jumping to an incorrect conclusion, or failing to follow established procedures or policies could launch a nuclear weapon. An example could be a U.S. or Russian submarine where through faulty information, or misunderstanding, or mental stress nuclear missiles will be launched. A war could result. In November 1979, a technician left a war games tape by mistake in our national defense computer system. The Strategic Air Command were notified of an attack alert immediately. The mistake was discovered within 6 minutes. The fact that such a mistake could be so promptly recognized is commendable. The particular war game involved an attack on the United States by Russian submarines where a decision must be made whether to launch strategic weapons from missile silos before incoming missiles can destroy them. This is called launch on warning. In such a situation, the reaction time to make decisions is only 10 to 12 minutes. It is possible that a nuclear war could have been commenced based on this human error if a few more minutes had passed without determining what the error was. Other examples of human error by highly trained technicians are Three Mile Island and recent commercial aircraft crashes. In addition to human error, we face the risk of equipment error. We deal with breakdowns in duplicating machines, telephone systems, typewriters, power mowers, outboard motors and computers on a regular basis. We know from experience that all machinery, no matter

how carefully constructed, will eventually break down. If equipment in Russia breaks down, and missiles are launched towards the United States, major decisions will have to be made in a short period of time by those responsible for national defense. A nuclear war could result.

Fourth. Short Reaction Time. In the 1950's and 1960's when nuclear bombs were only carried by airplanes, ten to twelve hours were available within which aircraft could be recalled or stopped before bombs were dropped. In the 1980's intercontinental missiles can reach their targets in 30 minutes. Missiles from submarines can reach their targets in 6 to 10 minutes. Land based missiles in Europe and Russia can reach target in 6 to 10 minutes. The individuals responsible for national defense face an ever decreasing reaction time for making decisions.

Fifth. New Technology. Rapidly developing technology means that delivery time for missiles will be reduced even further; the 6 to 10 minutes reaction time to a submarine attack will be even shorter. Nations have to develop defensive reaction systems whereby computers will be programmed to fire strategic missiles upon the occurrence of certain events. There will not be an opportunity for human beings to overrule computer programs or to recognize mistakes. It seems imperative to freeze technological development or deployment of new systems now while negotiations are conducted regarding control or reduction of existing weapons.

Sixth. Enough is Enough. It has been estimated that 90 nuclear warheads reaching their target would be adequate to destroy all important cities in Russia (or the United States). In the 1960's it was recognized that 300 bombs per side would be adequate for mutual assured destruction (MAD). In 1982, it is reported the United States has 9,000 and the Russians 8,000 strategic nuclear warheads. France, Great Britain and China also have nuclear weapons. The production of cruise missiles will dramatically increase the arsenals of nuclear war. Experts seem to agree that additional nuclear weapons do not serve a required military purpose. If each nation had a smaller number of warheads and delivery vehicles (whether land based, in submarines or carried by aircraft) it would be easier to monitor, control and prevent mistakes or errors from occurring. General Charles DeGaulle of France was once asked why he spent so much of the assets of France to develop the little "force de frappe". He said "My dear friend, you don't understand the fundamentals of nuclear weapons. All you need is enough."

Seventh. Nuclear proliferation. At the present time the nations that have permanent seats on the United Nations Security Council have nuclear weapons; China, France, Great Britain, the United States and USSR (plus possibly India). One hundred twenty three nations have signed the nuclear Non-proliferation Treaty of 1968 where they have agreed not to develop nuclear weapons. Among the nations that have not signed the treaty are Argentina, Iraq, Israel, Libya, Pakistan and South Africa. If these nations do not already have nuclear weapons they probably will have them in a short time. The nuclear war that is the subject of Nevil Shute's book, "On the Beach," started when a small nation fired one or more missiles and the United States concluded that it was being attacked and followed pre-planned procedures to launch missiles against the Soviet Union resulting a nuclear holocaust in the Northern hemisphere. As additional nations develop nuclear weapons the chances of error and mistake will dramatically increase the risks faced by all nations.

A rational citizen, after considering the seven factors summarized above, can reasonably conclude that a nuclear war is likely to occur in our lifetime. What can be done?

Barbara Tuchman, the historian, after reviewing the history and experience of fruitless attempts to negotiate control of war by disarmament or limitation of arms states:

"I think a change is possible because a new factor, terrible as it may be, has intervened: it is the prospect of finality. Before the advent of nuclear power, war, however devastating and brutal, had limits of destruction. The new factor is fear. Fear may make the difference."

Negotiations are currently underway between the United States and the U.S.S.R. on a number of issues involving nuclear weapons. We have had a history of successful negotiations as to germ warfare, chemical warfare and some aspects of nuclear arms control. In 1925, at Geneva, nations successfully negotiated and have generally complied with a treaty prohibition the belligerent use of poison gas and chemical weapons against people. The Limited Test Ban Treaty of 1963 prohibiting atmospheric testing has been honored. The Anti-Ballistic Missile Treaty of 1972, part of SALT I, has been honored. In 1978 a Biological Warfare Treaty prohibiting the development, production and stockpiling of toxins and bacteriological weapons was signed by Britain, the Soviet Union and the United States. The SALT II Agreement which took seven years to negotiate has been honored, although not ratified by the Senate. It would appear that nations should be able to negotiate additional treaties to control nuclear weapons and radioactive fallout. As citizens, we should encourage and support such negotiations between nations. We should keep the pressure on.

In New Jersey, a referendum question on the ballot last November gave citizens an opportuntiy to vote yes or no on the following question:

"Do you support a mutual United States-Soviet Union nuclear weapons 'freeze' and urge the government of the United States: (1) to propose to the government of the Soviet Union that both countries immediately agree to a mutual, verifiable halt of all further testing, production and deployment of nuclear warheads, missiles and delivery systems as a first step toward mutual balanced reduction, and (2) to apply the money saved to human needs and tax reduction?"

In New Jersey the vote was "Yes" by over a 2-1 margin. The idea of a "mutual freeze" was supported by voters in seven other states. A national debate has been started. One significant result of the referendum votes is that it is no longer political suicide for our elected representatives to discuss and advocate nuclear arms control. In part, it may become political asset to advocate and act on arms control.

It is the responsibility of each citizen to analyze the issues involved: (1) Does the United States need to improve, upgrade or expand its military force prior to a "freeze"? (2) Will a popular movement supporting a mutual nuclear arms freeze strengthen or weaken the U.S. bargaining position? and (3) Should legislators be encouraged or required to support proposals to negotiate further nuclear arms control agreements?

What do you think? When will you become involved? I urge you to become a member of the Lawyers Alliance for Nuclear Arms Control before it is too late.●

HOW CAN WE BEAT THE UPCOMING INCREASES IN LOCAL PHONE BILLS?

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. MARKEY. Mr. Speaker, on three previous Mondays, I have offered suggestions for possible congressional action to beat the upcoming increases in local phone bills. Today, I offer a fourth recommendation for a House initiative to deal with this pressing problem.

The new, post-divestiture Bell Operating Cos. (BOC's) will be complex and interesting creatures. They will perform a variety of functions and offer a wide range of services to many different consumers. Some of these functions and services will be the activities of a regulated monopoly, like the provision of basic telephone service to millions of Americans. Others will be the efforts of an aggressive business in a highly competitive industry, as is the case when the BOC's begin to market telephone equipment to consumers.

To many people, both are vital undertaking for the BOC's. Both the provision of monopoly and competitive services seem essential to the viability of the operating companies. The validity of this contention is not my subject today. My concern with respect to increases in local phone bills is the relationship between the two activities. My topic today is the issue of cross-subsidization.

Cross-subsidization. It is a confusing term with many different connotations. It is something we encourage BOC's to do when we ask them to use intrastate toll revenues to keep the cost of basic service down. But that is not my concern here.

I am worried about the possible cross-subsidization of BOC endeavors in competitive areas with revenues from regulated, monopoly services. Simply put, I am worried about the prospect of BOC's raising rates for basic telephone service to help pay for efforts to compete with ROLM or Panasonic in the sale of consumer equipment.

The issue of cross-subsidization, then, is one of serious potential impact on basic local rates. Even so, commentators are split over whether or not such cross-subsidization should be prohibited. After all, they ask, do not all companies use revenues from one division to bolster the efforts of another?

Maybe. But other companies which cross-subsidize this way do not take revenues from a monopoly, essential service to provide an advantage in a

competitive endeavor. It is one thing for a corporation to raise the price of one good it sells in a competitive market to lower the price of another it sells in such a market; if consumers are being gouged by the shift, they simply refuse to buy the product. It is a very different thing to raise the cost of local phone service—an essential service for which consumers have no ability to choose between vendors—to bring down the rates charged for telecommunications equipment sold in a competitive market.

What then can we do?

First, we can include in any common carrier bill tough language to prohibit cross-subsidization of competitive services with revenues from monopoly services. Failure to include such a provision may show a lack of resolve in our dedication to this principle, and may ultimately lead to increases in the rates charged for basic local service to make the BOC's more effective competitors in the equipment market.

Such cross-subsidization is the inevitable product of any market which is composed of both monopoly and nonmonopoly elements. I do not wish to impugn in any way the motives or intentions of BOC officials; their tendency to cross-subsidize does not come from some moral flaw or evil character. Instead, such cross-subsidization would be a likely product of the market structure, one that any executive would be likely to attempt.

But if cross-subsidization is natural given the market structure, it is nonetheless harmful to consumers. It means they pay more for an essential service to give the BOC's a market advantage. It means that resources are allocated in an uneconomic and inefficient manner.

So cross-subsidization must be prohibited strongly and clearly. But we also must have an effective means of measuring whether or not BOC's are undertaking cross-subsidization. That is where my second recommendation comes in.

Repeatedly, the General Accounting Office has found that the Federal Communications Commission's (FCC) system of accounts is inadequate for providing the basic information to determine the separation of costs between regulated and unregulated services. Tough anti-cross-subsidization standards will have little meaning if we lack the ability to obtain information to assure compliance with the restrictions.

Time and again, the FCC has promised to adopt a comprehensive revision of its system of accounts. Now is the time to expedite its work in this matter. The FCC should move with all haste to adopt a new system of accounts which meets the concerns of those who fear an increase in basic rates to subsidize competitive endeavors.

Preventing cross-subsidization, and adopting an accounting system capable of monitoring compliance with this prohibition, is the fourth thing which can be done to beat the upcoming increases in local phone bills.●

WHEN FREE-TRADER REAGAN WINKS AT CONGRESS

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. LUNDINE. Mr. Speaker, the United States is involved in a more intense international competition than ever before, and we are losing. Whereas this country emerged from World War II as the preeminent industrial and economic power in the world, we now find ourselves being challenged on all fronts. Rapid changes in the world economy and in technology are going on all around us, and yet, in the midst of what could conceivably be the most exciting time in our economic history, we find ourselves faced with aging factories and noncompetitive methods of production. Competing nations are using the technologies that we have developed, while our factories struggle with outdated processes.

The U.S. economy has become internationalized to the point where the entire strength of our economy depends on our international competitiveness. The levels of U.S. manufacturing imports and exports, for example, are nearly 25 percent of our domestic manufacturing production, four to five times higher than they were in 1960. One out of every five U.S. manufacturing jobs depends on trade and for every $1 billion in exports, 30,000 to 50,000 new jobs are created in the United States. Both the extent and the rapidity of the internationalization of our economy has been dramatic.

Yet even as our stake in international markets grows, our competitiveness is slipping away. U.S. productivity growth is among the lowest of our industrial peers. In the last 3½ years, we have lost 3 million jobs in manufacturing alone, 1.9 million of which will not come back even with an economic recovery. Our trade deficit may reach $70 billion this year, after a record setting $42 billion deficit in 1982. The U.S. trade deficit for the month of May, the last month recorded, was $6.9 billion—the largest single monthly trade deficit in our history.

Many factors have caused these slippages, including the aggressive competitive techniques of other trading nations, high interest rates and deficits here at home, as well as the shortsighted, nonaggressive approach to trade that Government and business have taken in this country.

While some nations have boldly entered into the new international industrial competition and are making great gains in terms of market shares and their balances of trade, the United States continues to follow inconsistent policies and competitive techniques that are just not strong enough, or relevant enough, to match our international competitors.

Our economy is badly in need of a strong, consistent, and aggressive trade program to put the United States back into the international market as a world class competitor. We need to move away from passive reliance on free trade rhetoric and haphazard protectionist intervention.

I would like to submit into the CONGRESSIONAL RECORD an article by my colleague RICHARD DURBIN entitled "When Free-Trader Reagan Winks at Congress." In this article, which appeared as a letter to the editor of the New York Times, June 17, 1983, Congressman DURBIN very thoughtfully points out how President Reagan's "actions belie his rhetoric." Rather than this back-door approach to trade policy, a trade policy created only in response to the policies of other trading nations, we need to adopt a credible and dependable trade policy if we are to be in a position to negotiate successfully with foreign traders.

TO THE EDITOR: Hubert Humphrey tells in his biography of being contacted by President Nixon about an important foreign policy issue. Humphrey, then a Senator, was asked by Nixon for help in tilting public opinion toward recognition of Red China. Nixon, a past hardliner on this issue, suggested that Humphrey take the lead in espousing recognition of the Communist nation. The President would initially be critical of Humphrey's position and then allow his views to "soften" as Humphrey led the national debate.

This was not the first time in American history that a President has used Congress as a stalking horse on a controversial issue. The Presidency may be a bully pulpit, but it helps to have a strong choir.

Today, President Reagan has maneuvered Congress into a forward position on the issue of world trade policy. The President's public pronouncements in favor of free trade are firm and unequivocal. He has criticized Congressional leaders for bending to protectionist pressure and risking a worldwide trade war.

It is clear that Congress has moved toward a position favoring some trade restrictions or at least trade reciprocity. The Domestic Content Bill is the most visible example, and the Administration has made it an object of derision.

This effort by the United Auto Workers to guarantee that auto imports contain substantial portions of American-made parts is labeled by our Republican President as both anti-consumer and anti-business. Lobbyists from the Department of Commerce stalk the Congressional corridors exhorting legislators not to fire the first salvo and risk a global trade war.

Trade unions are not alone in their interest in America's foreign-trade policy. Congress also is lobbied by business interests to

be aware of the negative impact on jobs when we import cheap machine tools, for example, or Canadian lumber.

Agriculture Secretary Block recently conceded that elements of the farm sector, a historic beneficiary of free trade, continue to press for favored treatment in Washington. The President is acutely aware of the need to respond to this broad-based call for help. His actions belie his rhetoric. He has: Negotiated auto import restrictions with Japan. Established sugar quotas. Approved a heavily subsidized sale of wheat flour to Egypt. Granted a farm-export credit subsidy dubbed "blended credit." Allowed a 1000 percent increase in the tariff on heavy motorcycles.

By any standard, these efforts are protectionist, pure and simple.

On the covert side of the Administration's effort, the same Cabinet officials who publicly condemn Congress for protectionism privately encourage Congress to pour on the coals. Our trade negotiations know that our bargaining position is enhanced when they can warn our trade allies of those "tough cops" on Capitol Hill.

If there is any method in the madness of the Administration's free-trade charade, it may be that the President sees this process as finally evolving into a much-needed U.S. trade policy. For years we have walked away empty-handed from the negotiating tables as American products were clobbered by the heavy-handed policies of our trading partners. The Administration's methods may be designed to result in a more credible and forceful U.S. posture in world trade negotiations.

The next time President Reagan gives Congress a stern lecture on free trade, watch for the wink.

RICHARD J. DURBIN,
Member of Congress, 20th Dist., Ill.●

JAMES W. POIROT IS NEW CHAIRMAN OF CH2M HILL

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. AuCOIN. Mr. Speaker, I would like to take this opportunity to offer my congratulations to James W. Poirot of Atlanta, Ga., who was recently elected chairman of the board of CH2M Hill.

CH2M Hill is the sixth largest consulting engineering firm in the United States. Its staff of approximately 2,000 employees in over 35 offices worldwide have, since its founding in Corvallis, Oreg., in 1946, been providing clients—the private sector and governments at all levels—with comprehensive services in engineering, planning, economics, and the environmental sciences. This environmentally oriented firm is most unusual in that it is wholly employee owned.

Mr. Poirot has served on the CH2M Hill board of directors for 8 years and in 1981 was elected senior vice president. He joined CH2M Hill in 1953 after earning a bachelor's degree in civil engineering at Oregon State University. He was called to active duty in 1954–55 to serve as an officer with the U.S. Army Corps of Engineers, assigned to the construction of Eilson Air Force Base near Fairbanks, Alaska.

In December 1955, he returned to CH2M Hill in Corvallis, Oreg., to serve as design engineer and project engineer of water supply, water pollution control, industrial, ports, and airport projects.

James Poirot and Holly Cornell, a founding partner of CH2M Hill, opened the firm's third regional office in Seattle, Wash., in 1960. Mr. Poirot was appointed vice president and manager of the Seattle office in 1967. In 1975 he became northwest district manager and in 1978 was also appointed manager of the southwest district.

A registered professional engineer, Mr. Poirot is a Fellow in the American Society of Civil Engineers (ASCE) and has served as president of the Seattle section. In 1980 he served as national executive committee chairman of the ASCE Professional Practices Division. He was also president of the Consulting Engineers Council of Washington during 1975–76.

Mr. Poirot is currently serving on the board of directors of the Consulting Engineers Council of Georgia. In September he will relocate to CH2M Hill's Denver office.●

THE TIME HAS COME FOR A FAIR AND SIMPLE FLAT RATE TAX

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. YOUNG of Alaska. Mr. Speaker, for several years I have been working for tax reforms which would help to resolve the two most serious problems facing taxpayers—the complexity of the Tax Code and fear of the IRS.

Because these two problems have become more serious over the past few years. I believe the time has come to seriously consider repealing most of the tax code and substituting a simple, flat-rate personal income tax. A fair and simple flat income tax with taxpayer protection standards would eliminate the abuses which have been built into the tax system over the years. For this reason, I am introducing legislation which would substitute a flat rate of tax for the current progressive tax rate system.

Last year, I joined with several colleagues to form a coalition to seek passage of a legislative package establishing a flat rate tax combined with legal taxpayer protection standards. The proposed legislation would provide for a simple, flat-rate tax on personal income with few deductions. Deductions would be allowed for charitable contributions, mortgage interest paid on the taxpayer's principal residence, and trade or business expenses.

Also, there would be an exemption for the first $10,000 of income. Income above $10,000 would be taxed at a rate of 15 percent. Most economists estimate that a rate of 15 percent would yield the same amount of personal income tax revenue as the current complicated progressive tax system. These estimates generally do not take into account the amount of revenue which has been lost as more and more otherwise law-abiding taxpayers are being driven to the underground economy by complex tax laws and a growing fear of the IRS. Estimates of revenue lost to the underground economy now total as high as $91 billion for this fiscal year.

The income base that is taxed has been so eroded by exceptions and preferences that the rates on what is left to tax must be kept unusually high. Thus, the tax on an extra dollar of income for a typical family earning $20,000 is 28 percent and becomes progressively higher.

Another important part of the tax reform legislation would be the enactment of laws protecting taxpayers when dealing with the IRS—these reforms would include protections I have worked for including the requirement of a court order before the IRS could seize property, the requirement that the IRS must follow the written advice of its agents, and the establishment of legal rights for taxpayers during audit examinations.

Passage of this legislative package would go a long way toward providing a fair and simple tax system in which all taxpayers paid their fair share of taxes. Too many abuses have built into a tax system which now covers 2,000 pages of laws and 6,000 regulations are difficult to eliminate. Instead of piecemeal changes which only increase the complexity of the code, it is time to enact a comprehensive reform which provides a fair tax system for all taxpayers.

Mr. Speaker, the present system creates mistrust and invites abuse by both sides. Some may consider a wholesale change of the tax system a radical step but we in the Congress have been trying the piecemeal approach for decades, and look where we are now.●

HUBERT H. HUMPHREY INSPIRATIONAL AWARD

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. PEPPER. Mr. Speaker, I would like to take this time to call your attention to a wonderful presentation

given by a great lady who has endeared herself to many of us, Frances Humphrey Howard. The occasion was this year's presentation of the Hubert H. Humphrey Inspirational Award at the American Cancer Society volunteers' luncheon of March 18, 1983, which it was my privilege to attend. This award is presented each year in fond memory of a distinguished statesman who courageously, determinedly, and selflessly battled against cancer, Hubert H. Humphrey. The stature of that great public servant was never more evident than it was during his illness.

In presenting the Humphrey Award, Ms. Howard delivered a moving and inspirational speech as she recognized the outstanding and courageous young woman who was the recipient of this year's award, Barbara Boggs Sigmund. This lovely lady, a daughter of my dear friend and our able colleague, LINDY BOGGS, and who is herself very special to me, has exemplified those strong qualities of commitment, determination, and leadership in a time of great personal struggle. She is an inspiration to others who are battling the same monstrous disease and provides an example for all of us of all those attributes of the human spirit which are the most noble.

We should all reflect upon the text of these eloquent remarks by Ms. Howard and renew our resolve to dedicate ourselves to strengthen the fight and one day soon to conquer that horrible menace to the health of our society, cancer.

I respectfully submit the text of Frances Humphrey Howard's beautiful and moving address to be included in the body of the RECORD following my remarks.

REMARKS BY FRANCES HUMPHREY HOWARD ON THE OCCASION OF THE PRESENTATION OF THE HUBERT H. HUMPHREY INSPIRATIONAL AWARD AT THE AMERICAN CANCER SOCIETY VOLUNTEERS LUNCHEON, WASHINGTON HILTON HOTEL, MARCH 18, 1983

Distinguished Ladies and Gentlemen of the Dais: Mr. Jack Anderson, notable columnist, our Master of Ceremonies; the Reverend Gilbert Hartke, the Honorable Claude Pepper, who has done so much in the fight against cancer by holding hearings in 1979 before the Joint Committee on Aging on "Frontiers in Cancer Research." The Honorable Lindy Boggs, charming and able legislator, mother of our Honoree; the Honorable James J. Howard, outstanding Congressman from New Jersey's third district; Barbara Boggs Sigmund; Mr. Paul Sigmund, husband of our honoree and her brother, Mr. Thomas Boggs. Mrs. Marion Barry, charming wife of our Mayor; Dr. La Salle Leffall; Mr. Vincent Burke, III; as well as other distinguished officers of the American Cancer Society and our audience of dedicated volunteers.

I look forward each year to the occasion when I have the honor and privilege of presenting the Hubert H. Humphrey Inspirational Award to the person who best exemplifies his spirit. That person today is Barbara Boggs Sigmund, a young person whom Hubert knew and loved when she was growing up in the Washington political scene and in subsequent years when she participated in political campaigns and Democratic conventions.

It is particularly appropriate that Barbara is to be the recipient of this award because she possesses many of of same qualities for which Hubert is so lovingly remembered—optimism, energy, warmth and commitment—commitment to her family, her community and her country.

But before I present the award to Barbara, I want to share with her and recall with you the memories of that day back in 1977 when Hubert was honored by the American Cancer Society for his valiant fight against cancer. His friend, Vice President Walter Mondale, and many other leaders, as well as hundreds of you, were present that day to pay tribute to him. He was deeply moved by your outspoken praise, your warm affection and your admiration for the strength and courage that he has shown in battling this disease. It was a day of both sadness and joy. He was, as always, of good cheer. Even then, after months of chemotherapy, he still exuded his boundless energy, his good humor and his spontaneous wit, making even Victor Borge take second place in the quick and sparkling repartee at the head table.

There he was, responding to all the accolades you had showered upon him with a kind of gentle humility and affection so characteristic of him. Then he rose to the microphone, his voice becoming stronger, as he spoke compassionately about the human needs of our society; the need for medical research in cancer, the need for better nutrition habits, and for health care for the young, the handicapped and the elderly.

He spoke to all of us of hope of the future of America. For a moment we might recall some of the things he said here, and elsewhere in his lifetime. "I have little time for people who say we ought not to promise, that we shouldn't raise people's hopes. You live by hope. And you live by promise. Achievement is not enough, because so many of us, at times, don't quite make it. We don't always get what we want. But we have got to believe that someday, somehow, it will be better. And that we can do it."

And again, he talked about himself and his life. "I have been accused so many times of being a congenital optimist about so many things. I have also been told that I am not tough enough. I suppose they are both true because so many people say it. But I'll tell you this—I don't think this world needs any more toughies. I never believed that you needed to be tough. I think at times you need to be firm.

This day, in 1977, began the tradition we are carrying out today. It was a year after his death in 1978 when the American Cancer Society established the Hubert H. Humphrey Inspirational Award in his memory with the stipulation that the award should be presented to a person who best exemplifies his spirit—to a person who through a personal battle with cancer provides inspiration and hope for others who are afflicted.

The award has gone to five others in previous years, to former First Lady Betty Ford, Edward M. Kennedy, Jr., the Honorable John S. Monagan, Marvella Bayh, and Jack Pardee. Today that person, as I have already mentioned, is beautiful Barbara Boggs Sigmund, a remarkable young woman, whose courage, energy, warmth, commitment and personal traits are so much like the qualities we admired and remember when we speak about Hubert and the inspiration he gave to others in his battle against cancer.

Barbara Boggs Sigmund has been an inspiration to all who know her. She continues to carry on the great tradition of her distinguished family in public service. In every way she most perfectly meets the criteria established for this award; valiant courage and inspiring hope.

Hubert used to say so often when he was faced with disappointment or loss, "Frannie, it isn't what you have lost that is so important, it is what you have left." I believe that Barbara, without saying this, has proved it.

Hubert would have had a very special affection for this day. He loved and admired the Boggs family. Barbara's parents, both Hale and Lindy, were his good friends—not just social friends—they were committed to the same kind of dream for America. They believed that all Americans should have the opportunity for participation in this great political democracy. And so does Barbara. Her record speaks to the fact.

What a remarkable young woman! I so well remember Barbara when in 1975 she participated in a program on "Women in Politics," preparatory to the International Women's Year Conference in Mexico City. A congressional symposium entitled "The Role and Status of Women in the United States," had been organized by my daughter, Anne Howard, with the backing of her Uncle Hubert, and Senator Charles Percy. It was a platform for Barbara, who was an informed and convincing witness. The Senators and Congressmen listened! I was impressed. I came away with great admiration for this young woman. I followed her political campaign when she ran in the Democratic Primary for U.S. Senator from New Jersey. You knew when you watched this energetic, dynamic, young woman that she had discipline and courage. There was no self pity there after the loss of her eye, but there was plenty of commitment. She campaigned like a trooper. Less than two hours after leaving the hospital, her face still swollen from the operation, she appeared at a political fundraiser.

My goodness, how much she is like my brother, Hubert. She must be his spiritual daughter! I recall that one night in September 1976, when Hubert broke the news about his forthcoming cancer surgery. The family sat down with him at his home in Waverely. He told them that there were risks but that he was going to win the battle. He knew that everyone was upset and that their hearts were heavy. He promptly said to his sons, "This is no time for negative thinking—I don't know what you are going to do, but I am going to Omaha and help Ed Zorinsky win the U.S. Senate seat."

Barbara shares with Hubert, as well as her father, Hale, other well-loved characteristics, such as a droll sense of humor, a speaking ability and a sense of social responsibility. Barbara grew up with the biblical imperative—"To whom much is given, much is expected." In our family we grew up with my father's admonition from the statement by Harry Emerson Fosdick—"With power comes responsibility."

What an honor it is to present this inspirational award to a truly impressive young woman—bright, attractive, able, an advocate, an outgoing and a tireless worker. She has already accomplished so much! She has been totally immersed in politics from the day she was born. A native of New Orleans,

Barbara divided her time between there and Washington, D.C., after her father was elected to the House of Representatives. She attended the Stone Ridge Country Day School in Bethesda, Maryland, and Manhattanville College of the Sacred Heart in Purchase, New York.

Prior to becoming a candidate for the U.S. Senate from New Jersey, Mrs. Sigmund served on the Princeton Borough Council, then in 1976 she was elected to the Mercer County Board of Freeholders, serving as president in 1979-80. She was elected president of the New Jersey Association of Counties in 1981. She has been a delegate to the last two Democratic national conventions. She has already decided to run in the mayorality election of Princeton, N.J.

Barbara is the wife of Paul Sigmund, a Princeton University professor, the mother of three children. Mrs. Sigmund is an active volunteer for the Society's New Jersey division.

Barbara may have lost an eye and lost that primary in New Jersey, but we know that with her courage she is destined to win many honors. By her example she has won over many of us. Hubert is applauding up there in heaven as I present this award with much love and affection to Barbara Boggs Sigmund.●

A LETTER TO THE PRESIDENT OF THE UNITED STATES

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. MORRISON of Connecticut. Mr. Speaker, on June 1, 1983, the State Department released a guidance statement to the press reiterating its opposition to granting extended voluntary departure status to Salvadoran refugees. In response to this statement, I have written a letter to the President asking him to order the State Department to reverse its position. The letter reads as follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1983.

Hon. RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing in response to the State Department's June 1st Guidance Statement reiterating its opposition to Extended Voluntary Departure Status (EVDS) for Salvadoran refugees. The Administration's position is based on the assumption that EVDS would encourage illegal immigration and that Salvadoran nationals pass through other countries where they may take refuge. I believe both assumptions are incorrect and misleading in this context. I encourage you to review the State Department's position and order the Department to issue a revised Guidance Statement which adopts a policy of EVDS for Salvadoran refugees.

Under this Administration, asylum has been denied to most of the Salvadoran nationals. Between October 1982 and January 1983, out of 1,139 applicants for asylum, the Immigration and Naturalization Service (INS) District Directors granted only 61 requests. The remaining 1,078 were deported. Upon their return to El Salvador, many of these refugees met with calamities ranging from simple custody to torture and murder.

El Salvador is in the midst of a civil war. Its populace is experiencing much violence and hardship. Deportees are particularly endangered by the ongoing violence. In the words of a former career military officer in the Salvadoran Army, "the dangers faced by all . . . in El Salvador is greatly enhanced for those who are returned to El Salvador after being deported." The latest statistics show that approximately one out of every five deportees are killed upon their return to El Salvador.

If a policy of EVDS is adopted, one may assume that those El Salvadorans currently in the U.S. will seek to perhaps avoid returning to El Salvador in the near future—a decision they can hardly be blamed for and perhaps should be encouraged to make.

That does not mean there would be an increase in the number of Salvadorans requesting to enter the U.S. For the most part, Salvadorans have been hesitant to uproot themselves and leave their country. The adoption of EVDS will not significantly increase the number of Salvadorans wishing to migrate to the U.S., but only increase the chances of survival for those Salvadorans already here. Furthermore, by granting EVDS, the Administration will encourage El Salvadorans now residing here to come forward and make their presence known to the Immigration and Naturalization Service. Clear and complete records of Salvadorans in the U.S. will act as a deterrent to and aid against illegal immigration.

The assumption that Salvadorans can take refuge in other countries is both debatable and irrelevant. In most of the refugee camps in Mexico, Honduras, Guatemala, Belize, and Nicaragua there are no jobs or sanitation, health conditions are poor, and externally-induced violence is common. The press has reported numerous incidents showing a large security risk for the refugees in these camps, including those located in Honduras where there is a large international presence. This issue is largely irrelevant, however, since EVDS only affects the Salvadoran refugees already in the U.S.

There is no question that existing conditions in El Salvador meet the requirements of the INS and the State Department for establishing a policy of EVDS. In the past, under similar conditions, citizens of Lebanon, Ethiopia, Poland, Uganda, and Nicaragua were temporarily allowed to remain in the United States. There is no reason for the State Department to take a different position in this case. The INS operation instructions state that refugees faced with extreme danger from either natural disaster or, as in this case, civil strife upon their return home can be allowed to extend their departure from the U.S. In addition, the State Department's Foreign Affairs manual implicitly recognizes the need for extending the period of voluntary departure in conditions of civil strife.

Based on the foregoing, I ask that you order the Department to reverse its position and allow Salvadorans living in the U.S. to remain here until it is safe for them to return home.

Sincerely,

BRUCE A. MORRISON.●

A NATIONAL HOLIDAY FOR MARTIN LUTHER KING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. DOWNEY of New York. Mr. Speaker, I rise in support of national recognition of the birthdate of Martin Luther King. Our recognition will demonstrate an unwavering commitment to continue his struggle versus hatred, oppression, prejudice, and injustice. Martin Luther King had a dream; a national holiday will ensure that his dream and the spirit he personified will remain instilled in the national conscience.

In 1955, the Nation's attention was drawn to Montgomery, Ala., as this unknown black preacher startled us with his leadership and courage in a citywide boycott against policies of segregation. In the many efforts to come, K'ng demonstrated his dedication to a struggle of and for peace; methods of nonviolence that demanded attention against a backdrop of world violence. His speech in August 1963 remains as moving as any words delivered in modern times. "I have a dream," he explained and pleaded. "It is a dream deeply rooted in the American dream. From every mountain let freedom ring." It was this dream and the path he had chosen to achieve it that earned him the Nobel Peace Prize in 1964. King was the youngest individual and only the third black man to receive this honor. His assassination in 1968 left us shocked and questioning our own possibility of true humanity.

But King's vision of democracy, liberty, and freedom for all men and women continued in the lives of all his spirit touched. He delivered us a hope and reminded us that each man is heir to a legacy of worthiness. While today's civil rights achievements are rooted in Martin Luther King's efforts, his dream continues to remind us of how far we still have to go in the struggle for equality. Our struggle must remain devoted to nonviolence. For, as King would remind us, it is only through moral means that one can achieve moral ends.

Fifteen years later, I believe it is essential that Martin Luther King's beliefs and achievements be remembered. The Nation should be encouraged to reflect on the man and his principles, which ring as true today as ever. His statement that there is no longer a question of violence or nonviolence but of nonviolence or nonexistence could not be more pertinent in this age of nuclear debate and worldwide struggles for human rights. Mr. Speaker, I urge my colleagues to join me in support of a national commemoration of Martin Luther King. We

should encourage the Nation to reflect on his ideals, and we must do no less than recognize the greatness of this individual who has changed the course of history.●

THE CONFUCIAN CONNECTION

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. SHUMWAY. Mr. Speaker, the current popularity of industrial policy as the solution to our economic problems is based on the belief that it is successfully applied by other nations—particularly Japan—to compete more effectively than the United States in the international marketplace. Because of industrial policy, it is often argued, Japan and other East Asian nations have developed vital, dynamic economies that insure ever rising standards of living for their own citizens, while at the same time causing the unemployment of thousands of U.S. steel, auto, and electronics workers. To counter such competition, many now propose that the Federal Government must more directly intervene in the American economy.

While it is undoubtedly true that the relationship between government, business, and labor in Japan is quite different from that in the United States, the degree to which the Japanese Government directly intervenes is the subject of intense debate, as is the degree to which industrial policy, modeled after Japan, is applicable in this country.

There are, in my opinion, very basic social, cultural, and historical factors responsible for Japan's economic structure and success; factors which do not apply in the United States. In our consideration of industrial policy, then, we must avoid the temptation of ascribing exclusively to it the successes of foreign nations; we must not view it as a panacea which can solve our many complex economic problems.

I commend to the attention of our colleagues a recent editorial by Joseph Kraft which elaborates on the unique socioeconomic makeup of Japan and other East Asian nations.

THE CONFUCIAN CONNECTION

(By Joseph Kraft)

HONG KONG.—The showpiece of capitalism—what Britain was to the 19th century and the United States to the first three-quarters of the 20th—has moved across the Pacific. Except for the Communist countries, the Japanese miracle has been recapitulated all over East Asia.

But how come? What force has generated rapid growth, low inflation and a political framework remarkable for stability, if not democracy?

The answer seems to be cultural. It lies, I am persuaded by Derek Davies of the Far Eastern Economic Review, in the Confucian component

The economic success of non-Communist Asia brooks no argument. In the halcyon days between 1950 and 1973, the industrialized countries of North America and Western Europe averaged annual per capita growth of 3.8 percent. The Asian countries nearly doubled that figure. Moreover, while the pace fell off in the industrialized countries after 1973, the Asian nations kept right on going despite the oil shock.

During the last three years, the recession, which practically flattened Western Europe and North America, made much less dent in this part of world. Anticipated growth rates for this year are as follows: South Korea, 7.5 percent; Taiwan and Thailand, 5.5 percent; Malaysia, 5 percent; Hong Kong and Singapore, 4 percent; Japan, Indonesia and the Philippines, from 3.5 to 3 percent. Except for Indonesia and the Philippines, every country on the list has brought inflation below 5 percent annually.

The political features are just as distinctive. While none of the countries makes the short list of worst cases among authoritarian regimes, neither does any pass the acid test of democracy. Not one has a cohesive opposition with a real chance for taking power soon.

In Japan, the Liberal Democratic Party has ruled, with one very brief exception, for 38 years. Quasi-military regimes run Indonesia, Thailand and South Korea. Hong Kong is one of the last colonies left in the world. The families of Ferdinand Marcos and the late Chiang Kai-shek rule the Philippines and Taiwan respectively. In Malaysia, a single broad-based party holds sway. Prime Minister Lee Kuan Yu, one of the world's most remarkable leaders, dominates Singapore to the point where the opposition holds only one seat in a parliament of 75 members.

The Confucian connection with all this has been traced by Davies in a series of articles and lectures. He gave me the gist of the argument here:

Confucianism sets out the basic rules of social order. Harmony requires a leader of character, discipline and education, with a strong sense of responsibility for fostering peace and prosperity.

The sense of obligation at the top finds its counterpart in a sense of duty down below. Loyalty to the leader is enjoined as much as fidelity to the family. "The people," Davies put it in a lecture at the University of Hawaii, "owe the just, benevolent leader total acceptance of his authority."

Leaders applying those values to the modern world devise policies for industrial development that yield rapid growth. The loyalty felt by the workers finds expression in products of quality and low rates of inflation. Hence the brilliant economic performance.

As to the politics, the Confucian mode, in Davies' words, "envisaged either total acceptance of the ruler—or total rejection. There was no halfway house; no such concept, as in the West, of a 'loyal opposition.'" Thus many Asian countries—notably Indonesia and the Philippines—now face difficult political transitions. These may well be resolved, as in South Korea, by passage from one strong man to another.

If that view is sound, there is little point in the various Western efforts to copy Japan. While some lessons can be learned, the cultural gap is too wide, the political differences too great, for direct assimilation.

Still, elements of the Confucian model can be abstracted and integrated into Western society. Clearly the United States and other Western countries need some method for restraining wages and prices while promoting growth—an incomes policy to go along with budgetary and monetary policies.

Lastly, it makes sense for the United States to plug into the dynamism of the Asian economies. That means a steady thickening in the network of ties, an increase in the exchange of goods and services to the point where there eventually becomes feasible a Pacific Basin Economic Community.●

MORE ON SPY DONALD MACLEAN AND THE KOREAN WAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. McDONALD. Mr. Speaker, June 29, I placed in the RECORD an item on Donald Maclean of Great Britain, and the role he played in compromising U.S. policy on the Korean war. Strangely enough, another version of this story appeared in the Washington Post of Sunday, June 19, 1983, written by the Soviet dissident, Roy Medvedev. His version is in more detail and adds some information from the scene in Moscow, which I feel my colleagues will find to be of interest. The item follows:

REQUIEM FOR A TRAITOR: A SPY'S LONELY LOYALTY TO OLD, BETRAYED IDEALS

(By Roy Medvedev)

Moscow.—Several weeks ago some friends of Donald Maclean gathered at a private apartment in Moscow to honor his memory on the ninth day after his death, as is the Russian custom. Among them were several scholars and specialists on international relations, two former members of the Comintern and myself. Maclean's circle of friends in Moscow was not large, but those who knew him best respected him and considered him a sincere person whose fate was not only unusual, but tragic.

Only a few of the people who worked with Donald knew the details of his biography. The short obituary in Izvestia paid tribute to him as a scholar, the author of a number of studies of England's foreign policy, a doctor of science and a prominent member of the Institute of World Economics and International Relations.

But that does not explain why leading newspapers in England and the United States devoted major articles to the death of a scholar who was never very well known in the U.S.S.R.

A Scotsman, Donald Maclean was born to a wealthy, aristocratic family, and dozens of influential relatives congratulated his father (who later became a member of the British Cabinet) on the birth of a son. But when, at the age of 70, Donald Maclean died in Moscow in total isolation, none of his relatives had been with him during illness and none was present at his funeral.

For in Britain he was a spy, a traitor to his country and class, condemned in absentia to 30 years of imprisonment. For the U.S.S.R., he was one of the best spies who ever worked for Soviet intelligence.

For 20 years the Soviet media have been singing the praises of Soviet spies and mem-

bers of the secret police. They have made a hero of Richard Sorge, one of the first to predict the Nazi attack on the Soviet Union, who was hanged in Tokyo in July 1944. Long articles appeared about Donald Maclean's former friend Kim Philby, who had also occupied posts in Britain's diplomatic service. But no articles appeared about Maclean, nor is it likely he would have agreed to any such publicity, though entire books had been published in Britain about the Maclean-Philby affair.

I happened to meet Maclean in the late 1960s. I had written a large manuscript about Stalin [later published in the West under the title "Let History Judge"] which I was showing to individual historians, old Bolsheviks and other writers in exchange for their comments and to gather facts and testimony to add to a future book. One of my acquaintances asked for permission to show the manuscript to Mark Petrovich Frazer; Maclean was going by that name in Moscow.

My acquaintance told me a little about Maclean's life. His childhood had been typical for boys of his circle. In the 1930s, he began to study at Cambridge, a university accessible only to a few at that time but rife with political passions even so. Britain still possessed her empire, and the ruling class was not yet contemplating independence for the colonies. World War I was still a fresh memory, as was the Depression of 1929-33.

Many saw a way out in radicalism or fascism. Still others, including some members of the intelligentsia and the aristocracy, read Marx and Lenin with hope. To them it was Soviet Russia that had provided "a ray of hope in the kingdom of darkness" by overthrowing capitalism.

Donald Maclean's personal crisis came during the Spanish Civil War. At that time a Communist Party cell was active in aristocratic Cambridge. Young Donald requested permission to join the party, but he was asked to wait. Some time later he was asked to meet "a certain person," introduced to him as a senior member of the Comintern [the Communist International]. "You can do more good for the communist movement and its standard bearer, the Soviet Union, by serving our commom cause in secret, and not by joining the party," the man told Donald. "It would be best for you to put some distance between yourself and the communists and make a career for yourself like other young men of your background."

Donald agreed with this logic. He was still very young and only vaguely realized the price he would have to pay for his choice. He sincerely believed in socialism and did not want to continue the life of a well-heeled aristocrat. Within his own society he was a "dissident," but English society was tolerant to dissent and he would not have been faced with imprisonment even if he had openly come forward with a gospel of Marxism.

Now, however, Donald had become an agent of a foreign power, a spy, and English society—like any other society—could not forgive him this. True, he had not been bribed, but had been recruited through appeals to his convictions. He received not a single cent for his work as a spy, but that did not justify his actions in the eyes of British society.

Donald's career developed quite successfully. He openly "came to his senses" and began to work in the Foreign Office. For a long time he worked in the British embassy in Washington and was involved in the activities of the Anglo-American Combined Policy Committee on Atomic Matters. Thanks to Donald's reports, the Soviet leadership learned of the American effort to create an atomic bomb at various stages of its development. That was why President Truman's announcement at the Potsdam conference of the creation of an atomic bomb made no impression on Stalin whatsoever.

Naturally, I was interested in learning Maclean's opinion of my manuscript, and I soon delivered it to him at his apartment near the Kiev train station. He liked my manuscript, and we discussed it for a long time. He said he had learned a great deal from it. But, as I realized later, he was most interested in the very concept of the manuscript.

In analyzing Stalin's crime, I did not deny the value of socialism and communism—an approach which Maclean found congenial with his own view. When he had fled to the Soviet Union in 1951, warned by Kim Philby of the impending danger of his exposure, he found Soviet socialism to be very different from what he had imagined in the '30s. But even though he may have grown increasingly disenchanted with Soviet socialism, it is unlikely that he regretted the past or accepted the values of capitalism. In an utterly sincere step he became a member of the Communist Party of the Soviet Union.

Maclean and I subsequently met on several other occasions. He showed me his library and offered to help in translating certain English texts. "Samizdat" was at its peak and he wanted to read many other manuscripts circulating in Moscow. Maclean never spoke of the details or the techniques of his work as a spy—perhaps he was not permitted to do so. On a few occasions he made reference to certain historic events which he seemed to have influenced.

For example, in the summer of 1950 the North Korean army began its offensive on the south and quickly crushed the troops of Syngman Rhee, pushing them to the sea and seizing 90 percent of the territory of South Korea. Truman suddenly ordered that a 50,000-man American contingent make an amphibious landing in the deep rear of the army, and on the following day the Eighth American Army launched an attack from its base in Pusan. Cut off from their bases, the troops of Kim Il Sung found themselves in a hopeless position and were crushed. American and Korean troops, together with units of certain allied countries, moved north toward the Chinese border.

It seemed that the days of the Korean People's Republic were numbered when Stalin insisted on Chinese interference. Mao hesitated, afraid that the Americans might move the war onto Chinese territory and even use the atom bomb on Chinese troops and industrial centers.

At that time an English delegation headed by Prime Minister Clement Attlee was visiting the United States. Donald Maclean, head of the American desk of the Foreign Office, was a member of that delegation. Neither Attlee nor their American colleagues had any secrets from Maclean. He managed to get a copy of an order from Truman to Gen. MacArthur not to cross the Chinese border under any circumstances and not to use atomic weapons. America feared a lengthy and hopeless war with China.

Stalin immediately passed on the information to Mao Tse-tung, and the Chinese reluctance came to an end. On Oct. 25 a vast army of "Chinese people's volunteers" crossed the Korean border and attacked American and South Korean troops. The bloody war entered a new stage and ended three years later with the establishment of a demarcation line along the 38th parallel.

In Moscow, Maclean did not seek meetings with the dissidents, although he observed their activities and struggle with interest. He never refused to make small contributions when collections were made in support of the families of the arrested. On one occasion he learned that the daughter of a family he knew had been arrested for distributing leaflets (handprinted sheets from a school notebook). That year elections were being conducted for the Supreme Soviet of the U.S.S.R. A Soviet citizen, Maclean went to the voting place and, inside the booth, wrote on the form: "While girls like Olga Ioffe are kept in mental institutions, I cannot participate in the elections."

Maclean was pleased when his book on British foreign policy was published in England without any concealment of his authorship. He announced to everyone he knew that he would no longer go under the name Mark Petrovich Frazer, but would again be Donald Maclean. About two years later the book was published in Russian in the Soviet Union. I received a copy with the author's compliments and inscription.

In Moscow Maclean's family life was not a happy one. He did not like to discuss the matter, but it was not difficult to guess that his frequent drinking bouts were the cause of the friction. He was an alcoholic and underwent treatment for the disease. Evidently, the nerve-wracking experience of previous years was not without effect.

Did Maclean maintain any contacts with the KGB? His closest friends were convinced that, if such ties remained, he used them only to get the material privileges and perquisites without which life in the Soviet Union is very difficult. In the past Maclean had evidently held some sort of rank in the intelligence service, that of colonel perhaps. But now he was a retired colonel and had no desire to remain in active service. Besides, he had never had any connections with those branches of the KGB that work in domestic matters.

Maclean had received the position of "adviser" to the Ministry of Foreign Affairs while Stalin was still alive. In essence, this was a sinecure. Later he began to work in the Institute of World Economics and International Relations in the Soviet Academy of Sciences. It was there that he defended his doctoral dissertation.

Nevertheless, it was only thanks to the assistance of the KGB that he and his wife Melinda received good apartments in Moscow. If the KGB had not vouched for him, he would not have been able to make trips to certain countries of the Soviet bloc—to Hungary, Poland, Bulgaria.

On several occasions he explained to me how to reveal an "informer" or learn if the secret police was following you and how. He even used one woman as an example, pointing out the clues that showed her to be a KGB informer.

Maclean could not have become a Soviet dissident, but neither did he wish to make any sort of career for himself in the U.S.S.R. He preferred to be an ordinary scholar. In the 1950's, Maclean still maintained friendly relations with a number of historians and specialists on international relations.

He became a regular in the group that formed around the journal International Life, and he enjoyed the complete trust of its members. I am not going to name any

names here. In the 1960's the circle of his acquaintances shrank considerably. He broke off relations with some persons, and others passed on to a better world. In the '70's, his circle of acquaintances was reduced still further. By that time his sons had grown up and were studying in Moscow University, and not infrequently brought home young friends who were opposed to the government. Maclean listened to their conversations with interest, but this was already a different generation, with its own ideas about political and moral values.

Donald had a dacha not far from Moscow, in the resort area of the Ministry of Foreign Affairs. He lived there from spring till late fall, cultivating his orchard, flower beds and garden like a true Englishman. Often his daughter came to stay with him. He particularly loved his little granddaughter, who would stay with him for weeks at a time.

Gradually Donald's family began to fall apart. First his eldest son Fergus left for England. Then Donald's wife left to live with her mother. Together with her second husband, Donald's daughter left for the United States, taking his beloved granddaughter with her. Finally, his youngest son Donald also left, and Maclean was left alone in the world. When he learned of his illness, he withdrew into himself and stopped seeing even his closest friends. I learned of his death from the newspaper Izvestia.

Maclean lived a little over 30 years in the Soviet Union—precisely the amount of time he would have spent in solitary confinement in an English prison. In his youth he had passionately longed for social justice, and he did not betray his ideals in old age. Fate, however, had prepared heavy trials for him, and he was not up to enduring them all. This was more his tragedy than his guilt, for he lived in a very complex time and found himself in extremely complicated conditions.

Various people will probably try to draw conclusions from his tragic experience. The history of intelligence gathering is also history, and sometimes very instructive. In the foyer of his apartment Maclean had hung a sign with large letters: "Opportunists, Dishonest People, and Anti-Semites leave this apartment!" It was a strange sign for a man who had been one of the most important Soviet spies and KGB agents. But it was a very natural sign for the man whom we knew simply as Donald Maclean.●

REMEMBERING THE ARMENIAN GENOCIDE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. McKINNEY. Mr. Speaker, as we return from our July 4th recess, marking 207 years of freedom, we should be cognizant that today Armenians in Turkey and the Soviet Union suffer from discrimination and a general lack of freedom. The people who founded America stood committed to the ideal of freedom, and their success encouraged others with similar ideals. Armenians who dared to adhere to their Christian beliefs in a Moslem-dominated community paid dearly. To dismiss the fundamental American value by denying the existence of the Armenian genocide would not only be hypocritical but would compromise our strength as a Nation. And while I did not participate in the special order on April 21 honoring Armenian Martyr's Day, I did cosponsor House Resolution 171, to affirm the Armenian genocide, and therefore would like to address this continuing concern.

As you are aware, a footnote in a State Department Bulletin entitled, "Armenian Terrorism: A Profile," referred to the Armenian genocide as "alleged." This blatant misrepresentation of history prompted many to speak out, especially Armenian-Americans who have lost relatives to this tragedy, as well as Members of Congress and concerned citizens everywhere. The Department retracted its statement, but the fact that there remains any doubt whatsoever compels the U.S. Government to clarify the history of this forgotten genocide and reflect upon its implications.

In 1915, the Turkish Government systematically exterminated three-quarters of the Armenian population, 1½ million people, living in Turkey and Armenia. Ever since the Ottomans had occupied historical Armenian territory, there had been religious differences between the peoples. During World War I, the Moslem Turks found a way to settle the Christian Armenian question once and for all, claiming that the Armenians sided disloyally with Russia. The first victims were able-bodied men, soldiers, and intellectuals. They were killed after being rounded up under the pretext that they were being conscripted for military service. The remaining women, children, and elders were forceably marched through the Syrian Desert. Those who did not perish along the way from starvation, exposure, or beating were often killed once they reached their destination. Of the small number of survivors, many left their homeland forever. One of the oldest known civilizations, Armenia lost its independence in 1920 and now lies under Soviet domination.

Not only the former U.S. ambassador to Turkey, Henry Morgenthau, Sr., has recognized these atrocities, but friends and foes of Turkey, alike, have documented them in their national archives. Yet, to this day, Turkish governments have refused to admit the guilt of their forefathers. First generation Armenians in America, who were disorganized, were able to do little to combat the official version of what happened. Those of the second and third generations now strive to restore an accurate historical perspective. The overwhelming majority, in an intelligent manner, but the most frustrated and desperate, through the emotion of revenge. While I cannot condone the recent terrorist activities against Turkish diplomats, I will not ignore the appalling events of 1915, the results of which have sparked the new violence.

A recent "Dear Colleague" from Representatives HENRY A. WAXMAN and CHARLES PASHAYAN, Jr. explains that the Turkish Ambassador sought to dissuade those Congressmen who responded to the special order from recognizing the Armenian genocide. I find this highly objectionable. The Near East Relief, chartered by Congress, sent $113 million in aid to survivors between the years 1915 and 1930, and American families have adopted 132,000 Armenian orphans. The existence of these programs documents the reality of events and America's assistance role in them. The Armenian genocide has been recorded in the archives, and it has been recognized by the U.S. Holocaust Memorial Council. The facts remain inviolate. The goal is not to break ties with another nation but to achieve justice for the descendants of the Armenian martyrs. And by recognizing past events and learning from them, human civilization can understand and prevent such unharnessed action in the future.●

AN ADMINISTRATION WHICH KNOWS THE COST OF EVERYTHING AND THE VALUE OF NOTHING

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. STARK. Mr. Speaker, as part of this administration's drive to get the Government off the backs of business, it has thrown a whole lot of babies out with very little bath water.

In late June, the Insurance Institute for Highway Safety issued a study showing that the Government's weaker bumper standards on cars is paying off—in much higher collision repair costs.

The National Highway Traffic Safety Administration scrapped the 5-mile-per-hour bumper standard in May 1982. They justified this by saying that the stronger bumpers cost more than motorists would save in insurance premiums, because of additional fuel consumption and higher car prices. But the insurance industry has said that car prices have not dropped to reflect any savings in a lighter bumper, and they challenge the claims of fuel savings. What is clear, however, from a study of 1983 Hondas (which use a bumper which only withstands a 2½ mph tap) is that the claim per insured vehicle was as much as 40 percent more, compared to 1982 Hondas.

I believe, Mr. Speaker, we can expect to see insurance premiums rise sharply on new cars.

In social spending, the administration can always see costs, but never sees benefits. In the area of bumper standards, we can quantify their shortsightedness. This is an area where the American consumer would like to see the Government get on their back bumper.●

SAKHAROV TALKS ABOUT THE KREMLIN: A WORD FOR THE WISE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. BROOMFIELD. Mr. Speaker, I want to call the attention of my friends here in the House to a most interesting article which recently appeared in the Washington Post. The article summarizes the views of Mr. Andrei Sakharov concerning the military posture of the West and the present military advantages of the Soviets.

As all of you know, Mr. Sakharov is a noted Soviet physicist and dissident who has been duly punished for speaking the truth about the Soviet Union and the Kremlin's real intentions in the world. As one of the Soviet Union's former experts in the weapons field, Mr. Sakharov has a unique insight into the Byzantine scheming and strategizing which goes on behind the Kremlin's walls.

I believe that Sakharov's basic argument supports the arms control efforts of the Reagan administration. He stresses the importance of balancing the growing power of the Soviet Union. Mr. Sakharov advocates the Western approach to arms control and NATO's plan to deploy new Pershing II and cruise missiles in Europe. These missiles would offset the present Soviet intermediate range missile lead in the European area. He also notes that the West should match the Soviet ground forces in Europe since our current weakness in this area may tempt the West to resort to using nuclear weapons in the event of aggressive Soviet troop movement into Western Europe. All of this seems to be safe and sound advice from a man who probably knows far more about Soviet goals than our Government's Sovietologists.

As we might expect, the closed Soviet system would not permit Mr. Sakharov to air his views in a normal manner. He had to resort to smuggling these ideas out of Gorky so that they could be published as an open letter in the current issues of Foreign Affairs magazine.

With these thoughts in mind, I suggest that all of my colleagues in the Congress read the following article:

[From the Washington Post, July 2, 1983]

SAKHAROV SAYS WEST SHOULD BOLSTER ARMS STRENGTH TO BALANCE SOVIETS

(By Michael Getler)

Soviet physicist and dissident Andrei Sakharov says the West should bolster its military strength—even if that means building the new MX missile and prolonging the arms race—to balance Soviet power and avoid the "main danger" of "slipping into an all-out nuclear war."

Sakharov, 62 a Nobel prize-winning scientist, who has been exiled within his own country for criticizing Soviet human rights policies, laid out his views on the nuclear arms debate in an article in the current issue of Foreign Affairs magazine.

The article is written as an open letter to an American colleague, physicist Sidney Drell of Stanford University.

It was smuggled out of Gorky, the off-limits city 250 miles east of Moscow to which Sakharov has been banished, and translated with the help of his son-in-law, Efrem Yankelevich, who lives in Newton, Mass.

Sakharov, once a leading Soviet weapons scientist, has managed to get other writings out of the Soviet Union. But this is his first major assessment of the nuclear arms issue.

Yankelevich, interviewed by telephone, said there is "no doubt" these are Sakharov's views but that he "cannot elaborate" on the manner in which the article reached the West.

Sakharov dwells on the theme of nuclear war as "a calamity of indescribable proportions" that would amount to "collective suicide" no matter which side starts it.

He argues forcefully for atomic arms control and is critical of a U.S. strategy that threatens the first use of atomic weapons in Europe to stop a Soviet conventional attack there.

But most of what he says will probably dismay those in this country who advocate a weapons freeze and are against the MX and new Pershing II and cruise missiles in Europe.

At the same time his words will probably be read with some satisfaction within the Reagan administration.

Sakharov essentially argues that to deter war it is necessary to retain parity in arms so that neither side feels it can safely take the first aggressive step.

"If the probability of such an outcome . . . slipping into an all-out nuclear war . . . could be reduced at the cost of another 10 or 15 years of the arms race, then perhaps that price must be paid," he says.

"It would be wiser to agree now to reduce nuclear and conventional weapons and to eliminate nuclear weapons entirely. But is that now possible in a world poisoned with fear and mistrust?" he asks.

Sakharov criticizes the West for not matching Soviet ground forces in Europe, a weakness that he says could lead the West to a too-easy crossing of the nuclear threshold.

Similarly, he argues that deterrence of nuclear war requires a finely tuned strategy that takes account of different kinds of warfare and different regions of the world, rather than one that rests only on the ability of the two superpowers to destroy each other.

Thus, he supports the western plan to combine a quest for arms control with a plan to deploy new Pershing II and cruise missiles in Europe to balance already-fielded Soviet missiles if no accord is reached.

"For these talks to be successful the West should have something that it can give up. The case of the Euromissiles once again demonstrates how difficult it is to negotiate from a position of weakness.

"Only very recently has the U.S.S.R. apparently ceased to insist on its unsubstantiated thesis that a rough nuclear parity now exists," he says.

Sakharov chides those in the West who criticize the western plan without making any demands on Moscow.

He says that in the West "Pro-Soviet propaganda has been conducted for quite a long time and is very goal-oriented and clever, and that pro-Soviet elements have penetrated many key positions, particularly in the mass media."

Sakharov makes a similar case that "a great advantage" Moscow holds in powerful ocean-spanning land-based missiles also must be confronted. "Perhaps talks about the limitation and reduction of these most destructive missiles could become easier if the United States were to have MX missiles, albeit only potentially.

"While the U.S.S.R. is the leader in this field, there is very little chance of relinquishing that lead. If it is necessary to spend a few billion dollars on MX missiles to alter this situation, then perhaps this is what the West should do."●

EDUCATIONAL EXCELLENCE AND BUILDING REPAIRS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. KILDEE. Mr. Speaker, in the wake of the publication of the National Commission on Excellence in Education report, much attention has been focused on means to improve the quality of education in the United States. I would like to call to the attention of my colleagues a bill now pending before the House that would address one part of this problem.

I am speaking of H.R. 1036, the Community Renewal Employment Act, introduced by the gentleman from California (Mr. HAWKINS). H.R. 1036 is a bill to address unemployment by providing useful jobs for the long-term unemployed. Among its other provisions, it would help to insure that school buildings and academic facilities at colleges and universities across the country are returned to a reasonable state of repair. Title III of the bill, which I added as an amendment during Education and Labor Committee consideration, authorizes $1 billion in Federal funds to allow local school districts and institutions of higher education to hire unemployed workers to repair, renovate, and rehabilitate their buildings and facilities.

A recent national study showed a pressing national need in this area. Because of the austerity budgets they have had to adopt over the last few years, many colleges and local school districts have had to defer important

maintenance projects. For many schools, major repairs are now required. The study was conducted cooperatively by the Council of Great City Schools, American Association of School Administrators, and National School Boards Association. It concluded that $25 billion of unmet need in this area now exists.

Clearly, one component of a quality education is providing instruction in a clean, safe, well-maintained facility. Because of current economic conditions, this minimum physical standard is virtually beyond the present resources of many schools.

Mr. Speaker, H.R. 1036 meets an important need in providing meaningful employment for our massive pool of jobless workers. Title III of the bill provides the added benefit of making an immediate and significant contribution to improving educational quality in schools across the United States. I urge the support of my colleagues for this vital legislation.●

ADVISORY COMMITTEE ON RADIOLOGICAL EMERGENCY—RECOMMENDATIONS FOR RADIOLOGICAL EMERGENCY PLAN

HON. FRANK HARRISON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. HARRISON. Mr. Speaker, a dedicated group of citizens in Columbia County, Pa., very near the new Salem nuclear plant of the Pennsylvania Power & Light Co., has served as an advisory committee on radiological emergency to the Columbia County Commissioners.

Earlier this year, this committee produced its recommendations for a radiological emergency plan, and I am happy to insert this document into the RECORD, Mr. Speaker, since it serves as a shining example of the importance of citizen participation in the decision-making processes that effect their health, safety, and welfare.

REPORT TO THE COUNTY COMMISSIONERS

From: Advisory Committee on Radiological Emergency Plan.

(NOTE.—Page numbers cited refer to relevant pages in County Plan.)

Columbia county's 60,000 residents (including 13,000 school children) live within a 27-mile radius of PP&L's plants north of Berwick.

The county's radiological emergency plan is based on a major assumption made by the NRC, FEMA and PEMA: even the most severe accident at PP&L would be contained within a 10-mile radius of the plant and the 20,000 residents in this area (including 4,300 school children) are the only ones at risk (page 7). In addition, the designated evacuation routes assume the wind will blow from the west (pages J-1-3, 4—evacuation routes).

RECOMMENDATIONS

A. No expert can guarantee that radiation effects will not harm people outside a 10-mile radius. It would depend on the amount and types of radionuclides released, and on wind direction.

B. Radioactivity is invisible, odorless and hazardous.

C. A study by the Union of Concerned Scientists on the TMI accident, and an informal survey taken in Bloomsburg in May, indicate that people well beyond the 10-mile radius would choose to evacuate in case of a General Emergency.

D. In planning for emergencies, we should be prepared for the worst that could happen.

E. In a plan of this magnitude, it is impossible to anticipate every possible happening. In the following recommendations, the committee has tried to suggest some basic, practical guides to protect all of Columbia county's residents and emergency workers in a severe emergency.

ADVANCE PREPARATIONS

1. The present plan calls for only one-third of the county's residents to be evacuated in a General Emergency.

Prepare plans to evaluate all county residents (who choose to leave) simultaneously to a safe distance from the plant. This would allow for a synchronized traffic flow out of the area.

2. The NRC contradicts its own 10-mile assumption by conceding there is a possible 50-mile "ingestion pathway zone" in which crops, milk, land and property may be contaminated. "Protective actions" would include decontamination and/or denial of use until crops, milk, land and property can be decontaminated. (Letter from Robert L. Tedesco, Asst. Director for Licensing, NRC, Aug. 26, 1981.) Though the ingestion pathway is mentioned in the county plan, there is no indication of how and by whom evaluation measures would be organized (page 8).

Prepare a contingency plan with at least three counties beyond the 50-mile radius of PP&L to shelter evacuees from the ingestion pathway plume. (For example, Bradford County to the north, Union to the west, Berks to the South.)

3. Presently, pickup points for school children, and reception centers for persons without a place to stay, are all in the western quadrant, at roughly 11 to 40 miles from PP&L. If there is a massive or sustained release of radioactivity, an easterly wind could put some of these points directly under the radioactive plume (page J-2-1).

Establish additional pickup points and reception centers in the north and south quadrants, at least 30 air miles from PP&L. Cancel central Columbia, Millville and SCA schools as pickup points for school children.

4. The Millville and SCA schools are listed as mass care centers—each is roughly 20 air miles from PP&L (page L-2). A decontamination station for emergency workers is to be located "just beyond the 10-mile radius" (page M-4). These locations stand the risk of contamination, if the wind blows from the wrong direction.

Establish mass care centers at least 40 air miles from PP&L and additional decontamination stations at least 20 air miles away, on major routes.

5. The present traffic plan is designed to channel evacuees to existing pickup points and reception centers in the west quadrant (PEMA Evacuation Plan Map). It posts police at a number of Traffic Control points (pages F-3-1,2; F-5-1,2).

If the wind blows from an easterly direction, this plan could put evacuees directly under the path of the radioactive plume, and many of these Traffic Control points could be working at cross-purposes.

Establish plans depending on specific wind direction (for example, plans a through G for winds from the N, NE, E, SE, S, shifting, or no wind at all). If wind blows from any of the westerly directions, Columbia County should be safe for the time being, and no plans need be developed for westerly winds.

Inform county residents of wind direction, encourage them to use secondary roads to the nearest pickup points and reception centers. This would relieve congestion on main highways, and get everyone out of the area more quickly.

6. As spelled out in the plan, well-trained volunteers will be needed throughout the county.

Fully inform volunteers of risks involved.

Request volunteers to sign forms saying (a) They are willing and available to serve in an emergency; (b) where they can be reached; and (c) how long it will take them to respond to their posts.

Give volunteers comprehensive training.

MATERIAL NEEDED

1. The plan does not state who is to pay for protective equipment to be used by emergency workers.

Recognizing the financial limitations of local and State governments, the committee recommends it is the responsibility of PP&L to provide the protective equipment.

2. The plan lists a possible roster of over 1100 emergency workers: 710 volunteer firemen, 250 National Guard, 79 police and 72 state police, who would warn the public, direct traffic, and engage in rescue operations (pages E-2-1,2; H-2; F-2-1,2; F-3-1,2; F-5-1,2).

The plan indicates the maximum whole-body dose for property-saving operations is 25 RADS (equivalent to 25,000 millirems) which is considered a once-in-a-lifetime dose. For life-saving operations, the dose is 75 RADS (page 18).

The annual whole-body dose limit for nuclear industry workers is about 5000 millirems. A dose of 10,000 millirems can damage lymph nodes, the spleen, and decrease bone marrow and blood cells (National Geographic, April 1979).

Emergency workers, who would be moving in a radioactive environment, are to be issued three dosimeters and a 14-day supply of potassium iodide tablets (pages M-6-1,2). The plan mentions that "respirators with activated charcoal filter cartridges are desirable for emergency service workers where available" (page 18). There is brief mention of special clothing (page Q-1-1).

Protective gear should be mandatory for all Columbia County emergency workers. Sufficient units of the following—to accommodate all emergency workers—should be apportioned among fire houses, police stations and barracks, and National Guard barracks: #CD V 730 dosimeters, #CD V 742 dosimeters, film badges, face respirators, and suits of special protective clothing.

3. The plan says farmers needing to re-enter contaminated areas to care for livestock shall be certified as emergency workers (page O-2). Over 500 farms in the county report they keep livestock ('78 Census of Agriculture).

An additional 300 units of protective gear should be in reserve for farmers.

4. The "Emergency Information" booklet prepared by PEMA and issued by PP&L is short on detailed, practical information.

Distribute to every household in Columbia County a brief booklet (6-8 pages, legal envelope size) that spells out how to prepare for an emergency. It should include the following:

(a) Addresses of all local assembly points, pickup points for school children, reception centers for those who need a place to stay, and mass care/decontamination centers, with services available.

(b) Map of 50-mile radius around PP&L, showing locations of the above (except for local assembly points).

Distribute a similar booklet to farmers, telling how to shield their animal shelters, protect stored feed and water, and care for their animals in an emergency. Include addresses of decontamination centers.

PLANNING

1. At the earliest, the plan calls for sirens to be sounded in the 10-mile zone at the Site Emergency phase of an accident (page 6-3). If the emergency is a fast-moving one, this would give people very short notice, which in turn could lead to haste, confusion and panic.

If, 30 minutes after an alert has been declared, there is no guarantee the accident will not be upgraded to a site emergency, sound fire sirens throughout the county, warning all residents to tune their radios to an emergency broadcast station. In addition, notify the ministerium to ring church bells throughout the county—to help warn those who live outside the range of fire company sirens.

2. The plan calls for fire company volunteers to knock on doors in isolated areas not reached by the siren system (page E-2). This could be impractical, because of insufficient personnel and exposure risk. An EPA study recommends the use of aircraft with loudspeakers to warn the public. State police have such aircraft available at Harrisburg.

Hold at least two full scale drills, well publicized, on a weekday to test effectiveness of siren/church bell warning system. On second drill, where dead spots existed, use loudspeaker aircraft to test its effectiveness.

EVACUATION PROCEDURES

1. The plan indicates a "selective evacuation" may take place at a Site Emergency—for pregnant women and school children (page J-1). If radiation levels are dangerous for them, they are dangerous for everyone else. Further, many pregnant women may not leave without their families.

If an evacuation is recommended, it should not be selective. Plans should be drawn up to evacuate everyone who wants to leave. If some people insist on staying, they should not be forced to go.

2. The most recent Berwick School District plan calls for evacuating children at the Site Emergency phase. Problem: The district has 23 buses under contract, would need about 50 more to evacuate all children in a one-time move (page N-3-1). Many families would want their children sent home so the family can stay together.

When an alert is declared, notify all Columbia County school districts, and send children home by the usual means of transportation.

3. An accident at PP&L could begin with such severity that it is immediately classed as a Site or General Emergency.

In this case, the county shall recommend evacuating children of all county school districts to pickup points.

4. The plan presently calls for outlying school districts (Benton, Bloomsburg, Central, Millville and SCA) to send their buses to Berwick to aid in a general evacuation (page N-3-1). However, this plan would be impractical at such time, because of time lag, congested highways, and the natural anxiety of parents in outlying districts to have their children taken to safety.

Develop Berwick school district plans for other sources of transportation, in case of an immediate site or general emergency.

5. Emergency Broadcast radio announcements are unnecessarily long. The General Emergency announcement takes nearly 6½ minutes to read, and contains confusing route directions.

Review EBS announcements. Eliminate unnecessary words, and traffic directions, which could be subject to change. Emphasize locations of pickup, points, reception centers, wind direction, and use of secondary roads.●

THE SONNENBERG GARDENS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. KEMP. Mr. Speaker, the Sonnenberg Gardens in Canandaigua, N.Y., are a magnificently beautiful attraction, and a great cultural and educational asset to the Finger Lakes region. The 50 acres of gardens, and the 40-room mansion and conservatory they surround are available to the public for guided tours. The facilities extend themselves to summer educational workshops in everything from horticulture and landscape design to art, science, and drama. Unfortunately, a reverter clause in their deed prevents Sonnenberg Gardens from taking advantage of beneficial long-term financing for capital improvements and more importantly from carrying the considerable value of their real estate as an asset. The financial hand tying imposed by the reverter clause is unnecessary, because there was never any intention but to use Sonnenberg Gardens as a nonprofit educational facility. In this case the reverter clause is an unreasonable burden, and today I am introducing legislation to remove the reverter clause and allow Sonnenberg Gardens to be developed to their fullest potential as an educational and cultural facility.●

TUITION TAX CREDITS: HELP FOR AMERICAN EDUCATION

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. SOLOMON. Mr. Speaker, since the recent Supreme Court ruling in Mueller against Allen has provided a major legal boost for the hopes of millions of Americans who strongly support tuition tax credits, I would like to take this opportunity to share with my colleagues an extremely informative and cogent discussion of the tuition tax credit issue, prepared by the Heritage Foundation. I strongly recommend it to my House colleagues for its insightful analysis of this issue and its demonstration of the vast benefits which will accrue to American education in general after the enactment of tuition tax credit legislation as proposed by the President in H.R. 1730.

THE HERITAGE FOUNDATION,
Washington, D.C., June 27, 1983.

TUITION TAX CREDITS: RX FOR AMERICAN EDUCATION

INTRODUCTION

The American educational system is a shambles. This is the verdict of three independent panels of experts who recently released their findings. Test scores have plummeted over the past twenty years, and despite huge increases in spending on education and the creation of a new federal department, 13 percent of the nation's 17-year-olds are considered functionally illiterate. Excellence in education has been difficult to achieve in great part because of the public school system's virtual monopoly of elementary and secondary education. This gives teachers and administrators little incentive to maintain quality. In higher education, however, healthy competition has turned many public universities into institutions that challenge the very best private schools.

Private elementary and secondary education are accessible only to upper income groups and those families willing to make a tremendous financial sacrifice in the hope of buying a better education for their children. Since families with children in private schools also would have to pay state and local taxes to support public schools, many find the alternative of private schooling out of financial reach. To alleviate this unfair double burden, parents should receive some tax credit for the cost of educating their children. This tuition tax credit would enable average and low income Americans to choose the best schools for their children, whether public or private.[1] More important, perhaps, it would create the long-overdue pressure on the public schools that will force them to improve.

BACKGROUND

Strong lobbying by the public education bureaucracy—especially by the National Education Association (NEA)—so far has defeated proposals for tuition tax credits. But President Ronald Reagan supports the concept and new legislation is before Congress. Senate bill S. 528, introduced by Robert Dole (R-Kansas), has cleared the Finance Committee; a similar bill before the House (H.R. 1730) sponsored by Representative Willis Gradison (R-Ohio), however, faces hostile Democratic opposition in the Ways and Means Committee. The Administration supports both bills.

Tuition tax credits are simple to administer. Parents who choose to place their children in non-public schools would receive a tax credit to offset partially the cost of tui-

[1] For a detailed analysis, see E. G. West, "The Economics of Education Tax Credits" (Washington, D.C.: The Heritage Foundation, 1981).

tion. Most proposals, including those before Congress, allow a credit of one-half of each child's tuition, up to a maximum of $300 per child.

Tuition tax credits would give middle and lower-income parents financial help to choose the type of education most suitable for their children. High tuition cost's for many private schools and escalating state and local school taxes deny many power and middle income parents the opportunity to choose between public and private schools. The wealthy, by comparison, do not find cost a significant obstacle to giving their children quality private education. Tuition tax credits, therefore, are not a boon to the rich or to "elite" private schools but to middle and lower income families. Of families with children in non-public schools, 62 percent have incomes below $25,000 a year.[2]

Under the proposed legislation, only families with incomes below $50,000 a year would be eligible for tuition tax credits. Since the credit would not rise with income, those in the lower income groups would benefit the most: $300 means more to a family with a yearly income of $10,000 than to a family making $50,000.

Proponents plan to include provisions making tuition tax credits "refundable." This means that the credit would even benefit those with little or no income who are not required to pay taxes. Typically, a tax credit is of no use to such a family. It is suggested, however, that they should receive a check from the IRS for one-half of the tuition, up to $300 per child. This is fair and reasonable, for the aim of tuition tax credits is to give lower and middle income Americans a choice by reducing the enormous financial disincentive now imposed by choosing private education.

Tuition tax credits introduce a vital factor sorely lacking in education—competition. Because public educators have a monopoly position, they can combine higher wages with lower teaching standards than teachers and administrators in private schools who must compete with other schools for students. Competition in any profession tends to lower costs and improve quality. Education is no different. Introducing real competition between schools would benefit both private and public schools. It is because public universities always have had to compete with private schools for students that many state-run institutions rank with the best private colleges. Elementary and secondary schools would benefit from the same competition.

The alternative to tax credits is to spend more money on public education while doing nothing to foster competition. This has not worked in the past and cannot be expected to work now. The cost of educating a child in a public school nearly tripled between 1970 and 1980, while bellwether indicators such as SAT scores steadily declined. Verbal scores declined from 460 to 423 between the 1969–70 and 1979–80 school years, and math scores dropped from 488 to 467.

OBJECTIONS TO CREDITS

Mass Exodus.—Opponents of tuition tax credits charge that credits would destroy public schools. They claim that the result would be a mass exodus of better students to private schools, leaving public educators to cope with slow learners and "problem" students. Yet, if overall quality of education improves because of the competiton triggered by tax credits, academically sound public schools would have no problem keeping their students. Schools neglecting quality and standards, on the other hand, would have to improve radically or close. In any case, a disruptive mass migration from public to private schools seems highly unlikely. An NBC News/Associated Press survey of October 1981 found that only 30 percent of adults with school-age children would be more likely to enroll their children in private schools if tuition tax credits were available.

Unconstitutional.—The first Amendment states "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof. . . ." Tuition tax credits do exactly that, complain the critics, since the majority of private schools are church-affiliated. Yet, tuition tax credits would not aid any institution, religious or otherwise, since the credit would benefit the individuals who would be free to choose any private institution. After all, the charitable income tax deduction is not unconstituional simply because donations are made to religious organizations. The credits do not favor any religion over another, and in no way, serve to establish a state religion.

Discrimination.—Critics charge that some private schools discriminate against minorities and could become indirect recipients of federal money through tuition tax credits. All evidence refutes this. The recent Supreme Court ruling on the Bob Jones case means that schools which discriminate are likely to lose their tax-exempt status. Since the tax credit proposals would restrict credits to tuition for tax-exempt schools, institutions practicing discrimination would be excluded. Roman Catholic schools, which educate two-thirds of all private schoolchildren, have substantial and growing minority enrollment, particularly in the inner cities. And a CBS News exit pool in 1978 found that black and Hispanic Americans favored tuition tax by a 72 and 84 percent majority, respectively—outpacing white support. The minorities themselves apparently disagree with the critics of the proposals. Finally, the legislation before Congress explicitly bars using tuition tax credits at institutions that discriminate. In fact, of the Senate bill's 28 pages, 20 impose safeguards against discrimination.

Cost.—Opponents argue that at a time of huge federal deficits, it would be unwise to spend federal money to help support private schools. This complaint ignores the fact that students in private schools save taxpayers over $12 billion by not being in public schools. There are over five million students enrolled in private schools across the country; their parents continue to pay state and local taxes for public schools even though their children do not attend them. Since it now costs, on average, over $2,500 to educate one child in the public school, the five million youngsters in private schools are saving the taxpayers over $12 billion a year. Even if all five million children in private schools received the maximum $300 tax credit, the tax loss would only be $1.5 billion. And because families with incomes above $50,000 could not receive tuition tax credits, the loss to the Treasury would be even less. For each public school student that transfers to private school, the "cost" to the Treasury is only $300 a year, at most, while the saving to the public school system could be many times that figure—money which could be spent on the remaining students.

Regulations.—A number of private schools are cool to the idea of tuition tax credits, fearing that a host of federal regulations would follow. Private schools have been largely left alone by the government, and naturally would like to stay that way. But since the tuition tax credits would be given to individuals, not institutions, the regulation of each private school should be left to the parents—other than for the rules applying to any tax-exempt institution. Obviously parents place their children in a private school for a reason, and would not allow their child to remain in a school that was not performing to their satisfaction. Nevertheless, any tuition tax credit legislation should contain provisions that would prevent unnecessary intervention in the affairs of the private schools by federal agencies.

CONCLUSION

Many lower and middle class Americans have been shut out of the private education system because of its high direct costs combined with the fact that they must still pay state and local school taxes for the public system. Tuition tax credits are an effective way of giving these citizens a real choice. While most parents undoubtedly would continue to choose to send their children to public schools, some would opt to place their children in private schools if costs were less prohibitive.

Parents who are able to send their children to private schools after using the credits will directly benefit from them. Tuition tax credits would give middle and low income Americans and their children an opportunity denied them for much too long. The indirect benefits are even greater. The competition between public and private schools would mostly help to reintroduce quality and effective standards back into the public system.

ROBERT J. VALERO,
Senior Research Assistant.●

[2] "Tuition Tax Credits: The Administration Proposal," Family Policy Insights (Washington, D.C.: Free Congress Foundation, Aug. 4, 1982), p. 7.

CIGARETTE TAX TO GO TO MEDICARE TO PAY FOR TREATING SMOKING-RELATED DISEASES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. STARK. Mr. Speaker, in January, I introduced H.R. 698 which would make permanent the recent increase in cigarette excise taxes and adjust this increase annually to reflect increases in the cost of living. I am today introducing an amended version of that legislation to require the transfer of the revenues raised by this tax to the medicare trust funds.

Although the hazards of smoking are well documented in our society, it may be worthwhile to go over some of the more staggering statistics. Two Surgeon Generals have estimated that at least 300,000 deaths each year are caused by smoking. In fact, smoking has killed more people in this country than all the Americans killed in major wars and traffic accidents. The diseases differ—cancers of the lungs, larynx, oral cavity, esophagus, heart disease, and complications during pregnancy—but the ensuing suffering

is often indistinguishable. Ironically, this suffering and death is preventable. Smoking is, in fact, the major preventable cause of illness and death in our society.

The costs to society of these illnesses, without even considering the anguish of victims and their families, are equally staggering. The National Council on Health Statistics estimated that the total cost of treating smoking-related diseases in 1980 was $13.6 billion. This is nearly 10 percent of all health care costs in the United States for that year. In addition, a $25 billion cost to the economy due to the loss of productivity can be directly linked to smoking. Nearly 80 million lost working days, about 20 percent of the total of lost days, can be attributed to the effects of cigarette smoking. Recently, an alarming study made in the State of Massachusetts concluded that the additional health costs incurred by smokers in that State averaged $1.10 per package smoked, thus exceeding the actual price of the cigarettes (cite: New England Journal of Medicine, vol. 308, No. 18, p. 1105).

Mr. Speaker, my bill, if enacted, would simply shift part of this enormous public financial burden from nonsmokers to the smokers who cause these health expenses. The concept is a simple one: Because cigarette smokers clearly incur a higher percentage of health costs, they should pay a greater percentage of those costs that smoking generates. Remember, every smoker has made the decision to smoke. The nonsmoking public and the Federal Government should not be forced to subsidize the economic costs produced by these decisions. In short, this tax is a user fee to repay the public for some of the costs of smoking cigarettes.

By transferring this tax revenue directly to the medicare trust fund, the money would be directly available to cover a portion of these health costs. It would also be the first of many necessary steps to aid the ailing medicare program. According to experts, the cost of medicare may run as much as $400 billion ahead of its revenue between now and 1995. At that rate, the medicare hospital fund will be depleted by 1990. Medicare and medicaid spend nearly $4 billion annually for the treatment of smoking-related diseases—or about $50 billion between now and 1995. Studies presented to a special advisory council set up by the Department of Health and Human Services have found that earmarking excise tax revenue for the medicare trust fund is one way to meet this huge deficit. My bill is a step in that direction and would raise roughly $3 billion each year for medicare.

The Tax Equity and Fiscal Responsibility Act of 1982 raised the Federal excise tax on cigarettes for the first time since 1951 from 8 cents to 16 cents per pack. Unfortunately, the legislation provided for termination of the increase in 1985. My bill would make the increase permanent and would provide yearly cost-of-living adjustments on the tax. The revenues from cigarette taxes in real amounts have actually dropped since 1951, even considering the increase of last year. Had the tax been adjusted for increases in the Consumer Price Index, the tax would currently be 30 cents per package. During the 1970's, cigarette excise tax collections fell from 1 percent of all Federal budget receipts to only 0.5 percent in 1980. Despite this lost ground, my bill only calls for making permanent the 16-cent tax and then adjusting by the CPI, or 1 cent per pack, whichever is less.

The Federal Government has aimed most of its efforts at educating the public about the dangers of smoking. The entire country shared the triumphs and pains with Dr. Barney Clark's family as he suffered as the result of many years of cigarette smoking. In fact, over 90 percent of the American public is aware that smoking can cause serious health problems. Since smokers are aware of these risks and can actually prevent them, it is time they began to pay a greater share of their extra health costs. My bill would accomplish this while at the same time providing billions of dollars a year to the ailing medicare system.

I urge my colleagues to support this proposal.●

STATEMENT ON HAZARDOUS SUBSTANCE VICTIMS COMPENSATION ACT

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. MARKEY. Mr. Speaker, I want to call the attention of my colleagues to recent hearings before the Energy and Commerce Subcommittee on Commerce, Transportation, and Tourism on hazardous substance victims compensation legislation. These hearings focused on legislation designed to provide administrative compensation and judicial relief to victims exposed to hazardous substances. I think compensation for victims is long overdue. Original Superfund legislation contained provisions to compensate victims exposed to hazardous wastes, but unfortunately for victims, personal compensation was removed from the law for political reasons.

In order to correct this oversight, I with my colleague, Mr. FLORIO, introduced H.R. 2582, the Hazardous Victims Compensation Act of 1983. I commend Chairman FLORIO for his expeditious handling of this legislation for the hearings before my distinguished colleague from New Jersey's subcommittee are the first hearings held on legislation of this kind in the entire Congress. Because these hearings are the first held on victims compensation and knowing of Members' interest in this legislation, I submit my statement explaining H.R. 2582 and the concept of victims compensation given before the Subcommittee on Commerce, Transportation, and Tourism.

The text follows:

STATEMENT BY REPRESENTATIVE EDWARD J. MARKEY

Mr. Chairman, today, we begin to consider legislation which, in reality, was needed yesterday. In fact, the legislation before the subcommittee today—compensating victims exposed to hazardous waste was considered yesteryear when Congress debated and passed Superfund. At the time, there was much talk about compensating victims exposed to hazardous wastes. Unfortunately for these victims, personal compensation was removed from the law for political reasons.

Because of that absurd oversight, today there is no compensation for hazardous waste victims. Today, Mr. Chairman, because of congressional oversight, there is no compensation for the victims of the Woburn waste site in my district. Personally, I find it inexcusable that the Federal Government will compensate you for the loss of your house—not for the loss of your health.

I commend you Mr. Chairman, for finally holding hearings on this vital issue and for inviting me to testify. I thank you for the opportunity to address the Subcommittee on a bill I favor on this issue, H.R. 2582.

The hazardous Substance Victim Compensation Act, H.R. 2582, drafted by myself, the distinguished Chairman, Mr. Florio, and staff, sprang forth from the recommendation of the Section 301(e) Study Group. This Study Group, comprised of legal experts from all over the country, studied the concept of victims compensation on a national basis. I do not think it came as a suprise to anyone that the Study Group was overwhelmed at the spectre of the problem.

The Study Group, relying on Environmental Protection Agency estimates, found that there could be anywhere from 50,000 to 75,000 sites which contain potentially dangerous amounts of hazardous wastes. According to a Council of Environmental Quality study, 70 percent of waste sites have no lining, 95 percent have no ground water contamination detection capability, and 35 percent of municipal sites are not in compliance with state regulations. When confronted with the pressing question of how many victims were involved, this panel of experts could only answer: We cannot put a number on the amount. Given past compensation programs, however, you can rest assured—it is a lot. These Figures and the Study Group's findings make it clear that there is a present danger of widespread hazardous waste exposure.

I am especially aware of the acute problem presented by hazardous waste exposure since number 4 on EPA's national priority list is in my district. The Woburn, Massachusetts hazardous waste dump site has been a source of community concern and unhealthful side effects since 1853. During the past 130 years, unknown but highly toxic chemicals have been dumped at this

site without recrimination. The wastes are known to include high concentrations of chromium, arsenic, lead, and zinc. This ugly soup of toxic chemicals has produced foul odors emanating from the area since the 1860's. Vegetation has been virtually absent in this area since the 1930's. Despite this clear evidence, toxic chemicals continued to be dumped at this site.

Today, Mr. Chairman, the community of Woburn is paying for yesterday's dumping sins. State and federal officials have reported that Woburn has the highest cancer rate in the Commonwealth for a community of its size. Cancer deaths in Woburn have increased 13 percent in the last ten years; twice the expected number of childhood leukemia cases have been reported; and the highest percentage of kidney and liver cancer-related deaths in Massachusetts is in Woburn.

I submit this data, Mr. Chairman and Subcommittee members, for I believe the Woburn waste site is at least partially responsible for the high incidence of cancer and other illnesses in this community of my district. Today, the people of my district are paying with their health for yesterday's dumping sins.

I should note that Superfund is designed to clean up this site in a timely manner. Unfortunately for the people of Woburn, this process has been inexcusably slow. The problems of Superfund, however, are another hearing. What concerns me, Mr. Chairman, is that even if Superfund were well administered, the Woburn waste site would be cleaned, and some property would be reimbursed. But there would be no federal compensation to victims for medical damage or loss of income due to disease or disability.

There would be no federal compensation for these victims, and current common law prevents many of these victims form successfully suing in court. Common law requirements such as apportionment of responsibility, proving negligence, meeting tough statutes of limitations, and proving direct causation has stopped most victims from collecting in court for their damages. The predicament of no federal compensation program and nearly insurmountable common law obstacles has put hazardous waste victims between a rock and a hardplace. In 1980, Congress turned its back on those people caught in this untenable position by deleting provisions for victims compensation. In its place, Congress inserted, in a response becoming all too familiar for this member—a study of the problem.

Well, Mr. Chairman, we have a study of the problem. And its conclusions are clear: Congress should provide a two-tier remedy for victims of hazardous waste exposure. The recommendations submitted in the Study Group report suggest a first tier, which most of the victims would use, which would provide quick, speedy, and relatively easy administrative relief. The second tier would alter common law and rules of procedure to facilitiate suits by injured parties. The two-tier remedy is designed to provide quick, limited relief to most people while maintaining and facilitating court remedy for a handful of victims.

Our bill, H.R. 2582 embodies the spirit, if not most of the recommendations of the Sec. 310(e) Study Group. The Hazardous Substance Victims Compensation Act would create a federal administrative compensation fund to reimburse certified vicitms for medical expenses and limited loss of income. The test for victims to become eligible is a fair one, not overly burdensome. A victim would have to show proof of exposure, proof of disease, proof of causation, and proof of compensable damages. These tests are not hard to meet, but are of sufficient severity to discourage frivolous or illegitimate claims.

The second tier provided by our bill, H.R. 2582, would create a federal cause of action, enabling victims to sue in federal court the liable parties. Injured parties could sue any owner, operator or transporter at a site where hazardous waste was treated, stored or disposed of and where exposure took place. The claimant has the advantage of joining liable parties and proving strict liability only, meaning the injured party does not need show negligence. In addition, H.R. 2582 will alter the statute of limitations which has prevented many victims from going forward with their case. The bill also helps the injured party meet some of the evidentiary burdens. In this way, suits will not be thrown out of court before a victim has a chance to plead his case.

These administrative and court remedy provisions are largely based on the Section 301(e) Study Group recommendations. At this point, I want to take time to thank the twelve members of the Study Group for the time and tremendous effort they each donated to produce a well thought out, well-written, and therefore, well respected treatise on victims compensation from hazardous wastes. Each of these members should be commended for the expertise and perspective he or she brought to the issue of victims compensation. And each of these members should be proud of providing a blueprint for Congress to deal with this complex question.

The Hazardous Substance Victims Compensation Act departs from the recommendation of the Study Group in only two instances. And both of these departures were taken to improve the applicability of the Study Group's recommendations.

The first difference with the Study Group's recommendation is the administration of the compensation fund. The Study Group recommended that the fund be administered at the state level, with strong federal oversight. The Study Group also stated, however, that: "the compensation remedy ought to be a uniform program, and the claimant's compensation award ought not to depend on the state or location where exposure occurred . . . The effort to encourage nationwide uniformity recognizes the national scope of the chemical industry, as well as the national source of funding from which the compensation awards will be paid." In light of this statement, which I agree with wholeheartedly, there seems to be no logical answer other than to place the administration of the compensation fund at the federal level. H.R. 2582 places the administration of the Fund with the EPA Administrator and the Social Security Administration to actually administer the claims. I believe this variation from the Study Group recommendations is an improvement on their ideas and consistent with the spirit of the Study Group's recommendations.

The second variation of H.R. 2582 with the Study Group recommendations occurs in the judicial remedy section. The Study Group recommended the several states change their several laws to end the common laws bias against victims' suits.

Our bill, H.R. 2582, does not rely on the states to change their numerous laws in order to provide victims a chance to have their day in court. We rejected the notion of trying to change the laws in 50 jurisdictions as unworkable, time consuming, and ultimately unproductive. Instead, H.R. 2582 creates a federal cause of action which enables victims to file suit in federal court against the liable parties. I might add that in drafting the bill we did accept the Study Group's recommendations on procedural changes, such as instituting joinder of parties, strict liability, changes in the statutes of limitations, and joint and several liability. These changes all have the beneficial effect of making it easier for plaintiffs to sue in federal court.

These changes, while on their face substantially different from the Study Group's recommendations, are consistent with the spirit, if not the letter, of the Group's recommendations. It is my firm belief that these changes improve the Study Group's recommendations by making them workable and easier to establish in the shortest period of time. I am confident that these changes, which tend to establish more administrative and judicial power at the federal level, serve all interests concerned with speedy compensation and remedy for victims.

Mr. Chairman, now that I have reviewed what H.R. 2582 is, I would like to comment on what H.R. 2582 is not. This bill is not the last, great victims compensation measure to come before the Congress. In the interest of limiting the scope of the bill, the Hazardous Substance Victims Compensation Act specifically excludes worker-related exposure from some toxic substances, such as auto emissions. This was done to limit the bill to a manageable level.

In addition, the bill does not hold firms liable retroactively for their actions, and thereby open these firms to suit for actions where they did not receive fair notice. To open these firms up to retroactive lawsuits would be unfair and unconstitutional. What this bill does is provide immediate relief to victims and puts companies on notice: From this day foward, you will be held liable. So clean up your mess. I am confident that this factor alone will serve as a strong incentive to firms to take quick action to clean up their wastes sites.

In conclusion, Mr. Chairman, I want to remind my colleagues that victims compensation is the central environmental issue in Congress this session. This issue is so critical because the hazardous waste sites which mar our landscape like a bad case of acne, in the words of former EPA Administrator Mrs. Gorsuch, are a "ticking time bomb."

Well, Mr. Chairman, in some areas of our country, this time bomb has already gone off. And every person in this room can be sure that we will witness an explosion of hazardous waste victims in our lifetimes. Hazardous wastes, much like nuclear wastes which I know a little more about, create a situation in which we as a society have set loose forces in the environment which we do not fully understand. Nor know how to contain. Yet some people don't want to take action until we have victims in the streets.

Now that we have identified the problem, it is our duty as a society, and as a representative, to try to control, if not ameliorate these forces let loose in the environment. Accordingly, I urge the Subcommittee to take action soon, so we can provide some compensation and hope to these victims.

These victims are in Woburn, and in sites in New Jersey, Michigan, New York and throughout our country, waiting for Congress to take action. They are waiting for Congress to finally place as much value on a person's health as on his house. Mr. Chair-

man, they are waiting for the legislation that was, in reality, needed yesterday.●

PHILADELPHIA INQUIRER SUPPORTS RAIL LINE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. FLORIO. Mr. Speaker, a short while ago, the House debated the merits of a $30 million Federal investment to rehabilitate the rail line between Philadelphia and Atlantic City, a project supported by the State of New Jersey. The House decided that this was a worthwhile Federal investment in our transportation infrastructure.

Recently, the Philadelphia Inquirer published an editorial endorsing rehabilitation of this line. The editorial also points out the importance of providing commuter service once the line is rehabilitated. The editorial follows:

[From the Philadelphia Inquirer, June 22, 1983]

THE REGION WOULD BENEFIT FROM ATLANTIC CITY TRAINS

Atlantic City became the nation's most visited tourist attraction last year, surpassing Disney World in Florida, which had held the honor. More than 23 million visitors swarmed into Atlantic City, about double the 11.6 million who went to Las Vegas.

The figures are enormous—but not surprising to any one who has been caught in the traffic jams that have steadiy worsened in Atlantic City since casino gambling began in 1978. Congestion on Pacific Avenue, the main thoroughfare closest to the Boardwalk, is often even greater than around the craps tables.

Of last year's 23 million visitors, 13 million traveled by car and nearly 10 million by bus. Only about 300,000 traveled by air. More than 100,000 buses transported visitors to casinos in the first quarter of 1983—an average of well over 1,000 buses a day—and the number is rising rapidly.

Casino employees, totaling about 30,000 are prohibited from driving to work. They have to leave their cars at parking lots on the outskirts of the city and go the rest of the way in shuttle buses. They are not included in the bus statistics cited above.

Without remedial action the traffic will worsen. Nine casinos are operating now. Another is scheduled to open next year and at least three more are expected in 1985 or 1986.

Completely aside from how anyone feels about gambling and providing transportation for gamblers, it is essential that there be broad public understanding that a traffic emergency exists and will intensify. It endangers not only Atlantic City but many highways serving the shore resorts including the Atlantic City Expressway and the Garden State Parkway.

Thus, the need for train service from Philadelphia to Atlantic City, with commuter stops in the South Jersey suburbs, should be clear. Inauguration of service took a step closer last week with U.S. House Appropriations Committee approval of $30 million to rehabilitate the railroad right-of-way. A $20 million match from state or local sources would be required for the project, including construction of a new passenger station in Atlantic City that is expected to be funded entirely by casino owners. Amtrak, which would operate the trains, would have to cover 80 percent of operating costs in the first year and 100 percent in subsequent years.

Gov. Kean has insisted properly that substantial commuter service to both Philadelphia and Atlantic City be included. He does not object, nor should he, to express trains making just one stop in the South Jersey suburbs.

Some members of Congress and others have questioned whether federal subsidies should be used to transport gamblers. The fact is that fast-growing South Jersey has needed improved public transportation for years, long before the casinos came to Atlantic City. Heavy travel to casinos has made train service financially feasible. Commuter service along with casino service would make South Jersey residents principal beneficiaries.

Federal transportation funds are severely limited. If New Jersey doesn't go forward with the Atlantic City rail project, the U.S. subsidy for a share of the cost almost certainly would be diverted to some other state. The cost to New Jersey should be relatively small in relation to transportation benefits. Casino owners, besides indicating a willingness to pay part of capital costs, presumably would subsidize operating costs through cash bonuses or other incentives similar to those provided for bus passengers.

South Jersey communities understandably want assurances about adequate local service and safe, environmentally sound operations, but they should not lose sight of the overriding consideration: Revival of train service between Philadelphia and Atlantic City, with interim stops, would be a welcome gain for energy-efficient public transportation in a nation that has tragically neglected its railroads. South Jersey residents and motorists, those who don't gamble as well as those who do, would benefit from some measure of traffic relief.

The 23 million visitors a year—and the number is growing—aren't going to go away. You can bet on it.●

ANHEUSER-BUSCH BEER RETURNED

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. CONYERS. Mr. Speaker, I wish to bring to the attention of my colleagues the matter of the continuing boycott against products of the Anheuser-Busch Cos., Inc., organized primarily by Operation PUSH.

I, as did other Members of Congress, received a gift case of beer from the Anheuser-Busch Co. The gift, I assume, was part of the company's general effort to market its products. My response was to return the gift and forward a letter the the chairman of the Anheuser-Busch, Mr. August Busch III, in which I outlined the reasons the gift was returned. I am including my letter in the CONGRESSIONAL RECORD so that my colleagues might be able to review some of the concerns black Americans have about the investment policies of Anheuser-Busch specifically, and other American corporations in general.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., June 29, 1983.

MR. AUGUST BUSCH III,
Chairman, Anheuser-Busch Co., Inc.,
St. Louis, Mo.

DEAR MR. BUSCH: As an inveterate beer drinker, it pained me to return your gift case of beer. I confess, I entertained thoughts of enjoying the beer and continuing the boycott, but my colleague, Congressman Gus Savage reminded me in a letter he circulated to Congress, that there was a principle involved and it would be inappropriate for me to do both. I am, therefore, returning the beer with this letter of explanation, and a request to meet with you as soon as conveniently possible.

As you know, Operation PUSH, after exhaustive research, and numerous attempts to negotiate with your company, felt it had no recourse but to call a national boycott of your beverages. The reason underlying this boycott can be simply put: Black Americans want a fair share of their return for their investment made through consumption of your product.

PUSH estimates that Blacks account for 15 percent of your sales market, and Fortune Magazine, no foe of business, estimates a lower figure of 10 percent. Operation PUSH rationally concluded through its calculations that Blacks should receive reciprocally at least 10 percent of the benefits of your company.

Using this formula, the Black share of Anheuser-Busch Company falls into five main categories: policy or administration; ownership of distributorships; overall employment; procurement of goods and services; and corporate contributions.

No one is asking for something for nothing. Blacks, indeed, spend a minimum of $660 million annually on Anheuser-Busch products, roughly three times your profit margin. It is fair to assume that this amount could increase if more Blacks were truly involved in the production, distribution and sales of your products.

Possibly, someone in your company has expressed a business logic which resulted in Blacks owning only one out of a total of 950 wholesale distributorships, and it is even conceivable that some high-level discussion resulted in Blacks having only 4 percent of your 99 director and administrator positions. While I submit that these practices are grossly unfair, I suggest also that they represent very poor business tactics.

Times are changing. Many corporations have made far more drastic changes than the ones recommended to you, and they have reaped tremendous benefits for making them.

It is not clear to me why there cannot be discussions between all the parties concerned. If it would serve a useful purpose, I invite you to meet with me and my colleagues to discuss this matter further.

Sincerely,

JOHN CONYERS, Jr.,
Member of Congress.●

INTERNATIONAL MONETARY FUND

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. KAPTUR. Mr. Speaker, before the House begins consideration of the bill to increase the quota for the International Monetary Fund (IMF) we must consider the impact which IMF policies have on the masses of poor people in the borrowing nations. In country after country, export-led development policies have often substituted for internal policies aimed at self-sufficiency. In addition, the IMF's strategy of using austerity as a solution to the payments problem further damages the ability of the poor to meet their basic needs.

Several years ago, Congress passed legislation requiring the U.S. Executive Director to the IMF to insure that loan agreements do not adversely affect borrower's plans for economic development and the basic human needs of their poorer citizens. This provision, section 33 of the Bretton Woods Agreement Act, was added to the law because many then in Congress were concerned that the IMF was unnecessarily damaging the chances for long-term economic growth as well as forcing the poor to bear most of the short-term burden. More specifically, section 33 requires the executive branch to undertake a variety of measures to limit the damage to development plans, social services, economic growth and the basic human needs of the poor frequently associated with conditions placed on standby arrangements between the IMF and its members. Implementation of this provision is even more crucial today than it was 3 years ago. Yet, to many experts, it appears that this excellent legislation has been ignored.

Thus, I, along with 26 of my colleagues, sent a letter to Secretary of the Treasury, Donald Regan, regarding implementation of section 33. We requested that Secretary Regan describe the steps the Treasury Department has taken to implement section 33. The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 5, 1983.

Hon. DONALD REGAN,
Secretary, Department of the Treasury, Washington, D.C.

DEAR MR. SECRETARY: We are writing you concerning the implementation of Section 33 of the Bretton Woods Agreement Act. In 1980, Section 33 (known as the Reuss-Cavanaugh Basic Human Needs amendments) was added to the act by Section 2(a) of Pub. L. 96-389. This section requires the executive branch to undertake a variety of measures to limit the damage to development plans, social services, economic growth and the basic human needs of the poor frequently associated with conditions placed on standby arrangements between the International Monetary Fund (IMF) and its members.

This is an excellent section, based on sound economic and humanitarian grounds. Congress approved it out of the conviction that the IMF, although not a development agency, had become a critical factor in the efforts of developing countries to promote equitable development. If vigorously implemented, this section could conceivably do more to further the developmental goals of Sections 101 to 106 of the Foreign Assistance Act and Titles IX and XI of the International Financial Institutions Act than the funds authorized under those acts themselves. It also would enhance prospects for defusing the debt crisis by establishing stronger, sounder economic growth in the longer term.

However, it appears to us to be possible that the general intent and some specific requirements of Section 33 have not been implemented. During the upcoming debate on the House floor on H.R. 2957 some Members may offer amendments to insure implementation of Section 33. Your responses to the following questions would be most helpful in informing the debate on this issue. The questions refer to specific subsections of Section 33, and quotations are taken from the relevant subsection.

33(a)

Have implementing regulations or other instructions of policy been distributed to "the Secretary of the Treasury, the Secretary of State, and other appropriate Federal officials" on what "appropriate means" should be used "to encourage countries, in formulating economic adjustment programs to deal with their balance of payments difficulties, to design those programs so as to safeguard, to the maximum extent feasible, jobs, investment, real per capita income, policies to reduce the gap in wealth between rich and poor, and social programs such as health, housing, and education?"

In what instances and with what means were countries so encouraged?

33(b)(1)

At hearings before Chairman Neal's Subcommittee on International Trade, Investment and Monetary Policy in 1981, the Department of the Treasury testified that great caution needed to be exercised in implementing subsection 33(b)(1). Our questions here do not refer to Treasury's opinion of this piece of legislation, although such a statement would be most welcome. We are merely requesting information on the dates of implementation of subparagraphs (A), (B), and (C) over the past three years.

Have implementing regulations or other instructions of policy been drawn up for this subsection?

On what dates and in what fashion did "United States representatives to the Fund . . . recommend and . . . work for changes in Fund guidelines, policies and decisions that would—

(A) permit standby arrangements to be extended beyond three years, as necessary to enable Fund members to implement their economic adjustment programs successfully;

(B) provide that in approving any economic adjustment program the Fund shall take into account the effect such program will have on jobs, investment, real per capita income, the gap in wealth between the rich and poor, and social programs such as health, housing, and education, in order to seek to minimize the adverse impact of those adjustment programs on basic human needs; and

(C) provide that letters of intent submitted to the Fund in support of an economic adjustment program reflect that the member country has taken into account the effect such program will have on the factors listed in subparagraph (B)?"

33(b)(2)

Have implementing regulations or other instructions of policy been drawn up for this subsection?

Has "any analysis (been) prepared by the Fund or (a) member country in accordance with subparagraphs (B) and (C) of paragraph (1)?"

If not, please describe the process through which you, as United States Governor of the Fund, have prepared for each economic adjustment program an analysis "which examines the effect of the program on the factors listed in subparagraph (B) of paragraph (1)?"

Specifically, what is the role of the Agency for International Development in preparing this analysis?

Could you provide us with a sample of these analyses?

How does the U.S. Executive Director take these analyses into account in voting on standby arrangements?

33(b)(3)

Have implementing regulations or other instructions of policy been provided to the "United States representatives to the Fund, to the Bank, and to other appropriated institutions" describing how they "shall work toward improving coordination among these institutions and, in particular, shall work toward formulation of programs in association with economic adjustment programs supported by Fund resources which—

(A) will, among other things, promote employment, investment, real income per capita, improvements in income distribution, and the objectives of social programs such as health, housing, and education, and

(B) will, to the maximum extent feasible and consistent with the borrowing country's need to improve its balance of payments position within a reasonable period, ameliorate any adverse effects of economic adjustment programs on the poor?"

What steps have been taken to formulate such programs?

When were meetings held between the various representatives to address the requirements of this subsection?

33(b)(4)

When did the "United States representatives to the Fund and the Bank . . . seek amendments to decisions on policies on the use of Fund and Bank resources to provide that, where countries are seeking Extended Fund Facility or upper credit tranche drawings from the Fund and are eligible to receive financing from the Bank, the Fund and Bank will coordinate their financing activities in order—

(A) to take into account the effects of economic adjustment programs on the areas listed in clause (a) of paragraph (2),

(B) to provide, to the extent feasible, Bank project loans designed to safeguard and further basic human needs in countries adopting economic adjustment programs supported by Fund resources, and

(C) to provide, as appropriate, Bank financing for programs of structural adjustment that will facilitate development of a productive economic base and greater attainment of basic human needs objectives over the longer term?"

33(b)(5)

On what dates did the "United States representative to the Fund and the Bank . . . request the Fund and the Bank to provide periodic analyses of the effects of economic adjustment programs supported by Fund or Bank financing on jobs, investment, real income per capita, income distribution, and social programs such as health, housing, and education?"

Please provide us with the text of such requests.

Have the Fund and the Bank responded to the requests?

Please provide us with their responses.

Thank you for your attention to this inquiry. We look forward to hearing from you at your earliest convenience.

Sincerely,

Jerry M. Patterson, Charles E. Schumer, Barney Frank, Marcy Kaptur, Mike Lowry, Julian C. Dixon, Howard Wolpe, James L. Oberstar, Parren J. Mitchell, David E. Bonior, Mickey Leland, Tom Harkin, Bruce F. Vento, Bruce A. Morrison, Edward F. Feighan, Robert Garcia, Lawrence J. Smith, Don Edwards, Louis Stokes, Ronald V. Dellums, Byron L. Dorgan, Ted Weiss, Howard L. Berman, George W. Crockett, Jr., Barbara Boxer, Katie Hall, Edolphus Towns.●

H.R. 3502

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 11, 1983

● Mr. SYNAR. Mr. Speaker, I recently introduced the Patent Term Restoration Act of 1983, and since then I have received numerous requests from colleagues and staff for copies of this legislation. To insure that all interested parties have an opportunity to review this legislation, I would appreciate that the text of H.R. 3502 be printed below.

The bill follows:

H.R. 3502

A bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Patent Term Restoration Act of 1983".

SEC. 2. (a) Title 35 of the United States Code is amended by adding the following new section immediately after section 154:

"§ 155. Restoration of patent term

"(a)(1) Except as provided in paragraphs (3) and (4), the term of a patent which encompasses within its scope a product subject to regulatory review, or a method for using such a product or a method for producing such a product, shall be extended from the original expiration date of the patent by the amount of time equal to the regulatory review period if—

"(A) the owner of record of the patent gives notice to the Commissioner in compliance with the provisions of subsection (b)(1);

"(B) the product has been subjected to regulatory review pursuant to statute before its commercial marketing or use; and

"(C) the patent to be extended has not expired prior to notice to the Commissioner under subsection (b)(1).

"(2) The rights derived from any claim of any patent extended under paragraph (1) shall be limited—

"(A) in the case of any patent, to the scope of such claim which relates to the product subject to regulatory review; and

"(B) in the case of a patent which encompasses within its scope a product—

"(i) which is subject to regulatory review under the Federal Food, Drug, and Cosmetic Act, to the uses of the product which may be regulated by the chapter of such Act under which the regulatory review occurred, or

"(ii) which is subject to regulatory review under any other statute, to the uses of the product which may be regulated by the statute under which the regulatory review occurred.

"(3) In no event shall the term of any patent be extended for more than seven years or shall more than one patent be extended for the same regulatory review period for the product.

"(4) The term of a patent which encompasses within its scope a method for producing a product may not be extended under this section if—

"(A) the owner of the record of such patent is also the owner of record of another patent which encompasses within its scope the same product; and

"(B) such patent on such product has been extended under this section.

"(b)(1) To obtain an extension of the term of a patent under subsection (a), the owner of record of the patent shall notify the Commissioner under oath, within ninety days after the termination of the regulatory review period for the product to which the patent relates, that the regulatory review period has ended. Such notification shall be in writing and shall—

"(A) identify the Federal statute under which regulatory review occurred or, if the regulatory review occurred under the Federal Food, Drug, and Cosmetic Act, the chapter of the Act under which the review occurred;

"(B) state the dates on which the regulatory review period commenced and ended;

"(C) identify the product for which regulatory review was required;

"(D) state that the requirements of the statute under which the regulatory review referred to in subsection (a)(1)(B) occurred have been satisfied and commercial marketing or use of the product is not prohibited; and

"(E) identify the patent and any claim thereof to which the extension is applicable and the length of time of the regulatory review period for which the term of such patent is to be extended and state that no other patent has been extended for the regulatory review period for the product.

"(2) Upon receipt of the notice required by paragraph (1), the Commissioner shall promptly publish in the Official Gazette of the Patent and Trademark Office the information contained in such notice. Unless the requirements of this section have not been met, the Commissioner shall issue to the owner of record of the patent a certificate of extension, under seal, stating the fact and length of the extension and identifying the product and the statute under which regulatory review occurred and specifying any claim to which such extension is applicable. Such certificate shall be recorded in the official file of the patent so extended and shall be considered as part of the original patent.

"(c) As used in this section:

"(1) The term 'product' means any machine, manufacture, or composition of matter for which a patent may be obtained and includes the following:

"(A) Any new drug, antibiotic drug, new animal drug, device, food additive, or color additive subject to regulation under the Federal Food, Drug, and Cosmetic Act;

"(B) any human or veterinary biological product subject to regulation under section 351 of the Public Health Service Act or under the virus, serum, toxin, and analogous products provisions of the Act of Congress of March 4, 1913 (21 U.S.C. 151-158);

"(C) any pesticide subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act; and

"(D) any chemical substance or mixture subject to regulation under the Toxic Substances Control Act.

"(2) The term 'major health or environmenal effects test' means an experiment to determine or evaluate health or environmental effects which requires at least six months to conduct, not including any period for analysis or conclusions.

"(3) The term 'regulatory review period' means—

"(A) with respect to a product which is a food additive, color additive, new animal drug, veterinary biological product, device, new drug, antibiotic drug, or human biological product, a period commencing on the earliest of the date the patentee, his assignee, or his licensee—

"(i) initiates a major health or environmental effects test on such product, the data from which are submitted in an application or petition with respect to such product under the Federal Food, Drug, and Cosmetic Act, the Public Health Service Act, or the Act of Congress of March 4, 1913,

"(ii) claims an exemption for investigation or requests authority to prepare an experimental product with respect to such product under such statutes, or

"(iii) submits an application or petition with respect to such product under such statutes,

and ending on the date such application or petition with respect to such product is approved or licensed under such statutes or, if objections are filed to such approval or license, ending on the date such objections are resolved and commercial marketing is permitted or, if commercial marketing is initially permitted and later revoked pending further proceedings as a result of such objections, ending on the date such proceedings are finally resolved and commercial marketing is permitted;

"(B) with respect to a product which is a pesticide, a period commencing on the earliest of the date the patentee, his assignee or his licensee—

"(i) initiates a major health or environmental effects test on such pesticide, the data from which are submitted in a request for registration of such pesticide under section 3 of the Federal Insecticide, Fungicide, and Rodenticide Act,

"(ii) requests the grant of an experimental use permit for such pesticide under section 5 of such Act, or

"(iii) submits an application for registration of such pesticide pursuant to section 3 of such Act.

and ending on the date such pesticide is first registered under section 3 of such Act, either conditionally or fully; and

"(C) with respect to a product which is a chemical substance or mixture for which notification is required under section 5(a) of the Toxic Substances Control Act—

"(i) which is subject to a rule requiring testing under section 4(a) of such Act, a period commencing on the date the patentee, his assignee, or his licensee has initiated the testing required in such rule and ending on the expiration of the premanufacture notification period for such chemical substance or mixture, or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or injunction is dissolved or set aside;

"(ii) which is not subject to a testing rule under section 4 of such Act, a period commencing on the earlier of the date the patentee, his assignee, or his licensee—

"(I) submits a premanufacture notice, or

"(II) initiates a major health or environmental effects test on such chemical substance or mixture, the data from which are included in the premanufacture notice for such substance or mixture,

and ending on the expiration of the premanufacture notification period for such substance or if an order or injunction is issued under section 5(e) or 5(f) of such Act, the date on which such order or such injunction is dissolved or set aside;

except that the regulatory review period shall not be deemed to have commenced until a patent has been granted for the product which is subject to regulatory review, for the method for using such product, or for the method for producing such product. In the event the regulatory review period has commenced prior to the date of enactment of this section, then the period of patent extension shall be measured from January 3, 1983, or the date the regulatory review period commences, whichever occurs later.

(b) The analysis for chapter 14 of title 35, United States Code, is amended by adding at the end the following:

"155. Restoration of patent term.".●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 12, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 13

9:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1148, to provide for the use and distribution of funds awarded the Assiniboine Tribe of the Fort Belknap Indian Community, Montana, and the Assiniboine Tribe of the Fort Peck Indian Community, Montana by the U.S. Court of Claims.

SD-628

9:30 a.m.

Commerce, Science, and Transportation

To resume hearings on S. 1108, proposed Highway Safety Act, focusing on title IV, to provide for increased coordination between Federal, State, and local governments in the transportation of hazardous materials.

SR-253

Judiciary

To hold hearings on the nominations of Morris B. Abram, of New York, John H. Bunzel, of California, and Robert A. Destro, of Wisconsin, each to be a member of the Commission on Civil Rights, and Linda C. Gersten, of the District of Columbia, to be Staff Director for the Commission on Civil Rights.

SD-106

Labor and Human Resources

To hold hearings on home health care services.

SD-430

10:00 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to markup certain provisions relating to aquaculture of S. 1101, to authorize funds for fiscal years 1984, 1985, and 1986 for certain fishery programs, and S. 663, to prohibit price and other Federal crop supports on highly erodible lands which have not been cultivated for agricultural purposes in the last 10 years.

SR-328

Appropriations

District of Columbia Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1983 for the government of the District of Columbia, focusing on the Department of Corrections.

SD-138

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Finance

Business meeting, to consider the administration's spending reduction proposals for fiscal year 1984 for those programs which fall within the committee's jurisdiction; and to hear and consider the nomination of Stephen J. Swift, of California, to be a judge of the U.S. Tax Court.

SD-215

Small Business

Urban and Rural Economic Development Subcommittee

To hold hearings on certain small business capital formation proposals.

SR-428A

Veterans' Affairs

To hold oversight hearings on certain health issues affecting veterans, focusing on the recruitment and retention of VA medical staff, and to examine the location of certain VA facilities to rural areas.

SR-418

Select on Intelligence

Legislation and the Rights of Americans Subcommittee

To hold closed hearings on intelligence matters.

S-407, Capitol

Joint Economic

To resume hearings on industrial policy, economic growth, and competitiveness of U.S. industry.

2168 Rayburn Building

JULY 14

9:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

Business meeting, to resume markup of S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act.

SR-485

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Production, Marketing, and Stabilization of Prices Subcommittee

To hold hearings on S. 1368, to permit the Secretary of Agriculture to issue marketing orders regulating the handling of eggs.

SR-328A

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System.

SD-538

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works

Nuclear Regulation Subcommittee

To resume hearings on S. 893 and S. 894, bills to provide an effective and efficient licensing and regulatory process for the siting, construction, and operation of nuclear powerplants.

SD-406

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To resume hearings on S. 958, to reform the current merit pay system of the Federal Government.

SD-342

Judiciary

Business meeting, to consider pending calendar business.

SD-226

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings on problems developing from the manufacture and distribution of imitation controlled substances known as "look-alike drugs."

SD-628

Rules and Administration

To hold hearings on the nominations of Joan D. Aikens, of Pennsylvania, and John W. McGarry, of Massachusetts, each to be a member of the Federal Election Commission, and Senate Joint Resolution 103, to provide for

the appointment of Jeannine Smith Clark as a Citizen Regent of the Smithsonian Institution.
SR-301

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

Joint Economic
To continue hearings on industrial policy, economic growth, and competitiveness of U.S. industry.
2168 Rayburn Building

11:30 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
Business meeting, to markup S. 958, to reform the current merit pay system of the Federal Government, and S. 1513, to authorize funds for fiscal years 1984 through 1988 for the National Historical Publications and Records Commission.
SD-342

1:00 p.m.
Labor and Human Resources
Aging Subcommittee
To hold hearings on future directions in nursing home health care.
SD-430

2:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on the nomination of Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System.
SD-538

Environment and Public Works
Nuclear Regulation Subcommittee
To continue hearings on S. 893 and S. 894, bills to provide an effective and efficient licensing and regulatory process for the siting, construction, and operation of nuclear powerplants.
SD-406

3:00 p.m.
Select on Ethics
Closed meeting to consider pending committee business.
S-207, Capitol

JULY 15

9:30 a.m.
Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings to examine trends in the projected life expectancy of U.S. citizens.
SD-215

Labor and Human Resources
To resume oversight hearings on activities of the Legal Services Corporation.
SD-430

10:00 a.m.
Environment and Public Works
To resume hearings on national infrastructure issues, and on proposals to develop long-term public works job opportunities, including S. 23, S. 532, and S. 1330.
SD-406

JULY 18

9:30 a.m.
Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1193, to treat certain heating of phosphate rock as mining for purposes of percentage depletion, S. 1237, to clarify the definition of geothermal energy, S. 1303, to make the ground water heat pump eligible for the residential energy and investment tax credits, and S. 1305, to extend the energy tax credit for investments in certain classes of energy property; to be followed by the Subcommittees on Energy and Agricultural Taxation and Taxation and Debt Management holding joint hearings on S. 1231, to exempt certain piggyback trailers and semitrailers from the excise tax on sales of heavy trucks and trailers.
SD-215

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the U.S. Army Corps of Engineers, and to begin hearings on S. 669, authorizing funds for the construction of a project for navigation at the Bonneville lock and dam, Oregon and Washington, and S. 1554, providing for the recovery of a certain portion of Federal funds for the construction, operation, and maintenance of the national inland waterway system.
SD-406

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on the recent Supreme Court ruling to repeal the legislative veto.

JULY 19

8:30 a.m.
Small Business
To hold oversight hearings on the Small Business Administration's small business development center program.
SR-428A

9:30 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on S. 1152, to provide consumers with certain cost information relating to consumer leases, and to extend certain disclosure requirements to rental-purchase agreements.
SD-538

Finance
To hold hearings on S. 1564, to deny certain tax incentives for property used by governments and other tax-exempt entities.
SD-215

Judiciary
Juvenile Justice Subcommittee
To resume hearings on S. 522, to remove certain juvenile offenders not being tried as adults from adult detention centers.
SD-226

Labor and Human Resources
To hold hearings to examine fire safety issues.
SD-430

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 752, to provide for certain measures to reduce the salinity of the Colorado River.
SD-366

Select on Intelligence
To resume hearings in closed session on S. 1324, to regulate public disclosure of Central Intelligence Agency information.
SD-232A

Select on Indian Affairs
To hold hearings on S. 1499, to provide for the settlement of certain claims of the Mashantucket Pequot Indians, and S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe.
SD-608

Joint Economic
To hold hearings to review the gross national product for the second quarter of 1983.
SD-628

2:00 p.m.
Small Business
To continue oversight hearings on the Small Business Administration's small business development center program.
SR-428A

JULY 20

9:30 a.m.
Labor and Human Resources
Business meeting, to resume markup of S. 564, to establish the U.S. Academy of Peace.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on Federal nonproliferation policy.
SD-562

Joint Economic
To hold hearings on structural changes and the future of the American economy.
SD-628

JULY 21

9:30 a.m.
Small Business
To hold oversight hearings on the Small Business Administration's program delivery.
SR-428A

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 1356, to authorize certain Federal agencies to contract with private law firms for the litigation of Federal Government debt.
SD-562

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on a Presidential Commission report on excellence in education.
SD-430

Veterans' Affairs
Business meeting, to mark up S. 1388, to increase the rates of disability compensation for disabled veterans and to increase the rate of dependency and indemnity compensation for surviving spouses and children of veterans, and related proposals, including S. 859, S. 995, S. 1187, S. 1318, S. 1371, S. 1401, S. 1402, and S. 1403, and other pending calendar business.
SR-418

Select on Indian Affairs
To hold oversight hearings on certain activities of the Branch of Federal Acknowledgment within the Bureau of Indian Affairs.
SD-608

2:00 p.m.
Foreign Relations
To hold hearings on recent developments with respect to the U.S. Information Agency.
SD-419

JULY 22

9:30 a.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on the future of U.S. basic industries.
SD-215

Labor and Human Resources
To hold hearings to receive a task force report on the vaccine for pertussis.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Joint Economic
To resume hearings on industrial policy, economic growth, and competitiveness of U.S. industry.
2168 Rayburn Building

2:00 p.m.
Energy and Natural Resources
To resume oversight hearings on the geopolitics of strategic and critical minerals.
SD-366

Finance
Social Security and Income Maintenance Programs Subcommittee
To hold hearings on S. 960, to assist women in making career choices in the home or the labor force.
SD-215

JULY 25

9:30 a.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To resume hearings on the future of U.S. basic industries.
SD-215

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 1132, to establish a maximum ceiling on the annual charge to be fixed by the Federal Energy Regulatory Commission for a licensee's use of a Government dam or other structures owned by the United States.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Alien Education Assistance Act.
SD-430

JULY 26

9:00 a.m.
Office of Technology Assessment
The Board to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1173, proposed Federal mine safety and health amendments.
SR-485

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to consider certain arms reduction proposals, including Senate Resolution 57, Senate Joint Resolution 2, Senate Joint Resolution 29, Senate Resolution 159, Senate Joint Resolution 74, Senate Concurrent Resolution 46, Senate Resolution 107 and Senate Resolution 83.
SD-419

Labor and Human Resources
Aging Subcommittee
To hold hearings on proposed legislation authorizing funds for nutrition programs of the Older Americans Act.
SD-430

Select on Indian Affairs
To hold hearings on S. 1151, to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime, and House Joint Resolution 158, to make a technical amendment to the Indian Land Consolidation Act (Public Law 97-459); to be followed by a business meeting, to mark up the aforementioned measures and S. 1499, to provide for the settlement of certain claims of the Mashantucket Pequot Indians, and S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe.
SD-608

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold oversight hearings on the acquisition of land, and acquisition and termination of grazing permits or licenses issued by the Bureau of Land Management at the White Sands missile range in New Mexico.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on a Presidential commission report on excellence in education.
SD-430

JULY 27

9:30 a.m.
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on the management of the U.S. Synthetic Fuels Corporation.
SD-342

Judiciary
Juvenile Justice Subcommittee
To hold oversight hearings on the problem of runaway and homeless children.
SD-226

Labor and Human Resources
Business meeting, to mark up S. 1133, to authorize funds for fiscal years 1984, 1985, and 1986 for the Legal Services Corporation.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1520, to authorize redress payments to certain residents of the United States of Japanese-American, Aleut, or other ancestry who were interned, detained, or forcibly relocated by the U.S. Government during World War II.
SD-562

JULY 28

9:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 5, to designate certain public lands in the State of California as wilderness, and H.R. 1437 and S. 1515, bills entitled the "California Wilderness Act of 1983".
SD-366

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 19 and S. 918, bills to revise current Federal pension law with respect to the rights and benefits of working and nonworking women, and related measures.
SD-430

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To resume oversight hearings on government management of natural gas import issues.
SD-342

Select on Indian Affairs
To hold oversight hearings on Indian health issues.
SR-485

JULY 29

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on the President's authority to waive the freedom of immigration provisions of the Trade Act of 1974 (Public Law 93-618).
SD-215

AUGUST 2

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

AUGUST 3

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

9:30 a.m.
Labor and Human Resources
To resume hearings on health care cost issues.
SD-430

AUGUST 4

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

AUGUST 8

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the Department of Labor's law enforcement activities, focusing on the organized crime and racketeering section of the Department of Labor's Office of Inspector General's investigation of allegations involving the International Brotherhood of Boilermakers.
SD-430

SEPTEMBER 8

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on the historical perspective and societal implications.
SD-430

SEPTEMBER 15

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on causes and remedies.
SD-430

SEPTEMBER 20

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the American Legion.
SR-325

CANCELLATIONS

JULY 13

9:30 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JULY 14

9:30 a.m.
Small Business
Business meeting, to consider pending calendar business.
SR-428A

SENATE—*Tuesday, July 12, 1983*

(Legislative day of Monday, July 11, 1983)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Righteous God of wisdom, truth and power, grant to the Senators grace to measure up to the challenge which confronts our Nation and the world. Give to them and their hard-working staffs special wisdom as they process confusing information regarding Central America and the Middle East. Help them sort out conflicting economic and sociological theories as they set the Nation on course which is responsive to the many needs and demands of the poor, the elderly, the unemployed and the special interests which clamor for attention. Lead us all, Lord, in the way of truth, righteousness, and justice. We pray in the name of Him who is truth and light incarnate. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of proceedings to date be approved.

The PRESIDING OFFICER (Mr. RUDMAN). Without objection, it is so ordered.

RESERVATION OF LEADERSHIP TIME

Mr. STEVENS. Mr. President, I ask unanimous consent that the leader's time on this side be reserved until after the special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I make the same request as the distinguished acting majority leader with reference to my time under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

TENNESSEE LEADS THE NATION IN FULLY OBLIGATING 1983 HIGHWAY FUNDS

Mr. BAKER. Mr. President, I should like to note today what I believe is a significant accomplishment by the State of Tennessee and its department of transportation. As of the last week in June, Tennessee has fully obligated its 1983 Federal highway moneys. This means that within the first 9 months of the fiscal year, the Tennessee Department of Transportation has obligated $254 million for planning, construction, and repair on Federal highway projects.

There is no doubt that the 5-cents-per-gallon gas tax bill has had a beneficial impact. During consideration of the 1982 gas tax legislation concerns were raised over the ability of the States to obligate the increased Federal dollars in 1983. Tennessee received an additional $100 million in obligation ceiling in fiscal year 1983 and has been able to obligate all of that money 3 months before the end of the fiscal year. I understand that Georgia, Virginia, Minnesota, South Dakota, and Florida have all obligated over 80 percent of their funds.

What does all this mean to the State of Tennessee? It means increased road construction and related industry jobs. It means new and improved roads.

I am also pleased to note that this increased activity has been accomplished by State Transportation Commissioner Bob Farris without increased administrative and staff expenses. The department is currently operating with 2,000 fewer employees than in 1980, and for the first time in its history, it is handling over 400 individual highway projects. This number may rise to 500 by the end of the year.

The Tennessee Department of Transportation and its commissioner are to be commended for their efficient work in obligating these highway funds. They have set an example for the efficient use of sparse, but essential Federal dollars.

IMPROVED ECONOMIC CONDITIONS IN TENNESSEE TRI-CITIES AREA

Mr. BAKER. Mr. President, on Friday, July 1, 1983, an editorial appeared in the Johnson City Press-Chronicle in Tennessee remarking on the improved economic conditions in the tricities area. I am obviously pleased at this report, and I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Johnson City (Tenn.) Press-Chronicle, July 1, 1983]

AREA'S ECONOMY PERKING UP

Recessions have come along several times over the past quarter of a century.

And it had been said that the Tri-Cities area usually felt them later than the rest of the country, and got out of them later, too.

But maybe those days are over. First Tennessee Bank, largest holding company in the state, reports that the Tri-Cities area is the only metropolitan area of Tennessee to show higher employment in the first quarter of 1983 over the first quarter of 1982.

Non-agricultural employment in the area has gained 8 percent over last year's first quarter, First Tennessee's economists report.

Moreover, home building seems to be revived, along with a broad area of the construction industry. Retail sales are up.

And Eddie Williams, executive director of the Johnson City/Washington County Area Industrial Commission, reports a spurt in inquiries from prospective new industries.

Statewide, the employment figures this week for May showed a drop of half a percentage point in the jobless, third straight month the figure had declined.

The economy seems to be perking again locally, perhaps not yet back to the boom of a couple of years back—but definitely on the rise.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, it is my understanding that there are three special orders.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. There is a period provided for the transaction of routine morning business during which Senators may speak therein for not to exceed 3 minutes until 11:50 a.m.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

Mr. PROXMIRE. Mr. President, I understand I have a 15-minute special order, is that correct?

The PRESIDING OFFICER. The Senator is correct. Without objection, the Senator may speak out of order. Under the previous order, the Senator from Wisconsin is recognized for a period not to exceed 15 minutes.

Mr. PROXMIRE. I thank the Chair.

CHANCES OF NUCLEAR WAR: 50–50 IN NEXT 20 YEARS

Mr. PROXMIRE. Mr. President, consider a few of the obvious developments that could start nuclear war and the likelihood of each: First, a planned, premeditated first strike by the Soviet Union. Chances probably less than 1 in 1,000 in the next year or so. As the years go by the technology on both sides improves those long odds will shorten. Why are the odds against such a strike so long now? Because our deterrent for the time being is so imposing and sure. Such a strike by the Soviets would under present circumstances simply provide a double suicide. We would be dead. So would they. But 20 years from now? I will get to that later.

PROLIFERATION

Second, what are the odds on a nuclear war developing from the proliferation of nuclear weapons with more and more nations having the power to mount a devastating nuclear attack? The immediate likelihood of such a nuclear castastrophe in the next year or two are probably less than 1 in 100, but over a 10- or 20-year period those odds drop very sharply to 1 in 5 or less. Consider what an inviting target a little, concentrated country like Israel could become if Syria or an even more radicalized PLO should get nuclear weapons. And consider where our policy of selling nuclear material or equipment to the likes of India, Pakistan, and South Africa, the policy we are following today, will lead. Today the United States and the Soviet Union bestride the world like two giants with our overwhelming nuclear power dwarfing the military power of other countries. But even in the present relatively rudimentary stage in the development of nuclear weapons, a small investment in nuclear arms can give a far greater military capability than a similar investment in conventional arms. And with the technology proceeding apace, within a few years modest-size countries will be able to develop their own equalizers. It is not hard to imagine a nuclear-arms technology coming on the scene within 10 years that would permit a country the size of South Africa or even Syria to destroy the United States itself as an organized society. Suppose the Argentines had had this capability last year when they invaded the Falkland Islands and provoked the British response. Might they have acted to simply blow away London and the concentrated British economy if they had had the nuclear capability to do so?

And how long will it be before the onrushing nuclear technology permits a terrorist organization with or without the connivance of a sovereign country to develop their own nuclear power and destroy or threaten to destroy entire cities without fear of national reprisal? Because they represent no countries, they could vanish after killing millions. Do you see why I have dropped the odds on this kind of possibility to 1 in 5 or less? And I am being conservative.

HUMAN ACCIDENT

Now take the most likely disaster scenario of all: a human accident. Here I think the odds shorten drastically. In the next 20 years, we have, as I see it, about a 50-50 chance of suffering a nuclear war that occurs because of human errors through the warning systems that flow into computers and the commands that flow out of them. Literally hundreds of Russians and hundreds of Americans make critical go or no-go decisions. All of these are fallible human beings. A series of mistakes at any time on either side could literally sink civilization. In a July 2, 1983, article in the New York Times, Lloyd Dumas of the University of Texas at Dallas noted that: "According to Pentagon data from 1975 through 1977, roughly 5,000 nuclear weapons personnel were removed from duty each year for reasons of alcoholism, drug abuse and mental illness."

Somewhere, sometime, maybe today, tomorrow, next year, or some time in the next few years the string will run out. My guess is that it is even money the string will end in the next 20 years. It is a virtual cinch it will end with a nuclear war eventually, unless we stop the arms race. Here is why a nuclear freeze, difficult and risky as that, too, might be to achieve, represents our best option. Sure, such a freeze will require massive verification on both sides. Yes, indeed, there will always be the prospect of undetected violations by the Soviets. But as former CIA Director—I repeat, CIA Director—William Colby, who knew as much about our intelligence I think, as anybody in the country, has testified, our satellites could detect any violations by the Russians significant enough to give them a nuclear advantage. And if they did violate the treaty, we could react accordingly.

TECHNOLOGY RISK

Time is running out on an arms-control policy that relies primarily on a continuation of the deterrent effect of the nuclear arms race on both sides. This is true not simply because of the clear lesson of history that arms races have consistently lead to war; the time we have to act to stop the arms race is also growing shorter because of the nature of the nuclear technology competition. At this very moment, the Soviet Union has put most of its nuclear arsenal in multiwarhead land-based missiles that have tremendous megatonnage and devastating hard-target-kill capacity. They are highly vulnerable because they are immobile and stationary sitting ducks. We have started the same kind of deployment with our MX, which has even more warheads than the typical Russian missiles. The prime characteristic of both of these arsenals—Russian and American—is that they must be handled on a hair-trigger basis. We must fire our MX or lose it. The Russians must fire their land-based missiles at the first warning that they may be under nuclear attack or their missiles are gone. So the increasingly hair-trigger nature of our nuclear weapons represents another reason why technology edges us closer with the passage of time to nuclear disaster.

KILLER SATELLITES

But that is only the beginning, Mr. President. Technology is pushing us along in other ways. Consider just two. The heart of the arms-control system we have established in our satellite system. Witness after witness has testified before various committees of Congress that our satellites are and will remain the basis for our verification and monitoring of Soviet nuclear-arms activity. From a height 100 miles over the Soviet Union, our satellites can find objects little bigger than a golf ball. We can detect activity in that closed society that would be essential for preparing any kind of missile deployment. If the Soviets decide to produce nuclear weapons under ground, our satellites can tell us how much they have displaced from underground and how much they have moved underground. CIA experts have told us that the satellites are far more reliable and comprehensive than any intelligence we can get from human sources including any so-called onsite inspection. The Soviets monitor our activity the same way we monitor theirs—by satellite.

But the newest technology threatens the continued existence of monitoring satellites. The Soviets have developed satellite killers, crude but fairly effective. We are in the process of funding a new satellite killer system that will be far more devastating. The Defense Department tells us the satellite killers can be deployed by 1986. They estimate it will cost about $3.5 billion. The GAO says it will be closer to $15 billion. Whatever the cost in dollars, the consequences for arms control, unless we negotiate an end to the satellite-killer technology, could be devastating. What would happen if—4 or 5 years from now—the Russians should simply knock out our monitoring satellites or we should knock out theirs? First, any arms control agreement would be a dead letter. Second, our

warning system would be so crippled that a President of the United States might feel constrained to act blindly on rumor. Obviously, the odds on nuclear war under these circumstances sharply escalate.

ELECTRO MAGNETIC PULSE

The death of our satellites would put this country in the dark in one vital sense. But a second technological development could literally strike us deaf and dumb and paralyze our ability to act in an organized, coherent way. A single—just one—10-megaton bomb, exploded 300 miles above the Earth and over the center of our country—say over Kansas City—would kill no one, but could knock out our radio, and television, and telephone communications, and electricity throughout our country. This kind of electromagnetic pulse, or EMP, was tried with a far smaller nuclear explosion some 800 miles from Hawaii and about 250 miles in the air in 1962, 21 years ago. Within a millisecond, Hawaii suffered a sudden series of power and communications failures.

It takes only a little imagination to see where satellite killers, knocking out our eyes and ears, and the electromagnetic pulse, silencing our communications, could set us up for a nuclear attack in a way that would make our nuclear deterrent tardy and ineffective. The Soviets must have the same fear. Technology is preparing to drive each side away from knowledge of what nuclear capability the other side may be preparing with the use of satellite killers. And technology with the electromagnetic pulse threatens the destruction of much of our ability to communicate and therefore our ability to respond to a nuclear attack.

So both sides know they will be more vulnerable. Both sides know they may at any moment lose their capacity to respond coherently. But both sides recognize the advantage that would lie with the aggressor, the side that first knocks out the other's satellites, and then explodes the massive, very high-altitude nuclear bomb that paralyzes communications over the assaulted country. Both sides become understandably much more suspicious and paranoid. And the likelihood of nuclear war becomes much greater.

Mr. President, the logical answer to this nightmare is a mutual, verifiable nuclear freeze. Of course that involves risk, but there is simply no escaping the logic that if we want our children and grandchildren to survive in this nuclear world, we must move as swiftly and surely as possible to stop the arms race now. The clock is ticking. Any day could bring a nuclear war which—as the World Health Organization estimates—could literally kill over 1 billion people, and grievously injure another billion, and end civilization as we know it in the process. The odds that that will happen grow shorter with every year that passes without such an agreement.

Mr. President, I ask unanimous consent that the article to which I have referred in the July 2, 1983, New York Times, by Lloyd J. Dumas, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 2, 1983]

REAL NUCLEAR WAR FOR LESS THAN $1

(By Lloyd J. Dumas)

DALLAS.—Could nuclear war happen by accident? Yes, flaws in computerized military systems could indeed cause such a catastrophe, and the participation of human beings at key points in the nuclear war launching process would not necessarily protect us against the ultimate disaster. We must squarely face that danger—and consider how to avoid it.

Unintentional wars—wars that "nobody wanted," that began accidentally or through miscalculation or misinterpretation—have not been rare in history. Perhaps the best example was World War I. And if history teaches us anything, it is that what happens once can happen again.

All the sophistication of modern computerized military systems and the seriousness with which the problem of flaws in these critical systems is taken does not render computer generated accidental holocaust impossible. There have been all manner of malfunctions in military computers, the warning systems that flow into them and the command systems that flow out of them. For example, twice in 1971 American nuclear missile submarines accidentally transmitted a properly coded message indicating they had been sunk by enemy action.

In 1980, Senators Barry Goldwater and Gary Hart reported that there had been 78 detections of possible attacks transmitted by the United States' missile-attack warning system during 1979 and 69 more during the first half of 1980 (a 77 percent increase)—all of which were of course false. Two were particularly spectacular major alerts: one triggered by the accidental entry of data simulating a real attack into the North American Air Defense Command computer system and one caused by the failure of a computer chip costing less than $1.

It is testimony to carefulness of those who design and operate military systems that there has been no accidental nuclear war. Yet accidents keep recurring, sometimes in new and unpredictable ways.

We have all read stories about people discovering that some computer had mistakenly declared them dead, doubled their bank account or sent them a $50,000 telephone bill. Most people have probably had less spectacular run-ins with errant airline or billing computers personally. In ordinary, mundane business, computer-generated mistakes are irritating, but of limiting consequence. When dealing with nuclear weapons, even the least imperfection may produce unprecedented disaster. And computers are not perfect; they cannot be. They are the creations of imperfect human beings.

People would, after all, invariably have some part in even the highly mechanized chain of decisions and actions involved in launching nuclear war. They design and build the machines of which any automated system would be made. But does direct human participation insure the indefinite prevention of accidental war?

As long as the military must recruit human personnel, the answer is no. People are subject to mental, physical and emotional problems that periodically render even the most solid among us unreliable. The nuclear military is not immune.

According to Pentagon data from 1975 through 1977, roughly 5,000 nuclear weapons personnel were removed from this duty each year for reasons of alcoholism, drug abuse and mental illness. In March 1971, three men with top security clearance working at the top secret computer section in which nuclear war plans are maintained were arrested for possession and sale of marijuana and LSD.

Furthermore, the boredom, isolation and stress of working in the nuclear military is enough to stretch even healthy people beyond their limits of tolerance.

A former missile-silo officer writes, in Air Force Magazine: "A crew member tries not to think about his ultimate responsibility which could lead to the killing of millions. . . . He learns to contrast his personal feelings and the role he's expected to play, unquestioningly and automatically. . . . He tends to see his personal life and official life as totally separate. The launch officer becomes schizoid."

As long as people are imperfect, we will run some degree of risk whenever we rely on mechanical systems that do not forgive, or compensate for, our inescapable fallibility. The nuclear arms race is such a system—and odds are that it cannot be continued and controlled indefinitely. There are few arms races in history that have not ended in wars. This one is no exception. Most likely, it will eventually blow up in our faces—either by intention or by accident. The only way out is to bend every effort, not to a continued military buildup and pursuit of meaningless "nuclear superiority," but to swiftly bring about an end to the nuclear arms race.

THE GENOCIDE CONVENTION AND THE DEVELOPMENT OF INTERNATIONAL LAW

Mr. PROXMIRE. Mr. President, I often speak of specific situations to which the Genocide Convention is applicable. But we must also remember that this treaty represents the logical conclusion to the development of international law and the protection of human rights.

One of the first systematic attempts to protect individual human rights was the well known work De Indius by the 16th century writer, Francisco de Vitoria. His treatise advocated the protection of the Indians of the New World. It also dealt with the conduct of warfare and the treatment of civilians. In many respects, this work anticipated the later codification of the rules of war in the Hague Conventions of 1899 and 1907.

While there have been earlier attempts to protect civilians in such instruments as the Declaration of Paris and the Geneva Convention, both drafted in the 18th century, the first all-encompassing treatment of this

issue was contained in the Hague Conferences. The second conference, which was held in 1907, dealt specifically with the protection of the individual. The framers stated in Preamble to the Convention:

Until a more complete code of laws of war has been issued, the High Contracting Parties deem it expedient to declare that . . . the inhabitants and the belligerents remain under the protection and the rule of the principles of the law of nations, as they result from the usages established among civilized peoples, from the laws of humanity, and the dictates of the public conscience.

The lack of specificity in these provisions, Mr. President, contributed to the problems encountered by the allied powers in their prosecution of Nazi war criminals. One of the major criticisms of the handling of the Nuremburg Trials was their "ex post facto" nature. The absence of specific treaty provisions concerning these crimes against humanity has lent credence to this charge. Thus, the stage was set for various multilateral attempts to define and punish crimes against humanity, especially genocide.

On December 13, 1946, the United Nations General Assembly adopted a resolution condemning genocide as a crime recognized under international law. From this they proceeded to draft the "Convention on the Prevention and Punishment of the Crime of Genocide." Since 1967, my pleadings on behalf of this treaty have gone unheeded.

Mr. President, the Genocide Convention is the culmination of over 500 years of the development of international law. For 35 years we, as a nation, have stood in the path of progress. As citizens of the Nation which claims to adhere to the highest standards of human rights, it should be disturbing to us that this body has failed to give its advice and consent to this crucial instrument. Therefore, I emphatically urge my colleagues to join with me in the effort to further the development of international law by insuring the adherence of the United States to the Genocide Convention.

IMPROVING PRODUCTIVITY THROUGH TEAMWORK

Mr. PROXMIRE. Mr. President, starting today, Eggers Industries, a custom plywood manufacturer in Two Rivers, Wis., will be the focus of a nationally-aired, 60-second radio spot which highlights the extraordinary accomplishments of this highly-successful company.

Eggers was selected for this honor by the American Productivity Council. The radio announcement features Howard K. Smith and Jim Lester, president of Eggers, and will be heard over the next several months on more than 3,700 radio stations across the country.

According to Don LeBrecht, executive director of the radio campaign, this radio spot is part of a continuing effort by the Productivity Council to regularly broadcast stories of cooperation between labor and management. The council hopes to better inform the public of the problem of declining industrial productivity and encourage government, management, and employees to work together to overcome the problem. "We are hoping the average person will hear these announcements, hear these success stories, and respond to them," Mr. LeBrecht said recently.

Mr. President, if any success story is to draw a response, the story behind the successes at Eggers Industries most certainly will. By working together, both the management and employees at Eggers have benefited greatly. In 1982, Eggers reported record profits and record output, and its employees received a 10-percent bonus that year.

The Eggers success story dates back to the fall of 1980, when a group of approximately 20 production workers and 10 management people got together and designed an employee involvement plan aimed at allowing more employee participation in company decisionmaking. "At that time," said Mr. Lester, "We all felt there had to be a better way of running a company than always having management pitted against labor."

In January 1981, the company employees voted to implement the involvement plan. Two-and-a-half years later, things could not be better at Eggers: worker morale and productivity is high, production costs are down, shipments are going out on time, and employee bonuses are given out monthly.

The heart of the involvement plan at Eggers is the departmental committee—each department in the factory has its own committee, which solicits and entertains suggestions from its employees. These suggestions are considered by the departmental committees and then forwarded to a larger umbrella committee comprised of employees and management.

According to Mr. Lester, the committee system strives to elicit maximum input from the company's employees. And most importantly, employee suggestions are consistently translated into actions. New equipment has been purchased and existing production methods altered in response to employee suggestions.

At the end of each month, operating and production costs are calculated and compared to those of the previous months. If overall costs decrease, which has been the case since the inception of the involvement program, both the management and employees reap the benefits. Under Eggers' gainsharing system, if costs decrease and profits rise, the employees receive 55 percent of the financial gains in the form of bonuses, while the management gets the remaining 45 percent.

In short, the employee involvement plan at Eggers Industries has proven beneficial for everyone. Spirits are high, more good will exists between labor and management than ever before, and more money is in the pockets of both the employees and the management.

Mr. President, I congratulate all those at Eggers Industries for their accomplishments and wish them continued success. In the face of this serious productivity problem, Eggers has taken some positive and meaningful steps. I think we can all stand to learn something from their example.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR SYMMS

The PRESIDING OFFICER. Under the previous order, the Senator from Idaho is recognized for not to exceed 10 minutes.

CUYAHOGA VALLEY NATIONAL RECREATION AREA

Mr. SYMMS. Mr. President, the National Public Broadcasting System, PBS, aired a television documentary on June 6 on the creation of the Cuyahoga Valley National Recreation Area. As a member of the House Interior and Insular Affairs Committee, I was familiar with the situation which developed in the Cuyahoga Valley, and am pleased that PBS gave the public the opportunity to hear from some of the homeowners in this case.

Unfortunately, in any situation where there exists Federal property ownership with administration by a Government bureaucracy, coupled with private land interests or tenants within this land, there is the strong likelihood of conflict. It was a clear conclusion from the documentary that the Park Service thwarted the intention of Congress in the legislation to create the Cuyahoga NRA, and failed to give due consideration to the rights of the private property owners in the valley. The resolution of these conflicts was slow in coming, and for many property owners, came too late.

There is a bright note in this situation, one to which PBS's "Frontline" did not allude to in its ominous broadcast. The Reagan administration has recognized the problem of Federal encroachment on the rights of those people dwelling on Federal lands or on proposed Federal recreation areas. Secretary Watt, for a number of reasons—besides the heavy-handed land acquisition tactics exemplified at Cuy-

ahoga—proposed a moratorium on park land acquisition. Jim Watt felt, justifiably so, that Congress had been too busy seeking to add more land to the park system, and sorely neglecting existing parks, even to the point of failing to insure that the parks met adequate health and safety standards. In addition, Secretary Watt requested a review back in 1981 of park land acquisition policies. This acquisition had been costing up to 400 percent above figures actually used in legislative debate on the creation of new parks and park expansion. In the Cuyahoga case, it is likely that significant cost-savings could have been achieved had the Park Service been a little more interested in preserving people's homes and a little less interested in fee title purchases.

Mr. President, in my own State we have a great many of these kinds of problems, and I think that this is a problem that the Congress needs to address. We have an inholding problem in Island Park Reservoir at the present time where inholders are involved with Federal leases. I hope that we will be able to come to some kind of a reasonable compromise so that the rights of those many people can be respected as well as the public interest best served.

Mr. President, I ask unanimous consent for that reason to insert the transcript from the "Frontline" show into the RECORD at this point for the benefit of my colleagues.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

FOR THE GOOD OF ALL

INTRODUCTION

JESSICA SAVITCH. The National Park Service wants this man's house, they're operating a Park preserving landscape, animals, but what about people?

Tonight on "Frontline" the policy and practices behind the making of a Park . . . that was supposed to be "For the Good of All".

It is rarely, if ever, that we get to see a story about the implementation of a government program . . . charting its effects on the lives of people over time . . . and the details of how it worked. But two filmmakers documented such a story. For three years, they followed what happened to a small community in Ohio, when the National Park Service went about the making of a National Park, the Cuyahoga Valley National Recreation area. It was part of the drive, in the mid-seventies, to greatly expand the size and number of parks in America.

What these filmmakers discovered was a classic political story . . . a story about good intentions, bureaucracy, and a struggle—pitting individual homeowners against those acting "For the Good of All".

Unfortunately, what happended here with this park, is not an isolated case. During the period when this film was shot—1979–82—thousands of families across the country had their houses and properties turned into Parkland.

So, tonight's film "For the Good of All" produced and directed independently by Mark and Dan Jury, and produced for "Frontline" by Stephanie Tepper.

Cleveland, Ohio. This is where the Cuyahoga River caught fire in 1969 and became a byword for pollution. But just eight miles upstream, is the beautiful Cuyahoga Valley. In 1974, Congress declared this area a National Park.

But the coming of the park was to bring irrevocable change to the lives of the people who lived here.

Before the park, the Lindley family had farmed in the valley for a hundred years.

BOB LINDLEY. I was born and raised on a farm. When I was nine years old my dad was on a 280 acre farm. He caught his hired man sleeping out in the field instead of working so he fired him. So I took over for him and I've been at it ever since.

EVELYN LINDLEY. I grew up, was born in the same house as my dad was. It's just beautiful in the area. It's a different atmosphere from anywhere else in the world.

JESSICA SAVITCH. Before the park, Bill Erdos and his family lived in the home he'd built with his own hands.

BILL ERDOS. It took me several years to do it, because of limited funds and because I was doing it in my spare time, after work and weekends and things like that. We had a new house by the time we were done. We submitted it to Architectual: Record and it was selected as one of the twenty outstanding homes in the country for 1977.

JESSICA SAVITCH. Before the park, one of the small businesses in the valley was the flower shop.

NATALIE VALCANOFF. Good afternoon, Natalie Florist. Uh-huh. Okay, go ahead.

JESSICA SAVITCH. Bob Valconoff had built the shop, and his wife Natalie ran it for 28 years.

NATALIE VALCONOFF. Very few people know my last name because my first name is Natalie and they just think it's Natalie Florist. They just obviously, and they call my husband Mr. Natalie, which he doesn't like very much.

BOB VALCONOFF. That's right. I'm Mr. Natalie.

JESSICA SAVITCH. Before the park, Burrell Tonkin was the local handyman.

BURRELL TONKIN. I went to the Army in the Spring of 1940 and I came back in 1946.

JESSICA SAVITCH. Burrell could turn his hand to any kind of job. Sometimes he'd help out a neighbor for a couple of dollars.

BURRELL TONKIN. I made a living, didn't get rich or anything, but I was doing a useful thing I thought. Something I like to do which was worth quite a bit.

JESSICA SAVITCH. Before the park, Leonard Stein-Sapir had hoped his children would grow up here.

LEONARD STEIN-SAPIR. One of my primary reasons for wanting to move out here, in the valley, and raise a family here, was because of the make-up of the community. It was just a lot of different people who all seemed to get along together. People with integrity and individuality and no one was trying to rip anybody off, they were just trying to live here and take care of the environment and be by theirselves. Be private people living quiet lives.

JESSICA SAVITCH. This is the story of what happened to these people when the National Park Service came to the valley.

It's a story of more than local interest because it questions whether a federal bureaucracy like the Park Service thwarted the will of Congress, ignored the law of the land and overrode the rights of individuals.

It is a story about power and confrontation, about a large federal bureaucracy up against a small community.

[New scene.]

Now the people who created the park were idealists. They believed that a park "for all people, for all time", was for the greater good. They believed that a park should preserve a place of peace and tranquility for the many people who would come here from our over-crowded cities. But what about the local community, the people we've just met. Should the park be created at their expense? That is not what Congress originally intended. When the law was being written, Congressman Seiberling, the author of the legislation, and a man whose own home was in the park said. . . "We're not just talking about the conservation of a piece of land, we're talking about the conservation of people as well. In planning the park, the people must be considered as a resource as well as the trees and flowers and birds and waterfalls."

[Musicians playing.]

At first the local people welcomed the idea of living inside the park.

Here they'd always be conservation minded.

OLD MAN. Fortunately every governmental subdivision, village and township within the valley and Summit County were pioneers in zoning for the protection of the valley. Protection from industry, commercialism and multiple housing units. None were permitted.

JESSICA SAVITCH. People thought the Park Service would carry on the good work.

SPEAKER AT ROTARY CLUB MEETING. It is my pleasure to introduce to the fellow members of the Rotary Club at Shaker Heights, the Superintendent of the Cuyahoga Valley, Mr. Bill Birdsell.

BILL BIRDSELL. Thank you, Bob. It's a real privilege to be up here today to tell our neighbors up here in the east side of Cleveland, the east side of Cuyahoga County, a little bit more about your National Park, the National Recreation Area that's being developed down the Cuyahoga Valley. So with that we'll pull the curtains and show you some pretty pictures.

JESSICA SAVITCH. For Bill Birdsell, the opportunity to create what he'd like to call "a park for all people, for all time", was to be the peak of his career. Congress, the courts, the National Park Service and a $35 million budget gave the superintendent almost unlimited power within the valley. Birdsell now set out to create his park with an ambitious program of land acquisitions.

BILL BIRDSELL [at Rotary Club meeting slide show]. In 1974 legislation was enacted to establish the Cuyahoga Valley as a National Recreation Area to preserve that scenery, natural, historic for the public for all time.

The National Park Service did enter within days of enactment and began land acquisition.

WOMAN RANGER. When we look at the valley, we can see that it's 32,000 acres set aside. Right now the only areas that are under park service operation are the eight metropark areas. The rest of the acreage, the light green section, marks private citizens' land that is being boughten up, slowly but surely and then will lead to further development of picnicking areas and things of that nature. Some of this land is already boughten, but they're still in the process, the land acquisition office is still in the process of purchasing all of the land area.

JESSICA SAVITCH. The local homeowners had always known that the park would have to acquire land. But they believed official assurances that only a handful of houses would be compulsorily purchased. So what happened next came as a rude shock to many of them.

LEONARD STEIN-SAPIR. For some strange reason they need my house. The needs have changed. The first one was to put in a horse trail that ran through here down there. Now you can see, it would be an impossibility to put a horse trail down there. Well once I pointed that out to them all of a sudden it changed from that, to when we took Birdsell's deposition, he wanted to bulldoze it because he wanted to preserve the open space. He wanted to add another couple of acres to the 32, 30 thousand acres of open space that they already had. The latest, and I think this just happened within the last month, or the last couple of months anyhow, that they now want to put it into some sort of a visitor center because they think it's so nice. They want to take my house and make it a visitor center.

BOB LINDLEY. Well when we first appraised it, there was, two young fellows come out and said you're not a big time farmer so he said it's classified as a hobby. He said well, that's the way it is, we want your property and I don't like it. I says, let's forget about the whole thing. He said, well, we'll buy it outright.

BILL ERDOS. We received a letter from the government saying that they wanted to acquire our property in fee and that we would be receiving a call from the appraiser to set up a time for them to come out and appraise the property. And I specifically asked why and who made the determination and for what reasons. The standard answer that I got was your property is on my list. You know that's the kind of answer that you get. There is some mysterious higher level person who is making these decisions. They're not privy to the rationale, they just end up with a list and say go about this.

BURRELL TONKIN. Well, I didn't quite believe it myself at first. I really, asked the lawyers, supposed we just ignore the ——. He says well you can't do that, I says why not. He says well they'll send armed men and take it away from you. And that didn't worry me a great deal except for Grandma, it would tear her all to pieces if I went away. So I decided that uh, to do the best I could and just get out. She gonna go with me . . .

GRANDMA TONKIN. I'm gonna go with him, he's all I got. My husband's dead and I got no daughter.

JESSICA SAVITCH. Slowly but surely, boarded up houses with government "No Trespassing" signs became common sights in the valley. The U.S. National Park Service's "program of acquisition" was turning out to be far more extensive than anything Congress and the local people had ever imagined.

[New scene.]

Now Congress had provided two ways for the Park Service to acquire property. If purchased outright, the owner would lose his house, but he could still choose to stay in it, in theory, for up to 25 years, as a tenant of the government. This was called fee title purchase.

Many homeowners objected to becoming temporary tenants in a dying community so when their homes were purchased, they took the money and left.

In the second form of acquisition, an owner could make a deal with the government. He could keep his house and become a part of the park if he promised not to make any changes to the property. This was known as scenic easement.

Scenic easement was cheaper than fee purchase. It would have preserved the community, and it was clearly what Congress had intended.

The law said that fee title purchase should only be used in special circumstances. Despite this, Superintendent Birdsell admitted under oath in 1979 that more than 300 homes had been taken in fee. Only a few easements had been given.

The man who sponsored the legislation was the same Congressman Seiberling who had originally spoken of conserving the people along with the land. Publicly he gave his support when a halt on further purchases was called for by the people whose homes were threatened by the park. But he was determined to make a park for his constituents in Akron.

So privately, Representative Seiberling seemed to support the Park Service seizing more homes.

This Park Service document shows Seiberling both encouraging scenic easements and also advocating more condemnations and more declarations of taking.

LEONARD STEIN-SAPIR. Congressman Seiberling, in his statements before Congressional Committees, prior to the passage of this act, specifically stated that no more than 25 to 30 homes would have to be eliminated from the area to establish this recreation area.

BILL BIRDSELL. Congressman Seiberling has stated this publicly, and to me personally, there was never any intent to protect a community.

LEONARD STEIN-SAPIR. Preserving the community would have added charm to the park. It would have lowered the cost of administration and it would have lowered the cost of acquisition. It was absolutely ludicrous for them to do this but the Park Service has a mind set that all parks should be devoid of people. You can preserve trees, you can preserve birds, you can preserve woodchucks, but people got to go.

BILL BIRDSELL. It's been very clear that throughout the entire thing—and I've attended the hearings for this park and have been here since its inception, and there was never any intent for a protection of a community in the sense within the park. The law is very clear. It says that we are to establish a National Recreation Area to meet the needs of, for urban recreation in this metropolitan area. And, of course, you cannot do that and still protect everyone's interest who happened to live within the geographic area.

1ST PARK RANGER. KAOP, seven—three—one, echo.

2ND PARK RANGER. Seven—three—one—three, Delta one—two. I'll be out at the security check of the Rowhack property on Miles Road.

JESSICA SAVITCH. So the Park Service continued to close doors all over the valley. To make sure that the houses it had bought remained locked up, the Park Service sent armed rangers out on patrol.

But these purchases cost so much more than scenic easement that they helped push up the estimated price of the park from $35 to $166 million.

These costs overruns were not the only cause for concern. A storm of criticism came from those who were losing their homes. They charged that the Park Service was high handed and inconsistent.

Ranger Fred Reese.

FRED REESE. Anytime you come into an area that's already established and basically, mandated by the U.S. Congress, to set up a park with people already living in the area, I don't really think that it's possible not to have a PR problem.

JESSICA SAVITCH. This PR problem led area newspapers, like the now defunct Cleveland Press, to headline the park's treatment of the tiny community.

This local affair became a regional issue after a series of articles by reporter Peter Almond.

PETER ALMOND. This idea for the series on the Cuyahoga Valley Park came about through our desk and our city editor who have been in touch with the various community groups who have been protesting what the Park Service had been doing for quite some time. So I was called on to just take a look. And my inclination, both my inclination of myself and my city editor, we're both outdoor types, was that there must be something wrong with the homeowners. This is a noble concept, something that the press in fact had been pushing for some years. I went out and just started looking around. It took about a month and I just drove from one end of the park to the other and I became aware that there were indeed a lot of problems and things just didn't seem right. I went through this little village of Everett and seeing all these places boarded up with stickers on there—U.S. Government Property Keep Out—you really begin to wonder, well, why is all this being done? And that's how come we came to concentrate on this question of really what's going on. I don't think anybody had been objecting to the fact that there was going to be a park, it was just the way that it was being done.

JESSICA SAVITCH. One of Peter Almond's stories focused on the A-frame owned by Leonard and Beverly Phillips.

PETER ALMOND. I just drove up Chaffee Road, in Sagamore Hills and said I wonder what's down there. The rest of the development was untouched, but the three houses at the end were not. So I knocked on the door and started talking to Mrs. Phillips.

LEONARD PHILLIPS. The reason they were going to take these three homes here is because down from the valley, you know like in the summer, winter months, and that there, you could see the houses. And, they didn't want anything, you know, showing in the park. So that's when they approached us and they told us that they were going to take these three houses here.

BILL BIRDSELL. That A-frame that he refers to is visible from down in the valley as an intrusion as you're walking through the valley, in the pine area Narrows and look up. So for those reasons, the trail going there and the visibility, that property was acquired.

PETER ALMOND. Well I stood on that property and looked down, I couldn't even see the river. And I thought this was an interesting story. I drove around to the other side of the valley, on the rim I couldn't see across the other side.

Now this of course was March. The trees hadn't yet come out into full flower, full leaf. And so you could see all the way through and I couldn't see, I couldn't see what they were talking about.

JESSICA SAVITCH. The A-frame was on the very edge of the park, barely fifty feet inside the official park boundary. In fact, as this map shows, it was located in the narrowest part of the park. There are no roads here and hardly any visitors.

But other houses were allowed to remain. Some of them in the most beautiful and most visited parts of the park.

For instance, close to Hale Farm, one of the park's most popular attractions, is the home of an influential local newspaper editor whose home was spared. The owner was one of the few granted a scenic easement even though his house is barely 600 feet from the entrance to Hale Farm. Critics charged the Park Service with inconsistency.

They also raised questions about the park's treatment of small businesses like Natalie Valcanoff's once thriving flower shop.

BOB VALCANOFF. We were angry. Here we are, we've established ourselves in this area. All of a sudden to have somebody come up and say hey you gotta move, we want your property.

NATALIE VALCANOFF. I cry a lot. I'm bitter. I've lost a lot of weight and I've aged.

BOB VALCANOFF. We were told what we were supposed to get and what we were going to do and that was it, whether we liked it or not. Upon refusing that, then we were told if we did not accept their offer that we could face condemnation. Ninety days is not nearly enough time to move a business that's been here for 28 years.

BILL BIRDSELL. The flower shop itself is a commercial operation that was incompatible with the park being developed as a public use and so that had to go. The house will eventually be disposed of as will the flower shop. We try to find adaptive use of any of the structures we can, if there's an administrative need. But the size of that shop and its location we don't project any use for that at the present time. It'll be simply obliterated and become public use area along the river there.

JESSICA SAVITCH. But just a short distance up the river a much bigger commercial enterprise had been spared by Birdsell. Here in the very center of the park, on the banks of the Cuyahoga River was the Jaite Paper Mill.

Though the Mill was clearly an eye-sore, escalating costs had left the Park Service unable to afford it for the foreseeable future.

Smaller concerns like John Szalay's were supposed to go. He'd raised sweet corn and sold it to tourists in the summer.

Bob Bishop, who grew Christmas trees for the winter season had his business bought up and closed down.

One of those who could make no sense of this was their neighbor, Lily Fleder.

LILY FLEDER. The federal government did not invent this. This was all here before and the local people knew what brought people here. They came to buy sweet corn and vegetables. They came to buy Christmas trees, they came to drive through the roads. And what are the first things that the government does? You can't raise this sweet corn here, that's not compatible, you can't sell Christmas trees, that's not compatible. Now they're saying you can't drive through the park, that's not compatible either. If they wanted to go about closing something off so that nobody could see it, they couldn't be doing a better job than they're doing right now, I don't think.

JESSICA SAVITCH. At park headquarters, Bill Birdsell continued to work on his master plan.

The park superintendent was supposed to draw up a detailed plan of acquisition and make it available to the public according to the Congressional act that created the park.

BILL BIRDSELL. We had to determine in planning this park with the public input which areas would be actually acquired in fee and would therefore be public lands open to the public, as called for by the enabling legislation

JESSICA SAVITCH. Though he often talked about his plan, the public was kept in the dark.

PETER ALMOND. I asked the Park Service do you have a plan and they produced a master plan but it wasn't an acquisition plan. It didn't say how they were going to obtain the houses, or any other properties, in what order and why. And from what I could read of the original authorization by Congress that that was definitely required to have an acquisition plan and I didn't see one.

JESSICA SAVITCH. For those protesting against the park this was a crucial omission. It deprived them of their legal right to know the intentions of the Park Service. Their confusion and uncertainty meant that effective opposition was only organized when it was too late.

LEONARD STEIN-SAPIR. They're buying homes for hundreds of thousands of dollars that they don't need, and they're bulldozing them. I mean it's sheer lunacy. They're destroying family homesteads that have been in the same hands for generations for no reason.

BILL ERDOS. We are for the original concept of the park which was to preserve the area. To keep the trees, to keep the people living here to have the farms maintained. To keep the village intact. That's what we're fighting for and protesting for.

JESSICA SAVITCH. The protestors were very bitter that Congressman Seiberling was one of the few who was enjoying a scenic easement, which enabled him to keep his home in the park, while so many others were forced to go.

CONGRESSMAN SEIBERLING. That's democracy. We'll never find in any group everybody agreeing. It's inevitable when you do something this big that some people aren't going to want it. What I'm really saying is that the public interest must be served. And as far as I'm concerned my personal interest, and everyone else's personal interest that lives in this valley, is secondary to the public interest.

LEONARD STEIN-SAPIR. What I'm trying to say is a bureaucratic agency has trampled the rights of people illegally.

CROWD MEMBER. Well you're using emotional words, like trampled . . .

LEONARD STEIN-SAPIR. What's wrong with emotional words? You're talking about people's homes.

LILY FLEDER. It's just ironic that in the time we have lived here there have been so many battles. The people of the valley have worked so hard to preserve it as it is and they did such a good job that it was desirable as a National Recreation Area. But, you can't help but wonder if the people who came in and said well this is lovely, we'll take it, have any idea of what went into keeping it this way. There were all these battles over the high tension lines that were going to go right through town . . . so we lost that one . . . but still we won something because they painted them green and moved them over a little bit. 271 originally was going to cut right through the center. Do you know what's involved in getting, once the engineers have a road on the map, in getting them to move that? You can't imagine. And the people of the valley did all that. It seems as if the whole time we were here we were always working on something like that and so were our neighbors. And what's, so what do you get for all that. You know, out.

BILL BIRDSELL. It's like any other public project, some people are effected for the good of all, and it goes right back to the Constitution of the United States where a man's property is his and inviolate unless there is a need for the good of all, and then, therefore, it must be subservient. The right of eminent domain. And so this is what we're doing in our land acquisition, we're very comfortable that it's been well planned. It is not in any way arbitrary. It's been well established, well thought out, hundreds of hours of experienced man power has gone into developing this plan and while it is in conflict with some individuals, we still believe it is certainly within our mandate and what we were charged to do.

JESSICA SAVITCH. Having acquired the homes, the Park Service enlisted the aid of the local fire department.

FIREMAN. The firefighters are taking a training session today. The house is part of the Cuyahoga Valley National Park and it's slated for demolition. We gained permission from the Park Service and the EPA to burn it instead of just demolishing it. That way they get rid of the house and we get the benefit of the training at the same time. We'll be here all day until this house is completely to the ground.

MARK JURY. What'll be here at the end of the day?

FIREMAN. That slab and this will be a slab too. That'll be all that's here. And they'll send a bulldozer in, to take it away, and this will all be considered reclaimed ground for the forest.

MARK JURY. How often do you do this kind of exercise?

FIREMAN. As often as we can a place to destroy. Not many people want to volunteer their homes.

JESSICA SAVITCH. As the fires inflamed the passions of the community, more local reporters began to take notice.

ANNOUNCER. WJKW, TV 8, Cleveland.

JUDD HAMBRICK. Property owners in Peninsula are really upset, saying they're losing land to the government. Newscenter 8 citycam reporter, Dale Solly is standing by with a live report on tonight's angry town meeting. Dale.

DALE SOLLY. Well Judd, the residents are angry because the Cuyahoga National Recreation Area. A 32,000 acre park between Cleveland and Akron. The people of the valley say that park is costing them their homes.

LEONARD STEIN-SAPIR [at meeting]. They're taking these homes because in the mind of some bureaucrat it would be better to remove them and have open space than have a family living there, paying taxes and raising their children there.

DALE SOLLY. The residents charge the Park Service is coercing them out. Pressuring them into selling their homes for park land. In between the shouting, Congressman John Seiberling tried to explain the government's view, that the park is bigger than what the residents want.

CONGRESSMAN SEIBERLING. The concerns of the several hundred people that live in this valley are important. But the concerns of the millions of people who are people who are going to use this park are also important.

DALE SOLLY. The residents aren't against the park they say, only against what they

call the destruction of the community. However, what their efforts to save that community will do remains to be seen.

JESSICA SAVITCH. In his efforts to save the community, Leonard Stein-Sapir went to Washington in the summer of 1980.

He still hoped to persuade the Park Service to stop buying houses so as President of the Homeowners Association, he arranged a meeting with the head of the National Park Service, Russell Dickenson.

RUSSELL DICKENSON. Anybody who was generally expressing, was the kind of concerns that many of the homeowners in the National Recreation have about the future, where they were headed and the impact of the National Recreation Area project on their lives. And we had an exchange of views and they've now gone on their way.

LEONARD STEIN-SAPIR. My feeling was that this is a large corporation. The Interior Department is a large corporation. He's the executive head of it, they have a subsidiary company in the Cuyahoga Valley where there are a few problems and he will do what he can, to see, if there are problems. It's very clinical, devoid of any emotion.

RUSSELL DICKENSON. One of the things that's associated with parks is open space. But in establishing a new area, such as a National Recreation Area where you have residential communities already in place. The question is always, how much residential, how much residential space ought to be allocated and how much open space. And essentially, that seems to be the continuing question.

PETER ALMOND. The open space concept is one which, as I understand it, helped to create Yellowstone, and all the famous parks out in the west where they wanted to maintain the natural beauty. This was not just going to be an open space kind of park. There were communities involved. That's the reason it's not called a park, it was called a National Recreation Area. I wondered whether the National Park Service, and those in Washington, understood what it was that they were going to create here in the Cuyahoga Valley.

JESSICA SAVITCH. What they were trying to create was a wilderness park where every tree and flower and animal would be protected by federal laws.

The laws were strictly enforced and became a new source of bitterness for the local people.

BOB VALCANOFF. The party sold their property to the park, retained rights to live there. Their dog killed a groundhog.

LILY FLEDER. And a park ranger came by.

DOGOWNER. He said is this your dog and I said, yes. And he said well he just killed a woodchuck in the corner. And I said well the farmer that has that little garden down the road, he'll be coming up and thanking me.

BURRELL TONKIN. They charged the lady with harassment to the groundhog or the woodchuck, not the dog. Of course, I guess the dog couldn't be.

LILY FLEDER. Then, they had to pay a 15 dollar fine or else go to court.

DOGOWNER. And I asked him, I said well my husband's got a garden out here. You mean, if the woodchuck comes in there, any self respecting woodchuck is gonna eat cabbage and lettuce instead of weeds. You mean that we can't do nothing about it, he said no.

JESSICA SAVITCH. The Park Service had also said no to all the Valcanoff's appeals to continue to run their business in the valley.

So in the spring of 1980 the time had come for them to leave their home next to the flower shop.

NATALIE VALCANOFF. Do you want me to tell you something? I caught Bob vomiting yesterday. He's so nervous and upset that he just, he's holding his stomach like this. He doesn't want to move. I mean it's affecting him more than me.

BOB VALCANOFF. Well what your standing in is my ideas.

NATALIE VALCANOFF. He built it.

BOB VALCANOFF. I built, I designed this house and built it.

NATALIE VALCANOFF. Like I said, in this whole area there's been six houses torched, and if I see this house go.

BOB VALCANOFF. Well, we've been here for 30 some years.

NATALIE VALCANOFF. 28, no 24 here and.

BOB VALCANOFF. Well, we've lived here.

MOVER. I couldn't do it. That's all there is to it. I wouldn't even go.

NATALIE VALCANOFF. That's what Bob said to me yesterday, and no, last week—I started packing things for the truck, and he comes to me, gosh darn, he used different words, he said, we're packing and I'm not gonna move . . . I said Bob we have to, he says well I'm gonna tell the park we're not moving. I said Bob we have to. So I just kept on packing.

BOB VALCANOFF. That's one of the things that . . . I brought Natalie home from the hospital with the new baby . . .

NATALIE VALCANOFF. With Michelle.

BOB VALCANOFF. Which is our youngest. She was born on April 8th and that's when we moved into the house, so we'll start all over again, so well.

JESSICA SAVITCH. After three generations in the valley leaving came hard to the Lindleys.

BOB LINDLEY. They claimed they wanted to beautify the park. Destroy a landmark that's been there for way over a hundred years. it hurts. I spent a lot of hours, a lot of hard work, have 'em come along and tear it down. All you could take.

BILL BIRDSELL. I elected and chose a career to be a public servant. And it's very satisfying to me to know that I'm preserving something for people all the time. I am playing a major role in that. There's certainly a personal gain for me, I won't be here 25 years from now to enjoy the benefits of the park. But I get a great deal of satisfaction in knowing that it's something that is going to be here in perpetuity and a major project that is going to benefit the public forever.

JESSICA SAVITCH. Birdsell was never to see his vision become a reality. His clashes with the public had made him too controversial a figure. In Washington, the Park Service hierarchy decided to move him aside. It was a shattering blow for Bill Birdsell.

PETER ALMOND. Three or four months after the series had appeared in the paper, Birdsell was reassigned. But Birdsell didn't leave the valley. He died, had a heart attack, and died as he was cleaning out his desk I understand.

JESSICA SAVITCH. Shortly before Birdsell's death, the land acquisition policies of the National Park Service were roundly criticized in this government report.

Senior Group Director Roy Kirk.

ROY KIRK. In our reports we recommend that the Park Service sell back lands to private property owners where the acquired lands, inconsistent with intent of Congress, or where they really weren't needed for the purposes of the area.

JESSICA SAVITCH. In 1981 a second government report confirmed many of the criticisms that had already been leveled at the Cuyahoga Valley Park.

Senior Evaluator Phil Olsen.

PHIL OLSEN. As it turns out, you have less than one percent of the people's property being acquired in scenic easement for all intent purposes, almost 99 percent of the park is going to be acquired in fee simple.

ROY KIRK. What we like to see is the Park Service justify, through land protection, plans and management plans where they need to acquire land in fee title or where they could use alternatives, such as easements or rely on zoning.

PHIL OLSEN. According to enabling legislation the area was supposed to come up with a land acquisition plan as to how they would acquire the properties. It was supposed to be completed by December of 1975. Well that plan never came about until 1980 and made available to the landowners in June of 1980. The first time I saw a formal land acquisition plan. As a result many homes were being bought without the people really understanding what the intent was behind a lot of the Park Service's action.

JESSICA SAVITCH. Taken together the two government reports formed an indictment of the Park Service's land acquisition policies.

With so much controversy surrounding the park, Birdsell's successor, Lewis Albert, decided to keep a low profile, and steer a middle course.

LEWIS ALBERT. It's like walking a tight rope sometimes. Because there are clearly conflicting interests. There are some people who think this recreation area should be perhaps paved over and into one big ORV system. There's another group that says no, all they want is three million miles of equestrian trails. Everyone has their own interest, or series of interest. Yet I see my job as being one of balancing those interests, and wherever possible, satisfying the public's needs where it can be done in consistence with a broader, national policy and national function of the National Park System. Certainly, our acquisition of properties was displacing people, creating hard feelings. Some of which were justified perhaps, some which weren't. I'm not going to make the value judgment now but some hard calls had to be made.

JESSICA SAVITCH. Albert's judicious balancing act meant that he wouldn't condemn any new homes, but he wouldn't give any back either.

So in the winter of 1981, despite the government reports and a new park administration, the local residents were left exactly where they'd always been, on the way out.

BURRELL TONKIN. It's like a military operation, you know. They don't have much compromise at all. There's no give, there's no flexibility to them at all. They say they're going to do something, they go ahead and do it. Yeah, this is the end, this is the end. Yeah, this is the end of the Tonkin in the valley here. They're all gone now, 'cept me and Grandma.

JESSICA SAVITCH. But by the end of that winter it seemed that there might be grounds for hope. In Washington, at the Department of Interior, a new Secretary, James Watt, was appointed by the budget-conscious Reagan administration.

Watt's new policies seemed like a last minute reprieve to the homeowners.

ROY KIRK. Secretary Watt has established a moratorium on land acquisition, except in those cases where, apparently it's under

court order, or there is definitely a hardship, or it's really critically needed to acquire the land to protect a resource.

JESSICA SAVITCH. So in the spring of '81, Leonard Stein-Sapir arranged a second meeting in Washington. On his first trip he put his case to the head of the National Park Service but after eight months he was still waiting for a reply.

This time he was meeting with the top officials in the Department of the Interior.

Ray Arnett, an under-secretary was among those present.

LEONARD STEIN-SAPIR [at meeting]. Over 400 out of the original 500 residences have either been acquired in fee already or are presently in condemnation. What the Park Service is doing now, is they're taking homes that were purchased, homes that were worth 40, 50, 100 thousand dollars and they're giving them to the local fire department to burn for practice.

NO. 1 AT MEETING. They tried to manage it like Yosemite.

NO. 2 AT MEETING. EXACTLY.

NO. 1 AT MEETING. You've got an elite category in the National Park Service who are trained, who have spent 20 years managing the National Parks as natural areas.

NO. 3 AT MEETING. There's another factor, too, that nobody mentioned. That is the Park Service contracted with the Corps of Engineers to perform the acquisitions. The Corps isn't in the habit of going out for easements. They want to flood something.

NO. 1 AT MEETING. And the most poignant central fact, is that the people did not have to be kicked off their land in order to have a wonderful park. They could have stayed.

NO. 4 AT MEETING. It's not dead yet.

BARTON CRAIG. It is not dead yet. There are three classes of situation; there are the people who are in condemnation right now, but have not lost title to their property. Our recommendation would be that those condemnations be dismissed, immediately by the government. Number two, is the classification of people who are living under a scenic easement or a term of years. My recommendation, with respect to those people, and that's well over a hundred people, a matter of fact Birdsell has over 172, I believe, in 1979, living under scenic easement or a term of years. Our recommendation with respect to those people, is that they be permitted to buy back the interest in their land that they had to give up to the government. In other words, give the government back its money, less some amount to compensate them for the inconvenience, and they get back full fee title to their property.

LEONARD STEIN-SAPIR. Well, subject to a scenic easement, however, so they can't be commercially developed.

NO. 5 AT MEETING. You mean the homes that are there that have been purchased, give 'em back their money—give 'em their homes.

LEONARD STEIN-SAPIR. Exactly. They'd agree to that, absolutely.

LEONARD STEIN-SAPIR [outside meeting]. I'm so happy. I can't tell you. It looks good and we spoke with people in authority. We spoke, among others, the Under Secretary of the Interior, the second man in command in the Dept. of the Interior and, as Tom says, they were sympathetic.

JESSICA SAVITCH. But for some valley residents this possible solution had come too late.

BOB LINDLEY. This Stein-Sapir, he called me one day and said would you be interested in buying your old property back? He said we're working on something now, through the government, that the old homesteaders could buy back their old property. I said, well you're just a little bit late. I said, there's nothing left. First they tore down the barn. Our neighbor, Alexanders, told us that they came in with bulldozers and leveled the house right down, covered up the basement. I don't know if they did anything with the well or not. They just deliberately tore it down and hauled it away in trucks.

EVELYN LINDLEY. There's just no word to express it, the feeling that it leaves you with. And also that our ancestors aren't here, any of 'em, to see this happen because I don't think any of 'em could have taken it.

JESSICA SAVITCH. The months passed and gradually, the hopes raised by the meeting in Washington began to fade.

LEONARD STEIN-SAPIR. Never heard a word. Nothing, absolutely nothing. Since the euphoria of that meeting where it appeared as though people were in power who were sympathetic to our cause. We've really heard nothing. The bureaucracy here has not changed. And it appears as though the bureaucracy in Washington is more involved with higher political things than the welfare of a community in the Cuyahoga Valley.

JESSICA SAVITCH. Only a few could afford the money and time to fight the government. So more and more people were leaving the valley.

BURRELL TONKIN. You have to have some authority, you know, to have plan and have progress. But, they could have done it a lot more gently than they did, I think. People, the residents of the valley—not caused as near as much disruption as they have, but I guess they chased all the riff-raff about out now. So, they get us out I guess they can do what they want.

JESSICA SAVITCH. With the destruction of the community nearly complete, Leonard Stein-Sapir was to make one last trip to Washington.

This time the House Interior Appropriations Subcommittee heard his appeal. But the committee was hostile. When forced to sell open land he'd made a profit. Some on the committee questioned his motives implying that his efforts to save his home were insincere.

COMMITTEE MEMBER. Because of the creation of the park.

LEONARD STEIN-SAPIR. Yes, at great financial cost, and most tragically, to no good purpose. All in the name of preservation. Practically without exception, everyone in the valley was in favor of the creation of the recreation area because we knew that eventually developmental expansion would take its toll. However, both our community and Congress were told that an act of this structure would preserve our homes and community by means of preservation easements. And that the remaining open space areas would be purchased in fee. But now, over 425 out of the original 500 homes, in the original park boundaries have been bought out by the government. The tragedy of the Cuyahoga Valley has consistently been justified by its proponents as a great victory for all people, for all time. But I implore you to be suspect of those individuals who are ready to sacrifice the rights of individuals, families and communities, for general concepts of the public good, with no responsibility of the burden or proof. We're fighting this battle, we feel, for all of us. Because if we lose this lonely battle we feel that we will all be the less for it.

LILY FLEDER. It's a beautiful picnic area, no question about it. But there was a home here. We never see anyone using it. Why did the home have to go? Out of 32,000 acres. It's inconceivable to me that Congress could specify in the enabling legislation that this community was to be allowed to remain here and that this was ignored.

JESSICA SAVITCH. Today, the Lindley family property like others in the valley is open space.

Bob and Evelyn have purchased a new farm near Hudson, Ohio. They say they will never go back to the valley.

This was once the Valcanoff's flower shop. But now the Park Service says it may invite some businesses to come back to the valley. But it's too late for Bob and Natalie. They moved their shop to a mall in Akron.

The Erdos home is one of those now owned by the government. It is still unclear how the Park Service plans to use it.

So the family will build a new home, once again, from the ground up. Bill Erdos expects the job will take him ten years.

The little town of Everett remains empty and boarded up. But now there's talk of making it an artist's colony.

This house on the edge of town once belonged to the Tonkins. Like many others, it will be destroyed. Burrell and Grandma have a new place. She is 90 and still in good health.

After four years in federal court, Leonard Stein-Sapir's home was acquired by the government on Christmas Eve, 1982. The family remains in its home but their children are growing up in a dying community.

The school system has been disrupted, two of the churches are closed and the library is struggling to survive.

Leonard continues to fight the government through a class action law suit that he intends to take to the Supreme Court.

When the park was created it was meant for the good of all. It was meant to preserve the community. It was done with the best of intentions. But perhaps it is in the pursuit of the greatest good we should take the greatest care.

UPDATE

JESSICA SAVITCH. The fight over parks continues . . . but there are ironic twists to the story.

Yet another switch in federal policy has occurred since this film was completed. Secretary of the Interior, James Watt, has ordered park managers to come up with "land protection plans", a way to preserve existing properties short of outright acquisition.

While these plans are designed . . . the Park Service has delayed spending money to buy properties, and so across the country, there is a whole new group of property owners . . . angry at the Park Service, but for different reasons, now. They want to sell, but can't. Many testified at a Congressional hearing last month, claiming the delay is hurting them, financially. They're paying interest, taxes on land they can't sell to anyone else, and can't sell to the Park Service.

They've become the newest group of people caught in the struggle over policies, practices, and philosophies in the making of our national parks.

SENATOR BILL ARMSTRONG

Mr. SYMMS. Mr. President, in 1978, a man was elected to the U.S. Senate who had established himself as one of this country's truly great conservative

leaders. Now, after 5 years in the Senate, Senator BILL ARMSTRONG is continuing to prove to America that he is a man of true conviction and determination. BILL ARMSTRONG did not come to Washington to win over the hearts of the people, but to make a difference in our national priorities. He has somehow managed to do both.

As the junior Senator from Colorado, Senator BILL ARMSTRONG is a man of political toughness, undying devotion to his principles, and relentless perseverance. He is ideologically pure in his firm opposition to abortion, his repeated calls for a constitutional amendment to balance the budget, and his support for President Reagan's defense buildup. Senator ARMSTRONG is a real specialist in fiscal matters, and feels it is his main purpose to protect the American taxpayer.

During Senator BILL ARMSTRONG's short stint in the U.S. Senate he has gained the distinguished recognition of being one of the Senate's most respected conservative Members. He is presently serving on three key financial committees in the Senate: Banking, Budget, and Finance, and he chairs the Subcommittee on Social Security and the Subcommittee on Financial Institutions.

Much of the good Senator ARMSTRONG does for this body never reaches the public eye. My colleagues and I know BILL ARMSTRONG as a Senator who is frequently offering a word of encouragement in the darkest hours of this pressure-laden body. He has a strong reputation as one who sticks with his friends even when it is not popular. He is a man with a deep sense of compassion and an unshakable faith in God, and often takes time out of a busy day to hold a Bible study in his office.

A recent article appeared on April 17, 1983, in the Denver Post complimenting Senator ARMSTRONG on his great integrity and legislative knowledge. I have come to deeply admire Senator ARMSTRONG and feel this article would be of interest to other Members of Congress. Mr. President, I ask unanimous consent that this article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Denver Post, Apr. 17, 1983]

ARMSTRONG IS EMERGING AS GOP STAR

(By Kenneth T. Walsh)

WASHINGTON.—Colorado's Bill Armstrong comes across as the chief choirboy of the U.S. Senate, a clean-cut, plain-spoken, earnest freshman described by one friend as "a very honest guy in a city of double dealers."

But Armstrong's affable image camouflages his ideological fervor, his political toughness and his aggressive desire to make a difference.

The 46-year-old conservative is solidly favored to win a second term next year in Colorado.

But, on a broader stage, he is emerging as a new star in national Republican politics and is increasingly touted as presidential material.

"He's the talk of the conservative movement," said Paul Weyrich, head of the conservative Committee for the Survival of a Free Congress.

"Only two or three people in the whole conservative movement are as uniting as Bill Armstrong," Weyrich told The Denver Post.

Armstrong generally sings the praises of President Reagan, the longtime hero of the Republican right. But the Colorado senator has broken with Reagan on several volatile issues, including Social Security.

Those disputes have centered on issues of conservative purity, where Armstrong thought Reagan was straying from the correct ideological path. And not coincidentally, the issues generally have resulted in national headlines for the Colorado freshman.

Bill Tucker, a Denver lawyer and longtime Republican organizer, said, "Armstrong is definitely a man who marches to his own drummer." And the senator agrees.

Armstrong said in an interview he often will stake out a position as a "benchmark" to help shape debate. "On some issues I have played a Lone Ranger role," he said. "Im not uncomfortable with the idea there are times when my job is to stake out a completely independent position.

"Before you win, sometimes you have to be willing to lose, maybe even several times," he added.

Asked if he has changed while serving in Congress, the senator said, "I think I am better able to accommodate and thrive on frustration than I once was." That frustration almost made him decline to seek a second term in the House in 1974, and Armstrong said that, at times, he still goes home "heartsick" when he loses a vote.

But, he noted, "If you want to advance the political frontier and the intellectual frontier, you've got to be willing to take the hard knocks and absorb defeats."

He also said, "I'm a lot more intellectually tolerant than I was when I first came to Congress."

During more than a decade in Washington—six years in the House and five in the Senate—Armstrong has specialized in fiscal matters. He says that when money is being spent, he wants to be at the table to protect the taxpayers. And he has won positions on the key financial committees of the Senate—Banking, Budget and Finance. He is chairman of the Finance Subcommittee on Social Security.

However, Armstrong argued that his record is more broadbased than many people realize. "My political personality is normally identified with budgetary restraint and not trying to liberalize, but I have done both," Armstrong said. Among his proudest achievements, he said, were helping obtain pay raises for the military and "liberalized" Social Security benefits for women.

In general, Armstrong remains one of the Senate's most conservative members. Foreign policy is a good example.

The freshman Republican said the Soviet Union never has given up its goal of world domination and the United States should try, "in a non-belligerent way, to prevent the expansion of the Soviet Union.

"I'm not suggesting that we send paratroopers into Poland," Armstrong said, stressing that such a solution would be naive and too risky. But he argued that, "We have a responsibility to try and enlarge the frontiers of human freedom."

Armstrong said communism is "morally reprehensible" and agrees with Reagan's description of the Soviet Union as "an evil empire."

"It's a police state," Armstrong said. "Of course it's an evil regime. They intend us harm. They've said so. They've shown it."

The boyish-looking former radio broadcaster is a devout, born-again Christian who bows his head and says grace before every meal, whether it's at a private dinner or a public luncheon.

In an article lauding Armstrong in the February issue of Conservative Digest, Weyrich wrote, "He is a senator who is frequently called on to give a pep talk to a colleague who has hit bottom, to give comfort to someone who has been afflicted, to give witness to the Lord's power and strength when His servants get weak.

"This is a man who will take time out of a busy day to hold a Bible study session in his office with fellow senators and then host other sessions at night in his home," Weyrich added.

A Washington Republican who has known Armstrong for years said, "He's always struck me as enigmatic. I don't know if he ever lets his hair down, so to speak, even with his staff."

Yet in his political life, Armstrong is anything but soft-spoken and retiring. For example, he is a forceful and aggressive campaigner and a excellent fund-raiser, collecting $1 million for his 1978 Senate race. This powerhouse reputation has discouraged any big-name Colorado Democrats from emerging so far as challengers when Armstrong seeks re-election as expected next year. Gov. Dick Lamm and Rep. Tim Wirth, the leading contenders, say they aren't running.

Among those mentioned as possible Democratic candidates are Lt. Gov. Nancy Dick and Treasurer Roy Romer.

Beyond that, the right wing of the Republican Party, led by people such as Weyrich and direct-mail specialist Richard Viguerie, think there are bigger things ahead for Armstrong. In fact, the Republican right increasingly touts the Colorado conservative for the presidency or vice presidency.

Conservatives especially appreciate his ideological purity—his opposition to abortion, his repeated calls for a constitutional amendment to balance the budget, his support for Reagan's defense buildup and his insistence on massive tax cuts.

His fans also are impressed with his diplomacy, his easy-going manner and his disdain for obstructionism. Unlike other right-wing hardliners such as Sens. Jesse Helms and John East, both North Carolina Republicans, Armstrong doesn't set liberal blood to boiling.

"Even when you disagree with him, you can't dislike him," said Weyrich. "He is not a threatening individual."

Weyrich was the one making the comment that, "People see him as a very honest guy in a city of double dealers."

Last February, Armstrong was the second choice for the presidency, if Reagan doesn't run, among members of the Conservative Political Action Conference. The conservatives' first choice was Rep. Jack Kemp, R-N.Y.

Tucker said, "If the president doesn't run, Armstrong would definitely be considered by a number of groups in the country, especially the conservatives. I think Armstrong has to make it known whether he's interested in it and probe as to how wide that support is."

Weyrich said, "I wouldn't be surprised if he ended up on somebody's ticket" for vice president.

But Armstrong seems to have little interest in a national race—at least not now. He apparently is content at this time to play the Senate's chief conservative choirboy, to run for re-election in 1984 and try to keep Reagan faithful to the party line.

Armstrong says Reagan will seek re-election next year and win that for himself he wants only a second six-year term in the Senate.

But if Reagan doesn't seek another term, then the GOP presidential field will be chaotic, and Armstrong's allies expect that fellow conservatives will pressure him to run. Already some members of Armstrong's staff are chomping at the bit. They seem envious of the media attention given to fellow Colorado Sen. Hart, who is seeking the Democratic presidential nomination.

Armstrong also has shown little interest—until recently—in taking a formal leadership position in the Senate. But he told The Denver Post two weeks ago that he might run for Senate majority leader when the job becomes vacant in 1985. The incumbent, Sen. Howard Baker of Tennessee, is retiring from the Senate.

His fellow senators may not find him the most appealing choice to succeed Baker, however, "Some of his colleagues in the Senate don't like him because he has forced them to vote on some issues, like the pay raise, that they didn't want to be forced to vote on," Weyrich said. "They resent it."

As with the question of running for nationwide office, Armstrong's innate caution about majority leader is seen as indecisiveness. "Armstrong is respected for his integrity and knowledge by the rest of the senators, but if he is interested in a leadership position, it's something that he probably should go after early," one Washington Republican said.

This reluctance to commit himself bothers even Armstrong's fans. "He is a little bit slow in making decisions," one widely known conservative told The Post. "He keeps things on the burner, keeps them on the burner and he won't resolve it."

His stubborness also annoys his colleagues, although he rarely antagonizes anyone, this conservative said.

Throughout his political career, Armstrong has chosen his areas of emphasis carefully and sparingly. "He picks his battlegrounds with two things in mind," said Tucker. "One, that he can win but also to make a point."

He doesn't make a splash often, but when he does it's likely to be a big one. One example this year was on Social Security, over which he opposed not only a majority of Congress but President Reagan himself.

Armstrong bucked a congressional tide March 25 and voted against the final plan to bail out the troubled retirement program. The measure cleared the Senate with Reagan's blessing on a 58-14 vote, but Armstrong voted no. He said the final Social Security bill lacked "the ingredient that I felt absolutely essential—a reasonable certainty we had solved the problem."

He said the bill wouldn't guarantee that Social Security would remain solvent and there is a strong possibility that the system will go bankrupt in 1985 or 1986.

One of Armstrong's main objections was that Congress had dropped a provision that if a key Social Security trust fund got into financial trouble, an automatic restraint would be imposed on cost-of-living increases, starting with higher-income individuals.

Armstrong became a major figure in the Social Security controversy from the time he announced he would fight key recommendations of a presidential advisory commission in mid-January. Armstrong complained that the package relied too much on tax increases instead of "benefit restraints."

He won some of his points, such as reducing the administrative burden of Social Security on small business. But he lost on the most important one and was unable to stop Congress from increasing taxes. For example, he tried to eliminate a provision speeding up already-scheduled payroll-tax increases, but the Senate rejected his amendment on a 27-67 vote.

Armstrong's occasional opposition to Reagan's policies hasn't made him popular at the White House. "The complaint is that he's too independent." A presidential aide told a newspaper interviewer "At legislative strategy meetings there has often been more shouting about him than any one else."

Mr. SYMMS. I yield the floor.

RECOGNITION OF SENATOR SPECTER

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized for a period not to exceed 15 minutes.

Mr. SPECTER. I thank the Chair.

AMERICA'S INLAND WATERWAY SYSTEMS

Mr. SPECTER. Mr. President, I rise today to report to my colleagues on a trip which I made yesterday to visit the Emsworth Locks and Dam on the upper Ohio River to get a status report on the inland waterways system which is so vital not only to western Pennsylvania but to many other States in the area. I came from that visit with a conviction that it is indispensable that we move ahead with dispatch to act to correct the deteriorating locks and dams on that very vital system. This is a problem which has long been with the inland waterways system, with the Emsworth lock having originated in 1921, thus being some 62 years old, and other facilties having been constructed in the twenties so that the entire area is very much in need of repair.

It is an especially critical problem for western Pennsylvania which suffers mightily from the problems of unemployment. As the Nation has been experiencing an economic recovery, that recovery unfortunately has not affected smokestack industries like steel and coal on which western Pennsylvania and the neighboring States rely.

As I held open houses in Washington County, Westmoreland County, Fayette County, and Greene County yesterday, I observed very high unemployment rates, as high as 22 percent in Fayette County. On each of these occasions as I addressed groups in the neighborhood of 100 to 150 in the open houses and asked how many people in the audience were unemployed and in search of work, anywhere from one-third to one-half of the hands were raised. It was obvious to me that more has to be done on the problem of unemployment, especially as it affects an area like western Pennsylvania. If the inland waterways system is not corrected, there will be a loss imminently of 17,000 jobs. It is vital that modernization and replacement of the appropriate locks and dams move ahead at an early date if they are to be completed in time to save the deteriorating inland waterways system from complete collapse.

During the course of the past several weeks, I have had occasion to confer with representatives from the Army Corps of Engineers. I have been very much impressed with their professionalism and with their studious approach to the issue of correcting the defects in the inland waterways system.

I have been impressed at the same time with the very slow process of completing the appropriate authorizations and appropriations to make those necessary repairs.

The item of tremendous importance at the present time is action on locks and dams 7 and 8 where the matter has been under serious consideration for more than a decade. However, we are still far from action unless there is activity initiated very promptly within the Committee on Environment and Public Works. Toward that end, I am today writing to Chairman ROBERT STAFFORD and also to the Chairman of the Subcommittee on Water Resources, Senator JAMES ABDNOR, bringing them up to date on my findings yesterday and the need for action on these two particular locks and dams. But I think the matter is of sufficient importance and involves sufficient States that it ought to be a matter for the Senate itself to be aware of and to act upon.

As to locks and dams 7 and 8, there had been a recommendation from the Secretary of the Army back on May 5, 1972, for a replacement of existing lock and dam 7 and existing lock and dam 8 with new and larger structures. The Secretary authorized the recommended work on October 13, 1973, under the 1909 River and Harbor Act authority. Unfortunately, there was litigation in another jurisdiction which ruled that the Secretary did not have the authority which he had exercised as to locks 7 and 8, and that matter was set back very materially.

There have been additional studies under way since 1976, but the course of the study process presents a timetable that the final report will not be submitted to Congress until 1986. If that is done, we will be losing a tremendous amount of very valuable time. That is why I am urging today

that the Committee on Environment and Public Works authorize the replacement of locks and dams 7 and 8 at this time without awaiting the formal report which may take as long as 2 more years.

On an information paper from the corps, it was disclosed that "a survey report (expected to be favorable toward replacement) is scheduled for completion in fiscal year 1984." But, as I say, that report will not be in the hands of the Congress for approximately 2 years. The valuable time that would be lost in terms of avoiding further deterioration would be extremely serious if we do not act now to have a prompt authorization for the replacement of locks and dams 7 and 8.

If any later processing should disclose that such an authorization has not been included, there would always be time for corrective action through the appropriations process.

There is still another issue of importance on the need for immediate action, and that is on the Gallipolis Lock and Dam. It is my understanding that Chief's report on this project is presently in the Office of Management and Budget and has not yet moved through all of the procedural steps. Here again, unless immediate action is taken, there will be irreparable damage done. Accordingly, I urge Senator ABDNOR and the Subcommittee on Water Resources and Senator STAFFORD and the Committee on Environment and Public Works to act to see that that authorization is done and done promptly.

Mr. President, the renovation of our infrastructure on items like the inland waterways system in the western Pennsylvania-Ohio-West Virginia area is a matter of tremendous importance. It has to be addressed and addressed promptly. We have talked about related subjects on the jobs bill in an effort to expedite the flow of funds for jobs, and although we acted on that matter months ago it has taken a great deal of time to have those funds filter down into a jobs program. Action should be forthcoming very promptly on matters such as those that I have addressed today and the important nationwide issue of the condition of the infrastructure on our water resource system. We simply cannot allow these matters to take their normal course, because, regrettably, the process takes too long to address the immediate need and because the deterioration is too extensive to be put off any longer. The improvement of the waterway system ties in with an effort to revitalize the economy and provide jobs. I thank the Chair and I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. GORTON). Under the previous order, there will now be a period for the transaction of routine morning business not to extend past 11:50 a.m. with statements limited to 3 minutes each.

A TRIBUTE TO FRANK T. GALARDI

Mr. THURMOND. Mr. President, I rise today to pay tribute to a compassionate and public spirited citizen, my good friend, Frank T. Galardi, of Aiken, S.C., who passed away June 15, 1983. To his lovely and devoted wife, Betty, and family I express my deepest sympathy.

Frank's life was truly dedicated to serving others, and one need only consider his numerous accomplishments to realize the many contributions he made to his hometown and State. The achievements of this patriotic gentleman have been recognized by many, and he received such outstanding distinctions as the Order of the Palmetto, South Carolina's most prestigious citizen award, In addition, he was named Man of the Year by the Greater Aiken Chamber of Commerce and International Goodwill Ambassador by the Aiken Rotary Club.

Frank Galardi leaves behind a large circle of friends, including myself, who feel a great sense of loss in his passing. Yet, his impact on the lives of his fellow man and his humanitarian influence in the community and State will long be remembered.

Mr. President, Frank Galardi's life is, indeed, worthy of emulation. In order to share with my colleagues more about this remarkable man, I ask unanimous consent that an editorial from the Aiken Standard be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FRANK T. GALARDI

Frank T. Galardi was one of Aiken's natural assets and a rare one at that.

He came to this city 32 years ago determined to make himself useful and in doing so to make Aiken a better place. In that he succeeded spectacularly.

Attesting to that were awards from many organizations and commendations from heads of several foreign states.

Mr. Galardi was, about all, a promoter of good causes. Whether it was providing lights for a youth athletic field or raising funds for a child stricken with a rare and expensive disease, he was ready to marshal the support of the community behind the cause and to get it done.

As United Way's public relations chairman, he succeeded in bringing country music star Loretta Lynn to a public concert at the Jaycee fairgrounds. The Fourth of July celebrations he promoted at Barry Traughber Field—another of his projects—were memorable events for which the whole town turned out.

His idea for "Thanksgiving in America," through which scores of foreign servicemen stationed at Fort Gordon were invited as Thanksgiving day guests of families in Aiken, received national recognition, and the Aiken Rotary Club named him its International Goodwill Ambassador. A prayer breakfast for young people was one of many projects he initiated for young people.

A New Yorker by birth, he was a loyal South Carolinian and was particularly proud of the Order of the Palmetto award given him by Gov. John C. West.

He was also Man of the Year of the Greater Aiken Chamber of Commerce and he received the Service to Mankind Award from the district organization of Sertoma Clubs. He had served on the board of the Aiken Rehabilitation Workshop since 1967 and was instrumental in establishing the Workshop Activities Center for handicapped high school students.

He had also served as chairman of the Heart Fund.

After 70 years—much of it spent in good works—Mr. Galardi's own heart gave way on June 15. He left behind a devoted family, a multitude of friends and a community that will long remember the impact he made in the years he spent here.

A TRIBUTE TO JOE DELANEY

Mr. EAGLETON. Mr. President, the people of Kansas City and the Nation suffered a terrible loss on June 29 when a heroic young man, Joe Delaney, lost his life attempting to save two young boys who were struggling in a pond in Monroe, La.

Twenty-four-year-old Joe Delaney, the star running back of the Kansas City Chiefs, felt impelled to help when he saw the plight of the youths. Such was the courage and determination of this outstanding athlete that he could not stand idly by. Sadly, both Mr. Delaney and one of the youths lost their lives.

The achievements of Joe Delaney in the National League were truly sensational. In his rookie year, 1981, he set a Chiefs single-game rushing record of 193 yards against the Houston Oilers. Mr. Delaney went on to finish the season with 1,121 yards for a new Chiefs single season record and was the only rookie starter on the American Conference Pro Bowl team. One opponent said of him, "I've played against O. J. (Simpson), Gale Sayers, Walter Payton, and (Delaney) ranks right up there with the best of them," Houston defensive end Elvin Bethea told the Kansas City Times, "He is great, with a capital G," Mr. Bethea added.

Mr. President, I could fill pages of the RECORD with accolades from Joe Delaney's coaches, his teammates, and his opponents about the greatness he achieved on the field and the boundless potential he exhibited.

More important, however, is that we honor him for the ultimate sacrifice he made when he went to the aid of those struggling youths. All who knew him spoke of his generous spirit, his desire to improve the lives of others. Perhaps A. L. Williams, his college coach at Northwestern Louisiana State, said it best when he said of Joe

Delaney, "He wasn't a big man, but he had a tremendous heart."

Great athletes enrich the lives of all of us who marvel at their achievements in sport. Joe Delaney's greatness transcended the playing field immeasurably, making him irreplaceable as a human being. He will be badly missed.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WILSON). That will be the order.

UNANIMOUS CONSENT AGREEMENT

Mr. BAKER. Mr. President, the order previously entered provides that the Sentae will go to the consideration of the defense authorization bill at 11:50 a.m. I have discussed this matter with the manager on this side, the chairman of the Armed Services Committee, with the minority leader, with the Senators from Ohio and Michigan, and I believe the request I am about to make is part of a plan that is agreeable on all sides.

First, Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the Department of Defense authorization bill and then, as soon as the bill is laid down, I ask unanimous consent that the distinguished Senator from Ohio be recognized for the purpose of withdrawing his appeal from the ruling of the Chair, to be followed by the recognition of the Senator from Texas who, I believe, will then withdraw his point of order, and that the Chair will then put before the Senate the motion made by me on yesterday to waive section 402 of the Congressional Budget Act of 1974 as it pertains to S. 675.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. The last part would be automatic.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is now closed.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The PRESIDING OFFICER. The clerk will state the pending bill by title.

The legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill S. 675.

The PRESIDING OFFICER. The Senator from Ohio is now recognized.

Mr. METZENBAUM. Yesterday I deemed it appropriate to raise certain issues pertaining to certain matters in the Department of Defense authorization bill and certain budgetary considerations in connection therewith. I did so in order that we might highlight certain issues that will indeed be considered during the consideration of the Department of Defense authorization bill.

At that particular point a point of order was made with respect to a colloquy that was occurring at that time concerning Senator KENNEDY and myself, and the point of order was ruled to be well-taken. I then appealed that ruling.

It is now my understanding that the point of order will be vitiated, and certainly under those circumstances, I will withdraw my appeal from the ruling of the Chair and I, therefore, withdraw my appeal.

Mr. TOWER. Mr. President, I ask unanimous consent that the point of order raised by me on yesterday pursuant to rule XIX be vitiated.

The PRESIDING OFFICER. Without objection, that will be the order.

The question is on agreeing to the motion of the majority leader to waive section 402 of the Budget Act of 1974.

The motion was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I point out that the order provides that at 12 noon the Senate stand in recess for 2 hours in order to accommodate the requirements of caucuses on both sides of the aisle.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, as chairman of the Strategic and Theater Nuclear Forces Subcommittee, I rise to outline, in brief, the principal actions of the Armed Services Committee incorporated in the fiscal year 1984 omnibus defense authorization bill (S. 675), as they relate to programs falling within the subcommittee's jurisdiction.

The legislation now before the Senate represents, in my judgment, the best efforts of the Armed Services Committee to provide the proper balance between meeting pressing requirements to modernize as well as maintain our forces and operating within strigent budgetary constraints. I believe the thorough hearing record compiled by our subcommittee fully justifies a substantially greater allocation of resources for these purposes than that contained in this legislation.

In seeking to comply with the funding levels dictated by the first concurrent budget resolution, however, we have been obliged to base many of our actions on purely budgetary considerations, and not fully meet the challenges to our security or the urgent need to more adequately modernize our strategic forces. Security and modernization are the factors that should legitimately dominate all of our decisions relating to defense programs. Consequently, the commander has been forced to reduce programs for which there exists a validated military requirement. Not only do such actions have a detrimental impact on our national security; cost increases and programmatic inefficiencies will also be incurred—ultimately adding significantly to the expenditures required for a given level of defense effort.

With that introductory caveat, let me now turn to a brief description of the major actions that have been provided by the Armed Services Committee.

THE MX MISSILE SYSTEM

In accordance with programmatic changes recommended by the Scowcroft Commission and endorsed by the President, the committee incorporated the following adjustments to the requested funding levels for MX:

The $2.64 billion sought for research and development of the MX missile system was reduced by $740 million. Of this amount, $604 million is to be expended for research and development of "follow-on technologies." Specifically, the full request of $279 million is recommended to initiate advanced development of a "small" ICBM, called midgetman.

The request of $2.54 billion for procurement of 27 MX missiles and related materiel was decreased by $332 million from savings realized as a result of the revision of the deployment program from one involving closely spaced basing—"Dense Pack"—to deployment of 100 MX's in Minuteman silos.

Two important statutory provisions were adopted: The first is intended to facilitate the realization of a December 1986 initial operational capability for the MX by stipulating in bill language a date for completing the draft and final environmental impact statement of January 1, 1984, and by permitting an immediate go-ahead on site specific design and related activities.

The second is designed to insure that the further procurement of oper-

ational MX missiles conforms to and supports the United States national security interests and objectives. Specifically, the President is required to submit, together with any request for procurement of such operational missiles, his assessment of:

First, the degree to which current and projected international conditions require the procurement for operational purposes of such missiles;

Second, the impact of such procurements upon the stability of the strategic balance; and

Third, the effect such procurements, if approved by the Congress, are likely to have upon achieving negotiated reductions in the nuclear forces of the United States and the Soviet Union through sound, equitable, and verifiable arms control agreements.

Mr. President, I wish to acknowledge, with respect to that last statement, the helpful assistance and guidance of my distinguished colleague from Georgia, Mr. NUNN. The three items just enumerated were couched in an amendment that Mr. NUNN and I submitted to the committee as a whole.

Mr. President, I regard this requirement, which I had the pleasure of cosponsoring, as I said, with my distinguished colleague from Georgia, Senator NUNN, to be a major contribution to the goal many of us share—namely, of insuring the continued compatibility of the MX program with America's arms control objectives.

B-1B BOMBER

Turning now to the B-1B bomber program, the committee authorized the full $6.2 billion requested for the B-1B program. The bill includes funding and the requisite bill language needed to initiate multiyear procurement of 92 B-1B aircraft, the first 10 to be bought in fiscal year 1984.

This sum includes $3.761 billion for procurement, $1.865 billion for advanced procurement, and $500 million for initial spares. Also recommended for authorization is $749.9 million for B-1 associated research and development.

Mr. President, considerable interest has been expressed in the recommendation of the Subcommittee on Strategic and Theater Nuclear Forces to reduce the request for the B-1B by $888.7 million.

The subcommittee reluctantly agreed to recommend for consideration by the full Armed Services Committee a very significant modification to the B-1B program. It did so for one overriding reason: the budgetary constraints imposed by the Congress compelled us to do so. As I said at the outset of my remarks, the first concurrent budget resolution forced us to consider adjustments to various programs like the denial of multiyear authorizations and the stretching out of procurement programs—steps which provide, in some cases, considerable near-term savings at the expense of greatly increased long-term costs—in order to comply with congressional direction.

The full committee, however, made clear its desire to preserve intact the B-1B program as requested by the administration. In fact, a bipartisan majority of the committee voted to initiate multiyear procurement of the remaining 92 B-1B aircraft, thereby not accepting the recommendation of the subcommittee.

I wholeheartedly support this approach and am pleased that a costly and inefficient redirection of the B-1B program could be avoided.

TRIDENT (SSBN)

Turning to other significant strategic and theater nuclear forces-related actions, the committee approved the procurement of 1 Trident submarine. It did, however, reduce the requested level of funding by $73.1 million—a savings made possible due to revisions in the Navy's pricing estimates. In addition, $197.4 million was reduced from the request for Trident submarine cost-growth funding to bring the request in line with actual fiscal year 1984 expenditures.

TOMAHAWK

Another sea-based program, the Tomahawk missile was addressed by the committee. The procurement of 56 nuclear, land-attack Tomahawks (TLAM-N's) for deployment on surface ships was deferred pending a report from the Navy detailing the plans for their operational employment. At the same time, the procurement of 56 TLAM-N's for deployment on submarines was approved, as well as the procurement of 32 antiship Tomahawks—an increase of 20 over the request. In a related action, the planned schedule for amortizing the cost of production for tooling and test equipment was stretched out. I might note parenthetically that a similar action was taken in the ground-launched cruise missile program. As a result of these adjustments, the committee recommends $350.7 million for the procurement of 88 Tomahawks, a reduction of $106.2 million and 36 missiles from the request. The request for R&D was fully funded.

ALCM

At the administration's request, a total of $355 million was added to continue through fiscal year 1984 production of the air-launched cruise missile (ALCM-B). Consequently, this bill provides authorization for production of 240 ALCM-B's in fiscal year 1984; $23 million was added to the request for R&D, for a total of $51.55 million, to aid in the development of an advanced engine for the ALCM-B. The procurement costs associated with the ALCM-B production were fully offset by a requested adjustment in advanced air-launched cruise missile activities.

KC-135 REENGINING

Turning now to the KC-135 reengining. This is a program to modernize America's tanker fleet which supports the B-52 bomber force of today and will support, hopefully, someday, the B-1 bomber force.

For procurement associated with KC-135 reengining $550 million was authorized—a reduction of $325.8 million from the request. This reduction incorporates a denial of multiyear funding, and a rate reduction from 31 to 27 modifications in fiscal year 1984. In addition, a total of $147.7 million was added for procurement and installation of the remaining 32 JT-3D kits needed to complete that modification program on Air National Guard tanker assets.

BALLISTIC MISSILE DEFENSE

The committee authorized $391.24 million for the BMD system technology program, a reduction of $147.135 million from the request. This action was due largely to budget constraints and uncertainties attending the purpose and direction of this program in the aftermath of the revision to the MX program and the President's address concerning space defense. This funding level provides for the fiscal year 1983 level of effort, adjusted for inflation.

FEMA—CIVIL DEFENSE

In view of the budget constraints imposed by the Congress, funding for attack-related civil defense was reduced by $92.02 million. The $161.5 million authorized by this legislation for fiscal year 1984 provides for 5 percent real growth in this program.

DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Mr. President, for the first time the committee has incorporated the annual authorization for the Department of Energy national security programs within this Omnibus Defense Authorization Act. A total of $6.56 billion is authorized for these purposes in fiscal year 1984—a reduction of $199 million from the administration's request.

These funds support the research and development, production, surveillance, and retirement of the nuclear weapons that are the heart of our nuclear deterrent. The reductions recommended are primarily derived from deferring capital investment programs for another year.

CHEMICAL PREPAREDNESS

Finally, Mr. President, let me describe briefly the committee's options with respect to a highly important and extremely controversial aspect of the administration's national security agenda: Chemical preparedness.

The committee adopted statutory language which precludes the final as-

sembly of retaliatory chemical munitions until at least October 1, 1985. Such assembly may only be undertaken after that date if the President certifies that the final assembly of these weapons is essential to the national security. In the meantime, however, steps may be taken to prepare production facilities and procure components that ultimately could be utilized for 155-mm binary chemical munitions. S. 675 provides the requisite funds necessary to initiate such steps.

The committee's action is an acknowledgement of the sharply divided sentiment which exists concerning the retaliatory element of the U.S. chemical deterrent. While substantial difference of opinion exists in the Congress and elsewhere concerning the advisability of resuming chemical weapons production in this country after a 14-year moratorium, on one point little disagreement exists: The desirability of negotiating a sound, verifiable and global ban on chemical warfare.

It is the committee's hope that its recommendation concerning final assembly of 155-mm chemical artillery shells will be recognized for what it is: A clear signal that the United States does not wish to resume full production of these heinous weapons. On the other hand, it also makes clear the fact that the United States will no longer reward Soviet intrasigence in negotiating an effective chemical weapons ban by indefinitely refraining from taking steps needed to keep its chemical deterrent credible.

CONCLUSION

Mr. President, I urge my colleagues to review with care the work of the Armed Services Committee on this issue and the others I have mentioned. I believe the committee has acted prudently and provided, by its recommendations, as sensibly and responsibly for the common defense as possible given the budgetary constraints imposed upon us by the congressional budget process. I look forward to the opportunities which upcoming debates on some of these matters will afford to amplify upon the committee's work on this important legislation.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, the chairman and ranking minority member are to be commended for their efforts in preparation of the Omnibus Defense Authorization Act for Fiscal Year 1984.

The hearing record is very detailed and supports the decisions made by the full committee. Although reductions had to be made, great care was taken in the evaluation of the programs that had to be reduced or, in some cases, terminated to insure that we could provide sufficient funding for our national defense.

This omnibus bill is significant in that it includes the Department of Energy authorization and the military construction authorization, which in previous years have been submitted to the Senate for consideration as separate bills.

I would like to call to the attention of my collegues title II of the omnibus bill which is the title concerning military construction.

The President's request for new military construction projects and for funds to operate and maintain the Defense Department's inventory of military family housing was $8.5 billion. The recommendation of the Armed Services Committee reduces that request by $1.1 billion.

The reductions made were forced upon us by budgetary constraints and, unfortunately, many valid military requirements had to be deleted that would have improved the working and living conditions of our service men and women. It is particularly displeasing to cut construction funds for military purposes at the same time that Congress is considering and acting on jobs bills to aid the unemployment situation in the construction industry.

There are two aspects of title II that I feel are particularly noteworthy. First, where possible, the Armed Services Committee has taken advantage of projected savings that will accrue as a result of the excellent bidding environment in the construction industry. Bids in recent months have averaged 12 to 15 percent less than the amount programmed for the projects. Each service has a specified list of projects that are authorized to be built with savings that accrue during fiscal year 1984.

Second, we have initiated a program concerning military family housing overseas. The Department of Defense has been directed to use U.S. manufactured or factory-built housing to satisfy urgent housing requirements.

This is a departure from the normal practice of turning funds over to the host nation and letting them build the housing for us. This new approach is expected to be cost competitive with normal foreign-built housing, but it will reduce the amount of U.S. dollars going overseas, and it should help the domestic manufactured housing industry.

Also, of importance in the omnibus defense bill, is the addition of approximately $1 billion above the administration's request for equipment purchases for the National Guard.

Included in this addition are F-16 fighter aircraft, product improved Vulcan air defense weapons and ground support equipment, all of which should greatly enhance the readiness of the National Guard. As the number of military eligible young men and women decreases in the years ahead, we will have to rely more and more on the Guard and Reserve.

These equipment purchases are indicative of congressional interest in the readiness of our Reserve components and should be continued in the years ahead.

The highlights of the Omnibus Defense Authorization Act for fiscal year 1984 are as follows:

	Billions
Procurement	$87,488
Research, development test, and evaluation	26,814
Operation and maintenance	71,590
Civil defense	162
Military construction	7,349
DOE weapons programs	6,557
Total	199,959
Manpower:	*Thousand*
Active	2,143
Selected Reserve (National Guard and Reserve)	1,035
Civilian	1,054
Total	4,232

Mr. President, I urge my colleagues to support S. 675 as reported to the Senate.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER, Under the previous order, the Senate will stand in recess until 2 p.m.

Thereupon, the Senate, at 12 noon, recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the committee amendment to S. 675.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1458

Purpose: To prohibit funds appropriated for the Advanced Technology Bomber program from being used for any other purpose)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from West Virginia (Mr. BYRD) proposes an amendment numbered 1458.

On page 158, between lines 8 and 9, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCE TECHNOLOGY BOMBER PROGRAM FOR ANY OTHER PURPOSE

SEC. 1026. None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced

Technology Bomber program may be used for any other purpose.

THE STEALTH BOMBER PROGRAM

Mr. BYRD. Mr. President, I send an amendment to the desk designed to protect the Stealth bomber program. It prohibits funds in the bill authorized for Stealth to be reprogrammed for any other purpose. As I understand it, the Stealth program is on track, is exciting, and represents the cutting edge of advanced American technology. As a highly classified program, it has no visible national constituency to protect it. So in the next few years, if cost overruns in other U.S. hardware programs occur, as is very possible, there might be a strong temptation to raid the Stealth account. This amendment is designed to prevent any diversion of funds for this crucial program.

The major advantage the United States has over the Soviet Union is in the area of our high technology. We dare not permit this advantage to flag. It is important to take all steps to retain this advantage, to fully fund our key programs.

The Nation needs a new intercontinental strategic bomber, one which is versatile and capable of performing a full range of missions. The combination of new technologies being incorporated into Stealth will permit that aircraft to penetrate Soviet airspace for many years into the future—beyond the turn of the present century. In effect, the technology renders obsolete a Soviet air defense network worth hundreds of billions of dollars.

In addition, Mr. President, the Stealth bomber will be capable of performing the range of other missions we would rightfully expect of any new intercontinental bomber.

The funding levels of the Stealth program are highly classified. The progress of the technology is highly classified. The most that can be said today is that the technology represents the best of U.S. technology and is progressing satisfactorily. When the program reaches fruition, I am sure that our efforts to protect its development, to keep it on track today will be rewarded.

Many Senators, Mr. President, have become increasingly concerned that there is a mismatch between the range of weapons systems being procured with the dollars available over the next several years. If, as is feared, those dollars become thinly stretched among the many competing programs, there will be great temptation to slow down the development of many of these systems.

This amendement is intended to serve notice that such stretchouts, such waffling, will not be tolerated in the area of Stealth technology. We will not permit any of the money dedicated to this program to be diverted to competitor weapons systems. Nor do we expect anything less than the full funding of the program, consistent with prudent management practices—from now through the initial operating capability (IOC) and finally until the full operating capability (FOC) of Stealth is achieved.

Mr. TOWER. Mr. President, the amendment of the distinguished minority leader comports with what I think is the sense of our committee on this matter. That is that the advanced technology bomber funds be programed for these purposes and not for any other system. This is a priority system as far as our committee is concerned. Therefore, I think the amendment certainly comports with the spirit of the bill and the will of the committee as I understand it.

Mr. JACKSON. Mr. President, I concur in the comments of the distinguished chairman of the committee and the distinguished minority leader. The 18(b) program is one of our most important strategic programs. The distinguished minority leader is saying, in effect, that the funds here should be fenced off from any other use for that purpose. I strongly support the amendment and I hope that it will be unanimously approved. I commend the distinguished minority leader.

Mr. BYRD. Mr. President, I thank the distinguished manager of the bill (Mr. TOWER) and the distinguished ranking manager (Mr. JACKSON) for their comments and their support.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1458) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, we have a number of amendments Senators have indicated they intend to offer. I think we have a total now of around 30. I expect that number to grow. The majority leader has already expressed his intention to work late hours, if necessary, and to work through the weekend, if necessary, to complete the bill this week. It is, I know, his intention to do that if at all possible. It is certainly, I think, the desire of the distinguished ranking minority leader (Mr. JACKSON) and myself to complete this bill with as much dispatch as possible. I hope that we shall not have to resort to a weekend session.

I understand that there will be a protracted debate on one or two issues. I expect that might come later in the proceedings, after we have disposed of a number of other matters.

In any case, Mr. President, we have our work cut out for us. I hope Senators will be forthcoming and come over and offer their amendments when they are asked to do so.

We are, of course, running into the usual problem of having a number of amendments, but also a number of Senators who say they are unprepared to offer them this afternoon. I hope we can break through that logjam and get those amendments over here and offered.

It is my intention to try to offer these amendments in a kind of sequence, if the proponents of these amendments would agree to that. Then we could deal with all amendments relating, for example, to technical aircraft procurement or all amendments relative to Army procurement, amendments relative to strategic systems, and deal with them on a categorical basis in an orderly way, so that interested Senators will know at about what point in time amendments in which they have an interest will come up and areas in which they have an interest will be dealt with.

I shall not attempt to do that now, but I hope that, at some point, we can organize our business in that fashion. In the meantime, if Senators are prepared to offer amendments, I shall be delighted to urge or recommend to the Chair that those Senators be recognized.

Seeing none at the moment, Mr. President, I think we can probably get on the telephone and suggest to some Senators that now would be a propitious time to offer them.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAR POWERS RESOLUTION VOIDED

Mr. GOLDWATER. Mr. President, I wish to take a moment to comment on the Supreme Court's decision, announced on June 23, which held that the so-called legislative veto by congressional resolution is a violation of the separation of powers doctrine of the U.S. Constitution. In particular, I want to address the Court's decision in the context of the war powers resolution which the Congress voted over the President's veto in 1973.

Mr. President, I believe the same reasoning and same constitutional analysis which the Supreme Court applied to the legislative veto will have the effect of invalidating the war powers resolution. That statute itself includes a legislative veto as the very heart of its purported method of enforcement and the resolution is clearly

a dead letter to the extent of its reliance on the now-declared unconstitutional legislative veto.

But more than that, Mr. President, the strong six-Justice majority opinion written by Chief Justice Warren Burger indicates that the basic premise of the war powers resolution is unconstitutional. Congress attempts in the war powers resolution to assume unto itself the ultimate and controlling power over the use and deployment of U.S. military forces in defense of the lives, freedoms, and rights of U.S. citizens and our Nation.

This is an invalid action because Congress cannot encroach on a responsibility of the President. Just as the Supreme Court ruled in the legislative veto case that Congress overstepped its authority by invading the constitutional boundaries of the executive branch, so it would have to rule that the war powers resolution exceeds those boundaries if the Court decides to reach the constitutional question on the merits.

Congress cannot usurp the powers vested by the Constitution in the President even if the Chief Executive has assented to the particular piece of legislation which contains a provision contrary to the Constitution. This is the expressly stated ruling of the Court in the case announced last month by Chief Justice Burger, Immigration Service against Chadha.

Of course we know that the President never gave his assent to the war powers resolution. President Nixon vetoed it and Congress overrode his veto. But this strengthens the arguments against that statute. Where the President specifically objects to and denies the authority claimed by a piece of legislation, the validity of the challenged statute is on even weaker ground than it was in the legislative veto case.

This conclusion becomes evident when we examine what Chief Justice Burger wrote about the specific power Congress asserted in the legislative veto case, which was an effort by Congress to control decisions involving the deportation of certain aliens. In that case, Congress asserted plenary authority over aliens under a power which is specifically granted to it by article I, section 8, clause 4, of the Constitution. Even so, wrote Chief Justice Burger, the authority of Congress over the particular subject "is not open to question, but what is challenged here is whether Congress has chosen a constitutionally permissible means of implementing that power."

Applying this same analysis to the war powers resolution, we can see that a similar result would follow. It is true that Congress has concurrent authority in the field of military and defense matters. It is true that Congress must appropriate moneys for the Armed Services at least every 2 years, that Congress possesses the power to declare war, and that Congress may establish a military justice system.

The flaw in the war powers resolution, however, is that the Congress has attempted to exercise its power in a way which offends other constitutional restrictions. In the legislative veto case, the Supreme Court put its basic reliance upon the precise terms of section 1, article, I, of the Constitution, which provides:

All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

If the Supreme Court should ever consider a case involving the war powers resolution, the Court would similarly rely on an equally explicit provision of the Constitution, which is the first section of article II. This section provides:

The executive power shall be vested in a President of the United States of America.

Also, the Supreme Court would rely on the first paragraph of section 2 of article II, which declares in precise terms:

The President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several states, when called into the actual service of the United States. . .

Just as the Court held that the provisions of article I are integral parts of the constitutional design for the separation of powers, the Court must find in a similar vein that the provisions of article II are woven into the fabric of the separation of powers concept.

The history of the 13 separate states prior to the Constitutional Convention of 1787, the evolution in the early State constitutions from weak executives to strong executives, the discredited interference by the Continental Congress with military actions of General Washington during the War of Independence, and the entire course of practice under the Constitution from the administration of President Washington to the current administration of President Reagan, all combine to demonstrate beyond any reasonable doubt that the fundamental and ultimate power to employ the existing forces of the United States in defense of citizens and the survival of our country, in reaction to foreign dangers, rests with the President.

Once the military forces are established, once an Air Force and a Navy and an Army and a Marine Corps are created, it is for the President to decide how to deploy and use those forces. That is an executive power. It is within the class of executive authorities that the Framers had in mind when they drafted section 1 of article II of the Constitution and conferred upon the President all the executive powers of the United States. And, these military defense powers are precisely what the Framers contemplated when they expressly provided that the President, not the Congress, but the President, is the Commander-in-Chief of the Armed Forces.

Thus, it is a violation of the separation of powers for Congress to attempt to claim for itself the supreme direction of the Armed Forces. Congress has attempted to do that in the War Powers Resolution and the action of Congress is in direct contradiction to other specific restrictions of the Constitution and of the separation of powers.

Congress cannot invade an executive function. Congress cannot set itself up as the Executive. Congress cannot concentrate unto itself all the powers of the Government which the Framers deliberately allotted among three separate branches.

That is the lesson of the Supreme Court's decision in the legislative veto case and I hope that my colleagues in Congress will reflect long and hard on that meaning of the case so that we may someday reach the point when we will openly repeal the unwise and unconstitutional War Powers Resolution.

Mr. President, in the event that some of my colleagues, who were not here at the time the Congress acted on the War Powers Resolution, may be aware of the conflict between that resolution and the Constitution and history of our country, I ask unanimous consent that an article discussing the subject, written by J. Terry Emerson, my staff counsel, may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From 2 Strategic Review 44, Winter 1974]

IMPERATIVES OF THE PRESIDENT'S WAR POWERS

(J. Terry Emerson)

"In every circle, and truly, at every table, there are people who lead armies into Macedonia; who know where the camp ought to be placed; what posts ought to be occupied by troops, when and through what pass that territory should be entered; where magazines should be formed; how provisions should be conveyed by land and sea; and when it is proper to engage the enemy, when to lie quiet . . . What then is my opinion? That commanders should be counseled, chiefly, by persons of known talent, by those who have made the art of war their particular study, and whose knowledge is derived from experience; from those who are present at the scene of action, who see the country, who see the enemy, who see the advantages that occasions offer, and who, like people embarked in the same ship, are sharers of the danger. If, therefore, anyone thinks himself qualified to give advice respecting the war which I am to conduct, which may prove advantageous to the public, let him not refuse his assistance to the state, but let him come with me into Macedonia. He shall be furnished with a ship, a horse, a tent; even his traveling charges shall be defrayed. But if he thinks this too much trouble, and prefers the repose of a city life to the toils of war, let

him not, on land, assume the office of a pilot."—LUCIUS AEMILIUS PAULLUS, Roman General, 168 B.C.

On May 19, 1973, after nine years of direct United States involvement in Indochina, the House of Representatives cast its first vote in favor of ending military activities there. Though President Nixon vetoed this bill, which would have barred use of all funds to conduct American combat activity in Cambodia and Laos, Congress promptly passed a second appropriations bill with a broadened prohibition applicable to North and South Vietnam as well as Cambodia and Laos. This ban became effective on August 15.

On September 20, the Senate began work on the military weapons procurement bill. With the United States and the Soviet Union about to resume nuclear strategic arms talks in SALT II and with an October 30 date set for beginning negotiations between the opposing NATO and Warsaw Pact nations on the subject of mutual reduction of armed forces in Europe, the Senate approved an amendment to unilaterally cut overseas land-based troops by 110,000 by the end of 1975. Another amendment passed requiring a reduction in the numbers of United States troops in NATO countries. A renewed ban on the use of funds to finance the involvement of American military forces in hostilties in or over or from off the shores of North and South Vietnam, Laos, or Cambodia was accepted without debate.

Conferees later deleted the unilateral reduction of 110,000 troops overseas, but a provision requiring the withdrawal of NATO forces proportionate to the balance of payments deficit caused by stationing our troops in Europe and a prohibition aganist United States military actions in Indochina were both contained in the law signed by President Nixon on November 16.

Meanwhile, blunderbuss provisions shutting off all funds to the Department of State, USIA, and other foreign affairs agencies upon failure to supply information requested by certain Congressional Committees were attached by the Senate Foreign Relations Committee to the USIA, State Department and foreign economic aid bills. Congress eventually deleted the provision from the State Department and AID bills and sustained President Nixon's veto of the USIA bill.

A Senate attack on executive agreements also failed. Two amendments prohibiting the implementation of the 1971 Azores military base agreement between the United States and Portugal or any future base agreements with foreign countries, unless the agreements were submitted to the Senate for its advice and consent, were dropped in conference from the State Department bill.

THE WAR POWERS RESOLUTION

But the major battle of 1973 dealt with the heart of the war powers issue—the circumstances in which war or the threat of war can be used as an instrument of national policy. Here Congress emerged as the clear victor, at least for the moment. For the first time in history, legislative policy restrictions governing the waging of war became part of American law. This was no exercise of the power of the purse, tied to an appropriations measure. This proposal, House Joint Resolution 542, the War Powers Resolution, was a clear-cut declaration of Congressional superiority in the substantive, policy-making realm of the use and disposition of the Nation's Armed Forces.

On November 7, Congress put this unprecedented legislation into law over President Nixon's veto. Cast as an effort "to fulfill the intent of the framers of the Constitution and insure that the collective judgment of both the Congress and the President will apply to the introduction of United States Armed Forces into hostilities," the War Powers Resolution actually claims for Congress a position of dominance over the entire field of troop commitment and deployment.

The operative sections of the Resolution are triggered by the introduction of American forces, without a declaration of war, (1) into hostilities or imminent hostilities, (2) into the territory, airspace or waters of a foreign nation, while equipped for combat (except for supply, replacement, repair or training), or (3) in numbers which substantially enlarge United States forces equipped for combat already located in a foreign nation. When military forces are introduced in one of these situations, the President must report on it to Congress within forty-eight hours and periodically thereafter.

Unless Congress grants specific authority for such use of the Armed Forces to continue within sixty days after the report is required, the President shall end the operation. Only if he certifies that the safety of United States troops demands their continued use in the course of removal is the President allowed an additional thirty days. But, at any time during this sixty to ninety day period, should Congress approve a concurrent resolution ordering their withdrawal, the President must obey a Congressional directive to remove the forces.

Another major provision of the Resolution prescribes that no authority for the use of troops shall be inferred from any provision of law, including defense appropriations, unless the law spells out a specific intent to constitute authority within the meaning of the Resolution. Nor is any authority for troop commitment to be inferred from any existing or future treaty unless it is implemented by other legislation specifically conferring this authority.

What is happening is that Congress is asserting dominion over a host of unsettled Constitutional issues which until now the Supreme Court has been reluctant to arbitrate, but which the course of history has resolved generally in favor of the Chief Executive. Overturning a decision by the U.S. Second Court of Appeals determining that military appropriations throughout the war in Southeast Asia did contain an authorization for the making of war, Congress itself has mandated that authority cannot be inferred from war-implementing appropriations. Disregarding the expectation of our allies, Congress unilaterally has decided at this late time to spell out a hard and fast rule preventing the Executive Arm from enforcing an American commitment under the NATO Treaty without further Congressional authorization. Oblivious to the history of the Republic in which Presidents have engaged United States forces in hostilities abroad on hundreds of occasions without a declaration of war, Congress has taken it upon itself to suddenly and dramatically shift the interpretation which 184 years have put upon the Constitution. Contrary to the brutal realities of warfare, Congress now instructs any enemy wise enough to count that it may rely upon the inaction of the legislature to achieve for it within sixty to ninety days the withdrawal of American forces which no opposing foe could compel.

Who has the war powers? Who has the power of initially committing American forces to battle in defense of America's people—or America's freedoms—or our position in the world? Once United States units are involved, who controls day-by-day tactics and overall strategic planning? With war underway, who can dictate where and when to bomb and which borders to cross? In peace, who determines where American forces can be stationed around the globe, and in what numbers? What is the meaning of the Declaration of War Clause? What authority did the Framers vest in the Commander in Chief? Who enjoys primacy in the making of foreign policy?

FROM THE FOUNDING FATHERS

"I am now convinced, beyond a doubt that unless some great and capital change suddenly takes place in that line [Commissary Department], this Army must inevitably be reduced to one or other of these three things. Starve, dissolve or disperse.

"[B]ut what makes this matter still more extraordinary in my eye is, that these very Gentn. who were well apprized of the nakedness of the troops . . . should think a Winters Campaign and the covering these States from the Invasion of an Enemy so easy a business. I can assure those Gentlemen that it is a much easier and less distressing thing to draw remonstrances in a comfortable room by a good fire side than to occupy a cold bleak hill and sleep under frost and snow without cloathes or Blankets"—Letter of George Washington to the President of Congress, Valley Forge, December 23, 1777.

In August of 1777, the Continental Congress, then possessed of the joined powers of Legislative and Executive, had discarded the military Commissary General whom Washington had selected and itself assumed complete charge of the commissariat. Shortly after this change, the system suffered a total breakdown. As we know, the great want of clothing, food and blankets grew into tragedy as cold weather came on. A prominent military historian has written: "The amount of harm, caused by the unwise military control usurped by Congress, can only be measured in terms of the appalling sufferings of the American soldiers at Valley Forge, which Washington was powerless to prevent."[1]

But this is not the only disaster for which Congress must be held accountable. Required by his commission, "punctually to observe any such orders and directions" as he should receive from Congress, Washington was harassed, second-guessed and overruled throughout the War of Independence. It was the Continental Congress who ordered Washington's men, opposed by over four times their strength, to defend Manhattan and Long Island to the last, resulting in the useless surrender of over 3,000 American troops in the summer of 1776. It was Congress who passed over Washington's first choice as commander for the Southern Department, and instead appointed a general who had recently been exposed for plotting against Washington and who in his first battle proceeded to lose the entire American Army in the South. And it is Congress whose orders blocked the reinforcements which Washington needed in the fall of 1777, making it impossible for him to save the forts along the Delaware that had prevented the British from using the river for the supply of their armies.

These and other directives of Congress very nearly lost the War of Independence.

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[1] T. Frothingham, Washington, Commander in Chief, Houghton Mifflin Co., Boston, 1930, p. 234.

And yet, it is exactly this system of government to which the War Powers Resolution would have us revert.

The Founding Fathers intended to prevent a recurrence of the interference Washington had experienced. They had witnessed at first hand the inefficiency of the legislature meddling with military operations. Of the fifty-five Framers who attended the Constitutional Convention, no less than thirty had performed military duty in the Revolution. At least six signers of the Constitution (in addition to Washington) were intimately familiar with Washington's problems. Thomas Mifflin had been quartermaster general of Washington's army, and Hamilton, McHenry and C.C. Pinckney had served on Washington's staff. Gouverneur Morris had defended the Commander in Chief in Congress and visited Valley Forge; and Robert Morris had financed Washington's campaigns. These men knew that Congress, clothed with powers of an Executive, had very nearly caused disaster during the Revolution. They planned that the new government which they formed would have at its head a Commander in Chief who possessed unbridled power over the direction and management of war.

This conclusion explains why the Founders designated the President as Commander in Chief. It explains the decision of the Constitutional Convention to reject a clause specifically giving Congress the power "to *make* war." It is consistent with the position of the Constitutional Convention when it voted down a proposal giving Congress the power to declare "peace"—to end a war once started—and with the remark made at the Convention that the conduct of war "was an Executive function."

From the historical setting in which these events occurred, it is clear the Framers meant to leave the basic powers of waging war with the President. They were influenced in this decision by the writings of Locke, Montesquieu and Blackstone, all of whom viewed the making of war as a prerogative of the Executive. These writers believed it to be among the fundamental laws of nature and government that the Executive should posses an unrestricted discretion to act when the safety of society was involved.

The danger of legislative deliberation in moments of distress is the focus of Madison and Hamilton in the Federalist 19. Here the two great architects of the Constitution agree that the Constitutional Convention had specifically rejected as a political model the Germanic Empire in which the Diet, or legislative body, was possessed of the power to make and commence war. "Military preparations must be preceded by so many tedious discussions . . . ," they wrote, "that before the Diet can settle the arrangements the enemy are in the field."

Thus, in creating a government in which the Executive power was removed from the Congress and vested in the single person of the Presidency, the Framers well understood the need for unity in the Executive Department and especially in making decisions related to emergencies. As Alexander Hamilton wrote in the Federalist 73, "Of all the cares or concerns of government, the direction of war most peculiarly demands those qualities which distinguish the exercise of power by a single hand. The direction of war implies the direction of the common strength; and the power of directing and employing the common strength form a usual and essential part in the definition of executive authority." In other words, the direction of military affairs is to be managed by a single Commander in Chief, not by 535 different Members of Congress.

An analysis of history will shed additional proof that the Founding Fathers arranged the power to make war with the Executive Branch. For example, it is an oft-overlooked historical fact that the declaration of war had already fallen into disuse in the eighteenth century. In the period from 1700 to 1787, the year of the Constitutional Convention, thirty-eight wars were held in the Western World and thirty-seven of them began without any declaration. This development was remarked upon by Alexander Hamilton in the Federalist 25.

The idea that the only way nations can go to war is by a declaration was a myth at the time of the Constitutional Convention. Why, if the Constitutional Convention intended for the nation to go to war only when Congress had declared it, or otherwise authorized it, did the Founders use a method to vest this power which was so little used in their own time?

Another question which must be answered, if the Framers are supposed to have vested Congress with primary power over the making of war, is why they chose a word "declare" which meant in the custom of the time something far different? Samuel Johnson's Dictionary of the English Language, the standard dictionary used in America at the time of the Constitutional Convention, defines "declare" as meaning no more than "to make known" or "to proclaim." On the other hand, "to make," a power removed from Congress by the Constitutional Convention, was given a definition of substance. "Make" meant "to create" or "to bring into any state or condition." Thus, when the Constitutional Convention struck out "to make" from the draft of the Constitution and substituted "declare," it withheld from Congress the power to create war or to bring this country into the state of war and left with it instead a power to declare, or formally make known, that the United States is at war and that the whole forces of the nation will be employed in carrying on the war. Accordingly, each of the American declarations of war—the War of 1812, the Mexican War of 1846, the War against Spain in 1898, and World Wars I and II—were not initiated by Congress, but were called for by Presidents after hostile acts by foreign countries which had brought us into an existing state of war between sovereign powers.

Also, the declaration may have been conceived as the method by which the United States could enter into "offensive war," as distinguished from situations where the President has discretion to use force, on his own initiative, to react against dangers to the nation or its people. In circumstances where the President does not perceive aggression or a threat to our own security, the Founding Fathers may well have intended for the Executive and Congress jointly to collaborate by means of a formal declaration.

The problem is that the advocates of Congressional supremacy have confused the declaration power with a veto power which was never given to Congress over situations when the President may exercise his independent authority for defense. This claim is based upon assumptions that have no historial foundation. Even the correct premise that the Framers wished to avoid creating a despot who might lead them into ruinous wars of conquest, in the manner of the princes of Europe, misses the mark.

Of course, the Framers intended to check the President from engaging them in wars of aggression initiated by an inflamed passion for conquest. But they equally knew as a law of society that a nation ought to attend to the preservation of its own existence and that there must be some ultimate authority who could and would be able to defend the country and its enduring interests. They knew that the only practical agency to fulfill this expectation is not the legislature composed of numerous members but the unitary office of the President. Speed of decision, unity of decision, ability to execute the decision—all are qualities of the Executive.

The Framers also recognized that a nation which has a right to preserve itself, has, as a necessary consequence, a right to avoid and prevent everything which would threaten it with danger. Thus the President, in order to protect the public safety, must necessarily and practically meet foreign threats where they arise and not only when they are at our doorstep.

As Jay wrote in the Federalist 3: "Among the many objects to which a wise and free people find it necessary to direct their attention, that of providing for their safety seems to be the first." This language hardly lends itself to an inference that shackles may be placed upon the President's ability of response to foreign threats.

Moreover, those who would dwell upon the concern of the Founders with a despot would do well to study the fear of our forefathers with an unregulated Congress. James Wilson instructed his law class in 1790 "[t]o control the power and conduct of the legislature by an overruling constitution, was an improvement in the science and practice of government reserved to the American States."[2] Madison more specifically indicates in the Federalist 38 that the Framers had intentionally withheld the direction of war from Congress because it is "particularly dangerous to give the keys of the Treasury and the command of the army into the same hands." Would the Framers have made the Executive the mere handmaiden of Congress if they thought this?

PRESIDENTIAL PRIMACY IN DEFENSE

"It was due largely to the erratic, occasionally irresponsible actions of the ancient Greek assemblies that the city-states' diplomacy was ineffective and defensive collaboration against the Eastern aggressors impossible. Despite growing recognition by Congress and the public of the purposes, methods and needs of an effective diplomacy, as long as the consistent pursuit of long-range interests and aspirations is periodically sacrificed to passing whims inspired by fleeting emotions in Washington, the danger persists of a twentieth-century repetition of the Greek débâcle."—CHARLES W. THAYER, Diplomat

The pertinent eighteenth century materials combine with living history to the end that the President, as Commander in Chief, occupies an entirely independent position, having powers of defense that are exclusively his, subject to no policy restriction or

[2] *Wilson's Works, Vol. III,* Lorenzo Press, Phila., 1804, p. 292. See also Jefferson's portrayal, quoted in the Federalist 48, of Congressional government as the equivalent of "despotic government." What influenced the Framers in the allotment of war powers was not worry over the powers of Congress or the President, but rather an overriding purpose of providing effectively for the public safety. The Presidency was universally recognized as the office most capable of attending to the national safety.

control by Congress. The President cannot conduct a war of aggression. He cannot intimidate another nation with military threats simply because we do not like its tariff rates or the way it governs its internal affairs. But the President may, in his discretion, act in defense of our country, its citizens and freedoms, whenever and wherever a danger exists, presently or imminently, which compels a response on our part.

There is a very little case law on point. In fact, no decision of the Supreme Court has ever ordered the President to halt an ongoing war or any ongoing military activity. When Supreme Court Justice William Douglas recently ordered a stop to the American bombing of Cambodia, the eight other members of the Court promptly overturned his decision.

A nearly unbroken chain of history supports the theme of Presidential responsibility for the national safety. Since Washington's Proclamation of Neutrality in 1793, despite our Treaty of Alliance with France, the authority to decide important matters of foreign relations bearing on questions of war or peace has been established in the Executive. This is true both of decisions when to terminate fighting or when to commence defensive measures.

Examples of Executive handling of matters of peace include Washington's Neutrality Proclamation; the agreement of 1817 with Great Britain limiting naval armaments on the Great Lakes; the Protocol of 1873 averting a war with Spain over the *Virginius* affair; the Protocol of 1898 suspending hostilities with Spain; the Protocol of 1901 ending the Boxer uprising in China; the surrender agreement ending the Philippine insurrection; the armistice conditions imposed upon Austria-Hungary and Germany in 1918; the cease-fire agreements ending hostilities after World War II and the Korean War; and the recent Vietnam peace agreement; each and every one a purely Executive agreement.

It may come as a surprise, but research by the author has revealed the occurrence of 199 separate foreign military hostilities commenced by Presidents in the absence of a declaration of war. Each of these operations involved actual landings on foreign soil or the evacuation of American citizens from foreign lands, or in a few instances, mobilizations into crisis areas where the risk of war was particularly grave, such as the Cuban Missile Crisis of 1962.[3] Over one hundred of these hostilities took place outside the Western Hemisphere. Many involved the employment of several thousands of troops. All involved the serious risk of war and at least eighty-two incurred actual fighting. Taken together, the incidents, large and small, amass a consistent practice by which American Presidents have responded to foreign threats with whatever force they believed was necessary and technologically available at the particular moment in history.

What is new in this regard is the failure of Presidents in recent history to bring the defensive use of military force to a prompt and successful conclusion. President Johnson acted decisively in the Dominican landings of 1965 and President Nixon's orders for the mining of ports and increased bombing in North Vietnam achieved at least the return of American prisoners of war and a chance for the South Vietnamese to develop the means of defending themselves; but President Truman in Korea and President Johnson in Vietnam entered prolonged and irresolute hostilities which they showed no capacity to terminate. Thus, the failure of the Commander in Chief to bring his military actions to a prompt and successful conclusion fostered the emergence of gratuitous advice respecting the conduct of war in the legislative chambers and new illusions of legislative competence to wage war.

In describing the President's authority to wage war, the Supreme Court has related it to his assumed duty to win: [4] "As Commander in Chief, he is authorized to direct the movements of the naval and military forces placed by law at his command, and to employ them in the manner he may deem most effectual to harass and conquer and subdue the enemy."

The number of historical precedents of executive agreements is also impressive. Executive agreements in every consequential respect equivalent to a treaty have been prevalent in every period of our history. The first known use of the international executive agreement, other than by a treaty, occurred in 1792. The most recent compilation of executive agreements indicates there are now 5,590 in effect.

There is nothing improper in this. Congress itself has authorized or ratified all but sixty-four of the current agreements, thereby lending its stamp of approval to the bypassing of the Senate's treaty power. As for the 1 percent of agreements concluded by the President on his own authority alone, the Congress may still determine whether or not it shall appropriate the moneys essential to implement these agreements. If the President lacked authority to enter into any foreign agreements at all, without a treaty, it could be disastrous to the national interest.

All we have to do is remember American preparations prior to our entry into World War II. In 1941, President Roosevelt occupied a number of military bases granted us on British soil along their possessions in the western Atlantic, and sent United States troops to Greenland, Iceland and Dutch Guiana, all before war was declared and all by executive agreements with the local authorities. A Congress which in August of 1941 had extended the draft by but a single vote could not have been counted upon to approve these base agreements at the time they were crucial.

Though the list of asserted uses of executive privilege is not so long, there are several examples of documents or testimony being refused to Congress on this ground. For example, Secretary Rogers and Dr. Kissinger declined to appear before the Senate Foreign Relations Committee on January 2, 1973, because of the ongoing negotiations with the North Vietnamese to end the Indochina War. Without the protection of executive privilege, the nation's delicate peace talks may have been disrupted.

In fact, without a minimum of independence for the Executive Department in withholding certain classes of information, our military security, our relations with other countries, pending law enforcement matters, government employee personal security files, and the confidentiality of internal decision-making processes could be impaired. For example, if Congress had enacted the information rider to the State Department Authorizations, any committee of Congress could demand all working documents accompanying an ongoing international conference. A Congressional Committee could demand information given to an Ambassador from foreign embassy sources, who may have turned over material having significant insight into a third country's position and who would be highly embarrassed if this fact became known.

All the above categories of information are areas where executive privilege is firmly rooted in historical precedence and in principle. This doctrine is implicit in the creation of our divided form of government, with the executive, legislative, and judicial responsibilities going to three great and separate branches. Congress cannot violate this division by legislating its own boundaries between the branches.

From this usage arises an impressive source of Constitutional interpretation which has been accepted by the Supreme Court before as being determinative of similar confrontations between Congress and the President. For Congress now, after almost 200 years of acquiescence in the interpretations of the President's foreign affairs and war powers, to reverse the construction which has become so settled runs contrary to the judicial doctrine of usage which the Supreme Court has on at least two occasions previously invoked as a basis for rejecting Congressional control over the Presidency.[5]

Though Congress holds great powers over military subjects, it cannot vary the exercise of the President's independent authorities. Congress controls the numerical size and the strength of the Armed Forces and the nature of equipment and arms with which the military can wage war.[6] Congress can pass or deny emergency powers bearing on foreign trade or reject treaties or area resolutions with defense implications. Congress can, as an ultimate recourse, initiate impeachment procedures, impeachment being meant as a viable safeguard against political offenses, such as an irresponsible abuse of a Constitutional discretion. Less severely, Congress can trust to a free press which is always at the ready to spread word among the public of Congressional positions running counter to the Presidency.

With time, public opinion will work its will upon the President or remove him from office. But once Congress has determined how many troops shall be enlisted, or what arms constructed, the President may, so long as he holds this high office, station those forces and send those arms to such parts of the world as he finds needed in the national defense. The Constitution authorizes the President to protect American

[3] T. J. Emerson, "War Powers Legislation," 74 West Va. Law Review 53, 1972, p. 367. Though some of these 199 incidents may have been initiated by subordinate officers on the spot, all appear to have been undertaken on the President's directions, in implementation of well-known Presidential policies, or subsequently ratified by him.

[4] *Fleming v. Page*, 50 U.S. 603, 615 (1850). See also *United States v. Sweeny*, 157 U.S. 281, 284 (1895) in which the Court stated that the President is expected to wage a "successful war" once war has been commenced.

[5] *United States v. Midwest Oil Co.*, 236 U.S. 459, 472, 473 (1915); *Myers v. United States*, 272 U.S. 52, 175 (1926).

[6] Congress has exercised these powers with alacrity in recent years. It has limited U.S. troop strength to only 2.2 million in fiscal 1974, down from 3.6 million in 1968, and appropriated a defense budget which is down 40 percent from 1968 in terms of constant dollars. Human resource spending (47 per cent) now exceeds defense spending (29 per cent) as a share of the Federal budget. The fruit of Congress's shift in priority was exposed in the 1973 Mideast crisis when the Soviets moved ninety-eight ships into the Mediterranean against only sixty-five U.S. ships.

rights and security abroad and no legislative power short of that of the people, acting on a Constitutional Amendment, can change his authority.

What was recognized by the Founding Fathers and what has been reflected throughout history is that war is a state in which nations are placed not alone by their own acts, but by the acts of other nations. As Thomas Jefferson wrote in 1815, in frank acknowledgment of his earlier error in thinking the United States could live in peace whatever the trend of events elsewhere, "experience has shown that continued peace depends not merely on our own justice and prudence, but on that of others also."

However much the Framers may have wished to live by a policy of avoiding foreign troubles, they knew from personal experience that the nation cannot be safe unless there is a single Commander in Chief with discretion to resist foreign dangers as they arise. The President does not "initiate" war in these instances; he reacts to foreign threats. Congress will persist in altering this insurance system only at grave risk to the public safety.

POTS AND KETTLES—COLOR BOTH BLACK

Mr. GOLDWATER. Mr. President, returning from the Far West as I did late Sunday evening and then coming downtown the next day, once again, I found out the great difference between living in the East and living in the West.

While out there, I hardly ever heard about former President Carter. I never heard anything about President Reagan being prompted by staff on the Carter papers and, if I had, I would have said what I said Monday morning: "Where were all these first amendment addicts, the press, when Lyndon Johnson was stealing my headquarters blind?"

As I have said on the floor, he not only knew what I was going to say before I said it, but the people representing him around the country also knew the contents of the speeches and they were answered before I even had a chance to read them. As I further related here in this body, he even had a woman spy on a campaign train of mine, and it was my unpleasant task to ask her to separate herself from my entourage.

Why is it that the Washington and New York papers seem to keep on forever and ever blasting the Government of the United States, be it Republican or Democrat; with the emphasis on the Republicans. Why, when so many things are going on around this world of such extreme importance, not just to the United States as a government entity but to the people who live here who love freedom, do we read this sort of thing? Why is it that the headlines are seemingly confined to the eastern seaboard, although I have to admit there are a few on the west coast that go the same route which occupy themselves with disclosing top secret information, berating the President of the United States, whoever he might be, downgrading our efforts around this world to preserve peace and never once thinking maybe there is a responsibility written into the Constitution, in that wonderful first amendment, which calls for the responsibility that should be practiced by everyone connected with the media, including television, radio, and newspapers.

I was flabergasted the other evening to watch a particularly well known and successful political talk show, in which the commentators, both conservative and liberal, just couldn't get over the terrible thing that George Will, one of the finest columnists in this country, had done during the campaign. As far as I can see, the crime committed by George Will was that he backed the successful candidate.

Now, are all of these columnists who suddenly have become so self righteous that it is difficult to discuss it saying that a man in the writing profession has no right to choose a candidate of his choice for President, mayor, Senator, or for anything else? Are they able to sit there and honestly say to the people of this country, never in my life as a writer, have I backed a particular man for President, or for any other office? Never in my writing life, have I discussed an issue publicly in a column? Mr. President, you and I know that that would be challenged so fast their heads would fall off.

Frankly, this whole uproar over the Carter papers is something that President Reagan summed up very well in his first remarks, something to the effect that it does not make much difference—and it does not. Those who read this in the CONGRESSIONAL RECORD have, at some time in their lives, tried to find out something that an adversary, an opponent, or a competitor was doing and, if they found it out, they would use it to their advantage. Now, all of a sudden, because a young person on the Carter staff, who might not have agreed completely with our then President, not agreed with him to the point that she felt it was alright to send President Reagan a few little pieces of paper and she did; and those papers were used, we have this big uproar. I do not exactly defend that activity, but I do not think what I say or anybody else says is going to stop it, and I do not think there is anything unconstitutional or illegal about it if you want to get down to the point.

John Lofton, whom I have known for a long time, who has a reputation for accuracy and honesty, and, I will quickly follow up, of partisanship—and I might follow up and say that he is also a conservative—has written an excellent column on this subject appearing in the Washington Times, entitled "Pots and Kettles: Color Both Black."

I hope people will read this column because it points out some rather disturbing things that should be of particular interest to those extremely righteous people who have been practicing the black-kettle-and-pot theory ever since they have been in front of a typewriter.

I ask unanimous consent that John Lofton's article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POTS AND KETTLES: COLOR BOTH BLACK

Calling for a special prosecutor, but not yet an emergency session of the United Nations Security Council to investigate the Carter briefing book flap, Democratic National Chairman Charles Manatt says this "is not the way both parties work." No siree. Manatt says "this type of violation" is "very much the Republican dirty tricks side of the world."

But political dirty tricks-wise, Manatt's world is flat. It has only one side, the Republicans' side. Before he repeats his ridiculously partisan assertion, however, it would be wise for Manatt to have a chat with John Roche, who is a rare bird indeed—an honest liberal.

Mr. Roche, a Democrat, is a founding father and former head of the Americans for Democratic Action (1962-1965). He also is a professor of civilization and foreign affairs and academic dean at the Fletcher School of Law and Diplomacy. He has been a student of Democratic politics since 1948.

In an interview, Roche tells me that he worked as a speech writer in 1964 for the Lyndon Johnson-Hubert Humphrey ticket against Barry Goldwater and William Miller. Roche says he wrote speeches first for Humphrey, then at the request of Bill Moyers—yes, that Bill Moyers—he later wrote foreign affairs speeches for LBJ.

Here's the way Roche remembers what happened: "I don't know who the gal was, but she must have been at the top of the typing pool in the Goldwater speech-writing operation. And she would feed us what proved to be the final versions of Goldwater's major speeches. This material was given to Chester Cooper in the White House. Then my staff of four or five people would prepare speeches, and we'd feed them to our supporters—people such as Sens. Eugene McCarthy, Abraham Ribicoff and Daniel Inouye—so they could instantly react to Goldwater." Roche says this pipeline into the Goldwater camp existed for the two months prior to the '64 election.

Roche also says that he remembers that in 1960 Kenneth O'Donnell and other aides to presidential candidate John F. Kennedy had copies of "just about everything" Nixon and his crowd were putting out, including black briefing notebooks. This was "par for the course," says Roche, and he assumes "they had our stuff."

Cooper, who in 1964 was a member of President Johnson's National Security Council staff, tells me he does remember getting material from the Goldwater campaign, but it was the kind of thing being released to the papers. He says: "I do remember getting Goldwater speeches in my inbox, but I don't know where the hell they

came from." He denies this was inside information. Cooper says that if Goldwater's speeches dealt with Vietnam, which was his area of expertise, he passed this material along to McGeorge Bundy, the president's chief adviser on national security affairs.

Horace Busby also worked for President Johnson in 1964 as a special assistant. At first, he flatly denies Roche ever worked in the '64 campaign saying that Roche's memory has failed him. Busby says that what Roche alleges "could well be," but he (Busby) doesn't know what Roche is talking about. Busby says he recalls getting no Goldwater information from inside the campaign of the GOP presidential nominee.

Busby adds that he doesn't know where some of his Goldwater information came from, that it was "kind of just in the atmosphere." At the end of our conversation, Busby backs off saying that now that we've discussed the matter in some detail, he recalls that Roche did work in the '64 campaign.

At this point the plot thickens, as they say. During the 1964 presidential campaign, Howard Hunt—yes, that Howard Hunt—worked for the CIA. Hunt tells me that his boss at the agency at that time, Tracy Barnes, who is now dead, told him to have one of Hunt's people go to Goldwater's campaign headquarters and get the material that was being released to the public and send it to Cooper in the White House.

Hunt, who voted for Goldwater, says that it was a "strange and extraordinary thing" for the CIA's downtown office—which was near Goldwater's headquarters—to be involved in all this. Hunt says that at his request a couple of ladies in his office did indeed, on their lunch hour, pick up the Goldwater material asked for and send it to Cooper.

But John Roche is sticking to his guns. He stands by his story. He tells me: "Oh, no. The stuff I got was not handouts for the press. It was advance, preliminary material." Insisting that he knows the difference between material released to the press and copies of typed speech drafts. Roche says there's no doubt in his mind that what he was given was "inside stuff."

When I ask Roche if the material he says he was supplied with from inside the Goldwater campaign caused any ethical or moral agonizing among the people with whom he worked, he replies with a laugh: "No, I can't remember anybody doing this. As best as I can recall it, they thought it was a damn good idea."

So, how about it, Chairman Manatt? Should your special prosecutor put these folks on the dunking stool? Or is your hunt, sir, for Republican witches only?

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate continued with the consideration of the bill (S. 675).

AMENDMENT NO. 1459

Mr. GOLDWATER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment numbered 1459.

On page 24, after line 21, insert the following:

Of the amount authorized for Air Force Research and Development not less than $22,477,000 shall be available for research and development of Training and Simulation Technology.

Mr. GOLDWATER. Mr. President, if I might have the attention of the chairman, this reduction came about in a rather unusual way. Normally, the Tactical Warfare Subcommittee, of which I am chairman, handles this particular item as synthetic trainers. This year, for some reason unbeknownst to me, it wound up in the Strategic and Theater Nuclear Forces Subcommittee. The Strategic and Nuclear Forces Subcommittee reportedly wanted to include the entire amount, but to comply with the instruction of the Budget Committee, they reduced it $3.9 million. What my amendment would do would be to restore $3.9 million to the budget and put the whole thing in proper order because it would be back under the Tactical Warfare Subcommittee where it should have been in the first place.

I might just say that simulators have been encouraged year to year by recent Congresses because of the great savings that we have in effect in the use of simulators for all types of training, particularly flight training.

I might remind my chairman that the airline systems of the United States and the world now use simulator training instead of flight checks with the knowledge that they are certain that they produce just as good results and just as good training for pilots and crews as actual flights do.

I would ask my chairman if he will accept this amendment so that we can continue the development of trainers as we have been doing.

Mr. TOWER. Let me say to my colleague from Arizona that I have not had the opportunity to clear this with the ranking member of the committee, which I would like to do first. Let me ask the Senator, is this an authorization for a reprograming or does it actually add to the R&D account the sum of $3.9 million?

Mr. GOLDWATER. It brings the R&D account back up to what was originally recommended by the committee. As I say, it came out of the Strategic Subcommittee without the $3.9 million. That is what I am asking to be restored.

Mr. TOWER. You are not asking for a reprograming authority which would have a budget impact of adding $3.9 million to the R&D account. Is that correct?

Mr. GOLDWATER. That is correct.

Mr. TOWER. If the Senator will permit, I would like to consult with the ranking minority member.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, it is my understanding that, as framed, the amendment authorizes reprograming by the Air Force of $3.9 million, which has no budgetary impact. If that is the case, I am prepared to accept the amendment.

Mr. JACKSON. Mr. President, I understand this comes out of an account, specifically the R&D account, research and development account, of the Air Force. Therefore, it does not add to the sum total being authorized in the bill. Am I correct?

Mr. GOLDWATER. The Senator is correct.

Mr. JACKSON. I support the amendment.

Mr. PRYOR. Will the distinguished chairman and manager yield for a moment?

I would like to ask, Mr. President, unanimous consent that I be added as a cosponsor of the amendment offered by the distinguished Senator from Arizona.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, we are prepared to accept the amendment.

The PRESIDING OFFICER (Mr. PRESSLER). The question is on agreeing to the amendment of the Senator from Arizona.

The amendment (No. 1459) was agreed to.

Mr. GOLDWATER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I indicated earlier today that I hoped we could finish this bill this week, per-

haps on Thursday, although I expect it will be late Thursday if we do that, but that we must finish this bill because there are so many other measures of urgent importance that are stacked up behind it that must be done in July. Mr. President, it is 3:10 in the afternoon. While it is true that the managers of the bill have managed to pass two amendments, it is also true that none of the major amendments have yet been offered. We have not yet had a single rollcall vote on this measure. If we keep going at this rate, we are not going to finish this bill by this time next week.

Mr. President, it seems to me absolutely essential that those who have amendments come forward and offer them. If they do not do that, the only alternative the leadership has is, first, to have a live quorum and try to see if we can get Members here and reason together on trying to arrange a schedule for consideration of the amendments to this bill. If still nobody is going to offer amendments, I am going to ask the managers of this bill to call for third reading. I have no illusions about getting that, but I want to say that we will do that repeatedly and as often as necessary to keep this bill moving.

There is no time agreement on the bill. No one has any protection, and it is important that we get on with the business at hand.

With that admonition, Mr. President, which I make more often than I would like but which I make in absolute certainty and reluctance, I once again suggest the absence of a quorum.

Mr. GOLDWATER. Will the Senator yield?

Mr. BAKER. I withhold the request.

Mr. GOLDWATER. Mr. President, is it beyond the realm of possibility that we may ask for the third reading and get the bill over with?

Mr. BAKER. Mr. President, I would sit here with nothing but a great smile——

Mr. GOLDWATER. And I would join the leader with a big grin.

Mr. BAKER [continuing]. If someone were to call for third reading. But I think we should give our friends and colleagues who, I hope, will remain our friends, an opportunity to come to the floor and offer amendments.

Mr. GOLDWATER. Mr. President, I might say that they had all day yesterday and did not show up, all day today and did not show up. I think it is time somebody around here got the idea we are here to work.

Mr. BAKER. I could not agree more. If anyone thinks we are reading from the responsive readings in the back of the hymn book, they are right. I think people had better get over here and offer amendments or there is going to be a lightning bolt hurled down here and we will get third reading.

Mr. GOLDWATER. I think it is not going to be too long before this Senator asks for third reading and he will get it.

Mr. WARNER. Will the Senator yield?

Mr. BAKER. Yes, I yield.

Mr. WARNER. Mr. President, I thank my distinguished friend, the majority leader, and the Senator from Arizona for yielding.

AMENDMENT NO. 1460

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The acting assistant legislative clerk read as follows:

The Senator from Virginia (Mr. WARNER) proposes an amendment numbered 1460.

Add a new section at the appropriate place in the bill the following:

"Of the funds authorized to be appropriated pursuant to section 111 of this Act, $205 million shall be available for research and development by the Department of the Army for the Military Computer Family. The Secretary of Defense shall make offsetting reductions in lower priority computer application projects authorized in this Act."

Mr. WARNER. Mr. President, my amendment will reallocate funds from several accounts in order to insure that a highly important program receives the full level of effort it deserves.

It has no dollar impact on the overall bill before us at the moment.

The program in question is the Army's tactical embedded computer development project known as the military computer family. This innovative research and development initiative is intended to provide a new generation of advanced computers for the Army's future tactical weapons systems with a maximum amount of commonality and a minimum amount of unique software support requirements.

The Senate Armed Services Committee has, in the past, strongly supported the Army's embedded computer modernization program. I believe that such support continues to be in order today. In the face of acute pressure to make budgetary reductions, however, this program was reduced.

Mr. President, my amendment proposes to make an offsetting, undistributed reduction in Department of Defense computer application projects—as opposed to technology developments—whereby lower priority computer development and/or acquisition programs could be adjusted at the discretion of the Secretary of Defense in order that this extremely high priority endeavor may proceed as planned.

I have been advised that at least one tactical computer program is being developed to fulfill on an interim basis the requirement which will ultimately be satisfied by the military computer family system. I have further been informed that—if the military computer family research and development work continues to proceed as effectively as it has to date, it may be possible for certain tactical systems to make use of the MCF equipment from the start—thereby obviating the need for an interim and duplicative development program. I encourage the Department of Defense to give serious consideration to identifying such development activities as possible sources of funding for the undistributed reduction applied by this amendment.

I hope that the distinguished floor managers for the majority and the minority can accept my amendment.

I yield to the distinguished chairman.

Mr. TOWER. Mr. President, it is my understanding that this involves the allocation of funds that do not have an adverse budgetary impact.

Mr. WARNER. The Senator is correct.

Mr. TOWER. The Senator from Texas has no objection to this matter in which the distinguished Senator from Virginia is well versed. I am prepared to accept the amendment.

Mr. GOLDWATER. If the Senator will yield, I might point out to my chairman that, inadvertently, the Tactical Warfare Subcommittee handled this this year where, normally, it is handled by the Strategic Subcommittee. On the other side of the coin, they handled the synthetic trainers and I am usually supposed to handle those. So we have already made the adjustment in the trainers. I am very glad to help my friend from Virginia in getting this straightened out.

Mr. WARNER. I appreciate the support of the Senator from Arizona. I judge that his comments are supportive of this amendment.

If the distinguished Senator from Washington concurs, I imagine we can dispense with it on a voice vote.

Mr. JACKSON. Mr. President, as I understand it, this amendment will not have any adverse budgetary impact. Am I not correct?

Mr. WARNER. That is correct.

Mr. JACKSON. Second, it merely earmarks the funds for the computer matter that the Senator outlined in his statement. So the overall impact is not to add to the budget contained in the bill pending before the Senate.

Mr. WARNER. The Senator is correct.

Mr. JACKSON. I support the amendment and join with the chairman of the committee in urging its acceptance.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1460) was agreed to.

Mr. JACKSON. I move to reconsider the vote.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from Texas.

Mr. TOWER. In the amendment offered by the distinguished Senator from Virginia (Mr. WARNER), adopted by a voice vote, there was a clerical error in the amendment as submitted to the desk. As submitted, the amendment read $205 million. I ask unanimous consent that that figure be changed to $20.5 million.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. That represents a savings of almost $180 million.

(Conclusion of subsequent proceedings.)

CALL OF THE ROLL

Mr. TOWER. Mr. President, I am going to suggest the absence of a quorum with the consent of the majority leader. May I say it is our intention to let it go live, because I think we need to alert Senators to the fact that we are doing business over here this afternoon and try to get a little more progress made on the amendments.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll, and the following Senators answered to their names.

[Quorum No. 9 Leg.]

Baker	Pressler	Warner
Burdick	Thurmond	
Jackson	Tower	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

Mr. BAKER. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The question is on agreeing to the motion of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. MURKOWSKI) and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), and the Senator from Rhode Island (Mr. PELL) are necessarily absent.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 5, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—86

Abdnor	Exon	Metzenbaum
Andrews	Ford	Mitchell
Armstrong	Glenn	Moynihan
Baker	Gorton	Nickles
Baucus	Grassley	Nunn
Bentsen	Hatch	Packwood
Biden	Hawkins	Percy
Bingaman	Hecht	Pressler
Boren	Heflin	Pryor
Boschwitz	Heinz	Riegle
Bradley	Helms	Roth
Bumpers	Huddleston	Rudman
Burdick	Humphrey	Sarbanes
Byrd	Inouye	Sasser
Chafee	Jackson	Simpson
Chiles	Jepsen	Specter
Cochran	Johnston	Stafford
Cohen	Kassebaum	Stennis
Cranston	Kasten	Stevens
D'Amato	Lautenberg	Symms
Danforth	Laxalt	Thurmond
DeConcini	Leahy	Tower
Denton	Levin	Trible
Dixon	Lugar	Tsongas
Dodd	Mathias	Wallop
Domenici	Matsunaga	Warner
Durenberger	Mattingly	Wilson
Eagleton	McClure	Zorinsky
East	Melcher	

NAYS—5

Dole	Goldwater	Quayle
Garn	Proxmire	

NOT VOTING—9

Hart	Kennedy	Pell
Hatfield	Long	Randolph
Hollings	Murkowski	Weicker

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Senators will take their seats. Conversations will please be removed to the cloakrooms. Senators will please take their seats.

Mr. BAKER. I thank the Chair.

With the conclusion of that quorum call, Mr. President, since Monday at noon we have been in a quorum situation for 5 hours. That is not making haste very rapidly, and we have to finish this bill, and we have to do it this week if we are to do what must be done during this month and before the August break.

When we convened on Monday, Mr. President, I said words that may have sounded harsh but they sound more prophetic now. I indicated that to the extent that the Senate will permit me to do so, it is my intention to finish this bill this week. It may take late evenings, it may take all week, and it may take the weekend. But, Mr. President, we need to finish this bill this week and we are off to a mighty poor start.

I have been on the floor trying to urge Senators to offer their amendments, and no amendments have been forthcoming. I think we have done three amendments. In addition to the highly controversial amendments, the B-1 bomber, for instance, or the MX missile, there are dozens of other amendments that have been discussed. Maybe those amendments are not going to be offered, and that would delight me, and we could get to third reading pretty fast. But if they are going to be offered, Mr. President, they ought to be offered now because at 4 p.m. in the afternoon on the second day of consideration of this measure in the week we are going to finish this bill this is making progress very, very slowly.

I am going to inquire of those who are still remaining on the floor—and unfortunately most of my colleagues fled as soon as they answered the rollcall—I am going to ask Senators who have amendments on this side of the aisle to say so now, if they will indicate what amendments they have and when they will offer them. I am going to start making a list, and if the distinguished managers of the bill will consider it, we can go forward with theirs.

The Senator from Wyoming.

Mr. WALLOP. Mr. President, I have an amendment dealing with laser space weapons which I will continue to have conversations with the chairman on and can perhaps work something out which would require no votes.

Mr. BAKER. Very well.

The Senator from Texas, the manager of the bill, the chairman of the committee, indicates he has two amendments to offer, so that is three.

Mr. COHEN. I have one, along with Senator ARMSTRONG, on the GI bill, which we intend to offer tomorrow afternoon.

Mr. BAKER. Could I inquire, why tomorrow?

Mr. COHEN. We would anticipate having more Members tomorrow afternoon than are curently here.

Mr. BAKER. Could I inquire of the Chair how many Senators answered the rollcall?

The PRESIDING OFFICER. Ninety-one.

Mr. BAKER. Mr. President, I urge the Senator to consider that we ought to offer any amendment we can today, because tomorrow is Wednesday. If we are going to finish this bill Thursday or Friday, we really, really have to get those amendments up. I hope the Senator will consider the possibility of doing that today or tonight.

Mr. COHEN. I will consider it.

Mr. BAKER. All right. Anyone else?

Mr. President, we have maybe 15 Senators on this side and so far I have only had about three amendments.

I inquire of the minority leader if he could give me any enlightment on how

many amendments may be offered on his side.

Mr. BYRD. Mr. President, I suggest that the majority leader make the inquiry and we will also, as I think we have already done some exploration via the cloakroom line.

Mr. BAKER. I thank the minority leader. With his consent, could I inquire of the Democratic side of the aisle how many amendments they have? First, the Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the Senator from Georgia and I will have an amendment with respect to multiyear contracting on the B-1 bomber and also the restoration of those same funds to other programs. I hope we can be ready to go—well, it would certainly be after the secret briefing tomorrow on the Stealth at 9 a.m. in S. 407.

If I may tell my colleagues, we are having a secret briefing in S. 407 on the Stealth tomorrow morning at 9 a.m. I urge and implore everyone to be there, because I think it is very vital to these issues.

Mr. BAKER. Mr. President, could I inquire of the distinguished Senator from Louisiana, would it be correct to say this is the principal B-1 amendment that will be offered?

Mr. JOHNSTON. I think there is also one from other Senators.

Mr. BAKER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I just want to reiterate to my colleagues what the Senator from Louisiana has just said. I do have an amendment on the B-1 and preferably would offer it before the Johnston-Nunn amendment.

But the thing I want to emphasize is I think it is really important that every Senator who wants to brief himself on the B-1 and the follow-on bomber ought to be in S. 407 in the morning at 9 a.m. That is an extremely vital and very important briefing. No one in this body is capable, except possibly a few members of the Armed Services Committee who have been privy to this, nobody can really vote sensibly on these two amendments until after that briefing. I urge all of my colleagues to attend that.

Mr. TOWER. Will the Senator yield?

Mr. BUMPERS. I am happy to yield.

Mr. TOWER. I was given the task to establish the briefing tomorrow. My understanding is that the briefing was only to be confined to the advanced technology bomber, not to the B-1.

Mr. JOHNSTON. That is correct.

Mr. TOWER. If you want to broaden it to include the B-1, we can. But it will be on the advanced technology bomber.

Mr. BAKER. As I understand it, there will be two B-1 amendments.

Mr. TOWER. There may be more.

Mr. BAKER. I understand the authors of those amendments are willing to do it sometime tomorrow after that briefing, is that correct?

Mr. JOHNSTON. Senator NUNN said right before he left that he did not think he would be ready to go on ours until Thursday.

Mr. TOWER. I hope we could get to third reading on Thursday, maybe even tomorrow night.

Mr. JOHNSTON. Senator NUNN will have to speak for himself.

Mr. BAKER. Let me say that the B-1 and the MX appear to be the major issues involved here, and maybe one or two others like binary weapons and the like. But I hope that we could get at least one of those major, controversial amendments out of the way today and another one tomorrow and, if there is a third one, then on Thursday, so, as the chairman says, we can finish this bill on Thursday evening.

But I implore my friends from Louisiana and Arkansas to consult with the minority leader to see if we can schedule a time for the B-1 amendments on tomorrow.

Does the Senator from Alabama have an amendment?

Mr. HEFLIN. Mr. President, I have an amendment—I do not believe it will be controversial; I believe it will be accepted—dealing with 11 acres of excess land.

Mr. BAKER. Are there other Senators? The Senator from Ohio.

Mr. METZENBAUM. Mr. President, depending upon some discussions that have taken place between the respective staffs of the managers of the bill and my own, I will have some amendments if those discussions do not develop into a consensus in connection with the matter of leasing. At this moment, I cannot say how many of those amendments there will be.

In addition to that, it is my understanding that some Members of the Senator's side are planning to offer an amendment in connection with the so-called $2.1 billion of found money. In the event they do not offer that amendment, then I will offer such an amendment.

Mr. BAKER. Mr. President, I believe the Senator may be speaking of a motion to recommit. I understand that the distinguished Senator from Washington (Mr. GORTON) may offer that amendment.

Mr. METZENBAUM. That is the one.

Mr. BAKER. I include that in the list. He is not on the floor at this moment.

Are there other Senators? The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, if the majority leader will yield, in the absence of Senator ARMSTRONG, I might say that, in cosponsorship with him, Senator HOLLINGS, and Senator CRANSTON, we would be offering the GI bill amendment tomorrow.

Mr. BAKER. Tomorrow?

Mr. MATSUNAGA. Tomorrow.

Mr. BAKER. Mr. President, that is the same amendment mentioned by the Senator from Maine, Senator COHEN, or at least the same subject matter. I urge the Senator to consider doing that today rather than tomorrow.

Mr. MATSUNAGA. For some reason, the cosponsors will not be available today.

Mr. BAKER. Mr. President, with all deference and respect, we really have to move this bill. As of this moment, I do not know of a single one of these amendments that is available now. I simply am not going to ask the Senate to leave at 4 p.m. in the afternoon.

So, with no disrespect to my friend from Hawaii or my friend from Maine, who has now fled the Chamber, I hope that we can find somebody who will offer an amendment.

Could I ask for a volunteer who will offer an amendment?

Mr. TOWER. Mr. President, I will offer a couple of amendments. If the distinguished majority leader will yield, may I suggest that if you could have it ready for tomorrow, then you could have it ready for, say, 10 o'clock tonight. So why do we not start sequencing these amendments for late this evening? Because if Senators are prepared to offer them tomorrow, they would be just about as prepared to offer them late this evening. Why do we not start sequencing for 9, 10, or 11 p.m., whatever? That is just a suggestion.

Mr. BAKER. Mr. President, let me say I am going to yield the floor in a moment. I have one other remark to make that nobody is going to like and then I have a request to make of Senators.

First, the request, I urge Senators on both sides of the aisle to let their respective leadership know what amendments they have in detail and when they can schedule those at the earliest moment, meaning today, tomorrow, and Thursday.

Mr. TOWER. Will the Senator amend that to include the distinguished Senator from Washington and the Senator from Texas, to let us know also?

Mr. BAKER. I am going to give the Senator the list. I am not going to have anything to do with them.

Let me then urge that the two managers of the bill attempt to work out a sequence and a schedule. I will consult with the minority leader and we will see then if we can work out an arrangement on when we consider these amendments and when we can sequence the highly controversial amendments, the B-1, the MX, and

binary weapons, if that is indeed offered.

Mr. TOWER. Will the Senator yield?

Mr. BAKER. Yes.

Mr. TOWER. Mr. President, I announced earlier that I would like at some point to attempt, after consultation, to sequence these by subject matter so that everyone interested, for example, in the B-1 can appear on the floor during a certain timeframe, the MX at a certain timeframe, and tactical aircraft, what have you. I hope we could put some order in the procedure so that Senators will be alerted when these amendments will come up.

Mr. BAKER. Mr. President, I think that is a good idea and I would urge Senators to try to help the managers arrange it.

Now, Mr. President, I have had a conversation with both managers and I have read just now from my statement in the RECORD of yesterday. I regret to make the statement I am about to make.

Mr. President, I reiterate that it is essential that we finish this bill this week. I will ask the Senate to remain as long as the managers tell me that it is profitable and useful for the Senate to remain in session tonight, tomorrow night, Thursday night, Friday night and Saturday night.

Mr. President, I am not bluffing. We have to finish this bill this week, in my judgment. We will stay in this weekend to do it, if necessary, and if it is decided to be appropriate.

Mr. TOWER. Will the majority leader yield?

Mr. BAKER. Yes.

Mr. TOWER. That is music to my ears.

Mr. BAKER. Mr. President, the Senator may be the only the Senator in the Chamber who is happy to hear that.

Mr. President, I thank the managers on both sides of the aisle. But, once again, we have to finish this bill this weekend and I urge Members to get on with the business at hand.

Mr. QUAYLE. Mr. President, I should like to briefly address the subject of competition in the procurement of spare parts by the military services. Today's Washington Post and New York Times both include articles about the report by the Department of Defense Inspector General condemning existing spare parts procurement practices. I ask unanimous consent that these two articles be printed at this point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 12, 1983]

AUDITORS REPORT PENTAGON SPENDING TOO MUCH ON PARTS

(By Fred Hiatt)

The Defense Department is paying millions of dollars too much for aircraft engine spare parts and is giving far too little attention to cost increases, according to a draft report by auditors for the Pentagon's inspector general.

Spare-parts spending in the Navy and Air Force agencies examined by Defense auditors reached $1.2 billion in fiscal 1982, and prices for nearly 30 percent of the 15,000 parts the auditors checked went up 500 percent or more between fiscal years 1980 and 1982.

In 1982, the Air Force paid $17.59 for a bolt that cost 67 cents in 1980. The price of one section of a Rolls-Royce ring assembly increased from $3.70 to $54.75 in the same period.

In many cases, the report—drafted for Inspector General Joseph H. Sherick—found that "little effort was being made to limit exorbitant cost growth," while the Pentagon "provided contractors with a 'blank check' and no incentive to cut costs."

Spare-parts horror stories have become standard fare at the Pentagon during the past year, but the draft report offers the most authoritative evidence so far of the widespread scope of the problem.

The report also points to several institutional factors that continue to inflate prices despite Defense Secretary Caspar W. Weinberger's exhortations to spur competition and limit costs. Among the factors cited were undue reliance by Air Force officials on their prime contractors' advice, and top officers' emphasis on speedy delivery rather than cost.

Air Force official are examining the 41-page report. They declined comment until release of the final document. The draft was obtained and released to reporters by the nonprofit Project on Military Procurement.

The report said the Pentagon virtually guarantees high prices by purchasing most spare parts with "sole-source," non-competitive contracts. Many contracts the Air Force considers competitive pit a contractor against one of its affiliated licensees, diminishing the incentives for true competition.

In addition, 27 percent of all parts sampled were bought under contracts that allow the supplier to raise prices every year.

"The use of the latter type of contract resulted in contracting officers paying little attention to the unit prices paid for spare parts," the report said. "The contractor's risk in minimal because increased costs are simply passed on to the government."

Even in cases where competition could exist, the department did little to encourage it, according to the report. "There was a reluctance by the [government] engineers to consider alternate sources without the approval of the prime contractor," it said.

The report focuses on Pratt & Whitney, a unit of the United Technologies Corp. conglomerate that produces most U.S. jet engines and parts. It says the company often purchased parts from independent vendors and then sold them to the Air Force without justifying its substantial markups.

The report's conclusions could be embarrassing to Pratt & Whitney, which already has been charged in internal Air Force audits with unjustified pricing. Pratt & Whitney is now engaged in a major lobbying and performance competition with General Electric Co. for the right to produce the next generation of Air Force and Navy fighter jet engines.

A spokesman for Pratt & Whitney said the firm has submitted a plan to the Air Force to "correct deficiencies in its relationship with suppliers." The company had denied improper pricing in the past, but said it has not had an opportunity to study the draft report.

The report notes that General Electric, Rolls-Royce Ltd. and other suppliers also raised the prices on spare parts far beyond the inflation rate.

[From the New York Times, July 12, 1983]

PENTAGON AUDIT FINDS SHARP PRICE INCREASES FOR PARTS

(By Charles Mohr)

WASHINGTON, July 11.—A simple three-inch steel bolt that had a list price of 67 cents cost the Defense Department $17.59 upon delivery. Military procurement officers paid $57.52 for a small bushing originally priced at $2.83.

These are among the examples in a Pentagon report on large price increases for spare parts for aircraft engines. The services paid more than $1.2 billion for such spares last year.

The report said that enormous increases in spare part prices were caused, in part, by the failure of Government purchasing officers to buy directly from the manufacturer, to encourage competitive bidding and to find new commercial sources for such parts.

It also said that the purchasing officers paid little attention to the cost of parts since their job performance was evaluated chiefly on speedy completion of paper work, with little regard to economies achieved. Another common practice cited as driving up prices was a type of contract that lets a supplier set the price when parts are delivered, not when they are ordered.

The report was a draft, dated June 10, of an audit report by the office of the Inspector General of the Department of Defense.

The Inspector General's report was made public today by the Project on Military Procurement, a nonprofit, private organization that gathers information on weapons costs and on faulty performance of equipment. The organization has informers in the Defense Department.

The report involved a study of the price history from 1980 through 1982 of almost 15,000 different aircraft engine spare parts. About 65 percent, or more than 9,700 items, increased in price by more than 50 percent in the three-year period, and more than 4,000 items increased in price by more than 500 percent, the report said. Some increases of more than 1,000 percent were noted.

"Increases in material costs or other inflation factors cannot explain or justify prices being paid by the Government for aircraft engine parts," the report said.

SEVERAL EXPLANATIONS

The authors of the report gave a variety of explanations of the sharp price increases. One is that the purchasing agencies, such as Air Force logistic centers and the Navy's Aviation Supply Office, tend to buy spare parts from the "prime contractor" corporation that furnished the engine, even though most of the parts are actually manufactured by subcontractors or vendors.

It reported that Air Force officials at one buying facility said 80 percent of the parts sold by Pratt & Whitney Aircraft Corporation, the largest maker of aircraft engines, were made by other manufacturers.

Another problem, the report said, was the use of "price redeterminable" ordering agreements. In such contracts, the contractor issues an annual price list from which the purchasing officer makes an order. The price can be raised upon delivery, however.

The report complained that such contracts "allowed the contractor to raise prices without contracting officers either monitoring unit price increases or questioning significant cost growth." This gives contractors a "blank check," the report asserted.

The Oklahoma City Air Force logistics center stopped using redeterminable price agreements in 1981, but a similiar facility in San Antonio and the Navy continue to use them.

The authors of the report said they believed that "Pratt & Whitney's accounting system does not result in 'fair and reasonable' prices."

The report said Government purchasing officers tended to accept markups without much protest. One reason is that evaluation of the officers' performance emphasizes the volume of purchase requests and the time needed to process them. "Cost is not a major consideration," the report said.

The report recommended a new procedure in which a contracting officer would have to certify that a price is fair and reasonable when it has increased 25 percent or more in one year.

NONCOMPETITIVE BIDDING CITED

The report was also noted the large number of "sole source" or noncompetitive purchasing agreements. It said that companies attempting to break into the parts business were "either rejected outright" or subjected to prolonged "qualification" procedures.

One case history cited involved an order for 15,658 "divergent nozzle assemblies" for F-100 jet engines. Pratt & Whitney offered a unit price of $2,469. The B.H. Aircraft Company of Farmingdale, L.I., submitted an unsolicited proposal to make the assemblies for $1,395 each. B.H. Aircraft was not approved as a source until after protests were made to seveal non-Pentagon organizations and the General Accounting Office. Eventually, B.H. was given a reduced order of about 7,000 parts, which the report said "saved nearly $9 million on this one purchase."

An Air Force spokesman said it was Air Force policy to withhold comment until a written response had been given to the Inspector General's office.

Mr. QUALE. Mr. President, I should also like to call to the attention of the Senate the language in the report accompanying S. 675 at pages 103 and 104 under the heading "Spare Parts Procurement Policy." The language expresses the strong committee concern over this very same issue—the lack of competition in the procurement of spare parts.

I certainly hope that the Pentagon reads this report language in the very serious vein in which it was intended. I can assure my colleagues in the Senate as well as the leaders in the Pentagon that there had better be a very drastic turnaround in the way in which spare parts are bought. Competition is so obviously needed in this area that if a drstic change is not seen by the time of next year's authorization bill, I intend to propose some drastic changes in the law which will force the Pentagon to move away from solesource contracting.

I believe the Armed Services Committee serously intends to follow up on the report language which I proposed and which was adopted. We do not consider 90-percent solesource contracting to be responsible management in the best interest of the American taxpayer.

AMENDMENT NO. 1461

(Purpose: To establish a requirement to report before obligating funds to carry out full-scale production of any weapon system not successfully completing operational testing)

Mr. TOWER. Mr. President, on behalf of the distinguished Senator from Kansas (Mr. DOLE), I send an amendment to the desk and ask for it immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas (Mr. TOWER), on behalf of Mr. DOLE, proposes an amendment numbered 1461.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

LIMITATION ON PRODUCTION OF CERTAIN WEAPON SYSTEMS

SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to commence or carry out the full-scale production of any weapon system which has not successfully completed operational testing, until the date on which the Secretary of Defense has transmitted to the Congress a notice as provided in subsection (b).

(b) Each notice transmitted under subsection (a) shall be in writing and shall include a statement that the Secretary intends to commence and carry out the full-scale production of such weapon system, a description of the problems with the weapon system revealed by the operational testing, and a discussion of the risks and the benefits associated with commencing and carrying out full-scale production of the weapon system before operational testing of the weapon system is successfully completed.

Mr. TOWER. Mr. President, the amendment offered by the Senator from Kansas simply requires a report from the Secretary of Defense in every case where he intends to obligate funds to commence or carry out full-scale production of a weapon system which has not yet successfully completed operational testing. The notification would include a description of the problems encountered in operational testing, and a discussion of the risks and benefits associated with commencing full-scale production before successful completion of operational testing.

● Mr. DOLE. Mr. President, during the last fiscal year defense procurement appropriations totaled $80.2 billion. The DOD authorization bill reminds us that tomorrow's weapons will be more complicated, and significantly more expensive. As our weapons systems become more complex, the Senator from Kansas wants to insure that we do not fall into the habit of routinely authorizing and appropriating large sums of money for concurrent development and production of new weapon systems without adequately reviewing the results of operational testing.

The B-1 bomber, the air-launched cruise missile, the Peacekeeper (MX) missile, and the Pershing II missile are all examples of modern, highly complicated, and very expensive weapon systems. In each program a large degree of concurrent development and production is or has taken place. All of the systems I have mentioned are strategic system, but the same high degree of concurrency surrounds some general purpose weapons as well. Concurrent development and production is unavoidable to some extent. But it is clear that the higher the degree of concurrency, the greater the risks of substantial cost overruns. In 1972, then Deputy Secretary of Defense David Packard observed:

There has been a real waste of both time and money in almost every program in which production was started before development and testing was complete.

All of us are concerned with the increasing costs of weapon systems, as are our constituents. Some of the cost growth is due to inflation. Some is due to the increased complexities of modern day weapons. Some of the cost increases, however, can be attributed to poor initial design which must later be corrected.

The amendment which I have sent to the desk seeks to highlight those cases in which full-scale production funds are planned to be obligated before the system has successfully passed its operational tests. The amendment would require a report from the Secretary of Defense in every case where he intends to obligate funds to commence or carry out full-scale production of a weapon system which has not yet successfully completed operational testing. The notification would include a description of the problems encountered in operational testing, and a discussion of the risks and benefits associated with commencing full-scale production before successful completion of operational testing.

Paul Thayer, Deputy Secretary of Defense, has recently remarked that the "fly before you buy" concept was something of a myth. Since in almost all cases of weapon procurement some degree of concurrent development and production takes place. He has a good point. That is why my amendment does not prohibit concurrent development and production; it merely shines the spotlight on this practice. The

need for some weapons systems is so urgent in some cases that no Member of this body would be troubled by simultaneous development and production. This amendment preserves the flexibility that the Secretary of Defense needs in such cases.

The Senator from Kansas feels that isolating instances of concurrent development and production will enhance Congress ability to closely monitor the weapons procurement process. The President's private sector survey on cost control, headed by J. Peter Grace, recently concluded that significant cost savings could be achieved in the Department of Defense, most notably from improved management of the weapons acquisition process. This amendment will help to make such savings possible by aiming congressional focus on major weapon system production decisions to a greater degree than now exists.●

Mr. TOWER. Mr. President, I might note that the distinguished Senator from Kansas is detained in a markup session in the Finance Committee and could not be here at this time.

Mr. President, I believe this is an acceptable amendment. It has been cleared on this side of the aisle. I am prepared to accept it.

Mr. EXON. Mr. President, the amendment offered by the Senator from Kansas has been cleared on this side and we are prepared to accept it.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1461) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, we are ready to take up the next amendment. I do not think we will be overwhelmed by volunteers, so I guess we better get back on the telephone.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1462

(Purpose: To permit the use of funds for Project 82-D-109)

Mr. TOWER. Mr. President, I send to the desk an amendment and ask the clerk to report.

The PRESIDING OFFICER. The clerk will report.

The acting assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 1462:

On page 234, between lines 7 and 8, insert the following new section:

AUTHORITY TO USE FUNDS FOR PROJECT 82-D-109

SEC. 303. Notwithstanding any other provision of law, the Secretary of Energy may obligate and expend funds to carry out Project 82-D-109 if the President approves the use of funds for such project and certifies to the Congress in writing that such project is essential to the national security.

Mr. TOWER. Mr. President, I am going to suggest the absence of a quorum. I submit this amendment now for the purpose of serving notice that it will be the next matter to be considered.

This has to do with the W-82 round, 155-millimeter cannon. It is a theater tactical nuclear weapon. As I think most Members are aware, our tactical nuclear stockpile is growing old and ineffective. We have been steadily reducing that stockpile unilaterally and getting nothing for it.

What we propose to do is change the fencing language that was in the appropriation bill on the production of this system because that fencing language made production contingent on the decisionmaking process of foreign governments and I submit we cannot submit our national security decisions to the decisionmaking process of foreign governments. It is my intention to suggest the absence of a quorum and then in about 5 minutes proceed to the consideration of this amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CHAFEE). Is there objection?

Mr. STENNIS. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The acting assistant legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, Congress has recently enacted and sent to the President the conference report on the fiscal year 1984 Energy and Water Resources Appropriations bill. In so doing, two extremely unfortunate actions were taken.

First, the appropriations measure preceded the companion authorization bill relating to the Department of Energy national defense programs. For that reason, I voted against that conference report. That authorizing legislation is, of course, contained in the Omnibus Defense Authorization Act which we are now debating.

Second, without specific deliberation by either the House of Representatives or the Senate, the conferees on that measure adopted a provision which, in my judgment, holds the possiblity for doing great harm to the national security of the United States and that of our allies. I refer to the provision of the Energy Appropriations Act which stipulates that before construction of facilities related to the production of 155 millimeter nuclear projectiles may begin, at least one NATO ally must certify publicly its willingness to deploy such shells on its territory.

Mr. President, this provision is a matter of great concern for both procedural and practical grounds. Procedurally, I believe it is most ill-advised to have legislation of this kind emerge in a conference report, especially a conference report on an appropriations bill, thereby denying either Chamber the opportunity for full debate and votes on the specific issue.

What is more, this provision is troubling because, from a practical standpoint, a program which is deemed by the President of the United States, the Secretary fo Defense, the Joint Chief of Staff, the Supreme Allied Commander of Europe, among others, to be an essential component of United States ability to deter tactical nuclear aggression in the future—irrespective of where such aggression might occur—is to be tied to the public policy decisionmaking process of our European allies. Mr. President, never before in my experience in government has the United States proposed to abrogate to some other nation such an important national security issue as this.

Let us think about what that language does. That means that if we wanted to produce this system to use elsewhere in the world, any place else that American troops may be deployed, we would not be able to do so until it was approved by the public decisionmaking process of some European country, even though that country might not be affected.

Mr. President, I believe this provision of the energy and water resources appropriations bill to be of sufficient import to require an opportunity for the Senate to consider it and be afforded an opportunity to vote on the substance of the issue. Therefore, I am offering an amendment to the general provisions section of the Omnibus Defense Authorization Act which would apply to the third title of that act with respect to funding provided therein for production-related construction of the 155-millimeter nuclear

shell. Unlike the language of the appropriations measure, my amendment would make the expenditure of such funds contingent upon a determination by and certification of the President of the United States that the expenditure of such funds for these purposes is essential to the U.S. national interest. I believe that the President is far better able to take into account our global national security requirements. Similarly, I believe he is better able to judge than might be our European allies the deterrent value of having effective, credible 155-millimeter nuclear rounds in our inventory—irrespective of where they might be deployed.

I would remind my colleagues that we are not talking about funds to produce a new warhead. We are only talking about construction funds needed to build the facilities that would be used to produce the warhead. The decision to produce the warhead will not be made for several years.

Likewise, my colleagues should be aware that this is a replacement warhead—not a new nuclear system. We now have the W-48 round, a 155-millimeter artillery round, deployed in NATO. But the W-48 is an old round, its military effectiveness is suspect and it does not have the safety features built into modern rounds. In summary, the currently deployed W-48 round has very little deterrent effect.

Let me repeat what I said earlier, that we have been reducing our inventory of tactical nuclear weapons unilaterally without exacting anything from the Soviet Union or the Warsaw Pact in return.

Finally, I believe it is imperative that the United States take sole responsibility for decisions affecting the nature and composition of our defense posture. To do otherwise, is to establish a dangerous precedent for the future.

Mr. President, if my distinguished colleague does not want to respond, I will suggest the absence of a quorum.

Mr. STENNIS. If my distinguished colleague will yield to me for a minute, I do have a word of explanation.

Mr. President, I am here for the ranking minority member of the Senate Armed Services Committee, the Senator from Washington (Mr. JACKSON), who has been detained from appearing on the floor for a short time.

It happens that in the Appropriations Subcommittee where this amendment was first offered, I opposed the amendment, Mr. President, I oppose it now, with all deference to anyone who feels the other way. I do not think it is sound law. I would therefore not approve the amendment offered by the Senator from Texas.

I shall have someone here, I think—I have already invited them to come—who is opposed to the amendment as now offered. I think the debate can proceed, if that is the will of the author of the amendment. If he wants to suggest the absence of a quorum now, I shall do that.

I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? I hear none. It is so ordered.

The Senator from Arizona.

Mr. GOLDWATER. Mr. President, is the bill now open to further amendment?

Mr. TOWER. There is an amendment pending, which I have offered.

Mr. GOLDWATER. I did not know that, Mr. President. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, when the energy and water appropriations bill came up in the Senate Committee on Appropriations, the committee and, later, the Senate, on the floor, took out all money for the 155-millimeter howitzer enhanced radiation shell for the production facilities; the House had that money in so that when we went to conference, the Senate had money out, the House had money in for the production of the 155-millimeter enhanced radiation shell. We struck a compromise in the conference committee which provided that the spending of the production moneys could not proceed until at least one NATO nation agreed to the deployment of the 155-millimeter shell. The reasoning was, of course, that while the Senate had opposed the 155-millimeter shell as being, first, redundant of the 8H shell and, second, probably of marginal use on the battlefield, the House felt differently.

We struck the compromise that at least we should not proceed with the facilities until we could deploy that system in at least one country. As it is right now, there is not a single NATO country which will accept the deployment of the 155-mm shell with the nuclear warhead.

Mr. President, this was a carefully worked out compromise, approved by the Senate after discussion on the floor of the Senate, and that could have been brought up in disagreement on the floor, but it was approved just the week before we went in session.

The distinguished chairman of the Committee on Appropriations (Mr. HATFIELD), I understand is not here and will not be here until tomorrow morning. It seems to me that the chairman of the Committee on Appropriations ought to be here. In the meantime, Mr. President, it would seem to me that this amendment—and I have not asked for advice on this, but it would seem to me that this amendment ought to be out of order, since it does change the conditions of the appropriations and this is a Senate bill, which did not originate in the House. It seem that, in effect, it is an appropriation, or tantamount to an appropriation.

I, therefore, make a point of order, Mr. President, that this is out of order as an appropriation on a Senate bill.

The PRESIDING OFFICER. Is the Senator making a point of order under the Constitution?

Mr. JOHNSTON. Yes, in effect, I was.

The PRESIDING OFFICER. If that is what the Senator is doing, under the Constitution, points of order are submitted to the Senate for decision. Is that what the Senator desires?

Mr. TOWER. Mr. President, let me suggest that my distinguished friend withdraw that because, as a fact, we are not constitutionally barred in an authorization bill from repealing legislative language in a previous appropriations bill. To begin, with, an appropriations bill is not required by the Constitution to originate in the House. That is a matter of custom and usage. Only a revenue bill is required to originate in the House.

As a matter of act, what we say here is notwithstanding any other provision of previous law. If the contention of the distinguished Senator from Louisiana were permitted to prevail, it would be such that the Senate could never reverse itself.

I submit that one Congress can unbind what another Congress has bound, or even one session of a Congress can unbind what has been bound earlier in that same session. So I do not think that the point of order is well taken. I do not believe anybody else really thinks so.

I would suggest that we not submit that to a vote.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. TOWER. Some might not vote on the merits of that issue, and that would really be a very terrible precedent. I would hate for the Senate to vote that we cannot undo what we have done before.

Mr. JOHNSTON. Will the Senator yield?

I wonder if the Senator would want to wait until the distinguished Senator

from Oregon (Mr. HATFIELD) is back tomorrow?

Mr. TOWER. Let me first say that that bill has not been signed into law, so therefore it is not existing legislation anyway.

Mr. JOHNSTON. I do not intend to bring it up for a vote at this point. It seems to me the Senator from Oregon ought to have a couple of minutes on this tomorrow, because as chairman of the Appropriations Committee I think he has an interest. Whether or not the point of order is well taken or whether the Senate would vote on the point of order, I would imagine it is a good candidate for a blue slip from the Ways and Means Committee, because while the Senator is correct in that the Constitution requires only that revenue measures begin in the House of Representatives, it is very difficult to argue that point with the House of Representatives when they send a blue slip over returning the bill to you on the ground that——

Mr. TOWER. Really, that is not the point. The point is that this will be submitted to conference with the House. If they want to raise a point of order on it before the House, they can, although I do not think it really would be liable to a point of order in the House. It is just a matter of our rethinking what we have done a few days ago in deciding on a different tack. That is what that amounts to. We are fully competent to do that.

As far as I am concerned, trying to put this over until tomorrow means we just keep pushing all of these amendments ahead of us. Everybody has been on notice that this bill was coming up. Everybody has been on notice. I am sorry that my distinguished friend from Oregon is not here, but we are 2 days deep into this authorization bill with matters in it that I know he is concerned about. It would seem to me that he would have altered his schedule so he could be here. What if there were no other amendments to be offered but this? Would we have to delay the proceedings of the Senate until one Member came back?

Mr. JOHNSTON. Let me say to my distinguished friend that he does not have to delay. I felt, as the ranking minority member of the subcommittee that handles the measure, I should make the request. The Senator from Oregon is from the side of the aisle on which the Senator from Texas finds himself.

Mr. TOWER. I understand that.

Mr. JOHNSTON. So this addresses itself to the Senator from Texas and to his feel for the schedule.

Mr. TOWER. Well, then, we might come up with some other amendment and find that some other Senator has to be served; we have to wait for him to return from somewhere. I do not know where. I wonder how long we are going to play this game of having any individual Member stay out of town and expect his interests to be protected when we are trying to do our business expeditiously.

I am sure the Senator from Oregon would like to bring up some appropriation bills, but none of them are going to be brought up until we complete work on the defense authorization bill. The longer we go on this, the longer it is going to be before we can get to these appropriation bills. We are trying to expedite our authorizing business so that the appropriation process can start.

I resent not being able, 2 days deep into a bill, to get one rollcall vote on an amendment because some individual Senator has to be accommodated. It has been known for at least 2 weeks that this bill would be the pending business when we returned not on the 12th, not on the 13th, but on July 11. I have no certain knowledge that the Senator from Oregon will be here tomorrow morning.

We have several controversial amendments. We keep pushing all the controversy off until tomorrow. Tomorrow somebody will say: I have a controversial amendment but I am not ready to bring it up now.

So I for one am prepared to go to a vote on this issue. I dislike doing it since the Senator is out of town, but everybody has been given adequate notice. It is not springing anything on anybody, not nearly to the extent that the DOE bill was sprung on me, that the appropriation bill was passed before there was even any authorizing legislation.

Let me ask the Senator from Louisiana if he believes that appropriation bills should be passed willy-nilly, regardless of whether or not there is any authorizing legislation? Does he believe that is good procedure for us to follow?

Mr. JOHNSTON. I think it is bad procedure to pass any bill willy-nilly.

Mr. TOWER. Does he think it is good procedure to pass any appropriation bill before there is any authorizing legislation?

Mr. JOHNSTON. No, I certainly do not. And to that purpose I have many times urged authorizing committees to get their bills out, but, unfortunately, sometimes they do not do so. For examples, we have not had an authorization bill——

Mr. TOWER. I am glad the Senator gave me that opening. The reason the armed services bill was not reported around the 1st of May and acted on then was because we were waiting for the Budget Committee to act, for the first concurrent budget resolution, because we did not know what our ceiling would be, how much we would be permitted to spend, until the budget process worked its will.

Now, are we to be punished for waiting for the budget process to work its will?

Mr. JOHNSTON. How about the fiscal year 1983 authorization bill?

Mr. TOWER. Does the Senator from Louisiana say that we should ignore the budget process and go ahead and get our authorization bills out with any kind of spending we want regardless of the first concurrent? Is the first concurrent a scrap of paper that is to be ignored?

Mr. JOHNSTON. Sometimes.

Mr. TOWER. Does he believe it should be ignored on this bill?

Mr. JOHNSTON. No, I do not believe it should be ignored on this bill. But I say to the Senator——

Mr. TOWER. I know that, coincidentally, I have inquired about two committees to which the Senator from Louisiana belongs. I would have no questions about his third committee.

Mr. JOHNSTON. I can say to the Senator that sometimes rules have to be ignored—sometimes it is for good reason and sometimes it is not. But I will say to the Senator that I felt dutybound to ask for the Senator from Oregon, and having asked I will play it either way. If we are going to go to a vote tonight, let me say that there is no plan to filibuster or have extended debate, but there are some colleagues on this side of the aisle who will want to speak on the matter.

Mr. TOWER. If they want to speak, we will be delighted to have them here to speak.

Mr. JOHNSTON. Mr. President, my colleague, Senator BUMPERS, will want to speak.

Let me say, rather briefly, what the reasons of the committee were for taking the action that it has taken.

The project we are talking about, the 155-millimeter shell, with the enhanced recovery warhead, first of all, is redundant of the 8-inch shell. We have the 8-inch shell at present.

Reason No. 1, it is redundant. Reason No. 2—and perhaps I should put reason No. 2 as reason No. 1—there is no European country, there is no member of NATO which will accept the deployment of the 155-millimeter shell, not one will accept the shell.

Mr. TOWER. Will the Senator yield for a question?

Mr. JOHNSTON. I certainly will yield.

Mr. TOWER. Is it not true that at one time West Germany was prepared to deploy the enhanced radiation warhead? Is that correct?

Mr. JOHNSTON. That was on the Lance.

Mr. TOWER. But a decision was made by the President of the United States not do do so?

Mr. JOHNSTON. If the Senator will excuse me a moment, Mr. President, I

should like to withdraw the point of order at this point.

The PRESIDING OFFICER. The Senator has that right. The point of order is withdrawn.

Mr. JOHNSTON. It is my understanding that they were prepared to accept the Lance.

Mr. TOWER. They were prepared to accept it.

Mr. JOHNSTON. The Lance, not the 155.

Mr. TOWER. But they were prepared to accept enhanced radiation warheads?

Mr. JOHNSTON. Well, the ER warhead, that is right—the Lance and not the 155.

Mr. TOWER. But is it not true that we have Titan nuclear weapons deployed there now?

Mr. JOHNSTON. Of course.

Mr. TOWER. Is it not true also that we have reduced our inventory of such weapons unilaterally?

Mr. JOHNSTON. There has been very little reduction of inventory, but there has been some. I understand that some of it is simply unworkable and has been brought home. But there has been some reduction, the Senator is correct.

Mr. TOWER. Is it not true that there is less collateral damage with the 155 shell that we are talking about than there is with current tactical use?

Mr. JOHNSTON. I think that is not correct. I have been given the figures on that, and my staff tells me that that is correct. But I can tell the Senator that I think the total yield—and I may be treading on classified areas——

Mr. TOWER. In effect, there is less collateral damage.

Mr. JOHNSTON. I think the Senator is incorrect, and I would be happy to get the classified material.

Mr. TOWER. I will submit supporting data for the record.

Mr. JOHNSTON. I think the Senator is correct in that the percentage of those relative to neutrons is lower with respect to the ER shell than the conventional shell.

Mr. TOWER. The point is that there is less danger to the civilian community with this system that with the existing type of nuclear weapons because this is a more precise weapon, with the yield concentrated more precisely. Does the Senator dispute that?

Mr. JOHNSTON. I believe so, because the yield of the existing weapons is so low. It is very, very low. As I say, I think we are getting close to——

Mr. TOWER. I dislike saying the Senator is wrong on this issue, and I will be glad to submit supporting data. But, in fact, we were criticized in Europe for giving up the enhanced radiation warhead without asking anything in return. Now we have been forced to reduce somewhat our inventory of nuclear weapons without getting anything in return.

Really, what is at issue here is this, and let me ask the Senator from Louisiana this: What if we want to deploy this weapon someplace else in the world—in Southwest Asia? Would we be barred from doing so by the language of the appropriations bill because some NATO country would not agree to deploy it on their soil?

Mr. JOHNSTON. The 155-millimeter shell is designed for Europe. It has no use elsewhere. It is only in those areas, first of all, where there are massive tank attacks and, second, where the corridors of attack would lend to massing of those tanks.

Mr. TOWER. Is the Senator saying there will never be a massive tank attack in Southwest Asia, coming down from the Soviet Union? Is that beyond the realm of possibility?

Mr. JOHNSTON. It is beyond the realm of planning for the Department of Defense. At present, the 155 is not for that; and if that became a change in tactics and a change in requirements, there would be plenty of time to build the facilities.

Mr. TOWER. Is the Senator saying that this system would have absolutely no use in Korea? Is he willing to certify that as a military fact?

Mr. JOHNSTON. I am willing to say that that is not the use of this weapon at present.

Mr. TOWER. That is not the use we contemplate it for. But the point is that what you are doing in this language is that if the United States wants to build the construction facility to build these weapons for use anywhere we might feel our interests are threatened and this is a militarily efficacious weapon to use, we cannot do it until some NATO country says it is willing to deploy it on their soil. That is what we are doing—subordinating a national security decision of the United States of America to a foreign government.

What is wrong with having the President do it? Why do we have to have the President's own judgment on a national security issue subordinated to that of a European country?

Mr. JOHNSTON. Mr. President, I was yielding to a question from my distinguished friend from Texas, and I thought he was going to get around to making the argument that NATO was in fact going to change its mind.

The fact is that there appears to be very little inclination on the part of NATO to change its mind.

At present, there is not one NATO country which would take deployment of a 155-millimeter enhanced radiation shell.

Mr. President, we presently are operating under a 5-percent budget limitation—5-percent increase so far as the Budget Committee is concerned. Yet, we have weapons systems of about 10-percent real. The President's budget has a 14-percent nominal, 10-percent real, which means that we have to eliminate all kinds of weapons systems.

What we are saying on the Appropriations Committee—in fact, what the entire Senate said—is why go to build a multibillion dollar system in competition with other systems that can be deployed and that are needed—bombers, tanks, fighter aircrafts, and all the needs of the armed services—why go into building a multibillion dollar system when you cannot deploy it and when, in fact, it is redundant of other systems?

We are already producing an 8-inch nuclear shell, so why do we need a 6-inch? That is what a 155-millimeter is—it is a 6-inch shell.

It was originally proposed in 1969. Congress denied funds in 1973, again denied funds in 1975, again in 1976. It cut funds in 1979. Defense Secretary Brown terminated the program in 1981. There were no funds in the fiscal year 1983 appropriations bill.

It is, in fact, the lowest priority nuclear weapon. Not only is its deployment prohibited, but also, it is uncertain. If this weapon is needed in Southeast Asia or in Korea, it is news to me, and I have had the full briefing. It is news to anyone on the Armed Services Committee.

I think you could dream up an approach to say that you are going to use it in Diego Garcia or in an Antarctica, but the fact is that at this point the Army has never said it is needed anywhere but in Europe. It is European weapon, and in Europe you have an 8-inch shell, so why do you need a new 6-inch shell, when to fund the 6-inch shell will take billions from other weapons systems?

Mr. TOWER. I will tell the Senator why: because there are five times more, and you drive the Soviets crazy with that problem. It presents a terrible problem for them and enhances the capability enormously.

Anyway, why not go ahead and build the weapon, have it stockpiled, whether or not you deploy, whether or not you have peacetime permission from anybody to use it? You might get a different version in wartime. If the balloon goes up, it is better that you have the system. The fact that you have it might be a deterrent to the Soviets using nuclear weapons in Western Europe.

We talk about deterrence. Yes, it costs money. We spend billions for deterrence. We do not spend it because we seek territorial aggrandizement any place in the world or because we want to invade anybody. We spend money militarily to defend ourselves, to defend our vital interests abroad, and, it is hoped, to deter aggression against the United States and its friends.

Mr. JOHNSTON. Tell me why they took out so many items in this defense authorization bill.

Mr. TOWER. I will tell you why.

Mr. JOHNSTON. You took out a whole raft of weapons systems—oilers that are going to be built in my State, which cut me particularly to the quick.

Mr. TOWER. Only one.

Mr. JOHNSTON. You cut out hundreds of millions of dollars of other systems which were needed, which your committee thought were needed, because you did not have the money; and here you are going to build a multibillion dollar system. They are not multibillions here, but it is a first step toward a multibillion dollar system, and you cannot deploy it.

Mr. TOWER. We are talking about defense now.

Do not tell me the tactical nuclear deterrence is not important, that it is low on the scale of priorities. I do not think the Senator will find many military men who will agree with that.

Sure, we cut some systems out. We stretched some out. We did so without prejudice. In each instance, we said these are validated military requirements. We are doing so because we are mandated to do it.

Mr. JOHNSTON. That is what we are doing here.

Mr. TOWER. That is because the defense budget is being driven by budgetary perceptions or so-called economic considerations and not by national security needs.

Everyone has to take a piece. I took a licking on it. The Senator from Louisiana has also.

But now if we could fund everything we needed, we would restore those systems.

When the Senator talks about priorities, we scrubbed the priorities very carefully in the Armed Services Committee. If the Senator from Louisiana is suggesting that our sense of priorities is not very good, he is perfectly free to offer an amendment which I understand he is going to do relative to the B-1.

Mr. JOHNSTON. For example, the F-18—should we not proceed with the F-18 program ahead of the 155?

Mr. TOWER. I am not aware that we did not fund the F-18 program.

Mr. JOHNSTON. Did the committee not take out three F-18's?

Mr. TOWER. We took out several aircraft. Does the Senator know why? It was because of the budgetary constraints, having to maintain a balanced inventory, balanced production, and certain systems. To maintain the right mix of tactical aircraft, we had to underfund some of them.

I did not want to take any of them out. The Senator from Louisiana is the one who wanted to limit defense spending down to 5 percent. Now I suspect the Senator from Louisiana felt that maybe could be taken out of everyone's program but those in Louisiana. Sure, tactical aircraft fell out. A lot fell out in Texas, also. I did not advocate the ceiling, but let everyone understand here, that the reason we had to drop these systems out is not that we did not think they were validated military requirements but because of the artificial budgetary ceiling imposed.

Mr. JOHNSTON. I understand that.

Mr. TOWER. That marched us back from what we did the previous 2 years. The previous 2 years we endorsed the proven capitalization of getting production rates up to efficient rates, reducing per unit costs, and achieving military buildup for the 5-year period the President sought to achieve.

Then we get in a panic about economics, and in fact if it is economically sound to cut defense then I think that Members should be prepared to go back to their respective States and districts and tell the people who are unemployed by virtue of defense cuts that it is really good for them.

Mr. JOHNSTON. Mr. President, I see the distinguished Senator from Arkansas is in the Chamber.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, this whole matter came up rather unexpectedly 2 weeks ago on the energy and water bill. I did not realize it was in the bill and raised some concern about the necessity for this facility and this shell.

The Senator from Louisiana and the Senator from Oregon (Mr. HATFIELD) made a pretty cogent case in answering my concerns about this project labeled 82-D-109, which carries a $50 million appropriation to build a facility designed to produce 155 millimeter artillery warheads.

As I say, I had some question about the necessity of such a warhead in light of what we are already doing, but it occurred to me that the Senate conferees, in their compromise with the House of Representatives, reached what I would consider to be a sensible compromise. There is no production money involved here. We are talking about a facility to build 155-mm nuclear warheads.

Now I do not know whether the range of that 155-mm shell is classified or not, so I will not get into that and will not get into some of the battlefield tactics involved in using such a weapon.

But the point has already been made here by the Senator from Louisiana that we are already building 8-inch neutron warheads and we are putting neutron warheads on the Lance missile. We are producing those two weapons right now, and we do not at this moment have one single NATO ally, despite repeated urging by this administration, that has agreed to allow these weapons to be deployed on its soil.

It does not make much sense to me to spend $50 million for a facility to build a weapon that is of some questionable military value, particularly in light of the fact that we are already producing two other warheads which would have a much greater stymieing effect on a Soviet onslaught against Western Europe.

The funds for this weapon have been dropped six times since 1969. They have been dropped six times. There was a time when President Carter talked West Germany into accepting neutron weapons at some considerable political risk to the leaders of West Germany, and then shortly thereafter President Carter decided not to even build the neutron bomb.

I happen to agree with President Carter's decisions, but I must say it was not fair to the leaders of West Germany to implore them to accept the weapons and then, once they take some political flak in doing it to turn around and torpedo them by saying "We are not going to build the weapon anyway." But that is another story.

But it is related to what we are doing here because we are going to have one difficult time getting any NATO ally to agree to allow these weapons to be stored on their soil again.

The Europeans have not requested this system. They show every indication that they do not want it. OTA is presently planning a study on the whole issue of the need for battlefield nuclear weapons and their efficacy.

In June we had an American think tank which issued a two-volume study that said the U.S. investments in new nonnuclear weapons in the next 10 years would give NATO the ability to stop a massive Soviet attack in Europe without resorting to nuclear weapons.

The other really cogent point the Senator from Louisiana has already made is that the cost of this thing is enormous. The cost figures are classified but I think I have already heard someone say it is a multibillion dollar undertaking.

Mr. President, I have said about all I can say on the subject. The Senator from Louisiana has. I had hoped that we might be able to put it aside until Senator HATFIELD could be here, but if the Senator from Texas wants a vote on it, then we do not have any choice in my opinion but to go ahead with the vote unless someone wants to talk on this thing all night, and I am not one who does. However, we just got through adopting a conference report just before the July 4 recess, and that conference report was a result of a very meticulously worked-out compromise between the Senate and the House of Representatives, and now 2 weeks later to turn around and undo

that compromise does not make a lot of sense.

There is one other point I wish to make. We can spend appropriated money whether it has been authorized or not. It may not be a good practice and around here we sort of use the authorization process to hide behind if we do not want the money appropriated. But the truth is, and we know it is done all the time, money is spent that has been appropriated but not authorized. In this particular case, if the amendment of the Senator from Texas is defeated, there is $50 million appropriated for a 155-mm production facility, but it cannot be built until some NATO country says, "We are willing to accept it," and the President certifies to Congress that they have so agreed to accept it. That does not seem like much to ask the Congress to approve. It makes eminently good sense to me.

Mr. President, I yield the floor.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, let me reiterate one thing, and that is that the decision to deploy would be some time in coming. We could not deploy it for some time anyway. It seems to me only prudent, however, when the Soviets are modernizing their nuclear type weapons, their SS-21's, 22's, and 23's, and we sit around here with this old W-48, then we are not even staying in the deterrence game, and again it is a matter of the requirement being driven by the threat.

I do not like to spend $3 billion on a program or $5 billion or $10 billion or whatever it costs—I do not know what the costs are in the lifetime of this program, I have no idea because it is classified—yes, I do have an idea, in fact, of what we spend for other nuclear warheads.

So I do not think we ought to be debating the cost issue. The fact is everthing costs money, but we do it in response to a threat. The requirement is driven by the threat. I would be very sad indeed if Members of this body are prepared to see the Soviets continue to modernize their forces and not support the modernization of American forces at all.

We like to think we are technologically superior to the Soviets but, in fact, they are making technological improvements in their systems at a more rapid rate than we are, in many instances with the technology stolen from the United States, and, in fact, we have got better economic resources than the Soviet Union. The Soviet Union can afford to build offensive systems that threaten the United States, and we should acknowledge that we can afford to build the systems that defend against them with a much greater minimization of impact on our own economy, with a much lower percentage of gross national product than the Soviets do.

Are we going to sit here and contend that we cannot afford to spend 6 percent of our GNP on defending ourselves when the Russians can spend maybe 14 to 16 percent of their GNP on developing a war-winning capability against us?

How weak have we gotten? Have we forgotten the Winston Churchill of the 1930's or even the Winston Churchill of the postwar period in reconstructing what happened? It noted our decisions were driven by the world as we wanted to see it rather than what it really was. Because of our desire for peace we were driven to a posture of not properly arming ourselves for war.

The whole idea is one of deterrence, and I do not want a major national security issue of the United States submitted to a foreign government for approval. That is what is at issue here. Whether one believes in the efficacy of the weapon or not, whether one believes in its deterrent capability or not, why on earth would this Senate endorse the submission of an important national security decision of the United States to the decisionmaking process of a foreign government? That is the issue.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Washington.

Mr. JACKSON. Clearly on the basis of substance, this is a matter for our Government to decide, Mr. President, and I hope we will not embark on this kind of a contingency situation in which a parliament of another country is going to decide, in effect, the substantive policy that is involved in this particular situation.

Mr. President, I hope the amendment will be adopted.

Mr. BUMPERS. Mr. President, will the Senator from Washington yield on that point, because I think he and the Senator from Texas have raised a point that would necessarily be of concern to all of us, and that is putting our future into the hands of the parliaments of other nations.

So far as that is concerned, did we not set virtually the same limits on the 155 binary weapons? Have we not in the past said that the production of the 155 binary weapons would be contingent upon our ability to store those on foreign soil and not go into production on them until some NATO nation agreed to accept them?

Mr. TOWER. Mr. President, will the Senator cite the source of that?

Mr. BUMPERS. I am asking the question because I am not sure of it, and I thought maybe——

Mr. TOWER. I do not know of such restrictions.

Mr. JACKSON. I have never heard, I will say to my good friend from Arkansas, of any such restrictions. He is referring to the deployment of binary weapons, and I know of no such precedent that would be comparable to the matter that is now before the Senate.

Mr. TOWER. I think any nation——

Mr. BUMPERS. Let me read the amendment to you that was adopted last year.

Mr. JACKSON. We can place a restriction where weapons are to be deployed, but it is something else again to say that the production of those weapons——

Mr. BUMPERS. Production.

Mr. TOWER. In fact, we will not deploy any kind they do not want to deploy there. Obviously we must have the consent of the nation to deploy them there.

Mr. BUMPERS. Here is the precise amendment agreed to by the Senate last year, and you can interpret it any way you want. I think you are getting into a case of semantics. But the amendment offered by Mr. HATFIELD which was accepted last year said:

SEC. 1117. (a) Notwithstanding any other provision of law, no funds may be obligated or expended after the date of enactment of this Act for production of binary chemical weapons unless the President certifies to the Congress that—

(1) it is the policy of the United States not to engage in live chemical or bacteriological agent testing on human beings and that the President rejects the findings of the Ad Hoc Air Force Advisory Board that such testing is critical;

(2) for each binary artillery shell produced, a unitary shell from the existing arsenal shall be destroyed, until such time that the Government of the Federal Republic of Germany and the North Atlantic Treaty Organization Council of Ministers approve replacement of existing stocks of lethal chemical munitions forward deployed in the Federal Republic of Germany with lethal binary chemical munitions; and

(3)(A) the United States has undertaken bilateral negotiations for a period not less than 300 days with the Government of the Soviet Union for the purpose of concluding a verifiable treaty barring production and stockpiling of chemical weapon and has concluded that such negotiations cannot produce agreement; or

Bear in mind the first part of that amendment says we may not produce those weapons until the President certifies that the Germans have said we can replace existing stocks in Germany with binaries.

I can see little difference between that amendment and the one that is being objected to here, namely, that we are depending on another country to tell us that they will do certain things before we can produce.

Mr. JOHNSTON addressed the Chair.

Mr. TOWER. Let me say there is——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, there is a difference because what is referred to here is production and not the construction of facilities to produce.

Mr. JOHNSTON. Mr. President, I wonder if the distinguished Senator from Texas would allow me to lay this amendment aside for not longer than 60 seconds in order to bring up an amendment with respect to a liver transplant covered under CHAMPUS?

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment I offered to S. 675 be temporarily laid aside so that the Senator from Louisiana may offer an amendment as he described it, with the understanding that we will return to the consideration of my amendment after the disposition of the amendment of the Senator from Lousiana.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1463

(Purpose: To provide express legislative authority for the cost of certain liver transplants to be covered under CHAMPUS)

Mr. JOHNSTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. JOHNSTON) proposes an amendment numbered 1463.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . (a) Section 1079(a) of title 10, United States Code, is amended—

(1) by striking out the period at the end of clause (5) and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following:

"(6)(A) liver transplant operations for dependents under age 18 may be provided at hospitals which have been approved for such purposes by the Secretary of Defense and deemed appropriate based upon demonstrated rates of survival and demonstrated abilities to perform the operation after consulting with the Secretary of Health and Human Services and such other parties as the Secretary deems appropriate; and (B) such costs as the Secretary of Defense, after consulting with the Secretary of Health and Human Services, considers appropriate for the acquisition and transportation of any liver donated for any liver transplant operation provided under any such contract may be paid by the Department of Defense under such contract.".

(b) Notwithstanding any other provision of law, the Secretary of Defense or his designee shall take such action as is necessary in the case of contracts entered into before the date of enactment of this Act, including modifying such contracts and making advance payments under such contracts, to provide under such contracts for liver transplant operations and payments authorized by section 1079(a)(6) of title 10, United States Code (as added by subsection (a)).

Mr. JOHNSTON. Mr. President, I have the privilege today to offer an amendment to protect military families from potentially heart-breaking situations. My amendment will close an existing gap on health care coverage for military families by providing explicit authority for the civilian health and medical programs of the uniformed services (CHAMPUS) to cover the cost of liver transplants for children under age 18 at hospitals approved by the Secretary of Defense after consultation with the Secretary of Health and Human Services and such other parties as the Secretary deems appropriate. All costs associated with a transplant, including organ acquisition, transportation of the donated organ, the transplant procedure, and any resulting medical treatment would be covered under my amendment. This amendment would also direct the Secretary of Defense to negotiate existing contracts, as needed, to carry out the purposes of this amendment.

The need for this change was brought to my attention as a result of a tragic situation involving an Army family stationed at the U.S. Army ammunition plant in Minden, La. This family's 2-year-old daughter, Adriane, was born with a fatal disease, extrahepatic biliary atresia, which causes obstruction of the bile duct. Adriane has undergone extensive medical treatment to try to correct this problem, including surgery soon after birth, but efforts to reverse the downhill course she is on have failed. The only way of helping Adriane now, according to medical experts, is for her to have a liver transplant; without a transplant, she will die.

Since last fall, when I was first contacted by Adriane's father, I have been exploring every avenue possible in the Department of Defense to find a way to cover the costs of this procedure. DOD officials, however, believe they can neither authorize nor contract for this procedure without express legislative authority. Many dispute this interpretation and at this point, Mr. President, I ask unanimous consent that a comprehensive response to this interpretation sent by the chairman and ranking Member of the House Committee on Science and Technology's Subcommittee on Investigations to Defense Secretary Weinberger be printed in the RECORD.

There being no objection, the response was ordered to be printed in the RECORD, as follows:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE AND TECHNOLOGY,
Washington, D.C., May 9, 1983.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: We appreciate your reply dated 28 April 1983, in response to our letter of April 14, 1983, concerning the denial of CHAMPUS coverage for liver transplants generally, and for Adriane Brockerick in particular. We understand the difficulties that this issue may present for the Department of Defense, yet we continue to be unpersuaded by DOD's reasoning and concerned by DOD's position.

We base our concern on the additional information we present below and ask that you reconsider this matter in light of this information. We appreciate your further consideration of the following:

1. The DOD policy to deny payment for organ transplants is based on an alleged Congressional mandate found in the legislative history of the 1966 law creating CHAMPUS: To quote from the DOD reply, "It explicitly states that CHAMPUS coverage policies be in consonance with the Federal Employee Health Benefits Program, Blue Cross/Blue Shield high option benefit" (FEP). Because DOD believes liver transplant surgery is still an investigational or experimental procedure, and because DOD believes the FEP precludes coverage of investigational and experimental procedures, DOD has denied CHAMPUS reimbursement. Our own investigation of this matter leads us to a different conclusion. The FEP has no blanket or national policy that excludes coverage of liver transplants either because they are investigational and/or experimental or for any other reason. As we understand, the FEP does not decide specific coverage issues on a national basis. Rather, coverage determinations are a local issue and the FEP excludes from coverage those procedures "not provided in accordance with accepted professional medical standards" in the area where the procedure is performed. While such standard may generally mean that liver transplants are not covered, it does not preclude coverage. We have informally consulted with the General Accounting Office and GAO concurs in our interpretation that the CHAMPUS law does not preclude reimbursement for liver transplants, even if considered experimental. The Blue Cross/Blue Shield plan for Western Pennsylvania is instructive on this issue since it covers liver and other transplants. Blue Cross of Western Pennsylvania made this decision after an extensive evaluation that demonstrated within that region human organ transplants (including liver and heart) are in accordance with accepted professional medical standards. Following this local decision, the FEP, in fact, covered at least one federal employee's liver transplant done in Pittsburgh.

We ask that you consider the following experience Pittsburgh has had with the reimbursement of transplants. In a period from May 1981 to November 1982, 36 liver transplants were done at the Children's Hospital, Pittsburgh, Pennsylvania. Nineteen of these have been paid in full: three by the Pennsylvania Blue Cross Plan; eight by other Blue Cross plans; three by commercial plans; two by foreign governments; one by a State Medicaid program; and two from other sources. Nine other transplant recipients still have balances on their accounts, seven of which are under $8,000 (the

average cost of a procedure during this time was $70,000); five were paid by commercial plans; one by a Blue Cross plan; one paid in monthly installments; one paid by a foreign government; and one from other sources. Only five have not paid, and these are primarily individuals without any health insurance. There were no cases where an insurance plan refused to pay.

2. The DOD response also cites the current position regarding liver transplant surgery taken by Medicare, National Blue Cross/Blue Shield, the National Institutes of Health, and the Office of Personnel Management as supportive of the DOD policy of classifying this procedure as investigational. Our investigation has revealed the following points:

a. DOD relies on the position of OPM. Yet, our investigation of OPM policy in this matter has revealed that, in fact, OPM has no policy directly addressing liver transplants. From time to time OPM does discourage certain medical practices. An example would be OPM policies to discourage cosmetic surgery and abortion. But they have not done this for liver transplants.

The contract OPM has with Blue Cross, which is the Blue Cross Health Benefits Program, also *does not* have an exclusion for experimental surgery. Under the contract, coverage is decided at the local level in accordance with accepted professional medical standards in that locality. It is true that the National Blue Cross/Blue Shield Association policy manual—a manual providing no binding advice to local plans—there is language that generally restricts experimental medical procedures. However, this is a general statement of a national association and does not reflect the actual language or policy found in the FEP Blue Cross contract.

We would ask that your staff closely at this distinction, as it is an important one and may help to explain some of the confusion on the experimental issue. Again, we would point out that the actual FEP policy is to defer to the accepted professional medical standards at the location where treatment is sought. As we noted earlier, there is at least one example of an individual covered by FEP Blue Cross receiving a liver transplant and that this procedure was covered and that this was in accordance with FEP and OPM policy.

b. DOD also relies on the Public Health Service. The Public Health Service, which is responsible for helping HCFA determine the scientific status of procedures that HCFA cannot readily classify as either investigational or therapeutic, has not made a finding on liver transplants since 1980, at which time the one year survival rate was about 35 percent. This would be the "Medicare" position cited in the DOD response.

Additionally, we point out that Medicare decisions are based primarily on coverage of those individuals over age 65. This disability portion of Medicare only covers those individuals above 18 years of age. Thus, a decision by Medicare would not be based on the child population that has been the focus of our request to DOD.

In a 20-year period beginning in May 1981, again at Children's Hospital, Pittsburgh, Pennsylvania, 103 children were evaluated as potential transplant candidates. Of this number: eight were found to be inappropriate candidates; 22 died before a donor was found; 38 were transplanted; and 35 are still waiting. Of the 38 that received transplants: 24 are still living, 12 for more than one year. This works out to a one-year survival rate of approximately 63 percent.

c. The third position noted by DOD is the one taken by National Blue Cross/Blue Shield. The National Blue Cross/Blue Shield Association contacted our offices immediately following the April 27th hearing. The expressed concern over the DOD testimony. They stated that the March 31, 1983 finding by the medical advisory subcommittee that these procedures are still investigational is just that, advisory, and does not determine coverage. Coverage is based on the accepted professional medical standards within each individual area that a Blue Cross plan operates.

Additionally, it seems somewhat disengenuous for DOD to base its decision in part to deny coverage to Adriane Broderick in 1982 on a March 1983 opinion of the advisory group.

Finally, DOD cites the position taken by NIH. However, NIH has not taken a position on whether or not liver transplants are investigational. Our investigation of NIH policy reveals that as a rule, NIH does not make decisions on medical practices but deals with questions about research. Exceptions to this rule can be found within the National Cancer Institute and the National Heart, Lung and Blood Institute, but not within the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases where the issue of liver transplants resides. It is true that in 1980, during the National Center for Health Care Technology investigation of liver transplants, NCHCT sought NIH's opinion about the efficacy of liver transplants. However, NIH's response was only to do a non-scientific search of the currently available published information at that time. It was this information that NIH supplied NCHCT and not an opinion about the practice of liver transplants.

3. In paragraph six of the DOD response, the following statements were made: "We recognize that at places like the Universities of Pittsburgh and Tennessee the rate of successful operations has improved since 1980. However, a number of other facilities have had high mortality rates, and there is little statistically valid data available about the effects of these new protocols and the long-term survival rate of the operation."

At the April 27th hearing, witnesses for HCFA testified that only four centers were conducting liver transplants. In point 2(b) of this letter, we have provided you with data presented by Gartner et al before the American Pediatric Society and the Society for Pediatric Research. We would find it helpful in our Subcommittee's continuing investigation of human organ transplants, if you could supply us with the data you have, indicating recent high mortality rates at other facilities.

To the extent that survival rates differ at different centers, we would have no problem with a decision by DOD to allow CHAMPUS reimbursement for organ transplants only at selected centers. This would be consistent with FEP.

4. We hope DOD has had an opportunity to re-evaluate statements made during the April 27th hearing. In the face of testimony which clearly stated that, without a liver transplant, 100 percent of these children would die during early childhood, DOD witnesses called reimbursement of this treatment "legally objectionable" and stated that at present undergoing this surgery was "more likely to harm the patient than to help." Instead, DOD's witness proposed that tax dollars would be better spent assisting these families in public fund-raising drives aimed at covering the costs of the very procedures they are citing as too risky to endorse through coverage. This policy makes absolutely no sense. Either DOD supports the efficacy of transplants or it does not.

We must, therefore, interpret DOD's efforts in assisting these families in public fund-raising drives as an endorsement of the transplant procedures. Certainly DOD would not be encouraging families to undergo a treatment of questionable efficacy. Accordingly, if DOD can endorse transplants in the fund-raising context, little basis would seem to exist for its negative stance on CHAMPUS' coverage for such procedures.

In closing, Mr. Secretary, we continue to believe that CHAMPUS should cover the children of eligible military personnel who can benefit from a liver transplant. We urge that you immediately reverse the CHAMPUS policy and not wait for the NIH conference.

To reiterate, we base this request on four grounds:

(1) The law certainly allows and does not preclude CHAMPUS from covering these procedures;

(2) While significant questions remain, substantial evidence indicates that, for these children, the procedures are clearly therapeutic and have been found to be in accordance with accepted professional medical standards;

(3) Considering the medical care and costs still required while allowing these children to die, preliminary data indicates use of organ transplant surgery is cost-effective; and

(4) We believe the Federal Government must show compassion for the men and women of the uniformed services, whom we ask to defend our Nation with their very lives. The very least we can do is to come to their aid and do everything we can to help save the lives of their children.

In light of these reasons and the facts presented within this letter, we would appreciate further consideration and your prompt reply.

Sincerely,

ALBERT GORE, JR.,
Chairman, Subcommittee on Investigations and Oversight.
JOE SKEEN,
Ranking Minority Member, Subcommittee on Investigations and Oversight.

Mr. JOHNSTON. As long as the question persists, however, we have no alternative other than taking immediate action to provide the legislative authority needed if we are to give Adriane and other children of military families a chance to undergo this life-saving procedure.

One of the curious points DOD officials have raised to justify denying CHAMPUS coverage for liver transplants is the Department's view that liver transplants are still at the investigational stage and are not considered therapeutic. Specifically, in testimony delivered on April 27, 1983 before the House Subcommittee on Investigations and Oversight, Acting Assistant Secretary of Defense (Health Affairs) John Beary testified that:

Our Office of General Counsel has advised me that it would be legally objectionable to pay for experimental medicines and surgery, until such time that medical researchers prove that a therapy is effective

and that it is not more likely to harm the patient than to help.

This opinion shows virtually total ignorance of the great strides which have been made in perfecting liver transplantation procedures, particularly for the treatment of biliary atresia. Over 540 such operations have been performed in four centers in the United States and Western Europe since 1963 and, more recently, other centers in this country and elsewhere have gained valuable experience with this procedure. That greater experience with liver transplants has brought about dramatic results is demonstrated by this fact: In 1980, the one year survivial rate for liver transplant patients according to the Health Care Financing Administration [HCFA] was about 35 percent, but according to the June 1983 National Institutes of Health [NIH] assessment of liver transplants for patients suffering from biliary atresia, almost two-thirds have survived for one year or more.

The spectacular strides in this area of medical research, and resulting questions on how to select candidates for transplantation, led the NIH to convene a Consensus Development Conference on Liver Transplantation late last month. That conference issued a statement which concluded that liver transplants have proven technically feasible and offer an "alternate therapeutic approach which may prolong life in some patients suffering from liver disease that has progressed beyond the reach of currently available treatment and consequently carries a predictably poor prognosis." These findings certainly meet Assistant Secretary Beary's criteria that a therapy be effective and not more likely to harm the patient than to help. Moreover, the NIH statement concludes that liver transplantation "is a therapeutic modality for end-stage liver diseases that deserves broader application" and recommends that "in order for liver transplantation to gain its full therapeutic potential, the indications for and results of the procedure must be the object of comprehensive, coordinated, and ongoing evaluation in the years ahead."

The NIH Consensus panel made no specific statement with regard to liver transplantation's status as experimental or therapeutic. However, the panel's chairman, Dr. Rudi Schmid, indicated that the panel was excluded from addressing this issue by the nature of the NIH assessment process which is intended to be strictly scientific and not to reflect issues of public policy. There is no doubt in my mind, however, that the thrust of the report implies that liver transplantation, particularly for biliary atresia, is considered therapeutic and indeed, the review of the House Subcommittee on Investigations and Oversight led the members to conclude that "for these children (suffering from biliary atresia), the procedures are clearly therapeutic and * * * in accordance with accepted professional standards."

I submit, Mr. President, that transplants such as that needed by Adriane, on the basis of the NIH statement which was put together by eminent scientists and physicians in the field, are no longer guess-work, but are sound therapeutic procedures for those who have no hope left. I further submit that CHAMPUS should take the lead from the NIH statement and participate fully and willingly in the recommended "comprehensive, coordinated and ongoing evaluation" of liver transplants by providing full coverage for patients from military families.

CHAMPUS, as the provider of health care for military families, has a responsibility to provide first class treatment for the families of these men and women. When CHAMPUS was created, the purpose of the legislation submitted by DOD to the Congress was "to increase the attractiveness of a military career by improving the health care program for the dependents of active duty members of the uniformed services. * * *" My esteemed and distinguished former colleague, the late Eddie Hébert who served the First District of Louisiana for 32 years, floor-managed this legislation in the House in 1966. I found particularly enlightening a quick review of the debate on this legislation. This review underscored the totally bipartisan, and unanimous support, that the concept of providing health care for military families enjoyed. This concpet, which made improvements in the Dependent Medical Care Act of 1956, which also managed by Mr. Hébert, was endorsed by parties from all parts of the political spectrum and as Mr. Hébert forcefully argued was intended to "provide a tremendous contribution to the enhancement of the morale of our military families. * * *" I submit, Mr. President, that most of my colleagues would still agree with Eddie Hébert's compelling statement that "We can do no less than assure these men that their families will have guaranteed to them first-class medical care. * * *" In my view, first class care does not include denying coverage to a 2-year old for a desperately needed liver transplant which she must have to be given a chance to live.

DOD raised another curious point in justifying the Department's position. Although I am somewhat reluctant to bring this issue to my colleague's attention, because in my opinion it is not reflective of the truly caring nature of most Army, Navy, and other service medical personnel, I am compelled to address it here. That issue is cost. In a March 1983 letter, Acting Assistant Secretary Beary, is what I consider an unusual opinion, asserted in attempting to justify DOD's position, that "An additional concern is the high cost of the procedure (liver transplantation), typically $50,000 to $60,000, versus the expected long-range benefit to be derived." Frankly I was outraged by the implication that any cost could outweigh the benefit of giving a small child a reasonable chance, now recognized at about two-thirds of the patients undergoing the procedure, a chance to live. But aside from the unbelievable implications of that assessment, I was amazed that no recognition was apparetnly given whatsoever, in a cost assessment, to the cost of providing long-term care for a terminally ill child. I am informally advised that audits by university officials of the costs of providing care during the last 6 months of life of children dying from biliary atresia have been in the $60,000 to $70,000 range. Moreover, this cost/benefit ratio ignores the cost of other approved surgery, which in Adriane's case have exceeded to date $40,000. I suspect that if all the costs were known, those costs would well outweigh the costs of a transplant, but even if they did not, no cost should be too great for a procedure recognized as a promising alternative by the NIH and one which promises the hope of a normal life, to reject that procedure out of hand on that basis. There may be other compelling reasons, but certainly cost has no place in that determination.

Let me also state for the record, Mr. President, that this amendment will not open the floodgates by setting new wide-ranging precedents. CHAMPUS already provides coverage for corneal, kidney, and bone marrow transplants as well as for skin grafts. Precedents, therefore, exist for covering organ transplants. Moreover, almost 25 percent of State medicaid programs cover the cost of liver transplants. In my own State, Louisiana, our medicaid program just approved coverage for a liver transplant request from another child suffering from biliary atresia. There are also numerous instances of private insurance plans paying for liver transplants. CHAMPUS should do no less.

It is also interesting to note, Mr. President, that transplants recommended to avert death which will result in the end-stages of biliary atresia are not likely to be a common request. It is roughly estimated that 25 out of 1 million infants are born with bile duct blockage. Many of these infants die soon after birth, and of those who survive, not all will be likely candidates for a transplant. To my knowledge, there are currently three children considered good candidates for such transplants who have put in request to CHAMPUS for coverage for this procedure.

In sum, let me state that we ask the men and women of the uniformed to give their all, even their lives, to defend our Nation. In turn, it seems to me that we can do no less than provide the very best health care and most particularly life-saving procedures, to save the lives of their children.

All this amendment does is to expunge the doubt that presently exists under the CHAMPUS program as to whether liver transplants can be covered under the CHAMPUS program. We think they should be, but so far the authorities have not sought to interpret the law in that way and we have a particularly heartrending case of a 2-year-old girl in Louisiana who needs the program.

So I ask for favorable consideration of the amendment.

Mr. JACKSON. Will the Senator yield?

Mr. JOHNSTON. Certainly.

Mr. JACKSON. Mr. President, under the existing CHAMPUS program, can other transplants, such as kidney transplants, be undertaken?

Mr. JOHNSTON. The Senator is correct.

Mr. JACKSON. So it is only a situation where there is a need for liver transplants? Is that the reason for the amendment?

Mr. JOHNSTON. As I understand it, this covers only liver transplants.

Mr. JACKSON. I understand, but is this the only current type of transplant that is not covered under CHAMPUS? Are there other types of transplants that might be needed that are not covered?

Mr. TOWER. May I say a word on this?

Mr. JOHNSTON. If the Senator will yield, as I understand it, it depends on whether they are experimental. They are not allowed if they are experimental and they are allowed if they are not experimental.

Mr. TOWER. In fact, although liver transplants are considered experimental or have been considered experimental, in fact they are sort of on the cusp of the experimental category. I think it is a good amendment and I think we should accept it. I believe the Senator from Washington will accept the amendment, as well.

Mr. JACKSON. I support the amendment.

The PRESIDING OFFICER (Mrs. HAWKINS). If there is no further debate, the question is on agreeing to the amendment of the Senator from Louisiana (Mr. JOHNSTON).

The amendment (No. 1463) was agreed to.

Mr. TOWER. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1462

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Texas.

Mr. TOWER. Madam President, I believe we are ready to vote. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Madam President, before we vote on this, in my remarks a moment ago I referred to a think-tank group that said we are rapidly reaching the point where our entire strategy in NATO should be changed because we have assumed that at some point NATO would be overrun to the sea unless we had to make this agonizing decision—God forbid it ever having to be made—on whether or not to use nuclear weapons.

The Baltimore Sun, on June 5, published an article condensing this very extensive two-volume study and setting out the kinds of weapons, many of which are in production and some of which will be in production, which they predict very shortly will require an entire change of NATO strategy in defending against a major, all-out Soviet onslaught across Europe.

I will not bother to read it, but to all of those Senators who are listening here or in their offices I hope they will take the time to read the summary in tomorrow's RECORD.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the (Baltimore) Sun, June 5, 1983]

THINK TANK SEES VIABLE ALTERNATIVE TO USE OF NUCLEAR WEAPONS

PARIS.—New non-nuclear weapons in the next 10 years will give NATO a "real hope of stopping a massive Soviet attack in Europe without using nuclear weapons," an American think tank says in a new two-volume study.

The survey, "Assault Breaker and the NATO High-Tech Revolution," is the work of Forecast Associates of Danbury, Conn., a company that does aerospace and defense analysis. It sells for $1,250.

"Assault breaker" is a U.S. Army term covering broad response to major attacks, and the study predicts that new conventional weapons can redress the balance between the estimated 45,000 Warsaw Pact tanks and NATO's 12,000.

"The scenario so far has been that we would be overrun to the sea unless the agonizing decision to use nuclear weapons is taken," said Edward M. Nebinger, Forecast Associates' research director, in an interview.

"Very few people outside the military establishment realize that as these systems come together, they will enable a major shift in NATO strategy."

The study pulls together information on all known assault-breaking weapons programs in NATO nations and forecasts developments in the next decade. It predicts the alliance's members will invest $320 billion on such weapons through 1992, including aircraft, helicopters and tanks as well as the new munitions and electronic equipment at the core of the battlefield revolution.

Many of the new weapons are in production—Israel has tested some in combat—and others are at an advanced stage of development.

They include:

Sub-munitions—for example, hundreds of mini-bombs spread by a single fighter and able to home in on and destroy tanks. "The Air Force has been told a single fighter pass can destroy 4 to 10 tanks in a column," said Mr. Nebinger.

Some of the bomblets can act as proximity mines, exploding only when armored vehicles come near. Others land, sense tanks and automatically fire guided sub-missiles at them.

"Smart" mini-missiles such as the U.S. WASP system, "which are so sophisticated that if two are heading for the same tank, one will turn away and seek another target," he said.

Rocket-assisted artillery shells with extra range and penetrating power to hammer rear supply areas.

Hand-held antitank weapons that Mr. Nebinger said will be "in each platoon on the battlefield of the late 1980s, able to take out the heaviest tank through its front armor."

Remote-controlled aircraft for battlefield survey and destruction of electronic communications and other systems. The Israelis have used them in Lebanon.

Revolutionary battlefield electronics giving each commander an instant battlefield situation report.

Anti-airfield and smart bombs to destroy runways and neutralize Soviet air power.

Fuel-air explosives, dropped from aircraft, that spread a mist which explodes with between 2.5 and 5 times the force of an equivalent weight of TNT, destroying with blast rather than napalm-like flame. One such bomb is a 15,000-pounder known as the Daisy Cutter.

While NATO must also rely on tanks for defense and mobility, large battle tanks "will lose their cost effectiveness because they will be so easily destroyed," said Mr. Nebinger.

"There will be a revolution in armored vehicles, too, with a new mix as the Army moves to light, faster vehicles with higher firepower."

"We see a change in the art of defense, and an advantage for the West in being on the defensive, because we know we won't attack them. They have the armor; NATO will have the defensive systems."

Mr. JOHNSTON. Madam President, I will not be longer than about a minute. Just to sum up, Madam President, with this system, as with many, the good is in the enemy of the best. There are many best weapons systems that can be deployed that are clearly needed in this Defense Appropriations Act. They have suffered because there have been some systems, at least with this system, that are not so clear. This one is not clear, Madam President, first, because it is exceedingly expensive. Being a multibillion dollars, this may be the most expensive nuclear weapons warhead outside of the MX. It may be, I am not certain of that, but it may be. I can tell you it is a multibillion dollars.

Second, it cannot be deployed at the present time because the Europeans will not accept it. All the fencing amendment, approved by this Senate 2 weeks ago, said was that you do not build production facilities until at least one NATO country is willing to accept the weapon.

It seems to me that we, therefore, protect the public. We do not say "no" to a 155-millimeter shell. We say, "Let's don't build it at this time when we are having to cancel and cut back other weapons systems until they are needed, until we know that the European countries, at least one, is willing to accept this." Because would it not be a terrible waste to go through the whole program, multibillions of dollars, and have the Europeans finally say, "We will never accept it under any circumstance"?

That is all the Senate did, the Congress did, when it approved that amendment. We think that decision should not now be reversed.

Mr. TOWER. Madam President, the production is not a multibillion-dollar program. That is all we propose to do is build the facility if the President makes the proper certification. There is no additional money in this amendment. There is no additional money in this bill for the facility.

If this amendment is defeated, there will not be 1 dime of additional money to be distributed among other systems. So let me make that very clear.

Mr. BUMPERS. Madam President, I say to the Senator from Texas, on that last statement, it is my understanding that $50 million has been appropriated in the energy and water bill and, if the President signs that, that money is appropriated. Now, it is true that the Senator from Texas is trying to authorize that expenditure in his amendment, as I understand it.

Mr. TOWER. Yes, we authorized that expenditure because, as the Senator knows, that is an instance in which the appropriation was acted upon before there was any authorization bill. Unfortunately, a matter of great importance to national defense is contained in another account, the Department of Energy account. We authorized it, but we have very little control over what happens in the appropriations process. It is tied in with energy and water, which is an inappropriate place for it to be. It ought to be free-standing legislation, in my view, rather than stuck in, because very often you could get the business of taking energy and water projects out of the hide of nuclear weapons systems. It does not make any sense.

Mr. BUMPERS. Madam President, I think this is a very important point that we ought to make sure everybody understands. The Senator's amendment brings the authorization in conformity with the appropriation, is that not correct?

Mr. JOHNSTON. Madam President, what this amendment does, the Senate Appropriations Committee, or should I say the Senate, the Congress in the appropriations bill appropriated $50 million for production facilities but had, as a part of that, the following language:

> That notwithstanding any other provision of law, no funds may be obligated or expended after the date of enactment of this Act for Project 82-D-109 unless the President certifies to Congress that—
>
> (1) for each 155mm nuclear weapon produced an existing 155mm nuclear weapon shall be removed from the stockpile and permanently dismantled; and

And here is the important point—

> (2) formal notification has been received from the North Atlantic Treaty Organization nation in which such weapons are sought to be deployed that such nation has approved replacement of existing 155mm nuclear weapons with the new 155mm nuclear weapon.

Now, what this amendment would seek to do would be to remove that fence. The bill, as far as I can see, does not authorize this program at all.

Mr. TOWER. Madam President, let me straighten that out. The bill already authorizes the expenditure. The amendment addresses itself only to the fencing items.

Mr. BUMPERS. Madam President, I understood the Senator from Texas to say a while ago that, even if his amendment passed, not one dime has been authorized to build this facility. The conference committee report says:

> The conference includes $50 million for Project 82-D-109, 155 millimeter artillery fired atomic projectile production facilities.

The Senate passed conference report just says those funds cannot be obligated without Presidential certification, as the Senator has pointed out. My point is, if the Senator's amendment is adopted, then the President of the United States can certify to the Congress that the building of this facility is in our national interest and that the building of that facility can then go forward; is that not correct?

Mr. JOHNSTON. The Senator is correct. If Senator TOWER's amendment is adopted, then the President can proceed with building the facility even though there is not a single NATO country willing to accept deployment of the shell.

Mr. BUMPERS. One other question of the Senator. Does the Senator's amendment also remove the requirement that one existing 155-millimeter shell be destroyed for every 155 produced?

Mr. TOWER. It does remove it, but, we proposed to replace these on a 1-for-1 basis. In other words, the ratio is greater in retirement.

Mr. BUMPERS. So both conditions in the conference agreement of the energy and water bill would be removed.

Mr. TOWER. That is correct.

Mr. BUMPERS. Mr. President, I want to make one final point to emphasize that we are not talking about the only nuclear warhead that can be used against the Soviets in Europe. If we were talking about the only nuclear warhead that was being built, I might be agreeing with the Senator from Texas. But I doubt that the issue would have to come up, because I do not think this money would have been in the conference committee on energy and water.

What we are talking about is a third tactical nuclear weapons system, a third nuclear weapons system, because we are already in full-scale production on the 8-inch shell and the lance missile. I think there is some question, and I do not know whether the Armed Services Committee has gotten into this yet or not, among a lot of our best military people about the advisability of even using a 155 in combat. It would have to be used under very strict predetermined conditions. Otherwise, we might lose our own men if we start firing that shell.

So bear in mind that we are talking about a third system.

Madam President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. TOWER. Let me say that if we deploy this, we would still have a lesser system than the Soviets have.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Indiana (Mr. QUAYLE), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "nay."

Mr. CRANSTON. I announce that the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PELL), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from West Virginia (Mr. RANDOLPH) would each vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 47, nays 42, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—47

Abdnor	Garn	McClure
Armstrong	Goldwater	Nickles
Baker	Gorton	Nunn
Bentsen	Grassley	Roth
Byrd	Hatch	Rudman
Chafee	Hecht	Simpson
Cochran	Heflin	Stafford
Cohen	Helms	Stevens
D'Amato	Humphrey	Symms
Denton	Jackson	Thurmond
Dixon	Jepsen	Tower
Dole	Kassebaum	Trible
Domenici	Kasten	Warner
East	Laxalt	Wilson
Exon	Lugar	Zorinsky
Ford	Mattingly	

NAYS—42

Andrews	Durenberger	Metzenbaum
Baucus	Eagleton	Mitchell
Biden	Glenn	Moynihan
Bingaman	Hawkins	Packwood
Boren	Heinz	Percy
Boschwitz	Huddleston	Pressler
Bradley	Inouye	Proxmire
Bumpers	Johnston	Pryor
Burdick	Lautenberg	Riegle
Chiles	Leahy	Sarbanes
Cranston	Levin	Sasser
Danforth	Mathias	Specter
DeConcini	Matsunaga	Tsongas
Dodd	Melcher	Weicker

NOT VOTING—11

Hart	Long	Randolph
Hatfield	Murkowski	Stennis
Hollings	Pell	Wallop
Kennedy	Quayle	

So Mr. TOWER's amendment (No. 1462) was agreed to.

Mr. TOWER. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Madam President, if I may have the attention of Senators——

The PRESIDING OFFICER. Senators will please take their seats.

Mr. BAKER. Madam President, may I inquire of the managers of this measure how much more they think they can accomplish tonight and give us some estimate of how long we will still be on this measure?

Mr. TOWER. If I may respond to the distinguished majority leader, I believe that Senator GOLDWATER is prepared to offer an amendment that I think is relatively noncontroversial and will take a very short time, on which there will be a voice vote. Senator SPECTER has a sense-of-the-Senate resolution to offer which has, I think, been worked out to the satisfaction of almost everybody involved, on which he wants a rollcall vote.

I assume that that would probably be the last rollcall vote we will be able to scare up tonight.

Mr. BAKER. Very well.

Madam President, on that basis I would say we would be here another 30 to 45 minutes.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Madam President, while I have the floor, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1464

(Purpose: To amend section 401 of Public Law 95-202 to permit the award of campaign and service medals to certain persons whose service to the Armed Forces is considered to be active duty for purposes of laws administered by the Veterans' Administration)

Mr. GOLDWATER. Madam President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. Senators desiring to carry on conversation will please retire to the cloakroom.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an amendment numbered 1464:

At an appropriate place in the bill insert the following new section: Sec. xx. Subsection (b) of section 401 of the GI Bill Improvements Act of 1977 (Public Law 95-202; 91 Stat. 1449; 38 U.S.C. 106 note) is amended by adding at the end thereof the following new paragraph:

"(3) Under regulations prescribed by the Secretary of Defense, any person who is issued a discharge under honorable conditions pursuant to the implementation of subsection (a) of this section may be awarded any campaign or service medal warranted by such person's service.".

(b) The amendment made by subsection (a) of this Act shall apply to all persons issued discharges under honorable conditions pursuant to section 401 of the GI Bill Improvements Act of 1977, whether such discharges are awarded before, on, or after the date of enactment of this Act.

Mr. GOLDWATER. Madam President, this is primarily a clarifying amendment designed to clarify the intent of section 401 of the GI Bill Improvements Act of 1977.

The Army and Navy have interpreted the language of that section to permit the award of campaign and service medals to persons who are issued discharges under the authority of that section. The Air Force does not believe the language of that section permits the award of these medals. As a result, persons receiving military discharges and becoming entitled to Veterans' Administration benefits under this section of law are being treated differently, based upon which service processes their application.

The amendment would clarify the language by making it clear that campaign and service medals could be awarded when discharges are awarded to persons coming within the purview of section 401 of the GI Bill Improvements Act.

Madam President, this amendment has only negligible cost. It is supported by the Department of Defense, and it seems appropriate to me, and I move its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. TOWER. Madam President, we are prepared to accept the amendment of the Senator from Arizona.

I yield to my distinguished colleague.

Mr. JACKSON. Madam President, I concur in that recommendation.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1464) was agreed to.

Mr. JACKSON. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Madam President, it is my understanding that the Senator from Pennsylvania was prepared to offer his amendment.

Mr. SPECTER. I am prepared to proceed.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 1465

Mr. SPECTER. Madam President, I sent an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The acting assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER) proposes an amendment numbered 1465.

Mr. SPECTER. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Since relations between the United States and the Union of Soviet Socialist Republics are currently characterized by considerable tension;

Since on-going nuclear arms negotiations on strategic and theater force reductions being conducted by the duly appointed representatives to the respective parleys have not achieved satisfactory results to date;

Since a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Since a carefully prepared summit could also lead to progress in resolving other major issues troubling relations between the two superpowers;

Since both President Reagan and President Andropov have indicated their willing-

ness in principle to participate in such a carefully prepared summit;

It is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time following thorough preparation to discuss major issues in U.S.-Soviet relations and to work for the realization of mutual, equitable and verifiable reductions in nuclear arms.

Mr. SPECTER. Madam President, this amendment to the Department of Defense authorization bill is designed to urge President Reagan and President Andropov to have a summit meeting at the earliest practical time in order to discuss a variety of problems facing the two nations and, in the language of the amendment, "to work for the realization of mutual, equitable, and verifiable reductions in nuclear arms."

A similar amendment was offered to the Department of Defense authorization bill which was passed by the Senate in May of last year; and on this amendment calling for a summit, the Senate voted, by 92 to 6, in favor of such immediate summit.

I am offering this amendment again this year, because of my view that the Senate has a constitutional role for advice and consent; and in the field of international relations and in the field of United States-Soviet relations, as it relates to the issue of arms reduction, it is my firm view that the Senate should speak up and should give advice to the President in advance of any treaty, so that the President will have a specific and concrete idea as to where the Senate stands on a matter of this tremendous importance.

It is obviously true that, under the Constitution, the conduct of foreign affairs is a matter for the Executive. But it is equally clear that the Senate has a constitutional role in its function to consent to treaties. It has been the Senate's refusal to consider SALT II and ratify that treaty which has led to an expression of the Senate's view. It is appropriate, in my opinion, for the Senate to express itself at this time on its interest and its view about the importance of a summit on a range of problems as recited in the sense-of-the-Senate resolution but, more specifically, on the issue of verifiable reductions in nuclear arms.

Madam President, I offer this amendment at this time and press it for a rollcall vote because I think it is germane that the President and the Nation and the world, including the Soviets, know what the sense of the Senate is on this matter.

My own view is that time is of the essence. It is very important that the United States and the Soviet Union, as represented by their leaders, President Reagan and President Andropov, move for such a summit meeting at the earliest practical time, given the opportunity for appropriate preparation.

I say that time is of the essence for three reasons, and those three reasons are Reagan, Andropov, and Pershing II.

In President Reagan, the United States has a unique bargainer, a unique communicator, and someone who has demonstrated enormous capability in negotiations with world leaders. Most of us in this body have had the opportunity to discuss matters face to face with the President, so that we are all able to attest to his power of persuasion. It is my judgment that the President could advance the interests of peace and make a tremendous contribution because of those unique talents.

President Andropov is rumored to be in ill health, and that is a fact. The extent of his health generally is not subject to positive confirmation. But it is unlikely that his health will be improved in a few months; and if there is to be another change in Soviet leadership, that would only delay the process for summit discussion.

The third reason that leads me to conclude that time is of the essence is the prospective deployment of the Pershing II, which is scheduled, along with the cruise missiles, for deployment in late 1983. It is my view that the topography of Western Europe will change dramatically with the deployment of these missiles—Pershing II and the cruise missiles—and that there will be a very different international atmosphere for negotiations; and it is vitally important that the summit negotiations be convened prior to the deployment of the Pershing II missiles.

For a summit to await until 1984, will not do because it will be a Presidential election year. And if President Reagan is a candidate for reelection, there will be an atmosphere of pure politics on whatever he may do; if he is not a candidate for reelection—that is, a President about to retire—then his bargaining power is similarly reduced, which makes it of great importance that the matter proceed in 1983 rather than in 1984.

There are many signals—from Chancellor Kohl's recent visit to the Soviet Union to the proceedings which are now in process in Madrid on the discussions concerning the Helsinki accord—that there is a sense of willingness on the part of both the Soviet Union and the United States to proceed to such a summit. The columnists write on this subject daily, and it is my view that the momentum has been building significantly.

A solid vote by the U.S. Senate on our sense urging the President to move forward for a summit as promptly as possible would have significant effect in pushing for the summit and in causing the early establishment of a date.

Madam President, at a time when the Senate is being called upon to authorize a Department of Defense budget in the range of $265 billion, it seems to me entirely appropriate that the Senate should be saying to the President, "We concur in your two-track approach," the first track being strength against the Soviet Union, and the second track being activity in arms negotiations. But there is reason to conclude that the strategic arms reduction talks and the INF talks in Geneva are not proceeding with sufficient dispatch and with sufficient success and a good opportunity to break that impasse if presented with the leader of the United States and the leader of the Soviet Union sitting down in face-to-face discussions.

Certainly there is much to be gained and virtually nothing to be lost.

On the consideration about expectations being too high, that consideration can be accommodated or taken care of by a frank statement by President Reagan, or by President Andropov, for that matter, as to the parameters of the discussions or the parameters of the expectations. But considering that the most important issue facing the world today is the arms race, which poses the issue of destruction or survival, the balance tips strongly in favor of taking every conceivable step to move toward arms reduction, and that is the reason why I urge the Senate to support this sense-of-the-Senate resolution for an immediate summit.

I thank the Chair, and I yield the floor.

Mr. SYMMS. Madam President, I take the floor for the purpose of asking my good friend from Pennsylvania a couple of questions. The first would be: In the sense-of-the-Senate resolution itself in the third line from the bottom where the Senator says, "It is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time," would the Senator consider accepting language right here that said "mutually acceptable practical time"?

Mr. SPECTER. Yes.

Mr. SYMMS. I so ask unanimous consent that the amendment be modified as such.

The PRESIDING OFFICER. Without objection, it is so ordered.

Will the Senator send the modification to the desk.

Mr. SYMMS. I send the modification to the desk.

I thank the Senator for accepting the modification.

But I would say to the Senator that I am sorry that we have brought this issue up where the Members of the Senate will be asked to vote on this issue. I do think that this is an impor-

tant issue that the Senator brings up, and I deeply believe that the arms race is an important issue. But I think that there is another issue that is just as important as the arms race, and that is the lack of personal human rights, freedom, and opportunity that characterizes the system that President Andropov is president of.

I made the comment in my home State at an agriculture hearing last week that probably the best friends the American farmers have are the Communists and the Soviets. This is because if the Soviets ever adopted the private property ethic which we have in our great Nation, they could farm so much and produce so much that they would not have to buy foodstuffs from other parts of the world, and we would not have the market to sell our goods. So in a way, ironically, they indirectly are friends of the American farmer because of the ineptness with which they run the Soviet Empire—the Soviet slave state.

But I just feel very uncomfortable with the Senator's position, and I know he views it as an attempt to advise and consent, but I view this more as trying to tell the President what he must do. If we read the general American news media, we would get the impression that Mr. Andropov is a very nice, smiling old gentleman. They never mention the fact that he headed the KGB, and as it will probably come out later, I think it is safe to say that there is a great deal of evidence that points to the fact that the KGB under Mr. Andropov's direction had a lot to do with the attempted assassination of the Pope. He was the Soviet Ambassador who was in Hungary, I believe, saying that the Soviets would not come in when in fact they were coming in.

So there is a protracted record of dishonesty, of trying to achieve the goals of the Soviet Union wrapped around Mr. Andropov.

I think that to tell President Reagan that he has to go sit down with a leader of the Soviet Union that has violated numerous treaties—SALT I, SALT II, the ABM Treaty—the Kennedy-Khrushchev agreement that is right now pumping massive military aid into Central America, to tell our President that he has to go sit down with him, I feel somewhat uncomfortable about voting to advise the President to do this.

I would feel more comfortable to allow the President of the United States to be the person to make the decision when, in his view, it is in the best interest of the United States that he sit down and have a summit conference with the head of the Soviet slave state.

It may sound good, and there is oftentimes a perception out here that somehow this Andropov is a really fine guy. I am reminded of Al Capone. Al Capone said, "A charming, charismatic young man could go a long ways with a smile, but he can get a lot farther with a smile and a gun." I think that is what Andropov does. He uses force. He does not play by the same rules we play by.

We have an election every 2 years in this country, and we allow ourselves to get sucked into a trap of thinking we have to get an agreement. We are going to get an agreement no matter what we ought to do. We are going to get an agreement so we can go back out and campaign on it.

I am not saying that is what the good Senator from Pennsylvania is doing. I do not mean to impugn the motives behind the Senator's amendment, but I think as a Nation we force our political leaders—our Presidents, our Secretaries of State, whether they be Republican or Democratic—to go to a bargaining table and feel as if they have to get an agreement no matter what. The Soviets do not have the same kind of elective process that we have. So we put our negotiators at a disadvantage in dealing with them, and that is my concern.

So I might say, Madam President, I am not sure that the modification that I offer makes much difference to this amendment and it may be, if I am so inclined, I will vote against the amendment. I will ask unanimous consent to have my modification taken down so that my amendment will not be part of it. I ask unanimous consent that my amendment be taken down.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Idaho?

Mr. SPECTER. I do not object.

Mr. SYMMS. I thank the good Senator for not objecting.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. I hate to be in a position to vote against my own amendment, and I am not sure that I will do so, but I do not think that the word "mutually" will make much difference in the thrust of this amendment.

What this amendment is going to do is tell President Reagan that the U.S. Senate is telling him that he has to go have a summit conference with the leaders of the Soviet Union, and we know that the heads of the Soviet Union will never have a summit conference with the President of the United States unless the Soviet leaders think it is in the best interests of the Soviet Union. He is not concerned about whether it is in the best interests of the United States.

I think it puts us at a disadvantage and puts our President at a disadvantage.

I for one would just feel more comfortable to not address this issue in this bill, and I think it is rather difficult. If one votes against it, it looks as though we are not in favor of mutually verifiable arms reduction. This Senator certainly is in favor of mutually verifiable arms reductions.

But I think that there is a much bigger problem in this world than the arms race, and that is a lack of respect for personal freedom, for human rights, for private property which is a part of human rights, for the right to religious freedom, for all of those things that the millions of people who live behind the Iron and Bamboo Curtains suffer from. Those problems are much greater than the arms race that we are discussing here today, and wondering whether or not we can get an agreement when the record clearly shows that if President Reagan sat down with President Andropov and they did come to some kind of an agreement the Soviets will only keep the agreement as long as they view it in their best interest to do so. And then once it is not in their best interest, they will violate the treaty.

I think the record of history will back up that statement. I say that to my good friend. I wanted to make that statement before this vote is cast so that people will understand why I might vote the way I will.

I thank the Senator and I yield the floor.

The PRESIDING OFFICER (Mr. JEPSEN). The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I agree with my good friend, the distinguished Senator from Idaho, who has said in his remarks what he has said, but I would disagree with his conclusions as to what the sense of the Senate amendment is saying.

We are not telling President Reagan to come to any agreement. We are simply telling him that it would be our sense that it would be preferable to move toward a summit at the earliest practical time.

President Reagan has already stated his willingness and his interest in principle in having a summit, so it is a question of timing. What the Senate would be saying to the President is that we think now is the right time.

When the Senator from Idaho talks about the importance of personal rights and freedom, I agree with him. This resolution is designed to encompass, as it does, "major issues in United States-Soviet relations," which would comprehend the issues of human rights, the issues of the Pentecostalists, the issues of Soviet Jewry on human rights.

When the comment is made about the analogy of Al Capone and Mr. Andropov, the fundamental difference is that the U.S. Government can deal with Al Capone within the criminal justice system. It can prosecute him and put him in jail.

But in this world the Soviet Union occupies a significant part of the face

of the Earth, as does the United States, and when we have leaders of such two nations it is simply incumbent, notwithstanding any personal distaste there may be, for them to meet and to talk. it is analogous to the most bitter kind of litigation which is faced in the courts when lawyers, no matter how personally disposed they may be to opposing counsel, must sit down and talk and try to work toward a settlement.

But there is no direction here, and there is no order by the Senate; only our sense as to timing.

I hope the Senator from Idaho will vote in favor of this amendment.

In agreeing very promptly, as I did, to the insertion of the change which the Senator suggested, which I thought was significant and carried out a reservation which he had, I would hope he would yet reinstate it without any objection and vote in favor of this resolution.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I wish to, first of all, commend my distinguished colleague from Pennsylvania, Senator SPECTER, for the consistency with which he has taken this position over a very long period of time.

I became convinced in November 1980 when I went to Moscow that a face-to-face discussion between Mr. Brezhnev and President Reagan—he was then President-elect—would be a highly desirable thing. I have consistently held that position, and my distinguished colleague from Pennsylvania has at times been a lone voice in the wilderness in calling for this because there are certain concerns about a summit.

But the way the pending amendment before us is now drafted, it would provide for careful preparation. There has been an indicated willingness on both sides. We have had the way paved now by Chancellor Kohl's meeting, and Vice Chancellor Genscher's meeting, of the Federal Republic of German, and they have briefed us through Vice Chancellor Genscher as to the nature of the discussions that they have had, which I feel are productive, extremely helpful, and there can be, I feel, a well-prepared set of talks.

This can advance the cause of peace, this can advance the cause of understanding. It is not going to resolve the vast differences that exist between our two societies. They are going to exist for a long time to come. But we live in an age where it is too dangerous for two of the most powerful men on Earth to not meet face to face and personally get a gage of each other and have a chance to express their views forthrightly.

The resolution before us I hope will be overwhelmingly supported by the Senate. If this resolution had been presented to the Committee on Foreign Relations, I feel confident it would have earned the overwhelming support of that committee as well.

I think the timing is right for it now and I commend my distinguished colleague once again for his foresight and for his tenacity of purpose in seeing that we go on record now as the Senate of the United States in support of a summit meeting properly prepared but at the earliest possible time, taking that into account.

The PRESIDING OFFICER. Who desires recognition? Is there any further debate?

Mr. SPECTER. Mr. President, I ask unanimous consent that the Senator from New York (Mr. D'AMATO) be added as an original cosponsor. I make the same request with respect to Senator HEINZ.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, have the yeas and nays been ordered?

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, there will be no more rollcall votes tonight. There may be other business transacted but this will be the last rollcall vote today.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Indiana (Mr. QUAYLE), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. DIXON), the Senator from Colorado (Mr. HART), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

I also announce that the Senator from West Virginia (Mr. RANDOLPH) is absent because of illness.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Rhode Island (Mr. PELL), would each vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 82, nays 7, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—82

Abdnor	Ford	Mitchell
Andrews	Garn	Moynihan
Armstrong	Glenn	Nickles
Baker	Gorton	Nunn
Baucus	Grassley	Packwood
Bentsen	Hatch	Percy
Biden	Hawkins	Pressler
Bingaman	Hecht	Proxmire
Boren	Heflin	Pryor
Boschwitz	Heinz	Riegle
Bradley	Huddleston	Roth
Bumpers	Humphrey	Rudman
Burdick	Inouye	Sarbanes
Byrd	Jackson	Sasser
Chafee	Jepsen	Simpson
Chiles	Johnston	Specter
Cochran	Kassebaum	Stafford
Cohen	Kasten	Stevens
Cranston	Lautenberg	Thurmond
D'Amato	Laxalt	Tower
Danforth	Leahy	Trible
DeConcini	Levin	Tsongas
Dodd	Lugar	Warner
Dole	Mathias	Weicker
Domenici	Matsunaga	Wilson
Durenberger	Mattingly	Zorinsky
Eagleton	Melcher	
Exon	Metzenbaum	

NAYS—7

Denton	Helms	Wallop
East	McClure	
Goldwater	Symms	

NOT VOTING—11

Dixon	Kennedy	Quayle
Hart	Long	Randolph
Hatfield	Murkowski	Stennis
Hollings	Pell	

So Mr. SPECTER's amendment (No. 1465) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I indicated earlier that there would be no more record votes this evening. I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 7:45 p.m., in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BICENTENNIAL OF THE TREATY OF PARIS

Mr. MATHIAS. Mr. President, Benjamin West left unfinished his painting of the Commissioners who negotiated the Treaty of Paris. The traditional reason that he could not finish was that the British delegation refused to pose.

In a sense, the celebration of the Bicentennial of the Treaty of Paris at the Pentagon on June 28, 1983, is the completion of the picture. Not only was the British side handsomely represented by the Ambassador of Great

Britain, but France, Spain, and the Netherlands were all also in the picture, as they should be.

Although gratitude is said to be the least articulate of emotions, it is not too late for Americans to say thanks for the help other nations have given us which has led to our present station in life. The anniversary of the Treaty of Paris is not a bad time to say thanks for the help that, in some cases, began before the beginning.

We must thank France for funds, muskets, soldiers, encouragement and, above all, for the French Navy which made the victory at Yorktown possible.

We must thank Spain for secret subsidies, loans, and war materiel, and for the moral effect her alliance with France in the war against Great Britain had on the rest of Europe.

We must thank the Netherlands for solid Dutch guilders loaned with great risk and for the first formal diplomatic recognition of sovereignty when John Adams was received as minister by the Prince of Orange.

And we must thank Britain for living for two centuries by the words of King George III himself, spoken to John Adams after the ratification of the Treaty of Paris:

I was the last to consent to the separation; but the separation having been made, and having become inevitable, I have always said, as I say now, that I would be the first to meet the friendship of the United States as an individual power.

Mr. President, I am tempted to read into the RECORD all the remarks made at the Pentagon's celebration of the Treaty of Paris because they illuminated many forgotten moments of history. However, the need to hold down congressional printing costs combined with a natural frugality impel me to include only the following highlights of the occasion.

Secretary of the Army John Marsh conveyed this message from Secretary of Defense Weinberger:

The Treaty of Paris signed on the 3rd of September, 1783, is considered the third most important document in our history. This Treaty was the first step in building our nation. We became independent, sovereign and our boundaries were extended westward to the Mississippi River.

As we look back at the extraordinary efforts of those negotiators, we realize their skill, diplomacy and vision made possible the acceptance of these United States in the community of nations. As we reflect on the significance of that occasion and those events of history which have bound us together, we realize the far-reaching implications of the Treaty and trust that future generations will celebrate the deeds of the peacemakers.

Rear Adm. Jan J. Leefiang, defense and naval attaché, the Royal Netherlands Embassy:

(T)he American minister, John Adams, your later President, was formally received as Minister of Plenipotentiary from the United States in April of 1782 in The Hague thereby establishing the oldest diplomatic relations of this country. . . .

We lost in having the peace treaty signed because from then on we had to share John Adams with the Court of St. James as he became minister to the two countries. But, as he had put down in the Treaty of Amity and Commerce of 1782, I quote, "The stable, inviolable and universal peace and sincere friendship between the High Mightiness the States General of the United Provinces and the United States of America" existed ever since between our two countries as has been celebrated so extensively last year.

Alonso Alverez de Toledo, Minister, Embassy of Spain:

My admiration goes to the many of you who practice that American virtue of reaching out and sharing with as many people as possible those things in the past that because of their relevancy have become the stuff history is made of. How often it is in other nations, including mine, that only those who venture into archives and libraries are able to have such a close look at their own history.

(E)xhibits such as the one being dedicated here today cannot but contribute in enlarging the knowledge of the American people as to the measure in which Spain helped the Americans to win their independence, and by renouncing its own claims made possible the Treaty of Paris by which your country was formally recognized a sovereign nation and accepted into the community of nations.

Bernard Boyer, Chargé d'Affaires a.i. of France:

(W)e are here to celebrate the Treaty of Paris. That means first that this treaty ended a war. This war was not easily won because the British troops and the British generals were gallant and competent. But, the American troops had perhaps more spirit because they defended their right to freedom. . . .

But, I must say that in the common memory of the French people, we don't remember that we won the war against the British. We remember that we won a war with the Americans. And this is because it was the birth of a great nation. . . . (Y)ou taught us how to be free and how to have self-government. . . . And . . . I think it's not a mere coincidence that the five powers which are represented here today all belong to the North Atlantic Alliance . . . an alliance which has been founded to defend freedom. . . .

Sir Oliver Wright, the British Ambassador:

Twice in this century the new world has been called in to redress the balance of the old. And, together Europe and North America represent 500 million people devoted to the cause of liberty and justice, the greatest concentration of such people in the world. And, as my French colleague has said, 500 million people who are joined together in an alliance to protect that freedom; 500 million people who are joined in the trading partnership to insure the prosperity of these people.

Chief Justice Warren E. Burger:

I have a feeling . . . that never in history has a country from a posture of weakness rather than strength, gone so far . . . against such a powerful adversary in the negotiations and come away with so much. . . .

Not only did Britain cede them the fishing rights off the northeast coast, they virtually gave the rest of the continent to us, and of course, recognized not a nation as sometimes is said, but recognized thirteen separate states and their independence and their freedom. And, that laid the foundation.

(T)hink of the 200 years of history since then, we have the former adversaries joining together along with the other great people of Europe to preserve the values that were acknowledged in the Declaration of Independence, then established by the Constitution and made possible in terms of the expansion and the independence by the treaty.

AMERICA CELEBRATES ST. BRENDAN THE NAVIGATOR

Mr. MATHIAS. Mr. President, over 1,300 years ago, St. Brendan the navigator, an Irish monk, made a documented crossing of the Atlantic. This feat will be celebrated in a series of sailing races and festivals throughout the country this summer. The flagship event will take place August 3 through 7, 1983, in the sailing capital of the world, Annapolis, Md.

The idea for the festival conceived by sailors and members of the Irish-American community who were intrigued by the thought of combining yacht racing with onland Celtic cultural events. It was their desire that the two events be held concurrently in a major celebration of nautical and cultural traditions.

The St. Brendan Cup Committee in America was formed in late summer of 1981, and formally launched in March 1982, at a reception held here at the Embassy of Ireland. Membership is unrestricted. A St. Brendan Committee in Ireland is being formed with a view toward determining the feasibility of a transoceanic race between the two countries.

The first Brendan celebration was held last year in Annapolis, on May 21 and 22. Over 150 boats, representing 16 racing-class associations, participated in a 2-day racing series sanctioned by the Chesapeake Bay Yacht Racing Association. The presence of Irish curraghs—traditional boats of the west coast of Ireland and the type said to have been used by Brendan—added a unique dimension to the occasion. Awards of Waterford crystal were presented to the successful skippers and navigators by His Excellency Tadgh O'Sullivan, Ambassador of Ireland, and the honorary patron of the St. Brendan Cup Committee in America.

This year's events in Annapolis will open on August 3, 1983, with a ceremony at the State capital and an exhibition of artifacts pertaining to St. Brendan. Other Brendan celebrations are being planned for New York, New London, and Boston, during 1983, and Newport, Philadelphia, Baltimore, Charleston, and Savannah for 1984.

The Irish have contributed greatly over the centuries to the United States and we welcome this opportunity to

recognize their unique contributions. In celebrating St. Brendan, we recognize the enormous contributions of Irish and Irish Americans to our national heritage. I invite all Americans, to join in the commemoration of the wealth of Irish culture and the spirit of St. Brendan the navigator.

DON HENDERSON

Mr. PERCY. Mr. President, it is my sad duty to announce to the Senate the death of Donald G. Henderson, who was a member of the professional staff of the Foreign Relations Committee from 1958 to 1977. Don died of cancer in the Circle Terrace Hospital in Alexandria on July 8.

While on the staff of the Foreign Relations Committee, Don handled European affairs as well as international financial institutions and educational and cultural exchange programs. He was the staff member in charge of the Atlantic Assembly.

Our sympathy goes to his family. I ask unanimous consent that the obituary from the Washington Post be included in the RECORD at this point.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 10, 1983]

D. G. HENDERSON, EX-DEPUTY CHIEF OF SENATE PANEL

Donald Graham Henderson, 61, who served on the staff of the Senate Foreign Relations Committee from 1958 to 1977 and was its deputy chief of staff for the last two of those years, died of cancer July 8 at Circle Terrace Hospital in Alexandria. He lived in Alexandria.

He began his government career in 1952 with the Central Intelligence Agency, where he worked on African and Western European affairs in its Office of National Estimates. After joining the Senate committee, he also worked on European and African affairs, as well as international financial institutions, educational and cultural exchange programs and NATO.

Mr. Henderson was born in London and reared in New York City. He received bachelor's and master's degrees from the University of North Carolina, where he was a member of Phi Beta Kappa. He also received bachelor's and master's degrees from Magdalen College, Oxford, where he was a Rhodes Scholar. He was a Fulbright Scholar at the University of Paris.

Survivors include his wife of 36 years, Alaine Marsh Henderson of Alexandria; a son, Geoffrey, of Washington, and two daughters, Joyce Henderson of Cairo, and Diana Henderson of New York City.

ROBERT MALOTT SPEAKS ON CURRENT INTERNATIONAL TRADE ISSUES

Mr. PERCY. Mr. President, I was privileged recently to introduce Robert H. Malott at a hearing before the Senate Governmental Affairs Committee. He is the distinguished and able chairman of the board and chief executive officer of FMC Corp. and a director of the Chamber of Commerce of the United States. I have known Bob Malott for many years and he has built his company—ranked as the 31st largest U.S. exporter—into one of the most innovative and forward-looking enterprises in America.

Mr. Malott testified before the Governmental Affairs Committee on June 29, 1983, in favor of the establishment of a new Department of International Trade and Industry embodied in Senator ROTH'S bill, S. 121. He emphasized that international trade is a vital part of our GNP growth. We now export 20 percent of our industrial output and 40 percent of our farm products. Exporting is simply one of the best ways we can spur job creation and development of new technology. No one could know better than Bob Malott how foreign trade helps us keep our competitive edge while expanding jobs. He has seen those principles at work within his own corporation.

Mr. Malott sees the chief benefits of an International Trade Department as unifying the Government's trade policy and trade implementation functions. An International Trade Department would be a responsible and effective structure within the U.S. Government to form decisive foreign trade policies, according to Mr. Malott. It would also establish a strong Cabinet Council in the White House to resolve trade disputes within the administration.

Mr. Malott elaborated on these objectives in a speech that he delivered at the Cornell Graduate School of Business on April 7, 1983, entitled "World Trade on the Brink of Crisis." He emphasized that the current world recession has impacted both the Third World countries as well as the industrialized countries of the world, creating a drastic increase in the world's unemployment rate. Governments around the world have intervened to protect domestic industries and attempt to promote higher development of profoundly different attitudes concerning the conduct of economic affairs, according to Mr. Malott.

Mr. Malott's excellent suggestion is that "industrial nations need a fundamental change in their strategic thinking. It is not specific trade barriers or even specific industrial policies that are the issue—it is the very structure of the international trading system itself." He also calls for another conference on the order of Bretton Woods—a conference of the same breadth, depth and stature—to sort our differences, harmonize conflicting interests, and create an international trading system that recognizes the needs of the 1980's and the decades ahead. That system will have to compromise between the oft-invoked ideal of free trade and today's political inclination toward managed trade. Whatever balance we strike, an enduring system must be one that accommodates legitimate national interests, and at the same time, insures rational and predictable trading rules—a system that allows complete competition within an overall framework of political cooperation.

Mr. President, so that these important messages on international trade may receive the attention they so richly deserve, I ask unanimous consent that the full text of Mr. Malott's speech regarding "World Trade on the Brink of Crisis" and his testimony before the Governmental Affairs Committee be printed in the RECORD, and I commend them strongly to my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WORLD TRADE ON THE BRINK OF CRISIS

(By Robert H. Malott)

In 1980, world trade reached a record $2 trillion. The future looked bright. But since then, hopes for the continued expansion of world trade have been dashed. In the past two years, world trade first stagnated and then declined, taking the worst plunge in nearly 40 years. International trade no longer appears to be an engine of growth and mutual prosperity, but the victim of recession and economic chauvinism.

The world's major trading nations all appear to be headed on a collision course, as each seeks to fuel growth by expanding exports and restraining imports. In country after country, the mercantilist attitude of the 1930's is again gaining ground.

The institutions created in the aftermath of World War II to smooth the course of international trade and finance no longer seem equal to the task. The General Agreement on Tariffs and Trade (GATT) is now being derided as the "gentleman's agreement to talk and tarry," while the International Monetary Fund (IMF) is straining to keep countries and their creditors afloat.

Clearly, the international trading system is on the brink of crisis. A new course must be charted. Let's examine how we arrived at the present impasse and see how we might resolve our current problems and move toward a workable international trading system.

THE WORLD ECONOMY IN TRANSITION

The current strains in the international trading system did not arise overnight. Owing to profound structural changes in the world economic order, they have been building for nearly a decade.

From 1948 until 1973, world trade grew at an average real rate of 7 percent annually, consistently outstripping the average growth rate for world GNP of 5 percent a year. Then OPEC instituted the first in its series of oil price increases. Growth in world trade began to falter as countries struggled to adjust to rapid price hikes in oil import bills. Every oil-importing country was adversely affected, and the non-oil producing developing countries were particularly hard hit. Their trade balances deteriorated dramatically, as the cost of essential oil imports continued to rise.

When inflation rates began climbing, more and more countries sought to borrow money to cover their trade deficits and finance imports necessary for continuing growth. This penchant to borrow made sense at the time, if for no other reason than real interest rates were negative. Countries could expect to repay loans with

cheaper currency, and many banking institutions, particularly the world's money center banks, were eager to loan them the money they sought.

But, starting in 1979, the inflationary bubble began to burst. Concerned that inflation rates were reaching runaway levels, the major industrialized countries finally realized they must take strong countermeasures and instituted disinflationary policies almost simultaneously. In so doing, they helped precipitate the current worldwide recession.

In the past three years, inflation rates have receded from double-digit levels and real interest rates have turned positive but, at the same time, there has been a devastating increase in the world's unemployment rate. In the major industrialized countries, the ranks of the unemployed have doubled from 16 million to 32 million people, and the level of unemployment in Third World countries has reached crippling proportions.

The recession has also had an enormous impact on the external debt burden of the non-oil producing less developed countries, or LDCs. Faced in 1979 with another OPEC price increase and no longer able to repay their loans with cheap currency, the oil-importing LDCs quickly amassed a crushing load of hard currency debt. From a level of $100 billion in 1972, the combined external debt of non-oil producing developing countries grew to more than $630 billion by the end of 1982.

The plight of the developing countries has been further worsened by weak demand and an abrupt drop in prices for the commodities they export. Since 1980, prices of non-oil raw materials have fallen an average of 35 percent in real terms—a staggering decline—and have reached their lowest levels in nearly 30 years.

With rising debt and sharply reduced means of generating foreign exchange, many developing countries have found themselves caught in a vicious circle. They can't export enough to earn the foreign exchange they need and they are having increasing difficulty securing new loans. Instead of getting additional credit from international banks to finance imports, they are being pressed to make payments on past debts—debts that can only be serviced by increasing net export revenues. With exports in a severe slump, many countries have little choice but to cut imports drastically.

The industrialized countries are far from immune from the impact of an economic downturn in the Third World. Over the past decade, the developing countries have been the fastest growing export market for the products of the developed world. In 1972, the United States sent just 25 percent of its exports to the non-oil producing LDCs. By 1982 the U.S., like Japan and the European Community, sent fully 40 percent of its exports to the developing countries—more than to any other single market.

INCREASED GOVERNMENT INTERVENTION

The convergence of all these forces—protracted recession, high unemployment, and burgeoning debt loads—is placing extraordinary strains on the international trading system. In this environment, governments have come under intense pressure to "do something," and many have reacted by moving to protect domestic industries and stem unemployment, whatever the cost.

Governments' inventiveness in curbing free trade—as the end-all solution to their problems—has seemed inexhaustible. Tariffs, the major protectionist device a generation ago, have now given way to non-tariff barriers in nearly every sector of international trade. Countries have erected a bewildering array of regulations on product safety standards, testing procedures, and licensing requirements. Free market access is limited by government procurement policies, monopoly trading groups, or local content laws.

Such import barriers have seriously distorted trade relationships and prevented the rational allocation of resources. Yet they continue to multiply. The GATT has estimated that nearly one-half of all trade is now subject to non-tariff barriers of one kind or another.

Free trade, the source of unprecedented prosperity since World War II, is now retreating before an onslaught of domestic pressure groups, swelled by the ranks of the more than 32 million unemployed. And the more traumatic unemployment becomes, the more national protectionism continues to spread.

While we worry about protectionism, we should understand that it is only one aspect of government intervention in international trade. The other side is the growing use of export subsidies. Many developed countries promote exports by granting tax rebates at their borders or providing export financing below market rates. According to a study last year by the U.S. General Accounting Office, the French, British, and Japanese consistently subsidize nearly one-third of their exports.

The French, for example, have heavily subsidized exports of their Airbus, enabling it to outcompete Boeing for sales of wide-bodied aircraft. A Canadian firm was able to win a New York subway contract last year solely on the basis of its government-subsidized financing package. Similarly, the Japanese have gained world leadership in the semiconductor industry through generous export subsidies, R&D funding, and other assistance, totalling an estimated $1.5 billion in the last five years.

The emerging pattern of trade relations is one I would call "managed trade," characterized by national industrial policies which protect sensitive industries from imports and target others for aggressive export growth. In addition, there have been a spate of bilateral agreements to restrain exports on a so-called "voluntary" basis and special multilateral understandings to divide up world market shares.

What we see is a world moving further and further away from a trading system based on open competition and rational economic decision-making, toward one based on artificial government controls and subsidies that can be erected or dismantled at will. Such a system fosters inefficiency, discourages productive foreign investment and, in the long run, stifles economic growth. It is a system that is inherently unpredictable and prone to political conflict.

Goverment intervention, once greatest in agriculture and basic industries, is now being extended to new, high-technology areas as well. For instance, the trade agreement signed this February between the European Economic Community (EEC) and Japan went far beyond the old geriatric wards of textiles, steel, shipbuilding, and automobiles. It exacted moderation by the Japanese on sales of such products as quartz watches and fork-lift trucks and imposed strict quotas on Japanese exports of video and television equipment. These restrictions are tantamount to infant industry protection for Europe's struggling companies.

Efforts to reverse this trend have thus far been fruitless. The much heralded GATT ministerial meeting last November failed to reach any meaningful consensus. While the ministers reaffirmed their commitment to free trade, they did not advance any concrete proposals to prevent the proliferation of trade barriers. If anything, we have seen them move more aggressively toward import quotas and subsidized export credits.

CONFLICTING INDUSTRIAL CULTURES

Government intervention, however rampant and regrettable, is only symptomatic of a much deeper problem. The underlying source of conflict is this: over the past three decades, the major trading nations of the world have developed profoundly different attitudes about the conduct of economic affairs. Until these fundamental differences are resolved, or at least muted, the impediments to international trade can only become more worrisome.

Industrial nations need a coherent new strategy, not merely stopgap tactics that fail to address underlying issues.

Let me elaborate.

At the end of World War II, there was a semblance of agreement of what should be done. The major industrialized countries were keenly aware of how narrow national policies and high tariff barriers had deepened the depression during the 1930's and contributed to the tensions that led to war. They were determined, if possible, to avoid past mistakes.

The international institutions created in the aftermath of the Second World War represented a coherent strategy appropriate to the times. Just as NATO was forged to address common political and security goals, the institutions established by the Bretton Woods Conference of 1944 were designed to achieve common and workable economic objectives. Specifically, the International Monetary Fund was created to promote sound monetary and exchange rate practices, the International Bank for Reconstruction and Development was established to restore the war-torn economies of Europe and Asia, and the General Agreement on Tariffs and Trade was drawn up to advance free international trade.

Although this early period was not without disagreement, the United States, as the preeminent military and economic power of the day, was able to exercise creative leadership. Individual national differences were submerged and reconciled in the interests of a workable global system. Especially in the area of trade, memories of the damage created by the mercantilist, protectionist policies of the 1930's were vivid. Eager to avoid the devastating impact of another world depression, nations advocated the concept of free and unfettered trade.

As the United States helped rebuild the economies of both our Allies and the former Axis powers, we assumed—somewhat naively—that they would develop industrial cultures in our image and be motivated by our own competitive market values. Instead, the European Community followed an interventionist path, while the Japanese developed an industrial culture markedly different from our own. It is precisely because of these cultural differences, and the political attitudes which underlie them, that our trading problems have become so difficult.

Let's look briefly at the record.

In Western Europe, governments have tended to place social and political goals above economic considerations in setting their industrial policies. As a consequence, their policies have typically involved heavy government subsidies to maintain employ-

ment and preserve traditional industries regardless of efficiency or competitiveness.

In Japan, ministry officials have carefully controlled domestic investment and selectively targeted industry development, focusing on those industries capable of developing substantial export potential and becoming truly world-class competitors. To ensure rapid and cost-effective penetration of world markets, they have created substantial tax advantages, established attractive financing for new plant and equipment, and encouraged cooperative intra-industry agreements. By manipulating domestic capital markets, they have artificially depressed the value of the yen, further boosting Japanese export sales and suppressing imports. This carefully managed economy aggressively promotes Japan's infant industries and maximizes its global trade advantage.

In much of the Third World, counties have become profoundly disillusioned with our notions of free market development. They have learned, all too painfully, that large infusions of foreign captial cannot compensate for a shortage of skilled human resources. Once oil prices started rising and debt loads mounted, it is not surprising that many developing countries erected trade barriers, established investment controls and imposed performance requirements in an attempt to bolster their industries against outside competition.

The inherent dilemma we face is this: although the United States continues to believe that a free system will benefit all nations, many other countries see only the adverse political and social repercussions of opening their borders to external compensation. There is no longer a consensus that free trade works to everyone's advantage.

WHAT SHOULD BE DONE

The existing order, if it can be called that, will no longer suffice. The industrial nations need a fundamental change in their strategic thinking. It is not specific trade barriers or even specific industrial policies that are the issue—it is the very structure of the international trading system itself.

What we need is the political will to rethink our existing economic rules and, where necessary, restructure our major international institutions. We need to examine all factors that have a bearing on international trade—import barriers, export subsidies, exchange rates, and capital flows. We need a new international charter, one that restores a sense of parity and reinstills a spirit of cooperation.

The task will not be easy. Governments are loathe to relinquish any control over domestic economic policies or forfeit what they see as their prerogatives to nuture and promote their export potential. But if governments continue on their present collision course, we run a serious risk of precipitating a prolonged, global depression that could be just as devastating as the Great Depression of the 1930's.

We may need another conference on the order of Bretton Woods—a conference of the same breadth, depth and stature—to sort out differences, harmonize conflicting interests and create an international trading system that recognizes the needs of the 1980's and the decades ahead. That system will have to compromise between the oft-invoked ideal of "free trade" and today's political inclination toward managed trade. Whatever balance we strike, an enduring system must be one that accommodates legitimate national interests and, at the same time, ensures rational and predictable trading rules—a system that allows commercial competition within an overall framework of political cooperation.

The task of forging a new international trading system is vitally important. It will require the creativity of the best minds in our major educational institutions, the contributions of prominent think tanks in this and other countries, the flexibility of governments and, above all, their steadfast commitment. Our trade problems can be surmounted if we have the will to tackle them with both imagination and foresight—qualities that are sorely lacking around the negotiating tables of the world today.

We cannot afford to be complacent. Success or failure in this effort will determine whether the remainder of this century is a period of expanding trade and economic prosperity or one of diminished trade, economic stagnation, and mounting conflict.

STATEMENT OF ROBERT H. MALOTT

Mr. Chairman and members of the committee, I am Rober H. Malott, chairman and chief executive officer of FMC Corporation, a multinational producer of machinery and chemicals for industry, agriculture, and Government. Our sales in 1982 were $3.5 billion. FMC ranks as the 31st largest exporter from the United States, does business in more than 100 countries, and derives more than one-third of its revenue from international sources.

From my perspective as head of a multinational enterprise with a major stake in international trade, I strongly favor the administration's proposal—as embodied in Senator ROTH's revised bill S. 121—to establish a new Department of International Trade and Industry. In my view, we need a new trade organization in this country for three reasons:

First, international trade has become a critical element in the United States economy—critical to our GNP and GNP growth and critical in creating jobs and spurring the development of new technologies.

Second, the United States is facing increasing protectionism and aggressive, organized competition from its major trading partners.

Third, U.S. trade policy remains incoherent and ineffective and the mechanisms for implementing whatever policy we have are diffuse and fragmented. The United States is the only major industrial power which does not have a cabinet or ministerial level department with focused responsibility for developing trade strategy and the coordinating responsibility to ensure that strategy is implemented.

Let me elaborate on these points.

First, there's no doubt that international trade has become an important part of the U.S. economy. Ten years ago, we exported only about 5 percent of our industrial production. Today, we export more than 20 percent of our industrial output and 40 percent of our agricultural produce. Trade in goods and services now accounts for over 20 percent of the U.S. gross national product.

Not surprisingly, exports have also become a major source of new jobs. The Commerce Department estimates that every billion dollars' worth of exports creates at least 25,000 new jobs. In the past five years, more than 80 percent of the new jobs created in manufacturing—a total of nearly five million—originated in the export sector.

Second, international trade has become vastly more competitive than it was ten years ago. Protectionism has been rising through the mechanism of non-tariff barriers, which continue to replace tariffs as the major impediment to world trade. According to officials of the general agreement on tariffs and trade, almost one-half of all trade is now subject to non-tariff barriers of one kind or another.

At the same time, our competitors are aggressively supporting their export industries with a wide array of subsidies in a systematic effort to increase their penetration of U.S. and foreign markets. A study last year by the U.S. General Accounting Office indicates that the French, British, and Japanese consistently subsidize nearly one-third of their exports. In addition, it is becoming apparent that the currencies of some countries have been kept at artificially low levels as a means to further boost export sales and suppress imports.

All these trends are seriously eroding the ability of American business to compete effectively in world markets. At present, we do not have a clearly defined trade policy to combat these challenges nor, in my opinion, an organization capable of addressing these issues effectively.

There are really two dimensions to our organizational problem. First, the trade policy function at the office of the U.S. Trade Representatives is separated from those trade-related functions at the Department of Commerce that work most closely with American Industry in implementing that policy. Secondly, there has been a proliferation of Government agencies that have an involvement in—and indeed a legitimate interest in—trade and economic affairs. These agencies have diverse and often conflicting points of view which often take a long time to resolve and obstruct the timely development and implementation of policy.

As I understand it, the administration's proposal would deal with both of these issues. It would deal with the first by integrating the trade policy function of USTR with the industry-related research, analysis, and export promotion functions of the Commerce Department, including the International Trade Administration and the Office of the Under Secretary of Commerce for Economic Affairs. It would deal with the second by establishing a strong statutory Cabinet Council in the White House backed by a small capable staff. The President himself would be designated to chair the Council, while the proposed Secretary of International Trade would serve as chairman pro tempore and the Secretary of Agriculture would serve as vice chairman. The Council would be analogous to the National Security Council and would be the principal interagency forum for advising the President on trade and resolving trade issues between departments at the Cabinet level.

The proposed reorganization would thereby create not only a logical management structure to research and evaluate different policy alternatives but also a Cabinet-level council to resolve interdepartmental trade disputes in an orderly, efficient manner.

The proposed trade reorganization would appear to have at least two advantages over the current system:

First, if properly implemented, the reorganization should enable us to develop a strategic approach to our pressing international trade problems, which include not only protectionism and export subsidies, but also a growing disrespect for industrial property rights around the world and the spread of cartel agreements to protect world market share. These are challenges which we have thus far failed to meet and which are becoming increasingly severe.

The proposed Trade Department could help combat these challenges by giving our trade representatives timely, reliable evidence on trade barriers in major overseas markets. This information would help us respond more quickly to emerging problems, allow us to take greater initiative in developing new trade agreements and, more importantly, permit us to monitor more effectively whether our trading partners are abiding by international trade commitments. It is my judgment that the new Department would enable us to initiate strategy rather than merely react to events.

Second, the new Department of International Trade and Industry should be leaner and more efficient in administering trade policy. Only 20 percent of the present Commerce Department would be included in the new organization—or approximately 7,500 people—making it the second smallest cabinet department in the U.S. Government.

Admittedly, the proposed trade reorganization will not, in and of itself, solve all our problems. But it will put us in a much better position to develop clear, responsible trade policies and implement them effectively. And I believe it can help us avoid some of the mistakes we've made in the past—the soybean embargo in 1974 and the restrictions on grain sales to the Soviet Union, to name but two—actions which have seriously damaged our credibility as a reliable supplier and undercut our position in world markets.

Reorganizing the trade structure within the U.S. Government will inevitably cause disruption and it will take time to implement. And I understand it may cause some jurisdictional questions in Congress concerning oversight responsibility for those agencies that are to be incorporated in the Department of International Trade and Industry or spun off to other agencies. Despite such jurisdictional problems, I seriously doubt that we can afford the luxury of procrastination.

World trade, which has made a major contribution to the unprecedented prosperity we have enjoyed since World War II, is falling victim to economic chauvinism and recession. Between 1950 and 1980, world trade grew at a real, average annual rate of 6.7 percent—far outstripping the average annual growth of real world GNP. In the last two years, however, trade first stagnated and then declined.

This decline must be reversed. If it is not, we could see the fragile economic recovery in the United States and in the other industrialized countries come to an abrupt halt.

To revive trade as an engine of growth—to stimulate new industry, new technology, and new jobs—I believe the United States must again exercise decisive leadership, just as it did at the end of World War II. I think the new trade organization is absolutely mandatory if we are to resume this role, and I strongly urge the passage of S. 121 to establish the new department.

Before I conclude, Mr. Chairman, let me parenthetically commend you for your leadership on this issue. I know you have been an advocate of trade reorganization for almost 10 years and I think your persistence is to be admired.

Thank you for giving me the opportunity to testify on what I consider a critical issue.

I would be pleased to respond to any questions.

IMPLEMENTATION OF RECOMMENDATIONS OF WORLD ASSEMBLY ON AGING

Mr. PERCY. Mr. President, I am pleased to join Senator HEINZ in submitting a resolution to express the sense of the Congress that the recommendations adopted in August 1982 by the U.N. World Assembly on Aging in the Vienna International Plan of Action on Aging be implemented.

My interest in the elderly is longstanding. I have had the pleasure of serving on the Senate Special Committee on Aging since 1971. I treasure my seat on this committee not only because it gives me the opportunity to focus on the special problems and needs of older persons today, but because the committee is at the vanguard in working for public policies that will reflect the graying of America.

The aging population not only in our own country but throughout the world has already begun to cause significant and sometimes startling social and economic changes requiring immediate and long-term attention and action. A combination of factors witnessed in the 20th century, including a decline in infant mortality, improvements in nutrition, and advancements in health care, has resulted in an ever-increasing number of persons surviving into advanced stages of life.

While in 1950, according to U.N. estimates, there were approximately 200 million persons 60 years of age and over throughout the world, that figure had increased to 350 million by 1975. It is projected that this number will increase to 590 million in the year 2000 and to more than 1,100 million by 2025—an increase of 224 percent since 1975. During this same period, the world's population as a whole is expected to increase by 102 percent, from 4.1 billion to 8.2 billion. Thus, 40 years from now, the elderly will constitute 13.7 percent of the world's population.

This demographic trend will have a significant effect on society. Although the elderly share many problems and needs with the rest of the population, certain issues reflect the special characteristics and requirements of this group. These issues are health and nutrition, housing and environment, the family, social welfare, income security and employment, and education.

Because of these concerns, I was an original cosponsor of legislation passed in 1977 calling for a World Assembly on Aging to study these issues and their impact. As a result of this U.N. World Assembly, which was held last summer, a plan of action on aging was adopted without a single reservation from any of the 121 countries represented. The Plan of Action contains 62 recommendations, primarily for national action but also for regional and international action, and is generally applicable to both developed and developing countries. It is the implementation of this plan which our resolution encourages.

The recommendations call for, among other things, increased involvement of the aged in setting policies and programs for the elderly population, an emphasis on health care maintenance and preventive measures, alternative care for the mentally and terminally ill, coordination of social welfare and health care services, improvements in nutritional services, national housing policies to help the aged to live in their own homes as long as possible, attention to designing a living environment to take into account the functional capacity of the elderly and facilitate mobility and communication, insuring income security as well as the right to work and the right to retire, and developing data on the older section of the population to assist in the formation, application, and evaluation of policies and programs for the elderly. The exchange of information and experience at the international level will stimulate progress and encourage the adoption of measures to meet the needs of older persons as well as responding to the economic and social implications of the aging population.

I believe that the United States should join other nations around the world in the implementation of these recommendations as a culmination of the 1982 U.N. World Assembly on Aging conference and year-long program of activities. I commend Senator HEINZ, the distinguished chairman of the Aging Committee, for his leadership in this area and I urge my colleagues to join us in cosponsoring this important resolution.

DAVE BRODY: AN EXEMPLARY LOBBYIST

Mr. PERCY. Mr. President, when first elected to the Senate I was told by new friends in Washington that I would soon tire of the demanding attitudes of the lobbyists arguing a wide variety of interests and causes. I did not know then that one of the first lobbyists I would meet would be David Brody, Washington representative of B'nai B'rith's Anti-Defamation League. Dave Brody, I found, was a prominent attorney, a specialist on Congress, and particularly on the Senate, a man who did his best to master every issue, foreign and domestic, a lobbyist understanding of the myriad pressures on legislators. In pursuing his work he sought to develop a personal relationship with every Senator. Dave Brody is an exemplary lobbyist in the best sense of that term.

No doubt he is aided by the respect Senators have for his organization, the Anti-Defamation League, an effective

force for progressive legislation in the fields of civil liberties and civil rights and an organization which works to encourage good relations between the United States and Israel. But the Anti-Defamation League also benefits from the respect which Dave Brody himself engenders on the Hill.

Martin Tolchin's article about Dave Brody in the New York Times of May 26, 1983, under the headline "An 'Unelected Member' of the Senate" is worthy of the attention of my colleagues, and I ask unanimous consent that it be reprinted at this point.

There being no obligation, the article was ordered to be printed in the RECORD, as follows:

AN "UNELECTED MEMBER" OF THE SENATE

(By Martin Tolchin)

WASHINGTON, May 25.—"Senators Only" said the sign in front of the Capitol subway, but David Brody was waved aboard by Senator Charles E. Grassley, Republican of Iowa, whom be thanked for signing a resolution opposing the sale of advanced weaponry to Jordan.

"Senators Only" said the sign above the elevators in the Capitol, but Mr. Brody was escorted onto the car by Senator Jesse Helms, Republican of North Carolina State's N.C.A.A. basketball championship.

"Dave Brody is the unelected member of the U.S. Senate," said Senator Charles McC. Mathias, Jr., Republican of Maryland, who is an old friend.

Mr. Brody, who will be 67 years old next month, is a short, kinetic institution who seems to know just about everyone in Government. He is the Washington representative of B'nai B'rith's Anti-Defamation League, and, like those of many other lobbyists, his office walls are lined with signed photographs of Presidents and other White House notables. "What would we do without friends?" wrote Vice President Bush, and James A. Baker 3d, the White House chief of staff, called Mr. Brody "oftentimes a strong ally, occasionally a worthy adversary, but always a friend."

It is the Senate, however, where Mr. Brody presses his campaigns, which focus on aid to Israel and support of civil rights legislation. Some other lobbyists for Jewish organizations consider him a loner because of his failure to coordinate his activities with them, and some Capitol Hill people regard him as overly persistent. But most consider him effective.

STRATEGY ON AID TO ISRAEL

"Dave Brody can get in and out of more senators' offices quicker than any person I have ever met in my life," said former Vice President Walter F. Mondale.

Mr. Brody's present concerns include the foreign aid authorization bill, which contains an increase in aid to Israel, and legislation that would put teeth into a fair housing bill. On aid to Israel, Mr. Brody tells senators, "You can't win over the Arabs by weakening Israel. If Israel receives the aid it needs, it's in a better position to compromise; a weakened Israel cannot." On the fair housing bill he tells them, "Without effective enforcement, the bill doesn't mean very much."

Mr. Brody is a full-service lobbyist. He introduces senators to constituents, fund-raisers, reporters and "people I think they should meet." He gives personal advice. He suggests positions on a wide range of subjects, including those in which his organization is disinterested.

"I don't come around only when I need something," Mr. Brody said. "I come around to chat on a general exchange of views. I don't have a heavyhanded, demanding style."

OF FRIENDS AND AWACS

"He's given me valuable advice," said Senator Howell Heflin, an Alabama Democrat. "He has a broad range of interests."

Mr. Brody doesn't seem to care if a senator is a Democrat or Republican, liberal or conservative. Some of his closest friends in the Senate voted for the sale of Awacs to the Saudis, which Mr. Brody lobbied hard, and unsuccessfully, to defeat. "Somebody can be against you on one issue, and with you on the next," he said.

His manner can be direct. When Senator Lloyd Bentsen, the Texas Democrat, told him that Israel needed another Golda Meir, Mr. Brody replied, "Senator, if you have the power to resurrect Golda Meir, that's fine with me, but Golda Meir also had problems with our government."

Mr. Brody does considerable entertaining at home, often bringing senators together with the Israeli Ambassador. Rolf Pauls, former German Ambassador to Washington, once quipped that he had seen more senators at Mr. Brody's home than on the Senate floor.

Mr. Brody, a native New Yorker who is a graduate of City College and Columbia Law School, came to Washington in 1940 to work for the Department of Agriculture, and joined the league in 1949. He was promoted to chief Washington representative in 1965.

His style has evolved over the decades. "Maybe I am a loner," he said. "I have my own style. You have to be able to relate to people, even when you find yourself in disagreement. You have to deal with members as individuals, and know what their concerns are. I'd have a very narrow range of friends if we had to agree on every issue."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

FAIR HOUSING AMENDMENTS ACT OF 1983—MESSAGE FROM THE PRESIDENT—PM 67

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on the Judiciary:

To the Congress of the United States:

I am transmitting herewith the "Fair Housing Amendments Act of 1983."

The Federal Fair Housing Act was enacted by the Congress 15 years ago. It stands as a bold promise that no person in the United States should be denied full freedom of choice in the selection of housing because of race, color, religion, sex, or national origin. Since its passage, however, a consensus has developed that the Fair Housing Act has delivered short of its promise because of a gap in its enforcement mechanism.

The principal means of redressing violations under the Act is resolution of complaints by the Secretary of Housing and Urban Development through informal methods of conference, conciliation, or persuasion. This informal process is the best and most effective procedure that can be devised for speedy and non-burdensome relief for individual victims of discrimination. It has worked well when it has been approached in good faith by all parties to the dispute. The Secretary achieves conciliation in roughly three-fourths of the cases in which a determination to resolve through conciliation is made, and the success rate of conciliation by State and local agencies to which complaints are referred is comparable. But as few as the cases may be where conciliation is unsuccessful, they are too many.

The gap in enforcement is the lack of a forceful back-up mechanism which provides an incentive to bring the parties to the conciliation table with serious intent to resolve the dispute then and there. When conciliation fails, the Secretary has no place else to go. In those few cases where good will is absent, the exclusive reliance upon voluntary resolution is, in the words of former Secretary Carla Hills, an "invitation to intransigence."

I referred to this widely acknowledged gap in the law in my recent State of the Union message when I said:

Effective enforcement of our Nation's fair housing laws is . . . essential to ensuring equal opportunity. In the year ahead, we will work to strengthen enforcement of fair housing laws for all Americans.

The central objective of the proposed legislation which I am transmitting today is to supply the missing ingredient to effective enforcement. I propose that when conciliation fails, the Secretary may refer the complaint to the Attorney General with the recommendation that an action be commenced on behalf of the United States in Federal District Court. This expands the current jurisdiction of the Justice Department, now limited to cases of discriminatory patterns or practices, to include cases involving individual victims of discrimination. It thus places the leadership in enforcement where it belongs, with the Federal Government rather than with the individual victim. And in order to emphasize the clear public interest in the prevention of discriminatory housing practices as well as to add teeth to the enforcement arsenal, it authorizes the Attorney General to seek substantial civil penalties in addition to equitable relief. While the maximum penalties are severe—as they ought to be in

cases of violation of the basic right to be free from illegal discrimination—the tribunal with power to impose these remedies is that one which has earned and enjoyed the confidence of the American people over our history for its impartiality, independence, and fairness.

I also propose several other important improvements to the enforcement process, including:

—Authorization for the Attorney General to seek specific performance of a conciliation agreement.
—Confirmation that a conciliation may contain an agreement to submit to binding arbitration.
—Authorization of temporary equitable relief through the courts while conciliation attempts are proceeding.
—Conforming the attorneys' fee award provisions to those of the Civil Rights Attorneys Fee Award Act.
—Extension of the statute of limitations for private actions from 180 days to two years.
—Removal of the ceiling on punitive damages obtainable in private enforcement actions.

The proposed legislation also will extend coverage of the Fair Housing Act to prohibit discrimination on the basis of handicap. The need to extend the protection of this statute to the handicapped is a subject on which a clear consensus of the Congress emerged during the unsuccessful attempt to adopt amendments in the 96th Congress.

Reform of the Fair Housing Act is a necessity that is acknowledged by all. I urge that the Congress give these legislative proposals its immediate attention so that early enactment may be achieved.

RONALD REAGAN.

THE WHITE HOUSE, *July 12, 1983.*

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTIONS SIGNED

At 2:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolutions:

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day";

S.J. Res. 34. Joint resolution designating "National Reyes Syndrome Week"; and

S.J. Res. 68. Joint resolution to authorize and request the President to designate July 16, 1983, as "National Atomic Veterans' Day."

The enrolled joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

At 5:27 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its clerks, announcing that the House has passed the following bill, without amendment:

S. 929. A bill to amend the Act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area.

ENROLLED JOINT RESOLUTION SIGNED

The following enrolled joint resolution, which had been signed by the Speaker of the House of Representatives on June 29, 1983, was signed on today, July 12, 1983, by the Vice President:

S.J. Res. 96. Joint resolution to designate August 1, 1983, as "Helsinki Human Rights Day."

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary reported that on today, July 12, 1983, he had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day";

S.J. Res. 34. Joint resolution designating "National Reyes Syndrome Week"; and

S.J. Res. 68. Joint resolution to authorize and request the President to designate July 16, 1983, as "National Atomic Veterans' Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1381. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the seventh annual report on the child support enforcement program; to the Committee on Finance.

EC-1382. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Assistance to the State of Israel"; to the Committee on Foreign Relations.

EC-1383. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 28, 1983; to the Committee on Foreign Relations.

EC-1384. A communication from the Assistant Secretary of State (Legislative and Intergovernmental Affairs), transmitting a draft of proposed legislation to implement the Inter-American Convention on International Commercial Arbitration; to the Committee on Foreign Relations.

EC-1385. A communication from the Acting Secretary of State, transmitting, pursuant to law, the 31st report on the extent and disposition of U.S. contributions to international organizations covering fiscal year 1982; to the Committee on Foreign Relations.

EC-1386. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 24, 1983; to the Committee on Foreign Relations.

EC-1387. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Action Needed To Reduce, Account For, and Collect Overpayments to Federal Retirees"; to the Committee on Governmental Affairs.

EC-1388. A communication from the Acting Executive Director of the Commodity Futures Trading Commission, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1389. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1390. A communication from the Acting Secretary of the Navy, transmitting a draft of proposed legislation to amend section 7227, title 10, United States Code, to provide for the furnishing of routine port services at no cost to visiting naval vessels of a friendly foreign country, when by agreement or custom such services are provided reciprocally to visiting naval vessels of the United States; to the Committee on Armed Services.

EC-1391. A communication from the consultants to the Sacramento Farm Credit Employee's retirement plan, transmitting, pursuant to law, the annual pension report of the plan for calendar year 1982; to the Committee on Governmental Affairs.

EC-1392. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of Medical Officers Pay in the Department of Human Services and the D.C. General Hospital"; to the Committee on Governmental Affairs.

EC-1393. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1394. A communication from the General Counsel of the Federal Labor Relations Authority, transmitting a draft of proposed legislation to amend chapter 71 of title 5, United States Code, to provide for the operational continuity of the Office of the General Counsel of the Federal Labor Relations Authority during a vacancy in the position of General Counsel; to the Committee on Governmental Affairs.

EC-1395. A communication from the Assistant Attorney General (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records in the Department of Justice; to the Committee on Governmental Affairs.

EC-1396. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on the suspension of deportation of a certain alien under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1397. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on

the suspension of deportation of a certain alien under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1398. A communication from the Attorney General of the United States, transmitting, pursuant to law, notice that the Department of Justice has determined not to appeal the decision in *Cimaglia* v. *Schweiker* declaring a portion of the Social Security Act unconstitutional; to the Committee on the Judiciary.

EC-1399. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending the deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-1400. A communication from the Assistant Attorney General transmitting, pursuant to law, the Department of Justice Freedom of Information report for 1982; to the Committee on the Judiciary.

EC-1401. A communication from the Director of the National Legislative Commission of the American Legion transmitting, pursuant to law, a report on the financial condition of the American Legion as of December 31, 1983; to the Committee on the Judiciary.

EC-1402. A communication from the Secretary of the Treasury transmitting, pursuant to law, a report on the financial position and operating results of the Student Loan Marketing Association; to the Committee on Labor and Human Resources.

EC-1403. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to amend the "Older Americans Act of 1965"; to the Committee on Labor and Human Resources.

EC-1404. A communication from the Secretary of Education transmitting, pursuant to law, an application notice for the Secretary's discretionary program grants and rules for conducting a grant competition; to the Committee on Labor and Human Resources.

EC-1405. A communication from the chairman of the board of the Student Loan Marketing Association transmitting, pursuant to law, a report on the corporation's operations and activities for the year ended December 31, 1982; to the Committee on Labor and Human Resources.

EC-1406. A communication from the Secretary of Education transmitting, pursuant to law, a report on the status of vocational education in fiscal year 1982; to the Committee on Labor and Human Resources.

EC-1407. A communication from the Executive Director of the Committee for Purchase From the Blind and other Handicapped transmitting, pursuant to law, the annual report on the activities of the committee for fiscal year 1982; to the Committee on Labor and Human Resources.

EC-1408. A communication from the Chairman of the National Labor Relations Board transmitting, pursuant to law, the 46th annual report of the Board; to the Committee on Labor and Human Resources.

EC-1409. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, proposed regulations pertaining to the administration of the Presidential Election Campaign Fund Act; to the Committee on Rules and Administration.

EC-1410. A communication from the Executive Secretary, Department of Defense, transmitting, pursuant to law, a report on Department of Defense procurement from small and other business firms for October 1982 to March 1983; to the Committee on Small Business.

EC-1411. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to modify and improve the educational assistance programs administered by the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

EC-1412. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to expand the scope of the membership of the special medical advisory group; to the Committee on Veterans' Affairs.

EC-1413. A communication from the Director of the Selective Service System, transmitting, pursuant to law, the report on the System for the period October 1, 1982 through March 31, 1983; to the Committee on Armed Services.

EC-1414. A communication from the Secretary of the Treasury, transmitting a draft of proposed legislation to authorize depository institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting and purchasing government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owners' Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-1415. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notice of the cancellation of meetings related to the international energy program; to the Committee on Energy and Natural Resources.

EC-1416. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, notice on leasing systems for offshore oil scheduled to be held on August 24, 1983; to the Committee on Energy and Natural Resources.

EC-1417. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Performance Profiles of Major Energy Producers, 1981"; to the Committee on Energy and Natural Resources.

EC-1418. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "The Status of the Nation's Highways: Conditions and Performance"; to the Committee on Environment and Public Works.

EC-1419. A communication from the Bureau of Data Management and Strategy, Health Care Financing Administration, transmitting, pursuant to law, a summary of the 1983 annual reports of the Medicare Board of Trustees; to the Committee on Finance.

EC-1420. A communication from the Assistant Legal Advisor for Treaty Affairs, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to July 8, 1983; to the Committee on Foreign Relations.

EC-1421. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 5-50, adopted by the Council on June 21, 1983; to the Committee on Governmental Affairs.

EC-1422. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 5-47, adopted by the Council on June 21, 1983; to the Committee on Governmental Affairs.

EC-1423. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 5-48, adopted by the Council on June 21, 1983; to the Committee on Governmental Affairs.

EC-1424. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 5-48, adopted by the Council on June 21, 1983; to the Committee on Governmental Affairs.

EC-1425. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 5-46, adopted by the Council on June 21, 1983; to the Committee on Governmental Affairs.

EC-1426. A communication from the Office of Federal Supply and Services, Office of Transportation, transmitting, pursuant to law, the Federal motor vehicle fleet report for fiscal year 1982; to the Committee on Governmental Affairs.

EC-1427. A communication from the Counsel of the National Council on Radiation Protection and Measurement, transmitting, pursuant to law, the financial statements and schedules of the Council for calendar year 1982; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-286. A resolution adopted by the City Council of Bloomington, Minnesota, urging Congress to re-examine the nuclear weapons policy of the United States; to the Committee on Armed Services.

POM-287. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, high interest rates have placed a heavy burden on low and moderate income families attempting to finance mortgages and home improvement loans; and

"Whereas, the elimination of direct Federal assistance for housing production has placed an increased burden on the States to provide these services; and

"Whereas, the State of Minnesota, through the Minnesota Housing Finance Agency, has developed effective programs to assist low and moderate income families to purchase and rehabilitate housing; and

"Whereas, the ability of the State of Minnesota to continue to provide housing assistance will be greatly inhibited without the availability of Federal tax-exempt financing: Now, therefore, be it

Resolved by the Legislature of the State of Minnesota, That Congress should speedily enact legislation to authorize the issuance of qualified mortgage bonds beyond the current expiration date of December 31, 1983; be it further

Resolved, That the Secretary of State of the State of Minnesota is directed to trans-

mit certified copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

POM-288. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Banking Housing, and Urban Affairs.

"RESOLUTION

"Whereas, high interest rates have placed a heavy burden on low and moderate income families attempting to finance mortgages and home improvement loans; and

"Whereas, the elimination of direct Federal assistance for housing production has placed an increased burden on the States to provide these services; and

"Whereas, the State of Minnesota, through the Minnesota Housing Finance Agency, has developed effective programs to assist low and moderate income families to purchase and rehabilitate housing; and

"Whereas, the ability of the State of Minnesota to continue to provide housing assistance will be greatly inhibited without the availability of Federal tax-exempt financing; Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That Congress should speedily enact legislation to authorize the issuance of qualified mortgage bonds beyond the current expiration date of December 31, 1983; be it further

"Resolved that the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and the Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

POM-289. A resolution adopted by the City Council of Homestead, Florida expressing that the needs of Homestead be met using only those supplies, materials and equipment manufactured in the United States of America where same are available and consistent with the bidding requirements of the code of Homestead and urging other city governments and all governmental units of the county, state and federal levels to follow a similar procurement policy for their needed supplies, material and equipment; to the Committee on Commerce, Science, and Transportation.

POM-290. A resolution adopted by the Assembly of the State of New York; to the Committee on Commerce, Science, and Transportation:

"LEGISLATIVE RESOLUTION—ASSEMBLY NO. 992

"Whereas, Lake Erie and its tributaries have provided a very important form of commercial and recreational fishing for the residents of western New York; and

"Whereas, For some time now, it has been documented that the sea lamprey has presented a serious threat to the fish population of Lake Erie; and

"Whereas, Because sea lampreys have no natural controls, they can ruin the stocking programs in the Great Lakes, by causing irreparable harm to game fish, Lake Trout, Walleye and other Salmonoids; and

"Whereas, New York State has undertaken a program of increased stocking of Lake, Brown and Rainbow Trout as well as Coho, Chinook, and Atlantic Salmon; and

"Whereas, The fishing industry annually realizes hundreds of thousands of dollars of revenues in Western New York through the tourism industries; and

"Whereas, Due to financial restrictions, the scheduled sea lamprey larval surveys were postponed for Lake Erie; and

"Whereas, If monies for treatment, assessment and construction of barriers of the sea lamprey in Lake Erie are not provided, the local fishing industry in Lake Erie will be in serious jeopardy; now, therefore, be it

"Resolved, That this Legislative Body hereby requests the United States Congress, The Great Lakes Fishery Commission and the United States Fish and Wildlife Service to provide the necessary funding to the International Joint Commission for the control of the sea lamprey situation in Lake Erie; and be it further

"Resolved, That this Legislative Body hereby requests the commissioner of the Department of Environmental Conservation to provide the leadership necessary to control this problem in Lake Erie waters; and be it further

"Resolved, That a copy of this Resolution, suitably engrossed, be transmitted to United States Congressional and Senatorial representatives, the United States and Canadian Fishery Commission and the Department of Environmental Conservation."

POM-291. A concurrent resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"ASSEMBLY CONCURRENT RESOLUTION NO. 18

"Whereas Greyhound Bus Lines, the largest operator of common carrier buses in this state, has announced its intention to discontinue service to many of California's smaller and more isolated communities; and

"Whereas, For many persons in these remote areas who are unable or cannot afford to drive automobiles, the Greyhound bus has been their only means of access to outside areas; and

"Whereas, In previous applications to the Public Utilities Commission for authorization to abandon or reschedule service, 82 small cities and rural communities along California's major north-south highways would have been without service if the company's requests had been approved; and

"Whereas, These proposed schedule changes will, if implemented, present a grim and intolerable situation for people in small communities and rural and isolated areas who would suffer massive losses of service throughout California if these cutbacks are approved; now, therefore, be it

"Resolved by the Assembly of the State of California, the Senate thereof concurring, That the Legislature of the State of California requests the Public Utilities Commission, and respectfully memorializes the Interstate Commerce Commission, to disapprove any application by Greyhound Bus Lines to discontinue or reduce, or both, service to small, rural, and isolated communities within California; and be it further

"Resolved, That the Public Utilities Commission utilize the full 120-day review period, and that the Interstate Commerce Commission is respectfully memorialized to defer any subsequent decision for the full applicable review period, as specified in Sections 16 and 17 of the Federal Bus Regulatory Reform Act of 1982 (P.L. 97-261) to thoroughly review the Greyhound Bus Lines applications and thus allow pending bills and resolutions regarding intercity bus transportation to be considered by the Legislature; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit a copy of this resolution to the Public Utilities Commission, to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the chairman and members of the Interstate Commerce Commission, and to each Senator and Representative from California in the Congress of the United States."

POM-292. A resolution adopted by the Assembly of the State of New York; to the Committee on Environment and Public Works:

"LEGISLATIVE RESOLUTION SENATE NO. 825—ASSEMBLY NO. 895

"Whereas, The Great Lakes Environmental Research Laboratory at Ann Arbor, Michigan, and the Grosse Isle Large Lakes Research Station near Detroit, Michigan, provide invaluable research and data relative to the enormous freshwater resource of the Great Lakes; and

"Whereas, The research and data are essential to the continuing effort of New York State and the other states and provinces in the Great Lakes Basin to preserve and protect the water resources of the Great Lakes; and

"Whereas, The work done at and through the Great Lakes Research Laboratory and the Large Lakes Research Station includes study and analysis of lake levels, effects of potential diversions of water, existing and potential power generation, the shipping industry, effects of toxic substances, circulatory patterns and other endeavors essential to the future vitality and quality of the Great Lakes; and

"Whereas, This work is of great importance to New York State, and much of the research and analysis is done in New York State and on Lake Erie and Lake Ontario; and

"Whereas, Approximately eighty percent of the funding of the Large Lakes Research Station has supported or currently supports other Great Lakes research institutions and scientists including SUNY/Buffalo, SUNY/Albany and the New York State Department of Health; and

"Whereas, The future of New York State and our continuing efforts to build a strong and enduring economic base are inexorably tied to the protection and preservation of the Great Lakes; and

"Whereas, The United States has made a commitment, as a signatory to the Boundary Water Treaty of 1909 and the Great Lakes Water Quality Agreement of 1978, to develop and implement programs to achieve the purposes and goals of the agreement; and

"Whereas, Current proposals for the 1984 federal budget include total elimination of the $3.6 million funding for the Great Lakes Environmental Research Laboratory and the $2.5 million funding for the Large Lakes Research Station; and

"Whereas, Pursuant to the proposals, the funding would cease and the two research centers would be closed down as of September thirtieth, nineteen hundred eighty-three; now, therefore, be it

"Resolved, That this Legislative Body strenuously objects to the proposed elimination or, indeed, to any reduction in funding for the Great Lakes Research Laboratory of the Large Lakes Research Station; and be it further

"Resolved, That this Legislative Body pause in its deliberations to memorialize the President and the Congress of the United States of America to continue and perpetuate full funding for the two research centers; and be it further

"Resolved, That copies of this Resolution, suitably engrossed, be transmitted to the

Honorable Ronald W. Reagan, President of the United States; Howard Baker, President Pro Tem of the Senate; Thomas P. O'Neill, Speaker of the House of Representatives, and to each Member of Congress from the State of New York."

POM-293. A resolution adopted by the Assembly of the State of New York; to the Committee on Environment and Public Works:

"LEGISLATIVE RESOLUTION—SENATE No. 672, ASSEMBLY No. 672

"Whereas, New York State, together with all the States and Provinces in the Great Lakes Basin, has been blessed with an incomparable resource in the form of the largest freshwater supply on earth; and

"Whereas, the prudent use and development of the water resources of the Great Lakes for purposes of consumption, hydroelectric capability and commercial and recreational activity is absolutely essential to the economy and prosperity of New York State and all of the Great Lakes States and Provinces; and

"Whereas, New York State and many of the States in the Great Lakes region have experienced severe economic conditions resulting from unemployment, soaring energy costs and loss of businesses and jobs to other regions; and

"Whereas, Increasing evidence points to severe freshwater shortages in parts of the United States and Canada; shortages that already are apparent and are expected to reach major proportions in the next decade; and

"Whereas, The search already has begun for alternative sources of water for those regions, with support for some of that search coming from the United States Federal Government; and

"Whereas, The water of the Great Lakes is urgently needed to meet the current and future domestic, industrial, navigational, power, agricultural and recreational needs of the Great Lakes and St. Lawrence region; and

"Whereas, The findings of the International Joint Commission's Great Lakes Diversions and Consumptive Uses Study Board indicates that the States and Provinces in the Great Lakes Basin will themselves be faced with substantial increases in consumptive uses within the Basin over the next half century to meet our own growing needs; and

"Whereas, The diversion of water from the Great Lakes Basin to other water basins significantly lowers lake levels and reduces the net supply of water available to New York residents and businesses; and

"Whereas, There exists already at least four diversions from Great Lakes water resources; and

"Whereas, Lowered lake levels and reduction of flows in connecting channels could result in serious losses in water supply, navigation and recreational values causing critical economic, social and environmental problems adverse to the people of New York and other States and Provinces within the Great Lakes region; and

"Whereas, The diversion of Great Lakes waters to other regions of the United States or Canada could result in severe restrictions in the growth and development of the Great Lakes region; and

"Whereas, It makes far more sense for development to occur in New York State and other States and Provinces where abundant supplies of fresh water already exist, rather than moving the water to other regions and further impairing the economic vitality of the Northeast; and

"Whereas, The State of New York and other States and Provinces within the Great Lakes region share in the responsibility for the stewardship of the tremendous natural resources which the Great Lakes provide; and

"Whereas, The Boundary Water Agreement of 1909 requires that any change in the flows and levels of any boundary waters is subject to approval by the Federal governments of both the United States and Canada; now, therefore, be it

"Resolved, That this Legislative Body strenuously objects to any new diversion of Great Lakes water for use outside the Great Lakes States and Provinces; and be it further

"Resolved, That this Legislative Body pause in its deliberations to memorialize the President and the Congress of the United States of America that no future diversions be considered until a thorough assessment takes place, involving all jurisdictions contiguous to the Great Lakes system, of the impact on navigation, power generation, environment and socio-economic development for all said jurisdictions; and be it further

"Resolved, That this Legislative Body pause in its deliberations to memorialize the President and the Congress of the United States of America that any further decision on the diversion of Great Lakes water for use outside of the Great Lakes States and Provinces be made only with the concurrence of the Great Lakes States, the United States Federal Government, and the Federal Government of Canada and the Provinces contiguous to the Great Lakes system; and be it further

"Resolved, That copies of this Resolution, suitably engrossed, be transmitted to the Honorable Ronald W. Reagan, President of the United States; Howard Baker, President Pro Tem of the Senate; Thomas P. O'Neill, Speaker of the House of Representatives, and to each Member of Congress from the State of New York."

POM-294. A resolution; adopted by the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, acid rain is becoming our number one environmental problem across the United States and Canada with a potential of destroying agricultural crops, forestry, aquatic life, and causing damage to structural buildings; and

"Whereas, the long-range transport of atmospheric pollutants can cause acid rain far from emission source and is a growing interstate and international problem; and

"Whereas, current provisions of the Clean Air Act are not adequate to address the problems of acid rain, and present and future generations will be more adversely affected by delayed action; and

"Whereas, acid rain contributes to the increasing levels of heavy metal concentrations in public reservoirs and waterways which can pose a threat to human health; and

"Whereas, acid rain has destroyed aquatic life in lakes, retarded certain forest and agricultural crop growth, and corroded metals and public buildings and statues; and

"Whereas, in the Voyageurs National Park and Boundary Waters Canoe Area Wilderness, recent tests show high acidity in the lakes which scientists fear will cause serious damage to their whole ecosystems if the conditions remain unchecked; and

"Whereas, the problem of acid rain is a serious threat to the tourism component of Minnesota's economy and the friendly relations with our neighbors in Canada; and

"Whereas, Canada's Minister of the Environment identifies acid rain as "the single greatest irritant to the United States-Canadian relationship"; and

"Whereas, Canada and the United States signed a 1980 Memorandum of Intent to combat transboundary air pollution; and

"Whereas, Canada has already achieved cuts of 25 percent in sulfur emissions and a promise of 50 percent cuts by 1990 if the United States agrees to do the same; and

"Whereas, the state of Minnesota has enacted a 1982 law designed to curb the sources of acid deposition within our state; and

"Whereas, the Minnesota Pollution Control Agency has identified that significant areas of Minnesota may be damaged by the effects of acid precipitaion; NOW THEREFORE,

"Be it resolved by the Legislature of the State of Minnesota, That the President and Congress should take immediate action in this session of Congress to reduce the sources of acid rain by amendment to the Clean Air Act, or by separate legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement.

"Be it further resolved, That the Secretary of State of the State of Minnesota is instructed to transmit certified copies of this resolution to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, to the Premiers of Manitoba and Ontario and to the Ambassador of Canada to the United States."

POM-295. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

"RESOLUTION

"Whereas, acid rain is becoming our number one environmental problem across the United States and Canada with a potential of destroying agricultural crops, forestry, aquatic life, and causing damage to structural buildings; and

"Whereas, the long-range transport of atmospheric pollutants can cause acid rain far from emission source and is a growing interstate and international problem; and

"Whereas, current provisions of the Clean Air Act are not adequate to address the problems of acid rain, and present and future generations will be more adversely affected by delayed action; and

"Whereas, acid rain contributes to the increasing levels of heavy metal concentrations in public reservoirs and waterways which can pose a threat to human health; and

"Whereas, acid rain has destroyed aquatic life in lakes, retarded certain forest and agricultural crop growth, and corroded metals and public buildings and statues; and

"Whereas, in the Voyageurs National Park and Boundary Waters Canoe Area Wilderness, recent tests show high acidity in the lakes which scientists fear will cause serious damage to their whole ecosystems if the conditions remain unchecked; and

"Whereas, the problem of acid rain is a serious threat to the tourism component of Minnesota's economy and the friendly relations with our neighbors in Canada; and

"Whereas, Canada's Minister of the Environment identifies acid rain as 'the single greatest irritant to the United States-Canadian relationship'; and

"Whereas, Canada and the United States signed a 1980 Memorandum of Intent to combat transboundary air pollution; and

"Whereas, Canada has already achieved cuts of 25 percent in sulfur emissions and a promise of 50 percent cuts by 1990 if the United States agrees to do the same; and

"Whereas, the state of Minnesota has enacted a 1982 law designed to curb the sources of acid deposition within our state; and

"Whereas, the Minnesota Pollution Control Agency has identified that significant areas of Minnesota may be damaged by the effects of acid precipitation; Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota, That the President and Congress should take immediate action in this session of Congress to reduce the sources of acid rain by amendment to the Clean Air Act, or by separate legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement.

"Be it further resolved, That the Secretary of State of the State of Minnesota is instructed to transmit certified copies of this resolution to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, to the Premiers of Manitoba and Ontario and to the Ambassador of Canada to the United States."

POM-296. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Finance:

"RESOLUTION

"Whereas, during the last two decades thousands of steelworkers and hundreds of communities in the industrial heartland of America have been devastated by layoffs and plant closings; and

"Whereas, the U.S. steel industry has complained of the uncompetitive posture that it faces from foreign suppliers who are subsidized by foreign governments; and

"Whereas, the U.S. Steel Corporation has filed unfair trade practices because of unfair foreign competition against many of these foreign countries including Japan, West Germany, Italy, England, and France; and

"Whereas, the U.S. steel industry has stated many times that steelworker labor cost was their major problem in competing with foreign steel producers; and

"Whereas, the United Steelworkers of America have recently conceded wages and benefits to the steel industry to insure the survival of the domestic steel industry; and

"Whereas, the U.S. Steel Corporation has in the past imported iron ore from Canada and Venezuela, and finished foreign steel from Italy, Korea, and Japan to the detriment of the American steelworker and the communities they live in, and are now planning to import semifinished steel into the United States from Scotland, which will further devastate and undermine these communities and their economies; and

"Whereas, this action by U.S. Steel Corporation will result in a loss of 3,000 jobs immediately and possibly thousands of more jobs in Minnesota and other states; Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota, That an immediate in-depth Congressional investigation into the business practices of the U.S. Steel Corporation and the practices of the steel companies in the United States who are importing foreign steel and iron ore into the United States that have cost thousands of American jobs.

Be it further resolved, That the Secretary of State is directed to prepare certified copies of this memorial and transmit them to the President and Secretary of the United States Senate, to the Speaker and Chief Clerk of the United States House of Representatives, and to Minnesota's Senators and Representatives in Congress."

POM-297. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Veterans Affairs:

"RESOLUTION

"Whereas, there are approximately 2,700,000 veterans in the United States who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions; and

"Whereas, these veterans are now suffering numerous adverse health effects, including cancers, liver disorders, and skin disorders that may be the result of the exposure; and

"Whereas, scientific studies now completed or underway have documented a connection between such adverse health effects and exposure to toxic herbicides, chemicals, medications, and environmental hazards and conditions that existed in Vietnam; and

"Whereas, current Veteran Administrative regulations do not allow service connected disability compensation to be awarded for adverse health effects of toxic herbicides, chemicals, medications, and other environmental hazards and conditions that existed in Vietnam; Now, therefore,

"Be it resolved by the Legislature of the State of Minnesota, that Congress should speedily enact legislation to compensate Vietnam veterans for adverse health effects stated above. Appropriate agencies and resources of the United States should be brought to bear in an investigation of the health and genetic complaints of Vietnam Veterans exposed to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

"Be it further resolved that the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, to each Senator and Representative from Minnesota in the Congress of the United States, and to the Administrator of Veterans' Affairs."

POM-298. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"RESOLUTION

"Whereas, social security disability insurance benefits have been terminated to more than seven thousand residents of Massachusetts since nineteen hundred and eighty-one, even though most of those recipients continue to suffer totally disabling impairments; and

"Whereas, appeals to administrative courts are costly, time-consuming and emotionally burdensome and compound the original disability, though the majority of cases end favorably for the recipient, overturning the initial wrongful termination of benefits; and

"Whereas, the U.S. circuit court serving Massachusetts has ruled that medical improvement should be the primary guiding factor in disability determinations and that ruling has led to the high reversal rate and greater justice for recipients by administrative law judges; and

"Whereas, the Massachusetts general court has considered the problem serious enough to create a special commission on social security disability to investigate the state program, and said special commission has held numerous public sessions and gathered evidence to disclose the serious problems with the current system; and

"Whereas, said special commission has requested his excellency the governor of the commonwealth to issue a directive instructing the Massachusetts Rehabilitation Commission to follow the rulings of the Federal court in all instances in which such rulings are contrary to social security administration regulations, and said governor has issued such directive; and

"Whereas, the Massachusetts congressional delegation has indicated its support and involvement in these issues; and

"Whereas, legislation has been introduced in congress, to address many of the problems which in the current system, namely continuation of benefits through appeal, a face-to-face interview between claimant and disability determiner, and a requirement of proof of medical improvement before benefits may be terminated; now therefore be it

"Resolved, that the Massachusetts general court hereby requests the Congress of the United States to enact legislation that will ensure the rights of disabled persons who have been wrongfully denied social security disability benefits; and be it further

"Resolved, that copies of these resolutions be transmited forthwith by the Clerk of the House of Represantatives, to the President of the United States, the presiding officer of each branch of Congress and the Members thereof from the Commonwealth, and the Secretary of Health and Human Services."

POM-299. A joint resolution adopted by the Legislature of the State of Oregon; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION 29

"Whereas the People's Republic of China has sought a closer trade relationship with the people of Oregon; and

"Whereas the people of Oregon wish to conduct and carry out numerous economic, educational, cultural programs and other relations with the People's Republic of China; and

"Whereas the people of Oregon and the People's Republic of China would each benefit from the establishment of closer relations with one another; now, therefore,

"Be it Resolved by the Legislative Assembly of the State of Oregon:

"That we, the members of the Sixty-second Legislative Assembly of the State of Oregon, hereby adopt Fujian, a coastal province of the People's Republic of China, as Oregon's sister state; and be it further

"Resolved, That a copy of this resolution be sent to the San Francisco Consulate of the People's Republic of China, to the Ambassador from the People's Republic of

China in Washington, D.C., to the Governor of the State of Oregon and to each member of the Oregon Congressional Delegation."

POM-300. A resolution adopted by the Assembly of the State of New York; to the Committee on Foreign Relations:

"LEGISLATIVE RESOLUTION, ASSEMBLY NO. 1069

"Whereas, The historical aspect of the countinuing, sorrowful conflict in Northern Ireland, have been made known to the world; and

"Whereas, Such publicity has done nothing to effectuate the peace so necessary to the beleagured people of Northern Ireland. New and direct approaches in search for solutions to the problems of Northern Ireland must be explored; and

"Whereas, It is the sense of this Assembled Body to most emphatically urge the immediate and direct and indirect diplomatic efforts of the United States Government in this endeavor in part through the selection and designation of a special envoy for the reconciliation of Northern Ireland, one empowered with the authority of the United States Government, capable of instituting immediate, personal and direct diplomatic negotiations between Dublin, Belfast and London; and

"Whereas, In order to underscore the critical importance of this diplomatic effort, this Assembled Body implores all candidates for President of the United States in the year nineteen hundred eighty-four, irrespective of party affiliations, issue statements acknowledging their intention of addressing the issue and problems of Northern Ireland; and

"Whereas, As a necessary first step in this renewed effort to secure a just and enduring peace, this Assembled Body further observes that the British Government should accept in principle the concept of a united Ireland; now, therefore, be it

"*Resolved*, That this Legislative Body pause in its deliberations and most emphatically urge that the United States Government designate a special envoy for Northern Ireland with the specific mission of initiating diplomatic direct and indirect diplomatic negotiations with Belfast, London and Dublin in a united effort for the effectuation of peace in Northern Ireland; and be it further

"*Resolved*, That individuals and organizations indicate their belief that diplomatic initiatives on Northern Ireland undertaken in the spirit of peacemaker and conciliator by the United States Government is the best hope for a positive, constructive solution by endorsing this resolution and/or signing petitions in support of its stated purposes; and be it further

"*Resolved*, That copies of this Resolution, suitably engrossed, be transmitted to The Honorable Ronald W. Reagan, President of the United States and to the Congress of the United States."

POM-301. A resolution adopted by the General Court of the Commonwealth of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTIONS MEMORIALIZING CONGRESS TO FURTHER THE CAUSE OF HUMAN RIGHTS AND POLITICAL FREEDOMS IN EL SALVADOR

"*Resolved*, That the Massachusetts General Court hereby urges the Congress of the United States to support a foreign policy for the United States which furthers the cause of human rights and political freedoms in El Salvador, and which negates the potential involvement of Massachusetts citizens in an armed conflict in that country; and be it further

"*Resolved*, That a copy of these resolutions be forwarded by the Clerk of the House of Representatives to the Presiding Officer of each branch of the Congress and to the Members thereof from this Commonwealth."

POM-302. A petition from the Metropolitan Atlanta Crime Commission relating to the people executive treaty to stop drugs at the source; to the Committee on the Judiciary.

POM-303. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Labor and Human Resources:

"HOUSE RESOLUTION NO. 272 OFFERED BY REPRESENTATIVE KLEMM

"Whereas, People throughout Illinois and the Nation are concerned about the rise in social and cultural hostilities, the increasing incidence of violent conflicts among nations and peoples, and ever-present threat of nuclear war; and

"Whereas, There is a need to promote nonviolent methods of resolving human conflict; and resolution techniques repeatedly have been demonstrated to provide a constructive, cost-effective means of resolving potentially violent human conflicts; and

"Whereas, Legislation is now pending in Congress which would establish the United States Academy of Peace and Conflict Resolution which would serve to advance international peace through the development and implementation of programs to promote the use of conflict management and resolution techniques in international conflicts; and

"Whereas, It would be appropriate to locate this National Academy in the City of Chicago, where the nuclear age began; therefore,

"Be it resolved, by the House of Representatives of the Eighty-Third General Assembly of the State of Illinois, that we support the passage of the Academy of Peace and Conflict Resolution Act, HR 1249 and S. 564; and be it further

"Resolved, That the House of Representatives of the State of Illinois respectfully memorializes the Illinois delegation to the Congress of the United States to work to secure passage of these bills; and be it further

"Resolved, That the House of Representatives of the State of Illinois recommends that the City of Chicago be given most serious consideration as the site for a United States Academy of Peace; and be it further

"Resolved, That copies of this resolution be transmitted to the President and Vice President of the United States; to the Speaker of the House of Representatives; to each member of the Illinois Congressional delegation; to the Governor of the State of Illinois; and the Mayor of the City of Chicago."

POM-304. A joint resolution adopted by the Legislature of the State of California; to the Committee on Labor and Human Resources:

"ASSEMBLY JOINT RESOLUTION NO. 43

"Whereas, The Congress of the United States has found that:

"(1) There are more than eight million handicapped children in the United States today.

"(2) The special educational needs of those children are not being fully met.

"(3) More than half of the handicapped children in the United States do not receive appropriate educational services which would enable them to have full equality of opportunity.

"(4) Developments in teacher training and diagnostic and instructional procedures and methods have sufficiently advanced that, given appropriate funding, state and local educational agencies can and will provide effective special education and related services to meet the needs of handicapped children.

"(5) It is in the national interest that the federal government assist state and local efforts to provide programs to meet the educational needs of handicapped children in order to assure equal protection of the law; and

"Whereas, To give effect to the goal of assuring handicapped children equal protection of the law, Congress established maximum state entitlements per handicapped child equal to the following percentages of the national average per pupil expenditure in public elementary and secondary schools:

"(1) 5 percent for the 1977-78 fiscal year.

"(2) 10 percent for the 1978-79 fiscal year.

"(3) 20 percent for the 1979-80 fiscal year.

"(4) 30 percent for the 1980-81 fiscal year.

"(5) 40 percent for the 1981-82 fiscal year.

"(6) 40 percent for the 1982-83 fiscal year.

"Whereas, Since 1979, Congress has not given states the full amount of financial assistance necessary to achieve its goal of assuring handicapped pupils equal protection of the law, giving instead the following percentages of the national average per pupil expenditure in public elementary and secondary schools:

"(1) 14.2 percent for the 1979—80 fiscal year.

"(2) 17.2 percent for the 1980-81 fiscal year.

"(3) 16 percent for the 1981-82 fiscal year.

"(4) 16.4 percent for the 1982-83 fiscal year.

"Whereas, As a result, in the 1982-83 fiscal year, California has received only eighty-one million nine hundred thousand dollars ($81,900,000) of the maximum potential allocation of one hundred ninety-nine million six hundred thousand dollars ($199,600,000) originally designated by Congress, for a shortfall equal to one hundred seventeen million seven hundred thousand dollars ($117,700,000); and

"Whereas, There would be no state deficit in special education funding today if the federal government had funded Public Law 94-142 as authorized by the 1975 law; now, therefore, be it

"Resolved by the assembly and Senate of the State of California, jointly. That the Legislature of the State of California respectfully memorializes the President and Congress of the United States to provide full funding to assure that all handicapped children have available to them a free, appropriate public education emphasizing special education and related services designed to meet their unique needs, to assure that the rights of handicapped children and their parents or guardians are protected, to assist states and localities to provide for the education of all handicapped children, and to assess and assure the effectiveness of efforts to educate handicapped children; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the

United States, to the Speaker of the House of Represenatives, and to each Senator and Representative from California in the Congress of the United States."

POM-305. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Veterans' Affairs:

"RESOLUTION

"Whereas, there are approximately 2,700,000 veterans in the United States who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions; and

"Whereas, these veterans are now suffering numerous adverse health effects, including cancers, liver disorders, and skin disorders that may be the result of the exposure; and

"Whereas, scientific studies now completed or underway have documented a connection between such adverse health effects and exposure to toxic herbicides, chemicals, medications, and environmental hazards and conditions that existed in Vietnam; and

"Whereas, current Veteran Administrative regulations do not allow service connected disability compensation to be awarded for adverse health effects of toxic herbicides, chemicals, medications, and other environmental hazards and conditions that existed in Vietnam; now, therefore,

"Be it, resolved by the Legislature of the State of Minnesota, That Congress should speedily enact legislation to compensate Vietnam veterans for adverse health effects stated above. Appropriate agencies and resources of the United States should be brought to bear in an investigation of the health and genetic complaints of Vietnam Veterans exposed to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

"Be it further resolved. That the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, to each Senator and Representative from Minnesota in the Congress of the United States, and to the Administrator of Veterans' Affairs."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations:

David M. Abshire, of Virginia, to be U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: David M. Abshire.

Post: U.S. Ambassador to NATO.

Contributions, amount, date, and donee.

1. Self (see below).

2. Spouse (see below).

3. Children and spouses—Names: Lupton, Anna, Mary Lee, Phyllis Carolyn—none.

4. Parents—Names: Mrs. James Abshire Sr. (see below). Father deceased.

5. Grandparents—Deceased.

6. Brothers and spouses—(see below).

7. Sisters and spouses—No sisters.

David M. Abshire and Carolyn S. Abshire—

1982: April 17, Fenwick for Senate, $250. July 14, Trible for Senate, $50.

1981: None.

1980: February 1, No. 1607, George Bush for President, $975. June 25, No. 1982, Committee to Elect Mays to the Senate, $40. September 28, No. 2208, Prelude to Victory (Reagan Dinner), $1,000.

1979: April 14, No. 886, George Bush for President, $25.

Mrs. James Abshire, Sr. (Mother)—

1982: Hamilton, Kentucky Republican Party, $10. Prelude to Victory (Robin Beard Campaign), $25.

1981: Republican Womens Club of Tennessee, $10.

1980: National Republican Senatorial Committee, $20. Tennessee Republican Party, $15. Republican National Committee, $25. Tennessee Republican Party, $10. Republican National Committee, $20. Republican National Committee, $20.

1979: Republican National Committee, $15. Republican National Committee, $15.

John Patten Abshire (Brother)—

1982: National Republican Senatorial Committee, $25. Republican National Committee, $25. Republican Senate Majority Fund, $25. GOP Victory Fund (Congressional Committee), $25. Cissy Baker Committee, $25. Trible for Senate Committee, $50. Friends of Stan Parris, $125.

1981: Republican National Committee, $100. National Republican Senatorial Committee, $100. GOP Victory Fund (Congressional Committee), $20. Republican Senate Majority Fund, $50. Friends of Stan Parris, $35.

1980: Republican National Committee, $100. National Republican Senatorial Committee, $100. GOP Victory Fund (Congressional Committee), $25.

1979: National Republican Senatorial Committee, $100. Republican National Committee, $100.

1978: Citizens for Senator Brock, $25. Republican National Committee, $100. National Republican Senatorial Committee, $100.

(The above nomination was reported from the Committee on Foreign Relations with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. LONG, Mr. DOMENICI, Mr. BRADLEY, Mr. WALLOP, Mr. TOWER, and Mr. HEINZ):

S. 1598. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for interest on home mortgages in cases where State or local authorities elect not to use mortgage subsidy bonds; to the Committee on Finance.

By Mr. WILSON:

S. 1599. A bill for the relief of Samuel C. Willett; to the Committee on the Judiciary.

By Mr. ARMSTRONG:

S. 1600. A bill to provide for the indexing of the basis of certain capital assets; to the Committee on Finance.

By Mr. SARBANES:

S. 1601. A bill to amend title 5, United States Code, to delay by one year the effective date of the requirement to include interest in a deposit relating to credit for military service for the purposes of civil service retirement; to the Committee on Governmental Affairs.

By Mr. McCLURE (for himself, Mr. SYMMS, and Mr. D'AMATO):

S. 1602. A bill to amend the Internal Revenue Code of 1954 to provide a partial exclusion for dividends and interest beginning in 1983; to the Committee on Finance.

By Mr. INOUYE:

S. 1603. A bill for the relief of Ms. Pauline M. Lucas; to the Committee on the Judiciary.

S. 1604. A bill for the relief of Ms. Marlene Sabina Lajola; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1605. A bill to amend the Internal Revenue Code of 1954 to include structurally unemployed older Americans as members of targeted groups for credit for employment of certain new employees; to the Committee on Finance.

By Mr. MATHIAS:

S. 1606. A bill for the relief of Mr. Bobby Lochan; to the Committee on the Judiciary.

By Mr. ABDNOR:

S. 1607. A bill for the relief of Yi Tak Chiu, Selina Kwong-Yim Chiu and Ling Chung Chiu; to the Committee on the Judiciary.

By Mr. TSONGAS (for himself, Mr. PELL, Mr. MELCHER, Mr. INOUYE, and Mr. LEVIN):

S. 1608. A bill to amend the Fair Labor Standards Act of 1938 to provide persons may not be employed at less than the applicable wage under that act; to the Committee on Labor and Human Resources.

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 1609. A bill to authorize depository institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting and purchasing government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owners' Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DURENBERGER (for himself, Mr. WEICKER, Mr. DOLE, Mr. PERCY, Mr. BOSCHWITZ, Mr. HOLLINGS, Mr. BUMPERS, Mr. RANDOLPH, Mr. NUNN, Mr. GORTON, Mr. ROTH, Mr. KENNEDY, Mr. HEINZ, Mr. ANDREWS, Mr. BRADLEY, Mr. SYMMS, Mr. STAFFORD, Mr. STEVENS and Mr. HATCH):

S. Con. Res. 52. A concurrent resolution expressing the sense of the Congress regarding the need for a uniform symbol of identification, specifically the International Symbol of Access, to be used either on special license plates or on dashboard placards

of vehicles carrying handicapped persons desiring the use of special parking privileges, and that all States be encouraged to honor this uniform symbol and grant reciprocity between the several States to those persons displaying this symbol and properly using the parking spaces reserved for handicapped persons; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. LONG, Mr. DOMENICI, Mr. BRADLEY, Mr. WALLOP, Mr. TOWER, and Mr. HEINZ):

S. 1598. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for interest on home mortgages in cases where State or local authorities elect not to use mortgage subsidy bonds; to the Committee on Finance.

FIRST TIME HOMEBUYER ASSISTANCE ACT OF 1983

● Mr. DOLE. Mr. President, today I am introducing, for myself and on behalf of Senators LONG, DOMENICI, BRADLEY, WALLOP, and TOWER, the First Time Homebuyer Assistance Act of 1983, a bill that will provide State and local housing authorities with the option of providing substantially more financial assistance to home buyers, and the homebuilding industry, than is currently provided through issuance of tax-exempt mortgage subsidy bonds. To the extent this option is utilized, the Federal Government will save between 20 and 40 percent of the cost associated with mortgage bonds. Obviously, these savings will reduce Federal borrowing needs, which should also indirectly benefit home buyers and the homebuilding industry.

This bill will not, in any way, restrict the use or issuance of mortgage subsidy bonds. The bill simply would provide a new option for State and local governments and housing authorities that are now permitted to issue mortgage bonds. For any given year, a State or locality could elect, under this bill, not to issue some or all of the mortgage bonds authorized for that year by the Internal Revenue Code. In lieu of bonds, the State or locality would be permitted to issue mortgage credit certificates directly to home buyers. A mortgage credit certificate will enable the home buyer to buy down prevailing mortgage market interest rates by claiming a tax credit equal to a specified percentage of the interest paid on a home mortgage.

A tax credit program could be designed and implemented on the State and local level to do virtually everything that is currently feasible with mortgage subsidy bonds. However, because the tax credit mechanism is much more efficient than tax-exempt bonds, this bill can permit a substantial increase in the total amount of subsidy going to home buyers, and still provide Federal savings of 20 to 40 percent over the cost of mortgage bonds. In addition, although the mortgage credit certificate option can be used to duplicate existing mortgage bond programs, it can also be utilized with greater effectiveness and flexibility by those States and localities that may wish to modify the program of mortgage assistance they are currently providing.

ADVANTAGES AND DISADVANTAGES OF MORTGAGE SUBSIDY BONDS

Mortgage subsidy bond programs have many attractive features, which have made them a popular tool of home mortgage finance since their inception in 1978. The bonds make it possible for homebuyers to pay a mortgage interest rate that is somewhat lower than the conventional mortgage rate, because they are tax exempt. On the basis of information provided by the General Accounting Office and the Federal Home Loan Bank Board, it is estimated that mortgage subsidy bond loans provided savings of 10 to 15 percent over equivalent, market rate mortgage loans during 1981 and 1982.

Bond programs can also be tailored to serve State and local purposes, because States can develop programs which meet their own needs, as they understand them. This offers a flexibility which is often lacking in Federal housing assistance programs. State programs have served such varied purposes as urban revitalization, provision of credit to rural areas and other areas where mortgage credit is in short supply, local development objectives, and assistance to special groups in the population with particular housing needs.

Moreover, the process of financing a mortgage through the proceeds of a bond is only slightly more complicated administratively than is a conventional mortgage; the only additional steps are the bond issuance, the allocation of the proceeds to local lending institutions, and the certification that the individual homebuyer does in fact meet the Federal and State requirements for eligibility.

However, these advantages are costly to the Federal Government. A number of Government agencies and independent analysts have investigated the tax expenditures which mortgage subsidy bonds impose on the Treasury, and have concluded that bonds are an extremely expensive vehicle for assisting homebuyers. This cost was an important consideration to the Congress when it enacted the Mortgage Subsidy Bond Tax Act in 1980 with a 3-year sunset provision. At present, Congress is beginning to consider whether the sunset provision should be allowed to stand, or whether issuance of mortgage subsidy bonds should be permitted for some period into the future. The Senate has passed an amendment to H.R. 2973 that would repeal the sunset, indicating the strong support of the Senate for continued subsidies for homeownership.

Tax credits can provide an alternative mechanism to mortgage subsidy bonds, achieving the same congressionally approved purpose of facilitating homeownership for first-time home buyers, with the same advantages, but at a fraction of the cost in tax expenditures to the Federal Government, and with added benefits other than cost effectiveness.

HOW MORTGAGE CREDIT CERTIFICATES WOULD WORK

Under current law, each State is permitted to issue an amount of mortgage bonds each year, referred to as the State's applicable limit. Within each State, the applicable limit is apportioned among State and local authorities. Under this bill, any State or local agencies authorized to issue an amount of mortgage bonds could elect to forego issuing some or all of its bond allotment for any calendar year and instead issue mortgage credit certificates directly to home buyers. Each mortgage credit certificate would enable a home buyer to obtain a nonsubsidized mortgage loan from a lender or developer, and then claim a Federal tax credit for a specified percentage of his mortgage interest payments. In this way, the interest rate on a market rate mortgage loan would be reduced or bought down with the tax credit. Since the credit would be available as long as the home buyer retained the mortgage on his home, the subsidy provided by the annual tax credit would be indistinguishable from the subsidy provided by a mortgage loan obtained through a tax-exempt mortgage subsidy bond.

The total amount of credits allowed would be tied to the amount of unused bond authority, multipled by 14.35 percent.

This 14.35-percent rate is derived from estimates of the average amount of mortgage subsidy bond proceeds actually lent to home buyers, and estimates of the average benefit provided to home buyers from mortgage subsidy bond loans. Assuming that 87 percent of bond proceeds are actually lent, and that mortgage subsidy bond loans bear effective interest rates 15 percent below market interest rates for equivalent loans, the 14.35-percent rate established in the bill will provide 10 percent more subsidy to home buyers than could be provided with mortgage bonds.

For example, $100 million of mortgage bond proceeds would yield $87 million of mortgage loans, since on average only 87 percent of mortgage bond proceeds are actually lent to home buyers. These loans could provide mortgages for 2,000 home buyers with an average mortgage amount of

$43,500. At current interest rates, mortgage bond loans might bear an effective interest rate of 11¼ percent while market rate mortgages bore an effective interest rate of 13¼ percent.

Under the bill, instead of issuing $100 million of bonds, a State housing agency could issue mortgage credit certificate to first-time home buyers with conventional mortgage loans averaging $43,500. Each certificate might enable the home buyer to claim a tax credit of 15 percent of his mortgage interest payments. In this way a 13¼-percent conventional mortgage loan would be brought down to a 11¼ percent interest rate. But because the bill increases the amount of subsidy, this 15 percent credit could be provided to 2,200 home buyers, 200 more than would benefit from a mortgage subsidy bond program.

For each home buyer, the mortgage credit certificate would specify the principal amount of the mortgage loan, and the percentage credit to be allowed. The percentage credit that would approximate the subsidy provided by mortgage subsidy bonds would be between 10 and 15 percent. But the State or local authority could vary the percentage credit on its certificates, setting the credit percentage anywhere between 10 and 50 percent. In this way, the authority could give deeper subsidies for mortgages on less expensive homes acquired by lower income households, and shall lower subsidies for more expensive homes, if that was desired. Alternatively, if the authority determined that deeper subsidies were needed to help solve the affordability problem at all purchase price levels, the authority could choose to provide deeper subsidies to fewer households. Using the example described above, a State trading in $100 million in bond authority could provide 2,200 home buyers with 15 percent tax credits for the interest on mortgages averaging $43,500. Alternatively, it could provide 1,100 home buyers with 30-percent credits for the same size mortgages. Still another option would be to provide 10-percent credit certificates for 1,000 home buyers with an average mortgage principal amount of $100,000, and 30-percent credit certificates for 363 home buyers with an average mortgage principal amount of $40,000.

Mortgage credit certificates would be subject to the same Federal restrictions as are applicable to mortgage loans made with the proceeds of mortgage subsidy bonds. These restrictions include purchase price limitations, the first-time homebuyer requirement, and rules regarding use of the subsidy in targeted areas of economic distress. Mortgage credit certificates would also enjoy the same flexibility as mortgage bonds, including the authority's ability to use the certificates for qualified rehabiliation loans and home improvement loans.

COMPARISON OF CREDITS TO MORTGAGE SUBSIDY BONDS

The tax credit program authorized by this bill would have all of the attractive features of mortgage subsidy bonds.

BENEFITS TO HOMEBUYERS

The tax credit could provide exactly the same reduction in interest cost to the homebuyer as a mortgage subsidy bond loan. The only difference would be that the cost reduction occurs monthly with the mortgage subsidy bond, compared to annually with the tax credit. But this difference would be eliminated by taxpayers adjusting their income tax withholding or their estimated tax payments. Such adjustments would be done the same way homebuyers now adjust their withholding or estimated tax payments to reflect tax deductions for mortgage interest payments.

ADMINISTRATIVE SIMPLICITY

The tax credit would operate in almost exactly the same manner as the mortgage subsidy bond program does now. While the tax credits would reduce an individual's Federal tax liability, the program would be a State and local program. State and local housing authorities would select the individuals who would receive the credit. State and local governments would be able to set income and purchase price limits for eligibility, as they do for mortgage bond loans. Local lending institutions could also continue to participate, originating mortgages and servicing them for the assisted home buyers, as they presently do. In addition, credits could be made available in connection with particular development projects if the State or local authority desired. In short, a tax credit program using mortgage credit certificates could be operated in the same manner as mortgage subsidy bond loan programs are now operated.

FLEXIBILITY

At present the States are able to design their own mortgage subsidy bond programs to pursue whatever purposes they feel are most important to them. Some States have chosen to use bonds to provide mortgage capital to rural areas that are not fully served by private mortgage lenders. Others have used bonds to encourage revitalization of older urban centers. Still others are attempting to serve specific population groups which have special difficulty in meeting their housing needs. All of these objectives could be fulfilled as easily with the tax credits as with mortgage subsidy bonds.

In some areas of the country, in difficult economic conditions, mortgage money is not easily obtained at any interest rate, and mortgage bonds are utilized to raise mortgage capital. This bill, of course, does not limit the issuance of bonds for this purpose in any way. It should be pointed out, however, that mortgage credit certificates could be utilized in conjunction with taxable morgage bonds for this purpose. An authority could raise capital, at taxable interest rates, using a taxable mortgage revenue bond. The proceeds could then be lent by a local lender just as under the mortgage subsidy bond program. Finally, the authority could issue mortgage credit certificates to each home buyer, to reduce the interest rate produced by the taxable bond. This approach would provide comparable benefits to homebuyers at substantial savings to the Federal Government.

COUNTERCYCLICALITY

Mortgage subsidy bonds have been credited with helping to support the housing industry in the recent recession, by providing a source of lower cost long-term mortgage funds. Tax credits issued with mortgage credit certificates could provide exactly the same cost reduction to the potential home buyer, and, therefore, exactly the same countercyclical impact. In fact, tax credits could be a more certain countercyclical mechanism, because the cost savings would not vary drastically with changes in market interest rates, and would not depend on the spread between mortgage and tax-exempt bond interest rates, as in the case under a mortgage subsidy bond program. In early 1982, for example, when the recession in housing was especially severe, mortgage subsidy bonds provided an interest rate reduction of only 1½ percent points, while in the boom years of 1978 and 1979, the reduction was 2 percentage points. With mortgage credit certificates, a flat percentage reduction from market interest rates could always be provided. Moreover, the absolute amount of assistance available would increase when interest rates increased. This is not necessarily the case with mortgage subsidy bonds, since the subsidy depends entirely on the spread between taxable and tax-exempt bond interest rates.

FURTHER ADVANTAGES OF THE TAX CREDIT

The tax credit would meet the major objections that have been raised against mortgage subsidy bonds.

COST

The General Accounting Office has calculated the cost of a similar tax credit subsidy for a typical first-time home buyer, in present value terms, at about $3,500, based on 1982 interest rates. The present value of the tax expenditure resulting from a comparable benefit provided by a mortgage subsidy bond, also as of 1982, has been estimated at over $13,000 by the General Accounting Office, and over $11,000 by the Joint Committee on Taxation. Changing interest rates in the future

would affect all of these cost figures, but would probably change their relative magnitude only slightly. Thus, the cost of a tax credit program providing the same benefits as mortgage subsidy bonds would be only a fraction of the cost associated with a mortgage subsidy bond program. For this reason, the bill can permit an increased level of assistance to home buyers, while reducing the cost to the Federal Government.

INEQUITY

Mortgage subsidy bond loans provide a flat rate reduction from prevailing mortgage market interest rates. Accordingly, the actual amount of subsidy is greater for higher income homebuyers who buy more expensive homes with larger mortgages. This unbalanced subsidy comes on top of the unbalanced subsidy provided by Federal tax deductions for mortgage interest and real estate taxes. Since those tax deductions are more valuable to higher income home buyers with higher marginal tax rates, the overall effect is to provide higher income homeowners with a disproportionate amount of Federal housing assistance. A State or local authority could administer its tax credit program in such a way as to redress this imbalance. The authority could provide a benefit of equal value to lower and higher income households, which is not done now with mortgage bonds. It could also choose to provide a deeper subsidy to lower income home buyers, who currently benefit less from the deductibility of mortgage interest and real estate taxes. By deepening the subsidy for lower income households, homeownership could be made possible for somewhat lower income households than is currently feasible under mortgage subsidy bond programs. Because the credit will reduce tax liability directly, and will also be refundable, it will have full value to those first-time home buyers who are nonitemizers, or have very low tax liability.

SENSITIVITY TO MARKET FLUCTUATIONS

The tax credit program would not be adversely affected by the sort of fluctuations in interest rates which occurred in 1982. In that year interest rates declined rapidly and unexpectedly during the second half of the year, after mortgage bonds had been issued at higher rates prevailing during the first half. This decline in interest rates left many States with bond proceeds which they could not lend out because the bonds offered a mortgage loan rate well above the then-current mortgage rate. With a tax credit program, the State would be protected from interest rate fluctuations, because the tax credit would offer a fixed percentage "buy-down" of market interest rates prevailing when the mortgage was made, without regard to the rates prevailing when a bond was issued.

TARGETING

A tax credit program provides several options for targeting assistance to those most in need, which cannot be achieved through the use of mortgage revenue bonds.

At present, States are generally forced by practical concerns to assist eligible households on a first-come, first-served basis, without having the time or opportunity to select those who appear more deserving of assistance, or more in need of help in order to achieve homeownership. States and localities would not be required to alter their targeting under a tax credit program. But if a State or local authority desired to, it could establish a period of time during which households could apply for the credit, and then select recipients from among the applicants.

States and localities would also have the ability to tailor the terms of their assistance to the individual household, which at present they do not. The mortgage subsidy bond confers benefits on the individual household which vary only with the amount of the mortgage. Mortgage credit certificates could be varied according to the household's income. For example, certificates could provide a 20-percent reduction in market interest rates for households having the median income in the State, and then permit a larger reduction for lower income households. The household earning 80 percent of the median income might receive a 30-percent reduction in market interest rates through the tax credit, while the household earning an income of 120 percent of the median might receive only a 10-percent reduction. In this way, the issuing authority could choose to provide more help to the households it considered to be most in need, and less to those who it believes can afford housing with less assistance.

IMPACT ON TAX-EXEMPT BORROWING RATES

Most analysts have concluded that issuance of mortgage subsidy bonds drives up all tax-exempt borrowing rates significantly. A study by the Urban Institute concluded that each $1 billion of mortgage subsidy bonds raised interest rates on all other tax-exempt bonds by four to seven basis points. In 1982, States and localities issued $10 billion in mortgage revenue bonds, and $40 billion in traditional public-purpose tax-exempt bonds. The $10 billion worth of mortgage subsidy bonds drove up interest payments by $165 to $280 million per year on the $40 billion of other State and local borrowing, according to the Urban Institute calculations. With tax credits, this adverse impact on the tax-exempt market would not exist.

TRANSITION RULES FOR AUTHORITIES HISTORICALLY ISSUING BONDS BELOW APPLICABLE LIMITATION

The bill generally permits State and local authorities to exchange some or all of their bond authority for mortgage interest tax credits on a one-for-one basis. Because the credits are more efficient, each dollar that is exchanged will both help home buyers and reduce Federal tax expenditures. However, several States and local authorities would not be expected to issue all of their applicable limit for several years, based on current bond issuance levels. Accordingly, in order to insure that credits are available only if an authority actually forgoes issuance of bonds, a transition rule is provided for the authorities that will have issued less than their full allotment in 1983. Using a generous growth formula, the bill determines what the estimated actual usage would be for these issuers over the next 5 years. For example, a State that issued only $40 million of a $200 million limitation in 1983, would be estimated to issue $80 million in 1984, $110 million in 1985, and so forth. Under the bill's transition rule, this State would be permitted to issue credits only to the extent it retained authority to issue less than $80 million in bonds for 1984, Less than $110 million in 1985, and so forth. For example, if the State elected to forego only $110 million of its $200 million limitation in 1984, it would not receive any credits, since the State still has retained authority to issue substantially more bonds than it was estimated to be issuing that year on the basis of prior usage levels. However, if the State elected to forego $130 million of bonds in 1984, it would be treated as exchanging $10 million of bonds, since it retained authority to issue only $70 million of bonds, $10 million less than it was estimated to be issuing in 1984 on the basis of prior usage levels. It should be made clear that this rule does not limit the State's authority to issue all $200 million of its applicable limit in 1984, or any other transition year. The rule only requires a larger amount of bonds to be exchanged before credits are obtained, if the State wishes to use this option during the transition period.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of the bill along with a technical explanation of its provision.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "First Time Homebuyer Assistance Act of 1983".

SEC. 2. CREDIT FOR INTEREST ON MORTGAGES WHERE STATE OR LOCAL AUTHORITIES ELECT NOT TO ISSUE MORTGAGE SUBSIDY BONDS.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting before section 45 the following new section:

"SEC. 44I. CREDIT FOR INTEREST ON CERTAIN HOME MORTGAGES.

"(a) IN GENERAL.—In the case of any taxpayer who receives a mortgage credit certificate with respect to his principal residence, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage on interest paid or accrued—

"(1) on the total amount of indebtedness which was incurred in connection with the acquisition, qualified rehabilitation, or qualified home improvement for which such certificate was issued, and

"(2) during the period such certificate is in effect.

"(b) MORTGAGE CREDIT CERTIFICATE AND QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM DEFINED.—For purposes of this section—

"(1) MORTGAGE CREDIT CERTIFICATE.—The term 'mortgage credit certificate' means any certificate which—

"(A) is issued by a State or political subdivision thereof under a qualified mortgage credit certificate program,

"(B) is issued to a taxpayer in connection with the acquisition, qualified rehabilitation, or qualified home improvement of the taxpayer's principal residence,

"(C) specifies—

"(i) the applicable percentage determined under subsection (c), and

"(ii) the total amount of indebtedness incurred by the taxpayer in connection with such acquisition, rehabilitation, or improvement of the taxpayer's principal residence, and

"(D) is in such form as the Secretary may prescribe.

"(2) QUALIFIED MORTGAGE CREDIT CERTIFICATE PROGRAM.—

"(A) IN GENERAL.—The term 'qualified mortgage credit certificate program' means any program—

"(i) which is established by a State or political subdivision thereof for any calendar year for which it is authorized to issue mortgage subsidy bonds,

"(ii) under which the issuing authority elects, in such manner and form as the Secretary may prescribe, not to issue an amount of mortgage subsidy bonds which it may otherwise issue during such calendar year under section 103A,

"(iii) which meets the requirements of subsections (d), (e), (f), (h), and (j) of section 103A, and

"(iv) under which no mortgage credit certificate may be issued with respect to any residence any of the financing of which is provided from the proceeds of a mortgage subsidy bond.

"(B) AUTHORITY MAY HAVE MORE THAN 1 PROGRAM.—Each issuing authority may establish more than 1 qualified mortgage credit certificate program for any calendar year.

"(C) SPECIAL RULES RELATING TO APPLICATION OF SECTION 103A.—Under regulations prescribed by the Secretary, in applying section 103A for purposes of subparagraph (A)(iii)—

"(i) each qualified mortgage credit certificate program shall be treated as a separate issue, and

"(ii) the product determined by multiplying—

"(I) the amount of indebtedness on each mortgage credit certificate issued under such program, by

"(II) the applicable percentage with respect to such certificate.

shall be treated as proceeds of such issue and the sum of such products shall be treated as the total proceeds of such issue.

"(c) DETERMINATION OF APPLICABLE PERCENTAGE.—For purposes of this section—

"(1) IN GENERAL.—Subject to the provisions of paragraph (2), each issuing authority shall specify the applicable percentage (not less than 10 percent or greater than 50 percent) with respect to each mortgage credit certificate.

"(2) AGGREGATE LIMIT ON APPLICABLE PERCENTAGES.—

"(A) IN GENERAL.—In the case of each qualified mortgage credit certificate program, the sum of the products determined by multiplying

"(i) the amount of indebtedness on each mortgage credit certificate issued under such program, by

"(ii) the applicable percentage with respect to such certificate,

shall not exceed 14.35 percent of the nonissued bond amount.

"(B) NONISSUED BOND AMOUNT.—For purposes of subparagraph (A), the term 'nonissued bond amount' means, with respect to any qualified mortgage credit certificate program, the amount of mortgage subsidy bonds which the issuing authority elects not to issue under subsection (b)(2)(A)(ii).

"(d) SPECIAL RULES.—

"(1) PERIOD FOR WHICH CERTIFICATE IS IN EFFECT.—A mortgage credit certificate shall be treated as in effect during the period—

"(A) beginning on the date such certificate is issued, and

"(B) ending on the earlier of the date on which—

"(i) such certificate is revoked by the issuing authority, or

"(ii) the residence to which such certificate relates ceases to be the principal residence of the individual to whom the certificate was issued.

"(2) CERTAIN REFINANCING PERMITTED.—For purposes of subsection (b)(2)(A)(iii), the requirements of section 103A(j)(1) shall be treated as met if a mortgage credit certificate is issued with respect to a mortgage which is used to replace an existing mortgage for which such a certificate has already been issued if, under regulations prescribed by the Secretary, such replacement mortgage does not extend the term, alter the amortization schedule, or increase the principal amount, of the original mortgage.

"(3) PUBLIC REPORTING REQUIREMENT.—At least 90 days before any mortgage credit certificate is to be issued under a qualified mortgage credit certificate program, the issuing authority shall provide reasonable public notice of—

"(A) the eligibility requirements for such certificate,

"(B) the methods by which such certificates are to be issued, and

"(C) such other information as the Secretary may require.

"(4) PRINCIPAL RESIDENCE.—The term 'principal residence' has the meaning given such term by section 1034.

"(5) RELATED PARTIES.—No credit shall be allowed under subsection (a) for any interest paid or accrued to a related party of the taxpayer.

"(6) QUALIFIED REHABILITATION AND HOME IMPROVEMENT.—

"(A) QUALIFIED REHABILITATION.—The term 'qualified rehabilitation' has the meaning given such term by section 103A(1)(7)(B).

"(B) QUALIFIED HOME IMPROVEMENT.—The term 'qualified home improvement' means an alteration, repair, or improvement described in section 103A(1)(6).".

(b) APPLICATION WITH SECTION 103A.—Subsection (g) of section 103A of the Internal Revenue Code of 1954 (relating to limitation on aggregate amount of qualified mortgage bonds issued during any calendar year) is amended by adding at the end thereof the following new paragraph:

"(8) REDUCTION FOR MORTGAGE CREDIT CERTIFICATES.—The applicable limit of any issuing authority for any calendar year shall be reduced by the amount of mortgage subsidy bonds which such authority elects not to issue under section 44I(b)(2)(A)(ii).".

(c) DISALLOWANCE OF PORTION OF DEDUCTION FOR INTEREST WHERE CREDIT TAKEN.—Section 163 of the Internal Revenue Code of 1954 (relating to deduction for interest) is amended by adding at the end thereof the following new subsection:

"(e) REDUCTION OF DEDUCTION WHERE SECTION 44I CREDIT TAKEN.—The amount of the deduction under this section for interest paid or accrued during any taxable year on indebtedness with respect to which a mortgage credit certificate has been issued under section 44I shall be reduced by the amount of the credit allowed with respect to such interest under section 44I.

(d) CREDIT TO BE REFUNDABLE.—

(1) IN GENERAL.—Subsection (b) of section 6401 of the Internal Revenue Code of 1954 (relating to amounts treated as overpayments) is amended by striking out the first sentence and inserting in lieu thereof the following: "If the amount allowable as credits under section 31 (relating to tax withheld on wages), section 39 (relating to certain uses of gasoline, special fuels, and lubricating oil), section 43 (relating to earned income credit), and section 44I (relating to mortgage interest) exceeds the tax imposed by subtitle A (reduced by the credits allowable under subpart A of part IV of subchapter A of chapter 1, other than the credits allowable under sections 31, 39, 43, and 44I), the amount of such excess shall be considered an overpayment.".

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (2) of section 55(f) of such Code (defining regular tax) is amended by striking out "and 43" and inserting in lieu thereof "43, and 44I".

(B) Paragraph (4) of section 6201(a) of such Code (relating to assessment authority) is amended—

(i) by striking out "or section 43 (relating to earned income)" and inserting in lieu thereof ", section 43 (relating to earned income), or section 44I (relating to mortgage interest)", and

(ii) by striking out the caption and inserting in lieu thereof the following:

"(4) Overstatement of certain credits.—".

(C) Subsection (d) of section 6611 of such Code is amended by striking out the caption and inserting in lieu thereof the following:

"(d) ADVANCE PAYMENT OF TAX, PAYMENT OF ESTIMATED TAX, CREDIT FOR INCOME TAX WITHHOLDING, AND MORTGAGE INTEREST CREDIT.—".

(e) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of sub-

chapter A of chapter 1 is amended by inserting before the item relating to section 45 the following new item:

"Sec. 44I. Credit for interest on certain home mortgages.".

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to interest paid or accrued after December 31, 1983, on indebtedness incurred after December 31, 1983.

(2) TRANSITIONAL RULE RELATING TO AMOUNT OF CERTIFICATES WHICH MAY BE ISSUED.—

(A) IN GENERAL.—If the aggregate amount of mortgage subsidy bonds issued by any authority during 1983 was less than the applicable limit of such authority under section 103A(g) of the Internal Revenue Code of 1954 for such calendar year, then, for purposes of section 44I(c) (2) of such Code, the nonissued bond amount with respect to any qualified mortgage credit certificate program (determined without regard to this paragraph) for calendar year 1984, 1985, 1986, 1987, or 1988 shall be reduced by the excess of the applicable limit of such authority for such calendar year over the amount determined under subparagraph (B) or (C).

(B) 1984.—For calendar year 1984, the sum of—

(i) the aggregate amount of mortgage subsidy bonds issued by the issuing authority during 1983, plus

(ii) 25 percent of the excess of the applicable limit of such authority for 1984 over the amount determined under clause (i).

(C) 1985, 1986, 1987, 1988.—For calendar year 1985, 1986, 1987, or 1988, the sum of—

(i) the amount determined for the preceding calendar year under this subparagraph or subparagraph (B), plus

(ii) 25 percent of the excess of the applicable limit of such authority for the calendar year over the amount determined under clause (i).

(D) SPECIAL RULE WHEN MORE THAN 1 PROGRAM.—For purposes of applying subparagraph (A) in any case where an issuing authority has more than 1 qualified mortgage credit certificate program for any calendar year, the nonissued bond amount with respect to any such program, before any reduction under subparagraph (A), shall be increased by the nonissued bond amount of all such programs preceding such program.

DESCRIPTION OF S. 1598—FIRST TIME HOME BUYER ASSISTANCE ACT OF 1983

SUMMARY

The Mortgage Subsidy Bond Tax Act of 1980 (the "1980 Act") imposed restrictions on the ability of State and local governments to issue tax-exempt bonds to finance owner-occupied residences. The 1980 Act provides that interest on mortgage subsidy bonds is exempt from taxation only if the bonds are "qualified mortgage bonds" or "qualified veterans' mortgage bonds". The 1980 Act restricts the aggregate annual volume of qualified mortgage bonds which a State, and local governments within the State, may issue. Qualified mortgage bonds must satisfy a number of additional requirements including a requirement that the bonds be issued before January 1, 1984.

The bill would allow State and local governments to elect, for any year, to exchange all or part of their qualified mortgage bond authority for authority to issue qualified mortgage credit certificates (MCCs). MCCs would entitle homeowners to refundable credits not exceeding 50 percent (but not less than 10 percent) of mortgage interest on qualifying principal residences. (The deduction for mortgage interest would be adjusted to reflect the credit). The credits would be subject to the existing eligibility requirements for mortgage subsidy bonds.

The amount of MCCs distributable by a State or local government would be determined by computing the value of a 14.35 percent credit on mortgages equal in value to the amount of exchanged mortgage subsidy bond authority. The issuing authority would be free to distribute this amount among credits of varying percentages (subject to the 50 percent and 10 percent limits and the rules applicable to mortgage subsidy bonds). For States and localities which issued less than their full authorized volume of mortgage subsidy bonds in 1983, the authority to issue MCCs would be phased in over a 5-year period.

Under the bill, MCCs could be distributed only following the announcement by the State or local government, at least 90 days before distribution, of a proposed plan of distribution.

PRESENT LAW

Overview.—The Mortgage Subsidy Bond Tax Act of 1980 (the "1980 Act")[1] imposed restrictions on the ability of State or local governments to issue interest on bonds issued for the purpose of making mortgage loans on single family residences. The 1980 Act provides that interest on mortgage subsidy bonds is exempt from taxation only if the bonds are "qualified mortgage bonds" or "qualified veterans' mortgage bonds".

Qualified veterans' mortgage bonds.—Qualified veterans' mortgage bonds are general obligation bonds, the proceeds of which are used to finance mortgage loans to veterans. Unlike qualified mortgage bonds, the tax-exemption for veterans' bonds does not expire after December 31, 1983.

Qualified mortgage bonds.—Qualified mortgage bonds must satisfy numerous requirements, discussed below. Also, interest on these bonds is tax-exempt only if the bonds are issued before January 1, 1984.

Volume limitations.—The 1980 Act restricts the aggregate annual volume of qualified mortgage bonds that a State, and local governments within the State, can issue. The State Ceiling if equal to the greater of (1) 9 percent of the average annual aggregate principal amount of mortgages executed during the 3 preceding years for single-family owner-occupied residences located within the State, or (2) $200 million.

Limitation to single-family, owner-occupied residences.—All proceeds (except issuance costs and reasonably required reserves) of qualified mortgage bonds must be used to finance the purchase of single-family residences located within the jurisdiction of the issuing authority. Additionally, it must be reasonably expected that each residence will become the principal residence of the mortgagor within a reasonable time after the financing is provided. Generally, the term single-family residence includes 2, 3, and 4 family residences if (1) the units in the residence were first occupied at least 5 years before the mortgage is executed and (2) one unit in the residence is occupied by the owner of the units.

General limitation to new mortgages.—With certain exceptions, all proceeds of qualified mortgage bonds must be used for the acquisition of new mortgages rather than existing mortgages. Exceptions are provided that permit replacement of construction period loans and other temporary initial financing, and certain rehabilitation loans. Rehabilitation loans must be made for work begun at least 20 years after the residence is first used and the expenditures must equal 25 percent or more of the mortgagor's adjusted basis in the building. Additionally, at least 75 percent of the existing external walls of the building must be retained as such after the rehabilitation.

Certain mortgage assumptions permitted.—Loans financed by qualified mortgage bond proceeds may be assumed if the residence satisfies the location and principal residence requirements, discussed above, and the assuming mortgagor satisfies the three-year and purchase price requirements, discussed below.

Limitation on advance refunding.—Qualified mortgage bonds may not be advance refunded.

Targeting requirement.—At least 20 percent of the proceeds of each issue must be made available for owner-financing in "targeted areas" for a period of at least one year. The term targeted area means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income, or an area designated as an area of chronic economic distress.

Three-year requirement.—In order for an issue to be a qualified mortgage issue, at least 90 percent of the mortgages financed from the bond proceeds are required to be provided to mortgagors, each of whom did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date the mortgage is granted. The three-year requirement does not apply with respect to mortgagors of residences in three situations: (1) mortgagors of residences that are located in targeted areas; (2) mortgagors who receive qualified home improvement loans;[2] and (3) mortgagors who receive qualified rehabilitation loans.

Purchase price requirement.—In order for an issue to be a qualified mortgage issue, all of the mortgages (or other financing) provided from the bond proceeds, except qualified home improvement loans, are required to be for the purchase of residences where the acquisition cost of each residence does not exceed 110 percent (120 percent in targeted areas) of the average area purchase price applicable to that residence.

Arbitrage requirements.—In order for an issue to be a qualified mortgage issue, the issue is required to meet certain limitations regarding arbitrage as to both mortgage loans and nonmortgage investments. The effective rate of interest on mortgages provided under an issue of qualified mortgage bonds (determined on a composite basis) may not exceed the yield on the issue by more than 1.125 percentage points. The 1980 Act also imposes restrictions on the arbitrage permitted to be earned on nonmortgage investments and requires that any arbitrage on nonmortgage investments must be paid or credited to the mortgagors or paid to the Federal Government.

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[1] Title XI of the Omnibus Reconciliation Act of 1980 (Public Law 96-499). The provisions of this Act (i.e., Code sec. 103A) were subsequently amended by section 220 of the Tax Equity and Fiscal Responsibility Act of 1982 (Public Law 97-248) ("TEFRA").

[2] Qualifed home improvement loans are loans, not exceeding $15,000, that finance the alteration or repair of a residence in a manner that substantially protects "the basic livability or energy efficiency of the property." (sec. 103A(1)(6)).

Qualified mortgage bonds usually have established a reserve to secure payment of debt service on the bonds. This reserve must be reduced as the debt service is reduced. However, if the sale of any investment would result in a loss exceeding the amount otherwise required to be paid or credited to mortgagors, the investment may be retained until it can be sold without resulting in such a loss.

EXPLANATION OF PROPOSED CREDIT

Qualified mortgage credit certificates.—The bill would allow State and local governments to elect, for any year, to exchange all or part of their qualified mortgage bond authority for authority to issue qualified mortgage credit certificates (MCCs). MCCs would take the form of certificates entitling taxpayers to credits for an applicable percentage of interest paid or accrued on indebtedness incurred to finance the acquisition (or qualified rehabilitation or improvement) of their principal residences.[3] Each certificate would specify (1) the principal amount if indebtedness which qualified for the credit and (2) the applicable percentage. The applicable percentage could not exceed 50 percent, but could not be less than 10 percent, of interest on the qualifying indebtedness. (The actual amount of the credit would depend upon the mortgage interest rate). The certificate would remain valid for each year during which the residence remained the principal residence of the mortgagor.

Subject to the 50 and 10 percent limitations, a State or locality could vary the applicable percentage for different sized mortgages or mortgages held by different classes of taxpayers. For example, a State or locality could decide to provide higher percentage credits for mortgages held by lower-income taxpayers.

Under the bill, MCCs would not be available for property financed with mortgage subsidy bonds.

Refundability.—MCCs would be fully refundable to the taxpayer. Thus, a taxpayer entitled to a credit which exceeded his income tax liability (determined without regard to the credit) would receive a direct payment for the excess.

Adjustment of interest deduction.—When a taxpayer received an MCC, the taxpayer's deduction for interest on the mortgage (sec. 163(a)) would be reduced by the amount of the credit. For example, a taxpayer receiving a 50% credit, and making $1,000 of interest payments, would receive a $500 credit and a deduction for the remaining $500 of interest payments.

Criteria for eligibility.—MCCs would be subject to the existing eligibility requirements (with the exception of the advance refunding and arbitrage limitations) applicable to mortgage subsidy bonds. Thus, MCCs would generally (1) be limited to single-family owner occupied residences (as defined under the mortgage subsidy bond provisions) located within the jurisdiction of the issuing authority; (2) be available for new mortgages (with allowances for qualified rehabilitation and improvement loans and for certain mortgage assumptions); and (3) be available to finance the acquisition of residences the acquisition cost of which does not exceed 110 percent (120 percent in targeted areas) of the average area purchase price applicable to the residence. Additionally, 90 percent of MCCs distributed under each MCC program[4] would be required to be made available only to mortgagors who did not have a present ownership interest in a principal residence at any time during the 3-year period ending on the date the mortgage is granted (with exceptions for qualified rehabilitation and home improvement loans and residences located in targeted areas). Finally, at least 20 percent of MCCs issued under each program (determined by the qualifying indebtedness for each certificate by the applicable percentage for that certificate) would be required to be made available for financing in targeted areas for a period of at least one year.[5]

Under the bill, MCCs could be issued for debt incurred to refinance a principal residence if (1) the refinancing takes the place of an existing mortgage for which a certificate has already been issued and (2) the refinancing does not extend the term or increase the principal amount of the original mortgage.

As in the case of mortgage subsidy bonds, a State or locality would be free to establish stricter criteria (including income limitations or more stringent purchase price requirements) for participation in an MCC program.

Volume limitations: General rules.—Under the amendment, the aggregate annual amount of MCCs issued by a State or locality could not extend 14.35 percent of the aggregate volume of mortgage subsidy bonds which the issuing authority elects not to issue in order to issue MCCs. For example, a State which was entitled to issue $200 million of mortgage subsidy bonds, and which elected to surrender $100 million of bond authority, could distribute an aggregate amount of MCCs not exceeding $14.35 million.[6]

The aggregate annual amount of MCCs issued by a State or locality would be determined by multiplying (1) the principal amount of each MCC certificate issued by the State or locality by (2) the applicable percentage for each certificate, and adding the products. For example, a State which elected to exercise $14.35 million of MCC authority could distribute credits for 14.35 percent of the interest payments on mortgages having an aggregate principal amount of $100 million (thereby approximating the benefits provided by $100 million of mortgage subsidy bonds). However, the State could also issue 50 percent credits for $28.7 million of mortgages, 10 percent credits for $143.5 million of mortgages, or a mix of higher and lower percentage credits designed to achieve its objectives (subject to the 10 and 50 percent requirements and the targeting and purchase price requirements applicable to mortgage subsidy bonds).

Phase-in of MCC authority.—States or localities which issued mortgage subsidy bonds in amounts less than their maximum legal authority, during 1983, would be subject to a 5-year phase-in of authority to issue MCCs. For each of these years, the amount of mortgage subsidy bond authority which a State or locality could exchange for authority to issue MCCs would be limited to the volume of mortgage subsidy bonds it actually issued during the year preceding December 31, 1983, increased for each year by 25% of the remaining differences between the 1983 volume and the statutory amount. For example, a State which had authority to issue $200 million of mortgage subsidy bonds in 1983, but actually issued only $100 million, would be entitled to exchange $125 million of authority in 1984 ($100 million plus 25 percent of the remaining statutory authority), $144 million in 1985 ($125 million plus 25 percent of authority remaining in 1984), $158 million in 986, $167 million in 1987, $175 million in 1988, and the full $200 million in 1989. (These amounts would then be multiplied by 14.35 percent to determine the amount of MCCs which could be issued.) The amount of bond authority which could be exchanged during the phase-in period would thus approximate the estimated volume of bonds that a State or locality actually would have issued during this period.

The phase-in schedule would apply regardless of the amount of authority actually exercised by a State or locality in any intervening year. Thus, in the example above, the State could exchange $144 million of bond authority in 1985 for authority to issue MCCs (resulting in an aggregate amount of $20.6 million of MCCs), regardless of the volume of its 1984 issues.

Where a State or locality issued both mortgage subsidy bonds and MCCs, the phase-in would apply to the total amount of bonds and credits which it could issue. Thus, in the example above, the State (if it elected to issue MCCs) could use or exchange a total of $144 million of mortgage subsidy bond authority in 1985. The phase-in would not apply if the State elected to issue only mortgage bonds. Thus, the bill would not impose any restrictions on the use or issuance of mortgage subsidy bonds except where an authority elected to exchange some or all of its bond authority in order to issue credits.

Public reporting requirement.—Under the amendment, State or local housing agencies could issue MCCs only after making generally available, at least 90 days prior to distribution, and proposed plan of distribution of the credits. The proposed plan would set forth the eligibility requirements to receive MCC certificates and the methods by which the certificates would be issued. State or local agencies could adopt plans of distribution for MCCs in connection with other housing assistance programs (including taxable bond issues, private development projects, or private mortgage lending programs).

Effective date.—The amendment would apply to interest paid or accrued after De-

[3] Loans between related persons would not qualify for the credit.

[4] A State of locality could have more than one MCC program in each year (subject to the aggregate volume limitations on MCCs).

[5] A State of locality will be considered to satisfy the single-family, purchase price, and targeted area restrictions, if (1) it attempts in good faith to meet such requirements and (2) any failure to meet such requirements results from inadvertent error.

[6] On the basis of data provided by the General Accounting Office (GAO) and the Federal Home Loan Bank Board, it is estimated that mortgage subsidy bonds provided loans in 1981 and 1982 bearing an effective interest rate between 10 and 15 percent below market interest rates for equivalent loans. It is also estimated that only 87 percent of mortgage subsidy bond proceeds are actually lent to homebuyers. The 14.35 percent subsidy rate established in the bill is derived by multiplying 87 percent, by the high (15 percent) estimate of the benefits of mortgage subsidy bond loans. That product is then increased by 10 percent, to yield a subsidy rate that is estimated to increase the average subsidy provided to homebuyers by 10 percent. Using the low estimate of mortgage subsidy bond benefits (10 percent reduction of market interest rates), the 14.35 percent subsidy rate would yield a 65 percent increase in the average subsidy provided to homebuyers under mortgage subsidy bonds. Using a mid-range estimate of mortgage subsidy bond benefits to homebuyers (12.5 percent reduction of market interest rates), the 14.35 percent subsidy rate would yield a 32 percent increase in the average subsidy provided to homebuyers.

cember 31, 1983, on mortgages executed after December 31, 1983.●

● Mr. DOMENICI. Mr. President, I am very pleased to be joining Senators DOLE and LONG in introducing the First-Time Homebuyers Assistance Act of 1983. This bill is one of those very rare opportunities where good Government in the form of cost efficiency, new federalism in the form of granting to States some added flexibility in meeting housing needs, and an opportunity to give low and moderate homebuyers more assistance are all benefits of this legislation. As if these three potential accomplishments are not enough, this bill would also save the Treasury money. That translates into a more efficient use of taxpayer's dollars.

I have been concerned for a long time that more and more American families are being priced out of the housing market. This could not come at a more inopportune time. The baby boom generation will be in the prime homebuying ages of 25 to 45 during the 1980's. One and one-half million prospective first-time homebuyers will be entering the marketplace each year during the 1980's. FNMA has estimated that the demand for mortgages for the remainder of the decade will be approximately $1.6 trillion. The magnitude of these housing needs is a challenge to our housing policy and demands careful and creative legislation. I think the option described in this bill is a step in the right direction.

The bill creates a tax credit for mortgage interest that can be used instead of, or in addition to mortgage revenue bonds. It grants to housing finance agencies throughout the country added flexibility. Under present law housing finance agencies use the proceeds from the sale of tax-exempt bonds to purchase mortgage loans made by private lenders. Since the interest income on the bonds is tax-exempt, issuing agencies can offer a lower rate than comparable taxable bonds. The interest savings is passed on to home buyers in the form of below conventional mortgage market rates.

During economic times when interest rates are high I think the housing finance agencies have done an excellent job in bridging the housing affordability gap. The bill that Senators DOLE, LONG, and I are introducing today would give agencies a very important option that they can use in addition to mortgage revenue bonds.

The same State and local housing finance agencies currently allowed to issue mortgage revenue bonds would be permitted the option to issue refundable income tax credit certificates directly to first time home buyers instead. The credit to the home buyer could be set by the agency at any rate from 10 to 50 percent of the interest expense on the home buyer's mortgage. The credit would continue for as long as that mortgage existed.

Because the credits can vary from 10 percent to 50 percent the lower income families who really need more of a subsidy will get it. On the other hand, moderate income families who only need a slight subsidy to qualify for homeownership will get the assistance they need to make the home ownership dream a reality. I believe the potential is there for a very efficient, well tailored program. I see the housing finance agencies playing a pivotal role in meeting America's housing needs.

I believe that this option, with its attendant flexibility, will be a valuable tool to better target the low- and moderate-income families who really need this assistance in order to make homeownership possible.

In return for authority to issue the credits, the housing finance agencies would give up the right to issue an amount of mortgage revenue bonds equal to the amount of mortgage underlying the credits. The total amount of credits allowed would be tied to the amount of unused bond authority traded in.

An example best explains how this program would work: A housing finance agency with $200 million in authorized bond authority could elect to issue $100 million worth of mortgage revenue bonds using the present program and to trade in $100 million in bond authority which could provide 2,200 home buyers with tax credits equal to 15 percent of the interest on mortgages averaging $43,500; or it could help 1,100 home buyers by issuing 30-percent credits for the same size mortgages; or it could decide to help 1,000 home buyers by issuing 10-percent credits for $100,000 mortgages and 363 home buyers with 30-percent credits for $40,000 mortgages.

The housing finance agencies would be free to elect each year and would be offered the same flexibility now available under the mortgage revenue bond program in packaging the credits with conventional, FHA, or VA financing.

In addition to flexibility, this bill offers the housing market stability. I believe these two advantages are necessary complements to the mortgage revenue bond program. Tax credits are not interest rate sensitive and would, therefore, be a stable housing subsidy that homebuilders and home buyers could depend on.

Homebuilders in my State tell me that when interest rates drop rapidly the bond program does not help them sell houses. They are referring to the situation like we experienced in 1982. Interest rates declined rapidly after mortgage bonds had been issued at higher rates. This decline in interest rates left many States with bond proceeds that they could not lend out because the bonds offered a mortgage loan rate well above the then-current mortgage rate.

To use my State as an example, the New Mexico Finance Authority had money available at 12.12 percent, however, when the FHA rate dropped to 11 percent the mortgage bond money was no longer competitive. Yet, because many New Mexicans are low- and middle-income families, the 11-percent rate was still too high for them to qualify for homeownership. The tax credit program could fill this gap. This bill would help the people who really need the assistance and at the same time aid the homebuilding industry.

Revenue impact estimates in this area are very difficult. However, it is estimated that this proposal could save 20 to 40 percent in foregone revenue and, at the same time, permit more housing subsidies.

I urge my colleagues in the Senate to join in the support of this legislation.●

● Mr. HEINZ. Mr. President, I rise today to join the distinguished chairman of the Finance Committee, Senator DOLE, as a cosponsor of the First-Time Home Buyer Assistance Act of 1983. The bill would allow State and local housing agencies to choose to exchange mortgage revenue bond (MRB) authority for the authority to issue mortgage credit certificates, (MCC) to first-time home buyers. The certificates would entitle the holder to claim a Federal tax credit on a percentage of mortgage interest paid on a principal residence for the duration of the mortgage on the residence. In effect, home buyers would be able to buy down prevailing interest rates by claiming the tax credit.

The principal benefit of this approach is that the tax credit is an attractive fiscal alternative to the inherent inefficiency of tax-exempt financing as a form of subsidy. Estimates are that the savings to the U.S. Treasury will be significant.

A second important advantage of the bill is that it will alleviate the crowding out of traditional purpose municipal bonds from the bond market. Given the state of our infrastructure, thus will be an increasingly important benefit. Additionally, this proposal does not pose any direct threat to the popular and successful mortgage revenue bond program. It imposes no restrictions on MRB's, leaving it to the discretion of State and local housing agencies to use the mortgage credit certificate option.

Mr. President, there is no question in my mind that this proposal deserves the consideration of Congress. However, like most good, new ideas, it raises some important questions. First, as an early cosponsor of S. 137, I want to go on record in urging quick congressional resolution of the MRB

sunset repealer. It has also been noted that the mortgage credit certificate does not guarantee the availability of mortgage financing. The transition rules deserve close scrutiny, especially in States whose MRB volume has been down due to the recession. I feel certain that Senator DOLE will continue to work with his cosponsors, and groups like the State housing finance agencies and the homebuilders to assure that these questions can be satisfactorily resolved.

In closing, Mr. President, I congratulate Senator DOLE for developing this proposal and look forward to working with him to enact the legislation.●

By Mr. SARBANES:

S. 1601. A bill to amend title 5, United States Code, to delay by 1 year the effective date of the requirement to include interest in a deposit relating to credit for military service for the purposes of Civil Service Retirement; to the Committee on Governmental Affaris.

DELAY IN DEADLINE FOR MAKING MILITARY SERVICE CONTRIBUTIONS TOWARD RETIREMENT

● Mr. SARBANES. Mr. President, I am today introducing legislation to extend for 1 year the deadline for making the military service contributions required by the 1982 Budget Reconciliation Act for those affected by the so-called catch 62 dilemma.

The catch-62 refers to a provision of law requiring a reduction in annuities at age 62 for all civil service retirees with prior military service—since 1956—who combine their years of military and Federal civilian service for retirement purposes. Until last year, the law required a civil service annuity to be recomputed at age 62 to remove the years of military service. This reduction was intended to reflect the fact that military service is covered by social security while civil service is not. The problem with the recomputation was that it often resulted in an annuity reduction much greater than the offsetting benefits under social security.

As my colleagues may recall, the Senate addressed this problem by adopting language eliminating the reduction. Unfortunately, during conference consideration of the 1982 Reconciliation Act, a scheme was developed, which was never the subject of any hearings, requiring that individuals contribute an amount equal to 7 percent of the wages earned during military service. The idea was that this contribution would reflect the fact that military personnel do not contribute toward retirement while civil service personnel do contribute.

The contribution requirement has turned out to be a nightmare to implement. The law requires that all affected employees have their contributions in by October 1, 1984, or begin paying interest. This involves 1.4 million veterans. The problem is that it is proving impossible to reconstruct what these people earned during their military service. Pay records are not kept for anyone after discharge. Other records are kept but thousands were destroyed in a major fire at the records center. What is on file is only retrievable manually at $1.75 per record.

As of today, very few people even know of the contribution requirement because agencies are confused about the implementation and have not publicized it. Almost no one has been able to get the information necessary to make the contribution. The Department of Defense has developed a computer program to estimate earnings but it is not yet in place. There is currently a backlog of 30,000 requests for earnings information. The Department of Defense acknowledges that it cannot meet the 1984 deadline and supports a 1-year extension.

The legislation I have introduced extends the deadline for 1 year, until October 1, 1985. If the October 1984 deadline is not extended, most of the affected veterans will be placed in an extremely unfair situation. Through no fault of their own, they will either have no earnings information or only recently have received information. By law they will then be forced to pay interest on any amount not contributed by the October 1, 1984, deadline. In my view the deadline must be extended to avoid placing an unfair burden on veterans now serving in the civil service and to give Congress time to further review the situation.●

By Mr. McCLURE (for himself, Mr. SYMMS, and Mr. D'AMATO):

S. 1602. A bill to amend the Internal Revenue Code of 1954 to provide a partial exclusion for dividends and interest beginning in 1983; to the Committee on Finance.

SAVINGS INCENTIVE ACT OF 1983

● Mr. McCLURE. Mr. President, I am proud to rise today to introduce another piece of legislation designed to restore some important tax incentives for small savers.

With the enactment of the Economic Recovery Tax Act of 1981 (ERTA), Congress took a major step in reforming our tax structure to increase the incentives to save. At the heart of these reforms is the popular individual retirement account (IRA) which was expanded to include the entire working population. There has been a swift and positive response by the American people to this program and some estimates indicate that in 1982 about $10 billion was deposited in IRA's.

Also included in ERTA was the all savers certificate. These certificates were designed to stem the tide of stiff competition regulated financial institutions were feeling from money market funds offering substantially higher rates of return on deposits. These new certificates were issued between October 1, 1981, and December 31, 1982, and yielded up to 70 percent of the average yield of the most recently issued 1-year Treasury bill. In general, financial institutions were required to use 75 percent of the proceeds from these certificates for home mortgages and agricultural loans. Savers received a $1,000—$2,000 on a joint return—income tax exclusion on the interest earned from the certificates.

In an effort to further direct money into the all-savers certificate program the $200—$400 on a joint return—exclusion of interest income from taxable income was temporarily repealed until the 1985 tax year. At the time it was felt that saving incentives should be directed into IRA's or all-savers certificates. The dividend exclusion was also changed and reduced from $200/$500 to $100/$200.

In the final analysis the American people are left with only three real incentives to save and invest, none of which give the small saver a break on interest earned in a savings account:

First, are the popular IRA accounts.

Second, is the small $100/$200 dividend exclusion.

Third, is the allowable exclusion of interest associated with the all-savers certificate if the certificate was purchased before the program expired in December of 1982.

Fortunately, ERTA provided that beginning in tax year 1985 a modified exclusion for net interest will automatically be enacted. This modification will allow individuals to exclude 15 percent of net interest received up to $3,000—$6,000 on a joint return—from taxable income. Net interest is the excess of qualified interest income—generally interest income comes from savings institutions regulated under Federal or State law—over qualified interest expense—all deductible interest expense. There is no doubt that this is an improvement over the previous $200/$400 exclusion that expired in 1981. Unfortunately, it will not go into effect until the 1985 tax year, which leaves small savers with a 2 year incentive gap.

My legislation merely restores some of these simple incentives by moving the 15-percent net interest exclusion from the 1985 tax year to the 1983 tax year. The legislation also allows dividends to be included with interest income.

Clearly our tax laws favor consumer borrowing and discourage personal saving. During the 1970's inflation and tax changes eroded real savings returns while at the same time decreased the real cost of borrowing. As a result, our savings rate as a percentage of disposable personal income has dropped from 8.6 percent in 1975 to

just over 6.5 percent in 1982. ERTA went a long way to give back some of these incentives but there are some pieces to the puzzle still missing.

It is extremely important to clear up this puzzle and return some incentives to save and invest to the American people.

I urge my colleagues to join with me and cosponsor this important piece of legislation and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST.

(a) IN GENERAL.—Section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion of dividends received by individuals) is amended to read as follows:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include amounts received during the taxable year by an individual as—

"(1) dividends from a domestic corporation, or

"(2) interest.

"(b) LIMITATIONS.—

"(1) MAXIMUM DOLLAR AMOUNT.—The aggregate amount excluded from the gross income of a taxpayer under subsection (a) for any taxable year shall not exceed 15 percent of the lesser of—

"(A) $3,000 ($6,000 in the case of a joint return), or

"(B) the excess of—

"(i) the amount of interest and dividends received by such taxpayer during such taxable year, over

"(ii) the sum of—

"(I) the amount of any deduction allowed the taxpayer under section 62(12) for the taxable year, plus

"(II) the amount of qualified interest expenses of such taxpayer for the taxable year.

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a)(1) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organizations) or section 521 (relating to farmers' cooperative associations).

"(c) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) INTEREST DEFINED.—The term 'interest' means—

"(A) interest on deposits with a bank (as defined in section 581),

"(B) amounts (whether or not designated as interest paid, in respect of deposits, investment certificates, or withdrawable or repurchasable shares, by—

"(i) an institution which is—

"(I) a mutual savings bank, cooperative bank, domestic building and loan association, or credit union, or

"(II) any other savings or thrift institution which is chartered and supervised under Federal or State law,

the deposits or accounts in which are insured under Federal or State law or which are protected and guaranteed under State law,

"(ii) an industrial loan association or bank chartered and supervised under Federal or State law in a manner similar to a savings and loan institution,

"(C) interest on—

"(i) evidences of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and

"(ii) to the extent provided in regulations prescribed by the Secretary, other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public,

"(D) interest on obligations of the United States, a State, or a political subdivision of a State (not excluded from gross income of the taxpayer under any other provision of law),

"(E) interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law, and

"(F) interest paid by an insurance company under an agreement to pay interest on—

"(i) prepaid premiums,

"(ii) life insurance policy proceeds which are left on deposit with such company by a beneficiary, and

"(iii) under regulations prescribed by the Secretary, policyholder dividends left on deposit with such company.

"(2) DISTRIBUTIONS FROM REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—Subsection (a) shall apply with respect to any dividends from—

"(A) a regulated investment company, subject to the limitations provided in section 854(b)(2), or

"(B) real estate investment trust, subject to the limitations provided in section 857(c).

"(3) CERTAIN NONRESIDENT ALIENS INELIGIBLE FOR EXCLUSION.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(4) QUALIFIED INTEREST EXPENSES.—The term 'qualified interest expenses' means an amount equal to the excess of—

"(A) the amount of the deduction allowed the taxpayer under section 163(a) for the taxable year, over

"(B) the amount of such deduction allowed with respect to interest paid or accrued on indebtedness incurred in—

"(i) acquiring, constructing, reconstructing, or rehabilitating property which is primarily used as a dwelling unit (as defined in section 280A(f)(1)), or

"(ii) carrying on a trade or business of such taxpayer.

"(5) LIMITATION ON QUALIFIED INTEREST EXPENSES, ETC.—

"(A) LIMITATION.—The amount of the qualified interest expense of any taxpayer for any taxable year shall not exceed such taxpayer's excess itemized deductions (as defined in section 63(c)).

"(B) COORDINATION WITH OTHER PROVISIONS.—For purposes of sections 37, 43, 85, 105(d), 165(c)(3), 170(b), and 213, adjusted gross income shall be determined without regard to the exclusion provided by this section.".

(b) REPEAL OF PARTIAL EXCLUSION OF INTEREST PROVIDED IN ECONOMIC RECOVERY TAX ACT OF 1981.—Subsections (a) and (c) of section 302 of the Economic Recovery Tax Act of 1981 are hereby repealed.

(C) CONFORMING AMENDMENTS.—

(1) The table of sections for part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by inserting "and interest" after "dividends" in the item relating to section 116.

(2) Paragraph (2) of section 265 of such Code (relating to expenses and interest relating to tax exempt income) is amended by striking out the first sentence thereof and inserting in lieu thereof the following: "Interest on indebtedness incurred or continued to purchase or carry obligations the interest on which is wholly exempt from the taxes imposed by this subtitle, to purchase or carry any certificate to the extent the interest on such certificate is excludable under section 128, or to purchase or carry obligations or shares (or to make other deposits or investments) the interest on which is described in section 116(c)(1) to the extent such interest is excludable from gross income under section 116.".

(3) Subsection (b) of section 854 of such Code is amended to read as follows:

"(b) OTHER DIVIDENDS AND TAXABLE INTEREST.—

"(1) DEDUCTION UNDER SECTION 243.—In the case of a dividend received from a regulated investment company (other than a dividend to which subsection (a) applies)—

"(A) if such investment company meets the requirements of section 852(a) for the taxable year during which it paid such dividends; and

"(B) the aggregate dividends received by such company during such taxable year are less than 75 percent of it gross income,

then, in computing the deduction under section 243, there shall be taken into account only that portion of the dividend which bears the same ratio to the amount of such dividend as the aggregate dividends received by such company during such taxable year bear to its gross income for such taxable year.

"(2) EXCLUSION UNDER SECTION 116.—If—

"(A) a dividend (other than a dividend described in subsection (a)) is received by the taxpayer from a regulated investment company which meets the requirements of section 852(a) for the taxable year in which such dividend is paid by such company,

"(B) the aggregate amount of interest received by such company during the taxable year is less than 75 percent of the gross income of such company for such taxable year, and

"(C) the aggregate amount of dividends received by such company during the taxable year is less than 75 percent of the gross income of such company for such taxable year,

then, in computing the exclusion under section 116, there shall be taken into account only that portion of such dividend received by the taxpayer which bears the same ratio to the amount of such dividend as the sum of the aggregate amount of dividends and interest received by such company during the taxable year bears to the gross income of such company for the taxable year. For purposes of the preceding sentence, gross income and the aggregate amount of interest received shall each be reduced by so much of the deduction allowed by section 163 for the taxable year as does not exceed

the aggregate amount of interest received for the taxable year.

"(3) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a regulated investment company which may be taken into account as a dividend for purposes of the exclusion under section 116 and the deduction under section 243 shall not exceed the amount so designated by the company in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) GROSS INCOME.—The term 'gross income' does not include gain from the sale or other disposition of stock or securities.

"(B) AGGREGATE DIVIDENDS RECEIVED.—The term 'aggregate dividends received' includes only dividends received from domestic corporations other than dividends described in section 116(b)(2) (relating to dividends excluded from gross income). In determining the amount of any dividend for purposes of this subparagraph, the rules provided in section 116(c)(2) (relating to certain distributions) shall apply.

"(C) AGGREGATE AMOUNT OF INTEREST RECEIVED.—The term 'aggregate amount of interest received' includes only interest described in section 116(c)(1).".

(4) Subsection (c) of section 857 of such Code (relating to restrictions applicable to dividends received from real estate investment trusts) is amended to read as follows:

"(C) LIMITATIONS APPLICABLE TO DIVIDENDS RECEIVED FROM REAL ESTATE INVESTMENT TRUSTS.—

"(1) CAPITAL GAIN DIVIDEND.—For purposes of section 116 (relating to exclusion for dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust shall not be considered a dividend.

"(2) OTHER DIVIDENDS.—In the case of a dividend received by the taxpayer from a real estate investment trust (other than a dividend described in paragraph (1)), if—

"(A) the real estate investment trust meets the requirements of this part for the taxable year during which it paid the dividend, and

"(B) the aggregate amount of interest received by the real estate investment trust for the taxable year is less than 75 percent of the gross income of such trust,

then, in computing the exclusion under section 116, there shall be taken into account only that portion of such dividend received by the taxpayer which bears the same ratio to the amount of such dividend as the aggregate amount of interest received by such trust bears to the gross income of such trust for such taxable year.

"(3) ADJUSTMENTS TO GROSS INCOME AND AGGREGATE INTEREST RECEIVED.—For purposes of paragraph (2)—

"(A) gross income does not include the net capital gain,

"(B) gross income and the aggregate amount of interest received shall each be reduced by so much of the deduction allowed by section 163 for the taxable year (other than for interest on mortgages on real property owned by the real estate investment trust) as does not exceed the aggregate amount of interest received for the taxable year, and

"(C) gross income shall be reduced by the sum of the taxes imposed by paragraphs (4), (5), and (6) of section 857(b).

"(4) Aggregate amount of interest received.—For purposes of this subsection, the term 'aggregate amount of interest received' means only interest described in section 116(c)(1).

"(5) NOTICE TO SHAREHOLDERS.—The amount of any distribution by a real estate investment trust which may be taken into account as a dividend for purposes of the exclusion under section 116 shall not exceed the amount so designated by the trust in a written notice to its shareholders mailed not later than 45 days after the close of its taxable year.

"(6) CROSS REFERENCE.—

"For restriction on dividends received by a corporation, see section 243(c)(2).".

(5) Section 128 of such Code (relating to partial exclusion of interest) is hereby repealed.

(6) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 128.

SEC. 2. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this section, the amendments made by this Act shall apply to taxable years beginning after December 31, 1982.

(b) TERMINATION OF ALL-SAVERS CERTIFICATES.—The amendments made by paragraphs (5) and (6) of section 1(c) shall apply to taxable years beginning after December 31, 1984.

(c) REPEAL.—

(1) IN GENERAL.—The provisions of section 1(b) shall apply to taxable years beginning after December 31, 1984.

(2) Application of Code.—The Internal Revenue Code of 1954 shall be applied and administered as if the subsections repealed by section 1(b), and the amendments made by the subsections so repealed, had not been enacted.●

● Mr. D'AMATO. Mr. President, I rise today in support of legislation introduced today by my distinguished colleague from Idaho, Mr. MCCLURE, that is critical to the viability of our economic recovery. This bill will stimulate savings at a time when $200 billion Federal deficits and the Nation's "smokestack" industries require the availability of capital. The accumulation of savings by individuals is needed to assure the continued growth of the economy.

In many ways, the centerpiece of the administration's economic policy is encouraging capital formation, rather than consumption, by individuals and corporations. The President is correct in assuming that if the Nation is to compete abroad, increasing the savings rate is critical. It has also become evident from the past recession that individual and corporate health is linked to the amount of savings accumulated. Those entities that placed a premium on leverage perished as interest rates rose and sales declined.

President Reagan supported major new savings incentives in the Economic Recovery Tax Act of 1981 (ERTA). For individuals, ERTA greatly expanded Individual Retirement Accounts. However, ERTA also mandated that the $200 interest and dividend exclusion ($400 for joint returns) be reduced in 1982 to $100 ($200 for joint returns) and include dividends.

I believe that Congress erred both in not allowing interest income to be excluded from income and in reducing the exclusion for dividends. The Tax Code still provides too few incentives for individuals to save. Unfortunately, emphasis in the tax code is placed on consumption and borrowing. I have long been a supporter of the flat dividend and interest exclusion and I continue to believe that it should be expanded. The middle class must have this savings vehicle.

Congress realized that a savings void was partially created by ERTA. Consequently, a provision of ERTA that takes effect January 1, 1985, established an exclusion for 15 percent of the interest earned up to $3,000 net of borrowing expenses. I supported this provision of ERTA in 1981 after my effort to preserve the $200/$400 exclusion was defeated. However, it has become evident that we need to encourage savings now, not in 1985. The 15-percent net interest exclusion is both too little too late.

The legislation introduced today will help rectify a savings deficiency in part created by ERTA. The bill will move the effective date of the 15-percent net interest exclusion from tax year 1985 to tax year 1983. In addition, dividends will be included in the calculation. This bill will not create another tax dodge for the affluent. The legislation is designed to encourage investment by the middle class.

For the current recovery to be sustained, capital formation must improve. If this is to occur, the middle class must participate to a greater extent. Therefore, I encourage my colleagues on both sides of the aisle to support this important piece of legislation.●

By Mr. THURMOND:

S. 1605. A bill to amend the Internal Revenue Code of 1954 to include structurally unemployed older Americans as members of targeted groups for credit for employment of certain new employees; to the Committee on Finance.

TARGETED JOBS TAX CREDIT

Mr. THURMOND. Mr. President, today I am introducing legislation to amend the Internal Revenue Code of 1954 to make structurally unemployed Americans over the age of 50 eligible for the targeted jobs tax credit.

The targeted jobs tax credit is a program which grants tax credits to businesses that employ certain qualified individuals. Targeted tax credits have proven effective in promoting the employment of disadvantaged youths, rehabilitated individuals, and the chronically unemployed. However, one important group of unemployed has been omitted from this tax credit program—our Nation's older workers.

Tax credits provide incentives to employers to hire and train those individuals who, due to changing technology and other factors beyond their control, lose their jobs. Recent economic conditions and employment trends have brought about an increasing number of older workers who have lost their jobs in industries which are unlikely ever to return to former levels of employment. Mr. President, these older Americans are experiencing extreme hardships. They are untrained for the new jobs and technology of today, yet they are willing to work. They are a productive resource whose wisdom and willingness to work should be cultivated by our Nation. Making these individuals eligible for the targeted tax credit program, as proposed in this bill, will encourage this cultivation, and thus prove beneficial to these older individuals, the employers who hire them, and our Nation as a whole.

Mr. President, I ask unanimous consent that a copy of the bill I am introducing be printed in the RECORD at the conclusion of these remarks.

Also, Mr. President, in behalf of Senator HOLLINGS and myself, I ask unanimous consent that a resolution adopted by the South Carolina House of Representatives relating to this issue be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1605

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 51(d) of the Internal Revenue Code of 1954 (defining members of targeted groups) is amended—

(1) by striking out "or" at the end of subparagraph (I),

(2) by striking out the period at the end of subparagraph (J) and inserting in lieu thereof ", or", and

(3) by inserting after subparagraph (J) the following new subparagraph:

"(K) a structurally unemployed older American.".

Subsection (d) of Section 51 of such Code is amended—

(1) by redesignating paragraphs (13), (14), (15), and (16) as paragraphs (14), (15), (16), and (17), respectively, and

(2) by inserting after paragraph (12) the following new paragraph:

"(13) Structurally unemployed older American.—The term 'structurally unemployed older American' means any individual who is certified by the designated local agency as—

"(A) having attained the age of 50 on or before the hiring date, and

"(B) being structurally unemployed pursuant to criteria determined by the Secretary after consultation with the Secretary of Labor.".

(c) Clause (ii) of section 51(d)(12)(A) of such Code (defining qualified summer youth employee) is amended by striking out "paragraph (14)" and inserting in lieu thereof "paragraph (15)".

(d) The amendments made by this Act shall apply to individuals hired after the date of the enactment of this Act.

H. 3023

Whereas, the Targeted Jobs Tax Credit (26 U.S.C.A. Sec. 51) is a program that grants businesses that employ certain qualified individuals substantial tax credits for the wages and salaries paid to qualified individuals in the first two years of employment; and

Whereas, the categories of individuals eligible under the program do not include individuals over fifty years of age who are structurally unemployed; and

Whereas, recent economic conditions and employment trends have brought about an increasing number of older workers who have lost their jobs in industries that are unlikely ever to return to former levels of employment; and

Whereas, older workers are a productive resource for South Carolina and the nation as a whole whose reemployment pursuant to the jobs tax credit program will benefit both the workers and employers. Now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the United States Congress is memorialized to add structurally unemployed workers over age fifty to those categories of individuals eligible for the targeted jobs tax credit program (26 U.S.C.A. Sec. 51). Be it further

Resolved, That a copy of this resolution be forwarded to each member of the South Carolina Congressional Delegation.

By Mr. TSONGAS (for himself, Mr. PELL, Mr. MELCHER, Mr. INOUYE, and Mr. LEVIN):

S. 1608. A bill to amend the Fair Labor Standards Act of 1938 to provide persons may not be employed at less than the applicable wage under that act; to the Committee on Labor and Human Resources.

ELIMINATION OF DISCRIMINATORY BARRIERS AGAINST BLIND WORKERS

● Mr. TSONGAS. Mr. President, today I am introducing legislation to amend the Fair Labor Standards Act of 1938 to provide that individuals whose only handicap is blindness or a visual impairment may not be employed at less than the applicable minimum wage of that act.

I am introducing this bill to eliminate discriminatory barriers against blind workers by insuring them equitable wage and overtime treatment. Historically, the advancement of individuals who are blind or visually impaired has been obstructed by ill-conceived notions about blindness. Negative attitudes and a lack of understanding have resulted in discrimination and hostility toward many of our Nation's half million blind citizens. This bill would extend coverage of the minimum wage and overtime pay provisions of the Fair Labor Standards Act of 1938 to individuals who have no other handicap except blindness.

The Fair Labor Standards Act establishes an exemption allowing blind workers to be paid at a rate that can be as low as 25 percent of the Federal minimum wage. The exemptions are most commonly in effect in sheltered workshops where one out of every seven blind individuals is employed. I believe this legislation is essential if we are to guarantee equality and opportunity to our visually handicapped citizens and eliminate the inequitable treatment of blind workers in every sector of employment.

Approximately 20 sheltered workshops throughout the Nation actually do pay their blind workers at least the minimum wage. Further, nearly 50 percent of blind individuals who have no other handicap also earn the minimum wage. This bill would extend total to all blind and visually impaired citizens who are not multihandicapped the coverage of the minimum wage and overtime pay provisions of the Fair Labor Standads Act.

Current law permits the appropriation of a subminimum wage to workers with handicaps which are purported to limit productivity. Although it is available, the option of the minimum wage has rarely been used. A notable exception is the 20 sheltered workshops throughout the Nation where more than 5,000 sightless workers are engaged in producing a host of individual products and appliances. In turn, the workshops market these products for healthy profits and pay their workers at least the minimum wage. The Fair Labor Standards Act should be amended to eliminate a social injustice which condones enormous profits while blind workers are asked to subsist upon less than the minimum wage.

In the past, the blind were forced to fight for access into the job market. Today, they are faced with a different type of discrimination which this bill would eliminate—economic discrimination. The exemption contained in the Fair Labor Standards Act providing for 25 percent of the minimum wage was enacted in 1938 as a component of the original law, and was only modified slightly 16 years ago. The exclusion of blind workers from minimum wage protection represents a denial to thousands of individuals of the opportunity to be paid a wage which barely compensates for their productive efforts.

The distinction between multihandicapped individuals who are blind and individuals who have no other physical impairments is important. The intent of the Fair Labor Standards Act provision was to provide structured employment for individuals whose physical limitations restricted productivity and thus gainful employment. The payment was to be commensurate with performance. We understand this intent and believe that it is not without merit; however, thousands of blind workers can and do successfully maintain acceptable levels of productivity and still receive subminimum wages.

There are numerous misconceptions about the impact of this legislation. One erroneous notion suggests that the removal of subminimum wages will be harmful to the blind because blind persons who receive higher wages will lose social security disability insurance (SSDI) payments and supplemental security income (SSI) benefits. This is not, however, necessarily the case. The SSI eligibility rules for the blind permit earnings well above the minimum wage before benefits are interrupted or decreased. The SSDI rules are somewhat more prohibitive; but even so, in 1983, blind individuals will be permitted to earn $6,500 before SSDI benefits can be affected. Furthermore, the National Federation of the Blind and thousands of blind individuals have accepted this restriction and have determined that it is better to earn a living than to simply subsist from the earnings of others. This decision should command the respect of us all.

Mr. President, this bill will promote economic equality for the blind. State investigations and the GAO have revealed blatent discriminatory practices which exist in sheltered workshops. Disclosures confirmed such abuses as low wages, corporate profits at the expense of underpaid labor, poor management, and a total emphasis on the operation of business and not the needs of the workers. In their present roles, some shops do not provide rehabilitation for workers; rather, their sole purpose is production with blind workers on the payroll as cheap labor.

The public has heard a great deal about the need to put America back to work; we should demonstrate our support for this concept. There are thousands of sightless workers who can become a viable part of the American work force. This legislation is critical to that effort. The blind and the visually impaired only desire the opportunity to earn a living for themselves rather than rely on the earnings of others. We owe it to them to provide the opportunity.

Mr. President, I ask that this bill be printed in the RECORD in its entirety.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)) is amended (1) by striking out "(2) and (3)" in paragraph (1) an inserting in lieu thereof "(2), (3), and (4)" and (2) by adding after paragraph (3) the following:

"(4) No order, regulation, or certificate may be issued by the Secretary under paragraph (1), (2), or (3) of this subsection with respect to the employment of individuals whose sole handicap is blindness or visual impairment".●

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 1609. A bill to authorize depositary institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting, and purchasing Government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owner's Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL INSTITUTIONS DEREGULATION ACT

● Mr. GARN. I am introducing, by request of the administration (as transmitted by Treasury Secretary Regan), a bill to establish a revised Federal statutory framework under which bank and thrift holding companies would operate.

The general thrust of the legislation is to expand the range of financial services which may be offered by such organizations. For example, the bill authorizes bank and thrift holding companies to underwrite municipal revenue bonds, sponsor and manage mutual funds, underwrite and sell insurance products, and develop, invest in, and sell real estate.

The proposal has been reviewed by the Federal Reserve Board and, by letter dated July 5, 1983, Chairman Volcker has informed me that the Board supports the bill. Chairman Volcker has also indicated that he hopes that "Congress could act quickly on this comprehensive legislation with a view to completing congressional action by the end of this year."

Modeled after last Congress Treasury proposal, S. 2490, this bill would provide depository institutions with expanded powers so long as such powers are exercised through separate holding company subsidiaries. The purpose behind this approach is to insulate banking subsidiaries from affiliates engaging in activities which may be riskier or, if not insulated, would raise questions of competitive equity or potential conflicts of interest.

The comprehensive nature of the legislation is apparent from some of the statutes it amends—the Glass-Steagall Act, the Federal Reserve Act, the Bank Holding Company Act, the Securities and Exchange Act, the Savings and Loan Holding Company Act, the Home Owners Loan Act, and the Bank Service Corporation Act. Although comprehensive, many of the issues dealt with in the legislation have been considered during the past several years and reflect changes which have occurred in the financial services industry. Municipal revenue bond underwriting and mutual fund sponsorship by banks were included in legislation (S. 1720) I introduced last Congress but were not part of the final Garn-St Germain Act. Although not in the proposed legislation, issues such as direct real estate investment by depository institutions and real estate and securities brokerage by depository institutions have been discussed in the committee during the past few years. Moreover, many such issues have already been dealt with by regulators and State legislatures through the establishment of laws and regulations expanding the types of financial services which depository institutions may offer.

While I agree with parts of the administration's proposal and reserve judgment on others, I feel strongly that Congress should address the issues raised by the bill in the near term and not continue to permit financial services innovations to be solely the province of those who discover the most effective statutory loopholes or favorable regulatory environment.

During the past few months, the Banking Committee has held 13 days of oversight hearings on the financial services industry. Those hearings, with scores of witnesses, hours of testimony, and countless pages of statements, serve to underline the changes in our financial system caused by advanced technology and sophisticated consumers. People want personal services and safe investments, but they also want to maximize their investment returns. Such consumer demands resulted in money market funds, the elimination of Regulation O, the creation of money market deposit accounts, and the continued evolution of one-stop financial shopping offered by different types of financial organizations.

The administration's proposal attempts to impose an equitable and rational framework within which all depository organizations may compete by redefining basic terms and powers. For example, like the Federal Reserve's moratorium bill, it would stop the proliferation of nonbank banks by redefining "bank" for the purposes of the Bank Holding Company Act. It also equates savings and loan holding companies by generally limiting the former's powers to those of the latter. To some, the bill may not achieve its objectives; but it does represent a tangible course of action which Congress may consider in developing a statutory response to the changes in the financial system.

In focusing broadly on the financial services industry, I believe the administration's bill approaches the issues correctly. It seeks to provide lasting answers instead of imposing short-term solutions. The latter is evident in the moratorium bill developed by the

Federal Reserve; although well-intended, I am concerned that such an approach would lead to continued inaction and only result in increased searches for loopholes by competing financial institutions. In my opinion, Congress must proceed to consider legislation designed to insure the integrity and competitiveness of our financial system.

In order that this process continue, the Banking Committee will have its first day of hearings on the administration's bill, as well as on the nonbank bank moratorium bill, on Monday, July 18, 1983. The witness on that day will be Treasury Secretary Regan. Other hearings will be scheduled in the near future.

In view of the general interest in this matter, I request unanimous consent that the bill, the section-by-section analysis, and the letters from Secretary Regan and Chairman Volcker be printed in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SEC. 1. This Act may be cited as the "Financial Institutions Deregulation Act".

AMENDMENTS TO THE BANKING ACT OF 1933

SEC. 2. Section 20 of the Banking Act of 1933, as amended (12 U.S.C. 377), is hereby amended by adding the following new paragraph at the end of the first paragraph of such section: "Notwithstanding any other provision of this section, a member bank may be affiliated in any manner described in subsection (b) of section 221a of this title with a depository institution securities affiliate as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

SEC. 3. Section 32 of the Banking Act of 1933, as amended (12 U.S.C. 78), is hereby amended by adding the following sentence at the end of the first paragraph of such section: "Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director or employee of any of its depository institution securities affiliates. The term 'depository institution securities affiliate' shall have the meaning ascribed to it in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 4. Section 4 of the Securities Act of 1933, as amended (15 U.S.C. 77d), is hereby amended adding a new paragraph (7) at the end thereof:

"(7) transactions involving offers or sales of equity securities, in connection with the acquisition of a bank by a company under the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841 *et seq.*), or in connection with the acquisition of an insured institution by a company under the Savings and Loan Holding Company Amendments of 1967, as amended (12 U.S.C. 1730a), if such acquisition occurs solely as part of a reorganization in which a person or group of persons exchange their shares of a bank or insured institution for shares of a newly formed bank holding company or savings and loan holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the bank or insured institution, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under state law.".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT

SEC. 5. Subparagraphs (i), (ii) and (iii) of paragraph (34)(A) of subsection 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(34)(A)), are each hereby amended by inserting immediately before the semicolons at the end thereof, the words, "other than depository institution securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)) or as defined in Section 408(a)(1)(K) of the National Housing Act (12 U.S.C. 1730a(a)(1)(K))".

SEC. 6. Paragraph (b)(1) of Section 15B of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78o-4(b)(1)), is hereby amended by striking the words "subsidiaries" in parts (B) and (C) thereof and replacing it with the word, "affiliates".

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

SEC. 7. Section 2 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841), is hereby amended—

(1) by amending subsection (c) to read as follows:

"(c) 'Bank' means (1) an 'insured bank' as that term is defined in Section 1813(h) of this title; (2) any institution that is eligible to become an insured bank under Section 1815 of this title; or (3) any institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa or the Virgin Islands, that accepts deposits that the depositor may withdraw by check or similar means for payment to third parties and is engaged in the business of making commercial loans. The term 'bank' does not include (A) any foreign bank having an insured branch; (B) an insured institution; (C) any organization operating under Section 25 or Section 25(a) of the Federal Reserve Act; or (D) any organization that does not do business in the United States except as an incident to its activities outside the United States."; and

(2) by inserting after subsection (i) the following new subsections:

"(j) The term 'depository institution securities affiliate' means any corporation that (a) is engaged in the United States in one or more of the activities authorized pursuant to subsection 4(c)(15) of this Act, and (b) is a broker or dealer within the meaning of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(4) and (5)), or an investment adviser within the meaning of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2(11)). For purposes of this chapter, a corporation engaged in any such activities shall be deemed to be a depository institution securities affiliate only so long as it is a bank holding company or is owned or controlled by a bank holding company.

"(k) For purposes of this chapter—

"(1) The term 'depository institution holding company' means bank holding company;

"(2) The term 'depository institution' means bank; and

"(3) The terms 'savings and loan holding company' and 'insured institution' have the meanings ascribed to them in Section 1730a(a)(1) of this title.".

SEC. 8. Subsection 3(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1842(a)), is hereby amended by adding the following immediately preceding the period at the end of the second sentence of such subsection: "; or (c) with 30 days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed bank holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under state law, provided that, immediately following such acquisition, the bank holding company meet the capital and other financial standards prescribed by the Board by regulation for such a bank holding company and the holding company does not engage in any activities other than those of banking or managing and controlling banks. In promulgating regulations pursuant to this subsection, the Board shall not require more capital for the subsidiary bank immediately following the reorganization than is required for a similarly sized bank that is not a subsidiary of a bank holding company.".

SEC. 9. Subsection 4(a)(2) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(a)(2)), is hereby amended to read as follows:

(1) by amending subparagraph (B) of such subsection to read as follows:

"(B) those permitted under paragraphs (8) (except for those of an insured institution), (15) and (16) of subsection (c) of this Section subject to all the conditions and requirements specified in each respective paragraph or in any order or regulation issued by the Board under such paragraphs"; and

(2) by adding the following additional proviso at the end of such subsection:

"Provided further, (I) That the two-year period referred to in this paragraph shall not apply to a company that becomes a bank holding company as a result of enactment of the Financial Institutions Deregulation Act and that acquired a bank between July 1, 1983, and the effective date of such Act; and (II) That a company that becomes a bank holding company as a result of the enactment of the Financial Institutions Deregulation Act, and that controlled an insured bank on July 1, 1983, may engage in any activity in which it was lawfully engaged, directly or through a subsidiary, on July 1, 1983, and in which it has been engaged continuously since July 1, 1983, provided that any activities authorized for bank holding companies may not be expanded and any additional activities may not be commenced except in accordance with the requirements, conditions and limitations applicable to bank holding companies. The authority conferred by the preceding clause (II): (a) shall terminate at such time as (1) any covered bank holding company acquires control of an additional bank or an insured institution, (2) its existing subsidiary bank commences accepting deposits that the depositor has a legal right to withdraw on demand and engages in the business of making commercial loans, or (3) any covered bank holding company commences, directly or through a subsidiary, after July 1, 1983, any additional activities, other than those

activities authorized pursuant to this Act (except for the acquisition of an insured institution), in which it was not engaged on July 1, 1983; and (b) may be terminated by the Board by order, after opportunity for hearing, if it determines, having due regard to the purposes of this chapter, that such action is necessary to prevent conflicts of interests or unsound banking practices or is in the public interest.".

SEC. 10. Paragraph 8 of subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(8), is hereby amended to read as follows:

"(8)(A) in accordance with the limitations and requirements contained in subparagraph (B) of this paragraph, shares of any insured institution or shares of any company the activities of which consist of:

"(i) activities that the Board has determined (by order or regulation) to be closely related to banking or managing or controlling banks or (by regulation) to be of a financial nature;

"(ii) insurance underwriting or brokerage; or

"(iii) real estate investment, development or brokerage; provided that, in the case of real estate investment and development, the percentage of a bank holding company's capital that may be devoted to this activity shall not exceed 5 per centum of such company's primary capital.

"(B)(i) No bank holding company shall engage in any activity authorized under this paragraph either *de novo* or by an acquisition in whole or in part of a going concern, unless the Board has been given sixty days prior written notice of such proposal and, within such period, the Board has not issued an order (1) disapproving the proposal or (2) suspending the time period in accordance with clause (iii) below.

"(ii) An acquisition may be made prior to the expiration of the disapproval period if the Board issues a written notice of its intent not to disapprove the action. The Board may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities. No notice under this paragraph is required in the event a bank holding company establishes *de novo* an office to engage in any activity previously authorized for such a bank holding company under this paragraph or changes the location of an office engaged in such activity.

"(iii) The notice submitted to the Board shall contain such information as the Board shall prescribe by regulation or by specific request in connection with a particular notice; provided, however, that the Board may only require such information as may be relevant to the nature and scope of the proposed activity and to the Board's evaluation of the criteria provided for in clause (iv) hereof. In the event the Board requires additional relevant information beyond that provided in the notice submitted pursuant to this paragraph, the Board may by order suspend the time period provided in clause (i) hereof until it has received such additional relevant information, and the activity that is the subject of the notice may be commenced within 30 days of the date of such receipt unless the Board issues a disapproval order as provided in clause (i) hereof. Such a suspension order is reviewable under section 9 of this Act.

"(iv) In connection with a notice under this paragraph, the Board may consider the following criteria:

"(I) the managerial resources of the companies involved;

"(II) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities; provided that the Board shall not require a higher level of capital for any activity subject to Federal or state regulation than would be required by the applicable regulatory authority for a company engaged in such activity, unless the Board shall find that particular circumstances warrant a higher level of capital;

"(III) any practice or arrangement that may adversely affect the independence or impartiality of an affiliated bank in the provision of credit or other services or the terms on which such credit and services are made available, or the availability of such credit; and

"(IV) any material adverse effect on the safety and soundness or financial condition of an affiliated bank or banks.

"(v) The Board shall by order set forth the reasons for any disapproval under this paragraph. Inaction on any notice or a Board order determining not to disapprove a proposal to engage in an activity that has previously been authorized by regulation under this paragraph shall be final and shall not be subject to judicial review under this Act or in any other manner; provided, however, that any bank holding company may obtain judicial review pursuant to section 9 of this Act of and Board order not to disapprove a notice under this paragraph if such order contains restrictions or conditions.

"(vi) The Board shall, within one hundred and eighty days of enactment of the Financial Institutions Deregulation Act and from time to time thereafter, promulgate regulations under this paragraph designating particular activities that are closely related to banking or of a financial nature. A bank holding company may petition the Board to determine by regulation that a particular activity is closely related to banking or of a financial nature. The Board may by regulation prescribe limitations on the conduct of any activity or activities authorized under paragraphs (8), (15) and (16) of this subsection consistent with the criteria in subparagraph (B)(iv) hereof and with safe and sound financial practices. In administering this paragraph, the Board shall promote competition between bank holding companies and all other companies engaged in activities of a financial nature or closely related to banking.

"(vii) the regulation required under clause (vi) of this paragraph shall include any activity determined by the Board by regulation prior to enactment of this Act to be so closely related to banking or managing or controlling banks as to be a proper incident thereto. The Board shall not designate as an activity of a financial nature or closely related to banking within the meaning of this paragraph any activity that is described in paragraph (15) of this subsection or that is prohibited to a member bank or an affiliate of a member bank under sections 16 (12 U.S.C. 24 (Seventh)) or 20 (12 U.S.C. 377) of the Banking Act of 1933, as amended.".

SEC. 11. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by deleting the penultimate sentence thereof and by adding a new paragraph (15) as follows:

"(15) shares of any depository institution securities affiliate engaged in activities in accordance with the limitations contained in this paragraph:

"(i) No depository institution holding company that establishes or acquires any depository institution securities affiliate pursuant to this paragraph shall, after one year from the date on which any such depository institution securities affiliate first engages in any of the activities authorized under subparagraph (iii) of this paragraph, permit any depository institution controlled by such depository institution holding company to engage, directly or through a subsidiary, in the United States in any of the activities authorized under such subparagraph (iii) of this paragraph or any of the following activities, which are authorized pursuant to paragraph Seven of Section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24): dealing in and underwriting obligations of the United States, general obligations of any state of the United States or any political subdivision thereof and other obligations listed in paragraph Seven of such Section 5136 and purchasing and selling securities and stock as agent. For purposes of this paragraph, the Board may, by regulation or order, determine other securities or securities-related activities in which depository institutions may not engage. No rule, regulation or order of the Board, however, shall prohibit a depository institution from engaging in those securities or securities-related activities that are necessary or incidental to the financing of such depository institution or the investment of its funds. In the event that a depository institution holding company terminates all of the activities specified in subparagraph (iii) of this paragraph of its depository institution securities affiliate, any depository institution subsidiary of such holding company may conduct, directly or through a subsidiary, any securities or securities-related activities that it is authorized by law to conduct.

"(ii) Any depository institution securities affiliate may conduct any securities or securities-related activity that a national banking association, as such term is used in Section 21 of this title, is not prohibited from conducting.

"(iii) In addition to the activities referred to in subparagraphs (i) and (ii) of this paragraph, such depository institution securities affiliate may—

"(A) deal in and underwrite all obligations issued or guaranteed by or on behalf of a state or any political subdivision thereof or any agency or instrumentality of either of the foregoing, except industrial development bonds as defined in section 103(b)(2) of the Internal Revenue Code of 1954, as amended; provided, however, that depository institution securities affiliates may deal in and underwrite such industrial development bonds, the interest on which is exempt from Federal income tax under section 103(a) of the Internal Revenue Code of 1954, as amended, if: (i) a state, territory, possession of the United States, or any political subdivision of the foregoing, or the District of Columbia pledges its full faith and credit for the payment of all principal and interest on such bonds or (ii) the issuer, or the state or local governmental unit on behalf of which the industrial development bonds were issued, is considered the sole owner, for Federal income tax purposes, of the facility with respect to which financing is to be provided from the proceeds of such industrial development bonds;

"(B) organize, sponsor, operate, and control an investment company, as such term is defined in Section 3 of the Investment Company Act of 1940, as amended;

"(C) render investment advice to: (1) an investment company as described in sub-

paragraph (B) above; and (2) any investment company other than a closed-end investment company;

"(D) underwrite, distribute, and sell securities of any investment company, as such terms are defined in Section 3 of the Investment Company Act of 1940, as amended.

"(iv) a bank holding company seeking to acquire shares of a depository institution securities affiliate or engage directly in securities or securities-related activities pursuant to this paragraph shall comply with the notice and other requirements of clauses (i) through (vi) of paragraph (8)(B) of this subsection.".

SEC. 12. Section 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding new paragraph (16) to read as follows:

"(16) shares of any company engaged in any activity in which a multiple savings and loan holding company was authorized by law or regulation to engage directly on July 1, 1983, provided, however, that the activities of real estate investment and development may only be engaged in within the limitations of clause (iii) of subparagraph 4(c)(8)(A) of this Act; and provided further that any conditions and limitations applicable to a savings and loan company with respect to such activities shall likewise be applicable to such a bank holding company, except that a bank holding company seeking to acquire shares of such a company pursuant to this paragraph shall comply with the notice and other requirements of clauses (i) through (vi) of paragraph (8)(B) of this subsection and except that the Board may by regulation prohibit any bank holding company from engaging in such activities or limit their conduct.".

SEC. 13. Subsection 5(c) of the Bank Holding Company Act, as amended (12 U.S.C. 1844(c)), is hereby amended to read as follows: "(c)(1) The Board from time to time may require reports under oath, in such scope and detail as it may determine, of a bank holding company and each subsidiary thereof to keep the Board informed as to whether such companies are complying with the provisions of this chapter and regulations and orders issued thereunder.

"(2) Except where the Board determines that a lesser reporting requirement is appropriate, the Board shall accept in fulfillment of the reporting requirements established by this subsection for nonbank subsidiaries separate reports consisting of (A) for companies subject to the reporting requirements of section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q), the same information required to be submitted to the Securities and Exchange Commission under such section (and the rules and regulations thereunder) at the same time such information is so submitted; and (B) for all other companies, the same information as would be required to be submitted under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) (and the rules and regulations thereunder) by companies subject to the reporting requirements of such Act, that are engaged in the same or similar lines of business, not more frequently than quarterly. In particular circumstances, the Board may require additional information in order to fulfill its responsibilities under this Act.

"(3) The Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which may be assessed against, and paid by, such holding company. The Board shall, however, insofar as possible, minimize the scope and frequency of examinations of nonbank subsidiaries of a bank holding company by utilizing, where feasible, reports of applicable regulatory agencies or other bodies public or private, and by directing, to the extent feasible, the focus of such examinations to the activities or financial condition of such nonbank subsidiaries that may have a materially adverse effect on the safety and soundness or financial condition of a subsidiary bank of the bank holding company.".

SEC. 14. Section 7 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1846), is hereby amended by striking out the period at the end thereof and inserting in lieu thereof ", provided, however, that no state shall prohibit the affiliation of a national banking association, as such term is used in section 21 of this title, with a company engaged only in one or more of the activities described in paragraphs (8), (15), and (16) of subsection 4(c) of this Act.".

AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 15. (a) The Federal Reserve Act is amended by adding new Section 23B immediately following Section 23A (12 U.S.C. 371c) thereof to read as follows:

"SEC. 23B. RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES.—(a) A member bank and its subsidiaries may engage in any of the following transactions, only on terms and under circumstances, including credit standards, that are substantially the same as, or at least as favorable to such bank or its subsidiary as those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those terms and circumstances that in good faith would be offered to, or would apply to nonaffiliated companies:

"(1) any covered transaction, as defined in section 23A, with an affiliate;

"(2) the sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

"(3) the payment of money or the furnishing of services to an affiliate, under contract, a lease, or otherwise;

"(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or any other person; or

"(5) any transaction or series of transactions with a third party, (A) if an affiliate has a financial interest in the third party, or (B) if an affiliate is a participant in such transaction or series of transactions.

For the purposes of this subsection, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(b) A member bank and the affiliates of such bank shall not publish any advertisement or enter into any agreement stating or suggesting that the bank shall in any way be responsible for the obligations of its affiliates; however, a member bank and its affiliates may use similar names.

"(c) A member bank and any subsidiary of such bank—

"(1) shall not purchase as fiduciary any securities or other assets from any affiliate unless such purchases are permitted under the instrument creating the fiduciary relationship, by court order, or by law of the jurisdiction under which the trust is administered; and

"(2) whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate of such bank; except that this prohibition shall not apply where the purchase of such securities has been approved, prior to the time at which such securities are initially offered for sale to the public, by a majority of the directors of the bank who are not officers or employees of the bank or any affiliate thereof.

For the purpose of this paragraph, the term 'security' means a 'security' as defined in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)); and the term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(d) For the purpose of the section—

"(1) the term 'affiliate' means an 'affiliate' as defined in Section 23A of the Federal Reserve Act (12 U.S.C. 371c) excluding a bank; and

"(2) the terms 'bank', 'subsidiary', 'person', and 'security' (other than security as used in subsection (c)) have the same meanings given to them in Section 23A of the Federal Reserve Act (12 U.S.C. 371c).".

"(e) The Board may prescribe rules and regulations to administer and carry out the purposes of this section, including rules or regulations to (1) further define terms used in this section; (2) exempt transactions or relationships from the requirements of this section; or (3) exclude from the definition of 'affiliate' in this section any subsidiary of a bank holding company, if the Board finds such exemptions or exclusions to be in the public interest and consistent with the purposes of this section.".

(b) Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is hereby amended—

(1) by inserting "and section 23B" after "section 23A" at each place it appears in paragraph (1); and

(2) by inserting ", 23B," after "23A" in paragraph (3)(A).

AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 16. (a) Subsection 17(f) of the Investment Company Act of 1940, as ameded (15 U.S.C. 80a-17(f)), is hereby amended by adding after the words "unit investment trusts": "provided, however, that any registered management company which is organized, sponsored, operated or controlled by, or which receives investment advice from, any depository institution securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)) or in subsection (a)(1)(K) of the Savings and Loan Holding Company Act Amendments of 1967, as amended (12 U.S.C. 1730a(a)(1)(K), may place and maintain its securities and similar investments in the custody of a bank which is affiliated with such depository institution securities affiliate only with the prior approval of the Commission.".

(b) Subsection 26(a)(1) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-26(a)(1)), is hereby amended by adding after the words "so published);": "provided, however, that, except with the prior approval of the Commission, it shall

be unlawful for such trust indenture, agreement of custodianship, or other instrument to designate as trustee or custodian any bank which is affiliated with a depository institution securities affiliate, as defined in the Bank Holding Company Act of 1956, as amended 12 U.S.C. 1841(j)) or in subsection (a)(1)(K) of the Savings and Loan Holding Company Act Amendments of 1967, as amended (12 U.S.C. 1730a(a)(1)(K), which organizes, sponsors, operates or controls such registered unit investment trust.".

(c) Subsection 27(c)(2) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-27(c)(2)), is hereby amended by adding after the words "trust indentures of unit investment trusts": "provided, however, that, except with the prior approval of the Commission, it shall be unlawful to deposit such proceeds with any bank which is affiliated with a depository institution securities affiliate, as defined in section 2(j) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. 1841(j)) or in subsection (a)(1)(K) of the Savings and Loan Holding Company Act Amendments of 1967, as amended (12 U.S.C. 1730a(a)(1)(K)), which organizes, sponsors, operates, controls or renders investment advice to such registered investment company.".

AMENDMENTS TO BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

SEC. 17. Section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972, *et seq.*) is hereby amended by adding new subsection (i) at the end thereof to read as follows:

"ACTIONS AUTHORIZED TO BE COMMENCED BY TRADE ASSOCIATIONS

"Any action for injunctive relief that may be commenced by any person pursuant to Section 1976 of this title, may be commenced on the behalf of such person by any trade association of which such person is a member, provided that any such action commenced by a trade association shall be subject to the same requirements, limitations, and conditions as would be applicable had such action been commenced by any such person pursuant to section 1976 of this title.".

AMENDMENTS TO THE SAVINGS AND LOAN HOLDING COMPANY AMENDMENTS OF 1967

SEC. 18. Subsection (a)(1) of the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a(a)(1)) is hereby amended by adding the following new subparagraphs (K) and (L) after subparagraph (J) of such subsection:

"(K) The term 'depository institution securities affiliate' means any corporation that (a) is engaged in the United States in one or more of the activities authorized for depository institution securities affiliates pursuant to subsection 4(c)(15) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(15)) and subject to the limitations specified therein, and (b) is a broker or dealer within the meaning of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(4) and (5)), or an investment adviser within the meaning of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2(11)). For purposes of this chapter, a corporation engaged in any such activities shall be deemed to be a depository institution securities affiliate only so long as it is owned or controlled by a savings and loan holding company. For purposes of applying paragraph 4(c)(15) of the Bank Holding Company Act to this chapter—

"(i) the term "depository institution holding company" means savings and loan holding company; and

"(ii) the term "depository institution" means "insured institution."

"(L) the terms "bank holding company" and "bank" shall have the meanings ascribed to them in section 2 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841).".

SEC. 19. Subsection (c) of the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a(c)) is hereby amended to read as follows:

"(c)(1) Except as otherwise provided in this subsection, no savings and loan holding company (except a unitary savings and loan holding company that acquires an insured institution pursuant to subsection (m) of this section) or subsidiary thereof which is not an insured institution shall—

"(A) for or on behalf of such subsidiary insured institution, engage in any activity or render any service for the purposes or with the effect of evading law or regulation applicable to such insured institution; or

"(B) commence or continue, after two years from the date as of which it becomes a savings and loan holding company, any business activity other than those specified in paragraph (2) of this subsection except that such two period shall not apply to any company that acquires an insured institution between July 1, 1983, and the effective date of the Financial Institutions Deregulation Act. *Provided*, That any company that becomes subject, as a result of the Financial Institutions Deregulation Act, to the prohibitions of this subparagraph and that controlled an insured institution prior to July 1, 1983, may engage in any activity in which it was lawfully engaged, directly or through a subsidiary, on July 1, 1983, and in which it has been engaged continuously since July 1, 1983, provided that any activities authorized for savings and loan holding companies may not be expanded and any additional activities may not be commenced except in accordance with the requirements, conditions and limitations applicable to savings and loan holding companies. The authority conferred by the preceding proviso, (A) shall terminate at such time as any covered savings and loan holding company (i) acquires a bank, or its subsidiary insured institution fails to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code of 1954, or (ii) commences, directly or through a subsidiary, after July 1, 1983, any additional activities, other than those authorized pursuant to this Act to be permissible for savings and loan holding companies (except for the acquisition of a bank), in which it was not engaged on July 1, 1983, or (B) may be terminated by the Corporation, after opportunity for hearing, if it determines, having due regard for the purposes of this chapter, that such action is necessary to prevent conflicts of interests, unsound practices, or in the public interest.

"(2) The prohibitions of subparagraph (1)(B) of this subsection shall not apply to the following business activities:

"(A) furnishing or performing management services for a subsidiary insured institution;

"(B) conducting an insurance agency or escrow business;

"(C) holding or managing or liquidating assets owned or acquired from a subsidiary insured institution;

"(D) holding or managing properties used or occupied by a subsidiary insured institution;

"(E) acting as trustee under deed of trust;

"(F) acquiring shares of any bank and engaging in one or more of the following activities subject to the limitations, conditions, and requirements specified in paragraph (3) of this subsection: (i) activities determined by the Board of Governors of the Federal Reserve System (by regulation) to be of a financial nature or closely related to banking or managing or controlling banks, provided, however, that the Corporation may (by regulation) prohibit or limit any such activity for savings and loan holding companies; (ii) activities in which multiple savings and loan holding companies were authorized (by regulation) to engage directly on July 1, 1983 provided, however, that in the case of real estate investment and development, savings and loan holding companies may only maintain investments lawfully held on July 1, 1983, and make additional investments within the limitations of clause (iv) hereof; (iii) engaging in either or both the activities of insurance underwriting and brokerage; (iv) engaging in one or more of the activities of real estate investment, development or brokerage, provided that, in the case of real estate investment and development, the percentage of a savings and loan holding company's capital that may be devoted to this activity shall not exceed 5 per centum of such company's primary capital; and (v) engaging in the activities of a depository institution securities affiliate in accordance with the terms under which such activity may be conducted pursuant to the provisions of paragraph (15) of subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(15)).

"(G) acquiring shares of any company which is an export trading company, as that term is defined in paragraph (14) of subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(14)), and subject to all the requirements, conditions, and limitations of such paragraph (14) as if the acquiring or establishing savings and loan holding company were a bank holding company within the meaning of that paragraph, except that any notice required to be given pursuant to that paragraph shall be given to the Corporation, which shall have the same authority with respect to such notice procedure for savings and loan holding companies as the Board of Governors of the Federal Reserve System has pursuant to such paragraph (14).

"(3)(A) No savings and loan holding company shall engage, either de novo or by an acquisition, in whole or in part, of a going concern, in any activity authorized under subparagraph 2(F) of this subsection unless the Corporation has been given sixty days' prior written notice of such proposal and, within such period, the Corporation has not issued an order disapproving the proposal or extending for up to an additional thirty days the period within which such a disapproval may be issued.

"(B) An acquisition may be made prior to the expiration of the disapproval period if the Corporation issues a written notice of its intent not to disapprove the action. The Corporation may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities. No notice under this paragraph is required in the event a savings and loan holding company establishes de novo an office to engage in any activity previously authorized for such savings and loan holding company under this paragraph or changes the location of an office engaged in such activity.

"(C) The notice submitted to the Corporation shall contain such information as the Corporation shall prescribe by regulation for the notice or by specific request in connection with a particular notice; provided, however, that the Corporation may only require such information as may be relevant to the nature and scope of the proposed activity and to the Corporation's evaluation of the criteria provided for in subparagraph (D) hereof. In the event the Corporation requires additional relevant information beyond that provided in the notice submitted pursuant to this paragraph, the Corporation may by order suspend the time period provided in subparagraph (A) of this paragraph until it has received such additional relevant information, and the activity that is the subject of the notice may be commenced within 30 days of the date of such receipt unless the Corporation issues a disapproval order as provided in such subparagraph (A). Such suspension order is reviewable under subsection (k) of this Section.

"(D) In connection with a notice under this paragraph, the Corporation may consider the following criteria:

"(i) the managerial resources of the companies involved;

"(ii) the adequacy of their financial resources, including their capital, giving consideration to the financial resources and capital of others engaged in similar activities; provided that the Corporation shall not require a higher level of capital for any activity subject to Federal or state regulation than would be required by an applicable regulatory authority for a company engaged in such activity, unless the Corporation shall find that particular circumstances warrant a higher level of capital;

"(iii) any practice or arrangement that may adversely affect the independence or impartiality of an affiliated insured institution in the provision of credit or other services or the terms on which such credit and services are made available, or the availability of such credit; and

"(iv) any material adverse effect on the safety and soundness or financial condition of an affiliated insured institution.

"(E) The Corporation shall by order set forth the reasons for any disapproval under this paragraph. Inaction on any notice or a Corporation order determining not to disapprove a proposal to engage in an activity that has previously been authorized by regulation under this paragraph shall be final and shall not be subject to judicial review under this Section or in any other manner, provided, however, that any savings and loan holding company may obtain judicial review pursuant to this Section of any Corporation order not to disapprove a notice under this paragraph if such order contains restrictions or conditions.

"(F) The Corporation may by regulation prescribe limitations on the conduct of any activity or activities authorized under subparagraph (2)(F) of this subsection other than limitations on activities conducted pursuant to clause (v) thereof, consistent with the criteria in subparagraph (D) hereof and with safe and sound financial practices.".

SEC. 20. Subsection (d) of the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a(d)) is hereby amended as follows:

(1) The introductory phrase is amended to read as follows: "(d)(1) Except as otherwise provided in this section, no subsidiary insured institution of a savings and loan holding company shall —";

(1) Numbers (1), (2), (3), (4), (5), and (6) shall be redesignated as (A), (B), (C), (D), (E), and (F), respectively, and letters (A), (B), and (C) shall be redesignated as (i), (ii), and (iii); and

(3) The following subsection (d)(2) shall be added at the end thereof: "The prohibitions of subsection (d)(1) shall not apply to the transactions of any subsidiary insured institution of a savings and loan holding company with an affiliate engaged in the business activities specified in subparagraphs (F) and (G) of subsection (c)(2) of this section except for clause (ii) of subparagraph (F); unless the context otherwise requires, such transactions by an insured institution shall be subject to the same limitations and prohibitions specified in sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c and d) as if such insured institution were a member bank. The Corporation may prescribe rules or regulations for purposes of defining and clarifying the applicability of the limitations and prohibitions described in the preceding sentence.".

SEC. 21. Subsection (e) of the Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a(e)) is hereby amended by amending clause (ii) of subparagraph (1)(B) to read as follows:

"(ii) acquired in connection with a reorganization in which a person or group of persons exchange their shares of an insured institution for shares of a newly formed holding company and receive, after such reorganization, substantially the same proportional share interest in the holding company as they held in the insured institution, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under state law.".

SEC. 22. The Savings and Loan Holding Company Amendments of 1967 (12 U.S.C. 1730a) are hereby amended by deleting subsection (n) thereof, and inserting in lieu therof the following new subsection (n):

"(n) No state shall prohibit the affiliation of an association, as that term is defined in subsection 1462(d) of this title, with a company engaged solely in one or more of the activities described in subparagraphs (F) and (G) of paragraph (c)(2) of this section.".

AMENDMENTS TO THE HOME OWNERS' LOAN ACT OF 1933

SEC. 23. Section 4(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), is amended by amending subparagraph (B) of paragraph (4) to read as follows:

"(B) SERVICE CORPORATIONS.—Investments in any "depository institution service corporation," as that term is defined in the Depository Institution Service Corporation Act (12 U.S.C. 1861, et. seq.) and in accordance with the requirements, conditions and limitations specified in that Act.".

SEC. 24. Subsection 5(q) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(q)) is amended by adding a new paragraph (6) to read as follows:

"(6) Any action for injunctive relief that may be commenced by any person pursuant to paragraph (2) of this provision, may be commenced on the behalf of such person by any trade association of which such person is a member, provided that any such action commenced by a trade association shall be subject to the same requirements, limitations and conditions as would be applicable had such action been commenced by any such person pursuant to paragraph (2) of this provision.".

SEC. 25. The Bank Service Corporation Act (12 U.S.C. 1861 et. seq.) is hereby amended to read as follows:

"SHORT TITLE AND DEFINITIONS

"SECTION 1. (a) This Act may be cited as the 'Depository Institution Service Corporation Act.'

"(b) For purposes of this Act—

"(1) The term 'appropriate Federal supervisory agency' shall include 'appropriate Federal banking agency' as defined in section 1813(q) of this title (12 U.S.C. 1813(q)) and the Federal Home Loan Bank Board with respect to any "insured institution" as defined in section 1730a(a)(1)(A) of this title (12 U.S.C. 1730a(a)(1)(A));

"(2) The term 'depository institution service corporation' means a corporation organized to perform services authorized by this Act, all of the capital stock of which is owned by one or more depository institutions;

"(3) The term 'depository institution' means any institution subject to examination and supervision by any 'appropriate Federal supervisory agency';

"(4) The term 'invest' includes any advance of funds to a depository institution service corporation, whether by the purchase of stock, the making of a loan, or otherwise, except a payment for rent earned, goods sold and delivered, or services rendered prior to the making of such payment; and

"(5) The term 'principal investor' means the depository institution that has the largest dollar amount invested in the capital stock of a depository institution service corporation. In any case where two or more depository institutions have equal dollar amounts invested in a depository institution service corporation, the corporation shall, prior to commencing operations, select one of the depository institutions as its principal investor and shall notify the depository institution's appropriate Federal supervisory agency of that choice within 5 business days of its selection.

"AMOUNT OF INVESTMENT IN DEPOSITORY INSTITUTION SERVICE CORPORATION

"SEC. 2. Notwithstanding any limitation or prohibition otherwise imposed by an provision of law exclusively relating to any depository institution, a depository institution may invest not more than 10 per centum of paid-in and unimpaired capital and unimpaired surplus in depository institution service corporations. No depository institution shall invest more than 5 per centum of its total assets in depository institution service corporations.

"PERMISSIBLE DEPOSITORY INSTITUTION SERVICE CORPORATION ACTIVITIES FOR DEPOSITORY INSTITUTIONS

"SEC. 3. A depository institution may invest in one or more depository institution service corporations that perform, and a depository institution service corporation may perform, the following services only for depository institutions and credit unions: Check and deposit sorting and posting; computation and posting of interest and other credits and charges; preparation and mailing of checks, statements, notices, and similar items; credit information, appraising, construction loan inspection, and abstracting; developing and administering personnel benefit programs; research, studies, and surveys; purchasing office supplies, furniture and equipment; developing and operating storage facilities for microfilm or other duplicate records; and clerical, bookkeeping, accounting, statistical, data processing, internal auditing, and similar functions performed for a depository institution.

"SERVICES TO NONSTOCKHOLDERS

"SEC. 4. No depository institution service corporation shall unreasonably discriminate in the provision of any services authorized under this Act to any depository institution that does not own stock in the service corporation on the basis of the fact that the nonstockholding institution is in competition with an institution that owns stock in the depository institution service corporation, except that—

"(1) it shall not be considered unreasonable discrimination for a depository institution service corporation to provide services to a nonstockholding institution only at a price that fully reflects all of the costs of offering those services, including the cost of capital and a reasonable return thereon; and

"(2) a depository institution service corporation may refuse to provide services to a nonstockholding institution if comparable services are available from another source at competitive overall costs, or if the providing of services would be beyond the practical capacity of the service corporation.

"REGULATION AND EXAMINATION OF DEPOSITORY INSTITUTION SERVICE CORPORATIONS

"SEC. 5. (a) A depository institution service corporation shall be subject to examination and regulation by the appropriate Federal supervisory agency of its principal investor to the same extent as its principal investor. The appropriate Federal supervisory agency of the principal shareholder of such a depository institution service corporation may authorize any other Federal supervisory agency that supervises any other shareholder of the depository institution service corporation to make such an examination.

"(b) A depository institution service corporation shall be subject to the provisions of the Financial Institutions Supervisory Act of 1966 as if such service corporation were the same type of depository institution as its principal investor, except that its appropriate Federal supervisory agency of the principal investor shall be authorized to apply such provisions to a depository institution service corporation.

"(c) Notwithstanding subsection (a) of this section, whenever a depository institution that is regularly examined by an appropriate Federal supervisory agency, or any subsidiary or affiliate of such a depository institution that is subject to examination by that agency, causes to be performed for itself, by contract or otherwise, any services authorized under this Act, whether on or off its premises—

"(1) such performance shall be subject to regulation and examination by such agency to the same extent as if such services were being performed by the depository institution itself on its own premises, and

"(2) the depository institution shall notify such agency of the existence of the service relationship within 30 days after the making of such service contract or the performance of the service, whichever occurs first.

"(d) The appropriate Federal supervisory agencies are authorized to issue such regulations and orders as may be necessary to enable them to administer and to carry out the purposes of this Act and to prevent evasions thereof.

"GRANDFATHER RIGHTS

"SEC. 6. (a) Notwithstanding any other provision of law—

"(1) any service corporation owned by one or more depository institutions and acquired or maintained and operated pursuant to the Bank Service Corporation Act of 1982 (12 U.S.C. 1861 et. seq. (1982, repealed 1983)) or pursuant to subparagraph (B)(4) of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 146(c)(B)(4)) and any regulations promulgated thereunder, may engage in those activities in which (i) it was lawfully engaged on July 1, 1983, and (ii) it has been engaged continuously since July 1, 1983; and

"(2) any depository institution that (i) lawfully invested in a service corporation within the meaning of paragraph (1) of this subsection as of July 1, 1983, and (ii) continuously maintained an investment in such a service corporation since July 1, 1983, may maintain and increase such investment, provided that any such investment is made and maintained in accordance with all conditions, requirements, and limitations applicable thereto under the laws described in paragraph (1) of this subsection.

"(b) the authority conferred by subsection (a) of this section shall terminate, with respect to any covered service corporation, at such time as such service corporation expands its activities to include any new activity, or, with respect to any covered depository institution with an investment in such a service corporation, at such time as such depository institution invests in excess of the limitations set forth in subsection (a)(2) of this section in any service corporation: *Provided,* That any appropriate Federal supervisory agency may, upon application by a service corporation or depository institution that would be required to terminate activities of or divest stock ownership in a service corporation, authorize such service corporation or depository institution to maintain its activities or stock interest for an appropriate period of time in the public interest, but in no event shall such time period exceed one year.

"MUTUAL THRIFT SERVICE CORPORATIONS

"SEC. 7. Notwithstanding any other provision of law, any association, which is organized and continues to operate in the mutual form, is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State in which the home office of the mutual organization is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of such State and by Federal associations having their home offices in such State, but no mutual organization may make any investment under this section if its aggregate outstanding investment under this section would exceed 3 per centum of the assets of the mutual organization, except that not less than one-half of the investment permitted under this section shall be used primarily for community, inner-city, and community development purposes. This section shall be interpreted under the Home Owners' Loan Act of 1933, and regulations lawfully promulgated thereunder as of July 1, 1983.".

FINANCIAL INSTITUTIONS DEREGULATION ACT—SECTION-BY-SECTION ANALYSIS

The purpose of this legislation is to provide a comprehensive Federal statutory framework for the regulation of bank and thrift holding companies. In order to promote increased competition, this bill provides a mechanism for expanding the permissible activities for depository institution holding companies to include those of a financial nature; insurance underwriting and brokerage; real estate investment, development and brokerage; and certain securities activities. The bill permits these new activities to be conducted only by the holding company itself or by a subsidiary of the holding company.

Section 1. Section 1 provides that this bill is entitled the Financial Institutions Deregulation Act.

Section 2. Section 2 amends Section 20 of the Banking Act of 1933 (12 U.S.C. 377) to allow a member bank to be affiliated with a depository institution securities affiliate (defined in Section 7 of the bill). Although this provision permits such affiliation, it does not permit the member bank to own shares of such an affiliate, or otherwise to engage in securities activities. Thus, the activities authorized for a depository institution securities affiliate must be conducted either by the bank's parent holding company or by a separate subsidiary of the holding company.

Under current law, a member bank is prohibited from affiliating in any manner with any organization engaged principally in the issuance, underwriting, public sale, or distribution (at wholesale or retail or through syndicate participation) of stocks, bonds, debentures, notes or other securities. As provided in Section 11 of this bill, a depository institution securities affiliate is authorized to engage in some, but not all, of these activities. Specifically, this legislation provides that a depository institution securities affiliate is empowered to: (1) deal in and underwrite U.S. government and municipal securities, but not, with two exceptions, industrial development bonds; (2) sponsor, manage, advise and control investment companies and to underwrite the securities thereof; (3) conduct a government and municipal securities business; (4) engage in securities brokerage transactions; and (5) conduct any other securities or securities-related activities that a national bank is not prohibited from conducting.

Although Section 20 of the Banking Act of 1933 does not apply to nonmember banks, Section 4 of the Bank Holding Company Act of 1956 ("Bank Holding Company Act") has been applied to prohibit a general securities firm from becoming a subsidiary of a bank holding company and, thereby, from affiliating with any subsidiary bank (including a member bank) of a bank holding company. Accordingly, as provided in Section 11, this bill amends the Bank Holding Company Act to allow a bank holding company to acquire shares of a depository institution securities affiliate.

Section 3. Section 3 amends Section 32 of the Banking Act of 1933 (12 U.S.C. 78) to allow an officer, director, or employee of a member bank to serve at the same time as an officer, director or employee of its depository institution securities affiliate or affiliates. Existing restrictions continue to apply to prevent such an interlocking relationship with a nonaffiliated depository institution securities affiliate or any other firm engaged in securities activities.

Section 4. Section 4 amends the Securities Act of 1933 to exempt from the registration requirements of that Act the issuance of a company's shares in connection with a simple reorganization in which a company becomes the parent of a bank or thrift institution. Therefore, the filing of a registration statement will not be required by the Act where a person or group of persons owning the shares of a bank or a thrift institution transfers those shares to a newly formed holding company and receives substantially the same proportional share interest in the holding company that the person or group held in the depository insti-

tution immediately prior to the reorganization. The amendment would require only "substantially" the same proportional interests after the reorganization, and further excepts changes in proportional shareholder interests arising out of the exercise of dissenting shareholder rights. The amendment is intended to reduce the time and expense involved in forming a holding company and to complement the simplification in the prior approval requirements for conversions to holding company form which this bill would make in the Bank Holding Company Act and in the Savings and Loan Holding Company Act.

Section 5. Section 5 amends the definition of "appropriate regulatory agency" in the Securities Exchange Act of 1934 ("Securities Exchange Act") so that the Securities and Exchange Commission ("SEC") is the appropriate regulatory agency for enforcing a depository institution securities affiliate's compliance with the statutory and regulatory requirements governing transactions in municipal securities.

Under current law, the relevant depository institution supervisory agencies enforce a Federally insured depository institution's compliance with the Municipal Securities Rulemaking Board's ("MSRB") rules, which must be approved by the SEC. Under this bill, the depository institution supervisory agencies retain enforcement authority over: (1) certain securities activities prior to the mandatory transfer of those activities to the depository institution securities affiliate; (2) those securities activities that are not required to be transferred to the securities affiliate within the one-year transition period; and (3) the securities activities of any depository institution that does not become affiliated with a depository institution securities affiliate.

Section 6. Section 6 amends Section 15B of the Securities Exchange Act, which establishes the composition of MSRB. The bill makes clear that representatives of depository institution securities affiliates may be included among those members of the MSRB that are selected from bank municipal securities dealers, but not among those members of the MSRB that are currently selected from brokers, dealers, or municipal security dealers. The bill thus provides depository institution securities affiliates with representation on the MSRB equivalent to that enjoyed by other municipal securities dealers and bankers engaged in the municipal securities business.

Section 7. Section 7 amends the definitions used in the Bank Holding Company Act by modifying the meaning of "bank" and by adding the terms "depository institution securities affiliate," "depository institution holding company," "depository institution," "savings and loan holding company," and "insured institution."

The term "bank" is modified to mean: (1) an insured bank as that term is defined in the Federal Deposit Insurance Act (12 U.S.C. 1813(h)); (2) any institution eligible to become such an insured bank; or (3) any institution, whether organized under the laws of the United States, any state or the District of Columbia or any United States Territory, that both accepts deposits that may be withdrawn on demand and makes commercial loans. The term bank does not include, however, a foreign bank having an insured branch or an insured institution (as defined in 12 U.S.C. 1730a(a)(1)). Furthermore, this bill continues to exempt Edge Act banks and organizations whose only United States business is an incident of their activities outside the United States. This expanded definition of bank brings Federally insured nonbank banks, as well as nonfederally insured state chartered banks and thrift institutions under the jurisdiction of the Bank Holding Company Act. Although a more expansive definition is proposed, it may well be that all legitimate policy objectives for the Federal Goverment can be met by covering only Federally insured banks.

The term "depository institution securities affiliate" means any corporation that (1) engages in the United States in one or more of the activities authorized under Section 11 of the bill, and (2) is either a broker or dealer within the meaning of the Securities Exchange Act or an investment adviser within the meaning of the Investment Advisers Act of 1940. A depository institution securities affiliate would thus function as a member of the securities industry to the extent permitted by its authorized activities, and would be eligible for membership in the National Association of Securities Dealers and the Securities Investor Protection Corporation.

For purposes of the Bank Holding Company Act, Section 7 of the bill defines the term "depository institution holding company" to mean bank holding company and the term "depository institution" to mean bank. Similarly, for the purposes of the Savings and Loan Holding Company Act, Section 18 of this bill defines the term "depository institution holding company" to mean savings and loan holding company and the term "depository institution" to mean insured institution. As a result, a depository institution securities affiliate could be affiliated with either a bank or an insured thrift institution; a depository institution holding company could be either a bank or a savings and loan holding company.

Finally, Section 7 defines "savings and loan holding company" and "insured institution" for purposes of the Bank Holding Company Act as they are defined in the Savings and Loan Holding Company Amendments of 1967.

Section 8. Section 8 amends subsection 3(a) of the Bank Holding Company Act to provide a simplified process for the formation of a bank holding company. This simplified process is available for a reorganization in which a person or group of persons owning bank shares transfers such shares to a newly formed holding company and receives substantially the same proportional share interests in the holding company that were held in the bank prior to the holding company's formation, provided that no other organizational change is implemented as part of such holding company formation. The shareholders' respective proportional interests need be only "substantially" the same after the reorganization, and there is a further exception for changes in shareholder interests arising out of the exercise of dissenting shareholders' appraisal rights.

Under this approach, the formation of a holding company would automatically be approved if: (1) thirty days prior notice is given to the Federal Reserve Board; (2) the proposed bank holding company meets the capital and other financial standards established by regulation by the Federal Reserve Board; and (3) the proposed bank holding company does not engage, at the time of the reorganization, in any activities other than banking or managing or controlling banks. The Federal Reserve Board, in promulgating regulations pursuant to this section, may not require the subsidiary bank to have more capital immediately after the reorganization than is required for a similarly sized bank that is not a subsidiary of a bank holding company.

Section 9. Section 9 amends paragraph 4(a)(2) of the Bank Holding Company Act to expand the types of activities in which a bank holding company may engage directly and to provide certain grandfather privileges for bank holding companies.

Although the Bank Holding Company Act generally prohibits a bank holding company from engaging in nonbanking activities directly, paragraph 4(a)(2) of that Act authorizes a holding company to engage directly in those activities permitted under paragraph 4(c)(8) of the Act. Paragraph 4(c)(8) currently permits activities determined by the Federal Reserve Board to be closely related to banking. Since Section 10 of the bill amends paragraph 4(c)(8) to include certain additional activities, all of these newly permitted activities may be conducted in the holding company directly. These new activities include the following: (1) activities determined by the Federal Reserve Board to be of a financial nature, (2) insurance underwriting and brokerage activities, and (3) real estate investment, development and brokerage activities. Section 9 of this bill specifically amends paragraph 4(a)(2) to add the activities of a depository institution securities affiliate to those activities that a holding company may engage in directly.

Section 9 also sets forth certain grandfather rights for companies that acquired so-called "nonbank banks" prior to July 1, 1983. A company that owned a nonbank bank on July 1, 1983, may continue to operate its nonbank bank, provided that the nonbank bank does not both accept demand deposits and make commercial loans. In addition, such a company may continue to conduct and expand any activity, but only if it was legally engaged in that activity on July 1, 1983, and continuously thereafter. Any expansion of an activity permissible for bank holding companies is, however, subject to any conditions, limitations, or requirements of the Bank Holding Company Act. A grandfathered company automatically loses its grandfather privileges if: (1) it acquires control of an additional bank or insured institution, or if its existing nonbank bank both accepts demand deposit and makes commercial loans; or (2) it begins, after July 1, 1983, to engage in any activities, other than those permissible for a bank holding company, that were not grandfathered pursuant to this Section. Thus, for example, the automatic termination of grandfather rights would be triggered in the event that a bank holding company acquired an FSLIC-insured thrift. In addition, the authority to continue grandfathered activities may be terminated if the Federal Reserve Board determines that such action is necessary to prevent conflicts of interest, to prevent unsound banking practices or is in the public interest.

No grandfather rights are provided for any company that acquires a nonbank bank after July 1, 1983. Therefore, such a company must immediately divest its nonbank bank(s) or conform all of its activities to those permissible for holding companies under the Bank Holding Company Act by the effective date of this legislation.

Section 10. Section 10 amends subsection 4(c) of the Bank Holding Company Act by deleting the current paragraph (8), which permits bank holding companies, after notice and opportunity for hearing and subject to prior approval by the Federal Re-

serve Board, to engage in activities closely related to banking. Section 10 replaces that paragraph (8) with a new paragraph (8), which permits bank holding companies after notice and subject to disapproval (as explained below) by the Federal Reserve Board, to engage in the following: (1) ownership of one or more insured institutions; (2) activities determined by the Federal Reserve Board to be of a financial nature; (3) activities determined by the Board to be closely related to banking or managing or controlling banks; (4) insurance underwriting or brokerage; and (5) real estate investment, development or brokerage (subject to the limitation that no more than 5 percent of the bank holding company's primary capital be devoted to real estate investment and development).

Generally, the bank holding company must submit a notice to the Board 60 days in advance of engaging in any of these activities. However, no notice is required where a bank holding company opens offices de novo or changes the location of existing offices with to change of activities. The Board will, by regulation, prescribe the information that must be submitted, but may not require more information than that relevant to the nature and scope of the proposed activity and to the Board's consideration of the following criteria: (1) the managerial resources of the bank holding company and, if conducted through a subsidiary, the company that will engage in the activity; (2) the adequacy of such companies' financial resources; (3) any practice or arrangement that may affect adversely the independence or impartiality of an affiliated bank in the provision of credit or other services, or may affect adversely the terms or the availability of credit; and (4) any material adverse affect on the safety and soundness or financial condition of an affliated bank or banks. If additional information, not described by regulation, is required for any particular notice, the Board may suspend the notice process, but then must act to disapprove the proposal within 30 days after the additional information is submitted.

The Board has the authority, upon consideration of the four criteria listed above to disapprove the proposal, but must do so within the statutory time period of 60 days (or the 30 day period after submission of additional information). Any such disapproval must be by written order issued by the Board, setting forth the reasons for disapproval.

Section 10 requires the Board, within 180 days after the effective date of this Act, to promulgate regulations listing and describing specific activities that are of a financial nature and specific activities that are closely related to banking, and permitting bank holding companies, after notice and subject to the conditions of this section, to engage in those activities.

In defining activities of a financial nature, the Federal Reserve Board is directed to give primary consideration to the public benefits that result from increased competition among all companies, whether or not depository institution holding companies, engaged in activities of a financial nature. Dramatic changes are taking place in the financial services industry. Distinctions that have previously existed between banking and nonbanking services are becoming increasingly outmoded. Nondepository institutions now offer services that compete with traditional banking services. Nonbanking diversified firms such as Sears-Roebuck and Co., Merrill Lynch & Co., and American Express are rapidly approaching the point where they can offer one-stop financial shopping. It is intended that the Federal Reserve Board, in recognition of these changes, define "activities of a financial nature" in such a manner as to enable bank and savings and loan holding companies to offer a broader range of services that will compete with those offered by other companies not regulated to the same extent as depository institutions and their holding companies. The Board has the right to prescribe limitations on any such activity consistent with the four criteria described above and with safe and sound financial practices.

The Board is further directed, pursuant to Section 10, to revise periodically its regulations to continue to promote expanded competition among all companies engaged in activities of a financial nature and to permit holding companies to engage in additional activities that are closely related to banking. Companies may also petition the Board to add new activities or to expand those already permissible, and it is intended that the Board will act expeditiously on such petitions.

The Board, however, is prohibited from authorizing activities pursuant to this Section that are of the kind described in paragraph 15 of subsection 4(c) of the Bank Holding Company Act, or that are prohibited under Sections 16 and 20 of the Banking Act of 1933 (12 U.S.C. 24 (Seventh) and 377) as amended by this bill. The prohibition against authorizing the activities specified in paragraph 15 is to ensure that any securities activities conducted by a bank holding company are conducted only subject to the conditions and requirements of paragraph 15 of subsection 4(c) of the Bank Holding Company Act.

In repealing the current paragraph (8) of subsection 4(c) of the Bank Holding Company Act, Section 10 of this bill eliminates the limitations on insurance activities added to that paragraph by the Garn-St Germain Depository Institutions Act of 1982. This bill contains no specific limitation on the extent to which a bank holding company may engage, either directly or through a subsidiary, in insurance underwriting and brokerage activities. However, the Federal Reserve Board is authorized to prescribe limitations for the conduct of such activities consistent with the statutory criteria specified in paragraph 8 of subsection 4(c) of the Bank Holding Company Act and consistent with safe and sound financial practices.

In authorizing bank holding companies, either directly or through a subsidiary, to engage in real estate investment, development or brokerage, Section 10 of the bill limits the bank holding company's capital investment in its real estate development and investment activities to no more than 5 percent of its primary capital. Real estate brokerage activities are not so limited. It is the intent of this bill that property management be considered a permissible real estate brokerage activity for a bank holding company.

Section 10 of this bill authorizes bank holding companies to acquire one or more FSLIC-insured institutions. (The bill does not authorize a bank holding company to engage directly in the activities of an FSLIC-insured institution.) Any acquisition under this new authority is also subject to all the limitations, conditions and requirements of the Savings and Loan Holding Company Act. Thus, for example, both the FSLIC and the Board have authority to disapprove any such acquisition. Furthermore, while both the Board (through its cease and desist authority over bank holding company subsidiaries) and the FSLIC may supervise the operations of the FSLIC-insured institution that becomes a subsidiary of a bank holding company, it is expected that the Board will defer to the FSLIC as the primary regulator of the insured thrift in the area of the financial safety and soundness of such subsidiary.

Section 11. Section 11 adds a new exemption to subsection 4(c) of the Bank Holding Company Act to permit bank holding companies, subject to the prior notice and the other requirements and conditions contained in Section 10 of the bill, to acquire shares in any company that engages only in the activities authorized for a depository institution securities affiliate pursuant to that Section. As explained in Section 9 herein, such depository institution securities affiliate activities may be conducted by the bank holding company directly as well as through its nonbank subsidiary.

Subparagraph (i) of Section 11 prohibits any bank holding company that establishes or acquires a securities affiliate pursuant to this Section, or that engages in securities affiliate activities pursuant to Section 9 and this Section, from permitting any of its subsidiary banks to engage, directly or through a subsidiary, in any securities activity one year after the date the securities affiliate first engages in any of the specified securities activities described in subparagraph (iii). The activities that are not permissible for a bank subsidiary, and which therefore may be conducted only by the securities affiliate, include the activities specified in subparagraph (iii) described below and the following activities which are authorized under 12 U.S.C. 24 (Seventh) for banks: securities brokerage activities and dealing in and underwriting (1) obligations of the United States, (2) general obligations of any state or local government, and (3) other obligations listed in paragraph Seventh of 12 U.S.C. 24.

The Federal Reserve Board is authorized by subparagraph (i) of Section 11 to prescribe rules and regulations identifying any securities and securities-related activities in which a subsidiary bank of a holding company may not engage one year after the date its securities affiliate first begins engaging in any activities described in subparagraph (iii). However, this authority does not extend to, and the bill is not intended to affect, the normal funding and investment practices of depository institutions. Accordingly, for example, a depository institution may continue to purchase and sell investment securities for its own account. It is intended that, in the case of brokerage transactions, only the securities affiliate would be permitted to offer securities brokerage services to customers. Bank services such as custodian activities, however, do not constitute securities brokerage services, and it is intended that such services may continue to be conducted in the bank to the extent permitted by law. It is also intended that banks may continue to engage in advisory activities in connection with the private placement of securities and that such activities need not be transferred to the securities affiliate.

Subparagraph (i) further states that in the event a bank holding company terminates the subparagraph (iii) activities of its depository institution securities affiliate, its bank subsidiary or subsidiaries may conduct (through the bank itself or through a sub-

sidiary) any activities that a bank is authorized by law to conduct.

Under subparagraph (ii) of Section 11, a depository institution securities affiliate is authorized to conduct all of the securities and securities-related activities that a national bank is not prohibited from conducting under Federal law.

Subparagraph (iii) of Section 11 specifies activities that may be conducted by a securities affiliate, but that may not be conducted by a bank one year after the date its securities affiliate first begins engaging in any activities described in such subparagraph (iii). The activities specified in subparagraph (iii) include: dealing in and underwriting obligations issued or guaranteed by state or local governments, except most industrial development bonds; [1] organizing, sponsoring, operating, and controlling an investment company and advising such a company; [2] and underwriting and selling securities of any investment company.

All transactions between a bank and its depository institution securities affiliate are subject to the restrictions on interaffiliate transactions contained in Sections 23A and 23B of the Federal Reserve Act. This is discussed further under Section 15 herein.

Section 19 of this bill provides that savings and loan holding companies also may acquire depository institution securities affiliates and may, either at the holding company level or through such affiliate, conduct all of the activities of a depository institution securities affiliate. In interpreting Section 19 of the bill, the discussion of Section 11 above is applicable in relevant part to a savings and loan holding company and to an insured thrift institution as if they were, respectively, a bank holding company and a bank.

Section 12. Section 12 adds a new exemption from the general prohibitions of Section 4 of the Bank Holding Company Act to permit a bank holding company, subject to the prior notice and the other requirements and conditions contained in Section 10 of the bill, to acquire shares of a company engaged in any activities in which a multiple savings and loan holding company was authorized by law or regulation to engage on July 1, 1983. With respect to engaging in real estate investment and development, however, a bank holding company is subject to the limitation that no more than 5 percent of its primary capital be devoted to such activities. As explained in Section 9 of this bill, such activities may be conducted by the bank holding company directly or through a subsidiary. A bank holding company engaged in any such activities is subject to all the requirements, conditions, and limitations that are applicable to a savings and loan holding company engaged in such activities. Furthermore, the Board has the authority either to prohibit any bank holding company from engaging in any activities authorized by the Section or to limit the extent to which a bank holding company may conduct such activities.

Section 13. Section 13 amends the Bank Holding Company Act to provide that, under most circumstances, companies engaged in the securities business may satisfy the Federal Reserve Board's reporting requirements with respect to nonbank subsidiaries by submitting to the Board the same information submitted to the Securities and Exchange Commission under Section 17 of the Securities and Exchange Act. Similarly, all other companies may generally satisfy those requirements by submitting to the Board the same information that would be submitted by reporting companies engaged in similar businesses under Section 13 of the Securities and Exchange Act. The Board may, however, establish lesser reporting requirements by regulation and may require greater reporting in particular cases where circumstances warrant. The bill also directs the Board to limit, where feasible, the examinations of nonbank subsidiaries of a bank holding company by using the reports of other entities and by directing, to the extent feasible, the focus of examinations of nonbank subsidiaries to their financial condition or to those activities that may have a materially adverse effect on either the safety and soundness or the financial condition of a subsidiary bank.

Section 14. Section 14 amends Section 7 of the Bank Holding Company Act to provide that no state may prohibit an affiliation between a national banking association and a company engaged in any of the activities authorized by Section 10, 11 and 12 of this bill.

Section 15. Section 15 amends the Federal Reserve Act (12 U.S.C. 371c) by adding new Section 23B, restricting transactions between a member bank and its affiliates. Although Section 23B applies to transactions between a member bank and all of its affiliates, the Federal Reserve Board is authorized to exempt affiliates from the provisions of section 23B. It is expected that the Board will liberally utilize its authority to exclude subsidiaries engaged in existing nonbank activities. As with Section 23A, new Section 23B is applicable to Federally insured nonmember banks through Section 18(j) of the Federal Deposit Insurance Act. Furthermore, as provided in Section 20 of this bill, the provisions of Sections 23A and 23B are applicable to transactions between a Federally-insured thrift and its affiliates engaged in newly authorized activities.

New Section 23B provides that a member bank and its subsidiaries may engage in certain transactions with any affiliate only if the terms and conditions of the transaction, including credit standards, are substantially the same as, or at least as favorable to the bank as, those prevailing at the time for comparable transactions with nonaffiliated companies. If there are no comparable transactions, the terms and conditions of the transaction must be the same as those that, in good faith, would be offered to or would apply to nonaffiliated companies. Transactions subject to this limitation are:

(1) any covered transaction, as defined in Section 23A, with an affiliate;

(2) a sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

(3) the payment of money or the furnishing of services to an affiliate under contract, lease, or otherwise;

(4) any transaction in which an affiliate acts as an agent or broker or receives a fee for its services to the bank or to any other person; or

(5) any transaction or series of transactions with a third party if (A) an affiliate has a financial interest in the third party, or (B) an affiliate is a participant in such transaction or series of transactions.

New Section 23B prohibits a bank and its affiliates from advertising, or entering into an agreement suggesting, that the bank is in any way responsible for its affiliates' obligations. It makes clear, however, that a bank and its affiliates may use similar names. Thus, a bank holding company may use a common corporate name or symbol for all of its subsidiaries.

Section 23B prohibits a bank and its subsidiaries from purchasing as fiduciary any securities or other assets from an affiliate, unless such purchases are authorized by the instrument creating the relationship, by court order, or by the law of the jurisdiction under which the trust is administered. The Section also prohibits a bank and its subsidiaries, whether acting as principal or fiduciary, from knowingly either purchasing or acquiring, during the existence of any underwriting or selling syndicate, any obligations for which an affiliate or subsidiary of the member bank is a principal underwriter. As used in this section, a principal underwriter means: any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer or an affiliated person of the issuer; (B) acting alone or in concert with one or more other persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution. There is an exception to this prohibition where the purchase is approved by a majority of the bank's outside directors, i.e., directors that are not officers or employees of the bank or any affiliate of the bank. Nothing in this Section, however, is intended to affect the operation of any provisions of the Investment Company Act of 1940.

The final provision of this Section authorizes the Federal Reserve Board to prescribe rules and regulations to administer and carry out the purposes of Section 23B and prevent evasions thereof. Pursuant to these rules and regulations, the Federal Reserve Board may, among other things, further define terms used in this Section and exempt transactions or relationships from the requirements of Section 23B if the exemption is in the public interest.

Section 16. Section 16 amends the Investment Company Act of 1940 to permit an investment company affiliated with a depository institution securities affiliate, but only with the prior approval of the Securities and Exchange Commission, to (1) place or maintain its securities or similar investments in the custody of a bank affiliated with such depository institution securities affiliate; (2) designate any such bank as trustee or custodian; or (3) deposit designated proceeds with any such bank under this Section. The Securities and Exchange Com-

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[1] While there is a general prohibition against dealing in and underwriting industrial development bonds, there are two situations in which depository institution securities affiliates may deal in and underwrite tax-exempt industrial development bonds: (1) if either a state of local government pledges its full faith and credit to guarantee payment of all principal and interest on such bonds; or (2) if the issuer (or the governmental unit on whose behalf the bonds are issued), and only the issuer, is considered to be the sole owner of the financed facility for Federal income tax purposes.

[2] Pursuant to subparagraph (iii), a securities affiliate is authorized to engage in, and a bank under the circumstances described in subparagraph (i) is prohibited from engaging in, offering investment advisory services to any investment company sponsored or managed by a bank's securities affiliate and to any investment company other than a closed-end investment company. Offering investment advisory services to a closed-end investment company not so sponsored or managed, which is not covered by subparagraph (iii), would be authorized to be offered both by such bank (under current Federal law) and by its securities affiliate (under subparagraph (ii) herein, which permits a securities affiliate to conduct any securities-related activity that a national bank is not prohibited from conducting).

mission has discretion to determine whether and, if so, under what circumstances and conditions, a bank and its affiliated investment company may enter into these three kinds of arrangements.

Section 17. Section 17 amends Section 106 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972 et seq.) by adding a provision to permit a trade association to commence, on behalf of a person who is a member of such trade association, any private right of action for injunctive relief against threatened loss or damage as a result of a violation of the prohibitions against tying arrangements contained in the 1970 Amendments. Any action commenced by a trade association under Section 23 would be subject to all the same requirements, conditions, and limitations, including jurisdictional and procedural requirements, as would be applicable thereto if the action had been commenced by the person threatened by the violation. This provision is intended to permit trade associations to bring actions under this Section on behalf of their members, and thus to encourage maximum enforcement of these provisions through private actions rather than relying solely upon the action of supervisory agencies.

Section 18. Section 18 adds new terms and definitions to the Savings and Loan Holding Company Act. As discussed under Section 7 of the bill, the term "depository institution securities affiliate" has the same meaning as it has in the Bank Holding Company Act, except that under this provision it may be owned by a savings and loan holding company. The term "depository institution holding company" means savings and loan holding company; the term "depository institution" means an FSLIC-insured thrift; and the terms "bank holding company" and "bank" each have the meaning given to them in the Bank Holding Company Act.

Section 19. Section 19 amends the Savings and Loan Holding Company Amendments to: (1) subject all unitary savings and loan holding companies to the same restrictions on their activities as multiple savings and loan holding companies; (2) grandfather, under specified circumstances, certain activities of unitary savings and loan holding companies that were in existence on July 1, 1983; and (3) expand the activities authorized for all savings and loan holding companies to parallel those activities authorized under current law and under this bill for bank holding companies. A company that acquires an FSLIC-insured institution pursuant to the emergency thrift acquisition provisions of the Garn-St Germain Act is, however, excepted from the restrictions on business activities generally applicable to savings and loan holding companies under Section 19.

The grandfathering provisions of Section 19 authorize a holding company that was a unitary savings and loan holding company on July 1, 1983, to continue to engage in any activity in which it was lawfully engaged on that date and in which it has been engaged continuously thereafter, regardless of whether or not savings and loan companies may engage in such activities under Federal law.[3] Activities that are permissible for savings and loan holding companies, however, may be engaged in or expanded only subject to all the requirements, limitations, and conditions of the Savings and Loan Holding Company Amendments of 1967. Such a holding company could also continue to expand its existing FSLIC-insured subsidiary through branching or new permissible activities or acquire additional insured institutions provided that each such subsidiary continues to qualify as a domestic building and loan association under section 7701(a)(19) of the Internal Revenue Code. A grandfathered savings and loan holding company will immediately lose its grandfather privileges when (1) the FSLIC-insured subsidiary loses such qualification under the Internal Revenue Code; (2) the grandfathered holding company acquires an FDIC-insured bank; or (3) the grandfathered holding company commences any new activities, other than those permissible for savings and loan holding companies under this bill. No grandfather privileges are provided for any company that acquires an insured institution between July 1, 1983 and the date this legislation becomes effective. Furthermore, the Corporation may terminate these grandfather privileges if, after a hearing, it determines that a termination is necessary to prevent conflicts of interests or unsound practices or is in the public interest.

The second paragraph of Section 19 of this bill lists the activities that are considered permissible for savings and loan holding companies, whether unitary or multiple holding companies. Although a savings and loan holding company is expected to conform its activities to the list of permissible activities, this paragraph does provide a two-year grace period after the formation of a holding company for such holding company to so conform its activities. This grace period is not available, however, to any company that acquires an insured thrift between July 1, 1983 and the date this bill becomes law. This parallels the two-year grace period provided by law to bank holding companies and is intended to be applied in a parallel manner. The activities listed in Section 19 as permissible for savings and loan holding companies include the following activities that were permissible under prior law: performing management services for a subsidiary FSLIC-insured thrift; conducting an insurance agency or escrow business; holding, managing, or liquidating a subsidiary FSLIC-insured thrift's assets; holding or managing properties of an FSLIC-insured thrift subsidiary; and acting as trustee under a deed of trust. In addition, Section 19 adds the following as new permissible activities: insurance underwriting and brokerage; real estate investment, development, or brokerage (provided that no more than 5 percent of a savings and loan holding company's primary capital may be devoted to real estate investment and development); the activities of a depository institution securities affiliate in accordance with the limitations contained in the Bank Holding Company Act as provided in Section 11 of this bill;[4] activities determined by the Federal Reserve Board to be of a financial nature or closely related to banking; the acquisition of shares of an export trading company in accordance with the relevant provision of the Bank Holding Company Act (except with FSLIC rather than Federal Reserve Board approval) and subject to any rules or conditions for the conduct of this activity established by the Federal Reserve Board; the acquisition of shares of any FDIC-insured bank in accordance with applicable laws; and the activities in which multiple savings and loan holding companies may engage directly on July 1, 1983, provided that in the case of real estate investment and development, a savings and loan holding company may only maintain its investments lawfully held on July 1, 1983, and make additional investments that do not increase the total amounts of the holding company's investments in those activities above 5 percent of its primary capital.[5] The FSLIC may prohibit or limit, however, a savings and loan holding company from engaging in activities determined by the Federal Reserve Board to be of a financial nature or closely related to banking. It is intended, through this list of expanded permissible activities, that savings and loan holding companies be allowed to engage in the same activities authorized for bank holding companies, except that the FSLIC may either prohibit any activity for savings and loan holding companies or place limitations on their conduct.

The savings and loan holding company must submit a notice to the FSLIC 60 days in advance of engaging in any of these activities. No notice is required where a savings and loan holding company opens offices de novo or changes the location of offices with the change of activities.

The FSLIC will, by regulation, prescribe the information that must be submitted and any such required information must be relevant to the nature and scope of the proposed activity and to the FSLIC's consideraion of the notice. The FSLIC, in connection with any notice, may consider the same four criteria, discussed under Section 10 of this bill, that the Federal Reserve Board may consider in evaluating similar activities for bank holding companies.

The FSLIC has the authority, upon consideration of the four criteria noted above, to disapprove the proposal within the statutory time period of 60 days (which period may be extended by the FSLIC for an additional 30 days). The reasons for any disapproval issued by the FSLIC must set forth by written order.

Section 19 of this bill authorizes savings and loan holding companies to acquire one of more FDIC-insured banks. (The bill does not authorize a savings and loan holding company to engage directly in the activities of an FDIC-insured bank.) Any acquisition under this new authority is also subject to all of the limitations, conditions and requirements of the Bank Holding Company Act. Thus, for example, both the FSLIC and

[3] Since the Garn-St Germain Act of 1982 already subjected those unitary savings and loan holding company, whose subsidiary FSLIC-insured institution did not qualify as a domestic building and loan association under Section 7701(a)(19) of the Internal Revenue Code, to the prohibitions applicable to multiple savings and loanholding companies, such unitary savings and loan holding companies are not considered to have become subject to those prohibitions by virtue of the enactment of this bill and are therefore not grandfathered.

[4] For purposes of this section, the restrictions set forth in Section 11 that apply to banks and bank holding companies apply to the same extent to thrifts and savings and loan holding companies, respectively. Accordingly, if a savings and loan holding company forms a depository institution securities affiliate, the holding company must transfer all covered securities activities from its subsidiary insured institution(s) to the securities affiliate even where, for example, the subsidiary may have certain grandfather rights with respect to the securities activities conducted by the insured institution through a service corporation.

[5] The proviso concerning real estate investment and development is intended to grandfather a savings and loan holding company's lawful investments in these real estate activities as of July 1, 1983, but to permit additional investments in real estate investment and development only if, after such investment, no more than 5 percent of the holding company's primary capital is devoted to those activities.

the Federal Reserve Board have authority to disapprove any such acquisition. Furthermore, it is expected that the FSLIC will defer to the primary Federal Regulator of the bank *i.e.*, the Federal Reserve Board, FDIC or Comptroller of the Currency, in the area of the financial safety and soundness of a subsidiary bank of the holding company.

Section 20. Section 20 exempts, from the prohibitions against interaffiliate transactions set forth in the Savings and Loan Holding Company Amendments, transactions between FSLIC-insured thrifts and their affiliates engaged in any of the activities added to the list of permissible savings and loan holding company activities under this bill. It also subjects such transactions to the limitations of Sections 23A and 23B of the Federal Reserve Act as if the FSLIC-insured thrift were a member bank. The FSLIC is authorized to promulgate rules and regulations with respect to Sections 23A and 23B in order to define and clarify the applicability of those Sections to FSLIC-insured institutions.

Section 21. Section 21 amends the Savings and Loan Holding Company Amendments to exempt from the prior approval requirements set forth therein the formation of a savings and loan holding company involving a simple reorganization of interests from individual ownership to holding company form. Thus, prior approval by the FSLIC is not required in connection with a reorganization in which a person or group of persons owning an FSLIC-insured thrift transfers shares to a newly formed holding company and receives substantially the same proportional share interest in the holding company that they had in the thrift prior to the holding company formation (except for changes due to the exercise of dissenting shareholder appraisal rights). This is similar, although not indentical, to the exemption from the prior approval requirement for a reorganization to form a bank holding company as discussed under Section 8 of the bill. This section is intended to reduce the time and expense involved in forming a holding company and complements the changes made in the Securities Act of 1933 by Section 4 of this bill.

Under current law, the acquisition of an FSLIC-insured thrift institution is exempt from the FSLIC prior approval requirement if the institution is "acquired in connection with a reorganization in which a person or group of persons, having had control of an insured institution for more than three years, vests control of that institution in a newly formed holding company subject to the control of the same person or groups of persons." This language is subject to several interpretations and is complicated because of the ambiguity surrounding the issue of when "control" is present. Therefore, the bill clarifies the meaning of a "reorganization" that is not subject to the prior approval requirement and provides a more objective criterion for determining whether a reorganization qualifies for the exemption. The requirement that the control group have had such control for three years prior to the holding company formation is deleted, since any change in control involving individuals owning an FSLIC-insured thrift is subject to the Change in Savings and Loan Control Act of 1978 (12 U.S.C. 1703(1)(6)).

Section 22. Section 22 amends the Savings and Loan Holding Company Amendments to prevent states from prohibiting the affiliation of any Federally chartered thrift institution with a company engaged in only the activities newly authorized for savings and loan holding companies under this bill. These activities include: insurance underwriting and brokerage; real estate investment, development and brokerage; depository institution securities affiliate activities; activities of a financial nature and those closely related to banking; owning shares in an export trading company or in an FDIC-insured bank; and any bank holding company activities not otherwise authorized for savings and loan holding companies.

Section 23. Section 23 amends the Home Owners' Loan Act of 1933 to authorize Federally chartered thrift institutions to invest in "depository institution service corporations" but only in accordance with the requirements, conditions, and limitations in the Depository Institution Service Corporation Act set forth in Section 25 of this bill.

Under current law, which is repealed by this Section, Federally chartered thrifts are permitted to invest in service corporations in an amount up to 3 per cent of the thrift's assets (provided that not less than one-half of that investment over one per cent of assets is used primarily for community development purposes). The service corporation must be located in the same state as its parent thrift and its stock must be available for purchase only by thrifts. The law does not, however, provide any definition of a service corporation nor does it provide any description of such a corporation's permissible activities.

The Federal Home Loan Bank Board ("FHLBB") consequently promulgated regulations authorizing thrift-owned service corporations to engage in a wide range of activities far beyond those permitted for Federal thrift institutions. In view of these regulations, the managers of the House and Senate issued a "Joint Explanatory Statement of the Committee of Conference" in connection with the Garn-St Germain Act of 1982 regarding the scope of service corporation activities. In that statement, the managers stressed that Congress, by expanding the general powers of thrifts and not authorizing the FHLBB to permit service corporations to engage in new activities, intended that the FHLBB not approve, in the absence of clear Congressional authorization, any new expansion of service corporation activities (except for activities permitted for Federal thrifts themselves). The managers also stated that the House and Senate conferees reserved the right of their respective banking committees to review activities previously authorized by the FHLBB.

In light of the above, Section 23 of the bill, in conjunction with Section 25 of the bill, specifically describes and limits the types of activities in which a Federally chartered thrift may engage through its service corporation.

Section 24. Section 24 amends the provisions of the Home Owners' Loan Act to permit a trade association to commence, on behalf of one of its members, a private right of action for injunctive relief against threatened loss or damage resulting from a violation of that Act's prohibitions against tying arrangments. This parallels a similar provision with respect to banks, which is discussed under Section 17.

Section 25. Section 25, in effect, repeals the current Bank Service Corporation Act and replaces it with a new act entitled the "Depository Institution Service Corporation Act." This act governs investments in service corporations and operations of such corporations, with respect to both FDIC-insured banks and FSLIC-insured thrifts. Because all depository institution service corporations operate under this provision of law, different types of depository institutions in any combination may invest in such corporations.

In general, the new Depository Institution Service Corporation Act combines certain provisions of the Bank Service Corporation Act of 1982, and the as amended by the Garn-St Germain Act of 1982, and the regulations of the FHLBB regarding service corporation activities, to achieve a comprehensive law for depository institution service corporations.

The definitions in Section 1 of the new Act are taken in large part from the Garn-St Germain Act; however, the definitions of "appropriate Federal supervisory agency" and "depository institution" are expanded in the bill to permit investments by FSLIC-insured thrifts in addition to banks.

Section 2 of the new Act provides limitations on the amount of investment, i.e., 10 per cent of paid-in and unimpaired capital and unimpaired surplus and no more than 5 per cent of total assets. These limitations are taken from the Bank Service Corporation Act of 1962, as amended by the 1982 Act.

Section 3 of the new Act limits the scope of permissible service corporation activities to those contained in the 1962 Act and to certain activities contained in the relevant FHLBB regulations. This Section is intended to limit the activity of service corporations to those primarily of a clerical nature or related to internal operations, in order to assist depository institutions in minimizing the expenses of carrying out their traditional activities. It is not intended to permit service corporations to engage in activities of a retail nature. Thus, the activities that will no longer be permissible include those activities (such as activities closely related to banking) that were added by the 1982 Act, and a variety of business activities permitted for thrift service corporations pursuant to FHLBB regulations. Such prohibited business activities include: making consumer loans; providing tax return preparation services; acquiring, maintaining, managing and developing real estate; and insurance agent or broker services. This Section also deletes the provisions of the 1982 Act authorizing service corporations to provide nondepository institutions with any services that could be provided to depository institutions.

The fourth Section of Section 25 of this bill prohibits depository institution service corporations from unreasonably discriminating in the provisions of services to any nonstockholder depository institution in competition with a stockholder of such depository institution. This provision, derived from the 1962 Act, reflects certain changes made by the 1982 Act.

The fifth Section of Section 25 of the bill is essentially the same as that of the 1982 Act except for certain technical changes made in light of the expansion of investor authority to include thrifts.

The sixth Section of Section 25 of the bill provides grandfather rights to service corporation investors and for service corporation activities where an investment was made and the activities were commenced prior to July 1, 1983, in accordance with then existing laws. As stated in this Section of the bill, any activities engaged in or investment retained or increased pursuant to the grandfather privileges contained in this Section must conform to all conditions, requirements, and limitations applicable to such in-

vestment on July 1, 1983. Thus, all the provisions of law, rule or regulation effective on July 1, 1983, and applicable to any bank or thrift service corporation activity or investment (including limitations on types of activities and investors, investment limitations based upon percent of assets, and geographic and customer restrictions) would continue to be applicable to any grandfathered activity or investment.

In addition to maintaining current activities and investments, a service corporation could expand only those activities that it was engaged in on July 1, 1983, and a depository institution investor could expand its investment provided that such expansion conformed with all laws, rules or regulations applicable to service corporations and investments therein that were in effect on July 1, 1983. Consequently, the activities of service corporations would be grandfathered, and investors' grandfather privileges would permit them to invest in service corporations pursuant to the more permissive laws and regulations in effect on July 1, 1983, without regard to the new Service Corporation Act provided by this bill.

The grandfathering authority provided in the sixth provision of Section 25 would terminate with respect to a service corporation at the time it expands into any new activities that were not engaged in on July 1, 1983, or, with respect to an investor depository institution, at the time it invests in a service corporation in a manner not consistent with the laws and regulations applicable to service corporations as of July 1, 1983.

To eliminate the potential for severe financial problems or other adverse impact on the public interest resulting from required divestiture or termination of activities, the appropriate Federal agency may, upon application, authorize the continuation of such service corporation activities or retention of share interest for up to one year. With respect to any application described in the preceding sentence, it is not intended that a loss of potential profit would be sufficient reason for granting such an extension.

Because many thrift institutions are in mutual form, they are unable to expand their nondepository activities through a holding company, as provided in this bill for stock institutions. Accordingly, it seems appropriate to permit thrift institutions in mutual form to continue to make use of the limited service corporation authority available to them on July 1, 1983. Therefore, the seventh provision of Section 25 authorizes a mutual thrift to invest up to three per cent of its assets in intrastate thrift service corporations subject only to laws and regulations applicable to such service corporations on July 1, 1983. Unlike the other grandfathering provisions of this Act, this provision does not merely provide for the maintenance of the status quo; it authorizes all mutual thrifts, whether or not in existence on July 1, 1983, to invest, within the specified limitations, in any thrift service corporation that may engage in all thrift service corporation activities authorized as of July 1, 1983, whether or not it engaged in such activities on July 1, 1983. The operation of and investment in such a mutural thrift service corporation would be subject to FHLBB regulations, including section 545.9 of Title 12 of the Code of Federal Regulations. Thus, for example, the activities of such a mutual thrift service corporation would not be limited to those specified in Section 3 of this new Act, but would include all of those permissible under FHLBB regulations in effect on July 1, 1983.

THE SECRETARY OF THE TREASURY,
Washington, D.C., July 8, 1983.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On behalf of the Administration I am submitting draft legislation entitled the "Financial Institutions Deregulation Act of 1983" for consideration by the 98th Congress. This proposed legislation represents a substantial step towards a modern and competitive financial system. It is intended to strengthen our domestic financial system and promote a sound foundation for the growth of that system.

Our proposal would authorize all depository institutions—commercial banks, savings banks and savings and loan associations—to expand, through holding companies, the financial services they can offer the public, and thus to compete more effectively with less regulated financial service organizations. Additional competition will provide consumers with more and better financial products and services at lower cost.

Some of the barriers to competition among depository institutions were removed by the Depository Institutions Deregulation and Monetary Control Act of 1980 (P.L. 96-221), which called for the phaseout of the deposit interest rate ceilings, and the Garn-St Germain Depository Institutions Deregulation Act of 1982 (P.L. 97-320), which gave thrift institutions additional investment and lending powers so that they could compete more fully with commercial banks. We are now asking the Congress to go forward and eliminate additional barriers restricting all depository institutions from competing equally and effectively with other financial organizations.

Depository institutions have a unique role in our financial system. Some portion of their deposits are Federally insured, they are vehicles for the implementation of monetary policy, and have access to the Federal Reserve or the Federal Home Loan Bank Board as lenders of last resort. These unique features warrant concern for the safety and soundness of their activities, especially non-banking activities, and enable depository institutions to raise funds at less cost than other financial organizations.

For these reasons, among others, we believe that depository institutions should be able to conduct new financial services only through their parent holding companies or holding company subsidiaries. This framework assures that the funding advantages of depository institutions would not be made available to new activities conducted by other subsidiaries in the holding company which would have to compete for funds on an equal basis with organizations outside the holding company providing similar financial services. In addition, Federal deposit insurance and other government assistance to depository institutions would not be extended to businesses for which such insurance was not originally intended.

We believe the holding company structure is the only appropriate method for expanding depository institution activities and for this reason we oppose the conduct of new financial services activities within depository institutions or within subsidiaries in which the depository institution itself has a direct investment. Our legislation would enable depository institutions to form holding companies more easily and thereby reduce their cost of entering new financial businesses. This simplification is intended to benefit primarily small institutions.

In order to give Congress time to fully consider this proposed legislation the Administration's bill is intended to have a temporary "chilling" effect on depository institution affiliations and expanded activities subsequent to July 1, 1983. Any new aquisition or activity undertaken after this date and before the legislation is passed would have to be divested or restructured to conform with the legislation when finally adopted. Affiliations or activities undertaken prior to July 1 would be grandfathered. Nevertheless, we do not believe that depository institutions or those who wish to acquire depository institutions should avoid new affiliations or expanded activities forever waiting for financial reform legislation to pass. Thus, it is our hope that Congress will act quickly on comprehensive legislation in this area. But if such action is not forthcoming we would propose to modify the effective date of the legislation so that the chilling effect no longer occurs.

The Administration believes that the future structure of the nation's financial system should be designed by Congress and not by individual Federal regulatory action. An economy as complex as ours requires a financial framework that is applicable nationwide but which provides flexibility for other initiatives to keep it sensitive to changing market conditions. We believe our holding company concept provides such a framework. Given the changes taking place in the marketplace and the divergent Federal and state responses to these changes to date, this is not the time to enact a moratorium on innovation. Instead, now is the time for Congress to provide the leadership needed to structure the activities of depository institutions for the future.

This proposed legislation deals with many complex, technical and difficult issues concerning the structure of our Nation's financial system. The debate over the future of the structure of our financial system is one that has been underway for many years. This Administration proposal represents a balanced approach to resolving this debate. We expect an ongoing dialogue with the many interested groups in connection with the bill and the legislative process should bring forth improvements which the Administration is open to consider.

The legislation we are proposing today does not deal with geographic limitations and is not intended to suggest or endorse any particular answer to the question of what agency should ultimately regulate bank holding companies. Later this year, when the Vice President's Task Group on Regulation of Financial Services completes its work the Administration may make recommendations on this latter issue.

With best wishes.

Sincerely,

DONALD T. REGAN.

BOARD OF GOVERNORS,
OF THE FEDERAL RESERVE SYSTEM,
Washington, D.C., July 5, 1983.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR CHAIRMAN GARN: The Board has reviewed the draft bill prepared by the Treasury Department to authorize new nonbanking powers for bank and thrift holding companies. The bill would provide for the use of a holding company as the vehicle for the conduct of nonbanking activities by banking organizations. It would extend the existing nonbanking powers of these companies to include services of a financial nature as well as those closely related to banking. In addi-

tion, the bill would authorize certain securities services, insurance and real estate brokerage, real estate development (with limitations on the amount of capital investment) and insurance underwriting.

I have, in numerous public statements, expressed the Board's support for appropriate expansion of nonbanking activities of banks to allow more effective responses to market incentives, provided that these activities and the manner in which they were supervised are consistent with the public policy objectives flowing from the unique role that banks play in our economy. Accordingly, we have been concerned that, as part of the process of powers expansion, account should be taken of prudential considerations and of the need to maintain the basic separation of banking from commercial and industrial activities. Fulfillment of these objectives, and the overriding need to maintain confidence in our banking system requires, we believe, a certain degree of supervision and regulatory oversight.

The provisions of the Treasury bill recognize these objectives and have the support of the Board. In particular, the terms and conditions for the authorization of expanded powers, and the provisions for follow-on supervision and examination, are sufficient to meet our concerns while not unduly limiting the ability of bank holding companies to compete.

As to the powers themselves, while the Board will require additional time to consider fully whether or not any additional criteria for the insurance or real estate authorities might be appropriate, the Board is broadly in agreement with the additional powers contained in the Treasury bill.

Similarly, with respect to S&L holding company powers, the Treasury proposal is an appropriate and reasonable starting point. At this time we have no specific suggestions to improve them. However, we will be giving this matter further consideration, particularly with respect to assuring competitive balance in powers and benefits among institutions offering similar services.

In addition, there are other matters not included in the Treasury proposal on which the Board may wish to suggest legislative action. These subjects include the need for rules to maintain an appropriate degree of coordination between authorities granted under State and Federal law, the possibility of changes in the laws establishing geographic limitations on banking activities, as well as the need to consider, as part of any comprehensive definition of the term bank, authorizing reserve requirements for companies that offer transaction accounts. The Board intends to expedite its consideration of these issues and make recommendations to you in the near future.

In the past, I have often stressed the urgent requirement for positive banking legislation to address the fundamental need to adapt the banking and financial system to a rapidly changing world. To allow the time for Congress to act on permanent legislation, I have previously submitted draft legislation to avoid a preemption of Congressional discretion in this area.

In our view, the Administration's proposal provides a complementary comprehensive approach looking toward effective competition in the provision of financial services while maintaining the nation's basic interest in the soundness and stability of the banking system. I hope the Congress could act quickly on this comprehensive legislation with a view to completing Congressional action by the end of this year.

Sincerely,

PAUL A. VOLCKER,
Chairman.●

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. MATHIAS, the name of the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 33, a bill to amend title 17 of the United States Code with respect to rental, lease or lending of motion pictures and other audiovisual works.

S. 400

At the request of Mr. MATHIAS, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 400, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 551

At the request of Mr. ROTH, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 551, a bill to amend the Tax Reform Act of 1976 to extend, for an additional 4 years, the exclusion from gross income of the cancellation of certain student loans.

S. 738

At the request of Mr. DANFORTH, the name of the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of S. 738, a bill to amend the Economic Recovery Act of 1981 to make the credit for increasing research activities permanent.

S. 752

At the request of Mr. ARMSTRONG, the name of the Senator from California (Mr. WILSON) was added as a cosponsor of S. 752, a bill to authorize certain additional measures to assure accomplishment of the objectives of Title II of the Colorado River Basin Salinity Control Act, and for other purposes.

S. 764

At the request of Mr. WARNER, the names of the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. JEPSEN), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 764, a bill to assure the continued protection of the traveling public in the marketing of air transportation, and for other purposes.

S. 772

At the request of Mr. HATCH, the name of the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 772, a bill to promote public health by improving public awareness of the health consequences of smoking and to increase the effectiveness of Federal health officials in investigating and communicating to the public necessary health information, and for other purposes.

S. 780

At the request of Mr. SARBANES, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 780, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to require the Administrator of the Environmental Protection Agency to maintain a facility for the biological testing of pesticides under such act.

S. 800

At the request of Mr. STEVENS, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 800, a bill to establish an Ocean and Coastal Development Impact Assistance Fund and to require the Secretary of Commerce to provide to States national ocean and coastal development and assistance block grants from moneys in the Fund, and for other purposes.

S. 829

At the request of Mr. THURMOND, the name of the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 829, a bill entitled the "Comprehensive Crime Control Act of 1983."

S. 980

At the request of Mr. WALLOP, the names of the Senator from Iowa (Mr. GRASSLEY), and the Senator from Iowa (Mr. JEPSEN) were added as cosponsors of S. 980, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 994

At the request of Mr. PRYOR, the names of the Senator from Montana (Mr. MELCHER), the Senator from New York (Mr. MOYNIHAN), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 994, a bill to prohibit the production of lethal binary chemical munitions by the United States and to call on the President to continue and intensify recently begun efforts in the Committee on Disarmament with the Government of the Union of Soviet Socialists Republics and other countries to achieve an agreement establishing a mutual, verifiable ban on the production and stockpiling of chemical weapons.

S. 1080

At the request of Mr. GRASSLEY, the names of the Senator from Mississippi (Mr. COCHRAN), and the Senator from South Dakota (Mr. ABDNOR) were added as cosponsors of S. 1080, a bill to amend the Administrative Procedure Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs, to provide for a periodic review of regulations, and for other purposes.

S. 1145

At the request of Mr. DENTON, the names of the Senator from Colorado (Mr. ARMSTRONG), the Senator from California (Mr. CRANTSON), the Senator from Kansas (Mr. DOLE), the Senator from Ohio (Mr. GLENN) the Senator from Utah (Mr. HATCH), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 1145, a bill to recognize the organization known as the Catholic War Veterans of the United States of America, Inc.

S. 1170

At the request of Mr. PRYOR, the names of the Senator from North Dakota (Mr. ANDREWS), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 1170, a bill to establish a Director of Operational Testing and Evaluation in the Department of Defense, and for other purposes.

S. 1276

At the request of Mr. MITCHELL, the names of the Senator from North Dakota (Mr. ANDREWS), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 1276, a bill to provide that the pensions received by retired judges who are assigned to active duty shall not be treated as wages for purposes of the Social Security Act.

S. 1296

At the request of Mr. SPECTER, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1296, a bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported roses consistent with those maintained by the European Economic Community on imports of roses from the United States and other nations.

S. 1305

At the request of Mr. PACKWOOD, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 1305, a bill to amend the Internal Revenue Code of 1954 to extend the energy tax credit for investments in certain classes of energy property, and for other purposes.

S. 1306

At the request of Mr. MATHIAS, the names of the Senator from Idaho (Mr. SYMMS), and the Senator from North Carolina (Mr. EAST) were added as cosponsors of S. 1306, a bill to amend the patent law to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.

S. 1356

At the request of Mr. D'AMATO, the name of the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1356, a bill to amend chapter 37 of title 31, United States Code, to authorize contracts with law firms for the collection of indebtedness owed the United States.

S. 1382

At the request of Mr. STEVENS, the name of the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 1382, a bill to amend the Communications Act of 1934 to insure availability of basic telephone service at reasonable rates.

S. 1419

At the request of Mr. SARBANES, the name of the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 1419, a bill to amend title XVIII of the Social Security Act to retain the option of direct reimbursement for all providers under the medicare program.

S. 1435

At the request of Mr. WALLOP, the name of the Senator from Nevada (Mr. HECHT) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to housing opportunity mortgage equity accounts.

S. 1462

At the request of Mr. SYMMS, the names of the Senator from North Carolina (Mr. EAST) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1462, a bill to provide for an administration of pay of new Government Printing Office employees under the prevailing rate system and the General Schedule, while protecting the pay of present Government Printing Office employees.

S. 1465

At the request of Mr. LUGAR, the names of the Senator from North Dakota (Mr. ANDREWS), the Senator from Nevada (Mr. LAXALT), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Georgia (Mr. MATTINGLY), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1465, a bill to designate the Federal Building at Fourth and Ferry Streets, Lafayette, Ind., as the "Charles A. Halleck Federal Building."

S. 1563

At the request of Mr. STEVENS, the name of the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 1563, a bill to amend section 204 of the Federal Property and Administrative Services Act of 1949 to authorize the deposit of cash proceeds from the disposal of excess or surplus property into the general fund of the Treasury for use to retire the national debt.

S. 1566

At the request of Mr. ROTH, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1566, a bill to amend title 5, United States Code, to provide civil penalties for false claims and statements made to the United States, to certain recipients of property, services, or money from the United States, or to parties to contracts with the United States, and for other purposes.

S. 1581

At the request of Mr. DOLE, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1581, a bill granting the consent of Congress to the Central Interstate Low-Level Radioactive Waste Compact.

S. 1584

At the request of Mr. DANFORTH, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of S. 1584, a bill to amend the Internal Revenue Code of 1954 to conform the treatment of overall domestic losses with the treatment of overall foreign losses and to conform the foreign tax credit carryover and ordering rules with similar investment credit rules.

SENATE JOINT RESOLUTION 19

At the request of Mr. INOUYE, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 19, a joint resolution to authorize and request the President to designate the period August 26, 1983, through August 30, 1983, as "National Psychology Days."

SENATE JOINT RESOLUTION 55

At the request of Mr. MATHIAS, the name of the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Joint Resolution 55, a joint resolution to recognize the pause for the Pledge of Allegiance as part of National Flag Day activities.

SENATE JOINT RESOLUTION 77

At the request of Mr. DOLE, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 77, a joint resolution designating "National Animal Agriculture Week."

SENATE JOINT RESOLUTION 80

At the request of Mr. HEINZ, the names of the Senator from Kentucky (Mr. FORD), the Senator from Maryland (Mr. MATHIAS), the Senator from Montana (Mr. BAUCUS), the Senator from Illinois (Mr. DIXON), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from New York (Mr. D'AMATO), the Senator from Florida (Mrs. HAWKINS), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of Senate Joint Resolution 80, a joint resolution to grant posthumously full rights of citizenship to William Penn and to Hannah Callowhill Penn.

SENATE JOINT RESOLUTION 85

At the request of Mr. THURMOND, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. CHILES), the Senator from Florida (Mrs. HAWKINS), the Senator from Mississippi (Mr. STENNIS), the Senator from Virginia (Mr. TRIBLE), the Senator from Tennessee (Mr. SASSER), the

Senator from Kentucky (Mr. HUDDLESTON), the Senator from Missouri (Mr. DANFORTH), the Senator from Texas (Mr. BENTSEN), the Senator from Oklahoma (Mr. BOREN), the Senator from Michigan (Mr. RIEGLE), the Senator from Arkansas (Mr. PRYOR), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maryland (Mr. MATHIAS), the Senator from North Carolina (Mr. EAST), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Joint Resolution 85, a joint resolution to designate September 21, 1983, as "National Historically Black Colleges Day."

SENATE JOINT RESOLUTION 113

At the request of Mr. WILSON, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of Senate Joint Resolution 113, a joint resolution to provide for the designation of the week beginning June 3 through June 9, 1984, as "National Theatre Week."

SENATE JOINT RESOLUTION 116

At the request of Mr. KASTEN, the name of the Senator from Illinois (Mr. PERCY), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from California (Mr. WILSON), the Senator from Washington (Mr. GORTON), and the Senator from Massachusetts (Mr. KENNEDY) were added as a cosponsors of Senate Joint Resolution 116, a joint resolution to designate the week of September 4, 1983, through September 10, 1983, as "Youth of America Week."

SENATE JOINT RESOLUTION 119

At the request of Mr. D'AMATO, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to provide for the designation the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week."

SENATE JOINT RESOLUTION 127

At the request of Mr. WARNER, the name of the Senator from Nevada (Mr. LAXALT), the Senator from Alaksa (Mr. MURKOWSKI), the Senator from Missouri (Mr. DANFORTH), and the Senator from Indiana (Mr. LUGAR) were added as a cosponsor of Senate Joint Resolution 127, a joint resolution designating the week of May 27, 1984 as "National Tourism Week."

SENATE RESOLUTION 126

At the request of Mr. WALLOP, the name of the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of Senate Resolution 126, a joint resolution to express the sense of the Senate that the changes in the Federal estate tax laws made by the Economic Recovery Tax Act of 1981 should not be modified.

SENATE CONCURRENT RESOLUTION 52—RELATING TO A UNIFORM IDENTIFICATION METHOD FOR CARS OF HANDICAPPED PERSONS

Mr. DURENBERGER (for himself, Mr. WEICKER, Mr. DOLE, Mr. PERCY, Mr. BOSCHWITZ, Mr. HOLLINGS, Mr. BUMPERS, Mr. RANDOLPH, Mr. NUNN, Mr. GORTON, Mr. ROTH, Mr. KENNEDY, Mr. HEINZ, Mr. ANDREWS, Mr. BRADLEY, Mr. SYMMS, Mr. STAFFORD, Mr. STEVENS, and Mr. HATCH) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs.

S. CON. RES. 52

Whereas, in this Nation there exist millions of handicapped people with severe physical impairments including partial paralysis, limb amputation, chronic heart condition, emphysema, arthritis, rheumatism, and other debilitating conditions which greatly limit their personal mobility;

Whereas, these people reside in each of the several States and have need and reason to travel from one State to another for business and recreational purposes;

Whereas, each State maintains the right to establish and enforce its own code of regulations regarding the appropriate use of motor vehicles operating within its jurisdiction;

Whereas, within a given State these handicapped people are oftentimes granted special parking privileges to help offset the limitations imposed by their physical impairment;

Whereas, these special parking privileges vary from State to State as do the methods and means of identifying vehicles used by disabled persons, all of which serves to impede both the enforcement of special parking privileges and the handicapped person's freedom to properly utilize such privileges;

Whereas, there are many efforts currently under way to help alleviate these problems through public awareness and administrative change as encouraged by concerned individuals and national associations directly involved in matters relating to the issue of special parking privileges for disabled persons; and

Whereas, despite these efforts the fact remains that many States may need to give the matter legislative consideration to ensure a proper resolution of this issue, especially as it relates to law enforcement and placard responsibility: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) the Congress encourages each of the several States to—

(1) to adopt the International Symbol of Access as the only recognized and adopted symbol to be used to identify vehicles carrying those citizens with acknowledged physical impairments;

(2) grant only to those vehicles displaying this symbol the special parking privileges which a State may provide; and

(3) permit the International Symbol of Access to appear either on a specialized license plate, or on a specialized placard placed on the dashboard of the vehicle so as to be clearly visible through the front windshield, or on both such places.

(b) It is the sense of the Congress that agreements of reciprocity relating to the special parking privileges granted handicapped persons should be developed and entered into by and between the several States so as to—

(1) facilitate the free and unencumbered use between the several States, of the special parking privileges afforded those people with acknowledged handicapped conditions, without regard to the State of residence of the handicapped person utilizing such privilege;

(2) improve the ease of law enforcement in each State of its special parking privileges and to facilitate the handling of violators; and

(3) ensure that motor vehicles carrying persons with acknowledged handicapped conditions be given fair and predictable treatment throughout the Nation.

● Mr. DURENBERGER. Mr. President, there are currently millions of handicapped citizens in the United States who suffer from severe physical impairments which greatly limit their personal mobility. In order to offset these limitations, many States have granted special parking privileges.

Unfortunately, handicapped citizens are often impeded in their ability to properly utilize the parking privileges because of variations among the States. Law enforcement officials, unable to ascertain different means and methods of identifying vehicles used by disabled persons, unintentionally have issued parking citations to handicapped individuals who have traveled to other jurisdictions.

Although there are efforts currently underway to help alleviate these problems through public awareness and administrative change, many States have yet to give this matter consideration or take action to adopt uniform policies.

In an attempt to encourage States to resolve this problem, I am submitting this concurrent resolution which expresses the sense of the Congress for the need for a uniform symbol of identification, specifically the uniform symbol of access. My concurrent resolution would also encourage States to honor this uniform symbol and grant general reciprocity to persons displaying the symbol and properly using handicapped parking spaces.

Mr. President, I am hopeful that this concurrent resolution will be adopted by the Senate.●

● Mr. PERCY. Mr. President, I am pleased to join in submitting this concurrent resolution expressing the need for a uniform system of identification of vehicles of disabled drivers.

Millions of Americans suffer from physical impairments which limit their personal mobility. However, a great number of these persons utilize private forms of transportation. States have recognized these persons' limitations, and have responded by granting special parking privileges for the handicapped.

Unfortunately, though, law enforcement officials do not always recognize the identification systems used by other States to indicate which vehicles

are allowed to park in the spaces reserved for the disabled. Because of the variations in designation, parking citations have mistakenly been issued to disabled individuals who have traveled to other jurisdictions. This has resulted in wasted time and expense on the part of the police and the courts, and frustration on the part of disabled drivers.

A national system of vehicle identification as we are encouraging with this concurrent resolution, will help alleviate this problem. Travel for the disabled will be facilitated, and the provision of a clear designation of vehicles eligible for reserved handicapped parking areas will reduce confusion for local police departments. This, in turn, will assist enforcement of the special parking provision.

I urge my colleagues to join us in support of this important resolution to encourage the use of the international symbol of access as a uniform symbol of identification for the vehicles of disabled drivers, and I hope that the States will adopt it as swiftly as possible.●

AMENDMENT SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION, 1984

BYRD AMENDMENT NO. 1458

Mr. BYRD proposed an amendment to the bill (S. 675) authorizing appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes, as follows:

On page 158, between lines 8 and 9, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCE TECHNOLOGY BOMBER PROGRAM FOR ANY OTHER PURPOSE

SEC. 1026. None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program may be used for any other purpose.

GOLDWATER AND PRYOR AMENDMENT NO. 1459

Mr. GOLDWATER (for himself and Mr. PRYOR) proposed an amendment to the bill S. 675, supra as follows:

On page 24, after line 21, insert the following:

Of the amount authorized for Air Force Research and Development not less than $22,477,000 shall be available for research and development of Training and Simulation Technology.

WARNER AMENDMENT NO. 1460

Mr. WARNER proposed an amendment to the bill S. 675, supra, (which was subsequently amended by unanimous consent) as follows:

Add a new section at the appropriate place in the bill the following:

"Of the funds authorized to be appropriated pursuant to Section III of this Act, $20.5 million shall be available for research and development by the Department of the Army for the Military Computer Family. The Secretary of Defense shall make offsetting reductions in lower priority computer application projects authorized in this Act."

DOLE AMENDMENT NO. 1461

Mr. TOWER (for Mr. DOLE) proposed an amendment to the bill S. 675, supra, as follows:

At the appropriate place in the bill insert the following:

LIMITATION ON PRODUCTION OF CERTAIN WEAPON SYSTEMS

SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this Act may be obligated or expended to commence or carry out the full-scale production of any weapon system which has not successfully completed operational testing, until the date on which the Secretary of Defense has transmitted to the Congress a notice as provided in subsection (b).

(b) Each notice transmitted under subsection (a) shall be in writing and shall include a statement that the Secretary intends to commence and carry out the full-scale production of such weapon system, a description of the problems with the weapon system revealed by the operational testing, and a discussion of the risks and the benefits associated with commencing and carrying out full-scale production of the weapon system before operational testing of the weapon system is successfully completed.

TOWER AMENDMENT NO. 1462

Mr. TOWER proposed an amendment to the bill S. 675, supra, as follows:

On page 234, between lines 7 and 8, insert the following new section:

AUTHORITY TO USE FUNDS FOR PROJECT 92-D-109

SEC. 303. Notwithstanding any other provision of law, the Secretary of Energy may obligate and expend funds to carry out Project 82-D-109 if the President approves the use of funds for such project and certifies to the Congress in writing that such project is essential to the national security.

JOHNSTON AMENDMENT NO. 1463

Mr. JOHNSTON proposed an amendment to the bill S. 675, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . (a) Section 1079(a) of title 10, United States Code, is amended—

(1) by striking out the period at the end of clause (5) and inserting in lieu thereof a semicolon and "and"; and

(2) by adding at the end thereof the following:

"(6)(A) liver transplant operations for dependents under age 18 may be provided at hospitals which have been approved for such purposes by the Secretary of Defense and deemed appropriate based upon demonstrated rates of survival and demonstrated abilities to perform the operation after consulting with the Secretary of Health and Human Services and such other parties as the Secretary deems appropriate; and (B) such costs as the Secretary of Defense, after consulting with the Secretary of Health and Human Services, considers appropriate for the acquisition and transportation of any liver donated for any liver transplant operation provided under any such contract may be paid by the Department of Defense under such contract.".

(b) Notwithstanding any other provision of law, the Secretary of Defense or his designee shall take such action as is necessary in the case of contracts entered into before the date of enactment of this Act, including modifying such contracts and making advance payments under such contracts, to provide under such contracts for liver transplant operations and payments authorized by section 1079(a)(6) of title 10, United States Code (as added by subsection (a)).

GOLDWATER AMENDMENT NO. 1464

Mr. GOLDWATER proposed an amendment to the bill S. 675, supra, as follows:

At an appropriate place in the bill insert the following new section: Sec. XX. Subsection (b) of section 401 of the GI Bill Improvements Act of 1977 (Public Law 95-202; 91 Stat. 1449; 38 U.S.C. 106 note) is amended by adding at the end thereof the following new paragraph:

"(3) Under regulations prescribed by the Secretary of Defense, any person who is issued a discharge under honorable conditions pursuant to the implementation of subsection (a) of this section may be awarded any campaign or service medal warranted by such person's service.".

(b) The amendment made by subsection (a) of this Act shall apply to all persons issued discharges under honorable conditions pursuant to section 401 of the GI Bill Improvements Act of 1977, whether such discharges are awarded before, on, or after the date of enactment of this Act.

SPECTER (AND OTHERS) AMENDMENT NO. 1465

Mr. SPECTER (for himself, Mr. D'AMATO, and Mr. HEINZ) proposed an amendment to the bill S. 675, supra (which was subsequently corrected by unanimous consent), as follows:

At the end of the bill insert:

Since relations between the United States and the Union of Soviet Socialist Republics are currently characterized by considerable tension;

Since on-going nuclear arms negotiations on strategic and theater force reductions being conducted by the duly appointed representatives to the respective parleys have not achieved satisfactory results to date;

Since a carefully prepared summit could facilitate the accomplishment of the objectives of these negotiations and lead to a reduction in the risk of nuclear war;

Since a carefully prepared summit could also lead to progress in resolving other major issues troubling relations between the two superpowers;

Since both President Reagan and President Andropov have indicated their willingness in principle to participate in such a carefully prepared summit;

It is the sense of the Senate that the President of the United States and the President of the Union of Soviet Socialist Republics should meet at the earliest practical time to discuss major issues in U.S.-Soviet relations and to work for the realization of mutual, equitable and verifiable reductions in nuclear arms.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Senate Committee on Governmental Affairs will hold a nomination hearing for Bruce Beaudin and Franklin Burgess to be Associate Judges for the Superior Court of the District of Columbia and Judith W. Rogers to be Associate Judge for the Court of Appeals of the District of Columbia on Wednesday, July 20, 1983 in room SD 342 of the Dirksen Senate Office Building. For further information, please contact Ms. Margaret Hecht at 224-4751.

SUBCOMMITTEE ON WATER AND POWER

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public the cancellation of the Water and Power Subcommittee hearing previously scheduled for Tuesday, July 19 at 10 a.m. to receive testimony on S. 752, relating to the Colorado River Basin Salinity Control Act. The hearing will be rescheduled on a date to be announced later.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON NUTRITION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Nutrition of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Tuesday, July 12, to hold an oversight hearing on the commodity distribution program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGING

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Aging of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, July 12, to hold a hearing on judicial access and the elderly.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet in closed session on Tuesday, July 12, to receive a briefing from Secretary Shultz discussing his recent trip.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON WATER RESOURCES

Mr. TOWER. Mr. President, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, July 12, to hold a hearing on authorization of small watershed projects.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 13, in order to receive testimony concerning nominations for the Civil Rights Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LEGISLATION AND THE RIGHTS OF AMERICANS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Legislation and the Rights of Americans of the Select Committee on Intelligence be authorized to meet in closed session on Wednesday, July 13, to hold a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LEGAL RIGHTS OF FARMERS UNDER PIK

● Mr. BUMPERS. Mr. President, the payment-in-kind program is the most extensive and the most expensive production control program ever administered by the U.S. Department of Agriculture. USDA required participants to enter into a legally binding contract in order to obtain benefits under the PIK program, so it is also a very complicated and potentially confusing program for farmers.

A number of legal problems have already arisen in the administration of the program—for example, the problem concerning the income tax treatment of PIK benefits that Congress had to resolve in March. And there will be additional difficulties in administering PIK. Problems such as the tax controversy, and others such as the decision to use the "plant for PIK" provisions of the contract could have a serious affect on the level of benefits participating farmers receive.

For these reasons, it is important that all farmers be aware of their legal rights under PIK. Neil D. Hamilton of the University of Arkansas School of Law agriculture law program has written an article which sets out in a clear and concise fashion what PIK participants need to know about appealing decisions made by their local ASCS committee. I ask unanimous consent to have this article printed in the RECORD following my remarks. This information should be of benefit to all participants who may be affected by the decisions of the local ASCS committee, and should assist USDA in administering the PIK program so as to insure that all participants are treated equitably and fairly.

A different version of this article, which I ask to have printed in the RECORD, was published in Successful Farming, copyright Meridith Corp. (1983), all rights reserved.

The article follows:

WHAT PIK PARTICIPANTS NEED TO KNOW ABOUT APPEALING ASCS COMMITTEE DECISIONS

The high level of participation in the payment-in-kind (PIK) program throughout the country means that PIK will be the single largest production control program ever administered by the USDA. Like other production control programs the PIK program is being administered locally by the county Agricultural Stabilization and Conservation Service committees. It will be the responsibility of these committees to determine who is eligible to participate and who has complied with the program requirements, and then see that these individuals are paid according to the PIK contract. The widespread farm enrollment in PIK means that most farmers will be dealing with their local ASCS committee and will be affected by the determinations made by that committee. Examples of the types of important decisions that a local ASCS committee can make regarding the PIK program include: determinations of compliance with acreage reduction requirements, resolution of tenant complaints against landlords, qualification of uses as conservation uses, determining the amount and the location of grain being received as PIK payment and certifying compliance with the PIK contract requirements.

Because local ASCS committee decisions can determine the amount of benefits a producer will receive or whether he receives any benefits at all, it is important that a producer be aware of the legal rights he has to appeal or request reconsideration of a determination made by the local committee. This is especially true as to the administration of the PIK program for several reasons. Although one hopes that PIK will work smoothly, because the program is new and unique, the administration of the PIK program is being developed by the USDA on a day by day basis. As a result one can expect that more than the usual number of legal and administrative questions, such as the recent flap in Congress over tax treatment of PIK benefits, will develop as the PIK program is carried out. Second, unlike other price support programs, the PIK program is based on a binding contract between the farm producer and the USDA. This contract creates a much more formalized relationship and grants the USDA substantial legal rights to require farmers to conform to PIK program guidelines or pay a penalty for not doing so. All of these factors, the newness of the PIK program, and the importance of the local ASCS decisions, means that the local producer needs to be aware of his legal rights including the right to appeal local de-

cisions to insure that he receives the benefits that he is entitled to receive.

The law requires that the ASCS make available to producers a procedure whereby determinations of the local ASCS committee may be appealed. This right is found in the law authorizing the PIK program, in the federal regulations implementing the program, and in the documents the farmer signed when enrolling in PIK. The form farmers received explaining the PIK program provides a general statement of appeals rights and provides:

Appeal Rights. Producer may appeal to the County Committee for reconsideration of any decision that the Committee makes concerning participation in the program. The appeal must be in writing and be filed within 15 days of the date of notification of the decision.

The actual contents of the farmers appeal rights are found in the Code of Federal Regulations (7 CFR Part 780). There are several important aspects of the appeal rights. These relate to questions of:

Who can appeal;

In what form must the appeal be made;

When must the appeal be made;

What type of hearing will be held on an appeal;

How far can a producer appeal.

WHO CAN APPEAL

The ASCS appeal procedures are available to any "producer or participant" which means any person whose right to participate or receive payments is affected by a determination of the county committee, State committee or Deputy Administrator of ASCS.

TYPES OF APPEAL

There are two forms of appeal that a producer can make. These are (1) reconsideration of an initial decision by the party making the initial decision; (2) appeal of a reconsideration to the next highest reviewing authority in the agency.

Any producer or participant who is dissatisfied with an initial decision made by the local or state ASCS committee can request that body to reconsider the initial decision. If the producer is dissatisfied with the result of the reconsideration (for example, the county committee reaffirms its initial decision) then the producer can appeal that action to the next highest level. An appeal of a county committee's reconsideration would be to the state committee. An appeal of the state committee's reconsideration of its own decision, or of its decision on an appeal of a county committee reconsideration would be made to the Deputy Administrator of ASCS.

HOW TO APPEAL

A producer or participant begins an appeal or reconsideration in the same manner, by filing a written request with the county committee. This request must be in writing, signed by the producer or participant and must be supported with facts, which may be submitted with the request or at a later time. The producer or participant can request one of two types of review:

(1) An informal hearing before the local committee; or

(2) A determination to be made by the reviewing authority, without a hearing on the basis of written material submitted by the party.

WHEN TO REQUEST AN APPEAL

A request for a reconsideration or an appeal must be made within 15 days after the written notice of the determination that is being appealed, is mailed or otherwise made available to the producer or participant. The reviewing authority does have the power to consider a request made later than 15 days if in its judgment the circumstances warrant such action or if the request was delayed because it was filed with the wrong reviewing authority.

NATURE OF THE HEARING

If a hearing is requested it will be held at a time and place designated by the reviewing authority and conducted in a "manner deemed most likely to obtain the facts relevant to the matter in issue." Producers or participants have a number of rights concerning the handling of the informal hearings:

(1) They must be advised of the issues involved;

(2) They or their representative, such as an attorney, must be given a full opportunity to present facts and information, both oral and documentary relevant to the matter;

(3) They have the right to question other witnesses the reviewing authority may use;

(4) They have the right to obtain a verbatim transcript of the hearings, but only if:

(a) They request it prior to the hearing, and

(b) Agree to pay for the expenses, or

(c) If the reviewing authority feels the nature of the case is such "as to make such a transcript desirable".

FORM OF THE RECORD

In cases where a transcript is not made, the reviewing authority is required to make a record of the hearing. This record must be in writing and contain a clear, concise statement of the facts as asserted by the party and as found by the reviewing authority, the names of the interested parties appearing at the hearing, and the identity of the documents presented into evidence. Prior to its decision, the reviewing authority can ask the producer to present additional evidence and may develop additional evidence from other sources.

DETERMINATION OF AN APPEAL

After a hearing or review has been held on a request for reconsideration or appeal, the decision maker must notify the producer or participant, in writing, of the determination and the basis for it. The decision can be to:

(1) Affirm;

(2) Modify; or

(3) Reverse, any determination made by it initially or by a lower body, or the decision can be to send the matter back to the lower body for reconsideration. If a party is dissatisfied with the determination it can ask the reviewing authority to reopen the hearing, for any reason it deems appropriate, as long as the matter has not been appealed to or considered by a higher body. The reviewing authority can also reopen a matter on its own motion.

HOW MANY APPEALS

If the producer is appealing the decision of the local committee it appears that there are 3 levels of appeal available:

(1) Request the local committee to reconsider the initial decision;

(2) Appeal of that reconsideration to the state committee;

(3) Appeal of state committee decision to the Deputy Administrator. A decision of the Deputy Administrator is not appealable within the agency. However, the law does provide that senior officials in the USDA, such as the Secretary or Administrator of the ASCS, can on their own motion:

(1) Determine any question arising under the programs to which the regulations apply; or

(2) Reverse or modify any determination made by a state or county committee or the Deputy Administrator.

This means that even though the Deputy Administrator is the last level of appeal that a producer has as a matter of right, he can communicate with senior USDA officials to convince them to review the lower decision.

Of course there is one final appeal right that a producer may have and that is to appeal the ASCS determination in federal court. There are two important points to remember about court appeals of ASCS actions:

(1) The producer must have used all the available agency appeal steps; and

(2) The law provides that agency determinations of factual questions are final and not appealable.

This means that the only questions that can be appealed to court are legal questions such as the way a program is being administered, or the interpretation of a provision. It must be remembered that if one has the right to an appeal but does not use it or does so improperly the right can be lost. This is true when dealing with ASCS. The appeals procedure discussed above provides an important protection to a farmer's right to participate in government farm programs. While no one likes to become involved in legal disputes, if a dispute over eligibility to participate in a government farm program should arise, farmers should be aware of the rights made available to them to protect their interests. Anyone who feels he has been unfairly or illegally treated under a farm program, such as PIK, should consider contacting his attorney and the ASCS about appealing that decision.●

A GROWING STORM OVER INTEREST RATES

● Mr. BIDEN. Mr. President, the critical issue of interest rates is one that will not go away.

Interest rates in the United States have been at unreasonably high levels for 4 years now. Last summer, nominal interest rates began to recede as inflation fell. As welcome as that interest rate relief was, it is a fact that real interest rates—interest realized after inflation—have not fallen much, if any. Yet despite these high levels of real interest, the economy has clearly begun a recovery.

But now nominal and real interest rates are beginning to climb again, despite favorable inflation rates. Most ominously, mortgage rates are rising again, as symbolized by the recent increase in the FHA rate to 12.5 percent just last week. Conventional mortgage rates have seen a similar increase. The question is, Can we realize the needed levels of business investment to make this recovery a strong and lasting one, if interest rates are rising from already high levels? Can we have the broad housing market recovery, the level of auto sales, the extent of consumer activity that are required to assure continued recovery in all segments of our economy?

Given the extent of the recovery so far in the face of high real interest rates, the answers to those questions are not crystal clear. But the likelihood according to most economists is that the recovery cannot continue strongly if interest rates climb much further. Nor is it completely clear what the answers are to keeping interest rates down. However, it is clear that we must work to reduce Federal deficits even faster than provided in the recently passed budget resolution.

In the New York Times this past Sunday, July 10, 1983, there was an interesting article by H. Erich Heinemann discussing this very problem. Because of the importance of this issue to the economic health of the country, and to the millions of still unemployed individuals, I ask that the article, entitled "A Growing Storm Over Interest Rates" be printed in the RECORD.

The article follows:

[From the New York Times, July 10, 1983]

A GROWING STORM OVER INTEREST RATES

(By H. Erich Heinemann)

Next Thursday, when Paul A. Volcker rides up to Capitol Hill to testify on his renomination as chairman of the Federal Reserve, he might well ask himself how he got into such a predicament. If there was ever a time when the chairmanship of the Federal Reserve System was a thankless task, this is it.

Even before Congress formally approves him for the post, Mr. Volcker is caught smack in the middle of a politically explosive confrontation with the White House over interest rates—and more specifically over what the Fed should do about the discount rate, the interest it charges members banks for loans.

Several regional Federal Reserve banks have reportedly proposed that the discount rate be raised to 9 percent from 8.5 percent. In part, the move would simply reflect the recent rise of interest rates in the open market; but it would presumably also provide a signal of the Fed's determination to fight inflation by dampening the rapid money supply growth that has prevailed in recent months.

Proposals to lift the discount rate are frequently made by regional reserve banks, only to be rejected or deferred by the Federal Reserve Board in Washington, which has the final say. However, Larry Speakes, the Presidential spokesman, was not taking any chances last week. "We don't want the discount rate raised," he said flatly.

This episode has the basic elements of good political theater. But there are fundamental bread-and-butter issues in the contretemps that will surely confront Mr. Volcker on Capitol Hill next week. Will interest rates continue to increase? What effect will the jump in credit costs of a percentage point or more over the last two months have on the economy? Does the Fed intend to tighten up?

Worries over interest rates are common these days—and perhaps realistic. Higher interest rates, says Robert H. Parks, chief economist for the brokerage firm of Moore, Schley & Cameron, could well cause the recovery to "self-destruct" and produce another recession by next spring. This is a minority view at present, but economists generally seem to be agreed that if—contrary to expectations—the cost of credit should keep climbing as it has during the past two months, then the recovery could, indeed, be in trouble.

The monumental task before the Administration and the Federal Reserve is to keep the economy rolling, yet at the same time to keep the genie of inflation safely inside its bottle. Without doubt, the issue will stay in the headlines this summer. The Fed's Open Market Committee will be debating the central bank's role in meeting this challenge during a closed session Tuesday and Wednesday; Mr. Volcker will testify on his renomination Thursday and he will return to the Hill the next Wednesday to spell out Fed policy plans for the next 18 months, as required by the Humphrey-Hawkins Act.

The story behind the confrontation between the White House and the Fed began almost exactly a year ago. Then, faced with a stagnant domestic economy, unemployment moving toward a post-depression record and the risk that billions of dollars in debts owed by developing countries would go unpaid, the Fed began to pump money into the American economy.

Within a few weeks, the medicine started to take effect: Interest rates tumbled and the stock market surged. Both moves set the stage for the recovery in real activity now taking hold in the United States and other industrial economies, and helped to postpone at least temporarily a major crisis in overseas financial markets.

More recently, however, the easy money medicine has begun to produce some toxic side effects. Participants in the financial markets have become concerned about the risk of renewed inflation. And there is a threat of a continuing rebound in interest rates that could dampen the revival in economic activity on which Mr. Reagan is pinning his hopes for re-election.

Since early May, yields in the open market on Government and corporate obligations have risen by about a percentage point. More relevant to the average American, the rate on conventional fixed-rate home mortgages purchased by the Federal National Mortgage Association in its regular weekly auctions stood at 13.65 percent last Wednesday, up from 12.3 percent on May 11. According to Timothy Howard, vice president and chief economist at Fannie Mae, if these market rates do not recede soon it will only be a matter of time until there is a similar increase in posted mortgage rates actually paid by homebuyers.

Now that the Reagan Administration—and many Congressional leaders, too—have made clear that they want to keep a lid on interest rates, Mr. Volcker may well come in for criticism no matter what he does. If he tries to slow the rapid rate of monetary growth and tighten policy, interest rates are likely to rise further. If he allows the money supply to keep surging, inflationary expectations will rise, which will also push rates up—possibly to even higher levels than the slower-money growth strategy.

Despite the political meddling with Federal Reserve policy—by an Administration nominally committed to preserving the central bank's traditional independence—the fact remains that the forces driving interest rates in recent weeks are acquiring a momentum of their own.

The year-long move to easy money along with a highly expansive fiscal policy have generated a strong economic recovery, and with it the beginning of an upturn in the overall demand for credit and rising inflationary expectations. If the Fed were to try to hold down interest rates in this environment, as J. Charles Partee, a Fed board member, put it in a classic statement several years ago, these efforts "would inevitably generate more rapid monetary expansion, thereby feeding new inflationary pressures."

Mr. Partee warned that "any serious effort" by the Federal Reserve to peg interest rates at a predetermined level would most likely produce results "quite perverse from the standpoint of economic stabilization." The Fed would end up supplying too much money to the economy during periods of expansion, he said, and too little during periods of contraction.

The Fed's job is complicated, too, by the chorus of politicians, economists and bankers, at home and abroad, demanding that the United States act now to lower, not raise, the cost of credit. For example, Representative James C. Wright Jr. of Texas, the Democratic leader in the House, has introduced legislation backed by more than 100 co-sponsors to require the Federal Reserve to establish targets for real, inflation-adjusted interest rates.

Overseas, French officials—among others—are telling anyone willing to listen that the United States has been using high interest rates to suck savings from the rest of the world in order to finance its swollen budget deficit. This emasculates investment and economic recovery in the industrial countries in Europe, the French charge, and compounds the difficulties of developing countries struggling to pay overdue debts.

Within the Federal Reserve itself, Mr. Volcker and his colleagues have been in a quandary over how to conduct monetary policy to achieve the goals of lower interest rates and noninflationary economic expansion that all agree are desirable. The Fed's three-year experiment with setting targets for growth in the money supply was largely abandoned last fall, but no new consensus has emerged on what should take its place.

Benjamin M. Friedman, professor of economics at Harvard, charges that the Fed's operating procedure between October 1979 and October 1982 led to a big increase in the volatility of interest rates, but without an improvement in control of the money supply, "nor for that matter, any other apparent gain." Interest rates have been more stable this year than last, but at the cost of a steady acceleration in monetary growth.

Meanwhile, the Treasury's huge borrowing requirement—more than $200 billion at a seasonally adjusted annual rate this summer—hangs like a cloud over the credit markets. "The most important and the most urgent task for policy is to exert downward pressure on U.S. interest rates," says Günther Schleiminger, general manager of the Bank for International Settlements, the central banks' central bank in Basel, Switzerland. This falls "fairly and squarely," he said, "on the shoulders of those in charge of fiscal policy."

Despite these concerns, the most common view is still that the rise in rates since early May is a temporary affair. According to Robert J. Eggert, an economic consultant based in Sedona, Ariz., who conducts regular monthly surveys of professional forecasters, "a relatively flat pattern in both short- and long-term interest rates continues to be the consensus forecast.

"Except for the prime rate," he continued, "the latest roundup even suggests a slight easing from the percentage-point advance in most rates during the past several weeks."

The 41 participants in Mr. Eggert's survey expect that the prime rate, which is now 10.5 percent, will average 10.9 percent in the first quarter of next year, while other market rates will be essentially unchanged from late-May levels.

But Mr. Eggert cautioned that "there is an unusually wide range" in the individual forecasts that make up this view, "which in the past has tended to diminish the accuracy of the average."

There are no precise calculations of the flash point at which rising interest rates will begin to choke off economic activity, but economists are agreed that it is not far above present levels. Since last summer, interest rates in the United States have retreated only partly from the bone-crushing levels that were reached during the turbulent period from 1980 through 1982.

At their low points in May, yields on Government bonds, high-grade corporate obligations and Federally-insured home mortgages were all still in double digits—levels that would have been considered severely restrictive only a few years ago.

Plainly, credit costs are as critical to the economic outlook as they are to Mr. Volcker's political position in Washington. The business sectors that have played the largest role in the upturn this year—housing, autos and inventory investment—are all highly sensitive to actual and anticipated interest rates. This is also true of corporate investment in fixed plant and equipment, which sooner or later will have to came back on stream if the recovery is to be sustained.

Moreover, some analysts question whether there has been any decline all in real, inflation-adjusted interest rates, a factor that may have the greatest influence of all on economic activity. Calculations by the Bank for International Settlements indicate that real bond yields averaged 7.5 percent in the United States during the first quarter of 1983, up from 6.5 percent in 1982, 3.2 percent in 1981 and a negative real return of 1.8 percent in 1980. Over the decade from 1963 through 1972, real bond yields in the United States averaged 2.7 percent.

Equally important, according to the B.I.S. data, real interest rates in this country appear to be significantly higher than comparable rates in other industrial nations. The high real return on dollar assets has attracted investment funds to the United States, which in turn has led to sustained overvaluation of the dollar in the foreign exchange markets and sustained weakness in exports of American products.

The 1983 annual report of the B.I.S., which generally reflects the views of the European financial establishment, was published last month. In effect it presented a menu of factors that the Administration and the Federal Reserve will have to deal with if the "unusually high" level of real interest rates in the United States is to be reduced. The report cited three factors in particular:

An "inappropriate policy mix," which is economic jargon for the oversized Federal deficit.

A growing weakness in corporate balance sheets, which has raised the "risk premium" in interest rates paid by corporate borrowers to compensate for possible credit defaults.

A persistent doubt "whether a resurgency of inflation can be avoided."

"The Federal Reserve could no doubt push down short-term interest rates," said Mr. Schleiminger of the B.I.S., "but it is highly improbable it could keep them low." Simply accommodating the Treasury's borrowing needs, he said, would be "a sure recipe for a revival of inflationary expectations. . . . To create conditions for a lasting recovery, the burden of initiative lies on fiscal policy," including both lower expenditures and higher taxes.

If this analysis is correct, then Mr. Volcker's course is perilous. He is sure to be held accountable by the politicians for what happens to interest rates. But whether rates actually come down could depend as much on what happens in the White House and on Capitol Hill as at the Fed.●

THE CLOSE FRIENDSHIP BETWEEN THE UNITED STATES AND THE NETHERLANDS

● Mr. LUGAR. Mr. President, during the Memorial Day recess, I led a delegation of the U.S. Senate to Europe. During the trip, we participated in a moving ceremony commemorating the more than 8,300 Americans who died in World War II liberating Europe.

The mayor of Margraten, Michiels van Kessenich, presented to our delegation a commemorative plate celebrating more than 200 years of friendship between the United States and the Netherlands. On behalf of the delegation, I would like to present the plate to the U.S. Senate and display it permanently in the Senate Foreign Relations Committee.

I am confident that the past 200 years are indicative of the close friendship which will continue between the peoples of the United States and the Netherlands.●

THE NEED FOR STATISTICAL RESPONSIBILITY

● Mr. SASSER. Mr. President, I would like to take just a few moments to bring to the attention of my colleagues an article which appeared in the June 19 edition of the Washington Post. The article was written by Mr. Robert Greenstein, who is the director of the Center on Budget and Policy Priorities in Washington, D.C.

I believe Mr. Greenstein touches upon a most appropriate issue. It has to do with the way in which different people are able to employ the same set of statistics, yet arrive at very different results. Not only does the article raise ethical questions concerning manipulation, it raises the larger question concerning the possibility of deliberate misrepresentation.

The celebrated revelations of Budget Director Stockman in the September 1981 Atlantic Monthly article raised serious doubts about the credibility and accuracy of the numbers developed by the administration's most prominent economic forecasting arm, the Office of Management and Budget. Mr. Greenstein, in his article, points out that the imaginative energies of the OMB are still very much intact.

As a member of the Senate Budget Committee, I am all too well aware of the reliance we have upon accurate statistical projections. They are, to a very large extent, the very lifeblood of the budget process. As such, enormous Federal budget deficits are to a certain degree the product of projections based on faulty assumptions.

We must insure that our statistical projections are as accurate as humanly possible. Yet, as Mr. Greenstein points out, it appears as though the OMB and Mr. Stockman are treating with casual disregard the rigorous standards of statistical preparation, analysis and projection implicit in OMB's missions and explicitly outlined in the Congressional Budget Act of 1974.

The message is clear: In order to conduct the business of the country in a professional and responsible manner, we cannot afford to have business as usual at the OMB. It is now time to take this business seriously, and I implore Mr. Stockman to do so.

Mr. President, I ask that the article by Mr. Greenstein be printed in the RECORD.

The article follows:

STOCKMAN IS STILL COOKING THE NUMBERS—NOW HE WANTS US TO BELIEVE REAGAN IS FAIR

(By Robert Greenstein)

David Stockman is at it again. After he confessed to rigging the computers in 1981 to make the prospective Reagan deficits shrink, one would have thought that the budget director had had his fill of numbers juggling. But it was not to be. This time, of all things, Stockman has been fiddling with figures in the hope of demonstrating how fair the Reagan administration really is in its treatment of rich and poor.

Stockman unveiled his latest statistical wizardry before the Congressional Joint Economic Committee last month. He came fully equipped with charts, each to illustrate a remarkable assertion.

Claim 1: The poor have been affected only marginally by Reagan administration budget cuts. Indeed, if all of its proposed cuts for fiscal 1984 were enacted, Stockman contended, low-income benefit programs (food stamps, Medicaid, low income housing, child nutrition, Supplemental Security Income and Aid to Families with Dependent Children) would still be reduced only 5 percent below the levels sought by Jimmy Carter.

Claim 2: Large parts of programs for the needy weren't serving the poor anyway. Before the Reagan cuts, Stockman maintained, more than two-fifths of the benefits of low-income programs went to families with incomes exceeding 150 percent of the poverty line.

Claim 3: The wealthy really were not the big winners in the 1981 tax-cut act. In fact, he asserted, they had received less than 1 percent of the benefits.

It was an impressive performance, even it was based on some peculiar evidence.

Start with Stockman's contention that actual spending for low-income benefit programs in fiscal 1982 and 1983—plus Reagan's proposed spending for fiscal 1984—is only 5 percent below the levels sought in these years in the last Carter budget.

Here Stockman has deftly made use of the high unemployment experienced under the Reagan administration in an effort to bolster his case. The costs of a number of these basic benefit programs vary with unemployment levels—when more people are out of work, the number of households qualifying for the programs multiplies and program costs rise. By one estimate, for example, food stamp costs rise about $600 million for every percentage-point increase in the jobless rate.

The Reagan budget numbers Stockman cited reflect the impact of 10 percent unemployment on the costs of these programs. By contrast, the Carter budget numbers used by Stockman were calculated back in 1981, based on projections that unemployment would average only about 7 percent in the 1982-84 period. The result: Stockman was able to use the additional costs in the Reagan budget stemming from higher unemployment to make Reagan's spending levels look closer to Carter's—thereby making the Reagan cuts appear smaller than they actually are.

Stockman was not content to stop his strange comparison there. Further manipulations occurred when he adjusted the Carter and Reagan budgets for inflation, converting both to "constant 1981 dollars."

To do this, Stockman adjusted downward both the actual Carter and the actual Reagan budget numbers for 1982, 1983 and 1984. He reduced the projected Carter spending levels for 1983 by 16 percent—since the Carter budget had projected that prices in 1983 would be 16 percent higher than in 1981. And he adjusted the Reagan numbers for 1983 downward by just 10 percent—the inflation level for 1981-1983 reflected in the Reagan budget. Since the Carter numbers were reduced by larger percentages than the Reagan numbers, this made Carter spending levels appear smaller in relation to Reagan's.

To be sure, such adjustments are valid in most cases—but not for two of the major programs, Medicaid and subsidized housing.

Medicaid budgets are based on projections of inflation in health care costs rather than on projections of the overall inflation rate. When you do the proper inflation adjustment—using health care costs rather than overall inflation—you discover that the Reagan Medicaid cuts are about $2 billion deeper for the 1982-1984 period—or more than double what Stockman indicated.

Equally egregious was Stockman's manipulation of the housing numbers. A substantial portion of federal outlays for subsidized housing consists of fixed costs under long-term contracts for construction or rehabilitation. These costs do not vary with inflation any more than a homeowner's fixed monthly mortgage payments do. Stockman had no business adjusting these fixed costs for inflation. However, Stockman adjusted these costs anyway, and reduced the fixed payments in the Carter housing budget by a greater percentage than he reduced the identical fixed payments in the Reagan budget.

This bit of legerdemain made it appear that Ronald Reagan—whose administration has cut billions from new appropriations for subsidized housing, raised rents for all 3.5 million families and elderly persons living in subsidized units, and reduced the number of new low-income housing units being constructed or rehabilitated by more than half—actually spent more on these programs over the past two years than Carter would have.

How significant are Stockman's manipulations? A new Congressional Budget Office analysis shows that as a result of the last two years of budget reductions, fiscal 1983 expenditures for the low income benefits programs were cut $5.2 billion below what they would have been had no changes been made by Congress. Stockman's chart, however, showed a reduction of only $1.7 billion. In other words, Stockman made two-thirds of the Reagan cuts disappear.

The administration's reductions, of course, would have been far deeper had all of its proposed cuts in aid to the poor been enacted. Of $20 billion requested last year in further cuts in these programs for the 1983-1985 period, Congress agreed to less than $4 billion.

Among the reductions rejected outright were administration proposals that would have doubled rents over several years for some of the poorest families living in subsidized housing, ended or reduced food stamps for more than 90 percent of the elderly who receive them, and sliced 700,000 low-income pregnant women and children from a food supplement program that has been proved to reduce infant mortality.

So much for Stockman Claim 1.

Next, Claim 2: that large chunks of benefits have been going to persons far above the poverty line. Indeed, Stockman maintains that before Ronald Reagan came to the rescue, average workers were being taxed to bring welfare families up to virtually the same standard of living as themselves.

Specifically, he contends that in 1981, 42 percent of all benefits in these programs went to families over 150 percent of the poverty line, and that 150 percent of the poverty line for a family of four that year was $13,390—or 92 percent of the median annual income for employed workers.

The misuse of statistics is particularly striking here. First, Stockman has compared 150 percent of the poverty line for a family of four ($13,390) to the median income for an individual worker. Sorry, but you can't do that. The real numbers go like so. The median income for a family of four in 1981 exceeded $26,000—not $13,390—and 150 percent of the poverty line is about half—not 92 percent—of the median income for a comparably sized family.

Then Stockman counted as part of the income of program beneficiaries the value of health insurance coverage provided by Medicaid and the benefits from living in subsidized housing—but he did not include in his median income figures for workers either the comparable fringe benefits for employer-paid health insurance or the tax subsidies for mortgage and medical payments that many middle-income families receive. This makes for a neat comparison of apples and oranges.

When you do these comparisons properly, you find that the income and benefits of those participating in the federal programs were far below the living standards of average American families—even before the Reagan budget cuts took effect.

Nor is Stockman's claim valid that 42 percent of low-income benefits went to families over 150 percent of the poverty line. While these figures are derived from Census data, Stockman misuses the evidence in ways that the Census Bureau itself warns against.

Drawing on the Census Bureau's work, Thomas C. Joe, a former Nixon administration welfare expert who now directs the Center for the Study of Social Policy, has prepared a devastating critique that shreds Stockman's claims on this issue.

A number of Stockman's "high-income" families were actually unemployed and receiving federal benefits for just a few months in 1981. Once back to work, they stopped receiving aid. But Stockman's figures reflect families' incomes for all of 1981 (rather than just for the months they actually received benefits), which enables Stockman to count many of these families as "high income" beneficiaries. The Census Bureau explicitly warns about this problem in the data, but Stockman ignored the admonition.

Similarly, the Stockman data distort income patterns when the composition of a household changes. The data attribute to households the income earned during the entire year by persons who were household members for only a small part of the year. Yet the absence of households members for part of the year (especially deserting fathers) may be the very reason that the remaining family members needed aid. The Census Bureau warns about this, too, stating that the data "may not always reflect the true economic status of the household during the year."

In short, the numbers Stockman uses have a major impact in exaggerating the number of high-income households receiving aid. When those distortions are removed, the picture is quite different. For example, Agriculture Department evidence that is free from these distortions shows that no more then three tenths of 1 percent of food stamp benefits in 1981 went to families whose cash income exceeded 150 percent of the poverty limit for the months they received food stamps.

While these manipulations are disturbing, Stockman's numbers juggling reaches its zenith in his description of administration tax policies.

The wealthy, according to Stockman, received all of their tax cut when the top tax rate was lowered from 70 percent to 50 percent. Since this change constituted less than 1 percent of the tax benefits from the 1981 tax act, Stockman tells us, the wealthy ended up with less than 1 percent of the largesse and can hardly be described as the prime beneficiaries.

These startling conclusions contrast sharply with the findings of virtually every independent study of the 1981 tax act. The Joint Congressional Committee on Taxation, for example, found that the wealthiest 5 percent of taxpayers would gain 35 percent of the benefits from the tax act. Congressional Budget Office studies have shown that in fiscal 1982 through 1985, the tax and budget changes enacted under the Reagan administration will take more than $20 billion in benefits away from households with incomes below $10,000 a year—while increasing the after-tax incomes of those making more than $80,000 a year by $64 billion.

How did Stockman get such different results?

First, his claim that lowering the top rate represented all of the tax cuts for the wealthy is nonsense. He simply ignores the plethora of new loopholes and expanded tax breaks incorporated into the 1981 act, such as the changes in estate taxes, IRA's and Keogh's, the All Savers Certificate and dividend reinvestment.

Second, Stockman carefully limited his definition of the wealthy (without informing his audience) to the top two-tenths of 1 percent of all taxpayers, those with incomes of more than $200,000 a year. This suited his purposes admirably: With so few taxpay-

ers defined as wealthy, their aggregate tax benefits would not look so large. The sizable tax benefits going to the much larger number of taxpayers in the $50,000-$200,000 range were simply excluded from his calculations.

Moreover, Stockman omitted the fact that the elite group he did define as wealthy received, on average, a whopping $22,000 apiece just from the changes in tax rates—before even counting the new tax shelter opportunities. Ronald Reagan himself saved $90,000 on his taxes last year because of the 1981 act. His after-tax income went up almost as much as if his salary had doubled.

The final part of Stockman's tax presentation was an attempt to discredit independent studies showing that those with high incomes received very large tax breaks. The problem with the studies, Stockman declared, was that for the wealthy, tax gains or losses stem less from rate changes (which the studies focused on) than from changes in the extent to which income is diverted into tax-free investments (which most of the studies did not treat).

Stockman's implication was that by reducing the top rates, tax shelters were being made less attractive—and that declining use of shelters would reduce the gains for the wealthy below the levels cited in the studies.

While lowering the top rate may, by itself, reduce the use of shelters, Stockman again failed to disclose all of the facts: The 1981 act created so many new shelter opportunities that use of shelters has exploded despite the reduction in the top rate.

Use of syndicated shelters grew 12.5 percent in 1982, far more than the rate of inflation. Moreover, preliminary data indicate that for first quarter of this year, syndicated tax shelter use is up 50 percent from the comparable period last year. The burgeoning use of shelters, which confer the preponderance of their benefits on the affluent, suggests that tax benefits for the wealthy from the 1981 act are likely to be larger—not smaller—than previous studies and analyses have indicated.

Finally, there is the question of purchasing power. A favorite—Stockman (and White House) theme is that the average American's purchasing power has increased sharply during the Reagan presidency because inflation has come down so much. Purchasing power, however, is not determined solely by prices—but by the interaction of prices and wages.

What the administration has failed to say is that wages have come down about as much as prices, leaving the average American with virtually no gain in real purchasing power.

What is widely regarded as the best measure of purchasing power—the Commerce Department's index of real per capita personal disposable income—shows that purchasing power under Reagan has increased at an annual rate of only four-tenths of 1 percent. This is well below the average rate of increase under every other president for the past 30 years.

The growth in purchasing power that did take place in the Reagan years occurred primarily from January 1981 until August 1981—before the Reagan economic program took effect. Since August 1981, when the Reagan tax and budget program was enacted, real per capita personal disposal income has declined. The average American's standard of living has fallen since the Reagan administration's program was enacted.

Stockman's manipulation of the numbers makes rational debate on these spending issues more difficult. But perhaps most significant is the new dimension that Stockman has added to the much-discussed "fairness" issue.

For what can raise more basic questions about whether this administration is fair than when one of its principal officials—with access to data, staff and resources that few others in this town possess—utilizes this power to rig the terms of the debate and misrepresent the nature of his administration's policies.●

CHANNEL 2 EXPLORES THE WORK EXPERIENCE: "PROJECT WORKING"

● Mr. MOYNIHAN. Mr. President, I simply wish to note that New York State's distinguished Governor Mario M. Cuomo declared the month of June "Project Working Month" in recognition of WCBS-TV's magnificent broadcast "Project Working." And may I add that this program which aired from June 6, 1983 through June 25, 1983, is the third annual broadcast in WCBS-TV's campaign to educate and inform television audiences on tremendously important issues.

This year, WCBS-TV and the program's sponsor, the Bowery Savings Bank of New York, designed a program to explore one of our Nation's most immediate crises, unemployment, and one of our most urgent needs, putting people back to work. Topics such as high technology, retraining and vocational education, and women in the work force were examined during an hour-long broadcast, public service announcements and public affairs broadcasts, a series of editorials and special reports.

I wish to congratulate the entire WCBS-TV crew and Peter A. Lund, general manager and vice president of WCBS-TV along with Ellis T. Gravette, Jr., chairman of the board, the Bowery Savings Bank for their highly creative success "Project Working."

I share WCBS-TV's intense concern for the future of the American worker. I encourage all those who did not have the opportunity to witness this highly informative program to write to WCBS-TV for its handbook growing out of the series, "Project Working," and I ask that a WCBS-TV news release describing the program be printed in the RECORD:

The material follows:

[News Release]

CHANNEL 2'S "PROJECT WORKING," COMPREHENSIVE 3-WEEK LOOK AT ALL ASPECTS OF THE WORK EXPERIENCE, TO BEGIN MONDAY, JUNE 6

PRIME-TIME SPECIAL HOSTED BY JIM JENSEN KICKS OFF ANNUAL STATION EFFORT

NEW YORK, May 17.—Working is an important part of all our lives, and beginning Monday, June 6, WCBS-TV turns to the vital issue of employment in its three-week Project Working, the latest in a series of topical campaigns geared to informing the tri-state area about vital community issues.

"We're pleased to offer Project Working to our viewers," says Peter Lund, vice-president and general manager, WCBS-TV. "Working—and not working—are certainly on everyone's mind these days, and we felt that our seventh annual station project ought to be devoted to this timely topic."

Project Working—a collaborative effort of the broadcasting, news, and editorial departments (sponsored by The Bowery Savings Bank) will be launched with a special one-hour prime-time special, Project Working: More Than Something To Do, a look at the varied aspects of the working experience, hosted by Channel 2 anchorman Jim Jensen, and airing Monday, June 6 from 10-11 p.m. (and repeated Saturday, June 25 from 7-8 p.m., the last day of Project Working).

This special, put together by the same creative team as last year's Emmy Award-winning Project Aging prime-time special, No Experience Necessary, will explore the reasons people work, the experience of being unemployed, profiles of those people who have gone from "rags to riches," the many people whose earnings are "off the books," a forecast of the workplace of the future, and a look at those creative professions that can never be replaced by automation.

For younger viewers, Chips 'N' Bits, a follow-up to last year's children's special which garnered two Emmy Awards, will explore the new computer technology which children already seem better able to grasp than many adults. Hosted by Lloyd Kramer (co-host of 2 On the Town), the 30-minute program explores how children are now transferring their knowledge of video games to more sophisticated applications. Chips 'N' Bits will air Thursday, June 23 from 7:30-8 p.m.

The regularly scheduled program Channel 2 the People will present two programs on the subjects of volunteerism and unemployment respectively. Hosted by Fred Noriega and Marie Torre, "Unemployment" will explore the toll exacted by today's high unemployment with case studies of people out of work. "Unemployment will air Saturday, June 11 from 6-6:30 p.m. "Volunteerism" will profile those people who provide invaluable service to their communities by working as volunteers, and will air Saturday, June 18 from 6-6:30 p.m.

Similarly, Channel 2's early morning Daybreak program, hosted by Fred Noriega and Marie Torre, will offer 10 programs for Project Working. The programs, to air the weeks of June 6 and 13 (Monday-Friday, 6-6:30 a.m.), will explore such topics as "Jobs of the Future" (with guest renowned author Alvin Toffler) (6/6), "How To Find a Job" (6/7), "Entrepreneurs" (with guest Sir Freddy Laker) (6/8), "Women in the Workforce" (6/9), "Handling Job Stress" (6/10), "Cooperative Education" (6/13), Skitch Henderson (entrepreneur) (6/14), "Policewomen" (6/15), "Vista" (Volunteers) (6/16), and "Long Island Homemaker of the Year" (6/17).

In addition to these full-length programs, there will be a series of Working Moments (30 second program spots) airing throughout the three-week period to reinforce Project Working. All illustrating the theme that "work is more than something to do," the spots will feature high profile figures on various topics ranging from productivity and volunteerism to creativity and job stress. The personalities will include Mayor Edward Koch, actress Nancy Marchand, writer Alvin Toffler, comedian David Bren-

ner, and the "world's fastest talker" John Mishita.

And as part of its on-going exploration of working, Channel 2 News will present a number of special reports on the subject, drawing on its many resources. The Editorial Department will present a series of commentaries on the subject during the three-week period of Project Working.

The WCBS-TV Station Services Department has produced the latest in a series of free guides for a Channel 2 project, this one entitled "Project Working: The WCBS-TV Handbook To Help You Find The Job You Want," published in conjunction with The Bowery Savings Bank. The booklet, which will be available at branches of The Bowery to the general public, will include sections on deciding on a career, finding a job, getting noticed, and the interview process; it will include numerous phone numbers and addresses, particularly in the section "New Jobs For the Future."

This is the fourth year that The Bowery has agreed to sponsor the entire station project. Its association with Channel 2 began back in 1979 with Project Parenting and continued with The First Amendment Project (1981) and last year's Project Aging. This year The Bowery will present a series of free seminars on the subject of working to coincide with Project Working.

Project Working is the latest in a series of award-winning Channel 2 station projects that began back in 1978 with We The Victims, a study of urban crime. Subsequent programs have included Project Parenting (1979), Project Family (1980), Project Education (1981), The First Amendment Project (1981), and Project Aging (1982).

Among the recent awards for the "Project" series, Project Aging was honored with three Emmy Awards, and The First Amendment Project with a number of awards including the Alfred I. DuPont-Columbia University Broadcast Journalism Award, a Sigma Delta Chi First Amendment Award from the Board of Directors of the Society of Professional Journalists (SDX), an Ohio State Award, a gold medal from the International Film & Television Festival of New York, and a Silver Plaque Award from the 17th Chicago International Film Festival.

Project Working is a production of WCBS-TV, Channel 2.●

BEVERLY J. LAMBERT

● Mr. PRYOR. Mr. President, a very good friend of mine and a good friend of Arkansas, Beverly J. Lambert, recently completed his term as bank commissioner of the State. At the time he stepped down, the Arkansas Bankers Association adopted a resolution in his honor. It goes a long way toward describing the character and contribution of a fine public servant, and I ask that this resolution be printed in the RECORD.

The resolution follows:

BEVERLY J. LAMBERT

Whereas, Beverly J. Lambert recently completed his term as Bank Commissioner for the state of Arkansas, having served with great distinction; and,

Whereas, he has spent his adult life in active leadership in banking in the state of Arkansas, also with great distinction; and,

Whereas, he has served as chief executive officer of banks in Holly Grove, West Memphis and Crossett and as a community leader, in addition to his service as Bank Commissioner; and,

Whereas, Mr. Lambert served with great distinction also as president of the Arkansas Bankers Association during his career and has devoted his life to the banking profession; Now, therefore, be it

Resolved, that we the bankers of Arkansas in convention assembled express our sincere appreciation to Beverly Lambert for his many years of dedicated service to the profession for the benefit of all banks and bankers and for his active advocacy of the banking profession during his tenure as Bank Commissioner for the state of Arkansas.●

REGULATORY REFORM ACT—S. 1080

● Mr. ABDNOR. Mr. President, Members of the Senate, I am pleased to cosponsor S. 1080, the Regulatory Reform Act, again this year.

S. 1080 was introduced in 1981 as a bipartisan effort to reform the regulatory process. It was passed by the Senate in March 1982 by a 94-to-0 vote. The bill was intended as a first step toward checking the uncontrolled growth of regulatory power in Government. It expands public access to the regulation-making process, and provides for a more sensible judicial review.

I endorse this measure because it does the following things: It requires agencies to review all major rules every 10 years to determine if they should be revised or withdrawn, and requires agencies to review, on a nonmathematical basis, the tradeoffs of major rules and to determine that such rules are cost effective. It also allows the President to oversee this procedure.

The Regulatory Reform Act prohibits the courts from presuming that agency interpretations of law are valid and require agency factual determinations in rulemaking to have substantial support. It allows for oral presentations in major rulemaking, including cross-examination where needed to resolve factual issues.

The race-to-the-courthouse problem in review of agency action is addressed by assigning a case randomly where review proceedings have been instituted in different courts within 10 days of each other.

Finally, the bill prohibits use of appropriated funds to pay the expenses of persons participating or intervening in agency proceedings except where expressly authorized by statute.

S. 1080 is necessary because it provides for the elimination of burdensome Federal rules and regulations, and the complicated, time-consuming redtape that hinders the small businessman. A small-town feed company is presently required to fill out nine separate forms to file with nine separate agencies and departments. (Departments of Agriculture, Commerce, Labor, Transportation, the FTC, IRS, EEOC, OSHA, and the FDA).

These duplicative and overlapping regulations impose a cost on the small businessman which raises prices without a corresponding rise in productivity. The effects of this overregulation include an increase in the rate of inflation, a decrease in productivity, and less innovation in private business.

S. 1080 achieves the goal of retaining the benefits of Federal regulations, while reducing the burdens those regulations have imposed on the American public. These burdens need to be eliminated and a measure of rationality returned to the Federal regulation process.

A survey done by the Congressional Research Service indicated that 75 percent of the population feel that: Federal regulations are complicated, confusing, and not fair to those who are affected by them; are not justified in terms of the costs involved in their development and enforcement; and that the end result of these regulations is an increase in product costs.

The American people are tired of Federal regulations which complicate their lives by interfering with the manner in which they conduct their business affairs.

It is time we listen to the people, and institute the reforms requested by those who are directly affected by them—the businessmen who must deal with the bureaucratic redtape, and the consumers who in the end must pay the increased costs that are a direct result of the expense involved in complying with these regulations.

I urge prompt Senate action on this bill. This body has been through much of the debate on this measure, and there is no need to waste valuable time going over it again. We need to pass S. 1080 and send it to the House so that it may have ample time to consider the Regulatory Reform Act, and hopefully take action on the issues.●

COMMISSION ON AN ALTERNATIVE TO THE LEGISLATIVE VETO ACT

● Mr. MOYNIHAN. Mr. President, I have introduced legislation designed to create a Commission on an Alternative to the Legislative Veto Act. The recent decision by the Supreme Court in Chada against Immigration and Naturalization Service has led to both confusion and a sense of urgency in both the Senate and the House. Many are concerned over the potential change in the system of checks and balances that may result.

S. 1591 is designed to alleviate that concern by clearing away the confusion that has followed in the wake of the Court's decision. This legislation will create a committee to study the full consequences of Chada and sug-

gest procedures under which the Congress may continue to exercise adequate oversight of action by the executive branch.

This legislation is by no means an attempt to subvert either the authority of the Court or the separation of powers as set down in the Constitution. Instead, it is designed to help Congress act within the parameters the Constitution sets and the Court recently defined.

Mr. President, I ask that the full text of the bill and related news items be printed in the RECORD.

The material follows:

S. 1591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commission on an Alternative to the Legislative Veto Act".

DECLARATION OF POLICY

SEC. 2. It is the policy of Congress, in response to the decision of the United States Supreme Court in Chada versus Immigration and Naturalization Service declaring the traditional legislative veto procedure to be unconstitutional, to develop procedures under which the Congress may exercise adequate oversight of action by the executive branch of the Federal Government in a modern administrative state.

ESTABLISHMENT OF COMMISSION

SEC. 3. (a) for the purpose of carrying out the policy set forth in section 2, there is established a commission to be known as the Commission on an Alternative to the Legislative Veto (hereafter in this Act referred to as the "Commission").

(b) The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life.

(2) Four appointed by the President pro tempore of the Senate, two upon recommendation of the Majority Leader of the Senate, one from the Senate and one from private life, and two upon recommendation of the Minority Leader of the Senate, one from the Senate and one from private life.

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(c) Of each class of two members specified in subsection (b), not more than one member shall be from the same political party. The members of the Commission appointed from private life shall be individuals who are of recognized standing and distinction and who possess the demonstrated capacities to discharge the duties imposed on the Commission, including individuals who have previously served in both the legislative and executive branches of the Federal Government.

(d) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(e) The Commission shall elect a Chairman and a Vice Chairman from among its members.

(f) Seven members of the Commission shall constitute a quorum for the transaction of business, but the Commission may establish a lesser number as a quorum for the purpose of holding hearings, taking testimony, and receiving evidence.

FUNCTIONS

SEC. 4. In carrying out the policy set forth in section 2, the Commission shall consider and study—

(1) the impact of the Supreme Court decision in Chada versus Immigration and Naturalization Service declaring legislative vetos to be unconstitutional on existing legislation containing such veto provisions.

(2) the impact of such decision on congressional oversight of the exercise by the executive branch of broad discretionary powers delegated by the Congress, and

(3) possible alternatives to the legislative veto procedure, including amendments to the United States Constitution, necessary for the Congress to adequately oversee the exercise of delegated powers by the executive branch.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint, terminate, and fix the compensation without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code, or of any other provision of law, relating to the number, classification, and General Schedule rates—

(A) of such personnel as it deems advisable to assist in the performance of its duties, at rates not to exceed a rate equal to the maximum rate for GS-18 of the General Schedule under section 5332 of such title; and

(B) an Executive Director for the Commission contingent upon confirmation by the Commission members at an annual rate of compensation not to exceed a rate equal to the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(2) procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch but at rates not to exceed the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule.

(b) Service of an individual as a member of the Commission, or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with our without compensation, shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Commission, or of such advisory council or committee, or as an employee of the Commission, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisons of Federal law.

(c) The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

COMPENSATION OF MEMBERS

SEC. 6. (a) The members of the Commission who are Members of Congress or who are in the executive branch of the Government shall serve on the Commission without additional compensation. The members of the Commission from the private sector shall each be paid at a rate equal to the daily rate of pay for level IV of the Executive Schedule for each day such member is engaged in the actual performance of duties as a member of the Commission.

(b) All members of the Commission shall be reimbursed for travel as authorized by section 5703 of title 5, of the United States Code, subsistence, and other necessary expenses incurred in the performance of the duties of the Commission.

POWERS OF THE COMMISSION

SEC. 7. (a)(1) The Commission or, on the authorization of the Commission, any subcommittee thereof or any member authorized by the Commission may, for the purpose of carrying out this Act, hold such hearings and sit and act at such times and places, take such testimony, have such printing and binding done, enter into such contracts and other arrangements (with or without consideration or bond, to such extent or in such amounts as are provided in appropriation Acts, and without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)), make such expenditures, and take such other actions as the Commission or such member may deem advisable. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission or before such member.

(2) The provisions of the Federal Advisory Committee Act shall not apply to the Commission established under this Act.

(b) The Commission is authorized to secure directly from any officer, department, agency, establishment, or instrumentality of the Government such information, suggestions, estimates, and statistics as the Commission may require for the purpose of this Act, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

(c) Upon request of the Commission, the head of any Federal agency is authorized to make any of the facilities and services of such agency available to the Commission or to detail any of the personnel of such agency to the Commission, on a reimbursable basis, to assist the Commission in carrying out its duties under this Act, unless the head of such agency determines that urgent, overriding reasons will not permit the agency to make such facilities, services, or personnel available to the Commission and so notifies the Chairman in writing.

(d) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(e) No officer or agency of the United States shall require the Commission to submit any report, recommendation, or other matter to any such officer or agency for approval, comment, or review before submitting such report, recommendation, or other matter to the Congress.

REPORTS AND TERMINATION OF THE COMMISSION

SEC. 8. (a) The Commission shall prepare and submit to the Congress such interim reports as the Commission deems to be appropriate and a final report not later than one year after the first meeting of the Commission.

(b) Ninety days after the submission to the Congress of its final report the Commission shall cease to exist.

AUTHORIZATION OF APPROPRIATIONS

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the New York Times, June 24, 1983]

SUPREME COURT, 7-2, RESTRICTS CONGRESS RIGHT TO OVERRULE ACTIONS BY EXECUTIVE BRANCH

(By Linda Greenhouse)

WASHINGTON, June 23.—The Supreme Court today swept aside a 50-year-old practice used by Congress to delegate authority to the President and then block his action under the law when it disagreed.

The Court, by a historic 7-to-2 vote, struck down this so-called legislative veto, saying that it violated constitutional requirements preserving the separation of powers.

Legislative veto provisions, which spell out and often restrict the President's authority under the law, have been written into about 200 statutes.

The ruling may profoundly alter the balance of power between the White House and Congress. It presumably strips Congress, for example, of the unilateral power it gained under the War Powers Resolution of 1973 to require the President to withdraw American troops from foreign hostilities.

FROM HOOVER PRESIDENCY

The legislative veto procedure dates to 1932, when Congress added it to an appropriation bill to give President Hoover authority to reorganize the Government.

Under a legislative veto, either or both houses by a simple majority can block specific actions that the President or a Federal agency takes to carry out authority that Congress has delegated.

As a result of today's ruling, Congress will be able to disapprove executive branch action only if a bill to that effect passes both Houses and receives the President's signature. If the President vetoes the legislation, Congress may block the President's action only by overriding his veto by a two-thirds vote.

The initial Congressional reaction was that the ruling would create "conflict and chaos" on Capitol Hill. There were differing views today as to whether it would give the President or Congress the upper hand over the long run.

IMMIGRATION CASE BEFORE COURT

Some said the decision would give Presidents more power in certain key areas. Others argued that the ruling would make Congress more reluctant than ever to grant certain powers to the President in the first place.

The decision, written by Chief Justice Warren E. Burger, came in a relatively minor immigration case, one of several legislative veto cases before the Court. The Justices had wrestled with the case for nearly two years, hearing argument in February 1982 and again last October.

The legislative veto has been a subject of debate for years among politicians, political scientists and legal scholars, many of whom awaited the Court's decision today with intense interest. While the breadth of the ruling was something of a surprise, the particular result, which upheld a 1980 ruling by the United States Court of Appeals for the Ninth Circuit in California, was not.

The Court ruled that the House of Representatives exceeded its constitutional powers when, exercising a legislative veto provision in the Immigration and Nationality Act, it blocked the Attorney General's decision to suspend deportation for a Kenyan student who had overstayed his visa.

A LEGISLATIVE ACT

Chief Justice Burger said that the action by the House was, in effect, legislation. The Constitution, he said, permits the enactment of legislation only "in accord with a single, finely wrought and exhaustively considered procedure," namely, "passage by a majority of both houses and presentment to the President" for his signature or veto.

That procedure, the Chief Justice said, can be "clumsy" and "inefficient." But, he continued, "with all the obvious flaws of delay, untidiness, and potential for abuse, we have not yet found a better way to preserve freedom than by making the exercise of power subject to the carefully crafted restraints spelled out in the Constitution."

The Court's theory encompasses all varieties of legislative vetoes, those requiring action by both houses as well as the one-house immigration veto. it will take further litigation, however, to establish on a case-by-case basis which of the approximately 200 laws with legislative veto provisions are now unconstitutional in their entirety and which, like the immigration law, may be viewed as "severable" from the unconstitutional veto provision.

ATTORNEY GENERAL GRATIFIED

Attorney General William French Smith said he was "gratified" by the decision and praised the Court for having "reaffirmed in a strong and compelling opinion the vital and important role under our Constitution of the principle of separation of powers."

The Justice Department had joined the Kenyan student, Jagdish Rai Chadha, in challenging the constitutionality of the immigration veto. Mr. Chadha's case was brought by Public Citizen, a nonprofit organization loosely affiliated with Ralph Nader.

Alan B. Morrison, Public Citizen's director of litigation, said the outcome was a victory for consumers and that "special interest lobbies will no longer be able to gut laws protecting consumers, workers and the environment" by pressing Congress to veto administrative regulations.

Last year, in another Public Citizen lawsuit, the Federal appeals court here struck down a two-house veto that prevented the Federal Trade Commission from requiring used-car dealers to disclose major defects to their customers. The Senate and House appealed that ruling to the Supreme Court, which presumably will now affirm it.

Five members of the Court joined the Chief Justice's broadly worded opinion today. The seventh member of the majority, Associate Justice Lewis F. Powell Jr., said he would have preferred to decide the case on the narrower ground that the House of Representatives had usurped a judicial function in overruling an immigration decision.

Observing that the majority's approach "apparently will invalidate every use of the legislative veto," Justice Powell said: "The breadth of this holding gives one pause."

In a dissenting opinion, Associate Justice Byron R. White said that the legislative veto was an essential part of "the modern administrative state" that "has become a central means by which Congress secures the accountability of executive and independent agencies."

He said that "the wisdom of the Framers was to anticipate that the nation would grow and new problems of governance would require different solutions," one of which was the legislative veto.

Justice White was the only member of the Court to dissent on the merits. Associate Justice William H. Rehnquist dissented without addressing the broader constitutional issue, saying only that Congress would never have given the Attorney General the right to suspend deportations if it could not have kept for itself the power to veto individual suspensions.

The Associate Justices who joined the majority opinion were William J. Brennan Jr., Thurgood Marshall, Harry A. Blackmun, John Paul Stevens, and Sandra Day O'Connor.

RARE MOMENTS OF DRAMA

The announcement of the decision, a few minutes after 10 o'clock this morning, produced some rare moments of drama in the courtroom.

Chief Justice Burger's practice is to simply announce the result in cases in which he has written the opinion, unlike the other eight Justices, who briefly explain their decisions and the rationale for the benefit of the courtroom audience.

As usual, the Chief Justice announced this morning only that in the case of Immigration and Naturalization Service v. Chadha, the Court had affirmed the judgment of the United States Court of Appeals for the Ninth Circuit. He then said that Justice White would read a dissenting opinion.

Oral dissents from the bench are rare, and Justice White said it had been many years since he had read one aloud. "But this is probably the most important case the Court has handled down in many years," he said, calling the decision a "destructive action" that was "clearly wrong and unnecessarily broad."

There was a moment of silence when he finished, and it appeared that the morning's proceedings were over. But then Chief Justice Burger began to talk, apparently without notes. "We all agree on one thing," he said, "that this is a very difficult and important case."

He talked about the framers of the Constitution—the "draftsmen in Philadelphia," he called them—and said that "the Constitution is a document designed to assign and delegate and separate the powers of government, and to limit them." If the Framers had wanted to establish a legislative veto, he said, "they knew very well how to do it."

The courtroom was half empty, and it was unlikely that many of the tourists present knew what an unusual event they had happened upon. The majority opinion was grounded in the explicit constitutional text and on what Chief Justice Burger called "the profound conviction of the Framers that the powers conferred on Congress were the powers to be most carefully circumscribed."

IMPACT OF THE DECISION: POLITICAL AND LEGAL EXPERTS PREDICT CHANGES IN RELATIONSHIP BETWEEN THE TWO BRANCHES

(By Steven R. Weisman)

WASHINGTON, June 23.—In its decision today the Supreme Court dramatically altered the relationship between Congress and the executive branch and created myriad new difficulties in their struggles to accommodate each other.

Legal and political experts predicted that the decision would lead to renewed jockeying over prerogatives and a search for new mechanisms allowing Congress to oversee executive decisions even as it grants the President power to spend money, wage war or take other actions.

The courts, in turn, are likely to be asked immediately whether certain executive powers are still valid. These powers were often declared by Presidents to be inherent in the office in the absence of legislation from Congress. In response, Congress would specifically grant the authority, reserving the right to block certain Presidential actions.

For example, does the President have the right to refuse to spend funds appropriated by Congress, now that the High Court has removed Congress's right to overturn such a move? May a President keep American troops committed to hostilities or sell arms overseas now that Congress may no longer veto such actions?

It is virtually certain that these and other questions affecting 200 statutes with legislative vetoes will be determined ultimately by Congress and the President themselves. As they address the matter, two competing historical forces will be at work.

First is the trend of the last 50 years of Presidents seeking from the Congress greater and greater power to regulate industry and commerce, to act swiftly in foreign policy, and to reorganize and run an increasingly complex Federal Government.

The second trend is the one mounted by both liberals and conservatives in the past 15 years aimed at curbing the President's power.

Liberals, alarmed by Vietnam and Watergate, have led the fight to limit a President's ability to commit troops overseas, aid certain countries militarily and freeze funds already appropriated by Congress, as President Nixon did in the impoundment controversy of a decade ago.

More recently, conservatives have sought to limit the ability of the Federal Trade Commission, the Food and Drug Administration and other semi-independent Federal agencies to impose certain regulations on business.

Indeed, there was a certain irony in today's court decision for President Reagan. In the 1980 election campaign, Mr. Reagan favored the concept of legislative veto to curb the power of Federal agencies. As President, he shifted position and joined the trend of all modern Presidents in opposing the concept.

There were conflicting views today among the experts as to whether the Supreme Court decision would give the President or the Congress the upper hand.

Some argued that the decision will almost certainly give Mr. Reagan and all succeeding Presidents more power in certain key areas.

They noted that, although the Congress will still be able to stymie a President with legislation, a President may himself veto such legislation. A Presidential veto may be overridden only by a two-thirds vote of both the Senate and the House of Representatives.

On the other hand, experts in Congress argued that the Supreme Court decision will make the lawmakers more reluctant than ever to grant certain powers to the President in the first place.

"It's going to cripple the things that this President or any President will be able to do," said Representative Elliott H. Levitas, a Georgia Democrat who is a leading proponent of the legislative veto. Mr. Levitas added that Congress will have "no choice but to severely circumscribe any delelgation of authority" to the President.

NEW ACCOMMODATIONS SEEN

Still others argued today that the court decision would mean cumbersome new attempts to reach a series of new political accommodations between the President and Congress, and that these new accommodations would not be very different from the ones that exist now. Such a view was voiced by Lloyd Cutler, a White House counsel to President Carter.

"In the short run, the main effect is going to uphold executive authority in the foreign affairs field," Mr. Cutler said. "But in time Congress will find other ways to block Presidential action. It may not be such a cosmic change after all."

Even in arguing for rejection of the legislative veto, Reagan Administration officials noted that Congress has many means at its disposal to frustrate a President. Some of these were listed by Theodore B. Olson, Assistant Attorney General and head of the Office of Legal Counsel in late 1981.

Among those cited by Mr. Olson were the ability of Congress to place "specific and precise limits" on agencies that issue rules, override such rules with legislation or authorize a Federal agency to act for a limited period of time, "forcing the agency to return to Congress" for new authorization.

In addition, there was a mechanism worked out in several instances between President Carter in Congress containing a "delay and report" clause in granting Presidential authority.

Under this clause, Congress could require that any President wanting to take a certain action unilaterally, such as impounding funds or selling arms overseas, would have to wait for a period of 45 days. In this period, the Congress would be able to approve legislation or even pass a nonbinding resolution of approval or disapproval.

MORE DIRECT ROLE FORESEEN

"Even if it was a nonbinding resolution, as a practical matter the President or an agency would probably not go ahead," Mr. Cutler said. "After all, ultimately, if you keep on defying Congress, they'll get even with you."

Mr. Cutler added, however, that he was pleased with the High Court's action today. Like others, he noted that it will likely force Congress into a more direct role on many matters.

The legislative veto has, for example, given the Congress the right to block executive actions without the obligation to say itself what should be done. In the future, Congress may well find itself having to say with much more specificity what it would allow under certain legislation.

For example, instead of passing a Clean Air Act, then reserving the right to veto specific regulations imposed by the Environmental Protection Agency, Congress may have to step into the business of deciding in advance what regulations are appropriate.

SHARP SHIFTS IN CONGRESS PRACTICES AND LEGISLATIVE CONFLICT PREDICTED

WASHINGTON, June 23.—Congressional supporters and opponents of the legislative veto agreed today that the Supreme Court decision would create conflict on Capitol Hill and significantly alter the way Congress conducts its business.

They predicted that in place of the legislative veto, which was struck down today by the Supreme Court, Congress would pass tighter restrictions on Presidential authority and rely more heavily on the power of the purse and overseeing authority.

"This decision is going to create a lot of conflict and chaos," said Senator Carl Levin, Democrat of Michigan.

"We're either going to tie the President's hands too much, and require the President to come to Congress for everything, or we're going to give him too much power," the Senator said. "We're going to be losing the subtlety of a flexible mechanism."

Several chairmen of Congressional committees said they would hold hearings to evaluate the Supreme Court decision. The decision is also expected to spawn Congressional proposals to let Congress to retain some formal veto authority within the restrictions of the decision.

Some liberal House members said they would introduce legislation that would require a joint resolution of approval of arms sales above a certain amount now that Congress has lost its right to disapprove such sales through a legislative veto. Such a resolution would be subject to a Presidential veto.

Similarly, some conservative House members have called for new legislation to deal with what they consider "regulatory abuses," now that Congress can no longer veto regulations.

Representative Elliot H. Levitas, Democrat of Georgia, the chief Congressionl Champion of the legislative veto, envisioned "a significant reduction in powers to the executive branch and regulatory agencies."

"It's going to cripple the things that this President, or any President, will be able to do," he continued. "It's going to mean a much less flexible system of government."

And Senator Charles E. Grassley, Republican of Iowa, chairman of the Judiciary Committee's Administrative Practice and Procedure Subcommittee, said that "the President is the loser in this" because "it probably means that there's going to be very narrow writing of legislation in the future."

The House Republican leader, Robert H. Michel of Illinois, predicted that Congress would no longer "draft legislation so loosely that the Administration can go far afield."

Another foe of the legislative veto, Senator Wendell H. Ford, Democrat of Kentucky, said that "Congressional oversight must be given a higher priority by the various committees of both the House and Senate."

"If we do a proper job of oversight, it makes the whole question of legislative veto moot," he added.

CONTROL OF REGULATORY ABUSES

A proposal to require a joint resolution for approval of arms sales was drawn up today by Representative Stephen J. Solarz, Democrat of Brooklyn. "It's designed to assure that Congress doesn't lose control of arms sales," said Mr. Solarz, who predicted widespread support for his proposal among House members.

Similarly, Representative Andy Ireland, Democrat of Florida, called for renewed initiative on the part of Congress to control "regulatory abuses."

"The Federal bureaucracy is still out of control," Mr. Ireland said. "Congress created it, and it's up to us to control it, or eliminate parts of it, if necessary."

A proposal to circumvent the legislative veto was offered by Senators Levin and David L. Boren, Democrat of Oklahoma. Their plan calls for a delay in putting regulations into effect, to give Congress time to enact legislation to thwart those regulations it opposes.

[From the New York Times, June 24, 1983]

HOOVER WAS FIRST TO LET CONGRESS VETO PRESIDENT

(By Martin Tolchin)

WASHINGTON, June 23.—When President Hoover sought authority to reorganize the Federal Government in June 1932, he worked out a deal with a balky Congress. The lawmakers gave him the reorganization authority, with the proviso that either the House or the Senate could veto the resulting plan.

Thus began a restructuring of Presidential-Congressional relations that gained speed in recent years, especially in the aftermath of the Vietnam War and the Watergate scandal.

More than 200 laws containing more than 350 legislative veto provisions have been passed in the last half century—more than half of them in the last decade and about one-third in the last five years.

More than 60 of these laws are still on the books, including the War Powers Act of 1973, which authorizes Congress by a concurrent resolution to end the use of United States armed forces in hostilities. Also affected is legislation on arms sales to foreign governments, executive reorganization, energy policy, public works, nuclear energy regulation, petroleum allocation, immigration, education, transportation, community development, space administration, Indian affairs, watershed protection, Federal employee compensation levels and impoundment of appropriated funds.

In the last five years, Congress exercised its veto 31 times, usually on minor issues. Congress has never vetoed an arms sale, although some have narrowly escaped a legislative veto.

To some on Capitol Hill, such as Representative Robert H. Michel of Illinois, the House minority leader, the legislative veto is "kind of a cop-out" because it enables Congress to evade blame or responsibility for controversial bills.

But others regard the legislative veto as "a mechanism of accommodation," in the words of Senator Carl Levin, a Michigan Democrat. Their theory is that the legislative veto was a political strategem that enabled the President to extract more power than Congress wanted to cede. As a quid pro quo, or one thing in return for another, Congress gave itself the authority to veto what it considered to be Presidential excesses.

The immigration legislation that figured in today's Supreme Court decision provides a good example of why Congress chose to delegate authority to the executive branch, subject to a Congressional veto.

Prior to the legislation, Congress was besieged with private immigration bills admitting specific people to the United States, with frequent suggestions that some members of Congress were receiving payments for sponsoring the bills. Under the law, Congress delegated authority to the Attorney General to permit aliens to remain in the United States, subject to a veto by either the House or the Senate.

REAGAN NOW OPPOSES VETOES

Most Presidents have opposed legislative vetoes as unconstitutional except in cases in which they sought extraordinary authority from Congress. In 1979, Ronald Reagan wrote a newspaper column in which he supported the legislative veto as a way to make regulators "more sensitive to the mood of the people." He has reversed himself since becoming President, however, and now opposes the vetoes as an abuse of Congressional power.

Stuart E. Eizenstat, who served as President Carter's chief domestic adviser, bridged the gap between supporters and opponents of the legislative veto. He noted that Mr. Carter proposed such a veto in Government reorganization legislation that he sent to Congress in a successful effort to avoid the need for a majority vote approving the restructuring of government.

"It was very useful because it gave the President authority he wouldn't otherwise have," Mr. Eizenstat said.

In those cases in which a President sends up legislation with a Presidential veto, he added, it represents "a comity between the two branches of government." But in those in which it is imposed on the President, Mr. Eizenstat said, it is an unwarranted legislative interference with the executive branch.

BROAD AUTHORITY DELEGATED

The legislative veto also helped Congress to paper over divisions in its own ranks. Instead of drafting specific, unambiguous legislation that could not have been approved by Congress, the lawmakers often delegated broad authority to regulatory agencies with the proviso that it could veto the ensuring regulations.

Thus, Congress gave the Federal Trade Commission broad authority to regulate in the area of consumer protection. But the lawmakers then vetoed regulations dealing with the sale of used cars, while regulations concerning funerals and television commercials for children barely survived Congressional scrutiny.

EXCERPTS FROM SUPREME COURT DECISION ON LEGISLATIVE VETOES

(Special to the New York Times)

WASHINGTON, June 23.—Following are excerpts from the Supreme Court's decision today that the legislative veto is unconstitutional. Chief Justice Warren E. Burger wrote the majority opinion.

FROM MAJORITY OPINION

(By Chief Justice Burger)

We granted certiorari in Nos. 80-2170 and 80-2171, and postponed consideration of the question of jurisdiction in No. 80-1832. Each presents a challenge to the constitutionality of the provision in Sec. 242(c)(2) of the Immigration and Nationality Act, authorizing one House of Congress, by resolution, to invalidate the decision of the Executive Branch, pursuant to authority delegated by Congress to the Attorney General of the United States, to allow a particular deportable alien to remain in the United States.

Chadha is an East Indian who was born in Kenya and holds a British passport. He was lawfully admitted to the United States in 1966 on a nonimmigrant student visa. His visa expired on June 30, 1972.

On Oct. 11, 1973, the District Director of the Immigration and Naturalization Service ordered Chadha to show cause why he should not be deported for having "remained in the United States for a longer time than permitted." Pursuant to Sec. 242(b) of the Immigration and Nationality Act, a deportation hearing was held before an immigration judge on Jan. 11, 1974. Chadha conceded that he was deportable for overstaying his visa and the hearing was adjourned to enable him to file an application for suspension of deportation.

IMMIGRATION JUDGE ACTS

The immigration judge, on June 25, 1974, ordered that Chadha's deportation be suspended. The immigration judge found that Chadha met the requirements of Sec. 244(a)(1): he had resided continuously in the United States for over seven years, was of good moral character, and would suffer "extreme hardship" if deported.

Once the Attorney General's recommendation for suspension of Chadha's deportation was conveyed to Congress, Congress had the power under Sec. 244(c)(2) of the Act to veto the Attorney General's determination that Chadha should not be deported. Section 244(c)(2) provides:

"(2) In the case of an alien specified in paragraph (1) of subsection (a) of this subsection—if during the session of the Congress at which a case is reported, or prior to the close of the session of the Congress next following the session at which a case is reported, either the Senate or the House of Representatives passes a resolution stating in substance that it does not favor the suspension of such deportation, the Attorney General shall thereupon deport such alien or authorize the alien's voluntary departure at his own expense under the order of deportation in the manner provided by law. If, within the time above specified, neither the Senate nor the House of Representatives shall pass such a resolution, the Attorney General shall cancel deportation proceedings."

DECISION BY RESOLUTION

On Dec. 12, 1975, Representative Eilberg, Chairman of the Judiciary Subcommittee on Immigration, Citizenship, and International Law, introduced a resolution opposing "the granting of permanent residence in the United States to [six] aliens", including Chadha. The resolution was referred to the House Committee on the Judiciary.

On Dec. 16, 1975, the resolution was discharged from further consideration by the House Committee on the Judiciary and submitted to the House of Representatives for a vote. The resolution had not been printed and was not made available to other members of the House prior to or at the time it was voted on.

The resolution was passed without debate or recorded vote. Since the House action was pursuant to Sec. 244(c)(2), the resolution was not treated as an Article I legislative act; it was not submitted to the Senate or presented to the President for his action.

After the House veto of the Attorney General's decision to allow Chadha to remain in the United States, the immigration judge reopened the deportation proceedings to implement the House order deporting Chadha.

REVIEW OF CASE REQUESTED

Chadha filed a petition for review of the deportation order in the United States Court of Appeals for the Ninth Circuit. The Immigration and Naturalization Service

agreed with Chadha's position before the Court of Appeals and joined him in arguing that Sec. 244(c)(2) is unconstitutional.

After full briefing and oral argument, the Court of Appeals held that the House was without constitutional authority to order Chadha's deportation. The essence of its holding was that Sec. 244(c)(2) violates the constitutional doctrine of separation of powers.

We now affirm.

The contentions on standing and justiciability have been fully examined and we are satisfied the parties are properly before us, the important issues have been fully briefed and twice argued. The Court's duty in this case, as Chief Justice Marshall declared in *Cohens* v. *Virginia*, is clear:

"Questions may occur which we would gladly avoid; but we cannot avoid them. All we can do is, to exercise our best judgment, and conscientiously to perform our duty."

EFFICIENCY NOT SAVING

The fact that a given law or procedure is efficient, convenient, and useful in facilitating functions of government, standing alone, will not save it if it is contrary to the Constitution. Convenience and efficiency are not the primary objectives—or the hallmarks—of democratic government and our inquiry is sharpened rather than blunted by the fact that Congressional veto provisions are appearing with increasing frequency in statutes which delegate authority to executive and independent agencies:

"Since 1932, when the first veto provision was enacted into law, 295 congressional veto-type procedures have been inserted in 196 different statutes as follows: from 1932 to 1939, five statutes were affected; from 1940–49, 19 statutes; between 1950–59, 34 statutes; and from 1960–69, forty-nine. From the year 1970 through 1975, at least 163 such provisions were included in 89 laws." Abourezk, The Congressional Veto: A Contemporary Response to Executive Encroachment on Legislative Prerogatives.

Explicit and unambiguous provisions of the Constitution prescribe and define the respective functions of the Congress and of the Executive in the legislative process. Since the precise terms of those familiar provisions are critical to the resolution of this case, we sent them out verbatim. Art. I provides:

"All legislative Powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate *and* a House of Representatives." (Emphasis added).

"*Every* Bill which shall have passed the House of Representatives and the Senate, *shall*, before it become a Law, be presented to the President of the United States; . . . " (Emphasis added).

"*Every* Order, Resolution, or Vote to which the Concurrence of the Senate and House of Representatives may be necessary (except on a question of Adjournment) *shall be* presented to the President of the United States; and before the Same shall take Effect, shall be approved by him, or being disapproved by him, *shall be* repassed by two thirds of the Senate and House of Representatives, according to the rules and Limitations prescribed in the Case of a Bill." (Emphasis added).

SEPARATION OF POWERS CONCERN

These provisions of Art. I are integral parts of the constitutional design for the separation of powers. We have recently noted that "the principle of separation of powers was not simply an abstract generalization in the minds of the Framers: it was woven in the documents that they drafted in Philadelphia in the summer of 1787." (*Buckley* v. *Valeo*). Just as we relied on the textual provision of Art. II, sec. 2, cl. 2, to vindicate the principle of separation of powers in Buckley, we find that the purposes underlying the Presentment Clauses, Art. I, Sec. 7, cls. 2,3, and the bicameral requirement of Art. I, Sec. 1 and Sec. 7, cl. 2, guide our resolution of the important question presented in this case. The very structure of the articles delegating and separating powers under Arts. I, II, and III exemplify the concept of separation of powers and we now turn to Art. I.

The Presentment Clauses

The records of the Constitutional Convention reveal that the requirement that all legislation be presented to the President before becoming law was uniformly accepted by the Framers. Presentment to the President and the Presidential veto were considered so imperative that the draftsmen took special pains to assure that these requirements could not be circumvented.

The decision to provide the President with a limited and qualified power to nullify proposed legislation by veto was based on the profound conviction of the Framers that the powers conferred on Congress were the powers to be most carefully circumscribed. It is beyond doubt that lawmaking was a power to be shared by both houses and the President.

The President's role in the lawmaking process also reflects the Framers' careful efforts to check whatever propensity a particular Congress might have to enact oppressive, improvident, or ill-considered measures. The President's veto role in the legislative process was described later during public debate on ratification:

"It establishes a salutary check upon the legislative body, calculated to guard the community against the effects of faction, precipitance, or of any impulse unfriendly to the public good which may happen to influence a majority of that body . . . The primary inducement to conferring the power in question upon the Executive is to enable him to defend himself; the secondary one is to increase the chances in favor of the community against the passing of bad laws through haste, inadvertence, or design." The Federalist No. 73, (A. Hamilton).

Bicameralism

The Bicameral requirement of Art. I, Secs. 1, 7 was of scarcely less concern to the Framers than was the Presidential veto and indeed the two concepts are interdependent. By providing that no law could take effect without the concurrency of the prescribed majority of the Members of both Houses, the Framers reemphasized their belief, already remarked upon in connection with the Presentment Clauses, that legislation should not be enacted unless it has been carefully and fully considered by the Nation's elected officials.

In the Constitutional Convention debates on the need for a bicameral legislature, James Wilson, later to become a Justice of this Court, commented:

"Depotism comes on mankind in different shapes. Sometimes in an Executive, sometimes in a military, one. Is there danger of a Legislative despotism? Theory & practice both proclaim it. If the Legislative authority be not restrained, there can be neither liberty nor stability; and it can only be restrained by dividing it within itself, into distinct and independent branches. In a single house there is no check, but the inadequate one, of the virtue & good sense of those who compose it."

ARGUMENT FROM HAMILTON

Hamilton argued that a Congress comprised of a single House was antithetical to the very purposes of the Constitution. Were the Nation to adopt a Constitution providing for only one legislative organ, he warned:

"We shall finally accumulate, in a single body, all the most important prerogatives of sovereignty, and thus entail upon our posterity one of the most exercrable forms of government that human infaturation ever contrived. Thus we should create in reality that very tyranny which the adversaries of the new Constitution either are, or affect to be, solicitous to avert." The Federalist No. 22.

This view was rooted in a general skepticism regarding the fallibility of human nature later commented on by Joseph Story:

"Public bodies, like private persons, are occasionally under the dominion of strong passions and excitements; impatient, irritable, and impetuous. . . . If [a legislature] feels no check but its own will, it rarely has the firmness to insist upon holding a question long enough under its own view, to see and mark it in all its bearings and relations to society."

We see therefore that the Framers were acutely conscious that the bicameral requirement and the Presentment Clauses would serve essential constitutional functions. The President's participation in the legislative process was to protect the Executive Branch from Congress and to protect the whole people from improvident laws.

The division of the Congress into two distinctive bodies assures that the legislative power would be exercised only after opportunity for full study and debate in separate settings. The President's unilateral veto power, in turn, was limited by the power of two-thirds of both House of Congress to overrule a veto thereby precluding final arbitrary action of one person.

It emerges clearly that the prescription for legislative action in Art. I, Secs. 1, 7 represents the Framers' decision that the legislative power of the Federal government be exercised in accord with a single, finely wrought and exhaustively considered, procedure.

THREE-WAY DIVISION OF POWER

The Constitution sought to divide the delegated powers of the new Federal Government into three defined categories, legislative, executive and judicial, to assure, as nearly as possible, that each branch of government would confine itself to its assigned responsibility. The hydraulic pressure inherent within each of the separate branches to exceed the outer limits of its power, even to accomplish desirable objectives, must be resisted.

Although not "hermetically" sealed from one another, the powers delegated to the three branches are functionally identifiable. When any branch acts, it is presumptively exercising the power the Constitution has delegated to it. When the executive acts, it presumptively acts in an executive or administrative capacity as defined in Art. II. And when, as here, one House of Congress purports to act, it is presumptively acting within its assigned sphere.

Beginning with this presumption, we must nevertheless establish that the challenged action under Sec. 244(c)(2) is of the kind to

which the procedural requirements of Art. I, Sec. 7 apply. Not every action taken by either House is subject to the bicameralism of presentment requirements of Art. I. Whether actions taken by either House are, in law and fact, an exercise of legislative power depends not on their form but upon whether they contain matter which is properly to be regarded as legislative in its character and effect.

LEGISLATIVE IN PURPOSE

Examination of the action taken here by one House pursuant to Sec. 244(c)(2) reveals that it was essentially legislative in purpose and effect. In purporting to exercise power defined in Art. I, Sec. 8, cl. 4 to "establish an uniform Rule of Naturalization," the House took action that had the purpose and effect of altering the legal rights, duties and relations of persons, including the Attorney General, executive branch officials and Chadha, all outside the legislative branch.

Section 244(c)(2) purports to authorize one House of Congress to require the Attorney General to deport an individual alien whose deportation otherwise would be canceled under Sec. 244. The one-House veto operated in this case to overrule the Attorney General and mandate Chadha's deportation; absent the House action, Chadha would remain in the United States. Congress has *acted* and its action has altered Chadha's status.

The legislative character of the one-House veto in this case is confirmed by the character of the Congressional action it supplants. Neither the House of Representatives nor the Senate contends that, absent the veto provision in Sec. 244(c)(2), either of them, or both of them acting together, could effectively require the Attorney General to deport an alien once the Attorney General, in the exercise of legislatively delegated authority, had determined the alien should remain in the United States.

REQUIREMENT OF ARTICLE I

Without the challenged provision in Sec. 244(c)(2), this could have been achieved, if at all, only by legislation requiring deportation. Similarly, a veto by one House of Congress under Sec. 244(c)(2) cannot be justified as an attempt at amending the standards set out in Sec. 244(a)(1), or as a repeal of Sec. 244 as applied to Chadha. Amendment and repeal of statutes, no less than enactment, must conform with Art. I.

The nature of the decision implemented by the one-house veto in this case further manifests its legislative character. After long experience with the clumsy, time-consuming private bill procedure, Congress made a deliberate choice to delegate to the Executive Branch, and specifically to the Attorney General, the authority to allow deportable aliens to remain in this country in certain specified circumstances. It is not disputed that this choice to delegate authority is precisely the kind of decision that can be implemented only in accordance with the procedures set out in Art. I.

Disagreement with the Attorney General's decision to deport Chadha—no less than Congress' original choice to delegate to the Attorney General the authority to make that decision, involves determinations of policy that Congress can implement in only one way; bicameral passage followed by presentment to the President. Congress must abide by its delegation of authority until that delegation is legislatively altered or revoked.

NOT WITHIN EXCEPTIONS

Since it is clear that the action by the House under Sec. 244(c)(2) was not within any of the express constitutional exceptions authorizing one house to act alone, and equally clear that it was an exercise of legislative power, that action was subject to the standards prescribed in Article I. The bicameral requirement, the presentment clauses, the President's veto, and Congress' power to override a veto were intended to erect enduring checks on each branch and to protect the people from the improvident exercise of power by mandating certain prescribed steps.

To preserve those checks, and maintain the separation of powers, the carefully defined limits on the power of each branch must not be eroded. To accomplish what has been attempted by one house of Congress in this case requires action in conformity with the express procedures of the Constitution's prescription for legislative action: passage by a majority of both Houses and presentment to the President.

The veto authorized by Sec. 244(c)(2) doubtless has been in many respects a convenient shortcut; the "sharing" with the executive by Congress of its authority over aliens in this manner is, on its face, an appealing compromise. In purely practical terms, it is obviously easier for action to be taken by one House without submission to the President, but it is crystal clear from the records of the Convention, contemporaneous writings and debates, that the Framers ranked other values higher than efficiency. The records of the convention and debate in the states preceding ratification underscore the common desire to define and limit the exercise of the newly created Federal powers affecting the states and the people. There is unmistakable expression of a determination that legislation by the national Congress be a step-by-step, deliberate and deliberative process.

The choices we discern as having been made in the Constitutional Convention impose burdens on governmental processes that often seem clumsy, inefficient, even unworkable, but those hard choices were consciously made by men who had lived under a form of government that permitted arbitrary governmental acts to go unchecked. There is no support in the Constitution or decisions of this Court for the proposition that the cumbersomeness and delays often encountered in complying with explicit constitutional standards may be avoided, either by the Congress or by the President. With all the obvious flaws of delay, untidiness, and potential for abuse, we have not yet found a better way to preserve freedom than by making the exercise of power subject to the carefully crafted restraints spelled out in the Constitution.

We hold that the Congressional veto provision in Sec. 244(c)(2) is severable from the Act and that it is unconstitutional. Accordingly, the judgment of the Court of Appeals is

Affirmed.

MAJOR LAWS WITH VETO PROVISIONS

War Powers Resolution of 1973. Under this landmark legislation, Congress could force a President to remove American forces engaged in hostilities in other countries.

Congressional Budget and Impoundment Control Act of 1974. Under this law, either the House of Representatives or the Senate could force the executive branch to spend money on a specific project.

Military Appropriation Authorization Act of 1975. Under this legislation, a concurrent resolution of Congress could restrict export of certain defense-related or technological products.

International Security Assistance and Arms Control Act of 1976. This law permits Congress to override a Presidential decision to sell military equipment to a foreign nation.

Nuclear Nonproliferation Act of 1978. Congressional action could end agreements for the storage and disposal of spent nuclear fuel and the export of nuclear facilities or technology.

Federal Trade Commission Improvements Act of 1980. Under this law, commission rules could be overturned by a concurrent resolution. Last year, for example, Congress vetoes a "used car rule" that would have required automobile dealers to disclose known mechanical defects and the availability of a warranty.

Federal Land Policy and Management Act of 1976. This law permits Congress to disapprove sales of public lands larger than 2,500 acres.

(Legislative vetoes have been included in many other statutes, providing Congress with the power to overturn regulations affecting historic preservation, coastal-zone management, farm credit, the designation of marine sanctuaries, the establishment of an oil and gas lease bidding system and the use of insecticides, fungicides and rodenticides.)

FROM DISSENTING OPINIONS

(By Justice White)

Today the Court not only invalidates sec. 244(c)(2) of the Immigration and Nationality Act, but also sounds the death knell for nearly 200 other statutory provisions in which Congress has reserved a "legislative veto." For this reason, the Court's decision is of surpassing importance. And it is for this reason that the Court would have been well-advised to decide the case, if possible, on the narrower grounds of separation of powers, leaving for full consideration the constitutionality of other congressional review statutes operating on such varied matters as war powers and agency rulemaking, some of which concern the independent regulatory agencies.

A MEANS OF DEFENSE

The history of the legislative veto makes clear that it has not been a sword with which Congress has struck out to aggrandize itself at the expense of the other branches—the concerns of Madison and Hamilton. Rather, the veto has been a means of defense, a reservation of ultimate authority necessary if Congress is to fulfill its designated role under Article I as the nation's lawmaker.

While the President has often objected to particular legislative vetoes, generally those left in the hands of congressional committees, the executive has more often agreed to legislative review as the price for a broad delegation of authority. To be sure, the President may have perferred unrestricted power, but that could be precisely why Congress thought it essential to retain a check on the exercise of delegated authority.

For all these reasons, the apparent sweep of the Court's decision today is regrettable. The Court's Article I analysis appears to invalidate all legislative vetoes irrespective of form or subject. Because the legislative veto is commonly found as a check upon rulemaking by administrative agencies and upon

broad-based policy decisions of the executive branch, it is particularly unfortunate that the Court reaches its decision in a case involving the exercise of a veto over deportation decisions regarding particular individuals.

Courts should always be wary of striking statutes as unconstitutional; to strike an entire class of statutes based on consideration of a somewhat atypical and more-readily indictable exemplar of the class is irresponsible.

A DIVISIVE ISSUE

If the legislative veto were as plainly unconstitutional as the Court strives to suggest, its broad ruling today would be more comprehensible. But, the constitutionality of the legislative veto is anything but clear-cut. The issue divides scholars, courts, attorneys general, and the two other branches of the national Government. If the veto devices so flagrantly disregarded the requirements of Article I as the Court today suggests, I find it incomprehensible that Congress, whose members are bound by oath to uphold the Constitution, would have placed these mechanisms in nearly 200 separate laws over a period of 50 years.

The reality of the situation is that the constitutional question posed today is one of immense difficulty over which the executive and legislative branches—as well as scholars and judges—have understandably disagreed. That disagreement stems from the silence of the Constitution on the precise question: The Constitution does not directly authorize or prohibit the legislative veto.

Thus, our task should be to determine whether the legislative veto is consistent with the purpose of Art. I and the principles of separation of powers which are reflected in that Article and throughout the Constitution.

We should not find the lack of a specific constitutional authorization for the legislative veto surprising, and I would not infer disapproval of the mechanism from its absence. From the summer of 1787 to the present the government of the United States has become an endeavor far beyond the contemplation of the Framers. Only within the last half century has the complexity and size of the Federal Government's responsibilities grown so greatly that the Congress must rely on the legislative veto as the most effective if not the only means to insure their role as the nation's lawmakers.

But the wisdom of the Framers was to anticipate that the nation would grow and new problems of governance would require different solutions. Accordingly, our Federal Government was intentionally chartered with the flexibiity to respond to contemporary needs without losing sight of fundamental democratic principles.

In my view, neither Article I of the Constitution nor the doctrine of separation of powers is violated by this mechanism by which our elected representatives preserve their voice in the governance of the nation.

The Court's holding today that all legislative-type action must be enacted through the lawmaking process ignores that legislative authority is routinely delegated to the Executive branch, to the independent regulatory agencies, and to private individuals and groups.

This Court's decisions sanctioning such delegations make clear that Article I does not require all action with the effect of legislation to be passed as a law.

If Congress may delegate lawmaking power to independent and executive agencies, it is most difficult to understand Article I as forbidding Congress from also reserving a check on legislative power for itself. Absent the veto, the agencies receiving delegatons of legislative or quasi-legislative power may issue regulations having the force of law without bicameral approval and without the President's signature. It is thus not apparent why the reservation of a veto over the exercise of that legislative power must be subject to a more exacting test. In both cases, it is enough that the initial statutory authorizations comply with the Article I requirements.

I do not suggest that all legislative vetoes are necessarily consistent with separation of powers principles. A legislative check on an inherently executive function, for example that of initiating prosecutors, poses an entirely different question. But the legislative veto device here—and in many other settings—is far from an instance of legislative tyranny over the Executive. It is a necessary check on the unavoidably expanding power of the agencies, both executive and independent, as they engage in exercising authority delegated by Congress.

I regret that I am in disagreement with my colleagues on the fundamental questions that this case presents. But even more I regret the destructive scope of the Court's holding. It reflects a profoundly different conception of the Constitution than that held by the Courts which sanctioned the modern administrative state. Today's decision strikes down in one fell swoop provisions in more laws enacted by Congress than the Court has cumulatively invalidated in its history. I fear it will now be more difficult to insure that the fundamental policy decisions in our society will be made not by an appointed official but by the body immediately responsible to the people.

I must dissent.

(By Justice Rehnquist)

A severability clause creates a presumption that Congress intended the valid portion of the statute to remain in force when one part is found to be invalid. A severability clause does not, however, conclusively resolve the issue. "The determination, in the end, is reached by" asking "what was the intent of the lawmakers," and "will rarely turn on the presence or absence of such a clause." Because I believe that Congress did not intend the one-house veto provision of Sec. 244(c)(2) to be severable, I dissent.●

OLIVER BROWN TRUCKING CO. CELEBRATES 20TH ANNIVERSARY

● Mr. LAUTENBERG. Mr. President, August 7 will mark the celebration of a remarkable success story. Oliver Brown Trucking Co., of Middlesex, N.J., will have been in operation for 20 years.

I have known Oliver Brown for some time through his distinguished cousin, State Assemblyman Willie Brown of Newark. Oliver Brown's story is one that exemplifies the best of what can happen in this country. It is the story of one man, who raised himself through hard work and perseverance to become the owner of a nationwide minority business.

Oliver Brown began his trucking business in 1963 collecting wayward supermarket carts with his pickup truck. Shortly after, he expanded and began hauling groceries and produce. Since then, his fleet has grown from that 1 pickup truck to well over 100 vehicles. Recently, his business reached nationwide proportions.

Oliver Brown has also been active in his community and in the trucking industry. He was recently elected vice president of the New Jersey Motor Truck Association. He continues to serve as a board member of the American Trucking Association.

The extraordinary success of his business stands as both testimony to his character and an inspiration to all who have the dream of improving their life. I am very proud to have been associated with his family and to join those celebrating his first 20 years of business.●

PARTNERSHIP THAT IS WORKING

● Mr. TSONGAS. Mr. President, the issue of improving the quality of public education in America has become the hottest topic of the summer. While there has been an inclination to emphasize only the failures and deficiencies of our system, there is a responsible move to highlight educational programs and initiatives that do work.

Goals for Boston, which is celebrating its first anniversary, is a prime example of a working public-private partnership. Several major concerns are being addressed by Goals for Boston. The Boston Compact, an agreement between education and business, is an exemplary program that reflects the success of these partnerships. Boston Compact increases job opportunities for graduates from Boston's city high schools and has been lauded as a national example of how public-private partnerships can work in the area of education.

William S. Edgerly is chairman of Goals for Boston and president of the State Street Bank in Boston. He has written an editorial in today's Boston Globe on Goals for Boston and I believe it is worth sharing with my colleagues.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the Boston Globe, July 12, 1983]

PARTNERSHIP THAT'S WORKING

(By William S. Edgerly)

Goals for Boston celebrates its first anniversary today. One year ago. James Rouse came to Boston with a vision and a challenge. Rouse, the creative force behind Quincy Market, was the keynote speaker at a forum on public-private partnership efforts. His remarks to an audience of business, government and community leaders were stirring. His message was simple. Managing our communities in the 1980s, in the face of tightening finances and worsening social problems, required a new style. The

private, public and not-for-profit sectors must become partners, in deed as well as in word. Agendas must be merged, goals shared. To remain mired in the adversarial style of the past could frustrate and curtail the prosperity of any vital, exciting city, including ours.

Rouse's challenge stimulated an extraordinary dialogue among conference participants, and resulted in the emergence of the Goals for Boston program. At our first anniversary, I believe we all recognize that continued progress in Boston does depend on our willingness to work together, our commitment to a shared vision of achievement, and our mutual respect and trust as partners.

What are public-private partnerships about? They are ventures that combine the responsibilities and resources of business, government, community agencies and foundations to meet a community need. Each partner brings resources. Each expects to benefit. There is the hard work of consensus-building, of compromise, of conciliation. Partnerships require crossing borders. Partnerships are creative and entrepreneurial by nature; they push the partners to think beyond the limits of their own organizations. They can change the nature of relationships between groups: city government moves from being a regulator to being an innovator. Business moves from being a spectator to being involved. Service providers see themselves not as applicants for funds but as important resources in developing programs.

A tally at last year's public-private partnership forum highlighted 20 examples among the large number of effective partnership efforts in Boston. More have been added during the past year.

There is no more striking example than the Boston Compact, recognized nationally as a model agreement between business and education. What a year ago was a tentative discussion about how corporations and schools could work together to provide jobs for high school graduates, and thereby help improve our schools, has now become a contract among the public schools and over 200 local employers. The compact is a major educational initiative for Boston, aimed at providing qualified graduates from the city's high schools and assuring them access to good jobs.

In the past six months, Goals for Boston initiated the Boston Housing Partnership, Inc., which is like the compact in its potential to meet an important need. The partnership intends to support community organizations in the renovation of 500 units of affordable multi-family rental housing across Boston neighborhoods. At the same time, the partnership will examine a range of housing issues, concentrating on ways to intervene in the cycle of deterioration, tax delinquency, abandonment and arson that deprives Boston of so much potentially salvageable housing stock.

Fundamental challenges continue to confront the city: among them racial tensions, structural unemployment and adult illiteracy. The Goals for Boston agenda will continually evolve. The program will bring together key participants, nurture their collaborative efforts, and help concentrate their energies on significant goals that can make a difference for the city.

We need to seek progress, to celebrate our successes, and to persevere in our joint efforts. In a spirit of partnership, we can achieve meaningful results.●

COMEX 50TH ANNIVERSARY

● Mr. D'AMATO. Mr. President, on the occasion of the 50th anniversay of the Commodity Exchange in New York City, I would like to extend greetings and congratulations to its membership. As chairman of the Subcommittee on Securities and as a native New Yorker, I take pride in bringing to your attention the many contributions the exchange has made to the growth and development of the financial centers in New York, the United States, and the world.

Fifty years ago today, the National Metal Exchange, the Rubber Exchange of New York, the National Raw Silk Exchange, and the New York Hide Exchange merged to form the Commodity Exchange. Since then, Comex has become the world leader in the trading of gold, silver, and copper. Here, in the United States, its market share of metals future trading has risen to 82.6 percent. Comex is responsible for 100 percent of all copper futures traded in this country, 86.2 percent of all gold futures, and 74.2 percent of all silver futures. It assures liquidity and depth in the metals market.

It is extremely gratifying to note that these accomplishments have benefited both members and nonmembers. Comex is a vital part of the financial structure in New York City and has put New York alongside Chicago as the two premiere cities in the rapidly growing world of commodities trading. The economic activity generated from the Comex floor moves through hundreds of brokerage offices, creating thousands of jobs. Moreover, Comex provides a vital service for the country, and the world, by maintaining a free market in metals future trading, which is a tremendous help to those industries and to investors of all kinds.

Comex also refuses to rest on its past laurels. It recently introduced options on gold futures and applied to the Commodity Futures Trading Commission for permission to trade aluminum futures. Thus, it is clear that Comex has a praiseworthy commitment to the future.

Mr. President, I therefore believe that it is appropriate to salute Comex on its 50th birthday, and on its contributions to the economies of financial centers throughout the world.●

ACID RAIN: TWO NEW REPORTS PROVIDE THE AMMUNITION FOR ACTION

● Mr. HUMPHREY. Mr. President, shortly before the Senate recessed for the Fourth of July, two vitally important studies on acid rain were released. These studies—one from the National Academy of Sciences (NAS) and the other from a scientific panel appointed by the White House—provide the facts that Congress needs in order to enact acid rain control legislation.

On June 29, the National Academy of Sciences officially released a study entitled "Acid Deposition: Atmospheric Processes in Eastern North America, a Review of Current Understanding." Prepared by a distinguished panel of experts under the auspices of the National Research Council, this study looked in detail at two of the central scientific issues in the national debate on acid rain.

First, the committee considered to what extent reductions in pollutant emissions would lead to commensurate reductions in acid deposition. The committee found that "on the average, deposition is proportional to emissions." In other words, there is essentially a linear relationship between levels of emissions and deposition. If, for example, we require a 50-percent overall reduction in sulfur dioxide emissions, we will achieve roughly a 50-percent reduction in overall wet and dry acid deposition.

The other major issue addressed by the NAS study is the extent to which a distinction can be made between the influence of distant and local sources of pollutants on levels of acid deposition in ecologically sensitive areas of North America. The committee concluded that although such a distinction could not be made on the basis of currently available data, looking at northeastern North America as a whole, overall acid deposition would be reduced in proportion to an overall reduction in emissions.

Just the day before the NAS released this study, the White House Office of Science and Technology Policy (OSTP) issued a document entitled "General Comments on Acid Rain," which was prepared by a panel of nine scientists appointed to review the findings of the acid rain research conducted under the United States-Canada Memorandum of Intent on Transboundary Air Pollution. While acknowledging that we still have much to learn about acid rain, the panel concludes that the serious and potentially irreversible effects of acid rain are such that immediate action is called for. Notes the panel, "It is in the nature of the acid deposition problem that actions have to be taken despite incomplete knowledge." The committee recommends prompt reductions in sulfur dioxide emissions, "beginning with those steps that are most cost effective in reducing total deposition." As a Wall Street Journal article on the subject points out, "the report represents the strongest and most direct statement on the subject so far by a White House-sanctioned group."

The combined message of the NAS and OSTP reports is that it is time to take action on acid rain. It is my sincere hope that the administration and

Congress will face this issue head on, and join in the effort to enact legislation to protect our environment from acid rain. Earlier this year, 197 New Hampshire communities voted in their town meetings for a resolution calling on both the United States and Canada to undertake 50-percent reductions in sulfur dioxide emissions. These newest studies, coupled with earlier research findings on acid rain, indicate that a 50-percent cut in acid rain is not only achievable, but that indeed it is a goal on which we cannot compromise.

On Friday, July 8, the Oil Daily carried an editorial entitled "Acid Rain Won't Go Away," which points out that it is time for the coal and electric utility industries to join the debate in a constructive fashion. While I strongly disagree with the editorial's assessment that a program of gradual reductions in emissions would constitute a sensible compromise, I commend the Oil Daily for recognizing political realities and advocating industry cooperation in the effort to craft acid rain control legislation.

Mr. President, I ask that a Washington Post article, a statement issued by the White House, and an editorial from the Oil Daily appear in the RECORD at this point.

The material follows:

[From the Washington Post, June 30, 1983]

ACADEMY OF SCIENCES REPORT: ACID RAIN TIED DIRECTLY TO EMISSIONS

(By Cass Peterson)

The National Academy of Sciences, sharply undercutting the Reagan administration's position on acid rain, said yesterday that there is a direct link between the sulfur dioxide spewing from industrial smokestacks and the death of aquatic life in lakes and streams of the United States and Canada.

The academy's finding of a proportional, one-on-one relationship between sulfur dioxide emissions and the phenomenon of acid rain was immediately hailed by environmentalists, who said it shreds President Reagan's argument that not enough is known about acid rain to warrant expensive new curbs on sulfur dioxide emissions.

"This report effectively concludes the scientific debate," said Richard E. Ayres, chairman of the National Clean Air Coalition, an umbrella group of environmental, health, labor and religious groups. "The academy's judgment is clear. Control at the source will work and it ought to begin."

The report also was welcomed by Canadian officials, who have pressed the administration to impose new controls of U.S. emissions in an effort to halt the mounting acid rain damage in eastern Canada, where dozens of lakes are completely dead and hundreds more are dying.

"The report has finally put to rest the notion that what goes up perhaps doesn't altogether come down," said George Rejhon, environmental counselor to the Canadian Embassy in Washington.

But the academy's conclusion brought anguished cries from the Midwest, home of the coal-fed power plants that are the nation's biggest source of sulfur dioxide emissions. It also brought a sharp rebuttal from the coal industry, which sees a crackdown on acid rain as a threat to the high-sulfur coal fields of the Ohio Valley. Despite mounting pressure from Canada, conservationists and Congress—where acid rain control bills are pending in both the House and the Senate—the administration has resisted pressure for tighter pollution controls, contending that scientists could not guarantee that cutting emissions would ease the problem enough to make it worth the money. Instead, the administration has called for additional research.

That position has been under review since William D. Ruckelshaus took over as head of the Environmental Protection Agency a month ago, but yesterday Ruckelshaus said that the newly released study does not necessarily mean the administration should take immediate action on acid rain.

"Understanding the nature of the problem and deciding what to do about it are two different things," he said.

However, a panel appointed by Reagan's science adviser reported earlier this week that the environmental risks were so great that a solution must be found despite the scientific uncertainties.

Yesterday's report goes one step further, saying that while researchers cannot identify which specific smokestack contributes to which dying lake, it is reasonably certain that a 50 percent reduction in sulfur dioxide emissions will yield the same reduction in acid rainfall.

The panel appointed by the White House suggested "economically efficient" steps to cut sulfur dioxide emissions, such as washing coal in a chemical bath to reduce its sulfur content. More expensive options include switching to low-sulfure coal or alternate fuels, or fitting smokestacks with "scrubbers" to remove sulfur.

None of the methods is cheap, however, and scientists who worked on the academy report firmly declined to suggest how government policymakers should put their findings into practice.

But the chairman of the group, Dr. J. G. Calvert. an atmospheric scientist with the National Center for Atmospheric Research in Boulder, Colo., said the conclusion should reassure lawmakers and government officials "that they can get something for their bucks. It is a help to know that if we cut back anywhere we're going to get a benefit from it."

Acid rain is the term applied to acidic compounds formed when airborne pollutants, chiefly sulfur dioxide (a byproduct of burning coal) and nitrogen oxide (which comes mainly from cars), are changed chemically in the atmosphere and come to earth as dry particles or mixed in rain and snow.

The phenomenon is blamed for severe environmental damage in eastern Canada and the northeastern United States, where some lakes and streams have been stripped of aquatic life. Recent studies have suggested that acid rain may be linked to forest damage, and scientists also are concerned that the acids may free metals in lake and stream sediments, posing a potential threat to drinking water supplies.

In its report yesterday, the academy discounted the effects of nitrogen oxides.

Canadian officials blame sulfur dioxide emissions from the coal-burning power plants of the midwestern United States for much of their acid rain damage.

But Carl E. Bagge, president of the National Coal Association, noted that the scientists could not determine the specific contribution of one area's pollution to another area's environmental damage. "In plain English, scientists can't yet determine the relative importance of midwestern emissions to rainfall in the sensitive areas of the Northeast," Bagge said.

"While this report will be touted as justifying proposed acid rain measures, it actually exposes the Achilles' heel of the current politically based bills," he said.

In anticipation of the academy's report, the electric power industry fired its round Tuesday, warning that congressional strategies that focus on the sulfur-emitters of the Midwest will raise electricity rates in some areas by as much as 50 percent.

While several government studies have rebutted the industry's rate figures, the economic arguments of the administration and industry have been persuasive in the last two years, especially among coal-state legislators who envision a disaster in high-sulfur coal markets.

The concerns have effectively frozen the Clean Air Act in its tracks. But congressional sponsors of acid rain legislation said yesterday they expect the new report to put some steam behind their bills.

"I believe that the academy study will give us a tremendous amount of momentum to pass acid rain control legislation by the end of the year," said Rep. Henry A. Waxman (D-Calif.), who with Rep. Gerry E. Sikorski (D-Minn.). has introduced a bill that would force gradual nationwide reductions of sulfur dioxide of more than 50 percent.

A similar but less sweeping proposal, involving only the 31 states bordering or east of the Mississippi River, already has been approved by the Senate Environment and Public Works Committee. Chairman Robert T. Stafford (R-Vt.), a cosponsor of that bill, said he was "more and more optimistic" that acid rain control measures would be included in a reauthorization of the Clean Air Act this year.

Environmentalists cite other positive signs as well, including Secretary of State George P. Shultz's apparent interest in resolving acid rain as a foreign policy problem between the United States and Canada.

The report released yesterday was a follow-up to an academy study released in 1981, which determined that a 50 percent reduction in acid rain would prevent damage in sensitive freshwater areas. But the 1981 report drew no conclusions on what level of emission control would be needed to reduce acid rain by that amount.

The academy was denied government funding for its follow-up report, but it did the study anyway, using funds from an consortium of foundations.

JUNE 28, 1983, INTERIM REPORT FROM OSTP'S ACID RAIN PEER REVIEW PANEL

The White House Science Office today released a report summarizing findings to date by a panel of nine scientists who have been conducting a review of the state of knowledge about acid rain. The group was appointed in 1982 by Presidential Science Advisor George A. Keyworth, II, to review U.S.-Canadian scientific studies and to provide an independent assessment of the acid rain problem.

The summary being released now will be part of a larger report to be submitted to the Science Advisor later this year. It includes a discussion of cause/effect relationships associated with acid rain. Notwithstanding the generally limited knowledge about how sulfur and nitrogen emissions are specifically transported and converted into acid precipitation, the Panel has concluded

that the phenomena of acid deposition constitute a problem for which solutions should be sought. In this regard the Panel has recommended reduction from present levels in the emissions of sulfur compounds into the atmosphere, beginning with those steps that are most cost-effective in reducing total deposition.

The OSTP Panel is chaired by William A. Nierenberg, Director of the Scripps Institution of Oceanography. Copies of the five-page summary are available from the Office of Science and Technology Policy, Executive Office of the President, Washington, D.C. 20500.

GENERAL COMMENTS ON ACID RAIN

(A Summary of the Acid Rain Peer Review Panel for the Office of Science and Technology Policy, Executive Office of the President, June 27, 1983)

The United States and Canada together are emitting annually more than 25,000,000 tons of sulfur dioxide (SO_2) and a comparable amount of nitrogen oxides (NO) and NO_2), abbreviated as (NO_x), and these oxides can be converted by atmospheric chemical processes into sulphuric (H_2SO_4) and nitric (HNO_{23}) acids. The emissions are large enough to increase appreciably the acidity of natural rainfall, and rain in most of eastern Northern America is considerably more acid than that expected from natural processes alone. The Clean Air Act of 1970 marked the formal recognition by the U.S. government of the importance of reducing the emissions of sulfur to the atmosphere, and new power plants constructed since that time do control such emissions to lower levels. Such controls were a prudent first step. We recommend that additional steps should be taken now which will result in meaningful reductions in the emissions of sulfur compounds into the atmosphere beginning with those steps which are most cost effective in reducing total deposition.

The incomplete present scientific knowledge sometimes prevents the kinds of certainty which scientists would prefer, but there are many indicators which, taken collectively, lead us to our finding that the phenomena of acid disposition are real and constitute a problem for which solutions should be sought:

(1) The emissions of SO_2 and NO_x in eastern North America are at least ten times larger from human activities than from natural processes.

(2) A substantial fraction of such emissions are observed to return as sulfate (SO_4=) and nitrate (NO_3−) in rainfall; a probably comparable amount returns as "dry" deposition through surface interaction processes which are more difficult to monitor than the "wet" deposition in rain.

(3) In eastern North America the areas receiving the largest amounts of these acid rains are found within and downwind from the major source regions.

(4) The acidity of precipitation, some streams and some lakes in these major receptor regions are greater than the "natural" levels.

(5) Although some kinds of lakes have been acid throughout their known history, others located in principal receptor areas have become appreciably more acid during the past ten or twenty years.

(6) These changes in lake acidity have been accompanied by major changes in the biological activity within them, often including the disappearance of some species of fish.

(7) The largest of such aquatic effects have occurred in regions in which acidity is not "buffered" by the presence of alkaline minerals.

(8) Major areas of eastern North America have been identified whose geological composition is characterized by the absence of any important buffering capacity.

(9) Extensive evidence exists for increasing forest damage in eastern North America during the past few decades. Evidence of acid deposition as the primary cause for such harmful ecological effects on forests and other nonagricultural soils is, at present, much less compelling than that for aquatic damage.

The overall scientific understanding of the various aspects of acidic precipitation is quite incomplete at the present time, and will continue to have major uncertainties well into the future. Some of these gaps in our knowledge are permanent because the necessary measurements were not made ten, twenty, or fifty years ago before the potential future utility of such information was recognized. Other gaps exist because the needed scientific techniques have not yet been perfected or have not been adapted to the scale required for measurements covering much of the entire Western Hemisphere. Some of the important information will require at least ten or twenty years of additional data collection to take full cognizance of atmospheric variability and atmospheric cycles. Biological systems are extremely complex and variable. Response and recovery of many of these systems to external stress will require long-term (decades) detailed study for full evaluation. For these reasons, any current scientifically-derived recommendations must be based upon an imperfect, always increasing, body of pertinent data whose quality and completeness can be expected to improve for decades. Recommendations based upon imperfect data run the risk of being in error; recommendations for inaction pending collection of all of the desirable data entail even greater risk of damage.

The chemical processing of SO_2 and NO_x into acids in the atmosphere potentially involves a very large number of chemical reactions, and the relative importance of these various reactions changes drastically with time and location, often in response to varying meteorological conditions. Sulfur and nitrogen can be removed from the atmosphere in various chemical forms, and by both dry processes at the surface and wet processes in rainfall. Measurements of SO_4= and NO_3− in rainfall are now widespread, but do not have a long historical base. Measurements of dry deposition are so scattered (and experimentally doubtful) that quantitative assessment is essentially not possible even now.

The modeling of atmospheric emissions, transport and deposition has been confined almost entirely to the sulfur cycle, leaving nitrogen (and all else) to the future. The existing models do not agree with one another, and cannot be verified by comparison with observation because of the scarcity of good field data. They actually do not do very well in reproducing the observations on gaseous SO_2 that are available. Such models cannot be relied upon for (a) estimation of how much material emitted at A will be deposited at B; and (b) how much SO_2 will have been first converted to H_2SO_4.

There exists now no acceptable method for the determination of source/receptor relationships on a scale much smaller than "eastern North America." With a very large effort in laboratory atmospheric chemistry, in field measurements, and in atmospheric modeling, it might be possible within ten years (but certainly not five years) to produce a source/receptor model for eastern North America. We have great hope that methodology based on the use of natural tracers in fossil fuels may bypass some of these difficulties and perhaps reduce the time needed to elucidate this complex of problems. When a verified model exists in the future, there is a possibility that the source/receptor relationship will be sufficiently complex and variable that similar emission controls would still need to be assigned over rather large areas rather than locally.

Reduction below present SO_2 emission levels would reduce total sulfur deposition levels and as a consequence both reduce the probability for major changes in additional acid sensitive lakes or forests and allow the possibility for a return toward the original biological conditions existing in recently acidified areas.

The effects of acid deposition on biological systems in North America varies from certain to speculative. There is no question that some fresh water bodies have been altered in sensitive areas. The increase of acidity can reach levels which result in the release or "mobilization" of aluminum from solid minerals raising the possibility of toxic metal effects on biological species in both lakes and forest soils. There is strong evidence for damaging effects on limestone monuments, bridges and buildings, and other structures, but there is no good estimate of the economic magnitude of these effects.

The effect of air pollutants on agriculture may be important but the quantitative evidence is scanty. (An estimate for ozone damage to agriculture in the United States is five percent of the cash value. We anticipate that the overall effect of acid precipitation on crops could be comparably significant.)

There is a tendency in the scientific literature to speak of "long-term" and "short-term" effects, or of "irreversible" and "reversible" changes. Damage to fresh water lakes, where is exists, may require a recovery time varying from a few years to tens of years when the stress is removed. This variation depends upon the availability in the environment of species for colonization, the extent to which trace element composition has been altered, and similar factors. The recovery time of a stressed sylvan environment is probably several decades or more in New England and Canadian latitudes. With both forests and lakes, the term "irreversible" might be used for a recovery time which stretches beyond a few decades.

We as a committee are especially concerned about possible deleterious effects of a sustained increase in the acidity of unmanaged soils. Its microorganism population is particularly sensitive to a change in acidity. But it is just this bottom part of the biological cycle that is responsible for the recycling of nitrogen and carbon in the food chain. The proper functioning of the denitrifying microbes is a fundamental requirement upon which the entire biosphere depends. The evidence that increased acidity is perturbing populations of microorganisms is scanty, but the prospect of such an occurrences is grave. It may take many years of accumulation of acidity, from wet or dry deposition, before measurable consequences would be observed. Such an effect is "long-term" or "irreversible." It may take at least

that many years or longer for the soils to revert to their original condition. It is this possibility which provides us with the greatest concern.

"Acid rain" or acid precipitation belongs to a socially very important class of problems that have the superficial aspects of being amenable to a permanent solution achieved by a straightforward sum of existing technological and legislative fixes. This is very deceptive. Rather, this class of problems is usually not permanently solved in a closed fashion, but is treated more commonly to accommodate a steady increase in knowledge and understanding, taking various actions that appear most effective and economical at any given time.

It is in the nature of the acid deposition problem, that actions have to be taken despite incomplete knowledge. We have earlier given estimates of how long it may take to understand the "wet" chemistry, or the biological response. Reasonably accurate models incorporating relevant meteorology, chemistry, minerology and biology take even longer. If we take the conservative point of view that we must wait until the scientific knowledge is definitive, the accumulated deposition and damaged environment may reach the point of "irreversibility."

We feel that the proper initial approach is to select particularly economically effective steps to begin to reduce our concerns in the light of gross transport and deposition features that have been identified, associated with seasonal and geographical variation. Purely as an example, it may be useful to consider having fuel of different sulfur content during different seasons since the efficiency for wet sulfuric acid deposition seems to be much less in winter. As other examples, first "least cost" steps might be gross reductions in sulfur emissions from non-ferrous smelters and intensifying coal washing.

[From the Oil Daily, July 8, 1983]

ACID RAIN WILL NOT GO AWAY

Serious questions continue to be raised about the environmental phenomenon that has come to be called acid rain. In the past 10 days, however, the questions have started to come not from environmentalists but from leading members of the scientific community.

Separate reports by the National Academy of Sciences' National Research Council and a panel of scientists appointed by the White House Office of Science and Technology Policy have urged curbing pollution from industrial sources to reduce acid rain, deposits of acidic and metallic particles in dry form as well as rain and snow that have been found to kill fish and other wildlife in northeastern and Canadian lakes and forests. The result, according to key Reagan administration and Environmental Protection Agency officials, is that it appears more likely than ever that the administration will have to soften its declaration that more research on the problem is needed and start examining possible solutions.

Achieving those solutions won't be easy. There's some consolation that while EPA Administrator William D. Ruckelshaus apparently regards the momentum for an acid rain regulatory program as "a juggernaut," he probably will wait for the report of the special acid rain task force which he formed last month to examine technical and policy options. Initial indications are that the suggested path will be away from the sweeping measures that have been proposed by some northeastern lawmakers and toward a series of gradual reductions that will allow time to examine their impact on the acid rain problem.

Such an approach would be the most sensible compromise. An initial reduction in annual sulfur dioxide emission of 3 million to 4 million tons makes much more sense than the 8 million or 14 million currently mandated in legislation now pending. Industries believed to be the source of the emissions should also be given ample opportunity to choose among technologies to reduce the pollution instead of having to install expensive stack scrubbers.

But the program that may well take shape within EPA and its task force requires participation from all sides. For the time being, that's not taking place. Surprisingly, the National Coal Association persists in its declaration that NAS' National Research Council did not demonstrate that a primary source of pollution is midwestern coal-fired power plants. Similarly, the Edison Electric Institute's senior vice president, John J. Kearney, said the current congressional proposals "seem like a multibillion dollar gamble" that would raise electric bills in some parts of the country by as much as 50 percent.

It's important to remember that the attacks by these two groups are aimed at the sweeping bills now before Congress. But in attacking the bills whole-heartedly by seeming to minimize the scientific work done so far in studying acid rain, these two organizations are ignoring some basic political facts. While the American public appears to be more concerned these days about the economic impact of environmental safeguards, it still wants to see its air, water and land protected. With the groundswell of concern mounting over acid rain, time is running short for the utilities and coal operators to quit saying there's no problem and start helping to achieve a solution.

They should do this because there is a problem—a political one that threatens to effectively choke any rebound in domestic use that American coal hopes to enjoy. As long as the burning of coal is regarded as a problem in the eyes of the public at large, manufacturing installations and electric power plants will shy away from it and lean toward other forms of energy. More than acid rain's perceived impacts, that is where the real threat lies.

It will be necessary in the coming months for the involved industries to do more than criticize the current proposed legislation. They will have to become more active, visible partners in the search for a solution to a problem that threatens to poison the potential use of coal in the United States more effectively than the reported pollution of northeastern and Canadian forests, lakes and rivers. While they can derive some encouragement in this administration's sympathy with economic impacts in the midst of a general recovery, they must not underestimate the growing politices of the acid rain question.

When EPA Administrator Ruckelshaus reviews the acid rain task force's report around Aug. 1 and begins to formulate a strategy, it will be well for him to also have some concrete alternatives from the two most affected industries to the sweeping measures currently in Congress. A more visibly cooperative attitude at this point could make a substantial difference.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. STEVENS. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Dr. James Lucier, of the staff of Senator HELMS, to participate in a program sponsored by a foreign educational organization, Konrad Adenauer Stiftung Foundation, in Bonn, West Germany, from June 30 to July 3, 1983, to discuss the situation in Western Europe after recent elections in West Germany and Great Britain.

The committee has determined that participation by Dr. Lucier in the program in Bonn, West Germany, at the expense of the Konrad Adenauer Stiftung Foundation, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Dr. Leonard Weiss, minority staff director of the Subcommittee on Energy, Nuclear Proliferation, and Government Processes of the Governmental Affairs Committee, to participate in a program sponsored by the International Energy Forum of Japan from May 23, 1983 to June 11, 1983.

The committee has determined that participation by Dr. Weiss in the program in Japan at the expense of the International Energy Forum of Japan, to participate in conferences and deliver addresses regarding nuclear nonproliferation and international nuclear trade, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35 which would permit Mr. Richard Rolf, of the staff of Senator HATFIELD, to participate in a conference sponsored by the Friedrich Ebert Stiftung Foundation in Bonn, West Germany, from June 22 to June 23, 1983.

The committee has determined that participation by Mr. Rolf in the conference in Bonn, West Germany, at the expense of the foundation to discuss European-American security issues, is in the interest of the Senate and the United States.●

JOE DELANEY

● Mr. JOHNSTON. Mr. President, I was deeply saddened to learn over the

recent holiday of the death of Joe Delaney, a native of Haughton, La.

Joe was an all-American athlete at Northwestern State University in Natchitoches and, for the last 2 years, a star running back for the Kansas City Chiefs of the National Football League.

His athletic talent earned him national fame, but his remarkable personal qualities—his kindness and generosity toward others, particularly young people—earned him something far greater: the deep respect and admiration of all who knew him.

Typical of his devotion to young people, Joe was entertaining a group of children at a park in Monroe on June 29, when he heard three youths call for help from a nearby pond. Without concern for his own safety he rushed to their aid and lost his life attempting to rescue them.

With Joe Delaney's death, we in Louisiana have lost one of our outstanding young citizens, professional football has lost one of its most gifted players, and young people everywhere have lost a true friend, a genuine hero.

I commend to the attention of my colleagues, a tribute to Joe Delaney from the Shreveport Journal, June 30, and ask that it be printed in the RECORD.

The tribute follows:

NO REGULAR GUY

(By John James Marshall)

Forget that Joe Delaney was the Offensive Rookie of the Year in the American Football Conference in 1981. Or that he was a Division 1-AA All-American. Or that he never saw the back of a jersey in the track season of 1977.

Today, none of that matters. None of that is important.

What matters is that Joe Delaney, human being, tried to save the life of three others Wednesday afternoon. Ultimately, that is what he will be judged by. Stacked up against that, nothing else really matters.

Maybe it is ego that makes us think that we would have done the same thing in the same situation. We've all read the books on how to pull somebody out of the water. We all want to be the hero. Headlines. Medals.

But we never really know what we would do when it happens. Joe Delaney wasn't trying to be a hero. He was only doing what was natural for him. It was instinct.

It says something for our society that the only way Joe Delaney got on the CBS Evening News Wednesday night was that he was a professional football player and he drowned. Had he been Joe Delaney, just plain Haughton resident, it would have been two paragraphs lumped with the drug busts and radar locations. Had he saved the children's lives and lived it would have been a nice, human interest story.

But it took tragedy for it to make today's paper or the 6 o'clock news.

There is also irony mixed with this tragedy. On April 18 at Parkway High, Delaney was one of the celebrities at the local Special Olympics. He measured the throws, talked to the kids and like most people who have never been around the less fortunate, he was touched by it all.

In an interview with KTBS-TV that day, Delaney said, "I'm blessed with all the talent in the world. These kids . . . they need somebody to love them. The good thing is that they are living and they have somebody to love them."

It is sad that today is the first day in 24 years that this world will be without Joe Delaney. Dammit, it shouldn't be. Joe should be running, working out in the weight room, doing whatever he pleased today. And smiling.

It was his smile that won people over to Joe Delaney. He had a smile that just warmed your heart. Made you realize that pro football didn't make monsters out of innocent kids after all.

Hopefully, the only impression you have of Delaney is not one that you acquired from television interviews. He was always polite about being interviewed, but he never liked the cameras or the microphones. They made him nervous. Made him talk fast. But he kept smiling.

And there was one side of Delaney that cameras never really brought out.

Sincerity.

You'll read reaction stories about the news of his death and they'll all say basically the same thing. That should tell you something. Joe Delaney was the same person to everybody. The quote from his high school coach sounds almost the same as that of his pro coach. And his pro coach barely knew him.

A few years ago, he was just a kid who could run like the wind and didn't stay in one place long enough to cause trouble.

He never changed.

Maybe he knew he was playing the wrong position in high school, but he never made a big deal out of it. If the coaches want him to play wide receiver, Delaney figured he should play wide receiver and keep quiet about it. Even though he was probably the best running back on the team.

He won every race that mattered during his senior spring. He was successful so it just had to go to his head. It didn't.

Every time he left Haughton he came back the same way. That's why the town loved him. Folks in Haughton didn't want his autograph. They just wanted to say hi to him. Ask about the family. Say they saw him on TV. Just talk. He was their pride. Their joy.

Three months ago, a media team was scheduled to play representatives of Haughton High in a a basketball game. Bill Tynes, the head basketball coach, called and said, "We're going to get Joe Delaney to play 'cause everybody wants to see him."

We all expected Delaney to come walking in with fancy warmup that would put Liberace to shame. Maybe have an entourage of 20 and loud music surrounding him.

We should have known better.

To be honest about it, nobody really noticed him until the lineups were introduced. He was as friendly as always. He shook hands and was ready to have a little fun. And smiled.

He scored eight points that night and told us that he'd just love to play again. He made a point to tell us to be careful going home. He didn't even get into a Mercedes. Just a regular car.

It was nice to think that this NFL star was a regular guy. But Wednesday afternoon in Monroe, Joe Delaney proved that he was far from a regular guy.

God bless him.●

THE CONGRESSIONAL BUDGET PROCESS

● Mr. QUAYLE. Mr. President, the congressional budget process has evolved into a major instrument for making fiscal and economic policy. It has been the subject of study by many persons, both inside and outside Government, urging its reform and improvement. As part of the effort to strengthen and improve the budget process, earlier this year I introduced along with Senator FORD of Kentucky, S. 12, the Budget Procedures Improvement Act of 1983. This bill would strenghten the Budget Act by establishing a 2-year budget process and two year appropriations. The bill now has eleven cosponsors from both political parties.

Many persons, both inside and outside Congress, have stated their support for the idea of 2-year budget process, including Alice Rivlin, Director of the Congressional Budget Office and Charles Bowsher, Comptroller General of the United States.

The issue of the congressional budget timetable has been made even more significant by the recent U.S. Supreme Court decision invalidating congressional use of the legislative veto. This decision will almost certainly affect congressional actions on deferrals, an activity now done annully within the context of our annual budget process.

Mr. President, recently the Committee for Economic Development (CED) issued a report on the congressional budget process. CED recommends active experimentation with a 2-year budget and 2-year appropriations, and notes that if a biennial process turned out to be suitable for most programs, CED would then recommend a move to a biennial budget.

I ask that CED's remarks with respect to the biennial budget process be printed in the RECORD.

The remarks follow:

REMARKS FROM THE COMMITTEE FOR ECONOMIC DEVELOPMENT, "STRENGTHENING THE FEDERAL BUDGET PROCESS: A REQUIREMENT FOR EFFECTIVE FISCAL CONTROL" JUNE 1983

TWO-YEAR BUDGET CYCLE

There has been mounting interest in proposals for biennial budgeting. As the term is usually used, it implies a shift to a two-year budget resolution and two-year appropriations, as well as reliance on authorizations that have a time span of at least two years. The two-year limit basically reflects the fact that members of the House are elected for only two years at a time.

A biennial budget has many potential advantages. According to its advocates, it should relieve work-load pressures significantly by reducing the frequency of required hearings, reports, and votes on budget matters. It would allow time for more careful consideration of authorizations and for increased oversight of federal programs and agencies. It would be of particular aid to states and localities, which need greater stability and continuity in

funding as well as more timely information on when federal funds will be available.

The principal argument against biennial budgeting is that it might not work out as intended. Because of the difficulty of making reasonably precise forecasts for more than a year ahead, a biennial budget might mean that additional budget resolutions as well as supplemental appropriations and authorizations would become more frequent and troublesome than under the current system, resulting in less careful and integrated consideration of budget issues. Budgetary matters simply sprawl over two years, with no relief of legislative congestion, and Congress might be less decisive than when it faces one-year deadlines.

There are also practical problems in structuring a two-year budget cycle. One possibility would be to schedule all major Congressional decisions involving money (including resolutions and appropriations bills) in the first year of a new Congress, with authorizations and oversight concentrated in the second session. This arrangement would enable a new President to put budget policies into effect shortly after entering office. A potential problem is that the incoming President would have to formulate a new budget plan for two years within a relatively short period of time. An alternative would be to reverse the sequence; however, this would require the President to wait for a full year before receiving an opportunity to present his own program for Congressional consideration. Still another approach would be to spread most aspects of budget making over the two years, but this would have other drawbacks.

Because there are still many unresolved questions with respect to a two-year budget cycle, we do not favor an immediate, across-the-board shift to biennial budgeting. Instead, we recommend a more gradual approach toward extending the time frame for budget and related money decisions and legislation. This would involve active experimentation with the use of two-year appropriations and other longer-term funding arrangements for particular types of activities, depending on what makes the most sense from an economic and administrative viewpoint in each instance. For example, there are many agencies whose programs do not change significantly from year to year in response to underlying economic conditions. In such cases, appropriations covering two years or even longer periods may be entirely justified and would avoid the unnecessary cost and effort involved in the requirements for annual budget submissions and Congressional votes. For other types of programs or agencies, different time horizons may be appropriate. If a two-year decision cycle should turn out to be suitable for a high percentage of programs, our recommendations would be consistent with an eventual move to a biennial budget.●

SOLVING THE EDUCATION CRISIS

● Mr. ABDNOR. Mr. President, much has been written and said recently about the problems of our Nation's educational system and what it portends for the future of this Nation.

Equipping our youngsters with the basic skills necessary to function in the world of commerce and service is, of course, of paramount importance. While the situation demands our best corrective efforts, it is encouraging to note that some programs are already underway.

I command to the attention of my colleagues one such program of the Faulkton, S. Dak., schools.

VoWac Enhances Youngsters' Spelling

(By June Preszler Schaeffer)

Faulkton.—Ornithological, Neanderthal and refractometric.

They're tough words—difficult for many an adult to spell correctly.

But second graders at the Faulkton's Independent School have no trouble with them. They just listen carefully to the sound of their teacher's voice and, in their minds, review the word lessons they've learned.

Chalk in hand, they scratch out the words and usually spell them correctly. They might not know what these particular words mean but that was not the day's lesson. While most lessons teach the meaning of words this lesson was intended only to show that, thanks to a system called VoWac, these children are good spellers who understand how the English language works.

Mary Gomer, project director in the Faulkton schools and creator of the VoWac (Vowel-oriented Word Attack Course) says much of the system is based on the mechanics of the language. "The originators of our language hundreds of years ago really had more rhyme and reason to what they did than what we've been teaching our children. There are six basic syllables in the language and almost all words are based on these syllables." She says teaching the children these basics enables them to figure out for themselves how many words are spelled.

VoWac combines three methods of learning—sight, sound and touch. Students hear the word, write (touch) the word and see the word.

Gomer compares the system to coaching a basketball team. "The basketball player can read about basketball, be told about basketball and watch basketball but they're not going to be skilled themselves until they actually practice the game."●

LEE VERSTANDIG

● Mr. COCHRAN. Mr. President, I am pleased to have this opportunity to join with my colleagues in congratulating Lee Verstandig on his appointment as Assistant to the President for Intergovernmental Affairs.

Since 1977, Lee has held several important positions in Government. In the executive branch, he has served as Acting Assistant Administrator for Legislation at the Environmental Protection Agency and as Assistant Secretary for Governmental Affairs at the Department of Transportation. He was also administrative assistant and legislative director to our colleague from Rhode Island, Senator John Chafee. Prior to his Government service, Lee was a professor and administrator at Brown University and at Roger Williams College.

Lee's outstanding academic credentials and his broad experience in both the executive and legislative branches of Government make him especially qualified for his new responsibilities on the White House staff.

Mr. President, I feel we are fortunate to have Lee Verstandig serving in such a responsible position in this administration. I wish him every success in his new position, and I certainly look forward to working with him.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have only one item that I feel we should address this evening. Before I do so, I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

SENATOR LEN B. JORDAN

Mr. McCLURE. Mr. President, sometimes in a person's life you meet someone and you know that is what God meant for a man to be. As my colleagues know from the press reports during the Fourth of July recess, former Idaho Governor and U.S. Senator Len B. Jordan died in Boise, Idaho, on June 30. It is in truth hard to find words to express my feelings about Len Jordan's passing—deep feelings which I know are shared by the people of Idaho and by many of my colleagues in the Senate as well—except to say that Len Jordan is what God meant for a man to be.

This truly great western pioneer was born in Mount Pleasant, Utah, on May 15, 1899. He attended public schools in Enterprise, Oreg., and later enlisted in the U.S. Army during World War I. When the war ended, he worked his way through the University of Oregon. He played football and was elected to Phi Beta Kappa. He had the good fortune to marry the former Grace Edgington in 1924 and, in 1933, the Jordan family moved to a remote ranch below Hells Canyon on the Snake River. They lived in an old ranch house which Len Jordan rebuilt with his own hands. Grace Jordan wrote about their lives there in her book, "Home Below Hells Canyon." They moved to Grangeville, Idaho, in 1940, where he farmed and was in the automobile business.

Len Jordan's political career began when he was elected a State representative from Idaho County in 1947. He served as Idaho's Governor from 1950 to 1954. Following his term as Governor, he was appointed by President Eisenhower to head the U.S. delegation to the International Joint Commission. He helped negotiate agreements with Canada for the St. Lawrence Seaway, the Columbia River Basin Treaty Compact, and the Libby Dam. In the summer of 1962, he was appointed to the fill the vacancy created by the death of U.S. Senator Henry C. Dworshak, and that fall was elected to the balance of the term. In 1966, he was elected to a 6-year term. His work on the Interior Committee, particularly in the area of water resources, has

served as the cornerstone of a program of wise use and development of our region's water resources. He also served ably as a member of the Senate Finance Committee and as a member of the Select Committee on Standards and Conduct. In 1973, he chose to retire from the Senate, and he and Grace returned home to Idaho to live.

It has been for me a somewhat humbling experience to occupy the seat once held by a man of such great wisdom, experience, knowledge, and integrity. I have succeeded him in office; I could not take his place.

I think those who knew Len Jordan would agree that one of the most striking things about him was his unfailing and genuine kindness. He was a gentleman in every sense of the word. At the same time, he stood firmly for those things he knew were right—even against great odds.

Perhaps that is the key to understanding the legacy Len Jordan left us. He did not seek elective office for the power and accolades of holding office. His wife called him, "the unintentional Senator" in the book she wrote about their life in Washington. Rather, he ran for office because he saw things he wanted to change—things he wanted to make better, and he knew the responsibility was his to set about getting them done. He was in the best sense a perfect example of the citizen legislator.

When President Eisenhower, paraphrasing de Tocqueville, in speaking of the greatness of our country, said that America is not good because it is great, but great because it is good, it may well have been with a Len Jordan in mind. The truth of the power of that goodness and kindness of spirit is perhaps demonstrated by the genuine love and affection the people from my State—from all walks of life and all political shapes and sizes—will always have for Len Jordan and his dear and lovely partner, Grace. We all shall miss him, and his counsel, and his friendship. I shall in particular.

I know all the Members of the Senate join me in sending our wishes to his wife and family. While I am sure only time can comfort the loss of a husband, a father, and a grandfather, it may help, I hope, to know that his passing can be rightly seen by a grateful Nation not as an end, but as a completion of an exemplary and productive life. He was not an ordinary man. He was the best.

Mr. President, I ask unanimous consent that the editorial published in the Idaho Statesman on Senator Jordan be printed at this point in the RECORD. I also ask unanimous consent that editorials in the Idaho State Journal and the Aberdeen Times be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

[From the Idaho Stateman, July 2, 1983]

SENATOR JORDAN—A MODERATE VOICE

Len Jordan, the former Idaho governor and U.S. senator who died Thursday at the age of 84, commanded respect.

He was a man who did what he thought was right regardless of the political pressure his decisions put him under.

Jordan wasn't one of those professional politicians who spend their whole lives at the public trough. A country boy, he spent most of his first 40 years working close to the land, first as a laborer and cowboy, then as a ranch foreman, then (during the Depression) as the successful operator of his own sheep ranch in Hells Canyon.

He spent another 10 years farming and establishing a variety of successful businesses at Grangeville.

Not until he was almost 50 did Jordan, a reluctant politician, seriously consider public office. In 1946, angry about the way the Legislature mixed politics and road construction, he ran for the Idaho House and won.

He was to pursue the road issue for more than half a decade before—as governor—he succeeded in establishing the Idaho Highway Board, which put the matter of road construction on a less political basis.

As governor and later as a senator, Jordan proved himself a man of foresight. His role as a conservationist is a case in point. He fought—and prevailed—against the construction of the high Hells Canyon Dam, but defended other Snake River development because he considered the Snake to be a "working river."

Yet he fought just as hard for wild and scenic rivers legislation to protect such streams as the Salmon and the Clearwater.

He exhibited his pragmatism in other ways, too. As a moderate-to-conservative Republican, Jordan sat with the minority throughout his 10 years as senator, but learned to work constructively with the Democrats and with Idaho's Democratic Sen. Frank Church in particular. Upon Jordan's retirement in 1972, Church called their relationship an "effective partnership." "We have been able to find common ground," Church said, "and this has yielded terrific dividends for Idaho."

As friend and political confidant William S. Campbell said of Jordan, "He wasn't the ordinary run of politician."

[From the Idaho State Journal, July 6, 1983]

LEN JORDAN

Not long before Len Jordan retired from the U.S. Senate, the alumni at Idaho State University held a reception for him. Those officiating read testimonial letters from then-President Nixon, then-Sen. Frank Church, then-Senate Majority Leader Mike Mansfield and others.

Jordan was, unlike Church or Mansfield, a Republican Senator, and he had often broken with Nixon's policies, particularly on Vietnam. Such testimonial letters are not always full of genuine thoughts. In Jordan's case, however, they probably were. He earned their respect.

Jordan was a rare example of the kind of individual politics can sometimes attract: a thoughtful man, concerned about society, who enters the political arena to do a job, to help his state and community, and not to build a career or simply push a philosophy.

There are not many like that, and Jordan's passing last week left Idaho poorer for having one less.

Jordan was a rancher, "an ordinary type of guy," as he liked to say, who thoroughly enjoyed the Idaho countryside. After serving in the Idaho Legislature and for one term as governor, he returned home. He didn't return to elective office (though he served on a national commission in the interim) for seven more years, when he was asked in 1962 if he would serve in the U.S. Senate.

Many senators catch "Potomac fever" and wouldn't think of returning home; Jordan voluntarily retired (he could probably have easily won another term) in 1972.

Throughout his public service, Jordan was concerned with the practical issues of Idaho, the real needs of the state. In the late 1940s and early 1950s, Idaho state government badly needed to move away from the spoils system and toward more efficient government. Len Jordan, more than anyone else, brought that to the state and set the stage for further improvements made by later governors. The state also badly needed to establish a solid natural resources policy, and much of the common sense in the state's natural resource policy today can be traced to his efforts.

Jordan exemplified what a citizen-legislator can be, and his career should serve as an example for those who would follow in his footsteps.

[From the Aberdeen Times, July 6, 1983]

GREATEST STATESMAN DIES

Idaho lost one of its greatest statesmen last Thursday night. Former governor and U.S. Senator Len B. Jordan died after battling cancer, coronary disease and finally a stroke. He was 84 years old.

Jordan was the type of politician neither party could have complained about. A Republican, he won his first elected office in strongly Democratic northern Idaho.

His reform of Idaho's state government and his battles to protect Idaho's natural resources helped Idaho become the great state it is.

And like the state he represented, Jordan was also a great man. If only there were more men like him.

Mr. BAKER. Mr. President, my statement earlier today at the opening of the Senate in respect to the death of our former colleague, Len Jordan, will be expanded in a statement I will make later. I am sure other Senators will speak on this subject.

ORDER FOR RECORD TO REMAIN OPEN AND STATEMENTS REGARDING FORMER SENATOR JORDAN TO BE PUBLISHED AS A SENATE DOCUMENT

Mr. BAKER. Mr. President, I ask unanimous consent that for a period of 10 days from today, the RECORD remain open for remarks on the life and career and the passing of former Senator Len Jordan.

I further ask unanimous consent, Mr. President, that the statements which are made be gathered up, bound together, and published as a Senate document.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there is one nomination on today's calendar that I would like to take up, if the minority leader is prepared. There are other nominations that are cleared, but it is late. If there is no great urgency about it, I prefer to do those in the morning when we convene.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I now ask that the Senate go into executive session for the purpose of considering Calendar Order No. 225, the nomination of Ford Barney Ford, of California, to be Under Secretary of Labor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF LABOR

The bill clerk read the nomination of Ford Barney Ford, of California, to be Under Secretary of Labor.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I take pleasure in supporting this nomination. Mr. Ford and I were together yesterday in West Virginia where we joined in the dedication of the Dallas Pike facility in Ohio County, a very important facility which will test and certify mine health and safety equipment.

We then went to Marshall County and went underground in the Consolidated Coal Co.'s Shoemaker coal mine. We were underground for a couple of hours, traveling between 3 and 4 miles, where we witnessed the operation of the continuous miner, and other modern machinery, and saw long wall mining, in a mine where I believe there has been no fatality in the last 3 years. The company operates an excellent safety program there. The coal miners who work there are to be congratulated on their careful approach to their hazardous work.

I felt that Mr. Ford made a fine impression on those who were present—the miners and people in management. I compliment the management at the mine and, as I have already said, the miners.

I am very appreciative of the fact that Mr. Ford visited West Virginia yesterday, and for that reason, I wanted to speak up in his behalf on the occasion of the Senate's confirmation of his nomination. I urge that there be no objection to the confirmation.

I have a feeling that Mr. Ford will do an excellent job. He shows a great deal of compassion, interest, and dedication; and I have the feeling that he will acquit himself admirably in the position to which he is about to be confirmed.

I thank the majority leader for calling up the nomination.

The PRESIDING OFFICER. The question is on the confirmation of the nomination.

The nomination was confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, there is a possibility that we can take up one other item that we had thought was cleared for action by unanimous consent at this time. I believe two Senators are interested in this subject.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, the time for the transaction of routine morning business has expired. It does not appear that there is anything further the Senate can address this evening.

I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 7:52 p.m. the Senate recessed until Wednesday, July 13, 1983, at 11 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 12, 1983:

DEPARTMENT OF LABOR

Ford Barney Ford, of California, to be Under Secretary of Labor.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, July 12, 1983*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Grant us in all the circumstances of life to look to You, O God, for the strength to meet the demands of each day. Support, encourage, correct, and admonish us that our lives will better reflect the true nature of Your creation. May Your spirit live with all those who labor in this place; forgiving where we have missed the mark, and giving comfort and love to all in need. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

JAPANESE UNFAIR TRADE POLICIES

(Mr. KILDEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILDEE. Mr. Speaker, the Japanese International Trade and Industry Minister, Mr. Sosuke Uno, has shown great insensitivity to the economic effects here of Japan's unfair trading policies. Mr. Uno recently said that Japan's modest voluntary restraints on auto exports to the United States would not be extended when they expire on March 31, 1984.

We now are being told by Japanese Embassy officials that Mr. Uno's statement should not necessarily be taken as the final decision. I certainly hope this will not be the final decision. I hope the voluntary restraints will be extended to give our auto industry time to recover.

Mr. Uno's comment, however, does indicate the lack of concern by the Japanese Government to U.S. economic problems. It also clearly shows why voluntary restraints are not enough to stabilize this essential part of America's industrial base.

Every other auto-producing country in the world has more stringent import restrictions on automotive products than does the United States. This includes Japan. As a result, our market has been targeted by other countries seeking to expand their industrial and job bases at the ruinous cost of our own. Mr. Uno's statement makes the passage of H.R. 1234, the domestic content bill, ever more important.

The economic health of our Nation depends in large measure on the vitality of the American auto industry. We are becoming the world's patsy because of our reticence to defend a major industry from unfair foreign competition. I urge my colleagues to support domestic content legislation as one important way to help correct this serious situation and return industry and jobs to the United States.

COMPENSATION FOR AGENT ORANGE VICTIMS

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to urge my colleagues to support disability compensation for Vietnam veterans suffering from agent orange exposure.

Connecticut has close to 60,000 residents who served in Vietnam, and I am shocked by the horror stories I have heard. One veteran has three severely deformed children, another a child with a club foot, a cleft palate, and no ears or eyelids. Two Connecticut men have had over 100 nonmalignant tumors each removed from their bodies. Another has serious liver problems and tumors on the internal walls of his kidneys.

A study ordered by the State legislature found 540 serious health problems in 406 veterans' families. Mr. Speaker, the VA is simply not doing enough. To the VA we say, continue the studies, but meanwhile we should meet our responsibilities to those exposed to this deadly chemical. We should compensate the men and women suffering from agent orange exposure.

SELECTIVE SERVICE REGISTRATION

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am pleased to report that registration with the Selective Service System continues to be a success. According to the latest figures, the overall sign-up rate is 96 percent. This compares favorably with the compliance statistics for any other Federal program.

The sign-up rate is 98.1 percent for the primary draft-age group, which includes ages 20 through 23.

These latest figures show that this Nation's young men recognize their obligations of citizenship regarding this registration requirement.

The very high rate of compliance has strengthened our Nation by insuring that we will be prepared to quickly and efficiently mobilize our manpower, in case of a national emergency.

FAILURE OF EMERGENCY JOBS PROGRAM

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SOLOMON. Mr. Speaker, a philosopher once said that those who do not remember the past are condemned to repeat it. Well, I think that before we condemn the American taxpayer this week to paying for more high-priced and unnecessary recession relief measures, we in the Congress ought to remember our past mistake with another fiasco, the $4.6 billion Emergency Jobs Act.

A survey by the New York Times has established, Mr. Speaker, that the emergency jobs program has not produced lasting jobs for American workers. Why, it has not even produced make-work jobs.

Under the headline, "Three-month-old Emergency Act has created few jobs as yet," the July 5 Times concludes, and I quote:

> Although the money was intended primarily to help men and women whose jobs had been in declining industries, the early beneficiaries of the funds have been the lawyers, the accountants, engineers, and consultants brought in to draw up proposals, plan new projects, and conduct public hearings on them.

Hardly my idea of a revival of the American dream of private enterprise and productive employment.

Mr. Speaker, is this a forerunner of Democratic proposals to tax, spend, and quick fix everything? If so, I will stick to Reaganomics, thank you.

You know, Mr. Speaker, if something is not broke, do not fix it. Our economic recovery is humming along quite nicely, and will continue—if Congress gives it a chance.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

POEM IN CELEBRATION OF THE 207TH BIRTHDAY OF OUR COUNTRY

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. KRAMER. Mr. Speaker, a constituent of mine has written a poem in celebration of the 207th birthday of our country. Its short message, I believe, has meaning which goes far beyond just 1 day in our Nation's history. While the poet wishes to remain anonymous, I would like to share his thoughts with all, but especially with those Americans who are sometimes too cautious to think with their hearts, and instead are ruled by convention and skepticism. Too often, do we dwell on what is wrong and thus not possible. My constituent presents a perspective that is not heard loudly or often enough. What is right with America, native land beloved. And because it is right, we are provided a vision that all things are possible.

NATIVE LAND BELOVED

Native land beloved, you are all that's good about this world of ours.

In you are those values which mold yet transcend daily living: Love of God; of family; of honesty; of fairness; of truth; of life itself.

In you are those qualities which give humanity to our species: strength tempered with compassion; goodness; intelligence; kindness; humor; charity; hope; faith; love—in short, the stuff of which soul is built.

And lastly, behold the glorious temple, surely sculpted by the hand of God, in which these values and qualities are enshrined: majestic snow covered mountain peaks; fertile valleys bearing the cornucopia of nature; emerald islands set down in deep seas; and forests of thick foliage where primeval perfumes are brought forth by the covering moisture which answers thunder and lightning.

Native land beloved, you are all that is good about this world of ours. May the Almighty always be your beacon. Truly you are His special gift of love.

CARTER CAMPAIGN BRIEFING PAPERS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. MICHEL. Mr. Speaker, I have been watching with great interest this spectacle over the Carter administration campaign briefing papers.

No one seems to be really sure what happened or who made it happen, but one thing is certain: The preoccupation with this titillating tale will remain with us until we completely relive and replay the entire 1980 campaign from start to finish.

If the only resolution of this matter is a rerun of the whole campaign, then let us do it. If President Carter lost unfairly, then let us correct it.

Mr. Speaker, you go to President Carter and convince him to run again in 1984, and I will go to President Reagan and urge him to accept the challenge. I am sure I could talk him into it. That ought to make everybody happy, and we can avoid 1½ years of fishing expeditions, doubts, and what ifs.

Besides, getting President Carter to run again will save half the Democrats in the Senate millions of dollars they would otherwise waste seeking the nomination.

That may improve the attendance record of the other body.

THE SECONDARY MORTGAGE MARKET EQUITY AMENDMENT TO H.R. 1

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, I intend to offer an amendment to H.R. 1, the Housing and Urban-Rural Recovery Act of 1983.

The amendment I intend to offer would provide a high cost area adjustment for the home mortgage ceilings of Fannie Mae and Freddie Mac. The increase would be modest and would only be applied in those areas designated high cost by the Secretary of HUD.

The amendment is identical to legislation I previously introduced, H.R. 3420, just before the fourth of July recess. We now have 25 of my colleagues cosponsoring this bill.

Over 265 congressional districts would benefit from this amendment. The other 170 congressional districts would not be adversely affected by the amendment.

I seek your support. The entire Nation would gain and housing would benefit by the amendment.

The amendment is supported by virtually every national trade association of institutions that are involved in mortgage finance, including bankers, homebuilders, mutual savings banks, realtors, and savings and loans.

I urge your support of the amendment.

LEGISLATION TO PREVENT CRIMINAL INFILTRATION OF LABOR UNIONS REPRESENTING CASINO EMPLOYEES

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, I recently introduced a bill to permit States which have legalized casino gaming to impose measures to prevent criminal infiltration of labor unions representing casino employees.

This legislation is prompted by a recent U.S. Court of Appeals ruling that the State of New Jersey may not impose rules and regulations designed to keep criminal elements from infiltrating legalized casino operations through the route of labor unions representing casino employees. The basis of the court's decision was that Federal labor law preempts the field, to the exclusion of State law.

I understand the basis of the court's decision, and the need to preserve a basic principle of Federal labor law, which is the protection of the right of employees to form their own organizations and select their own leadership. However, what New Jersey and other similarly situated States are attempting to do is in no way inconsistent with these principles. The State laws in question are not attempts to regulate labor unions in a manner inconsistent with Federal labor laws. In fact, these State laws are not labor laws as such, but comprehensive casino control laws which impose the same exacting standards on management and labor alike, in carrying out the important State interest of keeping all elements of casino gaming free from criminal influence. In the case of New Jersey, not only is the law written in an even-handed way, but it is administered that way as well. Major officers and shareholders have been required to disassociate themselves from some companies, and one company was even ordered to turn over operation of its casino to another company.

It is well documented that organized crime has a natural affinity for casino gambling, and will look for any avenue of infiltration which is open to it, be it in management, labor, or related operations. As a condition for operating in the unique business of legalized casino gaming, States ask all those involved in the industry to subject themselves to scrutiny not required in other businesses. I do not believe that Congress, in enacting Federal labor laws, intended to preclude States from developing comprehensive, nondiscriminatory rules designed to keep all elements of casino operations clean and free of criminal infiltration. My bill simply makes clear that, in these very special circumstances, States are not barred by Federal law from applying those rules.

PERMISSION FOR SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that the Subcom-

mittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations be permitted to sit tomorrow, July 13, 1983, during the 5-minute rule.

The SPEAKER pro tempore (Mr. STARK). Is there objection to the request of the gentleman from New York?

There was no objection.

RESIGNATION AS MEMBER OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Interior and Insular Affairs:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 6, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
H204—The Capitol,
Washington, D.C.

DEAR MR. SPEAKER: I respectfully resign from the Committee on Interior and Insular Affairs. It has been my pleasure to serve on the committee.

In friendship,

BARBARA BOXER,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

□ 1215

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
July 11, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is to inform you, pursuant to the provisions of House Rule L (50), that Robert McGuire of my office has received a subpoena *duces tecum* from the Superior Court of the District of Columbia.

I will undertake to make the determinations required by the Rule and communicate them to you.

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be the final legislative business today.

FEDERAL BOAT SAFETY ACT AMENDMENTS

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2163) to amend the Federal Boat Safety Act of 1971, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2163

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO THE FEDERAL BOAT SAFETY ACT OF 1971

SEC. 101. Section 2 of the Federal Boat Safety Act of 1971 is amended as follows:

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. It is declared to be the policy of Congress and the purpose of this Act to improve recreational boating safety and to foster greater development, use, and enjoyment of all waters of the United States by encouraging and assisting participation by the States, the boating industry, and the boating public in activities related to increasing boating safety; by authorizing the establishment of national construction and performance standards for boats and associated equipment; by creating more flexible authority governing the use of boats and equipment; and by facilitating the provision of services by the United States Coast Guard on behalf of boating safety. It is further declared to be the policy of Congress to encourage greater and continuing uniformity of boating laws and regulations among the States and the Federal Government, to encourage and assist the States in exercising their authorities in boating safety, to foster greater cooperation and assistance between the Federal Government and the States in administering and enforcing Federal and State laws and regulations pertaining to boating safety, and to equitably utilize taxes paid on fuel use in motor boats in a manner which enhances boating safety.".

SEC. 102. (a)(1) Section 3 of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement" in paragraph (11), by striking out paragraphs (12) and (14), and by redesignating paragraphs (13) and (15) (and all references thereto) as paragraphs (12) and (13), respectively.

(2) Paragraph (13) of section 3 of the Federal Boat Safety Act of 1971 (as redesignated by paragraph (1) of this subsection) is amended to read as follows:

"(13) 'Fund' means the Boat Safety Account established by section 9504 of the Internal Revenue Code of 1954.".

(b)(1) Section 25 of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement" in the section heading, by striking out "and facility improvement" in subsection (a), and by striking out "and facilities improvement" each place it appears in such section.

(2) Section 25(a) of the Federal Boat Safety Act of 1971 is amended by striking out "may" in the second sentence and inserting in lieu thereof "shall".

(c)(1) Section 26 of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement" each place it appears.

(2) Section 26(a) of the Federal Boat Safety Act of 1971 is amended by striking out "may" the second place it appears and inserting in lieu thereof "shall".

(3) Subsections (c) and (d) of section 26 of the Federal Boat Safety Act of 1971 are repealed. Section 26(a)(2) of such Act is amended by striking out ", (c), or (d)".

(d)(1) Subsections (b) and (f) of section 27 of the Federal Boat Safety Act of 1971 are repealed. Subsections (c), (d), and (e) of such section (and all references thereto) are redesignated as subsections (b), (c), and (d), respectively.

(2) Subsections (b) and (c) of section 27 of the Federal Boat Safety Act of 1971 (as redesignated by paragraph (1) of this subsection) are amended by striking out "and facilities improvement" each place it appears.

(e) Section 29 of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement".

(f) Section 31(c) of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement" each place it appears.

(g) Section 32 of the Federal Boat Safety Act of 1971 is amended by striking out "and facilities improvement" each place it appears.

SEC. 103. Section 30 of the Federal Boat Safety Act of 1971 is amended to read as follows:

"AUTHORIZATION OF FUNDS FOR BOATING SAFETY

"SEC. 30. (a)(1) The Secretary is authorized to expend in each of the fiscal years 1984, 1985, 1986, 1987, and 1988, subject to such amounts as are provided in appropriations Acts for liquidation of contract authority, an amount equal to two-thirds of the amount transferred for such fiscal year to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1954. Such amount shall be allocated in accordance with section 27 of this Act and shall be available for State recreational boating safety programs in accordance with the guidelines established under paragraph (2) of this subsection. Any funds authorized to be expended for State recreational boating safety programs shall remain available until expended and shall be deemed to have been expended only if a sum equal to the total amounts authorized to be expended under this section for the fiscal year in question and all previous fiscal years have been obligated. Any funds that were previously obligated but are released by payment of a final voucher or modification of a program acceptance shall be credited to the balance of unobligated funds and shall be immediately available for expenditure.

"(2) The Secretary shall establish guidelines prescribing the purposes for which funds available under this Act for State recreational boating safety programs may be used. Such purposes may include, but are not limited to, the following:

"(A) providing facilities, equipment, and supplies for boating safety education and law enforcement, including purchase, operation, maintenance, and repair;

"(B) training personnel in skills related to boating safety and to the enforcement of boating safety laws and regulations;

"(C) providing public boating safety education, including educational programs and lectures, to the boating community and the public school system;

"(D) acquiring, constructing, or repairing public access sites used primarily by recreational boaters;

"(E) conducting boating safety inspections and accident investigations;

"(F) establishing and maintaining facilities for, and providing emergency or search-and-rescue assistance;

"(G) establishing and maintaining waterway markers and other appropriate aids to navigation; and

"(H) providing State boat numbering or titling programs.

"(b) An amount equal to one-third of the amount transferred for each of the fiscal years 1984, 1985, 1986, 1987, and 1988 to the Boat Safety Account under section 9503(c)(4) of the Internal Revenue Code of 1954 shall be available to the Secretary for expenditure out of the operating expenses account of the Coast Guard for services provided by the Coast Guard for recreational boating safety, including services provided by the Coast Guard Auxiliary. Amounts made available by this subsection shall remain available until expended.".

TITLE II—SPORT FISH RESTORATION PROGRAM

SEC. 201. (a) The Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes", approved August 9, 1950 (16 U.S.C. 777 et seq.), is amended as follows:

(1) The first section is amended—

(A) by inserting "(a)" after That; and

(B) by adding at the end thereof the following new subsection:

"(b) Each coastal State, to the extent practicable, shall equitably allocate the following sums between marine fish projects and freshwater fish projects in the same proportion as the estimated number of resident marine anglers and the estimated number of resident freshwater anglers, respectively, bear to the estimated number of all resident anglers in that State:

"(1) The additional sums apportioned to such State under this Act as a result of the taxes imposed by the amendment made by section 311 of the Sport Fish Restoration Revenue Act of 1983 on items not taxed under section 4161(a) of the Internal Revenue Code of 1954 before January 1, 1984.

"(2) The sums apportioned to such State under this Act that are not attributable to any tax imposed by such section 4161(a).

As used in this subsection, the term 'coastal State' means any one of the States of Alabama, Alaska, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Louisiana, Maine, Maryland, Massachusetts, Mississippi, New Hampshire, New Jersey, New York, North Carolina, Oregon, Rhode Island, South Carolina, Texas, Virginia, and Washington. The term also includes the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Marianas.".

(2) The first sentence of section 3 is amended to read as follows: "To carry out the provisions of this Act for fiscal years after September 30, 1984, there are authorized to be appropriated from the Sport Fish Restoration Account established by section 9504(a) of the Internal Revenue Code of 1954 the amounts paid, transferred, or otherwise credited to that Account. For purposes of the provision of the Act of August 31, 1951, which refers to this section, such amounts shall be treated as the amounts that are equal to the revenues described in this section.".

(3) The first sentence of section 4 is amended to read as follows: "So much, not to exceed 6 per centum, of each annual appropriation made in accordance with the provisions of section 3 of this Act as the Secretary of the Interior may estimate to be necessary for his expenses in the conduct of necessary investigations, administration, and the execution of this Act and for aiding in the formulation, adoption, or administration of any compact between two or more States for conservation and management of migratory fishes in marine or freshwaters shall be deducted for that purpose, and such sum is authorized to be made available therefor until the expiration of the next succeeding fiscal year.".

(4) Section 5 is amended by striking all after the first sentence.

(5) Section 6 is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Interior may enter into agreements to finance up to 75 per centum of the initial costs of the acquisition of lands or interests therein and the construction of structures or facilities for appropriations currently available for the purposes of this Act; and to agree to finance up to 75 per centum of the remaining costs over such a period of time as the Secretary may consider necessary. The liability of the United States in any such agreement is contingent upon the continued availability of funds for the purposes of this Act.".

(6) Section 8 is amended by inserting "(a)" before the first sentence, and by adding at the end thereof the following new subsections:

"(b)(1) Each State shall allocate 10 per centum of the funds apportioned to it for each fiscal year under section 4 of this Act for the payment of up to 75 per centum of the costs of the acquisition, development, renovation, or improvement of facilities (and auxiliary facilities necessary to insure the safe use of such facilities) that create, or add to, public access to the waters of the United States to improve the suitability of such waters for recreational boating purposes.

"(2) So much of the funds that are allocated by a State under paragraph (1) in any fiscal year that remained unexpended or unobligated at the close of such year are authorized to be made available for the purposes described in paragraph (1) during the succeeding fiscal year, but any portion of such funds that remain unexpended or unobligated at the close of such succeeding fiscal year are authorized to be made available for expenditure by the Secretary of the Interior in carrying out the research program of the Fish and Wildlife Service in respect to fish of material value for sport or recreation.

"(c) Each State may use not to exceed 10 per centum of the funds apportioned to it under section 4 of this Act to pay up to 75 per centum of the costs of an aquatic resource education program for the purpose of increasing public understanding of the Nation's water resources and associated aquatic life forms. The non-Federal share of such costs may not be derived from other Federal grant programs. The Secretary shall issue not later than the one hundred and twentieth day after the effective date of this subsection such regulations as he deems advisable regarding the criteria for such programs.".

(b)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect October 1, 1983.

(2) The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect on October 1, 1984, and shall apply with respect to fiscal years beginning after September 30, 1984.

TITLE III—REVENUE PROVISIONS

SEC. 301. SHORT TITLE.

This title may be cited as the "Sport Fish Restoration Revenue Act of 1983".

Subtitle A—Tax on Sale of Sport Fishing Equipment

SEC. 311. TAX ON SALE OF SPORT FISHING EQUIPMENT.

(a) GENERAL RULE.—Subsection (a) of section 4161 of the Internal Revenue Code of 1954 (relating to the imposition of tax on the sale of rods, reels, etc.) is amended to read as follows:

"(a) SPORT FISHING EQUIPMENT.—

"(1) IMPOSITION OF TAX.—There is hereby imposed on the sale of any article of sport fishing equipment by the manufacturer, producer, or importer a tax equal to 10 percent of the price for which so sold.

"(2) 3-PERCENT TAX RATE FOR ELECTRIC OUTBOARD BOAT MOTORS.—In the case of an electric outboard boat motor, the rate of the tax imposed by this subsection shall be 3 percent (instead of 10 percent).

"(3) PARTS OR ACCESSORIES SOLD IN CONNECTION WITH TAXABLE SALE.—In the case of any sale by the manufacturer, producer, or importer of any article of sport fishing equipment, such article shall be treated as including any parts or accessories of such article sold on or in connection therewith or with the sale thereof."

(b) DEFINITION OF SPORT FISHING EQUIPMENT.—Part I of subchapter D of chapter 32 of such Code is amended by adding at the end thereof the following new section:

"SEC. 4162. SPORT FISHING EQUIPMENT DEFINED.

"For purposes of this part, the term 'sport fishing equipment' means—

"(1) fishing rods and poles (and component parts therefor),

"(2) fishing reels,

"(3) fly fishing lines, and other fishing lines not over 130 pounds test,

"(4) fishing spears, spears guns, and spear tips,

"(5) items of terminal tackle, including—

"(A) leaders,

"(B) artificial lures,

"(C) artificial baits,

"(D) artificial flies,

"(E) fishing hooks smaller than size 6/0,

"(F) bobbers,

"(G) sinkers,

"(H) snaps,

"(I) drayles, and

"(J) swivels,

but not including natural bait or any item of terminal tackle designed for use and ordinarily used on fishing lines not described in paragraph (3), and

"(6) the following items of fishing supplies and accessories—

"(A) fish stringers,

"(B) creels,

"(C) tackle boxes,

"(D) bags, baskets, and other containers designed to hold fish,

"(E) portable bait containers,

"(F) fishing vests,

"(G) landing nets,

"(H) gaff hooks,

"(I) fishing hook disgorgers, and

"(J) dressing for fishing lines and artificial flies,

"(7) fishing tip-ups and tilts,

"(8) fishing rod belts, fishing rodholders, fishing harnesses, fish fighting chairs, fishing outriggers, and fishing downriggers, and

"(9) electric outboard boat motors."

(c) TIME FOR PAYMENT OF TAX.—Section 6302 of such Code (relating to mode or time of collecting tax) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) TIME FOR PAYMENT OF MANUFACTURERS EXCISE TAX ON SPORT FISHING EQUIPMENT.—The tax imposed by section 4161(a) (relating to manufacturers excise tax on sport fishing equipment) shall be due and payable—

"(1) in the case of articles sold during the quarter ending December 31, on March 31,

"(2) in the case of articles sold during the quarter ending March 31, on June 30,

"(3) in the case of articles sold during the quarter ending June 30, on September 24, and

"(4) in the case of articles sold during the quarter ending September 30, at such time as the Secretary may be regulation prescribe."

(d) CLERICAL AMENDMENT.—The table of sections for part I of subchapter D of chapter 32 of such Code is amended by adding at the end thereof the following new item:

"Sec. 4162. Sport fishing equipment defined."

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a), (b), and (d) shall apply with respect to articles sold by the manufacturer, producer, or importer after December 31, 1983.

(2) TIME FOR PAYMENT OF TAX.—The amendment made by subsection (c) shall apply with respect to articles sold by the manufacturer, producer, or importer after September 30, 1983.

SEC. 312. ESTABLISHMENT OF AQUATIC RESOURCES TRUST FUND.

(a) GENERAL RULE.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to Trust Fund Code) is amended by adding at the end thereof the following new section:

"SEC. 9504. AQUATIC RESOURCES TRUST FUND.

"(a) CREATION OF TRUST FUNDS.—

"(1) IN GENERAL.—There is hereby established in the Treasury of the United States a trust fund to be known as the 'Aquatic Resources Trust Fund'.

"(2) ACCOUNTS IN TRUST FUND.—The Aquatic Resources Trust Fund shall consist of—

"(A) a Sport Fish Restoration Account, and

"(B) a Boat Safety Account.

Each such Account shall consist of such amounts as may be appropriated, credited, or paid to it as provided in this section, section 9503(c)(4), or section 9602(b).

"(b) SPORT FISH RESTORATION ACCOUNT.—

"(1) TRANSFER OF CERTAIN TAXES TO ACCOUNT.—There is hereby appropriated to the Sport Fish Restoration Account amounts equivalent to the following amounts received in the Treasury on or after October 1, 1983—

"(A) the taxes imposed by section 4161(a) (relating to sport fishing equipment), and

"(B) the import duties imposed on fishing tackle under subpart B of part 5 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202) and on yachts and pleasure craft under subpart D of part 6 of schedule 6 of such Schedules.

"(2) EXPENDITURES FROM ACCOUNT.—Amounts in the Sport Fish Restoration Account shall be available, as provided by appropriation Acts, to carry out the purposes of the Act entitled 'An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes', approved August 9, 1950 (as in effect on October 1, 1983).

"(c) EXPENDITURES FROM BOAT SAFETY ACCOUNT.—Amounts in the Boat Safety Account shall be available, as provided by appropriation Acts, for making expenditures before April 1, 1989, to carry out the purposes of section 30 of the Federal Boat Safety Act of 1971 (as in effect on October 1, 1983).

"(d) CROSS REFERENCE.—

"For provision transferring motorboat fuels taxes to Boat Safety Account and Sport Fish Restoration Account, see section 9503(c)(4)."

(b) TRANSFERS FROM HIGHWAY TRUST FUND.—

(1) Subparagraph (A) of section 9503(c)(4) of such Code is amended—

(A) by striking out "the National Recreational Boating Safety and Facilities Improvement Fund established by section 202 of the Recreational Boating Fund Act" in clause (i) and inserting in lieu thereof "the Boat Safety Account in the Aquatic Resources Trust Fund",

(B) by striking out "the amount in the National Recreational Boating Safety and Facilities Improvement Fund" in clause (ii) and inserting in lieu thereof "the amount in the Boat Safety Account", and

(C) by striking out "NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND" in the subparagraph heading and inserting in lieu thereof "BOAT SAFETY ACCOUNT".

(2) Paragraph (4) of section 9503(c) of such Code is amended by redesignating subparagraph (C) as subparagraph (D) and by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraphs:

"(B) $1,000,000 PER YEAR OF EXCESS TRANSFERRED TO LAND AND WATER CONSERVATION FUND.—

"(i) IN GENERAL.—Any amount received in the Highway Trust Fund—

"(I) which is attributable to motorboat fuel taxes, and

"(II) which is not transferred from the Highway Trust Fund under subparagraph (A),

shall be transferred (subject to the limitation of clause (ii)) by the Secretary from the Highway Trust Fund into the land and water conservation fund provided for in title I of the Land and Water Conservation Fund Act of 1965.

"(ii) LIMITATION.—The aggregate amount transferred under this subparagraph during any fiscal year shall not exceed $1,000,000.

"(C) EXCESS FUNDS TRANSFERRED TO SPORT FISH RESTORATION ACCOUNT.—Any amount received in the Highway Trust Fund—

"(i) which is attributable to motorboat fuel taxes, and

"(ii) which is not transferred from the Highway Trust Fund under subparagraph (A) or (B),

shall be transferred by the Secretary from the Highway Trust Fund into the Sport Fish Restoration Account in the Aquatic Resources Trust Fund."

(c) CONFORMING AMENDMENT.—Section 202 of the Recreational Boating Fund Act of 1980 is hereby repealed.

(d) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"Sec. 9504. Aquatic Resources Trust Fund."

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 1983.

(2) BOAT SAFETY ACCOUNT TREATED AS CONTINUATION OF NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND.—The Boat Safety Account in the Aquatic Resources Trust Fund established by the amendments made by this section shall be treated for all purposes of law as the continuation of the National Recreational Boating Safety and Facilities Improvement Fund established by section 202 of the Recreational Boating Fund Act of 1980. Any reference in any law to the National Recreational Boating Safety and Facilities Improvement Fund established by such section 202 shall be deemed to include (wherever appropriate) a reference to such Boat Safety Account.

Subtitle B—Tax on Certain Arrows

SEC. 321. TAX ON CERTAIN ARROWS.

(a) GENERAL RULE.—Paragraph (1) of section 4161(b) of the Internal Revenue Code of 1954 (relating to bows and arrows) is amended to read as follows:

"(1) BOWS AND ARROWS.—There is hereby imposed on the sale by the manufacturer, producer, or importer—

"(A) of any bow which has a draw weight of 10 pounds or more, and

"(B) of any arrow which—

"(i) measures 18 inches overall or more in length, or

"(ii) measures less than 18 inches overall in length but is suitable for use with a bow described in subparagraph (A),

a tax equal to 11 percent of the price for which so sold."

(b) COORDINATION WITH TAX ON SPORT FISHING EQUIPMENT.—

(1) Subsection (b) of section 4161 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) COORDINATION WITH SUBSECTION (a).—NO TAX SHALL BE IMPOSED UNDER THIS SUBSECTION WITH RESPECT TO ANY ARTICLE TAXABLE UNDER SUBSECTION (a)."

(2) Paragraph (2) of section 4161(b) of such Code is amended by striking out "(other than a fishing reel)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles sold by the manufacturer, producer, or importer after December 31, 1983.

Subtitle C—Tax Treatment of National Fish and Wildlife Foundation

SEC. 331. TAX TREATMENT.

Subsections (a) and (b) of section 508 of the Internal Revenue Code of 1954 (relating to special rules with respect to section 501(c)(3) organizations) shall not apply to the National Fish and Wildlife Foundation established pursuant to the National Fish and Wildlife Foundation Establishment Act.

The SPEAKER pro tempore (Mr. WEISS). Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2163, which includes amendments by the Ways and Means Committee and which I fully support, represents the culmination of many years of effort by the members of the Merchant Marine and Fisheries Committee as well as a great deal of cooperation and work by the Ways

and Means Committee. As chairman of the Merchant Marine and Fisheries Committee I am very proud to speak in favor of this much needed measure.

H.R. 2163 represents the marriage of two separate bills generated in the Merchant Marine and Fisheries Committee. The boating safety portion of H.R. 2163 was developed by Coast Guard Subcommittee Chairman GERRY STUDDS and ranking minority member, DON YOUNG, while the sport fish restoration amendments were developed by Fish and Wildlife Subcommittee Chairman JOHN BREAUX and the full committee's ranking minority member, ED FORSYTHE. I want to commend these members of the Merchant Marine and Fisheries Committee for their hard work and bipartisan cooperation which have led to this urgently needed legislation.

H.R. 2163 has two basic purposes: First, to earmark a portion of the existing motorboat fuels tax for the purposes of boating safety and second, to expand the moneys available to the States through the Sport Fish Restoration Act of 1950, the so-called Dingell-Johnson, or D-J program.

Under the Boat Safety Act, the Secretary of Transporation may allocate and distribute up to $45 million of the moneys generated from the 9 cent per gallon tax on special motorboat fuels to the States for the purposes of the act. These moneys are transferred to the boating safety fund and become available subject to appropriation acts. Any excess funds are transferred to the land and water conservation fund. Currently one-third of the revenue available for allocation and distribution is to be allocated for recreational boating and safety programs and two-thirds is allocated for recreational boating facilities improvement programs. These funds are distributed to the States as follows: One-third is allocated equally among the States, one-third is allocated to those States with an approved State vessel numbering system and one-third allocated to eligible States according to the State funds expended for boating safety and facility improvement programs. These funds must be matched by States on a 50 percent basis.

As reported by the Ways and Means Committee, title I of H.R. 2163 would:

First, reauthorize the Federal Boat Safety Act through fiscal year 1988;

Second, eliminate references to "facilities improvement" from the current act but provide for the acquisition, construction, and maintenance of public access sites;

Third, subject to a cap of $45 million as well as appropriations acts, allocate two-thirds of the motorboat fuel tax money generated in any year to the States for recreational boating safety programs and one-third of the motorboat fuel tax money to the Coast Guard for services related to the safety of recreational boaters.

The Sport Fish Restoration Act of 1950 which established the Dingell-Johnson program was enacted by Congress at the request of sport fishermen and tackle manufacturers. This act established a 10-percent excise tax on certain sport fishing equipment. These funds are administered by the Department of the Interior through the Fish and Wildlife Service. The moneys are distributed to the States: 60 percent based on the number of resident licensed anglers and 40 percent based on the land and water area. No State may receive more than 5 percent nor less than 1 percent of the Dingell-Johnson moneys. The States must match the Federal funds on a 25- to 75-percent basis. The funds are then used by the various State fish and wildlife agencies for the purpose of sport fish restoration, research, management, and conservation.

Title II of H.R. 2163 would:

First, allow the coastal States to allocate new Dingell-Johnson moneys between marine and freshwater sportfish projects;

Second, reduce the Department of the Interior's administrative cost allowance from 8 to 6 percent;

Third, provide that 10 percent of the total Dingell-Johnson allocation to each State must be used to improve public access for recreational boaters; and

Fourth, allow the States to use up to 10 percent of the Dingell-Johnson moneys for aquatic resource education programs.

Title III of H.R. 2163 would:

First, amend the Internal Revenue Code to expand the sport fishing tackle items subject to the current 10-percent excise tax to include nearly all such tackle items;

Second, establish a 3-percent excise tax on outboard electric trolling motors;

Third, defer the payment of the excise tax by the manufacturer for an additional quarterly period.

Fourth, establish an aquatic resource trust fund with a boat safety account and a sport fish restoration account;

Fifth, disburse—

Up to $45 million of the motorboat fuels tax into the boat safety account;

The $1 million of any remaining moneys attributable to the motorboat fuels tax to the land and water conservation fund; and

Any remaining motorboat fuels tax moneys to the sport fish restoration account; and

Sixth, transfer an amount equivalent to the taxes imposed on sport fishing equipment and the import duties on fishing tackle, yachts, and pleasure craft to the sport fish restoration account.

Finally, H.R. 2163 would:

First, expand the 11-percent excise tax under the Pittman-Robertson Wildlife Restoration Act to include cross-bow arrows; and

Second, give the National Fish and Wildlife Foundation tax-exempt status and make it fully eligible to receive tax deductible contributions. This foundation would be established under H.R. 2809, also before us today and this provision would be effective upon enactment of that bill.

The Pittman-Robertson program was established by the Federal Aid in Wildlife Restoration Act of 1930. This program is the counterpart of the Dingell-Johnson program with respect to wildlife. Under this act shotguns, rifles, handguns, ammunition, and archery equipment are subject to an 11-percent excise tax with the moneys distributed to the States for the purposes of wildlife restoration, enhancement, management, hunter education, and the establishment of shooting ranges. These funds are distributed to the States: 50 percent based on the land area of the State and 50 percent on the number of resident licensed hunters. The States must match the Federal funds on a 25- to 75-percent basis. The amendment in H.R. 2163 would merely expand the Pittman-Robertson tax to cover all arrows, including those less than 18 inches in length.

The need for this legislation is acute, for example, a nationwide survey has demonstrated that the State fish and wildlife agencies are experiencing a funding shortfall of some $130 million and a major deficiency in recreational boating facilities and access sites. The support for this measure is broad—a coalition of recreational boaters and anglers numbering in excess of 100 million, including the State fish and wildlife agencies, conservation groups, State boating law administrators and a large number of tackle manufacturers. I do however, want to point out that it is the user—that is, the boaters and sport fishermen—who ultimately pays this tax.

The goals of H.R. 2163 are most laudable in distributing user fees—taxes on motorboat fuels and on sport fishing tackle items—to programs which benefit these users. The boating and sport fishing enthusiasts of our Nation have and will continue to pay these taxes willingly and deserve to see them devoted to appropriate and beneficial purposes. Purposes, I might add which benefit these natural resources and thus our country as a whole, not just fishermen and boaters.

I strongly support H.R. 2163 and I urge my colleagues to likewise lend their support to this much needed measure.

Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts (Mr. STUDDS), the chairman of the Subcom-

mittee on Coast Guard and Navigation, sponsor of this legislation.

Mr. STUDDS. I thank the chairman for yielding.

Mr. Speaker, this legislation is the product of a cooperative effort between the Committee on Ways and Means and the Committee on Merchant Marine and Fisheries. This cooperation was nurtured by similar accommodation and understanding among those most directly affected by the bill. Those representing recreational boaters, sport fishermen, and the manufacturers of boating equipment and fishing tackle have overcome direct competition of interests to join in active support of this legislation.

This bill will serve three purposes:

First, it will guarantee that revenues derived from the motorboat fuels tax will be used constructively, and for purposes which benefit those required to pay this tax;

Second, it will provide additional, much-needed revenue for the Dingell-Johnson sport fish restoration fund; and

Third, it will provide $15 million in additional resources to the U.S. Coast Guard, perhaps the single most efficient and versatile agency in the entire Federal Government.

This legislation extends the authorization of Federal support for State boating safety programs until the end of fiscal 1988. These programs were initiated 11 years ago in response to a dramatic increase in the number of accidents and fatalities associated with recreational boating. The Federal Boat Safety Act proved to be that rarest of Government initiatives: It accomplished precisely what it was intended to accomplish at substantially less than the anticipated cost. During the past decade and actual number of persons killed annually in boating accidents declined, while the number of boats almost doubled. This means that the rate of fatalities has been cut in half.

Although H.R. 2163 seeks to renew support for State boating programs, the funding will be derived directly from the fuels tax paid by recreational boaters, rather than from the general revenues of the U.S. Treasury. This is the approach favored by the boaters, themselves. It is an equitable approach, comparable to the policy of using automobile gasoline taxes for highway construction and repair, and it is even more appropriate now that Congress has increased the size of the motorboat fuel tax by 5 to 9 cents a gallon.

It is a premise of this legislation that State governments should begin to play a greater role in certain areas where responsibility now rests almost entirely with the U.S. Coast Guard. I believe, for example, that State governments may be able to establish and maintain aids to navigation in waters used solely by recreational boaters; that they might be able operate search and rescue stations in remote areas; and that they can be of greater assistance to the Coast Guard in responding to violations of maritime law, including drug laws. The Coast Guard Roles and Missions Study, which was prepared last year by the Reagan administration, fully supports this thesis. The funding contained in this bill is essential if greater participation in maritime matters by the States is to become a realistic objective.

The Coast Guard has too many important jobs to do, and not enough resources to do any of them as well as the public interest demands. This legislation recognizes the fact that the Coast Guard performs a variety of services for the recreational boating community. Accordingly, $15 million of the amount paid by recreational boaters in the motorboat fuels tax will be dedicated under this bill to the operating expenses account of the Coast Guard. This is fully consistent with the Reagan administration's concept of assessing user fees for certain Coast Guard services. It is, moreover, an application of that concept which is accepted by the public, which will be of direct benefit to the Coast Guard, and which is clearly connected to services for which the taxes involved are assessed.

The changes made in this bill by the Committee on Ways and Means will streamline the administration of the act, and fine tune the provisions related to the taxing of sportfishing tackle and equipment. They do not, however, in any way alter the fundamental balance of interests which this legislation is intended to achieve.

This bill was designed to make equitable and constructive use of revenues derived from the motorboat fuels tax; and to enlarge the sources of funding for the Dingell-Johnson program. It achieves both objectives admirably, and I hope very much that it will be approved by this House.

Mr. JONES of North Carolina. Mr. Speaker, I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to express my strong support of H.R. 2163, a bill to amend the Federal Boat Safety Act of 1971, the Federal Aid in Sport Fish Restoration Act of 1950, and for other purposes. This bill establishes an Aquatic Resources Trust Fund in the Treasury of the United States which shall consist of two accounts: First, a sport fish restoration account; and second, a boat safety account.

The boat safety account will have transferred into it amounts up to $45 million a year from the highway trust fund which are attributable to motorboat fuels taxes. Previously, these funds were transferred to the national recreational boating safety and facilities improvement fund which will cease to exist. Two-thirds of the funds will be allocated to the States for recreational boating safety programs such as facilities, training, and management of public boating safety education and law enforcement programs; public access sites; boating safety inspections and accident investigations; emergency or search and rescue assistance; establishment of navigational aids; and State boat numbering programs. The remaining one-third of the money will be allocated to the operating expense account of the Coast Guard for services provided by the Coast Guard for recreational boating safety, including the Coast Guard Auxiliary.

In my opinion, this is a reasonable example of a user fee. It seems to me only fair that, after more than doubling the motorboat fuels tax in the Surface Transportation Assistance Act of 1982, we assure recreational boaters that a large portion, if not all, of the money they pay in fuel taxes is used to provide services, programs, and facilities which will benefit recreational boaters.

The sport fish restoration account will be used for the improvement of sport fishing resources. The Federal Aid in Sport Fish Restoration Act of 1950, commonly known as the Dingell-Johnson Act, established a 10-percent excise tax on recreational fishing equipment, such as rods, reels, and lures. The funds raised by this tax, which is widely supported by those who pay, provide matching grants to the States' fish and game agencies for the enhancement and management of sport fishing ressources. H.R. 2163 would augment revenues for this program with the excess funds attributable to motorboat fuels taxes—less $1 million per year to be left in the land and water conservation fund—and an amount equal to the import duties imposed on fishing tackle, yachts, and pleasure craft. In addition, H.R. 2163 would expand the items subjected to the excise tax on sport fishing equipment, including a 3-percent excise tax on electric outboard trolling motors.

The coastal States which will utilize the sport fish funds must allocate the new funding between marine and freshwater fishing projects. Other significant changes from the existing Dingell-Johnson program are:

First, a reduction in the administrative fee which the Department of the Interior receives from 8 to 6 percent;

Second, the Secretary of the Interior is authorized to enter into multi-year project agreements subject to the availability of funds;

Third, 10 percent of the total sport fish restoration account allocation to

each State must be spent to improve public access for recreational boaters and;

Fourth, not more than 10 percent may be used by each State for aquatic resource education programs.

As established in H.R. 2163, the augmentation and distribution of these taxes is fair and appropriate. Recreational boaters, 75 percent of whom indicate that fishing is a primary purpose for their boating activities, will see their taxes returned to them in the form of enhanced recreational boating safety programs at the State and Federal level, and enhanced sport fishing opportunities. The additional revenues which will be received from the sport fishing population, due to the expansion of the definition of sport fishing equipment, will be used for programs which directly benefit them.

This legislation is supported by a broad coalition of interest groups, including conservation groups, boating manufacturers, boating users, fishermen, State boating law administrators, the International Association of Fish and Wildlife Agencies, fishery scientists, and a large number of tackle manufacturers.

Two minor tax provisions are included in the bill as reported. First, the manufacturers of cross-bow arrows have requested that the 11-percent excise tax imposed on archery equipment for the benefit of the Pittman-Robertson Federal aid in wildlife progam be imposed on their products as well. Second, the National Fish and Wildlife Foundation (as established in H.R. 2809) will be treated as a tax exempt foundation eligible to receive tax deductible contributions.

Mr. Speaker, I would like to express, on the record, my sincere appreciation for the work of my colleagues who are members of the Ways and Means Committee for their courtesy and interest which they showed in their deliberations on this bill. The chairman, Mr. ROSTENKOWSKI, and the ranking minority member, Mr. CONABLE, along with their respective staffs, are especially to be commended for their capable handling and speedy resolution of the issues involved in their deliberations. I wholeheartedly support the changes they have made as important clarifications and modifications.

In summation, Mr. Speaker, I believe that the distribution and increase in taxation contained in H.R. 2163 is equitable, has broad support among the affected interest groups, and will be used to enhance worthwhile and valuable programs. I would therefore urge my colleagues to join with me in supporting H.R. 2163.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2163, which revises the tax aspects of the recreational boating and sport fish restoration programs, and addresses the tax aspects of the National Fish and Wildlife Foundation.

H.R. 2163 was carefully considered by the Committee on Ways and Means and represents a significant and much needed change in the manner in which the boating safety and sport fish restoration programs are funded. The substance of the bill, as reported by the Committee on Ways and Means, is essentially the same as the measure reported by the Merchant Marine and Fisheries Committee. There are some changes which I understand have been agreed to by that committee.

First, H.R. 2163 expands the list of items subject to the 10-percent manufacturers excise tax on sport fishing equipment and establishes a 3-percent tax on electric trolling motors. Liability for the payment of these taxes is delayed by allowing a quarterly payment schedule, recognizing the seasonal nature of the fishing industry in many parts of the country.

Second, the bill establishes an aquatic resources trust fund. This fund will have two accounts, the sport fish restoration account and the boating safety account. As under current law, up to $45 million collected from the 9-cents-a-gallon tax on gasoline and special motor fuels used in motorboats will be deposited into the boating safety account and $1 million annually will be placed into the land and water conservation fund. The excess proceeds from the motorfuels tax will be deposited in the sport fish restoration accounts as will the proceeds collected from the excise tax on sport fishing equipment and certain sport fishing related import duties which exist under current law. This account will provide funding to carry out sport fish restoration and management projects. The boating safety account will provide funds for State boating safety programs designed to improve recreational boating safety and to foster greater development use and enjoyment of U.S. waters and by the Coast Guard for services it provides for recreational boating safety.

Finally, H.R. 2163 provides that the National Fish and Wildlife Foundation, which is a new foundation created by H.R. 2809, would be treated as a tax-exempt entity under section 501(c)(3) of the Internal Revenue Code. Thus, its status as a tax-exempt organization will depend on its continually meeting certain requirements under that section of the code.

The bill is a comprehensive measure which has the support of the fishing and boating industries and is the result of 5 years of planning and negotiating.

I strongly urge all my colleagues to support and adopt H.R. 2163, a needed and important measure.

Mr. FORSYTHE. Mr. Speaker, I reserve the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ROSTENKOWSKI), the distinguished chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 2163.

As you have heard, H.R. 2163 establishes recreational boating safety policy, provides additional revenues for projects relating to sport fish restoration and management, and addresses the tax status of the National Fish and Wildlife Foundation.

Under present law, a manufacturers excise tax is imposed on the sale of certain fishing equipment. Revenues from the tax are appropriated to the States in partial reimbursement for the costs they incur in approved sport fish restoration and management projects. Also under present law, up to $45 million annually of the excise taxes on motorboat fuels are deposited into the national recreational boating safety and facilities improvement fund. Any motorboat fuels tax revenues over the $45 million are deposited into the land and water conservation fund.

H.R. 2163 expands the articles subject to the excise tax on sport fishing equipment. This expansion comes at the request of the sport fishing industry. In addition, the time for paying the excise tax on sport fishing equipment is delayed to a quarterly payment schedule under the bill.

The bill establishes a new aquatic resources trust fund, to be administered by the Secretary of the Treasury. This new trust fund will have two accounts, the sport fish restoration account and the boating safety account. These two accounts will provide the funding for sport fish restoration and boating safety. Under the bill, the sport fish restoration account will be funded by revenues from, first, the excise tax on sport fishing equipment; second, certain existing sport fishing-related import duties; and third, a portion of the revenues from motorboat fuels excise taxes. Up to $45 million of motorboat fuels excise taxes will continue to be deposited into the boating safety account; $1 million will continue to be deposited annually into the land and water conservation fund.

In addition, at the request of the crossbow industry, the bill will place an excise tax of 11 percent on crossbow arrows like the tax presently on longbow arrows.

H.R. 2163 also provides for the tax status of the National Fish and Wildlife Foundation, a new foundation

which would be established by H.R. 2809. As reported by the Committee on Ways and Means, the bill would provide that the Foundation will be treated as an organization exempt from tax under code section 501(c)(3), upon its establishment. The Foundation will be subject to the rules governing exempt organizations and will maintain its exempt status only if it satisfies those requirements. The provision in H.R. 2809 dealing with the tax status of the Foundation was deleted by the committee.

Mr. Speaker, H.R. 2163 was favorably reported by the Committee on Ways and Means by voice vote. The sport fishing and boating industries support it strongly. I urge its adoption.

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Mr. JONES of North Carolina. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. SEIBERLING), a member of the Committee on Interior and Insular Affairs.

Mr. SEIBERLING. Mr. Speaker, H.R. 2163, as reported by the Committee on Merchant Marine and Fisheries, contained language in section 202(b)(2) which would have had the effect of amending the Land and Water Conservation Fund Act, an act quite clearly within the jurisdiction of the Committee on Interior and Insular Affairs. Because of that language the chairman of the Committee on Interior and Insular Affairs (Mr. UDALL) requested a sequential referral of the bill.

Subsequent to that request, the gentleman from Louisiana (Mr. BREAUX), the distinguished chairman of the Subcommittee on Fisheries and Wildlife Conservation and the Environment, and I were able to work out a suitable amendment that solves the substantive problem from our committee's viewpoint. My understanding is that this amended language was adopted by the Ways and Means Committee during their markup on H.R. 2163, and I would like to ask the distinguished chairman of the Committee on Merchant Marine and Fisheries if that understanding is correct.

Mr. JONES of North Carolina. I say to the gentleman from Ohio that that is absolutely correct. The language is contained.

Mr. SEIBERLING. I want to thank the chairman, as well as the subcommittee chairman, and also the members of the Ways and Means Committee for their cooperation in working out a solution to this problem.

I would add that those of us on the Interior Committee do believe that this bill serves a very important purpose and we support the effort that is made here. Our only concern was that we not, by inaction, allow a change in the statutorily authorized flow of funds to the land and water conservation fund, but having had the opportunity to work with the committee, we are very satisfied with the results.

Mr. JONES of North Carolina. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I rise in strong support of H.R. 2163, Federal Boat Safety Act Amendments, as reported by the Committees on Merchant Marine and Fisheries and Ways and Means.

This legislation represents the culmination of a decade long pursuit on my part, and many others, to insure that Federal motorboat fuel taxes payed by millions of recreational boaters in the United States will be expended exclusively for the benefit of the boating public.

Enactment of the boating safety grants program authorized under the Federal Boat Safety Act of 1971 provided the real impetus behind the expansion of State efforts in boating safety, education, assistance, and enforcement—in cooperation with the Coast Guard. In promoting this Federal/State partnership as the heart of a national boating safety program, Congress recognized first, the historic resource limitations of the Coast Guard; second, the magnitude of the boating safety problem in geographic and jurisdictional dimensions; and third, the necessity—in both fiscal and manpower terms—for the States to perform the greater share of the on-water role in boating safety under Coast Guard leadership and supervision to insure uniformity in boating safety regulation and enforcement.

The results achieved under this program exceeded the most optimistic expectations of its original sponsors. Both the rate of boating accidents and fatalities in relation to a rapidly growing boating population—and the acutual number of boating fatalities—declined significantly during the 1970's. Few Federal programs can claim more cost-effective expenditure of taxpayer dollars reflected in documented results in lives and property saved.

However, those of us in the Congress pleading the case for State boating safety assistance through annual appropriations in the form of categorical boating safety grants funded through general revenue were few in number.

At the same time, while making the case for boating safety in competition with other Federal programs, we often heard complaints from boaters across the Nation concerning the inequitable distribution of motorboat fuels tax revenue for programs of little or no direct benefit to the boating public. The fairness issue reached its head in 1973 with the arbitrary repeal of the refund or credit option previously applicable to half of the 4-cent motorboat fuel tax collected in the Energy Tax Act of 1978.

As chairman of the Subcommittee on Coast Guard and Navigation in 1979, under increasing budgetary pressure to terminate the existing grants program, I made the decision to seek an alternative revenue source to finance State boating safety assistance. In my judgment, it was a matter of commonsense and simple equity to look to motorboat fuels tax receipts, that had been deposited in the land and water conservation fund beginning in 1965, as a logical source of revenue for this purpose. These funds—once collected—either languished in that fund—or—when appropriated were frequently spent for nonboating related purposes.

With the help of a now growing cadre of friends of boating in the Congress—and particularly with the support of my colleagues on the Committee on Ways and Means—we enacted the Recreational Boating Safety and Facilities Improvement Act of 1980—to which I am proud to have lent my name and by which it is commonly known.

Two years went by without either an administration request or congressional approval of annual appropriations under the authorization provided in that act from what we believed was a dedicated trust fund. To us—and to millions of recreational boaters—it represented a moral commitment by the Congress to spend those moneys deposited in the fund for the purposes intended—namely, the safety and enjoyment of the boating public.

Finally, a new administration and Secretary of Transportation requested appropriations from the trust fund to implement a renewed boating safety program, only now they called it New Federalism. This was a user tax supported program intended to permit a shift in Federal responsibilities to the States, along with the necessary commitment of an adequate funding base to encourage the States to assume greater programmatic responsibility promoting national boating safety. We had made our case. The concept was finally accepted on both sides of Pennsylvania Avenue.

The Committee on Merchant Marine and Fisheries reaffirmed the principles of the Biaggi Act in a 1982 report, "Semi-Partatus." The Presidentially appointed national advisory committee on oceans and atmosphere later followed suit—recommending full funding of State boating safety programs financed with motorboat fuel tax revenue. A private sector task force report—after reviewing the program—reacted similarly.

The Surface Transportation Assistance Act of 1982 raised the rate of motorboat fuel taxes levied from 4 cents to 9 cents per gallon. That act increased the level of deposits into the trust fund from $20 to $45 million per year, and extended the statutory life of the boating safety trust fund

through fiscal year 1988. Other provisions of that act modified the manner of providing State boating safety assistance, converting it from grant to contract authority. It reaffirmed the intent of Congress to honor its longstanding commitment to the boating public to safeguard and expend its funds for its exclusive benefit in an equitable manner.

Enactment of these amendments to the Federal Boat Safety Act today represents to those of us who began this legislative odyssey over a decade ago the culmination of our efforts. In this regard I especially recognize the substantial contribution of the gentlemen from Massachusetts and Louisiana, and my colleagues on the Committees on Merchant Marine and Fisheries and Ways and Means, in making this a reality. With the substantial support of the sport fishing community—united for the first time in common cause with the recreational boating community—enactment of the legislation we vote on today will insure once and for all that virtually every dollar collected by the Federal Government in motorboat fuel taxes will finally be spent for the related and complementary purposes of boating safety, public access, and sport fishing enhancement. I am proud to be an original cosponsor and lend my identification to this measure—and extend my wholehearted support for its enactment.

Mr. JONES of North Carolina. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Speaker, I rise in support of H.R. 2163, the Federal Boat Safety Act amendments. As a cosponsor of this legislation, I want to urge my colleagues to support this important legislation which will provide additional Dingell-Johnson funds for fisheries restoration, habitat protection, and boating safety programs.

One reason I am particularly pleased with the bill as reported both by the Merchant Marine and Fisheries Committee and the Ways and Means Committee is because the legislation contains a provision I have sponsored in Congress since the 95th Congress. In fact, my legislation passed the House in both the 96th and 97th Congresses. The provision in H.R. 2163 I am referring to would adjust the collection schedule of a voluntarily supported excise tax on manufacturers of fishing equipment in order to assist small businesses in maintaining stable, yearround employment.

My bill attempts to deal with a unique situation faced by fishing tackle manufacturers. This industry pays a 10-percent excise tax on fishing tackle and related equipment, the proceeds of which go into the Dingell-Johnson fund. Under current law, this excise tax must be paid on a semimonthly basis, within 9 days after the close of the semimonthly period in which the delivery of the taxable item occurred.

The problem, Mr. Speaker, is quite simple. The fishing tackle industry is seasonal, and during certain times of the year, it must sell its goods on consignment in order to avoid seasonal layoffs of employees. This has been a long-standing practice, and one that has only become a problem in recent times with high interest rates and tight money. In effect, the fishing tackle manufacturers are liable for the excise tax before they have an opportunity to collect their payments from cosignees.

This is a particularly ironic situation, since the fishing tackle industry has supported the excise tax as a proper method of funneling needed funds into wildlife and conservation projects.

Consequently, the provision of H.R. 2163 before the House today would merely stretch-out the time of payment for the excise tax so as to conform to the peculiar market conditions of the fishing tackle industry.

This provision defers taxes, it does not forgive them. No revenue need be lost because of passage of the provision. As it passed committee, the provision would allow manufacturers to stretch-out the payment of the excise tax a minimum of 90 days and maximum of 180 days. In the case of articles sold during the quarter ending September 30, payments will be made at such time as the Secretary of Treasury may prescribe by regulations.

From all available data, the fishing tackle industry is unique in the situation of seasonal fluctuations in their sales. More importantly, the sole reason they are asking for assistance is because of the whims of Mother Nature, which make our rivers and streams freeze over, and turn a fisherman's legs blue, should he venture out into inhospitable waters during those cold winter months.

The provision of H.R. 2163 I have sponsored every Congress since 1977 is not some veiled attempt to give an industry a tax break. It is nothing more than simple justice, and it should cost us nothing. I urge my colleagues to support H.R. 2163 today.

● Mr. BREAUX. I rise in support of H.R. 2163, legislation that I believe will greatly improve the quality of recreational boating and fishing in this country. I am particularly pleased, that, with the help of the Committee on Ways and Means, we will be able, through this legislation, to provide support to the States to enhance recreational fisheries.

The U.S. Fish and Wildlife Service, in their 1980 fishing and hunting survey, estimated that approximately 54 million Americans fished in 1980. In pursuing their sport, they spent approximately $17.3 billion. Fishing is the most popular outdoor sport; the numbers of backpackers, birdwatchers, mountain climbers, and even hunters pale in comparison to the number of people in this society who fish. It is also interesting to note that fishing draws its enthusiasts from all economic groups in the U.S. population; almost half of all fishermen come from households with incomes of less than $20,000. Fishing is particularly popular with young people, indicating that the sport will continue to grow if high quality fishing continues to be available in this country.

Mr. Speaker, I am afraid the days of the solitary fisherman fishing in largely untouched and unmanaged waters are gone. More and more the pressure of large numbers of fishermen, pollution of fishing waters and other factors are requiring the States to more actively manage their waters if they are to continue to provide quality fishing. In a recent survey conducted by the American Fisheries Society, the States estimated their additional sport fishery management needs to be in excess of $130 million.

An unusual aspect of the hunting and fishing community, and one of the reasons that chairing the Subcommittee on Fisheries and Wildlife Conservation and the Environment is particularly rewarding, is the willingness of the sportsmen to tax themselves to improve the quality of their sport. Unlike many other interest groups that come before us, they are always willing to pay their fair share. The problem we on the Committee on Merchant Marine and Fisheries have been grappling with over the past several Congresses is how to develop an equitable method of providing additional support for State recreational fishing programs. I believe that the legislation we have before us accomplishes that purpose.

H.R. 2163, as reported by the Committees on Ways and Means and Merchant Marine and Fisheries, is based squarely on the equitable concept that persons paying a "user tax" derive some benefit for the tax they are paying. Recreational boaters and fishermen pay two such taxes. Fishermen, when they purchase rods and reels and certain other fishing tackle items, are paying extra because of a 10-percent excise tax placed on some fishing tackle items at the manufacturers' level. The proceeds of this tax go to the State natural resource agencies for projects to improve recreational fishing. This program, known as Dingell-Johnson or D-J after its original cosponsors, has been the cornerstone of State recreational fishing programs for almost 30 years. Its only problem is that the receipts from the excise tax have failed to keep up with the increased pressure on fishery resources and the increased needs of State fishery agencies.

Recreational boaters, including fishermen who use powerboats, pay another tax for which they receive very little benefit. This is the 9-cent-a-gallon tax on gas, the so-called motorboat fuels tax. When we raised the tax from 4 cents to 9 cents last year, all of us in Congress were very careful not to lable the increase a new tax, but a user fee that would provide direct beneifts in the form of better roads and other benefits to the people paying the tax.

Well, the people paying the tax on gas for their recreational boats are not getting much of a benefit. Theoretically, that portion of the gas tax attributable to motorboat fuels is fixed by the Secretary of the Treasury and placed into two funds; the boating fund and the land and water conservation fund. However, both the boating fund and the land and water conservation fund have received only token appropriations. Of the $4.5 million authorized annually for the boating fund, only $5 million has ever been appropriated. The land and water conservation fund receives funds from other sources, such as OCS revenues. While the appropriations under the land and water conservation fund have been higher, they have rarely been for projects that provided any benefit for recreational boaters.

This legislation would rectify this situation. It would direct the proceeds from the motorboat fuels tax into the programs that most benefit fishermen and recreational boaters. It would leave the boating fund intact; up to $45 million could be used for State boating safety programs and for Coast Guard recreational boating safety programs. Pursuant to an agreement we have made with members of the Committee on Interior and Insular Affairs, $1 million would remain in the land and water conservation fund. Any amount that is not appropriated for these purposes would go to the sport fish restoration program. This would insure that almost all of the motorboat fuels tax is used for purposes that benefit boaters and fishermen. The legislation would also divert current import duties on fishing tackle and pleasure craft into the sport fish restoration program.

Money going to the program would be allocated among the States under the same formula under which current funds are allocated; that is, based on the number of paid fishing licenses sold and the area of the State. In addition, we have made a number of changes in the legislation to insure that, in coastal States, new funds will be divided equitably between fresh and salt water projects and that at least 10 percent of the D-J money will be used to provide for access projects that will benefit motorboat users.

This legislation would also expand the current tax on fishing tackle to include virtually all fishing tackle items. The Committee on Ways and Means has made a number of changes in the tax provisions that clarify the items taxed and have eliminated some items that are subject to uses other than fishing. The changes they have made improve the bill and will make it easier for the Internal Revenue Service to administer the tax provisions of the act.

Mr. Speaker, we in the Merchant Marine and Fisheries Committee have been working on legislation to provide more support for State recreational fisheries programs for 5 years. We would not be here today with this legislation without the help from Chairman ROSTENKOWSKI and the other members of the Ways and Means Committee. They gave this legislation prompt and careful consideration and improved it in many ways. Their work, and the help we received from the extremely competent staff of the Ways and Means and Joint Tax Committees, in my opinion, evoked the best spirit of the committee system. The members of the Committee on Merchant Marine and Fisheries are deeply appreciative of their assistance.

I would also like to thank our colleague in natural resource matters, Mr. SEIBERLING, and the other members of the Committee on Interior and Insular Affairs, for viewing this legislation not as a matter of turf, but of good natural resource policy.

Mr. Speaker, to sum up, H.R. 2163, with its trust funds, tax provisions, accounts and subaccounts, is fairly complex legislation, but it accomplishes two simple and worthwhile goals: Returning the benefits of a user tax to the users and improving the qualify of fishing and boasting in this country. As such, it represents good fishing, good boating, and good public policy. I urge my fellow Members to give it their support.●

● Mr. YOUNG of Alaska. Mr. Speaker, I rise in support of H.R. 2163, a bill that contains boating safety fund and sport fish restoration amendments. This bill takes a step in the right direction toward the proper use of the funds raised by the recently increased excise taxes on motorboat fuels.

This bill provides $30 million in grants to the States for their own safety programs based on a formula in the Federal Boat Safety Act. Further, it has $15 million in funding for the operations expenses of the Coast Guard for its boating safety program. The key is funding for safety. Funds would be derived from motorboat fuel taxes paid by the boaters. The basic idea is that those who pay the tax should be those who benefit from this program. Boating facilities unrelated to safety would not be authorized.

I am pleased to note that the funding authorized would include search and rescue assistance through the States not only for the usual small boat search and rescue services, but also for helicopter services and other contract or in-house services appropriate for search and rescue programs. For those of us representing coastal areas, such as Alaska, this is a promising part of this bill. Further, spending for aids to navigation is also authorized. However, it should be noted that the types of aids to navigation covered by the State programs would be those that would mark State waters, marinas, and other local areas and not to replace the general aids to navigation function performed by the Coast Guard along our coast and on our rivers.

Further, part of the money raised by this motorboat fuel tax is also being used for sport fish restoration programs. Similar logic is applied in this case. That is, those who use motorboats for fishing should benefit from the tax. Other funding sources are also being authorized for the sport fish program. The programs authorized by this part of H.R. 2163 address not only fish restoration management, but also facility development.

We in the Merchant Marine and Fisheries Committee have done extensive work finding out how much money is generated by the tax, which programs should be authorized and funded, and which of the agencies involved should be tasked with the various programs—the Coast Guard to provide for boating safety and the Fish and Wildlife Service to provide for the fish restoration and management program.

These programs and the funding measures have been carefully coordinated with the Ways and Means Committee to provide for appropriate funding provisions. Thus, we can conclude that the revenues generated by the motorboat fuels tax will be used equitably and properly, and in a manner which enhances marine safety and sport fish restoration projects.

Mr. Speaker, I urge prompt approval of this legislation.●

● Mr. LENT. Mr. Speaker, I rise in strong support of the Federal Boat Safety Act amendments and urge my colleagues to vote for passage of this important legislation.

I have a strong sense of deja vu when it comes to legislation concerning recreational boating programs. As a cosponsor of the original Biaggi act, I have long been active in congressional efforts to see that motorboat fuel taxes are, in fact, used for boating safety and related programs. The bill before us not only amends and extends the Federal Boat Safety Act through fiscal year 1988, but it also provides for an expanded Federal-State Dingell-Johnson sport fish restoration program, both of which will be supported by the new aquatic resources trust fund.

This legislation is important to New York and particularly important to Long Island which is home to thousands of anglers and recreational boaters. Under this legislation, Long Island's many saltwater anglers will, for the first time, directly benefit from the Federal fish restoration program, whose focus previously had been on our freshwater fisheries. Under H.R. 2163, States must fund marine and freshwater fish projects in proportion to the estimated number of marine and freshwater anglers in the State.

New York could receive more than triple its current allocation of $776,000 under the Dingell-Johnson Act; H.R. 2163 could increase New York's allocation to as much as $2.6 million annually. That money could be used for fish restoration programs including fish management research, restocking waters with food and game fishes, acquisition of areas acceptable as hatching, feeding, and breeding places for fish, and aquatic resource education programs to increase the public's understanding of our Nation's water resources and associated aquatic life forms. In addition, 10 percent of a State's total allocation for sport fish restoration must be spent to improve public access for recreational boaters.

H.R. 2163 also provides for allocation of up to $45 million each year for boating safety programs. Up to $30 million may be set aside for State boating safety programs; if fully funded, this legislation could provide almost $1.7 million for New York State boating safety programs—more than any other State in the Nation. Further, up to $15 million will be used by the Coast Guard, including the Coast Guard Auxiliary, to defray the costs of Coast Guard services provided for recreational boating safety. State boating safety programs eligible for funding under this bill include boating safety education and law enforcement; acquisition, construction, or repair of public access sites used by recreational boaters; and establishment and maintenance of waterway markers and other aids to navigation.

The new trust fund designed to expand and combine funding for fish restoration and boating safety programs will be supported by the current 9-cent-per-gallon tax on motorboat fuels, import duties on foreign-made fishing equipment and boats, and taxes on the wholesale price of certain fishing equipment.

The need for increased assistance to State sport fishing restoration, conservation, and research efforts has been brought to the Merchant Marine and Fisheries Committee's attention repeatedly in recent years. This two-part, compromise bill is designed to meet the need, and, at the same time, support the continuation of vitally important boating safety efforts with tax revenues presently paid by boaters on the motorboat fuels they consume.

This is a sound approach to supporting these two programs which contribute so much to our national enjoyment and our Nation's economy. I strongly support H.R. 2163, and urge my colleagues to vote for its passage.●

● Mr. CORRADA. Mr. Speaker, I rise in strong support of H.R. 2163 which revives the Federal Boat Safety Act of 1971 and augments the funds available to States under the Dingell-Johnson Act.

Title I of the bill redesignates the recreational boating fund established in 1980 as the national recreational boating safety fund and extends through March 31, 1989, the March 31, 1984, deadline to use funds accrued in the same. It also directs the use of two-thirds of the moneys in the boating fund for State boating safety programs and one-third to be an add on to the Coast Guard's operational budget to finance its services providing recreational boating safety. Title II provides additional financial assistance for the implementation of State marine and fresh water sport fish restoration and management projects. The additional funds would be generated by increasing the excise tax paid on the sale of certain sport fishing tackle items and by the yearly allocation of motor boat fuel taxes not appropriated for the boating fund.

Mr. Speaker, this legislation was envisioned and crafted to insure the use of motor boat fuels tax in a fashion which would effectively respond to the needs of recreational boaters and fishermen of our country. The concept embodied in the bill presents no significant burden for the taxpayer while injecting new hopes to the widely practiced sport of fishing and safeguarding millions of Americans including thousands of the more than 3.2 million American citizens living in Puerto Rico who every year venture into the sea.

Since 1980, States have been left virtually by themselves in the promotion of recreational boating safety and time is long overdue for the once highly successful Federal-State partnership in this area to be reinstated. Many States including Puerto Rico lack sufficient funds to properly implement and fully carry out effective boating safety programs.

I believe the fostering of comprehensive State boating safety programs and increased State-Federal cooperation in improving boating safety are of paramount importance if we are ever to eliminate boating fatalities from our waters. It is distressful that over 1,000 boaters or swimmers find death every year in the sea when in search of a good time. In addition, it is only fair play that the Federal Government should invest the modest sum of $45 million a year to protect the lives of those who contribute so vastly to our economy through the expending of over $17 billion annually for items related to their water sport.

By the same token, with reference to title II of the bill, to invest an estimated additional $66 million a year to protecting a sport which generates such a great influx of moneys for our regional and national economies is a sound business decision.

I urge my colleagues to vote for the passage of this legislation which is reasonable, equitable and sorely needed.●

Mr. FORSYTHE. Mr. Speaker, I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 2163, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

A TRIBUTE TO MALCOLM S. BROWN

Mr. Speaker, I have the unpleasant task of advising the House of the death of one of its most respected and revered employees. Last night Malcolm S. Brown, who held the position of director/stylist and supervisor of the House barbershops passed as a result of congestive heart failure.

For 18 years "Brownie" or "Mr. Brown," as he was affectionately known, had been an employee of the House. Prior to coming to the House as a barber, he had served for 2 years as a barber to the other body. In all, he served these two bodies for a total of 20 years.

As most of you know, Mr. Brown had retired on May 31 of this year. Many Members of this body had remained in touch with him throughout his illness and he took great pride in not only the service he had rendered to Members of this House, but also the friendships he established.

Earlier this morning, I spoke with his wife Mrs. Daphne Brown who spoke of the great pride that Mr. Brown took in the fact that over the last 20 years his customers had not only been present and former Members of the House and Senate, but also included many judges, the Chairman of the National Mediation Board and former President Gerald Ford.

Those of us who knew Mr. Brown will miss this beloved and revered employee and we express our deepest and sincerest condolences to Mrs. Brown

and all of the other members of their family.

Mr. JONES of Tennessee. Mr. Speaker, I would like to take this opportunity to pay tribute to Mr. Malcolm Brown, a loyal employee of the House barber shop for approximately 20 years. Sadly, Mr. Brown passed away last night of an illness he has been battling for quite some time.

As you know, I am chairman of the Subcommittee on Services which has oversight jurisdiction of the House barber shops. Because of my position as chairman and his as chief barber, we were required to work closely together. Mr. Brown was an extremely capable employee who was very conscientious in his work. More than this, he was a good human being whose concern about others was evident in his everyday life. Many Members and staff alike knew and respected Malcolm Brown. Always even-tempered and optimistic, he had the type of personality that many of us strive to have.

Mr. Brown retired several months ago because of his health. However, he continued to keep in touch with me, and I know his interest in the barber shops, his fellow employees, and his former customers never dwindled. Nor will we forget this man who was so dedicated to his job and in his devotion to the welfare of others at work and in the community.

NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2809) to establish a U.S. Fish and Wildlife Foundation, as amended.

The Clerk read as follows:

H.R. 2809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Fish and Wildlife Foundation Establishment Act".

SEC. 2. ESTABLISHMENT AND PURPOSES OF FOUNDATION.

(a) ESTABLISHMENT.—There is established the National Fish and Wildlife Foundation (hereinafter in this Act referred to as the "Foundation"). The Foundation is a charitable and nonprofit corporation and is not an agency or establishment of the United States.

(b) PURPOSES.—The purposes of the Foundation are—

(1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the United States Fish and Wildlife Service; and

(2) to undertake and conduct such other activities as will further the conservation and management of the fish and wildlife resources of the United States, and its territories and possessions, for present and future generations of Americans.

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

ESTABLISHMENT AND MEMBERSHIP.—The Foundation shall have a governing Board of Directors (hereinafter referred to in this Act as the "Board"), which shall consist of nine Directors, each of whom shall be a United States citizen and—

(1) six of whom must be knowledgeable or experienced in fish and wildlife conservation; and

(2) three of whom must be educated and experienced in the principles of fish and wildlife management.

The membership of the Board, to the extent practicable, shall represent diverse points of view relating to fish and wildlife conservation. The Director of the United States Fish and Wildlife Service shall be an ex officio nonvoting member of the Board. Appointment to the Board shall not constitute employment by, or the holding of an office of, the United States for the purposes of any Federal law.

(b) APPOINTMENT AND TERMS.—By December 31, 1983, the Secretary of the Interior (hereinafter referred to in this Act as the "Secretary") shall appoint the Directors of the Board. The Directors shall be appointed for terms of six years; except that the Secretary, in making the initial appointments to the Board, shall appoint three Directors to a term of two years, three Directors to a term of four years, and three Directors to a term of six years. A vacancy on the Board shall be filled in the manner in which the original appointment was made. No individual may serve more than two consecutive terms as a Director.

(c) CHAIRMAN.—The Chairman shall be elected by the Board from its members for a two-year term.

(d) QUORUM.—A majority of the current membership of the Board shall constitute a quorum for the transaction of business.

(e) MEETINGS.—The Board shall meet at the call of the Chairman at least once a year. If a Director misses three consecutive regularly scheduled meetings, that individual may be removed from the Board and that vacancy filled in accordance with subsection (b).

(f) REIMBURSEMENT OF EXPENSES.—Members of the Board shall serve without pay, but may be reimbursed for the actual and necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Foundation.

(g) GENERAL POWERS.—(1) The Board may complete the organization of the Foundation by—

(A) appointing officers and employees;

(B) adopting a constitution and bylaws consistent with the purposes of the Foundation and the provisions of this Act; and

(C) undertaking of other such acts as may be necessary to carry out the provisions of this Act.

(2) The following limitations apply with respect to the appointment of officers and employees of the Foundaton:

(A) Officers and employees may not be appointed until the Foundation has sufficient funds to pay them for their service. Officers and employees of the Foundation shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

(B) The first officer or employee appointed by the Board shall be the Secretary of the Board who (i) shall serve, at the direction of the Board, as its chief operating officer, and (ii) shall be knowledgeable and experienced in matters relating to fish and wildlife conservation.

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) shall have perpetual succession;

(2) may conduct business throughout the several States, territories, and possessions of the United States;

(3) shall have its principal offices in the District of Columbia; and

(4) shall at all times maintain a designated agent authorized to accept service of process for the Foundation.

The serving of notice to, or service of process upon, the agent required under paragraph (4), or mailed to the business address of such agent, shall be deemed as service upon or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board which shall be judicially noticed.

(c) POWERS.—To carry out its purposes under section 2, the Foundation shall have, in addition to the powers otherwise given it under this Act, the usual powers of a corporation acting as a trustee in the District of Columbia, including the power—

(1) to accept, receive, solicit, hold, administer and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income therefrom or other interest therein;

(2) to acquire by purchase or exchange any real or personal property or interest therein;

(3) unless otherwise required by the instrument of transfer, to sell, donate, lease, invest, reinvest, retain or otherwise dispose of any property or income therefrom;

(4) to borrow money and issue bonds, debentures, or other debt instruments;

(5) to sue and be sued, and complain and defend itself in any court of competent jurisdiction, except that the Directors of the Board shall not be personally liable, except for malfeasance;

(6) to enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its function; and

(7) to do any and all acts necessary and proper to carry out the purposes of the Foundation.

For purposes of this Act, an interest in real property shall be treated as including, among other things, easements or other rights for preservation, conservation, protection, or enhancement by and for the public of natural, scenic, historic, scientific, educational, inspirational, or recreational resources. A gift, devise, or bequest may be accepted by the Foundation even though it is encumbered, restricted, or subject to beneficial interests of private persons if any current or future interest therein is for the benefit of the Foundation.

(d) CERTAIN LANDS, WATERS, AND INTERESTS NOT SUBJECT TO CONDEMNATION.—No lands or waters, or interests therein, that are owned by the Foundation and are determined by the Director of the United States Fish and Wildlife Service or the Migratory Bird Conservation Commission, as the case may be, to be valuable for purposes of fish

and wildlife conservation or management shall be subject to condemnation by any State or political subdivision, or any agent or instrumentality thereof.

SEC. 25. ADMINISTRATIVE SERVICES AND SUPPORT.

The Secretary may provide personnel, facilities, and other administrative services to the Foundation, including reimbursement of expenses under section 3, not to exceed then current Federal Government per diem rates, for a period of up to five years from the date of enactment of this Act, and may accept reimbursement therefor, to be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing such services.

SEC. 6. VOLUNTEER STATUS.

The Secretary may accept, without regard to the civil service classification laws, rules, or regulations, the services of the Foundation, the Board, and the officers and employees of the Board, without compensation from the Department of the Interior, as volunteers in the performance of the functions authorized herein, in the manner provided for under section 7(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(c)).

SEC. 7. AUDITS, REPORT REQUIREMENTS, AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—For purposes of the Act entitled "An Act for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (Public Law 88-504, 36 U.S.C. 1101-1103), the Foundation shall be treated as a private corporation established under Federal law.

(b) REPORT.—The Foundation shall, as soon as practicable after the end of each fiscal year, transmit to Congress a report of its proceedings and activities during such year, including a full and complete statement of its receipts, expenditures, and investments.

(c) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—If the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with its purposes set forth in section 2(b); or

(2) refuses, fails, or neglects to discharge its obligations under this Act, or threatens to do so;

the Attorney General of the United States may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate.

SEC. 8. UNITED STATES RELEASE FROM LIABILITY.

The United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation nor shall the full faith and credit of the United States extend to any obligation of the Foundation.

SEC. 9. AMENDMENT AND REPEAL.

The Congress expressly reserves the right to repeal or amend this Act at any time.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

For the ten-year period beginning on October 1, 1983, there are authorized to be appropriated to the Department of the Interior not to exceed $1,000,000 to be made available to the Foundation—

(1) to match, on a one-for-one basis, private contributions made to the Foundation; and

(2) to provide administrative services under section 5.

The SPEAKER pro tempore (Mr. BARNARD). Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. JONES) will be recongized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2809, legislation establishing the National Fish and Wildlife Foundation. This is a well-balanced piece of legislation providing the Fish and Wildlife Service with a much needed tool to manage and administer private contributions.

H.R. 2809 creates a not-for-profit foundation designed to receive and administer private donations, including real and/or personal property, trusts, securities, or income derived therefrom, in order to promote and assist the U.S. Fish and Wildlife Service. The legislation allows for a nine-member Board of Directors to be appointed by the Secretary of the Interior for 6-year terms. This Board will consist of persons knowledgeable or experienced in fish and wildlife conservation who represent diverse points of view on related issues. The Board will appoint officers and employees when there is enough money in the foundation to pay the employees. The chief executive officer, appointed by the Board, must also have knowledge and experience in fish and wildlife matters.

This measure was unanimously reported by the Merchant Marine and Fisheries Committee and sequentially referred to the Ways and Means Committee for a limited period. That committee amended the bill to delete the section making the foundation exempt from Federal income tax and eligible to receive tax deductible contributions. Language for the same purpose has been included in the tax provisions of H.R. 2163, which is also before the House today. My committee is in complete agreement with this amendment and other related technical changes made to the bill by Ways and Means and appreciates the consideration and cooperation of that committee's members and staff on the bill before us.

In 1978, with the passage of the Fish and Wildlife Improvements Act, Congress authorized the U.S. Fish and Wildlife Service to accept virtually all forms of donations. This provision of law has proved to be beneficial, particularly in terms of donations of wildlife habitat areas. However, there is no mechanism for the Fish and Wildlife Service to manage trusts or other bequests that are designated to provide income to a beneficiary over an extended period of time. This legislation will fill that gap.

Included in H.R. 2809 is an authorization for an appropriation of $1 million to be expended over the next 10 years. This money is to be used on a 1-to-1 matching basis for donations up to and including $1 million as well as to provide administrative services for the foundation.

The bill directs that any lands or waters owned by the foundation that have been determined to be valuable for the purposes of fish and wildlife conservation by either the Director of the Fish and Wildlife Service or the Migratory Bird Conservation Commission shall not be subject to condemnation by any State or similar political subdivision.

Other provisions of H.R. 2809 address the organization and running of the foundation. The foundation will have the usual powers accorded to a corporation acting as a trustee in the District of Columbia and it must adhere to the local laws governing not-for-profit organizations. For example, the foundation can be sued as well as initiate lawsuits.

The U.S. Government will not be responsible for any debt, obligations, or liabilities incurred by the foundation. The legislation encourages the use of volunteers and clarifies that neither volunteers nor employees of the foundation will be considered employees of the Federal Government. Board members will draw no salary; however, they may be reimbursed for any expenses incurred in the performance of their duties as directors of the foundation.

The foundation will be required to publish a certified audit annually, is subject to audits by U.S. governmental agencies, and must provide such information together with a report of its activities to the Congress. The Secretary of the Interior may provide administrative support for up to 5 years after enactment of the legislation.

All those interested in the conservation of our Nation's fish and wildlife resources should welcome this legislation. At a small cost to the Federal Government it will provide a mechanism whereby individuals can donate not only their time and energy but equally valuable, tangible property of all kinds as well to aid the Fish and Wildlife Service in conserving our natural wealth.

For these reasons, I hope the Members of the House will join me in passing this worthy legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. ROSTENKOWSKI), the distinguished chairman of the Committee on Ways and Means.

Mr. ROSTENKOWSKI. Mr. Speaker, I rise in support of H.R. 2809, which would establish a new foundation, the National Fish and Wildlife Foundation, generally to accept and administer private donations for the

benefit of, or in connection with, the activities of the U.S. Fish and Wildlife Service. As reported by the Merchant Marine and Fisheries Committee and sequentially referred to the Committee on Ways and Means, H.R. 2809 contained a provision dealing with the tax treatment of the Foundation and the deductibility of gifts to the Foundation.

As amended by the Committee on Ways and Means, the bill does not address the tax status of the Foundation or the deductibility of gifts to the Foundation. Instead, the committee amended H.R. 2163, which makes amendments to the Federal Boat Safety Act of 1971, to address this issue. H.R. 2163 provides that the National Fish and Wildlife Foundation, established in H.R. 2809, shall be treated as an organization described in section 501(c)(3) of the Internal Revenue Code upon its establishment. As such, the Foundation will be exempt from Federal income tax and will be eligible to receive tax-deductible contributions. Under the committee bill, the Foundation will retain its status as an organization described in section 501(c)(3) so long as it satisfies all requirements of the Internal Revenue Code relating to such organizations.

Mr. Speaker, H.R. 2809 was favorably reported by the Committee on Ways and Means by voice vote. I urge its adoption.

□ 1245

● Mr. BREAUX. Mr. Speaker, I rise in support of H.R. 2809, legislation that would establish a National Fish and Wildlife Foundation.

In 1978, with the passage of the Fish and Wildlife Improvements Act, Congress authorized the U.S. Fish and Wildlife Service to accept virtually all forms of donations, both in the form of real and personal property. This provision of law has proved to be beneficial, particularly in terms of donations of wildlife habitat. However, there is no mechansim for the Fish and Wildlife Service to manage trusts or other bequests that are designed to provide income over an extended period of time. H.R. 2809 resolves this problem by establishing a Fish and Wildlife Foundation, similar to the U.S. Park Service Foundation, to accept and administer gifts of real or personal property or income therefrom for the benefit of the U.S. Fish and Wildlife Service and to futher the conservation and management of fish and wildlife resources.

The Foundation that would be established by the legislation would be a charitable and nonprofit corporation. It would be administered by a Foundation Board consisting of nine members appointed by the Secretary of the Interior. The initial terms of the Foundation Board would be staggered to insure continuity. At least three members of the Board would have to be educated and experienced in the principles of wildlife management. The legislation also provides that the members of the Board, to the extent practicable, represent diverse points of view relating to fish and wildlife conservation. The Secretary would be authorized to provide administrative support to the Foundation for a period of 5 years after the legislation is enacted. An authorization of $1 million over a 10-year period in matching funds included in the legislation would encourage private contributions and accelerate the establishment of a meaningful endowment. The Foundation, pursuant to a provision included in H.R. 2163, would be granted tax-exempt status as long as it qualifies under the provisions of the Internal Revenue Code.

Mr. Speaker, the stimulus for this legislation is the generosity of Mr. Ted Gianoutsos, a private citizen who wanted to establish a trust for the benefit of the U.S. Fish and Wildlife Service with the proceeds being used to further the conservation of fish and wildlife resources. He discovered that, while the Fish and Wildlife Service was authorized to accept donations, there was on mechanism for the Service to manage trusts or other bequests that are designed to provide income over an extended period of time.

Mr. Speaker, with tight budgets limiting the roles of the Fish and Wildlife Service, and with the great interest many Americans have in conserving wildlife, we believe this legislation could provide some very needed support to an agency whose role is important to maintaining the quality of life in this country.●

Mr. JONES of North Carolina. Mr. Speaker, I reserve the balance of my time.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation, H.R. 2809, establishes a National Fish and Wildlife Foundation—a charitable, nonprofit corporation to provide a vehicle to accept private gifts of real or personal property and manage them for the benefit of the activities and services of the Fish and Wildlife Service, and to undertake and conduct such other activities as will further the conservation and management of the fish and wildlife resources of the United States.

The Foundation will be administered by a nine-person board of directors appointed by the Secretary of the Interior. When the Foundation has sufficient funds, offices and employees may be appointed to complete the organization.

The Foundation, which will have its principal offices in the District of Columbia, shall have the ususal powers of a corporation acting as a trustee, including the power to receive gifts; acquire property by purchase or exchange; sell, donate, lease, or otherwise dispose of the property; borrow money; sue and be sued; enter into contracts; and perform such other acts as are necessary and proper to carry out the purposes of the Foundation.

No land or waters or other interests which are owned by the Foundation and which are deemed by the Director of the U.S. Fish and Wildlife Service, or the Migratory Bird Conservation Commission, to be valuable for purposes of fish and wildlife conservation shall be subject to condemnation by any State or similar political subdivision.

For the initial 5-year period from the date of enactment, the Secretary of the Interior may provide personnel, facilities, and other administrative services to the Foundation.

For the first 10 years, there are authorized to be appropriated up to $1 million to be made available as seed money to the Foundation to match on a 1-to-1 basis private contributions and to provide for administrative support.

Mr. Speaker, H.R. 2809 is a unique and innovative piece of legislation which will provide a mechanism that will be particularly useful for encouraging private citizens to donate real or personal property, or the income therefrom, to benefit conservation and the management of fish and wildlife resources. I would, therefore, like to urge my colleagues to join with me in supporting H.R. 2809.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker. I rise in favor of H.R. 2809, the National Fish and Wildlife Foundation Act. This bill, as reported by the Committee on Ways and Means, creates a new foundation designed to encourage, accept, and manage private donations for the benefit of the U.S. Fish and Wildlife Service and to conduct such other activities to further the conservation and management of fish and wildlife resources. The bill does not contain, however, the tax provisions regarding the tax treatment of the Foundation as originally reported by the Merchant Marine and Fisheries Committee and sequentially referred to the Committee on Ways and Means. Instead, the Committee on Ways and Means amended H.R. 2163 to provide that the Foundation would be treated as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code. Thus, the foundation will be exempt from tax and contributions to it will qualify as charitable contributions.

Mr. Speaker, I urge the adoption of H.R. 2809 which was favorably reported by the Committee on Ways and Means.

● Mr. CONTE. Mr. Speaker, I rise in support of H.R. 2809, a bill to establish a U.S. Fish and Wildlife Foundation.

Let me take this opportunity to commend the leadership of Chairman BREAUX and members of the Merchant Marine Subcommittee on Fisheries and Wildlife Conservation for their expeditious work in bringing this legislation to the floor of the House.

As a member of the Migratory Bird Conservation Commission—and an avid sportsman myself, I applaud this effort—an excellent example of private sector initiative—to promote fish and wildlife conservation. The U.S. Fish and Wildlife Foundation, established in this legislation, would be authorized to acccept and solicit gifts or bequests in any form and to acquire land for conservation purposes. The foundation would not be considered an agency or establishment of the U.S. Government. Similar to the National Park Service Foundation, this quasi-public organization would be a nonprofit, charitable corporation with tax exempt status.

As many members know, the concept of private gifts to the Government is not original to this legislation. This approach, however, does exemplify what many refer to as the private sector initiative. The motivation for such a foundation was not the result of a bureaucratic memo from the Department of Interior nor the executive branch reorganization scheme. The intiative came from the private sector—from an individual who wanted to donate a large sum of money for the preservation of fish and wildlife in this country.

The present law governing the donation of gifts to the U.S. Fish and Wildlife Service is unclear and incomplete. H.R. 2809 would allow individuals or groups to donate land, money or other resources to the Wildlife Service for the purpose of fish and wildlife conservation. With the public sector spending expanding at a constant rate, initiatives from the private sector—such as the Fish and Wildlife Foundation—are a welcome relief and should be accepted gratefully.

I urge my colleagues to support passage of H.R. 2809 under suspension of the House rules.●

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the bill, H.R. 2809, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The SPEAKER pro tempore. Without objection, the title is amended so as to read:

A bill to establish a National Fish and Wildlife Foundation.

There was no objection.

A motion to reconsider was laid on the table.

REMOVAL OF AUTHORIZATION CEILING FOR CANAL ZONE BIOLOGICAL AREA

Mr. JONES of North Carolina. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 929) to amend the act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area.

The Clerk read as follows:

S. 929

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of July 2, 1940 (20 U.S.C. 79e), is amended by striking out ", not to exceed $750,000,".

SEC. 2. The provision in the first section of this Act shall take effect on October 1, 1983.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from North Carolina (Mr. JONES) will be recognized for 20 minutes, and the gentleman from New Jersey (Mr. FORSYTHE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 929 is a bill to remove the authorization ceiling for the Canal Zone Biological Area, which is located in Panama and is a part of the Smithsonian Institution's Tropical Research Institute. The separate authorization limit is the result of the area's former status as an independent entity. Current law limits appropriations for the Canal Zone Biological Area to $750,000. This limit will soon be too low to allow the Smithsonian to operate the area at existing levels and to make necessary repairs. In addition, the separate authorization limit forces the Smithsonian to keep separate books on the area, which adds administrative costs and decreases efficiency and flexibility of operation.

I will now yield to the gentleman from Kentucky (Mr. HUBBARD), the distinguished chairman of the Subcommittee on Panama Canal/Outer Continental Shelf, for a more detailed statement.

Mr. HUBBARD. Mr. Speaker, I rise in support of S. 929, a bill to amend the act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area, more commonly known as Barro Colorado Island.

The purpose of this legislation is to remove the authorization ceiling of $750,000 for Barro Colorado Island and thereby enable the Smithsonian Institution to integrate the Canal Zone Biological Area budget into the budget for the Smithsonian Tropical Research Institute, of which the biological area is a principal part.

As chairman of the Subcommittee on Panama Canal/Outer Continental Shelf, I scheduled a hearing and markup on this bill on June 14, 1983, and received testimony from Mr. Phillips S. Hughes, Under Secretary of the Smithsonian Institution, who articulated the arguments in support of this legislation. After receiving this testimony, the subcommittee proceeded with markup of S. 929, approving it unanimously without amendment by voice vote. The full Merchant Marine and Fisheries Committee did the same on June 28, 1983.

Barro Colorado Island was established as a reserve initially in 1923 by decree of the governor of the Canal Zone. The island is now operated by the Smithsonian Institution and is used by scientists as a tropical field research station. The island has a worldwide reputation and is one of the few protected natural areas of neotropical forest.

Secretary Hughes pointed out two basic reasons for removing the authorization ceiling contained in the current law. First, by fiscal year 1985, the $750,000 cap will be too low to allow the continuing operation of Barro Colorado Island at current levels. Increased use of the facility and the need for improvements have combined to make the current limit unrealistic. By eliminating the limit now, certain maintenance, improvement and construction projects can be moved up before further cost escalations.

Second, removal of the authorization ceiling will enable the Smithsonian to integrate fully the Barro Colorado Island reserve into its Tropical Research Institute, thus achieving efficiencies and cost-savings by the elimination of duplicative records and administrative procedures.

There was bipartisan support for this bill at the subcommittee and committee levels, and I sincerely hope that such unity will persist in the considration of this bill by my distinguished colleagues. Once again, I urge the adoption of S. 929. Thank you, Mr. Speaker.

Mr. FORSYTHE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us today, S. 929, as reported without controversy and without amendment from both the Subcommittee on Panama Canal/OCS of the Merchant

Marine and Fisheries Committee and from the full Merchant Marine and Fisheries Committee.

The bill calls for eliminating the annual spending limitation for the Canal Zone biological area program at Barro Colorado Island research facility in the Panama Canal, beginning in fiscal year 1984.

The current annual spending limitation was set at $750,000 by Public Law 96-89. That public law raised the ceiling from the previous level of $350,000.

This legislation would enable the Smithsonian Institution to integrate the Canal Zone Biological Area budget into the budget for the Smithsonian Tropical Research Institute of which the Canal Zone Biological Area is a part, thereby eliminating the necessity of the Smithsonian Institution's having to keep two sets of books.

The estimated fiscal year 1984 budget for the Canal Zone Biological Area program does not exceed the $750,000 ceiling, however, it was established prior to the anticipation of this bill being signed into law. One of the reasons for the urgency of this legislation being signed into law now is because of the general condition of the structures on Barro Colorado Island. The Smithsonian feels that it is absolutely crucial to begin work immediately in preparing or replacing dormitories, lab facilities, and other structures on Barro Colorado Island due to the fact that not only are some of them 50 years of age, but they suffer desperately because of the tropical conditions there. Moving forward with construction could cause them to exceed the $750,000 annual cap.

The Smithsonian Institution has strongly requested this legislation. They feel not only would it simplify bookkeeping and allow desperately needed construction work to go forward but, that it would also provide consistency and flexibility for the consolidated management of the Smithsonian Tropical Research Institute's activities.

I recommend strongly for the passage of this legislation.

● Mr. BOLAND. Mr. Speaker, I support S. 929 and I want to urge its adoption by the House.

S. 929 would remove the existing authorization ceiling for the Smithsonian Institution's Canal Zone Biological Area. The area was established in 1940 and encompasses the Barro Colorado Island biological reserve located in the Republic of Panama. In 1946, responsibility for the operation of the Biological Area was transferred from a committee of the National Academy of Sciences to the Smithsonian Institution. When the Smithsonian created its Tropical Research Institute in 1958, the activities at Barro Colorado Island were made a part of it.

The 1940 act, which established the Canal Zone Biological Area, contained an authorization ceiling of $10,000. On two occasions since 1940, legislation has been enacted to raise the ceiling. These actions were based on increases in both the cost of operating the facility and its increased use. The implementation of the Panama Canal Treaties greatly expanded the responsibility of the Smithsonian's Tropical Research Institute and has increased the use of Barro Colorado Island for research purposes. The continued separation of the Barro Colorado Island budget from the rest of the Tropical Research Institute budget has made it difficult for the Smithsonian to respond to these changed circumstances. It has created administrative burdens disproportionate to any possible benefit and has made management of the research facilities and activities unnecessarily difficult. In short, the authorization ceiling and separate budget for the Biological Area has outlived its usefulness.

The abolition of the separate spending limit on the Barro Colorado Island budget, and its incorporation within the budget of the Tropical Research Institute will facilitate the administration of a facility of importance to all of the Americas. I hope that the House will take the steps necessary to implement this managerial improvement by passing S. 929.●

● Mr. CARNEY. Mr. Speaker, I want to commend the distinguished chairman of the House Merchant Marine and Fisheries Committee, Mr. JONES, and the distinguished chairman of the Subcommittee on Panama Canal/OCS, Mr. HUBBARD, for their efforts to provide for timely action on S. 929. I also want to associate myself with the remarks of my colleagues who have explained the details of this legislation. Let me add that S. 929 has bipartisan support.

It makes sense to combine the Barro Colorado Island budget with that of the rest of the Smithsonian Tropical Research Institute (STRI). STRI, the United States leading tropical biology research center, is permanently located in the tropics in the Republic of Panama, and the Canal Zone Biological Area, commonly called Barro Colorado Island, is one of STRI's principal components.

The island has an interesting history. It was formed during construction of the Panama Canal, and resulted from the impoundment of the Chagres River, to create a high-level lake to transit vessels through the canal lock system. The rising waters of Gatun Lake forced large numbers of animals to seek refuge on this hilltop island, the largest landmass to remain above the water's surface.

The unique combination of Barro Colorado Island's undisturbed neotropical forest habitat and its proximity to modern laboratory facilities make it one of the prime tropical research and reserve stations in the world.

Combining its budget with the rest of STRI's operation should result in administrative savings, and eliminate duplicative record keeping. S. 929 accomplishes this, and I urge my colleagues to vote for its passage.

At this point, Mr. Speaker, I would like to insert in the RECORD some additional materials provided by the Smithsonian Institution dealing with its activities in Panama.

SMITHSONIAN INSTITUTION,
Washington, D.C., July 8, 1983.

Hon. WILLIAM CARNEY,
Subcommittee on Panama Canal/Outer Continental Shelf, Committee on Merchant Marine and Fisheries, U.S. House of Representatives, Washington, D.C.

DEAR MR. CARNEY: Thank you for your letter of June 27 and for submitting additional questions with respect to the activities of the Smithsonian Tropical Research Institute in Panama.

A copy of your questions and our responses to them is enclosed.

We appreciate your interest and shall be happy to furnish any additional information you may require.

Sincerely yours,

JOHN F. JAMESON,
Acting Secretary.

1. The exchange of notes relating to custodianship of the Barro Colorado Nature Monument by the Smithsonian Tropical Research Institute designates the Institute as custodian of the Barro Colorado Nature Monument for an initial period of five years, to be extended for additional five-year periods upon request by the Institute at least one year in advance of the date of expiration of the period.

What effect, if any, will enactment of this legislation have on STRI's request to continue as custodian of Barro Colorado?

There will be no direct effect as a result of enactment of this legislation. However, an ancillary effect will be to improve STRI's ability to make necessary improvements to the Island which will enhance its custodial responsibilities.

2. Your estimated FY '84 expenditures are within the current spending limitation. What additional spending do you plan if the authorization ceiling is removed in FY '84? Please provide a current list of projects and their costs.

BREAKDOWN OF BCI ESTIMATED EXPENDITURES BY OBJECT CLASS, FISCAL YEAR 1984

[In thousands of dollars][1]

Object class	Description	Direct cost	Indirect cost	R&R[2]	Total fiscal year 1984
11	Personnel compensation	303	73		376
12	Personnel benefits	27	6		33
22	Transportation of things	7			7
25	Other services	26		[3]770	796
26	Supplies	92			92
31	Equipment	14			14
Total		469	79	770	1,318

[1] All amounts reported in fiscal year 1983 dollars.
[2] Proposed capital projects: BCI fire protection improvements $100,000; BCI Upgrade kitchen $75,000; BCI design and construction of new dormitories $570,000.*
[3] Includes $25,000 for general maintenance and repairs.
* Represents shift from fiscal year 1985 to fiscal year 1984.

3. Has the Republic of Panama expressed any desire to revise or terminate the STRI's custodianship of this nature monument?

The Republic of Panama has expresed no desire to revise or terminate STRI's custodianship.

4. The Smithsonian's five-year prospectus indicates that STRI has had to deal with certain administrative requirements related to the staged implementation of the Panama Canal Treaties, and the transition to full Panamanian jurisdiction in the Canal area. How have your operations been affected by these treaty requirements?

The operation of STRI has been affected in several important areas as a result of treaty requirements. The designation of Barro Colorado Island and adjacent peninsulas as a Nature Monument has resulted in an increase to the number of staff to warden properly this area. Changes in personnel systems have required the staff addition of a personnel specialist and major revisions of basic personnel procedures.

The procurement of supplies and materials needed for basic operation, formerly available from Panama Canal Company storehouses or Department of Defense commissary stores, now must be procured through local vendors as well as greater reliance on imports from the United States. As a result of this different mode of operation, necessary permits and paperwork must be filed through appropriate Panamanian ministries, increasing the workload for STRI personnel.

The security function for protection of buildings and properties, formerly provided by the Canal Zone police must now be contracted for with private Panamanian security companies.

The final major area has been in immigration and immigration procedures which now requires almost daily staff attention in order to service the permanent STRI staff and the hundreds of visiting scientists.

5. What is the status of your studies in connection with the proposed Sea Level Canal? Please provide a cost breakdown for your Sea Level Canal studies through 1987.

STRI has had an active marine sciences program since 1965, which in part has served to provide fundamental data that will prove useful in assessing potential canal improvement projects. However, there are presently no specific studies in connection with the proposed Sea Level Canal or other alternatives. If the present trinational preparatory group (U.S., Panama, and Japan) agree on a formal study of canal improvements, STRI anticipates developing a program to assist in this process.

6. Can you tell us how your research has or could aid in the operation of the Panama Canal? For example, have you conducted research on the protection of the watershed, problems with aquatic weeds, and cloud seeding in the tropics?

STRI has been actively engaged in watershed studies over the last decade and recently summarized these results in a volume entitled "The Ecology of a Tropical Forest." While STRI heretofore has not engaged in studies on the problems of aquatic weeds, it is interested in undertaking limnological studies of Gatun Lake. The scope of this proposed study has been discussed informally with the Panama Canal Commission's Joint Committee on the Environment, and STRI has been encouraged to submit such a study. STRI does not have expertise in the area of cloud seeding and does not anticipate entering this field.

7. Who holds the title to Barro Colorado Island and the surrounding peninsulas?

As a result of the Panama Canal Treaties, all area formerly designated as the Canal Zone have reverted to the Republic of Panama.●

● Mr. CONTE. Mr. Speaker, as an original sponsor of the House version (H.R. 2314), I rise in support of S. 929, legislation pertaining to appropriations for the Canal Zone Biological Area.

On January 24, 1983, the Smithsonian Institution's Board of Regents passed the following motion:

Voted, that the Board of Regents requests its Congressional Members to introduce and support legislation providing for the elimination of a separate spending limit on the Barro Colorado Island Facility within the Smithsonian Tropical Research Institute.

As a member of the Board of Regents, I introduced—along with my good friend, the gentleman from Massachusetts (Mr. BOLAND) and the gentleman from California (Mr. MINETA) this legislation, designed simply to remove the $750,000 authorization ceiling for the Canal Zone Biological Area, effective October 1, 1983. Although the ceiling on appropriations will not be reached in the next fiscal year, the Regents feel that if the ceilings were eliminated now, certain maintenance and construction projects could be expedited and finished before the facility's physical plant deteriorates. In this way, costly price escalations can be avoided.

The administration, I am pleased to report, has no objections to this legislation. I have been assured by Smithsonian Secretary S. Dillon Ripley that this recommendation has "been reviewed by the Office of Management and Budget, which advises that it has no objection to [the bill] from the standpoint of the administration's program."

For Members' information, let me briefly explain the significance of the Canal Zone Biological Area. The Smithsonian Tropical Research Institute (STRI), located in the Republic of Panama, is the United States leading tropical biology research center. The Institute conducts and promotes fundamental and advanced scientific research in the ecology, evolution, and behavior of tropical organisms. In addition to research, the Institute shares this biological knowledge through an active public education program. With a staff of 86 and a fiscal year 1984 budget request of $3.3 million, the Institute facilities encompass marine and terrestrial sites located on the Atlantic and Pacific Oceans and on Barro Colorado Island in Gatun Lake.

Since Barro Colorado Island, or officially called the Canal Zone Biological Area, was not always under the jurisdiction of the Institute, the operating budget for the biological reserves has remained separate and capped at $750,000. The 1977 approval and subsequent implementations of the Panama Canal Treaties created a new status for the island. Barro Colorado has now been designated through an agreement signed by Panama and the United States, as a scientific reserve to be managed by the Smithsonian Institution. This designation will afford the reserve more protection from development and outside interference.

S. 929 would update the status of the Canal Zone Biological Area. By abolishing the separate spending limit on Barro Colorado Island and by incorporating the CZBA budget entirely within that of the Smithsonian Tropical Research Institute, the present status of the island would be more accurately reflected and more efficient management and flexibility would be available to the administrators of the program.

I urge my colleagues to support S. 929 under suspensions of the House rules.●

Mr. FORSYTHE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. JONES of North Carolina. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. JONES) that the House suspend the rules and pass the Senate bill, S. 929.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the three bills just passed H.R. 2163, H.R. 2809, and S. 929.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FAIR HOUSING AMENDMENTS ACT OF 1983—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 98-81)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on the Judiciary and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, July 12, 1983.)

NATIONAL DEVELOPMENT INVESTMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 250 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 10.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 10, with Mr. ROSE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, July 11, 1983, all time for general debate had expired.

Pursuant to the rule, the substitute committee amendment recommended by the Committee on Public Works and Transportation now printed in the bill shall be considered by titles as an original bill for the purpose of amendment, in lieu of the amendments recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill, and each title shall be considered as having been read.

The Clerk will designate title I.

Title I reads as follows:

TITLE I—NATIONAL DEVELOPMENT INVESTMENT

SEC. 101. The Public Works and Economic Development Act of 1965 is amended to read as follows: "That this Act may be cited as the 'National Development Investment Act'".

"TITLE I—DEVELOPMENT INVESTMENT ASSISTANCE

"FINDINGS AND PURPOSES

"SEC. 101. (a) The Congress reaffirms the proposition that this Nation's economic strength is derived from the health of its regions, States, and local communities, both rural and urban, and that national interest dictates the maintenance and enhancement of economic vitality at the subnational level.

"(b) Congress also recognizes that economic conditions and political relationships change and that legislation must address these changes.

"(c) Congress further affirms that this legislation is designed to make government more efficient and responsive by supporting the following principles: leave to private initiative all the functions that citizens can perform privately; use the level of government closest to the community for all public functions it can handle; utilize cooperative intergovernmental agreements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where State and local governments are not fully adequate and for the continuing responsibilities that only the National Government can undertake, such as monitoring the manner in which Federal funds are used in order to ensure the carrying out of the activities for which assistance is given.

"(d) The private sector remains the ultimate generator of employment and economic growth, but the public sector must reverse decades of infrastructure neglect as a necessary concommitant to private business stability and expansion. State and local governments now have a greater capacity than in previous decades to direct their own destiny, in part because of past Federal efforts; this new capacity must be incorporated in any new legislation at the national level. America's increased involvement in international trade has brought both challenges to some industries, and opportunities for others; these challenges and opportunities must be addressed. Capital shortages will for the foreseeable future curtail the Nation's ability to meet public and private investment needs; it is therefore imperative to marshal the resources of all levels of government and the private sector to create the critical mass of capital and other assets needed to generate growth. Finally, there is a continued need to assist in adjustment of change, which is the only permanent feature of our national, regional, and local economies.

"(e) In recognition of these constants and changes, Congress finds it an appropriate role for the Federal Government to foster the coordination of investments between the public and private sectors and to promote long-term economic development partnerships at the State and local levels, in both rural and urban areas.

"(f) The purposes of this Act are therefore—

"(1) to establish a framework within which Federal, State, and local governments, and the private sectors, in urban and rural areas, can combine their resources to achieve economic development in all parts of the Nation;

"(2) to help create a strong investment climate which promotes the expansion and retention of job opportunities for local residents; and removes economic barriers in local areas which impede the free market forces;

"(3) to build, rehabilitate, and repair public infrastructure where it is inadequate to support and encourage private investment in the area;

"(4) to recognize and rely upon improved State and local governments' capacity to direct their own destinies;

"(5) to link public and private funds to foster coordination of resources between these sectors, in order to leverage the maximum investment in the long-term economic vitality of all areas;

"(6) to facilitate local and regional economic adjustment and economic development diversification in a changing national economy, by assisting State and local efforts to foresee adverse economic changes; to prevent their consequences where possible; to respond as necessary; and to achieve economic self-sufficiency;

"(7) to assist in relieving capital shortages and fill local credit gaps which impede private business startups and expansion;

"(8) to assist communities and industries to respond to the opportunities and challenges of a world increasingly knit together by international trade; and

"(9) to enhance the economic development of Indian reservations, pursuant to the Federal Government's trust responsibilities to Indian tribes.

"ELIGIBLE ACTIVITIES

"SEC. 102. (a) Upon application of a State, economic development district, unit of local government, Indian tribe, or private or public nonprofit organization established for economic development purposes which meets the eligibility criteria hereinafter established by this Act, the Secretary is authorized to make a grant for a portion of the cost, as provided in section 108 of this Act, of projects submitted in a development investment strategy. Development investment assistance may be for the following purposes—

"(1) the construction, repair, rehabilitation and improvement of public facilities, including the acquisition of land and other public works improvements to encourage and support private development;

"(2) revolving loan funds to promote the establishment and growth of small businesses and to retain indigenous firms and entrepreneurs which contribute to the creation, retention, and expansion of private sector jobs;

"(3) to conduct feasibility studies, site preparation, and other technical assistance to prepare for development and to enhance the investment climate; and

"(4) development activities which address and prevent economic dislocation and facilitate economic adjustment including assistance to promote qualified employee ownership organizations and which contribute to economic diversification and long-term economic vitality of the area.

"(b) The Secretary shall provide technical assistance and conduct feasibility studies to assist any person to establish a qualified employee ownership organization for purposes of subsection (a)(4).

"APPLICANTS

"SEC. 103. (a) A State may apply for a grant under this title for an eligible project within any unit of local government within the State, other than a unit of local government with a population of fifty thousand or more, if such unit meets the requirements of section 105 and is not within the boundaries of an economic development district.

"(b) A unit of local government within a State, other than a unit of local government with a population of fifty thousand or more, which meets the requirements of section 105 and is not within the boundaries of an economic development district may apply for a grant under this title for an eligible project within such unit, but only if such unit consults the State in the preparation of the grant application.

"(c) An economic development district may apply for a grant under this title for an eligible project within any unit of local government within such district if such unit meets the requirements of section 105.

"(d) A unit of local government within an economic development district may apply for a grant under this title for an eligible project within such unit if such unit meets the requirements of section 105, but only if such unit consults the economic development district in the preparation of the grant application.

"(e) An Indian tribe may apply for a grant under this title.

"(f) A unit of local government with a population of fifty thousand or more which meets the requirements of section 105 and is located outside an economic development district may apply for a grant under this title for an eligible project within such unit and a private or public nonprofit development organization representing an area

within such unit may apply for a grant under this title for an eligible project within such area, but only if such grant application is approved by such unit before its submission.

"(g) In the case of a unit of local government which has a population of fifty thousand or more and does not meet the requirements of section 105—

"(1) such unit may, for an area which meet the requirements of section 105 and is within such unit, apply for a grant under this title for an eligible project within such area, but, in the case of a unit of local government which is located within an economic development district, only if such unit consults the economic development district in the preparation of the grant application; and

"(2) a private or public nonprofit development organization representing an area which meets the requirements of section 105 and is within such unit may apply for a grant under this title for an eligible project within such area, but only if such grant application is approved by such unit before its submission.

"APPLICATION FOR GRANT

"SEC. 104. (a) An application for a grant under this title shall include, but need not be limited to—

"(1) a certification that the area for which the grant is to be made meets the distress requirements set forth in section 105;

"(2) a certification relative to the performance of any responsibilities which the Secretary has agreed to accept under section 306 of this Act; and

"(3) a development investment strategy prepared in accordance with section 106.

"(b) In approving applications for grants under this title, the Secretary shall consider the purposes of this Act as set forth in section 101 of this Act, including but not limited to the following:

"(1) the severity of distress in the area for which the grant is to be made;

"(2) the ratio of private sector investments committed in such area to the amount of the grant applied for;

"(3) the extent to which the appropriate State and local governments have undertaken or agree to undertake other related actions to encourage economic development and the expansion of employment opportunities;

"(4) the effectiveness of the development investment strategy and the degree to which the proposed project contributes to its implementation (including the strategy's relationship to economic problems identified in the strategy), expands employment opportunities in the existing labor market, provides incentives to retain indigenous private businesses, expands or improves public facilities, and encourages private investment;

"(5) the extent to which the strategy and activities are consistent with State and local goals and contribute to long-term economic growth and private sector employment opportunities and establish an overall strengthened economic and business environment which will be self-sustaining; and

"(6) the extent to which assistance under section 102(a)(4) will assist a qualified employee ownership organization to obtain majority ownership of a business.

"DISTRESS REQUIREMENTS

"SEC. 105. (a) In order to be eligible for a grant under this title, the applicant must certify that any activity or project to be funded under such grant will be carried out or located in an area which meets any one of the following criteria:

"(1) the area has a per capita income of 80 per centum or less of the national average;

"(2) the area has an unemployment rate 1 per centum above the national average percentage for the most recent twenty-four-month period for which statistics are available; or

"(3) the area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

"(b) Documentation of distress shall be supported by Federal data, when available, and in other cases by data available through the State government. Such documentation shall be accepted by the Secretary unless it is determined to be inaccurate. The most recent statistics available must be used.

"DEVELOPMENT INVESTMENT STRATEGY

"SEC. 106. (a) Except as provided in subsection (b) of this section, an applicant for a grant under this title shall prepare a development investment strategy for the area for which the grant is sought which—

"(1) identifies the economic development problems sought to be addressed by the grant;

"(2) identifies past, present, and projected future economic development investments in such area and public and private participants and sources of funding for such investments;

"(3) identifies the extent to which the development investment strategy takes into account—

"(A) availability of developable land and space in the area;

"(B) public works, public service, and development facilities in the area;

"(C) availability of low-cost capital;

"(D) tax policy on investments in the area;

"(E) level of skill of the labor force; and

"(F) ability of State and units of local government to provide financial assistance in the management and implementation of the strategy;

"(4) sets forth a strategy for addressing the economic problems identified in paragraph (1) and discusses the manner in which the strategy will solve such problems;

"(5) provides a general discussion of the projects necessary to implement the strategy, an estimate and analysis of the costs and anticipated benefits of implementing the strategy, and an estimate of the timetables for completion of such projects;

"(6) provides a summary of public and private resources which are expected to be available for such projects; and

"(7) provides a comprehensive plan to demonstrate a representative percentage of participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto, in all phases of the development and implementation of the development investment strategy.

"(b) In any case in which a unit of local government is the eligible applicant under subsection (b) or (d) of section 103, the unit of local government shall consult the State or economic development district, respectively, in the preparation of a development investment strategy. In any case in which a private or public nonprofit development organization within a unit of local government is the eligible applicant under subsection (g) of section 103, the unit of local government shall approve the organization's development investment strategy.

"PRIVATE SECTOR INCENTIVES

"SEC. 107. (a) To stimulate small business development and to promote internal economic growth which contributes to an improved local tax base and the creation of permanent employment opportunities, the Secretary is authorized to make grants to an applicant and to a State to establish a revolving loan fund to be used for making loans or guaranteeing loans to small businesses for initial or working capital, or the purchase, rehabilitation or expansion of facilities or equipment. In addition, loans or guarantees may be made to businesses where a relatively small amount of capital is needed to complete financing necessary to retain the business in the area. A grant made to a State under this section shall be made on the condition that the revolving loan fund established by such State shall be available only in areas in such State which meet the requirements of section 105 of this Act.

"(b) No grant for the establishment or recapitalization of a revolving loan fund shall be made for more than $1,000,000.

"(c) No loan or guarantee shall be made from a revolving loan fund which has received a grant under this title unless the financial assistance applied for is not otherwise available from private lenders on terms which in the opinion of the administrator of the revolving loan fund will permit the accomplishment of the project.

"(d) Any applicant for a grant for a revolving loan fund shall give assurances that amounts of any loan which are repaid to the revolving loan fund will be available only for the purposes set forth in subsection (a).

"(e) No loan or guarantee may be made from a revolving loan fund which has received a grant under this title unless the applicant for such loan or guarantee provides reasonable assurance of repayment of the loan.

"(f) The Secretary may make additional grants for a portion of the cost, as provided in section 108(b) of this Act, of recapitalization of a revolving loan fund, taking into consideration the past performance of such fund.

"(g) The grantee of any grant for a revolving loan fund shall administer the fund.

"FEDERAL SHARE

"SEC. 108. (a) The amount of any grant for a project for any eligible activity described in paragraph (1) of section 102 shall be that amount which when added to amounts available from all other sources is sufficient to complete such project, except that in no event shall the amount of any grant under this title exceed 50 per centum of such cost of completing the project as determined at the time of the grant application. No additional funds shall be granted or otherwise made available under this Act for any such project for which a grant has been made under this Act.

"(b) The amount of any grant for the establishment of a revolving loan fund under paragraph (2) of section 102 shall not exceed an amount which is equal to the amount of funds available from all other sources for the establishment of such revolving loan fund. The amount of any additional grant for the recapitalization of a revolving loan fund previously established with a grant under this Act shall not exceed an amount which is equal to one-third of

the amount of funds available from all other sources for such recapitalization.

"(c) In the case of a grant to an Indian tribe, the Secretary may reduce or waive the non-Federal share.

"LIMITATIONS

"SEC. 109. (a) Except for expenditures to Indian tribes, not more than 15 per centum of the appropriations made pursuant to this title may be expended in any one State.

"(b) The Secretary shall not obligate more than $2,000,000 in any fiscal year to any person (including any State or local government or public organization) for grants under this title, other than grants which promote qualified employee ownership organizations.

"OBLIGATION OF FUNDS

"SEC. 110. (a) Not later than May 31 of each fiscal year, the Secretary shall obligate for grants under this title not less than 50 per centum and not more than 60 per centum of the funds appropriated for such fiscal year pursuant to this title.

"(b) Not later than September 30 of each fiscal year, the Secretary shall obligate for grants under this title the remaining funds appropriated for such fiscal year pursuant to this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 111. There is authorized to be appropriated to carry out this title, to be available until expended, $425,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986. Not more than 25 per centum of the amount appropriated under this section for any fiscal year shall be expended to carry out section 107 of this title.

"TITLE II—INVESTMENT STRATEGY, PLANNING, EVALUATION, AND DEMONSTRATION

"INVESTMENT STRATEGY AND PLANNING

"SEC. 201. (a)(1) The Secretary is authorized to make grants for economic development planning, including the preparation of development investment strategies under section 106 of this Act and the payment of administrative expenses, to States, economic development districts, Indian tribes, counties which meet the distress requirements of section 105 of this Act and which are located outside of economic development districts, and those other units of local government having populations of fifty thousand or more which meet such distress requirements and which are located outside of economic development districts. Such planning shall be a part of a comprehensive planning process and shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program. The Secretary is authorized to make grants for preparation of a development investment strategy under section 106 of this Act to any unit of local government having a population of 100,000 or more which meets the distress requirements of section 105 of this Act on condition that such unit consult with any economic development district of which it is a part in the preparation of such development investment strategy.

"(2) Any State economic development plan prepared with assistance under this section shall be prepared by the State with the active participation of units of local government and economic development districts located in whole or in part within such State and shall set goals for economic development within such State. Each State receiving assistance under this subsection shall submit to the Secretary an annual report on the planning process assisted under this section.

"(3) Any economic development planning by an economic development district or a unit of local government for which a grant is made under this section shall be consistent with the State economic development plan for the State in which such district or unit is located.

"(b) Grants under this section shall be used, to the maximum extent possible, to provide logical coordination of investment for community facilities, economic development, manpower training, and transportation services.

"(c) Any applicant for assistance under this section is encouraged to provide project planning, financial analysis, marketing, management, feasibility studies, and other technical and financial assistance to communities and neighborhoods within its boundaries.

"EVALUATION AND DEMONSTRATION

"SEC. 202. (a) The Secretary is authorized to conduct a program of evaluation of Federal, State, and local development investment efforts in order to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States;

"(2) assist in formulating, implementing, or improving programs at the National, State, or local levels which are designed to increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b) The Secretary is authorized to conduct any demonstration program to test the feasibility of new ways to increase productivity and growth and the understanding of regional and local economies, to foster innovative technology and research in the field of economic development, to match the labor force with projected labor markets, to improve United States competitiveness, or to encourage economic diversity and regional balance.

"(c) Programs authorized under subsections (a) and (b) of this section may be carried out by the Secretary acting through the staff of the Department of Commerce, in cooperation with or by the provision of funding to other departments or agencies of the Federal Government, or by contract.

"(d) The Secretary is authorized to make grants to colleges, universities, and other nonprofit educational and research organizations to establish and support ongoing programs which provide to businesses and units of local government management and technical assistance for the purposes of promoting productivity, economic development, and employment opportunity.

"FEDERAL SHARE

"SEC. 203. The amount of any grant under section 201 shall not exceed 75 per centum of the cost of economic development planning or for the preparation of a development investment strategy. The amount of any grant under section 202(d) shall not exceed 75 per centum of the cost of establishing and supporting the ongoing management and technical assistance program. In determining the amount of the non-Federal share of costs under this section, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. In the case of a grant to an Indian tribe under section 201, the Secretary may reduce or waive the non-Federal share.

"OBLIGATION OF FUNDS

"SEC. 204. Not later than December 31 of each fiscal year, the Secretary shall obligate for grants under section 201, 90 per centum of the funds appropriated for such fiscal year pursuant to this title (other than those funds available for purposes of section 202). The remainder of such funds shall be obligated during such fiscal year only for making grants under section 201 in areas meeting the criteria set forth in section 105(a)(3) of this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 205. (a) There is authorized to be appropriated to carry out this title, to be available until expended, $75,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, September 30, 1986.

"(b) Of sums authorized to be appropriated under subsection (a) of this section, not to exceed $15,000,000 in each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986, shall be available for the purposes of section 202.

"TITLE III—ADMINISTRATION

"DEFINITIONS

"SEC. 301. For purposes of this Act—

"(1) the term 'economic development district' means—

"(A) an economic development district designated on or before January 1, 1983, under section 403(a)(1) of the Public Works and Economic Development Act of 1965; and

"(B) any district within a State which is designated by the Secretary, which district is of sufficient size or population and contains sufficient resources to foster economic development on a scale involving more than one county and does not contain within its boundaries any part of another economic development district designated under subparagraph (A) or under this subparagraph;

"(2) the term 'qualified employee ownership organizations' include—

"(A) a qualified employee trust as defined in section 3(c)(2) of the Small Business Act, except that—

"(i) such term shall not be limited to plans maintained by small business concerns or to loans guaranteed under such Act;

"(ii) in the case of any form of financial assistance, the principles of section 3(c)(2)(B) of such Act shall apply under regulations prescribed by the Secretary; and

"(iii) there shall be periodic reviews of the role, in the management of the concern involved, of employees to whose account stock is allocated; and

"(B) any business organized on a cooperative basis;

"(3) the term 'Indian tribe' means the governing body of a tribe, an Indian authority or tribal organization or entity, an Alaskan Native village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior;

"(4) the term 'unit of local government' means any city, county, town, parish, village, or other general purpose political subdivision of a State;

"(5) the term 'small business' means a business that is independently owned and operated, is not dominant in its field of operations, and meets such other criteria as the Secretary, after consultation with the Administrator of the Small Business Administration, may by regulation establish, in-

cluding but not limited to, numbers of employees and dollar volume of business by industrial classes;

"(6) the term 'Secretary' means the Secretary of Commerce; and

"(7) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

"APPOINTMENT OF ASSISTANT SECRETARY

"SEC. 302. The Secretary shall administer this Act with the assistance of an Assistant Secretary of Commerce, created by section 601 of the Public Works and Economic Development Act of 1965. Such Assistant Secretary shall perform such functions as the Secretary may prescribe.

"CONSULTATION WITH OTHER PERSONS AND AGENCIES

"SEC. 303. (a) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

"(b) The Secretary may make provisions for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

"ADMINISTRATION OF ASSISTANCE

"SEC. 304. No grant shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

"POWERS OF THE SECRETARY

"SEC. 305. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this Act;

"(5) procure by contract the temporary or intermittent services of experts and consultants or organizations therefor as authorized by section 3109(b) of title 5, United States Code, compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) in accordance with section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed;

"(6) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne, or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 517, 547, and 2679 of title 28, United States Code; and

"(7) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"CERTIFICATION

"SEC. 306. (a) The Secretary may discharge any of his responsibilities relative to a project for which a grant may be made under title I of this Act by accepting a certification by the applicant of the applicant's performance of such responsibilities. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(b) Acceptance by the Secretary of an applicant's certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"SAVINGS PROVISIONS

"SEC. 307. (a) No suit, action, or other proceedings lawfully commenced by or against the Secretary or Assistant Secretary or any other officer in his official capacity or in relation to the discharge of his official duties under the Public Works and Economic Development Act of 1965, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or Assistant Secretary or such other officer of the Department of Commerce as may be appropriate.

"(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties under the Public Works and Economic Development Act of 1965 shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

"ANNUAL REPORT

"SEC. 308. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending September 30, 1984. Such report shall be printed and shall be transmitted to the Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

"PREVAILING RATE OF WAGE

"SEC. 309. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance under this Act for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1964, as amended (40 U.S.C. 276c).

"RECORD OF APPLICATIONS

"SEC. 310. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for a grant under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant, (2) the amount and duration of the grant for which application is made, and (3) the purposes for which the proceeds of the grant are to be used.

"RECORDS AND AUDIT

"SEC. 311. (a)(1) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which (A) fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and (B) review the efficiency, economy, and effectiveness of the project carried out under this Act.

"(2) Not later than ten days after January 1, and July 1 of each year, each recipient shall transmit a report to the Secretary containing all information prescribed under paragraph (1) which relates to all activities carried out during the preceding period relating to grants made to it under this Act. Each report submitted in January of each year shall include an audited statement of all funds spent on the project or undertaking during the preceding fiscal year prepared by an independent certified public accountant in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

"(b) For the purpose of reviewing the efficiency, economy, and effectiveness of programs carried out under the provisions of the Act, including audit and examination, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of any recipient, subrecipient, contractor, or subcontractor that are pertinent to assistance received under this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 312. There is hereby authorized to be appropriated for salaries and administrative expenses to carry out the provisions of this Act $30,000,000 for the fiscal year ending September 30, 1984, $35,000,000 for the fiscal year ending September 30, 1985, and $40,000,000 for the fiscal year ending September 30, 1986. Appropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations Acts. Any contract entered into pursuant to this Act shall be effective

only to such extent and in such amounts as may be provided in advance in an appropriation Act.".

The CHAIRMAN. Are there any amendments to title I?

Mr. WALKER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 237]

Addabbo	DeWine	Hopkins
Albosta	Dicks	Howard
Alexander	Dingell	Hoyer
Anderson	Dixon	Hubbard
Andrews (NC)	Donnelly	Huckaby
Andrews (TX)	Dorgan	Hughes
Annunzio	Dreier	Hunter
Anthony	Duncan	Hutto
AuCoin	Durbin	Hyde
Badham	Dwyer	Ireland
Barnard	Dymally	Jacobs
Barnes	Dyson	Jeffords
Bartlett	Early	Jenkins
Bateman	Edwards (CA)	Johnson
Bates	Edwards (OK)	Jones (NC)
Bedell	Emerson	Jones (TN)
Beilenson	English	Kaptur
Bennett	Erlenborn	Kasich
Bereuter	Evans (IA)	Kastenmeier
Berman	Evans (IL)	Kazen
Bethune	Fascell	Kemp
Bevill	Fazio	Kennelly
Biaggi	Feighan	Kildee
Bilirakis	Ferraro	Kindness
Bi'ley	Fiedler	Kogovsek
Boehlert	Fields	Kostmayer
Boggs	Fish	Kramer
Boland	Flippo	LaFalce
Boner	Florio	Lagomarsino
Bonior	Fog,ietta	Lantos
Borski	Ford (MI)	Latta
Bosco	Forsythe	Leach
Boucher	Fowler	Leath
Boxer	Frank	Leland
Britt	Franklin	Lent
Brooks	Frenzel	Levin
Broomfield	Fuqua	Levine
Brown (CA)	Gaydos	Levitas
Brown (CO)	Gejdenson	Lewis (CA)
Bryant	Gekas	Lewis (FL)
Burton (CA)	Gephardt	Lipinski
Burton (IN)	Gibbons	Livingston
Byron	Gilman	Lloyd
Campbell	Gingrich	Loeffler
Carney	Glickman	Long (LA)
Carper	Gonzalez	Lott
Carr	Goodling	Lowery (CA)
Chappell	Gradison	Lowry (WA)
Chappie	Gramm	Luken
Cheney	Gray	Lundine
Clarke	Green	Lungren
Clinger	Gregg	Mack
Coats	Guarini	MacKay
Coelho	Gunderson	Madigan
Coleman (MO)	Hall (IN)	Marlenee
Coleman (TX)	Hall (OH)	Marriott
Conable	Hall, Ralph	Martin (IL)
Conte	Hall, Sam	Martin (NC)
Conyers	Hamilton	Martin (NY)
Cooper	Hammerschmidt	Martinez
Corcoran	Hance	Matsui
Coughlin	Hansen (ID)	Mavroules
Courter	Hansen (UT)	Mazzoli
Coyne	Harkin	McCain
Craig	Harrison	McCandless
Crane, Daniel	Hartnett	McCloskey
Crane, Philip	Hatcher	McCollum
Daschle	Hawkins	McCurdy
Daub	Hefner	McDonald
Davis	Hertel	McEwen
de la Garza	Hightower	McGrath
Dellums	Hiler	McHugh
Derrick	Hillis	McKernan
McNulty	Ray	Staggers
Mica	Regula	Stenholm
Michel	Reid	Stratton
Mikulski	Richardson	Studds
Miller (CA)	Ridge	Stump
Miller (OH)	Rinaldo	Swift
Mineta	Ritter	Synar
Minish	Roberts	Tallon
Mitchell	Robinson	Tauke
Moakley	Roe	Tauzin
Mollohan	Roemer	Taylor
Moore	Rogers	Thomas (CA)
Moorhead	Rose	Thomas (GA)
Morrison (CT)	Rostenkowski	Torres
Morrison (WA)	Roth	Traxler
Mrazek	Roukema	Valentine
Murphy	Rowland	Vander Jagt
Murtha	Roybal	Vandergriff
Myers	Rudd	Vento
Natcher	Sabo	Volkmer
Neal	Savage	Vucanovich
Nelson	Sawyer	Walgren
Nielson	Schaefer	Walker
Nowak	Schroeder	Watkins
O'Brien	Schulze	Weaver
Oakar	Schumer	Weber
Oberstar	Seiberling	Weiss
Obey	Sensenbrenner	Wheat
Olin	Shannon	Whitehurst
Ortiz	Sharp	Whitley
Ottinger	Shaw	Whittaker
Owens	Shelby	Whitten
Oxley	Shumway	Williams (MT)
Packard	Sikorski	Williams (OH)
Panetta	Siljander	Wilson
Parris	Simon	Winn
Pashayan	Sisisky	Wirth
Patman	Skeen	Wise
Patterson	Skelton	Wolf
Paul	Smith (FL)	Wolpe
Pease	Smith (IA)	Wortley
Penny	Smith (NE)	Wright
Perkins	Smith (NJ)	Wyden
Petri	Smith, Denny	Wylie
Pickle	Smith, Robert	Yates
Porter	Snowe	Yatron
Price	Snyder	Young (AK)
Pursell	Solarz	Young (FL)
Quillen	Solomon	Young (MO)
Rahall	Spence	Zablocki
Rangel	Spratt	Zschau
Ratchford	St Germain	

□ 1315

The CHAIRMAN. Three hundred seventy-four Members have answered to their names, a quorum is present, and the Committee will resume its business.

Are there any amendments to title I?

AMENDMENTS OFFERED BY MR. LA FALCE

Mr. LAFALCE. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. LAFALCE: Page 49, after line 8, insert the following:

"(c) No assistance may be provided under this title for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that such relocation would not significantly and adversely affect unemployment in, or the economic base of, the area from which the industrial or commercial plant or facility would be leaving."

Page 60, after line 21, insert the following:

"(e)(1) The Secretary, in consultation with the Secretary of the Treasury and such other departments and agencies as the Secretary considers appropriate, shall conduct a study—

"(A) regarding the financing needs for the construction, repair, and rehabilitation of public facilities in order to improve the condition of such facilities so that such facilities can adequately meet present levels of service;

"(B) regarding the ability of State and local governments, including special public authorities which own or operate public facilities, to meet such financing needs;

"(C) to determine—

"(i) the present level of financing for public facilities;

"(ii) the types of financing used to meet such financing needs;

"(iii) those obstacles which affect the ability of State and local governments to meet such financing needs;

"(iv) the access, or lack of access, of State and local governments to the private credit market;

"(v) the ability of the private credit market to absorb such financing needs on a taxable or tax-exempt basis;

"(vi) the extent to which debt limitations affect the ability of State and local governments to meet such financing needs, including a survey of such debt limitation factors with respect to each State; and

"(vii) the ability of State and local governments to increase taxes, or impose or increase user fees, in order to meet such financing needs;

and

"(D) regarding such other factors as the Secretary deems appropriate in order to assist the Congress in determing the total financing needs necessary to improve such public facilities.

"(2)(A) The Secretary shall transmit to each House of the Congress an interim report not later than June 30, 1984, and shall transmit a final report to each House of the Congress not later than December 31, 1984.

"(B) The final report shall contain a detailed statement of the findings and conclusions of the Secretary, together with the Secretary's recommendations for such legislative or administrative actions as the Secretary considers appropriate.

"(3) For purposes of this subsection, the term 'public facilities' shall only include the following: non-Federal aid roads and bridges; water supply and distribution systems; sewer systems; solid waste disposal systems; and transportation facilities which represent an element of local, State, area, or regional economic development, such as airports, ports, waterways, and docks."

Page 62, strike out line 4 and all that follows through line 9, and insert in lieu thereof the following:

"(b) Of sums authorized to be appropriated under subsection (a) of this section—

(1) not to exceed $13,000,000 in the fiscal year ending September 30, 1984, and not to exceed $15,000,000 in each of the fiscal years ending September 30, 1985, and September 30, 1986, shall be available for purposes of subsections (a) through (d) of section 202; and

"(2) not to exceed $2,000,000 in the fiscal year ending September 30, 1984, shall be available until expended for purposes of section 202(e).

Page 64, line 6, strike out the semicolon and insert in lieu thereof the following:

", except that the term 'Indian tribe' shall also include those bodies, authorities, orga-

nizations, entitles, or groups not recognized by the Secretary of the Interior, if—

"(A) such body, authority, organization, entity, or group is recognized, as of May 5, 1983, as a tribe or other similar appropriate entity by the State in which it is located and such State, as of May 5, 1983, holds land in trust on behalf of such tribe or other similar appropriate entity; and

"(B) the project or assistance involved will be located on such land held in trust or on tribal land;

Mr. LAFALCE (during reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAFALCE. Mr. Chairman, the Banking Committee's amendments would do the following:

The first would insure that the funds granted under this program could not be used to assist plants and business establishments to shut down in one area and move to another area, if such a move would cause significant unemployment or significant deterioration of the economic base in the original area. A similar provision is in the present Public Works and Economic Development Act and present EDA regulations enforce the provision. The Banking Committee believes this policy should be continued where Federal financial assistance is involved.

The second amendment would require the Secretary of Commerce, working with the Secretary of the Treasury, to conduct a study during the first year of this program of what it would cost to construct and repair certain public works facilities to bring them up to present service level needs, as well as to determine whether our States and local government units are able to finance those costs on their own.

The public works facilities to be covered by the study are those which are particularly important to local and area economic development—namely, roads and bridges outside the Federal aid system, water and sewer systems solid waste disposal systems, and those transportation systems which are central to economic development such as airports, ports, waterways, and docks.

The committee believes that the Commerce Department, and particularly its Economic Development Administration, is uniquely qualified to conduct this study because it is the Government's lead agency for participation in local civilian public works. By utilizing the financial expertise of the Treasury Department and other relevant agencies, we can gain a better understanding of both what the needs are and how much the States and localities are able to do themselves.

The amendments would authorize for this study utilization of $2 million of the $15 million otherwise authorized for evaluation and demonstration projects. The findings and recommendations of the study are to be reported to the Congress by December 31, 1984.

Third, the amendments add to the definition of Indian tribes which are eligible to apply for assistance under this program. The term would also include those entities which are not recognized as "tribes" 'by the Secretary of the Interior, but which are so recognized by the States where they are located. To be included, however, the amendment specifies that they must have been so recognized as of May 5, 1983, the State must hold land in trust for them, and assisted projects must be located on trust-held land or on tribal land. We understand, Mr. Chairman, that the Economic Development Administration is now providing assistance to such "tribes" if they meet the criteria which would be established statutorily by this amendment.

The Banking Committee believes these amendments will improve the effectiveness of the important economic development programs contained in H.R. 10, and urges their adoption.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. LAFALCE. I am glad to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

The chairman of the subcommitte has had concurrent jurisdiction over this legislation, and I want to compliment the gentleman from New York (Mr. LAFALCE), the gentleman from New York (Mr. LUNDINE), and the gentleman from Connecticut (Mr. MCKINNEY) for the thorough review they have given to this legislation, for the comprehensive analysis they have made, and for these amendments which add considerably to the strength of this legislation.

The economic development program has always included a provision against the relocation of industry from one area to another, and that is a necessary part of such economic development legislation so that we would not have pirating of industry and jobs from one area of the country to another or from one depressed area to another.

The public facilities provision provided in this amendment is comparable to something reported out of our full Committee on Public Works and Transportation and the Subcommittee on Economic Development that would provide for a comprehensive study of the costs of financing public facilities.

Mr. Chairman, the capital budgeting legislation that has been reported out of our committee and authored by the gentleman from Pennsylvania (Mr. CLINGER) and the other gentleman from Pennsylvania (Mr. EDGAR) is similar to, but does not duplicate in any way, the proposed study of financing costs of public facilities which focuses on something which we all need to have in this body as some accurate data on financing, and again I compliment the committee on its suggestions.

The final amendment, expanding the definition of Indian tribes, is self-explanatory and is very sound.

Mr. Chairman, we are prepared to accept the amendments on our side.

Mr. CLINGER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in regard to the amendments that the gentleman from New York (Mr. LAFALCE) has offered en bloc, the first amendment prohibits the relocation of industries, and that has been a part of the EDA legislation for many years. This is a classic Sun Belt/Snow Belt problem, and without intending to take sides in this continuing argument, I believe this amendment, as it relates to H.R. 10, makes eminent good sense. If the assistance provided is merely a shifting of current resources, little if any benefit is received on the national level.

I believe that adoption of this provision will enhance H.R. 10 by addressing one of the major criticisms of the administration that EDA simply promotes the generation of jobs in one part of the country at the expense of another part of the country. As I indicated yesterday, there is ample evidence that this is not the case, that in fact there is a net increase in the number of jobs, but clearly it is important that we have that prohibition against relocation in the bill.

Mr. Chairman, the second amendment offered by the gentleman from New York (Mr. LAFALCE) concerns the financing needs for the construction, repair, and rehabilitation of public facilities. While I am not convinced that this is the most appropriate vehicle for such a study, this inventory, I believe, may prove useful to the Committee on Public Works and Transportation in its continuing efforts to preserve America's infrastructure, an issue that is going to loom ever larger in the months and years ahead.

The third amendment offered by the gentleman from New York (Mr. LAFALCE) broadens the definition of Indian tribes to include bodies and organizations not recognized by the Secretary of the Interior, but recognized by the State in which they are located. I understand this has fairly limited impact.

Mr. Chairman, we would, on this side, have no objection to any of the amendments.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. LAFALCE).

The amendments were agreed to.

Mr. ALEXANDER. Mr. Chairman, I move to strike the last word. I would like to engage the chairman of the economic development subcommittee

in a colloquy in connection with some elements of the National Development Investment Act, H.R. 10, which is now before us.

Some of our economic development leaders around the Nation have a continuing concern that H.R. 10 would be used to create an economic development State block grant program. Can the chairman assure me that it is not intended that the programs authorized under H.R. 10 be implemented—in whole or in part—as a State block grant program?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, there is no language in this legislation, either express or implied, that would create a State block grant program. It is not the intention of the authors of this legislation, either the gentleman from Pennsylvania (Mr. CLINGER) or myself, that this in any way be a State block grant program. It is intended to be a cooperative venture between Federal and local governments for long-term economic growth.

Mr. ALEXANDER. Mr. Chairman, I thank the gentleman for his response.

There is also a concern among many of our people that the language under the planning provisions of title I of this bill could have the effect of allowing the States to dictate the specifics of the economic development plans of the economic development districts. Am I correct in understanding that this is not the committee's intent? And, in fact, that it is intended that the State economic development plans establish general goals, that the State will not have veto power over the more detailed and specific economic development plans prepared by the boards of directors of the economic development districts?

Mr. OBERSTAR. Mr. Chairman, I am glad the gentleman has raised that point. It is a matter that should be clarified.

We tried to make it very clear in the bill and in the report language, some of which the gentleman has had the thoughtfulness to suggest. We want it to be very clear that the States are to be cooperative partners with economic development districts but not to have veto authority over those units of planning agencies that are closest to the problem and know the situation best. The States should not have veto authority over district plans.

We have made it clear in the legislation that there is no such authority, and while someone may want to imply that, I would hope our exchange here would make it very clear that there is no such authority.

□ 1330

Mr. ALEXANDER. Am I correct in understanding that it is the committee's intention that regardless of whether a State obtains a planning grant under this bill, the established, eligible economic development districts which have been receiving planning funding under the Economic Development Administration should continue to be able to receive this kind of funding under the program authorized under H.R. 10?

Mr. OBERSTAR. Absolutely. We are very clear in the legislation, in the legislative history, that the economic development districts should have a major role. Those that are already in existence should continue to play that role. New ones can be created. The States will have a role, but those that are already in existence, those economic development districts with a proven track record of experience should continue to receive funding. They are the heart and soul and the core of the professional kind of development investment planning that we intend to take place under this legislation.

Mr. ALEXANDER. One final question. The economic development representatives who work in the field part of the EDA delivery system have been among the most valuable elements of our economic development assistance structure. In the committee report on H.R. 10 you emphasize the intent that there be a field structure as part of the delivery system for the programs authorized under H.R. 10. Am I correct in understanding that it is intended that the delivery system under H.R. 10 include a State-based field structure that is essentially the same as the economic development representative structure we now have in place?

Mr. OBERSTAR. The gentleman's understanding is very clear and quite correct. We intended throughout this legislation to keep the economic development program closest to that unit of government and to those people who are beset with the problems, who have the primary responsibility for addressing local problems and to give them the greatest flexibility, both in funding and planning authority, to carry out those ideas that can only work if they are carried out at the local level.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

(At the request of Mr. OBERSTAR, and by unanimous consent, Mr. ALEXANDER was allowed to proceed for 2 additional minutes.)

Mr. ALEXANDER. I thank the chairman for his assistance and cooperation in clarifying these points about what is intended in H.R. 10, the National Development Investment Act. I hope that the positions that have been set out here will be retained in the recommendations of the House/Senate conference report.

Mr. Chairman, I am committed to voting for passage of H.R. 10, the National Development Investment Act. This decision has been a very difficult one for me to make.

I am committed to supporting efforts to insure that we have a workable public-private sector partnership that generates and maintains long-term private sector jobs for Americans. That is what the Public Works and Economic Development Act has been about since it first came into law in 1965. It is what supplementary laws that I have cosponsored and worked for passage of throughout my service in the Congress have been about.

And, I believe that is what the supporters in this House expect H.R. 10, the National Development Investment Act, to carry on in future years. Promoting, encouraging, and assisting in the creation and maintenance of jobs for Americans—long-term, private sector jobs—is what I believe every Member of this House believes we must be doing. It is what any economic stimulus legislation must be about when we have more than 11 million Americans looking for work.

For more than 20 years I have worked with the people of my home State of Arkansas to help diversify and strengthen our economic base. Arkansas is a poor State in need of economic opportunities. The per capita income of our people ranks 49th in the Nation. The people in the majority of our Arkansas counties have suffered from a shortage of job opportunities and chronic unemployment problems for most of my lifetime.

Over the past two decades, our efforts to increase the number of private sector jobs available for our people in Arkansas have met with substantial success. But, we still have a long way to go. We had a long way to go even before the crippling recession begun in 1981. It has pushed our State unemployment rate to a level twice as high as it was in 1972.

Arkansas is blessed with an impressive list of pluses when it comes to working for economic development. Our people want to work. They take pride in doing their jobs well. Our local and State governments take a positive, constructive attitude toward business and industrial development. Our climate makes for a delightful living environment.

Recreation and leisure opportunities in Arkansas are varied and stimulating. We have groups and organizations actively practicing and promoting interest in the visual and performing arts. Their work ranges from classical to the traditional folk art, craft and musical heritage of our region. We have fine parks, lakes, streams and other facilities for top quality outdoor recreation.

But, we have a serious shortage in one essential ingredient that makes the economic development engine run. That shortage is in seed money, cap-

ital essential to leveraging private sector business and industrial development to generate more jobs for our people. Without the battery power of that economic development investment seed money the engine just will not crank.

Since the mid-1960's we, in Arkansas and across the Nation, have had an effective, efficient and economical source of assistance in getting the economic development engine running. It has helped us to transport our dreams into the realm of reality. This source of seed money has helped build businesses and factories that provide jobs for our works. This provider of seed money assistance is the Economic Development Administration.

During its history, EDA seed money investments in Arkansas have totaled more than $130 million. These have generated more than 27,000 jobs with an annual payroll of more than $500 million.

From the Government's point of view, EDA is like one of those legendary blue chip stocks Wall Street used to be famous for, which guaranteed a sizable profit for the investor. In fact, the taxes paid by workers from EDA-generated jobs have traditionally returned the initial taxpayer investment two or three times over. That kind of economic return is good for the taxpayer, good for the worker, good for industry, and good for the country. The State, local, and National Treasury have all benefited, and this is not even counting the long-term economic development generated by EDA, both in the projects it directly sponsors and in the commercial-industrial complex that grows up around the original seed project.

And, equally important, in Arkansas and in other States, there has developed a new era of cooperation within counties and among communities. Our people have joined hands and are working together in multicounty economic development districts to cooperate and maximize the power of their scarce resources for private sector job creation. EDA's programs have been a major influence in making this possible.

Putting Americans to work in the private sector is what EDA is about. It is what I believe H.R. 10 is about. It is certainly what the National Development Investment Act should be about.

Since EDA and the National Development Investment Act seem to have the same objectives, what made my decision on the bill before us so difficult? That is a fair enough question.

It has never seemed to me that when an engine will run efficiently and effectively with some repairs throwing it on the dump heap and buying a new one was a bargain. I am as willing as anyone to concede that PWEDA, the authorizing law under which EDA operates, could be improved with repairs. And, I get very worried when we talk about wholesale repeal of laws that have worked for our people in favor of new and untried laws.

A basic principal under PWEDA is grassroots decisionmaking. That means that our local people should and have had the right to make the decisions and choices on what economic development projects to finance with the local, State, and Federal tax money. This is a principle in which I strongly believe. It is the reason I, as the elected Representative of our people in Arkansas, have always found it difficult to vote to give Federal block grant funding to State governments to use in dictating the choices which rightfully should belong at the local level.

Thus, we come to one of the difficulties I have had in making a decision on H.R. 10.

Under the EDA authorization law our people in Arkansas and many other States have joined together in economic development district organizations. Local elected officials and community leaders govern these organizations. Their objective is to pool their resources to insure high quality economic planning and development projects for their local areas and to coordinate a successful regional economic development strategy.

And, while they keep the final decisions on specific activities at the local level they also cooperate with statewide economic development planning goals.

The decisions are, as they should be, flowing from the local communities to the State and Federal levels. That is what PWEDA and EDA encourage. It is what I believe the supporters of National Development Investment Act mean to continue. But, I am concerned that under the planning provisions of title I of H.R. 10 a Presidential administration that is hostile to the economic development districts that our people back home have built and are operating will work to implement this legislation as a State-block grant. Or, they could attempt to wipe out the districts by allowing the State planners to veto the local and district decisions on economic planning and development, even if those decisions are in compliance with the goals of the State economic development plan.

Such action would wreck the grassroots decisionmaking process we have developed in the past decade and a half. It could encourage State officials to become tyrannical economic planning and development dictators. I do not believe the majority of my colleagues in this House would knowingly support such a development.

I am encouraged that the authorizing committee that has brought this bill to us has included on page 15 of part I of its Report No. 98-52, a specific directive to the executive branch to consult with the Congress before issuing rules and regulations to implement H.R. 10. I would urge as strongly as possible that during this implementation process the members of the appropriate committees take special care to insure that the grassroots decisionmaking process is protected and preserved.

As a sweetener to encourage local governments to be members of and financially support substate economic development districts, we have had in PWEDA a special incentive. This is generally known as the "10-percent bonus." Local government grant recipients now get an extra 10-percent if they are members of an economic development district. H.R. 10 does not provide this bonus for regional economic development cooperation.

This is of substantial concern to me. Throughout H.R. 10 and the committee report on this bill, there is a clear intent that the economic development districts continue to work to coordinate economic development in the regions they serve and with the State. But, I am concerned that the removal of the 10-percent bonus will have the effect of discouraging the local government participation in district organizations and undermine the objectives stated in this bill.

I would most strongly urge the authorizing committee to carefully monitor the impact of the repeal of the 10-percent bonus and to reinstate it if we find serious erosion occuring in our grassroots level economic development district system.

I am also concerned that in the National Development Investment Act the Federal share for any grants for economic development project activities such as public works is limited to 50 percent of the cost as estimated at the time of the application. Under EDA programs it is possible for a particularly economically distressed area to receive up to 80 percent grant funding for the total cost of a project.

I realize that the authors of H.R. 10 are trying to promote and encourage greater economic development investment from private sector sources. That is a principle I can and do support. But, I believe we have a national responsibility to insure that when we are writing economic development legislation we do not punish people and communities for being poor and underdeveloped.

If, by limiting the Federal share participation in projects to 50 percent of the originally estimated cost we foreclose the opportunity of poor but deserving communities from participating in this program we are, in fact, sentencing them to a permanent condition of economic distress. They do not deserve that. Our Nation cannot afford that. I do not believe the makers of the National Development

Investment Act intend that to be the case.

I urge that when this legislation is implemented, the authorizing committee closely and carefully monitor the operation of the programs. And, if we find that people in resource short but otherwise eligible communities are being prevented from benefiting from the investments under this program, I urge that appropriate adjustments to the law be made.

In the more than 17 years since PWEDA was enacted our Nation through the EDA structure has accumulated valuable human capital in the form of trained civil servants working to help the people of our communities, towns and cities across the country to bring about balanced national development.

Individually and collectively these EDA workers represent a vast national treasure. The work they have done with our people has taught them what the problems and needs are. They know what solutions have and have not worked. They know how to identify trends of the future and to help local communities use those trends to generate private sector jobs for our people or to protect jobs that are threatened. The economic development representatives who work at the State level in the field are among the most valuable members of our current delivery system.

I believe it would be a grievous blow to the best interest of our people if the knowledge, expertise, capability and human resources capital we have amassed within the EDA field, regional and national structure is trashed during the implementation of H.R. 10. The majority of the people in EDA are dedicated, hardworking servants of the interests of our people.

I congratulate the authorizing committee for stating clearly and strongly on pages 14 and 15 of part I of its report on this bill that the executive branch is to maintain a field and regional structure as a part of the delivery system for the programs operated under the National Development Investment Act. And, again, I would urge that the committee, and all of my colleagues, concerned with the effective delivery of economic development programs thoroughly and vigorously monitor the implementation of this act to insure that this objective is achieved.

During the past 3 years our colleagues on the authorizing committee have worked long and hard hours on the National Development Investment Act. They have had to deal with extremely difficult, sensitive, and, not infrequently, emotional as well as economic issues. The differences on which they have had to win consensus agreement have been wide. We all owe them a debt of thanks for their willingness to keep at their job when prospects of success dimmed time and again. And, when this bill has passed this House we stand together to defend the best interests of the American people and their objectives for economic development, both in the conference with the Senate and in working with the administration on the law's implementation.

I urge my colleagues to, after careful consideration, vote for our people's interests and pass this bill.

(Mr. ALEXANDER asked and was given permission to revise and extend his remarks.)

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 44, after line 23, add the following new section:

SEC. 103. The Secretary of Commerce shall, in conjunction with the appropriate state and local authorities, conduct a study of the impact on employment opportunities of Federal, State, and local laws and regulations.

(a) Such study shall identify those laws and regulations which have an adverse impact on employment opportunities and shall identify to what extent such regulations and laws cause or result in a reduction of permanent employment opportunities.

(b) The Secretary shall, not later than December 30, 1983, shall submit a report to Congress on the results of the study under subsection (a), together with its recommendations on methods to reduce or eliminate such adverse impact.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota reserves a point of order against the amendment.

The gentleman from Pennsylvania (Mr. WALKER) is recognized for 5 minutes.

Mr. WALKER. Mr. Chairman, as I understand the bill that we have before us, the concept is certainly one which is worthy of consideration of this House and of this Nation.

We are attempting, as I understand the bill, to assure that we have economic development and economic investment. That is something which, of course, this administration and nearly everyone in this body shares as a goal for the country. Investment in the economic future of America is absolutely essential.

The issue before us as a nation is then, how do we go about getting that investment? How do we go about moving the economy forward?

Right now we see the gross national product of the country rising. We see a lot of things beginning to happen. What we do not see is sufficient movement in the jobs area; so I would have to assume, based upon the statements of the Members who have spoken previously, that what they are attempting to achieve in this is more jobs for Americans. That again is a very worthy objective and one that we ought to look on with favor as we proceed to look at various solutions to economic matters.

However, the one thing which this bill does not address, which it seems to me does need addressing, is the fact that we as a Federal government should not be denying jobs. State government, local governments themselves, are denying jobs across the country.

Distinguished economists are writing today, including people like Walter Williams and Tom Sowell and a number of other very distinguished economists, that we have a problem that we have created in government, that govenment has created a problem of denying people job opportunities.

It has been particularly devastating to minority young people and to people at the very bottom of the economic scale. They cannot get on the economic ladder because government denies them entry level jobs. Government denies them job opportunities.

What the amendment I have offered here says is that as a part of what we are doing in economic investment, we ought to have a study to find out just where government is denying jobs; so it authorizes the Secretary of Commerce to conduct to study to find out where employment is being denied as a result of that which we in government do. It says that State, local, and Federal laws may in fact have an adverse impact on employment and we ought to find out just where those adverse impacts are coming, so that we can take corrective action and so that we can act in a way to assure that government does not become the unemployer in the country.

Now, it seems to me that this is a basic kind of thing which needs to be done. My experience with EDA has too often been that we really do not get to the business of creating new jobs. Too often what the money ends up doing, and this is certainly worthy, but too often what it does is that it ends up keeping jobs in place which are already there. No new people get employed. We may keep some people from being unemployed, but no new people get a job.

My amendment speaks to the need to find some new job opportunities in this country.

It seems to me that one of the things we want to do is assure not only that we keep the jobs that are now in place, but we also provide some hope for those 10 million Americans who

are without jobs, that they might find a job in the future, too.

My amendment simply says that we ought to conduct a study to find out where we in Government are causing unemployment and then suggest some corrective measures which can get Government out of the business of putting people into unemployment roles.

So I would ask for the approval of this amendment, which is a very simple kind of thing. It asks for a study. I would think that this is something which we would want to do as we invest in new jobs for our future.

POINT OF ORDER

Mr. OBERSTAR. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. OBERSTAR. Mr. Chairman, the amendment offered by the gentleman from Pennsylvania is so broadly written as to be nongermane to this legislation. It directs the Secretary of Commerce to conduct a study of State and local laws, State and local regulations, in addition to Federal laws and regulations, in conjunction with employment opportunities, so broadly written as to have nothing to do with the legislation at hand.

I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. WALKER. Yes, Mr. Chairman, I do.

The CHAIRMAN. The gentleman is recognized.

Mr. WALKER. Mr. Chairman, I am sorry that a point of order would be raised against an attempt to have a study to find where we have new jobs in this country. I would hope that the point of order would not be sustained.

This simply authorizes the Secretary of Commerce to take action in exactly the same areas that this bill covers. This bill covers a very broad range of economic activity in the country. It authorizes the Secretary of Commerce to take steps to assure employment opportunities. The amendment that I have offered here to title I is simply saying that there should be a study by the Federal Government in the same areas that this bill addresses; so I would ask the Chair to reject the point of order against the amendment.

The CHAIRMAN. The Chair is prepared to rule.

The amendment of the gentleman from Pennsylvania requires a study of the impact of all Federal, State, and local laws, on employment. The bill under consideration only amends several laws within the jurisdiction of the Public Works and Transportation Committee and the Banking, Finance and Urban Affairs Committee dealing with economic development. An amendment bringing into issue all Federal, State and local laws as to their impact on employment is more general in scope and is not germane.

Therefore, the Chair sustains the point of order.

Are there further amendments to title I?

Mr. LOTT. Mr. Chairman, I move to strike the last word.

□ 1340

Mr. Chairman, I would like to ask a couple of questions if I could. I know some Members were not here for the general debate yesterday. I would, therefore, like to address a couple of questions to the distinguished chairman of the subcommittee with regard to title II of the bill, the Appalachian Regional Commission.

In studying the numbers, both the authorization levels and the appropriations levels, I noticed that there is a significant increase in the level that you are requesting in this authorization over the fiscal year 1983 levels.

As a matter of fact, it continues to go up in fiscal years 1985 and 1986.

Why is there such a significant increase in the Appalachian Regional Commission funding? What will that extra money go for? Can the gentleman give us a capsule view?

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I will be glad to respond to the gentleman.

For fiscal year 1984 the amount of nonhighway funding is $83 million and the amount of highway funding is $215 million and salaries at $2.9 million for a total of $300.9 million. In 1985 it stays at roughly the same level, $83 million for nonhighway, $234 million for highway, and $2.9 million for salaries and expenses for a total of $319.9 million.

Mr. LOTT. What is it in fiscal year 1983, though?

Mr. OBERSTAR. In fiscal year 1983 the actual amount appropriated is a little bit less than that. I do not recall right offhand the exact amount roughly $167 million.

Mr. LOTT. As a matter of fact, there is an increase of over $100 million in fiscal year 1984 over fiscal year 1983; is that correct?

Mr. OBERSTAR. That is an authorization, I would point out. We are not the Appropriations Committee.

Mr. LOTT. But there is a significant increase being authorized here and it continues to go up over the next 2 or 3 years, and I want to know why.

Mr. OBERSTAR. I will not characterize it by an adjective. I will just say it is an increase.

This is less than the amounts that have been appropriated in the past, but more than was appropriated last year. It is a little bit like the Russian economy, not as good as next year but better than last year.

Mr. LOTT. Let me try one more time. Maybe I could suggest the answer. Are you trying to accelerate some of the highway programs? Does that account for the steady increases in the authorization over the next 2 or 3 years?

Mr. OBERSTAR. The highway program increases from $215 million over this period of time to $364 million. That is an increase over the current appropriations but it is less than the amount in the original ARC program. We are trying to close out the highway program.

What we have done in our hearings and in this bill is to scale down the ARC highway program to only that backbone highway program that is necessary to complete their plans.

Mr. LOTT. I would note to my colleagues, and I appreciate the gentleman's response, that we go through this argument a lot of times that, well, this is an authorization; then we get the appropriations bill and they say the authorization was way up here. It is a significant increase for ARC.

I would like to ask the gentleman, the ranking member from Pennsylvania (Mr. CLINGER), if he would respond to some questions with regard to title I, the EDA portion of the bill.

I have always basically supported the principle behind EDA, and the Economic Development Administration did a good job back in the late 1960's. But over the past 10 or 12 years it has not been doing a good job, yet here EDA is being perpetuated.

Again you can argue authorization versus appropriation. But it is a significant increase.

Why is there an increase, No. 1; and No. 2, are you redirecting EDA in this bill so that it would get back to where it really serves those areas, mostly rural, some suburban, that really need the help?

Mr. CLINGER. Will the gentleman yield?

Mr. LOTT. I yield to the gentleman.

Mr. CLINGER. I would say to the gentleman that whereas the authorization level is above what has been appropriated in recent years, it is significantly below what the present legislation, that is the old Public Works and Economic Development Act authorization levels were.

Mr. LOTT. Which is not saying a whole lot.

Mr. CLINGER. Which is not saying a whole lot. But the EDA has never been funded at anywhere near the level of the authorization.

What we are saying about this redirected program is yes, we are focusing the program much better than it has been in the past. We have limited it. Right now about 80 percent of the country is eligible to apply for EDA as-

sistance and in fact has been designated as eligible to apply for that assistance.

I think the administration was absolutely right in saying that it is too broad and that you do not have 80 percent of the country in deep, deep distress.

This program reduces the eligibility area to about 40 percent of the country, and a significant percentage of those are in the rural areas.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. LOTT) has expired.

(On request of Mr. CLINGER and by unanimous consent Mr. LOTT was allowed to proceed for 3 additional minutes.)

Mr. CLINGER. The second thing I would point out is that the gentleman is absolutely right. In recent years there has been a skewing of this program far too much I think into urban areas where really EDA is not as effective as it can be in rural areas.

I think the gentleman would agree in the rural areas the EDA has had a very, very significant impact and has created new jobs.

This bill distinctly tries to bring us back to the position where we were before this skewing took place. One of the ways we do this is to put a cap on the amount of any individual grant in aid. For example, $1 million is the most that you can receive for a public works grant. Clearly most of the public works type activities that major metropolitan areas are undergoing are way beyond the scope of that.

Too often in the past they did skim off all of the cream so that there was very little left for the rural areas. So by putting a cap on the available funds which they can receive, that will insure that rural areas of this country are going to get back into this ballgame from which they have been effectively excluded far too often in the past.

Mr. LOTT. I appreciate the gentleman's comments and his efforts in this regard.

I would like to be able to save the Economic Development Administration. But I am convinced this bill still is beyond what is going to be acceptable.

Does the gentleman have any information as to whether or not this legislation, if it is passed in this form, would be signed by the President?

Mr. CLINGER. If the gentleman will yield further I would say that I believe the administration does oppose this bill. I would only say in response to that that it is pretty apparent to me, and I think to most people in the House, that the EDA is not going to go away. The administration has attempted really to get rid of EDA over the last 2 to 3 years and Congress has continued to keep the agency alive.

My point is whether you are pro- or anti-EDA, this bill is a vast improvement over the legislation by which the administration is required to operate right now. They are required to fund through all of the titles of the Public Works and Economic Development Act the very things they feel are wasteful and cost-ineffective.

We have gotten rid of those elements in this bill so that accepting the fact that EDA is going to exist, because Congress keeps it alive, it is far better to tighten the program and focus the program and put it into those areas that we all agree it has been effective.

Mr. LOTT. I thank the gentleman.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

I take this time in order that I may inquire of the managers of the bill with respect to the administration of this program. I discover on page 15 of the committee report the language which appears to be somewhat unequivocal, to wit:

> The committee strongly urges that the knowledge, capability and human resources of the existing headquarters and field structure of the Economic Development Administration be utilized in implementing this program.

What I want to ask is this: Is there anything in this legislation which would permit the dismantling of the EDA program, the total dissolution of that organization which has learned so much and performed so well over these past years, and its replacement with an entirely new group of people who have no track record in administering programs of this kind?

Mr. OBERSTAR. Would the majority leader yield?

Mr. WRIGHT. I yield to the gentleman.

Mr. OBERSTAR. The gentleman from Texas is one of the original sponsors of the Public Works and Economic Development Act of 1965 and its predecessor, the Area Redevelopment Administration, and has, as chairman, formerly, of the Subcommittee on Investigations and Review, presided over hearings on the operation and effectiveness of the programs of EDA, and knows better than most Members in this body full well the significance of a field operation and a field staff to bring this program, as Lyndon Johnson, as President at the time the bill was signed into law, said, to bring this program closer to the people, to where the rubber meets the road of government.

We have been very careful in crafting this legislation and have no language in this bill that would authorize the administration to dismantle that field structure.

There is, regrettably, some of that effort under way now, without an authorization, to pare down and to leave only a barebones structure in place. But to dismantle that expertise in economic development would be a tragic mistake and a disservice to local government.

□ 1350

Mr. WRIGHT. I very definitely agree with the gentleman. I want to congratulate him on the vision that he has displayed in putting together this imaginative approach and this very much needed approach.

I will just ask one more time so that we may be very clear. It is, as I understand it, the clear legislative intent of the authors of this legislation that those field offices, the regional offices and the administrators who have so effectively carried out the Economic Development Administration program shall continue to be utilized in carrying out the programs authorized in this new law, is that correct?

Mr. OBERSTAR. That is clearly our intent. Let me state it another way, in legislative terms we have in drafting this legislation amended the basic 1965 act to make those changes that are encompassed within the confines of the legislation, therefore leaving in place the administrative structure of the agency, itself.

Mr. WRIGHT. I thank the gentleman very much.

Mr. SAM B. HALL, JR. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to my friend from Texas.

Mr. SAM B. HALL, JR. Mr. Chairman, I would like to join with the majority leader with reference to the EDA.

I know of no organization that has ever been funded by the U.S. Government that has done more good as has EDA. I can speak only for the First District of Texas but I know of so many instances where EDA has done things that are long lasting, put people to work and I believe that in the long run it will be one of those agencies that will in many ways pay for itself over and over again.

So, I commend the majority leader for the stand that he is taking and I think it is something we should work very diligently to try to get reauthorized.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 10, and I wish to compliment the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Pennsylvania (Mr. CLINGER) for the fine work they have done in bringing this important bill to the floor.

The reauthorization of the Economic Development Administration is perhaps more modest, in terms of funding, than some of us would like, but the key to this bill is the program changes in EDA which build upon the lessons of our past experience with

this program. The bill before us addresses in a constructive way all of the criticisms which have been leveled at the EDA program by the current administration and others. The bill is targeted to areas of need—distressed communities with high unemployment or low per capita income. The bill requires local commitment in the form of a 50-percent local match of funds. The bill requires local planning and a strategy for long-term economic development and growth, insuring that EDA money would not be thrown away on unneeded projects.

The Reagan administration, pointing to past shortcomings of economic development efforts, has argued that there is no Federal role in assisting local economic development. The real reason for the administration's stance is, of course, the basic outlook of President Reagan. The President is simply blind to the problems of unemployment and the cycle of poverty and distress that the EDA program is intended to address. Rather than look for constructive improvements that can be made in the program, the administration chooses to ignore economic development initiatives altogether.

In my own congressional district EDA has in the past provided grant assistance for the Riverbridge Industrial Center in Chester and provided technical assistance in revitalizing business districts of several communities in need of a helping hand. In these cases EDA provided the sole mechanism for providing the type of assistance needed.

We in Congress cannot turn our backs on the problems faced in our local communities. We must work in partnership with local officials, providing the assistance they need to stand on their own. The bill now before us provides the opportunity to do something about the unemployment crisis and to aid those communities still in desperate need of our help.

Mr. WHITTEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in strong support of this measure. Recently, in trying to show the wisdom of investing in our own country I pointed out that the value of the improvements to our country, as reported in the Statistical Abstract of the United States are currently $12,600,000,000,000. In 1940 it was only $450,000,000,000.

We do not have gold or silver behind our money; all we have is our own country. We have problems with our money but money is only a medium of exchange.

As much as I would hate to see us have to come up with a new medium of exchange it could be done as long as we have a rich and strong country behind us.

So, I urge my colleagues to go along with this and with other measures which protect and develop the assets of this Nation, for that is what we have to back our money.

The jobs bill was limited to what the President would sign. However, it did change directions in which we look, that is, to productive jobs and the American people began to see activity. People became more optimistic about the future and the economy reflected that optimism.

Mr. Chairman, I commend the chairman of the subcommittee, Mr. OBERSTAR, and his colleagues for their efforts in bringing this vital piece of legislation to the floor.

While it does not satisfy fully the desires of each Member, it does help provide for the continued development of public facilities in the lesser developed areas of our country. It means continued investment in our own country and therefore in our own future.

With the reauthorization of the Economic Development Administration and the Appalachian Regional Commission, for example, we invest in the roads, schools, and all the rest needed for sustained economic growth.

Two years ago, the Congress instructed the Appalachian Regional Commission to report back to us by December 31, 1981, on what it would take to complete the Appalachian development highway system and what critical needs in its area development program would require assistance over the next several years.

The Governors of the 13 Appalachian States submitted their report to us, unanimously approved by nine Democratic and four Republican Governors. It sets forth a practical strategy for the ARC in the coming years.

Both the House and the Senate approved fiscal year 1984 energy and water appropriations. That bill, now awaiting the signature of the President, includes provisions for continuation of the ARC program next year at essentially the levels set by our House Appropriations Committee.

Now we seek through H.R. 10 to authorize the ARC program. This bill will provide for the Commission to continue its program to improve economic progress in Appalachia.

Proposals to do less for ARC make no sense. For the first two-thirds of this century, the problems of Appalachia were complex and crippling. Measured in terms of income, jobs, health, education, housing, and public facilities, much of the 13-State area lagged far behind the Nation.

The major effort in the early 1960's to find a way to change these bleak conditions was started, not by people in Washington, but by local people, mayors and county officials and Governors, Republicans and Democrats at every level. Business people, farmers, labor leaders, educators, and doctors were all a part of that effort.

The Appalachian Regional Commission was the result of all that effort. The changes ARC has helped bring to the region since 1965 are heartening.

Per capita income has risen from 78 percent of the national average to 85 percent. More than 1½ million new industrial jobs have been created with many of them along the new development highways.

Vocational schools are now within the reach of almost everyone in the region with more than half of the young people getting vocational or technical training.

More doctors are now living in the region and most of the 397 Appalachian counties are served by primary care centers and clinics.

Safe drinking water, water and sewer facilities for industrial sites and better housing reach many more communities in this once isolated region.

Perhaps the best indicators of progress are the decisions of people to choose to live in Appalachia. They no longer are leaving. The region now enjoys a substantial net immigration as our young people are able to find opportunities at home.

The job is not yet done as the Governors have pointed out in their report. For example, the 20 Appalachian counties in northeastern Mississippi need the kind of help proposed in H.R. 10 to achieve a level of development for continued progress. A special program for these rural, sparsely settled counties that have been bypassed by economic development would finally enable them to obtain assistance for safe drinking water, waste disposal, and other critical needs.

H.R. 10 is reasonable and is responsive to the concerns of all of us about the economy and Federal spending. It consolidates the gains made since 1965, and it addresses the real needs of States and communities in the region.

AMENDMENT OFFER BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 44, after line 23, add the following new section:

SEC. 103. The Secretary of Commerce shall, in conjunction with the appropriate state and local authorities, conduct a study of the impact on employment opportunities of Federal laws and regulations promulgated or covered under this Act.

(a) Such study shall identify those laws and regulations which have an adverse impact on employment opportunities and shall identify to what extent such regulations and laws cause or result in a reduction of permanent employment opportunities.

(b) The Secretary shall, not later than December 30, 1983, submit a report to Congress on the results of the study under subsection (a), together with its recommendations on methods to reduce or eliminate such adverse impact.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Minnesota reserves a point of order.

The gentleman from Pennsylvania (Mr. WALKER) is recognized for 5 minutes.

Mr. OBERSTAR. Mr. Chairman, before the gentleman begins, would the gentleman yield?

Mr. WALKER. I yield to the gentleman.

Mr. OBERSTAR. The language sounds virtually identical to the previous amendment; it is not the language of the second amendment which the gentleman showed us earlier.

Mr. WALKER. The gentleman is correct, this is modified language of the first amendment that I offered in which I struck the language relating to State and local laws and the language now reads, "Federal laws and regulations promulgated or covered under this Act."

It speaks to the point of order raised by the gentleman earlier. It would conduct a study of any unemployment that might result from any laws or regulations which are promulgated or covered under this act.

So, that this is to speak to the point of order, which was sustained by the Chair, which the gentleman raised earlier.

Mr. OBERSTAR. We do not have a copy of the amendment here.

Mr. WALKER. I apologize to the gentleman for that. I drafted the amendment here in ink and got one copy to the Chair.

Mr. OBERSTAR. I respect the gentleman's creativity; if we could have the Clerk get us a copy.

Mr. WALKER. I would be glad to give to the gentleman this copy that I have here in the well.

Mr. Chairman, this amendment does not go as far as I think we ought to, but it does speak, as I have just stated, to the point of order raised earlier. What this amendment would do is assure us that at least what we are doing under this act does not result in any unemployment. It would say that the Secretary should conduct a study of the laws and regulations that are promulgated or covered by this act to make certain that those laws and regulations are not resulting in additional unemployment. You know, I find it absolutely astounding that on several occasions I have come to the floor with similar kinds of language and this body does not want to face up to the fact that that which we have done here over a period of years has resulted in people being unemployed. Of course we do not want to face up to that, because every time that that point is raised it puts the matter back home here, that we are the unemployers, that many of the things that we do around here result in unemployment.

This is an attempt to say that at least in this bill we intend to speak to the unemployment problem in some manner, that we ought not be contributing to unemployment with those things which we do under the bill.

So, it would simply say to the Secretary, Mr. Secretary, take a look at the laws, take a look at the regulations, assure us that we are not going to create additional unemployment or, if we are, tell us what we should do to stop it. It seems to me that is an extremely reasonable kind of approach to take, it is a very modest approach to take, it is a very minimal approach to take, because it does not even get to the base problem that there are a number of laws that go far beyond this act which are causing unemployment problems.

□ 1400

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding.

The amendment as redrafted, I think, cures the defect of the previous amendment, but it does appear to be imbalanced in that it deals only with those regulations that have an adverse impact on employment opportunities. It does not deal with those that might have a positive effect. It should be balancing the good and the ill. We have to look at both aspects of it.

I just have a further question for the gentleman.

Mr. WALKER. If I may continue and then I will yield to the gentleman further. I assume that we do not intentionally do things around here which have the intent of putting people out of work, that what we do around here is unintentional. And I assume that the gentleman's bill is being brought to the floor with the concept that we are in fact going to have a positive impact on employment.

My point is that we have a number of economists who are telling us that in fact much of what we do around here has an adverse impact. And so the amendment is directed at telling us where it has an adverse impact. We will welcome all the positive impact. We will welcome the new jobs that are created, but we need a study to tell us where it is that we go wrong. And this amendment is intended to tell us that information so that we can make the proper corrections.

Mr. OBERSTAR. I have no objection to that aspect of finding where we might go wrong, where the pitfalls might be. We have attempted to uncover those in the course of our hearings.

A study though should also include what the positive factors are. But, further, if we were to accept this amendment, and if it were a part of this legislation, would the gentleman be inclined to support the bill?

Mr. WALKER. Well, I have some problems with the deficit add-on in the bill and I have another amendment that, if it were adopted, which adds a new title to the bill, which would probably predispose me toward voting for the bill. This study alone, I do not think, is sufficient to overcome my concern about deficit impact, but I would hope that another jobs amendment, which I will be offering later on, will be adopted and accepted by the committee; at that point, I might very well be disposed toward voting for the legislation.

This study I think is a minimum kind of thing which certainly does not change the content of the bill and only assures us that the unemployment being caused by the Federal Government will at last be looked at a little bit by the Department of Commerce.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does the gentleman from Minnesota (Mr. OBERSTAR) insist on his point of order?

Mr. OBERSTAR. Mr. Chairman, I withdraw my reservation.

Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, the previous amendment offered by the gentleman from Pennsylvania went patently too far. This change does bring it within the purview of our legislation, but it nonetheless results in a meaningless study. And, at best, one that is one-sided. One that simply studies those aspects that someone may consider to be adverse factors in the legislation at hand.

I think we have a proliferation of studies already on a wide range of economic development issues. It seems to me to be a meaningless exercise to study just one aspect of what may be wrong with this particular legislation.

The amendment sets a date of September 30, 1983. There will not even have been time, even if the bill were to be enacted, signed into law, appropriations, the program would hardly have had time to be in operation to study any effect.

I suggest that at best this is premature. At worst, it engages the Secre-

tary in a study that has no useful purpose.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Do I understand the gentleman to be saying that he thinks that a study of what the Federal Government may be doing that adversely impacts on employment is meaningless?

It seems to me that is a very harsh kind of approach to take when supposedly jobs are our No. 1 priority around here.

Mr. OBERSTAR. The gentleman has taken only part of what I said and what I said was that the operation of this legislation, even at the most optimistic estimate of implementation, would not have time to establish a track record to look at anything that may be adverse. You would be engaging in a purely speculative study with this amendment.

Mr. WALKER. If the gentleman will yield further, the point that I made in my earlier remarks is that there are a number of distinguished economists who already have pointed out some laws which this bill covers that have had an adverse impact on employment.

Mr. OBERSTAR. For example?

Mr. WALKER. For example, the Davis-Bacon law is a good example.

Mr. OBERSTAR. If the gentleman would be more specific about it.

Mr. WALKER. For example, occupational licensing procedures.

Mr. OBERSTAR. Does the gentleman intend this to be a study of the Davis-Bacon Act?

Mr. WALKER. If the gentleman will yield further, that is one that could be covered, but there are a number of other bills, which could amount, I say to the gentleman, to almost 2 million jobs in this country where employment is not possible as a result of what the Federal Government has done. Does the gentleman intend to allow those 2 million people to stay unemployed because Government is not doing its best job?

Mr. OBERSTAR. Tell me what other provisions of law does the gentleman intend to be studied?

Mr. WALKER. Well, I think there are a number of them. The Davis-Bacon law might be one. We have had problems with the minimum wage law. We have had problems with the Clean Air Act. We have had problems with wilderness bills. We have had problems with a whole range of Federal laws.

Mr. OBERSTAR. If I may reclaim my time.

Mr. WALKER. The gentleman asked me a question and I was trying to give him a list of the laws that might be studied.

Mr. OBERSTAR. I am reclaiming my time.

The Clean Air Act is not a subject of this legislation. The Civil Rights Act is covered. Does the gentleman intend to study the Civil Rights Act?

Mr. WALKER. If the gentleman will yield, I know of no contention that the Civil Rights Act has cost any jobs. I know of no one who has contended that.

Mr. OBERSTAR. So the gentleman wants to study Davis-Bacon and the minimum wage and he suggested the Clean Air Act. Now he is ruling out the Civil Rights Act.

Mr. WALKER. With the Civil Rights Act, I know of no one who said the Civil Rights Act was the cause of unemployment.

Mr. OBERSTAR. There is a very substantial study by the General Accounting Office of the Davis-Bacon Act. So we really would be throwing money away to study it again.

Mr. WALKER. If the gentleman will yield further, yes, there has been a study by the General Accounting Office. It is getting dated. And now when it is raised as a point, people say, "Well, that study is a couple of years old." But that makes a very good point that millions of Americans who are being denied employment because of that particular act——

Mr. OBERSTAR. But the point of the amendment of the gentleman is to uncover new information. There would be nothing substantially new. The gentleman could direct for himself, for his own edification, the GAO to undertake a study of the Davis-Bacon Act, rather than do that within the context of this National Development Investment Act. The Davis-Bacon study has indeed been studied to death by employers and employees, GAO, and the subject of numerous congressional hearings.

Mr. WALKER. If the gentleman will yield further, the gentleman does admit that in those studies, every one of them, they have come to the conclusion that in fact Americans do lose jobs as a result of Davis-Bacon; is that not true?

Mr. OBERSTAR. I make no conclusions about the studies. I merely note that the studies have already been done.

The gentleman's purpose is to have study to obtain information on a factual basis.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 1 additional minute.)

Mr. OBERSTAR. The purpose of this amendment is to study only certain speculative adverse aspects of the legislation. The Department of Commerce can conduct such studies now, if it chooses to do so. To impose another duty, another obligation, another expenditure of funds, if the gentleman is so cost conscious and so much opposed to spending additional moneys, this could be done within the existing funding of the Department of Commerce or by the GAO, or by the Congressional Research Service. The gentleman ought to be getting private interests to make these studies and save the Government some money, instead of asking the Federal Government to spend additional funds to conduct such studies.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(At the request of Mr. HOWARD and by unanimous consent, Mr. OBERSTAR was allowed to proceed for 3 additional minutes.)

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Chairman, I say to the gentleman that we have been down and around this road so many, many times over the last few years. We had it in legislation out of our committee before as an attempt to destroy, among other things, the Davis-Bacon Act, the fact that says that where you were going to use taxpayers' money for construction purposes, the workers on that project must be paid the prevailing wage for that area. I do not know who could object to that.

We have to remember that, in the construction work that will be done under this bill, that work is paid for by all the taxpayers, not just the contractors. It is not their own money. And somehow if you pay the workers less, you are going to do better. But this tax money is contributed by the working people of this country and they have a right to a fair, prevailing wage.

We have been through this before. You can get all the economists you want to study it and if they want to come out and say there are more jobs available, the jobs are available for one reason: "If you pay the workers less, you can have twice as many jobs, if you pay the workers half as much."

□ 1410

You can have 10 times as many jobs if you pay them one-tenth.

We voted on this time after time. It is a rehash of the same amendment that has come up many times before.

I hope that we can dispose of this amendment by rejecting it and get on with this fine legislation.

Mr. OBERSTAR. I thank the Chairman for his comments.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as we discuss this particular amendment, it seems to me that the amendment focuses on one issue that at times is utilized to support this bill. But when you look at it from the other side, as a basis for criticizing the bill, it is either nongermane or should not even be discussed. And that subject is the question of unemployment and, of course, employment.

Part of the support for this particular bill is that it is going to help us in many regions of the country to create employment.

As a matter of fact, one of the interesting aspects of the development of EDA is how it has expanded from just a small few districts to virtually cover 80 percent of the United States. As it gathers in more members and gathers in more districts, it gathers more support here, and it loses the focus for which it was originally created.

But as we are talking about employment and unemployment, very little consideration is given to the figures that we received last Friday from the Bureau of Labor Statistics. Over the last 6 months, we have had the greatest drop in unemployment for a 6-month period since the 1940's. Last month we had the creation of 2.2 million new jobs, if you take it on a nonseasonally adjusted basis. If you look at it since December, we have had 4½ million jobs created on a nonseasonally adjusted basis.

When I say "nonseasonally adjusted," that means actual people in jobs today that were not in jobs in December and we are talking about 4½ million new jobs.

No one here suggests that EDA will create anywhere close to it. No one suggests that the $4.6 billion jobs bill that we passed here some time ago will create anything like it. Yet we have accomplished this without spending one single tax dollar.

The reason I raise this is that most economists today suggest that the economic recovery that we see now revealed in all sorts of statistics, but especially as we see employment going up and the unemployment statistics going down, could be killed by one thing, that is, high interest rates. And most every economist, whether he is a conservative or a liberal, a Keynesian, or supply sider, is suggesting that we ought to be concerned about at least one thing in terms of its impact on interest rates, and that is the deficit.

Now, we do not talk about that here. We say: "Well, do not worry about this authorization because it is only an authorization and we would not be foolish enough in the appropriating process to appropriate as highly as this committee is suggesting we ought to authorize."

Well, let us make sure that does not happen. Let us cut it in half, or let us bring it down to what they think the appropriating committee is going to allow to come forward.

But, instead of such an approach, we are going to dangle out $4 billion, and we are going to say it creates jobs when, in fact, it adds to the deficit.

How does everybody here think the deficit gets created? Does someone from outside this Chamber, does the President of the United States—I have heard the other side talk about the "Reagan deficit." Now, remember, this is not the Reagan bill we have before us. This is the bill in the House Chamber, which the President may veto it. But, by golly, we will bring it back again and we will try to override his veto; so we will contribute to that so-called Reagan deficit that the other side likes to talk about so proudly and so consistently and daily.

So we are going to create this bill and forget about the fact that it might have a $4 billion impact on the deficit itself.

The question I have here at this point is: How do you think we develop deficits? Through bad intentions? Of course not. We create deficits through the greatest of good intentions. This is a good-intentioned bill. So is every other bill we passed over the past 20 years which, when added together, have created the trillion-dollar overall debt that we have and created the $200 billion deficit that we all throw back in the President's face and say is his fault.

The question is: Are we going to take action on this floor that adds to the deficit, that could help increase interest rates, that could, therefore, have the result of cutting off the economic recovery and actually stop the impetus we have in creating jobs in this country?

We have to sit down and seriously look at these things. It is not as politically sexy, I would admit, to have the Bureau of Labor Statistics last Friday come out and announce a tremendous increase in jobs, 4½ million jobs since December, that we cannot take credit for.

The CHAIRMAN. The time of the gentleman from California (Mr. LUNGREN) has expired.

(By unanimous consent, Mr. LUNGREN was allowed to proceed for 2 additional minutes.)

Mr. LUNGREN. Mr. Chairman, I will admit that it is much more politically sexy for us to create bills that take money from the taxpayers and, as they say, return them to the taxpayers and create all these jobs.

Well, it may be more politically sexy, but it does not create the number of jobs in this country that are necessary. It could have the cumulative effect of cutting down this economic recovery and this job recovery we see in this country. This bill might make us feel good, and allow us to bring back programs in our own districts; but, frankly, we ought to be concerned about the overall impact on the economy that this bill causes—not in isolation—but along with many other bills.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Chairman, I just want to be very brief, because the gentleman did refer to this legislation as perhaps unwise legislation being promoted by our side of the aisle, as he stated: "The people over there do not care about the Reagan program," and things like that.

Mr. LUNGREN. If the gentleman will allow me to reclaim my time and repeat, I said the criticism we have about the Reagan deficit comes over constantly from that side of the aisle. I did not say this program was totally supported from that side of the aisle.

Mr. HOWARD. No; and I would just like to remind the gentleman that this did pass on a recorded vote of the full committee of 50 to 0, including 100 percent of the 18 members of the full committee.

Mr. LUNGREN. I appreciate the gentleman's comments. I would just suggest that the deficit that we have is a direct result of numerous decisions that have been made on the floor of this House as we have promoted program after program. We have tried to see if we can outspend the will of the taxpayer to be taxed, and we have proven that we can do that.

So we ought to take credit. But we also ought to take blame.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding, because I would like to focus for a moment, if I could, on some statements that were made by the other side with regard to the amendment that we are now considering, an amendment for a study of the adverse unemployment——

The CHAIRMAN. The time of the gentleman from California (Mr. LUNGREN) has again expired.

Mr. WALKER. Mr. Chairman, I ask unanimous consent that the gentleman from California (Mr. LUNGREN) be allowed to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. HOWARD. Mr. Chairman, reserving the right to object—and I shall not object—I would just like to state that I do hope that we may be able to continue the discussion on this so that we may come to a vote on it, because I believe that, rather shortly, we are going to have another vote on virtual-

ly the same subject at least one more time on amendments that may be offered from that side.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALKER. Mr. Chairman, I would like, if I could, to focus attention on the fact that all this amendment did was call for a study for possible adverse impact by Federal laws and regulations on the employment of this country.

In reply, we heard such a study referred to as meaningless. I assume that they think that the adverse impact the Government causes on unemployment, then, is meaningless. It is a terrible indictment.

But, more importantly, there was a statement made, and this was a statement of fact, that you could have twice as many jobs at half the wages. Now, I think the American people may want to focus on that when they hear people from that side of the aisle talk about how important jobs are to them, because it may be that the American people think that twice as many jobs has some attractiveness to it.

For example, under Davis-Bacon in my district, we have some Federal projects where they are paying $15 and $16 an hour. That means you could have twice as many jobs at $7.50 and $8 an hour. There are an awful lot of people in my district who would like to work for $7.50 or $8 an hour, they would like very much to work for that amount of money, particularly some minority youth unemployed who have no job whatsoever, who would like very much to have a job at $7 or $8 an hour.

Now, it seems to me if we are really concerned about the numbers of jobs that we have in this country, we might be concerned about Federal laws that are preventing us from having twice as many jobs as we could otherwise have.

And that is exactly the point here of this study. It is the point of my amendment that will be in the future. They are more concerned about special-interest legislation, they are more concerned about protecting the big unions, they are more concerned about special-interest groups than they are in jobs for Americans.

□ 1420

That is the issue here. If you are for jobs, you are for this amendment and you are for the one that will follow. If you are against jobs and for special interests, you will oppose these amendments.

Mr. LUNGREN. I thank the gentleman.

I would just like to say to the Chair that this is just a part of the debate that we always lose sight of. We hem and haw around here about the deficit; we hem and haw around here about the budget. And as soon as we are finished with that, we forget about the implications of individual decisions that are made on individual bills.

I would just hope we would think about the implications for the Nation in terms of employment and unemployment when we go about breaking the deficit on a daily basis here for all the best of intentions. We should consider the fact that the real strength of jobs in this country is in the private sector, not Government-sponsored, and the more we intrude on that sector the less jobs that are going to be created and the more unemployment that is going to bedevil us.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am a member of the committee and a supporter of the bill, and I think the chairman was exactly correct in pointing out that this particular program is one which has very strong bipartisan support; but I also want to rise and suggest, if I might, that this particular amendment, as distinct from the one which follows, is, in fact, a most reasonable and modest amendment. All it asks is that the Secretary of Commerce will study the impact of what is now the largest system in the United States, the Government, and its impact on unemployment and its impact on the opportunity for Americans to get jobs.

So I would urge the committee to accept this amendment. It would allow us to avoid a vote, as the chairman suggested, and at the same time it is such a modest step toward critically looking at the role of the U.S. Government on causing unemployment and on causing the loss of job opportunities. I think the gentleman from Pennsylvania should be commended for attempting to look at the whole issue and attempting to recognize that we in the Government are responsible for putting people out of work, and we in the Government often cause the very problems we talk about.

I can understand why the subsequent amendment, which calls for real action in the immediate future, would cause some fear on the part of those who believe in big government. But in this particular case, it would seem to me the only reasonable and prudent course would be for the committee to accept this amendment as a modest step toward recognizing that the Federal Government does on occasion have a negative impact on the chance of individual Americans having a chance to go to work.

So in that spirit, I simply wanted to rise as a supporter of the bill and suggest that this amendment would, in fact, improve the bill were it accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 245, not voting 18, as follows:

[Roll No. 238]

AYES—170

Andrews (NC)	Hansen (UT)	Parris
Andrews (TX)	Hartnett	Pashayan
Anthony	Hightower	Patman
Archer	Hiler	Paul
Badham	Hillis	Petri
Barnard	Hopkins	Porter
Bartlett	Huckaby	Pritchard
Bateman	Hunter	Pursell
Bereuter	Hutto	Quillen
Bethune	Hyde	Ray
Bilirakis	Ireland	Regula
Bliley	Jenkins	Ridge
Broomfield	Johnson	Ritter
Brown (CO)	Jones (OK)	Roberts
Burton (IN)	Kasich	Robinson
Campbell	Kemp	Roemer
Carney	Kindness	Rogers
Carper	Kramer	Roth
Chappie	Lagomarsino	Rudd
Cheney	Latta	Sawyer
Coats	Leach	Schaefer
Coleman (MO)	Leath	Schulze
Conable	Levitas	Sensenbrenner
Corcoran	Lewis (CA)	Shaw
Coughlin	Lewis (FL)	Shelby
Craig	Livingston	Shumway
Crane, Daniel	Loeffler	Shuster
Crane, Philip	Long (MD)	Siljander
Daniel	Lott	Skeen
Daub	Lowery (CA)	Smith (NE)
DeWine	Lungren	Smith, Denny
Dickinson	Mack	Smith, Robert
Dreier	Madigan	Snyder
Duncan	Marlenee	Solomon
Edwards (AL)	Marriott	Spence
Edwards (OK)	Martin (IL)	Stangeland
Emerson	Martin (NC)	Stenholm
English	Martin (NY)	Stump
Erlenborn	McCain	Sundquist
Fiedler	McCandless	Tauke
Fields	McCollum	Tauzin
Forsythe	McCurdy	Taylor
Franklin	McDonald	Thomas (CA)
Frenzel	McEwen	Vander Jagt
Gekas	Mica	Vucanovich
Gibbons	Michel	Walker
Gingrich	Miller (OH)	Weber
Goodling	Montgomery	Whitehurst
Gradison	Moore	Whittaker
Gramm	Moorhead	Winn
Green	Morrison (WA)	Wolf
Gregg	Myers	Wortley
Hall, Ralph	Nelson	Wylie
Hall, Sam	Nielson	Young (AK)
Hammerschmidt	O'Brien	Young (FL)
Hance	Oxley	Zschau
Hansen (ID)	Packard	

NOES—245

Addabbo	Biaggi	Byron
Akaka	Boehlert	Carr
Albosta	Boggs	Chappell
Alexander	Boland	Clarke
Anderson	Boner	Clay
Annunzio	Bonior	Clinger
Applegate	Bonker	Coelho
Aspin	Borski	Coleman (TX)
AuCoin	Bosco	Collins
Barnes	Boucher	Conte
Bates	Boxer	Conyers
Bedell	Britt	Cooper
Beilenson	Brooks	Courter
Bennett	Brown (CA)	Coyne
Berman	Bryant	D'Amours
Bevill	Burton (CA)	Daschle

Davis	Kildee	Rinaldo
de la Garza	Kogovsek	Roe
Dellums	Kolter	Rose
Derrick	Kostmayer	Rostenkowski
Dicks	LaFalce	Roukema
Dingell	Lantos	Rowland
Dixon	Lehman (CA)	Roybal
Donnelly	Lehman (FL)	Russo
Dorgan	Leland	Sabo
Dowdy	Lent	Savage
Downey	Levin	Scheuer
Durbin	Levine	Schneider
Dwyer	Lipinski	Schroeder
Dymally	Lloyd	Schumer
Dyson	Long (LA)	Seiberling
Early	Lowry (WA)	Shannon
Eckart	Luken	Sharp
Edgar	Lundine	Sikorski
Edwards (CA)	MacKay	Simon
Erdreich	Markey	Sisisky
Evans (IA)	Martinez	Skelton
Evans (IL)	Matsui	Slattery
Fascell	Mavroules	Smith (FL)
Fazio	Mazzoli	Smith (IA)
Feighan	McCloskey	Smith (NJ)
Ferraro	McGrath	Snowe
Fish	McHugh	Solarz
Flippo	McKernan	Spratt
Florio	McKinney	St Germain
Foglietta	McNulty	Staggers
Foley	Mikulski	Stark
Ford (MI)	Miller (CA)	Stokes
Fowler	Mineta	Stratton
Frank	Minish	Studds
Frost	Mitchell	Swift
Fuqua	Moakley	Synar
Garcia	Molinari	Tallon
Gaydos	Mollohan	Thomas (GA)
Gejdenson	Morrison (CT)	Torres
Gephardt	Mrazek	Towns
Gilman	Murphy	Traxler
Glickman	Murtha	Udall
Gonzalez	Natcher	Valentine
Gray	Neal	Vandergriff
Guarini	Nichols	Vento
Gunderson	Nowak	Volkmer
Hall (IN)	Oakar	Walgren
Hall (OH)	Oberstar	Watkins
Hamilton	Obey	Waxman
Harkin	Olin	Weiss
Hatcher	Ortiz	Wheat
Hefner	Ottinger	Whitley
Hertel	Owens	Whitten
Horton	Panetta	Williams (MT)
Howard	Patterson	Williams (OH)
Hoyer	Pease	Wilson
Hubbard	Penny	Wirth
Hughes	Pepper	Wise
Jacobs	Perkins	Wolpe
Jeffords	Pickle	Wright
Jones (NC)	Price	Wyden
Jones (TN)	Rahall	Yates
Kaptur	Rangel	Yatron
Kastenmeier	Ratchford	Young (MO)
Kazen	Reid	Zablocki
Kennelly	Richardson	

NOT VOTING—18

Ackerman	Ford (TN)	Lujan
Breaux	Gore	McDade
Broyhill	Harrison	Moody
Chandler	Hawkins	Rodino
Crockett	Heftel	Torricelli
Dannemeyer	Holt	Weaver

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Rodino against.

Messrs. WILSON, PICKLE, and ALEXANDER changed their votes from "aye" to "no."

Mrs. MARTIN of Illinois, and Messrs. HANCE, SAM B. HALL JR., RAY, and ANDREWS of Texas changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1440

The CHAIRMAN. Are there other amendments to title I?

If not, the clerk will designate title II.

Title II reads as follows:

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

SEC. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1983".

SEC. 202. The sixth sentence of subsection (a) of section 2 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and in severely distressed and underdeveloped counties lacking resources for basic services.".

SEC. 203. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and not to exceed $5,800,000 for the two-fiscal-year period ending September 30, 1985 (of such amount not to exceed $900,000 shall be available for expenses of the Federal cochairman, his alternate and his staff), and not to exceed $5,800,000 for the two-fiscal-year period ending September 30, 1987 (of such amount not to exceed $900,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff), and not to exceed $2,900,000 for the fiscal year ending September 30, 1988 (of such amount not to exceed $450,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff).".

SEC. 204. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1988".

SEC. 205. (a) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following "$215,000,000 for fiscal year 1984; $234,000,000 for fiscal year 1985; $250,000,000 for fiscal year 1986; $270,000,000 for fiscal year 1987; $289,000,000 for fiscal year 1988; $312,000,000 for fiscal year 1989; $337,000,000 for fiscal year 1990; and $364,000,000 for fiscal year 1991.".

(b) Subsection (h)(1) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out "70 per centum" and inserting in lieu thereof "80 per centum". The amendment made by the preceding sentence shall apply to projects approved after March 31, 1979.

SEC. 206. Subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking out "December 31, 1980" and inserting in lieu thereof "October 1, 1988" in the first sentence, and by inserting "authorized by title 23, United States Code" after "road constuction" in the second sentence.

SEC. 207. Part B of title II of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new section:

"SEC. 215. The Commission is authorized to make grants to States and public and nonprofit entities for projects, approved pursuant to section 303 of this Act, which will—

"(1) assist in the creation or retention of permanent private sector jobs, the upgrading of the region's manpower, or the attraction of private investment;

"(2) provide special assistance to severly distressed and underdeveloped counties which lack financial resources for improving basic services;

"(3) assist in achieving the goal of making primary health care accessbile in the region; or

"(4) otherwise serve the purposes of this Act.".

SEC. 208. Clause (2) of subsection (b) of section 224 of the Appalachian Regional Development Act of 1965 is amended to read as follows: "(2) to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors;".

SEC. 209. Section 224 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this Act, grants with funds authorized under this Act shall not, after October 1, 1983, exceed 50 per centum of the costs of any project approved under this Act (except projects under section 201); but such grants may increase the Federal contribution to any project, notwithstanding limitations in other Federal laws, to such percentage as the Commission determines within the limitations in this Act.".

SEC. 210. Section 401 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following: "In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $166,000,000 for the two-fiscal-year period ending September 30, 1985; $158,000,000 for the two-fiscal-year period ending September 30, 1987; and $75,000,000 for the fiscal year period ending September 30, 1988.".

SEC. 211. Section 405 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1988".

The CHAIRMAN. Are there amendments to title II?

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 78, after line 3, add the following new title:

TITLE III

SEC. 301. The Secretary of Commerce may, upon application by the legislative branch of any State or local unit of government eligible for assistance under this Act, waive the requirements of any rule or regulation promulgated under any Federal law under this Act if an eligible unit of local government demonstrates that such waiver will result in a substantial increase in the level of employment which is available within the jurisdiction of such government.

SEC. 302. For the purposes of this Title the term "eligible unit of local government" is the same as that defined in title I of this Act.

Mr. WALKER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be consid-

ered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, just for clarification, does the language on line 3 of the gentleman's amendment read as follows: "waive the requirements of any rule or regulation"?

Mr. WALKER. That is correct.

Mr. OBERSTAR. The gentleman has stricken the words "of any Federal law or"?

Mr. WALKER. That is correct.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman.

Mr. WALKER. Mr. Chairman, we had some of this debate a few minutes ago, but I think it is important to recognize the premise from which this amendment comes. It comes from this premise: The Federal Government causes unemployment. We are perhaps the largest unemployer in the country. That which we do here often results in people not getting jobs or actually being forced out of the jobs that they now have.

This amendment is an attempt in some small way to begin correcting for those problems in employment that we caused.

Let me go through the amendment to try as best I can to allay what fears may be around with regard to Davis-Bacon and a number of other Trojan horses that are trotted out every time I bring this kind of language to the floor.

First of all, this amendment is discretionary. It says that the Secretary may waive requirements. In other words, it is not a mandate upon the Secretary. It simply says that he has the power to do certain things. It can only be done if a legislative unit of either State or local government applies to the Secretary to do it. In other words, the Secretary cannot initiate action on his own here. It demands that a State or a locality be in touch with the Secretary. It demands that the Secretary has to be contacted by a State or locality regarding the provisions of the amendment.

And what does that State or locality have to do? They have to demonstrate that the waiver that they are asking be granted would result in a substantial increase in the level of employment available within that jurisdiction of government.

In other words, if you have a city with high unemployment, if they could show that by backing off on some Federal rule or regulation that they could increase employment in their locality substantially, they could apply for a waiver. The Secretary would have the power to either grant that waiver or not. If the Secretary decided there was some overriding national objective that was more important than jobs, the Secretary could make the decision not to grant the waiver; however, if the locality feels that the jobs are No. 1, it would at least give them the opportunity to come and show how they were going to produce more jobs by getting rid of some Federal rule or regulation.

□ 1450

It seems to me that that goes along the lines that the supporters of this bill have said time and time again on the floor is the intent of the legislation.

The gentleman from North Carolina (Mr. VALENTINE), when he originally introduced the bill, said that this is designed to solve the economic problems of local areas which would otherwise be left behind in what we hope is the beginning of an economic recovery.

Again, that is what my amendment is all about. It gives those localities some chance to say that here is a way we think we can bring up employment rates in our areas and we can provide more employment opportunities. Please waive the rules that are preventing that employment from taking place.

The gentleman from New Jersey (Mr. HOWARD), when he talked about the bill, initially said,

> This legislation provides assistance to distressed communities to expand employment.

He went on to say that—

> H.R. 10 recognizes that local communities facing fiscal constraints and high unemployment caused by economic changes, both cyclical and structural, cannot solve their problems alone.

Again, that is what my amendment says. Many of those localities are burdened with what we have imposed upon them and I am simply saying that if they find that kind of burden, and it is costing them jobs, that they could in fact ask for a waiver of those Federal rulings and regulations that are costing jobs in their community.

Now let us consider for a moment the Trojan horse that gets brought to the floor every time this kind of provision is mentioned, and that is the Davis-Bacon requirements.

Yes, this would cause some concerns about Davis-Bacon.

There are a number of local units of government in my area that I am certain would ask for a waiver of Davis-Bacon because they know one thing, and that is that the number of jobs that they can create at the local level are impacted adversely by Davis-Bacon.

So if the question here is one of jobs, then Davis-Bacon might well be one of those areas that would be examined.

However, I would submit to you that State and local units of government have other areas.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. WALKER) has expired.

(By unanimous consent Mr. WALKER was allowed to proceed for 3 additional minutes.)

Mr. WALKER. I would submit there are other rules and regulations of the Federal Government that might also be waived under such provisions if the Federal Government heard from the States and localities that they could provide substantially more employment.

But Davis-Bacon is a good example here of precisely the problem. The gentleman from New Jersey just a few moments ago indicated that without Davis-Bacon you might be able to provide twice as many jobs at half the cost.

I submit to you that if jobs are really our priority that is something we might want to consider around here. That is something that should be considered by this body.

Sure, the people that have the special interests of keeping that job at the high salary, they might not like it but I submit to you there are an awful lot of people at the bottom of the economic scale, people who do not now have jobs or are being paid minimum wage who might very well like a job at $6, $7, $8, $9, $10 an hour instead of the $16, $17, $18, $19, and $20 an hour now being paid in some Davis-Bacon projects.

What is wrong with that if we can put people to work at $10 an hour and have twice as many of them working at $10 an hour as we have working at $20 an hour? What is wrong with that? Is that not what we should be all about? Would that not help that 50 percent unemployment rate of minority youth out there? Would it not be nice to put some of those people to work, to give them a real productive job at $10 an hour?

I think that would be a very, very useful thing for us to do. If we can begin that process in that legislation with this kind of amendment I think it is about time we start in that direction. This would be local option. It would be optional with the Secretary. But, above all, what it would end up doing is putting a lot more people to work.

I think if jobs are your real priority here you will vote for this amendment. If you favor special interest power over jobs, that is your choice. I submit an awful lot of people in your district might want to take a look at that.

But, nevertheless, if you really want jobs, vote for this amendment.

Mr. OBERSTAR. Mr. Chairman, I rise in opposition to the amendment.

The gentleman has proposed a very unusual proposition to this House. It would allow any legislative branch of States or local units of government to apply to the Secretary to waive the requirements of any rule or regulation promulgated under any Federal law under this act if they can show that the application of this waiver will result in an increase in employment.

That is a very broad grant of authority.

The gentleman said if you care about employment you would support his amendment. I say that on the matter of process of government if you about the relationship between Federal and State governments you will vote against this amendment.

The Supreme Court in recent years has struck down provisions of Federal law that this body has included repeatedly to give a one-House veto over regulations promulgated by any department of Government under any laws that the Congress has enacted which we consider to be inappropriate or not in keeping with the spirit or intent or letter of the law.

Then the Supreme Court has struck down the two-House veto, again the province of this legislative branch to watch over legislation and see that the laws are carefully implemented by the executive branch, and the Supreme Court has said that that is unconstitutional.

Now the gentleman from Pennsylvania proposes to give an even broader sweep of authority to State and local units of government and an appointed Secretary of Commerce. I say that affronts the legislative process, that affronts the constitutional process. It should not be allowed. It will not accomplish a useful purpose and will, in fact, give other units of Government a broader sweep of authority than we attempted with the one- or two-House veto.

But apart from the matter of process, there is another very serious fault and that is the premise, the premise that the gentleman operates on, and he stated it, which is that the Federal Government causes unemployment. The premise is faulty. He starts from the wrong beginning. He assumes that there are provisions of law under this program that will cause unemployment or which, conversely, if stricken, by this simple authority and sweep of administrative opinion would create some employment, that somehow that would be beneficial.

In fact, what the legislation, if carried out in the way the gentleman proposes, would do is it would create runaway shops, it would create havens for low wages, it would create escape from environmental legislation, it would create opportunities for escape from the civil rights laws of this country.

I do not think the author of the amendment really wants that effect but if he does then this body, by any stretch of the imagination, ought to vote this amendment down. It is purely and simply mischievous.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Missouri.

Mr. VOLKMER. Is it correct, in listening to you and the gentleman from Pennsylvania, that the amendment of the gentleman from Pennsylvania would permit the Secretary of Commerce to waive rules or regulations promulgated by any independent agency or any other department of the United States; that means Housing and Urban Development, that means the Consumer Product Safety Commission?

Mr. OBERSTAR. As he has drawn it, it means any law affected under the act or anything anyone can construe to be affected. It states any rule or regulations promulgated under any Federal law under this act. It is a very broad sweep.

Mr. VOLKMER. Or the EPA, let us say an employer says that because of Federal requirements, or environmental concerns, let us say clean air, ambient air quality, et cetera, we are going to have to lay off so many people.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(On request of Mr. VOLKMER and by unanimous consent Mr. OBERSTAR was allowed to proceed for 1 additional minute.)

Mr. VOLKMER. This would mean that the Secretary of Commerce could give a waiver on ambient air quality to permit an industry to continue to keep on even though there is a strict violation?

Mr. OBERSTAR. Carried to its logical extension, yes.

Mr. WALKER. Will the gentleman yield?

Mr. OBERSTAR. I am happy to yield.

Mr. WALKER. I thought the gentleman explained earlier that the Clean Air Act was not involved in this legislation. Now he has just given an answer to the gentleman from Missouri that totally changes what he said earlier.

Mr. OBERSTAR. I said if it could be construed in some way to be covered under this legislation, the provisions could be waived.

Mr. WALKER. I see. So now there may be some area that it could be construed?

Mr. OBERSTAR. It is not explicitly covered in this legislation. But I if it could be construed that such is covered, that might be the case.

Mr. WALKER. Would the gentleman yield further?

Mr. OBERSTAR. I will be happy to yield.

Mr. WALKER. The gentleman has given us a couple of explanations here that I would like to explore a little bit with him if I could.

No. 1, this is totally different from the legislative veto concept. It is exactly the same process that we now use for several——

Mr. OBERSTAR. It is a broader sweep, indeed.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has again expired.

On request of Mr. WALKER and by unanimous consent Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Will the gentleman yield further?

Mr. OBERSTAR. I yield to the gentleman.

□ 1500

Mr. WALKER. But we presently have many laws which give the States the right to apply for some action to be taken by the Federal Government on their behalf; practically all the laws we pass around here are done that way. It is a waiver.

Mr. OBERSTAR. The gentleman proposes a waiver of laws, of rules, and regulations on a variety of subjects.

Mr. WALKER. If the gentleman would yield further, that is true. I am simply proposing that the States be permitted to do things which they see as in their interest and apply to the Federal Government to do that; that is no different than applying to the Federal Government to do good things spending our money.

Mr. OBERSTAR. Has the gentleman supported the one-House and two-House veto legislation in the past? I do not recall.

Mr. WALKER. Yes, I have.

Mr. OBERSTAR. Then the gentleman should be concerned that the Supreme Court struck down that authority and now this language would give broader sweep of authority to State and local government.

Mr. Chairman, I yield back the balance of my time.

Mr. LEWIS of Florida. Mr. Chairman, I move to strike the last word.

I supported EDA; as cochairman of a local government caucus I have cosponsored this legislation because I feel it is important to provide resources to communities with great economic need. And I support the gentleman from Pennsylvania's amendment because it reduces the negative impact on the potential number of jobs that would be available.

Unemployment is the most pervasive economic social problem we face in this country. And what we need to do is put people back to work in America. That is what it is all about.

When we talk about the Davis-Bacon Act, if is not whether you are

for or against the Davis-Bacon Act, it is how many people you can put back to work, that is what it is all about, whether they are going back to work for $7, $10 or even $16. But if you put that slight restriction on there, then again you are reducing the number of people who are going back to work.

As one who voted for the jobs bill and supports every constructive effort to put people to work, I urge all of my colleagues to support this amendment.

This is what we are here for and this is what it is all about. It is not whether you are Republican or Democrat, on that side or on this side; it is whether you want to put Americans back to work. That is what we are working to do.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. I yield to the gentleman.

Mr. WALKER. I thank the gentleman.

Mr. Chairman, I did want to pursue with the gentleman from Minnesota (Mr. OBERSTAR) before he yielded back his time, the fact that the only way anyone could apply for a waiver is to show exactly what the gentleman is talking about, that a substantial increase in the level of employment would be the result. That is the only way they could get the waiver.

So, what he is saying, is when he makes his argument that there are some laws, regulations, some procedures of the Federal Government that are more important than jobs. Now, if we believe that jobs are the No. 1 priority, then we have to believe there are a lot of things we do as a country that are not more important than jobs. It does give the Secretary some discretionary authority if he finds there might be a higher kind of goal to be implemented than the jobs as applied for by that community.

But, the bottom line is this allows the community to make a decision that jobs are going to be its No. 1 priority and it wants to waive some of the requirements that are imposed upon it by the Federal Government to put those people back to work.

So, they ignore, when they make their arguments, the fact that that language is the implementing language, there is no waiver without a substantial increase in employment.

So, if you are against substantial increases in employment, well, you vote "no" on this amendment.

If you are for more employment the only possible vote that you can cast is "yes" on the amendment.

Mr. LEWIS of Florida. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 148, noes 270, not voting 15, as follows:

[Roll No. 239]

AYES—148

Andrews (NC)	Hall, Sam	Packard
Archer	Hance	Paul
Badham	Hansen (ID)	Porter
Barnard	Hansen (UT)	Pritchard
Bartlett	Hartnett	Pursell
Bateman	Hightower	Quillen
Bereuter	Hiler	Roberts
Bilirakis	Hillis	Robinson
Bliley	Hopkins	Roemer
Broomfield	Huckaby	Rogers
Brown (CO)	Hunter	Roth
Byron	Hutto	Rudd
Campbell	Hyde	Sawyer
Carney	Ireland	Schaefer
Chappell	Jenkins	Schulze
Chappie	Kasich	Sensenbrenner
Cheney	Kazen	Shaw
Coats	Kindness	Shumway
Coleman (MO)	Kramer	Shuster
Corcoran	Latta	Siljander
Coughlin	Leach	Skeen
Craig	Leath	Smith (NE)
Crane, Daniel	Lewis (FL)	Smith, Denny
Crane, Philip	Livingston	Smith, Robert
Daniel	Loeffler	Snowe
Daub	Lott	Snyder
Derrick	Lowery (CA)	Solomon
DeWine	Lujan	Spence
Dickinson	Lungren	Stangeland
Dreier	Mack	Stenholm
Duncan	Marlenee	Stump
Edwards (AL)	Marriott	Sundquist
Edwards (OK)	Martin (NC)	Tauke
Emerson	Martin (NY)	Tauzin
Erlenborn	McCain	Taylor
Evans (IA)	McCandless	Thomas (CA)
Fiedler	McCollum	Valentine
Fields	McDonald	Vander Jagt
Forsythe	McEwen	Vucanovich
Franklin	McKernan	Walker
Frenzel	Miller (OH)	Weber
Gekas	Molinari	Whitehurst
Gibbons	Montgomery	Whittaker
Gingrich	Moore	Winn
Goodling	Moorhead	Wolf
Gradison	Morrison (WA)	Wortley
Gramm	Myers	Young (FL)
Gregg	Nelson	Zschau
Gunderson	Nielson	
Hall, Ralph	Oxley	

NOES—270

Ackerman	Borski	de la Garza
Addabbo	Bosco	Dellums
Akaka	Boucher	Dicks
Albosta	Boxer	Dingell
Alexander	Britt	Donnelly
Anderson	Brooks	Dorgan
Andrews (TX)	Brown (CA)	Dowdy
Annunzio	Bryant	Downey
Anthony	Burton (CA)	Durbin
Applegate	Burton (IN)	Dwyer
Aspin	Carper	Dymally
AuCoin	Carr	Dyson
Barnes	Clarke	Early
Bates	Clay	Eckart
Bedell	Clinger	Edgar
Beilenson	Coelho	Edwards (CA)
Bennett	Coleman (TX)	English
Berman	Collins	Erdreich
Bethune	Conable	Evans (IL)
Bevill	Conte	Fascell
Biaggi	Conyers	Fazio
Boehlert	Cooper	Feighan
Boggs	Courter	Ferraro
Boland	Coyne	Fish
Boner	D'Amours	Flippo
Bonior	Daschle	Florio
Bonker	Davis	Foglietta
Foley	Markey	Roukema
Ford (MI)	Martin (IL)	Rowland
Fowler	Martinez	Roybal
Frank	Matsui	Russo
Frost	Mavroules	Sabo
Fuqua	Mazzoli	Savage
Garcia	McCloskey	Scheuer
Gaydos	McCurdy	Schneider
Gejdenson	McGrath	Schroeder
Gephardt	McHugh	Schumer
Gilman	McKinney	Seiberling
Glickman	McNulty	Shannon
Gonzalez	Mica	Sharp
Gray	Michel	Shelby
Green	Mikulski	Sikorski
Guarini	Miller (CA)	Simon
Hall (IN)	Mineta	Sisisky
Hall (OH)	Minish	Skelton
Hamilton	Mitchell	Slattery
Hammerschmidt	Moakley	Smith (FL)
Harkin	Mollohan	Smith (IA)
Hatcher	Moody	Smith (NJ)
Hefner	Morrison (CT)	Solarz
Hertel	Mrazek	Spratt
Horton	Murphy	St Germain
Howard	Murtha	Staggers
Hoyer	Natcher	Stark
Hubbard	Neal	Stokes
Hughes	Nichols	Stratton
Jacobs	Nowak	Studds
Jeffords	O'Brien	Swift
Johnson	Oakar	Synar
Jones (NC)	Oberstar	Tallon
Jones (OK)	Obey	Thomas (GA)
Jones (TN)	Olin	Torres
Kaptur	Ortiz	Towns
Kastenmeier	Ottinger	Traxler
Kemp	Owens	Udall
Kennelly	Panetta	Vandergriff
Kildee	Parris	Vento
Kogovsek	Pashayan	Volkmer
Kolter	Patman	Walgren
Kostmayer	Patterson	Watkins
LaFalce	Pease	Waxman
Lagomarsino	Penny	Weaver
Lantos	Pepper	Weiss
Lehman (CA)	Perkins	Wheat
Lehman (FL)	Petri	Whitley
Leland	Pickle	Whitten
Lent	Price	Williams (MT)
Levin	Rahall	Williams (OH)
Levine	Rangel	Wilson
Levitas	Ratchford	Wirth
Lewis (CA)	Ray	Wise
Lipinski	Regula	Wolpe
Lloyd	Reid	Wright
Long (LA)	Richardson	Wyden
Long (MD)	Ridge	Wylie
Lowry (WA)	Rinaldo	Yates
Luken	Ritter	Yatron
Lundine	Roe	Young (AK)
MacKay	Rose	Young (MO)
Madigan	Rostenkowski	Zablocki

NOT VOTING—15

Breaux	Dixon	Heftel
Broyhill	Ford (TN)	Holt
Chandler	Gore	McDade
Crockett	Harrison	Rodino
Dannemeyer	Hawkins	Torricelli

□ 1520

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Rodino against.

Mr. DELLUMS changed his vote from "aye" to "no."

Mr. HUCKABY changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title II?

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I strongly support title II of H.R. 10, which will continue the Appalachian Regional Commission beyond September 30 of this year.

As I said last year in supporting similar legislation, I support it for two reasons: The testimony over the past 17 years of many witnesses who live in the 13-State Appalachian region and the changes I have seen in my own district.

The ARC development highway program, vocational education, health services, community water and sewer systems, housing and the establishment of multicounty local development districts to help rural and small city officials with their development programs have played a major part in the revitalization of the region and the 14 counties of my district.

The program is a unique Federal-State-local relationship that aims to establish a public-private partnership to create private sector jobs and to equip the Appalachian people to fill them. The program has substantially narrowed the gap between the region and national averages in terms of growth, income, employment, and health care.

In my district, for example, almost half the people lived below the poverty level in 1960. Sixteen years later this figure dropped to below one-fifth of the residents.

By 1981, my district had gained almost 58,000 jobs and prior to the current economic hard times its unemployment rate had been brought down substantially.

Finally, outmigration of the 1950's and the early 1960's was turned around. In the 1970's, the district population grew by more than 20 percent as compared with the national growth rate of 11 percent.

Most of the funds made available by ARC to my district over the past years have been used for vocational and technical education facilities and programs. Almost one-third of the funds have been used to train and retrain people for meaningful jobs.

Other funds have been used for access roads and to finance preliminary work on Appalachian Corridor X.

Nearly one-fifth of these funds were used for community facilities, primarily to provide water and sewer and waste treatment facilities that were essential for health reasons or to serve new manufacturing plants.

Nearly $7 million was earmarked for construction and operation of primary care clinics and health care services which now reach most of the residents of my district.

ARC, indeed, went a long way in supplementing Federal agency, State, and local funds to complete these projects. The State of Alabama and local governments in my district, I am proud to note, underwrote the largest share of these costs.

For all of this progress, we cannot rest on our laurels particularly in these times of economic distress and added responsibilities being passed down to the States. I feel strongly that a transition period, such as that being provided for the ARC, is essential to permit the State and local governments in Appalachian Alabama to find alternative funding sources to insure economic stability.

For all these reasons, the House last year passed legislation similar to H.R. 10 by a vote of 281 to 95. I am confident that we will do it again and hope this year the Senate will join us in enacting it into law.

Mr. OBERSTAR. I want to thank the gentleman from Alabama for the splendid support he has given in the Appropriations Committee in providing the funding for this legislation.

Mr. MORRISON of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Connecticut.

Mr. MORRISON of Connecticut. Mr. Chairman, first, I would like to say that I very much support this legislation. I think it is a credit to the committee and to its chairman to have brought this fine piece of legislation to the floor. I hope we will pass it with dispatch.

I would like to clarify one matter with respect to this legislation and ask the chairman of the Subcommittee on Economic Development if he could clarify for me certain matters with respect to section 103 of the bill which relates to eligible applicants.

Mr. Chairman, as I understand it, section 103 of H.R. 10 would not operate so as to bar otherwise eligible applicants from making joint applications for assistance under the act. For example, Mr. Chairman, would it be appropriate for a State and a local unit of government to apply jointly for assistance for a project that would be located within the jurisdiction of the local unit of government?

Mr. OBERSTAR. Under this act, we encourage cooperation, so long as both parties are mutually agreed that that is the best way to approach the matter.

Now, in the State of Connecticut I understand that there are some problems, that the State, generally, is the applicant for local units of government for projects under the Economic Development Administration as it now operates, and does in many cases pay the local share to match with the Federal funds.

There are some cases where local government owns the land and where the Economic Development Administration has insisted upon joint application. Those generally have been worked out in some satisfactory way. But we want this to be a mutual partnership where the two are working together and not one overriding the other.

Mr. MORRISON of Connecticut. That is very encouraging, and that was certainly my understanding. It is my understanding that, as part of the grant application process, there can be such joint applications that delineate spearate responsibilities under the grant so as to make the fullest use of each of the applicants' strengths and capabilities, so that these smaller communities, which could not otherwise participate in the economic development program, would be able to apply jointly with the State, such as Connecticut, in order to accomplish the goals of the act, while limiting their responsibilities to activities which they are capable of performing.

Mr. OBERSTAR. Precisely. The gentleman understands the act very clearly.

Mr. MORRISON of Connecticut. I thank the gentleman for his clarification.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I just want to call attention—I believe I am right—this authorization runs through 1986; is that correct?

Mr. OBERSTAR. That is correct.

Mr. SMITH of Iowa. I just want to commend the gentleman on that, because this is an example of why we need multiyear authorizations. If you do 1 year at a time, then it is not authorized in time for the appropriation the next year and we need more authorizations. I hope the gentleman will stick to that in the conference and get a multiyear authorization for this program.

Mr. OBERSTAR. I thank the gentleman for that valuable contribution.

Mr. Chairman, I want to take this opportunity to compliment the gentleman from Iowa for the leadership he has given to the economic development program in insuring that the funding will be continued under existing law.

Mr. KOSTMAYER. Mr. Chairman will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act.

This bill authorizes $500 million in each of the next 3 years for economic development programs. Since existing authority for the Economic Development Administration (EDA) has been allowed to expire under the Reagan administration, this legislation is urgently needed to carry forward eco-

nomic development in communities with below average per capita income, with high unemployment, or with a sudden rise in unemployment due to plant closings or other major economic dislocation.

H.R. 10 authorizes 50 percent matching grants to eligible communities for the repair, refurbishing or development of roads and bridges, other transportation facilities such as airports and ports, sewer systems, city water systems—the so-called infrastructure which keeps our economy and our country going. We've read a great deal lately about the decaying infrastructure in our country, and about how vital it is to local, State, and regional economic development efforts. This bill is aimed at that very great need.

In Pennsylvania, I can assure my colleagues, Mr. Speaker, we need the jobs and our roads and bridges need to be repaired. This bill will target funds for this work to areas of unemployment such as Bucks and eastern Montgomery counties. The building and construction trades strongly support this legislation because of its job creating potential, and I do too for this reason.

I also support the employee stock ownership provision in H.R. 10. The bill allows the 50 percent matching grants to be used for both technical assistance and capital funds to promote employee stock ownership, particularly for those plants or businesses which would otherwise shut down. Employee ownership can provide a meaningful option for employees faced with a plant closing, and I am pleased that EDA will have the specific authority to become involved in these situations.

I commend the chairman of the Public Works Committee, Mr. HOWARD of New Jersey, for bringing this legislation forward. The Reagan administration is ignoring the need for jobs in Pennsylvania and elsewhere, Mr. Speaker, and I hope this legislation can expeditiously move forward to bring development jobs, and economic growth to our communities.

Mr. APPLEGATE. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Ohio.

Mr. APPLEGATE. Mr. Chairman, I rise in support of H.R. 10, and I want to commend the gentleman from Minnesota (Mr. OBERSTAR) for doing such an outstanding job in continuing in his efforts to helping a lot of depressed communities and depressed groups of people throughout the country. I think it is a great piece of legislation.

Mr. Chairman, I appreciate the opportunity to speak in behalf of the National Development Investment Act.

During the past two years that this bill has been under consideration by Congress we have seen a rate of unemployment and economic dislocation unparalleled in this country since the Great Depression. Unemployment is today one of this Nation's most severe and persistent problems; more than 1 of every 10 Americans is without a job, many more are working short hours or part time and some in this country have even given up hope of ever finding gainful, permanent employment.

The economic problems that have caused this situation—inflation, high interest rates and a variety of other ills seem, to some, to be on the way to being resolved. We are told a recovery is in progress. Inflation is lower now than it has been in years; with little wonder—over 10 percent of this Nation's work force has no income and cannot "fuel" inflation. Interest rates are lower, too; the unemployed cannot borrow money since joblessness restricts their ability to repay a loan. Government borrowing, a major cause of high interest rates, is getting worse, not better. The "improvement" we have seen in some economic indicators can be directly attributed to the current recession and the problems will not go away without some help from the Federal government.

This bill, the National Development Investment Act, reauthorizes and redirects the Economic Development Administration (EDA) and the Applachial Regional Commission (ARC) and is a step in the right direction in pointing any economic recovery to the areas that are in the greatest need. This bill does what the White House was telling Congress 3 years ago it wanted—providing incentives for economic development as opposed to funding development solely with Federal dollars. This bill addresses both the problems of aiding the national economy with seed money to encourage investment and development, and directs help to areas in this country with the most persistant problems.

I was pleased to support this legislation in the Economic Development Subcommittee and in the Public Works full Committee. I am further pleased to add my support to this bill here in the full House of Representatives and am confident this body will act favorably to address the economic problems this country is facing. We did so last year almost 3 to 1. The problems we face today are not much different.

We knew last year that a strong national economy does not develop independently of local economic vitality. We have seen strong local economies suffer greatly over the past few years, dragged down by a lack of national economic vitality—a problem only national leadership can address with any hope of success. The sluggish recovery we are experiencing is due, in part, to a lack of local economic strength. The presence of a direct relationship between microeconomic strength in the national macroeconomic picture is clear—each needs support from the stability and strength of the other. In view of the relationship between the local and national economy, it only makes good sense that local and National Government become partners in the effort to address the problems each face.

The National Development Investment Act creates this partnership by providing half of the capital necessary to attract local investment and, within reasonable guidelines, gives the direction and control over the use of these funds to local governments. This arrangement provides for necessary assistance without unnecessary interference and through this partnership, both local and national economic strength can be promoted. Direction of local economic development becomes a local priority, therefore aid is targeted to where the need is felt and the opportunities and constraints are most directly known and felt. The resources for this development are encouraged by help from the Federal Government—which has the wherewithal to take a lead in funding development.

As the economy improves, I would hope that the partnership created by this bill assists in directing the recovery to those areas most hurt by the economic disaster we have suffered. This is an important step in the revitalization of our national economy and in our efforts to address this come of the most persistent problems facing distressed communities.

The second part of this bill addresses the unique and severe problems faced by the people of Appalachia. Over the past 18 years, we have seen the positive effects of one of the Governments most cost-effective, successful economic program ever run by a Government agency. the Appalachian Regional Commission has done a tremendous job in addressing the problems faced by this region and the results have been startling.

Since the inception of the ARC in 1965, there has been a marked decrease in illiteracy in the region. Poverty has been cut in half. The ability of local communities to meet the needs of its residents has increased with basic services being extended to many areas that would never have been serviced were it not for ARC's assistance. Health care is now a reality for many who would never have been able to get needed medical attention 20 years ago. These advances and more can be directly attributed to ARC and the much needed help its programs offered.

Now we unfortunately face the prospect of ending this successful program. Cutbacks in the Federal budget have hurt this region more severely than many others in the country.

The effects of the current recession have been felt to a greater degree in Appalachia than in most areas of the country. Unemployment in the area is almost a third higher than the national average. Parts of my district are experiencing unemployment rates over 20 percent. To end this program is a shame. To do so without at least finishing what is already started would be unconscionable.

When the ARC closes down, I would like to see the region self-sufficient with the necessary transportation facilities, water and sewer service to those who need it, a minimally acceptable level of primary health care and the other infrastructure needed to provide a foundation for overall Appalachian development. This finish-up phase of ARC is a responsible and reasonable way of approaching the end of a job started 18 years ago—a job that would be left tragically undone were ARC to fall victim to the budgetary ax without the means to finish what is already started and is working so well.

The National Development Investment Act addresses problems we need to address at the national level, provides for necessary local control and direction, and lays a cornerstone for this country's future growth and prosperity. This bill also allows us to see a finish-up phase of a successful program that none of us really want to see end. Both these ends are reasonable, rational approaches to difficult problems and I urge my colleagues to add their support to this most necessary legislation.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank the gentleman for yielding.

Mr. Chairman, for purposes of establishing legislative history, I am including the following relevant excerpts of a letter from Mr. Carlos C. Campbell, Assistant Secretary for Economic Development, U.S. Department of Commerce, dated May 4, 1983, which responded to questions asked by this Member during hearings on H.R. 10 conducted by the Committee on Banking, Finance and Urban Affairs:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C. May 4, 1983.

Hon. DOUG BEREUTER,
House of Representatives
Washington, D.C.

DEAR MR. BEREUTER: You requested my written response to five questions regarding provisions on H.R. 10, the "National Development Investment Act." Provided below is a restatement of the questions contained in your letter of April 12 followed by my response.

1. Section 103(g). What would be considered "an area" within a "unit of local government" like a city or county which would be eligible to apply if that area meets the requirements of Section 105?

Since the legislation imposes no guidelines, requirements or limitations, an "area" within a "unit of local government" can conceivably be any identifiable geographic location within the unit of local government for which qualifying statistics are available. The determining factor is the availability of statistical information for the "area" defined as within the unit of local government. For income related criteria, Census tract data is often used as a basis for qualifying information. Presumably, 1980 Census tract data related to income is available if needed. For employment related criteria pertaining to areas within cities or counties, State employment security agencies typically provide information on an ad hoc basis to applicants as needed for meeting qualification criteria. It seems reasonable to expect that such information will be available. Most typically, the type of information available for areas which are only parts of cities or counties is unemployment data obtained from State employment agencies.

2. Section 103(e). Has the agency in the past received requests for assistance from Indian tribes that are not recognized by the Secretary of the Interior?

Yes, requests for grant assistance have been received from Indian tribes not recognized by the Secretary of the Interior. EDA has approved requests for public works assistance if the tribe: (1) was recognized as a tribe by the State in which the tribe is located, (2) the State holds land in trust on behalf of the tribe, and (3) the project is located on the tribal land. For urban Indian groups that have no tribal land interests, only requests for technical assistance have been approved.

* * * * *

4. Section 109. Do you understand section 109 to mean that aid coming to Indian tribes shall not count against the 15 percent limitation applied to that State?

Yes, it is my understanding that aid to Indian tribes will not count against the 15 percent limitation applied to each State. Section 109 contains language which provides that "Except for expenditures to Indian tribes, not more than 15 per centum of the funds appropriated pursuant to this title may be expended in any one State." We interpret this to mean that expenditures to Indian tribes are not counted against a State's 15 percent limitation.

* * * * *

Sincerely,

CARLOS C. CAMPBELL,
Assistant Secretary
for Economic Development.

Mr. Campbell's letter addresses definitial questions with respect to sections 103(g), 103(e) and 109. His answers are consistent with this Member's understanding of those definitions as a member of the Committee on Banking, Finance and Urban Affairs.

I would ask the chairman if it is consistent with his own and his understanding of the intent of the two legislative committees involved.

Mr. OBERSTAR. I have reviewed the response to the gentleman from the Assistant Secretary of Commerce. The letter states current law and current application, and that is entirely consistent with the bill as written and the intent of the authors of this legislation.

Mr. BEREUTER. I thank the gentleman from Minnesota.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. OBERSTAR) has expired.

(By unanimous consent, Mr. OBERSTAR was allowed to proceed for 2 additional minutes.)

Mr. COYNE Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Pennsylvania.

Mr. COYNE. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act.

Earlier this year, we acted on what was termed a "jobs bill." This measure, the product of many months of careful consideration by the House Public Works and Banking Committees, can justly claim the informal title "Jobs Bill II."

The National Development Investment Act provides 50-percent grants to States, local governments, economic development districts, and Indian tribes to promote economic development, diversification and, where necessary, economic adjustment. Five hundred million dollars would be authorized annually for 3 years to construct public works facilities and to establish locally run revolving loan funds which assist small business.

Mr. Chairman, the administration has made known its opposition to this bill by citing what it calls the futility of attempting to address national economic development problems by funding projects at the local level.

Where better should we direct Federal funds than to projects initiated, planned and carried out by local governments? Should we instead allow such decisions to be made in Washington? This seems an unlikely prospect for this administration. Should we then, do nothing at all, allowing the fate of thousands of distressed communities to rest in the hands of the Federal Reserve Board, a body which appears ready once again to force interest rates upward, and employment downward?

Certainly we need action at the national level to pull out of this recession. But when it comes to rebuilding our economy from the ground up, I will support decisions made by local governments.

H.R. 10 does just that. In order to receive assistance, applicants, which are usually local governments, must devise a development investment strategy. This plan will include an analysis of available resources, including other Federal, State, local, and private assistance, and a long-term schedule for economic self-sufficiency.

To be eligible for a project funded by the act, a community must have unemployment greater than the national average over the most recent 24-month period, per capital income of 80

percent or less than the national average, or have experienced a sudden rise in unemployment.

I should emphasize at this point that these criteria do not qualify a community for assistance indefinitely. This is a major improvement over past practice. Localities must certify distress each time they apply for help. Any new request for assistance has to be accompanied by new supporting data. This and other revisions contained in the legislation should make eligible for aid about 40 percent of the population, rather than the 80 percent in the years past. Setting aside the shotgun approach to economic development, in favor of the rifle, will make for a more efficient program.

Two amendments to H.R. 10 proposed by the House Banking Committee deserve special consideration.

The first amendment, included under section 104 would require that funds allocated under the act not be used to help establishments move from one location to another if such a move causes significant unemployment or deterioration of the economic base at the original location. Localities administering revolving loan funds must certify they will not use funds for this purpose. The Secretary of Commerce will monitor adherence to this section in his evaluation of semiannual reports.

This provision, similar to those now part of the Public Works and Economic Development Act and the urban development action grant statute, makes good sense. The Federal Government should not be in the business of aiding and abetting smokestack chasing when it means that one locality will profit by another's loss. Rearranging unemployment is not a worthwhile economic strategy.

A second amendment proposed by the Banking Committee should pay long-term dividends as we decide how to manage the repair of our aging infrastructure. The amendment would require under section 202 that the Commerce Secretary, in cooperation with other agencies, determine the costs of bringing certain public facilities into good repair. Facilities to be studied include roads and bridges, airports, ports, docks, waterways, and sewer and water systems.

Before we embark on a coordinated, national campaign to repair our infrastructure, an effort the utility of which becomes clearer by the day, we need an accurate road map of where we will be headed. This study, a preliminary report of which should be ready by June 30, 1984, will help us identify some important landmarks.

Mr. Chairman, this measure has received broad bipartisan support. I hope the administration bears this in mind when it reaches the President's desk. I urge a yes vote on H.R. 10, the National Development Investment Act.

At this point, I would like to include in the RECORD an article by University of Pittsburgh professor Frederick Thayer which appeared in the June 27 New York Times. He makes a convincing argument that a concerted investment in public works would not only repair our aging facilities, but would also expand markets and make use of existing overcapacity in industry.

As Professor Thayer notes:

Rebuilding the country would give us time to design a systematic and orderly industrial renewal and sustainable economic growth.

The article follows:

[From the New York Times, June 27, 1983]

TO HELP THE ECONOMY INVEST IN PUBLIC WORKS

(By Frederick C. Thayer)

PITTSBURGH—Almost everyone believes that substantial new investment in industry is the only sure road to economic recovery, both at home and abroad. But this assessment overlooks the fact that private industry—operating in a world economy that is glutted with industrial capacity—lacks good markets in which to invest. Our economy is characterized by overinvestment in unneeded and duplicative industrial projects, and underinvestment in public works—bridges, roads, transportation, environmental and water systems, which constitute the infrastructure.

In an unrestrained and competitive market—such as the global economy—industrial overcapacity is inevitable. The greater the competition, the greater the duplication, because too many sellers chase the same buyers. Even if every consumer had limitless funds, unchecked duplication, would produce more goods and services than could be sold for reasonable profit.

Economic historians have long recognized industrial and agricultural overexpansion as a major cause of economic slumps. The overcapacity and depression of the 1930's were not relieved by New Deal programs or Keynesian economics but by World War II. The public works programs of the New Deal were initiated reluctantly and were cut back at the slightest sign of an economic recovery.

The problem of overcapacity was postponed for nearly a generation by the bombs that destroyed European and Japanese factories. With major competitors flattered, American prosperity was assured until Europe and Japan reindustrialized. As developing countries then built their own industries, duplication inevitably led to the economic crisis of the 1980's.

The present overcapacity afflicts nearly all nations—capitalist, socialist, advanced or developing. But what world leaders seem unwilling or unready to admit is that there are no winners in this competition. As individual producers (or countries) become "more competitive," either by reducing costs or "dumping" subsidized goods, they merely export unemployment from state to state and country to country.

Instead of addressing this fundamental problem, economists, politicians and business leaders worry over projected budget deficits that, it is said, keep interest rates high by making funds scarce and costly for other borrowers. High interest rates—which discourage the investment in plant and equipment needed to assure continued economic health—may choke off the growing recovery, they say.

But this line of reasoning conveniently overlooks the fact that private borrowers have had—and continue to have—ample investment capital. By historical standards, the Government's present role in the credit markets is slight. In 1950, the Government's share of total domestic credit was 43 percent. By 1981, the last year for which figures are available, its share had slipped to 16 percent. Corporate debt—two-thirds of Federal debt in 1950—by 1981 outstripped the national debt by 42 percent.

Private industry and investors have little trouble borrowing and spending, but their money is squandered in merger wars and get-rich-quick stock speculation. In a world glutted with industrial capacity, managers and bankers have done the intelligent thing: They have avoided building more. Business investment fell 5.5 percent in 1982 and is expected to drop 3.1 percent in 1983, the first back-to-back decline since World War II. We can expect a low investment rate to continue whether or not Federal budget deficits are reduced.

Do businesses need the investment tax credit, lower capital gains and income taxes and faster write-offs of capital assets simply to speed the development of more unneeded capacity? Do we need more industrial investment when our present factories operate at 70 percent of capacity? Can we depend upon the vaunted hightech industries when even those are suffering from oversupply and global competition?

Until a way can be found to equitably regulate international competition and to minimize wasteful industrial duplication, we need to invest heavily in public works: Public works are tremendously beneficial and useful investments, even if Americans do not label them as such. Not only do they create desirable "ripple" or "multiplier" effects—creating jobs and spin-off businesses—but, unlike industrial duplication, they do not cause depressions. A giant public works effort would provide both a market for existing overcapacity and a sounder economic stimulus than the military production that ended the Great Depression. Rebuilding the country would give us time to design a systematic and orderly industrial renewal and sustainable economic growth.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I rise in support of this very important measure.

I wish to commend the distinguished chairman of the subcommittee for the outstanding work he has done on this measure. We date way back to our staff days when we were both there at the inception of the Public Works and Economic Development Act of 1965, and we would see EDA continued.

Mr. Chairman, the bill before us, which would continue and strengthen both the Economic Development Administration (EDA) and the Appalachian Regional Commission (ARC) is deserving of our strong support.

Both EDA and ARC are Federal agencies which target their resources to some of our Nation's most distressed areas, areas were the single

most important problem facing us now—unemployment—is the most serious.

I am optimistic and excited as I look to the future because the evidence is there to prove the President right, the economy is indeed on the mend.

That is not some emotional or partisan statement, it is an assertion which is based on fact and can easily be documented. Inflation is down and is staying down. Interest rates are in a sustained period of relative stability. Housing starts are up; new building permits are at record highs, auto sales are on the upswing, consumer spending and the corresponding consumer debt are up rather substantially revealing a renewed confidence in our economy. And yet we still have more than 11 million Americans unemployed.

While all the other leading economic indicators are moving in the right direction—even unemployment is showing ever so slight improvement—joblessness continues at an intolerable and excessively high rate.

Even administration forecasters are conceding that progress in combating unemployment will be slow—their projections are that we will be down to 9 million without work in 1986. That is improvement, no doubt about it, but we must come face to face with the stark reality of millions upon millions still without wanted work almost 3 years down the road. They certainly have some justification in claiming that the mending process somehow has evaded or avoided them.

So as I stand here in strong support of the measure before us I say three cheers for a President and an administration that have followed through on a promise to successfully attack and beat back a problem just about all Americans identified as public enemy No. 1 just a couple of years ago. I refer, of course, to inflation.

And additional kudos are warranted for the major advances made in getting interest rates down, not just a little, which really would not mean a heck of lot, but a great deal.

But the dramatic improvements in these vital areas are overshadowed, in many respects, by that nagging problem of unemployment.

It is when I consider this that I have difficulty in understanding the administration's opposition to the continuation and strengthening of both EDA and ARC. After all, both agencies have as their primary purpose the support of local projects designed to combat unemployment and stress where it is most severe.

EDA and ARC are not perfect by any stretch of the imagination. Improvements are certainly needed and that is what we should concentrate on, improvements, not efforts to abolish.

The measure before us does just that.

I have lived with EDA since its inception back in 1965. At that time, as administrative assistant for one of the most respected and fiscally conservative Members of the House, the late Representative Alexander Pirnie, I was a junior partner—as were all of the staff people—working side by side with our bosses who were determined to set up an agency that would do just what EDA has done since—give support to worthy projects in areas of high unemployment that give promise of at least providing a partial solution to the problem of unemployment.

Areas like ours then set out to use the program to its maximum advantage and we helped set up the Mohawk Valley Economic Development District to lead the way.

MVEDD is alive and kicking. In the past 18 years, it has engineered a partnership—a very productive one at that—between the Federal and local governments and the private sector. Major projects have been undertaken—waterlines, sewerlines, access roads, industrial parks, business loans—the list is long. All have been identified with either protecting existing jobs or generating new employment opportunities in an area of the country which has suffered a disproportionate share of the burdens associated with an economy in transition.

We have not solved the problem of unemployment in our area. It still exists in numbers that are depressing. However, I can say with certainty that had we not had EDA and the projects it helped make possible, ours would now be a disaster area of the first order.

Much still remains to be done. There are, at this moment, many promising projects ready to go if only EDA has the continued life we seek for it and the resources—dollars—it requires.

I could go on with a similar recitation about ARC. No need to, others have already done it and speak from greater personal experience. I have stayed with my emphasis on EDA because that is an agency and story I know well. It is working to make it possible for others to work.

I want to compliment the distinguished chairman of the subcommittee (Mr. OBERSTAR) for the outstanding job he has done in nursing along this important legislation. He, too, was there at the beginning. He, too, has watched and worked with EDA. He, too, knows of the many positive results that have come from this agency. He, too, knows of the great promise EDA has for the future as all of us, together, work constructively to focus attention on the No. 1 problem facing the Nation—unemployment.

I am pleased to work with him in the continuing effort to get America and Americans back to work. We should support this measure because it has earned our support.

Mr. OBERSTAR. Mr. Chairman, in conclusion, I would like to state that the legislation is the result of the cumulative wisdom established from those earliest days of the beginning of these programs that we fashioned under the current bill.

I would again like to express my appreciation to Chairman HOWARD for the leadership that he has given to us and my colleague from Pennsylvania (Mr. CLINGER) for working step by step in fashioning a bill that, once again I want to emphasize, is long-term economic growth, not a short-term, quick fix to the Nation's current economic problems, but one that will help communities in distress throughout this country to fashion recovery efforts tailored to their own local needs.

□ 1530

It has been a pleasure working with the gentleman from Pennsylvania in developing this legislation.

I ask my colleagues to give the bill an overwhelming vote of approval.

● Mr. BENNETT. Mr. Chairman, I rise today in support of H.R. 10, the National Development Investment Act, which would establish a successor agency to the Economic Development Administration. The recipients under the grant programs established by this bill would include States, units of local government, and economic development districts.

I have cosponsored this legislation because it proposes to continue, in an innovative way, a program that has been very valuable to the country and to my district. More than 20 projects have been funded in my district in the past 6 years of the EDA. Among the many varied and beneficial projects were four that I would like to briefly describe.

First is the Southside-Hendricks realinement, which is a major storm drainage system reconstruction on the south bank of the magnificent St. Johns River in downtown Jacksonville. This reconstruction has made possible terrific expansion in the area. In 1981, $1.67 million in EDA funds were used in this project.

Another major project is the senior citizens center at First and Hubbard in downtown Jacksonville. This particular center utilized in excess of $2 million in EDA funds. The center is the largest of 22 nutrition sites in Duval County, and is also the major gathering place for senior citizens in the county.

A third project is the Northside Skills Center, which provides vocational skills training for high school students in Duval County; $5 million in EDA money was used in 1977 to construct this facility. The skills center provides training in 22 different vocations. Over 1,000 students currently take advantage of the skills center,

and I have been advised that the demand for its training programs has already outstripped the capacity of the center. The programs include health fields training, business training, law enforcement training, and food service training.

Finally, there opened this month the Lawrence Guy Southeast Marine Training Center. The center will train persons for employment in the maritime industry. This includes training programs for pipefitters, inside machinists, marine electricians, and welders. The center will have a substantial impact on the shipping industry along the entire Atlantic and gulf coasts. The EDA provided $750,000 toward the completion of this project.

It is clear, Mr. Chairman, that this program has added a great deal to the economic backbone of my congressional district and I believe this is nationwide in value. The Public Works and Banking Committees have made some well-considered changes to the program, which should definitely improve its operation. I fully support this legislation, and urge my colleagues to approve it.●

● Mr. BOUCHER. Mr. Chairman, I rise is support of H.R. 10, the National Development Investment Act, which reauthorizes the activities of both the Appalachian Regional Commission and the Economic Development Administration. Both of these Federal agencies are fundamental partners with private industry and local governments in southwest Virginia in stimulating economic development and providing new job opportunities in areas of high unemployment.

When the House voted a few weeks ago for the fiscal year 1984 energy and water appropriations bill, which included 1984 funding for the Appalachian Regional Commission, I expressed my strong support for a permanent reauthorization of the ARC rather than implementation of the so-called finish-up plan which is included in H.R. 10. I contiune to support a permanent reauthorization of this vital agency, and I am hopeful that Congress will enact such a reauthorization before the completion of the finish-up program.

There are really two questions for the Congress to consider in determining whether a permanent reauthorization of the ARC is justified. First, has the Appalachian Regional Commission been successful in addressing the special needs of this troubled region? Second, have the problems of the region been alleviated to the extent that the ARC is no longer needed?

The answer to the first question is a resounding yes: The ARC has been a uniquely successful Federal agency working with localities and businesses to stimulate economic development, to provide basic public facilities and to raise the standard of living in depressed rural communities. It is the Nation's premier industrial development agency, and the public facilities it has constructed has made our rural areas attractive to industries seeking new plant locations.

Much important work has been accomplished. With the assistance of the Appalachian Regional Commission, isolated communities now have water and sewer systems. Health facilities have been constructed. Highways have been carved through mountains allowing business and industry greater access to markets and to raw materials. Vocational education centers have been constructed to provide vitally needed job training to young people. It is clear that the Appalachian Regional Commission has been successful in assisting the people of this long neglected region.

The second question Congress must answer is whether the special needs of the region have been alleviated to the extent that we can afford termination of the ARC as President Reagan has suggested. On this question, there should be little debate: The ARC must remain an active member of the Appalachian community. We cannot afford the termination of this vitally needed agency.

Unemployment in some counties serviced by the ARC is above 30 percent. Small towns continue to struggle with water and sewer problems. Education facilities are deteriorating and highways need improvement. The median family income is 30-percent below the national average.

Most of the communities in our Appalachian region do not have the public facilities necessary to accommodate additional industrial growth. Therefore, if we are to have new employment opportunities and economic expansion in the future, the work of the ARC must continue.

Complicating economic conditions in the region is the continuing slump in the coal industry. A worldwide recession, reduced steel demand, declining oil prices, relatively mild weather and increased competition in the export market have devastated the domestic coal industry. In 1982, alone, coal production in Virginia fell a full 1.5 million tons. Without a revival of the coal economy, southwest Virginia and indeed most of the Appalachian region will continue to suffer the effects of the recession. Even with a coal revival, the need for ARC assistance with economic development, public health, and educational programs will be essential.

Like the Appalachian Regional Commission, the Economic Development Administration provides special assistance to economically depressed communities seeking to attract industry and to create jobs. Both agencies help to provide the seed money for essential public facilities that, in turn, make it possible for local businesses to expand and for new industry to locate in a community. With 11 million Americans still unemployed, this is no time to abolish the two most successful job-creating agencies of the Federal Government.

I strongly support reauthorization of the Appalachian Regional Commission and the Economic Development Administration, and I urge my colleagues to support H.R. 10, the National Development Investment Act.●

● Mr. LIPINSKI. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act. This legislation is a continuation of the Congress commitment to provide jobs and to quickly infuse economic activity in the country. It appears that the country is beginning to pull itself out of the economic doldrums. H.R. 10 will help this trend continue by authorizing $3.2 billion of direct Federal aid to areas of high unemployment for construction, renovation, and repair of local public facilities.

The funds for this program will be administered by the Economic Development Administration. This agency has had a successful and cooperative longstanding relationship in dealing with local governments in administering these programs. H.R. 10 recognizes that local initiative is one of the major elements necessary for economic recovery. It is imperative that the local governments have direct control over these programs in order to insure that they are as responsive to the needs of the people who need assistance.

In addition, H.R. 10 will target assistance to communities with high unemployment in an attempt to spur economic growth. It authorizes $500 million annually for 3 years for the construction of public facilities, to establish locally administered revolving loan funds to assist small business or to retain existing businesses and other projects which promote development and create jobs. This type of assistance is desperately needed to help small businesses survive and prosper.

H.R. 10 creates an equal partnership between all levels of government in cooperation with the private sector to stimulate jobs and contribute to the public infrastructure needed to encourage investment and development. It has always been my belief, during my years of experience at the local government level, that those people on the scene are best able to determine what is needed to help revitalize their area.

I urge my colleagues to support this legislation.●

● Mr. FUQUA. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act. This measure is similar to H.R. 6100 which passed the House during the 97th Congress with an outstanding vote of 281 to 95.

This bill is exactly what it says it is, National Development Investment Act, an investment in our future. Rep-

resenting a very rural area, I have great interest in the effects this bill will have. The number of lives that will benefit from its passage is truly amazing.

To give you a few examples, H.R. 10 will encourage economic development, an element of growth that everyone benefits from. It will encourage job creation and thus, lessen our unemployment rate. In the event of severe economic dislocation, funds will be available for assistance.

As you can see, the reasons for its passage are many. I urge you to join me in support of H.R. 10.●

● Mr. ANDERSON. Mr. Chairman, I rise to express my strong support for H.R. 10, the National Development Investment Act.

As a cosponsor of this important measure, let me congratulate its floor manager, the chairman of our Subcommittee on Economic Development, JIM OBERSTAR, as well as the ranking minority member of the subcommittee, BILL CLINGER, on a job well done. Of course, congratulations are also in order for our chairman of the Public Works and Transportation Committee, JIM HOWARD, and the ranking minority member of the full committee, GENE SNYDER.

Because the Committee on Public Works and Transportation reported out H.R. 10 by a vote of 50 to 0, it is apparent that these four have crafted a fine bill which should be supported by all the Members in this Chamber.

As you know, H.R. 10 establishes a framework for all levels of Government—Federal, State, and local—in consultation and assistance by the private sector, to encourage economic growth and development in our urban centers as well as our rural communities.

Among its most important provisions, H.R. 10 authorizes $1.5 billion in fiscal years 1984-86 for the purpose of promoting sustained economic growth. This money would be spent directly on public infrastructure—such as bridges, roads, water and sewer systems, and industrial parks. In addition to this, some of the funds may be spent for technological assistance grants to develop long-range economic development plans.

It must be pointed out that this is not a Federal giveaway. All grants must be matched from private sources or other public entities. Also, funds would be directed at those States or local entities that are suffering severe economic distress.

I might add, Mr. Chairman, that this legislation is supported by a wide variety of bipartisan organizations. Among these are: the National League of Cities, U.S. Conference on Mayors, National Association of Counties, National Association of Development Organizations, and the National Association of Regional Councils.

In closing, let me reiterate my strong support of H.R. 10. The bill will not only help to create and save thousands of jobs throughout the country, it will also provide for sustained economic growth through the construction and repair of public facilities. This is, of course, an investment in the future.●

● Mr. ALBOSTA. Mr. Chairman, I rise in strong support of the National Development Investment Act that the House of Representatives will be voting on today. This legislation is an important step forward in targeting Federal economic development assistance to those areas of the country with the greatest economic problems.

H.R. 10 provides for direct economic development grants to States and local units of government to encourage economic development, diversification and adjustment. This bill also authorizes $500 million per year for 3 years for the construction, repair, and rehabilitation of public facilities. In addition, these funds are to be used to set-up locally administered revolving loan funds to assist small businesses and to retain existing industries in high unemployment areas.

Even more importantly, the National Development Investment Act requires communities with high unemployment to prepare a development investment strategy that analyzes available resources, past investments and current needs. This document guides the community to make sure any grant funds received under this legislation, through the Economic Development Administration, are used cost effectively. In order to be eligible for EDA grant assistance, a community must have high unemployment and put together an effective development investment strategy.

The State of Michigan over the years has been a major beneficiary of EDA grants for industrial parks, water and sewer projects, and revolving loan funds for small business. Now more than ever Michigan needs Federal economic development assistance as the State struggles to rebuild its shattered economy. Michigan can and will survive, but the State needs targeted economic development grants to help attract new industries and retain existing ones. With over 15-percent unemployment and over 500,000 people out work, we in Michigan need to do everything possible to create jobs and lower the outrageously high unemployment that has been eating at our State for over 3 years now.

I urge my colleagues to support H.R. 10, the National Development Investment Act of 1983 so that we can get on with improving the economy throughout this country by targeting Federal economic development aid to those areas hardest hit by the recession. H.R. 10 will give Michigan the tools to improve the State's economy and put our people back to work.●

● Mr. SHELBY. Mr. Chairman, the broad, bipartisan support H.R. 10 enjoys, illustrated in its unanimous approval by the Public Works Committee and its diverse list of cosponsors speaks perhaps more favorably for this measure than a long dissertation on its merits. I would only mention briefly, therefore, that I have a special interest in title II of the bill which relates to the highway and nonhighway development programs under the Appalachian Regional Commission.

I represent the Seventh District of Alabama, a State which, as many of my colleagues know, refutes the popular myth that the Sun Belt economy is immune to national economic downturns. Alabama is beset with the entire gamut of recession-induced problems and our battered economy still suffers from one of the Nation's highest employment rates.

The Seventh District borders the Appalachian region which greatly influences the population of the northernmost communities in the district. I am optimistic that the finish-up for the nonhighway programs and the Appalachian highway system construction plans will have a profound and positive impact on our local communities. They are in desperate need of revitalization. As the program expands and draws from the physical and human capital of the area, so will it return to the localities a sense of purpose and economic viability.

Also, central to title I of this legislation is an outstanding attempt to establish a fruitful relationship between the private sector and local governments—meshing job creation strategies to stimulate economic growth. The entire bill makes economically good sense and I fully support the passage of H.R. 10.●

● Mr. LEVIN of Michigan. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act. This legislation represents an important revision of the economic development programs of the Federal Government, programs which will play an important role in our country's economic recovery.

These past 3 years have been difficult economically for the country in general, and for Michigan in particular. Unemployment nationwide reached double-digit figures for the first time since the Great Depression, and areas of Michigan still suffer unemployment rates exceeding 20 percent.

The process of recovery will be slow and difficult, certainly in some areas. A critical element of that recovery will be the availability of capital for investment in infrastructure renovation and private business development.

This legislation makes several improvements over the current economic development programs of the Federal Government. First, it sets down more precise criteria to determine which communities will be eligible for Feder-

al assistance. The effect of these criteria will be to focus Federal aid more directly on the areas of greatest need in our country, areas which have the longest road to travel to recovery and most urgently require help. Second, the bill simplifies and streamlines Federal economic development aid by consolidating the present combination of grant, loans, and loan guarantees into direct grants to eligible localities. And third, the bill increases the local matching requirements for the Federal assistance to a 50-percent match, thereby increasing the amount of local investment leveraged by the Federal dollars.

On the whole, this bill represents a step forward in the effort to develop a coherent, long-term approach to bringing about economic recovery. It is clear, of course, that the Federal Government alone cannot do the job. It is also clear that the Federal Government must begin to make more sense out of its current welter of economic development efforts. This bill, by targeting and simplifying the programs of the Economic Development Administration, and by providing incentives for local investment to match Federal investment, makes an important contribution to rationalizing the economic development efforts of the Federal Government.●

● Mr. ECKART. Mr. Chairman, as a cosponsor of H.R. 10, I applaud the House action on this important legislation.

I am particularly interested in seeing the concept of a capital needs inventory included in this proposal. The amendment offered by the gentleman from New York (Mr. LAFALCE) is a major step toward recognizing that we must have a national needs list, a capital inventory of our repair needs and how much it will cost to address them. Additionally, as the amendment indicates, the Federal Government must have a clearer understanding of how well our capital needs can be met by local governments and how much is now being left undone because local and State entities cannot afford to foot the bill with the funds now available to them, or raise the matching share necessary to qualify for Federal funds. In Ohio millions of Federal dollars go unused because financially strapped local governments cannot even raise their local share.

In an effort to better understand the infrastructure needs of my own district in northeast Ohio, I recently compiled such a capital inventory for the 11th Congressional District. The list is based on responses to a survey that was sent to all 124 local governments in the 5-county area to query the State of their local facilities and the availability of local, State, Federal, and private resources to repair and renovate delapidated and outdated roads, bridges, water systems, ports, dams, and harbors. I learned from local governments that they anticipate almost $567 million to rehabilitate our aging infrastructure yet high unemployment persists throughout my district making local efforts to raise these funds almost impossible.

It is only through this kind of specific information that we can make intelligent decisions on how best to spend scarce Federal dollars to meet our most imperative needs. This approach to budgeting signals an end to the business-as-usual of pork-barrel politics. By targeting Federal dollars to areas of greatest need and high unemployment, we make better use of limited tax dollars, help reduce our deficit and help stimuate jobs where they are needed most.

The measured approach of this legislation insures that its benefits reach those truly in need. Its passage will mean a great deal to States such as Ohio, where nearly 91,000 people ran out of unemployment benefits last month—a record for the State. I would like to believe that an economic recovery is underway, but the truth in Ohio is that last week, 31,000 more Ohioans joined those who lost their benefits. These men and women hold little hope of finding work in the depressed economy in Ohio.

We in Ohio are in desperate need of legislation such as the National Development Investment Act, which will help us to rehabilitate our infrastructure while putting our people back to work.

Decades of disinvestment in the industrialized Northeast and Midwest jeopardize any hope for any kind of economic recovery; all we are asking for is our fair share. We are tired of sending $1 to Washington and getting back only 75 cents. We do not want Washington to do it for us but we will not let Washington do it to us.●

● Mr. FRENZEL. Mr. Chairman, the National Development Investment Act, H.R. 10, has a catchy, red-white-and-blue title. Most people would also agree that economic development is a working goal.

The trouble with H.R. 10 is its cost and its cost efficiency. Few citizens would want to add more than $4 billion to our deficit, even over a long period of years.

Many, including myself, believe that jobs created by Federal program promises are painfully slow to develop, pitifully small in number, and extremely short lived.

If this bill becomes law, it will require appropriations of over $1½ billion in the next 2 fiscal years. That is not the worst excess we ever voted, but it will add a good deal more to the deficit than any social good it can ever do.

From the position of a person who represents an area which this bill lets the light shine on, its probably a wonderful thing. However, those who have to pay the light bill see it as pork barrel legislation.

I believe the bill is too expensive and, despite its promise, will not deliver anywhere near the number of jobs anticipated.

It should be defeated.●

● Mr. WALGREN. Mr. Chairman, I want to lend my full support to H.R. 10, the National Investment Development Act. This bill, designed to encourage economic development in both urban and rural areas, will revise the Economic Development Administration's grant and loan programs which have been targeted for elimination by the Reagan Administration. Considering the plight of many distressed communities throughout the Nation, clearly the Congress should promote a joint effort between the private and public sectors for economic development.

The Economic Development Administration, always important to us in the economically declining areas of the Northeast and Midwest, represents one of the Federal Government's most important strategies for reversing economic decline in distressed areas. Last year, Northeastern and Midwestern States, with 45 percent of the Nation's population, received 54.5 percent of all EDA funds. EDA helps these areas with its emphasis on infrastructure repair, an investment too expensive for these communities to undertake alone. Over its 15-year history, EDA created or saved 1.4 million jobs in the private sector and leveraged $9 billion in private investment. With 10 percent unemployment, it just does not make sense to give up a program as helpful as this.

Though some industries are beginning to see initial signs of recovery, clearly this recovery will be uneven. The elimination of EDA, which created 866 new jobs in the Pittsburgh area alone, could not come at a worse time.

We should note this is a revised and limited program. It authorizes $500 million for each of the next 3 years for a new economic development program to replace the existing public works authority. In addition, the bill authorizes $215 million in 1984 for the highway program of the Appalachian Regional Development Commission, and a total of $399 million for ARDC's nonhighway programs.

It is important to note that this act makes several changes in the present program to meet the objections of EDA critics. Under H.R. 10, the eligibility standards which once made 80 percent of the country eligible for assistance, are severly tightened. Local governments, economic development districts, Indian tribes, nonprofit organizations, and "pockets of distress" within localities are eligible for grants only is they meet one of the following three criteria: First, a per capita income of 80 percent or less of the national average; second, an unem-

ployment rate at least 1 percentage point above the national average for the previous 2 years; and third, a sudden rise in unemployment due to a plant closing or other economic dislocation.

Furthermore, to obtain a grant, applicants must have, as part of the proposal, a concrete investment strategy involving existing local resources. These eligibility requirements will restrict economic development grants to qualified distress areas, so that funds will be targeted for the principal objective of assisting distressed communities regain control of their economic futures by addressing high unemployment, decaying infrastructure, and lack of capital.

Finally, the National Development Investment Act reduces the Federal share of funding to 50 percent, thus requiring private investment and local participation in the decisionmaking process.

Mr. Chairman, the pain of unemployment affects the jobless in innumerable ways. Stress, domestic problems, and crime are just a few. Although the Federal Government is not in a position to find jobs for these citizens, we should insist that the Government assist and challenge economically distressed areas with opportunities for economic development and recovery. The National Development Investment Act gives them that challenge. I urge my colleague to support this legislation.

● Mr. MCEWEN. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act, and particularly those provisions of the bill which reauthorize Appalachian Regional Commission programs through 1991. As a member of the Economic Development Subcommittee and an original cosponsor of this measure, I urgently request the serious consideration and support of my colleagues for H.R. 10.

The Appalachian Regional Commission is a small program that has made an enormous difference in the lifestyle and health of many citizens and communities in Ohio and in Appalachia. The ARC works and we can see its results. Three major Appalachian development highway corridors interesect in the Sixth District. At the end of the 8-year highway finish-up program, the system will be over 90 percent complete in Ohio.

Much has been accomplished, but we must not stop until the job is finished. The Appalachian Region has suffered as a result of the high interest and inflation rates of the 1970's. Unemployment in the 10 Appalachian counties in the Sixth District reached 16 percent in May and stood above 20 percent in 3 of these counties.

Two of the counties in the Sixth District are still considered distressed. These counties, Adams and Pike, will get special attention.

This program is austere. It is reasonable and it is necessary. Ohio will get only about $6 million in fiscal year 1984 for roads and development, but this will help. The record of the Appalachian Regional Commission speaks for itself. Now we must provide the opportunity to finish the excellent job which has so well advanced.●

● Mr. RICHARDSON. Mr. Chairman, I rise in strong support of H.R. 10, the National Development Investment Act.

My district in New Mexico continues to experience a high rate of unemployment. The people in my district want jobs. They want to develop and improve their communities. But they need a helping hand. This bill extends that helping hand by authorizing $425 million for 50 percent Federal matching grants for the development of public facilities such as roads, community water and sewage systems, and education and health facilities.

The assistance will be targeted to areas of extraordinary economic distress. States, localities, and Indian tribes will be eligible for assistance if their per capita income equals less than 80 percent of the National average or if their unemployment rate has been at least one point higher than the national average over the past 2 years. In addition, this bill recognizes the special needs of the Indian community by allowing the Secretary of Commerce to waive the 50 percent local contribution requirement for Indian tribes which simply do not have the funds to contribute.

New Mexico ranks among the lowest of the 50 States in per capita income while some Indian reservations are suffering from unemployment rates in excess of 70 percent. Many public facilities are run down and in need of repair. Many communities have simply had to learn to do without some of the basic facilities most Americans take for granted. This legislation will give the unemployed in these communities an opportunity to work and help rebuild their neighborhoods.

This legislation authorizes an additional $75 million for technical assistance grants to help communities establish long range economic development plans. This program will require a careful direction of money to insure cost effectiveness. Applicants must submit detailed development strategies which analyze the economic problems of their area and which identify other possible sources of assistance. Applicants which demonstrate high potential for achieving economic self sufficiency will be favored. This program will assure that Federal money is well spent by targeting funds to areas that will use those funds effectively and by insisting on local cooperation and contributions.

The Federal Government has the responsibility to help States and localities that are suffering severe economic distress. Helping local communities help themselves is a sound Federal investment and a sensible and compassionate way of alleviating some of the joblessness and hopelessness being experienced throughout the Nation.●

● Mrs. BYRON. Mr. Chairman, I thank the gentleman from Minnesota for permitting me to speak on behalf of the National Development Investment Act and, more specifically, the reauthorization of the Appalachian Development Highway System.

Mr. Chairman, as with all of the Appalachian area, development cannot take place until this regional isolation has ended. In the areas of my district commonly considered to be part of Appalachia, unemployment has hovered near 20 percent. This is not a new development. The unemployment rate in western Maryland has always run well ahead of the national average. The Appalachian Development Highway System (ADHS) promises a transportation network which can pierce this isolation, opening the towns, cities, and natural resources of Appalachia to the Nation.

The highway system has produced tangible results in several areas. Even though the ADHS is only slightly more than half complete, several developments are already noticable. Business and industry have grown along the highways, shipping costs have been cut, the difficulty of extending various services has been reduced, and existing businesses have expanded with the creation of new opportunities.

Mr. Chairman, in my district an 18.4-mile gap bottlenecks the resources of western Maryland. This is the only gap between the Atlantic Ocean and an interstate network that connects to the Midwest. This dangerous, winding two-lane road traps the large supplies of coal and other natural resources and frustrates delivery to the great port of Baltimore. The State of Maryland estimates benefits will be achieved in accident reductions, travel time savings, and vehicle cost reductions. The State further predicts, "substantially magnified benefits to western Maryland in economic value because of the depressed conditions of the area—that is, unemployment and under-utilized resources." Mr. Chairman, that statement was penned in August of 1976, long before the present economic difficulties.

The answer to this 18.4 mile bottleneck is a project referred to as "the National Freeway," and is an extensive undertaking that just is not going to be done without a Federal-State partnership. Even with the approval of this ADHS program, and assuming an appropriation to a significant level, progress on this stretch of road will be agonizingly slow.

I urge the acceptance of this program, because I know what the high-

way program can mean to the people of western Maryland. And because I know what the promise of an adequate transportation network can mean for the Nation's most extensive pocket of poverty known as Appalachia. The ARC program has come under fire in recent years for not fulfilling its promise. If we leave an incomplete, disjointed, unconnected series of roads through Appalachia, we will guarantee the failure of our efforts to alleviate the conditions in Appalachia. Let us finish what we have started.●

● Mr. BONKER. Mr. Chairman, as one of the original cosponsors of the bill, I rise in strong support of H.R. 10, the National Development Investment Act.

At a time when the prospects for sustainable economic recovery are uncertain, when we face tougher and tougher economic competition from abroad, when American industry is having to make major structural changes, when our public facilities and infrastructure are in need of repair and replacement, we need this legislation.

The National Development Investment Act will provide the assistance to distressed communities to expand local employment, improve vital public facilities, and encourage private investment in the capital plant necessary to create new jobs in an evolving domestic economy.

In the past, the Public Works and Economic Development Act has provided the authority to address these needs. Under the act, numerous communities in my congressional district have used EDA funding to spark economic revitalization and I am sure that almost every Member here can point to similar examples from their own congressional districts.

It should come as no surprise that the Reagan administration opposes this bill. Since taking office, the White House has consistently attempted to eliminate EDA funding, ignoring the important benefits these projects bring to hard-hit local communities. When Ronald Reagan entered the White House, EDA funding stood at approximately $670 million for both fiscal years 1981 and 1982. The new administration called for termination of EDA funding for 1982 and rescission of all remaining 1981 appropriations. Fortunately, Congress has not gone along with the President's plans, and has kept the EDA program going during the recession years when we need it most.

As with any program, of course, there is some room for improvement. The experience we have had with the Public Works and Economic Development Act has enabled us to tighten up a program that, in my experience, has been very positive.

Thus, H.R. 10 revises the programs provided by the Public Works and Economic Development Act and authorizes new economic development programs through fiscal year 1986. It addresses the past criticisms of the EDA programs and proposes a new look at economic development in the 1980's. In addition, the bill provides for the Appalachian Regional Commission, as a finish-up program to complete the work of improving health care, transportation, and employment in that region.

Mr. Chairman, H.R. 10 fills a critical gap between big, nonspecific public works projects and private sector investment. It performs a catalytic role, providing the necessary infrastructural support and public facilities to enable economic development which would otherwise probably not take place in a timely manner.

Under the legislation, local governments and private firms provide matching money for EDA projects. This insures that projects are more than make work boondoggles and that they have local backing. In addition, the measure requires that the Federal Government cooperate closely with local entities in developing the economics of their areas.

The bill also insures that these local entities develop a coherent economic development strategy and prioritize projects. This means that EDA funds are funneled to the most important local projects with the least amount of bureaucratic intervention in local affairs.

Finally, the bill targets economically distressed communities and industries, making sure that the money goes where the need is greatest. The $1.5 billion provided by the act over 5 years may be a relatively small amount of money when compared to other Federal expenditures, but it is a practical and pragmatic investment in the economic renewal of America which will build economic self-sufficiency in communities all across the Nation.

As an example of the kind of investment and employment EDA projects can generate, I would like to point to the East Bay Marina project in Olympia, Wash. Over the years, the waterfront of the State's capital had become run down and economically depressed. As the log exports from the Port of Olympia declined, the waterfront continued to deteriorate.

To regain the port's commercial value, the port commissioners wisely decided to diversify its economic base. The East Bay project was conceived to merge industrial and recreational activities on the old waterfront and attract new businesses to the once depressed area. It is estimated that the project will create over 300 long-term jobs and stimulate millions of dollars of private investment.

The project is now well underway and the waterfront is getting a facelift. The new marina is the centerpiece of the redevelopment effort and numerous businesses are investing in surrounding properties. Without the EDA money as a catalyst for this redevelopment of the State capital's historic waterfront, the project could not have been undertaken.

I am sure this story can be repeated by Members from around the country. The National Development Investment Act is a sound investment in the economy of our Nation and I urge my colleagues to support passage of the bill.●

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, pursuant to House Resolution 250, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. OBERSTAR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 306, nays 113, not voting 14, as follows:

[Roll No. 240]

YEAS—306

Ackerman	Bates	Bosco
Addabbo	Bedell	Boucher
Akaka	Bellenson	Boxer
Albosta	Bennett	Britt
Alexander	Berman	Brooks
Anderson	Bevill	Brown (CA)
Andrews (NC)	Biaggi	Bryant
Andrews (TX)	Boehlert	Burton (CA)
Annunzio	Boggs	Byron
Anthony	Boland	Campbell
Applegate	Boner	Carney
Aspin	Bonior	Carr
Barnard	Bonker	Chappell
Barnes	Borski	Clarke

Clay	Jeffords	Price
Clinger	Jenkins	Pritchard
Coats	Johnson	Pursell
Coelho	Jones (NC)	Quillen
Coleman (MO)	Jones (OK)	Rahall
Coleman (TX)	Jones (TN)	Rangel
Collins	Kaptur	Ratchford
Conte	Kasich	Ray
Conyers	Kastenmeier	Reid
Cooper	Kazen	Richardson
Coughlin	Kennelly	Ridge
Coyne	Kildee	Rinaldo
D'Amours	Kogovsek	Ritter
Daschle	Kolter	Roe
Davis	Kostmayer	Rogers
de la Garza	LaFalce	Rose
Derrick	Lantos	Rostenkowski
Dicks	Leath	Rowland
Dingell	Lehman (CA)	Roybal
Dixon	Lehman (FL)	Russo
Donnelly	Leland	Sabo
Dorgan	Lent	Savage
Dowdy	Levin	Sawyer
Downey	Levine	Scheuer
Duncan	Levitas	Schneider
Durbin	Lewis (FL)	Schroeder
Dwyer	Lipinski	Schumer
Dymally	Livingston	Seiberling
Dyson	Lloyd	Shannon
Early	Long (LA)	Sharp
Eckart	Long (MD)	Shaw
Edgar	Lott	Shelby
Edwards (AL)	Lowry (WA)	Shuster
Edwards (CA)	Lujan	Sikorski
Emerson	Luken	Simon
Erdreich	Lundine	Sisisky
Evans (IL)	Markey	Skelton
Fascell	Martin (NC)	Smith (FL)
Fazio	Martin (NY)	Smith (IA)
Feighan	Martinez	Smith (NJ)
Ferraro	Matsui	Snowe
Fiedler	Mavroules	Snyder
Fish	Mazzoli	Solarz
Flippo	McCloskey	Spratt
Florio	McCurdy	St Germain
Foglietta	McEwen	Staggers
Foley	McGrath	Stangeland
Ford (MI)	McHugh	Stark
Fowler	McKernan	Stokes
Frank	McKinney	Stratton
Franklin	McNulty	Studds
Frost	Mica	Sundquist
Fuqua	Mikulski	Swift
Garcia	Miller (CA)	Synar
Gaydos	Miller (OH)	Tallon
Gejdenson	Mineta	Taylor
Gekas	Minish	Thomas (GA)
Gephardt	Mitchell	Torres
Gilman	Moakley	Towns
Gingrich	Molinari	Traxler
Glickman	Mollohan	Udall
Gonzalez	Montgomery	Valentine
Goodling	Moody	Vander Jagt
Gradison	Morrison (CT)	Vandergriff
Gray	Morrison (WA)	Vento
Green	Murphy	Volkmer
Guarini	Murtha	Walgren
Gunderson	Natcher	Watkins
Hall (IN)	Neal	Waxman
Hall (OH)	Nichols	Weaver
Hall, Ralph	Nowak	Weiss
Hall, Sam	O'Brien	Wheat
Hamilton	Oakar	Whitley
Hammerschmidt	Oberstar	Whitten
Harkin	Obey	Williams (MT)
Hatcher	Olin	Williams (OH)
Hawkins	Ortiz	Wilson
Hefner	Ottinger	Wirth
Hertel	Owens	Wise
Hightower	Packard	Wolf
Horton	Panetta	Wolpe
Howard	Patman	Wright
Hoyer	Patterson	Wyden
Hubbard	Pease	Yates
Huckaby	Penny	Yatron
Hughes	Pepper	Young (AK)
Hutto	Perkins	Young (MO)
Jacobs	Pickle	Zablocki

NAYS—113

Archer	Bereuter	Brown (CO)
AuCoin	Bethune	Burton (IN)
Badham	Bilirakis	Carper
Bartlett	Bliley	Chappie
Bateman	Broomfield	Cheney
Conable	Kramer	Robinson
Corcoran	Lagomarsino	Roemer
Courter	Latta	Roth
Craig	Leach	Roukema
Crane, Daniel	Lewis (CA)	Rudd
Crane, Philip	Loeffler	Schaefer
Daniel	Lowery (CA)	Schulze
Daub	Lungren	Sensenbrenner
DeWine	Mack	Shumway
Dickinson	MacKay	Siljander
Dreier	Madigan	Skeen
Edwards (OK)	Marlenee	Slattery
English	Marriott	Smith (NE)
Erlenborn	Martin (IL)	Smith, Denny
Evans (IA)	McCain	Smith, Robert
Fields	McCandless	Solomon
Forsythe	McCollum	Spence
Frenzel	McDonald	Stenholm
Gibbons	Michel	Stump
Gramm	Moore	Tauke
Gregg	Moorhead	Tauzin
Hance	Mrazek	Thomas (CA)
Hansen (ID)	Myers	Vucanovich
Hansen (UT)	Nelson	Walker
Hartnett	Nielson	Weber
Hiler	Oxley	Whitehurst
Hillis	Parris	Whittaker
Hopkins	Pashayan	Winn
Hunter	Paul	Wortley
Hyde	Petri	Wylie
Ireland	Porter	Young (FL)
Kemp	Regula	Zschau
Kindness	Roberts	

NOT VOTING—14

Breaux	Dellums	Holt
Broyhill	Ford (TN)	McDade
Chandler	Gore	Rodino
Crockett	Harrison	Torricelli
Dannemeyer	Heftel	

□ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Breaux against.

Mr. MARRIOTT changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1550

GENERAL LEAVE

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 10, just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ADMINISTRATIVE LAW AND GOVERNMENTAL RELATIONS OF COMMITTEE ON THE JUDICIARY TO SIT ON WEDNESDAY AND THURSDAY, JULY 13 AND 15, 1983, UNDER 5-MINUTE RULE

Mr. SAM B. HALL, JR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary be permitted to sit on Wednesday and Thursday, July 13 and 14, 1983, while the House is considering amendments under the 5-minute rule.

The purpose of the subcommittee meeting is to continue hearings on H.R. 2327, regulatory reform legislation.

The minority has been consulted and have agreed to this.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

HOUSING AND URBAN-RURAL RECOVERY ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1) to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, with Mr. MINETA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House on the State of the Union rose on Monday, July 11, all time for general debate had expired. Pursuant to the rule, the substitute committee amendment recommended by the Committee on Banking, Finance and Urban Affairs, now printed in the reported bill, shall be considered by titles as an original bill for the purpose of amendment and each title shall be considered as having been read. Immediately after the short title has been designated by the Clerk, it shall be in order to consider amendments printed in the CONGRESSIONAL RECORD of July 11, 1983, by Representative GONZALEZ and if offered by himself or his designee, said amendments shall be considered en bloc and shall be debatable for not to exceed 1 hour, equally divided and controlled by Representative GONZALEZ and a Member opposed thereto before they are considered for amendment under the 5-minute rule.

After the disposition of these amendments, the substitute committee amendment shall be considered for amendment. After said substitute has been read for amendment in its entirety, it shall be in order to consider an amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of July 11, 1983, by Representative WYLIE and if offered by himself or his designee and said amendment shall be debatable for not to exceed 2 hours, equally divided and controlled

by Representative WYLIE and a Member opposed thereto before it is considered for amendment under the 5-minute rule.

Amendments to the table of contents of the substitute committee amendment shall be in order at any time during the consideration of said substitute.

The Clerk will designate section 1.

Section 1 reads as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND TABLE OF CONTENTS

SECTION. 1. This Act may be cited as the "Housing and Urban-Rural Recovery Act of 1983".

AMENDMENTS OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. GONZALEZ: Page 7, strike out line 10 and insert in lieu thereof the following:

(A) the metropolitan area within which the metropolitan city or urban county involved is located, in

Page 8, strike out lines 3 through 5 and insert in lieu thereof the following:

(d) Section 103 of such Act is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated for such purposes not to exceed $3,500,000,000 for fiscal year 1984 and not to exceed $3,450,000,000 for each of the fiscal years 1985 and 1986.

Page 22, after line 19, insert the following new subsection:

(k) Section 106(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1), the Secretary may reallocate to any metropolitan city any amounts allocated to, but not received by, the urban county in which such city is located if (A) such city was an included unit of general local government in such county prior to the qualification of such city as a metropolitan city; (B) such amounts were designated by such county for use in such city prior to the qualification of such city as a metropolitan city; and (C) such city and county agree to such reallocation and the resulting transfer of responsibility for the administration of such amounts.".

Page 22, strike out line 20 and all that follows through page 23, line 25.

Page 24, line 1, strike out "The" and all that follows through the colon on line 2 and insert in lieu thereof the following: "Section 107(a) of such Act is amended by striking out the first sentence and inserting in lieu thereof the following:".

Page 24, line 6, insert after the first period the following new sentence: "In addition to such amounts authorized to be set aside for grants under subsection (b), there is authorized to be appropriated $100,000,000 for fiscal year 1984 to carry out the provisions of subsection (d).".

Page 24, line 24, strike out "(d) and (e)" and insert in lieu thereof "(e) and (f)".

Page 25, line 2, strike out "subsection" and insert in lieu thereof "subsections".

Page 25, line 19, strike out the quotation marks and final period.

Page 25, after line 19, insert the following:

"(d) The Secretary shall, to the extent approved in appropriation Acts, make grants to States, units of general local government, and Indian tribes for the provision of shelter and essential services for individuals and families who are subject to life-threatening situations because of their lack of housing, except that in the case of a grant to a State the Secretary shall first certify that the purposes of this subsection will be more effectively carried out by making a grant to such State that has an existing program that serves such individuals and families. Such grants shall be awarded on the basis of the need for emergency housing in the area where the project is or will be located, shall take into account regional variations in the cost of providing shelter, and shall consider the extent to which units of general local government and nonprofit organizations are currently providing shelter and assistance. Such grants may be used by such units of general local government or by local nonprofit organizations to rehabilitate existing structures in order to provide basic shelter, to maintain structures providing such shelter, to pay for utilities and the furnishing of such shelters, to provide for any necessary health and safety measures that are required to protect the individuals using such shelter, and for other purposes described in section 105(a) that are consistent with the purpose of this program. In the case of a structure that is rehabilitated with assistance under this subsection, such structure shall be used for emergency housing, after such rehabilitation, for a period of not less than 3 years. In providing grants under this subsection, the Secretary shall take into consideration the special needs of families and single women. The Secretary shall ensure that grants provided under this subsection are used solely to provide additional shelter capacity and essential services and are not used to replace amounts currently expended in the provision of such shelter and services. The restriction contained in the preceding sentence shall not apply to applicants under this subsection that, pursuant to a State constitutional mandate, have provided shelter to any person who presents himself or herself for shelter.".

(4) Section 107(e) of such Act, as so redesignated in this section, is amended by inserting ", or appropriated for use under subsection (d)," after "subsection (b)".

Page 27, strike out lines 7 through 13 and insert in lieu thereof the following:

SEC. 102. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "There are authorized to be appropriated to carry out the provisions of this section not to exceed $440,000,000 for each of the fiscal years 1984, 1985, and 1986, and any amount appropriated under this sentence shall remain available until expended.".

Page 37, line 17, strike out "$15,000,000" and insert in lieu thereof "$5,000,000".

Page 47, strike out line 19 and all that follows through page 48, line 3, and insert in lieu thereof the following:

"(n)(1) There are authorized to be appropriated—

"(A) $12,000,000 for fiscal year 1984 to carry out subsections (a), (b), (c), and (i); and

"(B) $12,000,000 for fiscal year 1984 to carry out subsections (f), (g).

"(2) Any amount appropriated under this subsection shall remain available until expended.".

Page 48, line 5, insert "(a)" after the section designation.

Page 48, strike out lines 7 through 10 (and redesignate the subsequent paragraphs accordingly).

Page 48, line 13, strike out "$69,000,000" and insert in lieu thereof "$72,000,000".

Page 48, after line 24, insert the following new subsection:

(b) Section 312(h) of such Act is amended by striking out "1983" each place it appears and inserting in lieu thereof "1984".

Page 49, line 6, strike out "$18,512,000" and insert in lieu thereof "$16,000,000".

Page 50, line 3, strike out "$729,033,000 on October 1, 1983" and insert in lieu thereof the following: "$549,949,000 on October 1, 1983 (of which amount $16,660,000 shall be available for contracts to make assistance payments under section 235 of the National Housing Act)".

Page 50, line 8, strike out "$12,927,147,000" and insert in lieu thereof "$9,912,928,000".

Page 50, line 9, insert after "1983" the following: "(of which amount $166,600,000 shall be available for assistance payments under section 235 of the National Housing Act and $900,000,000 shall be available for assistance under the Rental Housing Production and Rehabilitation Act of 1983)".

Page 50, line 19, strike out "$105,000,000" and insert in lieu thereof "$81,022,000".

Page 51, strike out lines 1 through 16 and insert in lieu thereof the following:

"(i) at least $395,023,000 shall be made available for assistance under section 8—

"(I) not less than $125,883,000 of which shall be made available for assistance under section 8(b)(1);

"(II) not less than $21,905,000 of which shall be made available for assistance under section 8(e)(5), other than for use in connection with the sale of projects owned by the Department of Housing and Urban Development;

"(III) not less than $42,000,000 of which shall be made available for amendments to reservations of assistance under section 8 or to contracts for assistance entered into under section 8 in any fiscal year ending before October 1, 1983; and

"(IV) not more than $143,260,000 of which may be utilized to convert assistance under any other provision of law to assistance under section 8; and

"(ii) at least $57,244,000 shall be made available for lower income housing projects under this Act (other than under section 8), of which amount not less than $13,912,000 shall be made available to Indian public housing agencies.

"(C) Any authority approved in appropriation Acts under this subsection that is recaptured and made available for obligation during fiscal year 1984 shall be utilized by the Secretary for the following purposes:

"(i) for assistance under section 8(b)(2) with respect to projects assisted under section 202 of the Housing Act of 1959, not less than $1,926,400,000; and

"(ii) for assistance under section 8(b)(1), not less than $573,600,000 of the balance of such authority that remains after deducting the amount to be utilized under clause (i).".

Page 51, line 20, strike out "$1,550,000,000" and insert in lieu thereof "$1,450,000,000".

Page 83, strike out line 25 and all that follows through page 84, line 6 (and redesignate the subsequent subsection accordingly).

Page 84, strike out line 10 and all that follows through page 85, line 18, and insert in lieu thereof the following:

SECTION 236 ASSISTANCE

SEC. 222. (a) Section 236(h) of the National Housing Act is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants in units in projects assisted, but not subject to mortgages insured, under this section receive the benefit of assistance contracted for under subsection (f)(2), the Secretary shall offer annually to amend contracts entered into with project owners under such subsection to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants in such units if, after September 30, 1984, such payments are not already provided for under such contracts. The Secretary shall take such actions as may be necessary to ensure that payments, including that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under subsection (f)(2).".

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise for the purpose of making assistance payments, including amendments as provided in subsection (h), with respect to housing projects assisted, but not subject to mortgages insured, under this section that remain covered by assistance under subsection (f)(2).".

Page 86, line 7, strike out "$6,507,660,000" and insert in lieu thereof "$6,944,858,000".

Page 88, line 6, insert "or" after the semicolon.

Page 88, line 10, strike out "; or" and insert in lieu thereof a period.

Page 88, strike out lines 11 through 15.

Page 92, line 13, insert after "shall" the following: ", to the extent approved in appropriation Acts,".

Page 95, line 2, strike out "$10,000,000" and insert in lieu thereof "$4,000,000".

Page 95, strike out line 20 and all that follows through page 97, line 7, and insert in lieu thereof the following:

RENT SUPPLEMENT PROGRAM

SEC. 227. (a) Section 101(g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants in units in housing assisted under this section, but not subject to mortgages insured under the National Housing Act, receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with housing owners under this section to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants in such units if, after September 30, 1984, such payments are not already provided for under such contracts. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section.".

(b) Section 101(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary after September 30, 1984, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1) for the purpose of making assistance payments, including amendments as provided in subsection (g), with respect to housing projects assisted under this section, but not subject to mortgages insured under the National Housing Act, that remain covered by assistance under this section; and (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act.".

Page 106, line 3, insert after "1983" the following: "(from the additional authority to enter into contracts made available on such date under the first sentence of section 5(c)(1) of the United States Housing Act of 1937)".

Page 106, line 8, insert before the period the following: "of the amount of budget authority made available for fiscal year 1984 under the third sentence of section 5(c)(1) of the United States Housing Act of 1937".

Page 117, strike out lines 19 through 22 and insert in lieu thereof the following:

LIMITATION ON BUDGET AUTHORITY

SEC. 311. Of the budget authority made available for fiscal year 1984 under the third sentence of section 5(c)(1) of the United States Housing Act of 1937, not more than $900,000,000 shall be available for purposes of assistance under this title.

Page 118, line 8, strike out "$3,955,600,000" and insert in lieu thereof "$3,291,000,000".

Page 118, line 12, strike out "$3,705,600,000" and insert in lieu thereof "$3,262,000,000".

Page 118, after line 16, insert the following new paragraph:

(4) in subsection (a)(2), by striking out "$25,600,000" and inserting in lieu thereof "$20,000,000;

Page 118, strike out lines 17 through 22.

Page 119, line 3, strike out "$1,000,000,000" and insert in lieu thereof "$940,000,000".

Page 119, line 7, strike out "$50,000,000" and insert in lieu thereof "$29,000,000".

Page 19, after line 17, insert the following new paragraphs (and redesignate the subsequent paragraph accordingly):

(7) in subsection (b)(2), by striking out "$50,000,000" and "$25,000,000" and inserting in lieu thereof "$36,500,000" and "$12,500,000", respectively;

(8) in subsection (b)(3), by striking out "$25,000,000" and inserting in lieu thereof "$4,400,000"; and

Page 119, line 25, strike out "; and" and insert in lieu thereof a period.

Page 120, strike out lines 1 through 8.

Page 120, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 120, line 13, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 120, line 17, strike out "$400,000,000" and insert in lieu thereof "$135,000,000".

Page 120, line 23, strike out "$200,000,000" and insert in lieu thereof "$72,000,000".

Page 121, beginning on line 4, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 121, line 6 strike out "$12,000,000" and insert in lieu thereof "$12,500,000".

Page 137, line 19, strike out "$100,000,000" and insert in lieu thereof "$10,000,000".

Page 138, strike out line 1 and all that follows through page 139, line 14 (and redesignate the subsequent section and conform the table of contents, accordingly).

Page 139, line 19, strike out the comma and all that follows through the comma on line 20.

Page 139, line 21, strike out "appropriated" and insert in lieu thereof "available for any fiscal year".

Page 140, line 7, strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

Page 140, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 140, line 13, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 140, line 16, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 140, line 19, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 140, line 22, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 1, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 4, strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

Page 141, line 8, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 11, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 12, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 17, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 141, line 20, strike out "May 20, 1983" and insert in lieu thereof "September 30,

Page 141, line 24, strike out "May 21, 1983" and insert in lieu thereof "October 1, 1983".

Page 142, line 12, strike out "$45,900,000,000" and insert in lieu thereof "$50,900,000,000".

Page 142, line 18, strike out "1982" and insert in lieu thereof "1983."

Page 169, line 10, strike out "$100,000,000" and insert in lieu thereof $35,000,000".

Page 170, beginning on line 7, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 170, line 10, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 173, line 1, strike out "May 20, 1983" and insert in lieu thereof "September 30, 1983".

Page 174, line 10, strike out "$8,000,000" and insert in lieu thereof "$4,000,000".

Page 174, line 18, strike out "$24,000,000" and insert in lieu thereof "$19,000,000".

Mr. GONZALEZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Chairman, I am offering this amendment, to be perfectly frank, quite reluctantly, not because I believe it provides an adequate housing program, because at this point it is the only and best alternative that we have. It sets the authorization level somewhat below the budget resolution and the assisted housing levels match exactly the amount provided in the conference agreement on the HUD appropriations bill which the Congress has approved and sent to the President. It was overwhelmingly adopted by the House and the administration, I understand, has accepted that conference.

I want to be perfectly clear, the Gonzalez amendment deals with funding levels. It does not propose any significant changes in the questions of policy or principle.

The purpose of this amendment is to resolve funding issues, since these have by and large already been determined by actions of the Congress.

Additionally, I hope that this amendment clearly demonstrates good faith.

I am willing to take this step because it is critically important that we do enact housing authorization legislation this year, and because it is imperative that we establish ground on which to rebuild the historic bipartisan commitment to an effective national housing policy. Two and a half years of rigid Stockman ideology have frustrated every effort to enact practical housing legislation. My amendment offers practical and reasonable grounds for practical and reasonable compliance.

I recognize that there are some who would not support any reasonable approach, solely on their own ideological or partisan feelings; but for those who favor practical approaches, approaches that work, that are responsible and prudent, this amendment is the best course open.

The amendment reduces assisted housing authorization and the other elements of H.R. 1 to a point of $660 million below the budget authority levels provided in the budget resolution.

In terms of assisted housing, it provides budget authority of $9.9 billion.

We estimate this would assist 209,000 families, including 149,000 who are not now receiving any form of housing assistance.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the gentleman.

Mr. VENTO. Mr. Chairman, let me say, I realize that the gentleman has done yeoman service here with the committee in terms of providing an opportunity to move forward, with his proposed amendment, because while the authorizing levels provided in this amendment will not attain the goals that the gentleman and I and other members of the committee have, certainly from a results oriented type of solution, there are many other policy areas in housing in this measure that need to be addressed, other than just a unanimous consent reauthorization of the housing programs that has occurred the past few years. In our committee, both the minority and majority side has done a great deal of work in terms of trying to rewrite some of the housing laws so that they work better.

I think we all regret that in 1981 and in 1982 reconciliation really represented the only authorizing work that was permitted or possible at the time; but here I think in this instance we have a chance to move forward with a true housing authorization measure for 1984.

I think we should commend the Appropriations Committee for providing us some latitude, some hard fought latitude, I might say, to accomplish the goals in terms of providing dollars down the road for our new programs. We will and we can move forward.

I think it is a good, positive move that we can accomplish. I think this measure is results oriented. It is not what the gentleman and I want, Mr. Chairman, but I think we can accept it.

I want to commend the gentleman from Texas for his work in terms of bringing this to us today.

I rise in support of this amendment, reluctantly, for many of the same reasons outlined by the chairman of the subcommittee.

Mr. GONZALEZ. Mr. Chairman, I thank the distinguished gentleman from that great State of Minnesota and to say for the RECORD that the gentleman is one of the leading contributors to the forging of housing policy and has been since he has come to the Congress. I am deeply grateful for the contributions the gentleman has made, not only to this bill, but other housing legislation, and for his kind words.

Let me just sum up by saying that this amendment brings into total reconciliation with the appropriation bill on housing and below the budget allocations, the budget obligations and authority and, therefore, removes any possibility of the big, big accusation that was raised about this being a budget-busting attempt.

On top of that, it brings about a reconciliation in language on some of our basic programs, section 8 programs, that have long been overdue.

Mr. GARCIA. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from New York.

Mr. GARCIA. Mr. Chairman, I thank the gentleman for yielding.

Just let me say to the gentleman, as a representative of a city with an 8-year waiting list for housing assistance, I rise in strong support, obviously, of H.R. 1, the Housing and Urban-Rural Recovery Act, and also for the responsible substitute amendment offered by the gentleman.

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So I will be supporting that today and helping in whatever way I can on the floor to see we can get this housing legislation through.

Over the last few years, we have made some significant progress in rebuilding areas like the Bronx. The efforts of community people such as those in my district have been possible with the help of such urban programs as neighborhood development grants, the community development block grant, and the action grant programs.

However, our efforts have been slowed by the total lack of any commitment to housing programs as espoused by this administration. Indeed, we are now in a period—the first in over 40 years—where there is no active production program. This is why title III of this bill is so important, it offers an opportunity to once again produce new rental housing units.

H.R. 1, supported by anyone with a commitment to the restoration of a Federal housing policy, recognizes the overwhelming need of our Nation's citizens. Though the summer months are hiding the tragedy of America's homeless, H.R. 1 begins to address the problem with a homeless assistance program. The act also recognizes, thanks to the intensive series of hearings held on housing by the Banking Committee, that something needs to be done—and soon.

A 1981 GAO study indicated that over 18 million families in the United States need some form of housing assistance, 6 million live in substandard housing, 10 million spend in excess of 25 percent of their income for housing and that over 2 million are living in overcrowded housing.

This bill also seeks to preserve our commitment to the Nation's public housing stock by offering modernization moneys that not only will seek to preserve our investment and improve the living conditions of the poor, it will also offer a significant boost to local job opportunities.

Community development funds are still too low in this legislation. Over the last few years, inflation and the reduction of other like programs have placed some serious limitations on the program. With the increased needs of our Nation's cities and with the increased amount of entitlement communities, the CDBG program should be expanded. However, the budget resolution has limited our flexibility in this regard.

The bill also goes a long way in reversing some of the unconscionable

policy changes of the 1981 Reagan budget. In particular, it rolls back the percentage a low income tenant must pay for rent to 25 percent from the 30 percent level mandated by the 1981 act. According to the just released 1981 Annual Housing Survey, the average homeowner with a mortgage, spent 19 percent of household income for shelter, including utilities and maintenance. How much more should low income tenants pay? Anyone who has spent some time with elderly or low-income families living on fixed incomes is certainly aware of the burden placed on them by ever increasing rents.

Other policy changes require that a majority of the CDBG funds be spent in assistance of low- and moderate-income families. Why this is opposed by the same administration which advocates that the housing assistance funds only go to those below 50 percent of the median income, baffles me. It seems during such a time of limited resources, we need to target these funds as well.

H.R. 1, with the Gonzalez amendment, is truly a modest bill. I wish we could offer as much in housing assistance to the poor as we do to America's middle class through such tax deductions as those allowed for mortgage interest costs. I urge my colleagues to support the Gonzalez amendment and H.R. 1.

Mr. GONZALEZ. I thank my esteemed colleague from New York. I also wish to compliment him for his tremendous aid and help on this legislation.

I would say further I do not want to hold out any false promises. This bill is a survival bill but at least it is a realistic attempt to answer responsibly the present situation as we confront it.

Mr. Chairman, I yield back the balance of my time.

Mr. WYLIE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Ohio (Mr. WYLIE) is recognized for 30 minutes.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am constrained to oppose the Gonzalez amendment. I do not believe it addresses all the major problems with H.R. 1, but it does represent a big step in the right direction. It reduces budget authority in H.R. 1 from $25.8 billion to $19.4 billion.

If this amendment had been proffered during committee deliberations on this bill, it is quite possible that a bipartisan working relationship could have been developed and H.R. 1 might have actually passed the House prior to the consideration of the appropriations bill.

Certainly, we all—Republicans and Democrats—have a stake in seeing to it that the orderly processes of the House are maintained and it should have been realized by now that that means development of bipartisan housing bills.

As I stated earlier, I complement this for this amendment. The budget authority it represents is consistent with the total for all HUD programs that was included in the substitute I filed in the RECORD yesterday. It is still $1.5 billion over in rural housing.

However, I must take issue with how the HUD funds are to be allocated. Of particular concern is the frittering away of over $1 billion in valuable resources on two housing programs which are not targeted on the neediest families in our country. It does the poor a great disservice to set aside more than $1 out of every $10 in assisted housing funds to help families other than the truly low income.

Specifically, I am objecting to the diversion of $900 million to a multifamily production program designed more to benefit developers and syndicators than the families in need of decent safe and sanitary housing. Who is pushing for this program? It certainly is not the poor. They are only assured of getting 20 percent of the total units assisted and even that will require additional subsidies from section 8. Oddly enough, an effort to require a higher percentage of assistance to go for lower income families was drastically watered down in committee—in stark contrast to the 51-percent test imposed in this bill in the CDBG program.

I also object to the diversion of $167 million to the 235 homeownership program. When we have such limited resources, we should not be channeling even minor amounts into a program designed to subsidize the purchase of a home for some precious few moderate income and above families. This allocation resembles a private bill which will primarily benefit limited areas of the country which have made extensive use of the 235 program in the past. Virtually all funds would go to Alabama.

Those are my major objections to the Gonzalez amendment. There are, of course, numerous objections to H.R. 1 which the amendment does not address, however, and I will not go into detail on those items.

The Gonzalez amendment may make it possible to go to a conference with the other body, something that could possibly bear fruit. Without these changes, even a conference was out of the question.

Mr. Chairman, I yield back the balance of my time.

● Mr. FAUNTROY. Mr. Chairman, I rise to support H.R. 1, the Housing and Urban-Rural Recovery Act of 1983 and to commend my friend and colleague, the gentleman from Texas and chairman of the Subcommittee on Housing, Mr. GONZALEZ, for his efforts to bring to this House a bill which would meet the needs of our citizens. I recognize that events have foreclosed the opportunity of this body to enact the levels of authorizations which the subcommittee and committee reported. The fact, does not, however, detract from the efforts of the chairman of the subcommittee nor of the chairman of the full committee, Mr. ST GERMAIN, to bring to the attention of the Members of this House the housing and community development needs of our Nation which are represented in the committee print. It is my hope that we will, in future years, be able to consider and adopt the kinds of housing and community development proposals which this committee has previously recommended.

We must, however, do what can to meet the most minimal needs of our citizens for housing irrespective of whether or not it is as much as we think we ought to do. Therefore, I join with the chairman of the subcommittee and the chairman of the full committee in support of the committee amendment which will bring the authorization into line with the budget resolution. Essentially, this minimal provision keeps alive our commitments to housing and sustains the ideal that all Americans are entitled to safe, decent, and sanitary housing. We ought not, however, fool ourselves into believing that it does anything more than that. The amounts contained in the budget resolution fall far short of the needs of our people. The approximately $16 billion authorized by the budget resolution is only half of the resources which are needed and which were previously committed. H.R. 1, before the amendment, was also less than what we have previously committed ourselves to spending for housing and community needs in our Nation.

I know some of my colleagues would argue in these times of economic difficulty that we should lower our hopes, and lower our expenditures. Everyone will admit that these are hard times; I do not believe, however, that the challenges of such an era should fall so disproportionately upon the poor and those who are seeking relief from a housing market that is overpriced, overcrowded, and which cannot provide the level of safe, decent and sanitary housing which we have come to expect in this country.

I reiterate that both the original bill, and now the amendment offered by Mr. GONZALEZ are reasonable efforts to meet the criticism and to partially provide some of the much needed housing and community development relief. I reluctantly support the Gonzalez amendment because, like the author, I recognize what we can and cannot presently do. Most importantly, I recognize the need to enact a housing bill which will give guidance and form to our Nation's housing poli-

cies albeit with less financial support than we might prefer.

The bill, as it would be amended by the Gonzalez amendment, provides funds to assist approximately 209,000 families, retain $900 million for the rental production program, $167 million for the section 235 program, and provide $100 million for the homeless. It also provides $1.6 billion for public housing modernization, $1.4 billion for public housing operating subsidies, $3.5 billion for CDBG assistance, and $4 million for housing assistance counseling. These are important things for the cities and rural communities of our Nation. Therefore I urge the adoption of this bill as it is proposed be amended and yield such the balance of my time.●

The CHAIRMAN. Are there any amendments to the pending amendments?

PARLIAMENTARY INQUIRY

Mr. WYLIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WYLIE. Mr. Chairman, are we going through this title by title now?

The CHAIRMAN. First pursuant to the rule, will be the vote on the Gonzalez amendments en bloc.

Are there any amendments to the amendments?

If not, the question is on the amendments offered by the gentleman from Texas (Mr. GONZALEZ).

The amendments were agreed to.

The CHAIRMAN. The Clerk will designate the table of contents.

The table of contents reads as follows:

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TITLE II—ASSISTED HOUSING

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Sec. 201. Lower income housing authorization.
Sec. 202. Tenant contribution.
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Sec. 204. Comprehensive improvement assistance.
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Sec. 553. Multifamily mortgage foreclosure.
Sec. 554. Alternative mortgage transactions.

The CHAIRMAN. Are there any amendments to the table of contents?

If not, the Clerk will designate section 2.

Section 2 reads as follows:

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) severe economic conditions have adversely affected the cities, towns, and smaller communities of the Nation, and the primary objective of the community development block grant program is to principally benefit persons of low and moderate income;

(2) for nearly half a century the Federal Government has played a meaningful role in providing shelter for families of low and moderate incomes and in assisting the housing industry to make its essential contribution to the general welfare of this Nation and its people; and

(3) a reaffirmation of this Federal role is necessary in order to continue assisting the housing and related industries, assisting families by providing opportunities for the purchase of homes, and providing decent and affordable rental housing opportunities.

(b) The purpose of this Act, therefore, is to reaffirm the role carried out by the Federal Government toward achieving the national goal of decent, affordable housing and a suitable living environment for every American family by establishing and carrying out housing, community development, and related programs for the past 50 years, and to thereby assist the housing industry and urban and rural communities in making their full contribution to the development of the economic well-being of communities and a national economy with maximum employment and production.

The CHAIRMAN. Are there any amendments to section 2?

If not, the Clerk will designate title I.

Title I reads as follows:

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

COMMUNITY DEVELOPMENT

SEC. 101. (a) The second sentence of section 101(c) of the Housing and Community Development Act of 1974 is amended by inserting after the first comma the following: "not less than 51 percent of the Federal financial assistance provided in this title, other than under or for section 119, shall be used for the support of activities that benefit persons of low and moderate income, and".

(b)(1) Section 102(a)(4) of such Act is amended by striking out "fifty thousand or until September 30, 1983, whichever is later" and inserting in lieu thereof "45,000".

(2) Section 102(a)(6) of such Act is amended—

(A) by striking out "through September 30, 1983, and shall not be subject to the provisions of section 102(d) in through such date" and inserting in lieu thereof "until the decennial census indicates that the population of such county is less than 180,000"; and

(B) by adding at the end thereof the following new sentence: "Notwithstanding the combined population amount set forth in clause (B) of the first sentence, a county shall also qualify as an urban county for purposes of assistance under section 106 if such county (A) complies with all other requirements set forth in the first sentence; (B) has a combined population between 190,000 and 199,999, inclusive; (C) had a population growth rate of not less than 25 percent during the most recent 10-year period measured by applicable censuses; and (D) has not previously qualified as an urban county under the first sentence.".

(3) Section 102(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(20) The terms 'persons of low and moderate income' and 'low- and moderate-income persons' mean families whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Such terms include families consisting of one individual. The area involved shall be considered to be (A) the metropolitan city or urban county involved, in the case of a grant to any such city or county under section 106(b); and (B) the portions of the State involved that are nonentitlement areas, in the case of a grant to any State or any unit of general local government in a nonentitlement area under section 106(d).".

(c) Section 102(b) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this title, any unit of general local government qualifying as a metropolitan city described in subsection (a)(4)(A) for purposes of assistance under section 106 for fiscal year 1983 shall continue to qualify as such a city for purposes of assistance under such section for fiscal year 1984 and each succeeding fiscal year, if such city utilizes not less than 75 percent of the assistance received under such section for fiscal year 1982 and each succeeding fiscal year, respectively, in areas or on projects directly benefiting persons of low and moderate income.".

(d) Section 103 of such Act is amended by inserting the following after "1983": ", and not to exceed $4,500,000,000 for each of the fiscal years 1984, 1985, and 1986".

(e) Subsections (a) and (b) of section 104 of such Act are amended to read as follows:

"(a)(1) No grant may be made by the Secretary to any metropolitan city or urban county under section 106(b) unless the applicant involved—

"(A) certifies that it has developed a 3-year community development plan that identifies community development and housing needs, includes a comprehensive strategy for meeting such needs, and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objective and requirements of this title;

"(B) certifies that it has formulated a program that (i) includes the activities to be undertaken, using funds available under section 106, to meet its community development needs and objectives, together with the estimated costs and general location of such activities and the estimated extent to which such activities will benefit persons of low and moderate income; (ii) indicates resources other than those provided under this title that are expected to be made available toward meeting its identified needs, activities, and objectives, including activities designed to revitalize neighborhoods for the benefit of persons of low and moderate income; and (iii) specifies a plan to minimize direct and indirect displacement of persons as a result of activities assisted under this title and to assist persons actually displaced as a result of such activities, which plan shall take into account particularly the effect of such activities on the involuntary displacement of persons of low and moderate income;

"(C) except as provided in section 107(d)(2), certifies that the program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284, and that the applicant will affirmatively further fair housing opportunities;

"(D) certifies that (i) prior to submission of its application, it has prepared and followed a written citizen participation plan that provides citizens an opportunity to participate in the development of the application, encourages the submission of views and proposals, particularly by residents of blighted neighborhoods and persons of low and moderate income, provides for timely responses to the proposals submitted, and schedules hearings at times and locations that permit broad participation; (ii) prior to submission of its application, it has provided citizens with adequate information concerning the amount of funds available for proposed community development activities and housing activities, the range of activities that may be undertaken, and other important requirements; (iii) prior to submission of its application, it has held public hearings to obtain the views of citizens on community development and housing needs; (iv) it will provide citizens with reasonable access to records regarding the use of funds in sufficient time for citizens to submit comments concerning the community development performance of the applicant; and (v) it will provide citizens with reasonable notice of, and opportunity to comment on, any substantial change proposed to be made in the use of funds received under section 106 from one eligible activity to another; except that nothing in this paragraph may be construed to restrict the responsibility and authority of the applicant for the development of the application and the execution of its community development program;

"(E) certifies that it will not attempt to recover any capital costs of public improvements assisted in whole or part under section 106 by charging any fee or assessing any amount against properties owned by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless funds received under section 106 are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; and

"(F) certifies that it will comply with the other provisions of this title and other applicable laws.

"(2) No grant may be made by the Secretary to any State under section 106(d) unless the applicant involved—

"(A) complies with the provisions of paragraph (1), except subparagraph (B) of such paragraph;

"(B) certifies that it has consulted with the units of general local government in nonentitlement areas located in such State in developing its community development plan and its procedure for the allocation of funds received under section 106; and

"(C) certifies that it has developed a method by which applications for assistance from units of general local government in nonentitlement areas will be selected, which shall (i) include a competitive selection process; and (ii) provide that an application for assistance from a unit of general local government may not be denied on the basis of the particular eligible activity selected by such unit of general local government to meet its community development needs.

"(3) No amount may be distributed by any State under section 106(d), or by the Secretary under section 106(d)(2)(B), to any unit of general local government located in a nonentitlement area unless the applicant involved—

"(A) complies with the provisions of paragraph (1), except subparagraphs (A), (B)(i), and B(ii) of such paragraph; and

"(B) certifies that it has developed a statement that (i) identifies its community development and housing needs; (ii) includes a strategy for meeting such needs in accordance with the primary objective and requirements of this title; and (iii) includes the activities to be undertaken, using funds available under section 106, to meet its community development needs and objectives, together with the estimated costs and general location of such activities and the estimated extent to which such activities will benefit persons of low and moderate income.

"(b)(1) Not more than 10 percent of the estimated costs referred to in paragraphs (1)(B)(i) and (3)(B)(iii) of subsection (a)

that are to be incurred during any contract period may be designated for unspecified local option activities that are eligible for assistance under section 105(a).

"(2) Any grant or distribution under section 106 shall be made only on condition that the applicant involved certify to the satisfaction of the Secretary or the State, as the case may be, that its community development program has been developed so as to give maximum feasible priority to activities that will benefit persons of low and moderate income or aid in the prevention or elimination of slums or blight, and that not less than 51 percent of the assistance received under such section shall be used for the support of activities that benefit persons of low and moderate income. An application may also describe activities that the applicant certifies are designed to meet other community development needs that have arisen during the preceding 18-month period and have a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available.".

(f) Section 104(c)(1)(B)(i) of such Act is amended by inserting "vacant and abandoned dwelling units and" after "including".

(g) Section 104(d) of such Act is amended to read as follows:

"(d)(1)(A) Each grantee under subsection (b), (d), or (d)(2)(B) of section 106 shall submit to the Secretary, and each unit of general local government that is located in a nonentitlement area and is distributed amounts by a State under section 106(d)(2) shall submit to such State, a performance report concerning the activities carried out pursuant to this title. Such performance report shall include an assessment by such grantee or unit of general local government of—

"(i) the relationship of such activities to the primary objective and specific objectives of this title;

"(ii) the relationship of such activities to the certifications required in subsections (a) and (b);

"(iii) the relationship of such activities to the needs and objectives identified in the statement developed by it under subsection (a);

"(iv) in the case of any unit of general local government required to submit a housing assistance plan under subsection (c)(1), the actions taken by it toward achievement of the goals established in such plan; and

"(v) in the case of any unit of general local government receiving amounts under any subsection of section 106, the projected and actual benefits to persons of low and moderate income as a result of such activities, described on a project-by-project basis.

"(B) Such performance report shall include any citizen comments submitted pursuant to subsection (a)(1)(D), and the Secretary shall consider such comments, together with the views of other citizens and such other information as may be available, in carrying out the provisions of this subsection.

"(C) Such performance report shall be submitted annually, on a date determined by the Secretary to be appropriate.

"(D) In order to ensure a uniform review of the various programs conducted by different recipients of assistance in accordance with this title, the Secretary shall provide that such performance reports shall be made on a standard form that is prescribed by the Secretary and that requires information sufficient to enable the Secretary and the States to conduct adequate reviews and audits under this subsection.

"(2) The Secretary shall, not less than annually, make such reviews and audits as may be necessary or appropriate to determine—

"(A) in the case of any grant under section 106(b) or section 106(d)(2)(B), whether the grantee involved has—

"(i) carried out its activities and, where applicable, its housing assistance plan in a timely manner;

"(ii) carried out such activities and its certifications made under this section in accordance with the primary objective and requirements of this title and with other applicable laws; and

"(iii) a continuing capacity to carry out such activities in a timely manner; and

"(B) in the case of any grant to a State under section 106(d), whether such State has—

"(i) distributed funds to units of general local government in a timely manner and in conformance with the method of distribution described in its statement under subsection (a);

"(ii) carried out its certifications made under subsections (a) and (b) in compliance with the primary objective and requirements of this title and with other applicable laws;

"(iii) required each unit of general local government in a nonentitlement area receiving amounts from it under section 106(d)(2) to comply with the certifications made by such unit of general local government under this section; and

"(iv) made such reviews and audits of each such unit of general local government as may be necessary or appropriate to determine whether it has satisfied the applicable performance criteria described in subparagraph (A).

"(3) The Secretary shall make such reviews and audits as may be necessary or appropriate to determine if units of general local government in nonentitlement areas receiving amounts from States under section 106(d)(2) have satisfied the applicable performance criteria described in paragraph (2)(A).

"(4) The Secretary shall require each State and unit of general local government receiving assistance under section 106 to maintain such records and other information as may be necessary to enable the Secretary and the States to conduct adequate reviews and audits under this subsection, particularly with respect to the extent to which the activities carried out with such assistance benefit persons of low and moderate income.

"(5) The Secretary may make appropriate adjustments in the amount of the annual grants made under section 106, in accordance with the findings made by the Secretary under this subsection. With respect to assistance made available to units of general local government under section 106(d), the Secretary may adjust, reduce, or withdraw such assistance, or take other action as may be appropriate in accordance with the reviews and audits of the Secretary under this subsection, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future assistance to such units of general local government.".

(h) Section 104 of such Act is amended by adding the following new subsections at the end thereof:

"(i)(1) Any unit of general local government receiving assistance under section 106 may, at its request, receive funds in one payment, in an amount that does not exceed the amount such unit of general local government determines is necessary to help finance, make feasible, or accelerate implementation of a specific project that—

"(A) is included in its most recent statement of activities submitted under subsection (a);

"(B) is eligible under section 105(a)(14); and

"(C) will require actual expenditures for an eligible activity within 2 years.

"(2) The Secretary shall promptly make any payment requested in accordance with paragraph (1) following receipt of such request. Such request shall be accompanied by a statement by such unit of general local government that describes the reasons why such payment is necessary.

"(3) Any interest accrued on a payment received by a unit of general local government under this subsection shall be expended on the project for which such payment is requested.

"(j) Notwithstanding any other provision of law, any unit of general local government may retain any program income that is realized from any community development grant made by the Secretary or by a State under section 106 if such income was realized after the initial disbursement of the grant funds by such unit of general local government and such unit has agreed to utilize the program income for eligible community development activities. A State may require as a condition of a grant made by such State under section 106 that a unit of general local government shall pay to such State any such income to be used by such State to fund additional eligible community development activities, except that such State shall waive such condition to the extent such income is applied to continue the activity from which such income was derived.

"(k) Notwithstanding any other provision of law, any amount made available to any unit of general local government under this title by the Secretary or by a State shall be considered, for the purposes of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, to be Federal financial assistance and to be a grant that requires the approval of the head of a Federal agency. Any person displaced as a result of an activity that is carried out with assistance provided under this title shall be entitled to receive assistance from such unit of general local government to the same extent as the assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and such assistance shall be provided by such unit of general local government from amounts received under this title. Persons receiving such assistance shall submit a statement detailing actual expenses incurred as a result of such displacement, which information together with a summary of the actual assistance provided such person pursuant to this section shall be kept in a form specified by the Secretary in order that the Secretary may conduct a review to determine the reasonableness and appropriateness of such assistance.".

(i)(1)(A) Section 105(a)(8) of such Act is amended—

(i) by striking out "10" and inserting in lieu thereof "20"; and

(ii) by inserting before the semicolon at the end thereof the following: "unless such unit of general local government used more than 20 percent of the assistance received under this title in any of the fiscal years

1981, 1982, or 1983 for such activities, in which case such unit of general local government may use not more than the highest percentage or highest amount of such assistance used for such activities in any of such fiscal years, whichever method of calculation yields the higher amount".

(B) Section 303(b) of the Housing and Community Development Amendments of 1981 is amended by striking out ", 1983, and 1984" and inserting in lieu thereof "and 1983".

(2) Section 105(a)(15) of the Housing and Community Development Act of 1974 is amended by inserting the following before the semicolon at the end thereof: ", including grants to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing".

(j) Section 105 of such Act is amended by adding at the end thereof the following new subsections:

"(c)(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) is identified as principally benefiting persons of low and moderate income, such activity shall—

"(A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide essential services for such persons; or

"(B) involve facilities designed for use predominately by persons of low and moderate income; or

"(C) involve employment of persons, a majority of whom are persons of low and moderate income.

"(2) In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to benefit persons of low and moderate income in proportion to their share of the population of such area.

"(3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.

"(d) No assistance may be provided under this title for any project intended to relocate any industrial or commercial plant or facility from one area to another, unless the Secretary finds that such relocation does not significantly and adversely affect the unemployment or economic base of the area from which such plant or facility is to be relocated.".

(k) Section 106 of such Act is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary is authorized to make grants for any fiscal year to any State or unit of general local government under this subsection if the annual rate of unemployment in the Nation during the second and third quarters of the preceding fiscal year is more than 7 percent.

"(2) Grants under this subsection shall be allocated and distributed in accordance with the provisions of this section, except that a unit of general local government shall be eligible to receive amounts under this subsection only if the annual rate of unemployment in such unit of general local government during the second and third quarters of the preceding fiscal year is more than 9 percent.

"(3) For purposes of carrying out the provisions of this subsection, the Secretary shall utilize information made available by the Secretary of Labor with respect to rates of unemployment. If such information is unavailable for any recipient, the Secretary shall utilize the best available information with respect to rates of unemployment, as determined by the Secretary.

"(4) Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986 that exceeds $3,500,000,000 for grants under this section, not more than $250,000,000 shall be available for each such fiscal year to carry out the provisions of this subsection.".

(l)(1) The first sentence of section 107(a) of such Act is amended to read as follows: "Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986, not more than $65,000,000 for each such fiscal year may be set aside in a special discretionary fund for grants under subsection (b).".

(2) Section 107(b) of such Act is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out ". The" in paragraph (4) and inserting in lieu thereof "; and the";

(C) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(D) by adding at the end thereof the following new paragraph:

"(5) to States and units of general local government for the purpose of allocating amounts to any such State or unit of general local government that is determined by the Secretary to have received insufficient amounts under section 106 as a result of a miscalculation of its share of funds under such section.".

(3) Section 107 of such Act is amended—

(A) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(B) by inserting after subsection (b) the following new subsection:

"(c) Of the amount set aside for use under subsection (b) in any fiscal year, the Secretary shall make available, (1) not less than $2,000,000 in the form of grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of continuing programs in effect during fiscal year 1983 for providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management. Such grants may be made only to institutions of higher education receiving grants for such purpose under section (b) for fiscal year 1983, and may only be provided to such institutions in the same manner as such grants are provided during such fiscal year; and (2) not to exceed $2,500,000 for purposes of grants made under subsection (b)(1).".

(m)(1) Section 108(a) of such Act is amended by striking out the last sentence and inserting in lieu thereof the following: "Notwithstanding any other provision of law and subject only to the absence of qualified applicants, to the authority provided in this section, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during fiscal year 1984 to guarantee notes and obligations under this section with an aggregate principal amount of $225,000,000.".

(2) Section 108 of such Act is amended by adding at the end thereof the following new subsection:

"(l) No note or other obligation may be guaranteed under this section unless the issuer certifies to the Secretary that—

"(1) not less than 51 percent of the amounts received through the issuance of such note or other obligation will be used for the support of activities that benefit persons of low and moderate income; and

"(2) it will not attempt to recover any capital costs of public improvements assisted in whole or part with amounts received through the issuance of such note or other obligation by charging any fee or assessing any amount against properties owned by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless funds received under section 106 or amounts received through the issuance of notes or other obligations under this section are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title.".

(n) The amendments made by this section shall apply only with respect to funds appropriated for fiscal year 1984 and thereafter.

URBAN DEVELOPMENT ACTION GRANTS

SEC. 102. (a) Section 119(a) of the Housing and Community Development Act of 1974 is amended by adding the following new sentence at the end thereof: "Of the total amount approved in appropriation Acts under section 103 for each of the fiscal years 1984, 1985, and 1986, not more than $440,000,000 shall be made available for each of the fiscal years 1984, 1985, and 1986 for grants under this section.".

(b)(1) Section 119(b)(2)(A)(i) of such Act is amended by inserting ", whichever is less" before the semicolon at the end thereof.

(2) Section 119(b)(2)(B) of such Act is amended—

(A) by inserting after "area" the following: ", or, in the case of an urban county, contains an identifiable unincorporated community that contains an area";

(B) in clause (i), by inserting "or identifiable unincorporated community" after "city"; and

(C) in clause (ii), by inserting "or urban county" after "city".

(c) Section 119(c)(3) of such Act is amended—

(1) by striking out ", and (B)" and inserting in lieu thereof "; (B)"; and

(2) by inserting the following after "carried out" in clause (B): "; and (C) has made available the analysis described in clause (B) to any neighborhood-based nonprofit organization in the neighborhood in which the proposed activities are to be carried out".

(d) Section 119(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) In establishing selection criteria under paragraphs (1) and (2), the Secretary shall provide that, in considering the extent

to which a grant will stimulate economic recovery by leveraging private investment, the leveraging ratio may be as low as 2 dollars of private investment for each dollar of grants provided under this section to any city that has a population of less than 50,000 persons and is not a central city of a metropolitan statistical area, if such amounts are to be used for projects involving industrial plants or facilities or providing housing for persons of low and moderate income. Such reduced leveraging ratio shall apply only with respect to funds appropriated for fiscal year 1984.".

(e) Section 119(i) of such Act is amended by adding at the end thereof the following new sentences: "The Secretary shall provide the following technical assistance to any such city that the Secretary determines will benefit from such assistance: (1) provision of information with respect to the availability of funds under this section; (2) evaluation of the needs of such city; and (3) development of a program to assist such city in meeting such needs with funds under this section. The Secretary shall make available for such assistance not less than $3,000,000 in each of the fiscal years 1984, 1985, and 1986 from the funds set aside under this subsection.".

(f) Section 119 of such Act is amended by adding the following new subsections at the end thereof:

"(p) The Secretary shall allocate the amounts available for grants under this section in a manner that achieves a reasonable balance among programs that are designed primarily (1) to restore seriously deteriorated neighborhoods; (2) to reclaim for industrial purposes underutilized real property; and (3) to renew commercial employment centers.

"(q) The Secretary may not deny assistance under this section on the basis that such assistance is to be used solely for the provision of housing.

"(r)(1) The Secretary shall, to the extent provided in appropriation Acts, guarantee (in accordance with the provisions of this subsection) the repayment of loans made to neighborhood-based nonprofit organizations.

"(2) Such guarantees may be made only if—

"(A) the organization is based in a neighborhood in which activities financed with funds from a grant under this section are being or will be carried out;

"(B) the funds from the loan are to be used to finance neighborhood revitalization activities that are designed to meet housing and other related needs of persons of low and moderate income in the neighborhood and that have been developed with the approval of the city or urban county receiving the grant described in subparagraph (A);

"(C) the amount guaranteed at any time does not exceed 90 percent of the outstanding unpaid principal balance of the loan;

"(D) the amount of the loan does not exceed 95 percent of the cost of the neighborhood revitalization activities financed by the loan;

"(E) the organization meets requirements established by the Secretary;

"(F) there is reasonable assurance of repayment of the loan;

"(G) the guarantee is requested by a financial institution in the manner and form required by the Secretary;

"(H) the loan is not available from financial institutions without the guarantee; and

"(I) the guarantee meets terms and conditions prescribed by the Secretary with respect to the interest rate and amortization of the loan, security required for the loan, proceedings in the event of default, and other matters defined by the Secretary.

"(3) In making available guarantees under this subsection, the Secretary shall give a priority to assisting neighborhood revitalization activities designed primarily to mitigate the displacement of persons of low and moderate income that is likely to occur as a result of commercial or other activities in the neighborhood.

"(4) The aggregate amount of loans that may be guaranteed under this subsection during fiscal year 1984 may not exceed an amount equal to 10 percent of the amount approved in appropriation Acts for urban development action grants during such fiscal year.

"(5) The full faith and credit of the United States is pledged to the payment of all guarantees made under this subsection. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the loan for such guarantee, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed loan.

"(6) With respect to any proceedings conducted in connection with the default of any loan guaranteed under this subsection, the Secretary shall have the authority described in paragraphs (3) through (8) of section 402(c) of the Housing Act of 1950.".

NEIGHBORHOOD DEVELOPMENT GRANTS

SEC. 103. The Housing and Community Development Act of 1974 is amended by inserting after section 121 the following new section:

"NEIGHBORHOOD DEVELOPMENT GRANTS

"SEC. 122. (a) The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, make and contract to make grants to eligible neighborhood development organizations for purposes of assisting such organizations in carrying out eligible neighborhood development activities.

"(b)(1) The grants to be made to any eligible neighborhood development organization shall be determined on the basis of amounts received by such organization from individuals, businesses, and other organizations, and shall not be less than than 3 Federal dollars for every dollar so received or more than 10 Federal dollars for every dollar so received.

"(2) In establishing the ratio of assistance for any eligible neighborhood development organization under paragraph (1), the Secretary shall establish the highest such ratios for neighborhoods having the the greatest degree of economic distress in relation to the number of households in such neighborhoods.

"(3) The Secretary may not provide more than $50,000 under this section to any eligible neighborhood development organization during any year.

"(c) The Secretary shall make a grant to any eligible neighborhood development organization under this section only if such organization certifies to the satisfaction of the Secretary that—

"(1) the unit of general local government within which the neighborhood involved is located has been notified of the application of such organization for such grant, and has been provided a reasonable period of time to comment on such application prior to its submission, except that the Secretary may disapprove such application on the basis of such comments only if the Secretary determines that such comments clearly establish that the proposed eligible neighborhood development activities of such organization will be plainly inconsistent with the housing and community development plans of such unit of general local government; and

"(2) the individuals, businesses, and other organizations providing the amounts to such organization that are to be matched under this section have made commitments to provide such amounts within the period during which the eligible neighborhood development activities for which such grant is to be made are to be undertaken by such organization.

"(d)(1) The Secretary shall award grants under this section among the eligible neighborhood development organizations submitting applications for such grants on the basis of—

"(A) the degree of economic distress of the neighborhood involved;

"(B) the extent to which the proposed activities will benefit persons of low and moderate income; and

"(C) the extent of neigborhood participation in the proposed activities, as indicated by the proportion of the households and businesses in the neighborhood involved that are members of the eligible neighborhood development organization involved.

"(2) The Secretary may not award grants under this section on the basis of the particular eligible neighborhood development activity proposed to be carried out.

"(e)(1) The Secretary shall establish a neighborhood development advisory committee, which shall consist of not less than 5 members appointed by the Secretary who are representative of eligible neighborhood development organizations. Each such member shall serve for a term of not less than 1 year, as established by the Secretary. Such advisory committee shall meet not less than 3 times during each fiscal year, at the call of the Secretary or a majority of its members.

"(2) It shall be the function of such advisory committee to advise the Secretary with respect to the operation of the program established in this section, including the effectiveness of the selection process, and to assist the Secretary in evaluating the effectiveness of such program.

"(3) Each member of such advisory committee shall serve without pay, allowances, or benefits by reason of such service. Each such member shall be reimbursed for actual expenses, including travel expenses, incurred in the course of performing the duties vested in such advisory committee.

"(4) The Secretary shall provide such advisory committee with such staff and office facilities as the Secretary, following consultation with such advisory committee, considers necessary to permit such advisory committee to carry out its functions under this subsection.

"(5) No eligible neighborhood development organization shall be disqualified from the receipt of grants under this section by reason of the membership of a representative of such organization on such advisory committee.

"(6) The provisions of section 14 of the Federal Advisory Committee Act shall not apply to the advisory committee established in this subsection.

"(f) The program established in this section shall not be subject to the provisions of section 105.

"(g) For purposes of this section:

"(1) The term 'eligible neighborhood development activity' means any activity designed—

"(A) to create permanent jobs in a neighborhood;

"(B) to establish or expand new businesses within a neighborhood;

"(C) to develop or rehabilitate neighborhood housing stock;

"(D) to deliver essential services to a neighborhood; or

"(E) to plan, promote, or finance voluntary neighborhood improvement efforts.

"(2) The term 'eligible neighborhood development organization' means an organization that—

"(A) is organized as a private, voluntary, nonprofit corporation under the laws of the State in which such organization operates;

"(B) is responsible to the residents of the neighborhood in which such organization operates through a governing body, not less than 51 percent of the members of which are residents of such neighborhood;

"(C) has conducted business for not less than 3 years prior to the date of the application of such organization for a grant under this section;

"(D) operates within an area that complies with the requirements for Federal assistance under section 119; and

"(E) conducts one or more eligible neighborhood development activities that have as their primary beneficiaries individuals of low or moderate income.

"(h) Not later than the expiration of the 90-day period following the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

"(i) There is authorized to be appropriated to carry out the provisions of this section not to exceed $15,000,000 for fiscal year 1984.".

HOMESTEADING

SEC. 104. Section 810 of the Housing and Community Development Act of 1974 is amended to read as follows:

"HOMESTEADING

"SEC. 810. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may transfer, without payment, to any unit of general local government or public agency designated by such unit of general local government any real property—

"(1) that is improved by a one- to four-family residence;

"(2) to which the Secretary holds title;

"(3) that is not occupied by a person legally entitled to reside on such property; and

"(4) that is requested by such unit of general local government or agency for use exclusively in a single-family homesteading program that complies with the requirements of subsection (d).

"(b) The Secretary may convey to any unit of general local government or public agency designated by such unit of general local government any real property—

"(1) to which the Secretary holds title; and

"(2) that the Secretary determines to be suitable for a multifamily homesteading program that complies with the requirements of subsection (e);

for such consideration, if any, as may be agreed upon between the Secretary and such unit of general local government or public agency.

"(c)(1) The Secretary may provide funds to any unit of general local government or public agency designated by such unit of general local government for the acquisition of unencumbered title to any real property that—

"(A) is improved by a one- to four-family residence;

"(B) is not occupied by a person legally entitled to reside on such property; and

"(C) is designated by such unit of general local government or public agency for use exclusively in a single-family or multifamily homesteading program that complies with the requirements of subsection (d) or (e).

"(2) The Secretary may establish reasonable restrictions on the value and number of properties that may be acquired under this subsection.

"(d) Any single-family homesteading program carried out by any unit of general local government or public agency designated by such unit of general local government shall be considered a single-family homesteading program that complies with the requirements of this subsection if the Secretary determines that such program provides for—

"(1) the initial conveyance of vacant residential property by such unit of general local government or public agency without substantial consideration to a family of low or moderate income, upon condition that such family agrees to repair all defects in the property that pose a substantial danger to health and safety within 1 year of the date of such initial conveyance;

"(2) a procedure by which title to such property shall be conveyed to any such family without substantial consideration upon the repair of all such defects, under the condition that such family agrees to—

"(A) make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within 3 years of the date of initial conveyance; and

"(B) occupy such property as a principal residence for a period of not less than 5 years, except under such emergency circumstances as may be established by the Secretary;

"(3) an equitable procedure for selecting the recipients of such properties that—

"(A) gives a special priority to applicants—

"(i) whose current housing fails to meet standards of health and safety, including overcrowding;

"(ii) who currently pay in excess of 30 percent of their income for shelter; and

"(iii) who have little prospect of obtaining improved housing within the foreseeable future through means other than homesteading;

"(B) excludes applicants who are currently homeowners; and

"(C) takes into account the capacity of the applicant to contribute a substantive amount of labor to the rehabilitation process, or to obtain assistance from private sources, community organizations, or other sources; and

"(4) a plan for the provision of rehabilitation assistance and technical assistance to recipients of homestead properties who are in need of such assistance.

"(e) Any multifamily homesteading program carried out by any unit of general local government or public agency designated by any such unit of general local government shall be considered a multifamily homesteading program that complies with the requirements of this subsection if the Secretary determines that such program contains adequate assurances that—

"(1) the primary use of all homestead properties following conversion or rehabilitation shall be residential;

"(2) not less than 75 percent of the residential occupants of homestead properties following conversion or rehabilitation shall be families of low or moderate income;

"(3) all dwelling units in homestead properties shall be owned by occupants under a limited-equity cooperative form of ownership;

"(4) such cooperative may not be dissolved without permission of the unit of general local government or public agency responsible for administering such homesteading program;

"(5) entities that are operated for profit shall be excluded from ownership of homestead properties at all times between the transfer of properties by the Secretary to such unit of general local government or public agency and the acquisition of such properties by their occupants subsequent to conversion or rehabilitation;

"(6) a substantive amount of the labor required to rehabilitate homestead properties shall be provided by the occupants of such properties;

"(7) rehabilitation assistance and technical assistance shall be available to occupants of homestead properties who are in need of such assistance; and

"(8) the displacement of any individuals who reside in homestead properties prior to rehabilitation or conversion shall be minimized.

"(f)(1) The Secretary may to enter into agreements with any unit of general local government or public agency designated by such unit of general local government to provide technical assistance—

"(A) to such unit of general local government or public agency for the administration of a homesteading program that complies with the requirements of subsection (d) or (e); and

"(B) to any recipient of property under any such homesteading program.

"(2) Not more than 5 percent of any amount made available under subsection (n) may be used to carry out this subsection.

"(g)(1) The Secretary may assist families of low or moderate income receiving property under a homesteading program that complies with the requirements of subsection (d) or (e) in the rehabilitation of such property by providing grants to any unit of general local government or public agency designated by such unit of general local government for the sole purpose of assisting any such recipient within the jurisdiction of such unit of general local government or public agency. Such grants shall stimulate the rehabilitation of homestead properties by providing—

"(A) capital grants;

"(B) loans;

"(C) interest reduction payments;

"(D) technical assistance; and

"(E) other comparable assistance that the Secretary deems appropriate to reduce the costs of homesteading for families of low or moderate income.

"(2) Not less than 75 percent of any funds received by any unit of general local government or public agency for any purpose described in this subsection shall be allocated to aid families of very low income participating in approved homesteading. All money repaid to units of general local government or public agencies designated by a unit of general local government shall be used only for aiding homesteading activities.

"(h) In selecting projects for assistance under this section from among eligible projects, the Secretary shall make such selection on the basis of the extent—

"(1) of the severity of residential property abandonment in the area in which the project is to be located;

"(2) to which the assistance requested from the Secretary under this section will provide the maximum number of units for the least cost, taking into account the cost differences among different areas, among financing alternatives, and among the types of projects and homesteaders being served;

"(3) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this section;

"(4) to which the applicant has established a satisfactory performance in administration of homesteading, where applicable; and

"(5) of coordination of the homesteading program with other efforts to upgrade community services and facilities.

"(i)(1) The Secretary may reimburse the Administrator of Veterans' Affairs, in an amount to be agreed upon by the Secretary and the Administrator, for property that the Administrator conveys, for use in connection with a homesteading program that complies with the requirements of subsection (d) or (e), to any unit of general local government or public agency designated by such unit of general local government.

"(2) The Secretary may reimburse the Secretary of Agriculture, in an amount to be agreed upon by the Secretary and the Secretary of Agriculture, for property that the Secretary of Agriculture conveys, for use in connection with a homesteading program that complies with the requirements of subsection (d) or (e), to any unit of general local government or public agency designated by such unit of general local government.

"(j) In order to facilitate planning for purposes of this section, the Secretary, the Administrator of Veterans' Affairs, and the Secretary of Agriculture shall, upon the request of any unit of general local government or public agency designated by such unit of general local government provide a listing of all unoccupied residential properties to which the Secretary, the Administrator, or the Secretary of Agriculture holds title and that are located within the geographic jurisdiction of such unit of general local government or public agency. Such listing shall be accessible to the public during ordinary business hours at the offices of such unit of general local government or public agency.

"(k) The Secretary shall conduct a continuing evaluation of any program carried out pursuant to this section and shall transmit to the Congress an annual report containing a summary of his evaluation of all such programs and his recommendations for the future conduct of such programs. Each such report shall include an assessment of the extent to which homesteading programs consider the requirements described in subsections (d)(2) and (e)(2) relating to housing need and income in selecting homestead recipients, and an estimate of the median income of such recipients during the year covered by such report.

"(l) For purposes of this section:

"(1) The term 'families of low or moderate income' means families whose incomes do not exceed 80 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Such term includes families consisting of one individual.

"(2) The term 'families of very low income' means families whose incomes do not exceed 50 percent of the median income of the area involved, as determined by the Secretary with adjustments for smaller and larger families. Such term includes families consisting of one individual.

"(3) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(4) The term 'unit of general local government' has the meaning given such term in section 102(a)(1).

"(m) The Secretary may prescribe such rules as may be necessary to carry out his functions under this section.

"(n) Of the total amount approved in appropriation Acts under section 103 for fiscal year 1984—

"(1) not more than $25,000,000 shall be available for fiscal year 1984 to carry out subsections (a), (b), (c), and (i); and

"(2) not more than $25,000,000 shall be available for fiscal year 1984 to carry out subsections (f) and (g).".

REHABILITATION LOANS

SEC. 105. Section 312(d) of the Housing Act of 1964 is amended—

(1) by striking out "and" after "1979";

(2) by inserting "and not to exceed $9,000,000 for the fiscal year beginning on October 1, 1983," after "1980," in the first sentence;

(3) by striking out "$210,000,000" and "1980" in the third sentence and inserting in lieu thereof "$69,000,000" and "1983", respectively; and

(4) by adding the following new sentence at the end thereof: "The Secretary may not establish (1) any requirement that a certain proportion of assistance received under this section be utilized for any particular type of dwelling unit; or (2) any priority for the receipt of such assistance that is based on the receipt or use of funds by an applicant or area under any other program of Federal assistance for housing or community development, other than the urban homesteading program established in section 810 of the Housing and Community Development Act of 1974.".

NEIGHBORHOOD REINVESTMENT CORPORATION

SEC. 106. Section 608(a) of the Neighborhood Reinvestment Corporation Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof: ", and not to exceed $18,512,000 for fiscal year 1984"; and

(3) by adding the following new sentence at the end thereof: "Of the amount appropriated for fiscal year 1984, at least $3,000,000 shall be utilized by the Corporation for the purpose of carrying out a demonstration program with respect to mutual housing associations that is similar to the program described in section 316 of the Housing and Community Development Act of 1980, except that such demonstration program shall emphasize the rehabilitation of existing housing.".

AMENDMENT OFFERED BY MR. WILLIAMS OF MONTANA

Mr. WILLIAMS of Montana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Montana: Page 12, after line 9, insert the following new subparagraph (and redesignate the subsequent subparagraph accordingly):

"(B) in the case of any public improvements that are assisted in whole or part under section 106(d) and are required to be made to comply with any Federal or State standard regarding public water supply, sewage or solid waste treatment, air quality, or storm drainage, certifies that, if any capital costs of such public improvements are to be charged against properties owned by persons of low and moderate income whose incomes exceed 50 percent of the median income of the area involved (including any fee charged or assessment made as a condition of obtaining access to such public improvements), it will—

"(i) to the greatest extent practicable, utilize funds received under section 106(d) to offset such charges; and

"(ii) in determining the appropriate amount of such offset in any case, utilize a method of calculation that ensures that such amount is related to the ability of the person involved to pay the charge involved; and

Page 27, after line 2, insert the following new paragraph:

"(3) in the case of any public improvements by a unit of general local government located in a nonentitlement area that are assisted in whole or part with amounts received through the issuance of such note or other obligation and are required to be made to comply with any Federal or State standard regarding public water supply, sewage or solid waste treatment, air quality, or storm drainage, if any capital costs of such public improvements are to be charged against properties owned by persons of low and moderate income whose incomes exceed 50 percent of the median income of the area involved (including any fee charged or assessment made as a condition of obtaining access to such public improvements), it will—

"(A) to the greatest extent practicable, utilize funds received under section 106(d) or amounts received through the issuance of notes or other obligations under this section to offset such charges; and

"(B) in determining the appropriate amount of such offset in any case, utilize a method of calculation that ensures that such amount is related to the ability of the person involved to pay the charge involved.".

Page 11, line 13, insert "or as provided in paragraph (3)(B)" before the semicolon.

Page 12, line 9, strike out "; and" and insert in lieu thereof "or as provided in subparagraph (B);".

Page 26, line 12, strike out "and".

Page 26, line 13, insert "except as provided in paragraph (3)," after "(2)".

Page 27, line 2, strike out the period, quotation marks, and final period, and insert in lieu thereof "; and".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. WILLIAMS of Montana. Mr. Chairman, community development block grants are intended by the Congress to assist communities in the development of decent housing, healthful and safe living environments, and economic opportunities, principally for persons of low and moderate income.

H.R. 1 includes language designed to insure that CDBG funds are not used in a way that would be injurious to low- and moderate-income families. The bill presently requires that capital costs of public improvements, assisted by CDBG moneys, will not be recovered by charging any fees or assessments against persons of low or moderate income.

Unfortunately, the legislation works against itself by preventing CDBG funds from being used to offset fees which will be charged to low- and moderate-income households as a result of necessary public work projects being financed by other means, unless those CDBG moneys can cover the entire fee increases to low- and moderate-income persons. This would result in the elimination of the use of CDBG funds in many useful and necessary circumstances. For example, the CDBG program presently makes grants to communities facing sanctions for not meeting Federal standards for vital facilities such as water, sewage, and solid waste. In many of these cities and counties, the limited CDBG funds are used to reduce overall project costs, rather than finance entire projects; thereby reducing or eliminating fees that would otherwise have been charged to low- and moderate-income families.

Current language in H.R. 1 would prevent CDBG programs from participating in a project whenever fee assessments must be used to complete the project costs. The affected communities face legal sanctions that will force them to finance projects such as water treatment plants, regardless of whether CDBG assistance is available. It is far better to have the flexibility to be able to provide substantial assistance to communities of low- and moderate-income families than to provide no assistance at all.

My amendment allows CDBG funds to continue to be used to offset fees to low- and moderate-income families. In those cases where the CDBG funds are insufficient to cover all such costs, the amendment requires that 100 percent of any fees to be charged will be offset for families with incomes at 50 percent of the median income or below. It further requires that for families with incomes between 50–80 percent of the median income, fees will be based on the ability of the family to pay. My amendment will affect only non-entitlement entities—cities with populations of 50,000 or less, or counties with populations of 200,000 or less—as the problem addressed by my amendment is most severe in these more rural areas.

My amendment allows CDBG funds to continue to assist in financing community projects mandated by Federal law, while continuing to stress Congress intent that CDBG funds be used to assist low and moderate income persons. It does not change the intent of Congress that CDBG funds may not be used simply to finance projects the capital costs of which would then be recovered by charging fees to low- and moderate-income persons. The amendment provides flexibility without diluting the intent of the program.

I understand that my amendment is supported by both the majority and the minority. It is also supported by the National League of Cities (NLC), the National Association of Counties (NACo), the National Governors' Association (NGA), and the Council of State Community Affairs Agencies.

Mr. ST GERMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to my chairman.

Mr. ST GERMAIN. The committee has reviewed the gentleman's amendment. We think it is an improvement, and on this side of the aisle we are prepared to accept the gentleman's amendment.

Mr. WILLIAMS of Montana. I appreciate that. I understand both the majority and minority have seen the amendment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Montana. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, we have a copy of the amendment and had a chance to look at it. We have no objection to the amendment, either, and we urge its adoption.

Mr. WILLIAMS of Montana. I appreciate both the majority and the minority accepting this amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana (Mr. WILLIAMS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DURBIN

Mr. DURBIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DURBIN: Page 49, after line 16, insert the following new section (and conform the table of contents accordingly):

URBAN DEVELOPMENT ACTION GRANT ELIGIBILITY

SEC. 107. Any city that has a population of less than 50,000 persons and is not the central city of a metropolitan area, and that was eligible under section 119(b)(1) of the Housing and Community Development Act of 1974 for assistance under such section, shall continue to be eligible for such assistance until the Secretary of Housing and Urban Development revises the standards for eligibility for such cities under such section and includes the extent of unemployment as a standard of distress for such cities.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. WYLIE. Mr. Chairman, reserving the right to object, we do not have a copy of the amendment on this side. Would someone provide us with a copy?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. DURBIN. Mr. Chairman, the amendment which I have proposed today to the Housing and Community Development Act of 1983 would hold harmless small cities and towns which would otherwise be declared ineligible for small cities and towns urban development action grants as of August 31, 1983.

The purpose of this amendment is to hold these cities and towns harmless until the Secretary of the Department of Housing and Urban Development has an opportunity to develop regulations which will include as one of the criteria for eligibility the question of unemployment in the area of distress.

There are approximately 2,000 communities in the United States which would otherwise become eligible as of August 31 of this year. The purpose of our amendment is to give to the Secretary an opportunity to develop these regulations.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman from Rhode Island.

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Mr. ST GERMAIN. The committee and Mr. GONZALEZ and I and other members of the committee have had an opportunity to review this and discuss it with the gentleman and we are prepared to accept the amendment.

Mr. DURBIN. I thank the gentleman.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. DURBIN. I yield to the gentleman.

Mr. WYLIE. As I understand the amendment, this does provide some cities will be eligible to the extent of unemployment under the UDAG program pending the promulgation of regulations on the subject.

Mr. DURBIN. Yes, that is correct. There are presently several criteria under the law and we are giving the Secretary an opportunity to promulgate a criterion relating to unemployment in the community under which he could also consider some communities for eligibility.

Mr. WYLIE. We have no objection to the gentleman's amendment.

Mr. DURBIN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DURBIN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

Title II reads as follows:

TITLE II—ASSISTED HOUSING

PART A—LOWER INCOME HOUSING PROGRAMS

LOWER INCOME HOUSING AUTHORIZATION

SEC. 201. (a) Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" after "1980," in the first sentence of paragraph (1);

(2) by inserting the following before the period at the end of the first sentence of paragraph (1): ", and by $729,033,000 on October 1, 1983";

(3) by striking out "and" after "1980," in the third sentence of paragraph (1);

(4) by inserting the following before the period at the end of the third sentence of paragraph (1): ", and $12,927,147,000 with respect to the additional authority provided on October 1, 1983";

(5) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively;

(6) by striking out subparagraph (C) of paragraph (3); and

(7) by adding the following new paragraph after paragraph (3):

"(4)(A) Of the additional authority approved in appropriation Acts and made available on October 1, 1983, the Secretary shall enter into contracts aggregating at least $105,000,000 for assistance to projects under section 14. Such amount shall not include authority utilized under section 14 as a result of paragraph (8).

"(B) Of the balance of the additional authority referred to in subparagraph (A) that remains after deducting the amount to be provided for assistance to projects under section 14—

"(i) at least $95,229,000 shall be made available for assistance under section 8(b)(2) with respect to projects assisted under section 202 of the Housing Act of 1959;

"(ii) at least $172,557,000 shall be made available for assistance under section 8(b)(1);

"(iii) at least $99,494,000 shall be made available for assistance under section 8(e)(5);

"(iv) at least $84,034,000 shall be made available for lower income housing projects under this Act (other than under section 8), of which amount at least $26,749,000 shall be made available to Indian public housing agencies; and

"(v) not more than $129,218,000 may be utilized to convert assistance under any other provision of law to assistance under section 8 of this Act.".

(b) Section 9(c) of such Act is amended—

(1) by striking out "and" after "1980,"; and

(2) by inserting before the period at the end thereof the following: ", and not to exceed $1,550,000,000 on or after October 1, 1983".

TENANT CONTRIBUTION

SEC. 202. (a)(1) Section 3(a) of the United States Housing Act of 1937 is amended—

(A) by inserting the following new sentence after the first sentence thereof: "Except as otherwise provided in this Act, income limits for occupancy and rents in public housing shall be fixed by the public housing agency and approved by the Secretary.";

(B) by inserting "not more than" before "the highest"; and

(C) by striking out "30" in paragraph (1) and inserting in lieu thereof "25".

(2) Section 3(b)(4) of such Act is amended to read as follows:

"(4) The term 'income' means income from all sources of each member of the household, except the following:

"(A) any temporary, nonrecurring, or sporadic income, including—

"(i) any casual, sporadic, or irregular gift;

"(ii) any amount that is specifically for, or in reimbursement of, the cost of medical expenses;

"(iii) any lump-sum addition to family assets, including any inheritance, health insurance payment, accident insurance payment, workers compensation payment, other insurance payment, capital gain, and settlement for any personal or property loss; and

"(iv) any amount of educational scholarship paid directly to a student or to an educational institution, and any amount paid by the Federal Government to a veteran, for use in meeting the costs of tuition, fees, books, and equipment, except that any such amounts that are not used for such purposes and are available for subsistence shall be included in income;

"(B) any earned income of any member of the family residing in the household (other than the head of the household or his or her spouse) who is under 18 years of age, including any individual described in subparagraph (C);

"(C) any amount received by the head of the household or his or her spouse from, or under the direction of, any public or private nonprofit child placing agency for the care and maintenance of any individual who is under 18 years of age and was placed in the household by such agency;

"(D) any relocation payment received under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

"(E) the value of any coupon, stamp, or type of certificate received under the Food Stamp Act of 1977;

"(F) any payment to a volunteer received under the Domestic Volunteer Service Act of 1973;

"(G) any payment received under the Alaska Native Claims Settlement Act;

"(H) any income derived from any submarginal land of the United States that is held in trust for certain Indian tribes under the Act of October 17, 1975 (89 Stat. 577);

"(I) any payment or allowance received under any Federal program of energy assistance, if the law authorizing such program provides for exclusion of such assistance from income for purposes of other Federal programs;

"(J) any income derived from any youth program carried out under section 181(a) or title II of the Job Training Partnership Act;

"(K) any income derived from the disposition of funds to the Grand River Band of Ottawa Indians under the Act of October 18, 1976 (90 Stat. 2503);

"(L) any amount excluded by any Federal law from consideration as income for purposes of determining the amount of, or eligibility for, assistance under the United States Housing Act of 1937;

"(M) in the case of any public assistance payments that include an amount specifically designated for shelter and utilities, which amount is subject to adjustment by a public assistance agency in accordance with the actual cost of shelter and utilities, any amount exceeding the amount of such payments actually received by or on behalf of the family; and

"(N) any payment received under title XVI of the Social Security Act by any elderly family (as defined in paragraph (3)) living in a shared housing arrangement in which such family benefits as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing.".

(3) Section 3(b)(5) of such Act is amended to read as follows:

"(5) The term 'adjusted income' means the income that remains after deducting the following:

"(A) an amount equal to $400 for each member of the family residing in the household (other than the head of the household or his or her spouse) who is under 18 years of age, or who is 18 years of age or older and is disabled or handicapped or a full-time student;

"(B) an amount equal to $400 for each member of the household who is elderly;

"(C) any unreimbursed medical expenses of the family, to the extent such expenses exceed 3 percent of the income of the family;

"(D) any amount paid by the family for the care of any member of the family residing in the household who is under 18 years of age or disabled or handicapped, if such care is necessary to enable any other member of the family to be gainfully employed, except that such amount may not exceed the amount of income derived from such employment; and

"(E) any unusual unreimbursed occupational expenses of any member of the family residing in the household, such as expenses for special tools and equipment, to the extent such expenses exceed normal and usual expenses incidental to the type of employment engaged in by such member of the family.".

(b)(1) Section 236(f) of the National Housing Act is amended—

(A) by striking out "30" each place it appears therein and inserting in lieu thereof "25"; and

(B) by striking out "25" in paragraph (1)(ii) and inserting in lieu thereof "20".

(2) Section 236(m) of such Act is amended to read as follows:

"(m) For purposes of this section, the terms 'income' and 'adjusted income' shall have the meanings given such terms in section 3(b) of the United States Housing Act of 1937.".

(c)(1) Section 101(c)(2) of the Housing and Urban Development Act of 1965 is amended to read as follows:

"(2) 'income' and 'adjusted income' shall have the meanings given such terms in section 3(b) of the United States Housing Act of 1937.".

(2) Section 101(d) of such Act is amended by striking out "30" and inserting in lieu thereof "25".

(d)(1) The Secretary of Housing and Urban Development shall provide that the amount of rental payments to be made by any family shall not increase, as a result of the amendments made by this section and as a result of any other provision of Federal law redefining which governmental benefits are required to or may be considered as income, by more than 10 percent during any 12-month period unless the increase above such 10 percent is attributed solely to in-

creases in income which are not caused by such amendments or by such redefinitions. The limitation contained in the preceding sentence shall remain in effect and may not be changed or superceded except by another provision of law that amends this subsection.

(2) Section 322 of the Housing and Community Development Amendments of 1981 is amended by striking out subsection (i).

(e) The amendments made by this section shall be effective with respect to tenant rental payments due on or after the date of the enactment of this Act.

WAIVER OF SINGLE PERSON OCCUPANCY LIMITATION

SEC. 203. Section 3(b)(3) of the United States Housing Act of 1937 is amended by adding at the end thereof the following new sentence: "The Secretary may waive the limitation described in the second sentence of this paragraph with respect to any dwelling unit if, following consultation with the public housing agency involved, the Secretary determines that such dwelling unit is neither being occupied, nor is likely to be occupied within the next 12 months, by families, or persons described in clauses (A), (B), and (C), due to the condition or location of such dwelling unit, and that such dwelling unit may be occupied if made available to single persons described in clause (D).".

COMPREHENSIVE IMPROVEMENT ASSISTANCE

SEC. 204. (a) Section 5(c) of the United States Housing Act of 1937 is amended by adding the following new paragraph at the end thereof:

"(8) In the case of any authority that is authorized by this section and has been allocated with respect to any fiscal year prior to fiscal year 1984 under section 213(d) of the Housing and Community Development Act of 1974 to a public housing agency for use with respect to units to be assisted other than under section 8 or section 14, the Secretary may not recapture any part of such authority during the 24-month period following the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983. The public housing agency may use part or all of such authority for comprehensive improvement assistance according to the requirements of section 14 if the agency, after consultation with the unit of general local government, determines that such authority or portion thereof will be used more effectively under section 14. For the purpose of making this authority available according to the requirements of section 14, this authority shall be considered to be assistance made available under subsection (b) of such section.".

(b) Section 14(h) of such Act is amended by inserting after the first comma the following: "the Secretary may not establish any preference based on the types of activities for which such assistance is requested, except that".

(c) Section 14(j)(2) of such Act is amended by inserting after "Housing" the following: "(as such standards were in effect on October 1, 1980)".

LIMITATIONS ON PUBLIC HOUSING DEVELOPMENT COSTS

SEC. 205. Section 6(b) of the United States Housing Act of 1937 is amended—

(1) by inserting "(1)" after the subsection designation;

(2) in the third sentence—

(A) by redesignating clauses (1) through (8) as clauses (A) through (H), respectively; and

(B) by striking out "(1) through (7)" and inserting in lieu thereof "(A) through (G)"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The Secretary shall establish reasonable maximum limitations on total development costs under this Act that take into account local prototype costs and local variations in land, site improvement, and construction costs. The Secretary shall publish such limitations in the Federal Register, and shall revise such limitations not less than once annually. Any project for which a development cost budget has been approved by the Secretary prior to December 6, 1982, shall be subject to the limitations on total development costs established pursuant to regulations in effect on September 7, 1982.".

LEASE AND GRIEVANCE PROCEDURES

SEC. 206. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(h) The Secretary shall by regulation require each public housing agency receiving assistance under this Act to—

"(1) establish and implement an administrative grievance procedure that will provide tenants and applicants an opportunity to be heard, in accordance with the basic safeguards of due process but not less than as set forth in sections 866.56 through 866.59 of title 24 of the Code of Federal Regulations as in effect on March 1, 1983, regarding public housing agency actions or failures to act that adversely affect their rights, duties, welfare or status; and

"(2) utilize leases that—

"(A) do not contain unreasonable terms and conditions;

"(B) obligate the public housing agency to maintain the projects in a decent, safe and sanitary condition;

"(C) require the public housing agency to give adequate written notice of termination of the lease, which shall not be less than (i) 14 days for nonpayment of rent; (ii) a reasonable time when the health or safety of other tenants or public housing agency employees is threatened; and (iii) 30 days in all other cases; and

"(D) require that the public housing agency shall not terminate the tenancy except for serious or repeated violation of the terms or conditions of the lease or for other good cause.".

LIMITATION ON DUPLICATIVE PUBLIC HOUSING TENANT REPORTING REQUIREMENTS

SEC. 207. Section 6 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(i)(1) It shall be the responsibility of each public housing agency operating a lower income housing project to establish an adequate procedure for determining the eligibility of and rent to be paid by families applying for occupancy in, or occupying, dwelling units in such project. In carrying out such responsibility, such public housing agency may only require such families to provide information that is directly related to accomplishing fair housing objectives or determining eligibility, rental payments, or appropriate dwelling unit size.

"(2) The Secretary may not require any such family to provide any information to the Secretary that duplicates information provided by such family to such public housing agency, unless such information is requested pursuant to (A) a survey of a sample population of such families; or (B) an audit of such public housing agency to evalute the adequacy of its procedures for determining eligibility and rent.

"(3) The Secretary may not maintain any record with respect to a family applying for occupancy in, or occupying, any dwelling unit in a lower income housing project, unless such record is necessary to the investigation by the Secretary of a specific allegation of fraud by such family in its application for occupancy or reporting of income.".

FAIR MARKET RENTALS

SEC. 208. (a)(1) Section 8(c)(1) of the United States Housing Act of 1937 is amended—

(A) by inserting "(A)" after "(c)(1)"; and

(B) by adding the following new subparagraph at the end thereof:

"(B) In the case of existing units—

"(i) the fair market rental for an area shall, taking into consideration the various sizes and types of dwelling units described in the second sentence of subparagraph (A), be the median rent paid by tenants who moved into or within the area during the most recently completed period of not to exceed 24 months for which data is available at the time such fair market rental is determined; and

"(ii) the maximum monthly rent shall be reasonable in relation to rents currently being charged for comparable units in the private unassisted market (taking into account the location, size, type, quality, amenities, facilities, and management and maintenance service of such unit) and shall not be in excess of rents currently being charged by the owner for comparable unassisted units.".

(2) The amendment made by paragraph (1) shall apply with respect to fair market rentals applicable on or after March 1, 1983.

(b) Section (8)(c)(1)(A) of such Act, as so redesignated by this section, is amended by inserting after the third sentence the following new sentence: "The Secretary shall revise the fair market rentals established for each area under this section not less than once annually, taking into consideration any changes in the monthly rents charged for rental dwelling units in such area.".

ANNUAL CONTRIBUTIONS CONTRACTS

SEC. 209. (a)(1) Section 8(b)(1) of the United States Housing Act of 1937 is amended by inserting the following new sentences at the end thereof: "In the case of any annual contribution contract entered into by the Secretary with a public housing authority under this subsection for fewer than 15 years, the Secretary shall offer to renew such contract for a period of 5 years each time it expires if the authority has carried out the terms of the contract prior to the renewal offer and if the renewal does not extend the period of assistance under the original contract and its renewals beyond 15 years. In any case in which the total period of assistance that has been made available under the contract and its renewals is more than 10 but less than 15 years, the renewal offer required under the preceding sentence shall be made for the period that would extend such total period of assistance to 15 years.".

(2) The amendment made by paragraph (1) shall apply to contracts in effect on or after the date of the enactment of this Act.

(b) Section 8(d)(2) of such Act is amended by adding at the end thereof the following new sentences: "At the discretion of the public housing agency involved, the contract to make assistance payments to the

owner of an existing structure shall either be attached to the tenant or to the structure. If attached to the structure, the owner may renew the contract, if the owner otherwise complies with the requirements of this section, except that the aggregate period of such contract and contract extension may not be more than 180 months.".

LIMITATION ON TENANT RENTAL INCREASES RESULTING FROM CONVERSIONS TO ASSISTANCE UNDER SECTION 8

SEC. 210. Section 8 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(o)(1) Notwithstanding any other provision of law, in the case of the conversion of any assistance under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 23 of the United States Housing Act of 1937 (as in effect before the date of the enactment of the Housing and Community Development Act of 1974) to assistance under this section, any increase in rental payments resulting from such conversion, and from the amendments made by section 202 of the Housing and Urban-Rural Recovery Act of 1983, of any tenant benefiting from such assistance who is 62 years of age or older may not exceed 10 percent per annum.

"(2) In the case of any such conversion of assistance occuring after October 1, 1981, and before the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the rental payments due after such date by any tenant benefiting from such assistance who was 62 years of age or older on the date of such conversion shall be computed as if the limitation established in paragraph (1) had been in effect on such date of conversion.".

CALCULATION OF PUBLIC HOUSING OPERATING SUBSIDIES

SEC. 211. (a) Section 9(a)(1) of the United States Housing Act of 1937 is amended by striking out the fourth sentence and inserting in lieu thereof the following: "For purposes of making payments under this section, the Secretary shall utilize standards for costs of operations and reasonable projections of income in accordance with the provisions of part 890 of title 24 of the Code of Federal Regulations, as in effect on March 1, 1983, except that such provisions shall be revised as follows:

"(A) To include a formal review process for the purpose of providing such increases to the allowable expense level of a public housing agency as necessary to correct inequities and abnormalities that exist in the base year expense level of such public housing agency and to reflect changes in operating circumstances since the initial determination of such base year expense level.

"(B) To include amounts determined by the Secretary to be necessary to reimburse public housing agencies experiencing excessive costs that are beyond their control and the full extent of which were not taken into account in the original distribution of funds for the fiscal year involved.

"(C) To modify the method for adjusting the allowable expense level of a public housing agency under section 890.105(d)(3) of title 24 of the Code of Federal Regulations to provide for an annual one-half of 1 percent increase to such level to take into account aging of the public housing stock, and to provide for such adjustments as may be necessary to take into account significant changes in the number or type of housing units operated by such public housing agency.

"(D) To include as an allowable expense the unreimbursed cost of any litigation or administrative proceeding in which a public housing agency is a party for the purpose of obtaining a more favorable utility rate, except that (i) any amount recovered as a result of such litigation or proceeding shall be deducted from the allowable expenses of such public housing agency, as such amounts are recovered, up to the total cost of such litigation or proceeding to such public housing agency; and (ii) 75 percent of any amount recovered in excess of the cost of the litigation or proceeding shall be retained by such public housing agency.

"(E) To provide for an adjustment to the allowable expense level of a public housing agency to reflect the higher cost of operating a lower income housing project in an economically distressed unit of general local government, which adjustment shall be based on the extent of growth lag, the extent of poverty, and the age of housing in the unit of general local government involved, and such other criteria as the Secretary determines will ensure that the allowable expense level accurately reflects the higher cost of operating a lower income housing project in an economically distressed unit of general local government.

"(F) To provide for a year-end adjustment to the allowable expense level of a public housing agency in any case in which the actual inflation rate is more than or less than the estimated inflation rate and in any case in which actual utility rates and utility consumption are more than or less than estimated utility rates and utility consumption, except that the Secretary shall only provide 50 percent of any increased expenses due to increased utility consumption.

"(G) To modify the method of computing the utilities expense level of a public housing agency by utilizing a fixed base period of 4 years for the first public housing agency fiscal year following the effective date of this subparagraph, and a fixed base period of 5 years thereafter.

"(H) To provide that 75 percent of any decrease in the utilities expense level of a public housing agency due to decreased consumption shall be retained by such public housing agency, to be used according to the requirements of section 14.

"(I) To provide that any additional funds procured by a public housing agency for operation from other Federal, State or local programs or from private sources shall not be deducted from assistance provided under this section.

"(J) To provide that not more than 50 percent of any increased revenues resulting from increased occupancy rates may be computed in determining the amount of assistance available to a public housing agency under this section.

"(K) To provide that if, in any fiscal year the funds that have been appropriated for such fiscal year for use under this section are less than the total amount that the Secretary has determined is necessary to make payments pursuant to the formula established under this section for such fiscal year, payments shall be reduced on a pro rata basis and distributed promptly. The Secretary may develop an alternative distribution method, except that the development of such alternative shall be considered a rulemaking activity of the Secretary subject to subsections (b) through (e) of section 553 of title 5, United States Code, and section 7(o) of the Department of Housing and Urban Development Act. Such pro rata payments shall not be delayed by the development or implementation of any alternative approach to distribution.

Not later than January 1 of each year, the Secretary shall transmit to the Congress a report setting forth detailed estimates of the amount of assistance required under the formula established in this section, and any recommendations for proposed modifications of such formula. Not later than March 1, 1984, the Secretary shall transmit to the Congress a report setting forth recommendations for modifications to the formula established under this section and other legislative and regulatory changes for the purpose of providing incentives to public housing agencies to implement management improvements designed to reduce long-term costs and provide for more efficient operation of projects and delivery of services to tenants, which recommendations shall be developed in consultation with public housing agencies.".

(b) Section 9 of the United States Housing Act of 1937 is amended by striking out subsection (d).

(c) For purposes of determining the amount of payments to be made during fiscal year 1983 under section 9 of the United States Housing Act of 1937, the rule of the Department of Housing and Urban Development entitled "Gross Rent—Public Housing Program", published on May 4, 1982 (47 Federal Register 19120), may not be considered to have been effective before February 15, 1983, with respect to any public housing agency that was, before the beginning of such fiscal year, a party to a civil action to enjoin implementation of such rule.

INCOME ELIGIBILITY

SEC. 212. (a) The United States Housing Act of 1937 is amended by striking out section 16.

(b) Section 8(c) of such Act is amended by adding the following new paragraph at the end thereof:

"(9) At least 30 percent of the families assisted under this section with annual allocations of contract authority shall be very low-income families at the time of the initial renting of dwelling units.".

CONDITIONS OF DEMOLISHING, SELLING, OR OTHERWISE DISPOSING OF A PUBLIC HOUSING PROJECT

SEC. 213. The United States Housing Act of 1937 is amended by adding the following new section at the end thereof:

"CONDITIONS OF DEMOLISHING, SELLING, OR OTHERWISE DISPOSING OF A PUBLIC HOUSING PROJECT

"SEC. 16. (a) Except as provided in subsection (c), no public housing project may be demolished, sold, or otherwise disposed of (including any demolition or disposal conducted pursuant to section 6(f) or otherwise), in whole or in part, unless—

"(1) the public housing agency and the unit of general local government concerned have certified their approval;

"(2) such project is substantially unoccupied;

"(3) the cost of rehabilitating such project would be greater than replacing it;

"(4) the Secretary and the public housing agency have developed the plan for demolition, disposition, and replacement after notification to, and consultation with, the affected tenants and tenant councils;

"(5) the Secretary and such agency have entered into agreements assuring relocation

assistance (comparable to the assistance provided under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970) to any tenant who is displaced as a result of the demolition or disposition; and

"(6) the public housing agency has secured funding commitments from the Secretary or other sources and such funding has been committed to replacing the sold, demolished, or otherwise disposed of units with an equal number of newly constructed or substantially or moderately rehabilitated units in the same neighborhood; except that the Secretary may approve, after consultation with the tenants and tenant groups affected, replacement by fewer units in the same neighborhood or in one or more different neighborhoods if the Secretary determines that this action will result in a better living environment for lower income families and that replacement by an equal number of units is not necessary to meet lower income housing needs.

"(b) The requirements stated in paragraphs (2) and (3) of subsection (a) may be waived if—

"(1) there are sound social and economic reasons for the demolition, sale, or other disposition; and

"(2) a majority of the tenants affected consent to such action.

"(c)(1) The provisions of this section shall not apply to the sale of a public housing project to its tenants.

"(2) The provisions of this section shall not apply to demolitions to which section 14(f) apply.".

AMOUNTS RECOVERED BY PUBLIC HOUSING AGENCIES

SEC. 214. Section 326(d)(1) of the Housing and Community Development Amendments of 1981 is amended—

(1) by striking out "the housing assistance program under section 8 of" and inserting in lieu thereof "any program established under"; and

(2) by inserting the following new sentence at the end thereof: "In any case in which the public housing agency recovers such wrongfully paid amounts through actions other than those described in the preceding sentence, the Secretary shall permit such agency to retain an amount equal to 50 percent of the amount actually collected.".

COST LIMITATIONS

SEC. 215. (a) Section 8(l) of the United States Housing Act of 1937 is amended—

(1) by inserting in the first sentence after "shall limit" the following: "contract authority reservation,"; and

(2) by inserting the following before the period at the end of the second sentence: ", and the Secretary shall not impose a percentage or other arbitrary limitation on such increases".

(b) The amendment made by this section shall apply to proposals receiving a preliminary reservation of contract authority in any fiscal year, including fiscal years ending before the date of the enactment of this Act.

REPORT REGARDING HOUSING NEIGHBORHOOD STRATEGY AREA PROGRAM

SEC. 216. Not later than the expiration of the 120-day period following the date of the enactment of this Act, the Secretary shall transmit to the Congress a report with respect to the program established by the Secretary to provide assistance under section 8 of the United States Housing Act of 1937 to units of general local government in areas where concentrated housing and community development block-grant assisted physical development and public service activities are conducted under title I of the Housing and Community Development Act of 1974. Such report shall include the following information for each unit of general local government selected to participate in such program:

(1) the total number of dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, and any subsequent revision of such number;

(2) the total amount of funds pledged by such unit of general local government for all public improvements and services, and actual and future expenditures, in connection with such program;

(3) the status of the dwelling units located in such unit of general local government that have been initially reserved by the Secretary for assistance under such program, including the number of units completed and occupied;

(4) the total number of dwelling units required to complete each local program, as estimated by such unit of general local government; and

(5) the total number of local programs considered completed by such unit of general local government.

CONSIDERATION OF UTILITY PAYMENTS MADE BY TENANTS IN ASSISTED HOUSING

SEC. 217. Notwithstanding any other provision of law, for purposes of determining eligibility, or the amount of benefits payable, under chapter A of title IV of the Social Security Act, any utility payment made by a person living in a dwelling unit in a lower income housing project assisted under the United States Housing Act of 1937 or section 236 of the National Housing Act shall be considered to be a rental payment.

SINGLE ROOM OCCUPANCY HOUSING

SEC. 218. Section 8(n) of the United States Housing Act of 1937 is amended—

(1) by inserting "subsection (b)(1)," before "subsection (e)(5)";

(2) by inserting a comma after "(e)(5)";

(3) by striking out "and" at the end of paragraph (1);

(4) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (2) the following new paragraph:

"(3) in the case of assistance under subsection (b)(1), the unit of general local government in which the property is located and the local public housing agency certify to the Secretary that the property complies with local health and safety standards.".

PUBLIC HOUSING CHILD CARE DEMONSTRATION PROGRAM

SEC. 219. (a) The Secretary of Housing and Urban Development shall, to the extent approved in appropriation Acts, carry out a demonstration program of making grants to public housing agencies to assist such agencies in providing child care services for lower income families who reside in public housing and are headed by eligible persons. The Secretary shall design such program to determine the extent to which the availability of child care services in lower income housing projects facilitates the employability of eligible persons who head such families.

(b) The Secretary may make a grant to any public housing agency under this section only if—

(1) such public housing agency does not have a child care services program in operation prior to receipt of assistance under this section;

(2) such public housing agency agrees to provide suitable facilities for the provision of child care services;

(3) the child care services program of such public housing agency will serve preschool children during the day, elementary school children after school, or both, in order to permit eligible persons who head the families of such children to obtain, retain, or train for employment;

(4) the child care services program of such public housing agency is designed, to the extent practicable, to involve the participation of the parents of children benefiting from such program;

(5) the child care services program of such public housing agency is designed, to the extent practicable, to employ in part-time positions elderly individuals who reside in the lower income housing project involved; and

(6) the child care services program of such public housing agency complies with all applicable State and local laws, regulations, and ordinances.

(c) In providing grants under this section, the Secretary shall—

(1) give priority to lower income housing projects in which reside the largest number of preschool and elementary school children of lower income families headed by eligible persons;

(2) seek to ensure a reasonable distribution of such grants between urban and rural areas and among lower income housing projects of varying sizes; and

(3) seek to provide such grants to the largest number of lower income housing projects practicable, considering the amount of funds available under this section and the financial requirements of the particular child care services programs to be developed by the applicant public housing agencies.

(d)(1) Applications for grants under this section shall be made by public housing agencies in such form, and according to such procedures as the Secretary may prescribe.

(2) Any public housing agency receiving a grant under this section may use such grant only for operating expenses and minor renovations of facilities necessary to the provision of child care services under this section.

(e)(1) The Secretary shall conduct periodic evaluations of each child care services program assisted under this section for purposes of—

(A) determining the effectiveness of such program in providing child care services and permitting eligible persons who head lower income families residing in public housing to obtain, retain, or train for employment; and

(B) ensuring compliance with the provisions of this section.

(2) Nothing in this section may be construed as authorizing the Secretary to establish any health, safety, educational, or other standards with respect to child care services or facilities assisted with grants received under this section.

(f) For purposes of this section:

(1) The term "eligible person" means an individual who is the head of a household and (A) is unmarried; (B) is legally separated from his or her spouse under a decree of divorce or separate maintenance; (C) maintains a separate place of residence from his or her spouse and such spouse is not a member of such household; or (D) whose

spouse is a person described in section 3(b)(3)(A) of the United States Housing Act of 1937.

(2) The term "lower income families" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(3) The terms "lower income housing project" and "public housing" have the meanings given such terms in section 3(b)(1) of the United States Housing Act of 1937.

(4) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(5) The term "Secretary" means the Secretary of Housing and Urban Development.

(g) Not later than the expiration of the 2-year period following the date of the enactment of this Act, the Secretary shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of assisting child care services in lower income housing projects.

(h) There is authorized to be appropriated to carry out the provisions of this section not to exceed $3,000,000 for fiscal year 1984. Any amount appropriated under this subsection shall remain available until expended.

PART B—OTHER ASSISTED HOUSING PROGRAMS

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 221. (a)(1) Section 201(a) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(2) Section 201(b) of such Act is amended by inserting before the period at the end thereof the following: ", without regard to whether such projects are insured under the National Housing Act".

(3) Section 201(c)(1)(A) of such Act is amended by striking out the first semicolon and all that follows through 1979.

(b)(1) Section 201(a) of such Act is amended by striking out "or under" and inserting in lieu thereof ", the United States Housing Act of 1937, or".

(2) Section 201(c)(1) of such Act is amended—

(A) by striking out "or" at the end of subparagraph (A);

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) is assisted under section 8 of the United States Housing Act of 1937 following conversion to such assistance from assistance under section 236 of the National Housing Act or section 101 of the Housing and Urban Development Act of 1965; or".

(c) Section 201(j) of such Act is amended—

(1) by striking out "(B)" in the first sentence;

(2) by striking out "and" in such sentence after "1981,"; and

(3) by inserting the following before the period at the end of such sentence: ", and not to exceed $32,000,000 for the fiscal year 1984".

(d) Section 236(f)(3) of the National Housing Act is amended by striking out "September 30, 1982" in the third sentence and inserting in lieu thereof "September 30, 1984".

SECTION 236 ASSISTANCE

SEC. 222. (a) Section 236(h) of the National Housing Act is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants receive the benefit of assistance contracted for under subsection (f)(2), the Secretary shall offer annually to amend contracts entered into with project owners under such subsection to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants. Such offer shall be made without regard to whether the projects covered by such contracts are subject to mortgages insured under this Act. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under subsection (f)(2).".

(b) Section 236(i)(1) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under subsection (f)(2) to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (A) for the purpose of making assistance payments, including amendments as provided in subsection (f)(2), with respect to housing projects (whether or not subject to a mortgage insured under this Act) that remain covered by assistance under subsection (f)(2); and (B) to the extent approved in appropriation Acts, pursuant to section 5(c) of the United States Housing Act of 1937, and if not required to provide assistance under this section, for the purpose of providing assistance payments with respect to existing dwelling units under section 8 of such Act, which authority shall be in addition to any other funds authorized and approved for use under such section.".

HOUSING FOR THE ELDERLY AND HANDICAPPED

SEC. 223. (a)(1) Section 202(a)(3) of the Housing Act of 1959 is amended by inserting the following before the period at the end thereof: ", except that such interest rate plus such allowance shall not exceed 9.25 percent per annum".

(2) The amendment made by paragraph (1) shall apply only with respect to loan agreements entered into after September 30, 1982.

(b) Section 202(a)(4)(B)(i) of such Act is amended—

(1) by striking out "and" after "1980," in the first sentence; and

(2) by inserting ", and to $6,507,660,000 on October 1, 1983," after "1981" in such sentence.

(c) Section 202(a)(4)(C) of such Act is amended by striking out "$850,848,000" and "1982" in the second sentence and inserting in lieu thereof "$667,808,000" and "1984", respectively.

(d) Section 202(h) of such Act is amended—

(1) by striking out "1978" and inserting in lieu thereof "1983";

(2) by inserting before the period at the end of the first sentence the following: ", and persons described in subparagraphs (B) and (C) of subsection (d)(4) who have been released from residential health treatment facilities";

(3) in paragraph (1), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection";

(4) in paragraph (2), by striking out "handicapped persons" and inserting in lieu thereof "persons described in the first sentence of this subsection who are";

(5) in paragraph (1), by striking out "and" at the end thereof;

(6) in paragraph (2), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(7) by adding at the end thereof the following new paragraph—

"(3) not more than 20 percent of the amount made available pursuant to this subsection shall be utilized for the development of rental housing and related facilities for persons described in subparagraphs (B) and (C) of subsection (d)(4) who have been released from residential health treatment facilities.".

(e) Section 202 of such Act is amended by adding at the end thereof the following new subsections:

"(i)(1) Unless otherwise requested by the sponsor, a maximum of 25 percent of the units in a project financed under this section may be efficiency units, subject to a determination by the Secretary that such units are appropriate for the elderly or handicapped population residing in the vicinity of such project or to be served by such project.

"(2) The Secretary may require a sponsor of a housing project financed with a loan under this section to deposit an amount not to exceed $10,000 in a special escrow account to assure the commitment and long-term management capabilities of such sponsor. Nothing in this section authorizes the Secretary—

"(A) to require an equity participation by a sponsor in any such project;

"(B) to prohibit any sponsor from voluntarily providing funds from other sources for amenities and other features of appropriate design and construction suitable for inclusion in such projects; or

"(C) to prohibit a required meals program, nor shall any provision of the United States Housing Act of 1937 be deemed to prohibit such a program or to require that payments under such a program be considered a part of the rental charge for a unit.

"(3) In establishing per unit cost limitations for purposes of this section, the Secretary shall take into account design features necessary to meet the needs of elderly and handicapped residents, and such limitations shall reflect the cost of providing such features. The Secretary shall adjust the per unit cost limitations in effect on January 1, 1983, not less than once annually to reflect changes in the general level of construction costs.

"(4) The basis on which a contractor to be employed in the development or construction of a project assisted under this section is selected shall be determined by the project sponsor or borrower.

"(j) The Secretary may not approve the prepayment of any loan made under this section, or sell or transfer such loan, unless such prepayment, sale, or transfer is made as part of a transaction that will ensure that the project involved will continue to operate until the original maturity date of such loan in a manner that will provide rental housing for the elderly and handicapped on terms at least as advantageous to existing and future tenants as the terms required by the original loan agreement entered into under this section and any other

loan agreements entered into under other provisions of law.".

CONSOLIDATION OF HOUSING ASSISTANCE FOR ELDERLY AND HANDICAPPED FAMILIES

SEC. 224. (a) Section 202(a)(2) of the Housing Act of 1959 is amended to read as follows:

"(2)(A) In order to carry out the purpose of this section, the Secretary may make assistance available to any corporation (as defined in subsection (d)(2)), to any consumer cooperative, or to any public body or agency for the provision of rental or cooperative housing and related facilities for elderly or handicapped families, except that no such assistance shall be made unless the Secretary finds that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials. The assistance may be in an amount not exceeding the total development cost (as defined in subsection (d)(3)), as determined by the Secretary.

"(B) In addition to the assistance provided pursuant to subparagraph (A) and subject to the conditions in subparagraph (A), the Secretary may make assistance available to any entity described in paragraph (1) of this section if part of the financing is to be provided by a public housing agency (as defined in section 3(b)(6) of the United States Housing Act of 1937). The assistance may be in an amount not exceeding 75 percent of the total development cost, as determined by the Secretary. To the maximum extent practicable, public housing agencies shall administer the provisions of this subparagraph.

"(C) Assistance provided under this section shall be in the form of a deferred payment, noninterest bearing advance that is repayable to the Secretary after 20 years. If the project continues to serve elderly and handicapped families with substantially similar incomes after the termination of the 20-year period, the Secretary may forgive a portion of the advance for each year of continued service and may forgive the entire advance at the end of 40 years of such continued service. The Secretary shall require that during this initial 20-year period not less than 75 percent of the units in a project assisted under this section shall be made available for occupancy by lower income families, as such term is defined in section 3(b) of the United States Housing Act of 1937.".

(b) Section 202(a)(4) of such Act is amended—

(1) by inserting the following new sentence at the end of subparagraph (C): "Repayments and income to the fund shall be available, subject to approval in appropriations Acts, to cover increases in loan amounts approved by the Secretary."; and

(2) by adding the following new subparagraph at the end thereof:

"(D) There is authorized to be appropriated for fiscal year 1985 not to exceed $880,000,000 for assistance pursuant to paragraph (2)(A), and not to exceed $660,000,000 for assistance pursuant to paragraph (2)(B) for fiscal year 1985. Sums appropriated pursuant to this subparagraph shall remain available until expended.".

(c) Section 202(a)(6) of such Act is amended by striking out "loans" each place it appears and inserting in lieu thereof "assistance made available".

(d) Section 202(c)(1) of such Act is amended by striking out "a loan made" and inserting in lieu thereof "assistance made available".

(e) Section 202(g) of such Act is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding the following new paragraphs at the end thereof:

"(2) During the initial 20-year period, rents paid by lower income families occupying projects assisted under this section shall be determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937, except that the Secretary may reduce the percentages specified in such section 3(a) for any project with development costs or operating costs below levels that are established by the Secretary. Rents for units occupied by elderly or handicapped families who are not lower income families shall be approved by the Secretary.

"(3)(A) The Secretary shall enter into contracts with owners of projects assisted under this section to make payments to cover any part of the costs attributed to units occupied (or as approved by the Secretary held for occupancy) by lower income families that are not met from project income. In the case of a project assisted pursuant to subsection (a)(2)(A), the annual contract amount shall not exceed 80 percent of the initial project operating costs, and in the case of a project assisted pursuant to subsection (a)(2)(B), the annual contract amount shall not exceed 50 percent of the initial project operating costs. Any contract amounts not used by a project in any year shall remain available to that project until the expiration of the contract. The term of the contract shall be 240 months.

"(B) In the case of a project that has qualified for lower tenant rent contributions pursuant to paragraph (2), the Secretary may enter into contracts in amounts in excess of those authorized by subparagraph (A).

"(C) The Secretary is authorized to enter into contracts for payments pursuant to this paragraph aggregating not more than $41,500,000 per annum, and the aggregate amount that may be obligated over the duration of the contracts may not exceed $830,000,000.".

(f) The provisions of section 11(b) of the United States Housing Act of 1937 shall be applicable to obligations issued by public housing agencies with respect to projects assisted under section 202 of the Housing Act of 1959.

(g) The provisions of, and amendments made by, this section shall become effective on October 1, 1984, except that such provisions and amendments (other than the amendment made by subsection (b)(1)) shall not be applicable with respect to projects with loans or loan reservations under section 202 of the Housing Act of 1959 using authority approved in appropriations Acts for fiscal years beginning prior to October 1, 1984.

CONGREGATE SERVICES

SEC. 225. (a) Section 408 of the Congregate Housing Services Act of 1978 is amended by adding at the end thereof the following new subsection:

"(c) Not later than March 15, 1985, the Secretary shall prepare and submit to the Congress a report evaluating the effects of any change in the administration of the congregate housing services program established in this title. Such report shall include an assessment by the Secretary of any plan for the reorganization or decentralization of the administration of such program, and any legislative recommendations of the Secretary for the establishment of a permanent congregate housing services program. Until such report is submitted to the Congress, the Secretary may not implement any plan for the decentralization of the administration of such program.".

(b) Section 411(a) of the Congregate Housing Services Act of 1978 is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by adding the following new paragraph at the end thereof:

"(5) for fiscal year 1984, not to exceed $10,000,000.".

SHARED HOUSING FOR THE ELDERLY

SEC. 226. Section 8 of the United States Housing Act of 1937, as amended in section 210, is amended by adding the following new subsection at the end thereof:

"(p) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue minimum property standards (or modify existing standards) for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

RENT SUPPLEMENT PROGRAM

SEC. 227. (a) Section 101(g) of the Housing and Urban Development Act of 1965 is amended by adding at the end thereof the following new sentences: "To ensure that qualified tenants receive the benefit of assistance contracted for under this section, the Secretary shall offer annually to amend contracts entered into with housing owners under this section to provide sufficient payments to cover necessary rent increases and changes in the incomes of tenants. Such offer shall be made without regard to whether the housing covered by such contracts are subject to mortgages insured under the National Housing Act. The Secretary shall take such actions as may be necessary to ensure that payments, including payments that reflect necessary rent increases and changes in the incomes of tenants, are made on a timely basis for all units covered by contracts entered into under this section.".

(b) Section 101(l) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall utilize, to the extent necessary, any authority under this section that is recaptured either as the result of the conversion of housing projects covered by assistance under this section to contracts for assistance under section 8 of the United States Housing Act of 1937 or otherwise (1) for the purpose of contracting for assistance payments, including amendments as provided in subsection (g), with respect to housing projects (whether or not subject to a mortgage insured under the National Housing Act) that remain covered by assistance under this section; (2) if not required to provide assistance under this section, and notwithstanding any other provision of law, for the purpose of contracting for assistance payments under section 236(f)(2) of the National Housing Act;

and (3) to the extent approved in appropriation Acts, pursuant to section 5(c) of the United States Housing Act of 1937, and if not required to provide assistance pursuant to paragraphs (1) and (2), for the purpose of providing assistance payments with respect to existing dwelling units under section 8 of such Act, which authority shall be in addition to any other funds authorized and approved for use under such section.".

APPLICABILITY OF RESTRICTION ON USE OF ASSISTED HOUSING

SEC. 228. Section 214 of the Housing and Community Development Act of 1980 is amended by adding at the end thereof the following new subsections:

"(c) The restriction established in subsection (a) shall apply only with respect to any alien, other than an alien student described in subsection (a)(1) or the alien spouse or minor children of such alien student, applying for financial assistance after the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983.

"(d) The Secretary of Housing and Urban Development shall require each individual applying for financial assistance after the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983 to include in such application a certification as to whether such individual is a citizen of the United States, an alien allowed financial assistance under subsection (a), or an alien prohibited financial assistance under subsection (a).".

DEMONSTRATION PROJECT

SEC. 229. (a) The Congress finds that—

(1) the Department of Health and Human Services spends in excess of $5,000,000,000 annually for housing in the form of allowances for shelter for public assistance recipients;

(2) States administering the Department of Health and Human Services public assistance program often specify shelter allowances that have little relationship to the cost or the quality of the housing in which public assistance recipients live;

(3) at least 30 percent of public assistance recipients live in substandard housing;

(4) the older rental buildings in which many public assistance recipients live are in those neighborhoods that need the assistance of the programs of the Department of Housing and Urban Development for preservation and rehabilitation; and

(5) there is the potential for improving housing for many lower income families by coordinating State and local government efforts in order to assure that families receiving public assistance payments from the Department of Health and Human Services are able to live in decent, safe, and sanitary housing.

(b) The purpose of this section, therefore, is to provide assistance to units of general local government and their designated agencies in order to develop a program that will—

(1) encourage the upgrading of housing occupied primarily by lower income families, including families receiving assistance under the aid for families with dependent children program established under title IV of the Social Security Act; and

(2) provide for better coordination at the local level of the efforts to assist families receiving public assistance from the Department of Health and Human Services so that these families will be able to occupy affordable housing that is decent, safe, and sanitary and that, if necessary, is rehabilitated with funds provided by the Department of Housing and Urban Development.

(c) The Secretary of Housing and Urban Development (hereafter referred to in this section as the "Secretary") shall, to the extent approved in appropriation Acts, establish and maintain a demonstration project to carry out the purpose described in subsection (b).

(d) In carrying out such project, the Secretary shall make grants to units of general local government, or designated agencies thereof, to carry out administrative plans approved by the Secretary in accordance with subsection (e), and the Secretary may make grants to States to provide technical assistance for the purpose of assisting such units of general local government to develop and carry out such plans.

(e)(1) Grants may be made to States and units of general local government and agencies thereof that apply for them in a manner and at a time determined by the Secretary and that, in the case of units of general local government and their agencies, are selected on the basis of an administrative plan described in such application.

(2) No such administrative plan shall be selected by the Secretary unless it sets forth a plan for local government activities that are designed to—

(A) require or encourage owners of rental housing occupied by lower income families to bring such housing into compliance with local housing codes;

(B) provide technical assistance, loans, or grants to assist owners described in subparagraph (A) to undertake cost-effective improvements of such housing;

(C) work with the State to establish and implement a schedule of local shelter allowances for recipients of assistance under title IV of the Social Security Act based on building quality that will be applicable to buildings involved in this program; and

(D) coordinate local housing inspection, housing rehabilitation loan or grant assistance, rental assistance, and social service programs for the purpose of improving the quality and affordability of housing for lower income families.

(3) Funds received from any grant made by the Secretary to a unit of general local government shall be made available for use according to the administrative plans and may be used for—

(A) technical assistance or financial assistance to property owners to upgrade housing projects described in paragraph (2)(A) of this subsection;

(B) temporary rental assistance to families who live in buildings assisted under this program and who are eligible for, but are not receiving, assistance under section 8 of the United States Housing Act of 1937, except that such families shall not include families receiving assistance under title IV of the Social Security Act, and the amount of such rental assistance may not exceed 20 percent of each grant received under this section;

(C) housing counseling and referral and other housing related services;

(D) expenses incurred in administering the program carried out with funds received under this section, except that such expenses may not exceed 10 percent of the grant received under this section; and

(E) other appropriate activities that are consistent with the purposes of this section and that are approved by the Secretary.

(f) Any recipient of a grant from the Secretary under this section shall agree to—

(1) contribute to the program an amount equal to 15 percent of the funds received from the Secretary under this section, and the Secretary shall permit the recipient to meet this requirement by the contribution of the value of services carried out specifically in connection with the program assisted under this section;

(2) permit the Secretary and the General Accounting Office to audit its books in order to assure that the funds received under this section are used in accordance with the section; and

(3) other terms and conditions prescribed by the Secretary for the purpose of carrying out this section in an effective and efficient manner.

(g) In making grants available under this section, the Secretary shall select as recipients at least 20 units of general local government (or their designated agencies). The selection of proposals for funding shall be based on criteria that result in a selection of projects that will enable the Secretary to carry out the purpose of this section in an effective and efficient manner and provide a sufficient amount of data necessary to make an evaluation of the demonstration project carried out under this section.

(h) The Secretary shall transmit, not later than March 1, 1984, to both Houses of the Congress a detailed report concerning the findings and conclusions that have been reached by the Secretary as a result of carrying out this section, along with any legislative recommendations that the Secretary determines are necessary.

(i) There is authorized to be appropriated for the purpose of carrying out this section an amount not in excess of $25,000,000 for fiscal year 1984.

EXCLUSION OF HOUSING ASSISTANCE AS INCOME

SEC. 230. Notwithstanding any other provision of law, the value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, or title V of the Housing Act of 1949 may not be considered as income or a resource for the purpose of determining the eligibility of, or the amount of benefits payable to, any person living in such unit under any other Federal program of assistance.

SECTION 235 HOMEOWNERSHIP ASSISTANCE

SEC. 231. (a) Section 235(c)(1) of the National Housing Act is amended—

(1) by striking out "The" in the first sentence and inserting in lieu thereof "Subject to the second sentence of this paragraph, the"; and

(2) by inserting after the first sentence the following new sentence: "Assistance payments pursuant to any new contract entered into after September 30, 1983, that utilizes authority approved in appropriation Acts for any fiscal year beginning after such date may not be made for more than a 10-year period.".

(b) Section 235(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3)(A) There hereby is established in the Treasury of the United States a fund, which, to the extent approved in appropriation Acts, may be used by the Secretary for purposes of carrying out subparagraph (B). There shall be deposited into such fund (i) any amount recaptured under paragraph (2); (ii) any authority to make assistance payments under subsection (a) that is committed for use in a contract but is unused because the mortgage, loan, or advance of credit involved is refinanced or because such assistance payments are terminated or suspended for other reasons before the original

termination date of such contract; and (iii) any amount received under subparagraph (C).

"(B) In the case of any homeowner whose assistance payments are terminated by reason of the 10-year limitation referred to in paragraph (1), and who is determined by the Secretary to be unable to assume the full payments due under the mortgage, loan, or advance of credit involved, the Secretary shall, to the extent of the availability of amounts in the fund established in subparagraph (A), contract to make, and make, continued assistance payments on behalf of such homeowner. Such continued assistance payments shall be made in an amount determined in accordance with the applicable provisions of paragraph (1) or subsection (a)(2)(B) and for such period as the Secretary determines to be appropriate.

"(C) Any amounts in such fund determined by the Secretary to be in excess of the amounts currently required to carry out the provisions of subparagraph (B) shall be invested by the Secretary in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.".

(c) Section 235(h)(1) of such Act is amended—

(1) by striking out "and" after "1971," in the second sentence;

(2) by inserting the following before the period at the end of such sentence: ", and by $16,660,000 on October 1, 1983";

(3) by inserting the following new sentences after the second sentence: "The aggregate amount that may be obligated over the duration of the contracts entered into with the authority provided on October 1, 1983, may not exceed $166,600,000. The Secretary shall begin issuing new commitments and reservations to provide mortgage insurance and assistance payments under this section before the expiration of the 30-day period following the approval in any appropriation Act of budget authority for this section after the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983."; and

(4) by striking out the last two sentences.

The CHAIRMAN. Are there any amendments to title II?

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 106, after line 16, insert the following new section (and conform the table of contents accordingly):

PET OWNERSHIP IN ASSISTED RENTAL HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 232. (a) No owner or manager of any federally assisted rental housing for the elderly or handicapped may—

(1) as a condition of tenancy or otherwise, prohibit or prevent any tenant in such housing from owning pets or having pets living in the dwelling accommodations of such tenant in such housing; or

(2) restrict of discriminate against any person in connection with admission to, or continued occupany of, such housing by reason of the ownership of pets by, or the presence of pets in the dwelling accommodations of, such person.

(b)(1) Not later than the expiration of the 12-month period following the date of the enactment of this Act, the Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue such regulations as may be necessary to ensure (A) compliance with the provisions of subsection (a) with respect to any program of assistance referred to in subsection (d) that is administered by such Secretary; and (B) attaining the goal of providing decent, safe, and sanitary housing for the elderly or handicapped.

(2) Such regulations shall establish guidelines under which the owner or manager of any federally assisted rental housing for the elderly or handicapped (A) may prescribe reasonable rules for the keeping of pets by tenants in such housing; and (B) shall consult with the tenants of such housing in prescribing such rules. Such rules may consider factors such as density of tenants, pet size, potential financial obligations of tenants, and standards of pet care.

(c) Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

(d) For purposes of this section, the term "federally assisted rental housing for the elderly or handicapped" means any rental housing project that—

(1) is assisted under section 202 of the Housing Act of 1959; or

(2) is assisted under the United States Housing Act of 1937, the National Housing Act, or title V of the Housing Act of 1949, and has as a majority of its tenants elderly or handicapped families, as such term is defined in section 202(d)(4) of the Housing Act of 1959.

Mr. BIAGGI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BIAGGI. Mr. Chairman, I rise to offer an amendment to H.R. 1, the Housing and Community Development Act Amendments of 1983. I have consulted with the chairman, Mr. GONZALEZ, and I appreciate his indication of support. I commend him for his overall leadership on this, one of the most important bills before the 98th Congress.

My amendment seeks to prohibit by statute discrimination against millions of elderly and disabled persons living in federally funded housing who own pets. Put another way, my amendment seeks to establish by statute that basic human right of pet ownership for elderly and disabled persons living in federally funded housing.

My amendment is consistent with efforts of this Congress as well as previous ones to outlaw all forms of discrimination in housing. I would not be here today if there were not documented proof of elderly and disabled persons being discriminated against simply because of ownership of a pet.

This form of discrimination is especially objectionable because it attacks an ofttimes vulnerable group in our society. This discrimination can take one of two ugly forms. It can serve to deny an elderly or disabled person admission into Federal housing—or worse, it can serve as the basis for eviction of these tenants.

I assure my colleagues that this is a serious problem. Every day my office receives calls and letters from anguished senior citizens who are forced daily to endure suffering from either forced separation from their pet or eviction caused by their pet. It is wrong and it is that wrong we seek to right with this amendment.

The situation is even more appalling when one consider the essential relationship which exists between an elderly or disabled person and their respective pet. The old saying is that a dog is man's best friend. For many elderly and disabled people in this Nation, a dog or whatever pet can be their only friend, their only source of companionship—their only protection against criminals—their only link to the outside world. Do we want Federal dollars being used to throw these people into the street?

The reason we need this amendment is to clear up ambiguities which exist in present HUD rules and regulations. For all practical purposes, HUD regulations are silent on the issue of pet ownership. This has led to a wide degree of local discretion on the part of operators of Federal housing. It is this local discretion which has caused some of the abuses which have come to my attention.

Let me review some graphic examples of the problem—I received a call last week from a disabled mother of two in Delta, Colo., who was served a 30-day eviction notice because she kept a small rat terrier in her apartment—the only link she has to her recently deceased mother.

I receive many other letters illustrating how elderly and disabled people depend on their pets for comfort, companionship, and protection. To be denied this right is a cruelty beyond bearing and indeed unnecessary. As one elderly writer put it:

My wife and I are both elderly and I am also handicapped. We are fortunate in having our own home at present but if we had to leave it without our cat who gives us so much love and companionship we would feel the loss deeply.

Mr. Chairman, a fundamental premise behind my amendment is that pet ownership does have responsibility. It is spelled out specifically in the amendment with the following language:

(c) Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the el-

derly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

Further, the legislation specifically spells out that within 1 year of passage, HUD shall develop regulations which will "establish guidelines under which the owner or manager of any federally assisted rental housing for the elderly or handicapped first, may prescribe reasonable rules for the keeping of pets by tenants in such housing; and second, consult with the tenants of such housing in prescribing such rules. Such rules may consider factors such as density of tenants, pet size, potential financial obligations of tenants and standards of pet care."

This amendment is a modification of H.R. 1373, a bill I have introduced in this Congress and in several previous Congresses. The bill has a bipartisan list of 30 cosponsors.

The need for this legislation has been evident for a long time, and I believe that the best time is now. Several State laws have either passed or are pending and I think the time is right for Federal legislation.

An elderly gentleman from Indiana recently wrote:

> The only reason I survived the death of my beloved wife 2 years ago, was the presence of a small white kitten, for whom I have been housekeeper, cook, valet, chauffer and bodyguard. I owe my life to that kitten.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman.

Mr. ST GERMAIN. I thank the gentleman.

Mr. Chairman, the committee has had an opportunity to review the amendment. The committee knows how hard the gentleman has worked on the amendment and his devotion to veterinary patients and we are therefore prepared to accept the amendment. This will help us expedite consideration of the legislation.

Mr. WYLIE. Will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman.

Mr. WYLIE. I compliment the gentleman for the time that he spent on this amendment and for the consideration and concern that he shows here for persons who are renting housing, elderly and handicapped.

As I understand it, the reason for this is to at least require some consideration as to whether a person, elderly or handicapped, comes into a rental unit and has a pet, whether that pet would be allowed to continue with that person on the basis that it might be some threat to their health or well-being; is that correct?

Mr. BIAGGI. That is correct. Studies have proven that.

Mr. WYLIE. Now, it only applies to the elderly or handicapped as I understand it. What about other persons?

Mr. BIAGGI. Clearly there may be others who might be interested but the incidents that have developed over my time in the Congress have been most heart rending with relation to the elderly and handicapped. These pets mean more to those people in many cases than the rest of the community.

Mr. WYLIE. On page 3 of your amendment it says is assisted under the U.S. Housing Act. If a majority of its tenants are elderly or handicapped. What about the other tenants in the unit?

Mr. BIAGGI. No, it does not apply to them. We are talking strictly about the elderly and the handicapped.

Mr. WYLIE. So, an elderly or handicapped in a development could have pets under the provision of this, but if they are not elderly or handicapped and live in the same housing development they might be precluded from having a pet?

Mr. BIAGGI. If there is an objection on the part of the landlord or owner of the property, yes, this legislation does not cover them.

Now, this legislation finds for its motivation a number of factors. One of them would be protection for the elderly and the handicapped and they have a greater need, that is a proven fact. In addition to that, you have the compassionate perspective.

We have letters, I have included in my testimony letters from individuals whose only connection to people of their family who have predeceased them has been a common interest in a pet.

There are many emotional and traumatic experiences that relate to the separation of a pet from an elderly or handicapped person.

You could make the argument that all people should have a pet. I understand what the gentleman's interest is. I agree. Except that is the larger picture. We have difficulty with a specific area, that was the elderly and disabled and we are addressing that specific area.

Perhaps we can in the future.

Mr. WYLIE. I like the overall thrust of the gentleman's amendment. I like the compassion it exemplifies.

Therefore, I have no objection to the amendment.

Mr. VENTO. Will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman.

Mr. VENTO. What provision is provided for individuals that might have an allergy or reaction to a dog, or cat, or other type of pet? Is there any provision here? In a multiple-housing situation obviously some people experience great discomfort on that basis.

Mr. BIAGGI. I am glad the gentleman asked that question. Clearly there is a provision in this legislation under paragraph C which states, and I will quote exactly the language for the RECORD and for the gentleman's concern:

> Nothing in this section may be construed to prohibit any owner or manager of federally assisted rental housing for the elderly or handicapped, or any local housing authority or other appropriate authority of the community where such housing is located, from requiring the removal from any such housing of any pet whose conduct or condition is duly determined to constitute a threat to the health or safety of the other occupants of such housing or of other persons in the community where such housing is located.

Mr. VENTO. I appreciate the gentleman's effort to respond to my question but I do maintain concern about this. I must say with all respect to the gentleman, I understand his motivation, but I respectfully oppose and ask for opposition to this particular amendment.

Mrs. JOHNSON. Will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman.

Mrs. JOHNSON. It is my understanding that at this time policy with regard to pets in Federal housing for the elderly is determined by local housing authorities and the public boards that govern those authorities. Is that not the case?

Mr. BIAGGI. That is true.

Mrs. JOHNSON. In that case, I would just like to relate our experience in the State of Connecticut.

The CHAIRMAN. The time of the gentleman from New York (Mr. BIAGGI) has expired.

(By unanimous consent, Mr. BIAGGI was allowed to proceed for 2 additional minutes.)

Mrs. JOHNSON. Will the gentleman yield?

Mr. BIAGGI. I yield to the gentlewoman.

Mrs. JOHNSON. We have had prolonged debates on precisely this issue. As a representative at the State level last year I had petitions from the elderly in my town in opposition to this kind of a mandate. We also had lots of petitions in support of that kind of a mandate.

It very clearly impressed me that we ought to retain local regulatory authority in this sensitive area so that elderly from each town can govern their units in the way that is appropriate.

In some of my towns the units are one-story houses. Then it is a very different matter from those towns that I represent where the units are basically highrise.

We are at this time in Connecticut involved now in a pilot project that

will test out this policy in a number of different settings throughout the State in federally subsidized elderly housing.

So, I see a lot of difficulty with a Federal mandate in this area at that time, in the district that I represent. And I think from the grassroots we have made a great deal of progress in discussing this issue and are now piloting the effect of it.

I would dissent from the gentleman's amendment.

Mr. BIAGGI. If I may respond to the gentlewoman's concern.

Mr. Chairman, clearly I understand the controversy; it is not without some duration. But this language is very balanced, it is very balanced. We are talking about two perspectives; one, discrimination. And this Congress can hold its head up with pride in its fight against all types of discrimination.

Here we have in federally assisted housing a prohibition placed not by the Federal Government but by local authorities. From a Federal perspective I think we should be consistent to resist any form of discrimination.

Now we also understand a potential difficulty that arises. And I have expressed the language in response to the gentleman from Minnesota's query. The landlord or manager would have, in this instance, under this language, the right to ask the tenant to remove the pet.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. BIAGGI was allowed to proceed for 1 additional minute.)

Mr. BIAGGI. Just to respond to the lady, it would give the manager or owner the right to ask the tenant to remove the pet or run the risk of eviction.

□ 1620

In addition, we are asking HUD to establish guidelines which would prescribe many reasonable rules to consider the density of housing, the size of the pet, the standards of pet care, and the potential financial obligations of tenants.

It is a balanced approach. It is not the usual approach of black or white. We have kind of compromised. We are dealing with human feelings of the disabled and the elderly, as well as those in the environment who might be adversely affected.

I think this is a balanced approach and I am hoping that the Members will pass it. I appeciate the support of the chairman and the ranking minority member, the gentleman from Ohio (Mr. WYLIE).

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was agreed to.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL. Mr. Chairman, I rise in support of this legislation with only one caveat and I would hope that in the future we would not pass an appropriations bill prior to an authorization bill. It does straitjacket us to some extent, but the legislation is good. The chairman of the Housing Subcommittee and the chairman of the full committee members have worked assiduously on this bill and I would hope that it would pass overwhelmingly.

Mr. ST GERMAIN. Mr. Chairman, I yield to the gentleman from Illinois (Mr. EVANS).

Mr. EVANS of Illinois. Mr. Chairman, I rise in support of the amendment by my colleague and friend from Illinois. This amendment insures that small cities get a fair shake and their fair share.

In May, I wrote to the distinguished chairman of the House Banking, Finance and Urban Affairs Committee as well as the chairman of the Subcommittee on Housing and Community Development to bring their attention to the matter concerning urban development action grants and smaller cities.

In that letter, I pointed out that the law does not state at any point that the extent of unemployment shall not be used for determining the eligibility of small cities for UDAG. Indeed, this was not the intent of the Congress during consideration of the enabling legislation.

Since that time, the Department of Housing and Urban Development has indicated its intention to clarify in its regulations that unemployment information may be used by smaller cities where available to qualify for these grants. I certainly look forward to such regulations.

In the meantime, however, I believe that this amendment is necessary to insure that smaller cities are held harmless and are able to retain their eligibility for these grants. Since 1978, UDAG has brought almost $1 billion in new private investment and 22,000 jobs into Illinois.

Mr. Chairman, for purposes of clarification I would like to ask my colleague from Illinois a few questions.

I urge our colleagues to give smaller cities a fair shake and to support this constructive amendment.

The following are excerpts from my letter to the committee chairman:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 20, 1983.

Hon. FERNAND ST GERMAIN,
Chairman, House Committee on Banking, Finance and Urban Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to bring to your attention a matter concerning the Urban Development Action Grant program and smaller cities. Officials in smaller cities are being informed by the Department of Housing and Urban Development that Congress has statutorily stated that the extent of unemployment cannot be used as a criterion for determining the eligibility of small cities for the UDAG program. The Department has stated "that the exclusion of the employment factor for small cities is statutory and can only be altered by Congress."

However, a close examination of the law by this office as well as by staff of your Committee has raised serious doubts as to the accuracy of that statement. As we begin to consider H.R. 1, the Housing Urban-Rural Recovery Act of 1983, I believe that legislative action must be taken to ensure that small cities receive a fair shake.

It is stated in Section 119(b)(1) of Title I of the Housing and Community Development Act that when the Secretary is issuing regulations for this program the standards which he is to use * * * shall take into account factors such as the age of housing; the extent of poverty, the extent of population lag; growth of per capita income; and, *where data are available, the extent of unemployment and job lag." (italic added).*

The law does not state at any point that the extent of unemployment shall not be used for determining the eligibility of small cities. Committee staff has noted that this was also not the intent of the Congress during consideration of this enabling legislation.

It appears that the Department has interpreted the language above to exclude the extent of unemployment from its criteria for small cities' eligibility. It has stated that since there is no uniform information available by which small cities can be compared with each other nationwide, unemployment cannot be counted as a factor.

This interpretation has resulted in a situation that is essentially contrary to the intent of the UDAG program. When small cities that are experiencing high unemployment levels cannot have this factor taken into account, they are unable to fairly compete for these needed funds.

. . . My proposal is to state that it is not the intent of Congress to statutorily exclude the employment factor for small cities and that the extent of unemployment may be used to determine the eligibility of a small city if that information is available from Bureau of Labor Statistics' figures or can be demonstrated by that city on the basis of other verifiable employment information.

Such a change would not require this standard to be used, but would allow small communities that are experiencing a high level of unemployment to have more equitable access to UDAG funds . . .

Best regards.

Sincerely,

LANE EVANS,
Member of Congress.

The CHAIRMAN. Are there further amendments to title II?

Mr. OBERSTAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, yesterday I discussed an amendment that I proposed to offer. Previously the gentleman from Illinois (Mr. DURBIN) offered a similar amendment to the one that I planned to offer, providing that unemployment statistics may be used as one of the criteria for cities of under 50,000 population.

As I understand the Durbin amendment, it would grandfather in those cities that have high unemployment rates and that are under the 50,000 population level. It would accomplish, in a different way, the same purpose of my amendment.

I would simply like to ask the chairman of the subcommittee whether that is his understanding that the two amendments do accomplish the same objective?

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Precisely. As a matter of fact, when the gentleman from Illinois (Mr. DURBIN) consulted with us, we told him to make sure he cleared with the gentleman from Minnesota (Mr. OBERSTAR) and to correlate it. And in answer to the gentleman's question, yes; the gentleman's understanding is correct.

And it does, with a little different language, what the gentleman wanted to do and intended to do yesterday.

Mr. OBERSTAR. We both have consulted. The language does accomplish the purpose that I had intended.

I thank the chairman for his cooperation on this very important matter.

Mr. Chairman, I commend the committee for its fine work on this needed legislation and am pleased to support this recommitment of the Congress to a strong Federal role in housing and community development. The amendment which Mr. DURBIN and I have proposed represents a fine tuning of this legislation. The amendment is made necessary due to the unacceptably high unemployment this Nation has undergone in the worst recession since the 1930's.

Urban development action grants are an important development tool for America's cities, large and small. But, this year, some 2,000 cities will lose eligibility for this important development tool while many of them continue to face economic recession.

The 1980 census cannot reflect the impact of the deep recession of the past 3 years. In northeastern Minnesota, the economic slide began in 1981, with massive layoffs in the mining and steelmaking industries. Today, that high unemployment continues. My hometown of Chisholm is located in a county experiencing 26.9 percent unemployment, yet the city will be ineligible to compete for UDAG's in fiscal year 1984. Other small cities in Minnesota and throughout the Nation may lose their eligibility because census data collected in 1979-80 cannot adequately reflect the high rates of long-term unemployment.

The Department of Housing and Urban Development considers four factors when establishing eligibility for UDAG's for small cities with populations under 25,000 people. It looks at the population growth from 1970 to 1980, and the percentage of housing built before 1940. It calculates the change in per capita income from 1969 to 1979 and the percentage of poverty using the 1980 level of poverty and the 1980 population data. For small cities with populations between 25,000 and 50,000 persons, it also calculates the rate of growth in retail and manufacturing employment for the period from 1972 to 1977. None of these factors adequately assesses the impact of long-term high unemployment on these small cities between 1980 and 1983. For example, Biwabik, Minn., located in a county with unemployment over 22 percent, had poverty of 10.5 percent of its population, under the 11.9 percent mandated by HUD. If poverty were estimated today in Biwabik, this figure would top the qualification standard due to the deep recession it has undergone since 1980.

HUD recognizes the important impact of unemployment on a declining economic base and includes unemployment in the formula for the large cities and urban counties program. While unemployment data is not collected for small towns with populations under 25,000, the Department of Labor does collect unemployment statistics for counties and so called balance of counties which exclude any city that has a population of 50,000 or more. Those areas which have an unemployment rate of 120 percent the national average over a 2-year period are designated "labor surplus areas" by the Department of Labor. The designation "labor surplus area" is a clear measure of prolonged and deep economic distress and offers a more current indication of hardship than census data for our Nation's small cities. These county-based statistics accurately reflect the unemployment problems small towns face and the flux of unemployed persons within one county. This readily available national measure of unemployment for small cities clearly should be utilized by the Department of Housing and Urban Development in its UDAG qualification formula.

The Department of Housing and Urban Development is currently considering issuing new regulations which would incorporate a measure of unemployment into the UDAG formula. My concern is that the revision process at HUD may be time consuming, regulations may not be issued in time for many deserving small cities, and some cities may be dropped altogether. Grandfathering in such cities will assure that they are protected while the rulemaking process runs its full course. Under this amendment, HUD can continue to draft regulations which effectively incorporate national unemployment data in the eligibility criteria, but they will be under pressure to move quickly, and small cities will not have to fear loss of eligibility for needed community development funds. With this amendment there will be no difference in the criteria and large cities and urban counties; HUD will have a better tool with which to measure economic distress in our Nation's small cities.

The committee recognizes that the small cities UDAG program would be greatly improved by incorporating such a measure of unemployment in the qualification formula. In adopting this amendment, Congress will be recognizing the harsh impact of unemployment on a declining economic base and we will signal the Department of Housing and Urban Development that Congress is committed to maintaining a UDAG program that will meet the real and urgent development needs of small cities in Minnesota and elsewhere across the country.

AMENDMENT OFFERED BY MR. MORRISON OF CONNECTICUT

Mr. MORRISON of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Connecticut: On page 106, after line 16, insert the following new subsections:

"(d)(1) Section 235(i) of such Act is amended—

(A) in paragraph (3)(A)—

(i) by striking the word "two-family" and inserting "three-family" in lieu thereof; and

(ii) by inserting the words "or a two-family" before the word "dwelling" the first time it appears.

(B) in paragraph (3)(D)—

(i) by inserting the words "or three-family" before the word "dwelling";

(ii) by striking the figure "$55,000" and inserting "$60,000" in lieu thereof; and

(iii) by striking the figure "$61,250" and inserting "$66,250" in lieu thereof.

(C) by adding at the end thereof the following new paragraphs:

"(4) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage involves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction.

"(5) As a condition of insuring a mortgage on a two- to three-family dwelling, the Secretary shall require the mortgagor (A) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State or local housing assistance program and (B) to agree that during the term of the mortgage each of the rental units shall be occupied by, or available for occupancy by, persons and families whose incomes do not exceed 100 percent of the area median income."

"(e) Section 235(j) of such Act is amended—

(A) in paragraph (6) by striking out "two-family" and inserting "two- to three-family" in lieu thereof; and

(B) by adding at the end thereof the following new paragraph:

"(9) In insuring eligible mortgages under this subsection, the Secretary may not deny insurance on the basis that a mortgage in-

volves a two- to three-family dwelling or is to be used to finance substantial rehabilitation rather than new construction."

Mr. MORRISON of Connecticut (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MORRISON of Connecticut. Mr. Chairman, this amendment modifies the section 235 program which is included and reauthorized in H.R. 1. The section 235 program has varied application in different areas of the country and is a very valuable provision of our housing law. It is a homeownership provision. It helps low- and moderate-income people acquire a home.

My amendment is directed to making this provision of the law effective in older urban communities where existing structures made up of two- and three-family units can for very limited amounts of money be rehabilitated and used effectively for homeownership in the community—homeownership by low- and moderate-income people. The amendment also authorizes assistance for low- and moderate-income purchasers of new two-family structures.

This amendment will result in the production of standard units at low cost to the Federal Government. It contributes to the stability of communities by promoting not absentee landlords, but homeowners who can do what we need most in deteriorated urban areas, that is, provide the stability that these neighborhoods need.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. Chairman, I have consulted with the minority and I have consulted with the chairman of the subcommittee, and we are prepared to accept the amendment.

Mr. MORRISON of Connecticut. I thank the chairman.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MORRISON of Connecticut. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Ohio is a high unemployment State, as the gentleman from Connecticut knows. My visceral reaction is to be for the amendment. I would want to reserve the right to consult with HUD officials before we got to conference and before it is adopted.

Mr. MORRISON of Connecticut. I certainly understand that.

I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MORRISON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. WORTLEY

Mr. WORTLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WORTLEY: Page 89, after line 13, insert the following:

"(2) The Secretary may not sell any mortgage held by the Secretary as security for a loan made under this section.".

Page 89, line 3, insert "(1)" after "(j)".

Page 89, line 4, strike out "or sell".

Page 89, line 5, strike out ", sale,".

Page 89, line 13, strike out the quotation marks and the final period.

Mr. WORTLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WORTLEY. Mr. Chairman, my amendment does just what it says. It is designed to prohibit the Secretary of Housing and Urban Development from selling section 202 mortgages.

For almost 25 years, the section 202 program has provided low-income elderly and handicapped people with safe, decent, and affordable housing. The program has enjoyed widespread support both within and outside of Congress. Of all the programs in HUD's repertoire, the section 202 program immediately comes to mind as a conspicious success. More than 113,000 elderly and handicapped individuals live in section 202 apartments.

When the 202 program was created by the 1959 Housing Act, Congress intended HUD to hold the mortgages on these projects for their duration. That intent was reinforced with the provision of section 8 housing assistance contracts for section 202 projects. It is an arrangement that has worked well. It is good public policy.

When HUD announced that it intended to sell 109 section 202 mortgages this spring, it surprised and upset a great deal of people. From all accounts, the proposed sale was just the beginning of a series of sales of section 202 mortgages until HUD had divested its portfolio of all 202's.

It seems that HUD was equally surprised by the reaction to its proposal. Prudently, HUD decided to "indefinitely postpone" the May 25 sale. However, "indefinitely postpone" leaves a lot of leeway for future attempts to sell these mortgages.

Residents of 202 housing are not wealthy. They have no trade association, they have no high powered lobbying organization geared up to look after their interests. As Members of Congress, we must be their advocates. It is up to us to protect their rights to live in decent and affordable housing. Selling mortgages at deep discounts to private investors for a short term infusion of capital is troubling and shortsighted. That is why direct and clear language is needed to insure that section 202 mortgages remain in HUD's hands. To do otherwise would be a serious mistake.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

If the gentleman would understand that the chairman has reviewed his amendment, along with the chairman of the subcommittee and the staff, under condition the gentleman would revise and extend his remarks, we would be prepared, on this side, to accept the gentleman's amendment.

Mr. WORTLEY. I thank the chairman.

Mr. ST GERMAIN. The gentleman gave a very eloquent dissertation.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. WORTLEY. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

May I compliment the gentleman from New York (Mr. WORTLEY) for his persistence and the hard work he has done on this amemdment.

I congratulate him for it, and we accept it on this side.

Mr. WORTLEY. I thank the gentleman.

● Mr. HAMMERSCHMIDT. Mr. Chairman, while I felt that H.R. 1, with its original authorization level of $23.1 billion, $15.7 billion over the administration's recommendation and $8 billion more than was appropriated last year, was an excessive budgetary expenditure, I do support H.R. 1, as it has just been amended.

As the ranking minority member of the Housing and Consumer Interests Subcommittee of the Select Committee on Aging, I wish to compliment the chairman and the ranking minority member of the Banking Committee, Mr. ST GERMAIN and Mr. WYLIE, and the chairman and ranking minority member of the Subcommittee on Housing and Community Development, Mr. GONZALEZ and Mr. MCKINNEY, for their work on this bill and for including some important provisions for the elderly.

H.R. 1 provides $667.8 million which will support approximately 14,000 units of section 202 housing for the elderly and handicapped. With the high cost of new construction and the interest rates at about 13 percent, it is very difficult for the private sector to build

housing for low- and moderate-income older persons. This commitment by the committee and the administration to continue to produce specialized and affordable housing for the elderly and handicapped is to be commended.

As an original sponsor of the congregate services bill, I am pleased that the committee has also authorized $4 million for the congregate housing services program. I believe that when the final report on the congregate housing services program is completed next year, we will documentation that this program saves enormous amounts of medicare and medicaid funds by providing the services which allow frail elderly persons to remain in the community for extended periods of time.

The section of the bill which allows section 8 existing housing and moderate rehabilitation programs to be used by the elderly for shared housing is an important change. This legislation does not expand the eligibility pool for the section 8 certificates but merely allows those persons who are already eligible for rental assistance to use the certificate in a shared housing arrangement. The section adds no additional cost to the Government and in most cases will result in a savings in Federal rental assistance subsidies due to the lower cost of a shared unit. Furthermore, as mentioned by Mr. Phil Abrams, then General Deputy Assistant Secretary for Housing, at one of our subcommittee hearings, shared housing is also a cost-effective use of the existing housing stock. Many older people who live in their own homes cannot afford to maintain them. Instead of a house becoming dilapidated, the added income to the homeowner from the rent would allow the home to be adequately maintained.

In closing, I would like to compliment Mr. WORTLEY for his amendment which will prevent HUD from selling any mortgages held as security for a loan under the section 202 program. My subcommittee worked closely with members of the Banking Committee to delay the sale HUD had scheduled for May of this year until the authorizing committee had an opportunity to review HUD's proposal. It was my view at the time that the sale of these mortgages was not consistent with congressional intent of the 202 program and did not provide the safeguards necessary to protect the residents of the projects. I know that Mr. WORTLEY has given this issue a great deal of consideration, and I feel this amendment is in the best interest of the 202 program.

I appreciate the opportunity to discuss the bill from the perspective of the Aging Committee. Three years is too long to go without a housing authorization bill and I urge my colleagues' support of H.R. 1.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WORTLEY).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will designate title III.

Title III reads as follows:

TITLE III—MULTIFAMILY HOUSING PRODUCTION PROGRAM

SHORT TITLE

SEC. 301. This title may be cited as the "Rental Housing Production and Rehabilitation Act of 1983".

STATEMENT OF PURPOSE AND AUTHORITY

SEC. 302. (a) The purpose of this title is to increase the stock of rental and cooperative housing in the Nation and to reduce the housing costs of the residents of such housing by encouraging the construction and rehabilitation of multifamily rental housing projects and cooperative housing projects for families and individuals without other reasonable and affordable housing alternatives in the private market.

(b) The Secretary of Housing and Urban Development (hereafter referred to in this title as the "Secretary") shall, to the extent approved in appropriation Acts, provide financial assistance to carry out the purpose of this title with respect to multifamily rental housing (including mutual housing associations) and multifamily cooperative housing if such cooperative housing has a membership resale structure that enables the cooperative to maintain affordability for lower income families as required under section 307(a)(2).

(c) Such assistance shall be made available by the Secretary to States, units of general local government (including Indian tribes), or designated agencies of States or units of general local government (including an areawide planning organization designated by two or more units of general local government to apply for assistance under this title and established under State law, interstate compacts, or interlocal agreement for the purpose of formulating policies and plans for the orderly development of a substate or interstate region) that apply for such assistance in a form and manner prescribed by the Secretary and that are selected for such assistance on the basis of the eligibility and selection criteria and other conditions set forth in this title.

(d) States, units of general local government, or agencies thereof that receive such assistance shall utilize it to stimulate the construction or rehabilitation of rental or cooperative housing projects described in subsection (b) by providing—

(1) capital grants;

(2) loans;

(3) interest reduction payments;

(4) grants to finance the purchase of land; or

(5) other comparable assistance that the Secretary deems appropriate to carry out the purpose of this title, designed to reduce project development and operating costs.

(e) The Secretary is authorized to enter into contracts with any State or agency thereof in which contract such State or agency agrees to administer assistance available under this section, subject to all the terms and conditions specified in this title and in rules, regulations, and procedures adopted by the Secretary under this title. In administering assistance under this section, such State or agency thereof will not provide assistance unless the unit of general local government in the area where the project is to be located approves the application for assistance that is submitted for such project. In any case where the State is administering assistance under this subsection, units of general local government or their designated agencies shall not be precluded from applying directly to the Secretary for assistance under subsection (c) with respect to a project where the State or the designated agency of a State is participating by providing assistance for such project other than the assistance specified in this subsection, except that units of general local government (and their designated agencies) may not receive assistance with respect to any project under this title both from the Secretary and from the State housing agency if the assistance from such agency is made available from the assistance described in the first sentence of this subsection.

AREA ELIGIBILITY CRITERIA

SEC. 303. To be eligible for assistance under this title, a project must be located in an area that is experiencing a severe shortage of decent rental housing opportunities for families and individuals without other reasonable and affordable housing alternatives in the private market. The Secretary shall issue regulations, consistent with the preceding sentence, that set forth minimum standards for determining areas eligible for assistance. Such standards shall take into account the extent and change in the level of poverty, housing overcrowding, the amount and duration of rental housing vacancies, the amount of substandard rental housing, the extent of rental housing production lag, and such other objectively measurable conditions specified by the Secretary that are consistent with the first sentence of this section.

PROJECT SELECTION CRITERIA

SEC. 304. (a) In selecting projects for assistance under this title from among the eligible projects, the Secretary shall make such selection on the basis of the extent—

(1) of the severity of the shortage of decent rental housing opportunities in the area, in which the project or projects are to be located, for families and individuals without other reasonable and affordable housing alternatives in the private market;

(2) of non-Federal public and private financial or other contributions that reduce the amount of assistance necessary under this title;

(3) to which the project or projects contribute to neighborhood development and mitigate displacement;

(4) to which the applicant has established a satisfactory performance in meeting assisted housing needs; and

(5) to which the assistance requested from the Secretary under this title will provide the maximum number of units for the least cost, taking into consideration cost differences among different areas, among financing alternatives, and among the types of projects and tenants being served.

(b) From among the projects selected by the Secretary under subsection (a), the Secretary shall give priority for assistance under this title to projects that exceed the requirements of section 307(a)(2) with respect to occupancy or availability for occupancy by persons and families whose incomes do not exceed 80 percent of the area median income.

ALLOCATION OF ASSISTANCE

SEC. 305. In providing assistance under this title, the Secretary shall seek to assure a reasonable distribution among eligible areas in different geographic regions, between metropolitan and nonmetropolitan areas, and among States and units of general local government or their designated agencies. In addition, the Secretary shall make a reasonable distribution of assistance among newly constructed, substantially rehabilitated, and moderately rehabilitated projects on the basis of local housing needs and prevailing local housing market conditions identified in the application for assistance.

AMOUNT OF ASSISTANCE

SEC. 306. The amount of assistance provided under this title with respect to a project shall be the least amount that the Secretary determines is necessary to provide, through the construction or rehabilitation of such project, decent rental or cooperative housing of modest design that is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to make rents for at least 20 percent of the units, as described in section 307(a)(2), affordable for persons and families whose incomes do not exceed 80 percent of the area median income. In determining the least amount of assistance necessary to provide rental or cooperative housing, the Secretary shall determine, at the time of approval of the project, that no assistance under this title will be provided to persons or families who can afford units in the project without such assistance.

TERMS AND CONDITIONS OF ASSISTANCE

SEC. 307. (a) Assistance under this title may be provided with respect to a project only if—

(1) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure financial feasibility of the project, and to carry out the other provisions of this title;

(2) the owner agrees that, during the 20-year period beginning on the date on which 50 percent of the units in the project are occupied (or in the case of a moderately rehabilitated project, are completed), at least 20 percent of the units the construction or rehabilitation of which is provided for under the application shall be occupied, or available for occupancy by, persons and families whose incomes do not exceed 80 percent of the area median income;

(3) the owner agrees—

(A) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this title;

(B) not to discriminate against prospective tenants on the basis that the tenants have a minor child or children who will be residing with them or on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program; and

(C) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this title);

during the 20-year period beginning on the date on which the units in the project are available for occupancy (or in the case of a moderately rehabilitated project, are completed);

(4) the mortgage secured by the project—

(A) has a principal amount that is not more than the amount that could be insured for the project under section 207 of the National Housing Act; and

(B) bears a rate of interest and contains such other terms and conditions as the Secretary determines are reasonable;

(5) the project is newly constructed or substantially or moderately rehabilitated, contains five or more dwelling units, and is used predominantly for residential purposes; and

(6) the State or unit of general local government that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284.

(b)(1) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in paragraphs (1), (2), and (3) of subsection (a) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this title with respect to such project, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

(2) Notwithstanding any other provision of law, any assistance provided under this title shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in paragraphs (1), (2), and (3) of subsection (a), and shall be secured by the security instruments provided by the owner to the Secretary.

(c)(1) Rents charged for units occupied or available for occupancy by persons and families whose incomes do not exceed 80 percent of the area median income, as required by subsection (a)(2), in any such project shall be approved by the Secretary. In approving such rents, the Secretary shall provide that tenants of such units are charged not more than 25 percent of their adjusted income for rent, including utilities, and shall require that not less than 30 days prior written notice of any increase in rents be provided to such tenants.

(2) Any schedule of rents submitted by an owner to the Secretary for approval shall be deemed to be approved unless the Secretary informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

FINANCING AND OTHER PROVISIONS

SEC. 308. (a) Subject to terms and conditions that are prescribed by the Secretary and are consistent with the purpose and other provisions of this title, any obligation issued by a State or local housing agency for the purpose of financing the development of a project or projects assisted under this title is hereby deemed an obligation that meets the requirements of, and has the benefits (including the benefit of interest earned with respect to the obligation being exempt from Federal taxation) associated with, an obligation described in section 11(b) of the United States Housing Act of 1937.

(b) A mortgage on a project assisted under this title may be insured under title II of the National Housing Act if it meets the standards required for insurance under such title.

(c) Section 817 of the Housing and Community Development Act of 1974 is amended—

(1) by striking out "and" after "1966,"; and

(2) by inserting after "and 1970" the following: ", and the Rental Housing Production and Rehabilitation Act of 1983".

LABOR STANDARDS

SEC. 309. Any contract for assistance pursuant to this title shall contain (1) in the case of a housing project developed and operated by a State, unit of general local government, or an agency of a State or unit of general local government, a provision requiring that not less than the the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all architects, technical engineers, draftsmen, and technicians employed in the development, and all maintenance laborers and mechanics employed in the operation, of the such project; and (2) in the case of any housing project, a provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a et seq.), shall be paid to all laborers and mechanics employed in the development of such project. The Secretary shall require certification as to compliance with the provisions of this section prior to making any payment under such contract.

REGULATIONS

SEC. 310. Not later than the expiration of the 6-month period following the date of the enactment of this Act, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 311. There is authorized to be appropriated for assistance under this title not to exceed the sum of $1,300,000,000 for fiscal year 1984.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: Page 117, line 23, title III is amended by adding the following new section:

SEC. 312. Notwithstanding any other provision of law, assistance under this title shall not be made available if the unit of general local government, with jurisdiction over the area in which the project is to be located, has any law, ordinance or other measure which could control rents on projects built after the date of enactment of this section.

Mr. WYLIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 1630

Mr. WYLIE. Mr. Chairman, my amendment really needs very little explanation, I think, at this point. Simply stated, it would say rent control laws passed by local subdivisions cannot be applied to new rental hous-

ing constructed with Federal funds from this new multifamily housing program.

This amendment is identical to an amendment which was passed by this House on August 21, 1980, by a vote of 239 to 162. My amendment would not apply—I repeat—would not apply to any existing housing or any existing rent control arrangement; it would only apply to new construction under this new multifamily housing program.

According to the purpose clause, this new multifamily housing production program, and I read from page 106, line 23, is to "increase the stock of rental housing and to reduce housing costs." It is a fact, which can be statistically supported, that rental housing has declined more in cities with rental control than in those cities without rent control. I do not ask my colleagues to take my word alone for this statement, but I quote the former Secretary of HUD, Mrs. Patricia Harris, who commissioned a task force to study the problem of the lack of rental housing in the city of New York. The task force reported the problem is rent controls, and in her words, "Rent controls makes it difficult to persuade anyone to build new apartments."

HUD Secretary Moon Landrieu said, "Rent control will only make housing scarcer and drive the prices up further."

The most recent HUD-sponsored task force, in its report, "Development Choices for the 1980's," published in December 1980, stated as one of its recommendations: "Remove rent controls and condominium conversion bans if you want additional rental housing."

Last year the President's Commission on Housing reached a similar conclusion. It found, "that rent control causes a reduction in the quality of existing rental housing stock and discourages investment in new rental property. Therefore, the Commission opposes, in principle, rent control at Federal, State, and local levels."

Gunnar Myrdal, the 1974 Nobel Prize winner in economics from Sweden, who says he is a liberal, said:

Rent control has in certain Western countries constituted, maybe, the worst example of poor planning by governments lacking courage and vision.

His cowinner of the Nobel Prize that year, a conservative, Frederich Hayck, expressed a similar view.

The Washington Post, on the lacking-courage argument, said in an editorial on June 11, 1980:

The main reason to keep rent control appears to be political. Many people regard politicians who oppose it as enemies of the poor. What is needed now is for strong politicians to stand up to the myths surrounding rent control in the District and say no to extending this bad law.

The Washington Post followed that up with another editorial on August 5, 1980, where it said:

The basic fact about rent control in Washington today is that it is encouraging neglect of apartment buildings and discouraging construction of new, low-priced apartments. In other words, rent control is not benefiting the poor.

To quote newspapers from New York City where we have probably the worst rental housing problem in the country, the Wall Street Journal in an editorial on March 1, 1980, said:

Rent control, as with all price controls, are counter-productive. They discourage adjustments of supply to demand and accelerate deterioration of housing stock.

The New York Daily News, in an editorial on June 13 of this year, said:

New York's housing regulations are the very reason there is a severe shortage of rental apartments. The controls means that a landlord's income does not rise as his costs, so thousands have either abandoned their buildings or turned them into co-ops or condominiums.

And rent control is grossly unfair; there are wealthy folks ensconced in spacious apartments on Park Avenue for $500 a month while working people are desperate to find shoeboxes for twice that figure. Crazy Eddie could not design a more insane policy.

Mr. Chairman, without my amendment, we would be saying the more a city does to discourage private production, the more Federal funds they can receive. I believe that is wrong and I see no reason why the taxpayers in Columbia, Ohio, who have resisted the siren call of rent controls and have adequate, relatively low cost rental housing, should subsidize, with taxpayers' dollars, the construction of rental units in other areas.

Without my amendment we have a contradiction in goals. On the one hand, we are seeking to encourage increased construction of rental housing, and on the other hand, we say do it only in communities that discourage it.

Mr. Chairman, I urge adoption of my amendment.

Mr. BARTLETT. Mr. Chairman, I rise in support of the amendment of the gentleman from Ohio. Representative WYLIE's amendment would limit the new multifamily production program funds to communities which do not impose rent controls on newly constructed units.

For the past few years, the Congress has wrestled with the issue of rent control. Both in 1980 and 1981 conferees adopted report language that spoke to the detrimental effects of rent control. Last year's Senate bill, S. 2607, prohibited the imposition of rent controls on units to be assisted under the proposed rental rehabilitation program. And, Mr. Speaker, this body has already gone on record in support of the Wylie rent control amendment. In 1980 the House of Representatives overwhelmingly adopted this amendment. This body's landmark vote represented clear recognition of the negative impact of rent controls.

I know that you share my concern about the decline in production in rental housing across this country. Every effort must be made to encourage investment in multifamily housing. However, experience has proven over and over again, that rent control discourages private investment in new unsubsidized rental housing.

Not only does rent control lock out private investment in rental housing, but it also encourages the conversion of multifamily housing to condominiums and cooperatives. In addition, rent control has been shown to result in the deterioration of existing rental housing. The cumulative effects of rent control, then, diminish housing opportunities for low- and moderate-income persons, the very people rent control is aimed to protect. I do not believe that any one of us in Chamber intends for this result to occur.

Many would argue that the Wylie amendment denies many local communities their decisionmaking authority. On the contrary, however, this amendment does not tell local governments that they cannot enact rent control ordinances. Instead, the Wylie amendment properly frames the choices for localities as they contemplate the use of Federal funds and eliminates the ambiguities which arise when communities pursue contradictory policies. And, given the ecomonic distress that nearly every community in this country is experiencing, I think we could all agree that the need for clear-headed local policy decisions is even more acute.

Scarce Federal funds should not be made available to communities which have compounded their housing shortage problems by the adoption of rent control. This is not a reasonable approach to the use of Federal moneys and this body and this Government should not condone such practices.

I do not believe that rent control is or should be a partisan issue. Rather, I think if each one of us was to examine the record, we would find that opponents to rent control come from all across the philosophical/political spectrum.

This amendment would increase the opportunities of housing for Americans at all income levels, and the Wylie amendment does not preempt local decisionmaking. The question is whether it is appropriate to throw good Federal subsidy money after a bad local decision. This is not a Federal preemption—it is a Federal decision. I urge my colleagues to vote for the Wylie amendment.

Mr. MITCHELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment. I just heard my distinguished colleague say that this is not a preemption on the part of the Federal Government with regard to jurisdiction and decisions made by local governments. It is precisely that. Call it by whatever name you want to call it, it is straitjacketing local governments into doing something that maybe they do not want to do, into disobeying the will of the people who might have passed a rent control by a mandate, really.

It is always amazing to me that when we see Members of the other body that have urged, greater State control, greater, local control, "get the Federal Government off the backs of local people and State people," to see this sudden switcheroo.

□ 1640

And then suddenly they say, "We are not preempting you; all we are doing is putting you under the blackjack."

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to my distinguished friend, the gentleman from New York.

Mr. GREEN. Mr. Chairman, I thank my colleague for yielding, and I want to say to him that I think this is perhaps a much more significant amendment than many Members would understand, because we have something of a tradition in the Congress of not involving ourselves in local landlord and tenant law except where federally financed projects are involved, and obviously this will be a major step to intrude the Federal Government into still another area of jurisdiction if we were to move forward with it.

But it seems to me, going beyond that, this amendment does some other unintended things which I hope the Members would take a look at. The amendment specifically bars aid to any jurisdiction in which the projects would be located "as any law, ordinance or other measure which would control rents on projects built after the date of enactment of this section."

Now, many areas of this country have programs where they provide assistance to developers in the form of tax abatement or use of condemnation powers to acquire land, and the quid pro quo they get from the developer under local law is an agreement to hold down rents so that low and moderate income households can afford them. All those kinds of local self-help efforts would be wiped out by this amendment.

But let us go further. The Federal Government has provided in the Internal Revenue Code, in section 103(b)(4), that for tax exempt bonds, so-called industrial development bonds or revenue bonds, to be used to finance rental housing a project has to be either 15 percent low income in the case of targeted area projects or 20 percent in the case of projects in other areas, and bond counsels insist on some local regime which insures that over the life of the project those rents are going to be held down in order to qualify communities for this tax exempt provision that is provided in the Internal Revenue Code.

Mr. MITCHELL. Mr. Chairman, I thank the gentleman from New York (Mr. GREEN) for his very cogent remarks.

It just seems to me that those who support this amendment ought to realize the danger they are placing themselves and local governments in. If they do it on rent control, what is to prevent them from doing it on building codes? And that is a local decision. If they do it on rent controls, what is to prevent them from intruding this massive Federal presence in the area of zoning?

Mr. Chairman, this is absolutely contrary to everything certain Members stand for philosophically.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I thank the gentleman for yielding.

The irony of this is that the National Government, in our assisted housing program, would be exempt under this particular amendment. We are only reaching beyond the programs, and someone might interpret the type of programs we have at the national level in terms of assisted housing programs and other types of programs as constituting a form of control. So we initiate that for the local and State governments' responsibilities but stubbornly, and I think rightly, persist in terms of having some types of controls. We ought not to be telling them that, I think, but we are telling them two things, our colleague, the gentleman from New York (Mr. GREEN), tells us. Under one regime, we are telling them that if they want to qualify for tax exempt housing bonds, they have to do certain activities, and, on the other hand, we are saying that if they do those things, they cannot have other programs.

So, Mr. Chairman, I think at the very least there is a contradiction in this amendment notwithstanding probably the good intentions of the author of it.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, the contradiction in the amendment comes from the gentleman from New York (Mr. GREEN). It has not been my intention to include anything except a rent control ordinance which imposes rent control provisions.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. MITCHELL) has expired.

(By unanimous consent, Mr. MITCHELL was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. Mr. Chairman, will the gentleman yield further?

Mr. MITCHELL. I yield to the gentleman from Ohio very briefly, because I know he can get his own time later.

Mr. WYLIE. Mr. Chairman, this has nothing to do with nonsubsidized units. All it would have to do with this is with reference to imposing rents on these new multifamily units, and that is what it specifically says.

As long as they have a freedom of choice, which they do in this case, as to whether they want to utilize this new program, then they can say that the rent controls will not apply to this new program. Now, the Federal Government has said that rent controls will not be applied to the program.

Mr. MITCHELL. Mr. Chairman, let me reclaim my time because I only have about a minute and a half left.

I think the gentleman is pointing up the flaw in this amendment. No one, in my opinion, has thought through all the implications of this amendment to their ultimate conclusion. I just think, based on one thing, that the Federal intervention and intruding at the local level is wrong.

Our Maryland song says, "The despot's heel is on thy shore. Maryland, my Maryland." This amendment becomes the "despot's heel" on local governments' right to pass ordinances as they so desire.

Mr. Chairman, I yield back the balance of my time.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to engage in a colloquy with my ranking minority member of the full committee. I think there is a great deal of confusion here as to what this amendment says. Let me see if we can establish a legislative record. This amendment allows the imposition of, say, a city council or government ordinance on rent control on buildings that take advantage of this program; is that not correct?

Mr. WYLIE. Mr. Chairman, if the gentleman will yield, let me say that that is correct.

Mr. McKINNEY. Mr. Chairman, there have been some interpretations in the past by builders that say condominium conversion laws, which I support and which we have here in the District of Columbia, are in fact rent control imposition because they require x number of tenants to sign off for it to become a condo. Since they can refuse to sign off, they therefore

keep the rent there. There are all kinds of other areas and instances that come into this.

The author of this amendment does not mean to include any of these extraneous legislative affairs, does he?

Mr. WYLIE. I do not mean to include any of these extraneous legislative affairs. It would not apply, as I suggested when I was offering my amendment, to any existing rent control arrangement. It would only apply in this one case to this new proposed multifamily rent housing program.

I am merely saying that as a condition precedent, if a community wants to take advantage of it, then they should not stifle the construction under this program with rent controls. What it amounts to is a subsidization of a new multifamily housing program in those cities which have rent controls.

In my own city of Columbus, Ohio, there is adequate rental housing, so we probably would not be taking advantage of it.

Mr. McKINNEY. Mr. Chairman, one of the reasons I support the gentleman's amendment is that I know as a member of the Committee on the District of Columbia and as ranking minority member for the last 6 years, that in 1975, when the District of Columbia put in pure across-the-board rent control, everything stopped dead except for the building of luxury apartments. They have since changed the law so that new construction is exempt. Past construction is grandfathered in as rent control, so, therefore, there is new construction going on again.

I think all the gentleman is saying is that in new construction which takes advantage of the formula that takes into consideration the rental vacancy market, we are giving an unfair advantage in this particular amendment, the original amendment, to those communities that have a rental shortage because in fact they do have rent control.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will yield in just a second.

I think all any of us have to do is to get into our cars and drive down Route 1 or Route 95 in Virginia, and we will see that those buildings, before they became "condo canyon," were in fact the rental apartments that were built before the District of Columbia imposed rent control and stopped the construction of all multifamily housing within the District itself.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the gentleman from Massachusetts briefly, and then I will yield to the gentleman from New York.

Mr. FRANK. Mr. Chairman, I thank the gentleman for yielding.

I think there is some confusion in the language. I will ask for my own time to debate the merits later.

I want to say, with regard to the subject of Washington, D.C., that former Secretary Harris was quoted, and I think, for one who has strong feelings on rent control, she did the appropriate thing. She ran for Mayor of Washington, and I think that is the appropriate forum for debating the merits of rent control.

But my question is that I think there was some uncertainty in the colloquy between the gentleman from Connecticut (Mr. McKINNEY) and the gentleman from Ohio, (Mr. WILEY). As I understand the amendment, it does not simply say that we cannot put the new buildings to be constructed with Federal funds under rent control. I think we all agree that the new buildings that are themselves to be constructed with Federal funds would be exempt. But as I understand it, if rent control applied to any other new construction, they would not be eligible for this program. In other words, if I am in a city and I say that purely private, nonfederally subsidized new construction is to be covered by rent control, I cannot then get this Federal program, because I think we agree the program itself should be exempt from rent control.

□ 1650

I think we agree that the program itself should be exempt from rent control. The question is whether purely privately constructed buildings, not themselves taking advantage of any Federal program, if they are under rent control in the new construction phase, should that mean that they do not benefit from this program? My understanding is that that is what the amendment says. I would think it is a little different than what came out in that colloquy.

Mr. McKINNEY. Mr. Chairman, I yield to the author of the amendment to answer that question.

Mr. WYLIE. Mr. Chairman, let us do a little discussion of congressional intent here.

What I suggested was that it would only apply to this program, this new multifamily housing program, which we are providing under this law to any new construction under this new housing program.

Mr. FRANK. Mr. Chairman, if the gentleman will yield further, I am about to agree. We may be able to get home earlier and I think others will.

I think we may have to look at the language, but if the intent of the amendment is as the gentleman from Ohio just said, that only the buildings themselves constructed with Federal funds advanced are to be exempt from rent control, I do not think there is much objection to it on this side. I had understood the gentleman to mean any new construction.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(At the request of Mr. FRANK, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. WYLIE. Mr. Chairman, that is the way I intended it to work, if the gentleman from Massachusetts will yield.

Mr. FRANK. Well, it is the time of the gentleman from Connecticut. I just got it for the gentleman.

Mr. McKINNEY. Have we settled this colloquy, that that is exactly what the author of the amendment intended?

Mr. WYLIE. I said, that is exactly how I intend the amendment to work, that it would apply to new construction under this new multifamily housing program.

Mr. FRANK. And not to other buildings constructed privately; in other words, if I am a city and I have new construction going on that is purely private and that is covered by rent control, I would not be affected by the gentleman's amendment, as long as the building itself that was to be built under this program was exempt from rent control.

Mr. WYLIE. It would apply in that case, yes. I misunderstood the gentleman.

Mr. FRANK. Well, I think it should be clear.

Mr. WYLIE. It would not apply.

Mr. FRANK. So that this amendment does apply to far more than simply the Federal buildings built themselves, because none of us are talking about rent control on federally subsidized buildings. We are talking about if a city makes a decision to control other buildings, they would then lose their right to get money under this program.

Mr. WYLIE. They would have to qualify under this program first as a condition precedent; then it would come into play.

Mr. FRANK. First you would qualify and then you would not get anything.

Mr. WYLIE. Exactly right.

Mr. FRANK. I appreciate that distinction. I am sure the cities will, too.

Mr. GREEN. Mr. Chairman, will the gentleman from Connecticut yield?

Mr. McKINNEY. What remaining time I have, yes.

Mr. GREEN. I would agree with the gentleman from Connecticut that this language does not purport to rule a community out of a program because it has restrictions on condo or co-op conversion; but the language is very clear that it does rule out a community which has any law, ordinance, or other measure, which could control

rents on projects built after the date of enactment of this section and could deny those communities the benefits of this section.

My problem is that a community which does not have general rent control on new projects, and my home community of New York City does not, may nonetheless have a number of laws which impose limitations on the rents of some projects where a municipal benefit is conferred.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(At the request of Mr. GREEN, and by unanimous consent, Mr. MCKINNEY was allowed to proceed for 3 additional minutes.)

Mr. GREEN. Mr. Chairman, will the gentleman yield further?

Mr. MCKINNEY. I am delighted to yield.

Mr. GREEN. For example, Mr. Chairman, a municipality may give a tax abatement in order to spur the development of housing. In return for that tax abatement, it may ask under its law that the developer commit—and this may be a legal requirement to get that benefit—to hold down rents.

The more common program is that which many places have enacted, because we enacted it in the Internal Revenue Code. We have said that 15 percent in the case of target areas, or 20 percent in the case of other areas of rental housing developed with tax-exempt revenue bonds has to be for low-income households. The way that is assured, so that the bond house, bond council can give an opinion that the bonds in fact are federally tax exempt, is by legislation which provides for this limitation on rents and the agreement, of course, of the person who is developing the property to comply with that legislation.

It seems to me what the Internal Revenue Code gives, what this House has given in the Internal Revenue Code, we would now take away with the Wylie amendment, because I think it simply has not understood all the ramifications of rent legislation in the many different municipalities around this country and that is why the Federal Government should not be intruding into this area.

● Mr. FAUNTROY. Mr. Speaker, I am opposed to this amendment. As you know, the District of Columbia, among other cities, has a rent control ordinance and it has worked well. Rent control has made housing affordable, and more importantly, it is a decision made by the local community which I think ought not be jeopardized by an action of this House.

I understand the sentiment of the gentleman from Ohio and I fully appreciate the arguments he has marshaled in support of his position. I do not, however, believe that the Federal Government should be intruding upon decisions within the local community. This amendment threatens the locality's right to determine housing policy according to its own requirements and needs. There are so many differences in needs for each individual area, the communities must be able to work through and solve their own problems. The way this amendment is structured, many programs, in addition to direct rent control programs, are threatened.

For example, development assistance programs such as tax abatements and land condemnation are often provided to developers in exchange of an agreement to hold down rents so that moderate and low income households can afford them. If this amendment went through, many of these assistance programs would not survive. Federal involvement is a threat to those communities that have sought to stabilize rents through local government. A withholding of funds from communities that suffer the most from severe housing shortages by lifting controls would cause great distress.

Additionally, many of the people that are living in rent controlled apartments today are elderly and have been living in their apartments for many years. They depend on their fixed incomes for support and protection. If rent controls were lifted these people would experience unfair hardships. The rent on these apartments would be higher. Those who have been beneficiaries of the reasonable rents would be thrown out to fend for themselves.

While that is not the intent of the amendment, that would be one of its effects. It would be tragic if a community is forced, as it would be if this amendment were to be passed, to decide between assuring reasonable priced housing for its elderly population and new housing units for those who are presently homeless.

Those already housed, such as the elderly, in rent controlled apartments would not be affected if a community were to decide to retain rent control. Those who are denied the benefits of housing, however, would be those who are even poorer than those already housed; they would be the homeless whom we are seeking to aid elsewhere in this bill; and they would be the new poor who have been made that way by policies of this administration whose plight would now be compounded by this amendment.

I understand the gentleman's sentiment. I do not agree with his solution. It has untoward negative effects and it would interfere with the smooth process already well run by local governments who have sought to make the best of admittedly difficult circumstances that often exist in out housing markets. This amendment makes the housing circumstances worse; it will displace people, it will cause a rise in rents, it will result in the need for more, not less, assisted housing, and it will impose our judgment on how local governments ought to run their own affairs, allocate their own resources, and meet their own challenges. I urge this amendment be defeated.●

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

I think this amendment can be discussed in a variety of ways. For one, there are many falacious arguments that have been made about rent control itself. For example, "Rent control is the leading cause of housing abandonment; rent control prevents new construction." All these arguments are gainsayed by the statistics. I will just give a few.

On abandonment of housing, of the nine leading cities in this country, only one has rent control and New York, which is always regarded as the classic example of a city with rent control, has less per capita housing abandonment than Philadelphia, St. Louis, Cleveland, Louisville, Baltimore, or Newark, cities without rent control.

Similarly, they say that rent control cuts down on cash flow, yet in New York, with rent control, rents have increased by 12.4 percent on the average in the last several years.

In Atlanta, they have only increased 6.5 percent, in Baltimore, 7.8 percent and in Chicago, 6.4 percent, cities without rent control.

As for new construction, just the same. There is no correlation between new construction and rent control. In fact, if you look at the reasons why no rental housing has been built in this country in recent years, there is no difference between areas with rent control and areas without rent control. The most important factor is high interest rates, and high construction costs, not because of rent control. But today we are not here to debate the merits of rent control. Many of us are for it, many of us are against it.

We are here really to talk about local control. We are here today to ask, is it appropriate for the Federal Government to tell localities what kinds of land use regulations they may adopt, depending upon our view of whether or not these regulations impede the development of rental housing. That is the issue. It is not an issue of whether we like or do not like rent control, but whether or not a Federal intrusion is the appropriate mechanism on the threat of cutting off money to all localities that have rent control?

Well, what about other local land use regulations, such as 2-acre zoning? There is no doubt that these regulations impede the building of rental housing.

Should we cut off all money for this program or other Federal programs because a community has 2-acre zoning?

What about building codes? Should we cut off all housing money for this new program or any new program because of their particular building codes? These questions are rhetorical, perhaps, but I would think that if the gentleman from Ohio was consistent, he would accept amendments like that as well, because it is clear that 2-acre zoning impedes housing development, and it is clear that building codes impede the development of rental housing, and yet you might say those decisions have always been left up to the local constituency.

In keeping with that, Mr. Chairman, I am offering an amendment to the Wylie amendment. My amendment is at the desk.

PARLIAMENTARY INQUIRY

Mr. WYLIE. Mr. Chairman, may I propound a parliamentary inquiry?

The CHAIRMAN. The gentleman will state it.

Mr. WYLIE. Mr. Chairman, the gentleman was recognized for 5 minutes in opposition to my amendment.

The CHAIRMAN. The gentleman concluded and is now seeking separate recognition.

Mr. WYLIE. For purposes of offering an amendment?

The CHAIRMAN. For purposes of offering an amendment to the amendment.

Mr. WYLIE. Do I have a copy of the amendment?

Mr. SCHUMER. It was brought to the minority about an hour ago.

I will bring another one to the desk as well.

Mr. SCHUMER. Mr. Chairman, I ask unanimous consent to again explain the amendment before it is brought over to the desk.

The CHAIRMAN. The Clerk must first report the amendment.

AMENDMENT OFFERED BY MR. SCHUMER TO THE AMENDMENT OFFERED BY MR. WYLIE

Mr. SCHUMER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHUMER to the amendment offered by Mr. WYLIE: At the end of the new section proposed to be inserted by the amendment, insert the following new subsection:

(b) A project shall not be eligible for assistance under this title unless the Secretary determines that the area in which such project is located:

(i) does not have land use regulations or policies that preclude or unreasonably restrain the development of rental housing.

(ii) does not have building regulations or policies that preclude or unreasonably restrain the use of the least costly safe construction materials.

(iii) does not have regulations or policies that restrict the number of dwelling units that may be included in any residential structure in a manner that precludes or unreasonably restrains the development of rental housing.

In the new section proposed to be inserted by the amendment, insert "(a)" after the section designation.

Mr. SCHUMER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WYLIE. Reserving the right to object, Mr. Chairman, we just got a copy of the amendment. I think we might want to take a little time here and at least look through the amendment, if the gentleman does not mind.

Mr. Chairman, withdrawing my reservation of objection, would the Clerk please continue to read?

The CHAIRMAN. The Clerk will continue reading the amendment.

The Clerk concluded the reading of the amendment.

□ 1700

Mr. SCHUMER. Mr. Chairman, what this amendment does is add these other issues to the rent control issue because they, too, impede local rental housing, at least in the eyes of many people, including the President's Commission on Housing.

The first part of the amendment says that if a locality has zoning provisions that are unreasonably restraining the building of rental housing, then they should not get money for this new Dodd-Schumer program.

A second part of the amendment says that any locality that has building codes which impede construction, that it should not get money for the new Dodd-Schumner program.

The third part of the amendment says that any locality which has density controls, should not receive money for the new program because these, too, impede the building of rental housing.

You might say, and I am sure the gentleman from Ohio will say, "but we have always left these issues up to the localities." Indeed we have. So have we also left rent control up to the localities.

You might also say that it could hardly be proven that any of these three things, zoning, building codes, or density controls are the sole real reason we do not have rental housing produced in this country.

I would agree that that is correct, but nor has it been proven that rent control is the reason we do not have new rental housing being produced in this country.

This amendment aims at consistency. If we are going to pick out certain localities, mine among them, because it has local laws we do not like, then maybe we ought to pick out at other localities that have other methods of impeding rental housing because they, too, have things that perhaps a majority of Members in this body do not like.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. SCHUMER. I yield to the gentleman from Ohio.

Mr. WYLIE. If we accept this amendment to the amendment, will the gentleman support the amendment as amended?

Mr. SCHUMER. No, I probably would not.

Mr. WYLIE. Then why are you offering it?

Mr. SCHUMER. Because I want to extend your amendment which I consider to be illogical, to an illogical extreme.

Mr. WYLIE. This is completely extraneous to anything that I have offered and to suggest that a project should not be eligible because it does not have land use regulations or policies that preclude or unreasonably restrain the development of rental housing, or does not have building regulations or policies that preclude or unreasonably restrain the use of the least costly safe construction materials, or does not have regulations or policies that restrict the number of dwelling units that may be included, you have to make all of these findings before you can qualify under the gentleman's amendment.

My amendment simply goes to one issue, which I suggested has been counterproductive of rental housing. If the gentleman wants rental housing constructed in the city of New York he ought to be encouraging people to invest their money in rental housing and not suggesting they invest their money in rental housing that we are going to impose a rent so low that they cannot get their money back.

I just wanted to point out that this is a facetious amendment, I know, on the part of the gentleman and it is not intended to be adopted and he hopes it is not adopted, and if it is then he would be opposed to the amendment, of course.

Mr. SCHUMER. In answer to the gentleman, I certainly think if the amendment he has introduced is going to pass it will be improved by the addition of my amendment. I think the best solution is to have neither amendment passed. But the gentleman from Ohio, my good friend, offered his amendment and I am trying to perfect that amendment, so to speak.

My basic point is that what is good for New York is not necessarily good for Columbus, Ohio, and what is good for Columbus. Ohio is not necessarily good for San Francisco or Abilene or Tulsa.

I would say to the gentleman that we ought to once and for all let each locality make its own decision as to what is good for it and what is not.

We have different rates of abandonment, we have different rates of vacancy. We have different rates of many different things in our areas and we ought to let the localities decide.

Just as the gentleman from Ohio thinks that this amendment is sort of absurd and is imposing the Federal Government's or my whim on his locality, the same is true of what I think his amendment does to my locality.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the only reason I am compelled to rise is that I see here that with the best of intentions those of us that are sincerely trying to be responsive to the housing needs, the programs and policies that have been in place over the course of the years, and fully understanding and sympathizing with the gentleman from New York, and knowing the situation of many, many of our citizens, particularly those in New York who really have nothing to look for protection in this matter of affordable rents than whatever meager amount of State and city authority is there to defend that interest. I know that this question of rent control or any control of that kind is sort of repugnant to us by tradition. But I know from personal experience, living here in the District, how much the citizen needs some kind of protection in the kind of market for rental housing that one must seek rental housing in these areas up here in the East.

I have watched with great interest over the course of the years I have resided here because all during the time, the 22 years I have served here, I have lived on the Hill in a little, old efficiency apartment. I have seen the rent in that apartment go from $110 to $430 in less than 10 years. A comparable, measly little apartment in my area, why, there would be an uproar if that kind of exactment were even suggested.

But yet, on the other hand, the contents of the amendment to the amendment do not help any, either, because, as understandable as the reason and motivation for the amendment to the amendment is, I must say that it puts us in a very, very difficult position to support it because it is the old principle of two wrongs do not make a right.

I am afraid that the Schumer amendment would put us on record as being for those things that we do not really desire. And as equivocal and as contradictory as the Wylie amendment is with those who always have pledged their support to States rights and local self-determination, I do not think this helps matters any.

Therefore, reluctantly, I must say I oppose the amendment.

Mr. SCHUMER. Would my distinguished chairman from Texas yield to me?

Mr. GONZALEZ. I am happy to yield.

Mr. SCHUMER. I understand the gentleman's arguments and I will withdraw the amendment. But I wanted to use it as a means of showing the absurdity of this amendment.

Mr. Chairman, I ask unanimous consent to withdraw the amendment to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WYLIE. Mr. Chairman, I object.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, the gentleman's request to withdraw was objected to?

The CHAIRMAN. That is correct, objection is heard.

The gentleman from Texas still has the time.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. Mr. Chairman, I rise in support of H.R. 1 and the amendment offered by the distinguished chairman of the Housing and Community Development Subcommittee, my colleague from Texas, HENRY GONZALEZ.

As a longtime member of the Committee on Banking, Finance and Urban Affairs and as a member who has represented one of the largest urban communities of our Nation, I strongly endorse the provisions contained in the committee-reported version of H.R. 1. I regret the necessity of having to reduce across the board the authorizations in H.R. 1, but understand the necessity of doing so if we are to have a housing authorization bill. It is regrettable that we have been unable to have a major housing bill since 1980. While there were provisions on housing and community development authorizations in the 1981 Gramm-Latta Budget Act, these provisions were not carefully considered by the Committee on Banking, Finance and Urban Affairs.

I commend my colleagues on the Housing and Community Development Subcommittee for their work in the past 2 years in putting this bill together. I was particularly pleased with an additional authorization of a billion dollars for the community development block grant program, including the programmatic changes in the community development block grant and the urban development action grant programs. Regretfully these additional authorizations had to be dropped in order to comply with the budget resolution and the action of the Appropriations Committee in passing H.R. 3133, the HUD-Independent Agencies appropriation bill.

Nevertheless, the 3-year authorization for CDBG and UDAG will provide the necessary long-term authorization that cities, such as Chicago, need in order to plan adequately their community development programs. The community development block grant program is a particularly important one for my city, since it has made extensive use of community development funds for rehabilitation of residential housing throughout the city and has also made extensive use of funds to develop community centers and senior citizen centers.

H.R. 1 and the Gonzalez amendment retains our assisted housing programs without which thousands of low-income people will be unable to be housed in a decent, safe, and suitable housing unit. I commend the committee for the initiative it has taken in producing a new rental housing construction program. Perhaps there is no other major urban community in this country today that has a greater need for new rental housing units than the Chicago metropolitan area.

The program contained in title III of H.R. 1 is an innovative and carefully crafted production program that bills upon the successes and the failures of our past housing production efforts. It will not involve huge budgetary commitments that we had to bear under the section 8 new construction program. The rental production program will build much-needed rental housing for both middle-income people and lower-income people without designing projects which are totally low income or totally middle income. Up to 20 percent of the units in each individual project will be for low- and moderate-income people—the rest will be available for middle-income people.

This rental production program is sponsored by our colleague from New York, Mr. SCHUMER, and the distinguished Member of the other body, Senator CHRISTOPHER DODD of Connecticut. It will provide my city with the tools to provide rental housing that is just unavailable.

Mr. Chairman, I would urge my colleagues to expedite consideration of this bill that the Banking Committee has worked diligently in putting together and reporting out. It is an important piece of domestic legislation and I urge its prompt approval by the House.

Mr. GARCIA. Mr. Chairman, I move to strike the requsite number of words and I rise in opposition to the amendment.

Mr. Chairman, I am taking the well because I think there are many Members in their respective offices right now who are listening to this debate on rent control in the city of New York and various other cities throughout the country.

Just let me say to my colleague from Ohio who has introduced this amendment, now as long as I have been a Member of this body there is no ques-

tion in my mind that rent control is an issue that is a local issue.

In the city of New York today we have an 8 year waiting list of people trying to find apartments. I am sure if we go to the other large metroplitan areas of this country, whether it be Los Angeles or Chicago or Miami, we will find the same type of waiting lists.

□ 1710

It seems to me that while his intent and while the realtors in the 18 years that I have been in political office, whether at the State level in Albany or here in Washington, have always pushed is that rent control caused the demise of the city of New York. Well, that is the furthest from the truth. I think the statistics were spelled out quite clearly for seven or eight other cities throughout the country which have a worse problem than we have in the city of New York.

The key here is that there are many people living in New York City today who are elderly and who are poor and let us forget about the poor, let us just talk about our senior citizens. I am certain that my colleague from Ohio does not, under any set of circumstances, want to create chaos amongst the poor and the elderly, especially the elderly.

Many of the people who are presently living in these apartments today are people who are on fixed incomes, who have been living in these apartments for many years. What you would be doing by lifting rent control would be placing these people under an unfair hardship.

It seems to me that is not what we want to do. I would go a step beyond that. Rent control right now in my city, the city of New York, is voluntary; that is up to the developer if he decides on using the tax benefits. Rent control in the city of New York today is being phased out in favor of rent stabilization.

Let us face it, this is truly a local issue. I would suggest to my colleague from Ohio who has had this amendment in for years and years and years that he withdraw his amendment.

Rent control is something that the locality should have control over and not the Federal legislature, because what is good for New York, may not be good for other cities and what is good for other cities may not be good for New York. Let the local governments decide what it is they want and need for themselves.

Mr. FRANK. Mr. Chairman, I move to strike the last word. I thank the chairman.

Mr. Chairman, my first impulse when my friend from Ohio offered this amendment was to raise a point of personal privilege.

Like many Members here I spent significant amounts of time working in the local government and I spent some time in the State legislature. One of the minor reasons I was happy to get elected to Congress was I looked forward to never again discussing rent control.

For the gentleman from Ohio to inject that very local issue into this body causes me personal distress. I know that was not his motive but it is the effect.

Reference was made before to Pat Harris, who, caring strongly about rent control, did what was appropriate, she ran for mayor.

Rent control is a State or local issue. I am not going to debate the merits. I do not want to, I do not have to do that any more.

What we want to talk about is does it make sense for us to punish communities that have rent control by denying them this new Federal housing? There are several reasons already advanced against that. One of course is a minimum regard for consistency. For this Federal Government, for people on the other side who have been in the process of giving more power to the States, more authority to the local government, cutting back on the Federal Government, for the first time in our history to make the Federal Government the "super rent control administrator" of America is a great mistake.

If the gentleman from Ohio has a long-suppressed desire to run a city, I am sure we could all find him one to run. I wish he would not further complicate our agenda.

There is another flaw in the gentleman's reasoning. He says, "If you have rent control in a city, we will not allow you, if it covers new construction, to build new housing."

You are punishing the wrong people. If the purpose is to get rid of rent control it will not work because the beneficiaries of rent control are already living in housing.

If you go to the people in a city and say, "As long as your city keeps rent control we are not going to allow any new housing to be built," do you think the people now living in rent control units are going to say, "Oh, my, let us give up our protection because we want to build new housing."

You are going to punish the city by saying, "We will not build new housing."

I am willing to bet the gentleman from Ohio who thought that the city councils invoking for rent control do not plan to move into new housing. The mayors do not live in new housing.

You are punishing the wrong people. You are saying the following, "From the standpoint of the Federal Government we believe if you have rent control that means you do not have enough housing. Therefore, in those communities where there are people who are deprived of housing because they have rent control we are going to compound that by not letting any new federally supported housing be built."

You are punishing the wrong people, you are punishing the unhoused because the housed have rent control. That is one of the problems with trying to do this.

This is a Congress and a President which have been concerned about proper authority for the local governments.

I want to refrain from, I should have not mentioned the President because as I said as I remember in 1981 David Stockman, testifying before the Banking Committee, said on his behalf and that of the President that he was opposed to this amendment. Ronald Reagan out of a sense of consistency, according to David Stockman, does not agree with the gentleman from Ohio, that we should start picking and choosing as to what local policies make sense.

So, I would implore my colleague to show a sense of fairness and consistency. We are not in opposing the Wylie amendment asking anyone to be for rent control or against it. We are asking them to act like Members of a national legislative body properly concerned with national legislative policy.

We are asking them not to say to a few communities that because a particular majority of the national Congress at a particular time does not like a policy that that community has always had the right to accept we are going to punish them by saying they cannot get any new Federal housing.

The new Federal housing built under this program will not be covered by rent control.

The question is should Congress say, "If you dare disagree with us on whether or not rent control is a good thing you will get no housing. We will send your city to bed without those apartment houses."

It is an inappropriate response for the Federal Government. It is not a sensible way to make housing policy. If the gentleman from Ohio has this craving to deal with all of the local housing policies then I suggest to him there are more appropriate ways to do it than involving the Congress in a subject matter that is not properly, constitutionally ours.

Mr. WYLIE. Mr. Chairman, I rise in opposition to the amendment.

The offering of my amendment was a sincere effort on my part, let me say, to try to take care of what I regard as very serious problems and that is the lack of rental housing units in those cities which have rent controls. Now, this is not just my idea. I cited many authorities which suggested that rent control is counterproductive of producing rental housing. The latest editorial comments from the new York Times, the city of the gentleman from

New York, who is opposing my amendment and offered an amendment here which was not an attempt to try to satisfy the problem or a sincere effort, as I regard it, to help the situation, but rather was an attempt to ridicule my amendment and for what reason I do not know, because I staked out this position for a long time.

But there is an editorial in the New York Times from July 9 which says that:

Even if an owner proves hardship, the law limits relief to a 6 percent rent adjustment per year, which permits little progress over costs once inflation is deducted. The hardship provision will do little to encourage new or rehabilitated rental housing.

New Yorkers who cannot afford the rents necessary to maintain housing in decent, lawful condition need financial help, not laws that erode housing investment. The legislative psychology that sees permanent rent regulation as a solution to the housing problem resembles public policies that have neglected highway and subway maintenance until these vital public investments crumble.

Easing the continuing apartment shortage in New York requires new investment, not tightened rent regulation. The new rent bill suggests that Albany takes the housing problem less seriously than the lobbying of tenant groups.

That is where I am coming from. I am sincere in my effort to try to provide rental housing units for New York City and for the Washington, D.C., area.

As I said, we do not have the problem in Columbus, Ohio, because we do not have rent controls in Columbus. How can we persuade somebody to invest in new rental housing units, if you suggest to them that, "We are going to control the amount which you receive on that investment?" No way, not in our free enterprise system will something like that work.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield to me?

Mr. WYLIE. I would be glad to yield to the gentleman.

Mr. ST GERMAIN. Mr. Chairman, I, too, rise in opposition to the Schumer amendment.

I wonder if at this time the gentleman from Ohio (Mr. WYLIE) having heard the debate on the Schumer amendment would consent to a unanimous consent request by the gentleman from New York to withdraw the amendment.

Mr. WYLIE. Yes. It is not my intent to become personal over this amendment. I do suggest that the effort was not—the amendment was not offered in good faith, but if the gentleman wants to offer a unanimous-consent request again, I will not object.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman.

Mr. SCHUMER. I thank the gentleman from Rhode Island and the gentleman from Ohio.

I assure the gentleman from Ohio of my respect for him is the highest. We have worked closely together for 3 years. My only point in introducing this amendment was to show why I thought the gentleman's amendment would need some modification. But I appreciate the gentleman's consenting to my request.

Mr. Chairman, I renew my unanimous-consent request. I ask unanimous consent to withdraw my amendment to the Wylie amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1720

AMENDMENT OFFERED BY MR. GREEN TO THE AMENDMENT OFFERED BY MR. WYLIE

Mr. GREEN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN to the amendment offered by Mr. WYLIE: At the end of the Wylie amendment, change the period to a comma and add "other than projects developed with State or local government assistance.".

Mr. GREEN. Mr. Chairman, this amendment would meet the problem that I discussed earlier that a number of States and local governments have laws which provide for governmental assistance in the form of tax abatement or in the form of tax exempt bonds which require a restriction on the rents as a quid pro quo for the State or local assistance.

It is my understanding from discussions with the gentleman from Ohio that it has never been his intent to preclude those kinds of programs. I think this amendment would solve the problem from the point of view of my own city, New York City, which has no general rent control law applicable to new construction, but does benefit from those kinds of programs.

In that spirit, I offer the amendment.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

Mr. Chairman, I am happy to accept the gentleman's amendment.

It was never my intention to have this amendment apply in the case of a tax abatement situation which the gentleman earlier described or local situations where for some reason or other there are investment opportunities made available to local tax laws.

I am happy to accept the gentleman's amendment. I meant for it only to apply to specific rent control ordinances.

Mr. GREEN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. GREEN) to the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The amendment to the amendment was agreed to.

Mr. ST GERMAIN. Mr. Chairman, I ask unanimous consent that all debate on the Wylie amendment and all amendments thereto end at 5:30 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will each be recognized for 1 minute.

PARLIAMENTARY INQUIRY

Mr. GONZALEZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GONZALEZ. Mr. Chairman, the Chair propounded the last question as a vote on the amendment of the gentleman from New York.

The CHAIRMAN. The amendment of the gentleman from New York (Mr. GREEN).

Mr. GONZALEZ. The amendment of the gentleman from New York (Mr. GREEN) to?

The CHAIRMAN. To the amendment offered by the gentleman from Ohio (Mr. WYLIE).

Mr. GONZALEZ. I thank the Chair.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEVINE).

Mr. LEVINE of California. Mr. Chairman, I rise in strong opposition to the Wylie amendment which threatens to undermine community control over local housing policy. This is not an issue of approving or disapproving rent control. If Congress succeeds in prohibiting multifamily rental housing assistance to cities with rent control on newly constructed units, it will set a dangerous precedent by permitting the Federal Government to intrude into local housing policies.

Mr. Chairman, I represent eight jurisdictions in my district. Three of them have decided in favor of rent control. Five have decided against it. This is an issue of local control.

Even in those cities which have elected to impose rent control, this amendment would punish those persons within the city who support rent control and those who oppose it.

Mr. Chairman, H.R. 1 contains a new, and necessary rental housing production and rehabilitation program which is expected to add between 50,000 and 70,000 units of rental housing in areas of the country that have a severe shortage of affordable rental housing. Recognizing the urgent need to address the fact that vacancy rates have reached an unprecedented low level, this program has received the bipartisan support of the National Association of Home Builders, the U.S.

Conference of Mayors, and the National League of Cities.

Representative WYLIE's amendment would not only have the effect of withholding funds from communities which suffer from the most severe housing shortages, but would threaten a city's right to determine housing policy according to its own requirements.

Whether implementing zoning regulations, height and density limitations, and building code regulations, local city governments have traditionally determined and enforced local housing policy. Similarly, the decision to regulate local rents should be left to local authorities, who are most familiar with local housing conditions.

In light of the fact that over 5 million lower income families throughout the Nation still live in inadequate housing, I believe that all cities should qualify for support under the rental housing production and rehabilitation program. Rather than punish all citizens of any city which adopts certain housing policies, the Federal Government should protect their right to govern themselves. Whether you support or oppose rent control is not the point. I urge you to oppose this unwarranted and unnecessary intrusion by the Federal Government into local control of housing policy.

Therefore, I strongly oppose this amendment.

(By unanimous consent, Messrs. GONZALEZ, WEISS, SCHUMER, and LEVINE of California, yielded their time to Mr. WRIGHT).

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I thank my colleagues for yielding.

Mr. Chairman, I rise in opposition to this amendment because I think it would be a dramatic break from tradition. It would be an overturning of all of the precedents that we have sought so assiduously to observe in this Congress.

Never before have we undertaken to dictate to localities what kinds of ordinances or what kinds of rules and regulations they might apply locally to land use or rent controls. There have been times, of course, when the Federal Government has applied rent controls. As a matter of fact, in our low-cost, low-rent housing programs, we exact a form of rent control today from the standpoint of the Federal Government. We think in the public interest if we are to make Federal credits and Federal dollars available to construct low-cost, low-rent housing units available to people of low incomes, that we have the responsibility to see to it that certain controls are exerted over the amounts that might be charged by the landlords. Those landlords are the beneficiaries of largesse from the Federal Government, whether it be by dollars or by credits.

Therefore, if we assume the responsibility as the Federal Government to exert certain controls over the amounts of money that may be charged, how do we presume that we have the authority to deny to communities in some four of our States the right on their own, in their own volition, in the exercise of their own local governing powers, to assert rent controls within their own jurisdictions?

It seems to me it would be an outrageous intrusion on the part of our Federal Government into the rights that have always inhered in State and local governments.

For that reason alone this amendment ought to be voted down as an intrusion into State and local rights.

Beyond that fact, I think we need to recognize that there is a need for us to be concerned about the quality of housing and the cost of housing, whether it be purchased housing or rented housing. If we say that we are going to be dead set against any attempt on the part of any unit of Government to keep rents low, then we encourage rents being high. I do not think that is what we want to encourage in this Congress. I do not think we are in the business now of trying to approve that which the administration is attempting to do in turning low-rent projects, once they are paid out, into condominums so that they can be sold at higher and higher prices. And those people who have been the beneficiaries of the reasonable rents are thrown out to fend for themselves. That it seems to me is an outrageously unresponsible position for us to take.

Mr. MINISH. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New Jersey.

Mr. MINISH. Mr. Chairman, I rise in opposition to the Wylie amendment.

Mr. Chairman, I rise to voice my very strong opposition to this amendment.

We are currently debating one of the most important pieces of legislation the Congress may consider this session. This legislation is a reaffirmation of our national commitment to provide a decent home and suitable living environment for every American family. It reauthorizes all of the major federally sponsored housing and community development programs and includes a very significant provision which is designed to stimulate the production of rental housing.

It is the implementation of the rental housing component of this bill which the proposed amendment would impinge upon. Some Members of this body are attempting to use this important legislation as a means of overriding a local government's ability to respond to the housing needs within its jurisdiction. By offering this amendment the sponsors are attempting to ransom much needed moneys for low and moderate rental housing production in return for a local government's freedom to respond to the rental housing market conditions in their area.

I do not intend to belabor my colleagues with a full discussion of the relative merits of rent control. Quite frankly, that is a matter which could keep us occupied for quite some time. Suffice it to say that the correlation between rent controls and the decline of rental housing is not proven. Most likely, abandonment and the decline of rental housing have been the result of a compilation of factors including high interest rates, restrictive zoning, and local building codes. Unless each of these causes were addressed individually, singling out rent regulation alone would be shortsighted indeed.

Today I am simply calling upon the Members of this body to recognize the authority to stabilize rents as an inherently local prerogative, which should not be infringed upon through such heavyhanded techniques as the denial of much needed Federal housing moneys.

This country's rental housing market is actually comprised of numerous regionally oriented markets which differ from area to area. In my district of New Jersey, for example, the vacancy rate is extremely low compared to many other areas of the country. If at the Federal level, we were to impose a uniform, rigid policy which would have the effect of limiting the authority of local officials, we would be failing to recognize that housing markets differ between areas, and that the problems require remedies which are designed for each set of particular circumstances. By ignoring the different rental housing conditions which exist throughout this country, we could be doing a very grave disservice to those with limited incomes who are forced to compete for rental housing in tight markets. Local governing bodies must be free to respond to their individual market conditions. A Federal policy restricting State and local implementation of rent control could severely impinge upon this freedom.

I think it is ironic that those who are calling for the Federal Government to override State and local rent control laws belong to the same party which espouses the so-called New Federalism, a new direction of turning back authority and responsibility to State and local governments.

To insure that housing opportunities can be kept available to members of all income groups, I urge that this amendment be defeated, and local governments be left to respond to their market conditions as they see fit.

Mr. WRIGHT. For each and all of those reasons, Mr. Chairman, I im-

plore my colleagues to vote "no" on the Wylie amendment.

□ 1730

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I am surprised that the majority leader is opposed to my amendment and suggests that if it is adopted that rents will somehow go up.

If we produce a lot of apples, the price of a single apple will come down; if we produce few apples, the price of a single apple will go up. It is that simple. This is the issue. It is not a new issue.

Two years our committee, in commenting on the lack of rental housing, said:

Rent control actually is contrary to the interest of tenants. It discourages the development of new rental housing and encourages the conversion of rental housing to condominium or cooperative use.

Again, in the budget reconciliation bill, we said:

The rapid expansion of rent control ordinances and laws is one of the many factors which have contributed to the crisis in multi-family housing.

Two cities which do not have rent control ordinances have huge vacancy rates. Dallas-Fort Worth has a vacancy rate of 9 percent. Houston has a vacancy rate of 19 percent. There are no vacancy rates in those cities which have rent control ordinances.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WYLIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 206, noes 208, not voting 19, as follows:

[Roll No. 241]

AYES—206

Albosta	Carper	Edwards (AL)
Anderson	Chappie	Edwards (OK)
Andrews (TX)	Cheney	Emerson
Anthony	Clarke	Erdreich
Archer	Clinger	Erlenborn
AuCoin	Coats	Evans (IA)
Badham	Coleman (MO)	Fiedler
Barnard	Conable	Fields
Bartlett	Corcoran	Forsythe
Bateman	Coughlin	Franklin
Bedell	Courter	Frenzel
Bennett	Craig	Gaydos
Bereuter	Crane, Daniel	Gekas
Bethune	Crane, Philip	Gibbons
Bilirakis	Daniel	Gingrich
Bliley	Daschle	Glickman
Broomfield	Daub	Goodling
Brown (CO)	Davis	Gore
Bryant	Derrick	Gradison
Burton (IN)	DeWine	Gramm
Byron	Dickinson	Gregg
Campbell	Dreier	Gunderson
Carney	Duncan	Hall (OH)
Hall, Ralph	Martin (NC)	Schneider
Hall, Sam	Martin (NY)	Schulze
Hammerschmidt	McCain	Sensenbrenner
Hance	McCandless	Shaw
Hansen (UT)	McCollum	Shelby
Harkin	McDonald	Shumway
Hartnett	McEwen	Shuster
Hightower	McGrath	Siljander
Hiler	McKernan	Skeen
Hillis	McKinney	Skelton
Hopkins	Mica	Smith (IA)
Hubbard	Michel	Smith (NE)
Huckaby	Miller (OH)	Smith, Denny
Hunter	Mollohan	Smith, Robert
Hutto	Montgomery	Snowe
Hyde	Moore	Snyder
Ireland	Moorhead	Solomon
Jeffords	Morrison (WA)	Spence
Jenkins	Myers	Stangeland
Johnson	Nelson	Stenholm
Kasich	Nichols	Stump
Kemp	Nielson	Sundquist
Kindness	O'Brien	Tallon
Kolter	Oxley	Tauke
Kramer	Packard	Tauzin
Lagomarsino	Parris	Taylor
Latta	Pashayan	Thomas (CA)
Leach	Patman	Thomas (GA)
Leath	Paul	Vander Jagt
Lent	Petri	Vandergriff
Levitas	Porter	Volkmer
Lewis (CA)	Pritchard	Vucanovich
Lewis (FL)	Pursell	Walker
Livingston	Quillen	Weber
Lloyd	Ray	Whitehurst
Loeffler	Regula	Whittaker
Long (MD)	Ridge	Wilson
Lott	Ritter	Winn
Lujan	Roberts	Wolf
Lungren	Robinson	Wortley
Mack	Roemer	Wylie
MacKay	Rogers	Young (AK)
Madigan	Roth	Young (FL)
Marlenee	Rudd	Young (MO)
Marriott	Sawyer	Zschau
Martin (IL)	Schaefer	

NOES—208

Ackerman	Dwyer	Kennelly
Addabbo	Dymally	Kildee
Akaka	Dyson	Kogovsek
Alexander	Early	Kostmayer
Andrews (NC)	Eckart	LaFalce
Annunzio	Edgar	Lantos
Applegate	Edwards (CA)	Lehman (CA)
Aspin	English	Lehman (FL)
Bates	Evans (IL)	Leland
Beilenson	Fascell	Levin
Berman	Fazio	Levine
Bevill	Feighan	Lipinski
Biaggi	Ferraro	Long (LA)
Boehlert	Fish	Lowry (WA)
Boggs	Florio	Luken
Boland	Foglietta	Lundine
Bonior	Foley	Markey
Bonker	Ford (MI)	Martinez
Borski	Ford (TN)	Matsui
Bosco	Fowler	Mavroules
Boucher	Frank	Mazzoli
Boxer	Frost	McCloskey
Britt	Fuqua	McCurdy
Brooks	Garcia	McHugh
Brown (CA)	Gejdenson	McNulty
Burton (CA)	Gephardt	Mikulski
Carr	Gilman	Miller (CA)
Chappell	Gonzalez	Mineta
Clay	Gray	Minish
Coelho	Green	Mitchell
Coleman (TX)	Guarini	Moakley
Collins	Hall (IN)	Molinari
Conte	Hamilton	Moody
Conyers	Hatcher	Morrison (CT)
Cooper	Hefner	Mrazek
Coyne	Hertel	Murphy
D'Amours	Horton	Murtha
de la Garza	Howard	Natcher
Dellums	Hoyer	Neal
Dicks	Hughes	Nowak
Dingell	Jacobs	Oakar
Dixon	Jones (NC)	Oberstar
Donnelly	Jones (OK)	Obey
Dorgan	Jones (TN)	Olin
Dowdy	Kaptur	Ortiz
Downey	Kastenmeier	Ottinger
Durbin	Kazen	Owens
Panetta	Schroeder	Traxler
Patterson	Schumer	Udall
Pease	Seiberling	Valentine
Penny	Shannon	Vento
Pepper	Sharp	Walgren
Perkins	Sikorski	Watkins
Pickle	Simon	Waxman
Price	Sisisky	Weaver
Rangel	Slattery	Weiss
Ratchford	Smith (FL)	Wheat
Reid	Smith (NJ)	Whitley
Richardson	Solarz	Whitten
Rinaldo	Spratt	Williams (MT)
Roe	St Germain	Wirth
Rose	Staggers	Wise
Rostenkowski	Stark	Wolpe
Roukema	Stokes	Wright
Rowland	Stratton	Wyden
Roybal	Studds	Yates
Russo	Swift	Yatron
Sabo	Synar	Zablocki
Savage	Torres	
Scheuer	Towns	

NOT VOTING—19

Barnes	Flippo	McDade
Boner	Hansen (ID)	Rahall
Breaux	Harrison	Rodino
Broyhill	Hawkins	Torricelli
Chandler	Heftel	Williams (OH)
Crockett	Holt	
Dannemeyer	Lowery (CA)	

□ 1740

The Clerk announced the following pairs:

On this vote:

Mr. Rahall for, with Mr. Hawkins against.

Mr. Breaux for, with Mr. Crockett against.

Messrs. COYNE, RICHARDSON, ASPIN, PANETTA, and LANTOS changed their votes from "aye" to "no."

Messrs. RAY, GAYDOS, GUNDERSON, and RALPH M. HALL changed their votes from "no" to "aye."

Mr. SKELTON changed his vote from "present" to "aye."

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

□ 1750

The CHAIRMAN. Are there any further amendments to title III?

AMENDMENT OFFERED BY MR. MORRISON OF CONNECTICUT

Mr. MORRISON of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MORRISON of Connecticut: Page 111, after line 19, insert the following new subsection:

"(b) In providing assistance under this title, the Secretary shall make a reasonable distribution of such assistance provided in each State between units to be occupied by (1) elderly or handicapped families (as defined in section 202(d)(4) of the Housing Act of 1959); and (2) other families or individuals. The amounts allocated in each State for elderly and handicapped units shall not exceed an amount that bears the same relationship to the amount allocated for other families and individuals as the number of elderly and handicapped families living in substandard units in the State bears to the number of other families and individuals living in substandard housing in the State."

Page 111, line 10, insert "(a)" after the section designation.

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. MORRISON of Connecticut. Mr. Chairman, this is a targeting amendment. This amendment makes clear that the funds to be made available and the assistance to be made available under the new rental production program will be made available for both elderly and family housing in a reasonable mix.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield to me?

Mr. MORRISON of Connecticut. I yield to the chairman of the full committee.

Mr. ST GERMAIN. Mr. Chairman, I would like to inform the members of the committee what the plans are and if we receive their cooperation, they will all be very happy. I am sure my colleagues are interested in what the plans of the committee are. I would like to state them.

As of now, up until this point we have had tremendous cooperation from the minority and the cooperation will continue, as will ours. We can finish this bill within 40 minutes. I anticipate perhaps one vote on an amendment and then a vote on final passage.

This means, if you look at your schedule, that the bill that was scheduled for Thursday, the housing bill, will have been taken care of this evening and I leave you to reach your own conclusions.

Therefore, please cooperate, so that we can hear these amendments expeditiously and dispose of them.

At this point I would like to say that the majority has looked at the gentleman's amendment and is prepared to accept his amendment.

I think if the gentleman yields to the gentleman from Connecticut, he will be happy to hear what he has to say.

Mr. MORRISON of Connecticut. Mr. Chairman, I am happy to yield to my friend and colleague, the gentleman from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. Mr. Chairman, the minority has reviewed the amendment and we consider it a good addition to the bill and accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MORRISON).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Chair wishes to inquire of the gentleman from Texas, is the gentleman from Texas offering these amendments en bloc?

Mr. BARTLETT. These amendments are not offered en bloc; Mr. Chairman.

The CHAIRMAN. They are not offered en bloc?

Mr. BARTLETT. No.

The CHAIRMAN. Could the gentleman from Texas identify which amendment it is?

Mr. BARTLETT. The amendment begins, "Strike out the item agreed to in the amendment relating to page 50, line 3, of the bill."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Strike out the item agreed to in the amendment offered by Mr. GONZALEZ relating to page 50, line 3, of the bill and insert in lieu thereof the following item:

Page 50, line 3, strike out "$729,033,000" and insert in lieu thereof "$549,949,000".

Strike out the item agreed to in the amendment offered by Mr. GONZALEZ relating to page 50, line 9, of the bill.

In clause (i)(I) of the provisions proposed to be inserted by the item in the amendment relating to page 51, lines 1 through 16, of the bill, strike out "$125,883,000" and insert in lieu thereof "$196,989,000.

Page 104, strike out line 1 and all that follows through page 106, line 16 (and conform the table of contents accordingly).

Page 106, strike out line 17 and all that follows through page 117, line 22 (and redesignate the subsequent titles and sections and any references to such titles and sections, and conform the table of contents, accordingly).

Strike out the item agreed to in the amendment offered by Mr. GONZALEZ relating to page 106, line 3, of the bill.

Strike out the item agreed to in the amendment offered by Mr. GONZALEZ relating to page 106, line 8, of the bill.

Strike out the item agreed to in the amendment offered by Mr. GONZALEZ relating to page 117, lines 19 through 22, of the bill.

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GONZALEZ. Mr. Chairman, I reserve a point of order on this amendment.

The CHAIRMAN. The gentleman from Texas reserves a point of order. Does the gentleman wish to state the point of order at this time?

POINT OF ORDER

Mr. GONZALEZ. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

Mr. GONZALEZ. Mr. Chairman, if the chair wishes, and it is in order, I will be delighted to state the reasons for the point of order.

□ 1800

In the first place, this amendment attempts to perfect and change the provisions of the bill that have already been perfected under my amendment by nature of a substitute, the amendment previously approved by the committee. As such I believe the amendment is not in order and I raise a point of order against it.

In addition, the amendment attempts to amend title II which has already been passed in the reading and, therefore, for those two basic reasons I wish to interject this point of order against the pending amendment.

The CHAIRMAN. Does the gentleman from Texas (Mr. BARTLETT) desire to be heard on the point of order?

Mr. BARTLETT. Mr. Chairman, I would comment that my amendment is broader in scope than the Gonzalez amendment as it would strike all of title III and strike section 231 of the bill which relates to the 235 assistance, and my amendment is broader in scope than merely the previously adopted Gonzalez amendment.

The CHAIRMAN. With one exception, and that is the portion of the amendment that begins on page 106 striking title III, these amendments en bloc seek either to amend portions of the Gonzalez amendment already agreed to en bloc or to amend unamended portions of the bill contained in title I and title II which have been passed in the reading.

Thus since the bill is not open at any point, the amendments en bloc are not in order and the Chair sustains the point of order.

Are there further amendments to title III?

If not, the Clerk will designate title IV.

Title IV reads as follows:

TITLE IV—RURAL HOUSING

AUTHORIZATIONS

SEC. 401. (a) Section 513 of the Housing Act of 1949 is amended—

(1) by striking out "$3,700,600,000 with respect to the fiscal year ending September 30, 1982;" in subsection (a) and inserting in lieu thereof "$3,955,600,000 with respect to the fiscal year ending September 30, 1984,";

(2) by striking out "$3,170,000,000" in subsection (a)(1) and inserting in lieu thereof "$3,705,600,000";

(3) by inserting before the semicolon at the end of subsection (a)(1) the following: "or pursuant to subparagraph (A) of such section in the case of borrowers who are persons of low income";

(4) in subsection (a)(4)—

(A) by striking out "none" and inserting in lieu thereof $200,000,000"; and

(B) by inserting before the period at the end thereof the following: "and who are not persons of low income";

(5) by striking out "and" at the end of subsection (a)(3), by striking out the period at the end of subsection (a)(4) and inserting in lieu thereof a semicolon, and by adding at

the end of subsection (a) the following new paragraphs:

"(6) not less than $1,000,000,000 of any amount so approved in an appropriation Act for such year shall be made available for loans under section 515; and

"(7) not more than $50,000,000 of any amount so approved in an appropriation Act for such year may be made available for loans under section 502 that are made without interest rate credits under section 521(a)(1)(B), which loans may be made only in connection with the transfer of a loan under section 502 to another eligible borrower or the sale by the Secretary of a dwelling unit assisted under such section.";

(6) by striking out "September 30, 1982" each place it appears in subsection (b) and inserting in lieu thereof "September 30, 1984";

(7) by striking out subsection (b)(4) and inserting in lieu thereof the following:

"(4) not to exceed $2,000,000 for the fiscal year ending September 30, 1984, for the purposes of section 525(a), and of the amount appropriated for such purposes the Secretary shall make available not less than 50 percent for counseling purchasers and delinquent borrowers;"; and

(8) by adding the following new subsection at the end thereof:

"(c) Notwithstanding any other provision of law and subject only to the absence of qualified applicants, to the authority provided in this title, and to any funding limitation approved in appropriation Acts, the Secretary shall, during fiscal year 1984, guarantee loans under this title with an aggregate principal amount of $200,000,000.".

(b) Section 515(b)(5) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(c) Section 517(a)(1) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(d) Section 521(a)(2)(D) of such Act is amended—

(1) by striking out "$398,000,000" and inserting in lieu thereof "$400,000,000".

(2) by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1984"; and

(3) by adding the following new sentence at the end thereof: "Of such rental assistance authority that is approved in appropriation Acts, the Secretary shall utilize at least $200,000,000 to provide assistance on behalf of tenants of newly constructed and substantially rehabilitated housing and related facilities for which assistance is provided with respect to such fiscal year under sections 514 and 515.".

(e) Section 523 of such Act is amended—

(1) by striking out "$5,000,000" and "May 20, 1983" each place such terms appear in subsection (f) and inserting in lieu thereof "$12,000,000" and "September 30, 1984", respectively; and

(2) by striking out "fiscal year 1982" each place it appears in subsection (g) and inserting in lieu thereof "fiscal year 1984".

RURAL HOUSING INSURANCE FUND AMENDMENTS

SEC. 402. Section 517(j) of the Housing Act of 1949 is amended—

(1) by striking out paragraph (4) and inserting in lieu thereof the following:

"(4) to provide assistance authorized by section 521(a)(1);";

(2) by striking out "; and" at the end of paragraph (5) and inserting in lieu thereof a period; and

(3) by striking out paragraph (6).

TENANT CONTRIBUTION

SEC. 403. (a) Section 521(a)(2)(A) of the Housing Act of 1949 is amended by striking out "not exceeding 25 per centum of income" in the first sentence and inserting in lieu thereof "not exceeding the highest of the following amounts, rounded to the nearest dollar: (I) 25 percent of the family's monthly adjusted income; (II) 10 percent of the family's monthly income; or (III) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments that is so designated".

(b) Section 501(b)(5) of such Act is amended to read as follows:

"(5) For purposes of this title, the terms 'income' and 'adjusted income' shall have the same meanings given such terms in section 3(b) of the United States Housing Act of 1937.".

(c) The Secretary of Agriculture shall provide that the amount of rental payments to be made by any family shall not increase, as a result of the amendments made by this section and as a result of any other provision of Federal law redefining which governmental benefits are required to or may be considered as income, by more than 10 percent during any 12-month period unless the increase above such 10 percent is attributed solely to increases in income which are not caused by such amendments or by such redefinitions. The limitation contained in the preceding sentence shall remain in effect and may not be changed or superseded except by another provision of law that amends this subsection.

(d) The amendments made by this section shall be effective with respect to tenant rental payments due on or after the date of the enactment of this Act.

TERM OF SECTION 502 LOANS

SEC. 404. Section 502(a) of such Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2) The Secretary may extend the period of any loan made under this section if the Secretary determines that such extension is necessary to permit the making of such loan to any person of low income who would otherwise be denied such loan because the payments required under a lesser period would exceed the financial capacity of such person. The aggregate period for which any loan may be extended under this paragraph may not exceed 5 years.".

SECTION 502 INTEREST CREDITS

SEC. 405. Section 521(a)(1)(B) of the Housing Act of 1949 is amended by inserting the following before the period at the end thereof: ", except that for persons of low or moderate income who receive assistance under section 502 or 517(a), the amount of assistance in the form of credits may not exceed the lesser of—

"(i) the balance of the monthly payment for principal, interest, taxes, and insurance due under the mortgage remaining unpaid after applying 20 percent of the adjusted income of the mortgagor; or

"(ii) the difference between the amount of the monthly payment for principal and interest that the mortgagor is obligated to pay under the mortgage and the monthly payment for principal and interest that the mortgagor would be obligated to pay if the mortgage were to bear interest at a rate of 1 percent per annum".

USE OF FEE INSPECTORS AND APPRAISERS

SEC. 406. Section 510 of the Housing Act of 1949 is amended by redesignating subsection (j) as subsection (k) and inserting after subsection (i) the following new subsection:

"(j) utilize the services of fee inspectors and fee appraisers to expedite the processing of applications for loans and grants under this title, which services shall be utilized in any case in which a county or district office is unable to expeditiously process such loans and grants, and to include the cost of such services in the amount of such loans and grants; and".

DETERMINATION OF NEED FOR HOUSING UNDER SECTIONS 514 AND 516

SEC. 407. Section 514 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(h) In making available assistance in any area under this section or section 516, the Secretary shall—

"(1) in determining the need for the assistance, take into consideration the housing needs only of domestic farm labor, including migrant farmworkers, in the area; and

"(2) in determining whether to provide such assistance, make such determination without regard to the extent or nature of other housing needs in the area.".

RURAL RENTAL HOUSING LOANS

SEC. 408. (a) Section 515(a) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(5) loans may be made under this subsection for the purpose of utilizing as rental or cooperative housing for persons of low income, without regard to whether or not assistance under section 521 will also be utilized to assist such persons, existing dwellings (A) that the Secretary holds or is likely to hold under section 502 as a result of the transfer or foreclosure of such dwellings; and (B) with respect to which eligible applicants for purchase under section 502 have not been identified after a reasonable period.".

(b) Section 515 of such Act is amended by adding at the end thereof the following new subsections:

"(g) For purposes of determining the market feasibility of any project to be assisted under this section—

"(1) in the case of any applicant whose project is expected to utilize rental assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that a market exists for persons and families eligible for such rental assistance payments; and

"(2) in the case of any applicant whose project is expected to utilize any assistance under a program of a State, or political subdivision thereof, that is similar to such assistance payments under section 521, the Secretary shall only require such applicant to demonstrate that—

"(A) a market exists for persons and families eligible for such program of assistance;

"(B) such program of assistance permits rental assistance contracts to be made for a period of not less than 5 years; and

"(C) during the term of such rental assistance contracts, such State or political subdivision shall make available the amounts required for such rental assistance not less than annually.

"(h) The Secretary shall establish standards for housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section that are less stringent than standards established by the Secretary for housing and related facilities constructed with such amounts, except that the Secretary shall ensure that such standards provide decent, safe, and sanitary housing and related facilities.

"(i) The Secretary may not deny assistance under this section or section 521 on the basis that the project involved is to be located on more than one site.

"(j) The Secretary may not (1) deny assistance under this section on the basis that rental assistance payments under section 521 may be required; or (2) promulgate any regulation that would have the effect of denying occupancy to eligible persons on the basis that such persons require rental assistance payments under section 521.".

(c) Section 521(a)(2)(A) of such Act is amended by striking out the last sentence.

DEFINITION OF RURAL AREA

SEC. 409. Section 520 of the Housing Act of 1949 is amended by adding at the the end thereof the following new sentence: "For purposes of this title, any area classified as "rural" or a "rural area" under paragraph (2) prior to the receipt of data from or after the 1980 decennial census and determined not to be "rural" or a "rural area" as a result of such data shall continue to be so classified through the end of fiscal year 1984, if such area has a population in excess of 10,000 but not in excess of 20,000 and complies with the requirements of paragraph (3)(B).".

SHARED HOUSING FOR THE ELDERLY

SEC. 410. Section 521(a)(2) of the Housing Act of 1949 is amended by adding the following new subparagraph at the end thereof:

"(E) In order to assist elderly or handicapped persons or families who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their cost of housing, the Secretary shall permit rental assistance to be used by such persons or families if the shared housing arrangement is in a single-family dwelling. In carrying out this subparagraph, the Secretary shall issue minimum property standards (or modify existing standards) for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.".

PROCESSING OF APPLICATIONS

SEC. 411. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"PROCESSING OF APPLICATIONS

"SEC. 531. (a) The Secretary shall, in making assistance available under this title, give a priority to applications submitted by—

"(1) persons and families that have the greatest housing assistance needs because of their low income and their residing in inadequate dwellings; and

"(2) applicants applying for assistance for projects that will serve such persons and families.

"(b) In making available the assistance authorized by section 513 and section 521(a) with respect to insured and guaranteed loans and interest credits and rental assistance payments, the Secretary shall process and approve requests for such assistance in a manner that provides for a preliminary reservation of assistance at the time of initial approval of the project.".

RURAL HOUSING PRESERVATION GRANTS

SEC. 412. Title V of the Housing Act of 1949, as amended in section 411, is amended by adding at the end thereof the following new section:

"RURAL HOUSING PRESERVATION GRANTS

"SEC. 532. (a) The Secretary may provide financial assistance to units of general local government (including Indian tribes) and public and private nonprofit organizations to enable the recipients of such assistance to carry out programs of repair and rehabilitation of housing occupied, or to be occupied, by persons of low income in rural areas.

"(b)(1) Assistance received under this section may be used with respect to (A) any building that is to be made available for rental housing or cooperative housing if such cooperative housing has a membership resale structure that enables the cooperative to maintain affordability for persons of low income; and (B) single-family dwellings occupied by or to be occupied by persons of low income, if the Secretary determines that such rental or cooperative housing is inappropriate to meet the needs of such persons in any area.

"(2) Units of general local government and nonprofit organizations that receive such assistance shall utilize it to stimulate the repair and rehabilitation of buildings, including single-family dwellings, that will be made available for the purposes described in paragraph (1) by providing—

"(A) capital grants;

"(B) loans;

"(C) interest reduction payments; or

"(D) other comparable assistance that the Secretary deems appropriate to carry out the purpose of this section, designed to reduce the costs of such repair and rehabilitation in order to make such housing affordable by persons of low income and, to the extent feasible, by persons and families whose incomes do not exceed 50 percent of the area median income.

"(3) The Secretary is authorized to enter into contracts with any unit of general local government or nonprofit organization that agrees to administer assistance available under this section, subject to all the terms and conditions specified in this section and in rules, regulations, and procedures adopted by the Secretary under this section.

"(c)(1) In allocating assistance under this section, the Secretary shall seek to ensure that there is a reasonable distribution of such assistance among eligible rural areas throughout the Nation.

"(2) In selecting applications for assistance under this section from among the eligible applicants, the Secretary shall make such selection on the basis of the extent—

"(A) to which the repair and rehabilitation activities will assist persons of low income who lack adequate shelter, with priority given to applications assisting the maximum number of persons and families whose incomes do not exceed 50 percent of the area median income;

"(B)(i) to which the repair and rehabilitation activities include the participation of other public or private organizations in providing assistance, in addition to the assistance provided under this section, in order to lower the costs of such activities; or

"(ii) to which such activities will be undertaken in rural areas having populations below 10,000 or in remote parts of other rural areas; and

"(C) to which the repair and rehabilitation activities may be expected to result in achieving the greatest degree of repair or improvement for the least cost per unit or dwelling.

"(d) The amount of assistance provided under this section with respect to any housing shall be the least amount that the Secretary determines is necessary to provide, through the repair and rehabilitation of such housing, decent rental or cooperative housing of modest design that is affordable for persons of low income.

"(e)(1) Assistance under this section may be provided with respect to rental or cooperative housing only if—

"(A) the owner has entered into such agreements with the Secretary as may be necessary to assure compliance with the requirements of this section, to assure the financial feasibility of such housing, and to carry out the other provisions of this section;

"(B) the owner agrees that the units repaired and rehabilitated with such assistance will be occupied, or available for occupancy, by persons of low income for not less than the 15-year period beginning on the date on which such units are available for occupancy;

"(C) the owner agrees—

"(i) to pass on to the tenants any reduction in the debt service payments resulting from the assistance provided under this section;

"(ii) not to discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program; and

"(iii) not to convert the units to condominium ownership (or in the case of a cooperative, to condominium ownership or any form of cooperative ownership not eligible for assistance under this section);

during the 15-year period beginning on the date on which the units in the housing are available for occupancy;

"(D) the unit of general local government or nonprofit organization that receives the assistance certifies to the satisfaction of the Secretary that the assistance will be made available in conformity with Public Law 88-352 and Public Law 90-284;

"(E) the owner agrees to enter into and abide by written leases with the tenants, which leases shall provide that (i) the unit of general local government or nonprofit organization will review any proposed increase in rent and that any such increase shall be approved only if it is justified and reasonable as determined by the unit of general local government or nonprofit organization; (ii) tenants may be evicted only for good cause; and (iii) that a tenant may appeal to an impartial hearing officer any decision detrimental to his or her tenure and well being;

"(F) the unit of general local government or nonprofit organization will agree to supervise and inspect repairs and rehabilitation undertaken by someone other than an

employee of such unit of general local government or nonprofit organization; and

"(G) the unit of general local government or nonprofit organization will agree to provide periodic reports to the Secretary with such frequency as the Secretary shall deem necessary.

"(2) Assistance under this section may be provided with respect to any housing other than rental or cooperative housing only if there is compliance with the requirements set forth in subparagraphs (D), (F), and (G) of paragraph (1), in addition to any other requirements that may be established by the Secretary to carry out the purposes of this section.

"(3)(A) The Secretary shall provide that if the owner or his or her successors in interest fail to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1) during the applicable period, the owner or his or her successors in interest shall make a payment to the Secretary of an amount that equals the total amount of assistance provided under this section with respect to such housing, plus interest thereon (without compounding), for each year and any fraction thereof that the assistance was outstanding, at a rate determined by the Secretary taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was made available.

"(B) Notwithstanding any other provision of law, any assistance provided under this section shall constitute a debt, which is payable in the case of any failure to carry out the agreements described in subparagraphs (A), (B), and (C) of paragraph (1), and shall be secured by the security instruments provided by the owner to the Secretary.

"(4)(A) Rents charged for units occupied or available for occupancy by persons of low income, as required by paragraph (1)(B), in any such housing shall be approved by the Secretary. In approving such rents, the Secretary shall provide that tenants of such units are charged not more than 25 percent of their adjusted income for rent, including utilities, and shall require that not less than 30 days prior written notice of any increase in rents be provided to such tenants.

"(B) Any schedule of rents submitted by an owner to the Secretary for approval shall be deemed to be approved unless the Secretary informs the owner, within 60 days after receiving such schedule, that such schedule is disapproved.

"(f) The Secretary shall provide for the recapture of all or a portion of the assistance provided with respect to any housing under this section upon any disposition of such housing that involves a discontinuation of the use of such housing in compliance with the provisions of this section. Notwithstanding any other provision of law, any assistance provided with respect to any housing under this section shall constitute a debt secured by the security instruments provided by the owner of such housing to the Secretary to the extent that the Secretary may provide for the recapture of such assistance.

"(g) The Secretary shall provide for such advance payments of assistance under this section as the Secretary determines is necessary to effectively carry out the provisions of this section.

"(h) For purposes of this section, the term 'unit of general local government' means any borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

"(i) Not later than the expiration of the 6-month period following the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

"(j)(1) There is authorized to be appropriated for assistance under this section not to exceed the sum of $100,000,000 for fiscal year 1984.

"(2) Not more than 10 percent of any amount appropriated under paragraph (1) may be used for administrative expenses by the units of general local government and nonprofit organizations receiving assistance under this section.".

GUARANTEED LOAN DEMONSTRATION PROGRAM

SEC. 413. Title V of the Housing Act of 1949, as amended in section 412, is amended by adding at the end thereof the following new section:

"GUARANTEED LOAN DEMONSTRATION PROGRAM

"SEC. 533. (a) The Secretary shall, to the extent approved in appropriation Acts, carry out the program established in this section to demonstrate the effectiveness of utilizing the loan guarantee authority provided in this title in connection with State or private mortgage credit.

"(b) The Secretary may insure, and make commitments to insure, loans made by any State housing finance agency or private lender in accordance with terms and conditions that are, except as otherwise provided in this section, substantially identical to the terms and conditions established with respect to loan guarantees authorized in section 517(a).

"(c)(1) The Secretary may provide interest subsidies with respect to loans guaranteed by the Secretary under this section on behalf of borrowers whose incomes do not exceed 130 percent of the median income of the area involved. The Secretary shall prescribe regulations establishing the amount of interest subsidy to be made with respect to any such loan and the period for which such interest subsidy shall be made, except that in no case may such interest subsidy result in the reduction of the interest rate of a loan to below 9.5 percent per annum.

"(2) The Secretary shall provide for the recapture of all or a portion of the assistance provided to any borrower under this subsection upon the disposition or nonoccupancy of the property involved by such borrower. Notwithstanding any other provision of law, such assistance shall constitute a debt secured by the security instruments provided by such borrower to the Secretary to the extent that the Secretary may provide for the recapture of such assistance.

"(d) Of any amounts appropriated under section 513(a)(4) for fiscal year 1984, the Secretary may use such sums as may be necessary to carry out the demonstration program established in this section.".

FARM LABOR HOUSING

SEC. 414. Section 516 of the Housing Act of 1949 is amended by adding at the end thereof the following subsection:

"(i) The Secretary shall, to the extent approved in appropriation Acts, utilize not more than 10 percent of the amounts appropriated for purposes of this section for financial assistance to eligible private and public nonprofit agencies to encourage the development of domestic and migrant farm labor housing projects under this title.".

Mr. McCOLLUM. Mr. Chairman, I move to strike the last word.

Mr. Chairman, housing is one of the most important considerations of any family or any legislator in America. We can be proud of the enormous amount of housing that our country has and that we provided over the last few decades for American citizens.

Furthermore, I doubt there is anyone in this body who is not supportive of the goal of providing decent, safe, sanitary housing for every American who does not now have it.

What is at issue with this bill that we have been debating most of this afternoon and are about to vote on is how best to achieve the goals and whether the direction of the Federal Government in the housing arena should be generally continued as is done in this legislation.

Since the Federal Government entered the public housing field in 1937, about $363 billion has been committed to Federal subsidized housing and almost all of it since 1970. Less than $90 billion has actually been spent to meet these obligations, leaving future generations at least $263 billion to pay, assuming no additional commitments and assuming that projected deficits do not materialize. Over 5.5 million subsidized housing units are already occupied, housing about 13 million Americans.

The Congress has previously obligated the Government to build another 364,805 units which are not yet occupied. So if the Government merely fulfills its present obligations, there will be more than 360,000 units of housing provided in this decade, bringing the total number of units to about 6 million.

It is incredible that the spending cuts in the Federal housing programs alone in the first year of the Reagan administration constituted 52 percent of all of the spending cuts of that year and at the same time the reality of this situation is that Federal outlays for housing will rise in each year for the rest of this decade.

This is a prime example of how the efforts of 1981 and 1982 to slow the growth in Government spending did nothing more than that. It did not actually reduce spending.

While we are nowhere near achieving a balanced budget, it is interesting to look back on how we got here.

We got into an incredible mess because from 1937 to 1969 things were going fine, but about that time we started to really move. From 1937 to 1939 Federal public housing programs consisted largely of construction of units which were federally financed and operated by local public housing authorities. The low-cost finance allowed rents to be reduced and made available to the poor out of Federal operating subsidies.

Virtually all public housing authorities met their costs and even established reserves.

Concerns were then raised that tenants paid too much of their income for rent and Congress enacted requirements that tenants were to pay no more than 25 percent of their income toward rent, which is now 30 percent but under this bill would return to 25 percent.

This created a giant increase in Federal revenues diverted to public housing as the Federal Government acted to pick up the difference in the amount of these rents.

This was not all. With tenants not having to pay more than 25 percent of their incomes toward rent, the reserves of the public housing authorities were shortly exhausted and could no longer meet operating expenses, so that by last year there were 383,000 units located in public housing authorities that were financially distressed to the point of bankruptcy.

We have not rented units that have become vacant and are actually thinking of boarding up additional units that are currently occupied.

Naturally this caused Congress to jump in with even more money to subsidize the operating costs, and on top of that came a great public ripoff of the section 8 housing which Congress committed in 8 short years—more than $145 billion and about which the Congressional Budget Office at one point estimated that a newly constructed section 8 unit could have a lifetime cost of more than $500,000 apiece.

GAO estimated that more than 40 million Americans at one point were eligible for subsidies under section 8, and finally in 1982, Congress slashed funds for section 8. But the Congressional Budget Office estimates that the unfunded liability for section 8 housing is as large as $50 billion, which Congress will have to spend in the future to bail out the remainder of the program.

With at least $263 billion already obligated to be spent by Congress over the next 40 years on public housing, we have dug a deep trench by obviously biting off more than we could chew.

There are still millions of low-income American families who do not have the kind of housing most of us would like them to have. Even with all of the spending, it is estimated that only 25 or 26 percent of the very-low-income families of this country are living in federally subsidized housing that is of the quality and the standard that we want. This percentage may go up a fraction, but not much more than that.

However, we can only imagine the many billions of dollars more that would have to be spent to really bring all of the poor out of the housing ghettos any time in the near future.

The solutions to the problems of low-income Americans in housing simply does not lie in the continued gigantic Federal Government subsidies and spending on programs that reach only a small fraction of those in need. We need to reorder our priorities in spending in Congress so that we do not have a $100-billion-plus budget deficit. In so doing, Mr. Chairman, in the future we can completely reexamine the housing programs of this country, overhaul those programs, instead of just adjusting them like we have been doing, because those adjustments have only cost the taxpayers more dollars and never achieved the intended goals.

This is a bad bill, very simply put. There are no major changes of Federal housing programs in this bill.

The amended bill adds over the next 5 years $14 billion in outlays over the 1984 budget resolution, and the bill adds almost $54 billion in budget authority over the President's request.

It reverses several key 1981 Reconciliation Act reforms—reducing, for example, rent payments of tenants to 25 percent of income, as I mentioned earlier, from the 30-percent level, and it raises income eligibility standards from 50 percent of median income to 80 percent of median income, diluting benefits to the most needy and increasing the eligible population by over 50 percent, the increase being primarily for higher income families.

In short, this is an exceedingly bad bill.

The CHAIRMAN. The time of the gentleman from Florida (Mr. McCOLLUM) has expired.

(On request of Mr. GRAMM and by unanimous consent, Mr. McCOLLUM was allowed to proceed for 3 additional minutes.)

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. McCOLLUM. I yield to the gentleman from Texas.

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Mr. GRAMM. I thank the gentleman for yielding.

Mr. Chairman, I would like to point out we have had a very important statement here. This bill is a budget-buster. Before the amendment adopted here, over the next 5 years it would spend $25 billion more than the President recommended. Even with the adoption of the amendment it spends more than $17 billion more than the President recommended.

It is important, further, Mr. Chairman, to note that the cuts are in slow spendout programs such as section 8. The real dollars here have to do with tenant payments under subsidized housing.

I want to remind my colleagues that in the 1981 reconciliation bill we changed the tenant payments from 25 to 30 percent of adjusted income. And that was based on a radical idea. And that idea was that since the working poor were paying 30 percent of their income in rents that the nonworking poor ought to be treated the same.

In other words, those that were riding in the wagon ought not to be treated any better than those that were pulling the wagon.

I urge my colleagues to listen to the advice of my colleague from Florida: Vote "no" on this bill.

We certainly intend to encourage the President to veto this bill if the other body should be so foolish as to adopt it in this form.

Mr. McCOLLUM. I urge my colleagues to vote "no" on this bill. As the gentleman from Texas said, this is one of the biggest budget-busters we have. Even though it is given to us in the appearance of being sane, it is not.

I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman has expired.

Are there any other amendments to title IV? If not, the Clerk will designate title V.

Title V reads as follows:

TITLE V—PROGRAM AMENDMENTS AND EXTENSIONS

PART A—FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

EXTENSION OF MORTGAGE INSURANCE PROGRAMS

SEC. 501. (a) Section 2(a) of the National Housing Act is amended by striking out "May 21, 1983" in the first sentence and inserting in lieu thereof "October 1, 1984".

(b) Section 217 of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(c) Section 221(f) of such Act is amended by striking out "May 20, 1983" in the fifth sentence and inserting in lieu thereof "September 30, 1984".

(d)(1) Section 235(m) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(2) Section 235(q)(1) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(e) Section 236(n) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(f) Section 244(d) of such Act is amended—

(1) by striking out "May 20, 1983" in the first sentence and inserting in lieu thereof "September 30, 1984"; and

(2) by striking out "May 21, 1983" in the second sentence and inserting in lieu thereof "October 1, 1984".

(g) Section 245(a) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1984".

(h) Section 809(f) of such Act is amended by striking out "May 20, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(i) Section 810(k) of such Act is amended by striking out "May 20, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(j) Section 1002(a) of such Act is amended by striking out "May 20, 1983" in the second sentence and inserting in lieu thereof "September 30, 1984".

(k) Section 1101(a) of such Act is amended by striking out "May 20, 1983" in the second

sentence and inserting in lieu thereof "September 30, 1984".

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 502. Section 3(a)(1) of Public Law 90-301 is amended by striking out "May 21, 1983" and inserting in lieu thereof "October 1, 1984".

AMOUNT TO BE INSURED UNDER THE NATIONAL HOUSING ACT

SEC. 503. Section 531 of the National Housing Act is amended to read as follows:

"AMOUNT OF INSURED MORTGAGES

"SEC. 531. Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in title II, and to any funding limitation approved in appropriation Acts, the Secretary shall enter into commitments during fiscal year 1984 to insure mortgages under title II with an aggregate principal amount of $45,900,000,000.".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 504. Section 519(f) of the National Housing Act is amended by inserting the following before the period at the end thereof: ", and further increased by $252,974,000 on October 1, 1982".

COOPERATIVES

SEC. 505. Section 203(n) of the National Housing Act is amended—

(1) in paragraph (1), by inserting the following before the period at the end of the second sentence: "or the construction of which was completed more than a year prior to the application for the mortgage insurance"; and

(2) by striking out "nonprofit" in paragraph (2)(A).

MANUFACTURED HOUSING

SEC. 506. Section 2(a) of the National Housing Act is amended by inserting the following before the last undesignated paragraph thereof:

"The insurance authority provided under this section may be made available with respect to any existing manufactured home that has not been insured under this section if such home was constructed in accordance with the standards issued under the National Manufactured Housing Construction and Safety Standards Act of 1974 and it meets standards similar to the minimum property standards applicable to existing homes insured under title II.".

TEMPORARY MORTGAGE ASSISTANCE PAYMENTS

SEC. 507. Section 230(d) of the National Housing Act is amended by striking out ", to the extent practicable,".

MORTGAGE INSURANCE FOR PUBLIC HOSPITALS

SEC. 508. Section 242 of the National Housing Act is amended—

(1) by inserting "public facility," in subsection (b)(1)(C) after "which is a"; and

(2) by inserting the following before the period at the end of subsection (f): ", and, in the case of public hospitals, to encourage programs that are undertaken to provide essential health care services to all residents of a community regardless of ability to pay".

MORTGAGE INSURANCE FOR AMERICAN SAMOA

SEC. 509. (a) Section 9 of the National Housing Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(b) Section 201(d) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

(c) Section 207(a)(7) of such Act is amended by inserting "American Samoa," after "the Trust Territory of the Pacific Islands,".

INDEXED MORTGAGES

SEC. 510. (a) Section 245 of the National Housing Act is amended by striking out the section heading and inserting in lieu thereof "GRADUATED PAYMENT AND INDEXED MORTGAGES".

(b) Section 245(a) of such Act is amended—

(1) by striking out "of varying rates of amortization corresponding to anticipated variations in family income" in the first sentence and inserting in lieu thereof "of varying rates of amortization corresponding to anticipated variations in family income or with monthly payments and outstanding balances adjusted by a percentage change in a selected price index"; and

(2) by striking out "subsection (b)" in the second sentence and inserting in lieu thereof "subsections (b) and (c)".

(c) Section 245 of such Act is amended by redesignating subsection (c) as subsection (d) and by inserting the following new subsection after subsection (b):

"(c) Notwithstanding the provisions of subsection (a), the Secretary may insure under any provision of this title a mortgage or loan that meets the requirements of the first sentence of subsection (a) and that has provisions permitting adjustment of monthly payments and outstanding principal according to changes or percentages of changes in a selected price index if the Secretary determines—

"(1) the principal obligation of the mortgage or loan initially does not exceed the percentage of the initial appraised value of the property specified in section 203(b) of this title as of the date the mortgage or loan is accepted for insurance; and

"(2) the monthly payments and principal obligation of the mortgage or loan thereafter will not at any time be increased at a rate greater than the percentage change in the price index stipulated in the initial mortgage or loan contract.

In carrying out this subsection, the Secretary shall give a priority to mortgages executed by mortgagors who, as determined by the Secretary, have not owned dwelling units within the preceding three years. The Secretary shall, not later than January 1, 1984, prescribe regulations establishing guidelines governing mortgages and loans described in this subsection and shall, to the extent practicable, conduct a demonstration program to insure mortgages and loans in accordance with this subsection during the fiscal year ending September 30, 1984.".

MINIMUM PROPERTY STANDARDS

SEC. 511. (a) Section 526 of the National Housing Act is amended—

(1) by adding the following new sentence at the end thereof: "Following the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the energy performance requirements developed and established by the Secretary under this subsection shall be at least as effective in achieving increases in energy efficiency as the energy performance requirements incorporated in the minimum property standards that were in effect under this subsection on September 30, 1982."; and

(2) by inserting "(a)" after the section designation and adding at the end thereof the following new subsection:

"(b) Each property subject to a mortgage insured under this Act shall, with respect to health and safety, comply with one of the nationally recognized model building codes, or with a State or local building code based on one of the nationally recognized model building codes or their equivalent. The Secretary shall be responsible for determining the comparability of the State and local codes to such model codes and for selecting for compliance purposes an appropriate nationally recognized model building code where no such model code has been duly adopted or where the Secretary determines the adopted code is not comparable.".

(b) The section heading of section 526 of such Act is amended to read as follows:

"MINIMUM PROPERTY STANDARDS".

CONDOMINIUM INSURANCE LIMITS

SEC. 512. The third sentence of section 234(c) of the National Housing Act is amended by inserting "(118 percent in the case of newly constructed units)" after "111 per centum".

GRADUATED PAYMENT MORTGAGES FOR MULTIFAMILY HOUSING

SEC. 513. Section 245 of the National Housing Act, as amended in section 510, is amended by—

(1) redesignating subsection (d) as subsection (e); and

(2) inserting after subsection (c) the following new subsection:

"(d)(1) The Secretary may insure, under any provision of this title relating to multifamily housing projects, mortgages and loans with provisions of varying rates of amortization corresponding to anticipated variations in project income, to the extent the Secretary determines such mortgages or loans (A) have promise for expanding housing opportunities or meet special needs; (B) can be developed to include any safeguards for mortgagors, tenants, or purchasers that may be necessary to offset special risks of such mortgages; and (C) have a potential for acceptance in the private market.

"(2) Notwithstanding any other provision of this title, the principal obligation of a mortgage or loan insured pursuant to this subsection—

"(A) may not exceed initially the percentage of the initial appraised value or replacement cost of the property involved that is required by the provision of this title under which such property is insured; and

"(B) thereafter (including all interest to be deferred and added to principal) may not at any time be scheduled to exceed 100 percent of the projected value of such property.

"(3) for purposes of this subsection, the projected value of a property shall be calculated by the Secretary by increasing the initial appraised value of such property at a rate not in excess of 2.5 percent per annum.

"(4) A mortgage or loan may not be insured pursuant to this subsection after September 30, 1984, except pursuant to a commitment entered into prior to such date.".

PART B—SECONDARY MORTGAGE MARKET PROGRAMS

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 521. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1984".

AMOUNT TO BE GUARANTEED UNDER THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION MORTGAGE-BACKED SECURITIES PROGRAM

SEC. 522. Section 306(g)(2) of the Federal National Mortgage Association Charter Act is amended to read as follows:

"(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to any funding limitation approved in appropriation Acts, the Association shall enter into commitments during fiscal year 1984 to issue guarantees under this subsection in an aggregate amount of $68,250,000,000.".

LIMITATIONS ON PARTICIPATION AGREEMENTS BY FNMA AND FHLMC

SEC. 523. (a) The sixth sentence of section 302(b)(2) of the Federal National Mortgage Association Charter Act is amended to read as follows: "The corporation shall establish limitations governing the maximum principal obligation of conventional mortgages that are purchased by it; in any case in which the corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the corporation.".

(b) The fifth sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended to read as follows: "The Corporation shall establish limitations governing the maximum principal obligation of conventional mortgages that are purchased by it; in any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation.".

PURCHASE OF SECOND MORTGAGES BY FNMA AND FHLMC

SEC. 524. (a) Section 302(b) of the Federal National Mortgage Association Charter Act is amended by adding the following new paragraph at the end thereof:

"(5)(A) The corporation is authorized, until October 1, 1985, with the approval of the Secretary of Housing and Urban Development, to purchase, service, sell, lend on the security of, and otherwise deal in conventional mortgages that are secured by a subordinate lien against a one- to four-family residence.

"(B) The corporation shall establish limitations governing the maximum principal obligation of conventional mortgages described in subparagraph (A); in any case in which the corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the corporation. Such limitations shall not exceed $50,000 in the case of a one-family residence and $60,000 in the case of a two- to four-family residence. No subordinate mortgage shall be purchased by the corporation if the total outstanding indebtedness secured by the property as a result of such mortgage exceeds 80 percent of the value of such property unless (i) that portion of such total outstanding indebtedness that exceeds such 80 percent is guaranteed or insured by a qualified insurer as determined by the corporation; (ii) the seller retains a participation of not less than 10 percent in the mortgage; or (iii) for such period and under such circumstances as the corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the corporation in the event that the mortgage is in default. The corporation shall not issue a commitment to purchase a subordinate mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with the requirements of clause (ii) of such sentence.".

(b)(1) Section 302(h) of the Federal Home Loan Mortgage Corporation Act is amended by striking out "The maximum principal obligation" and all that follows through "associations." and inserting in lieu thereof the following: "Such term shall also include, until October 1, 1985, other secured loans or advances of credit that are secured by a subordinate lien against a one- to four-family residence.".

(2) Section 305(a) of such Act is amended by adding the following new paragraph at the end thereof:

"(4) With respect to the purchase by the Corporation of any residential mortgage secured by a subordinate lien against a one- to four-family residence, the Corporation shall establish limitations governing the maximum principal obligation of such mortgages; in any case in which the Corporation purchases a participation interest in such a mortgage, the limitation shall be calculated with respect to the total principal obligation of the mortgage and not merely with respect to the interest purchased by the Corporation. Until October 1, 1985, such limitation shall not exceed $50,000 in the case of a one-family residence and $60,000 in the case of a two- to four-family residence. No subordinate mortgage shall be purchased by the Corporation if the total outstanding indebtedness secured by the property as a result of such mortgage exceeds 80 percent of the value of such property unless (i) that portion of such total outstanding indebtedness that exceeds such 80 percent is guaranteed or insured by a qualified insurer as determined by the Corporation; (ii) the seller retains a participation of not less than 10 percent in the mortgage; or (iii) for such period and under such circumstances as the Corporation may require, the seller agrees to repurchase or replace the mortgage upon demand of the Corporation in the event that the mortgage is in default. The Corporation shall not issue a commitment to purchase a subordinate mortgage prior to the date the mortgage is originated, if such mortgage is eligible for purchase under the preceding sentence only by reason of compliance with the requirements of clause (ii) of such sentence.".

FHLMC AUTHORITY TO PURCHASE STATE AGENCY INSURED MORTGAGE LOANS

SEC. 525. Section 302(i) of the Federal Home Loan Mortgage Corporation Act is amended by striking out "a State or any agency or instrumentality of either" and inserting in lieu thereof "any of its agencies or instrumentalities".

FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 526. (a) The first sentence of section 303(a) of the Federal National Mortgage Association Charter Act is amended by striking out "all" the first place it appears.

(b) Section 304(a)(2) of such Act is amended by striking out the first two sentences.

(c) The first sentence of section 308(b) of such Act is amended to read as follows: "The Federal National Mortgage Association shall have a board of directors, which shall consist of 18 persons, 5 of whom shall be appointed annually by the President of the United States, and the remainder of whom shall be elected annually by the stockholders.".

(d)(1) Section 309(h) of such Act is amended by striking out the second sentence.

(2) Section 311 of such Act is amended by inserting after "issuances" the following: "by the Association and all issuances of stock, and debt obligations convertible into stock, by the corporation".

(e) Section 309(h) of such Act is amended by striking out the fifth and last sentences and inserting in lieu thereof the following: "Pursuant to the authority provided in this subsection, the Secretary shall, not later than June 30 of each year, report to the Congress on the activities of the corporation under this title.".

(f) Section 309 of such Act is amended by adding at the end thereof the following new subsection:

"(i) If the Federal National Mortgage Association submits to the Secretary of Housing and Urban Development, after the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, a request for approval or other action under this title, the Secretary shall, not later than the expiration of the 45-day period following the submission of such request, approve such request or transmit to the Congress a report explaining why such request has not been approved. Such period may be extended for an additional 15-day period if the Secretary requests additional information from the corporation. If the Secretary fails to transmit such report to the Congress within such 45-day period or 60-day period, as the case may be, the corporation may proceed as if such request had been approved.".

AUTHORITY OF FHLMC TO PURCHASE LOANS ON MANUFACTURED HOMES

SEC. 527. Section 302(h) of the Federal Home Loan Mortgage Corporation Act is amended by adding the following new sentence at the end thereof: "The term 'residential mortgage' is also deemed to include loans or advances of credit secured by mortgages or other liens against manufactured homes, whether secured by property that is real, personal, or mixed.".

LIMITATION ON PURCHASE OF CONVENTIONAL MORTGAGES ON MULTIFAMILY PROPERTIES BY FNMA AND FHLMC

SEC. 528. (a) The penultimate sentence of section 302(b)(2) of the Federal National Mortgage Association Charter Act is amended by striking out "125" and inserting in lieu thereof "240".

(b) The penultimate sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by striking out "125" and inserting in lieu thereof "240".

GNMA COMMITMENT EXTENSIONS

SEC. 529. Section 305(b) of the Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new sentence: "If any commitment issued under this section to purchase a mortgage insured under this Act is for a number of months less than the number of months of the construction period of the project involved as estimated by the Secretary in a commitment for mortgage insurance, extensions of the commitment issued under this section shall be granted without the imposition of additional fees beyond the initial commitment fee, except that customary fees for the extension of such commitments may be charged for periods in excess

of the number of months of such approved construction period.".

STUDY OF PREPAYMENT PENALTIES AND THE SECONDARY MORTGAGE MARKET

SEC. 530. Not later than 180 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development, following consultation with the board of directors of the Federal National Mortgage Association, the Board of Directors of the Federal Home Loan Mortgage Corporation, the President of the Government National Mortgage Association, the Board of Governors of the Federal Reserve System, the Federal Home Loan Bank Board, the Comptroller of the Currency, and the National Credit Union Administration Board, shall submit to the Congress a report regarding mortgage prepayment penalties and their impact on secondary mortgage market activities. Such report shall include—

(1) a review of State laws and regulations regarding prepayment penalties;

(2) an evaluation of the impact of prepayment penalties on the ability to attract investors to the secondary mortgage market;

(3) an analysis of existing authority for lenders to offer mortgage instruments containing prepayment penalties; and

(4) a proposal for federally standardized mortgage instruments that would contain prepayment penalties in combination with features that would be attractive to prospective purchasers of homes, including below-market interest rates and prohibitions on non-risk related settlement charges normally incurred by homeowners upon refinancing.

PART C—OTHER PROGRAMS

REPORT REGARDING PROGRAM CHANGES

SEC. 541. The Secretary of Housing and Urban Development shall, not later than January 1, 1984, transmit a report to both Houses of Congress that describes—

(1) the standards utilized by the Department of Housing and Urban Development to make determinations concerning whether program requirements and changes to those requirements are implemented through the use of regulations, handbooks, memoranda, telegrams, or other forms of formal or informal notices; and

(2) the system currently utilized by the Department to assure that changes in the operation of departmental programs that substantially affect the eligibility, rights, or benefits of persons applying for or receiving assistance under any such programs are subject to requirements of notice and publication, especially those requirements specified in subsections (b) through (e) of section 553 of title 5, United States Code.

REAL ESTATE SETTLEMENT PROCEDURES

SEC. 542. (a) Section 3 of the Real Estate Settlement Procedures Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(3) by adding the following new paragraphs at the end thereof:

"(7) the term 'controlled business arrangement' means an arrangement in which (A) a person who is in a position to refer business incident to or a part of a real estate settlement service involving a federally related mortgage loan, or an associate of such person, has either an affiliate relationship with or a direct or beneficial ownership interest of more than 1 percent in a provider of settlement services; and (B) either of such persons directly or indirectly refers such business to that provider or affirmatively influences the selection of that provider; and

"(8) the term 'associate' means (A) a spouse, parent, or child of a person in a position to refer settlement business; (B) a corporation or business entity that controls, is controlled by, or is under common control with such person; (C) an employer, officer, director, partner, franchisor, or franchisee of such person; or (D) any person who has an agreement, arrangement, or understanding, with a person in a position to refer settlement business, the purpose or substantial effect of which is to enable the person in a position to refer settlement business to benefit financially from the referrals of such business.".

(b) Section 8(c) of such Act is amended—

(1) by striking out "or" before "(3)";

(2) by redesignating clause (4) as clause (5);

(3) by inserting the following after "brokers," at the end of clause (3): "(4) controlled business arrangements so long as (A) at or prior to the time of the referral a good faith effort is made to disclose the existence of such an arrangement to the person being referred and, in connection with the referral, to provide such person a written estimate of the range of charges generally made by the provider to which the person is referred, except that where a lender makes the referral, this requirement may be satisfied as part of and at the time that the estimates of settlement charges required under section 5(c) are provided, (B) such person is not required to use any particular provider of settlement services, and (C) the only thing of value that is received from the arrangement, other than the payments permitted under this subsection, is a return on the ownership interest or franchise relationship,"; and

(4) by inserting the following new sentence at the end thereof: "For purposes of the preceding sentence, (i) any arrangement that requires a buyer, borrower, or seller to pay for the services of an attorney, credit reporting agency, or real estate appraiser chosen by the lender to represent the lender's interest in a real estate transaction, or (ii) any arrangement where an attorney or law firm represents a client in a real estate transaction and issues or arranges for the issuance of a policy of title insurance in the transaction directly as agent or through a separate corporate title insurance agency that may be established by that attorney or law firm and operated as an adjunct to his or its law practice, shall not be considered a violation of clause 4(B).".

(c) Section 8(d) of such Act is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) Any person or persons who violate the prohibitions or limitations of this section shall be jointly and severally liable to the person or persons charged for the settlement service involved in the violation in an amount equal to three times the amount of any charge paid for such settlement service.

"(3) The Secretary, the Attorney General of any State, or the insurance commissioner of any State may bring an action to enjoin violations of this section.

"(4) In any private action brought pursuant to this subsection, the court may award to the prevailing party the court costs of the action together with reasonable attorneys fees.

"(5) No provision of State law or regulation that imposes more stringent limitations on controlled business arrangements shall be construed as being inconsistent with this section.".

(d) Section 16 of such Act is amended to read as follows:

"JURISDICTION OF COURTS

"SEC. 16. Any action pursuant to the provisions of section 8 or 9 may be brought in the United States district court or in any other court of competent jurisdiction, for the district in which the property involved is located, or where the violation is alleged to have occurred, within one year from the date of the occurrence of the violation, except that actions brought by the Secretary, the Attorney General of any State, or the insurance commissioner of any State may be brought within 3 years from the date of the occurrence of the violation.".

(e) Section 19 of such Act is amended by adding the following new subsection at the end thereof:

"(c)(1) The Secretary may investigate any facts, conditions, practices, or matters that may be deemed necessary or proper to aid in the enforcement of the provisions of this Act, in prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending further legislation concerning real estate settlement practices. To aid in the investigations, the Secretary is authorized to hold such hearings, administer such oaths, and require by subpena the attendance and testimony of such witnesses and production of such documents as the Secretary deems advisable.

"(2) Any district court of the United States within the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a subpena of the Secretary issued under this section, issue an order requiring compliance therewith; and any failure to obey such order of the court may be punished by such court as a contempt thereof.".

(f) The amendments made by this section shall become effective on January 1, 1984.

NATIONAL INSTITUTE OF BUILDING SCIENCES

SEC. 543. Section 809(h) of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new sentence: "In addition to the amounts authorized to be appropriated under the first sentence of this section, there is authorized to be appropriated to the Institute to carry out the provisions of this section not to exceed $500,000 for fiscal year 1984.".

SOLAR ENERGY AND ENERGY CONSERVATION BANK

SEC. 544. (a)(1) Section 504(6) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (G) the following new subparagraphs:

"(H) air-conditioning systems having better than average energy efficiency ratings;

"(I) any residential energy audit;";

(B) by redesignating subparagraphs (H) and (I) as subparagraphs (J) and (K), respectively; and

(C) in subparagraph (K), as so redesignated in this paragraph—

(i) by striking out "any residential energy audit,"; and

(ii) by striking out "(H)" and inserting in lieu thereof "(J)".

(2) Section 504(7) of the Solar Energy and Energy Conservation Bank Act is amended—

(A) by inserting after subparagraph (I) the following new subparagraphs:

"(J) air-conditioning systems having better than average energy efficiency ratings;

"(K) any commercial energy audit;";

(B) by redesignating subparagraphs (J) and (K) as subparagraphs (L) and (M), respectively; and

(C) in subparagraph (M), as so redesignated in this paragraph—

(i) by striking out "any commercial energy audit,"; and

(ii) by striking out "(J)" and inserting in lieu thereof "(L)".

(b) Section 508(f) of such Act is amended by adding at the end thereof the following new sentence: "Each such advisory committee shall meet at the call of its chairperson or a majority of its members, and shall meet not less than twice during each year.".

(c)(1) Section 511(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end thereof the following new paragraph:

"(5) in the case of a residential building with 2 to 4 dwelling units and an owner or tenant whose income exceeds 150 percent of the median area income, or in the case of a residential building that is available for rent and is owned by a person whose income exceeds 150 percent of the median area income—

"(A) an amount equal to 20 percent of the cost of the residential energy conservation improvements; or

"(B) the sum of $400 times the number of dwelling units in such building in the case of an owner, or $400 in the case of a tenant, whichever is less.".

(2) Section 511 of such Act is amended by adding at the end thereof the following new subsection:

"(d) The Board may not limit the amount of financial assistance that may be provided under this subtitle for the purchase or installation of residential or commercial energy conserving improvements on the basis of the projected amount of energy conserved as a result of such improvements.".

(d) Section 520 of such Act is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) Not later than 90 days after the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the Board shall issue regulations that—

"(1) permit the provision of financial assistance under this subtitle for the purchase and installation of solar energy systems of the active type, and the purchase and installation of passive and active type solar space heating and water heating in new and existing residential buildings and multifamily residential buildings;

"(2) permit metropolitan cities and urban counties (as defined in section 102 of the Housing and Community Development Act of 1974) to receive financial assistance under this subtitle directly from the Bank;

"(3) permit the use of tax-exempt financing in connection with any purchase or installation of residential or commercial energy conserving improvements or solar energy systems assisted under this subtitle;

"(4) provide that a residential energy audit shall not be required as a condition of the receipt of financial assistance by an owner or tenant of a residential building under this subtitle;

"(5)(A) establish a maximum limitation on the percentage or amount of any financial assistance provided under this subtitle that may be used for administrative expenses, which limitation shall be 10 percent (or such higher percentage as the Secretary may determine to be appropriate), or $20,000, whichever amount is greater; and

"(B) provide that not more than one-half of any such amount may be used by any State for its administrative expenses, except that if any State is the sole administrative entity in such State with respect to financial assistance under this subtitle such State may use all of such amount for such expenses;

"(6) establish criteria for the allocation of financial assistance under this subtitle among eligible financial institutions; and

"(7) provide that any amount of unexpended financial assistance under this subtitle that is recaptured by the Board shall be reallocated by the Board to eligible financial institutions under this subtitle.".

(e) Section 1071 of the Omnibus Budget Reconciliation Act of 1981 is amended—

(1) by striking out "such fiscal year" and inserting in lieu thereof "of fiscal years 1982 and 1983"; and

(2) by inserting after "$50,000,000" the following: ", and for fiscal year 1984 not to exceed $100,000,000,".

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REORGANIZATION PROCEDURES

SEC. 545. Section 7(p) of the Department of Housing and Urban Development Act is amended—

(1) in the first sentence, by inserting "the central office or" after "reorganization of"; and

(2) in paragraph (3), by inserting the following before the semicolon at the end thereof: ", including the direct and indirect impact on unemployment in both the public and private sectors".

WEATHERIZATION PROGRAM

SEC. 546. Section 422 of the Energy Conservation in Existing Buildings Act of 1976 is amended by adding the following new sentence at the end thereof: "Of the funds authorized by section 1005(1) of the Omnibus Budget Reconciliation Act of 1981 for energy conservation for the fiscal year ending September 30, 1984, not less than $300,000,000 is authorized to be appropriated to carry out the weatherization program under this part.".

FLOOD INSURANCE

SEC. 547. (a) Section 1319 of the National Flood Insurance Act of 1968 is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1985".

(b) Section 1336(a) of such Act is amended by striking out "May 20, 1983" and inserting in lieu thereof "September 30, 1985".

(c) Section 1376(c) of such Act is amended—

(1) by striking out "and" after "1981,"; and

(2) by inserting the following before the period at the end thereof ", and not to exceed $58,600,000 for the fiscal year 1984".

(d)(1) The National Flood Insurance Act of 1968 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 1304(a) of such Act is amended by striking out "Secretary of Housing and Urban Development" and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(3) Section 1333 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(4) Section 1340(a)(2) of the National Flood Insurance Act of 1968 is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(5) Section 1341 of such Act is amended by inserting "original exclusive" before "jurisdiction".

(6) Section 1360(a)(2) of such Act is amended by striking out "within fifteen years following such date" and inserting in lieu thereof "by September 30, 1987".

(7) Section 1370(a)(6) of such Act is amended to read as follows:

"(6) the term 'Director' means the Director of the Federal Emergency Management Agency.".

(e)(1) The Flood Disaster Protection Act of 1973 is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in lieu thereof "Director" and "Director's", respectively.

(2) Section 3(a)(6) of such Act is amended to read as follows:

"(6) 'Director' means the Director of the Federal Emergency Management Agency.".

(f) Section 15(e) of the Federal Flood Insurance Act of 1956 is amended by striking out "Secretary" the first and third places it appears therein and inserting in lieu thereof "Director of the Federal Emergency Management Agency".

(g)(1) Notwithstanding any other provision of law, until October 1, 1984, the Federal Insurance Administrator shall provide that premium rates which are charged for flood insurance under any program established pursuant to the National Flood Insurance Act of 1968 shall not exceed the rates that are in effect for such insurance on September 15, 1982.

(2) The Federal Insurance Administrator shall report to the Congress not later than December 1, 1983, with respect to the premium rate structure for flood insurance made available pursuant to the National Flood Insurance Act of 1968. Such report shall contain a detailed explanation of all increases in rates charged for such insurance during the 2-year period ending on September 15, 1982, along with an explanation of any increases in such premiums which the Administrator anticipates will be made before October 1, 1985.

CRIME AND RIOT INSURANCE

SEC. 548. (a) Section 1201(b) of the National Housing Act is amended—

(1) by striking out "May 20, 1983" in paragraph (1) and inserting in lieu thereof "September 30, 1985"; and

(2) by striking out "September 30, 1985" in paragraph (1)(A) and inserting in lieu thereof "September 30, 1988".

(b)(1) Title XII of the National Housing Act is amended by striking out "Secretary" and "Secretary's" each place they appear therein (other than as a reference to a Secretary other than the Secretary of Housing and Urban Development) and inserting in

lieu thereof "Director" and "Director's", respectively.

(2) Section 1203(a) of such Act is amended—

(A) by striking out "and" at the end of paragraph (15);

(B) by striking out the period at the end of paragraph (16) and inserting "; and" in lieu thereof; and

(C) by adding at the end thereof the following new paragraph:

"(17) 'Director' means the Director of the Federal Emergency Management Agency.".

(3) Section 1232(2) of such Act is amended by striking out "officers and employees of the Department of Housing and Urban Development, and".

(4) Section 1247 of such Act is amended by inserting "of the Secretary of Housing and Urban Development" after "regulations)".

COUNSELING

SEC. 549. Section 106(a)(3) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "1982" and inserting in lieu thereof "1984"; and

(2) by striking out "$4,000,000" and inserting in lieu thereof "$8,000,000".

RESEARCH AUTHORIZATION

SEC. 550. (a) Section 501 of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "and" after "1981," in the second sentence; and

(2) by inserting the following before the period at the end of such sentence: ", and not to exceed $24,000,000 for the fiscal year 1984, of which amount (1) not less than $2,000,000 shall be provided for (A) implementation of a research program to be developed in consultation with public housing agencies, which program shall identify current problems of public housing management, specific solutions to such problems, and incentives to encourage implementation of such solutions; and (B) carrying out the provisions of section 512; (2) not less than $2,000,000 shall be available for purposes of carrying out the provisions of section 513; and (3) not less than $10,600,000 shall be provided for collection of a data series on national, regional, and local economic and housing market conditions, for which the Secretary shall utilize the method of collecting such data series utilized by the Secretary for fiscal year 1983, except that the Secretary may revise such method following consultation regarding such proposed revisions with the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.".

(b) Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new sections:

"STUDY OF COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM

"SEC. 512. (a) The Secretary shall enter into a contract with an independent firm, under which such firm shall conduct a study and prepare a report with respect to—

"(1) the costs, estimated on a national, regional, and State basis, of bringing the existing public housing stock into conformance with (A) the property and energy conservation standards established by the Secretary under section 14(j)(2) of the United States Housing Act of 1937, as such standards were in effect on March 1, 1983; and (B) all applicable Federal requirements relating to the accessibility of such housing to handicapped persons;

"(2) the extent of the improvements relating to property, energy conservation, and accessibility to handicapped persons that have been made or are to be made by public housing agencies with assistance provided under section 14 of the United States Housing Act of 1937 through September 30, 1983; and

"(3) the amount of additional assistance required under section 14 of the United States Housing Act of 1937 after September 30, 1983, to finance the costs estimated under paragraph (1).

"(b) The Secretary shall ensure that the report required in subsection (a) is submitted to the Secretary and the Congress on the same date, not later than March 1, 1984.

"STUDY OF MUTUAL HOUSING ASSOCIATIONS

"SEC. 513. (a) In carrying out activities under section 501, the Secretary may study, and conduct demonstrations of, the capacity of mutual housing associations to provide housing to families in a cost-efficient manner. For purposes of such demonstrations, the Secretary may make grants to nonprofit mutual housing associations for projects to provide housing to families of low and moderate income, which projects shall empahsize the rehabilitation of existing housing.

"(b) Not later than the expiration of the 12-month period following the date of the enactment of the Housing and Urban-Rural Recovery Act of 1983, the Secretary shall submit to the Congress a report setting forth the results of the studies and demonstrations conducted under subsection (a). Such report shall include any legislative recommendations determined by the Secretary to be necessary or appropriate as a result of such studies and demonstrations.".

NATIONAL HOUSING PARTNERSHIPS

SEC. 551. (a) Section 906(a)(1) of the Housing and Urban Development Act of 1968 is amended—

(1) by striking out "or" after "building" and inserting in lieu thereof a comma; and

(2) by inserting after "rehabilitation" the following: ", acquisition, and financing".

(b) Section 906 of such Act is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(2) by inserting after subsection (b) the following new subsection:

"(c) For purposes of this title, the term 'housing and related facilities' includes commercial, industrial, and retail facilities that provide employment or services to families and individuals of low or moderate income, except that the production and preservation of housing primarily for the benefit of families and individuals of low or moderate income shall remain the primary purpose of the corporation and the income generated by such facilities shall be used for such purpose. The total equity commitment of the corporation to commercial, industrial, and retail facilities that are not directly related to a housing project shall not exceed 25 percent of its equity commitment to housing activities.".

(c) Section 907(c) of such Act is amended—

(1) by inserting before the period at the end thereof the following: ", including the acquisition of such developments, projects, and undertakings"; and

(2) by adding at the end thereof the following new sentence: "The partnership is also authorized to enter into partnerships, limited partnerships, or joint ventures organized under applicable State or local law for the purpose of engaging in the acquisition, development, financing, construction, rehabilitation, and management of housing and related facilities, except that the production and preservation of housing primarily for the benefit of families and individuals of low and moderate income shall remain the primary purpose of the partnership.".

QUARTERLY REPORT BY SECRETARY OF HOUSING AND URBAN DEVELOPMENT

SEC. 552. (a) The Secretary of Housing and Urban Development, with the cooperation of the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, and the Comptroller of the Currency, shall conduct a survey during each 3-month period following the date of the enactment of this Act of residential mortgage delinquencies and foreclosures, and transmit to the Congress during each such period a report setting forth the results of the study conducted during the previous such period.

(b) Each report required under this section shall include information—

(1) with respect to the number of residential mortgage foreclosures, and the number of 60- and 90-day residential mortgage delinquencies, in the Nation and in each State; and

(2) identify separately conventional mortgages and mortgages insured or guaranteed under the National Housing Act, title V of the Housing Act of 1949, or title 38, United States Code.

MULTIFAMILY MORTGAGE FORECLOSURE

SEC. 553. Section 364 of the Multifamily Mortgage Foreclosure Act of 1981 is amended by adding at the end thereof the following new sentence: "If the Secretary forecloses on any such mortgage pursuant to such other foreclosure procedures available, the provisions of section 367(b) shall apply.".

ALTERNATIVE MORTGAGE TRANSACTIONS

SEC. 554. Section 805(a) of the Alternative Mortgage Transaction Parity Act of 1982 is amended by inserting after "transactions" the following: "(or to any class or type of alternative mortgage transaction)".

The CHAIRMAN. Are there any amendments to title V?

AMENDMENT OFFERED BY MR. LEVIN OF MICHIGAN

Mr. LEVIN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVIN of Michigan: Page 180, after line 9, add the following new section (and conform the table of contents accordingly):

CONSIDERATION OF UNEMPLOYMENT IN ALLOCATING CERTAIN ASSISTANCE

SEC. 555. In allocating financial assistance among States and units of general local government under any demonstration program administered by the Secretary of Housing and Urban Development involving employment training, the Secretary shall give principal consideration to the relative extent of unemployment in such States and units of general local government, as indicated by (1) the rate of unemployment; (2) the number of unemployed persons; and (3) the rate of unemployment for the intended beneficiaries of such demonstration program.

Mr. LEVIN of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEVIN of Michigan. Mr. Chairman, this amendment relates to demonstration programs of the agency relating directly to employment for training. It would require the Department to take into full account as a major factor in determining sites for such demonstration programs three factors.

Mr. ST GERMAIN. Mr. Chairman, would the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman.

Mr. ST GERMAIN. Mr. Chairman, the subcommittee chairman and myself have had occasion to work with the gentleman on this amendment. We have examined it thoroughly and we are prepared to accept the amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. LEVIN of Michigan. I yield to the gentleman.

Mr. McKINNEY. I understand Mr. SAWYER of Michigan has worked with the gentleman in developing this amendment. He spoke to me about it. The minority would accept this amendment.

I just want to make clear for legislative history though that this is not a target by amount of percentage; it is a fact that HUD should consider.

Mr. LEVIN of Michigan. That is correct. This does not target in terms of 75 percent of the funds for areas with so much unemployment.

Mr. McKINNEY. It simply adds the general fact that unemployment should be considered as part of the criteria.

Mr. LEVIN of Michigan. It should be a major consideration. This is after all unemployment-employment training program. Your understanding is correct.

Mr. McKINNEY. The minority accepts the amendment.

Mr. LEVIN of Michigan. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. LEVIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. AKAKA

Mr. AKAKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AKAKA: Page 149, after line 13, insert the following new section (and conform the table of contents accordingly):

SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

SEC. 514. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"SINGLE-FAMILY MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS

"SEC. 247. (a) The Secretary, subject to such conditions as the Secretary may prescribe, may insure under any provision of this title that authorizes such insurance, a mortgage covering a property upon which there is located a one- to four-family residence, without regard to any limitation in this Act relating to marketability of title or any other limitation in any other law that the Secretary determines is contrary to promoting the availability of such insurance on Hawaiian home lands, if—

"(1) the mortgage is executed by a native Hawaiian on property located within Hawaiian home lands covered under a homestead lease issued under section 207(a) of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5);

"(2) the property will be used as the principal residence of the mortgagor; and

"(3) the Department of Hawaiian Home Lands of the State of Hawaii (A) is a comortgagor; (B) guarantees to reimburse the Secretary for any mortgage insurance claim paid in connection with a property on Hawaiian home lands; or (C) offers other security acceptable to the Secretary.

"(b) Notwithstanding any other provision of this Act, the Secretary may, with respect to mortgages eligible for insurance under subsection (a), insure and make commitments to insure advances made during construction if the Secretary determines that the proposed construction is otherwise acceptable and that no feasible financing alternative is available.

"(c) For purposes of this section:

"(1) The term 'native Hawaiian' means any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778.

"(2) The term 'Hawaiian home lands' means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (73 Stat. 5).".

Mr. AKAKA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. AKAKA. Mr. Chairman, my amendment would extend the FHA insured mortgage provisions of H.R. 1 to native Hawaiians who wish to obtain mortgages on property located on Hawaiian Home Lands. Up to now, individuals living on Hawaiian Home Lands have been unable to secure FHA insured mortgages.

On July 9, 1921, Congress passed the Hawaiian Homes Commission Act. Under this legislation, approximately 200,000 acres of land were set aside to be used by native Hawaiians for homestead purposes. One of the provisions of this act makes it impossible to alienate such land, now or in the future. It affords immunity from attachment, levy or sale upon court process for land settled under the Hawaiian Homes Commission Act. It is this provision that prevents these homeowners from acquiring FHA-insured mortgages.

These restrictions against attachment, levy or sale, are in conflict with regulations established by FHA for their insured mortgage program. Up to the present time, native Hawaiians have not been able to qualify for FHA insured loans if their home was to be located on Hawaiian Home Land. My amendment would remove this impediment and thereby give these individuals access to the same FHA insured mortgage program that is available to other homeowners.

Perhaps nowhere else do we find such a pressing call for access to an established Federal program that is not being answered. The cost and availability of housing in Hawaii is particularly acute, and this is especially so of housing for native Hawaiians. The cost of housing is extremely high in Hawaii. The median value of a house in Hawaii is 2½ times greater than the national average. By contrast, income levels for native Hawaiians is the lowest in the State.

The extremely high cost of homes in Hawaii places homeownership far beyond the reach of native Hawaiians. The restriction against attachment, levy or sale that is contained in the Hawaiian Homes Commission Act prevents much-needed access to the FHA insured mortgage program. Furthermore, these same restrictions prevent homesteaders from securing mortgages from traditional lending institutions for the same reasons that FHA insured mortgages are not available.

I want to inform my colleagues that a provision to extend the FHA insured mortgage program to Hawaiian Home Lands was part of the original housing legislation submitted to Congress by the administration. The administration's bill is H.R. 1901. A corresponding provision is contained in the housing bill being considered by the other body.

Mr. Chairman, I know of no opposition to the amendment I have offered. It creates no new program, and only includes insured mortgages on Hawaiian Home Lands within the FHA program.

I have discussed my amendment with the chairman of the Housing Subcommittee, and I am offering it with his support, I am also advised

that the minority has been consulted and are in agreement. At this point, I would like to yield to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman.

He have had a chance to look this amendment over. As a matter of fact, as I explained to the gentleman from Hawaii, I had been under the impression that we had incorporated the thrust of his amendment in the version we passed out of committee, but actually it was in last year's authorization bill.

We had hearings on this. The gentleman contacted us. What it does is correct what we consider to be an injustice in denying the extension of FHA insurance to the Hawaiian natives under certain circumstances involving State-owned lands and the like. This corrects that injustice.

We certainly accept this amendment as an improvement in the bill.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. AKAKA. I yield to the gentleman.

Mr. McKINNEY. Mr. Chairman, the minority has had a chance to examine the amendment and we agree with it.

Mr. AKAKA. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Hawaii (Mr. AKAKA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PATTERSON

Mr. PATTERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATTERSON: Page 158, after line 17, insert the following new section (and conform the table of contents accordingly):

SECONDARY MORTGAGE MARKET EQUITY

SEC. 531. (a) Section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by adding at the end thereof the following new sentence: "Each maximum limitation set forth in this paragraph with respect to a one- to four-family residence (as adjusted in accordance with the annual adjustment required in this paragraph) shall be increased for any area, other than an area located in a jurisdiction referred to in the preceding sentence, by a percentage equal to the percentage by which the Secretary of Housing and Urban Development has increased the corresponding maximum limitation set forth in section 203(b)(2) of the National Housing Act for such area on account of limited housing opportunities due to high prevailing housing sales prices.".

(b) Section 302(b)(2) of the Federal National Mortgage Association Charter Act is amended by adding at the end thereof the following new sentence: "Each maximum limitation set forth in this paragraph with respect to a one- to four-family residence (as adjusted in accordance with the annual adjustment required in this paragraph) shall be increased for any area, other than an area located in a jurisdiction referred to in the preceding sentence, by a percentage equal to the percentage by which the Secretary of Housing and Urban Development has increased the corresponding maximum limitation set forth in section 203(b)(2) of the National Housing Act for such area on account of limited housing opportunities due to high prevailing housing sales prices.".

Mr. PATTERSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PATTERSON. Mr. Chairman, my amendment would provide a high cost area adjustment for the mortgage ceilings of Fannie Mae and Freddie Mac.

The problem is that under current law, Fannie Mae and Freddie Mac may only purchase mortgages that fall within the statutory mortgage ceiling of $108,300. At present, there is no adjustment of this ceiling to accommodate regional price variations of moderate-priced homes. Because of this singular nationwide ceiling, buyers of modest homes in over 200 market areas within 37 States are denied access to the beneficial programs of Fannie Mae and Freddie Mac.

The solution proposed by my amendment is to correct this inequity by providing a modest high-cost area adjustment in the mortgage ceilings governing Fannie Mae and Freddie Mac programs. This adjustment would be identical to the high cost area adjustment provided under current law for the Federal Housing Administration (FHA) mortgage insurance programs.

As provided under my amendment, the secondary mortgage market ceiling would be increased by up to 33⅓ percent in those market areas designated as high cost by the Secretary of HUD. This modest adjustment would assure that all home buyers, including those families living in high-cost areas, have equitable access to the national secondary mortgage market.

Background: I have been pursuing this change in the Fannie Mae and Freddie Mac charter acts since the beginning of the year.

First, during Housing Subcommittee markup of H.R. 1, I offered a similar amendment, but withdrew it pending hearings on the issue.

Second, the hearings were held in May. A number of members—Democrats and Republicans alike—expressed support for a proposal put forward by the industry representatives.

Third, just before the July 4 recess, I introduced the consensus proposal with 14 original cosponsors, 13 of whom are members of the Banking Committee. Since then, a number of other Representatives have joined on as cosponsors.

Fourth, now I offer the proposal as an amendment to H.R. 1.

In conclusion, Mr. Chairman, the FHA high-cost accommodation system—after which my amendment is patterned—was approved by Congress in 1980 in recognition of the need for Government-insured housing programs to be made available for low- and moderate-income home buyers in high-cost areas. For the same reasons that this public policy decision was made for primary market lenders to serve home buyers using FHA programs in high-cost areas, the federally chartered secondary mortgage market institutions also should be allowed to provide their needed support to these high-cost markets.

MYTHS AND FACTS OF THE PATTERSON SECONDARY MORTGAGE MARKET EQUITY AMENDMENT

Myth 1: If Fannie Mae and Freddie Mac begin dealing with mortgages higher than the current limit, they will tend to reduce their activity in lower cost mortgages.

Fact: The vast majority of the mortgages bought by Fannie Mae and Freddie Mac are well below the limits. In 1982, for example, the average mortgage of Fannie Mae and Freddie Mac was $47,500 and $56,000, respectively—nowhere near the then-ceiling of $107,000.

It should be added that the Charter Acts of Fannie Mae and Freddie Mac commit them to serve the entire market up to their legal limits, and they have shown every willingness to do so. There is no reason to believe that this commitment to the entire range of mortgage sizes will change when the mortgage limit is adjusted as called for in my legislation.

Myth 2: An increase in the Fannie Mae and Freddie Mac loan limits will impede the entry and growth of private firms within the secondary mortgage market.

Fact: The size of the mortgage market above the current ceiling of $108,300 is estimated to be about 20 percent to 25 percent of all mortgage loans made. This amounts to $35 billion in 1983 and is projected to increase to more than $58.2 billion in 1985. It is estimated that even with my legislation, 17 percent of the mortgage market would continue to be out of the reach of Fannie Mae and Freddie Mac and available exclusively to the private secondary market corporations.

It is not my intention to limit the growth of private sector secondary market corporations. In fact, I would like to encourage their entry. At the same time, however, I would like to assure that moderate income homebuyers in all areas of the country are given equitable access to the national secondary market institutions.

This bill, nevertheless, is narrowly drawn so as to leave more than adequate room for growth and participation by both private sector firms as well as the federally chartered Fannie Mae and Freddie Mac.

Myth 3: If Fannie Mae and Freddie Mac are given authority to expand their activities into mortgages larger than $108,300, they will have to increase their borrowing on the capital markets. This will result in crowding out of other worthy borrowers.

Fact: Fannie Mae's and Freddie Mac's share of borrowing on the capital markets is relatively small. Although Fannie Mae, alone, is the second largest borrower in the U.S. economy—second only to the U.S. Treasury—Fannie Mae's share of borrowing only comprises 1.3 percent of total borrowing on the U.S. capital markets.

It is true that Fannie Mae and Freddie Mac will have to borrow more funds on the capital markets to serve both these newly eligible mortgages and to continue to serve the lower priced mortgages. However, I expect that both Fannie Mae and Freddie Mac would continue their current practice of concentrating their activities on the lower priced mortgages and thus I do not expect that the additional borrowing would be significant enough to have a crowding out effect.

Myth 4: The current ceilings are high enough to adequately serve the needs of most American home buyers.

Fact: The current policy of a singular nationwide mortgage ceiling does not equitability serve all markets. According to OMB's own testimony, the current ceiling could serve 80 percent of the market nationwide. However, in a high cost area such as San Francisco, only 58 percent of the market could be served.

Myth 5: The new ceiling created by the Patterson Amendment would only benefit high income people buying luxury housing.

Fact: The Patterson Amendment would only provide a high cost adjustment in those areas where the price of a modest home is high.

In high cost areas such as those in my home state of California, the typical middle income family of 4 cannot find a home for $108,300. That middle income family may want at least a 1,500 square foot home and that's going to cost well above $108,300. Yes, to afford that high-cost home will require two incomes. At today's interest rates a $108,300 mortgage will require a family income of $55,000. In the highest cost areas, the $144,400 mortgage will require a family income of $75,000.

However, it should be kept in mind that these high-priced homes are not extravagant homes. Rather, the same modest home merely costs more in high cost areas. According to the Nationwide Relocation Service—an independent company that provides home price comparisons for people contemplating moves to new areas—the same type home located in different cities carries very different price tags:

City:	Price
Albany, N.Y	$66,000
Spokane, Wash	78,500
Nashville, Tenn	89,000
Atlanta, Ga	93,500
Wichita, Kans	102,500
Seattle, Wash	110,000
Billings, Mont	115,000
Miami, Fla	126,000
New York, suburban	134,000
Dallas, Tex	140,000
Anchorage, Alaska	156,000
Orange County, Calif	160,000
Fairfield, Conn	190,000
Honolulu, Hawaii	199,000
Oakland, Calif	210,000

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Texas.

Mr. BARTLETT. Would the gentleman agree then that all this amendment does is establish fairness and equity across the country so in one city to another, one State to another, across the country, in fact, from each congressional district to another, you would be having the mortgage rates adjusted for housing costs to be at the same rates in the mortgage amount, is that the gentleman's purpose?

Mr. PATTERSON. The gentleman is correct, it would do exactly that.

Mr. BARTLETT. I commend the gentleman for his amendment and I would hope we are able either now or at some point in this session we are able to adopt this fairness and equitable amendment to the Fannie Mae loan limits. I commend the gentleman.

Mr. PATTERSON. I thank the gentleman.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman.

Mr. ST GERMAIN. As the gentleman knows, we have discussed this amendment. At this point in time there are those of us who still have a problem with it.

However, we feel that certainly the gentleman from California has an amendment that is deserving of serious consideration. Under the circumstances and in keeping with our conversation and our agreement, I have spoken with the chairman of the subcommittee and it has been agreed that we would indeed have hearings on the gentleman's amendment and go to a markup. We will follow the committee process.

Mr. PATTERSON. The chairman is saying that he would allow the bill that I have introduced to proceed to markup in committee?

Mr. ST GERMAIN. That is correct.

Mr. PATTERSON. That would be this year, following the August recess?

Mr. ST GERMAIN. Absolutely.

Mr. PATTERSON. I thank the chairman.

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Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

The chairman of the full committee and the chairman of the subcommittee have discussed this with me and I have agreed that the Housing Subcommittee should have hearings on the gentleman's concept and should, in fact, go to markup and express the wishes of the membership of the committee whether to bring it to the floor or not.

Mr. PATTERSON. I thank the gentleman.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PATTERSON. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

Mr. Chairman, I think the gentleman points up an important problem in terms of meeting housing in his community and in some high-cost areas, but we have every expectation that there is a private sector that has begun to serve in these areas. I sincerely hope that that will meet the concerns that have very rightly been stated in terms of the secondary market and providing liquidity to the financial institutions in his community.

While I understand the problem, I do not agree with the solution of extending the Freddie Mac and Fannie Mae mantle of jurisdiction and operation in those areas and think that the private sector market ought to have the opportunity, but I hope that the solution in terms of the private sector will solve these particular problems.

Mr. PATTERSON. I thank the gentleman for his contribution.

As we have discussed many times, the private sector may not be able to pick it all up, but I think with the agreement from the chairman of the full committee, the chairman of the subcommittee, and ranking members of the full committee and subcommittee, I would ask that there be a hearing on the bill and that it proceed to markup following the August recess.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

● Mr. KOSTMAYER. Mr. Chairman, I rise in support of H.R. 1, the Housing and Urban-Rural Recovery Act of 1983.

I wish, Mr. Chairman, to direct my remarks to those sections of the bill dealing with section 8 elderly housing. The legislation we have before us today will rectify a terrible injustice which was inflicted upon all those residing in senior citizen housing communities by the Gramm-Latta budget bill approved by the Congress in 1981.

In the Eighth Congressional District in Pennsylvania, this legislation will apply to the following senior communities under the Bucks County Housing Authority:

Grundy Towers in Bristol Borough;
Grundy Manor in Telford;
Grundy Home in Quakertown;
Grundy Hall Doylestown;
Miriam Wood Brown in Perkasie;
Galilee Village in Levittown; and
The new Grundy Gardens in Fairless Hills.

In 1981 Congress slashed the authorized funding for senior housing programs, and increased the tenant contribution toward rent from 25 to 30 percent of tenant income, and required the Department of Housing and Urban Development to severely limit income deductions for extraordi-

nary medical expenses. These changes were all too typical of the callous approach of the Reagan administration in cutting programs to aid the truly needy. These cuts hit seniors—those generally on a fixed income who have a limited ability to absorb hefty increases in their housing costs, and the cuts bear no relation to the situation facing senior citizens regarding their medical costs.

HUD has now proposed a regulation which would eliminate all itemized medical expenses and substitute a standard medical deduction of $300 in order to carry out the Gramm-Latta bill. This is truly outrageous.

I would like, Mr. Chairman, to share some statistics with my colleagues to prove my point.

Mr. Andrew Flager, the management agent at Galilee Village in Levittown, Pa., has provided me, on an anonymous basis, the annual medical deductions for 12 of his tenants, taken at random.

Six tenants surveyed, all individuals, had the following medical costs: $1,081, $841 $1,146 $719, and $1,348, for an average of $963.67. Six couples had the following costs: $1,656, $1,424, $2,681, $2,293, $1,445, and $1,295, for an average of $1,865.67 per couple.

It is obvious that a $300 flat deduction is totally inadequate in computing realistic rents for our senior citizen tenants.

The bill before us, H.R. 1, does two things of benefit to these tenants in assisted housing: First, it restores the amount of income that tenants are required to contribute toward rent from the current level of 30 to 25 percent of income as it was prior to 1981. Second, the bill establishes legislatively the exclusions to income that would be determined before applying the 25 percent contribution level. The exclusions especially applicable to seniors would be: First, $400 personal exclusion ($800 for a couple); Second, $400 for each disabled handicapped person; and, addressing the need evidenced above; and third, extraordinary medical expenses exceeding 3 percent of income.

Mr. Chairman, I am pleased the House is coming to terms with the special housing needs of our elderly. This would be a top priority for the Congress, and I hope the Senate moves expeditiously in passing this bill and sending it to the President, so that the obvious inequities in his earlier budget proposal can be rectified.●

● Ms. KAPTUR. Mr. Chairman, I rise in support of the Gonzalez amendment to bring H.R. 1 in conformity with the first budget resolution and the HUD-independent agencies appropriation bill. This substitute is an important expression of our determination to operate within the guidelines established by the budget resolution while at the same time meeting our Nation's housing needs. H.R. 1 extends the major HUD and Farmers Home Administration housing programs for another year and reauthorizes the community development block grant and urban development action grant programs for 3 more years. It also provides for necessary increases in public housing, section 8 existing and section 8 moderate rehabilitation units; an urban homesteading initiative; a neighborhood development grant program; and authorizes a new rental housing production and rehabilitation program. Furthermore, H.R. 1 rolls back the 1981 rent increase for the poor and elderly subsidized housing tenants.

H.R. 1 also contains an important new initiative, the public housing child care demonstration program, which would establish and fund a few pilot child care programs in public housing for the purpose of determining extent to which child care facilitates the employability of low income single heads of households residing in public housing.

Adequate child care has a profound impact upon the economic well-being of women, children, and families. Increasingly, we are witnessing what has graphically been described as the "feminization of poverty." Today, families with female heads have a poverty rate six times that of male headed families, and almost one-third of all female headed families live below the poverty level. The lack of affordable child care is a major factor keeping these women and their children in poverty. The U.S. Commission on Civil Rights identified the lack of adequate child care as one of the key obstacles to women in poverty:

> In the absence of safe and affordable child care, women who would raise their families out of poverty must remain outside the labor force or when compelled to work, place their children in circumstances detrimental to their wholesome growth.

This unfortunate situation is magnified for those living in public housing.

The public housing child care demonstration program included in H.R. 1 seeks to determine to what extent child care facilitates the employability of low income single heads of households residing in public housing. The $3 million fiscal year 1984 authorization is a modest, well-thought-out attempt to deal with an enormous problem.

The demonstration program provides for a limited number of child care projects in a cross section of settings—urban and rural, high rise and smaller projects. Awards would be based on a national competition, and housing authorities would be required to provide usable space for the child care facility. To the extent possible, the individual projects would have to include a support role for the parents and part-time aide positions for the elderly living in the projects.

The program received strong bipartisan support during consideration of H.R. 1 in the House Banking Committee. It has been endorsed by both child advocacy and low income housing advocacy organizations. A letter from the Children Defense Fund follows:

CHILDREN'S DEFENSE FUND,
Washington, D.C., July 7, 1983.

DEAR REPRESENTATIVES KAPTUR AND OAKAR: The Children's Defense Fund was very pleased when an amendment to H.R. 1 was approved with strong bipartisan support in the Banking Committee to create a pilot project establishing and funding child care programs in public housing projects. We welcomed such a creative effort to expand the supply of child care for low-income families. Adequate child care is a pressing need for many American families especially those with limited incomes.

We hope that when H.R. 1, The Housing and Urban Rural Recovery Act of 1983 comes to the floor that it will receive the support of members of the House.

Our patchwork child care system which comes nowhere near meeting the needs of the 14 million children ages 13 and under whose mothers work full-time has been rapidly unraveling as a result of severe cuts made in 1981. Many states, have now severely diminished child care support for mothers enrolled in training programs or stiffened eligibility criteria so that subsidized child care is no longer available or too costly for lower-income working families. The results are extremely painful. Children as young as two or three years old are being left alone or have been moved to less familiar, and often less supportive child care arrangements.

Mothers with young children living in public housing projects have definitely suffered from these reductions. Improved access to child care could help many of them take advantage of employment or training opportunities. Although the child care amendment represents a limited solution given the enormity of the problem, it marks an important first step in meeting the child care needs of families, in public housing and sets an important precedent.

Sincerely,

HELEN BLANK,
Director,
Child Care and Family Support Services.●

● Mr. PATTERSON. Mr. Chairman, I rise in support of the bill, H.R. 1, the Housing and Urban-Rural Recovery Act of 1983. It is essential that the Congress enact this legislation if the Federal Government is to continue its effort toward the goal of a decent, safe, and sanitary home for every American.

In the spirit of this historic Federal commitment, H.R. 1 reauthorizes a number of housing and community development programs administered by the Department of Housing and Urban Development [HUD]. It also reauthorizes the rural housing programs administered by the Farmers Home Administration. Furthermore, the bill corrects a number of problems in current law as well as creates new cost-efficient programs to meet the housing needs of families, the elderly, and handicapped citizens.

The authorizations contained in this bill are not extravagant. In fact, they are quite modest in comparison to our Nation's housing needs. Nevertheless, a modest program is essential—one which falls within today's budget constraints but preserves the essential elements of a national housing policy. And that is exactly what this bill does; it continues our Fededal Government's commitment to housing but it does so within the parameters of the fiscal year 1984 budget resolution.

THE PROBLEM IN MULTIFAMILY AND ELDERLY RENTAL HOUSING

Today we find ourselves in the midst of a crisis in rental housing. Demographic projections indicate that demand for rental housing will range from 290,000 to 400,000 units per year throughout the decade. However, the market for unsubsidized multifamily rental construction has been depressed to about 100,000 units annually nationwide. One reason is high development costs due to persistently high interest rates. Another is declining real family income and thus the inability of families to afford market rents. If nothing is done to stimulate the construction of additional affordable rental housing, the shortages which are already acute will become more severe and result in rising rents or families doubling up.

For the past 50 years, the Federal Government has played a major role in meeting the housing needs of low-income families. The National Housing Act of 1934 assured that affordable housing credit would be available. Then, with the Housing Act of 1937, the Federal Government for the first time provided direct construction and operating support to meet the particular needs of low-income families. Although each of these approaches had its failures, they laid the groundwork of a positive Federal policy that created the conditions under which the private sector responded to the housing needs of our Nation's citizens. And together these policies have made America the best housed nation in the world.

The Federal Government has also played a major role in meeting the special housing needs of the elderly through a variety of housing programs and financing mechanisms. For example, in the last 3 years, approximately 250,000 units of housing for the elderly and handicapped were completed under three HUD programs—public housing, section 8 and section 202—for an average of about 84,000 units a year. In fiscal year 1983, however, no funds were made available under the public housing program or the section 8 program. Under the section 202 program only enough funds were released to support fewer than 11,000 units for the elderly and handicapped.

Nonetheless, the needs of the elderly persist. Currently, more than one in every five American households is elderly or headed by an elderly adult. Estimates are that nearly 16 percent of elderly people live on incomes below the Nation's poverty level, and up to 20 percent occupy substandard or inadequate housing. Elderly households generally require housing units that are smaller and more easy to maintain than those generally available in the private market. They also require special design features—such as access ramps, handrails, brighter lighting, wider doors, and congregate facilities. It is unfortunate, however, that without Government incentives the private sector does not produce adequate affordable housing for low-income elderly.

The Federal Government's role in meeting the needs of low-income families, the elderly, and the handicapped must be reasserted. However, a less costly alternative to the section 8 program must be found.

NEW SOLUTIONS

Several new approaches at providing assistance in a cost-conscious manner have been developed in this bill. First, we have proposed a new rental housing production and rehabilitation program for families, a program which attempts to stimulate much-needed new construction at reduced budget authority levels.

Under this new program, $900 million is provided in fiscal year 1984 to subsidize the cost of new construction or rehabilitation of multifamily housing in areas of the country that have a severe shortage of affordable rental housing. This amount will assist approximately 55,000 to 75,000 units, of which at least 20 percent would be affordable by low-income families.

The key to this new program is flexibility. As proposed, States and localities would apply for assistance. They, in turn, would work with the private sector—for-profit and nonprofit developers—in determining the type of financial assistance that would be the most cost-effective and useful to respond to prevailing local housing, financial, and economic conditions. For example, the State or locality could use the assistance in the form of a capital grant, a loan, as interest reduction payments, as land purchase grants, or in any comparable form which is designed to reduce project development and operating costs.

Second, we have proposed a revised and expanded section 202 program. Like the multifamily proposal, this new program attempts to produce more new housing at reduced budget authority levels. However, the changes in the 202 program are of such significance that we have specified that they will not take effect until fiscal year 1985. This will allow the committee to further examine the program and to correct any potential problems before they occur. Furthermore, this will provide adequate time for regulations to be developed, for potential participants to understand the changes, and for the revised program to be recognized in the congressional budget and appropriations process.

Simply put, the new program eliminates the duplication that exists in our current section 202 program. That is, it eliminates the circumstance in which the Federal Government both makes the loan for the development of a 202 project and then pays off the loan through section 8 subsidies to the tenants—subsidies which allow rents to be high enough that the developer can pay off the loan.

The new program eliminates this duplication by providing loans to developers of 202 housing projects, as is done in the current program, but the loan bears no interest nor is the principal amortized. Because no debt service is required, no tenant subsidies are required. In this way, the total costs to the Federal Government for providing more homes for the elderly and handicapped are significantly lower than under current law. In effect, more units can be constructed for the same amount of precious Federal budget dollars. In fact, under the new program, approximately 36,000 units of housing for the elderly and handicapped can be constructed for the same budget authority used to assist 14,000 units under the current program—as is provided for fiscal year 1984 in this bill.

Although I would have preferred higher budget authority levels for both these new programs, I understand the reality of such funding levels in light of today's budget constraints. Accordingly, I believe that housing programs must be designed to assist as many families as possible in the most cost-effective manner. The revised programs contained in H.R. 1 accomplish this objective by changing the financing and subsidy mechanisms of our Government's new construction programs and by various other reforms to achieve greater cost efficiency.

While 14,000 units of 202 in 1984, 36,000 units of 202 in 1985, and 55,000 of multifamily rental housing in 1984 falls far short of need, the funding levels within H.R. 1 are a reasonable effort in light of present budget constraints. This Federal effort must be made, for the Federal Government has always recognized its responsibility to provide the financial incentives and regulatory framework that makes it possible for the private sector to provide housing for the elderly, handicapped, and poor families. Furthermore, without such inducements, the housing needs of such groups would not be met.

Federal housing assistance for the low-income and elderly has already

borne more than its share of domestic budget reductions. The administration's request for no new budget authority in 1984, as well as the President's budget proposal of robbing prior year assisted housing budget authority to fund a minimum level of assisted housing is unconscionable. Thus, it is essential that H.R. 1 be approved.

OTHER HOUSING PROGRAMS

In keeping with our effort to provide the climate under which the private sector can respond to our Nation's housing needs, we have included a number of other significant policies in H.R. 1.

MINIMUM PROPERTY STANDARDS

For example, we have included language which allows HUD to replace the current FHA minimum property standards with local codes so long as the local codes meet one of the nationally recognized model building codes. This will eliminate the duplicative requirement that a builder must comply with both local and Federal codes—thereby reducing costs to home buyers. At the same time, health and safety standards will be assured.

FHA CONDOMINIUM INSURANCE

Furthermore, we have provided a modest increase in the FHA mortgage ceiling for condominiums. H.R. 1 increases the maximum insurable mortgage limit under section 234(c) from 111 percent to 118 percent of the FHA 203(b) limit. This is of particular importance to me because in high cost areas, such as my district in Orange County, Calif., the condominium limit would be increased to $79,650.

GRADUATED PAYMENT MORTGAGES

To provide another avenue for the construction of multifamily housing, we have authorized FHA to insure graduated payment mortgages on multifamily projects. Such authority may allow multifamily projects to be developed that would not be feasible with a fixed rate mortgage. The authority is only provided for 1 year to give the HUD Secretary time to assess whether this type of loan would expand multifamily housing while safeguarding the mortgagors, tenants or purchasers.

CHILD CARE DEMONSTRATION

In light of the fact that many families in assisted housing projects are headed by a single parent, child care is essential. Accordingly, H.R. 1 includes funds for a child care demonstration program—a program which will allow HUD to evaluate the extent to which child care services are needed.

CALCULATION OF FAIR MARKET RENTS

In order to ensure that an adequate level of subsidy is made available to provide reasonable housing opportunities for families participating in the section 8 program, fair market rents must be set at an appropriate level. Thus, our bill provides that fair market rents for an area must be established at the median rent paid by recent movers into the area—not the 40th percentile as proposed by the administration.

ELIMINATION OF THE 5 AND 10 RULE

Another provision in the bill essential to the stability of multifamily projects removes the so-called 5 and 10 rule. Adopted as a part of the Omnibus Reconciliation Act of 1981 this rule limits the percentage of families with incomes between 50 and 80 percent of area median income that can occupy assisted housing. Instead, H.R. 1 restores to law the provision that had been deleted by the Reconciliation Act which provides that at least 30 percent of the families in assisted housing shall be very low income (below 50 percent of area median income). The families who would be displaced as a result of the reduced income eligibility criteria—principally the working poor—provide the backbone of neighborhood stabilization efforts. These families do not earn enough income to afford decent housing without some form of subsidy, especially during periods of high mortgage interest rates. These families would be denied the opportunity for decent housing precisely because of their efforts to improve their living conditions.

SECTION 202 PROGRAM REVISIONS

In addition to the fundamental program revisions proposed for the 1985 section 202 program, H.R. 1 includes a number of changes intended to effect the 1984 program. First, the bill codifies the current practice which requires a minimum capital investment on the part of the sponsor, but such investment can be no more than $10,000. Second, the bill prohibits the HUD Secretary from requiring an equity participation by a sponsor although it does permit sponsors to include suitable amenities and design features which enhance the living environment for residents if the funds for such amenities are provided voluntarily by the sponsor. Third, the bill requires that cost limitations for 202 projects adequately reflect the actual cost of constructing or rehabilitation housing which incorporates congregate space and the special design features required by elderly and handicapped residents.

COMMUNITY DEVELOPMENT

Our bill includes language designed to assure that the majority of CDBG funds are expended for activities that actually benefit low- and moderate-income people. The maintenance of this basis principle is essential today since communities have been hard hit by the recession and their budgets are shrinking or stagnating. When less money is available to meet the needs of our citizens, each precious Federal dollar should be targeted to those low- and moderate-income families most in need.

CONCLUSION

Again, Mr. Chairman, I would like to restate my support for H.R. 1. The bill strikes an appropriate balance between our need to continue the Federal Government's commitment to housing our Nation's citizens and our need to accomplish this within today's budget constraints.●

● Mr. SAWYER. Mr. Chairman, while I may not support all of the concepts of the housing legislation, H.R. 1, I do support a mandate that would require HUD to take into primary consideration the critical factor of unemployment in demonstration programs involving employment training.

Training programs are an important lifeline for our unemployed. Jobs in areas such as housing rehabilitation will exist for a long time to come, and such training programs offer the opportunity to learn skills that will serve a lifetime and provide a decent standard of living.

Since my own State of Michigan suffers from a high unemployment rate, I am distressed to find that demonstration programs that would provide employment for our people are bestowed upon States whose actual unemployment rate is not nearly as high.

For this reason, I feel that this amendment, which by the way does not seek to add any new program or ask for any more money for any program, is necessary. This amendment simply requires that when allocating assistance under any demonstration grant to any of the States and local governments that principal consideration be given to the rate of unemployment, the total number of unemployed persons and the rate of unemployment for the intended beneficiaries.

With this action, those States who have similar problems as Michigan would be assured that any demonstration program involving training would address their most critical problem, high unemployment, in a positive manner.●

● Mr. ACKERMAN. Mr. Chairman, this afternoon, Members of this House attempted to subvert the sovereignty of our local communities. They attempted to dictate to the communities how to best deal with their housing situation. Never before has the Federal Government tried to subvert local control as insidiously as the Wylie amendment. It would have been a disastrous statement of this body if the House passed the amendment.

It is not a secret that the cost of housing has increased astronomically. It is not a secret that housing is scarce. It is not a secret that a significant amount of the housing is deteriorating. And it is not a secret that curtailing Federal support for new rent-controlled housing units will not solve the aforementioned maladies.

The argument that rent control leads to deterioration and housing scarcity suffers from a serious fallacy. It is the choice of the developer whether or not to cover the units with rent control. It is voluntary, not mandatory. Why should tenants be forced to pay exorbitant rent increases because we mandate that the developer cannot choose rent control? Why should cities be forced to accept Federal dictation of a local ordinance?

I represent a district in New York City that is characterized by a large number of multiple dwelling rental apartments. It would be unconscionable to tell individuals who are seeking residences in Forest Hills, Elmhurst, Rego Park, or Flushing that they should camp out in Flushing Meadow Park, under the Unisphere, because affordable housing is not available.

The 10th amendment to the Constitution reserves certain rights to the States. It is my strong belief that one of these rights is the determination of how to best house its citizens. We should never infringe on this right.●

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I shall not utilize the 5 minutes. I would merely like to inform the membership of the fact that my information earlier was that we would probably have one to two or possibly three votes. My information now is that we would be having a minimum of four record votes with debate on two amendments that would be time consuming.

That being the case, it would be impossible to keep my word to the leadership and to the Speaker to be out of here by 7 o'clock this evening.

However, I have discussed the situation with the Speaker and he has assured me of the fact that we would return to the housing bill tomorrow when the House convenes.

Under those circumstances, Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MINETA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1), to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the death of Mr. Malcom S. Brown, former supervisor of the House barber shops.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from California (Mr. STARK).

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ECONOMIC COSTS OF TAX CUT

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, I have just come from an export workshop during which some vital information was revealed. The Reagan economic policy—which features a tax cut, resulting deficits exceeding $200 billion, prohibitive interest rates and an overvalued American dollar abroad—has cost the American people $100 billion in reduced gross national product along with a subsequent loss of 1.6 million jobs.

Mr. Speaker, at this point I would include in the RECORD the report to which I have just referred:

[From Business Week, June 27, 1983]

A DEVASTATING IMPACT ON U.S. INDUSTRY

Like a prolonged high fever, the overvalued dollar is sapping U.S. industrial strength. Even if the dollar should decline substantially—a big if—it will leave important segments of U.S. industry permanently weakened in the fierce struggle for survival in international markets. By pushing up the price of U.S. goods in foreign markets and sucking cheap imports into the U.S., the strong dollar has put U.S. producers at a severe competitive disadvantage, with ominous long-range consequences.

European and Japanese rivals have seized the opportunity to grab market shares, both overseas and in the U.S., that will be difficult or impossible for U.S. companies to recapture. By sacrificing U.S. competitiveness, the high-interest-rate policy that has sent the dollar soaring is forcing U.S. companies, in effect, to export productive capacity and jobs instead of products to lower-cost foreign markets.

"We have only begun to see the adverse effects on the economy of the dollar overvaluation," C. Fred Bergsten, director of the Institute for International Economics, told the Senate Foreign Relations Committee recently. Adds John E. Barnes Jr., Ford Motor Co.'s executive director for external business environment analysis: "The longer these imbalances go on, the more U.S. export business we're destroying." Given the time lag between a change in the dollar's value and its impact on trade, Barnes says, "you're buying another one or two years of trouble even if you have a solution today."

Because of the dollar's persistent strength, foreign competitors of U.S. companies "are now dug in, some in capital-goods industries where long-term relationships are important," warns Arnold Simkin, senior economist for Merrill Lynch Economics in London. "It is dangerous and naive to believe they are simply going to give up this grip." If the dollar goes down, Simkin says, foreign companies will use the earnings they are piling up now to shave their margins on future sales. As a result, he argues, "a share of the U.S. industrial base will be wiped out forever when this exchange-rate cycle is over."

CREATING A BARRIER

Such long-range erosion of the U.S. industrial structure, largely ignored by policymakers in Washington, is alarmingly apparent to U.S. businessmen who have to cope with the strong dollar's adverse consequences. "We don't think the Administration understands the magnitude of the problem," says George Liney, director of international subsidiaries at Ingersoll-Rand Co., a New Jersey industrial equipment maker. "Other countries worry about exports," he adds. "We in the U.S. worry about the money supply."

Robert O. Anderson, chairman of Atlantic Richfield Co., complains that in the U.S., "in effect, we have created an export barrier for our own produce." And the dramatic shift in local production costs for Chilean copper producers, measured in dollars, has put them in a profitable position, Anderson noted, "at the very moment that every major copper deposit in the U.S. is seriously under study for complete shutdowns."

More alarming for the future of U.S. industry is the loss of market share to foreign competitors in manufacturing. This loss spans almost the full range of U.S. manufactured goods, except for a few high-technology sectors. Even in capital goods, where U.S. producers have traditionally had the strongest competitive edge, the surplus of exports over imports in key products is shrinking or existing deficits are widening. To hold costs down, U.S. manufacturers are being forced to buy more components from foreign suppliers and shift production from U.S. plants to overseas subsidiaries and licensees.

"There is a tremendous scramble now to source abroad," says Liney of Ingersoll-Rand, one company that has been forced to take that route. "If Ingersoll-Rand has to do it, it is obvious that other U.S. manufacturers of all kinds of equipment will have to do the same thing." Such moves to foreign manufacturing and procurement are hastening the "deindustrialization" of vital parts of the U.S. economy. Both production and jobs are being transferred overseas—in many cases irrevocably.

PRICE DISADVANTAGE

Ingersoll-Rand Executive Vice-President James E. Perrella estimates that the impact of currency changes has put the company at a price disadvantage of 20% to 40% on standard products. This is particularly distressing because its chief worldwide rival, Sweden's Atlas-Copco, is enjoying the added advantage of two devaluations of the Swedish krona last year. "Our responsibility in running Ingersoll-Rand is to keep ourselves competitive in world markets," Perrella says. As a result, "we are shifting our manufacturing and sourcing to countries with

weaker currencies"—primarily Britain, Italy, and India, where Ingersoll-Rand already has plants. An important group of products, such as air compressors, is especially vulnerable to competition from suppliers in weak-currency countries. "By the end of 1984, probably 60% of that group will be manufactured internationally," Perrella says. "We have not started bringing products into the U.S. yet, but we will probably do that, too." Such transfers of manufacturing and sourcing overseas will be hard to reverse. "Once you make commitments for inventory, hire and train people, and make commitments to vendors," Perrella says, "you can't easily shift back."

The most serious misalignment among major currencies, most experts agree, is between the strong dollar and the weak yen. That currency gap is devastating for Caterpillar Tractor Co., of Peoria, Ill., which competes globally against Japan's Komatsu Ltd. "We are losing sales to Komatsu in virtually every market we compete in around the world because of a 20% to 25% disadvantage caused by the weakness of the yen," says H. Richard Kahler, manager of governmental affairs. "That differential is on top of the built-in cost disadvantage we have due to labor and materials costs."

In a recent equipment sale in the Mideast, for example, Caterpillar bid $14 million against Komatsu's winning $11.5 million. The Japanese company will convert that amount to yen, which Caterpillar argues should be worth around 180 to the dollar vs. the current undervalued rate of around 242. At 180, Kahler says, Komatsu would have had to bid $16 million to obtain the same number of yen.

The biggest casualty of Japanese competition is the U.S. auto industry. General Motors Corp's. executive vice-president for finance, F. Alan Smith, says sourcing of Japanese auto parts—which are made cheaper by the dollar's strength—was "a factor" in GM's pending deal with Toyota Motor Co. to build cars in California, partly from Japanese components. And if the dollar's misalignment persists, Ford Motor Co. may shift to Europe more sourcing of parts for Latin American subsidiaries that it now supplies from the U.S.

In high-tech, the edge some U.S. companies still have over foreign competitors provides a cushion against the disadvantage of the strong dollar. Even so, a British company ordered $1 million worth of computers about a year ago and canceled the purchase when the pound fell against the dollar, says James L. Kelly, vice-president and general manager of TRW Datacom International Inc., a Los Angeles subsidiary of TRW Inc. that markets the products of U.S. computer companies abroad. "The pound was worth $1.90 when they placed the order," he recalls. "When it dropped to $1.60, the cost justification for the program no longer applied, and they dropped it to stay with their old computers." Such examples convince Kelly that the computer business could grow faster for U.S. companies selling abroad if the dollar were weaker. But he concedes, "We're primarily selling against U.S. competitors, so we're all in the same boat."

EXPERTISE CAN WIN

Technology and the long lead time between order and delivery also buffer the dollar's impact on Westinghouse Electric Corp's. overseas sales of big-ticket items such as nuclear power plants and giant turbines. "We know the strong dollar hurts us," says Robert T. Winston, director of international trade policy. "But it has been extremely hard to quantify the impact." For projects such as nuclear reactors, Westinghouse's expertise is likely to weigh heavily with customers against price differentials, and delivery time of up to five years lessens the impact of currency fluctuations.

But in machine tools, the strong dollar has wiped out Cincinnati Milacron Inc.'s ability to export most products from the U.S. to markets such as West Germany, according to Donald G. Shively, London-based director of European machine tool operations. Instead, for some products, the company is now supplying foreign customers almost entirely from plants in Britain, the Netherlands, and Austria. Milacron is still able to export sophisticated robots from the U.S., but, partly because of the strong dollar, it is looking at the possibility of making robots in Europe as well.

In low- and medium-technology manufactured products, Good-year Tire & Rubber Co. Chairman Robert E. Mercer blames a surge of tire imports into the U.S. this year on the strong dollar. To compete in the U.S. market against foreign-made tires. Good year announced this month that its Lee Tire subsidiary has begun importing tires from Goodyear's big Brazilian subsidiary. At chemical maker Du Pont Co., exports dropped to $500 million in the first quarter, down 10% from the same period last year. "We would judge that half that decline is due to the strong dollar," says Treasurer C. Raeford Minix.

DISCOUNTS ON STEEL

U.S. steelmakers have benefited from restrictions on European and Japanese steel that lowered imported steel's share of the U.S. market to 18.3% in the first quarter, down from 22.8% in the first quarter last year. But the "brutal impact" of the strong dollar has made the U.S. industry even more vulnerable to import competition, says W. L. Hoppe, manager of economic studies of foreign producers to offer lower prices has exacerbated price discounting in the U.S., to an average 10% off list, according to Peter F. Marcus, a steel industry analyst at Paine Webber Mitchell Hutchins Inc. "The strong dollar has reduced steel prices by at least $25 a ton," Marcus says.

The effect of the overvalued dollar is not confined to manufacturing. American producers of price-sensitive farm commodities are taking a severe beating. In Sacramento, the California Almond Growers Exchange reports that exports dropped in the past 10 months, hurt by competition from a bumper Spanish crop and low prices offered by Spain, aided by the weak peseta. Because of the dollar's rise since early 1981, "prices that are constant in the U.S. are being reflected as a 25% to 28% increase [outside the U.S.]," adds G. Edward Schuh, head of the University of Minnesota's department of agricultural and applied economics. The result, he says, is that "we're providing strong incentives for producers in other countries to produce more, and at the same time we're pricing ourselves out of the market."

For many U.S. companies, the biggest problem with the strong dollar has been the impact of currency conversions on their balance sheets, not loss of market share. Unit sales of Gillette Co., for example, are not directly affected by the strong dollar because most of the products the company sells abroad are manufactured in foreign plants. But the translation of foreign operating results into dollars caused a 6% drop in the company's earnings in the first quarter, compared with the 1982 level, and a 7% decline in sales revenue, even though sales of many of Gillette's European subsidiaries have increased. Rorer Group Inc., a Fort Washington (Pa.) maker of pharmaceuticals and surgical equipment, also had a "paper shrinkage" of sales and income of its 23 foreign subsidiaries last year when translated into dollars, says Treasurer Robert I. Kriebel. If average exchange rates had been the same in 1982 as in 1981, Rorer's sales and net income would have been 16 percent and 9 percent higher, respectively. "It is not a new problem, but over a number of years it has had an impact on overseas growth," Kriebel says. "I'm sure that this cycle [of a strong dollar] will have its run."

PROTECTIONISM LURKS

Such low-key responses by U.S. industry to the ravages of the strong dollar puzzle businessmen in Europe and Japan. Overseas, competitiveness in trade is a top policy priority, not a sacrifice to other economic and monetary goals, as it seems to be in the U.S. "Why does U.S. industry stay quiet? We can't understand it," says Masaoki Kojima, senior managing director of Marubeni Corp., a major Japanese trading company. His question is echoed by a senior British monetary official: "I ask myself," he says, "where is the U.S. industrial lobby? Has it given up?"

The reaction to the overpriced dollar slowly building in U.S. industry, many observers fear, may result in a virulent outburst of protectionism. "Throughout the postwar period," says Bergsten of the Institute for International Economics, "dollar overvaluation has been a key 'leading indicator' of an outbreak of protectionist trade pressures." Gillette Treasurer Milton L. Glass cautions: "We have only this calendar year to deal with the [dollar] problem. There is a powerful constituency building up for protectionism." And Jacob J. Kaplan, of the Atlantic Council's international monetary working group, draws a parallel with 1930, when the Smoot-Hawley high-tariff bill helped trigger a worldwide Depression. "If the dollar remains this strong for another two years," he warns, "what happens will make Smoot-Hawley seem like a happy memory."

CENTENNIAL OF THE METROPOLITAN OPERA

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, the Metropolitan Opera will celebrate its 100th anniversary on October 22, 1983. Today, I am introducing a joint resolution asking the President to declare that day to be "Metropolitan Opera Day" throughout the United States. I am asking my colleagues to join me in paying tribute to this remarkable institution.

The Metropolitan Opera Co., was founded a century ago by newly affluent New Yorkers who were frustrated at being excluded by the established elite from the boxes at the city's then existing opera houses. The mission to open the art form to a broader audience continued through the decades as

the Met became one of the greatest opera companies in the world, setting international standards of excellence with its superb performances. Meanwhile, it carried on its efforts to nurture and expand the audience for opera.

Today, its audience is larger than that of any other performing arts organization in the world. During the annual New York season, the Met presents some 25 operas to an audience of 800,000. Then it embarks on a 2-month national tour with a caravan of singers, dancers, musicians, conductors and backstage staff, along with 180 tons of scenery, instruments and costumes. In Minneapolis alone, the performances draw fans from 26 States and 5 Canadian Provinces. The annual tour has been a Met tradition for the past 100 years.

The Metropolitan's commitment to broadening the audience for opera helped initiate the Saturday afternoon radio broadcasts in 1931. Today, an average of 7 million people enjoy each of 20 radio broadcasts per season. The Met's television program—"Live from the Met"—reaches up to 10 million people per telecast. In addition, the Met gives free performances in the parks of New York City and Nassau County each summer.

The influence of the Met reaches beyond these audiences, however. Through the Met, opera has become an integral part of the arts in America, inspiring the growth of performing companies throughout the country. Almost every organization producing professional opera in the United States today can trace its roots to audiences created by the Met.

Moreover, the Metropolitan Opera sponsors student performances and seminars, produces educational materials and the leading opera magazine, and works with teachers across the Nation to introduce children to opera. It nurtures the next generation of singers through auditions and the young artist development program. The Met also provides artistic and technical assistance to other opera companies.

Its current home—the Opera House at Lincoln Center—has been, since its opening in 1966, a national cultural treasure. With its outstanding acoustics, sightlines and facilities, it is one of the greatest theaters in the world.

Beyond the borders of this country, the Met is our artistic ambassador. Its telecasts, via satellite, are beamed throughout Europe, South America, and the Far East. The Met, while featuring and developing American talent, has always been a showcase for famous international stars and companies.

I am pleased and proud that the Metropolitan Opera Co., makes its home in my congressional district and that I have the opportunity to introduce this resolution. I hope that my colleagues will join me in commemorating this centennial and extending our appreciation to the Metropolitan Opera Co. for having enriched and inspired this Nation for the past 100 years.

The resolution follows:

H.J. RES. 317

Whereas the Metropolitan Opera is one of the world's premier performing arts organizations and has an audience larger than that of any other such organization in the world;

Whereas the Metropolitan Opera, since its first performance one hundred years ago on October 22, 1883, has provided the finest quality in opera to audiences throughout the United States.

Whereas the Metropolitan Opera pioneered radio presentations of live opera, performing on radio for more than 40 years and more recently, on television;

Whereas the Metropolitan Opera has toured throughout the United States since its founding in 1883;

Whereas the Metropolitan Opera provides educational services to the people of the United States by generously encouraging and training young artists and by providing technical and managerial assistance to other opera companies in the Nation;

Whereas the Metropolitan Opera has presented renowned performing arts companies from all over the world at the Opera House;

Whereas the Metropolitan Opera, which is maintained by the company, is one of the Nation's treasures and one of the greatest performing arts theaters in the world; and

Whereas throughout its long history, the Metropolitan Opera Company has fostered generations of music lovers and has enriched and inspired this Nation; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 22, 1983, the 100th anniversary of its first performance, as "Metropolitan Opera Day" throughout these United States.

RECALL OF THE DRUG EPINEPHRINE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, for the past 7 months, I have been actively working to have the heart drug epinephrine, specifically the pre-1972 version manufactured by Abbott Laboratories, pulled from hospitals and physicians offices. My position is based on the findings of a study conducted last year by two prominent New York doctors, Joseph Feldschuh and Raymond Gambino who concluded that this drug could have been responsible for the deaths of 852 heart patients in New York City.

Friday's Wall Street Journal ran a front-page story discussing the abysmal actions of the Food and Drug Administration in having this drug recalled. Clearly this is a matter of congressional concern and investigation for we must get the answers to some fundamental questions about this horror drug.

Why did Abbott Laboratories wait a full 8 months before reporting the findings of the aforementioned study to the FDA? Did it have anything to do with the fact that they were able to develop a reformulated product in that time period?

Why did the FDA, after a meeting with Abbott officials simply call for a voluntary market withdrawal of the product instead of a total recall which would seem more appropriate in light of the New York study?

If the agency vested with the responsibility of protecting patients from dangerous drugs does not do its job—then who will? There is the distinct possibility that this drug is still in hospitals today despite its lethal nature. The time has come to ban this product once and for all before other fatalities occur.

The article follows:

[From the Wall Street Journal, July 8, 1983]

REMEDIES AND RISKS—DISPUTES OVER TWO DRUGS SPOTLIGHT A FUZZY AREA IN SCREENING FOR SAFETY

(By Hal Lancaster and Michael Waldholz)

In Medford, Ore., emergency-room doctor John Freeman is furious because Abbott Laboratories Inc. didn't notify physicians of allegations by independent researchers that its brand of the drug epinephrine contained potentially lethal doses of citric acid.

In New Orleans, cardiologist F. Gilbert McMahon is upset about what he says is foot-dragging by the Food and Drug Administration on his study alleging that Slow-K, a widely prescribed potassium supplement for heart patients, might cause life-threatening ulcers in older people.

In North Chicago, Ill., and Summit, N.J., Abbott Labs and Ciba-Geigy Corp., the manufacturers, are pretty upset, too. In their view, safe, useful drugs have been tarred unnecessarily by poor research and media exaggeration.

A BLIND SPOT

The disputes bear similarities beyond anger. Both involve older drugs whose good names have been questioned in published research papers. Both manufacturers hotly dispute the findings. The FDA, after months of study, hasn't made a definitive finding in either case. And both have dissolved into nasty spats that have left physicians who prescribe the drugs confused.

Medical experts say these imbroglios spotlight a blind spot in the regulatory mechanism: the monitoring of drugs after they get the FDA's blessing. The epinephrine and Slow-K cases also raise questions about the handling of touchy research by investigators, the FDA and drug manufacturers.

No product receives as much scrutiny as a new drug discovery. Years of laboratory, animal and human tests, all reviewed by the FDA, precede marketing approval. Still, harmful side effects often don't show up until the substance is used widely for some time. Zomax, for example, is a painkiller that was on the market in both the U.S. and Europe for 27 months. Oraflex, an anti-arthritic, was sold for about two years in

Europe and 2½ months in the U.S. Both had to be withdrawn by their manufacturers in recent months after doctors' reports linked them to several deaths.

AN UNCLEAR ISSUE

Seldom, however, is the issue that clear. Deciding whether to notify doctors of new adverse reactions, let alone withdrawing the drug, is a touchy matter. Should such news be released prematurely, it could destroy a useful product. if withheld too long, it could expose patients to unnecessary problems, even endanger their lives.

And the system for reporting adverse reactions to authorities is imperfect at best. The FDA must rely on drug makers, who often conduct post-marketing studies but aren't obligated to report their results immediately, and on practicing physicians, who sometimes don't recognize the need to report an incident. Physicians often report problems to medical journals instead, hoping to husband credit for the discovery. Thus, the news can be delayed for months as the article maneuvers through the often-laborious peer review practiced by most journals. "In older drugs, attention isn't focused and often investigators won't notify us" of potentially significant patient reactions, says Raymond Lipicky, the acting director of the FDA's devision of cardio-renal drug products.

Many of these sticky issues are illustrated by the epinephrine and Slow-K controversies.

EPINEPHRINE

In January's American Journal of Medicine, researchers Joseph Feldschuh and Raymond Gambino alleged that Abbott's epinephrine in the 3½-inch, ready-to-use syringe, contained a "lethal dose" of citric acid that lowered the blood's pH to a level "incompatible with life."

Epinephrine, commonly known as adrenaline, is used in emergency rooms as a last-ditch measure to revive stopped hearts. The 3½-inch syringe permits injection directly into the heart, a particularly desperate tactic (the drug can also be administered intravenously). To stabilize the compound and prolong shelf life, citric acid and its salt form, sodium citrate, are added; Abbott's formulation carried a heavier acid load than competitors.

Dr. Feldschuh, who runs the emergency-medicine laboratory at New York's Metropolitan Hospital, was part of a team that failed to revive an elderly cardiac arrest patient about three years ago. Shortly afterward, a lab test revealed a curiously high acid level in the patient's blood. After retrieving from the trash and testing several vials of medicines the man had received, Dr. Feldschuh discovered the high quantity of acid in Abbott's epinephrine.

It was a chilling thought, a "black comedy," as Dr. Feldschuh puts it: A drug intended to provide a last chance at life for dying patients may actually have been snuffing out that chance. And since the death of a cardiac arrest patient wouldn't surprise anyone, who could tell?

Dr. Felsschuh also surveyed 38 doctors, claiming in a letter to the FDA that none could recall saving a patient in recent years after injecting Abbott's product into the heart.

Abbott insists the drug isn't harmful. "You have to remember," a company spokesman says, "these are patients with one foot in the grave and the other on a banana peel." The company, its outside consultants and other experts questioned the study's methods. "It's three anecdotes and an off-the-cuff survey," contends Richard W. Kasperson. Abbott's vice president for regulatory affairs. Adds cardiologist Sylvan Weinberg, the editor of Heart & Lung Magazine: "The article doesn't define the patient population and it depends a lot on two blood samples." Others questioned the failure to describe other drugs and therapies administered that might have played a role in the deaths.

The company has since reduced the acid in new batches, but insisted it did so after a normal review that all its products undergo. The new formula causes less irritation of the injection site, Abbott says. However, the epinephrine review was accelerated, Mr. Kasperson concedes, because "we wanted to quell the riot."

Abbott's reformulation made the topic moot, the FDA felt. Besides, the agency also had its doubts about the research. "We chose not to raise this to such a pitch that a doctor with nothing else available would do nothing rather than use Abbott's epinephrine," an FDA spokesman says. Nevertheless, the agency allowed, high acid quantities conceivably could add to the heart's burden at a critical time.

NO MEDALS

The handling of this spat probably won't win anyone a medal. Why, for example, did Dr. Feldschuh keep mum about this supposed killer drug for more than two years, until the article was published? "I'm baffled by his casual attitude toward something that he felt had dangerous implications," Abbott's Mr. Kasperson says.

Dr. Feldschuh says he wanted confirmation by a medical journal's peer-review process so the "work wouldn't be questioned." After two publications rejected the study, he got confirmation last June from the American Journal of Medicine. Then he notified Abbott. "I told them they should have an emergency recall," he says. "Their concern was publicity. I promised to soften the paper if they'd recall right away, but they didn't."

Abbott also promised to notify the FDA, he recalls. Yet the FDA didn't learn of the problem until the article was published. At a Jan. 24 meeting with Abbott, agency official Harry Meyer said it would have been preferable if the company had met with the FDA last summer, when it learned of the study and reformulated the drug.

At that meeting, Abbott agreed to withdraw the old batches. "We were getting so much static about it and so was the FDA," Mr. Kasperson says. "Not much was left anyway."

Why didn't Abbott notify the FDA earlier? The company believed the article was poorly researched and wouldn't be published, Mr. Kasperson says. Besides, it wasn't required to. Serious reactions to investigational drugs must be reported within 15 days, deaths within 48 hours, he explains. Because it was an older drug, he adds, "The epinephrine case was unusual. In this case, it's up to the company."

Fear of bad publicity undoubtedly played a role, too. "If you have a drug where the evidence is thin and you take it off the market to study it, you've probably permanently damaged that drug," says Barry Rumack, a University of Colorado medical toxicologist.

FEAR LAWSUITS

And withdrawals open the door to lawsuits from bereaved families. Abbott "clearly feels some fear of later legal responsibility," says one of the company's medical consultants. "There's a natural tendency, because of that, to make 100 percent sure there isn't some mistake. In another kind of system, maybe you only need to be 10 percent sure there's a problem." Somehow, he maintains drug companies should be relieved of the potentially mammoth liability burden if a drug is marketed in good faith and recalled promptly once a problem becomes known.

At the very least, says Dr. Freeman, the head of emergency services at Medford's Rogue Valley Memorial Hospital, the company should have sent physicians "a letter saying this question has been raised and here's what we're doing about it or here's why we think it's wrong."

That might have helped him treat a recent allergic-reaction shock victim who didn't respond to repeated doses of epinephrine. The woman's blood became highly acidic, Dr. Freeman recalls. He couldn't revive her until he switched to another drug, Dopamine.

Drs. Feldschuh and Gambino still insist that citric-acid quantities remain perilously high in all of Abbott's epinephrine products. Because a failed heart isn't circulating blood, contends Dr. Gambino, a Columbia University pathologist, "any amount of acid is too much acid." Mr. Kasperson argues that blood and other cells buffer the acid sufficiently to avert problems.

Dr. Gambino wants someone to do further animal studies. "Prove us right or wrong, or figure out how big a problem we've got here," he says. Abbott has considered dog studies with an independent laboratory, Mr. Kasperson says. Since epinephrine contributes less than $1 million to annual sales, however, there isn't much economic incentive to pay for new studies.

Even with Abbott's reformulation, the acid question may not be moot. Dr. Gambino thinks there may be other acid-laden drugs, "but we'd never know, because manufacturers don't have to tell" acid levels.

SLOW-K

F. Gilbert McMahon wants the world to know about Slow-K, a drug he considers dangerous. Using an endoscope—a long tube with a fiber-optic camera on the end—to peer into the stomachs of volunteers, a team headed by the highly regarded Tulane University researcher discovered what he says are an alarming number of stomach irritations among users of Ciba-Geigy's oral potassium supplement. In older patients, Dr. McMahon contends, these could develop into life-threatening ulcers.

Dr. McMahon's results certainly pleased the drug company that paid for his research, A.H. Robins Co., which produces the rival Micro-K, Introduced in 1981. Robins claims that its microencapsulated product, which disperses tiny granules of potassium, is less irritating to the stomach lining than the wax-coated Slow-K. Robins contends that Slow-K breaks up in chunks in the stomach. By including information from Dr. McMahon's study in package inserts and arming its sales force with the study's details, Robins figures it can cut into Slow-K's dominant market share (Slow-K produced $60 million in sales last year; Micro-K, $3 million).

Ciba-Geigy considers Dr. McMahon's work hogwash. And at a meeting recently with the FDA, the dispute boiled over. Ciba produced an outside study it sponsored, which showed little difference between the irritation caused by the two products. Robins

called the work "junk." Dr. McMahon said the data, which hadn't been submitted for review beforehand, shouldn't have been accepted. Ciba representatives said there wasn't enough time. "But they had time to prepare color slides?" Dr. McMahon snorts. Also, the subjects of the outpatient study were volunteer medical students. "I have difficulty accepting outpatient studies." Dr. McMahon says. "Medical students tend to drink on weekends and party. They take aspirin, all things that could foul up" the stomach lining and thus skew results.

METHODS QUESTIONED

But Ciba also questioned Dr. McMahon's methods. Among other things, the company objected to his use of drugs to artifically slow digestion (Dr. McMahon says he wanted to simulate in his young volunteers the digestive system of elderly patients, who would be most at risk in taking the drug). Ciba also argued that Dr. McMahon's dangerous lesions were common occurrences that can be caused by many things—spicy foods, for one-and vanish quietly.

The FDA, caught in the uneasy role of mediating apparently irreconcilable data, hasn't acted. When Dr. McMahon's work was first presented to the FDA last year, the agency asked Ciba and other makers of wax-coated potassium supplements to duplicate the study. At first, none would. They objected to the design of the study, and the FDA doesn't have the authority to compel studies after it has approved a drug for marketing. In the end, each company designed its own study.

Clearly, commercial interests have confused matters. Big pharmaceutical companies pay for nearly all independent drug research these days, an alarming development to some. "Some companies' standards aren't based on the excellence of the researcher, but on which lab can get the job done quickly," says Sidney Wolfe, the head of the Health Research Group, a consumer-safety organization. "Others are more concerned with enlisting labs they know have a certain bias."

CAUTIOUS DOCTORS

Physicians have learned to be cautious. "I've seen studies that have been presented to print a brighter-than-true picture for certain drugs," says Larry M. Altschul, a West Islip, N.Y., cardiologist.

Many feel the FDA, with limited resources, isn't up to the task of monitoring drugs on the market for newly uncovered side effects. Dr. McMahon, who was an adviser to a congressional committee on the drug-approval process, believes an independent academic center should be created to study prescription-drug use. "The U.S. and the world lack such an observing mechanism," he says.

The FDA's Dr. Lipicky clearly doesn't relish his task. "When it comes to arbitrating science, we can do the job," he says. "But ruling on what is largely a commercial debate is more than difficult, it's distasteful."

Still, the FDA is expected to recommend that Dr. McMahon's work be included in the Robins company's labeling information, along with other rival studies. Meanwhile, the companies have begun a marketing war, placing multi-page ads in medical journals touting their conflicting results. The outcome is that practicing physicians must play a new version of an old television show, "Who Do You Trust?"

CHECKING ACCOUNT DEREGULATION

The SPEAKER. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, in last year's Garn/St Germain Depository Institution Deregulation Act, the Depository Institutions Deregulation Committee (DIDC) was directed to create an account that depository institutions could offer that would be truly competitive with money market mutual funds. The statutory language provided that the account could be offered to businesses if that account was subject to reserves and provided that the account allowed no more than three third-party withdrawals per month. The section was also interpreted by some as authorizing the DIDC to create another account which would be available to businesses and which had no third-party transaction limits—in other words a Super NOW account (an interest-paying checking account). About 2 weeks ago, the DIDC concluded that its authority to authorize depository institutions to offer such an account was unclear. Instead, it decided to seek congressional clarification.

The legislation that I am introducing today responds to the concerns of the members of the DIDC and also addresses the major remaining deregulation issue involving the liability side of depository institutions' balance sheets.

This bill is not new. In the 95th Congress when the regulatory agencies were inventing ways around the restrictions imposed by regulation Q (on the amount of interest payable on savings accounts) and the prohibition on paying interest on checking accounts, I concluded that the time had come to repeal the prohibition and to authorize all depository institutions to offer their customers (whether business or individual) checking accounts. Institutions would have been free to determine the characteristics of the accounts they offered their customers—interest paying or not, for example. The 95th Congress ended before action could be taken on that bill.

In the 96th Congress I reintroduced that legislation. At the same time a U.S. circuit court of appeals had declared that regulatory actions authorizing share drafts for credit unions and automatic transfer accounts for commercial banks were invalid. Since the bill would have ended the prohibition on paying interest on demand deposits and allowed any depository institution to offer its customers such accounts, the legislation also addressed the issues raised by the court. It was a bill designed to truly deregulate depository institutions. It would have allowed each institution to design accounts that it believed would be attractive to its customers free of governmental restrictions.

It became clear during hearings on the legislation that depository institutions, particularly commercial banks, were not ready for the freedom to compete that this bill would have provided. Bankers appearing before the committee in essence said competition is fine, but. The buts had substantial support and the committee and the House ultimately passed a bill extending the NOW account experiment—interest paying checking accounts for individuals and nonprofit organizations—from New England to the Nation. Thus, individuals and nonprofit organizations were allowed to have demand deposits which receive interest payments from any depository institution.

In the last Congress the deregulation effort was continued with further revision of the regulations imposing controls on the type of savings deposits offered by depository institutions and with the directive to the DIDC to create an account to compete with the money market mutual funds. On the latter point, DIDC created the money market account and allowed institutions to offer a Super NOW to customers eligible to hold regular NOW accounts.

Small businesses and corporations are still precluded from enjoying the full benefits of receiving interest on their checking accounts. This particularly affects small businesses, because most large corporations are sophisticated enough to assure that their cash resources earn a return. These large firms are able to circumvent the prohibition on paying interest on demand accounts by utilizing cash management devices which minimize the amount of cash kept in noninterest earning accounts. The typical small business cannot afford this luxury or does not have sufficient resources to make effective use of such a service.

The bill I am introducing today would address this inequity. Under the terms of the bill all depository institutions serving businesses would be able to offer checking accounts to businesses and corporations and those accounts could be interest paying. The institutions would have the freedom to determine what type of account they want to offer and attempt to sell that account in the market.

Now that regulation Q will be virtually eliminated, the time has come to remove the remaining controls on deposits. This bill will do that and I hope that the committee and the House will adopt this approach.

Mr. Speaker, I insert the text of the bill in the RECORD at this point.

H.R. 3535

A bill to authorize depository institutions to offer interest-bearing demand deposits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Demand Deposit Equity Act of 1983".

MEMBER BANKS

SEC. 2. Subsection (i) of section 19 of the Federal Reserve Act (12 U.S.C. 371a) is hereby repealed.

DEPOSITORY INSTITUTIONS

SEC. 3. Section 2(a) of Public Law 93-100 (12 U.S.C. 1832(a)) is amended—

(1) in paragraph (1) by deleting the words "but subject to paragraph (2) "; and

(2) by striking out paragraph (2).

INSURED BANKS

SEC. 4. Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended—

(1) by striking out the first sentence of paragraph (1) thereof; and

(2) by striking out paragraph (2).

SAVINGS INSTITUTIONS

SEC. 5. Section 5(b)(1) of the Home Owner's Loan Act of 1933 (12 U.S.C. 1464(b)(1)) is amended—

(1) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(b)(1)(A) An association may raise capital in the form of such deposits, shares, or other accounts (all of which are referred to in this section as accounts) as are authorized by its charter or by regulations of the Board, and may issue such passbooks, certificates, or other evidence of accounts as are so authorized;" and

(2) by striking out the first two sentences of subparagraph (B).

FEDERAL CREDIT UNIONS

SEC. 6. Section 205(f) of the Federal Credit Union Act (12 U.S.C. 1785(f)) is amended—

(1) in the second sentence of paragraph (1) by striking out "Except as provided in paragraph (2), an", and inserting in lieu thereof "An"; and

(2) by striking out paragraph (2).●

RALPH DRUMMOND—OUTSTANDING JUDGE, FRIEND, AND CITIZEN

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to pay tribute to Monterey County Superior Court Judge Ralph M. Drummond, a long time friend and truly outstanding individual who will, on July 11, 1983, retire from the bench. As one who has known this man, his work and his dedication to the law, I would like to take a few moments to share something of his life and his accomplishments with my distinguished colleagues.

Nobody could doubt this man's sincerity and dedication to purpose—he earned his credentials by working nights as a Los Angeles policeman and attending the University of Southern California as an undergraduate and as a law student during the day. This combination of responsibilities would be unbearable for the best of minds and the most dedicated of students. And yet, in the case of this exceptional gentleman, he earned his law degree in a record 2½ years and at the same time distinguished himself on the Los Angeles police force and was promoted to lieutenant.

After 12 years on the Los Angeles police force and several years practicing the law in Los Angeles, the Monterey Peninsula was fortunate to be able to count Ralph Drummond among its residents. His first years of practice I am proud to say were in the offices of the Panetta Building. Not long after moving to this area he was appointed to the bench by then Gov. Ronald Reagan in January 1969. Needless to say his service on the bench has been exemplary. In addition he is chairman of the California Center for Judicial Education and Research, a past president of the California Judge Foundation and member of most of the prestigious judicial and legal associations I can name. The list continues with a membership in the International Bar Association and his service as a judicial delegate abroad.

This man generously contributes his time, energy and talents to his community as well as his profession. He is currently chairman of the board of the Monterey College of Law and on the board of Community Hospital, the Medical Trust Fund, Monterey Foundation and California Council of Criminal Justice Board, and an active participant in a variety of community and social groups. Despite their numbers, he is committed to each and all and serves thoughtfully and with great skill.

This list of accomplishments speaks only in part of the honor that is due Judge Drummond. His vitality, his wonderful sense of humor and his kind, caring manner are known to all who have worked with him and called him friend. He has given much and I know he will continue to do so. He has not yet completed the legacy that men of his kind unconsciously bequeath to their fellows. He certainly has my respect and admiration and I am, indeed, proud to have his friendship. I extend my sincere congratulations on his retirement and I wish him good health, happiness and success in his future endeavors.●

H.R. 3525, THE PERMANENT TAX TREATMENT OF FRINGE BENEFITS ACT OF 1983

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 10 minutes.

● Mr. STARK. Mr. Speaker, today, the Honorable BARBER B. CONABLE, JR. and I are introducing H.R. 3525, the Permanent Tax Treatment of Fringe Benefits Act of 1983, a bill intended to end the stalemate over the proper tax treatment of fringe benefits. This controversy has been with us too long. Since the Department of Treasury under President Ford published a discussion draft of regulations in this area in 1975, subsequent proposals have been developed by the tax section of the American Bar Association, the Federal Tax Division of the American Institute of Certified Public Accountants, a task force of the Committee on Ways and Means, the tax section of the New York State Bar, and the Department of Treasury under both President Carter and President Reagan. However, as a result of the intense criticisms directed at various aspects of these proposals, Congress determined in 1978 that the tax treatment of fringe benefits should be addressed by legislation and prohibited the Treasury Department from issuing further regulations.

The moratorium on fringe benefit regulations will expire on December 31, 1983. Recent experience shows that moratoriums are not solutions. The absence of a nationally uniform policy on the treatment of fringe benefits also imposes costs, burdens, and inequities on taxpayers. These adverse consequences are finally being felt. Now is the time to resolve a major difficulty with our income tax system. The bill that we are introducing today represents a fair and pragmatic approach to a permanent solution.

The fringe benefit problem contains the potential for substantial erosion of the income tax base. Numerous fringe benefits clearly provide economic benefits to employees, representing gross income subject to taxation under code section 61. Yet most of these benefits have not been included as taxable income historically, for a variety of practical and other reasons. If the growth of untaxed fringe benefits continues unchecked, the problem of uneven tax burdens among similarly situated taxpayers could become intolerable. Carried to a logical—if extreme—conclusion, tax free compensation received in the form of in-kind or deferred benefits could result in substantial revenue losses and a reduction in tax equity, which requires that tax liability depend on economic income. The recent growth of fringe benefits, in magnitude and incidence, has exacerbated these concerns.

The threat posed to our Federal income tax system has not gone unnoticed. Treasury Department officials in every administration since President Nixon's have called upon Congress to address the problem or permit the Treasury to do so in regulations. Each of the groups cited above has devoted substantial time and effort in developing proposals to deal with

fringe benefit taxation because, as these groups recognize, the problem is so critical to the entire income tax system.

For example, in its recent report on the tax treatment of fringe benefits, the tax section of the New York State Bar Association observed:

> But the importance of allowing fringe benefits to go untaxed goes beyond the direct revenue loss; in any taxing system which depends primarily upon voluntary compliance and self-assessment, there is a strong linkage between underreporting (and nonreporting) of income in one area and the failure by taxpayers to report income of other types. We believe it is not unlikely that the extent to which fringe benefit income goes unreported and untaxed, particularly in view of its highly conspicuous and widely publicized nature, is contributing to the growth of underreporting on items such as dividends, interests, and capital gains.

We agree the problem posed by the fringe benefit impasse is very serious. It is also clear to us that successful resolution of this conflict requires a shared sense of urgency.

In our opinion, the legislation advanced today gives much ground. It accommodates most existing practices of employers who offer employees, on favorable terms, the goods or services that they also provide to the public. No revenue goals are imposed or even attempted. We expect further refinements to be offered to this proposal, but we must warn against the erosion of equity—the unfairness to some and of favor to others—created by expanding the scope of tax exempt fringe benefits.

I would now like to present an overview of the proposed legislation, with a more detailed explanation to follow. The approach provides generous rules for benefits offered to employees on favorable terms where the goods or services are those provided to customers in the ordinary course of the trade or business of the employer for which the employee works.

The income tax system is most threatened by untaxed benefits which are substituted for taxable compensation. Thus, goods or services that employers purchase for employees, directly or through reciprocal arrangements, are of great concern. Absent compelling public policy under which Congress has created statutorily exempt benefits like health insurance, these benefits should be fully taxed to employees. Examples are free vacations for top salesmen, country club and similar memberships for executives, free personal use of company automobiles or airplanes and so forth.

In determining the proper treatment of goods or services provided employees which the employer is in the business of providing to the public, we believed it likely that these are worth less to their employee recipients than their retail selling price. For example, the employee of a department store who purchases clothing from the store at a discount is restricted in purchases to the particular items carried by that store. Further, the right to purchase goods at a discount is not freely transferable and, thus, it seems inappropriate to treat as taxable income the full difference between what the employee paid for the item and the retail price. In addition, the employer may offer the product to employees on a more restricted basis than it is generally offered to the public, making valuation of the benefit a difficult undertaking.

Accordingly, the bill would allow an exclusion from gross income for two categories of employer products provided to employees at below-market prices. First, when the employer incurs no substantial additional cost and forgoes no revenue in providing a service to an employee, the entire value of the service may be excluded from gross income. An example of such a service is the ability of airline employees to fly at no or minimum charge on their employer's flights. This privilege is granted only on a standby basis, where the employee can be bumped at the last minute by a paying passenger. With respect to other goods and services offered customers and provided to employees on favorable terms, the bill would exclude discounts of up to 20 percent. However, where the average markup is less than 20 percent, the excluded discount could not exceed the average markup. This rule is intended to eliminate the potential for the employer to generate tax losses through employee discount policies. Favorable income tax treatment would be available only when these fringe benefits are provided to employees on terms which do not discriminate in favor of owners, shareholders, or highly compensated employees.

The bill would not accommodate reciprocal arrangements where an employer agrees to provide benefits to the employees of another employer. We recognize that this limitation is at odds with current practices in some industries. However, it seemed clear that, to reduce the perception of unfairness and the spread of exempt benefits in this world of interrelated businesses, the special exclusion rules had to be limited to the benefits provided by the direct employer of the employee. Deviation from this limitation seems most dangerous to us as it quickly becomes impossible to draw further distinctions. When an employer makes reciprocal arrangements, it also seems more clearly part of a compensation package.

The bill excludes working condition fringe benefits provided in connection with the employee's performance of his job and where substantially all the use is in connection with such performance. De minimis fringe benefits, those of such small value that accounting for them is unreasonable or impractical, are also excluded, such as a company picnic, Christmas gifts of small value, and so forth.

The bill also includes special rules designed to address several problem areas. Under the working condition rule, auto salesmen who use demonstrator cars where there are substantial restrictions on personal use may qualify for exclusion on their use of the car in the sales area. Parking made available to employees on a nondiscriminatory basis is excluded, whether purchased for employees or otherwise, because of the longstanding controversies in valuation and the difficulty in distinguishing parking as a working condition from other sorts of parking.

Gyms, athletic facilities, and other recreational facilities provided on the premises of employers pose serious valuation problems. Since equity demands that purchased services of this sort be fully taxed, the bill proposes to resolve this difficulty and achieve rough parity by denying employers any deduction for the costs of such facilities, including operating expenses and depreciation allowable under code section 167 (unless the employer elects to have the value included in the income of the employee).

In coordinating these proposed rules with other provisions of law, the bill would: First, conform the FICA, FUTA, and RRTA tax bases to these rules as well; second, clarify that these rules do not apply to fringe benefits where other statutory rules exist; and third, amend code section 125 to provide that taxable fringe benefits and property may not be included in a cafeteria plan.

Finally, the bill would amend code section 117 relating to provisions on scholarships to clarify present law with respect to tuition reduction practices. Under the bill, tuition reduction provided an employee, a spouse or dependent children, for undergraduate education at the employing institution would continue to be excluded from income. Such tuition reduction could not be offered in the context of an option to take cash or a taxable benefit. In addition, nondiscrimination among employees would be required. The proposed rule will accommodate much of present practice encouraged by the 1956 regulations under section 117. However, the bill would not cover present reciprocal agreements among differing institutions. Thus, the benefit must be provided by the direct employer of the employee in order to receive this special tax treatment.

In general, the provisions of the bill would be effective on January 1, 1984.

A technical explanation and the bill follow:

TECHNICAL EXPLANATION OF H.R. 3525—THE PERMANENT TAX TREATMENT OF FRINGE BENEFITS ACT OF 1983

I. IN GENERAL

Under the bill, certain fringe benefits provided by an employer would be excluded from the recipient employee's gross income for Federal income tax purposes and from the wage and benefit base for purposes of social security and other employment taxes.

The excluded fringe benefits would be those benefits that qualify under one of the following four categories as defined in the bill: (1) a no-additional-cost service, (2) a qualified employee discount, (3) a working condition fringe, or (4) a de minimis fringe. Special rules would apply with respect to parking provided to employees, use of an employer-provided demonstration cars by auto salespersons, and employee use of gyms and other recreational facilities on the premises of an employer. Also, the bill would provide an exclusion for certain tuition reductions provided by and at a school or college to its employees, or their spouses or children. In the case of a no-additional-cost service, a qualified employee discount, parking, or a tuition reduction, the exclusion would apply only if the benefit is made available to employees on a nondiscriminatory basis.

Any fringe benefit which does not qualify for exclusion under the bill (for example, free or discounted goods or services which are limited to corporate officers) or under another specific statutory fringe benefit provision is taxable to the recipient, under Code sections 61 and 83, at the excess of its fair market value over any amount paid by the employee for the benefit.

The provisions of the bill generally would take effect on January 1, 1984, except that the tuition reduction exclusion would apply with respect to education furnished after June 30, 1984.

II. NO-ADDITIONAL-COST SERVICE

Under this category, the entire value of any no-additional-cost service provided by an employer to and for the use of an employee (or the employee's spouse or children) would be excluded for income and employment tax purposes, but only if the service is provided to employees on a nondiscriminatory basis (see discussion below of nondiscrimination rules).

To qualify under this exclusion, the service must be of the same type which is provided to the public in the ordinary course of the employer's trade or business in which the employee works, and the employer must incur no substantial additional cost in providing the service to the employee (or employee's family). For this purpose, the term cost would include any revenue foregone because the service had been made available to the employee (or employee's family) rather than to the general public. The determination of whether the employer had incurred any substantial additional cost in providing the benefit would be made without regard to any amounts paid by the employee for the service.

The exclusion would also be available where qualifying no-additional-cost service is provided by an employer to and for the use of an individual (or the individual's spouse or children) who formerly worked for the employer in the employer's trade or business in which the service is being provided and who separated from service with the employer in that trade or business because of retirement or disability.

As an illustration of this category of excludable benefits, assume that a corporation which operates an airline as its only trade or business adopts a policy of providing all of its employees (and their spouses and children) with free travel as stand-by passengers on the employer airline's flights if the space taken had not been sold to the public by departure time, and that this benefit is available on terms that satisfy the bill's nondiscrimination requirements. In such a case, the entire fair market value of the free travel would be excluded under the no-additional-cost service rule in the bill. This conclusion follows because the service provided by the employer to its employees who work in the employer's airline trade or business is the same as that provided to the general public (airline flight), the service is provided at no substantial additional cost or foregone revenue to the employer (the seat would have been unsold if the employee had not taken the trip), and the eligibility terms are assumed to satisfy the nondiscrimination requirements.

On the other hand, this exclusion category would not apply, for example, where employees in the hotel trade or business of a corporation receive free stand-by travel on an airline operated by the same corporation's airline trade or business, where employees of one airline receive free stand-by travel benefits on another airline through reciprocal arrangements, or where employees of a consumer goods manufacturer are allowed to "hitchhike" for personal trips on a company plane or automobile even though the plane or automobile otherwise is making a trip on company business. In each of these cases, even if there were no substantial additional cost to the trade or business in providing the service, the benefit is not a service generally provided to customers in the specific trade or business of the recipient's employer in which the employee is at the time providing services. Accordingly, the requirements of the no-additional-cost exclusion would not be satisfied.

III. QUALIFIED EMPLOYEE DISCOUNT

A. In general

Under this category, qualified discounts allowed to an employee (or the employee's spouse or children) from the selling price of the employer's goods or services would be excluded, up to 20 percent of the selling price, for income and employment tax purposes, but only if provided to employees on a nondiscriminatory basis.

To qualify under this exclusion, the goods or services on which the discount is available must be those which are offered for sale by the employer to customers in the ordinary course of the employer's trade or business in which the employee works. For example, goods held for sale in the retail department store trade or business of a firm would be eligible for the discount exclusion if purchased at discount by an employee of the firm who works in that trade or business.

The exclusion would also be available where a qualified discount is provided by an employer to an individual (or the individual's spouse or children) if the individual had formerly worked for the employer in the employer's trade or business in which the service is being provided and who separated from service with the employer in that trade or business because of retirement or disability.

B. Limitation on exclusion

The excludable amount of the discount would be limited to the lesser of (1) 20 percent of the price to which the goods or services are offered to nonemployee customers by the employer or (2) the employer's profit percentage, as defined in the bill.

For this purpose, the employer's profit percentage would mean the amount by which the aggregate sales price for the year of property or services sold by the employer exceeds their aggregate cost to the employer, divided by the aggregate sales price. For example, if total sales of a product during the year were $1 million and the employer's cost of the product was $850,000, then the profit percentage would be 15 percent ($1 million minus $850,000, divided by $1 million). Thus, if (for example) any employee were allowed a 19-percent discount by the employer, the amount of excludable discount would be limited to 15 percent.

The bill would provide than an employer may compute the profit percentage on the basis of all property or services held for sale or provided to customers in the employer's trade or business in which the employee works. As an alternative, the employer could select any reasonable classification of property or services. For example, a department store business could compute a profit percentage for the store business as a whole, or may select different profit percentages for different departments or types of goods (high markup items versus low markup items), provided the classifications are made on a reasonable basis. Under either computation method, the determination of the profit percentage is to be made on the basis of the employer's experience during a representative period.

C. Leased sections of department stores

In cases where a department store leases floor space to another employer (such as a cosmetics firm), and employees of the lessee engage in over-the-counter sales of property which appear to the public to be made by department store employees, then, for purposes of the exclusion in the bill for qualified employee discounts, the leased section would be considered as part of the department store and the employees of the leased section would be considered to be employees of the department store for the purpose. Thus, if individuals selling cosmetics on the department store floor are actually employees of the cosmetic company rather than of the store, they would be considered employees of the department store for purposes of the exclusion for qualified employee discounts. Therefore, if they receive from the store a discount on their purchases of items in the store other than cosmetics, the amount of the discount (subject to the percentage limitation) would be excluded from income. Likewise, since the cosmetic section itself would be considered as part of the department store, any discount allowed to department store employees by the cosmetics firm to purchase cosmetics would be excludable from income (subject to the percentage limitation).

IV. WORKING CONDITION FRINGE

A. In general

Under the bill, the fair market value of property or services provided primarily for the purpose of facilitating the employee's work for the employer would be excluded for income and employment tax purposes. This working condition exclusion would apply however, only if substantially all (for this purpose, at least 85 percent) of the use of the property or services reasonably can be expected to occur in connection with the employee's performance of services, i.e., for business purposes. For example, if an employee is provided with a company car pri-

marily for business use and less than 15 percent of the employee's use of the car is for personal purposes, the entire value of the use of the automobile would be excludable. If the personal use exceeded 15 percent, this exclusion would not be available (but a deduction would be allowed for business use).

A benefit generally would be treated as a working condition fringe if it is provided by an employer primarily for the safety of its employees. For example, if the U.S. Government provides a bodyguard or chauffeured limousine for security reasons, to an employee stationed in a foreign country, the value of the bodyguard or limousine would be treated as a working condition fringe benefit that is not taxable to the employee. Other examples of benefits that generally would be excluded as working condition fringes include chauffeured limousines carrying executives from their offices to business appointments, office furnishings and supplies, taxi fare provided to secretaries working late at night, and on-premises first-aid stations.

3. Parking

The fair market value of a free or reduced cost parking would be excluded as a working condition fringe only if such parking is available on a nondiscriminatory basis (see discussion below of nondiscrimination rules).

C. Demonstration use by auto salespersons

Under the bill, the fair market value of the use of an employer-provided car by an automobile salesperson would be considered an excludable working condition fringe if (1) the car is provided primarily for the purpose of facilitating the employee's performance of service for the employer, (2) substantially all the use of the car by the salesperson occurs in the sales area in which the auto dealer's sales office is located, and (3) there are substantial restrictions on the personal use of the car by the salesperson. For example, if an auto salesperson is required to drive the make of car which the auto dealer sells, is limited in the amount of miles he or she may drive the auto, may not store personal possessions in the auto, and is prohibited from using the car for vacation trips, such restrictions generally would be considered substantial for purposes of this special rule.

V. DE MINIMIS FRINGE

Under the bill, if the fair market value of property or services which otherwise would be a taxable fringe benefit is so small that accounting for it would be unreasonable or administratively impractical, then the value would be excluded for income and employment tax purposes.

In determining whether the de minimis exclusion applies, the values of all property or services provided to an employee during the year would aggregated, except for (1) property or services that are excluded from taxation under a specific statutory exclusion provision (such as qualified employee discounts) and (2) any other property or service provided to the employee which had more than a small fair market value. Examples of benefits which generally would be excludable as de minimis fringes would include the typing of personal letters by an employee's secretary, occasional company cocktail parties or picnics for employees, traditional Christmas gifts of property with a low fair market value, and reduced cost cafeterias available to all employees.

VI. NONDISCRIMINATION RULES

To qualify under the bill for the no-additional-cost service exclusion, the qualified employee discount exclusion, the parking exclusion, or the qualified tuition reduction exclusion (described below), the benefit must be available on substantially the same terms to each member of a group of employees which is defined under a reasonable classification set up by the employer that does not discriminate in favor of officers, owners, or highly compensated employees.

The determination of whether a particular classification is reasonable would depend on the facts and circumstances involved. A classification that, on its face, provides benefits only to officers, shareholders, or highly compensated employees is per se discriminatory, and no exclusion would be available for the value of such benefits. On the other hand, an employer could establish a classification that is based on certain appropriate factors, such as seniority or job description, provided that the effect of the classification is nondiscriminatory. Thus, for example, if an employer makes free or reduced-cost parking available to all its employees on the basis of seniority, and if those employees who have parking spaces constitute a fair cross-section of all employees, then the fair market value of the parking spaces provided would be excluded under the bill. On the other hand, if an employer provides free or reduced-cost parking only to highly compensated employees, the fair market value of the parking would not be excluded.

VII. RECREATIONAL FACILITIES

In general, the fair market value of any on-premise recreational facility provided and operated by an employer for its employees, where substantially all the use of the facility is by the employees (or their spouses or children), would be excluded for income and employment tax purposes. The recreational facility need not be in the same location as the business premises of the employer.

Under the bill, the employer's deductions with respect to the on-site recreational facility would be limited in computing the employer's taxable income. No limitation would apply to any deduction (such as for interest or taxes) allowable to the employer without regard to the deduction's connection to a trade or business. In the case of other facility expenses such as utilities, maintenance, depreciation, etc., the deductions could not exceed the amount of gross income from the property reduced by those deductions which are allowable regardless of their trade or business connection.

For example, if an employer provided and operated handball courts on its premises to be used free of charge by its employees, under the general rule the value of the use of these courts would be excluded from the employees' income and there would be no deduction allowed for expenses attributable to the facility and otherwise deductible only as trade or business expenses. Thus, if the employer, incurred $500 in taxes, $1,000 in interest, and $4,000 in operating expenses, the only deductions allowed would be $1,500 ($500 for taxes plus $1,000 for interest). However, if the employer had charged employees or others a fee to use the courts, deductions could be taken up to the amount of the fees reduced by tax, interest, and other deductions not affected by this provision. If, in the above example, $2,500 of fees had been collected, the employer could deduct $1,000 of the operating expenses ($2,500 minus $1,500) in addition to the $1,500.

At the employer's election, the exclusion under the bill with respect to recreational facilities would not be available to its employees; in that case, the deduction limitation would not apply to the employer. The election would be made for any taxable year in a time and manner as prescribed in Treasury regulations. Any election made would apply to all recreational facilities of the employer. Once made, an election could not be revoked without permission of the Internal Revenue Service.

VIII. NONAPPLICABILITY TO CERTAIN FRINGE BENEFITS

No fringe benefit would be excluded under the bill (other than a de minimis fringe) if another section of the Internal Revenue Code provides rules for tax treatment of that general type of benefit. For example, the fair market value of day care services provided to an employee would be excludable only pursuant to the provisions of Code section 129. If in a particular situation such services do not qualify for exclusion under section 129, no exclusion (other than the de minimis exclusion) would be available under the bill.

IX. QUALIFIED TUITION REDUCTIONS

The bill would amend Code section 117 (relating to scholarship and fellowship grants) to exclude, for income and employment tax purposes, the amount of any reduction in tuition provided by and at an educational institution to its employee (or the employee's spouse or children), if such benefits are made available to employees on a nondiscriminatory basis (see discussion above of nondiscrimination rules). The exclusion would not apply with respect to tuition for education at the graduate level. No exclusion would be provided if an employee working for a school or college receives a reduction in tuition with respect to studies at a different educational institution.

The qualified tuition reduction provision of the bill would apply with respect to education furnished after June 30, 1984.

X. CAFETERIA PLANS

The bill would amend the definition of cafeteria plans for purposes of Code section 125 to provide that such plans may offer employees choices only among cash or those fringe benefits that are excludable from gross income under a specific section of the Internal Revenue Code (other than educational assistance, vanpooling, and benefits excludable under provisions of the bill).●

● Mr. CONABLE. Mr. Speaker, today, my colleague PETE STARK and I are introducing the Permanent Tax Treatment of Fringe Benefits Act of 1983.

The bill attempts to fill a vacuum which has existed for many years in the tax treatment of various fringe benefits provided by employers to their employees. This vacuum exists largely because Congress has failed to take decisive permanent action with respect to the taxation of fringe benefits and has imposed a moratorium since 1978 prohibiting the Treasury Department from issuing final regulations providing guidance in this area.

This combination of congressional inaction and Treasury Department immobility has prevented development of a clear, uniform set of rules to guide both employers and employees in the proper tax treatment of fringe benefits. One result has been that many

benefits which are clearly subject to general rules of includability have not been taxed.

The importance of providing a uniform set of rules for the taxation of fringe benefits should not be understated and, in fact, becomes greater with each passing year. A number of factors support this conclusion.

First, a continued lack of guidance with respect to the taxation of fringe benefits will permit a continued erosion of the tax base as more and more employers provide noncash forms of compensation in the hope of avoiding includability in taxable income. The resulting shrinkage in the tax base will require inevitably either a higher rate of tax on the bulk of American taxpayers or a change to a completely different system of taxation, such as a consumption-based system.

Second, the absence of a uniform set of rules for taxing fringe benefits imposes serious inequities within the system as taxpayers in different parts of the country are treated in a discriminatory manner with respect to identical or comparable forms of fringe benfit compensation. Such inequities can cause distrust and a lack of respect for our system of taxation which relies heavily upon voluntary compliance and thus needs a perception of fairness for continued viability.

Third, the untaxed status of fringe benefits encourages employers to provide noncash forms of compensation, thus restricting the employees' freedom of choice as to what their compensation may be used to purchase. Obviously, take-home cash pay is the stuff of freedom, since it can be used to buy anything, while a "fringe" has to be spent entirely for the purposes of the fringe.

Fourth, the nontaxed status of certain fringe benefits creates inequities among various taxpayers because not all employers will provide comparable compensation packages. Thus, those employers providing a greater percentage of nontaxed fringes will put their employers in a favored position compared with employers providing principally cash forms of compensation. Those employees receiving principally cash forms of compensation must use after-tax dollars to acquire services and products comparable to those provided in noncash, nontaxed forms by other employers. For example, if an employer provides a nontaxed fringe benefit with a value of $100, the cost to the employee before tax is $100. If another employee does not receive this similar benefit and must use after tax dollars to acquire that same benefit, the cost to that employee, assuming an average taxable rate of 30 percent, would be $143 before tax.

The bill which Mr. STARK and I have introduced today attempts to eliminate such patently unfair practices by providing a uniform set of rules for the taxation of fringe benefits. I want to emphasize that in doing so, it accommodates many existing practices of employers. For example, the bill does not modify the existing general rule of section 61 of the Internal Revenue Code which requires that all forms of compensation to an employee, whether in cash or noncash forms, are includable in gross income. Rather, it provides a series of exceptions from the general rule to clarify which items are not subject to the general rule of inclusion. Generally, there are four areas of exception.

First, if a service is provided to an employee by an employer at no substantial additional cost to the employer, and a service is one which is normally provided as part of an employer's trade or business, there will be no income inclusion for the employee. Second, certain qualified employee discounts are exempted from income, provided that generally the amount of the discount does not exceed 20 percent of the retail price at which merchandise customarily is offered for sale by the employer to customers. Third, certain working condition "fringes" are specifically excluded from gross income, including employee parking if available on a nondiscriminatory basis. Fourth, a de minimis rule is provided which specifies that property or services whose value is so small as to make accounting for it unreasonable or administratively impracticable will not be includable in income. Special rules are provided for tuition remission programs, recreational facilities provided by employers, and demonstrator autos provided to car salesmen. In addition, the bill conforms FICA, FUTA, and the railroad retirement tax bases to the income tax basis as far as fringe benefits are concerned. A detailed explanation of the bill is set forth below.

We should not approach this task with rigidity, nor should we ignore long-accepted practices; but we have waited too long to face what should be a responsibility of the Congress, rather than of the courts or the regulators.

It is my hope that the Committee on Ways and Means will complete action on this important piece of legislation in the near future so that enactment by the end of this year can be achieved. It is difficult to overstate the importance of establishing a national policy for the taxation of fringe benefits. Notwithstanding the other responsibilities the Congress faces, this task requires prompt action.●

OFFICIALS PRESS INVESTIGATIONS IN KERR AND WOOD CASES

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 30 minutes.

Mr. GONZALEZ. Mr. Speaker, I have not recently referred to the proceedings involving and having resulted in the case of the judicial proceedings on account of the murder of the Federal district judge for the western district, John W. Wood, and the attempted murder or assassination of the assistant Federal district attorney for the western district, Mr. Kerr.

□ 1830

I want to announce to the House that the officials, the proper officials, are pursuing, I am glad to say, the Kerr case, which looked for a while as if it were about to be abondoned.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2760, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983 AMENDMENT

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 98-290) on the resolution (H. Res. 261) providing for the consideration of the bill (H.R. 2760) to amend the Intelligence Authorization Act for fiscal year 1983 to prohibit U.S. support for military or paramilitary operations in Nicaragua and to authorize assistance, to be openly provided to governments of countries in Central America, to interdict the supply of military equipment from Nicaragua and Cuba to individuals, groups, organizations, or movements seeking to overthrow governments of countries in Central America, which was referred to the House Calendar and ordered to be printed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HARRISON (at the request of Mr. WRIGHT), after 1:30 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. ST GERMAIN, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. STARK, for 10 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. NEAL, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PACKARD) and to include extraneous matter:)

Mr. GILMAN in two instances.
Mr. DAUB in two instances.
Mr. SCHULZE.
Mr. WHITEHURST.
Mr. FISH.
Mr. BEREUTER in two instances.
Mr. OXLEY.
Mr. CORCORAN.
Mr. SHUMWAY.
Mr. EDWARDS of Oklahoma.
Mr. PORTER.
Mr. WEBER.
Mr. MCEWEN.
Mr. CONTE in two instances.
Mr. HYDE in two instances.
Mr. CAMPBELL.
Mr. HILLIS in two instances.
Mr. LUNGREN.
Mr. SAWYER.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Ms. FERRARO in two instances.
Mr. GUARINI.
Mr. ROE.
Mrs. KENNELLY in three instances.
Mr. ST GERMAIN.
Mr. WHITLEY.
Mr. BARNES.
Mr. WIRTH.
Mr. PANETTA.
Mrs. BYRON.
Mr. VALENTINE.
Mrs. SCHROEDER in two instances.
Mr. PATTERSON in two instances.
Mr. BRITT.
Mr. ERDREICH.
Mr. SKELTON.
Mr. FEIGHAN.
Mr. EDGAR.
Mr. STARK in two instances.
Mr. GAYDOS.
Mr. LIPINSKI.
Mr. SHELBY in two instances.
Mr. LUKEN.
Mr. DORGAN.
Mr. BOLAND.
Mr. PEPPER.
Mr. MINETA.
Mr. STOKES.
Ms. KAPTUR.
Mr. RICHARDSON.
Mr. NEAL.
Mr. SMITH of Florida.
Mr. BEDELL.
Mr. DINGELL.
Mr. CARR.
Mr. BONKER in two instances.
Mr. GORE.

SENATE ENROLLED JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 18. Joint resolution designating September 22, 1983, as "American Business Women's Day";

S.J. Res. 34. Joint resolution designating "National Reye's Syndrome Week"; and

S.J. Res. 68. Joint resolution to authorize and request the President to designate July 16, 1983, as "National Atomic Veterans' Day."

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 31 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 13, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1517. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Navy's proposed offer to sell certain defense articles to Israel (Transmittal No. 83-25), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1518. A letter from the Executive Director, Civil Air Patrol transmitting the annual report of the Patrol for calendar year 1982, pursuant to section 7 of the act of July 1, 1946; to the Committee on Armed Services.

1519. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-46, "Rental Housing Act of 1980/ Cooperative Housing Owners Equality Amendment Act of 1983," and report, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1520. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-47, "Advisory Neighborhood Commission Funding threshold Act of 1983," and report, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1521. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-48, "D.C. Architect's License Examination Fees Amendment Act of 1983," and report, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1522. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-49, "Members of the Council of the District of Columbia Pay Increase Limitations Act of 1983," and report, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1523. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 5-50, "Washington Convention Center Management Act of 1979 Amendment Temporary Act of 1983," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

1524. A letter from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation to amend the Trading with the Enemy Act, to complete the administration of property vested during World War II, and to terminate the Office of Alien Property by the end of fiscal year 1983; to the Committee on Foreign Affairs.

1525. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a letter from the Chief of Engineers, Department of the Army, dated December 19, 1978, with accompanying papers and illustrations, on Savannah Harbor (widening), Ga., in response to a resolution of the Committee on Public Works of the U.S. House of Representatives adopted July 10, 1968 (H. Doc. No. 98-82); to the Committee on Public Works and Transportation and ordered to be printed.

1526. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation entitled the "Financial Institutions Deregulation Act of 1983"; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. H.R. 3385. A bill to provide equity to cotton producers under the payment-in-kind program; with an amendment (Rept. No. 98-289). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONIOR: Committee on Rules. House Resolution 261. Resolution providing for the consideration of H.R. 2760, a bill to amend the Intelligence Authorization Act for fiscal year 1983 to prohibit U.S. support for military or paramilitary operations in Nicaragua and to authorize assistance, to be openly provided to governments of countries in Central America, to interdict the supply of military equipment from Nicaragua and Cuba to individuals, groups, organizations, or movements seeking to overthrow governments of countries in Central America. (Rept. No. 98-290). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 3231 referred to the Committee on Rules for a period ending not later than July 22, 1983, for consideration of such portions of section 113(c) of the bill as fall within its jurisdiction pursuant to clause 1(q) of rule X.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SEIBERLING:

H.R. 3519. A bill to amend the act of August 18, 1970, as amended, to improve the administration of the national park system by the Secretary of the Interior, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURPHY (for himself and Mr. PERKINS):

H.R. 3520. A bill to extend and improve the Rehabilitation Act of 1974, to provide for the operation of the Helen Keller National Center for Deaf-Blind Youths and Adults, to create a select commission on Federal assistance to disabled Americans, and to increase certain authorizations of appropriations for programs within the jurisdiction of the Committee on Education and Labor; to the Committee on Education and Labor.

By Mr. ROSTENKOWSKI (for himself, Mr. WAXMAN, Mr. DINGELL, Mr. RANGEL, Mr. JACOBS, Mr. FORD of Tennessee, and Mr. GEPHARDT):

H.R. 3521. A bill to amend the Social Security Act to provide for a program of grants to States to provide health care benefits for the unemployed, and for other purposes; jointly, to the Committees on Energy and Commerce and Ways and Means.

By Mr. BONER of Tennessee:

H.R. 3522. A bill to amend the Communications Act of 1934 to continue to assure that communication services are universally available at affordable rates throughout the United States; to the Committee on Energy and Commerce.

By Mr. BONKER:

H.R. 3523. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions enacted by the Tax Equity and Fiscal Responsibility Act of 1982 which require certain restaurants to allocate as tips received by employees a portion of the gross receipts of the restaurant and to report such allocation to the Internal Revenue Service; to the Committee on Ways and Means.

By Mr. CONTE (for himself, Mr. FRANK, Mr. YATES, Mr. SABO, and Mr. MCNULTY):

H.R. 3524. A bill to cease periodic reviews under titles II and XVI of the Social Security Act of disability beneficiaries having mental impairments and to provide for resumption of such reviews only after appropriate revisions have been made to the disability determination process thereunder; jointly, to the Committees on Ways and Means and Rules.

By Mr. STARK (for himself and Mr. CONABLE):

H.R. 3525. A bill to provide permanent rules for the tax treatment of fringe benefits; to the Committee on Ways and Means.

By Mr. FAZIO:

H.R. 3526. A bill to amend title 5, United States Code, to extend by 1 year the period of time during which certain deposits for civil service retirement based on military service may be made; to the Committee on Post Office and Civil Service.

By Mr. FLORIO:

H.R. 3527. A bill to continue until the close of June 30, 1986, the existing suspension of duties on certain unwrought alloys of cobalt; to the Committee on Ways and Means.

By Mrs. KENNELLY:

H.R. 3528. A bill to allow a deduction for certain freight forwarder operating authorities; to the Committee on Ways and Means.

H.R. 3529. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of regulated investment companies; to the Committee on Ways and Means.

By Mr. CONYERS:

H.R. 3530. A bill to amend the Federal Reserve Act to render the Federal Reserve System responsive and accountable to Congress and citizens, to amend the Congressional Budget Act of 1974 to coordinate fiscal, budget, and monetary policies by means of the establishment of annual discount rate, interest rate, and monetary growth rate targets, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Rules.

By Mr. MONTGOMERY (by request):

H.R. 3531. A bill to amend title 38, United States Code, to expand the scope of the membership of the special medical advisory group; to the Committee on Veterans' Affairs.

By Mr. OBERSTAR:

H.R. 3532. A bill to amend title 5, United States Code, to modify the method for determining the amount payable by a Federal employee or Member of Congress in order to receive credit under the civil service retirement system based on certain military service, and to extend by 1 year the moratorium on the accrual of interest with respect to any such amount payable; to the Committee on Post Office and Civil Service.

By Mr. RICHARDSON:

H.R. 3533. A bill to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navaho Indian Tribe; to the Committee on the Judiciary.

By Mr. RITTER:

H.R. 3534. A bill to amend the Internal Revenue Code of 1954 to repeal the highway use tax on heavy trucks, to reduce the tax imposed on retail sales of heavy trucks and trailers, and to increase the tax on diesel fuel used in heavy trucks; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 3535. A bill to authorize depository institutions to offer interest-bearing demand deposits; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (for himself and Mr. WYLIE) (by request):

H.R. 3536. A bill to limit temporarily the acquisition of depository institutions and the commencement of certain new activities by State-chartered depository institutions and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3537. A bill to authorize depository institution holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development and brokerage, and certain securities activities including dealing in, underwriting and purchasing Government and municipal securities, sponsoring and managing investment companies and underwriting the securities thereof, to provide for the safe and sound operation of depository institutions, to amend the Federal Reserve Act, the Home Owners' Loan Act of 1933, and the Bank Service Corporation Act, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Energy and Commerce.

By Mr. SCHULZE:

H.R. 3538. A bill to amend the Internal Revenue Code of 1954 to revise the withholding rules relating to certain gambling winnings; to the Committee on Ways and Means.

By Mr. SHELBY:

H.R. 3539. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS of California:

H.R. 3540. A bill to amend the Internal Revenue Code of 1954 to provide that, in the case of an employee annuity, the employee may elect to exclude from gross income all amounts received by the employee under the annuity until the employee recovers his consideration for the annuity, without regard to whether such consideration is recovered during the first 3 years of the annuity; to the Committee on Ways and Means.

By Mr. WISE:

H.R. 3541. A bill to reform the disability determination process under titles II and XVI of the Social Security Act to insure an appropriate and fair review of disability determinations thereunder, to provide for additional necessary reforms in the disability benefits programs under such titles, and to establish a Social Security Review Commission to provide an independent final hearing authority over decisions by the Secretary of Health and Human Services under such titles and to provide for independent review of regulations under such titles; to the Committee on Ways and Means.

By Mr. WEISS:

H.J. Res. 317. Joint resolution to designate the day of October 22, 1983, as "Metropolitan Opera Day"; to the Committee on Post Office and Civil Service.

By Ms. OAKAR (for herself, Mr. OBERSTAR, Ms. KAPTUR, and Mr. ECKART):

H. Con. Res. 141. Concurrent resolution expressing the sense of Congress that certain steps should be taken by the Department of Agriculture to use its discretionary power to release surplus food to needy Americans; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

210. By the SPEAKER: Memorial of the Legislature of the State of Alaska, relative to the tax-exempt mortgage revenue bond program; to the Committee on Ways and Means.

211. Also, memorial of the Legislature of the State of Oklahoma, relative to passenger train service; to the Committee on Energy and Commerce.

212. Also, memorial of the Legislature of the State of Missouri, relative to the proposed sale of U.S. Forest Service land; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DORGAN:

H.R. 3542. A bill for the relief of certain employees at antiballistic missile sites; to the Committee on the Judiciary.

By Mr. HYDE:

H.R. 3543. A bill for the relief of Marshall and Nancy Bearce; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 433: Mr. BIAGGI, Mr. CORCORAN, Mr. FAZIO, Ms. FERRARO, Mr. GUARINI, Mr.

McCLOSKEY, Mr. VANDERGRIFF, and Mr. WEBER.

H.R. 622: Mr. ACKERMAN, Mr. CONYERS, Mr. EVANS of Illinois, Mr. RATCHFORD, Mr. SIMON, and Mr. WILLIAMS of Montana.

H.R. 624: Mr. CARR, Mr. LEVIN of Michigan, Mr. RAHALL, and Mr. WEISS.

H.R. 951: Mr. LOWRY of Washington and Mr. TRAXLER.

H.R. 965: Mr. HYDE, Mr. GINGRICH, Mr. PORTER, and Mr. BERMAN.

H.R. 1039: Mr. CROCKETT, Mr. GOODLING, and Mr. TORRICELLI.

H.R. 1052: Mr. TALLON

H.R. 1250: Mr. ANNUNZIO.

H.R. 1286: Mr. FORD of Tennessee.

H.R. 1376: Mr. ADDABBO, Mr. LUJAN, Mr. SKELTON, Mr. STARK, Mr. PATTERSON, Mr. FRANK, Ms. MIKULSKI, Mr. KINDNESS, Mr. SOLARZ, Mr. RICHARDSON, Mr. BOLAND, Mr. MAVROULES, Mr. SPRATT, Mr. DWYER of New Jersey, Mr. OBERSTAR, Mr. SUNIA, Mr. HOWARD, and Mr. MINISH.

H.R. 1384: Mr. DAVIS.

H.R. 1415: Mr. BEDELL, Mr. SUNDQUIST, Mr. QUILLEN, and Mr. WHITEHURST.

H.R. 1452: Mrs. COLLINS.

H.R. 1603: Mr. CONYERS, Mr. MORRISON of Connecticut, Mr. FAZIO, and Mr. LEHMAN of California.

H.R. 1607: Mr. FORD of Tennessee and Mr. MARTIN of North Carolina.

H.R. 1623: Mr. EDWARDS of Oklahoma and Mr. MORRISON of Washington.

H.R. 1663: Mr. FISH.

H.R. 1706: Mr. HUTTO, Mr. CHENEY, Mr. SMITH of Florida, Mr. IRELAND, Mr. PACKARD, Mr. ANTHONY, Mr. ROBERT F. SMITH of Oregon, Mr. STARK, Mr. EDGAR, Mr. MINISH, and Mr. FEIGHAN.

H.R. 1720: Mr. TORRICELLI.

H.R. 1795: Mr. DURBIN.

H.R. 1796: Mr. FAUNTROY.

H.R. 1942: Mr. DONNELLY.

H.R. 2073: Mr. CHAPPIE and Mr. ROBERT F. SMITH.

H.R. 2106: Mr. MORRISON of Washington, Mr. WON PAT, and Mr. BATEMAN.

H.R. 2170: Mr. ALEXANDER.

H.R. 2276: Mr. MINETA.

H.R. 2370: Mr. HAMILTON.

H.R. 2411: Mr. BRITT.

H.R. 2420: Mr. McCAIN, Ms. SNOWE, Mr. DREIER of California, Mr. KOLTER, Mr. ROBINSON, Mr. DERRICK, and Mr. DAUB.

H.R. 2468: Mr. VANDERGRIFF, Mr. BOEHLERT, and Mr. OBERSTAR.

H.R. 2567: Mr. BLILEY, Mrs. COLLINS, Mr. WILLIAMS of Montana, and Mr. NEAL.

H.R. 2568: Mr. MINETA, Mrs. COLLINS, Mr. ANDREWS of North Carolina, and Mr. BLILEY.

H.R. 2750: Mr. CONYERS, Mr. WEISS, Mr. TORRICELLI, Mr. ACKERMAN, Mr. SKELTON, and Mr. EDGAR.

H.R. 2752: Mrs. COLLINS.

H.R. 2772: Mr. MATSUI, Mr. DIXON, Mr. DURBIN, Mr. CROCKETT, Mr. ROE, Mr. FRANK, Mr. STOKES, Mr. DWYER of New Jersey, Mr. HUGHES, Mr. LELAND, Ms. KAPTUR, Mr. MORRISON of Connecticut, Mr. BEREUTER, Mr. DUNCAN, Mr. EDGAR, Mr. WON PAT, Mr. WOLPE, Mr. LAFALCE, Mr. SMITH of Florida, Mr. OWENS, Mr. PURSELL, Mr. VENTO, Mr. RATCHFORD, Mr. ACKERMAN, and Mr. BERMAN.

H.R. 2773: Mr. RUSSO.

H.R. 2817: Mr. CLINGER.

H.R. 2820: Mr. McCOLLUM, Mr. LEHMAN of Florida, Mr. EMERSON, and Mr. CAMPBELL.

H.R. 2837: Mr. ZABLOCKI, Mr. CARPER, Mr. DERRICK, Mr. ASPIN, Mr. GUARINI, Mr. RATCHFORD, and Mr. GLICKMAN.

H.R. 2838: Mr. ROBERT F. SMITH and Mr. SIKORSKI.

H.R. 2883: Mr. ANDERSON, Mr. LIPINSKI, Mr. ROE, Mr. SMITH of Florida, Mr. KASICH, Ms. KAPTUR, Mr. DWYER of New Jersey, Mr. TRAXLER, Mr. RAHALL, Mr. McGRATH, Mr. BONIOR of Michigan, Mr. HALL of Ohio, Mr. ECKART, Mr. WORTLEY, Mr. LEWIS of Florida, Mr. ACKERMAN, Mr. VENTO, Mr. FISH, and Mr. FAZIO.

H.R. 2886: Mr. SIKORSKI.

H.R. 2911: Mr. CARR, Mr. SWIFT, Mr. CHANDLER, Mr. FOLEY, Mr. McKINNEY, and Mr. FLORIO.

H.R. 2928: Mr. TAUKE.

H.R. 2945: Mrs. VUCANOVICH and Mr. TRAXLER.

H.R. 2946: Mrs. VUCANOVICH and Mr. TRAXLER.

H.R. 3050: Mr. GOODLING.

H.R. 3095: Mr. McNULTY and Mr. CHANDLER.

H.R. 3106: Mr. McCURDY and Mr. CONYERS.

H.R. 3137: Ms. KAPTUR, Mr. VENTO, Mr. CONYERS, Mr. DASCHLE, Ms. FERRARO, Mr. BERMAN, Mr. LIPINSKI, Mr. LAFALCE, and Mr. HUGHES.

H.R. 3245: Mr. OWENS, Mr. DWYER of New Jersey, Mr. HUGHES, Mr. MARTINEZ, Mr. MATSUI, Mr. MARKEY, Mr. SCHUMER, Mr. TORRES, Mr. SWIFT, Mr. TRAXLER, Mr. SKELTON, Mr. BROWN of California, Mr. REID, Mr. ALBOSTA, Mr. WRIGHT, Mr. HAWKINS, Mr. MAVROULES, Mr. LELAND, Mr. MITCHELL, Mr. OBERSTAR, Mr. PANETTA, Mr. CLAY, Mr. LEVINE of California, Mr. LAFALCE, Mr. FORD of Tennessee, Mr. GAYDOS, Mr. DELLUMS, Mr. DYMALLY, Mr. MILLER of California, Mr. KILDEE, Mr. DOWNEY of New York, Mr. SCHUMER, Mr. McNULTY, Mr. WHITTEN, Mr. HOYER, Mr. ANDREWS of North Carolina, Mr. SIMON, Mr. BERMAN, Mr. WYDEN, Mr. MOODY, Mr. GUARINI, Mr. FRANK, Mr. TOWNS, Mr. DURBIN, Mr. MOODY, Mr. LONG of Louisiana, and Mr. BEVILL.

H.R. 3252: Mr. FUQUA and Mr. BILIRAKIS.

H.R. 3273: Mr. SUNIA and Mr. PHILIP M. CRANE.

H.R. 3302: Mr. WINN, Mr. CHANDLER, Mr. SNYDER, Mr. PASHAYAN, Mr. COATS, Mr. SILJANDER, and Mr. HILLIS.

H.R. 3309: Mr. TRAXLER, Mr. MITCHELL, Mr. McGRATH, Mr. HYDE, Mr. MARTIN of North Carolina, Mr. WEBER, and Mr. GLICKMAN.

H.R. 3326: Mr. SAM B. HALL, Jr., Mr. FASCELL, Mr. McCOLLUM, Mr. WORTLEY, Mr. WOLF, Mr. FUQUA, Mr. HYDE, Mr. DEWINE, Mr. PORTER, Mr. BILIRAKIS, and Mr. MINISH.

H.R. 3350: Mr. FUQUA, Mr. BENNETT, Mr. WON PAT, Mr. SMITH of Florida, Mr. DWYER of New Jersey, Mr. BILIRAKIS, Mr. LEWIS of Florida, and Mr. HUTTO.

H.R. 3358: Mr. WILLIAMS of Montana, Mr. CONYERS, Mr. WEISS, Mr. CARPER, Mr. JEFFORDS, Mr. RANGEL, Mr. McKERNAN, Mr. SCHUMER, Mr. RATCHFORD, Mr. BEDELL, and Mr. TALLON.

H.R. 3373: Mr. COATS, Mr. SAM B. HALL, Jr., Mr. BLILEY, Mr. DEWINE, Mr. HAMILTON, Mr. SENSENBRENNER, Mr. McCANDLESS, Mr. CORCORAN, Mr. TAUKE, and Mr. HUGHES.

H.R. 3387: Mr. MOODY, Mr. SUNIA, Mr. ROE, and Mr. MARKEY.

H.R. 3396: Mr. VANDER JAGT.

H.R. 3420: Mr. BARNARD, Mr. DASCHLE, Mr. FAZIO, Mr. ROE, Mr. WINN, Mr. FORSYTHE, Mr. STARK, Mr. SYNAR, Mr. KOGOVSEK, Mr. EDWARDS of California, Mr. PASHAYAN, and Mr. LOWRY of Washington.

H.R. 3440: Mr. STANGELAND, Mr. TALLON, Mr. DE LUGO, and Mr. LOWRY of Washington.

H.J. Res. 103: Mr. GUNDERSON, Mr. HANSEN of Idaho, Mr. PRITCHARD, and Mr. OLIN.

H.J. Res. 174: Mr. WEISS, Mr. TRAXLER, Mr. GONZALEZ, and Mr. ROBERT F. SMITH.

H.J. Res. 179: Mr. McCURDY, Mr. ANNUNZIO, Mr. RATCHFORD, Mr. CLINGER, Mr. TRAXLER, Mr. WISE, Mr. HIGHTOWER, Mr. FORD of Michigan, Mr. SYNAR, Mr. LEVINE of California, and Mr. LENT.

H.J. Res. 207: Mr. CORCORAN, Mr. WALGREN, Mr. DONNELLY, Mrs. BOXER, and Mr. BATES.

H.J. Res. 227: Mr. McDONALD.

H.J. Res. 270: Mr. ADDABBO, Mr. ALEXANDER, Mr. ANDREWS of North Carolina, Mr. ANNUNZIO, Mr. AUCOIN, Mr. BARNARD, Mr. BARNES, Mr. BATEMAN, Mr. BEDELL, Mr. BEREUTER, Mr. BEVILL, Mr. BOEHLERT, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BRITT, Mr. BROOMFIELD, Mr. BROWN of California, Mr. CHAPPIE, Mr. CONYERS, Mr. PHILIP M. CRANE, Mr. CROCKETT, Mr. DAUB, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DERRICK, Mr. DIXON, Mr. DONNELLY, Mr. DOWDY of Mississippi, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. DYSON, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. EMERSON, Ms. FERRARO, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. FROST, Mr. FUQUA, Mr. GILMAN, Mr. GRADISON, Mr. GREEN, Mr. HANCE, Mr. HANSEN of Idaho, Mr. HATCHER, Mr. HEFNER, Mr. HERTEL of Michigan, Mr. HIGHTOWER, Mr. HILER, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUBBARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. JONES of North Carolina, Mr. KASICH, Mr. KAZEN, Mr. KEMP, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LATTA, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LONG of Maryland, Mr. LOWRY of Washington, Mr. LUKEN, Mr. McCAIN, Mr. McCURDY, Mr. McEWEN, Mr. McGRATH, Mr. McKERNAN, Mr. MARTINEZ, Mr. MAVROULES, Ms. MIKULSKI, Mr. MINETA, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MYERS, Mr. NICHOLS, Mr. O'BRIEN, Mr. OTTINGER, Mr. OWENS, Mr. PASHAYAN, Mr. PATTERSON, Mr. PEPPER, Mr. PERKINS, Mr. PORTER, Mr. PRITCHARD, Mr. QUILLEN, Mr. RAHALL, Mr. RATCHFORD, Mr. RICHARDSON, Mr. ROBERTS, Mr. RODINO, Mr. ROE, Mr. ROEMER, Mr. ROWLAND, Mr. RUDD, Mr. SABO, Mrs. SCHNEIDER, Mr. SHAW, Mr. SHELBY, Mr. SHUMWAY, Mr. SIMON, Mr. DENNY SMITH, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STANGELAND, Mr. STENHOLM, Mr. STOKES, Mr. STRATTON, Mr. SUNIA, Mr. SWIFT, Mr. TAUZIN, Mr. THOMAS of Georgia, Mr. TRAXLER, Mr. VANDERGRIFF, Mr. VANDER JAGT, Mr. VENTO, Mr. WEBER, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILSON, Mr. WOLF, Mr. WOLPE, Mr. WON PAT, Mr. YATRON, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri.

H.J. Res. 277: Mr. LONG of Maryland, Mr. MOAKLEY, Mr. LEHMAN of Florida, Mr. PATTERSON, and Mr. LANTOS.

H.J. Res. 307: Mr. BARNARD, Mr. BARNES, Mr. BERMAN, Mr. BRITT, Mr. BROWN of California, Mr. CORRADA, Mr. DANIEL B. CRANE, Mr. DAUB, Mr. DIXON, Mr. DONNELLY, Mr. DWYER of New Jersey, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EMERSON, Mr. FAZIO, Mr. FEIGHAN, Mr. FISH, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. GOODLING, Mr. GUARINI, Mr. HEFTEL of Hawaii, Mr. HORTON, Mr. HYDE, Mr. JACOBS, Mr. KASICH, Mr. KOLTER, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LELAND, Mr. LEVIN of Michigan, Mr. McGRATH, Mr. MINISH, Mr. MINETA, Mr. MOAKLEY, Mr. O'BRIEN, Mr. RATCHFORD, Mr. REID, Mr. ROE, Mr. SIMON, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STOKES, Mr. SUNIA, Mr. TORRICELLI, Mr. TRAXLER, Mr. VANDERGRIFF, Mr. WAXMAN,

Mr. WEISS, Mr. WINN, Mr. WOLF, Mr. WON PAT, Mr. WORTLEY, Mr. YOUNG of Alaska, and Mr. YOUNG of Missouri.

H. Con. Res. 83: Mr. DYSON.

H. Con. Res. 107: Mr. BATES, Mr. COURTER, Mr. DANIEL B. CRANE, Mr. DAUB, Mr. DOWNEY of New York, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. FEIGHAN, Ms. FERRARO, Mr. FORSYTHE, Mr. HOWARD, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEATH of Texas, Mr. LENT, Mr. LEVIN of Michigan, Mr. LOWERY of California, Mr. LOWRY of Washington, Ms. MIKULSKI, Mr. MINETA, Mr. PEPPER, Mr. PURSELL, Mr. REGULA, Mr. RODINO, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. STARK, Mr. SYNAR, Mr. VANDERGRIFF, Mr. WIRTH, Mr. WORTLEY, and Mr. YATES.

H. Con. Res. 122: Mr. BOSCO, Mr. GUARINI, Mr. HARKIN, Mr. GRAY, Mr. KOLTER, Mr. HALL of Ohio, Mr. GARCIA, and Mr. CONYERS.

H. Res. 15: Mr. BOEHLERT, Mr. CARPER, Mr. GOODLING, Mr. HILLIS, Mr. LOWRY of Washington, Mr. MCKINNEY, Mr. MOLINARI, Mr. NOWAK, Mr. REID, MR. SAWYER, Mr. SYNAR, Mr. WISE, and Mr. YOUNG of Florida.

H. Res. 24: Mr. EARLY.

H. Res. 133: Mr. BILIRAKIS, Mr. BEREUTER, and Mr. CLINGER.

H. Res. 151: Mr. WOLF, Mr. HANSEN of Utah, Mr. LIPINSKI, Mr. TOWNS, Mr. WORTLEY, Mr. DANIEL B. CRANE, Mr. ANDERSON, Mr. CHAPPIE, and Mr. BERMAN.

H. Res. 191: Mr. GUARINI, Mr. CARPER, Mr. FISH, and Mr. CONYERS.

H. Res. 257: Mr. MCDONALD.

H. Res. 258: Mr. MCDONALD.

PETITIONS, ETC.

Under clause 1 of rule XXII,

161. The SPEAKER presented a petition of the city council, Cleveland, Ohio, relative to H.R. 100/S. 372, and the equal rights amendment; which was referred to the Committee on Energy and Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3021

By Mr. BLILEY:

(Amendment to the amendment in the nature of a substitute (text of H.R. 3521).)

—At the end of section 2103(D) of the Social Security Act, as proposed to be added by section 101(A) of the amendment in the nature of a substitute, insert the following new paragraph:

"(4) None of the funds provided to a state under this part shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.".

By Mr. FRENZEL:

—Page 54, line 9, insert "(except as provided in paragraph (6))" after "may not".

Page 57, line 12, strike out "or".

Page 57, line 15, strike out the period and insert in lieu thereof "; or".

Page 57, after line 15, insert the following new subparagraph:

"(D)(i) has net assets (including the net assets of immediate family members) valued at $100,000 or more, and

"(ii) has net assets (including the net assets of immediate family members, but excluding the net asset value of the individual's principal place or residence, the cash value of life or burial insurance policies of the individual and immediate family members, and the net asset value of any automobile or of any two automobiles if the individual is married) valued at $50,000 or more.".

By Mr. GRADISON:

—Page 54, beginning on line 9, strike out "may not make" and insert in lieu thereof "may provide".

Page 54, beginning on line 11, strike out "any determination respecting the income or assets of any individual" and insert in lieu thereof "that the individual meets such reasonable financial standards as the State plan may specify".

EXTENSIONS OF REMARKS

ACID RAIN

HON. THOMAS A. LUKEN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. LUKEN. Mr. Speaker, at the request of Allan Gotlieb, Canadian Ambassador to the United States, I am submitting his letter of June 9, 1983. The Ambassador's unsolicited letter is just the latest in the Canadian Government's proselytizing campaign in the United States.

While I could respond to the Ambassador's message point by point, instead I am also submitting excerpts from an address by David Peterson, a Canadian legislator, leader of the Official Opposition in Ontario. The Honorable Mr. Peterson does an excellent job of refuting Mr. Gotlieb's criticisms but more than that, proves conclusively that my position on acid rain, though arguable, is held by responsible people on both sides of the Great Lakes. Accuracy is apparently not the exclusive property of Mr. Gotlieb.

In addition I am submitting my letter to Secretary of State George Shultz raising questions regarding Ambassador Gotlieb's zeal to participate in congressional debates.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 12, 1983.

Hon. GEORGE P. SCHULTZ,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I am writing to inform you of a letter which I have received from a foreign diplomat, Mr. Allan Gotlieb, who serves as Canadian Ambassador here in Washington.

The attached letter, which was unsolicited, is of a character which raises questions as to protocol and appropriate conduct by emmissaries to this country.

As a Representative of an Ohio Midwest constituency I've been directly involved in the Congressional debate regarding "acid rain". As Mr. Gotlieb pointed out in his letter, I included several of my positions in a statement which was made in the Congressional Record. This prompted the ambassador to write to me taking issue with my statements and demanding that I include his response in the Congressional Record.

Certainly I did refer to the Canadian positions on "acid rain" in my statement because of the discussions taking place between our countries' representatives on the Transboundary Commission and the numerous attacks on the United States by Canadian officials such as John Roberts, Mr. Gotlieb, and a host of others on the "acid rain" issue.

I and others have questioned the propriety and efficacy of this aggressive lobbying campaign here in the United States by our guests. Mr. Gotlieb's brazen request that I make his remarks part of the Congressional proceedings puts the matter in bold-relief. Will his next request be to take the Well of the House of Representatives to respond to statements by our U.S. Representatives about Canada?

Are our Ambassadors authorized to initiate debates with foreign legislators over U.S. relations, and take part in legislative proceedings in those countries?

I believe the unwritten policy of our Congress is reflected in the tradition of not inviting or subpoenaing foreign diplomats before Committees of Congress except in rare, unusual circumstances.

If you do not choose to comment on the conduct on foreign diplomats, please advise what the guidelines are for American Ambassadors.

Thank you for your attention to this matter.

Sincerely,

THOMAS A. LUKEN,
Member of Congress.

Enclosure.

CANADIAN EMBASSY,
Washington, D.C., June 9, 1983.

Hon. THOMAS A. LUKEN,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN LUKEN: I read with considerable interest your recent remarks in the Congressional Record on acid rain. The search for an equitable program to control acid rain is certainly complex and arduous. As a start, I would suggest it be based on rigorous examination of the evidence. In sum, that evidence must be fair and accurate.

As a result, I have to say that I was dismayed that several of your comments on the Canadian approach to pollution control were not accurate and would lead readers into drawing unreasonable conclusions about Canadian policies and actions. If I may, therefore, I should like to set the record straight.

There is an underlying assumption in your remarks that Canada, while calling for cooperative action with the U.S. to cut back on sulphur dioxide emissions, is doing nothing at home. At one place you say "Canada has no program for reducing SO_2 emissions."

The truth of the matter is that during the decade of the 1970's, sulphur dioxide emissions in Canada were reduced by 27 percent, a substantially higher percentage than achieved in the same period in the United States. This was accomplished through the implementation of federal and provincial pollution control requirements. You may be interested to know that Canadian ambient air quality standards are generally as strict and in some cases stricter than equivalent standards under the U.S. Clean Air Act. Further, it is worth noting that with one minor exception all areas in Canada are in attainment with federal objectives.

In this same context you refer to the Inco smelter at Sudbury, Ontario, claiming that any emission reductions there have been achieved by lowered production. This is not so. Under non-appealable control orders of the Ontario government, Inco has achieved a succession of reductions of SO_2 emissions. The latest of these has just gone into effect and requires a further 22 percent reduction from the previous limit. Inco emissions, based on full production, have now been reduced through government control orders by more than two-thirds since the 1960's (from approximately 7000 tons per day to the current limit of 1950 tons per day).

You note that Canada has no scrubbers installed on coal-fired electric utility plants and Canada has no effective standards for such plants. The major sources of SO_2 in Canada are non-ferrous smelters and therefore major reductions in SO_2 emissions can best be achieved through modification of the smelting process, not use of scrubbers. The effectiveness of this approach is illustrated by the Inco example and also by the new smelters at Timmins, Ontario for which respectively 97 percent and 95 percent sulphur containment has been achieved. This is more than would be required under your new source performance standards.

Nevertheless, emissions from the comparatively very small number of coal-fired utilities in Canada are being addressed. In the case of Ontario, the province with the largest SO_2 emissions from coal fired plants, the government has issued a non-appealable control order to the provincial utility requiring a reduction of over 40 percent in SO_2 and NOX emissions by 1990. It is important to note that this substantial new reduction, as well as that from Inco, are being undertaken expressly to begin dealing with acid rain, as these emissions do not contribute to an ambient air quality problem.

You also note that Canadian auto emission standards are laxer than those in the U.S. The standards were set when the only issue was ambient air quality. Because of much lower vehicle density in Canada, a loose standard does not cause an air quality problem. Of course, if the U.S. were to propose in bilateral negotiations major emission reductions in acid rain precursor pollutants in both countries beyond what is required to meet ambient air standards, we would be interested in looking at such possibility.

Finally, I refer to your claim that Canada offers to decrease, emissions only if the United States does so first. In point of fact, Canada has formally proposed a joint 50 percent reduction in SO_2 emissions in Eastern North America by 1990. This proposal is based on scientific evidence that a reduction of this magnitude is required to protect most sensitive receptor regions in both Canada and the United States. In addition, and in direct contradiction to your statement, Canada is going ahead with a unilateral 25 percent reduction in SO_2 emissions east of the Saskatchewan/Manitoba border in this decade. This reduction will be put into place regardless of what the United States does.

At no time had Canada asked the United States to cut back on emissions of SO_2 in the absence of at least equivalent Canadian efforts.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

In the interest of fairness, I would like to ask you to insert my comments in the CONGRESSIONAL RECORD.

I have always been ready to discuss these matters and remain willing to do so. However much our perspectives may differ, I have felt that we should at least proceed on the basis of accurate information. I would be most happy to exchange such information with you, and look forward to hearing from you.

Yours sincerely,

ALLAN GOTLIEB,
Ambassador.

NOTES FROM AN ADDRESS BY DAVID PETERSON, LEADER OF THE OPPOSITION

To date, the Ontario government has shown an abysmal lack of leadership in the fight against acid rain as in so many other areas.

Someone less charitable than I am might go so far as to equate the Government's lack of effective action to a policy of actual collusion with Ontario's two greatest polluters—Inco and Ontario Hydro.

The Government has allowed Inco to get away with what amounts to environmental murder over the past 12 years.

Until 1970, Inco regularly—every day—emitted into Ontario's atmosphere some 5,700 tons of sulphur dioxide.

The Ministry of Environment issued a control order in 1970 which required Inco to reduce polluting emissions to 750 tons a day by the end of 1978. However, the company continued to emit 3,600 tons a day throughout the seventies.

. . . In 1978, Inco's superstack in Sudbury—North America's largest single source of sulphur dioxide—was licensed by the Ontario Government to emit a daily 3,600 tons. This meant that over a 12-month period, with the tacit approval of Queens Park, the superstack spewed into the air breathed by Ontarians some 1.3 million tons of sulphur dioxide—equivalent to one percent of the natural and man-made sources in the entire world.

In May, 1980, yet another draft control order was imposed upon Inco, limiting total emissions to an average of 2,500 tons per day.

Cause for environmentalists to be a little optimistic, perhaps? Not at all. The truth is that, due to poor market conditions, Inco had reduced its production and was emitting only 2,500 tons per day at that time.

The May, 1980 order also called upon Inco to install equipment to reduce emissions by 25 percent, to 1950 tons per day, by the 31st of December, 1982.

However, in the fall of 1979, Inco announced discovery of a new separation process which permitted a 25 percent reduction in emissions. In effect, therefore, the 1980 control order required the company to reduce emissions by the exact percentage possible with the new process.

Obviously, Inco has been writing its own ticket with respect to pollution control in Ontario.

No fewer than five reports have discussed the technical and economic viability of Inco reducing sulphur dioxide emissions to between 850 and 1,000 metric tons a day.

. . . If the Government's culpability with respect to Inco is suspect, there can be absolutely no doubt about it with respect to the other major acid rain polluter in this province, Hydro.

. . . The Atikokan generating station is being constructed without scrubbers, in spite of the Canadian Government's proposed guidelines for the control of new thermal powerplants.

More than two years ago, in May, 1980, we were promised early abatement strategies for Hydro's emissions. Almost a year later a regulation was issued with this ostensible intention. . . .

Since 1980, when the pseudo regulation was developed, Hydro has actually been permitted to increase emissions by some 31 percent.

Mr. MacAulay has the audacity to claim a reduction in emission levels of 50 percent from 1982 . . . a totally misleading assessment of the situation, based upon a false premise.

1980, the year the regulation was developed, should rightly be used as the base year for emission levels.

On this basis, Hydro will be reducing emissions through to 1986 by a mere 4.9 percent, to 1990 by 36.6 percent—a far cry from the 50 percent constantly referred to—in duet—by Hydro's chairman and the Minister of the Environment.

What hope have we of showing leadership to utilities in the Ohio Valley, when 222 U.S. scrubber units are operational, under construction, or in the planning stages, while here in Canada we have not one single scrubber on stream?

If Canadians are seen to be shying away from the acid rain fight, then obviously negotiations with the U.S. Government haven't a hope in hades of succeeding.

And if Hydro, with the approval of the Government, shelves the scrubber program, it will be guilty of environmental negligence, and will effectively destroy an all—important symbol of Ontario's good faith in negotiations with the U.S.●

LAND OF FREEDOM

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. PEPPER. Mr. Speaker, I thank you for this opportunity to bring to the attention of our esteemed colleagues a resolution passed by the City of Miami Commission at its meeting of May 12, 1983, in which is expressed the forthright determination that we must not permit the deportation of persons coming to our Nation to escape the cruel political repression of communism.

Our country was founded upon the shining ideal of personal liberty of people from all the countries of the world who populated this continent that was to be a "new world" for mankind. For the oppressed, the hungry, the hopeless, the underprivileged, the poor, and principled dissenters our Nation was a haven where the governed agreed to participate in the democratic constitution of government as long as government guaranteed their rights to fair and equal treatment under law, their freedoms of thought, speech, and movement unless convicted with due process by a jury of their peers.

It is one of our strengths and a source of international esteem that we continue to profess these ideals in the name of humankind generally and particularly in the name of those forsaken by their own governments and forced to flee their homes.

I urge all who read this RECORD to read the attached statement of the City of Miami Commission.

RESOLUTION NO. 83-368

A resolution urging the President and Congress of the United States not to cause or permit the deportation of persons that arrive in the United States to escape from political repression in communist countries

Whereas, the tradition of offering refuge to victims of political repression is long-honored by the United States of America; and

Whereas, the communist purge of innocent persons seeking freedom is ever increasing throughout the globe; and

Whereas, the credibility and integrity of this country can only be maintained by following the ideals of the founding fathers: Now, therefore, be it

Resolved by the Commission of the City of Miami, Florida:

Section 1. The President and Congress of the United States are hereby urged not to cause or permit the deportation of persons that arrive in the United States to escape from political repression in communist countries.

Passed and adopted this 12th day of May, 1983.

MAURICE A. FERRE,
Mayor.●

THE MADRUGADA OF DEMOCRACY IN ARGENTINA, AGAIN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. SCHROEDER. Mr. Speaker, whether or not, as Bolivar lamented, "America is ungovernable," I do not know. The decision is still out. For every election forward, there are three coups backward. For every return to democracy, there are lapses into caudillismo and Maranonismo.

Lucio Garcia del Solar, the Argentine Ambassador to the United States, is not only committed to democratic principles, he is rather zealous on that account—the kind of ardor the world could use more of.

The July 1, 1983, New York Times carried an interview with Ambassador Garcia del Solar, "Argentine Envoy Says Democracy Is the Goal," which I would like to share with my colleagues.

ARGENTINE ENVOY SAYS DEMOCRACY IS THE GOAL

(By Barbara Gamarekian)

WASHINGTON, June 30.—Since Argentina's Ambassador to the United States, Lucio García del Solar, joined his country's Foreign Service in 1944, he has resigned twice over political principles. The first time was in 1946, when he resumed the life of a private citizen for nine years. The second time was in 1966, when he resigned as Ambassa-

dor to Moscow after a military coup toppled the Argentine constitutional government.

So his appointment last September as Ambassador to the United States came, he said, "as a total surprise."

"I always longed to come back to the Foreign Service," he said, "but the political situation didn't allow it."

"But as a consequence of the Malvinas war," he added, referring to the conflict with Britain over the Falkland Islands, "there was an important change in Argentina. The Government decided to call for elections and allow political parties to act freely."

The current military government of President Reynaldo B. Bignone has promised that it will hold elections in October and step down in January, although a recent rash of political violence has raised the possibility that voting will be postponed.

SIGNALING A TRANSITION

Before coming to Washington, Mr. Garcia del Solar had been employed as a private citizen for 16 years with the United Nations, where he served in the early 1960's as the Argentine Representative. It was there, he recalled, "that my contacts with Adlai Stevenson reaffirmed my conviction about democratic principles."

His appointment here sent a signal to diplomatic Washington as well.

"He has a reputation as a real democrat," said Shaw Smith of the State Department's Bureau of Inter-American Affairs. "So having him here is symbolically important. It signaled there was going to be a democratic transition."

The Ambassador's arrival in Washington three months after the Falkland war came at a time when the two countries were trying to repair diplomatic ties. The United States had sided with the British, imposing economic sanctions on Argentina, and it was a moment for rapprochement and the delicate weaving together of the fabric of diplomacy.

FAVORABLE ATTITUDE SEEN

"There is still resentment in Argentina, especially among the young people," said the Ambassador as he settled down in an easy chair and puffed on his pipe in his chancery office on New Hampshire Avenue. "Their grievance is that Argentina wanted the United States to be the mediator. But when the negotiations failed, the mediator then supported one of the sides."

Despite the chill that settled over the relationship between Argentina and the United States, the Ambassador said he had discovered here "a very favorable attitude at the State Department, in the Congress." An urbane, saturnine man of 60 years, he smilingly told one Washingtonian who asked if he were new to the city, "I don't look new, but I am new."

Over the past few months he has traveled to Chicago, Houston, New Orleans, New York and San Francisco, addressing academic and trade groups, newspaper editors and Government officials about Argentina's changing political scene. "I know what Americans like," he said. "Candor. I know how bored they can get with the diplomatic speech that doesn't go to the point."

Candor has served him well. In the years that he operated as a private citizen, he served as foreign policy adviser to Argentina's oldest and second largest political party, Union Civica Radical, and wrote articles on foreign affairs for "La Nación," a leading Argentine newspaper.

HUMAN RIGHTS AS AN ISSUE

One article, written on March 30, 1982, just two days before the Argentina's invasion of the Falklands, warned against precipitous action, weaving a scenario of the calamity that would follow. That article was never printed, the Ambassador said, "because the editors knew an invasion was imminent."

"But during the Malvinas war I wrote a series of articles in which I took a position contrary to the general trend," he said. "I am absolutely convinced that the islands are ours but I am against both Argentine and British jingoism. I felt it important to take a more imaginative approach, to negotiate the issue in the U.N."

The whole issue of Argentina's human rights record is one that the Ambassador is unable to discuss freely in an official capacity. But he insists that attention to human rights will be one benefit of a return to constitutional government.

"I am working for a return to democracy," said the man who has seen five military coups. "I don't want to speak of the past, I'm committed to the future. I'm fully committed to human rights and am in favor of a constitutional government back in power.

News reports about an upsurge of political violence in Argentina in recent weeks have led to speculation that the incidents would be used as an excuse to postpone or cancel the promised October elections.

"Nothing will stop the elections," the Ambassador said. "Certain individuals don't want elections, but nobody has the strength to interrupt them.

"I have always said that this transition period after seven years without political parties would be a time of problems. Because of the war, there are grievances, accusations, strikes and individual violations of human rights. But nothing will interrupt the elections."

"If, for some reason, elections are not held as planned, the Ambassador was asked, would that mean a third resignation?

"Of course," he said.●

FROM WASHINGTON WITH KINDNESS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. OXLEY. Mr. Speaker, Washington bureaucrats and politicians are masters of obfuscation. But they can't fool my distinguished colleague from Ohio, U.S. Representative TOM KINDNESS of Hamilton, who represents the Eighth District. Herewith follows his insightful explanation of the budget process:

UNDERSTANDING WASHINGTONSPEAK

(By Representative TOM KINDNESS)

This past week, the House of Representatives approved a bill to "cap" the July 1st tax cut at $700, leaving tax cuts for wealthy and low-income Americans intact, and hurting middle-income taxpayers the most.

You'll never guess what they called the bill: The Tax Rate Equity Act of 1983.

Those who are unfamiliar with the ways of Washington often take words at face value, and considerable confusion can result. To help you understand the meaning of the millions of words that flow from the nation's capital each day, a few explanations follow.

Administration usually refers to the grouping of unnamed individuals who surround and frustrate a president.

Appropriation legislation spending money we don't have.

Authorization legislation saying that the bureaucracy can spend up to a certain amount of money provided the Congress can confiscate or borrow it.

Balanced budget see "deficit reduction."

Deficit reduction a pretense for raising taxes, not to be mistaken for a reason to control spending.

Economic assumptions the level of inflation and unemployment you have to assume in order to pretend that you're proposing a responsible budget.

Economic indicators liar's statistics; the reason why some people think the government should control prophets.

Entitlement a concept originally developed by R. Hood of Sherwood Forest which holds that someone else is "entitled" to your money.

First budget resolution (fiction) a document representing the hopes and dreams of a majority of the members of each House of Congress. (also see "second budget resolution")

Infrastructure see "pork barrel."

Loophole closing a tax increase.

Pork barrel Archimede's Principle of Politics holds that a lightweight congressman can often be buoyed up by a force equal to the weight of the pork in his barrel.

Regulatory process a three-step process involving:

Legislation the patchwork that results when 535 members of Congress try to have an impact on public policy.

Regulation a rule of the bureaucracy which has the force of law, but the Congress didn't have the gall to write into the law itself, or reflecting the view of the bureaucracy that the Congress got it wrong.

Judicial review the opportunity for a judge to decide that the Congress and the bureaucrats were both wrong.

Revenue enhancement a tax increase.

Tax equity a tax increase for someone else.

Tax expenditures revenue "losses" that result when the government fails to take all of your money. Based on the assumption that to fail to tax everything that moves is to fail to try hard enough.

Tax reform a tax increase.

Second budget resolution (fiction) an annual attempt to reconcile the first budget resolution to unforeseen economic developments.

Spending cuts failure to increase funding to the extent demanded by a program's constituency.●

SUBCHAPTER "M" REVISION

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. KENNELLY. Mr. Speaker, today I am introducing a bill to clarify the provisions of the Internal Revenue Code of 1954 that concern regulated investment companies (RIC's), more generally known as mutual funds.

My bill has three separate provisions. First, it moderates the consequences that could befall a regulated investment company under existing law if it were to inadvertently meet the definition of a personal holding company. Second, it permits mutual funds to accrue ratably the discount on short-term Government obligations held by them. Finally, it clarifies the status of section 103(m) of the code in view of the order in which the President signed two 1982 bills amending that section.

I believe these changes will correct some problems in subchapter "M," and a detailed explanation follows immediately.

SECTION 1: PERSONAL HOLDING COMPANY STATUS

Section 1 of the bill addresses the personal holding company matter. At present, Section 851(a) of the Code disqualifies a mutual fund from Subchapter M "flow-through" tax treatment entirely if the company is a personal holding company. Because a mutual fund is generally required pursuant to the Investment Company Act of 1940 to have 100 or more shareholders, or to be offering its shares publicly, a personal holding company status is normally a remote possibility. It is conceivable, however, that this problem could arise when a new mutual fund is organized or small in size. The problem could also arise when shares publicly offered by an open-end mutual fund are bought by or for a pension trust (which is treated as a single shareholder for tax purposes) or by a company or partnership whose owners may not be fully known to the mutual fund. It does not appear that the historical and legislative purposes of the regulated investment company provisions of the Code are served by denying RIC status to an investment company which, inadvertently, meets the definition of a personal holding company.

As a result of being a personal holding company, the disqualified mutual fund would become subject to full corporate taxation on all of its income even though the income had been fully distributed and taxed to the company's shareholders. Section 1 (a) and (b) of the proposed bill would remove the disqualifying reference to personal holding company status now contained in Section 851(a) and would, in the case of a personal holding company, increase the rate of regular corporate tax on any undistributed income of the company under Section 852(b)(1) to the maximum corporate rate of 46 percent. The lower graduated rates for taxable corporate income below $100,000 would be inapplicable. In addition, since the personal holding company tax of 50 percent would also apply to the remaining 54 percent of any undistributed income, the total tax burden on any undistributed income would be 73 percent.

In the foregoing manner, section 1 would subject the undistributed taxable income of a regulated investment company that is a personal holding company to the highest rate of corporate income tax plus the personal holding company tax. The amendments would remove, however, the currently incurable possibility of financial disaster through disqualification as a regulated investment company by reason of personal holding company status.

Because the legislation would delete the existing restriction from qualification under Subchapter M for a personal holding company, Section 1 closes a potential loophole by further providing that a personal holding company which has accumulated any earnings or profits from a taxable year in which it was not taxed under Subchapter M may not convert to Subchapter M status for purposes of electing a more favorable tax treatment. Thus, an operating company which is a personal holding company and has accumulated earnings or profits from a taxable year in which it was taxed under Subchapter C of the Code, for example, may not qualify for favorable Subchapter M treatment. Existing regulated investment companies currently taxed under Subchapter M would, however, be "grandfathered".

SECTION 2: ACCRUAL OF DISCOUNT ON SHORT-TERM GOVERNMENT OBLIGATIONS

In the case of short-term Government obligations that are issued at a discount and are payable without interest at a fixed maturity date within one year of their date of issue, Section 454(b) of the Internal Revenue Code provides that discount shall not accrue until the date on which such obligation is paid at maturity, sold or otherwise disposed of.

This rule creates a problem for all money market funds which maintain a constant net asset value for their shares and hold over fiscal year end any short-term Government paper issued at a discount. The problem arises from a conflict between the accounting rule of Code section 454(b) and the SEC's accounting requirements for money market funds which maintain a one dollar market price for their shares. According to the SEC, such funds must, for book purposes, accrue ratably each day the discount on the short-term Government obligations held by the fund.

More specifically, in order to maintain a constant market price for their shares (which prevents sales of those shares from generating capital gains and losses for the shareholders), and to simulate generally the investment characteristics of savings accounts with which they compete, money market funds accrue interest daily on the debt obligations that they hold and declare dividends to shareholders out of that interest at frequent intervals, usually monthly. In keeping with this practice, money market funds on their books of account, amortize the discount on short-term Government obligations that they acquire and accrue it as income ratably over the period they hold the obligations.

Under the method of accounting prescribed in Section 454(b), a money market mutual fund that holds short-term Government obligations would, at the end of each taxable year have accrued as book income and paid to shareholders amounts of discount that it could not realize as taxable income until the next taxable year. The resulting divergence between the mutual fund's book income and taxable income could create serious tax problems: in the year that income accrues for tax purposes, the mutual fund might not be able to distribute all of its taxable income, with the result that it would become subject to corporate taxation on the undistributed portion and possibly be disqualified from tax treatment under subchapter M for failure to distribute at least 90 percent of its taxable income. To the extent that a mutual fund is able each year to increase its income from its portfolio of short-term Government obligations issued at a discount, the problem of taxable income in excess of book income will be deferred, but not eliminated. In place of the accrual problem, however, a mutual fund will encounter the burdensome and confusing problem of treating a portion of its distribution each year as a return of capital.

Section 2 of the bill would correct this problem by permitting mutual funds to elect to report taxable income earlier than under Section 454(b) by accruing discount on short-term Government obligations on a ratable basis.

ADMINISTRATIVE LAW JUDGE CORPS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SHELBY. Mr. Speaker, the independent judiciary, free from the partisan politics of our legislative and executive branches, insulated from the whims of clamoring special interest groups, and devoid of the conflict of interest inherent in most public service positions, has admirably served as the final arbitrator to our Nation's legal questions. The independence of the adjudicatory process of our Federal agencies and departments, however, has until now been exposed to the potential conflict of interest which permeates our bureaucracy.

It is with this in mind that I introduced today a bill which would establish a unified Administrative Law Judge Corps. Rather than adding another layer to an overburdened legal system, the bill, if enacted, would create a system of administrative justice which would guarantee the integrity and decisional independence of administrative law judges. Free from the possible constraints of party or personal obligation, administrative judges would be in a better position to insure fairness and objectivity while affording each litigant our time-honored right of due process before the law.

The new judge corps would be both flexible and cost effective. Instead of appointing judges to serve only one agency, the unified corps concept allows judges to be shifted from one division to another depending upon each agency's current needs. Waste and inefficiency will be cut, money will be saved, and the taxpayer will receive better and more productive service for his tax dollar.

Furthermore, this legislation will add to the discipline and administrative efficiency of the corps by establishing a comprehensive peer review for all members, and by eliminating the multiple lines of authority which typify current agency organizational charts. Law judges and legal experts, not nonattorney managers, will be responsible for legal matters and procedures.

The implementation of similar administrative law judge corps systems

has been met with overwhelming approval in numerous States across the Nation. From Maine to California, the public perception of administrative law judges has markedly improved. No longer viewed as highly trained legal bureaucrats, administrative judges in these States are now seen as members of a truly independent administrative judiciary. If for no other reason than to promote the unique phenomenon of a bureaucratic sector being favorably viewed by the public, I urge my colleagues to support this measure.●

GORGAS MEMORIAL INSTITUTE ESSENTIAL TO U.S. EFFORTS IN CENTRAL AMERICA

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. BYRON. Mr. Speaker, the Gorgas Memorial Institute and Laboratory of Panama has been funded by the U.S. Congress for 55 years. The institute and laboratory have been an integral part of our defense effort and our tropical disease research with the potential to become just as essential to the administration's Caribbean and Central American revitalization program.

Even now, the institute is utilized in providing humanitarian relief in Central America. As an example, at this point, I include an article from the May 13, 1983, edition of the U.S. Southern Command News, Quarry Heights, Panama. The story was written by Commander Frank Evans, and the team involved was in training at the Gorgas Memorial Institute.

NACAOME, HONDURAS (USSOUTHCOM PAO).—Thirty miles down the road there's the sensitive Honduras-Nicaragua border.

To the 12 U.S. Navy doctors, a dentist and dental technician, who were teamed up with the 55 Honduran medical-dental personnel to provide health care to the poor folk in the villages, it doesn't matter.

When you're part of a civic action program you don't see patients in big cities. You travel to villages and towns located high in the mountains, and sometimes near borders that count. The route carries you along rocky, dusty, one-way roads to see patients and show you care.

Here in the southern section of Honduras in the Departments of Choluteca and Valle, about 72 miles from the capital of Tegucigalpa, the Navy medical team was assigned with the Honduras civilian military medical and dental team to provide medical care for villages during their four-day field experience early in May.

The U.S. medics were members of Class 54 attending the Navy Medical Research and Training Unit's course in medicine in the tropics in Panama. This civic action effort offered them first hand experience in treatment and recognition of tropical infectious illnesses found in Central America.

For four days they rode in trucks, sometimes up to three hours, bouncing up and down dusty roads to provide care to the sick and needy. When it was over, the combined U.S.-Honduran medical/dental team had seen and treated 12,611 men, women and children.

But, let's take it from the beginning.

The May mission would be the second civic action program undertaken by the Navy this year. Last January, the Navy and a Honduran medical team had provided medical and dental assistance to over 4,000 persons in eight communities in northeastern Honduras during Ahuas Tara, a combined U.S.-Honduran exercise.

The success of the January effort inspired plans to continue the ambitious program to bring more medical relief through the bi-national program.

So, it was that at about noon, May 4, a U.S. Air Force C-130 carrying the team touched down at Tegucigalpa Airport. They were met by LCdr. Steve Wignall, Medical Corps, U.S. Naval Reserve, officer in charge of the Navy Medical Research and Training Unit and U.S. Army Maj. Robert Perry, of the U.S. Southern Command Plans and Security Assistance Directorate, in Panama. They had flown to Honduras earlier to put together final arrangements for the project.

From the airport, the doctors climbed into a bus and headed south to the village of Nacaome. Chickens, cows, horses and men driving ox and goat carts dotted the scenery along the road. Once in the countryside, the homes were made of sticks and clay with terracotta tile roofs. Many homes did not have doors.

It was dusk when they arrived at Nacaome. The townspeople helped the doctors unload the two trucks of equipment and medical supplies. Along with the numerous boxes of medicine, there was an operating table and other important pieces of hospital equipment to be used for emergency care.

The four pallets of supplies had been flown to Honduras from Panama. The equipment was acquired from the Defense Property Disposal Office, much of it orignally coming from the Coco Solo Army Medical Clinic. The medical supplies were furnished by USSOUTHCOM and the Navy Medical and Research Training Unit. The Supply Department of the U.S. Naval Station, Panama, had provided the expertise in packing the supplies and equipment, working a full day to ready the 7,000 pounds of civic action cargo for delivery to Howard AFB for its airlift to Honduras.

Once loaded inside the clinic, the doctors went through the medicines and separated the boxes for the various medical teams.

On Thursday morning at the 11th Battalion Headquarters in Salomar, the American contingent met the Honduras medical team and reviewed the assignments within the two southernmost departments (provinces) of Choluteca and Nacaome.

By noon, when the Nacaome team arrived at the small militia outpost near the town, people were already in lines.

Life in this particular area is precious. Children here don't ask to be born. They're just drafted. One Honduran doctor said that one out of 10 children die at birth, and the life expectancy of a man is 48. At six years of age, the children start work in the fields and help with the crops. Nutrition often is poor. So, it was not surprising that mostly women with babies and small children showed up. The men were in the fields working their land under the very hot sun.

Four small tables and chairs were brought from a truck and dusted off. The clinic area was a small, thin slab of concrete under a thatched roof. A low wall separated the medical clinic from the dental working space.

As the dental patients came through the door, one by one they were pre-examined by one of the Honduran dentists. If treatment was needed, they then waited their turn for a shot of anesthesia. Moments later, the patients either went to another Honduran dentist or LCdr. Thomas Hill. The Navy dentist was from U.S. Naval Station, Panama, as was his assistant, Navy Dental Technician Cindy Applegate.

During the next six hours, the doctors extracted 250 teeth. Many had seven or more teeth pulled out at one time. Here, there's no such thing as filling cavities. "What we're trying to do out here," said Hill, "is to raise the general health of the people by removing infected teeth."

Quite a different work situation than back in Panama with the clean rooms, air conditioning and sterilization.

For the doctors, the line kept growing. At the end over 500 patients were seen before sundown that first day.

For many patients, it was only a few aspirins. That alone brought joy and relief. Just seeing a doctor, many for the first time, made them feel secure.

"But remember," said one doctor, "that we worked with no charts on the patients nor were we able to request lab work. It was a one-time shot, and you did the best you could."

Dogs walked about trying to find a cool spot on the concrete. There was no privacy for the patients. When they talked to the the doctor, everyone listened. The lines were tight. You had so few minutes in the chair with the physician and you forgot about the others around you.

The sound of babies crying was everywhere. At least 10 mothers were nursing their infants while waiting their turn at one of the four treatment stations.

The medics checked the eyes, ears and throats and blood pressures of patients. They saw TB patients, congestive heart problems, goiters as large as two oranges in a throat, malaria and numerous types of rashes due to the dry heat and lack of water. You don't find humidifiers or air conditioners in Nacaome.

Poverty is prevalent. The per capita yearly income in Honduras is about $822, and less in the rural areas. Many of the larger families in this area are lucky to earn $400 a year.

Less than 10 feet from where the doctors worked, a squealing sound could be heard. Behind the barbed wire surrounded by low brush, laying in a puddle of mud, was a sow nursing five or six piglets. The medical care continued.

Life was like this from early morning, till dusk through the end of the week. One group didn't finish up until after dark on Saturday. The trip down the mountainside where the shoulder of the road dropped off 200 feet, near the Nicaraguan border, caused some concern. They pulled in tired and relieved after 8 p.m.

The doctors averaged working 9-10 hours a day. In the evening, the doctors would sit around the table and share their day's experience.

Conversation touched on many subjects, medical, personal, sentimental, touching.

A man was having severe heart problems and could hardly breathe. He was treated, and advised to see a doctor. But the doctors felt the man might never leave the village.

The shoeless youngsters were clean and polite. Seeing a doctor was considered im-

portant to the villagers, so they dressed the girls in their best dresses.

The sincerity and generosity of the people. In most villages, the people brought soft drinks for the doctors to help them through the heat of the day.

The machete is their universal tool, used for farming and a myriad of other purposes, always carried at their side or slung over their shoulder.

The faith of the people. The crosses in front of home throughout the countryside. When someone dies, burial might be simple, sometimes only a hole in the rocky ground and then a pile of rocks atop the grave. Then a cross, decorated with colored flowers is hammered in the ground.

Though Honduras may be a poor country, its people are warm and gracious—as the sailors will attest.

The doctors have returned and are completing the last week in their tropical medicine training. Soon they will return to the other world with familiar names as Bethesda, Oakland, Jacksonville and Norfolk.

It's certain the Navy physicians will not forget their experiences in the small villages of southern Honduras. Nor will those gentle people forget who were touched by the caring and warmth offered by the U.S. and the democratic Honduras government.●

COMPUTERS COST, MR. PRESIDENT . . .

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. STARK. Mr. Speaker, "Computers Cost, Mr. President . . ." is the title of a recent editorial by Ellen Goodman outlining the need for Federal help to put computers in schools. This is important to note as the Reagan administration brings its mouth, but no money to education.

Ten billion dollars is the estimate that Ms. Goodman quotes as being the necessary amount to put adequate computer facilities in schools. Under the assumption, the States and localities would pay half, which I think is highly unlikely in the near future, and the Federal Government would still be left with a bill of $5 billion. I also think it highly unlikely that Congress will appropriate $5 billion for computers in local school districts. Yet, we need to begin to get computers in schools, and not just the schools that can afford to buy them on their own.

One way of beginning is with H.R. 701 or H.R. 3098. Both bills provide a tax deduction to computer companies for the donation of computer equipment to local schools. The equipment distribution cannot be limited to one geographic area or economic stratum. Though these bills are only a beginning, we must get started. It will not get cheaper and the time to get our youth acquainted with computers was yesterday.

Quoting Ms. Goodman:

What's the role of the federal government in this? . . . Most of us talk about computers as education tools and as part of the transforming economy. The two—national education and the national economy—are simply inseparable.

Mr. Speaker, Ms. Goodman's article in the July 2 edition of the Washington Post, makes a strong case for Federal involvement in putting computers in schools. I hope that my colleagues will agree and support H.R. 701 and H.R. 3098.●

INCOME TAX RELIEF FOR FORMER MISSILE SITE EMPLOYEES

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. DORGAN. Mr. Speaker, today I am reintroducing a bill to correct an injustice done to over 100 workers in North Dakota as a result of flawed Internal Revenue Service ruling. This bill is a matter of justice and, at the outset, it should be noted that the U.S. Eighth Circuit Court of Appeals has upheld the principle of justice embodied in this bill.

The facts are simple enough. Between 1970 and 1974, the U.S. Government employed a great number of workers at the anit-ballistic-missile (ABM) site near Concrete, N. Dak. There was no housing at the jobsite, and many of these workers had to travel great distances to get to the job. Under section 162 of the Internal Revenue Code, taxpayers are authorized to deduct from their income tax their ordinary and necessary business expenses, including travel expenses, incurred for business reasons. The ABM workers who had to travel great distances to get to the jobsite—to carry on their trade—availed themselves of the deductions allowed under section 162.

Then, the IRS intervened. The IRS disallowed the deduction for those workers who had worked on the ABM site more than 12 months. As the result of the IRS action, over 118 workers at the ABM site in North Dakota were denied the travel-expense deductions legally owed to them. On the other hand, workers who had been employed at the ABM site for less than 1 year were allowed the deductions.

The IRS used the so-called 1-year rule as the basis for its arbitrary action. Under this "rule," the IRS holds that away-from-home expenses are deductible if the duration of one's assignment, at a location away from home, is temporary, that is, if it is less than 12 months. If the job is for more than 1 year, whatever the circumstances, the IRS automatically classifies it as "indefinite" and disallows the deductions.

The IRS rule is seriously flawed. In applying its doctrine to workers at the ABM site, the IRS failed to distinguish travel undertaken for employment purposes from travel undertaken for personal purposes. In essence, the IRS said to the workers at the ABM site, you have two choices: You can remain unemployed or you can incur travel expenses in order to practice your trade.

The IRS completely ignored several pertinent facts. It ignored the fact that no housing was available at or near the jobsite. It ignored the fact that construction work is inherently indefinite and temporary. And it ignored the fact of persistent rumors that the ABM project would be shut down by the Government, that at a moment's notice these workers could be thrown out of work. In effect, the IRS 1-year doctrine said to these construction workers that, if you take a job away from home when work becomes temporarily unavailable in your home community, you must move your home and family to that job—even if you have long and strong ties to that community, even if your kids go to school there, even if your spouse works there—or you must incur substantial additional expenses in traveling back and forth to see your family.

The IRS "rule" also creates a rank inequity and injustice in our tax system. Certainly, the travel expenses that construction workers incur to take jobs at distant jobsites are more necessary to their jobs than an executive's three-martini lunch is to him. Certainly, the travel expenses that construction workers incur in order to practice their trades should be deductible in the same way that lawyers, accountants, and professionals are allowed to deduct their travel-and-business-related expenses. But, they are not. While the IRS allows professionals and businessmen to deduct, without question, the expenses they incur when they have to travel to practice their trade, the IRS conducts mass audits—as it did at the ABM site in North Dakota—at construction sites to enforce its arbitrary 1-year doctrine on ordinary working men and women.

The IRS ignored justice and the facts, but the U.S. Court of Appeals for the Eighth Circuit did not. In 1979, the Eighth Circuit expressly rejected the IRS's 1-year rule. In ruling in favor of the plaintiff, an ABM worker, the court noted that there was limited housing at the site; that the job could have been terminated at any time and that there were continual rumors to that effect; and that he could have been laid off every winter and was fortunate not to have been. Subsequently, the IRS made payment to the plaintiff and to many other former workers who applied for repayment soon after the court's decision.

Unfortunately, the statute of limitations was not held open during the court hearings. Moreover, to further complicate the situation for the workers, the statute expired at different times for the workers involved.

Mr. Speaker, I introduce this bill to insure that justice is done to those who have patiently sought it for over 10 years, and who, having achieved this justice in a court victory, have been denied it by an Internal Revenue Service ruling.●

BUSINESS AWAKES TO CRISIS IN EDUCATION

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. VALENTINE. Mr. Speaker, if the United States is to remain a major contender in international trade, we must give our people the necessary skills with which to compete in world markets.

A recent article in Business Week identifies improvement of our educational system as central to this challenge, and notes the strong leadership that North Carolina Gov. James Hunt, Jr., has shown in this area. I ask that it be inserted in the RECORD.

BUSINESS AWAKES TO THE CRISIS IN EDUCATION

Frank T. Cary, chairman of International Business Machines Corp., worries that some major suppliers may soon be unable to meet their commitments to the computer giant because they lack the needed personnel. Similarly, many of the nation's 1,200 machine-tool makers, expecting to need 245,000 new employees by 1985, must offer remedial reading and mathematics courses before they can train new workers to use sophisticated machines.

Such worries have been around for some time. But suddenly the work-force problems faced by IBM, the machine tool makers, and countless other businesses are being seen as national problems of crisis proportions. The White House and Democratic Presidential hopefuls are making the state of U.S. education a hot issue for the 1984 election campaign. The quality of U.S. graduates entering the work force is already a critical concern for executives analyzing how to reestablish American competitiveness in world markets (page 54).

"If American industry is going to compete with the Japanese, Germans, and the rest of the world, we need engineers, but we also need a work force that can read and write," says Cary, co-chairman of the Task Force on Education for Economic Growth. The task force, created by the National Governors' Assn. and made up of 41 governors and business leaders, reported on June 22 that "a real emergency is upon us" and called for business to get more involved through financial contributions and personal efforts in local school systems.

The third indictment. To meet its work-force needs, business will "have to work with us to mold school systems that can deliver for them," says Governor James B. Hunt Jr. of North Carolina, the other co-chairman of the task force. "If American business is tired of getting beat by the Japanese, or if they are worried about their businesses' future or their children's education, they had better wake up."

The task force report is the third indictment of the U.S. school system to be issued in two months. Two weeks earlier, the Business-Higher Education Forum, a group of 78 top U.S. corporate and academic officials, urged President Reagan to propose tax incentives to encourage industry investments in colleges and forgivable loans to U.S. engineers who agree to teach. The group also proposed greater industry support for university research. "Education has given insufficient attention to developing the basic skills—math and science—that will be needed by workers in an age governed by high technology," says Edward Donley, chairman of Air Products & Chemicals Inc. and a forum member. In early May, Reagan's National Commission on Excellence in Education found "alarming" deficiencies in U.S. schools, including poor teacher performance.

If the symptoms are apparent—the forum reports that one in five U.S. workers is functionally illiterate and unable to undertake advanced training, for instance—the solutions are less so. President Reagan has traveled to five states recently, proposing merit pay for good teachers, a "back-to-basics" approach to education, and local control. Democratic challengers, notably former Vice-President Walter F. Mondale and Sentor Ernest F. Hollings of South Carolina, have proposed multibillion-dollar increases in federal education budgets. Senator Gary Hart (D-Colo.) and Representative John J. LaFalce (D-N.Y.) have introduced legislation to provide grants to school districts and forgivable loans to college students preparing to teach. The House has already passed legislation authorizing $1 billion over five years for improved math and science education.

Much of this legislation is likely to be snagged in partisan battles until after the 1984 election. But "we can't and shouldn't wait for federal bailouts," says North Carolina's Hunt. He is trying to find state funds to increase the school year to 200 days from 180 in three school districts next year and to increase the average school day to seven hours from six. Further, in one North Carolina county, business and civic interests raised $50,000 in one evening for school improvements. Cary says that IBM has "adopted" several schools near its plants, including one located in the troubled Bedford-Stuyvesant district of Brooklyn, N.Y. IBM supplies equipment, and it provides retied employees as teachers.

Traditionally, such corporate efforts have been restricted primarily to largesse for university research projects. But Hunt, whose commission concentrated on the precollege educational system, says those years are the most important for molding future engineers and scientists. "We have let our entire educational system dissipate before our eyes," says Don L. Gevirtz, chairman of Foothill Group Inc. He advocates joint state-industry efforts to turn the nation's community colleges into job-training centers. "If the business community can't look out for its own interests, who will?" Gevirtz asks.●

FREIGHT FORWARDER OPERATING AUTHORITIES

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. KENNELLY. Mr. Speaker, the Economic Recovery Tax Act of 1981 allowed a deduction for motor carrier operating rights that were essentially rendered worthless by deregulatory action. That motor carrier deduction was amortized over a 60-month period.

The legislation I am introducing today simply allows a similar deduction for deregulated freight forwarder operating authority.

When the Motor Carrier Act of 1980 was passed, motor carrier entry had already been de facto deregulated by the administrative licensing policies and practices of the Interstate Commerce Commission. The provisions of the Motor Carrier Act of 1980 were enacted against this background of administrative deregulation.

At the time of the passage of the Motor Carrier Act of 1980, the ICC, following the same deregulatory philosophy, also solidified its de facto deregulation of freight forwarder operations. Further, the deregulatory thrust of the Motor Carrier Act and the national transportation policy the act explicity declared, supported and solidified the ICC's liberal, deregulatory licensing policies toward freight forwarders; although the act's other provisions did not directly address freight forwarders.

From the date of the Motor Carrier Act in 1980, the ICC in administering the licensing of freight forwarders, has continued to grant licenses without regard to the prior scheme of economic regulation—that of limiting the number of competiting freight forwarders. Nor have freight forwarders been subjected to any significant regulatory entry restriction. In short, freight forwarders, like motor carriers, have been deregulated at least since 1980.

Therefore, my legislation simply makes the ordinary income tax deduction available for motor carrier operating rights also available for freight forwarder operating authorities.●

TREASURY AND FEDERAL RESERVE LEGISLATION

HON. FERNAND ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. ST GERMAIN. Mr. Speaker. In a spirit of cooperation I, along with our colleague Mr. WYLIE, am introducing by request legislation transmitted

by the Department of the Treasury and the Board of Governors of the Federal Reserve System. As a result, these bills will be part of the continuing dialog on the important issues involving the future of our financial services industries.●

TRIBUTE TO LEWIS MANDERSON, JR.

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SHELBY. Mr. Speaker, I would like to take this opportunity to honor an outstanding individual and good friend, Lewis Manderson, Jr. He is a fine, dedicated citizen of our great country, the State of Alabama, and the Tuscaloosa community.

A native of Cordova, Ala., and a 1948 graduate of the University of Alabama, Lewis has reached the pinnacle of success in the outdoor advertising industry.

In the late 1940's and early 1950's, the outdoor advertising industry was principally a nationally used medium, with little attention paid to local advertisers. Lewis saw the opportunity to inject a sales-oriented approach at the local level that proved to be an exceptional vehicle for rapid growth within the industry.

With 4 years experience, Lewis purchased the first Creative Co. in Tuscaloosa, Ala., in 1959. From a beginning of 368 billboards and five employees, Lewis has worked to expand to over 12,000 billboards with 450 employees in offices from Pennsylvania to Texas. Over the past 24 years, Creative has acquired 31 companies, consolidating them into 18 offices.

Now a new phase in the company's history has transpired in that agreements have been reached for a multimillion dollar sale of Creative's assets. Three companies will buy most of the holdings, while the assets in two out-of-State markets are being sold to limited partnerships. Lewis is organizing the partnerships and will head them as general partner.

Lamar Advertising Corp. will purchase Creative's assets in Augusta and Rome, Ga.; Covington and Lexington, Ky.; Knoxville, Tenn.; Panama City, Fla.; Richmond and Roanoke, Va.; Wheeling, W. Va.; and Wichita Falls, Tex.

Lamar Advertising, based in Baton Rouge, La., will then become the largest outdoor advertising firm in the country. Lamar is currently ranked fourth in that category.

Creative Display's Alabama assets will be sold to Foster & Kleiser Co., a division of the communications conglomerate Metromedia, Inc. Foster & Kleiser, based in Los Angeles, Calif., is currently the largest outdoor advertising company in the United States.

The Alabama markets consist of Birmingham, Tuscaloosa, Huntsville/Decatur, Anniston/Gadsden, and small markets surrounding these cities.

Penn York Co., based in York, Pa., will purchase the Creative assets in Reading, Pa.

The holdings in Allentown, Pa. and Norfolk, Va. are being sold to limited partnerships, which will be owned primarily by Creative employees.

As general partner in Turner Outdoor, Manderson said he will be the major decisionmaker, but will not be concerned with the daily management.

Manderson will continue as chairman of Creative Leasing. The Tuscaloosa based auto and truck leasing firm has offices in Tuscaloosa, Montgomery, and Birmingham.

"I am not going to retire by any stretch of imagination," Manderson said, "but I am not going to work as hard in the future as I have in the past."

Manderson & Associates will continue Creative Displays' pattern of acquisitions and syndications.

The sale will be the end of an era which began in 1959. Creative has grown throughout these years and has been ranked as high as the fifth largest outdoor advertising firm in the Nation.

According to financial statements from Manderson, the company's 1983 fiscal year sales are estimated to be $35 million. Some 450 employees account for an annual payroll of $6.5 million to $7 million; 50 to 60 people are employed in Tuscaloosa. Creative has trained several Tuscaloosa residents and University of Alabama graduates and placed them as managers in other markets.

Though much time and energy was necessary to make this business a success, Lewis Manderson found time, and still continues to do so, to devote to his community. He has served in such positions as chairman of the Tuscaloosa United Way Campaign, Tuscaloosa YMCA membership drive, past president of the Greater Tuscaloosa Chamber of Commerce, served on the Tuscaloosa County Industrial Development Authority, is a member of the Tuscaloosa Rotary Club, on the board of directors of the First National Bank of Tuscaloosa, and a member of the board of visitors of the University of Alabama's School of Commerce and Business Administration.

Lewis is highly respected in his field and this is evident by the numerous awards and honors from his peers that have come his way. He is past board chairman of the Outdoor Advertising Association of America, Inc., past chairman of the Institute of Outdoor Advertising—marketing division, and has served three terms as president of the Outdoor Advertising Association of Alabama.

Perhaps no one better exemplifies the American dream of achieving success through hard work and ingenuity than Lewis Manderson, Jr. I know his lovely wife, Faye, and their six children share this same feeling of pride and admiration over Lewis' rise to the top in the outdoor advertising industry.

He has given so much of himself over these years to others, and I believe this tribute is certainly deserving to this outstanding individual. I am proud of Lewis' achievements, and proud to be his Congressman in Washington.

This great land of ours needs more individuals like Lewis Manderson, Jr., who are not afraid to stand up for ideals they believe in. People of this caliber are not afraid of rolling up their shirt sleeves and working hard to achieve that level of success.

Mr. Speaker, it is with the greatest honor that I share this insight of Lewis Manderson, Jr., with my colleagues in the House of Representatives. He has brought great honor and pride to his family, his company, the Tuscaloosa community, and the State of Alabama.

The outdoor advertising industry is fortunate to have Lewis Manderson, Jr., on their team, and I wish him the very best of luck in all of his future endeavors.●

DOMESTIC VIOLENCE CRITICAL PROBLEM IN UNITED STATES

HON. C. ROBIN BRITT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BRITT. Mr. Speaker, domestic violence is a critical problem in the United States. Approximately 1.8 million spouses report abuse each year and yet only 1 in 10 abused women report being abused. The problem, however, goes beyond the numbers. These victims often do not know where to turn for help. When there is no coordinated effort between law enforcement officials and domestic violence programs the frequency and severity of violent incidents tends to increase until serious injury or death occurs. Some 24 percent of all murders occur within the family.

We are all affected by domestic violence. Our policemen run great risk when trying to respond to domestic violence. In North Carolina, for example, approximately one-fourth of all law enforcement officials who are assaulted are attacked while responding to domestic violence calls. Another tragic consequence of domestic violence is the effect it has on our children. In families with a history of

spouse abuse, child abuse is also frequent. Even more tragically, these children learn that violence is an accepted means by which to convey frustration and anger, and they grow up to become the next generation of abusers and victims.

Turning Point, a family abuse prevention program in my district, provides counseling for the individual and the family. But even more, it provides a shelter and hotline service, community education, programs for the male batterers and a drop-in child care program for families in distress. Recently, I visited the opening of their new shelter which will help provide for the ever-increasing number of victims seeking assistance. Turning Point is one example of positive community response to the problems of domestic violence. Congress must provide assistance to State and local programs which attempt to stop the cycle of violence.

For these reasons I have joined with my colleagues in cosponsoring H.R. 1397, the Domestic Violence Prevention and Services Act. This bill would provide assistance to community programs and call on States to coordinate comprehensive efforts to address this problem. We must attempt to provide shelter for the victims of violence and we must not allow this violence to be passed on to yet another generation of children. I ask my colleagues to give this bill their most serious consideration.

TROPICAL DISEASE CENTER MAY HAVE TO CLOSE DOWN DUE TO LACK OF FUNDS

HON. BEVERLY B. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. BYRON. Mr. Speaker, Dr. Herbert C. Clark of Economy, Ind., and the University of Pennsylvania founded the institute in 1929. His son, Dr. John W. Clark of Hagerstown, Md., in my district was recently elected to the board of directors of the institute.

Dr. John Clark, a respected constituent and a highly regarded surgeon, advises me that unless the institute receives the maintenance and operation funds, then the laboratory will have to shut down. Although the appropriation line item was not included in the request from the National Institutes of Health, Dr. Clark and I submitted a statement to the Senate and House Appropriations Subcommittees concerned with funding the John E. Fogarty International Center, asking that the maintenance and operation funds be restored. These subcommittees will meet in the near future to mark up the Labor, Health and Human Services, and Education bill and I am confident will give our request serious consideration.

Mr. Speaker, Chip Brown of the Washington Post became aware of this issue and has written an excellent article in the July 3, 1983, issue of the Sunday Post. I include the article at this point.

[From the Washington Post, July 3, 1983]

TROPICAL DISEASE RESEARCH CENTER FALLS VICTIM TO BUDGET-CUT FEVER

(By Chip Brown)

For more than half a century of medical research, the scientists at the Gorgas Memorial Institute of Tropical and Preventive Medicine have survived deadly tropical diseases.

They have endured bouts of malaria, leishmaniasis and potentially fatal infections such as Chagas' disease, which is spread by the kissing bug—a clever, thumb-sized, blood-sucking insect that likes to bite people on the lips and makes one wonder why anybody in their right mind ventures into the tropics.

This spring, the institute's researchers encountered adversaries that make the kissing bug look tame: the budgeteers and policymakers of the Reagan administration.

Seeking to shift money to other forms of biomedical research, the government has proposed that Gorgas, a private organization in Panama with headquarters in Washington and advocates in Maryland, be cut from the 1984 budget.

The funds cut from Gorgas and 53 other research centers in the United States would be applied to the National Institutes of Health research grants program.

"No one is saying these others aren't doing good work," said Norman Mansfield, a budget officer at NIH. "The basic policy choice is that NIH is likely to get a better payoff in the acquisition of knowledge. You pick things that give you the biggest payoff. Gorgas wasn't one of them."

That choice, say the officers of Gorgas, will mean an organization that has been supported by the United States since 1928 will be sacrificed like a lab rat.

"If we do not get our appropriation in October, we are on the trash heap," said the institute's volunteer president Leon Jacobs, who is leading the fight to get Congress to restore funds for the Gorgas Institute. "We are absolutely dead."

Created as a living memorial to Gen. William C. Gorgas, the man who all but eradicated the yellow fever mosquitoes and thus enabled constitution of the Panama Canal, the institute is hardly the last line of defense against the kissing bug and its disease-carrying cohorts.

Laboratories in many countries are conducting research into tropical maladies. Moreover, NIH officials emphasize that the "investigator-initiated" project grants are scrutinized more thoroughly by other scientists.

But Gorgas proponents argue that the institute is unique—a field laboratory that allows scientists the chance to probe tropical diseases in the swamps and jungles of origin.

In recent years, an annual appropriation of about $1.8 million, plus a contribution from the government of Panama, have funded the institute's Washington office and its laboratory in Panama City. The institute employs a staff of 100.

It was work at the institute that did much to document the way the kissing bug transmits the microscopic trypanosome parasite that causes Chagas' disease. The kissing bugs bite rats or possums and pick up the parasite.

Next the blood-suckers slip onto humans, looking for a set of lips or some other suitably juicy area. As they bite, they excrete the parasite which enters the human body through the wound. in acute cases, the tiny trypanosome can weaken the heart muscle so severely that the cardiac membrane will burst like a water balloon.

Chagas' disease affects millions of people in Central and South America, and a cure continues to elude researchers.

Supporters of the institute, among them representative Rep. Beverly B. Byron (D-Md.) and Hagerstown plastic surgeon and Gorgas board member Dr. John W. Clark, also argue that the institute's financial lifelines should be restored because the laboratory has had a beneficial influence in a troubled region.

President Jacobs, a former NIH scientist and "tropical disease man" who devoted much of his career to studying toxoplasmosis (he contracted the disease and has instructed his colleagues to examine his brain tissue after his death for traces of the bug), put it more strongly:

"Considering the turmoil going on down there, this is one of the most stupid acts the American government has ever done. It's an absolutely ridiculous idea to cut out the one research organization that is apolitical and is trying to do a job that is not only related to Panama, but to the health of the United States as well. I'm a retired guy. This is eating away at my life."●

EDUCATIONAL REFORM

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. WIRTH. Mr. Speaker, recent reports from a variety of sources have focused our Nation's attention of problems in American education. Perhaps the most notable of these is the report of the National Commission on Excellence in Education, which highlighted many of the problems facing our education system. For example, the report stated that 23 million adults in the United States are functionally illiterate, while combined SAT scores have steadily declined nearly 90 points between 1963 and 1980. Reports such as this have been invaluable in alerting our Nation to the weaknesses in our school system.

But there is still one area which has not been adequately addressed by the many reports—the growing and significant impact of television on our children. In the June 17 issue of the Wall Street Journal, Victor Fuchs offers an intelligent discussion of this and other social aspects of educational problems. Of particular note, I feel, is his citation of the pervasive and extensive impact of television viewing, which accounts for 25 to 30 hours of many children's time per week. This is clearly an area which I feel demands our atten-

tion. It would be negligent and a grave mistake if, in the current debate and examination of our Nation's schools, we overlooked the terribly important effects that television has had on our children's education.

I would like to have Mr. Fuchs' article reprinted here in the RECORD, and I would recommend my colleagues to read it closely.

EDUCATIONAL REFORM BEGINS AT HOME

(By Victor R. Fuchs)

The recent report of the National Commission on Excellence in Education confirms what most observers already know: Many American children are poorly educated. The report does not, however, provide a systematic analysis of why educational standards and achievement have fallen so far in recent decades. Without such an analysis what confidence can we have that the proposed reforms will remedy the problem? In particular, is it wise to focus exclusively on the schools while neglecting the impact of social changes on the education of children?

Consider first the funding of public education. Is the decline in performance the result of a decrease in financial support to the schools? Certainly not. In fact, there was a sharp rise in teacher/pupil ratios and an even sharper rise in real expenditures per child during the 1960s and 1970s. Between 1960 and 1978 the number of teachers per thousand pupils in public elementary schools rose to 47 from 35. After taking account of inflation, expenditures per pupil in the public schools increased by almost 5 percent per annum between 1965 and 1978. This was double the rate of growth of real GNP per capita, and more rapid than the growth of real expenditures per pupil between 1950 and 1965. Perhaps society expects too much from schools, or expects the wrong things, but if the schools have been "failing our children," it is not because they have been denied an ever-increasing share of resources.

Have the schools "wasted" these resources? Probably no more so than in earlier decades. It is easy to accuse school administrators of being inefficient, and some probably are, but no theory or evidence has been proposed to prove that inefficiency has increased since 1965. A more plausible explanation is that the schools have used the additional funds to respond to pressures for a more egalitarian society. In retrospect, it is clear that since the mid-1960s the schools have concentrated on "leveling up"—that is, improving the educational experiences of those children who were most in need rather than providing for pupils with average or above-average performance. The increased resources in most school districts were devoted to special-education classes, remedial programs, bilingual classes, school desegregation and similar efforts to aid disadvantaged children. As a result of such efforts and possibly for other reasons, white-black differentials in test scores at age nine declined appreciably during the 1970s. A difference of 17.8 percentage points in mathematics in 1972-73 was cut to 12.8 by 1977-78, and the race differential in reading fell from 16.7 percentage points in 1971-72 to 13.2 in 1974-75.

TOO MUCH TV VIEWING

The schools have also had to devote time and money to cope with the discipline and instructional problems resulting from the spread of television, the fragmentation of families and the influx of mothers of young children into paid employment. According to a recent Nielsen Survey, the average child aged three to five spends about 30 hours per week watching TV. Moreover, once children are in school there is little decline in viewing. Nielsen reports an average of over 25 hours per week at ages 6 to 11, and only slightly less TV viewing by teenagers. A survey of sixth-grade students in California discovered that one-half watch TV until 11 p.m. or later, and one-third watch TV in their own or a sibling's bedroom. The programs most popular with sixth-graders rarely have much educational content, and the time spent in front of the set is time that could be spent reading or doing homework.

Schools have also been affected by soaring divorce rates and an extraordinary increase in the proportion of births to unwed mothers. These social changes have resulted in almost one-fourth of all children being raised in one-parent or no-parent homes. Comparisons of children from one-parent and two-parent homes attending the same school usually show the former performing worse by almost every criterion: attendance, behavior, achievement. Several researchers have concluded that these differences tend to disappear after controlling for family income and other socioeconomic variables, but divorce and unwed motherhood usually have a huge negative effect on income. Currently more than half of the children in female-headed families are living in poverty compared to only 8 percent in husband-wife families.

Not only are more and more children being raised by one parent (predominantly the mother), but many children in two-parent homes find that both parents are at work away from the home during the day. Between 1960 and 1980 the labor force participation rate of married mothers with children under 6 rose to 47 percent from 18 percent and the rate for those with children 6-17 rose to 62 percent from 38 percent. Who takes care of small children when the mother works for pay? According to a special report based on the Current Population Survey, a surprisingly large number are said to be cared for by "child's parent in own home." When the mother works part time, 77 percent of white and 63 percent of black children ages three to six are reported as being cared for by "own parent in own home." Even when the mothers work full time, over 40 percent of the children are reported as being cared for in this way.

What does this mean? In some families, the father may be at home while the mother is at work, but studies show that most fathers do very little primary child care, even when the mother is employed full time. Some mothers work at home and take care of the child at the same time, but the proportion in this category is small. Often the child is in nursery school or kindergarten while the mother is at work, and is cared for by the mother after school, but many young children are left alone or with another child. A 1979 survey of families who had previously been involved in New York City's public day-care program revealed that 19 percent leave their children alone at some time during working hours, and almost 30 percent of the respondents indicated that they left children in the care of a sibling who was under 14. The study concluded: "There are large numbers of 'latch key' children coming home after school either to sit by the television or to roam the streets."

EXTRAORDINARY SUCCESS STORY

There can be little doubt that the investments parents make in their children and the values they instill in them are major determinants of how the children will fare in school. The success of children of Asian background in U.S. public schools provides vivid testimony that study, hard work, respect for teachers and heavy parental involvement in the educational progress of children still pay off. Many of these children come from low-income families and many from families in which English is the second language or not spoken at all, but their educational achievements are extraordinary. On average, Asian-American students score higher than any other group on standardized tests. They are winning top honors at high schools across the country and are being admitted to the leading universities at rates far out of proportion to their presence in the population. In Harvard's class of 1985, for instance, 9% of the students are Asian-Americans—six times their representation in the U.S. population. This extraordinary success story is undoubtedly related to the high value placed on scholarship in Asian societies and to a strong family structure that transmits this value. The Japanese *kyoiku-mama* (the "education-mama") is now taking her place alongside the stereotypical "Jewish mother" because of the time and attention she devotes to her children and the extent to which she encourages and helps them to do well in school.

Schools are only one element in the education of children. By all means we need to improve the schools, and we need to support them adequately. But let's not imagine that the schools can solve all the problems that arise in the community and in the home. Furthermore, let's be clear about what it is we want the schools to do. School districts are usually quite sensitive to the demands of their communities (witness their willingness to remove books from school libraries). If most parents want more homework and are willing to spend the time making sure that it is done, and if most parents want higher standards and firmer discipline and are willing to accept the consequences, it is unlikely that school superintendents, principals and teachers will not cooperate. Just as we have learned that good health depends on more than medical care, we must realize that good education depends on more than schooling.

(Mr. Fuchs is a professor of economics at Stanford University, affiliated with the National Bureau of Economic Research and author of "How We Live" (Harvard University Press, 1983).)●

"TAKING THE CURE" AN EDITOR DISCUSSES THE MEDICARE ISSUE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BEREUTER. Mr. Speaker, it is becoming clear that one of the problem areas Congress will have to address in the near future is the medicare program. With that in mind, I read with considerable interest an editorial in the Sioux City Journal. Sev-

eral key points stand out in that editorial that I would highlight for my colleagues:

This time around, it would be refreshing if the administration and Congress would explore the possibilities of crisis-avoidance. There is no great mystery about what has gone wrong with Medicare, so there is no reason to wait for the bubble to burst.

Medicare is running afoul of maladministration and greed. Those conditions are not incurable. The best way to save the patient is with a reform effort beginning now—free of the pressure of a "crisis" that is otherwise bound to occur.

The editor makes a valid assumption. I sincerely hope that Congress heeds those words. I request permission to have the editorial reprinted in full.

[From the Sioux City Journal, May 27, 1983]

TAKING THE CURE

Rep. Edward R. Madigan of Illinois, a Republican who follows health legislation in the House, says there is no chance that Congress will approve a recent administration proposal for a cost-saving reform of the Medicare program. Medicare clients would have to pay a larger share of the bill for a short stay in the hospital but in return would pay less toward the cost of long-term hospitalization in cases of catastrophic illness.

The rejection of this reform is of limited significance for the future of Medicare. Its problems are so complex and serious that no single treatment will save it. What this report from Capitol Hill tells us, however, is that the season for reforming Social Security and Medicare is now officially closed and will not reopen until 1985. Having just voted to postpone the next Social Security benefit increase and to subject benefits to taxation for the first time, says Madigan, Congress is not about to court more problems with senior citizens by tampering with their Medicare benefits.

It is discouraging that Madigan does not deny that Medicare will go broke in 1988. The projections of ballooning costs make this an undeniable forecase, assuming the program is allowed to continue on its present course. Madigan says his colleagues are not inclined to do anything about Medicare until its problems reach the proportions of a "crisis."

Madigan does not describe the crisis. But it is not that hard to describe: The government announced in 1986 or 1987 that Medicare is facing a dcficit of $20 billion as its costs rise past $100 billion a year and revenue from the Social Security tax rises at a lesser rate. An emergency cutback in services is proposed. The sick and elderly will be interviewed on the evening news, telling how they are being turned away from doctors' offices and hospitals. Tears will be shed on the floor of the House and Senate as members vote for a major increase in Social Security taxes to save Medicare.

That, more or less, is the formula for crisis management in Washington. This time around, it would be refreshing if the administration and Congress would explore the possibilities of crisis-avoidance. There is no great mystery about what has gone wrong with Medicare, so there is no reason to wait for the bubble to burst.

Rep. Claude Pepper, D-Fla., is proposing that a bipartisan commission be assembled to recommend options for Medicare reform in the manner of the commission that offered solutions to the Social Security crisis last year. President Reagan should give the proposal serious consideration. A commission appointed now could do its work during the 1983-84 hiatus on political discussion of the Medicare problem. Either Reagan or a successor could use the commission's study and recommendations to begin working with Congress in 1985 to avert the Medicare deficits otherwise due by 1988.

Such a study would deal primarily with issues of policy—what Medicare would promise to its clients and how the program would be financed. Part of the problem is that when Medicare was conceived as an insurance program in 1966, no one anticipated the effect that new technologies would have on the cost of medical care. Drugs, for instance, were being used to treat heart conditions now treated with $20,000 bypass operations or $10,000 pacemaker implants. A major public debate may be in order to reach a new consensus on what level of medical care tax-supported programs like Medicare should undertake to provide.

But some of Medicare's problems need not wait for future policy decisions. Fraud, waste and abuse are said to be eating up $7 billion of the $57 billion being spent on Medicare this year. The inspector general of the department of Health and Human Services is relying on 90 investigators to monitor not only Medicare but all other health and welfare programs in the department. It is no wonder that unprincipled doctors and other health care professionals have easily milked the Medicare system with outrageous claims.

Ironically, Medicare is one of the most praiseworthy programs undertaken by our government on behalf of the people. It has relieved millions of aging Americans of the fear of being unable to cope with the cost of illness on their retirement budgets. There is no reason why a country as rich as ours cannot provide this peace of mind to its elderly citizens.

Medicare is running afoul of maladministration and greed. Those conditions are not incurable. The best way to save the patient is with a reform effort beginning now—free of the pressure of a "crisis" that is otherwise bound to occur.●

CELEBRATING ATLANTA'S SCHOOLS

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. FOWLER. Mr. Speaker, in 1980, the superintendent of the Atlanta City schools, Dr. Alonzo Crim, set an ambitious goal for our public schools—to bring 50 percent of Atlanta students up to national reading and math averages by 1985. I am delighted to report to you that this goal has already been met, 2 years ahead of schedule.

I want to congratulate Dr. Crim for his vision and his dedication in reacting this goal. Dr. Crim instituted a pupil progression program which could certainly be a model for other school systems, particularly since it has proven so successful in Atlanta. The program requires that students in the first three grades demonstrate mastery of basic reading and math skills before being promoted to the next grade. Each year another grade will be added until all 12 are in the pupil progression program.

Dr. Crim readily admits that "we still have a long way to go" but under his leadership we have already come a long way in improving education in the Atlanta City schools, and we are most appreciative of his continued efforts.

I commend the following editorial from the Atlanta Constitution to my colleagues' attention as it explains in more detail the programs that Dr. Crim has instituted in Atlanta and that have proven so successful.

[From the Atlanta Constitution, June 9, 1983]

CELEBRATING ATLANTA'S SCHOOLS

Atlanta Schools Superintendent Alonzo Crim has got a lot to celebrate, and all of Atlanta along with him. The ambitious goal Crim set in 1980—to bring at least half the public school students in Atlanta up to national reading and math norms by 1985—has been achieved, two years ahead of schedule.

Half of those who took the California Achievement Tests last month scored at or above the national average.

To some, it had seemed an overly ambitious agenda for a predominantly poor student body back in 1980, when most of the Atlanta children taking the California Achievement Tests scored below the national average; fully 69 percent failed to meet the national norm in reading, 67 percent in math.

But Crim, himself the product of inner-city schooling, on Chicago's West Side, never doubted that it could be done. Though his father never made it past the eighth grade, Crim holds several advanced degrees, including a Ph.D. from Harvard. And, he is fond of telling skeptics, "What I learned, other poor black children can learn."

The latest CAT results—showing 50 percent in Atlanta Achieving at or above the national average in reading and 55 percent at or above the national average in math, after three years of steady progress—tend to bear him out. They show that "we can achieve what any students anywhere can achieve," Crim said.

Much of the credit can be traced to the "pupil progression" program he fought for and instituted, requiring children in the first three grades to demonstrate mastery of basic reading and math skills before being promoted to the next grade, next year, fourth-graders will be added to the program, with a grade to be added every year until all 12 are included. Crim also saw to the opening of reading and math centers for teachers in Atlanta, which has led to a crop of better-trained instructors.

But, as he himself maintains, "This is just the beginning."

Indeed, as exhilarating as the results may be, Atlanta still trails much of Georgia, as measured by standardized achievement test scores. And despite their progress overall, Altanta students continue to fare poorly at the high-school level, only 28 percent of our 11th graders reached the national norm. The trick now is to sustain the achieve-

ments of elementary-school students as they move through all grades.

Finally, it's worth remembering that, for the individual, performing at the "national norm" is nothing to brag about. It's the level of the average student, not the superior one. Put a different way, 72 percent of our 11th graders—almost three out of four—are performing at below-average levels.

Clearly, Atlanta's public schools and Crim, their most ardent champion, have come a long way. And just as clearly, as Crim himself has observed, "We still have a long way to go—at the high-school level."●

COMPREHENSIVE TEST BAN

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. EDGAR. Mr. Speaker, the House has approved a nuclear freeze resolution by almost a two-thirds majority. The public clearly wants an end to the nuclear arms race. Meanwhile the Governments of the United States and the Soviet Union continue to build up their arsenals. Each side fears that the improvements in weapons systems that the other side may make will result in a dangerous imbalance. I use the word "improvements" with a measure of irony.

There is available to us and to the Soviet Union an agreement that is achievable and that would be simple and effective. A comprehensive test ban would go a long way toward curbing the nuclear arms race and would contribute greatly to international stability and security. A few years ago a comprehensive test ban treaty was within the reach of American and Soviet negotiators. I am confident that if we approached the subject seriously again we could achieve a ban on all testing of nuclear weapons. Indeed, of all the parts that make up a nuclear freeze, a comprehensive test ban is the closest and most achievable now.

One of my constituents, Mr. Clifford Weil, has brought to my attention an article by Dr. Glenn T. Seaborg supporting a comprehensive test ban. Dr. Seaborg is one of our Nation's most distinguished scientists. He is a winner of the Nobel Prize and a person to whom scientists and policymakers often turn to for advice. This article appeared in the June 13, 1983, issue of Chemical and Engineering News.

I urge my colleagues to read Dr. Seaborg's article and then to consider supporting House Joint Resolution 13 offered by Mr. BEDELL. It is an excellent and very important resolution.

LETTERS: SEABORG PROPOSAL: SUPPORT A COMPREHENSIVE TEST BAN

SIR: I urge all who wish early progress in nuclear arms control to throw their support behind a comprehensive test ban (CTB) as the simplest and quickest way of moving forward.

A CTB would have great benefits to the U.S. in slowing and reversing the nuclear arms race, in strengthening international efforts to prevent further proliferation of nuclear weapons, and in providing new momentum in arms control negotiations.

A CTB would halt that aspect of the arms race that is most threatening, the qualitative improvements in nuclear weapons. Such improvements in nuclear weapons continue to make them ever more dangerous. Improvements in defensive weapons might tempt either side to launch a first strike on the assumption that this can be done with relative impunity or needs to be done before the other side achieves an effective defense.

A CTB is absolutely essential if the tenuous nonproliferation regime now in effect is not to unravel. At the insistence of nonnuclear weapon states, the superpowers pledged in both the Limited Test Ban Treaty of 1963 and the Nonproliferation Treaty (NPT) of 1970 that they would move earnestly and quickly to the negotiation of a treaty to end all nuclear testing. The fact that they have not followed through on these pledges is repeatedly called to their attention, as, for example, when they try to enlist new adherents to the NPT. More frightening is the rising tide of revolt on this issue among those who have signed. At the last (1980) NPT Review Conference dissension was so rife that it proved impossible to issue the customary communique at the end of the meeting. A clear warning was issued that if, by the time of the next Review Conference in 1985, there has not been very substantial progress toward a CTB, withdrawals from the NPT could be expected.

A great virtue of a CTB would be its simplicity. The two sides would simply agree to stop testing. Negotiators for the U.S., U.K., and U.S.S.R. reported to the UN Committee on Disarmament in July 1980, that they had agreed on the main outlines of a CTB. It would rely on automatic seismic detection stations on the territories of the three powers, supplemented by a system of voluntary onsite inspections designed to ensure that any claim of a possible violation, or any rejection of such a claim, was based on serious information. Ultimate recourse to the U.N. Security Council was provided for in case disagreement persisted. What was lacking in 1980 was the political will to approve what the negotiators had agreed to. It is still lacking, and therein lies a task for those who would influence events.

As I have described in my book, "Kennedy, Khrushchev, and the Test Ban," negotiations for a CTB in the early 1960s broke down over U.S. insistence that obligatory onsite inspection was needed in order to be sure that the Soviets would not cheat. I think now, in retrospect, that even at that time we were wrong. The likelihood that the Soviets would have risked international censure by trying to cheat was very small when they could not have been sure of what we would detect. What they could have gained from the very small tests they might have sneaked by could not have affected the military balance. With each passing year since then, the ability to monitor compliance with a CTB has become more assured. At this time, tests above one kiloton have a high probability of being detected and identified, whether through seismic or satellite means, or through intelligence sources (see, e.g., Lynn R. Sykes and Jack F. Evernden, "The Verification of a Comprehensive Test Ban," Scientific American, October 1982, pages 47–55). Even more than in the 1960s, it seems unlikely today that the Soviets would take large political risks for the chance of making the insignificant military gains they could achieve through clandestine tests under a CTB.

By contrast with the simplicity of a CTB, modalities being negotiated for actual arms reductions are immensely complex. Even if an agreement were possible, it is likely to require years of negotiation—years during which new and more dangerous weapons could be fashioned to increase the planet's peril. The issues involved—whether to count missiles or warheads, whether to count British and French weapons on our side and weapons deployed in Asia on the other side; definitions of which weapons are to be considered strategic, intermediate, or tactical; how to deal with bombers and submarines; how to count the various categories and how to define equality; how to define a new, versus an improved, weapon—are brainbusting, approaching the metaphysical, requiring extended argument just to define the questions. Obviously, these obstacles must ultimately be overcome and nuclear arms reduction must be achieved if the preservation of human life is to be assured. In the meantime, let's proceed with the easily understood and quickly attainable goal of CTB. It can prevent the current situation from becoming much worse.

The concept of a mutual nuclear freeze seems simple enough, but the requirement that there be verification procedures inside the other country poses great difficulties. Like arms reduction, a comprehensive freeze would require extensive and elaborate negotiations involving several teams of negotiators over a period of years. It seems unlikely that it can be negotiated if one side considers itself inferior and, in the crazy mathematics of the arms race, it is highly likely that one side or the other will consider itself inferior.

As an objection to the CTB, it has been argued that "prooftesting" of weapons in the stockpile is needed from time to time to assure that they remain operable. Those who offer objections of this sort ignore the fact that any inconvenience we suffer under a CTB would be visited also on our adversaries. In contradiction to this objection, moreover, Norris Bradburg, former director of the Los Alamos Laboratory has stated: "The assurance of continued operability of stockpiled nuclear weapons has in the past been achieved almost exclusively by nonnuclear testing—by meticulous inspection and disassembly of the components." One should be quite clear about this: It is improvements in nuclear weapons that require testing and the aim of a comprehensive test ban is specifically to prevent or impede such improvements.

The benefits of a CTB far outweigh the risks. If we had been able to negotiate a CTB with the U.S.S.R. in 1963, when it was necessary to settle for a Limited Test Ban, we and the rest of the world would be much better off. We are negotiating today at a higher and more dangerous level. It would be to our great advantage to achieve a CTB now before we proceed to an even higher and still more dangerous level.—GLENN T. SEABORG, Lawrence Berkeley Laboratory, University of California, Berkeley.●

DONATIONS OF SURPLUS FOOD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. STARK. Mr. Speaker, there are hundreds of thousands of hungry people in this country, yet the administration is hoarding mountains of surplus food—reluctant to give it away because it might slightly depress the sales of such products as processed cheese.

Over the winter, the Government was giving away to the needy about 50 million pounds of cheese per month. But this spring, the Department of Agriculture announced that it had received complaints from various cheese companies that these donations were depressing cheese sales—and therefore they cut back on the donations to about 25 to 30 million pounds per month.

I have asked the Department for the evidence it received that the donations were hurting the Nation's cheese companies. The few letters and oral complaints that the Department received were very nonspecific. The Department furnished a graph showing that during the period when donations increased, sales were down. But the Department failed to provide any price data—but then what do you expect from supply siders?

It is probable that increased donations would lead to some decline of sales, but I believe that the price data shows that cheese prices increased absolutely and relatively compared to a number of substitute products such as ground beef, pork, poultry, and eggs. A smart shopper—and those who are counting every penny—would have found over this winter that cheese became much less of a bargain compared to eggs and pork. Between the fourth quarter of 1982 and the first quarter of 1983 (taking averages for each quarter), cheese increased by 0.8 CPI points, while pork declined 1.9 points, and eggs 2.2 points.

In short, the Department's lack of serious economic analysis determining why cheese sales declined is—because it ignored price changes—as full of holes as a swiss cheese.

I simply do not believe that all of the decline in cheese sales this winter can be attributed to the disposal program.

What is clear is that the taxpayer is spending $55 million per year—about half of this on cheese—storing dairy products, while millions of our fellow citizens go hungry.

The cavalier and extremely shoddy analysis of changes in sales offered by the Department is simply an example of this administration's approach to the poor. The whole episode smells like limburger.●

BACKGROUND DOCUMENTS ON NICARAGUA

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. McEWEN. Mr. Speaker, for the further benefit of my colleagues in their ongoing consideration of unfolding developments in Nicaragua, I am today submitting the last of certain documents consisting of statements before the United Nations by Ambassador Jeane J. Kirkpatrick. These observations which were presented on April 2, 1982, in the Security Council, I feel, have lasting value for the debate in this House.

The commentary follows:

STATEMENT BY AMBASSADOR JEANE J. KIRKPATRICK

As this discussion of Commander Ortega's letter to the Security Council draws to a close, I should like to make several observations concerning his complaint against the United States, and also concerning the debate that has taken place in this Chamber in the past days.

First, I desire to reiterate that the great fear cited by Commander Ortega that the United States is about to invade Nicaragua is groundless. The United States has no intention of invading Nicaragua or anyone else. I have already emphasized the Sandinista leadership's past misunderstanding of the attitudes of the U.S. government. I desire to reiterate once again that the U.S. government did not attempt to prevent the Sandinistas' accession to power. It helped them. The United States did not attempt to prevent their consolidation of power; we helped them. The United States did not oppose their efforts to reconstruct Nicaragua's economy; we helped them. The record concerning U.S. economic assistance—direct and indirect—to the government of Nicaragua is clear. There is no need to labor it. I shall not do so.

Second, I have also reiterated the attachment of my government to the principles of nonintervention in the internal affairs of other states; our respect for territorial integrity and national independence; the peaceful settlement of disputes and to those principles of the U.N. Charter that govern the use and non-use of force. Obvioulsy, none of this means that the United States renounces the right to defend itself, nor that we will not assist others defend themselves under circumstances consistent with our legal and political obligations and with the Charter of the United Nations.

Unfortunately, not all governments which have participated in this debate are equally attached to principles of non-use of force, respect for territorial integrity or national independence. There is an interesting correlation between the nations who have supported Nicaragua's complaint against the United States and those who opposed the resolution calling for withdrawal of Soviet troops from Afghanistan.

The principles of nonintervention and respect for national independence cited in this debate did not lead Angola, Cuba, the German Democratic Republic, Grenada, the Lao People's Democratic Republic, Libya, Madagascar, Mozambique, Seychelles, the Syrian Arab Republic, the Soviet Union, or Vietnam to join 116 other nations in calling for an end to the occupation of Afghanistan. All those nations opposed the Afghanistan resolution.

Zeal for national independence and noninterference did not move the governments of Algeria, Benin, the Congo, India or Uganda to seek an end to the occupation of Afghanistan. All abstained.

It is not, moreover, only the national independence of Afghanistan which inspires so little response from among those who have expressed solidarity with these principles in the last few days: Neither Angola nor the Congo, nor Cuba, nor the German Democratic Republic, nor Grenada, nor the Lao People's Democratic Republic, nor Libya, nor Mozambique, nor Seychelles, nor the Soviet Union, nor Vietnam, Algeria, Benin, India, Madagascar, Mexico, Panama, Uganda, Tanzania nor Zimbabwe was moved by these principles to support the call for an end to the continuing military occupation of Kampuchea.

Will members of this Council be surprised to be reminded that the government of Nicaragua was itself not prepared to extend to the people of Afghanistan and Kampuchea the rights to peace, national independence and territorial integrity it seeks for itself now? Nicaragua supported neither the resolution calling for an end to the occupation of Afghanistan nor Kampuchea.

This sort of selective invocation and application of universal principles does not strengthen either the principles or the organizations dedicated to their realization and implementation. It breeds cynicism. It harms the United Nations. It mocks the search for peace.

Third, I desire to clarify the position of my government with regard to the jurisdiction and role of the United Nations and regional organizations. Despite efforts by the government of Nicaragua to indicate otherwise, it should be clear that the United States government believes that any member state has the right under the Charter to bring an issue before the Security Council which seriously threatens international peace and security. As members of the Council know, the United States did not oppose Commander Ortega's request to present an exposition to this Council, even though we were objects of that complaint. But while the Charter grants that right to all members, it is equally clear that the Charter encourages the resolution of disputes through regional arrangements.

The Charter of the United Nations contains a chapter relating expressly to regional organizations. Paragraphs 2 and 3 of Article 52 of the Charter contain the explicit provisions designed to encourage resolution of regional disputes in the relevant regional organization. These paragraphs read as follows:

"2. The Members of the United Nations entering into such arrangements or constituting such agencies shall make every effort to achieve pacific settlement of local disputes through such regional arrangements or by such regional agencies before referring them to the Security Council."

"3. The Security Council shall encourage the development of pacific settlement of local disputes through such regional agencies either on the initiative of the states concerned or by reference from the Security Council."

Those who attempt, as the government of Nicaragua has attempted, to describe the legal obligations of Members of the regional organizations without reference to these

provisions ignore inter alia fundamental provisions of the Charter. It is an elementary rule of interpretation of treaties that effect must be given to all provisions of the Charter—ut res magis valeat quam pereat. In this context it is worth recalling Article 2, paragraph 2 of the Charter which requires good-faith fulfillment of the obligation assumed by each and every member. Ignoring the existence of undeniably relevant provisions of the Charter would appear to raise serious questions.

Nicaragua's studied avoidance of those provisions in a long communication ostensibly devoted to an analysis of the subject demonstrates not only that its concern is less with law than with politics, but that it is prepared to seek political advantages even at the price of serious legal distortions.

Unfortunately, there have been other evidences, inside the Chamber and outside it as well, that the government of Nicaragua is less concerned with rights than with advantages.

Its failure to support the national independence of the peoples of Afghanistan and Kampuchea; its continuing efforts to undermine and overthrow neighboring governments, especially El Salvador; its importation of heavy offensive arms; its militarization of Nicaraguan society—all establish that we are dealing here with a government that seeks for itself rights it is not willing to grant others.

Nicaragua invokes the principle of nonintervention but claims the right to intervene in the internal affairs of neighboring states.

Nicaragua demands that others respect its national independence but does not respect the sovereignty or right to national self-determination of its neighbors.

Nicaragua claims the right to seek advisers and arms wherever it chooses—as an exercise of its sovereignty—but would deny its neighbors the same right.

Nicaragua claims the right to live in peace while fomenting internal war in neighboring countries.

The facts, as I stated last week, are that the government of Nicaragua is an active party to a massive intervention in the affairs of her neighbors. The government of Nicaragua is engaged in training guerrillas, directing command-and-control centers. It is involved in infiltrating arms and guerrillas, destroying electric power stations, blowing up bridges, terrorizing civilians. Her leaders come before the Security Council of the United Nations seeking international protection for these activities.

The government of Nicaragua espouses and practices a very particular conception of nonintervention, a very particular conception of non-alignment; the kind that, in the end, saps the meaning and power of both.

The latter Mr. Daniel Ortega Saavedra, and the Security Council debate that it has prompted, remind me of a statement by the late French philosopher George Bernanos, who once said that "the worst, the most corrupting of lies are problems poorly stated." Mr. Ortega states "the problem" as having to do with the danger posed by the United States to the independence and sovereignty of the countries of Central America. This definition of the problem merely obfuscates the real issue that is at stake in Central America, which is a conflict between two concepts of organizing society, two ideologies—if you will—one democratic and the other totalitarian.

The elections held Sunday in El Salvador symbolize one of these approaches—the democratic one—while the Nicaraguan regime's systematic refusal to hold elections symbolizes the other—totalitarian—approach.

That election, with its enormous turnout of voters was a tribute to the Salvadoran people and to the vitality of the democratic idea.

What a stolid, courageous, unflinching people these Salvadorans are! Despite the possibility of massive violence at the polling places and threats of retaliation by guerrilla forces against voters the Salvadorans still voted in huge, unprecedented numbers. Why did they do so?

In Monday's Wall Street Journal, there was an interview with one of these voters, Ana Maria de Martinez, who "was typical of some voters who thought they would beat the crowds by showing up early at the polling stations. This mother of two children got to the National Technical Institute, a polling place, around 5 a.m. But so did a lot of other people, and by 9 a.m. she was still two blocks from the gate entrance. 'I'll wait here all day if I have to,' she said, fanning her face with her wallet. 'The rest of the world seems to have made decisions about El Salvador. Now it's my turn.' "

Some people said that free and fair elections could not be held in El Salvador. They were wrong.

But there were others who have been against elections in principle, regarding them as a tool of the bourgeoisie and a misrepresentation of the popular will which could best be expressed through armed struggle. In Salvador this view, preferring the bullet to the ballot, is held by the various guerrilla factions whose coordinating front is appropriately named after Farabundo Marti, the Salvadoran Communist. One of these guerrillas, Commandante Ana Guadalupe Martinez, is quoted in this week's issue of the Economist of London as saying that "Elections are there to ratify a popular government. . . . If laws exist which represent the people, elections are not very important."

The idea that the will of the people can be better expressed through a revolutionary elite than through free election is, of course, a fundamental tenet of Leninism. It is, I need hardly point out in this forum, fundamentally at variance with Article 21 of the Universal Declaration of Human Rights which states:

"The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures."

The FMLN is not the only element in Central American politics that opposes free elections as defined in Article 21 of the Universal Declaration of Human Rights. The Sandinista leadership also opposes such elections. Indeed, they have called the Salvadoran election "an absolute denial of democracy and civilization." They did not always speak thus. One month before achieving power, in June 1979, when they were still seeking supporters, the Sandinistas promised the Organization of American States that they would hold free elections when they assumed power. Once in power, however, they quickly reneged on that promise.

In the spring of 1980, the Sandinistas consolidated their control over the Council of State, enlarging it and packing it with their own supporters to ensure a permanent majority. In July 1980, Sandinista Defense Minister Humberto Ortega announced that there would be no need for elections since the people had already "voted" during the revolution. Elections could not be held, it was said, until the people had been "re-educated."

The following month, in August 1980, Humberto Ortega announced that elections would be put off until 1985. Even then, it was stated that these would not be "bourgeois" elections—the kind of elections, that is to say, called for in the Universal Declaration, but rather "people's elections" in which, in the words of Interior Minister Tomas Borge, power "will not be raffled off." Meanwhile, no "proselytizing activities" on behalf of any candidate, no discussion of candidacies would be permitted before candidates were officially designated by an electoral agency which itself would not be created until 1984. Violations would be punished by terms of three months to three years in jail.

Meanwhile, vigilante mobs have been encouraged to intimidate the opposition. The MN and the Social Democrats, two of Nicaragua's principal opposition parties, have repeatedly been the victims of semi-official mob violence. In a speech delivered last fall, Humberto Ortega stated that the Sandinista regime is "guided by scientific doctrine, by Marxist-Leninism" and threatened to hang dissenters against the regime's policies "along the streets and highways of the country." Shortly thereafter, four Nicaraguan business leaders who signed a letter protesting against this speech were arrested and sentenced to seven months in prison.

The Sandinistas' description concerning elections is part of a larger policy of revolution by obfuscation. They have pretended to be democrats. For a long time they pretended not to be Marxist-Leninists, and today they pretend there is no contradiction between Sandinism and Marxism-Leninism.

As those familiar with the history of Augusto Cesar Sandino know, his nationalism provoked suspicion and criticism from those who supported submission to Moscow's so-called internationalism. His desire for "absolute sovereignty," for a "free country" and for leaving the solution of economic and social problems to democratic decision was naturally rejected by Communists as bourgeois and counter-revolutionary. The Communist attacks against Sandino, therefore, began when he was in Mexico. Because he refused to adjust his fight for "Country and Liberty" to the plans of the Mexican Communists, the Secretary-General of the Mexican Communist Party called him a traitor and denounced him upon his death.

It is particularly instructive, in light of the different attitudes toward free elections today in El Salvador and Nicaragua, to contrast Sandino's views with those of Jose Agustin Farabundo Marti, the leader of the Salvadoran Communist Party who joined Sandino's struggle for a time but was eventually sent home because of his Communist ideology. "My break with Sandino," he said, came about "because he did not wish to embrace the Communist program which I supported. His banner was only for independence, a banner of emancipation, and he did not pursue the ends of social rebellion." Years later, this account was confirmed by Sandino himself who said that "On various occasions attempts were made to distort this movement of national defense, converting it rather into a battle of a social character. I opposed this with all my strength."

In its effort to consolidate totalitarian power at home and mortgage the national

independence of Nicaragua to Moscow and Havana, the Nicaraguan regime stands squarely in the tradition of Farabundo Marti whose descendants, acting in that tradition, tried unsuccessfully to sabotage through violence the free elections in El Salvador and who, if they came to power, would adopt the same contemptuous attitude toward free elections that those who call themselves Sandinistas have adopted in Nicaragua.

It is hardly a coincidence that many of the countries who have supported Commandante Ortega's letter in the course of this debate share his regime's principled opposition to free elections. These countries include Cuba, Vietnam, Angola, the Soviet Union, Laos, Mozambique, Grenada, Iran, the German Democratic Republic, and Poland. In none of these regimes, which call themselves "people's democracies," are governments chosen by or accountable to the people. All of them oppose—because they fear—the free expression of the will of the people through free elections as called for in Article 21 of the Universal Declaration of Human Rights.

I have already expressed to the Council my government's surprise at Nicaragua's decision to bring its complaint to the Security Council at precisely the moment when there seemed to be progress toward direct negotiations among the nations most directly involved. We have noted as well that this is not the first time that U.S. initiatives aimed at resolving disputes have been met by deliberate escalations.

Why did the Nicaraguans come, at this time, to this forum, with their harsh rhetoric and wild charges? To distract attention from El Salvador's elections? If that was their purpose then they have failed.

To distract attention from the intensified repression going on in Nicaragua since the government declared an "emergency"? If this was their purpose they have largely succeeded. Not much note has been taken here of the new repressive measures aimed above all at the press. Yet strict prior censorship has prevented the appearance of La Prensa, which is not only prohibited from printing news on a great many subjects, but has also been forbidden to print blank spaces. Even the pro-Sandinista El Nuevo Diario ran afoul of the censors vague standards and strict enforcement. A twenty-four hour suspension was imposed after it announced the government had declared a state of seige.

It has been suggested, too, that Nicaragua's complaint here merely reflects a (not unwholesome) desire to let off steam and express its frustrations at having a superpower for a neighbor. But this is a serious international forum, not a Turkish bath. It had also been suggested that being the object of such a complaint is a kind of occupational hazard of superpowers; that this complaint is analogous to that made against the Soviet Union on Afghanistan. An analogy would exist, we are quick to note, only if the United States had forcibly eliminated the government of Nicaragua, shot its chief of state and moved in one hundred thousand combat troops to subdue and occupy the country. But, of course, my government has no intention of doing any such thing.

We desire to live at peace with all our neighbors. We shall continue our efforts to develop a constructive relationship with the government of Nicaragua. Secretary of State Alexander Haig has made clear that we are prepared to work on the basis of mutual respect to that end.

Various proposals have been offered for conciliation among the nations of the region and the hemisphere. The United States, interested in the constructive resolution of tension and conflict, remains ready to do its part to ensure peace in the region and to enhance the prospects for democracy and development for all our people.●

CONCERN FOR COASTLINES CITED BY CONSTITUENT

HON. CHARLES WHITLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. WHITLEY. Mr. Speaker, one of my constituents, Miss Donna Hyde of Rocky Point, N.C., has asked that I have the following speech which she made recently inserted into the CONGRESSIONAL RECORD. This speech concerns the continuing development of our coastlines, and I am pleased to offer it for the consideration of the House:

The erecting of large buildings on the immediate coastline reveals an extreme lack of foresight. Aesthetic value depreciates considerably and the natural landscape is disrupted. In the event of a flood or storm, or simply progressive erosion, the expense to the taxpayers is manifested in flood insurance subsidies, tax deductions, disaster relief and rebuilding of utility lines and roads.

An alternative, now under consideration, is to allow the construction of small mobile buildings that can be re-situated with the altering coastline. Along with this, large-scale development on North Carolina's barrier islands would be drastically reduced. The construction of larger buildings would be restricted to within a reasonable distance of the ocean, and would still allow an appreciable view.

Our beaches will be a source of future enjoyment, if the time and planning we devote to our state's valuable coast is unstinting and farsighted.●

FRANK HEWLETT, REPORTER FOR UTAH PAPER

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. PRITCHARD. Mr. Speaker, on July 7, Frank Hewlett died, and all of us in the Congress who knew Frank certainly want to extend his family our deepest sympathy. Frank had an extraordinary career before and during World War II, highlighted by his being on hand to liberate his wife from a Japanese prison camp in the Philippines. Frank served as the Washington correspondent for a number of newspapers, and he always was a fair and objective reporter. I am pleased to include in the RECORD Frank's obituary notice which appeared in the Washington Post on July 9:

[From the Washington Post, July 9, 1983]

FRANK HEWLETT, REPORTER FOR UTAH PAPER

(By J. Y. Smith)

Frank West Hewlett, 74, the Washington bureau chief of the Salt Lake Tribune from 1958 until he retired in 1981 and a war correspondent who helped liberate his own wife from a Japanese prison camp in World War II, died July 7 at Northern Virginia Doctors Hospital. He had septicemia and pneumonia.

Mr. Hewlett, who lived in Arlington, was born in Pocatello, Idaho. He attended Idaho State University and began his newspaper career with the Idaho State Journal. He worked for several papers in California and in 1937 went to Hawaii to join the Honolulu Star-Bulletin.

In 1940, he became news editor of the Japan Times in Tokyo. Shortly thereafter, he went to work for the old United Press, now United Press International, in Manila. He was the UP bureau chief there when the Japanese attacked on Dec. 8, 1941.

Mr. Hewlett covered the fighting for Manila, the Bataan peninsula and Corregidor. He escaped from the Japanese, but his wife, the former Virginia Bryant of Danville, Va., was interned.

He received the National Headline Award in 1942 for his reports on the fighting in the Philippines. For the next two years, he was assigned to the war in the South Pacific and then transferred to the China-Burma-India Theater.

In the C-B-I, he covered the 5307th Composite Unit (Provisional), a force composed of volunteers from other Army units and trained in long-range penetration tactics. The unit was commanded by Frank D. Merrill, then a brigadier general, and played a prominent and dangerous behind-the-lines role in the campaign for northern Burma. Mr. Hewlett was credited with bestowing upon it its famous nickname, "Merrill's Marauders."

Late in 1944, Mr. Hewlett accompanied U.S. troops in the invasion of the Philippines at Leyte. When the fighting reached Luzon and Manila, he was with a column of the 1st Cavalary Division that liberated the notorious Santo Thomas prison camp on Feb. 4, 1945. Mrs. Hewlett was among its survivors.

After the war, Mr. Hewlett settled in the Washington area. He worked briefly for the Defense Department and Henry J. Kaiser, the industrialist. He returned to journalism and represented the Seattle Times, the Spokane Spokesman-Review, the Tulsa World, the Albuquerque Journal and the Guam Daily News before becoming bureau chief of the Salt Lake Tribune.

Mr. Hewlett was a former member of the Corregidor Memorial Commission and a chairman of the Standing Committee of Correspondents, which sets ground rules for covering Congress. He was a member of Sigma Delta Chi professional journalism society, and the National Press Club.

His wife died in 1979.

Survivors include a daughter, Norma Jean Hewlett of Cloverdale, Calif.; a sister, Mrs. Norman Lit Coster of Los Angeles, and two grandchildren.●

A MIRROR OF THE AMERICAN STORY

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. CORCORAN. Mr. Speaker, I am proud to share with my colleagues an article by Mayor Jeff Schielke of Batavia, Ill., on the occasion of that city's sesquicentennial. I have had the privilege of representing the "Windmill City," home of the Fermi National Accelerator Laboratory, since 1977 and have come to know her people well. They are a good people, in a good city, a city which is a "mirror of the American story."

[From Batavia (Ill.) Chronicle, Jan. 5, 1983]

BATAVIA: A MIRROR OF THE AMERICAN STORY

(The Batavia Chronicle asked Mayor Jeff Schielke, who is also one of the city's leading historians, for his views on the sesquicentennial. The following is his response.)

(By Jeffery D. Schielke)

As Batavia begins the celebration of its 150th birthday in the year 1983, it is important to reflect back to the tides of national history that have brought our city to its unique and enviable place in the modern world.

For in truth, if there ever was a community that was a mirror of the American story, it is Batavia, Ill.

Settled in 1833 by a daring pioneer bearing the name of Christopher Columbus Payne, Batavia's founding thus came about via a man whose namesake was another earlier pioneer who is generally credited with discovering the New World from which America emerged.

The early days of life in Batavia were in the grandest traditions of the famous American frontier. Payne found on his arrival that the area was populated with Indians.

The early settlers who followed him were one of the most diverse collection of immigrants, mountain men, explorers and eager politicians to congregate in one small town at one time.

Many of these pioneer types had literally heeded the advice of the time proclaimed by New York newspaper publisher Horace Greely to, "Go West, young man!"

Thus as Batavia was being settled, its parent land of America was quickly coming to the realization that its last remaining growth lands were to be found in the West.

Like the bloodlines of its American parent, the small city soon became home for people of all races, religions and creeds. For decades following its settlement, strong accents of Swedish, German, African and Irish heritage flavored the life of Batavians.

It was by every measure a community, which like America, opened its arms to all—young and old, rich and poor. This richness of diverse community background stood the town well and served to foster a model of civic human relations that still continues strong a century and a half after birth.

As the town took its own identity and character there remained a common community commitment to retain, above all else, a genuine American identity.

The early streets in town were named in honor of famous Americans of the day, and flagpoles were said to be more prominent in display than were advertising signs.

Churches of all denominations opened their doors and many were found to be stronger than ever a hundred years later.

The community in general took on a strong family orientation, a trait that lives on to this day.

The library became a focal point of civic life, and a pledge for a strong public school system was a treasured civic oath.

Batavia, and its role as a mirror of America, grew stronger and stronger with the passage of time. Those ideals that had made America strong now served to make Batavia strong.

As the decades of community life tallied past the century mark in 1933, our town began to fully appreciate and realize that our most basic strength lay in the ideal that while as a city our watchword was "progress," we should never allow "progress" to erase the flavor of small-town America that has lived on in Batavia these many years.

Today, Batavia is a community where its stardom has placed it in the middle of the American dream.

From its featured appearance on the front cover of the very much American magazine The Saturday Evening Post, to the cheers for its native son Ken Anderson quarterbacking in the 1982 Super Bowl, Batavia has gained the reputation far and wide as the American city.

Our town, in the traditions of Sinclair Lewis, Norman Rockwell, Mark Twain and all the other very American types, has made quite a name for itself as it has traveled a parallel course with American history.

Today, with growth from other cities surrounding us on three sides, one need only stand on the H.C. Storm School playground and view the fair meadows that stretch westward from this point to realize that Horace Greeley's pronouncement of "Go West" still applies to Batavia.

Yes, the mirror of America is brighter than ever.●

AMERICAN POLITICAL SCIENCE ASSOCIATION ANNIVERSARY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. SCHROEDER. Mr. Speaker, I would like today to congratulate the American Political Science Association on its 30th-year anniversary. The nonpartisan group has sponsored a fellows program that allows men and women to barter their professional skills for a year-long look inside Congress.

Since 1953, 1,075 journalists, political scientists, doctors, lawyers, Federal executives and professionals from the United States and other nations have worked for Members of Congress or on committees and subcommittees.

Fellows spend almost a year in Congress—one half in the Senate, the other on the House side. They research and draft legislation, write speeches and press releases and organize hearings.

The purpose of the program is to give professionals the insight to teach, report, write, lobby, and toil with greater awareness of Congress when they return to their professions.

Congress is a complicated institution. The more it is understood, the better. The congressional fellowship program has strived for 30 years to make Congress understandable to the people who teach and write. My congratulations.●

NEW IRELAND FORUM

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. FEIGHAN. Mr. Speaker, the situation in Northern Ireland today is at a significant crossroads. There is now a historic opportunity for constructive and bold steps toward peace, if all sides have the courage and wisdom to seize it. If not, there are surely worse horrors to come.

Recent events in England and Ireland signal either a new horizon or a false dawn. This past November, one in every three Irish Catholic voters in the North voted for candidates supportive of the IRA and its campaign of violence. Last week, the IRA's political arm, Sinn Fein, won a seat in the British Parliament and a large slice of the popular vote in the first British general election it has contested since the violence reignited 14 years ago. Gerry Adams, vice president of Sinn Fein, won the seat for West Belfast by ousting Gerry Fitt, a moderate Catholic member of Parliament. Mr. Fitt, a staunch opponent of the IRA, conceded, "Gerry Adams speaks now with the authentic voice of the Catholic people in Northern Ireland. They now endorse the men of violence."

I do not believe the Catholics were endorsing the men of violence, any more than the British voters endorsed Margaret Thatcher's policies. The election victories of Margaret Thatcher and Gerry Adams were, I feel, largely due to widespread voter dissatisfaction with the general performance of the opposing candidates, Labour Leader Michael Foot and Independent Socialist Gerry Fitt. Both were seen by voters as political failures whose policies of the past offered no hope for the future. The Catholic voters, like the British voters, may have had grave doubts about the candidates for whom they voted, but they had little alternative open to them. Gerry Fitt hoped for and pursued an internal solution, but he failed to deliver change in Northern Ireland. Every attempt to patch up the old system by pursuing an "internal solution" has failed—from Sunningdale in 1973 to the new Northern Ireland Assembly last year, attempts have been made for an internal solution within the shattered framework of Northern Ireland poli-

tics. But in each instance, the efforts were predictably doomed to failure.

Anyone who dared talk of a united Ireland a few years ago was generally accused of supporting violence in Northern Ireland. Today, unification—the only possible solution—is being discussed. I believe in the objective of a united Ireland, not because I am an Irish American with romantic attachment to that ideal, but because I fervently believe that only a united Ireland, by agreement, can eventually lead to a solution and permanent peace in Northern Ireland.

One of the most positive events to take place in Ireland in many years took place in Dublin last month. Nationalist leaders from the Republic of Ireland and Northern Ireland met to discuss the difficult task of designing a political framework for Irish unity. Speakers included John Hume, the Social Democratic leader who last week won a seat in the British election; Prime Minister Garret Fitzgerald of Ireland; and two other political leaders in the Republic, Charles Haughey of Fianna Fail (Feena Foil) and Dick Spring of the Labour Party. This New Ireland Forum agreed that the only way to end the conflict in Ulster was to find a way to end the 60-year-old partition of the island. Partition created a state inherently sectarian and unstable, and, as a result, outbreaks of violence have occurred in almost every decade since the state was established. It has existed until now only through outright disciminination in political representation, employment and housing, coupled with sectarian and oppressive policing and an unjust judicial and prison system. Ulster has been held together by the flagrant abuse of democratic rights and principles and by the use of military force. Ulster has never had the stamp of legitimacy.

The object of the New Ireland Forum is to set down in clear terms to the Protestant majority in the North what Nationalists mean by "Reunification." The majority in the North have never been informed as to the terms of the possible links to England or to the Republic of Ireland. The Forum offers only one shade of opinion, the Nationalist one. It would be greatly enhanced if the leaders of the British Government and the protestant majority in the North had the courage to embrace this opportunity and give Irishmen—Protestant and Catholic, Unionist and Nationalist—a chance to opt for moderation.

There are those who argue that united Ireland is not the only road to peace, that there is some middle ground yet possible for Ulster. I believe that further temporary solutions are simply that—temporary—they can only compound the problem for future generations and lead to an even more horrible reckoning.

Finally, the landslide victory of Margaret Thatcher and her Conservative Government in England creates an historic opportunity for the British Government to bring the Ulster tragedy and the long and tragic entanglement of Ireland and England to a conclusion. However, if the Prime Minister's hard-line policies continue, policies which have only been strengthened by the smashing of the H-block hunger strike and the spirit of Goose Green, she may find that the cost of flying the Union Jack over a million and a half people in Ulster is just too bitter a pill for the British people to go on taking.

The British have, for the past decade, pursued a military solution while neglecting a political one. So-called initiatives and talks of power-sharing and devolved government are simply further temporary solutions.

Recently, Lord Gowrie, Minister of State for Northern Ireland, stated that "it's fundamentally an Irish problem," blandly minimizing his own government's involvement. The very fact that the British have involved themselves has been a stumbling block and major distoring factor. Their narrow-minded approach to the Northern Ireland situation as simply an "internal" problem has precluded broader discussions which might have hastened a solution.

The real question to be settled is not that of Northern Ireland. That was never the question; Northern Ireland was merely a partial and mistaken response to the greater question of the freedom and unification of all Irish people.

Sadly, the intransigencies of the two communities in Northern Ireland have been hardened rather than softened by 14 more bitter years of violence, misrule and missed opportunities. Thus, discussions of "unity" seems an even dimmer prospect. Yet, if Ireland is to cement permanent peace for future generations, unity with the Republic must be discussed, as well as all the arguments which are based on those fearful, ancient obsessions which created the anomaly of a separate six-county "state" in the first place. There are vast differences between the Ireland of 1920 and the Republic of Ireland today.

Realistically, the process of uniting Ireland will not simply be one by which the Republic to the south takes over the north.

Political discussions must concentrate on a new Ireland, one that reflects current social and economic factors and meets the legitimate interests of all sections of its population.

Finally, the reign of violence and terror that threatens decent human beings, Irish and English alike, must be ended. There is no easy and painless way to undo the past 60 years, not to mention the previous 800, but there are bold alternatives available if leaders on all sides have the courage to embrace them.

A new horizon or a false dawn depends on whether or not Britain can be made to see that new political arrangements are necessary in Ireland.●

AMERICAN SERVICEMEN MISSING IN ACTION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. PATTERSON. Mr. Speaker, for the friends and families of American servicemen missing in action in Southeast Asia, the tragedy of the Vietnam war continues today. In 1983, nearly a decade after the withdrawal of American troops from Vietnam, the fates of 2,491 American soldiers and civilians are still unknown.

Because of the widespread belief that the Communist countries of Indochina have not cooperated in efforts to account for the missing Americans, the U.S. Government has tied any improvement in relations with these countries to increased cooperation from them on this problem. As Chairman of the House Banking Committee's Subcommittee on International Development Institutions and Finance, I have a special interest in this issue because our law requires the American representatives to multilateral development banks to consider the responsiveness of the Governments of Laos, Cambodia, and Vietnam to American efforts to acquire information about the missing servicemen when evaluating their loan requests.

I raise this issue now because of recent reports about American diplomatic activity in Indochina concerning our MIA's. Secretary of State George Shultz recently accused Vietnam of holding the remains of several hundred MIA's. I am pleased to see this issue getting the attention of the highest level officials in the administration and I want to express my support for the efforts being conducted by American diplomats to find out more about the MIA's.

Private discussions now being held with Vietnamese officials concerning the MIA issue should continue wherever reasonable progress seems to be possible. Similar efforts with Laos appear to be making some progress. In the past year, Laos has allowed two delegations from the United States, one private and one public, to visit the country to find out more information about servicemen missing in action. This, to me, is a clear signal that our diplomatic efforts are having some effect and that the Communist nations of Southeast Asia are beginning

to understand that action on the MIA issue must precede an improvement in relations.

The administration is to be commended for its efforts to answer the remaining questions about the fate of Americans in Southeast Asia.●

A TRIBUTE TO HELEN GONYOU, STATE PRESIDENT, LADIES AUXILIARY TO VFW DEPARTMENT OF NEW JERSEY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. GUARINI. Mr. Speaker, it is my privilege to report the election of one of my constituents to the high office of New Jersey State president of the ladies' auxiliary to the Veterans of Foreign Wars of the United States.

My New Jersey congressional colleagues, no doubt, know of the great work of Mrs. Helen Gonyou of North Bergen. However, I wish to bring to the attention of the entire United States the patriotism of President Gonyou, her devotion to duty, and her remarkable organizational ability. Certainly, Helen Gonyou is on her way to national office.

Started in 1899, after the Spanish American War, the Veterans of Foreign Wars of the United States, with its 1.9 million members, is the Nation's largest veterans' organization. In New Jersey alone there are 71,441 members in the Veterans of Foreign Wars. These members have served in all of the conflicts America has been involved in from the Spanish American War to Vietnam.

The VFW's objectives are to insure the Nation's security, speed the rehabilitation of the Nation's disabled, care for needy veterans, assist the widows, orphans and dependents of disabled and needy veterans, and promote Americanism through education, patriotism and constructive service in the communities in which we live.

After my service in World War II aboard the U.S.S. *Mt. McKinley,* the flagship of the combat fleet in the South Pacific, I returned to my community to learn of the excellent job that the Veterans of Foreign Wars and other veterans' organizations did. For example, they obtained legislation such as the GI bill and low-cost VA loans for home purchases. This was accomplished through the organizational work of devoted people including Jim Fitzgerald, Sam Bardach, Charles A. Duffet, Jr., Frank G. Hahn, and other great veterans' leaders. Working closely with the VFW has been its ladies' auxiliary, which was organized and chartered in New Jersey on June 27, 1925. It now has 18,257 members. There are 668,243 members in over 7,000 auxiliaries throughout the United States and overseas.

The ladies' auxiliary's purpose is to assist the VFW organization with hospital visitations, and in the community helping our Nation's families enjoy a better way of life.

This remarkable national ladies' auxiliary made contributions of over $2 million in 1982 for cancer aid and research. They have, in 1981 and 1982, contributed auxiliary volunteer service exceeding 26 million hours, while contributing $30 million for service projects during the year.

Helen Gonyou was born and raised in the township of North Bergen. After graduating from Union Hill High School, she worked for the Sears-Roebuck Co. until she married Robert Gonyou of the U.S. Navy in 1953.

Helen is the daughter of Mr. and Mrs. John Kloser, members of the First Golden Age Club of North Bergen. She and Bob are the proud parents of three children, Keith, a fireman, Karen, who was recently honorably discharged from the U.S. Navy after service in Hawaii, and Kerry, a sixth grader at Horace Mann School.

Helen's spirit of services began while her husband was in service. She volunteered as a nurse's aid through the Union City Red Cross, and volunteered at the North Hudson Hospital. It was there that she became involved with the VFW, meeting a member of the Edward McDowell Post VFW Auxiliary No. 2648. She was urged to join, and did so in 1955.

Our new State president's trademark is her tremendous energy and organizational ability. A member of the Rosary Society and a choir member at Our Lady of Fatima Roman Catholic Church, she helped raise funds for the parish before the church was built and became Rosary president in 1971.

Helen taught OCD classes, was a Girl Scout leader and served as a representative to the Archdiocesan Pastoral Executive Council. She was president of the PTA for Horace Mann School in 1966 and president of the county PTA from 1976 to 1978.

A high point in her carreer was her selection in 1980 as a woman of achievement by the Jersey Journal.

She indeed has climbed the ladder in the ladies' auxiliary of the VFW, serving as president of the McDowell Post in 1961, 1966 and 1968. She was also elected as district 3 president for Hudson County, serving in 1968 and 1969.

Her rise to the presidency of the ladies' auxiliary of the State of New Jersey began in 1978 when she was elected guard. There she exhibited her selfless devotion and attention to mastering the responsibility of all her assignments in a competent and compassionate manner.

On June 18, 1983 Helen Gonyou was installed to the coveted position of State president of the ladies' auxiliary to the VFW. She will serve as its president for 1983 and 1984.

Not only are the VFW and the State of New Jersey fortunate to have Helen Gonyou's leadership, but indeed our entire Nation will benefit by her purpose. Mrs. Gonyou's goal is to reawaken Americans constantly, reminding them of the great privileges of freedom of speech, freedom of the press, and freedom of assembly.

Our VFW auxiliary president indeed has accepted the challenge of life. With the courage of her convictions and the strength of her character she has melded a life of service and patriotism. Her service to God and man has encouraged brotherhood in every path she has taken.

Her love has produced an excellent family, with her home full of affection and hope and trust.

Helen Gonyou believes that "America is a tune which must be sung together." She believes that America is the proudest and noblest and most exalted of all because it possesses the greatest number of truly great men and women.

Helen Gonyou knows America will go forward because of the willingness of the heart of its people.

Helen Gonyou believes in the following observation by an unknown author:

PRIVILEGE AND OBLIGATION

To millions of people all over the world America is a magic name. Here are schools, roads, parks, libraries, and playgrounds; peaceful living and the right to choose our jobs and plan our lives. Such an ample way of life we may too readily assume to be our national right. But every benefit, every right, was bought for us—at a price. When we think of the cost paid by our forefathers, we begin to realize that living in a great land is a responsibility as well as a privilege. As we share the experiences of Americans past and present, we may discover new reasons for wanting to keep our country the home of the brave and the free and the good.

It was my pleasure to have worked with Helen Gonyou in the recent past by providing, at the request of the ladie's auxiliary of the VFW, a slide projector for use as a teaching tool at Liberty State Park in Jersey City. I also had the privilege of working with the ladies' auxiliary during the Red Ribbon Campaign remembering the POW's and MIA's of the Vietnam conflict, and also during the 40th anniversary of Pearl Harbor ceremonies. At the Pearl Harbor ceremony, from my office, a wreath with flowers from veterans' organizations throughout the State of New Jersey was sent to Hawaii for placement at the naval shrine at Pearl Harbor by Lee Goldfarb, of the New Jersey Pearl Harbor Survivors' Association. Helen arranged for her daughter, who was on naval

duty at Barber's Point, Hawaii, to take part in the ceremony, linking the hearts and hands of the people of New Jersey and all America in honor of the December 7, 1941 anniversary.

Also attending Mrs. Gonyou's induction celebration are North Bergen Mayor Anthony Di Vincent and State VFW Commander Walter Merklin of Toms River. Attending from our Hudson County posts will be past State Commanders Hahn, Fitzgerald, and Duffet, past State Presidents Marjorie Hahn and Marion Glendenning, who was the last State president from Hudson County in 1968. District 3 Commander Frank Rzempoluch and President Vera Zmirich will also attend.

I am asking my colleagues here in the House of Representatives to join me in this well-deserved salute in the direction of Our Lady of Fatima R. C. Church auditorium on 81st Street and Kennedy Boulevard, North Bergen. On July 16, 1983, a homecoming celebration, sponsored by the Edward McDowell Post, will be held for Helen Gonyou by the more than 1,000 of her friends, neighbors and co-defenders of America's continuous fight for freedom and justice for all. Thomas and Lorraine Carli are chairpersons for the event.

Helen Gonyou has worked for and has earned the gifts of fortune, which money cannot buy, and without which money can buy nothing. She is rich in admiration—free from envy—she rejoices greatly in the good of others and works with generosity in her heart. The ladies' auxiliary of the VFW, Department of New Jersey is indeed fortunate to have her at the helm of its ship of state.●

CONGRESSIONAL SALUTE TO THE SHIRELLES, THE HIGHLY ESTEEMED AND TALENTED VOCAL GROUP OF THE ROCK AND ROLL ERA UPON THE CELEBRATION OF THEIR 25TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. ROE. Mr. Speaker, on Wednesday, July 13, the Shirelles, one of the most popular vocal groups of the rock and roll era, will be celebrating their 25th anniversary in show business at the Ritz in New York. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to all of the members of this highly talented musical team of national and international renown.

Mr. Speaker, as the Representative of the Eighth Congressional District of New Jersey, I am indeed proud of the fact that these most prestigious vocalists had their beginnings in our city of Passaic, N.J. With your permission I would like to insert at this point in our historic journal of Congress a brief profile which will provide you with some of the highlights of their career that will long be remembered and attested to by the many, many friends and fellow performers in attendance at their gala silver anniversary celebration. This biographical sketch reads, as follows:

THE "SHIRELLES"

The Shirelles began singing together while attending High School in Passaic, N.J. In 1958 they wrote "I Met Him On A Sunday," to perform at a local talent show. They were heard by a classmate Mary Jane Greenberg, who brought them to her mother's attention. The mother, Florence Greenberg, signed them to a contract with Tiara Records, which later became Scepter Records . . . and the rest is history.

Whether they recorded old standards, like "Everybody Loves A Lover," and "Dedicated To The One I Love," their first million seller, or songs which were written especially for them by Carole King ("Will You Still Love Me Tomorrow") and Burt Bachrach ("Baby It's You"), the Shirelles continued to have hit after hit.

"Foolish Little Girl," "Tonight's The Night," and of course the classic "Soldier Boy," which sold over 15 million copies, all became national hits.

While many rock-n-roll groups disbanded in the 1960's and 70's the Shirelles worked continously, headlining shows in clubs and on college campuses across the country and throughout the world. They are celebrating 25 years together.

The Shirelles impact on rock-n-roll music has been phenomenal. Their songs have been recorded by among others, The Beatles ("Boys") The Mamas & Papas and Bernadette Peters ("Dedicated") and The Four Seasons ("Will You Love Me Tomorrow").

Over the years, the Shirelles have appeared at major concerts and night clubs around the world. They have recently toured Japan, South America, and have played in clubs in New York, Atlantic City, and Las Vegas. They have made appearances on the major television shows (Mike Douglas, Solid Gold, Merv Griffin, Sha Na Na) and were recently featured on P.M. Magazine. They starred in the movie "Let The Good Times Roll," and did the soundtrack for "It's A Mad, Mad, Mad World."

Today, the Shirelles consist of Beverly Lee, Doris Jackson, and Gail Allen, who has been part of the group since Micki Harris MacFadden passed away suddenly in 1982. They are presently working on some new material and hope to release a new album soon.

More than 20 years ago the Shirelles asked the all important question "Will You Still Love Me Tomorrow"? Audiences around the world are still answering with a resounding . . . "YES".

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America. In commemorating the 25th anniversary of the Shirelles, I appreciate the opportunity to seek this national recognition of their leadership endeavors in the highly esteemed musical profession. Their outstanding contribution to the American way of life and the American dream is applauded by all of us. Their talented artistry and entertaining performance for the past quarter of a century has brought refreshment and listening pleasure to all of our people. In their pursuit of spreading joy, happiness, and recreation to their audiences they have truly enriched our community, State, and Nation.

Upon the celebration and commemoration of the 25th silver anniversary of their founding, we do indeed salute the Shirelles.●

MRS. MARJORIE WHITE—"SHE TAKES PEOPLE INTO BIRMINGHAM'S PAST"

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. ERDREICH. Mr. Speaker, Jefferson County, Ala., is indeed lucky to have among its citizens Mrs. Marjorie White, who chronicled the growth of Birmingham through the rise of industry in her book, "The Birmingham District: An Industrial History and Guide." Industry created the city of Birmingham. Incorporated in 1871 with a population of only 1,200, it became a booming town 20 years later and was nicknamed "the Magic City" because of its rapid growth.

Birmingham is the only spot in the world where iron ore, limestone, and coal, the raw materials necessary for making iron and steel, are found in abundance. Coal and ore mining and steel production brought jobs to hundreds of thousands in the area in the early 1900's and economic prosperity to the city.

Basic changes in many industries and today's poor economic conditions may have stilled many of the coke furnaces and closed many coal and ore mines in Jefferson County, but the life and activities that abounded when Birmingham was the "Industrial Center of the South" will endure thanks to Mrs. White's historical account.

I would like to commend Mrs. White for her accomplishments and her desire to make certain that the history of the growth and development of Birmingham and Jefferson County is preserved for future generations.

The text of an article in the June 13, 1983, Birmingham Post-Herald entitled "She Takes People Into Birmingham's Past," which applauds Mrs. White for her activities, follows:

SHE TAKES PEOPLE INTO BIRMINGHAM'S PAST

(By Carolyn Stern)

People came out of their houses in Docena and Brookside to stare and wave at the Greyhound bus that labored around corners designed for one-lane auto or buggy traffic.

It was a painless history lesson for the bus passengers. They were getting a first hand look at towns that make up the industrial past of the Birmingham area, described in "The Birmingham District: An Industrial History and Guide."

Author Marjorie White stood at the front of the bus, giving a running commentary on the workers' and superintendents' houses, company stores and ghost towns.

The tour, and others like it, represent the third and final point of Mrs. White's research of the area over the past eight years.

She says her purpose has been to document the history, publish it and, above all, to get people out on tours to see the remnants of the time around the turn of the century when Birmingham was just awakening to its strength as an industrial giant of the South.

"In recording the past, we're taking the best from the past and interpreting it for future generations."

A romance language major, with a master's degree from Yale University, Mrs. White says she didn't take history in college because "it was too boring."

Born in Pittsburgh, she lived in Chicago before moving to New Orleans when her father, Dr. Herbert Longenecker, became president of Tulane University.

She says she and her parents "worked out a deal" about her college education—that if she stayed at home and went to Newcomb College (at Tulane), she could travel in the summer and increase her language proficiency. She spent summers in Canada, Mexico and Europe.

Her husband, Jim, is from Birmingham and they moved back in 1968.

Mrs. White taught French for a while at the University of Alabama in Birmingham, and one student remembers that she made learning French as much fun as learning history.

Along with verb conjugation and study of Antoine de Saint Exupery's "The Little Prince," the class learned to give a rousing rendition of "La Marseillaise" and feasted on Camembert cheese, French bread, strawberries and champagne.

When she and her husband started their family (three children in three years), Mrs. White says she realized her traveling might be somewhat curtailed, so she turned her attention to finding out about the town in which she lived.

After becoming associated with the Birmingham Historical Society in 1975 and finding there was no definitive guide to Birmingham's history, she took on the chore of developing one.

Though she calls the Birmingham District book (published in 1981) her "magnum opus," she is also the author of "Downtown Birmingham—Architectural and Historical Walking Tour Guide," published in 1977.

Tours of the downtown area began in 1978, and Boy and Girl Scouts earn badges declaring they have taken part in identifying landmarks and architectural details.

Mrs. White says she tried out the student tours on her children. "And they gave me their opinions. When they were younger, they said, 'Why do you want to do that? Those buildings are so dirty./ "

Now Marjorie Lee, 13, James, 12, and Goodloe, 11, work along with their mother on her projects. Marjorie Lee served as hostess on the recent bus tour, passing out apples, lemonade and cookies.

Mrs. White credits her husband, who is an investment banker, with practical assistance on book publishing. "It was my husband who had the writing and publishing expertise—and financial background."

She says the role of volunteer fits in with her lifestyle.

"I couldn't work 9 to 5. I think my own creativity would be killed. I put in 40-50 hours a week with the historical society, but not 9 to 5."

It's easy to believe her statement that she never gets nervous or bored. She doesn't have the time. She has enough projects lined up to occupy her for at least another three lifetimes.

Now she's working at Sloss Furnace, helping chart foundations of coke ovens that are being uncovered.

She says she spends her time fighting fire ants and noon-day heat instead of relaxing in her backyard with a cool lemonade because, "They need help."

And the project is interwoven with her research for the Birmingham District, she says. Coal from the mining towns like Cardiff, Brookside and Blossburg was brought to the Sloss Furnace.

"Plus," she says, "I've never been on a 'dig' before, and it's right here in downtown Birmingham."●

GERALD FRY—MR. MONTEREY

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. PANETTA. Mr. Speaker, I would like to pay special tribute today to Gerald Fry, who is retiring this year as mayor of the city of Monterey, Calif.

Monterey is a city with a very special character, a composite of its unique and colorful history, its spectacular coastline and natural wonders, and the independence and open-mindedness of its residents. As a lifelong resident of the Monterey Peninsula, Jerry brought to his public service career his personal experience and understanding of the Monterey community.

During his 20 years of service on the Monterey City Council—including 6 years as mayor—Jerry dedicated his understanding, his vision, and his wise judgment to the twin goals of preserving what is best about Monterey, and improving the community for all its members. His energy and hard work, his humor and humanity, have helped Monterey to emerge from two tumultuous decades having prospered and grown, yet still retaining its own special charm.

I want to wish Jerry the greatest success and happiness in the future, and to urge him as well to stay in touch so we may continue to benefit from his wisdom and experience. His contribution to the Monterey community will be felt for many years to come, and we will miss him. But because of his contributions to our area, he has earned the special title—Mr. Monterey.●

FACT AND FICTION IN NICARAGUA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. EDWARDS of Oklahoma. Mr. Speaker, an article recently appeared in the Wall Street Journal which clearly reflects the extent to which the Sandinista government in Nicaragua has adopted Orwellian double-talk in its dealings with the rest of the world and its own people.

The article was written by Joan Frawley, a contributing editor of the National Catholic Register, and is well worth reading by my colleagues.

[From the Wall Street Journal, May 17, 1983]

FACT IS FICTION IN THE SCHIZOPHRENIA OF TODAY'S NICARAGUA

(By Joan Frawley)

George Orwell observed that totalitarianism demands "the continuous alteration of the past and in the long run probably demands a disbelief in the very existence of objective truth. . . . A totalitarian society which succeeded in perpetuating itself would probably set up a schizophrenic system of thought, in which the laws of common sense held good in everyday life and in certain exact sciences, but could be disregarded by the politician, the historian, and the sociologist."

When Orwell wrote that in 1946, this form of social schizophrenia already dominated Soviet life, and today it continues to be a subject for underground satirists in the Eastern bloc. But the exportation of totalitarianism to other parts of the world, most recently Nicaragua, offers a first-hand look at the young roots of a society in which truth has a twin.

Anastasio Somoza Debayle, the late deposed dictator of Nicaragua, possessed simple tastes. His interests extended to money and power. The Sandinista revolutionaries who gained control in 1979 are more ambitious. They want acceptance as the apostles of a cultural transformation that will liberate their countrymen from the clutches of tradition.

Public acceptance will come only with the widespread conversion of ordinary citizens to the "revolutionary process," but many remain unconvinced, even confused, by the social and economic miracles wrought by the Sandinistas.

Their uncertainty begins with the exclusion of their private reality from official discourse—a condition that is felt most strongly among the poor, the assigned beneficiaries of the revolution. Lacking education and financial resources, the campesinos are more dependent on the state and more vulnerable to its encroachment into their daily lives.

Told that the new order liberated them from the oppressive Somoza regime, they now find their actions and leisure time more carefully monitored than ever. Sandinista Defense Committees, neighborhood organizations that distribute ration cards, organize party activities and regulate revolutionary fervor, are stronger in poorer sections of urban and rural areas.

On "black and red Sundays" barrio residents "volunteer" to work for free on government projects. Once a week, a young mother might stay up all night to watch the streets, protecting the neighborhood from "the enemies of the state." On other evenings, people attend political rallies, or educational workshops where the apparent paradoxes of the new order are resolved.

The poor are also told that the nationalization of selected industries and the sharp cuts in private-sector profits give them a bright financial future free of capitalist exploitation. But, they find that even the necessities of life are inaccessible—except at a high price on the flourishing black market. Observed one businessman: "Really, the middle class has benefited most from the revolution. Before, everyone could buy sugar, now only we can."

Even visitors who scratch the surface of this society are likely to question the existence of objective truth.

For example, a reporter returns from a visit to a Miskito Indian camp on the Atlantic Coast where he heard refugees commend the government's relocation efforts. Back in Managua, a Catholic priest explains that the camp he visited was little more than a Potemkin village.

Words are also transformed to complement the new landscape. "Do the universities have autonomy under the revolution?" Carlos Tunnerman Bernheim, minister of education, is asked. He nods, then replies "You must understand that our concept of university autonomy is not exactly the same as it was under Somoza."

Seeking to blunt the erosion of their individual reality and the moral and cultural perspective that shape it, the majority of Nicaraguans turn for support to the independent press and the local, Catholic Church. But they too are not immune to the debilitating effects of confronting a schizophrenic system of thought.

Pedro Joaquin Chamorro Jr., the co-director of La Prensa, the country's only independent daily newspaper, approaches his job with a strong sense of black humor. Reacting to the imposition of official truth on his publication, Mr. Chamorro created a cartoon character named Rionsito who wickedly pokes fun at the inconsistencies of life in the new Nicaragua. When the censors banned any mention of Commander Zero, Eden Pastora, the popular revolutionary hero who broke with the Sandinistas and is plotting their overthrow, Rionsito told La Presna's readers, "Since zero no longer exists, only the numbers from one to nine remain."

In his effort to present an independent voice, the young editor follows the path of his late father, Pedro Joaquin Chamorro Sr., the former head of La Prensa whose assassination in 1978 sparked the final insurrection to overthrow Somoza. Nicaraguans still cherish the memory of this hero who courageously fought for human freedoms.

It is a measure of the schizophrenia which fragments this society, however, that not all members of the Chamorro family maintain their ties to La Prensa. The late newspaperman's brother Xavier established Nuevo Diario, a revolutionary daily, and his other son, Carlos Fernando, directs Barricada, the official party newspaper. His widow, Violeta, remains at La Prensa with another brother, Jaime. Each insists that the spirit of Pedro Joaquin Chamorro Sr. resides at his paper.

The social confusion that divides once united families like the Chamorros also afflicts the church. Sandinista supporters contend the official church must confer moral legitimacy on the new government. In the words of one lay Catholic leader, "They want the church to link the New Testament with Marxist ideology, the Messiah with the vanguardia, and the Kingdom of God with Nicaragua's socialist paradise."

The presence of five priests in government posts and the wide distribution of liberation theology writings—which advanced the notion that the Kingdom of God was already under construction in Nicaragua—have undercut the orthodoxy of Managua's Archbishop Obando y Bravo. Until the arrival of the Pope, some Nicaraguans couldn't decide whether the archbishop was a reactionary or a man of courage.

The meeting between the Sandinistas and the Pope was a black and white confrontation, dispelling the grey moral haze that generally envelopes papal trips to hostile lands. This time even lukewarm Catholics were forced to consider the next step—a choice between the revolution and the defense of their religious beliefs.

The government appears eager to learn from its poor management of truth during the papal trip. Further, it has promoted a new interpretation of its actions vis a vis the Pope to protect the credibility of its cultural transformation. The Sandinistas face the now-familiar task of convincing their countrymen that what they saw and heard was really something quite different from what transpired.●

A NATIONAL ACADEMY ON INDUSTRY, GOVERNMENT, AND SOCIETY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BARNES. Mr. Speaker, one of the vital economic issues facing our country today is that of the relationship between business and Government. The current administration believes that the Government's role in this relationship is excessive and, fearing for productivity, seeks to curtail the amount of Government interaction with business. It is my belief that this is a fallacy. A greater, more responsible interplay between Government and business would, in fact, lead to higher productivity for our Nation. It is imperative, therefore, that increased dialog between the two be consistently encouraged.

In his article "A National Academy on Industry, Government, and Society" appearing in the June 18, 1983 edition of the National Journal, Robert P. Kogod introduces the concept of a national forum for the examination of fruitful courses of action for business and Government, one of which the establishment of a system of economic incentives for business contributions to worthy public sector projects. I believe that Mr. Kogod persuasively argues that creation of a forum such as the National Academy on Industry, Government, and Society is the first step in the establishment of more compatible objectives for Government and business and, thus, the beginning of what could be a more efficient and productive nation for all of us.

The article follows:

A NATIONAL ACADEMY ON INDUSTRY, GOVERNMENT AND SOCIETY

(By Robert P. Kogod)

There has been a great deal of discussion regarding the major economic problems confronting our country. Many feel that the substantial decline in productivity represents as large an obstacle toward our long-term growth as the projected high budget deficits, and a larger obstacle than the current high level of unemployment and the threat of inflation. This decline in productivity has been attributed to multiple causes, including an under-capitalized industrial base, subsidized trade competition, lack of adequately trained, motivated and mobile workers, mismanagement, and the absence of an effective working relationship between government and business.

While consensus on the solutions to these problems remains elusive, there is broad-based agreement that government and private enterprise share in the responsibility for the preservation and strengthening of our system of democratic capitalism. As part of the ongoing review and examination of the role of each of these sectors in our society, the voters of our nation in the most recent elections have tended to support candidates who pledged, if not to reduce the size of our governments, then certainly to slow down the rate of their growth.

As the federal government strives to slow spending and the amount of intervention into business, the private sector is being asked to review and redirect its resources toward different and more productive tasks. A simple, but provocative, notion is that the American business community should be able to convert certain of its resources committed to "defending itself from government" to other functions that would serve both the interests of business and the public good. This process is underway in many corporations, but it is being done without a credible, nationally-oriented mechanism for recommending strategy, without a central focus for the sharing and dissemination of important information, and without adequate study and action regarding the best economic incentives for achieving various economic and social goals. The current dialogue over government and private sector roles often avoids the more difficult questions in favor of the rhetorically attractive and seemingly simpler solutions that say the government must do less, and therefore the private sector must do more. For example, the recent recommendations of the President's Task Force on Private Sector Initiatives has placed heavy emphasis on expended corporate giving. The Task Force advocated that every corporation give 2 per cent of pre-tax net earnings to nonprofit organizations engaged in public service. It is my view that, prior to calling for "more" from the private sector, we must examine whether what we are spending and doing is providing the most efficient results.

Knowing that it will end up paying for much of the government's costs, business feels it must continue to monitor and influence government activities. With annual budget deficits approaching $200 billion and with the government facing substantial pressures to increase revenues, it is unlikely that either business or government will be

able to effectively address the question of how we can direct our resources in a more productive fashion. In fact, there are reasons to believe that our political process can be itself very polarizing, especially on issues that affect so many people in such potentially uneven ways. If we are to begin to get beyond partisan debate and face some of these problems in a more dispassionate, evenhanded way, a new approach is needed.

Toward this end, I propose the creation of one more institution: a National Academy on Industry, Government and Society. This independent, publicly and privately funded Academy, similar to our National Academies, such as the National Academy of Sciences or the National Academy of Public Administration, will be a central clearing house on the applied philosophy of governance, research on the effects of economic incentives, the public/private areas of responsibility. Whatever our solution to the establishment of a functioning partnership between public and private sector, it seems clear that the nonpolitical determination of the relative values of programs in "the public good" is central, as is the development of a mechanism to provide incentives to promote action in the desired direction.

First, to the cost of such an Academy. It would replace some of the various *ad hoc* presidential commissions and task forces presently in existence. It would replace and bring together many of the fragmented efforts of a similar nature, housed throughout the government agencies. American business currently spends large sums of monies through trade associations, outside counsel, offices of government affairs, lobbyists and public relations campaigns. These representatives and organizations can become resources and an active part of the Academy. The marshalling of present funding and resources would effect a single more effective organization and would cost no more.

The establishment of a national system of economic incentives would be a central task of the Academy. The principal vehicle for economic incentives, of course, is the tax code. Some will argue that tax code is already overly complex, and using it for additional "public good" purposes will not only complicate it further, but will unnecessarily raise costs of tax compliance and perhaps even create unintended loopholes. Others will argue that the logical extension of manipulation of the tax code for "the public good" will lead us toward a national industrial policy that will, in and of itself, limit the range of the free enterprise system by supporting some industries while abandoning others.

Both concerns have merit, but it does seem that we should have the ability to tax differentially those activities that are clearly helping to solve the problems of society, those that are neutral in terms of their social utility, and those activities that contribute to social problems. What is central here are the value judgments. Who is to say that a five-year write off on the restoration of historic properties is a greater or lesser good than the employment and training of disadvantaged youth among the ranks of the unemployed? Who is to say that through our tax structure we should favor basic industry over emerging technology, financial services over housing, or investment in plant and equipment over personnel? The proposed National Academy could provide and alternative institutional structure to consider these critical value questions.

Another concern about incentives and the private sector is the issue of "gaming"—that incentives will be used for other than their intended purposes. It is the essence of human nature and the free enterprise system to seek and exploit opportunities. That this would be assigned a negative value when applied to the reactions of the business community to government programs is telling. When the shoe is on the other foot and business fails adequately to think through costs, markets and demand and is "exploited" by the consumer, it is called a poor business decision. When the government established "safe harbor leasing," however, many are appalled that a series of mergers and acquisitions are fueled by the resulting tax incentives rather than the government's intended result of recapitalization. It is our belief that the best defense against unanticipated outcomes is legislative and regulatory talent that understands that the market usually provides the best regulation—again, talent that can be developed and supported by an independent National Academy.

A corollary concern is that for many incentive-based programs for the public good, the private sector makes an excessively large profit. This is different from "gaming" in that the desired result is accomplished, but wealth is generated at the public expense along the way. The trick here is to design the incentives to yield the desired result at a competitive cost. If the objective is to provide a day of nursing home care at "X" dollars, be satisfied if that is done within the time and quality restraints established. If the objective is computer literacy for high school dropouts at "Y" dollars, be satisfied if that is achieved. If the incentives for these public programs prove overly generous, move toward a bidding process that will quickly equilibrate the system.

The most central issue in the creation of incentives is that they must be earned and not granted. For example, although there were significant problems with the targeted jobs tax credit program, it did meet what I believe to be the central test of an incentive program—you do not benefit unless you participate in the program.

The central theme of earning incentives provides an exciting opportunity for those involved in public affairs to write their own ticket. The so-called "Apple Bill" is a case in point. The need to establish basic computer literacy is a generally agreed "public good." The lack of capital among our nation's school systems also is understood. The need for some tax relief for a young, highly profitable firm and a desire to penetrate the youth markets became the incentives to solve the problem. That it was proposed by a company whose self interests and public interests seemed compatible should not prejudice the situation. Most businesses know what contribution they can make to the public sector and what their "price" would be for doing this. No one finds it objectionable that the private sector bid on government contracts for direct payment. We must learn to encourage bids for public programs for other, less costly to government, considerations.

If incentives are important, so too are information and data. As a country, we are just beginning to develop some organized ways of sharing information on private involvement in public programs. The President's Task Force on Private Sector Initiatives has established a computerized information system. The American Broadcasters are now airing brief segments on "successful partnerships" between government and business; corporate leaders are speaking out and sharing experiences; and academics and think tanks are finding this a topic of challenge and interest.

The collection, analysis, and dissemination of these experiences could very well serve as another mission for a National Academy on Industry, Government, and Society. While both the corporate world and government are keenly interested in moving the process forward, they both have rather demanding full-time jobs. A neutral third force, that is the Academy, could serve a vital monitoring and catalytic function.

For example, have the bold efforts of some of our leading corporations been sufficiently analyzed and published? General Mills, as a case in point, some 10 years ago, financed and managed the rehabilitation of a large residential area on the outskirts of downtown Minneapolis. Investing $8 million and considerable management talent, General Mills rehabilitated 26 apartment buildings with more than 700 individual units, and stabilized the neighborhood. General Mills recently sold their interest in Stevens Court, breaking even and committed to the concept of investing as well as giving. They are now recycling this $8 million into venture capital investments in computer-based education for high school dropouts, integrated services for the aged, and other projects.

General Mills is by no means unique. IBM's longstanding commitment to the Bedford Stuyvesant section of Brooklyn is quite well known, but how many companies know that IBM has developed a program at the management training facility at its headquarters in Armonk, New York, to provide management training to hundreds of people responsible for community-based programs.

Control Data Corporation, both directly and through its managment and equity participation in City Venture and Rural Venture, has demonstrated the soundness of linking investment and management.

These three are cited, not to exclude others, but because they are three quite different types of initiatives: General Mills in a different business—housing; IBM in a different and high-risk location—Bedford Stuyvesant and in management training; and Control Data in a new corporate model—a public-private equity partnership.

In conclusion, I believe the partnership between business and government to serve the public good can be most effectively promoted by the creation of a credible forum at the National Academy on Industry, Government and Society which would work in three areas:

The creation of economic incentives and rewards for the achievement of desired goals.

The collection, analysis, and dissemination of information on current programs.

The encouragement of leadership to undertake new approaches.

Before we ask the business community to increase their contribution to public-sector programs, let us develop new incentives, better communications and innovative approaches. Perhaps if we can do it better, we need not do more.●

"NATIONAL HISTORICALLY BLACK COLLEGES DAY"

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SKELTON. Mr. Speaker, I rise to cosponsor House Joint Resolution 105, a bill which would designate September 21, 1983, as "National Historically Black Colleges Day." This legislation would recognize the vital achievement that black colleges have made to society throughout the years. Lincoln University, a historically black college located in my district, is a prime example of an educational institution which has provided service for 109 years. I am proud to cosponsor this bill so that recognition will be given to these valuable colleges.●

HOW INDUSTRIAL POLICY WORKS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SHUMWAY. Mr. Speaker, as the debate on industrial policy intensifies, it is important to recognize that, while based on legitimate concerns, this rather vague concept is not necessarily applicable or appropriate in the U.S. context.

Because of growing foreign competition in a number of product areas, it is argued that American business, labor, and Government must somehow join together to implement policies and programs that will restore our economy to health. Although very different from the United States in a social and cultural sense, Japan is at once perceived to be the greatest single threat to American economic well-being, and the best model of a successful industrial policy.

Unfortunately, Japan's economic success cannot be ascribed entirely to what is commonly portrayed as its industrial policy, nor has the experience of other nations which have attempted to apply industrial policy—defined as bureaucratic planning and the allocation of credit and other economic benefits by Government to select industries or sectors—been particularly positive.

As is pointed out in a perceptive editorial which appeared in today's Washington Post, "the planning process * * * makes a political issue of every hard choice * * *" Whenever Government, in other words, attempts to intervene in the marketplace, economic decisionmaking and resource allocation is inevitably distorted. My concern with industrial policy, therefore, is that, if applied here, it could well lead to a substitution of political priorities for market judgments, with the result of fundamental deterioration in our overall economic performance.

The full text of the editorial follows:

HOW INDUSTRIAL POLICY WORKS

Does it not strike you as curious that, in all the excited talk about industrial policy, there should be so little notice of other countries' experience? Most of the other developed countries have experimented with it repeatedly over the past generation, and they have learned a lot.

The promoters of an American industrial policy usually begin with a rather romantic description of its success in Japan. But industrial planning is only one explanation among many for Japan's extraordinary growth. A more important one is the national practice of holding down the standard of living to favor economic development. The governments of Western Europe have been working in political and cultural traditions much closer to those of the United States. In those countries it is difficult to find much reason to think that, in the turbulent 1970s and early 1980s, industrial planning has helped much. On balance, the evidence suggests that it may actually have been harmful in its diversion of money into declining industries and its tendency to postpone necessary adjustments.

Of the four largest European economies, the one that has relied least on industrial policy—West Germany's—has emerged the strongest. Of the four, West Germany's is also the most competitive in the high technologies. Industrial policy is evidently not quite a sure formula for technical superiority.

The other three leading European economic powers—France, Britain and Italy—have shown the world a lot about industrial policy. Particularly in France it has had some interesting successes over the years. But one characteristic that deserves American attention is that it always favors large enterprises. The biggest companies can respond most quickly to the daily requirements of the government bureaucracies. The biggest companies also provide the largest numbers of jobs.

For all of the brave talk about picking winners, industrial policy usually means, sooner or later, government subsidies to protect jobs in stagnant or failing companies. The planning process itself makes a political issue of every hard choice between preserving employment and raising productivity. The more highly political these decisions become, the longer they are delayed. Plants are not closed when they become obsolete and unprofitable but—as in the European steel industry in recent years—when the subsidies finally become insupportable.

Congress in now thinking seriously about industrial policy, and draft bills are beginning to circulate. It's a highly appealing idea at first glance to use the government's authority to steer labor and investment into the fields of highest hope. But before it goes any further, Congress might usefully take a careful look at the way things have actually worked out in the countries that have tried to put that appealing idea into practice.●

NINE PROPOSALS FOR EDUCATIONAL REFORM

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. FISH. Mr. Speaker, Mr. Leon Botstein, the president of Bard College, a school attended by many of my constituents in Annandale-on-Hudson, N.Y., wrote an article in the June 5, 1983, New York Times Sunday Magazine outlining his views on how to remedy the educational crisis in the United States.

Mr. Botstein's comments include nine important suggestions on how to improve the quality of our teachers, how to best utilize our educational resources, when to start and finish a child's education, and how to upgrade education at all levels. I am sure my colleagues will find these excerpts from Mr. Botstein's article most useful as we continue to evaluate the recent reports on the need for educational reform. Mr. Botstein's article follows:

A COLLEGE PRESIDENT, DISMAYED BY THE "NEAR-ILLITERACY" OF MANY COLLEGE STUDENTS, SEES A NEED TO OVERHAUL OUR SCHOOL SYSTEM.

(By Leon Botstein)

"During the Middle Ages everybody was middle aged. . . . Middle Evil society was made up of monks, lords and surfs. . . . In the 1400 hundreds most Englishmen were perpendicular. . . . Finally, Europe caught the Black Death. The bubonic plague is a social disease. . . .

"The Middle Ages slimpared to a halt. The renasence bolted in from the blue. Life reeked with joy. . . . It became sheik to be educated. . . . Theologically, Luthar was into reorientation mutation. . . . The Popes, of course, were usually Catholic. Monks went right on seeing themselves as worms. . . . At war people get killed, and then they aren't people any more, but friends."

This compilation of sentences written by freshmen at two Canadian universities—culled by Anders Henriksson, an obviously frustrated professor of history—was sent to me recently by a historian at Bard College. It was intended to cheer me up: Crippled literacy among freshmen was not peculiar to our campus or our country.

The awful truth is that today virtually every college and university in the United States—and apparently in Canada as well—has inherited the legacy of inferior secondary school education. Dartmouth College, for example, is among the most selective of colleges, but, argues the director of a Dartmouth writing clinic, "Very few freshmen can write their own language without serious errors (not to mention confused thought)."

A report, "A Nation at Risk," issued in April by a blue-ribbon National Commission on Excellence in Education, described a nationwide educational catastrophe. It urged higher standards and more demanding requirements in high school; more assigned homework; a longer school day and year; new textbooks, and higher pay for teachers. The commission recommended that the Federal Government intervene and help.

But talking about the report at a press conference last month, President Reagan said that "education is not the prime responsibility of the Federal Government," and that more money was not the answer for improvement. He added that "we created the greatest public-school system the world has ever seen and then have let it deteriorate and I think you can make a case that it began to deteriorate when the Federal Government started interfering in education."

Public anxiety about education is growing so rapidly that Albert Shanker, president of the American Federation of Teachers, asked teachers not to resist current efforts at reform. In this clamor, unfortunately, the disaster in our schools is still being underestimated, as is the effort needed to solve the problem. Before higher standards can be mandated and the calendar extended, the root causes of the ignorance and halting literacy certified by our schools must be addressed.

What can be done? As a step toward remedying the desperate situation, nine proposals will be offered; not all of them are new, but they can be a basis for debate and discussion that, I hope, will result in action and reform.

At the heart of the near-illiteracy of many high-school graduates and college freshmen is not deprivation or lack of talent but a failure to recognize that language has consequences and meaning. During the 12 years of schooling before college, many students do not learn to think or to use written words. Schooling has not led them to understand that without an extensive command of language there can be no serious thinking. Before we can satisfy the growing public demand for scientific education in our schools, we must first overcome the failure of our schools to teach the fundamental skills of thinking.

Studies by the National Assessment of Educational Progress—mandated by Congress—have revealed a decline in inferential reasoning in the 1970's among 17-year-olds, only a third of whom spent an hour or more on homework each day in 1980. One report, issued in 1981, said that the ability of 13-year-olds to write an effective, persuasive letter declined between 1969 and 1978. Persuasive writing among 17-year-olds also declined in the late 1970's.

Finding it virtually impossible to cope with so many students with inadequate academic skills, colleges and universities have been forced, even unwittingly, to lower not only their entrance standards, but the standards for exit as well. Remedial courses are commonplace. Although automatic entrance to California's university and college system requires at least a B average in high school, in 1981 more than 55 percent of all freshmen were required to take "bonehead" (remedial) English.

For the minority of Americans who do not graduate from high school or who do not go on to college after high school, matters are worse. Some training manuals in the Army are now in comic-book form and are written for the sixth or seventh grade.

The severity of the crisis in the nation's schools is felt most by employers. They fail to get adequately educated personnel. Xerox, for example, trains its own workers well beyond the specific technical skills of Xerox's business. Inadequate education even for technical tasks extends as well to the professions. Shearman & Sterling, New York's largest law firm, now employs a former Temple University English faculty member to help its young lawyers improve their writing.

Not only do our students fail to learn how to read and write, but the situation in mathematics and science is even more frightening. Among recent high-school graduates entering their freshmen year in the New Jersey state system in 1982, 39 percent could not demonstrate competence in sixth-grade mathematics as defined by computation; only 38 percent demonstrated that level of skill.

Today, fewer than half of the nation's public high schools require more than a year of science and mathematics. Fewer than 1 in 10 high school students now study physics. Only 16 percent take one year of high school chemistry. In college, remedial mathematics enrollment has jumped more than 70 percent between 1975 and 1980.

Since 1972, the number of math teachers produced by American colleges has fallen 79 percent; the number of science teachers, 64 percent. Half of the new science and math teachers hired in 1981 lacked qualifications sufficient for certification. Of the math and science teachers in Los Angeles County from the seventh through the 12th grades, one-third had neither an undergraduate nor graduate major in science or mathematics. Last year, 32,000 classes in science and mathematics were planned but scrapped for lack of teachers and resources.

Not all of the following nine proposals require more money, although a larger national investment in education cannot be avoided. To reach a proper standard, today's schools will need more and better paid teachers, improved equipment, new teaching materials. The President's blue-ribbon commission has made proposals similar to mine, such as strengthening high-school requirements in English and social studies, and improving teachers' salaries, though it did not say how. What may strike some people as radical are the proposals for disbanding departments of education and having teachers face recertification, along with exempting them from Federal income tax. At some point, the property-tax system of local support for schools should be changed. California tried to do this in the courts in the 1970's. There is no cheap way out of today's educational crisis.

1. We must pay teachers more.

There are about 2.7 million elementary and secondary school teachers. The average salary for elementary schoolteachers is $18,500; for secondary school, it is $19,500. College graduates can earn much more in careers in industry and the other professions. If we wish to recruit teachers who are of the same caliber as our lawyers and doctors, starting salaries and top ranges of pay must improve. Low-interest college loans and scholarships for students who commit themselves to teaching must be made available.

In order to keep the best teachers in the school systems, promotions and pay incentives—similar to the professional ranks in universities—should be adopted. Today's ambitious classroom teachers (if they stay in education) are usually promoted out of the classroom into administrative posts because of better pay and the promise of advancement.

To achieve immediate progress in the pay and status of teaching, the salaries of teachers in our public schools should be exempted from Federal income tax. If tax breaks can be given to corporations and individuals for capital investments, depreciation, business losses and interest charges, why not give tax breaks for investments in "human capital"?

Increasing Federal budget outlays for education is close to impossible; however, forgoing revenue on behalf of education might be easier—and quicker—to accomplish. Initially, only new teachers entering the profession would receive tax exemptions. To become eligible, those who are already in the school system would be required to pass examinations based on new criteria outlined in the next proposal.

These teachers' incomes would increase by a third. Since there are between 60,000 and 100,000 new hirings each year in our public schools, the initial loss in tax revenue would be about $500 million. The cost in tax revenue would reach about $10 billion a year—which is between 3 and 4 percent of the defense spending for fiscal 1984. This extra cost would not fall on already overburdened property taxpayers in local school districts, but on a graduated system of Federal income tax.

2. Teachers must be regularly recertified in their subject area.

A massive effort to retrain teachers must be undertaken if the quality of teaching English, mathematics and science is to improve. Legislation for the regular recertification of all current elementary and high-school teachers should be passed. Law and medical science both change quickly, and these professions now perceive the need to verify the continuing competence of practitioners 10, 20 and even 30 years after the completion of initial training. Since they are subject to licensing by the state, all professions, including teaching, should be subject to regular recertification.

Funds for "in-service training" and the taking of extra classes by teachers are available in most states. Such training is usually restricted to education courses. However, to qualify for a promotion or the tax exemption offered to new teachers, secondary-school teachers ought to complete an in-service retraining program and pass examinations in the subject they are teaching, and not in educational methods or psychology. For elementary school teachers, multiple subjects would have to be covered, but on a more limited scale. Such retraining would also wean our schoolteachers from an excessive reliance on mediocre textbooks and teacher guides.

Training programs could take place during the summer or in the evening; subbaticals for re-education should be funded. Teacher training programs should be designed in cooperation with the academic departments of universities and colleges.

3. Separate schools of education and departments of education should be disbanded.

This proposal is old but still radical. The blame for the inadequate training of our teachers is often placed at the door of our schools of eduation. In America today, future teachers are usually education majors who are enrolled in separate schools or departments, and who have programs radically different from English, math or physics majors pursuing other careers. Too often, say critics, teachers' colleges place too great an emphasis on pedagogical techniques and psychological studies, and do not pay enough attention to training teachers in the subject matter they are supposed to teach.

Education-department faculty should be distributed throughout the academic departments. The undergraduate major in education should be abolished. Educational psychology should be part of the psychology department. The substantive training of

an elementary-school mathematics teacher, therefore, should be that of a major in mathematics.

The future mathematics teacher should first be certified by a mathematics department, as a mathematician, then as a teacher. The student who wishes to go on to teaching should be required to take afterward, the minimum of methods and psychology courses.

The same should apply to graduate training and to master's degrees for teachers. All training programs should be followed by an apprenticeship in the schools, a job supervised by experienced teachers.

Gene Lyons's 1979 exposé in Texas Monthly of the poor quality of education offered in teachers' colleges in Texas helped spur the Texas legislature in 1982 to increase the subject-matter course requirements for state certification.

4. Society must respect schoolteachers as professionals.

We as a nation simply do not honor teaching. When was the last time an ambitious parent said of a newborn baby, "I hope he grows up to be a schoolteacher"? It would appear that this country has taken to heart the cliché: "He who can, does; he who can't, teaches." This has not been the tradition in Europe, Japan or the Soviet Union.

There are ways to rectify the situation. Not every good teacher is a "born teacher." Attachment to a subject can make a teacher; it can carry over to students. But enthusiasm for the subject can be substained only by constant contact with the discipline. The existing professional societies should welcome elementary-and secondary-school teachers into their organizations as equals. University faculty should abandon their traditional disdain for teachers. In Europe and the Soviet Union, high-school physics teachers, for example, have more in common with university physics teachers or engineers than they do with their fellow high-school teachers in music.

Professional pride in a subject area must be nurtured among teachers. This involves ready access to research and meetings as well as opportunities to participate in a field and to seek advancement within a discipline's professional community.

Leadership on this front must come from the professional fraternities and from such organizations as the National Academy of Sciences and the American Academy of Arts and Sciences. Together with university faculties, they should produce new journals for and by elementary- and secondary-school teachers.

Teachers must remain active in their fields. And they should demonstrate the very skills they demand of their students. All teachers of English, for instance, must write regularly and have the chance to be published. To free teachers to concentrate on their academic competency, we must reduce the nonteaching demands on their time, adjust their teaching load and the size of their classes. At the end of each day, the halls empty out of both teachers and students; seminars and intellectual exchange among teachers are not regular aspects of life within the school.

Finally, more autonomy from administrators and regulations must be given to teachers in the classroom, an autonomy befitting a serious professional.

5. Business and industry should assume a greater responsibility for the schools.

Businesses can contribute materials and trained personnel. Part-time teaching in the schools by industry professionals should be started. Retraining programs for schoolteachers on industry premises—sponsored by industry—can be arranged. Opportunities for shared employment—part-time in the industry and part-time in the classroom—should be encouraged. Education programs, particularly in vocational skills, which bring children out of the classroom into direct contact with the equipment, expertise and environment of the work place, can be organized. Tax breaks could be legislated for serious industry investment in our schools, analogous to the tax incentives that industry now gets from gifts to colleges, museums and public television.

6. Children should start school earlier, at age 4, and high school should end after a student completes the 11th grade.

New York's Commissioner of Education, Gordon M. Ambach, urged this reform early this year. It is another old but still radical idea. The new chancellor school system, Anthony J. Alvarado, has called for full-day kindergarten programs for all the city's children. The nation now supports a fragmentary and unevenly distributed system of day-care centers. As single parenting and households with two working parents become more common, more day care will be needed. Since there is evidence that young children can learn sooner and faster, schools should include child care and learning programs for 4-year-olds.

There is also evidence that today's 16-year-old is capable of doing college work. Teenagers mature earlier than they did 50 years ago; they also develop a superficial worldliness sooner. The senior year in high school has become a proverbial waste of time: Students spend too much time taking weak elective courses.

For the college-bound student, earlier college entrance would provide an opportunity that is commonplace in Europe—access to college-level materials of the sort used in a *lycée*, a secondary school maintained by the government for preparing students for a university.

Today, early-college experiments are all doing well. Project Advance of Syracuse University is reaching 4,000 high-school seniors with college courses, and Simon's Rock of Bard College, in Great Barrington, Mass., each year enrolls an average of 115 students who have finished the 10th or 11th grades.

Earlier college education and earlier high-school graduation would probably reduce the high-school dropout rate. It would also open up an extra year for serious vocational training, an opportunity for government and industry to train students who do not continue their schooling beyond high school.

7. America's universities and colleges must commit their resources to help improve our schools.

If universities and colleges were to demand a basic level of math proficiency, skills in reading and writing, a fundamental command of foreign language for admission, pressure would be brought to bear to get the job done during high school. As part of their admission requirements, colleges should stress achievement, motivation and actual grades rather than so-called aptitude tests. They should phase out remedial programs over a five-year period, giving notice to high schools that they must resume the task of teaching the three R's.

A recent report on school-college cooperation—sponsored by The Carnegie Foundation for the Advancement of Teaching—recommends that universities and colleges adopt school districts. Through its Yale-New Haven Teachers Institute, for example, Yale University has offered some form of retraining to 40 percent of New Haven's middle- and high-school teachers. The university uses modest resources; the program has an annual budget of $375,000 and the cooperation of about seven faculty members each year.

Universities could have select graduate students tutor very bright and very slow high-school students. Laboratory facilities could be made more available. Libraries could be opened to school-teachers and their pupils.

Izaak Wirszup, an eminent teacher of mathematics at the University of Chicago, has crusaded for improvements in high-school mathematics teaching. Jules Prown, the American art historian at Yale, has taught in the Yale-New Haven program. They are but two examples of distinguished scholars and teachers who have realized how crucial rescuing America's schools has become to their own work in the university.

At the same time, colleges and universities must put their own houses in order. The B.A. degree from all types of technical and liberal arts programs should signify a high standard of literacy, a capacity to reason and a reasonable knowledge of history, science, foreign language, mathematics, philosophy, the arts and literature.

8. We must find ways to engage retired professionals in improving the schools.

The "graying" of America is an opportunity. Years of observing "Senior Seminars" at Bard has taught me how active, literate and overlooked many older people are, and how eager they are to be useful. The age difference between those over 65 and those under 20 helps: The older person is less like a parent and more like a grandparent. The tutoring and "babysitting and paper pushing" that take preparation time away from teachers could be done by retired people working part-time. Incentives for volunteer work and adjustments in Social Secuirty regulations must be made to encourage the involvement of this energetic, vital and forgotten resource for education.

9. The way English and social studies is taught in high schools must change.

The literacy we now achieve is marginal and adequate only for the most basic aspects of daily work and leisure. Before the computers that are now being urged on students can be properly used, literacy and the capacity to think must be taught. All students, no matter their future careers, should learn to love language, to use it to reason, to view writing and critical reading as routes to expressing their ideas. Daily writing assignments are essential; papers should be brief and corrected immediately. Students should be encouraged to write for pleasure as well as for an audience other than the teacher.

In the teaching of reading to adolescents, reading aloud should be encouraged. Even memorization of classic pieces of prose and poetry might make students more discerning about writing. Very early in their education, students should be taught line-by-line textual analysis—for content, form, style and, in particular, the use of words. How arguments are put together—the character of assumptions (implied and overt), premises, conclusions, inferences—needs to be taught.

Textbooks should be replaced as much as possible with materials from original works. If assignments are given on excerpts from well-known works, such as "The Federalist Papers," the entire work should be made available to the student. Students should

learn how to go beyond the assignment, how to exercise curiosity.

Bruno Bettelheim observed that the ludicrous content of modern primers could easily deter a young child from wanting to read. The bland prose of most textbooks on exciting subjects like world history and American Government rarely encourages anyone to want to know more. Students should be introduced from the start to the very best in literature, philosophy, historical writings and political debate. No piano teacher, even for the least talented child, delays introducing the student to Mozart, Beethoven, Bartók or Stravinsky.

In the early 1970's, Ivan Illich popularized the radical idea of "deschooling society" with a book of the same title. Reschooling is actually what is now required for the cultivation of independence, curiosity and the capacity to reason, investigate and create.

In the 19th century, advocates of literacy assumed that reading and writing were essential to modern factories and offices, government bureaus and to an economy dependent on trade, credit and planning. They also believed, as did Jefferson and Madison, in linking literacy with freedom, education with effective democracy. In the process of electing officials, amending constitution, serving as jurors and dealing with the law, the ability to read and write—and thereby think and form opinions—was deemed necessary. A democracy had an obligation to teach its citizens those skills.

Before mass education, the citizen without any literacy coveted and admired what he lacked. Today, the citizen who has gone to school and feels educated, precisely because he possesses a certified but partial literacy, may be more difficult to convince of future dangers and opportunities because he no longer sees so clearly what he does not know.

It is only a nationwide reschooling of America. Led by all political parties and all Americans, and financed by all sectors, particularly the Federal Government, that can dispel the specter of the nation drifting toward mediocrity, uniformity and passivity.●

FAMINE IN THE HORN OF AFRICA

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. PATTERSON. Mr. Speaker, I would like to direct the Members' attention to the severe famine effecting the people of the Horn of Africa. The Ethiopian Government, whose people are the hardest hit by the famine, has asked for international assistance before the full force of the disaster strikes during the next several months. Tens of thousands of people, mainly women and children, will starve and millions more face the prospect of serious malnutrition if the international community does not respond to their pleas for help. Already, 50 to 100 children are dying each day from starvation in northern Ethiopia.

The famine is the result of a combination of factors, both natural and man made. Most of the people facing starvation live on the margins even in normal years, and the drought of the past few years has ruined hopes for even this limited subsistence. The drought would be of concern any year, but it is currently being exacerbated by the civil conflict in northern Ethiopia. This conflict, along with a shortage of trucks needed for aid distribution, has hampered international efforts to relieve the victims of the famine.

The United States, so far, has done little in response to the needs of the Ethiopian people. Although the United States has agreed to send food aid shipments worth $3.3 million, of which $2.85 million was regularly scheduled aid, we have not yet responded to the U.N. Disaster Relief Organization's worldwide appeal for $30 to $35 million for food, medical supplies, and transport assistance.

The administration has justified refusal to provide more aid to Ethiopia by arguing that much of the aid now being given is being diverted by the Soviet-backed Ethiopian Government for use in its counterinsurgency campaign against Eritrean and Tigrean rebels. U.N. Ambassador Jeane Kirkpatrick has said it would be difficult to provide Ethiopia with trucks because they would be used for military purposes. Other aid opponents have argued that both sides in the conflict are using the famine and the international aid for political purposes, and that little of the aid actually gets to those who need it.

I take issue with these arguments. Officials from the United Nations and the European Community, both of which are deeply involved in relief efforts in Ethiopia, have argued that most of the aid is not being diverted. Martin Mock, senior adviser for the U.N. world food program, said that over 90 percent of the food aid does get to those who need it.

Certainly we should be wary of giving assistance to those who would misuse it. But here we have a case where thousands will die and millions will suffer if we do not give them our help. We cannot sit idly by while innocent women and children go hungry. We have a moral responsibility to do whatever we can to prevent famine in Africa.

I therefore urge my colleagues to look closely at the administration's policy. I believe that we can take steps to insure that our aid will go to help hungry people, not to support the Ethiopian Government or its internal opponents. It is our duty to follow the American tradition of rising above politics to provide aid to starving people wherever they are in the world.●

IRRADIATION FOR FOOD PRESERVATION TAKING ITS FIRST STEPS

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. WHITEHURST. Mr. Speaker, the spring 1983 "Media Update" issued by the American Council on Science and Health contained reprints of a number of news articles on food irradiation. I am pleased to share these with my colleagues, especially since they serve to answer a number of the concerns which have been raised from time to time regarding the safety of the process for consumers. As the ACHS report itself makes clear:

All of the evidence indicates that consumers have nothing to fear from irradiated foods, but instead can look forward to a greater variety of high-quality food products if this process comes into use in the U.S.

Further, the process can use nuclear waste byproducts, thus reducing the need to find other safe means of disposing of hazardous waste. I commend these articles to my colleagues, and I hope that the time is not far off when food irradiation will be accepted and put into wide use.

[From the Renton (Wash.) Record Chronicle, Feb. 9, 1983]

IRRADIATION NEW TOOL IN PRESERVATION

(By Gail Dallas)

Strides in the food preservation and packaging field are again presenting us with new ideas we'll have to learn to become accustomed to "where the rubber meets the road"—at our food supply source, the grocery store.

One is still well down the road. Irradiation. According to a release from the American Council on Science and Health, the Food and Drug Administration recently took the first steps toward the approval of a substantial number of applications of food irradiation in the U.S. The safety of food irradiation has been extensively tested, and no health hazards have been found.

"Irradiation can be used to destroy microorganisms that spoil food, providing high-quality products with an extended shelf life. The process can also be used to inhibit sprouting of potatoes and onions, delay fruit ripening, kill insects that infest grains, and produce sterile foods for special purposes," according to the release.

Irradiation involves the use of gamma rays, X-rays, or high velocity electrons to treat foods. It is not related to microwave. They are two different processes involving different forms of energy.

"Some people are wary at first about the idea of irradiated food," according to an ACSH spokesperson. The process is unfamiliar, and anything involving radiation has negative connotations for some people. But there is no radiation hazard from irradiated food. Radiation itself can be harmful, but objects that have been exposed to it (such as food products) are not dangerous, says these experts.

Similarly, while X-rays themselves must be handled with caution, there is no radiation hazard from the X-ray table in a doctor's office, even though the table may have been exposed to X-rays thousands of times. In addition, only low-dose applications are involved, and data on foods treated this way show they are safe to eat, they assure consumers.

[From Food Technology (Chicago), February 1983]

IRRADIATED FOODS TOPIC OF ACSH REPORT

Preserving food by using irradiation could offer substantial benefits to consumers according to the 20-p report, "Food Irradiation," which has been released by the American Council on Science and Health (ACSH).

According to the report, irradiation can be used to destroy micro-organisms that spoil food, providing high-quality products with an extended shelf life. The process may also be used to inhibit sprouting of potatoes and onions, delay fruit ripening, kill insects that infest grain, and produce sterile foods for special purposes.

The report says that extensive scientific testing has shown that proper use of food irradiation does not present a health hazard. "All of the evidence indicates that consumers have nothing to fear from irradiated foods, but instead can look forward to a greater variety of high-quality food products if this process comes into use in the U.S.," the report says.

The report discusses applications of irradiation, the legal status of irradiation, and various safety studies that have been conducted using irradiated foods. For a copy, write to ACSH, 47 Maple St., Summit, NJ 07901 (or call 201-277-0024).

[From the St. Petersburg Times, Dec. 23, 1982]

RAYS OF HOPE

Irradiation of food could offer a substantial benefit to the consumer, says the American Council on Science and Health. Irradiation uses gamma rays, X-rays or high-velocity electrons to treat foods in a process that does not make the food radioactive. The process can destroy micro-organisms that spoil food and will offer extended shelf life for many products.

[From the Pottsville (Pa.) Republican, Jan. 26, 1983]

FOOD NEWS FROM PENN STATE

STATE COLLEGE, PA. (AP).—Irradiation, a new way to protect food from bacteria, molds and insects, shows promise of saving energy and cutting the cost of food production.

So says Dr. Manfred Kroger, professor of food science at Penn State and one of several contributors to a recent report on food irradiation by the American Council on Science and Health.

"Irradiation is an excellent alternative to refrigeration and chemical additives," says Kroger. "It should be embraced as a scientific advancement that will help us to save coal and oil in the future."

Irradiation is the beaming of rays on food from a radioactive source. Such sources include cobalt-60 and cesium-137.

The process, Kroger stresses, does not make food radioactive. Food absorbs only the energy of the radioactive source, not the source's radioactivity.

"When the sun emits ultraviolet light, it tans us. But we don't become an ultraviolet source because of that," he says.

"For the same reason, food that receives energy in a beam from a radioactive element does not become radioactive itself. The food takes in only energy."

Uses for irradiation include sterilization; pasteurization, which is selected elimination of harmful bacteria; extermination of insects in grains; extension of the shelf life of fruits by delaying mold growth; and prevention of sprouting in vegetables, such as potatoes and onions.

Because irradiation eliminates or reduces the number of micro-organisms in food, spoilage is delayed. Some foods, he says, need no refrigeration as a result.

Irradiation can take the place of heat in food processing. Juices and milk, now heat-pasteurized, could be irradiated to kill bacteria and pathogens.

"In the future, the expense of using irradiation will most likely decrease and the expense of conventional food treatments will go up," Kroger says. "This is an issue of renewable versus non-renewable resources."

First studied in the 1950s, irradiation is now permitted only for insect removal from grains and the prevention of sprouting.

But, Kroger says, the U.S. Food and Drug Administration is now proposing to permit low-dose irradiation treatments on several foods.

Commercial applications could begin in the United States as early as 1984 if the proposed regulation is sanctioned by the FDA.

[From the San Antonio Light, Jan. 30, 1983]

ACTION LINE

(By Joe P. Faulkner)

"Can you tell me if the new process of preserving foods by irradiation leaves any danger of radioactivity to consumers? Just what is this new process, and are its benefits?"—Mrs. D. Reynolds.

ACTION: No, says the American Council on Science and Health, the process does not make foods radioactive. Safety of food irradiation, the council continues, has been extensively tested and no health hazards have been found.

For centuries, efforts have been devoted to finding ways to preserve food and protect it from microorganisms, insects, and other pests. Drying was one of the first techniques developed—more than 2,000 years ago, Chinese travelers enjoyed dried snakes. Salting and smoking, freezing, refrigeration, canning and use of preservatives and pesticides have, of course, been progressive steps towards preservation of foods.

The new technique, irradiation, studied by scientists for nearly 30 years, is the latest process. Irradiation is the use of ionizing radiations, also called ionizing energy, either from radionuclides such as cobalt or cesium or from devices that produce beta rays, or X-rays, on foods.

Irradiation, commonly used to sterilize medical devices, is reported to be exceptionally beneficial to many foods, including meat, poultry, fish, and some vegetables. However, undesirable flavor changes have been found to occur in irradiated dairy products, so these foods are unlikely candidates for commercial irradiation at present.

A high dose irradiation treatment, like the heat in canning, can kill all microorganisms that might grow in a food, according to the council.

Dr. Elizabeth M. Whelan, council executive director, says: "Irradiated foods often are superior in taste and texture to conventional alternatives, and irradiation processes sometimes use less energy than other methods."

[From Food Engineering (Radnor, Pa.), January 1983]

SCIENTISTS PRAISE IRRADIATED FOODS

An independent, nonprofit educational association "promoting scientifically balanced evaluations of food chemicals, the environment, and human health," states in a new report that preserving food by irradiation could offer substantial benefits to consumers. The report was released by the American Council on Science and Health (ACSH), 47 Maple St., Summit, N.J. 07901.

Irradiation involves the use of gamma rays, X-rays, or high velocity electrons to treat foods, and does not make the food radioactive as some members of the non-scientific food community have charged. The process can be used to destroy microorganisms that spoil food, providing high-quality products with an extended shelf-life. The process can also be used to inhibit sprouting of potatoes and onions, delay fruit ripening, kill insects that infest grain, and produce sterile foods for special purposes.

"If irradiation comes into use in the U.S., it will benefit consumers by providing a wider choice of high-quality food products," said ACSH Executive Director Dr. Elizabeth M. Whelan. "Irradiated foods are often superior in taste and texture to conventional alternatives, and irradiations processes sometimes use less energy than other methods. Internationally, the use of irradiation to destroy insects on stored food and could be of tremendous value, since insects destroy a substantial portion of the world food supply."

"Some people are wary about the idea of irradiated food," said ACSH Associate Director Dr. Richard Greenberg. "The process is unfamiliar, and anything involving radiation has negative connotations for some people. But there is no radiation hazard from irradiated food. Radiation itself can be harmful, but objects that have been exposed to it, such as food products, are not dangerous. Similarly, while X-rays themselves must be handled with caution, there is no radiation hazard from the X-ray table in a doctor's office, even though the table may have been exposed to X-rays thousands of times."

"Once information about irradiated foods is readily available, we think that American consumers will accept food products processed in this new way," Greenberg concluded.

Copies of the report "Irradiated Foods" are available without charge from ACSH. Phone: 201-277-0024.

[From Packing Digest (Chicago), February 1983]

IRRADIATION REVIVES

Still another food-preservation process in the news is irradiation. Previous efforts foundered partly because of technology problems and partly because consumers feared that the process made foods radioactive. Not so, says the American Council on Science and Health. "The safety of food irradiation has been extensively tested, and no health hazard has been found." It reports that FDA has recently taken "the first steps" toward approving "a substantial number" of food-irradiation applications.

Irradiated foods are sterilized by gamma rays or high-velocity electrons rather than heat. Energy savings are claimed and possibly packaging-material savings as well. While irradiated foods must be packaged with care to retain sterility, their containers need not be as sturdy as metal cans or glass

jars. Of significance to the world's food supply is irradiation's capability for destroying insects and other contaminants in stored foods.

[From Food and Drug Packaging, New York City, January 1983]

Packagers, suppliers intrigued by American Council on Science & Health report that irradiation presents no health hazards to consumers. In fact, says, ACSH, consumers can "look forward to a greater variety of high-quality food products," if process is widely adopted. Packaging implications could be significant.●

IRWIN SOLOMON HONORED

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. GRAY. Mr. Speaker, tonight in the city of Philadelphia, one of our most prominent citizens, Mr. Irwin Solomon is being honored for his years of service and dedication to the International Ladies Garment Workers Union in the Philadelphia area.

Mr. Solomon, in his capacity as director of the ILGWU's eastern Pennsylvania region operation in Philadelphia, has been a major force in Philadelphia and the surrounding area, in shaping a society which effectively improved the economic and social conditions of all Philadelphians.

Mr. Solomon, through tenacity and hard work, has gained not only the respect and admiration of his colleagues, but that of Philadelphia's civic and business leadership as well.

This tenacity is evidenced by his record in the labor union. Dating back to 1955, when he started as an area regional auditor in Philadelphia for the Dress Joint Board of ILGWU., he worked his way up to director of the eastern Pennsylvania region of the ILGWU.

And he is being honored tonight for some 25 years of service to the ILGWU in Philadelphia. Fortunately, however, Mr. Solomon will not be leaving the ranks of the ILGWU entirely. In fact, he will move on to New York City to become the executive vice president of the ILGWU.

Philadephia's loss will be America's gain.●

BERKSHIRE WEEK

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. CONTE. Mr. Speaker, I am pleased to inform you that again this year, the week of July 11-17 has been proclaimed "Berkshire Week" by the Commonwealth of Massachusetts. I feel especially proud, for this week honors my home, and highlights its enchanting features.

For those of you who are unfamiliar with this beautiful part of the country, Berkshire County offers many desirable attributes. Its rolling green mountains are constantly challenged by skiers and hikers, and the sparkling blue lakes, like my favorite, Onota Lake, provide patient fishermen with many a catch.

Not only is this area a haven for sportsmen like myself; but others will find the Berkshires filled with American art and literature. It was in Pittsfield where Herman Melville wrote Moby Dick while living in Arrowhead, and in Glendale, Sculptor Daniel Chester French built Chesterwood and created the Seated Lincoln statue for the Lincoln Memorial in Washington, D.C. Also, William Cullen Bryant, a poet of the early 20th century, wrote many of his works at home in Cummington, while Susan B. Anthony, a pioneer suffragette, was born and raised in Adams.

As you can see, "Berkshireites" have made contributions to society in many ways. Also this county has proven to be a considerable influence on the economy, though it is little known. Crane Paper Co., in Dalton, produces the paper used in making money by the Treasury Department. Now, where would we be without this kind of input?

For those interested in the performing arts, famous musicians, thespians and dancers are featured on the stages of Tanglewood, Foxhollow Theatre, Shakespeare & Company—the Mount, Williamstown Theatre, Berkshire Theatre Festival, and others hidden throughout the hillsides.

This distinguished corner of Massachusetts is inhabited by people of different backgrounds and heritages. In the Hancock Shaker Village, for example, the lifestyle and religion of the Shaker people continues to flourish. Many are drawn to a notable farm structure, the Great Stone Barn, borne out in concrete form the Shaker beliefs of simplicity, practicality, and excellence in workmanship. Still others may visit the Quaker meeting house located in Adams.

The Berkshires are noted for many historic landmarks. The Hoosac Tunnel, one of the first railroad tunnels, is located in North Adams along with the famous hairpin turn. Lanesborough is the town of Josh Billings' birthplace and in Stockbridge, paintings of Norman Rockwell are displayed at the Old Corner House. The former studio of Sculptor Henry Hutson Kitson, is now known as the Gingerbread House in Tyringham, and displays paintings of modern contemporary artists.

Another fascinating attraction offered in Berkshire County is Mount Greylock, the highest point in the State, rising 3,491 feet above sea level. From here, a spectacular view of the Berkshire Valley and its twisting mountain trails, such as the Appalachian Trail, can be seen.

Driving through this picturesque countryside, there are many activities that Berkshire County offers. For the children, a petting zoo is located at Springside Park. Museums such as the Blacksmith Museum, the Berkshire Museum, and the Hoosac Tunnel Museum, are located on main routes along with various country stores and boutiques selling unique Berkshire products. There are also many delicious restaurants of all types of cuisine spread throughout the county to curb ones appetite while on tour.

I take pride in Berkshire County, and the special people that live there. They make my frequent trips to the First District most enjoyable. I wish these people a pleasant and fun filled week and they can be assured that they will be in my thoughts over the upcoming week of festivities. After all "Home is where the heart is," and I cannot think of a better place for mine to be than in Berkshire County.●

DR. BARNETT ROSENBERG HONORED

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. CARR. Mr. Speaker, basic scientific research is an easy political target. Even when basic research leads to practical and useful results, the connection between the research and the results is not always apparent.

We need to recognize that basic research is never a sure thing. The chance that any particular project will produce a dry hole is always high. With the benefit of hindsight, it is very easy to go after this project or that study. The high risks involved in important intellectual endeavors leave basic research constantly vulnerable to the political cheap shot and the Golden Fleece.

We should recognize that basic research leads to immense benefits as well—benefits which usually cannot be foreseen. In that regard, I want to call the House's attention to the accomplishments of Dr. Barnett Rosenberg of Holt, Mich.

Dr. Rosenberg, a biophysicist at Michigan State University in East Lansing, Mich., has been honored by the American Association for Cancer Research and by the Michigan Association of Governing Boards, representing Michigan's 15, 4-year colleges, for developing Cisplatin, now the most used anticancer drug in the United States.

The American Association for Cancer Research recently presented Dr. Rosenberg with the Cain Memorial Award. The Association of Governing Boards honored him at its Second Annual Awards Convocation for Michigan Colleges and Universities.

The development and use of Cisplatin clearly illustrate the nature of scientific research. It was discovered as a byproduct of other research, required 10 years of investigation before it was approved for use by the FDA, and yet its workings are still not fully understood.

Dr. Rosenberg has been quoted as saying that it takes 20 years for medical professionals to learn how to use a drug properly, to discover refinements about its use and to learn what can be expected of it. Congress should keep that observation and the history of Cisplatin's development in mind as we make decisions about basic scientific and medical research.

I want to add my congratulations to Dr. Barnett Rosenberg for the recognition he has received, and my thanks for his many years of dedicated and worthwhile research. He has added immeasurably to the store of scientific and medical knowledge and deserves the applause of his colleagues, the public, and the House.●

UNFAIR TAX TREATMENT OF WAITERS AND WAITRESSES SHOULD BE REPEALED

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BONKER. Mr. Speaker, today I am introducing a measure that will undo what I believe to be an unfortunate encroachment by the Internal Revenue Service against one segment of hard-working and moderate-income Americans.

My bill would repeal section 314 of the Tax Equity and Fiscal Responsibility Act of 1982. This provision essentially requires restaurant owners to force employees to report 8 percent of gross restaurant income as tips, and pay tax whether or not they collected this amount.

The new rule in many cases could require waiters and waitresses to pay tax on money they are not receiving. At a time when numerous high-income individuals are paying no tax at all, the unfairness of this approach is glaring. The law would create an assumption of income, a concept that is totally contrary to our tax system.

Mr. Speaker, I do not intend to encourage tax noncompliance by introducing this legislation. My bill would not remove the previously existing requirement that waiters and waitresses report their tips for withholding purposes to their employers; it would simply eliminate the unfair allocation system.

I share the view of many honest waiters and waitresses in my district that this new allocation scheme is insulting. It in effect calls all restaurant employees guilty of tax evasion and offers them no recourse to prove their innocence.

If we are serious about eliminating tax evasion, Congress and the Treasury Department should focus their compliance enforcement efforts on the real problem—the use of unproductive tax shelters and other means by the wealthy to avoid paying their fair share of taxes. We should not pick on individuals who are typically near the bottom end of the income scale.

The President's 1981 tax bill lifted much of the tax responsibility from the upper income groups and corporations. Last year's bill imposed a number of new taxes on lower- and middle-income individuals, including waiters and waitresses. I believe it is time to reverse these regressive tax policies.

A bill to amend the Internal Revenue Code of 1954 to repeal the provisions enacted by the Tax Equity and Fiscal Responsibility Act of 1982 which require certain restaurants to allocate as tips received by employees a portion of the gross receipts of the restaurant and to report such allocation to the Internal Revenue Service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 6053 of the Internal Revenue Code of 1954 (relating to reporting requirements relating to certain large food or beverage establishments) is hereby repealed.

(b)(1) Subparagraph (E) of section 6678(3) of such Code (relating to failure to furnish certain statements) is amended by striking out "or (c)".

(2) Subparagraph (B) of section 6652(a)(1) of such Code (relating to failure to file certain information returns, registration statements, etc.) is amended by striking out clause (iv), by striking out "or" at the end of clause (iii), and by adding "or" at the end of clause (ii).

(3) The last sentence of section 6001 of such Code is amended by striking out ", records necessary to comply with section 6053(c),".

(c) Subsection (c) of section 314 of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to study of tip compliance) is hereby repealed.

(d)(1) The amendments made by subsections (a) and (b) shall apply to calendar years beginning after December 31, 1982.

(2) Any report made to the Secretary of the Treasury or his delegate under section 6053(c) of the Internal Revenue Code of 1954 before the date of the enactment of this Act shall be destroyed and shall not be used for purposes of applying such Code to any person.●

A TRIBUTE TO MILLARD SOUTH HIGH SCHOOL

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. DAUB. Mr. Speaker, with public attention focused on excellence in education, I am proud to announce that Millard South High School in Omaha, Nebr., was chosen as one of 144 outstanding secondary schools in the country; 396 schools from across the country were nominated for this prestigious recognition by area chief State school officers; 144 outstanding secondary schools were chosen by a selected panel of educators.

Secretary of Education Terrell H. Bell cited the criteria looked for in determining which schools were to receive this coveted recognition:

We looked for schools unusually effective in meeting the needs of their students. In doing so, we found these remarkable schools that unquestionably have achieved a high level of success. All the schools selected had impressive student scores on standard achievement tests and minimum competency tests.

Setting high academic standards, parent participation, student involvement, and enthusiasm for learning, a committed and dedicated teaching staff, board of education encouragement, and a strong, highly motivated principal—Dr. John Lammel—together create a high-quality learning institution that each and everyone can be proud of.●

FIRST, MAKE JOBS THAT WORK

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BEREUTER. Mr. Speaker, the following editorial in the July 9, 1983, issue of the New York Times appropriately notes that the large spending measures proposed or approved in the House with the objective of stimulating employment and economic recovery have had, not surprisingly, too few beneficial effects. In fact, such expenditures contribute to deficit and interest-rate problems.

[From the New York Times, July 9, 1983]

FIRST, MAKE JOBS THAT WORK

Unemployment is edging down some more and the number of jobholders is up over 100 million. That's almost a million more than in March, when Congress voted in a $4.6 billion jobs program. But there's hardly any connection between one and the other. Congress does better at creating jobs programs than creating jobs.

As the members start devising another, bigger round of anti-recession programs, let the results of the first round be a caution. As The Time's Iver Peterson reported this

week, it has accomplished almost nothing. Most of the money is still tied up in red tape and debate over how to spend it.

Congress started work on the $4.6 billion package in January, believing that the voters last November wanted Government to do something to turn the economy around. The legislators picked quick-start projects that backers contended would create 400,000 full-time jobs. No one knew at the time that the economy had already turned and would soon be growing much more rapidly than any analysts were then willing to predict.

Meanwhile, the quick-start concept has reverted to the same old slow start. New York's Legislature took three months to allocate its share. Money for Chicago is paralyzed by the battle between the new Mayor and his City Council. Some programs have moved quickly—some 25,000 maintenance jobs in Michigan, for instance—but they appear to be exceptional.

Now, in its recent budget resolution, Congress created a special "reserve" for 10 more anti-recession programs, to cost $8.5 billion in the first year and billions more later. The programs include $5.8 billion for "physical infrastructure." Remember infrastructure? That was the 1982 buzzword for public works. Another, older phrase for that is pork barrel. If new works are needed, let them be weighed against other priorities, but not in the name of fighting recession.

Another item on the Congressional agenda: $3.5 billion for "economic recovery." Anything that promises jobs might fit here, and certainly more jobs are needed. But with the earlier jobs package stalled, Congress could skip catch-all cures for now and get to work on serious planning.

Two relief programs have merit—$1.5 billion to extend unemployment benefits again and $3.7 billion of health insurance for laid-off workers who lose their employers' coverage. But otherwise, these programs are far more likely to increase the deficit than to create jobs.●

AMERICA LOSING BATTLE BEING WAGED IN CLASSROOMS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. McDONALD. Mr. Speaker, the focus on the fundamentals of education in America today is long overdue. The recent report issued in Washington brought forth howls from predictable quarters. In this technological age, we are losing out to countries where the school systems are stricter, the curriculum more demanding and achievement is stressed not social adjustment. Mr. Dillard Munford wrote a very thought provoking column on this general subject that appeared in the Marietta Daily Journal for Monday, May 16, 1983. I commend his observations to the attention of my colleagues. Mr. Dillard Munford is chairman of the board and CEO of the Magic Market chain of convenience stores. His column follows:

[From the Marietta Daily Journal, May 16, 1983]

AMERICA LOSING BATTLE BEING WAGED IN THE CLASSROOMS

(By Dillard Munford)

The news is filled with descriptions of battles around the world, in Lebanon, Afghanistan, Iran and Iraq, Nicaragua and El Salvador, and all Americans are concerned about our troops being involved in a war. But there is another battle going on every day here in America—and we are losing.

It is the battle being waged in the classrooms of our nation.

Science and math, once the backbone of American education, have become its Achilles heel. Recent reports from a presidential commission and other groups reveal alarming proportions to the problem in our schools:

It is estimated that one-half the newly hired math and science teachers are unqualified to teach those subjects and they do so only with emergency certification. Only one-third of our high schools require more than one year of math or science and at least 50 percent of all high school graduates nationwide never had a single year of chemistry or physics. Almost half the states do not require a math or science course of any kind for graduation.

Georgia's schools generally require only a minimal exposure to science in math in this technological age. In the metro Atlanta area, for example, Marietta High permits students to graduate with only one year of science and two years of math, similar to the state requirements; while Fulton County schools require at least two years of science and three years of math. Of course, the key issue is the quality of the courses taught.

Analyzing the state of education today, principal Herb Garrett of Marietta High says: "For the last 20 years, we have been engaged in the greatest social experiment in the world." He's right and that experiment has been a costly failure, documented in report after report.

Researcher-author John Naisbitt has focused on this failure, citing a 16-year decline in scholastic achievement test scores. "The generation graduating from high school today is the first generation in American history to graduate less skilled than its parents," according to Naisbitt.

Stacked up against other major countries, our schools show some serious flaws. For example:

Five million Soviet high school students take calculus compared with barely more than 100,000 in the United States and nearly one-half the engineering doctorates awarded in our country go to foreign nationals. In China more people study English than speak it in the United States and through foreign language study others gain critical information from our nation, but because of our lack of study we cannot gain from them.

American students do not work as hard as their foreign counterparts. The American school year is 180 days. In Japan, East Germany, China and the Soviet Union the school year averages 240 days. Our children attend classes about five hours a day, five days a week, while in other countries the school hours and weeks are much longer.

More than 10 percent of the Japanese have IQs of above 130, compared with only 2 percent of Americans in that category.

A generation of Americans is growing up lacking the education needed to participate in the modern world—a world of robotics, optical fibers, silicon chips, computer aided design and computer aided manufacturing. Those who do not understand these things will be left behind. Countries that do not lead will have to follow.

One estimate placed at 115,000 the number of computer-related jobs available last year in the United States, but there were only 50,000 graduates of colleges and universities to fill the jobs. A shortage of instructors in computer courses has resulted in students being turned away at some colleges.

High schools face a shortage in technology fields.

"There is a shortage and I foresee in the near future a critical shortage of science and math teachers," is the outlook of assistant principal Larry Whaley of Riverwood High in north Fulton. Whaley's school recently staged a campaign to raise $35,000 and purchase 14 computers for the classrooms to help meet the crucial need for computer literacy.

"We lost three math teachers in one year—all to large companies at increased salaries and benefits," Whaley says. Science teachers can almost double their pay by going into industry.

Technology, advancing with the rapid computerization of America, is creating jobs, raising living standards, improving productivity and the defense of our nation. Unfortunately, at a time when technology is shaping the future. American education is producing illiterates.

We have lost sight of the pursuit of excellence in education and have resorted to plodding after mediocrity. Unless strong and decisive steps are taken on a broad scale, we can expect fulfillment of a bleak prophecy made recently that historians of the future "may well look back on what has happened to American education as the equivalent of unilateral economic disarmament."

Educational deficiencies must be remedied, else we will find ourselves becoming a second-rate economic power.●

CAPTIVE NATIONS WEEK

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Ms. FERRARO. Mr. Speaker, 207 years ago, our Founding Fathers envisioned a society where people could live in freedom and independence. Fortunately, those basic human rights are still with us. For many countries, however, those same ideals remain unrealized due to Communist rule.

Twenty-five years ago, President Eisenhower signed a law which designated the third week in July "Captive Nations Week." This would continue every year until the Soviet-dominated nations of the world were free once again.

In total, more than 30 nations, most recently Afghanistan, have fallen to Soviet domination. In Central and Eastern Europe alone, more than 100 million people are under the Communist yoke.

As the 25th anniversary of "Captive Nations Week" approaches, we, as

Americans, must join in support of a cause which is now more important than ever—the freedom and independence of all people.

Mr. Speaker, my hopes and prayers go out to the persecuted people and the time they can live freely once again. I urge my colleagues to pledge themselves toward the attainment of peace and justice in the world.●

2,000 FLOCK TO NEW STORE IN SEARCH OF JOBS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Ms. KAPTUR. Mr. Speaker, the news of a nationwide economic recovery should not persuade Members of the House that our economic problems are solved. The stories of the millions of unemployed and underemployed Americans suggest otherwise. This Congress must continue to enact legislation which helps these individuals cope with their lack of economic means and which helps them find new jobs.

And they do want jobs. In my district, this was best illustrated recently when well over 2,000 persons filed applications in a 2-day period for jobs at a new Value City Mall. These individuals arrived early in the morning to apply and waited until late in the day. They are not looking for a perfect job; they just want a decent job. I would like to insert into the RECORD an article which appeared in the Toledo Blade that describes the occurrence:

2,000 FLOCK TO NEW STORE IN SEARCH OF JOBS

(By Stan Lee)

Some were unemployed; others were seeking part-time work. Some were about to retire and were seeking something constructive to do with the empty years ahead, while others had college degrees and sought employment in their chosen fields instead of remaining in their present low-paying jobs of necessity.

But all of the more than 150 persons who lined up about noon Thursday at the former Greenwood Mall, at 5860 Lewis Ave. near Alexis Road, had one thing in common: They were seeking jobs.

Well over 2,000 persons filed applications Wednesday and Thursday in the hope of getting permanent full-time jobs at the new Value City Mall in what will be Toledo's newest and largest Value City off-price department store.

The mall, which was recently renamed, is being renovated inside and out for reopening in October, Sara Seeger Boehme, marketing director for the new mall, said Thursday.

The applications accepted this week were for some 90 jobs in the new Value City store scheduled to open Aug. 18 in the southern section of the mall, which formerly housed a Montgomery Ward store and, before that, a Tiedtke store.

Wednesday, job-seekers began lining up about 5:30 a.m., and throughout the day some 600 persons or so were in line at any given time, and about 400 had to be turned away until Thursday.

When she arrived at 8 a.m. Thursday, Mrs. Boehme said, applicants were lined up from the main entrance, off Lewis Avenue, nearly halfway around the mall.

"Cashier, whatever, I just need a job," Ms. Palmer Garrett, 33, of 2225 Rosewood Ave., said as she stood in line Thursday morning.

An employee of Owens-Illinois, Inc., until she was laid off three years ago, she said she and her husband, an auto worker, have a daughter, 13, and a son, 22 months old.

Adding that her unemployment benefits have expired, she said, her family is just barely making ends meet.

"I'm an independent person and it is difficult depending on someone else. I'd rather work and make my own money . . . and besides that I'm tired of being reminded that Ron is the only one working in the household," Ms. Garrett said.

Kendall Floyd, 25, of 2156 Perth St., said that he felt he was qualified for a job in management or retail sales "but anything I can find will be all right with me."

He has been unemployed since he was laid off by a Toledo shoe store about six months ago and has some four weeks left to receive unemployment benefits.

To him a job is important to his self-esteem. "I definitely look down on myself after being jobless for so long," he said, which makes it hard to go into an interview with an optimistic attitude. "You start to feel that maybe you are not employable and that comes across to possible employers during interviews."

Although everyone who stood in the long application lines wanted a job, their needs varied considerably because some were working already, part time or full time, and one woman and her husband manage their own business.

Ms. Vanetta Clarke, 38, of 1396 Fitchland Ave., and her husband, Jerry, operate Jerry's Terrarium and Florist shop at 1692 West Bancroft St., but while waiting to file an application she explained that the florist business doesn't blossom in the wintertime, when utility bills soar.

"That is why I'm in line, because the florist shop no longer takes care of us," she said, adding that her husband is disabled and that limits his job opportunities.

Bud Cooper, 30, of 3616 Anglebrook Court, is a licensed practical nurse at Flower Hospital, but he was in line Thursday to apply for a position in accounting, a field in which he received a degree at Bowling Green State University in 1980.

None of the applicants has as yet been hired. The hiring process, which includes a two-part preliminary interview and the personal interviews Wednesday and Thursday, will not be completed for about two or three weeks, Herbert Minkin said. He is corporation personnel and benefit director for the Schottenstein Corp. of Columbus, operator of the Value City stores.●

REINTRODUCTION OF LEGISLATION RELATING TO SOCIAL SECURITY DISABILITY REFORM

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. CONTE. Mr. Speaker, I rise today to reintroduce legislation similiar to H.R. 2814 which I originally introduced on April 28, 1983. Like H.R. 2814, this legislation would place a moratorium on all reviews of the mentally impaired who are receiving social security disability benefits. Said moratorium would be in place only until the Social Security Administration completes a full examination and revision of the process for determining mental disability. The need for this legislation was made evident by a GAO report issued early this April which concluded that 91 percent of the terminations of mentally disabled persons have been reversed upon appeal to administrative law judges.

The reason I am reintroducing this legislation stems from the Supreme Court decision handed down recently in the case of Immigration and Naturalization Service against Chadha. That decision declared unconstitutional the use of all one-House legislative vetoes and called into serious question the use of two-House legislative vetoes. The only difference between this bill and the one I introduced previously is that this one includes a severability clause. Since the bill would require both Houses of Congress to approve by concurrent resolution SSA's examination and revision, the severability clause is necessary to insure that the remainder of the statute would stand should the congressional approval provisions be held unconstitutional.●

A TRIBUTE TO THE CITY OF HOPE

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SMITH of Florida. Mr. Speaker, today, I rise to give special recognition to the City of Hope on the occasion of its 70th birthday. From modest beginnings, the City of Hope has grown into one of the world's largest and finest health care organizations dedicated to ending disease in all humanity. With its outstanding staff of physicians, scientists, and volunteers, the City of Hope will continue to set new standards for health care.

The City of Hope has established a quality of care for its patients that is unsurpassed. In a time of rising health care costs, both the rich and the poor can receive expert treatment at no cost due to the endless work of thousands of volunteers across the country. They spend hours raising money for this mostly privately funded organization. These people are the heart and soul of the City of Hope; without them, there probably would be no City of Hope.

Research at the City of Hope is devoted to ending the major ailments.

Great advances have been made in cancer research, and the treatment of heart, blood, and lung disorders. The south Florida City of Hope chapters, for example, have a program of their own called "Heal." Project Heal is devoted to ending leukemia in our lifetime. Efforts such as theirs will some day lead to our conquering major diseases.

Recently, a computer-aided test that would give early warning signals of the beginning stages of lung cancer, emphysema, and chronic bronchitis was developed at the City of Hope. Hopefully, this technique will help to detect these diseases early enough to save many lives.

Doctors at the City of Hope have made great advances in genetic disease research. This is a relatively new area of study, and the City of Hope is a pioneer in the field. Last October, the Food and Drug Administration approved the first product of genetic engineering. The product, called Humulin, is a synthetic insulin created from human DNA. Researchers at the City of Hope are also working on a technique that would lead to early diagnosis of sickle cell anemia, Tay Sachs, and other inherited diseases.

These recent accomplishments will be discussed at the national biennial convention which began July 9. New goals will also be set. The future for the City of Hope certainly looks positive as the potential for success in these new areas is unlimited. I am confident that the City of Hope will continue to blaze new trails for the medical world to follow.

Sanford Shapiro, executive director of the City of Hope, is to be commended for the job he has done. I am proud of the role my parents, Marty and Myra Smith, and family have been able to play in helping the City of Hope. I ask that Congress join with me in extending congratulations to the City of Hope.●

CHILD SUPPORT AND ALIMONY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mrs. KENNELLY. Mr. Speaker, the Census Bureau has published the initial findings of its survey, "Child Support and Alimony: 1981 (Advance Report)." The statistics in this report are deeply disturbing and point up the fact that we need to improve the current Federal child support enforcement program and make sure it is working for all children entitled to support.

On Thursday, July 14, the Public Assistance Subcommittee of Ways and Means will hold hearings on child support enforcement legislation, including H.R. 2374, a comprehensive proposal which I have introduced to improve the current program. H.R. 2374 is identical to title V, part A, of the Economic Equity Act H.R. 2090, cosponsored by over 100 Members of the House.

For the benefit of my colleagues, I am inserting in the RECORD the principal findings of the Census Bureau survey.

PRINCIPAL FINDINGS OF CENSUS BUREAU SURVEY

AWARD AND RECEIPT OF CHILD SUPPORT PAYMENTS

As of spring 1982, 8.4 million women were living with a child under 21 years of age whose father was not living in the household; 59 percent or about 5 million of these women were awarded child support payments.

Of the 4 million women due child support payments in 1981, 47 percent received the full amount due. Of the remaining women, there was no evidence of a difference between the proportion receiving partial payment and those who received no payment at all.

For all women, the child support award and recipiency rates reported were not significantly different from those of the 1979 survey. (The award and recipiency rates from the 1979 survey were 59 and 72 percents, respectively; see table A.)

The mean amount of child support received by women increased from $1,800 in 1978 to $2,110 in 1981. After adjusting for inflation during this period, child support payments decreased by about 16 percent in real terms. However, child support payments as a percentage of average male income ($13,110 in 1978 and $16,520 in 1981) was at about the same level (13 percent) in both years, since the real income of males declined during this period as well.[1]

Of the 2.6 million women below the poverty level with children present from an absent father, about 40 percent were awarded child support.

Among the poor, 810,000 women were due payments in 1981, but only about 60 percent received some amount of payment.

The mean child support payment received in 1981 by women below the poverty level was $1,440.

THE DEFICIT IN CHILD SUPPORT PAYMENTS

For the 4 million women due child support payments in 1981, the mean amount of child support including those who received nothing was $1,510. If the full amount of payment due had been made, the mean amount would have been $2,460.

For women with court-ordered payments, the mean payment due was $2,050, but the mean amount received was only $1,120; therefore, women with court orders received only 55 percent of the amount they were due. In contrast, women with voluntary written agreements received 78 percent of the amount they were due, and their mean child support payments due ($2,870) and received ($2,240) were higher.

The aggregate amount of child support payments due in 1981 was $9.9 billion, but actual payments received amounted to only about $6.1 billion.

AWARD AND RECEIPT OF ALIMONY PAYMENTS

Of the 17 million ever-divorced or currently separated women as of spring 1982, 15 percent were awarded alimony payments.

Of the 780,000 women due alimony payments in 1981, 43 percent received full payment; there was no evidence of a difference between the proportion receiving partial payments and those who received no payment at all.

The mean amount of alimony received by women in 1981 was $3,000. After adjusting for inflation, this reflected a decrease of about 25 percent from the 1978 level. Alimony payments as a percentage of average male income showed no statistically significant change between the two years.[2]

AWARD OF PROPERTY SETTLEMENTS

About 42 percent of the 14.2 million ever-divorced women were awarded a property settlement as of spring 1982.

Of women awarded a property settlement about 20 percent also received some form of support payment in 1981. About 16 percent of ever-divorced women without a settlement received support payments in 1981.

Slightly over 20 percent of women with a settlement received a "one-time" cash payment as at least part of the settlement.

The likelihood of receiving a property settlement varied by age. Women over 30 years of age were more likely to receive an award than younger women.

The average total income of women with property settlement ($10,280) was slightly higher than those without settlements ($9,180).●

[1] Mean child support payments were compared with mean income of all males as a proxy, since the income of the absent father was not available from the survey. Income figures for males can be found in table 12 of Current Population Reports, Series P-60, No. 134.

[2] Mean alimony payments were compared with the mean income of all males as a proxy, since the income of ex-husbands was not available from the survey.

LET'S BE FAIR

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. HYDE. Mr. Speaker, last week, on July 6, 1983, the Supreme Court struck down discriminatory pension plans which differentiate on the basis of sex. In a 5 to 4 ruling, the Court held that a woman who contributes an amount equal to that of a similarly situated man must be furnished with an amount equivalent to that which the man receives upon retirement. In the case before the Court, the woman, Natalie Norris, contributed $199 monthly into her pension plan, but would have received $34 per month less upon retirement. The reason given by the insurer was that women, as a class, live 7 years longer than a man, as a class.

In remarks inserted into the RECORD on February 22, 1983, I applauded the Department of Justice for filing an amicus brief for the Court on behalf of Mrs. Norris, and indicated that I hoped she would ultimately prevail. It is worth noting that in its front page

coverage of the case, which appeared in its July 7 edition, the Washington Post never so much as mentioned the Justice Department's involvement in the final decision.

Political partisans—aided and abetted by the media—give much attention to an alleged insensitivity on the part of the Reagan administration toward "Women's issues." This is the so-called "gender gap", we read about so much. It would serve the interests of fairness if this adminstration's amicus brief on behalf of Mrs. Norris in this case could receive some media mention as well. This might help destroy the myth of the "gender gap", or perhaps more properly characterize it as the inability of the Democrats to get enough men to vote for their candidates.

Federal statutes have for some time been faithful in protecting against sex discrimination, and the Norris case is a prime example. It seems clear to me that the principal aim of title VII of the 1964 Civil Rights Act was the protection of employees from discrimination on the basis of race, religion, sex, and national origin. Pensions, it seems to me, are part and parcel of one's compensation, and compensation is one of the areas protected under section 703(a)(1) of title VII. The basis for the distinction made by the pension plan in Mrs. Norris' case was the life expectancy of other members of her class, and not those situated as she was. She was right to contest the inequity which resulted, and the Court was correct in deciding it did.●

A SALUTE TO FLOYD SWOOPE AND MIRROR MIRROR PRODUCTIONS, INC.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. STOKES. Mr. Speaker, I take this opportunity to pay special tribute to a person that I consider to be the premiere minority businessman in the city of Cleveland—Mr. Floyd Swoope.

Mr. Speaker, I call my good friend, Floyd Swoope, the premiere minority businessman because of his unswerving commitment and dedication to his profession. This is underscored by the phenomenal success of his business, Mirror Mirror Productions, Inc.

Mirror Mirror Productions is the parent company for various businesses owned and operated by Floyd Swoope. The hallmark of this company is a chain of hair care salons estimated to be the biggest chain of its kind in the Nation. Mirror Mirror Productions, Inc. also has as its components a hair care products manufacturing company, a printing company, a modeling agency, and a video recording company.

Through these various business ventures, Mr. Speaker, Floyd Swoope employs more than 100 workers. Once this energetic and determined businessman completes his expansion project, he will employ an estimated 300 to 500 people. Thus, the project will not only benefit Floyd Swoope but also people in the Cleveland area looking for employment opportunities.

The story of Floyd Swoope is a classic example of a man struggling against seemingly insurmountable odds to reach his goal. He began his business career as a district manager for Johnson Products, Inc. 11 years ago. Later, he ventured from the corporate world and purchased Al-Co. Distributors, a Cleveland distributor of black hair care products.

However, Floyd Swoope met with some tough times shortly after purchasing Al-Co. Retailers soon began purchasing directly from the manufacturers rather than distributors such as Floyd Swoope's Al-Co. Sales began to fall. Many people would have abandoned their business, but Floyd Swoope simply refused to give up or to fail.

Instead of discouraging Floyd Swoope, this experience seemed to challenge him more. Floyd Swoope diligently researched and studied other areas of the beauty industry. He soon discovered that teaching new hairstyling techniques to beauticians could be a profitable venture. Applying this knowledge and expertise of the beauty industry, he then created what has become one of the largest beauty chains in the Nation.

Mr. Speaker, Floyd Swoope and his company, Mirror Mirror Productions, Inc. are a success today. More importantly, Floyd Swoope is a great inspiration to many businessmen in the Cleveland area. He is also a positive role model for many young people.

For those reasons, I would like to insert in the RECORD an article which appeared recently in the Cleveland Plain Dealer on Floyd Swoope. I ask my colleagues to join me in saluting this outstanding entrepreneur.

The article follows:

[From the Cleveland Plain Dealer, June 14, 1984]

GROOMING FOR SUCCESS—ENTREPRENEUR FINDS BLACK HAIR CARE PROFITABLE

(By Jonathan P. Hicks)

Clarence Floyd Swoope leaned forward in a chair in his spacious Euclid Avenue office, remembering how as a distributor of black hair-care products here in the early 1970s, his business foundered as Cleveland retailers began bypassing him and buying directly from manufacturers.

"The retailers started realizing they could buy these products from Johnson Products or Soft Sheen or some other company and not have to deal with us," the 39-year-old entrepreneur said. "Because we were the ones who introduced these retailers to the black hair-care market in the first place, we felt hurt. But," he added, smiling, "I've kind of gotten over that."

Today, Swoope is president of Mirror Mirror Productions Inc. which, with eight salons under its banner, is the largest black hair-care salon chain in the country, with total revenues of $3 million last year. The hair-care company also manufactures its own hair-care products, and it operates a printing company, modeling agency, video recording company and a private social club.

Mirror Mirror employs more than 100 workers and has recently renovated a former Bob's Big Boy training center in East Cleveland to convert the three story office building into a new headquarters, complete with salon, a company store, a dining room and a recording studio.

"A lot of people think of me as a hair stylist. That's not what I do at all," Swoope said. "My business has become a lot bigger than that. We're into retailing, wholesaling and service. The key for us has been to diversify."

Swoope's career as an entrepreneur began 11 years ago in a small office not far from his newer quarters. Swoope, a former district manager for Johnson Products Inc., left the corporate world to purchase Al-Co Distributors, a Cleveland distributor of black hair-care products whose account he had handled.

"We acted as a middleman, bringing in products from Johnson Products, Soft Sheen and Revlon," Swoope said. "We sold them to Pick-n-Pay, Gray Drug and everyone. We taught them how to make money on black hair-care products."

The retailers learned another lesson too—that they could save money by purchasing straight from the manufacturers. By 1978, Al-Co.'s business began to sag badly and Swoope looked around for another business arena and decided there was more money to be made in teaching new hair styling techniques to beauticians.

He went into local hotels, giving seminars and fashion shows—under the sponsorship of his newly-created Mirror Mirror company—and promoted products distributed by Al-Co. At the same time, he began advertising throughout the black community, promoting the hair-care products and the salons that used them.

By 1980, Mirror Mirror received a boost when a California cosmetoligist developed the "cold wave curl," a chemical process by which hair bonds are straightened and then recurled. That curling process immediately became popular and Mirror Mirror, one of the early local distributors of the "curl" products, was poised to take advantage of that popularity.

As an experiment, Mirror Mirror opened a salon in the Lee-Harvard Shopping Center that year. Business grew so quickly that the company moved to a larger store. Soon Mirror Mirror began opening other salons as well as offering a variety of black hair-care products.

Swoope then began to concentrate on producing his own products to be sold in Mirror Mirror stores. He subcontracted an East Coast firm—he will not say which—to produce Mirror Mirror's "Two in One" line of hair-care products, causing revenue to increase.

Swoope's future plans include bringing his product manufacturing business to Ohio, a goal which he says will be achieved within 90 days.

"It is nice to know that there are black companies that are doing well," Swoope said. "But it would be nicer to say that Mirror Mirror manufactures our own product here in Ohio and that we have created

300 to 500 new jobs right here. It won't be long before we'll be able to say that."●

INTRODUCTION OF NAVAJO INDIAN TRIBE CLAIMS LEGISLATION

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. RICHARDSON. Mr. Speaker, today I am introducing a bill which will require the U.S. Court of Claims to hear a number of claims which were filed against the U.S. Government in 1950 by the Navajo Tribe. Identical legislation was introduced in the Senate by Senator DENNIS DECONCINI on May 3, 1983.

The Navajo claims were filed persuant to the Indian Claims Commission Act of 1946 and include allegations that the U.S. Government improperly managed tribal resources and failed to deal fairly and honorably with the Navajo Tribe by not providing the educational facilities and services required by the law.

These claims have never been heard by a U.S. court on their merits. In 1969 a former claims attorney withdrew several of these claims without securing the approval of the tribe or the Department of the Interior as required by the attorney's contract. Subsequently the Indian Claims Commission and the trial division of the Court of Claims held that the Navajo's claims should be heard by the court on their merits. However, in 1979 the Court of Claims overturned these two earlier decisions and held that the tribe was bound by their attorney's "voluntary dismissal" of the claims 10 years previously.

After nearly 30 years of litigation, a fair hearing on a group of legitimate claims filed by the Navajos has been denied because of the unauthorized and irresponsible action of one participant. The Indian Claims Act of 1946 was enacted to insure that claims by the Indians were given the opportunity to be heard. It seems contrary to the purposes of this law and to basic principles of fairness and equity not to allow the Navajo's claims to be judged on their merits. The bill I am introducing carries out the intent of the Indian Claims Act by insuring that these duly filed claims will have the hearing contemplated by the Act.

I welcome the opportunity to discuss this legislation with my colleagues. Should you need further information or wish to cosponsor, please do not hesitate to contact me or Steven Vest of my staff at 5-6190.●

MERIT PAY FOR TEACHERS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BEDELL. Mr. Speaker, as a past school board member from Iowa, I am gratified to see that the administration is finally acknowledging a problem in the world of education. The President's merit pay proposal and retaining the master teacher idea is one matter, but the fact remains that quality young people are not pursuing a teaching career. Iowa provides a perfect example. From the 27 educational institutions in Iowa that grant teaching degrees, only six chemistry, two Earth science, and two physics teachers graduated in 1982. There were numerous reasons cited as to why students were not pursuing a teaching career. The reasons ranged from poor salaries, poor working conditions, no job security, reduced job satisfaction and low prestige as a teacher. The trend of young students preferring not to be teachers and the exodus of "qualified" teachers from the profession is creating a serious problem in education. The President, too often, takes a complex issue like education and proposes a simple solution like merit pay. He carefully disassociated himself from the real problems of recruiting, training, and certifying young teachers. I doubt whether the Federal merit pay scheme will be the immediate solution to recruiting, training, and certifying more qualified teacher candidates.

Mr. Speaker, the American people are not looking for a quick fix, simple solution to this education problem. They want carefully studied, well drafted proposals that guarantee their children a quality education taught by quality teachers. That is why I commend my colleague Mr. PERKINS, Chairman of the Education and Labor Committee, for setting up a task force on merit pay and appointing my good friend Mr. SIMON of Illinois as the chairman. I look forward to the results of this task force and pledge my support as they deal with the solutions to improve our schools.●

GM ELECTRONICS BACK IN UNITED STATES

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. HILLIS. Mr. Speaker, it was just about 2 years ago when television crews from New York swept into my hometown of Kokomo, Ind., to film the story of a community wrestling with depression-level unemployment. Nearly 1 in 4 were jobless, food stamp and welfare claims were at record levels, small businesses were failing at an alarming rate and, worse, no one was very optimistic that better times were on the way.

At the heart of this catastrophe was the failing American automobile industry and its two contributions to the Kokomo economy—the Chrysler transmission plant and General Motors' Delco Electronics radio plant. Both were practically idle and thousands were laid off.

Today, unemployment is still a problem at 10.8 percent but it is fallen steadily from a high of 23 percent for more than a year. Food stamps and welfare claims are decreasing as people return to their jobs. Best of all, there is now hope that the depression—and that is what it was in Kokomo for almost 4 years—is over and good times are ahead.

At the heart of this revival is the high techology being pioneered by the people at Delco Electronics, Kokomo's largest employer. As this New York Times article, which I am submitting for the RECORD, demonstrates, Delco's commitment to progress and innovation means a brighter future for my central Indiana home.

Already, several smaller high-tech industries who will be supplying Delco, have located or announced they will locate in Kokomo, creating new jobs and helping the local tax base. Delco itself plans more expansion, bringing back work to Kokomo that it had been doing in Singapore and Mexico.

Kokomo is grateful for Delco's commitment to the community and proud of its emerging role as a leader in the Silicon Prairie. The following Times article reveals an exciting future not only for Kokomo but all of America and I urge my colleagues to examine it.

The article follows:

[From the New York Times, June 20, 1983]

G.M. ELECTRONICS BACK IN U.S.

(By John Holusha)

KOKOMO, IND.—It seems as if most things here are very small and very busy. There are little vacuum probes that dart up and down, selecting good integrated circuits from bad among hundreds on a silicon disk. A nearby machine whirs and clicks as it stitches each tiny chip to a larger circuit with 40 pieces of gold wire, one-third the diameter of a human hair, in 14 seconds. Soon to come is an assembly machine that will place 256 electronic components on a circuit board in 2.4 seconds.

This small northeastern Indiana town is one of the high-technology corners of the automobile industry, the headquarters of the General Motors Corporation's Delco Electronics Division. Starting from raw silicon here, G.M. produces many of the microcomputer chips that go into the command modules that govern the engine operations of modern G.M. cars.

It is also scheduled to become the site of a reversal of the long-time movement of con-

sumer electronics work out of this country. G.M. has said that it plans to manufacture 85 percent to 90 percent of all its car radios here by the 1988 model year, thus bringing back work it has been shipping to plants in Mexico and Singapore for the last several years.

"It certainly is a significant development, since everything has been moving offshore for years," said Philip Goodman, an analyst with Duff & Phelps Inc. in Chicago. "G.M. has been spending a lot on semiconductor technology that I thought was too sophisticated. But if you put the complexity in the integrated circuit, it simplifies assembly."

REDUCING LABOR

Delco officials here say that reducing the amount of hand labor involved in assembling an electronic product, such as a radio, is the key to overcoming the advantage of low labor costs in Central America and the Far East. The ways to do that, they say, are to eliminate electromechanical parts by making the device all electronic and then to automate assembly of the electronic bits.

Among the techniques to be employed at Delco's new $139 million plant here will be so-called thick film printing, in which electrical components such as resistors are applied like paint to circuit boards, and laser trimming, which adjusts the values of the printed components with laser beams to give the whole circuit the required performance.

Attention to detail is as important as gee-whiz technology, Delco engineers say. By mounting all components on top of a circuit board, rather than having wires protrude to connections underneath, a large amount of hand labor is eliminated. "Packaging is one of the most important parts of this industry," said Frank E. Jaumot, director of advanced engineering for Delco Electronics.

G.M. is not alone in efforts to stay abreast of electronic technology as it applies to automobiles. The Chrysler Corporation's Huntsville, Ala., plant produces all that company's engine controls and radios. The Ford Motor Company's more expensive radios are made in the United States and Canada, but lower-priced models come from Brazil. Neither of G.M.'s small competitors can make its own integrated circuits, adapting, instead, chips purchased from outside suppliers.

ADVANTAGE FOR G.M. SEEN

That many give G.M. an advantage over Ford and Chrysler as technical features replace size as a main characteristic of more expensive cars."With car prices as high as they are, you have to put something in there to justify them," said Maryann N. Keller, an auto industry analyst with Paine Webber Mitchell Hutchins.

Robert J. Schultz, the general manager of Delco Electronics, puts it more delicately: "In the next decade, electronics will control displays, power trains and all the lighting systems in an automobile. Electronics will be a major factor in determining competitiveness in automobiles." Some of G.M's 1986 model cars will have as many as seven on-board computers controlling different functions.

Electronics, of course, will require the auto companies to develop new kinds of skills. "Many of those kinds of things require specialized integrated circuits you just can't go out and buy like a 16K RAM," said Mr. Keller. "And it is hard to get the semiconductor companies to do them for you."

Integrated circuits are adaptable to both controls and sound systems. Delco executives say the radio assembly operations here will be an example of the much discussed factory of the future, because workers will tend groups of machines rather than doing the assembly, as in the past.

"The way it was in the old days, you had long lines of ladies putting bits on boards by hand," Mr. Schultz said. "That kind of thing has got to disappear if we are to stay in business here."

Delco got a taste of what competition from the Far East could do in the 1970's, when outside suppliers cut its share of radios installed on G.M. cars to about 80 percent from 97 percent. Moving the fabrication of components to Singapore and the assembly of many lower-priced radios to Matamoros, Mexico, reduced costs to the point where Declo's share is back to the 96 to 97 percent range.

G.M.'s plans probably do not signal a wholesale return of consumer electronics to this country because, as Mr. Goodman observes, Delco enjoys a considerable built-in advantage over outside radio manufacturers.

When full production is reached in 1988, about 1,200 blue-collar and white-collar jobs will be added to Delco's payroll, 1,600 fewer than would have been needed for the same level of production using older methods. And the skills of most of the workers will be higher, G.M. executives say, because workers will have to keep complex machines operating, rather than soldering connections.

Productivity through automation comes at a high cost, and Delco officials say the radio plant will have to run three shifts a day, seven days a week to justify the investment. "The cost of capital is a key question," said Gene Souder, a manufacturing manager at Delco. "Success will go to the man who uses capital most efficiently."●

THE ROLE OF THE UNITED STATES IN CENTRAL AMERICA

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Ms. KAPTUR. Mr. Speaker, the time has come when we, in the House of Representatives, must squarely address the role of the United States in central America. It is time to move away from the administration's approaches that are covert, unilateral, rely on military means and increasingly propel the United States toward war in this hemisphere. A more responsible approach is overt, multinational, relies on negotiation and averts increasing hostilities.

The following article, which appeared in the New Yorker, July 4, 1983, sheds further light on our present policies in Central America. I highly commend this article to the attention of my colleagues.

The article follows:

[From the New Yorker, July 4, 1983]

THE ROLE OF THE UNITED STATES IN CENTRAL AMERICA

We Americans seem to be living in a repetitious, derivative time. Our conservatives are "neo-conservatives," our liberals are "neo-liberals," our expressionists are "neo-expressionists." And if we are not "neo-" we are "post-": "post-modern," "post-industrial," "post-Watergate," and so on. We don't seem to be quite anything in and of ourselves. With repetition comes staleness, and with staleness comes a certain exhaustion or indifference—even in matters in which the stakes are high and the outcome is fateful for our country. In no public issue is the sense of déjà vu more intense than in the debate about American intervention in Latin America, which (as someone has said before) bears a strong resemblance to the debate about Vietnam in the nineteen-sixties. Though one or two local peculiarities are sometimes taken into account, there is hardly an argument in favor of the intervention which was not also made at that earlier time. Sometimes it seems as though the policymakers had dug up old speeches of the Vietnam period and merely substituted the name El Salvador or Nicaragua for Vietnam. Thus, we are once again told that if we don't stop "Communism" in one small country it will spread like a disease to others, until, finally, our own country is threatened; that the appearance of a failure of our "resolve" to oppose Communism in this one instance will destroy confidence everywhere in our resolve to oppose Communism in any instance; that negotiation is a sign of weakness and can lead only to defeat; that local rebellions are in reality episodes devised to advance a plan for domination of the world by Moscow (though not any longer, apparently, by Peking); that in spite of these apocalyptic stakes no large effort is required, and just a little more military and economic aid, together with a modest clandestine subversive program, will suffice to do the job; that anyone who opposes these efforts is at the very least "soft" on Communism, if not actually in favor of it. With these well-worn arguments, the Administration propels the country toward war in Central America. And, of course, the counter-arguments, which were derived from the United States' failure in Vietnam, are no less well worn: that revolution does not spread from country to country, like a contagion, but, rather, grows from within each country; that in any case the United States has no large, tangible stake in the contested region; that a decision not to intervene in the region will be interpreted in the world not as a failure of resolve but as the application of wisdom; that the issues are primarily political and social rather than military, and that negotiation is therefore the logical solution; that local revolutions are made by local people, and are not controllable from abroad; that small, incremental efforts cannot solve the problem but can entangle us so deeply in the region that we will not be able to extricate ourselves from it easily; that our actions, by militarizing and polarizing the entire region, can bring about the very result we seek to avoid; that it is our own involvement that, by putting our prestige on the line, creates the illusion of great things at stake; and that those who oppose the intervention do so not because they favor Communism but because they'd like to see the United States avoid a military, political, and moral debacle.

The peril of war in Central America is worrisome enough in itself, but the fact that the whole debate is a rerun of the Vietnam debate adds a new dimension to the worry. It suggests that our country is in the grip of an idée fixe, and has grown immune both to new experience and to new thought. In this unoriginal period, we seem to be derivative even in our mistakes. At times, it actually seems that, like the psychiatric pa-

tient who tries inappropriately in his present existence to reenact some traumatic event of the past, we suffer from a compulsion to repeat our disasters, as though we hoped that they would somehow come out differently this time. And it does sometimes appear that the Administration, many of whose members never reconciled themselves to the Vietnam defeat, would like to run that war over again, and win it this time. When individuals engage in repetitious, destructive, and self-destructive behavior, we suspect mental disorder and call them neurotic. When a nation does the same thing, we need to look to the soundness of the domestic body politic, and start asking ourselves why, when there are so many real problems in the world for us to solve, we feel compelled to invest superfluous tragedies for ourselves and to repeat them again and again.●

FRAMEWORK FOR THE FUTURE REGULATION OF FINANCIAL INSTITUTIONS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. DINGELL. Mr. Speaker, today the gentleman from Rhode Island (Mr. ST GERMAIN), the chairman of the Committee on Banking, Finance and Urban Affairs, is introducing, at the request of the administration, legislation entitled the "Financial Institutions Deregulation Act of 1983." This legislation, in conjunction with H.R. 3499, a bill to impose a moratorium on certain acquisitions and on the commencement of new activities by depository institutions and depository holding companies, introduced by Chairman ST GERMAIN on June 30, and other related legislation also introduced today, will go a long way toward assisting Congress in establishing a conceptual framework for the future regulation of financial institutions. The administration bill introduced today will be jointly referred to the Committee on Energy and Commerce and the Committee on Banking. We look forward to working with our colleagues on the Banking Committee to resolve the many complex, technical, and difficult issues that confront us in structuring the activities of depository and nondepository financial institutions for the future.

The major purposes behind the Glass-Steagal Act and the Bank Holding Company Act were valid when they were enacted and remain valid today. Depository institutions play a unique role in our financial system as efficient allocators of capital. This important public purpose requires that any financial regulatory system we devise still adhere to certain goals: safety and soundness, avoidance of undue concentration, efficient implementation of monetary policy, fair dealing between market participants and customers, and efficiency and flexibility in the marketplace and in regulation. This is not to say that the laws should not be eased to permit a somewhat broader range of financial services, but is to say that these decisions must be made by the Congress and not by regulatory agencies. They must be made carefully and on a case-by-case basis in order to preserve the underlying societal and marketplace objectives. The stakes are too high to proceed in any other fashion.●

USIA DIRECTOR CHARLES WICK, SAYS TV NETWORKS IGNORE HOLOCAUST IN SOUTHEAST ASIA

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. HYDE. Mr. Speaker, a shocked world's reaction to Hitler's reign of terror against the Jews was "we did not know." From the time of the Holocaust until now, people have anguished over what might have been done to halt this tragic blot on history if there had been more public awareness of it at the time. There is a strange paradox here between Hitler's Holocaust and the holocaust currently taking place in Southeast Asia. The difference is, we do know, and yet very little is being done to focus worldwide attention on the plight of the Kampuchean people, or to halt this genocide.

Charles Z. Wick, Director of the U.S. Information Agency, has written a chilling account of the horrible events currently being played out in Kampuchea which appeared in the July 2, 1983, issue of TV Guide magazine. He reports that some 180,000 Vietnamese soldiers are "stabilizing" Kampuchea, and says that, "One-third to one-half of the Kampuchean population has been eradicated from 1975 to 1982—percentages of which, translated to our own Nation, would represent the loss of some 75 to 115 million people."

The title of Mr. Wick's article, "Why Isn't TV Covering the Slaughter in Southeast Asia?" leaves one with much to ponder about the media's indifference to the suffering Kampuchean people and the devastation of their society. Perhaps the networks—and the major newspapers for that matter—have sent so many correspondents to El Salvador that there just are not enough reporters left to cover the Kampuchean holocaust? So far, I have heard no response to Mr. Wick's question from network executives.

I commend Mr. Wick's article to the attention of my colleagues:

[From TV Guide Magazine, July 2, 1983]

WHY ISN'T TV COVERING THE SLAUGHTER IN SOUTHEAST ASIA?

(By Charles Z. Wick)

We were a mile or so from the Thai-Kampuchean border—in the hot, humid weather—witnessing tens of thousands of refugees from Kampuchea (formerly Cambodia) in the abject, makeshift camp known as Khao I Dang. We were ushered through the "intensive care wing" of an International Committee of the Red Cross "hospital." A primitive building sheltered dozens of cots from the sun. Maimed patients who had lost limbs or suffered severe burns twisted with pain.

A small, air-conditioned room revealed a group of Australian physicians—all volunteers—hovering over an operating table. A young man lay there with a gaping wound running the length of his thigh to below the knee. The cool air was a welcome relief from the oppressive heat and foul smells blanketed the huge camp.

The chief surgeon turned to his Canadian nurse: "Did that last fellow make it?" She said, "Yes, I think your team did it." The doctor mused, "Well, I guess he came close enough to have heard the flutter of the wings."

As the director of the United States Information Agency, I had been flown in a small Air Force plane to Khao I Dang refugee camp and nearby "Red Hill." My visit was designed to give me a firsthand view of the living artifacts of Soviet diplomacy.

Our party was protected by an open truckload of Thai militia armed with automatic weapons. From the Khao I Dang camp, a short, tortuous mile took us to "Red Hill," a sea of blue plastic sheets supported by sticks. Each sideless cubicle housed entire families. Red Hill had been hastily put together to accommodate thousands of refugees fleeing the Nong Chan border camp, where several weeks earlier an attacking onslaught of Vietnamese forces lobbed grenades into the burning settlement, resulting in at least 100 casualties among Kampuchean men, women and children. American television has shown far too little interest in documenting such atrocities. This a tragedy in itself, a silent encouragement to the Soviets and their surrogates to continue their policies of destruction.

Television and other media play a decisive role in determining whether we are blind to the human dimension and the strategic threat of Soviet expansionism. "When the Soviets or any of the Communists commit atrocities, it seems normal, but when any of the free world does anything, then television and print media immediately take off on it that very day," said a Southeast Asian leader.

It is difficult for Americans to grasp the scope of the genocide in Kampuchea committed first by Communist Khmer Rouge forces and later by Communist Vietnamese troops. One-third to one-half of the Kampuchean population has been eradicated from 1975 to 1982—percentages of which, translated to our own Nation, would represent the loss of some 75 to 115 million people.

First it was Communist Kampucheans against Kampucheans. Then it was Communist Vietnamese against Kampucheans. But always it has been the Soviet Union that has supplied the bullets.

Now thousands of Vietnamese are settling in Kampuchea in an attempt to destroy an entire culture as well as the people who have practiced it since ancient times. Some

180,000 Vietnamese soldiers—supplied with Soviet weapons—are "stabilizing" Kampuchea. "If you don't believe in the domino theory yet, go ask a few million of the dominoes," according to an Australian general.

For an official visit with the leaders of Singapore, Indonesia, Thailand and Japan, the magic of an overnight plane flight from the U.S. brought me to the crushing misery of over 100,000 refugees condemned to live in the camps I visited. Here were all the ingredients that have sent hundreds of television crews and thousands of reporters in search of stories on the international scene: the brutal repression of human rights, invasion of national sovereignty, maiming and slaughtering the innocent, and outright genocide. Yet there is very little network recognition of the holocaust in Southeast Asia.

A foreign minister questions why world attention is not being drawn to the enormous Soviet arms buildup in Kampuchea. As he put it: "The media gave prime-time television and newspaper coverage to the two planeloads of U.S. arms hurriedly dispatched to defend Thailand from Vietnamese incursions. But little attention has been directed to the ongoing boatloads of Soviet arms spilling into Vietnam since 1979."

A head of state observed that the Western and U.S. media seem to be crusading against American involvement in her world security interests. "After Watergate and Vietnam, you have a media monster out of control." In his opinion, the American media have succeeded in diminishing U.S. prestige and influence. Curious journalistic blind spots complicate this situation. In fact, the last time the media covered Southeast Asia intensively was with the fleeing of the "boat people" following the Communist victory of Vietnam. Today hundreds of thousands of boat people languish in refugee camps, while in the West, as one head of state observed, we have "lost sight of them."

He noted bitterly that despite all the oppressive regimes Indochina had known, there were no boat people until the Communists took over. Why did television stop covering this story? Why does television fail to tell us about the carnage in Southeast Asia even as it is going on today? And, of most importance to our future as a society, does television reporting—or lack of it—on major international stories such as the invasion of Kampuchea affect the way Americans view the world?

The media's short memory can dangerously undermine our understanding of the Soviet threat. Many foreign leaders have expressed their concern about the younger "successor generation's" lack of historical perspective. The Berlin Wall still stands ominously. Yet it no longer casts the same dark, chilling shadow. Rarely do the media cover the pulsating flight of refugees from Socialist nations, or the fact that there are no reported instances of attempts to scale the Berlin Wall going the other way.

Flooding the world media with cynical protestations of innocence and attacks on the free world while denying access to their own media, the Soviets make their global aggression invisible.

The American people have always responded well to issues involving their security. But without balanced reporting in the media it is difficult, at best, for our people to make an informed decision to protect their way of life.

If only a portion of the number of journalists who have covered El Salvador, the Middle East and the peace marches in Europe were to spend a week on the Thai-Kampuchean border, I am convinced there would be a greater public perception of the Soviet global threat.

The Communists have proven throughout this century that they are masters at manipulating the media. But a significant part of this public-relations superiority rests with the double standard the media applies when covering world events.

Communist-supported guerrillas stage photo opportunities for the media in El Salvador. But there are no "photo opportunities" to cover genocide in Kampuchea. Television news depends on pictures, and it's difficult for American journalists to get pictures in closed Communist societies like Kampuchea. Soviets encourage peace demonstrations in the West, but they lock up those who try to participate behind the Iron Curtain.

The Kampuchean people are suffering today a devastation of their society that ranks alongside any of the horrors that historians of the future may associate with the 20th century. And our television news people remain largely indifferent. What this means is that, as a Nation, we remain blind to the extremely unpleasant day-to-day reality of what the Soviet Union and its clients' territorial ambitions mean in personal terms.

Television's failure to cover this story is, thus, a tragedy for those in Kampuchea or Afghanistan who might be helped by our concern. But, in the long run, if we fail to see what those places are threatened by, the tragedy will be ours.

Meanwhile, television's eye is blind to tens of thousands of maimed and homeless Kampuchean refugees caught in the tide of Soviet global expansion.●

FATHER LEO BECK ENTERS RETIREMENT

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. GAYDOS. Mr. Speaker, all of us at one time or another have encountered certain individuals with a personality that draws others like a magnet.

Such a one is Rev. Leo Beck, who recently retired as Pastor of St. Eugene's Roman Catholic Church in Liberty Boro, a community located in the 20th Congressional District of Pennsylvania.

Father Beck left his pulpit June 26, after 46 years in the priesthood, and one Sunday, July 17, his parishoners will hold a dinner in his honor in the church hall.

Father Beck is one of those rare people who radiated warmth, friendliness, and trust. He was blessed with a twinkle in his eye, a smile on his lips, and compassion in his heart. He quietly goes about his business as a priest: extending a helping hand here, offering solace and comfort there. Unexplainably, he is always where he is needed.

It was not until later that it was suddenly realized what an indelible mark this man had left. That is what the members of St. Eugene's are discovering. Father Beck spent only 10 of his 46 years in the priesthood at St. Eugene's, but in that short space of time he has endeared himself to the church and the community.

He is also a favorite among many race car drivers. It is a fact. This unassuming spiritual leader is just as much at home in the pits of an auto race track as in the pulpit of his church.

For years, before coming to St. Eugene's in 1973, Father Beck conducted mass for drivers at tracks in Cumberland, Md., and Nelsons' Ledges, Ohio. It was no surprise, therefore, that somewhere along the way, someone dubbed him "the racer's priest." It was a title bestowed out of respect and affection. Father Beck wears it well.

He will be missed by the drivers as he will be missed by the parishioners of St. Eugene's and congregations of other churches he has served since his ordination on June 13, 1937: Holy Trinity in Columbia, Pa.; St. Peter's in Pittsburgh; St. Joseph's in Braddock; St. Athanasius in West View; St. Margaret Mary's in Moon Township, and Blessed Sacrament in Natrona Heights.

Mr. Speaker, on behalf of my colleagues in the Congress of the United States, I deem it a great privilege to join with the people of those churches in extending to Father Beck our heartfelt wishes for a long and happy retirement.●

MANAGING THE WORLD DEBT CRISIS

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. LUNGREN. Mr. Speaker, the House is scheduled to soon consider increased contributions to the International Monetary Fund quota and the General Agreements to Borrow. Dr. Robert Weintraub, senior economist for the Joint Economic Committee, has prepared an excellent monograph on this issue. The monograph, entitled "International Debt: Crisis and Challenge" Department of Economics, George Mason University, was extracted by the Wall Street Journal for an op-ed article on May 13, 1983. In addition, Dr. Weintraub was recently interviewed by the Washington Times on May 17, 1983.

In both of these articles, Dr. Weintraub dismisses the "sky is falling" approach to the international debt problem and puts the magnitude of the challenge before us in its proper perspective. He cogently argues that the "debt bomb" can be diffused without resort to the coffers of the U.S. Treasury. The solution according to Wein-

traub rests with the debtor nations and the banks working out a solution among themselves.

I commend both the article and the interview to my House colleagues as we begin to consider the IMF authorization bill perhaps as early as this week. Dr. Weintraub's thoughtful and reasoned analysis is a source of much insight on this issue. The articles follow:

[From the Wall Street Journal, May 16, 1983]

HOW THREATENING IS THE WORLD DEBT?

(By Robert E. Weintraub)

The administration's proposal to add to the financial resources of the International Monetary Fund and General Agreements to Borrow is being debated in a crisis atmosphere. Fears of a banking collapse and of dwindling exports depressing economic activity are widespread. But, in fact, there is no aggregate developing world debt problem.

To understand why this is so, we need ask these questions: How big are the external debts of developing nations? Can they service them? What will happen to our banks if they don't? To exports? Is there a market mechanism to resolve the crisis?

The Organizaiton for Economic Cooperation and Development estimates that the medium- and long-term external debts of non-OPEC developing countries totaled $520 billion at the end of 1982. (Debt with an original maturity of less than one year is excluded, since the short-term foreign assets of these countries—their deposits at the Bank for International Settlements—are about the same as their short-term foreign debts.)

Bank medium- and long-term loans other than officially guaranteed export credits were $182 billion, or 35% of the total. (The remainder consists of official development assistance, export credits, non-bank private lending, loans from multi-lateral organizations, etc.). When you consider what is actually a positive balance in the short-term accounts, the net bank "exposure," excluding the export credits, amounts to $159 billion, according to the OECD.

LOANS ADD UP TO BILLIONS

For U.S. banks only, Federal Reserve Board data show that, as of June 1982, adjusted for guarantees, medium- and long-term loans to non-OPEC developing countries and the Eastern bloc totalled $108.2 billion.

Even these smaller, bank-debt figures are dramatic statistics, but they are not meaningful ones. Banks are exposed significantly in some developing countries and hardly at all in others. Further, different countries have different capacities to handle debt. Debt, as the OECD points out, is "a phenomenon which manifests itself at the level of individual countries, rather than in aggregates and averages."

A country-by-country examination of U.S. banks' foreign loans shows concentrations to borrowers in seven non-OPEC developing countries: Argentina, Brazil, Chile, Mexico, South Korea, the Philippines and Taiwan. The exposure of U.S. banks in these countries was $79.5 billion in mid-1982. Among OPEC nations, exposure was over $3 billion only in Venezuela, where it was $10.7 billion. Among developed nations, the risk of default is considered trivial except for Spain, where it is considered low. Spain owed U.S. banks $6.7 billion at mid-1982.

South Korea, the Philippines, Spain and Venezuela were well able to service their debts in 1981–82, while Mexico, Brazil, Argentina and Chile had difficulties. Brazil and Mexico were the most financially strained. (Hard data are not available on Taiwan. Anecdotal evidence suggests it was not pressed.)

Economic conditions have changed in recent months. The London Inter Bank Offering Rate (LIBOR), to which variable loan rates are tied, has fallen about seven percentage points. Although spreads between loan rates and LIBOR have increased somewhat, debtor nations will benefit from this. Mexico, Brazil and Argentina, which have high proportions of their total debt in floating-interest-rate loans, will be especially helped. Based on 1982 indebtedness, a one-percentage-point decrease in loan rates reduces Mexico's annual debt-service payments by $593 million, Brazil's by $455 million and Argentina's by $205 million.

Second, oil prices have fallen. This will decrease Mexico's and Venezuela's export earnings, decreasing their ability to service their debts, but it will increase the ability of other troubled debtor nations to service their debts, since their expenditures on imports will decrease.

Third, a moderate to strong recovery is under way from the recession that has afflicted developed countries. For most non-OPEC developing nations, this too will help.

Finally, debtor nations have taken "determined action" to increase their capacities to service their debts. Substantial exchange rate devaluations assure that they will increase their exports, attract foreign investment, decrease imports, and constrain consumption. (Monetary and fiscal discipline is now needed to validate the new exchange rates.)

At mid-year 1982, the total capital of U.S. banks was $66.2 billion. Loans to non-OPEC developing countries were 1.6 times capital. Defaults by Mexico and Brazil alone would wipe out 95% of the capital of the nine largest U.S. banks and 74% of the capital of the next 15 largest banks.

Although some banks might fail if there were defaults, there is no reason that banks should "fall like ninepins," provided that the Fed "furnish(es) an elastic currency," as it is charged under law to do, and that bank regulators use common sense in dealing with the loss of bank capital from defaults. Banks that hold defaulted loans on their books must be given time to write them off. The Fed must keep the money supply from contracting in the event of a run on banks. It has ample power to do that.

Should there be defaults, there would be less international lending and trade. We would export less. But it is easy to overstate this case and the damage. First, trade with most countries would fall only marginally. Second, trade with nations that default wouldn't be reduced to zero. Some trade-related financial arrangements would be continued. New ones, with creditors as yet not involved, could be started; the slates of debtor nations would be wiped clean by their defaults and thus it would be relatively less risky to lend to them. Nations that default could use the money they get from exporting to finance imports on a cash basis; they would no longer be paying interest. There also would be barter and countertrade arrangements.

Finally, in market economies, contractions of some sectors are eventually compensated for by expansions of other sectors. If trade declines, resources employed in export industries will relocate in industries that produce imported goods and services, or close substitutes for them, and elsewhere. There is an equilibrating mechanism at work, even though it doesn't work instantly or painlessly.

COMPROMISE IS NECESSARY

An IMF/World Bank "Special Study" (International Investor, Sept. 1982) noted that "the numbers of borrowers tottering on the edge of default or bankruptcy, hence, the amounts involved, is simply staggering. So bankers have been forced increasingly to turn to one device to avoid such calamities: rescheduling."

What it comes down to is this: When debtor nations do not have the money to meet their debt-service obligations, their debts can be rescheduled and their debt-service payments adjusted. Rescheduling is the market's way of dealing with a debt crisis. It produces benefits for both banks and debtors. Banks don't have to write down problem loans. Debtor nations avoid the onus of default. Rescheduling is more attractive to creditors if debtors devalue and take other hard steps to improve their trade and current-account balances and agree to rescheduling fees and to higher-than-market interest rates on rescheduled loans and any new loans. It is more attractive to debtors if banks agree to long stretch-outs of existing loans and extend new credits. The alternative to reaching an agreement is usually dismal for one or both parties.

The IMF can play a constructive role in the rescheduling process. It can mediate differences. It doesn't need to give money to debtors to do this. Indeed, giving money is likely to prevent some necessary rescheduling adjustments, as both debtors and creditors would be less likely to compromise.

[From the Washington Times, May 17, 1983]

WEINTRAUB OPTIMISTIC ABOUT U.S. BANK ROLE IN WORLD DEBT PICTURE

Robert E. Weintraub, senior economist for the Joint Economic Committee, holds the distinction of having worked for both Democrats and Republicans since coming here in 1973. He left a full professorship at the University of California at Santa Barbara to join the majority staff of the House Banking Committee, where he worked for former chairman Rep. Wright Patman, D-Texas. In 1975, he moved to the Senate Banking Committee staff, served briefly as director of the Office of Capital Markets Policy at the U.S. Treasury, and in 1976 returned to the House Banking Committee, becoming staff director of its Subcommittee on Domestic Monetary Policy. In 1981, the 58-year-old graduate of the University of Chicago was fired by D.C. Delegate Walter Fauntroy, the subcommittee chairman. "I was too conservative for him," Weintraub explains. He was soon appointed to the Joint Economic Committee by Sen. Roger Jepsen, R-Iowa.

Recently, George Mason University published a monograph by Weintraub, "International Debt: Crisis and Challenge." Much has been written on the issue, but Weintraub's paper has been acclaimed as the most authoritative analysis in opposition to the $8.4 billion increase in U.S. contributions to the International Monetary Fund. Weintraub was interviewed on that subject by Washington Times financial columnist Steven K. Beckner.

Q: The $8.4 billion increase in the U.S. contribution to the IMF has been justified by the administration and others as a way

of countering the threat that the Third World debt burden poses to our banking system and, in turn, to the economy. How serious do you think the problem really is?

A: It's a serious problem. There is no question about that. But it's a problem that is being resolved at the present time. It's not a problem that poses a real threat to the U.S. banking system. And it's one that can be fully resolved without additional aid to the IMF or through the IMF to the developing nations.

Q: What do you think is a fair assessment of the level of debt relative to the exposure of American banks?

A: American banks are exposed to the following extent, according to Federal Reserve Board figures for mid-1982: $108.2 billion in loans to non-OPEC developing and East bloc countries.

Q: How big is the total debt?

A: The total debt of developing countries, according to the Organization for Economic Cooperation and Development, at the end of 1982, was $626 billion. But that includes OPEC. Non-OPEC developing nations owed $520 billion in medium- and long-term debts at the end of 1982. Now, of that amount, $386 billion was owed to the Western nations: West Germany, Japan, the United States, the United Kingdom, and so forth. Seventy billion dollars were owed to multilateral organizations, including the IMF and the World Bank; $16 billion was owed to members of the Eastern bloc and $11 billion was owed to other lesser developed countries. Now coming back to the $386 billion, of that amount, $55 billion was official development assistance from Western nations, $105 billion was export credits, and $228 billion were bank loans, bonds and other private lending, as the sources of the funds. Of that $228 billion, $182 billion was bank, and of the $182 billion, $108 was U.S. banks.

Q: So that really whittles the problem down quite a bit. To the extent that there is a problem, how much of a real threat is it to the banks, if not to the whole banking system, then to individual banks that happen to be heavily involved in overseas lending?

A: Well, it's got to be a threat to quite a few individual banks, but I don't perceive of these deficits being a threat to the banking system. Let's suppose the worst—that many of these countries simultaneously defaulted on their debts, repudiated them, so that they were not willing to renegotiate them, were not willing to pay interest on them or on any of the principal. What would happen? Well, banks would have to write the loans to these countries down, but there's no reason to believe they would have to write them down instantly. Common sense would dictate that the regulators would take, say, seven or eight years in writing them off. And in seven or eight years they would accumulate the capital to allow them to write these loans off. A second problem that could arise, however, is that the public would be worried about the solvency of their banks, of our banking system, and would try and pull their deposits out. Then you have to ask yourself what are they going to do with the deposits? Clearly if the public takes the deposits out of one bank and puts them into another, the banking system is not in any way damaged. Again, if the public uses the deposits that are withdrawn from certain banks to buy Treasury bills or refrigerators or what have you, on the other end of that transaction are people who receive checks that they'll put back into banks. The only difficulty is if the public decides that it wants to convert its deposits into currency. This is essentially what happened in the early '30s. The public was worried about the safety of its deposits and insisted on converting its deposits into currency. At that time the Federal Reserve failed to furnish an elastic currency as it is charged to do by law, and so the banking system did collapse. But there's no reason why the Federal Reserve would make the same mistake again. They have ample powers through their ability to monetize debt, to supply all the currency that the public could possibly want. The key is that the Federal Reserve must not allow the money supply to contract.

Q: If they do what you're suggesting, isn't there the danger that we could get the opposite problem and have printing presses rolling like mad to push money into the system?

A: No, because they're simply not allowing the money supply to contract.

Q: What do you think is the order of probability of defaults, either individually or en masse?

A: I would say that the probability of default in a number of cases simultaneously is close to zero. And the reason for that is that it's in no one's interest to have a default. If there is a danger of default, the debtor and the creditors will get together and reschedule the debts. This is the likely outcome to avoid default. Now some people would say that's a de facto default. Call it what you will, but it's not a formal repudiation of the debt. The loans will still be on the books and they'll still be serviced. But conditions have changed dramatically in the past year. Lower interest rates, lower oil prices and the strong economic recovery now under way in the United States and other developed countries will make it much easier for most debtor nations to service their debts now than it was a year ago.

Q: If everything is as sanguine as you say, why is a conservative administration like ours rushing headlong into this big increase in IMF funding? They've apparently conceded the need to boost the World Bank's capital another notch or two. We're entering into bridging arrangements with other central banks and doing all kinds of things to stave off disaster.

A: I don't really understand their thinking.

Q: Last year we had a couple of banks that ran into severe problems; one, Penn Square, that collapsed. Isn't it conceivable that one of our top nine banks could go under because of these problems in spite of what you're saying about federal regulators giving them some latitude? And if that did happen, wouldn't they suck down a lot of other banks with them?

A: There could be some individual banks that would fail in these circumstances. People might withdraw their money out of one bank and put it into another. The first bank might become illiquid as well as insolvent as a result and couldn't survive. But I think we have to distinguish between individual banks failing and the banking system failing. And there is no danger of the banking system failing as long as the Federal Reserve prevents the money supply from contracting.

Q: One of the reasons commonly cited for why we should maintain or increase our assistance to the less-developed countries is our trade with them. How important is our trade with the Third World?

A: Obviously, it's important, but I think you can overstate its importance fairly easily. Our total exports in 1982 as estimated in the President's Economic Report for 1983 came to around $220 billion. Of that amount, $130 billion was to industrial countries, $20 billion was to OPEC, $62-63 billion was to Latin American countries, certain countries in Asia, and so forth. Exports to the countries considered most in danger of default—Mexico, Brazil, Argentina, Chile and Venezuela—were only $22 billion last year. The question you have to ask is, would our exports to those countries go to zero in the event of defaults by all of them? And the answer is no. There would still be arrangements made to finance exports, some of them by the sellers of the exports themselves, some by officially guaranteed export credits. New banks that had not been involved up to now would get involved because the slate would be wiped clear, just as the bankrupts in this country find it sometimes easier to borrow after bankruptcy than just before. That would be the case internationally as well. There would be countertrade arrangements and certain barter arrangements. So I don't think you could see exports going anywhere close to zero from the $63 billion figure. Then, of course, not all of these countries are in danger of defaulting. Our exports to Mexico run now around $12 billion a year. That's down from $18 billion. That damage has already been done. I don't really believe that if Mexico were to default that our exports to Mexico would go much below the $12 billion figure. They went to $12 billion because of the devaluation of the Mexican peso last summer.

Q. What do you think is the proper solution to the debt problem, to the extent that we have a problem?

A: I think the proper solution is to leave the parties who have something at stake directly to work it out themselves. They're doing it. What the IMF is doing in this is serving as sort of an arbitrator between the debtors and the creditors. And the question is, are they doing a good job? That's the first question. The answer is yes, undeniably doing a good job. The second question is, do they need to have money to sort of say to the parties who have things directly at stake, "Hey, OK, we'll bridge the last $2 billion that you guys are having trouble reaching." And my answer to that is that's counterproductive.

Q: In what sense is it counterproductive?

A: Because what it means essentially is that the banks and the debtors both will be less compromising in their negotiations, that they'll delay taking the necessary actions to solve the crisis. There isn't any doubt in my mind that the IMF can play a productive role in pointing out to the debtors what they need to do ultimately to straighten out and in essentially arbitrating between the debtors and the creditors. Where they can be counterproductive is that by putting up money to bridge the gap between debtors and the creditors, they prevent those parties from making the adjustments that have to be made. And they would make them absent of this money.

Q: How much of a danger is there that increasing aid flows will generate another round of inflation?

A: My real worry is that we will try, that we are trying, in some sense, to inflate our way out of this problem. That's the greatest worry I have. And I don't think it's one that people ought to take lightly. The usual way in which you make debtors whole again is to reduce the value of their debts and the way of doing that is to have inflation. And I very much fear that we're going to go through

another round of inflation. And by the time we get to 1986 or thereabouts, the debtors will be whole again but the public at large will have suffered or will be suffering from severe inflation.●

THE KREYMERMAN FAMILY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. MINETA. Mr. Speaker, as part of the 1983 congressional call to conscience vigil for Soviet Jews, I would like to draw attention to the plight of a family which has been separated as a result of the emigration policies of the Soviet Union.

Susanna Kreymerman, who now lives in my district, was allowed to leave the Soviet Union with her son in 1979. However, her husband Leyba Kreymerman, as well as her daughter and son-in-law have not been allowed to emigrate. As long as Mr. Kreymerman is denied permission to leave the Soviet Union he must endure the hardship of living in a nation where he cannot freely express his religious and cultural identity, while at the same time being separated from his wife and son.

The Kreymerman family has taken enormous risks and paid a high price to press for their basic human rights. We must show our solidarity with their struggle by never forgetting their plight and assuring that those responsible for violating their human rights are continuously pressed to allow them to emigrate.

When Mr. Kreymerman was first refused permission to leave the Soviet Union, he was told he would have to wait at least 5 years before such permission could be granted. That was in 1978. On August 13, 1983, that 5 years will be up. As that 5-year anniversary of his initial refusal approaches, I call on Soviet authorities, in accordance with the principles of the Helsinki accords and basic human rights, to allow Mr. Kreymerman and his daughter and son-in-law to leave the Soviet Union so they can be reunited with the rest of their family. I call on Soviet officials to remove all restraints to emigration and specifically in this case to recognize that no government regulations should be allowed to force a husband and wife to live apart.●

U.S. PARTICIPATION IN THE U.N. CONFERENCE ON TRADE AND DEVELOPMENT

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. BONKER. Mr. Speaker, delegations from more than 160 countries convened in Belgrade last month for the sixth meeting of the U.N. Conference on Trade and Development (UNCTAD). At this conference, which meets once every 4 years, the developed and developing nations considered a wide range of problems and possible actions in the areas of international trade, finance and monetary policy, commodities and development. The statement I wish to submit for the RECORD contains excerpts from testimony on UNCTAD VI prepared by Dr. Stanley J. Michalak, Jr., professor of government at Franklin and Marshall College. Professor Michalak raises some timely questions about the importance of UNCTAD to U.S. interests and argues that the United States should reassess its participation in UNCTAD.

Let me begin by citing just one example of what might be termed the pathology of UNCTAD. At its October 1982 meeting, the Trade and Development Board passed a resolution stating the documents prepared by the UNCTAD secretariat relating to direct negotiations on economic cooperation among developing countries (ECDE) "shall be distributed only to those countries participating in the negotiations."

The vote on this resolution was 63 in favor to 22 against with nine abstentions. The 22 negative votes came from all of the developed or B countries (with the exceptions of Greece and Turkey) and Israel. The nine abstentions were from the Communist countries.

In plain English, the substance of this resolution is absurd, for what it means is that the developed countries have an obligation to pay for documents that they have no right to see. Obviously, this resolution is a clear violation of the principles of universality and sovereign equality of membership. But not only were such "technicalities" ignored by the 77; the developed countries were also treated to Orwellian lectures on democracy by some of the most authoritarian and totalitarian dictatorships. The Libyan delegate, for example, invoked the principles of democracy and urged that a resolution passed by a majority should apply to all members. The Yugoslavian delegate expressed the hope that those voting against the resolution would accept the "democratic challenge" and further UNCTAD's activities in the field of ECDC.

Obviously, if the 77 want to meet alone and discuss ECDC at their own expense, they have a right to do so. But the argument that the developed countries have an obligation to pay for meetings that they cannot attend and to finance the preparation and duplication of documents that they cannot see is intolerable.

Spokesmen for the developed countries did, of course, express vociferous reservations to this act. But to no avail.

Were this an isolated incident or a rarity it might be overlooked, but this action is symptomatic of UNCTAD and its politics, and acquiescence in such activities has not led to their decrease but to their increase. The fundamental principle of learning theory, that one should reward appropriate behavior and ignore inappropriate behavior, may work with rats in a laboratory or maybe even in raising little children, but it certainly doesn't seem to have been very effective in either UNCTAD or the United Nations in general.

The time has come for the United States to reassess its posture toward UNCTAD, and one connot expect such initiatives to come from the professional members of the Foreign Service. Such a reassessment can only come from the administration, the Congress, and the American people to whom our elected and politically appointed officials are responsible.

To be sure there are those who will engage in mea culpas and blame ourselves for the "Frankensteen" monster that UNCTAD has become. Thus, we have heard, and will hear again, the "if only" litanies.

If only the United States had responded "constructively" to the pleas of the poor for debt relief;

If only we had increased our official overseas assistance to .7 of one percent of our GNP;

If only we had been more forthcoming on the common fund;

If only we had been more receptive to the pleas of the 77 in regard to SDR allocations;

If only we were willing to consider "constructively" the demands for the complementary financing facility;

If only we were more positive, and constructively positive, instead of negative in responding to the "legitimate" needs and concerns of the developing countries.

If only, if only, if only—I could go on and on.

If only we had done this or that, we would not be facing such behavior today.

Thus, the "if only" argument goes, we have only ourselves to blame for the behavior of the 77 that we criticize.

What we see in UNCTAD, so the defenders of the 77 argue, is the politics of despair and frustration; a politics of despair and frustration that results when nations are impoverished by an inherently unfair international economic order that casts them adrift in a tumultous sea over which they have no control.

But such rhetoric ignores the fact that professional economists have subjected all of the analyses and proposals of the 77 and the UNCTAD secretariat to microscopic scrutiny and have found almost all of them wanting.

What economist will endorse Raul Prebisch's thesis about the declining terms of trade? Even UNCTAD's own independent audit group, the Houthakker Commission, could not document Prebisch's thesis.

What economist expects any widespread and significant gains for the LDC's as a result of the GSP?

What economist will attest that if the .7 target for official development assistance were met, the increased resources transferred would actually be usefully employed in affecting growth and development in Third World Countries?

What economist expects the LDC's to gain much from codes of conduct on restrictive business practices or the transfer of technology?

What economist has endorsed the 77's proposals for generalized debt relief?

What economist supports the 77's proposals for reallocating SDRs?

What economist applauded the Secretary General's proposal for a six billion dollar common fund? Even the evidence on individual international commodity agreements is mixed.

The problems that this Nation faces in UNCTAD, Mr. Chairman, stem not so much from a lack of "political will" on the part of the United States, but from the economic deficiencies of the proposals tabled at

UNCTAD and the almost pathological rigidity and intransigence of the 77.

Moreover, over the past twenty years, some developing countries have done quite well within the existing international economic order while others have fared poorly, and those countries that have done well, have done so by working hard and taking advantages of market opportunities. It would be quite useful to have a set of objective studies which survey what kinds of development programs have succeeded and what kinds have failed within the developing world over the past twenty years or so. But such studies, I am sorry to say, are taboo or forbidden in UNCTAD. When delegates from developed countries suggest such research, they are dismissed out of hand.

Obviously, the United States can and should offer assistance to countries that are trying to help their people move from poverty to higher levels of abundance and dignity. And no doubt, the funds we spend for economic assistance should be increased. But American economic assistance should always be based upon a recipient country's demonstration of a genuine effort to pursue economic growth and to raise the standards of living of its people.

UNCTAD's approach of transferring resources on the basis of a lottery, without any regard to what particular regimes are doing to improve the lot of their people, explicitly precludes such considerations and is explicitly designed to do so.

What UNCTAD seeks is vastly increased resources from the developed countries with no responsibility on their part to account for how much funds are used.

Nor is UNCTAD's goal of promoting economic security instead of economic diversification the best way to attain economic growth and equity. The only long term prospects for economic growth and prosperity in the Third World lie in economic diversification—diversification into processing, manufacturing, and services, and taking advantages of opportunities that arise in the international market. And the last task is best done by individual initiative.

The United States, then, should work with its friends in the developing world by helping to create a more secure climate for private investment, by providing funds for increased educational opportunities and health care, and by funding infrastructure projects that cannot attract private capital.

At a more general level, the United States should seek to reduce its budget deficit, lower its interest rates, get its economy moving again, keep its economy open to the exports of the developing countries, and work with its allies in providing even greater opportunities for the goods of the Third World to travel north. And obviously, we should help and strengthen the only two viable international economic institutions that we have, the World Bank and the IMF, in meeting the difficult responsibilities they now have in managing the world debt and financial crises.

To do these things the United States does not need UNCTAD. Nor does the United States need to continue trying to persuade the Third World to stop pursuing and pushing collectivist economic policies that are not in the Third World's own economic self interest.

If the United States does not need UNCTAD to foster trade and development within the Third World; and if UNCTAD has done little to enhance trade and development among developing countries; and if UNCTAD schemes, even if adopted, will do little to foster trade or development; then the United States should seriously reconsider its continued participation in UNCTAD.●

TRIBUTE TO DR. THOMAS J. CLARK, MAYOR OF LONG BEACH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. ANDERSON. Mr. Speaker, I rise today to honor a great citizen and a close friend, Dr. Thomas J. Clark, mayor of the city of Long Beach, Calif. A gala in his honor will be held on July 22 in recognition of his 20 years of public service to the people of Long Beach. Mr. Speaker, in the time available, I can only mention the most significant areas of public service that Tom has made the time to contribute to over these last two decades.

Tom began his involvement in civic affairs as a member and later as president of the Long Beach City Park Commission from 1963 to 1966. In 1966, he was first elected to the Long Beach City Council, which he has served on continuously to this day. In 1965, he was selected to serve as mayor of Long Beach, a position he has held for 6 of the last 8 years.

From 1980 to 1981, he served as a member on the National League of Cities' Advisory Board, and from 1981 to 1982 as president of the League of California Cities. Presently, he is the vice-chairman of the U.S. Conference of Mayors' Subcommittee on Employment Training. Tom Clark also serves as a member of the National Municipal League Advisory Board; the board of directors, Japan-American Conference of Mayors and Chamber of Commerce Presidents; the Governor's New Partnership Task Force on State and Local Government; and the Project Independence Task Force. Tom is a past president of the Independent Cities Association and of the Los Angeles County Division of the League of California Cities.

The high esteem in which Tom Clark is held is best reflected by the public recognition and awards he has received, which include: Honorary member, Long Beach Junior Chamber of Commerce; Man of the Year, Los Altos YMCA; Long Beach City College Hall of Fame; Long Beach Board of Realtors Service Award; and the Lambda Democratic Club Human Rights Award.

Tom was educated at Wilson High School in Long Beach and at Long Beach City College. He was graduated from the University of California School of Optometry in 1951, when he began his private practice. Tom served as president of the Long Beach Optometric Society from 1955 to 1956.

That Tom has found time to build and maintain a thriving private practice as well as to serve as mayor of a large, bustling city undergoing a tremendous expansion and renewal of the downtown area is an extraordinary achievement by any standard. But he has always reached out to do even more. He served as president of the East Long Beach Lions Club from 1956 to 1957, and as president of the Los Altos YMCA Board from 1958 to 1960. I have been privileged to have the opportunity to work with him toward our common goal of sustaining the vitality of Long Beach, and improving the quality of life enjoyed by all of her citizens.

My wife Lee joins me in extending our gratitude to Tom for all that he has done for Long Beach. We wish him, his wife Lois, and their three children, Paul, Jim, and Carol, all the best in the years ahead.●

WITHHOLDING ON WAGERING WINNINGS

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. SCHULZE. Mr. Speaker, today I am introducing H.R. 3538, a bill to revise the tax rules requiring withholding on certain wagering winnings in order to remedy an unfortunate inequity in the Internal Revenue Code.

Under current law, withholding is required on certain gaming winnings. In general, 20 percent withholding is required if the proceeds from a wagering transaction are more than $1,000 and the odds are at least 300 to 1. This rule applies to winnings from a pari-mutuel pool with respect to horse races, dog races, or jai alai.

On the other hand, withholding is not required on proceeds from a wager placed in a State lottery unless the proceeds exceed $5,000.

Thus, present law discriminates against the pari-mutuel gaming industry, and in the process causes a depressing effect on the supporting activities such as the concessions at race tracks and the agricultural activities that make horse racing the sport that it is.

The end result is lower income for the industry, reduced employment opportunities, and sharply reduced income to States and localities. The impact cannot be ignored.

The bill will correct this inequity by increasing the threshold level for gaming withholding to $5,000 for all subject winnings. This will minimize the depressing effect that withholding has on horse breeding and horse racing, legitimate industries that are important to Pennsylvania and to the entire country.

There is little indication that a $1,000 threshold for proceeds from

pari-mutuel wagering improves compliance to a significant degree. The evidence indicates that most taxpayers who win payoffs of less than $5,000 are nonetheless net losers when all their annual wagering transactions are aggregated. Also, most of those who are net winners voluntarily comply with reporting of their gambling winnings even where withholding is not required.

To insure that relatively small revenue impact to the Federal Treasury of this change will be further minimized, the bill provides that the increase in the $1,000 threshold will be phased in in increments of $1,000 per year starting in 1984, so that the $5,000 level will not be fully effective until 1987.

The horse industry in America consists of sporting activities and events, and of recreational activities. The horse industry is substantially benefited from the racing segment which, because it generates substantial revenues, can cover many of the fixed costs associated with horse breeding. Thus, animals raised for recreational or show purposes are beneficiaries of the legitimate horse racing activities in the United States. Further, there are nonquantifiable benefits to the citizens of this country who live in or just pass through the horse country where horses are raised. If anyone doubts this, let them visit portions of the Fifth Congressional District of Pennsylvania. It is beautiful country and has been preserved partially through horse breeding.

Pennsylvania ranks as one of the preeminent States in terms of the size and importance of its horse racing and breeding industry. The bill I am introducing today has the support of both horse breeders and the Commonwealth of Pennsylvania Department of Agriculture.

Horse breeding spans all districts in the State. The breeding and development of standardbred horses for harness racing dates to the 18 century and remains a vital Commonwealth business. The State has a developing thoroughbred breeding program, and the breeding segment of the industry as a whole employs a large and skilled work force.

The pari-mutuel race track business in Pennsylvania is of more recent vintage, but has carved an important niche for itself by virtue of significant direct contributions to the State treasury.

Through 1977, harness and thoroughbred racing had contributed a total of $378,394,538 to the State treasury through the pari-mutuel wagering tax alone. Though impressive, this figure is dwarfed when considering the entire economic contribution to the Commonwealth of the racing and breeding industry. For example, the primary cash flow in the single year 1977 amounted to $155,461,765. I have prepared a table which shows this cash flow in detail:

PRIMARY CASH FLOW TO PENNSYLVANIA ECONOMY FROM RACING, 1977

Payments to	Payments by		Totals
	Thoroughbred industry	Harness industry	
Government	$22,134,294	$16,443,261	$38,577,555
Other industries	34,305,546	24,774,199	59,079,745
Wages and salaries	35,769,656	22,034,809	57,804,465
Totals	92,209,496	63,252,269	155,461,765

Allowing for secondary and tertiary multiplier effects as the cash flow moves through the economy, the total impact of the horse racing and breeding industry in Pennsylvania can be conservatively estimated at $300 million in 1977 alone. This figure has clearly grown in more recent years.

It is important to note that these economic impact estimates do not include intraindustry payments such as purses and sales. Nor do they reflect purchases of breeding stock and horses in training which are additional sources of impact.

Direct employment accounted for by the industry in 1977 was 18,552; current State employment estimates range from 25,000 to 27,000.

Any regressive tax, such as the withholding on legal pari-mutuel winnings, damages the industry affected. The purpose of H.R. 2647 is to minimize the negative effect on the horse industry.

As a member of the Ways and Means Committee, I am dedicated to reforming those provisions of the Internal Revenue Code which serve no productive function. Eliminating unnecessary withholding is one important improvement.

I believe that the voters of the United States gave the Congress a mandate to eliminate wasteful regulation and unnecessary administrative burdens of all kinds. Accordingly, the time is ripe for Congress to study the several suggestions for reform proposed today and adopt those measures which represent sound tax policy and promote the economy.

Further, the voters have indicated a preference for less interference by the Federal Government in local matters. This extends to the area of Federal tax impact on State and local revenues. Where the States have created a local economy around legitimate horseracing activities, it is not appropriate for the Federal Government to burden these State industries unnecessarily.

Mr. Speaker, raising the threshold level for withholding to $5,000 will eliminate a tremendous paperwork burden on a legitimate industry. It will minimize the depressing effect that the regressive withholding rule has on the horse industry, and the many supporting industries that contribute to its success. And finally, it will eliminate a discriminatory feature of the Internal Revenue Code.

I urge my colleagues to give H.R. 3538 their full support.●

PROBLEMS WITH SPECIAL USE VALUATION

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. WEBER. Mr. Speaker, attorney Donald Schmid, from Sleepy Eye, Minn., has written to me about problems he is facing with the Internal Revenue Service interpretation of postdeath qualified use under section 2032A of the IRS Code. I think his letter deserves consideration and would commend it to my colleagues.

The letter follows:

HAUSER & SCHMID,
Sleepy Eye, Minn., May 20, 1983.

Re special use valuation.

Representative VIN WEBER,
Cannon Office Building,
Washington, D.C.

DEAR REPRESENTATIVE WEBER: Hopefully, you are aware of a serious problem resulting from an interpretation by the IRS of post-death qualified use under Section 2032A of the Internal Revenue Code as it relates to Special Use Valuation. By private letter ruling 8,240,015, the IRS is requiring that the post-death qualified use test by satisfied only by the qualified heir, personally, with no provision for satisfaction through activity of a family member of the qualified heir.

I have a situation where the decedent passed away prior to 1982 and his 85 year old widow must now "actively participate" in a share crop lease arrangement with her daughter and son-in-law in order to meet the post-death qualified use test. It seems to me that the real purpose and intent behind the Special Use Valuation law is such that the same activity should constitute qualified use for both pre-death and post-death purposes. This is really causing a problem in this area.

It is my understanding that the Probate and Trust Division of the American Bar Association is strongly urging an amendment to Section 2032A (c)(1)(B) and (c)(6)(A) to refer to qualified use by "the qualified heir or a member of the qualified heir's family". I strongly urge you to strongly support this recommendation.

Yours truly,

DONALD E. SCHMID, Jr.●

WHY THE FARM SURPLUSES PERSIST

HON. GLENN M. ANDERSON

OF CALIFORINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. ANDERSON. Mr. Speaker, as you will recall, on March 8 of this year the House—by a vote of 401 to 1—suspended the rules and passed H.R. 1296, the Payment-in-Kind Tax Treatment

Act of 1983 (the PIK program). I was the lone Member in this Chamber to vote against this legislation. In the months that have passed since this vote, my vote is looking better and better and I feel sure that many of our colleagues now wish that Congress would not have been in such a rush to adopt the PIK program.

In today's edition of the Washington Post—July 11, 1983—there appears an excellent article that describes the situation with which we are currently faced with. The multibillion-dollar farm price support program keeps the price of food and dairy products at artifically high levels. Levels, in fact, which prohibit many Americans from purchasing farm goods.

For those not familiar with the disastrous result of our farm price support programs and the way the PIK operates in practice, I encourage their careful examination of this article. If it is not plain to see what the problem is in the first reading, I can only suggest that the article be read a second time. Here it goes:

HOW AN EXPERT FARMER ADDS TO THE PROBLEM

(By Ward Sinclair)

HEMLOCK, MICH.—Every time Wilferd (Wiff) Wardin does things right, which happens almost every day, another shock wave hits Washington.

Wardin, in fact, has done things right for so long that he's become what the experts in the government call "a part of the problem" of the growing federal budget deficit.

With his partner/brother and three sons, Wardin 55, farms on 900 acres of flat, rich land here in Saginaw County. The Wardins grow corn like champions: averaging more than 130 bushels to the acre. They keep a larger than average dairy herd, milking 150 cows every day and, astonishingly, producing nearly 19,000 pounds of milk per cow each year. (The average U.S. cow turned out 12,316 pounds in 1982.)

By any calculation, those are enviable yields. But it is just such heavy production of basic commodities, from milk to wheat to corn, that has pushed market prices down and put enormous pressure on the Department of Agriculture to provide loans to help keep farmers afloat.

And the Reagan administration, projecting the cost of farm-support programs at a record $21 billion this year, is entangled in a hectic debate with Congress over the Wardins of the nation.

The White House is pushing Congress, with little success, to start cutting back by freezing at current levels the "target-price" payments farmers are given to make up the difference between market prices and costs. A freeze, according to the USDA, would save $369 million from an anticipated target-price cost of $3 billion next year.

And, with the government facing another $2 billion outlay this year just to buy farmers' surplus dry milk, butter and cheese, Congress is under pressure to revise the dairy price-support program. The legislators are moving toward reducing support rates and paying the Wardins and other dairy farmers not to produce milk, an action that would be cheaper than buying milk as surplus.

Like most other dairy farmers, the Wardins grow the corn they feed their cows. But they grow more corn than they can use, and now the government, under its payment-in-kind (PIK) program, is giving them surplus corn so they won't grow more. The idea is to deplete surpluses, raise prices and help the farm economy while avoiding more federal budget outlays.

Here is where the whole thing gets curious: the Wardins put half their 320-acre corn base in the PIK program. That means they won't plant 160 acres and, based on their anticipated yields, they will be given 10,412 bushels of corn. At $3 a bushel their PIK benefit would be worth $31,236—a sizable chunk of federal largess.

"Yes, I feel a little funny taking that PIK corn," Wardin said, "but we were in the federal land setaside programs in the 1960s. The big advantage we will get from the PIK is that we won't have the production expenses of growing on 160 acres."

Yet the Wardins, like many other farmers, are hedging their bet in the hope that they can cash in on the higher market prices that PIK is expected to generate for corn. They rented 34 more acres this year and put it in corn.

A look at the Wardins' operation and the dairy picture in Michigan, the sixth-largest U.S. dairy state, reflects what has happened nationally. Federal program costs are off the charts, and government warehouses are jammed with more than 3 billion pounds of surplus dairy products.

"I admit the federal milk support price went up too fast in the late 1970s, when they put in the semi-annual adjustment," Wardin said, "So now you can produce surplus milk and make money at it. But low grain prices contribute most to the dairy surplus. It's easier to sell your corn as milk than as corn when the price is down."

The Wardins have gotten ahead of the game in another way. Their cows today are simply better producers, averaging almost 4,000 more pounds of milk per year than their cows did a decade ago. In 55 years of grandfather-son-grandson farming on this place the Wardin herd's butterfat production has doubled.

The attractive dairy support price, now at $13.10 per 100 pounds, has encouraged farmers to keep up steady production and has drawn others into the business, adding to the glut.

"I just don't feel for the guys who were laid off of industrial jobs—and there were a lot of them—and then went out and got 25 or 30 cows," Wardin said.

Figures recently released by the USDA underline these phenomena: March through May milk production was 2.3 percent ahead of last year; May was the 49th consecutive month of increased production; there were 51,000 more milk cows in March than a year earlier.

Similar things were occurring in Michigan. There were 10 more dairy producers (6,419) in April, compared with a year earlier, average daily shipments were up 101 pounds (to 2,106); average monthly gross income per farm was up about $100 (to $8,622).

"Even if they cut $1 off the federal support price, it won't reduce the surplus," Wardin said. "We can go down another $2 or $2.50 per hundredweight and stay alive. The big guys will survive. But if you ended the program or cut it abruptly it would knock out a lot of young farmers and the heavily endebted. That's what worries us."●

HOUSE OF REPRESENTATIVES—*Wednesday, July 13, 1983*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Grant, O God, that the good words of faith that we say with our lips we may believe in our hearts, and all that we believe in our hearts we may practice in our daily lives. Give us the understanding of how we may translate our words of faith into acts of love and deeds of justice and good will. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. ARCHER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ARCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

□ 1215

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. BOXER). The Chair would like to make an announcement.

The Chair has been advised that the electronic voting system is at the present time not operable.

Until further notice, therefore, all votes and quorum calls will be taken by the stand-by procedures which are provided for in the rules.

The Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The Clerk proceeded to call the roll.

PARLIAMENTARY INQUIRIES

Mr. CARNEY (during the rollcall). Madam Speaker, may I make a parliamentary inquiry?

The SPEAKER pro tempore. The gentleman will state it.

Mr. CARNEY. Would it be possible to take the vote on the Journal by a voice vote at this time? Could we make a unanimous-consent request to take the Journal vote by a voice vote?

The SPEAKER pro tempore. Under the rule, the yeas and nays must be taken. Since the absence of a quorum has been disclosed, no unanimous-consent business can be transacted.

Mr. RATCHFORD. Madam Speaker as a parliamentary inquiry, may I ask, is it possible under the rules to delay the vote?

The SPEAKER pro tempore. The Chair is advised that it is not now possible to postpone the vote which has been commenced, and since the absence of a quorum has been announced by the Chair.

The question was taken; and there were—yeas 374, nays 34, answered "present" 5, not voting 20, as follows:

[Roll No. 242]

YEAS—374

Ackerman	Coats	Franklin
Addabbo	Coelho	Frenzel
Akaka	Coleman (MO)	Frost
Albosta	Coleman (TX)	Fuqua
Alexander	Collins	Garcia
Anderson	Conable	Gaydos
Andrews (NC)	Cooper	Gekas
Andrews (TX)	Corcoran	Gephardt
Annunzio	Courter	Gibbons
Anthony	Coyne	Gilman
Applegate	Craig	Gingrich
Archer	Crane, Daniel	Glickman
Aspin	Crane, Philip	Gonzalez
AuCoin	Crockett	Gore
Badham	D'Amours	Gradison
Barnard	Daniel	Gramm
Barnes	Dannemeyer	Gray
Bartlett	Daschle	Green
Bateman	Daub	Gregg
Bates	Davis	Guarini
Bedell	de la Garza	Gunderson
Beilenson	Dellums	Hall (IN)
Bennett	Derrick	Hall (OH)
Bereuter	DeWine	Hall, Ralph
Berman	Dicks	Hall, Sam
Bethune	Dingell	Hamilton
Bevill	Dixon	Hansen (UT)
Biaggi	Donnelly	Harrison
Bilirakis	Dowdy	Hartnett
Bliley	Downey	Hatcher
Boehlert	Duncan	Hefner
Boggs	Dwyer	Hertel
Boland	Dyson	Hightower
Bonior	Early	Hiler
Borski	Edgar	Holt
Bosco	Edwards (AL)	Hopkins
Boucher	Edwards (CA)	Horton
Boxer	Edwards (OK)	Howard
Britt	English	Hoyer
Brooks	Erdreich	Hubbard
Broomfield	Erlenborn	Huckaby
Brown (CA)	Evans (IL)	Hughes
Brown (CO)	Fascell	Hunter
Bryant	Fazio	Hutto
Burton (CA)	Feighan	Hyde
Burton (IN)	Ferraro	Ireland
Campbell	Fiedler	Jenkins
Carney	Fields	Johnson
Carper	Fish	Jones (NC)
Carr	Flippo	Jones (OK)
Chandler	Florio	Jones (TN)
Chappell	Foglietta	Kaptur
Chappie	Foley	Kasich
Cheney	Ford (TN)	Kastenmeier
Clarke	Fowler	Kazen
Clinger	Frank	Kennelly
Kildee	Mrazek	Siljander
Kindness	Murphy	Simon
Kogovsek	Murtha	Sisisky
Kostmayer	Myers	Skeen
Kramer	Natcher	Skelton
Lagomarsino	Neal	Slattery
Lantos	Nelson	Smith (FL)
Latta	Nichols	Smith (IA)
Leach	Nielson	Smith (NE)
Leath	Nowak	Smith (NJ)
Lehman (CA)	O'Brien	Smith, Denny
Lehman (FL)	Oakar	Smith, Robert
Leland	Obey	Snowe
Lent	Olin	Snyder
Levin	Ortiz	Solarz
Levine	Owens	Spence
Levitas	Oxley	Staggers
Lewis (FL)	Packard	Stangeland
Livingston	Panetta	Stenholm
Lloyd	Parris	Stokes
Loeffler	Pashayan	Studds
Long (LA)	Patman	Sundquist
Long (MD)	Patterson	Swift
Lott	Paul	Synar
Lowery (CA)	Pease	Tallon
Lujan	Penny	Tauke
Luken	Pepper	Tauzin
Lundine	Perkins	Taylor
Lungren	Petri	Thomas (CA)
Mack	Pickle	Thomas (GA)
MacKay	Porter	Torres
Markey	Price	Towns
Marlenee	Pritchard	Traxler
Marriott	Pursell	Udall
Martin (IL)	Quillen	Valentine
Martin (NC)	Rahall	Vander Jagt
Martin (NY)	Rangel	Vandergriff
Martinez	Ratchford	Vento
Matsui	Ray	Volkmer
Mavroules	Regula	Vucanovich
Mazzoli	Reid	Walgren
McCain	Richardson	Watkins
McCandless	Ridge	Waxman
McCloskey	Rinaldo	Weaver
McCollum	Ritter	Weber
McCurdy	Robinson	Wheat
McDade	Rodino	Whitehurst
McDonald	Roe	Whitley
McEwen	Rogers	Whittaker
McGrath	Rose	Whitten
McHugh	Rostenkowski	Williams (MT)
McKernan	Roth	Williams (OH)
McKinney	Roukema	Wilson
McNulty	Rowland	Winn
Mica	Roybal	Wirth
Michel	Rudd	Wise
Mikulski	Russo	Wolf
Miller (CA)	Sawyer	Wolpe
Mineta	Scheuer	Wortley
Minish	Schneider	Wright
Moakley	Schulze	Wyden
Molinari	Schumer	Wylie
Mollohan	Seiberling	Yates
Montgomery	Sensenbrenner	Yatron
Moody	Shannon	Young (FL)
Moore	Sharp	Young (MO)
Moorhead	Shaw	Zablocki
Morrison (CT)	Shelby	Zschau
Morrison (WA)	Shuster	

NAYS—34

Byron	Gejdenson	Roemer
Clay	Goodling	Sabo
Conte	Hance	Schaefer
Coughlin	Harkin	Schroeder
Dickinson	Jeffords	Sikorski
Dorgan	Lewis (CA)	Solomon
Dreier	Lipinski	Stratton
Durbin	Lowry (WA)	Stump
Eckart	Madigan	Walker
Emerson	Miller (OH)	Young (AK)
Evans (IA)	Mitchell	
Forsythe	Roberts	

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ANSWERED "PRESENT"—5

Dymally	Oberstar	St Germain
Jacobs	Ottinger	

NOT VOTING—20

Boner	Hansen (ID)	Savage
Bonker	Hawkins	Shumway
Breaux	Heftel	Spratt
Broyhill	Hillis	Stark
Conyers	Kemp	Torricelli
Ford (MI)	Kolter	Weiss
Hammerschmidt	LaFalce	

□ 1245

So the Journal was approved.

The result of the vote was announced as above recorded.

THE BUDGET

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Madam Speaker, this administration's economic house continues to be in disarray. The hallmark of their program has been contradiction. We have witnessed an economic program with its fiscal foot on the accelerator and its monetary foot on the brake—and the car goes nowhere. While it was designed to balance the budget, their program has created the largest deficit in the history of our Republic. While it promised prosperity, it brought us the worst recession since the Great Depression.

Nowhere have the policy contradictions been more graphically displayed than in the administration's recent confusion over rising interest rates. The administration simply wants something it cannot have—a tight money policy and no rise in interest rates. That, Madam Speaker, is an economic impossibility.

As long as the structural deficit continues to be exacerbated by this administration's budget intransigence, interest rates will continue to tick up and tightening monetary policy will only make them go higher. Failure for all parties concerned to reach agreement on a coordinated fiscal and monetary policy can only stifle any recovery at home and abroad.

BIAGGI AMENDMENT TO H.R. 1 OUTLAWS DISCRIMINATION IN FEDERALLY FUNDED HOUSING

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Madam Speaker, yesterday, the House approved my amendment to H.R. 1 to outlaw discrimination in federally funded housing against elderly and disabled residents who own pets.

This was a most important action. It is consistent with other efforts of this Congress to abolish discrimination in housing. This form of discrimination was especially objectionable because it attacks an oftimes vulnerable segment of our society. This discrimination can take one of two ugly forms. It can serve to deny an elderly or disabled person admission into Federal Housing, or worse, it can serve as the basis for eviction of these tenants.

I assure my colleagues that this is a serious problem. Every day my office receives calls or letters from anguished senior citizens who encounter this discrimination. The situation is even more appalling when one considers the essential bond which can exist between an elderly or disabled person and their pet. A pet can be their only friend—their only source of companionship—their only protection against criminals—and yes their only link to the outside world.

My amendment clearly recognizes that with pet ownership does come responsibility. It spells out very clearly the right of building managers to remove any pet found to pose a threat to the health and safety of other tenants.

I urge my colleagues to complete action on the remainder of H.R. 1 this afternoon so this amendment so important to millions of elderly and disabled in this Nation can become one step closer to law.

MEMBERS ENCOURAGED TO COSPONSOR TELEPHONE BILLS H.R. 3364, H.R. 3365, AND H.R. 3366

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Madam Speaker, recently, Pacific Telephone Co., which services 8 of the 16 million telephone subscribers in California, announced that it was seeking a record $1.7 billion rate hike. This means that the average Californian will pay more than double their present rate. Southwestern Bell Telephone Co. in Dallas, Tex., has just requested $1.5 billion rate increase.

An article published in the June 6, 1983, edition of Update, the official Pacific Telephone newsletter states that, "Revenues rose to $7.9 billion, up 15 percent over 1981, despite a recession in the State's economy. Net income increased 10 percent to $631 million and the debt ratio dropped from 56 to 52 percent."

If this is a true reflection of Pacific Telephone's condition, then it is in better financial situation than the rate increase would suggest. While the numbers may vary from State to State, this is now a national phenomenon. If these increases are permitted, many of America's citizens may be forced to forego their telephone services. That is why I want to encourage you to cosponsor my telephone bills, H.R. 3364, H.R. 3365, and H.R. 3366.

CENTRALIA, PA., MINE FIRE: A GENERATION OF SUFFERING IS ENOUGH

(Mr. HARRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRISON. Madam Speaker, yesterday the report on the Centralia mine fire was finally released. That fire has been burning for 21 years. We knew it was a serious problem. Yesterday's report tells us that it is far more serious than we had been led to believe.

It turns out that instead of the 195 acres presently involved, the fire may spread to 3,700 acres.

It turns out the Secretary of the Interior was right when he said the fire eventually will burn itself out. Unfortunately, that will take a century or so. Before it does, at least one town and two small villages may be rendered uninhabitable.

Any engineering solution will cost more than $100 million, take years to implement and severely disrupt the life of the community it is designed to save.

That is why I am today joining the Governor of Pennsylvania in asking the President to create a Cabinet-level task force not only to deal with the fire but to help the people.

A generation of suffering is enough.

LEGISLATION TO CORRECT INEQUITIES IN PENSION AND TAX LAWS AFFECTING AMERICAN WOMEN

(Mr. LEWIS of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Florida. Madam Speaker, today I am introducing legislation to correct longstanding economic inequities in pension and tax laws affecting American women.

My Women's Economic Parity Act makes key changes in the Employee Retirement Income Security Act regarding joint and survivor benefits, divorced spouses, working women aged 21 to 24, and women on company-approved maternity leave.

My bill also allows homemakers to set up separate individual retirement accounts, regular volunteers to take a tax credit for child care benefits, and employers to take a tax credit for hiring a displaced homemaker.

Madam Speaker, it is important that Congress act to give women economic parity and I encourage my colleagues to cosponsor this legislation.

FREE ENTERPRISE ZONES

(Mr. SILJANDER asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. SILJANDER. Madam Speaker, it is with a great deal of enthusiasm that I look upon a potential opportunity to bring massive amounts of new jobs to America's abandoned inner cities. The Senate, by attaching enterprise zone legislation to the withholding tax repeal has provided the means necessary to move ahead with this dynamic and creative program.

And yet, in the midst of this opportunity, we see partisan quibbling. Some in Democratic leadership once again are attempting to prevent a true jobs creating program for selfish, partisan gains. The Senate, immediately upon passage of the repeal bill, appointed their conferees for the conference report, but the Democratic leadership in the House is stalling and delaying any movement on the conference report until they can figure out a way to gain the most political mileage from the bill. They are stepping on the hopes and aspirations that many Democratic Congressmen have for the people in impoverished areas within their districts. I can point to the honorable gentleman from New York (Mr. GARCIA) an original sponsor of this legislation along with Mr. KEMP of New York. His district is in desperate need of an infusion of jobs and business. Yet his leadership stands in the way of restoring jobs to his district.

And, Madam Speaker, I do not know how many times I have said it, but the massive unemployment in Benton Harbor, in my district, nearly 40 percent, needs new creative programs like free enterprise zones, not the age old liberal spending programs that just perpetuate poverty not remove it. The people of Benton Harbor want to work; they want to restore their community, they want to live freely as participants in the American dream, not as prisoners enchained by unemployment and poverty.

Madam Speaker, I urge the Democratic leadership to seize this opportunity to give life to our impoverished cities. I urge the leadership to take a stand for including areas like Benton Harbor, Mich., and cities across the entire Nation in the economic recovery instead of leaving them behind as so many past economic upturns have done.

For the sake of our Nation, appoint the House conferees with instructions to keep free enterprise zones as part of the withholding tax repeal and bring some real progress to our Nation's most neglected citizens, the residents of 1,000 Benton Harbor's across this country.

□ 1300

RESULTS OF CONSTITUENT QUESTIONNAIRE

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BILIRAKIS. Madam Speaker, I have just received the results of my constituent questionnaire and I believe the results are so important they should be shared.

Very simply, the residents of the Ninth Congressional District of Florida who responded to the questionnaire—some 20,000 of them—want voluntary prayer restored in our Nation's schools, oppose tuition tax credits for private school education, and overwhelmingly oppose the effort to revive the equal rights amendment.

The voters in my district believe strongly that teenagers seeking summer employment only should be able to work for less than the minimum wage and want businesses that hire long-term unemployed persons to receive tax credits.

Reducing the budget deficit is of overwhelming importance to the people. In fact, 84 percent of the respondents favor the President's proposed freeze on domestic spending. At the same time, 85 percent oppose any tax increase as a means of reducing the deficit.

I believe it is vital for us to pay attention to our citizens, expecially since so many have taken the time and effort to express their views

SURVEY RESULTS

	Vote	Percent
1. Reducing the nation's deficit is a major economic issue. Which of the following would you support:		
a. Raising taxes:		
Yes	1,731	14.9
No	9,811	85.0
b. Freezing domestic spending:		
Yes	12,465	84.1
No	2,343	15.8
c. Cutting defense spending:		
Yes	8,222	62.6
No	4,905	37.3
d. Delaying the July 1 tax cut:		
Yes	9,064	62.7
No	5,371	37.2
2. Which of the following do you favor to reduce unemployment:		
a. Tax credits for long term unemployed:		
Yes	9,306	67.4
No	4,486	32.5
b. Short-term public works jobs:		
Yes	8,284	60.3
No	5,447	39.6
c. Lower minimum wage for teenage summer work:		
Yes	10,080	70.1
No	4,301	29.8
3. Which of the following tax proposals do you favor:		
a. Flat tax with no deductions:		
Yes	5,106	45.1
No	6,193	54.8
b. Progressive tax with no deductions:		
Yes	3,924	39.9
No	5,901	60.0
c. Flat tax with some deductions:		
Yes	6,202	55.7
No	4,920	44.2
d. A combination of b and c:		
Yes	5,081	48.4
No	5,399	51.5
e. No change from the current system:		
Yes	3,385	36.2
No	5,955	63.7

SURVEY RESULTS—Continued

	Vote	Percent
4. Voluntary prayer in public school:		
Yes	15,741	83.8
No	3,020	16.1
5. Tuition tax credits for private school education:		
Yes	7,479	40.1
No	11,127	59.8
6. Foreign auto imports contribute to unemployment:		
Yes	13,575	72.9
No	5,040	27.0
7. Set limits on auto imports:		
Yes	10,828	58.9
No	7,554	41.0
8. Foreign autos should have American-made parts:		
Yes	9,126	50.7
No	8,860	49.2
9. Resubmit equal rights amendment:		
Yes	5,618	30.0
No	13,052	69.9
10. Initiate Caribbean Basin Initiative:		
Yes	9,971	56.0
No	7,816	43.9

Note.—In all cases, the first number is the total yes vote; the second the no vote. As not all people responded to every question, the total yes and no votes vary.

ECONOMIC TURNAROUND SHOULD BE NOTED

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Madam Speaker and Members of the House, once again we have seen during these 1-minute presentations a Member of the majority rise and adversely criticize the Reagan economic policies. Of course, that is to be expected, but I think we ought to be balancing the record every time such rhetoric comes into the CONGRESSIONAL RECORD.

For instance, just as that individual would discredit the President on high interest rates, then credit should be given to the President for what has become a turnaround in the economy. Unemployment is dramatically down. The gross national product is dramatically up. The average weekly earnings are dramatically up. There is more employment going on, rehiring and hiring.

Those particular things are the best antidotes for the economic ills that are plaguing this country, and I see nothing but optimism. Every time someone gets up to criticize the President, it should be balanced. Some praise ought to be forthcoming for the turnaround.

HAPPY BIRTHDAY, ED FRAZIER

(Mr. MYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS. Madam Speaker, today is the 64th birthday of one of our most respected and well-known members of our House of Representatives staff. Ed Frazier, who now serves as Doorkeeper on the center door, the main door of the House, has been working here on Capitol Hill for 36 years. He is a native of southern Indiana, New Albany, Ind., and 36 years on the Hill is a long time, but today is his 64th birthday

and, Ed, we wish you a happy birthday and may you serve many more years with respect and honor as you have in the past here in the House. Happy birthday.

"REVISE AND EXTEND REMARKS" SHOULD BE CLARIFIED

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUJAN. Madam Speaker, I think the time is approaching that the words, "revise and extend remarks" should be clarified and the rules of this House adhered with. I wish to present to this body another blatant example of an official record being altered.

Last November in a Judiciary subcommittee, the Subcommittee on Civil and Constitutional Rights, the committee chairman discussed information received from the Department of Justice which exonerated three assistant U.S. attorneys from charges made against them. The officials of the Justice Department who made the charges, which came from the Abscam operation, were highly criticized by the Office of Professional Responsibility.

The Office of Official Reporters recorded 19 lines of very significant content. The final published version of the hearings were reduced to five lines of clearly reduced meaning.

The altered version clearly omits statements critical of the conduct of a key Justice Department official in charge of Abscam. Even though these remarks were published in news accounts, they do not appear in the published record of this House.

Madam Speaker, this is another example of tampering with legislative history, the history on which laws are based and Court decisions are based.

Madam Speaker, at this point in the RECORD, I would like to insert the Official Reporter's transcription of the statement, to be followed by the final published version of the statement.

[Note portions in italic.]

COMMITTEE HEARINGS OF THE U.S. HOUSE OF REPRESENTATIVES, OFFICE OF THE CLERK, OFFICE OF OFFICIAL REPORTERS

. . . going to bring some public official to a meeting without even disclosing the purpose of the meeting.

Mr. EDWARDS. I believe that is a very important point. We will remind ourselves at hearings in the future to zero in on this criminal standard. We were able to I think convince the Department of Justice and the FBI at domestic intelligence investigations they had to adhere to a criminal standard or very close to it.

And that certainly was missing in some of these ABSCAM cases, especially, where the loose cannon was involved. They didn't care if the person had ever been suspected of criminal activity, or you were true blue or not. They still would try to hook him. Or at least get them into difficulty.

I think that we—I should point out that with regard to the investigation of Mr. Plaza and Mr. Weir, and the New Jersey office made by the Office of Professional Responsibility, the Department of Justice, they did complete the report. Of course, they have not released it. But staff has received information from the Department of Justice *with an oral briefing to the effect that, in the words of the Office of Professional Responsibility, the Nathan memo was libelous and slanderous of Plaza and Weir and not an accurate analysis of the December 17, 1980 memos.*

And the Office of Professional Responsibility characterized the Department of Justice position as a twisted analysis, and he said, Plaza and Weir obviously felt that they had been given the shaft and we agree with it. This is the boss over there saying this.

After all, again according to the Office of Professional Responsibility, it was a finding of guilty by the second highest official in the Department of Justice, that is Mr. Renfrew, without substance.

And the Office of Professional Responsibility concluded that "Plaza, Weir and Robertson had throughout played by the rules. They were very complementary of the New Jersey office in general, both in terms of ethics and accomplishments."

Had that information been released to you?

Mr. ROBERTSON. No, Mr. Edwards. I appreciate hearing that. It has been a long time.

Mr. EDWARDS. Mr. Lungren.

Mr. LUNGREN. Thank you, Mr. Chairman.

Mr. Robertson, in your brief oral testimony, but more in your written statement, you refer to the encounters you had, both telephonically and personally, with Judge Renfrew.

First of all, is it usual practice for someone in the Justice Department when referring something to OPR for a decision to make a recommendation as to discipline?

Mr. ROBERTSON. I do not know, Mr. Lungren. I don't know . . .

FBI UNDERCOVER OPERATIONS

(Hearings before the Subcommittee on Civil and Constitutional Rights of the Committee on the Judiciary, House of Representatives, Ninety-Seventh Congress, Second Session, on FBI undercover operations, February 4, March 2, April 1, 22, 29, June 2, 3, 9, July 22, and November 23, 1982)

SERIAL NO. 76

. . . that they are going to bring some public official to a meeting without even disclosing the purpose of the meeting.

Mr. EDWARDS. I believe that is a very important point. We will remind ourselves at hearings in the future to zero in on this criminal standard. We were able to, I think, convince the Department of Justice and the FBI at domestic intelligence investigations they had to adhere to a criminal standard or very close to it.

And that certainly was missing in some of these Abscam cases, especially where the "loose canon" was involved. They didn't care if the person had ever been suspected of criminal activity, or whether you were "true blue" or not. They still would try to hook him.

I should point out that with regard to the investigation of Mr. Plaza and Mr. Weir, and the New Jersey office which was undertaken by the Office of Professional Responsibility, of the Department of Justice, they did complete that report. Of course, they have not publically released it. But our staff has received information from the Department of Justice in an oral briefing. *While I am constrained at this point not to discuss the findings of OPR, I can say that the Office of Professional Responsibility fully exonerated Messers Plaza, Weir and Robertson, and was highly critical of other officials within the Department and the manner in which the complaint was presented to OPR.*

Had that information ever been released to you?

Mr. ROBERTON. No, Mr. Edwards. I appreciate hearing that. It has been a long time.

Mr. EDWARDS. Mr. Lungren.

Mr. LUNGREN. Thank you, Mr. Chairman.

Mr. Robertson, in your brief oral testimony, but more in your written statement, you refer to the encounters you had, both telephonically and personally, with Judge Renfrew.

First of all, is it usual practice for someone in the Justice Department when referring something to OPR for a decision to make a recommendation as to discipline?

Mr. ROBERTSON. I do not know, Mr. Lungren. I don't know the answer to that question.

Mr. LUNGREN. I was under the impression that that is unusual. Usually it is sent to OPR for their decision. And yet in this case, Judge Renfrew sent it over with a recommendation of discipline, along with the request that they make a decision. As to the punishment.

Mr. DEL TUFO. I wasn't there, but it is my understanding it was sent over with the charter simply to come up with what the proper discipline should be, which would suggest—is that not true? If that is the case, then it certainly is unusual, because OPR alone is supposed to make that judgment.

Mr. LUNGREN. OK. I just wondered if you, Mr. Robertson, from your specific encounters at that time, could indicate, was this—was it in the nature of a personality conflict? Just what was Judge Renfrew's demeanor about this? Did it appear to be more of a concern that the Department had been embarrassed, or was there a genuine concern about the fact that some rule had been violated.

That is, if an ex parte communication, unauthorized communication going from people down the chain of command?

DAIRY PRICE SUPPORTS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Madam Speaker, during the Fourth of July recess, I held several town meetings throughout my district. One of the issues that kept coming up was the 50-cent assessment per hundredweight on dairy farmers. The first assessment took effect in April and the second one is scheduled to start in August.

Many of the farmers in my district view these assessments as unfair and counterproductive. Mr. Speaker, I must join with them in opposition to these assessments.

The theory behind the assessments is to reduce the cost of the dairy price support system. Part of the theory is that farmers will reduce milk produc-

tion due to a lower price support level. However, U.S. Department of Agriculture data clearly show milk production rising since April. The first 50-cent assessment has had the opposite effect on milk production than was intended. This is because many dairy farmers have increased milk production to offset the 50-cent assessment. The USDA data prove that the assessment plan is a failure. Yet the second assessment is scheduled to take effect next month. Worse yet, the House is about to include a $1 assessment as part of the compromise bill to reform the dairy price support system, H.R. 1875. I can only hope that the House will see the folly of this system and that we can devise a more equitable way to reform the price support system.

There is a need to change the present dairy support system. We are currently rewarding overproduction through a support level that is too high. And next spring this will become an even more critical problem when the support level increases to $14.10 if we take no action to change the present system. There is a definite need to change the system. But I do not believe an assessment on our dairy farmers is the way to solve the overproduction of milk we now have in this country.

CONGRESSIONAL RENEWAL LEGISLATION

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUNDERSON. Madam Speaker, we have all spoken with constituents who were more upset with how Congress and its Members act than with the actions they take. And in the 3 years I have been a Member of Congress, I have tried to isolate positive steps Congress could take to restore public trust in both the legislative branch and the legislative process.

Today, I will be introducing several pieces of legislation designed to strengthen our legislative institutions and increase public awareness and understanding of the problems and the possibilities of our form of government. The proposed improvements will be in three basic areas: First, the elections process; second, the budget process; and third, the institution itself.

First, there will be a concurrent resolution urging States to remove time and partisan impediments to voter registration and a bill to establish a uniform September Federal primary as well as two national advisory referenda questions on each general election ballot.

Second, I will introduce legislation to prohibit the future use of continuing resolutions and part-year funding of full-year programs in appropriations legislation.

Finally, there will be bills to establish two independent and bipartisan citizen committees to set congressional salaries and investigate allegations of congressional misconduct as well as a constitutional amendment to eliminate congressional immunity from arrest for traffic violations.

It is my hope that my colleagues will join me in pursuing these legislative goals so that our Government can continue to be that which John Marshall described over 165 years ago—a government truly emanating from the people with powers granted by them to be used for their benefit.

HEAVY-HANDED POLICY OF THE UNITED STATES

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Madam Speaker, next week the Congress may very well be considering whether or not to continue the very heavy-handed policy of the United States with continued illegal actions in the invasion of the country of Nicaragua, and also whether or not to continue military aid to the Government of El Salvador.

Let us reflect now, 10 years later, the last time the Government puts its heavy hand on the scales of justice in the country of Chile, as a result of those policies, Chile is a country which has now lived with the torture of its own citizens, with members of families disappearing, with the murder of its own citizens, and the exile of its citizens, yet today we find 10 years later that the people of Chile, by the tens of thousands, are now rioting in the streets against the repression of that government.

We cannot, through the use of guns, through the use of the CIA, through the use of illegal activities, force a government on a people that they do not want. That is what we are trying to do in Nicaragua with the illegal invasion, an invasion that every day violates the laws of this Congress, the laws of this country.

I would hope that we would consider this next week. The results in the long run, are the people rise up against the government of that country which has been imposed upon them, and at the same time make this country an enemy of the very people that we say we are trying to help.

AN ACT OF HEROISM

(Mr. McEWEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McEWEN. Madam Speaker, today I am introducing a resolution commending Gregory Karam, an air traffic controller at the Greater Cincinnati Airport, for his calm and professional conduct in guiding a burning aircraft to a safe landing on June 2. This act of heroism resulted in the rescue of many of the crew and passengers of the aircraft.

I believe it is important to recognize those Americans who use their training and talent in the workplace to an extent that it transcends simply doing a job well, but becomes a heroic act. As a member of the Aviation Subcommittee of the House Public Works and Transportation Committee, I think it is particularly vital that we pay tribute to those whose judgment and skill play a role in determining the fate of many lives.

Gregory Karam, a native of Cincinnati and a graduate of Ohio State University, demonstrated remarkable competence and proficiency. If you look at Mr. Karam's background, it is easy to see the hard work and dedication that went into making him one of the best at what he does.

Mr. Karam received a masters degree in public administration from Ohio State and earned a law degree from the Salmon Chase College of Law. He spent 4 years at Ohio State as a flight and ground instructor and has worked since 1974 as an air traffic controller in Miami and Cincinnati.

Gregory Karam is no stranger to life and death situations, having served in Vietnam as an Army infantry lieutenant. He is a student of his craft, having written extensively on the issues facing the aviation industry and air traffic controllers.

I believe we all owe Gregory Karam a debt of gratitude for his exceptional efforts not only in the emergency which took place earlier this month, but for making the effort to not only learn his skill but to master it so that we all may feel more secure when flying.

CRUCIAL DEBATE ON AMERICAN MILITARY ASSISTANCE

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Madam Speaker, next week a crucial debate will take place in this House, and that is the debate over American military assistance to those fighting the Sandinista regime in Nicaragua.

This debate is so important to the future of all Central America, indeed to this hemisphere's future. What is at stake? Probably the future of freedom in Central America is at stake. Pulling the rug from under those fighting the totalitarian Sandinista regime would insure there the complete victory of that totalitarian regime. It would be in

a very real way a victory for the Brezhnev doctrine right here at our southern border in Central America, a victory for the Brezhnev doctrine over the Monroe Doctrine.

The Brezhnev doctrine says that once a Soviet sister Socialist state has been established, all within the power of the Soviet Government is brought to bear to insure the continuance of that Socialist state. A victory for the Boland-Zablocki amendment would mean that in Nicaragua, those who are fighting for freedom against the Brezhnev doctrine would be undercut by the United States. The United States, which should be upholding the Monroe Doctrine, a doctrine which has kept autocratic European powers out of Latin America for nearly 150 years, would end up, under the Boland-Zablocki amendment, enforcing, yes, enforcing, the Brezhnev doctrine.

□ 1315

HOUSING AND URBAN-RURAL RECOVERY ACT OF 1983

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1), to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, with Mr. MINETA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, July 12, 1983, title V was opened to amendment at any point.

Are there any further amendments to title V?

Mr. GONZALEZ. Mr. Chairman, I move to strike the last word.

Mr. Chairman, H.R. 1 originally included language reaffirming the Secretary of HUD's obligation to assure timely funding on an annual basis of increases in rent supplement and section 236 rental assistance payments necessitated because of rent increases or decreases in tenant incomes. The bill also provided for the use of funds recaptured from the conversion of units to assistance under the section 8 program or otherwise for such amendments. The committee amendment modifies these provisions as follows.

As with the original language, the committee amendment is designed to assure timely annual funding of amendments but is limited to non-FHA insured projects which are State financed. The amendment drops coverage of insured projects because of the assurance by HUD that their needs will be met primarily through conversion to section 8. If this later should prove not to have occurred, the committee will consider extending to insured projects this reaffirmation of HUD's obligation to fund amendments under these programs. Thus, the provisions remain designed to assure that the Secretary will meet the existing obligation to fund amendments for State-financed projects.

Further, the provisions have been designed to complement the language of the supplemental appropriations bill for 1983, currently awaiting conference, which will set aside permanently an amount of funds designed to assure that these amendment obligations can be met for all such contracts for the remainder of their terms. Thus, to the extent funds made available by appropriations actions from recaptures or otherwise in fiscal year 1983 or fiscal year 1984 or prior years prove not fully adequate for these projects for their remaining subsidy contract terms, the committee amendments sets forth an independent, complementary requirement for funding these amendments from recaptures achieved in either fiscal year 1985 or later years, or in prior years, or from other resources.

The Banking and Appropriations Committees of both Houses have already made clear their belief and intentions that timely funding for these amendments is both necessary and imperative to assure the continued viability of these existing low-income housing units.

In sum, these provisions of the committee amendment are designed to reaffirm the Congress clear intention that HUD not delay or otherwise impede the funding of amendments for those projects, and to assure a permanent resolution of the issue that assures the timely availability of these amendment funds. Accordingly, the Department is urged to begin immediately to process currently pending amendments to avoid hardship to tenants, and the negative effect on project viability, which further delay will cause.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 158, after line 17, insert the following new section (and conform the table of contents accordingly):

MULTIFAMILY MORTGAGE LOAN-TO-VALUE RATIO

SEC. 531. (a) The second sentence of section 302(b)(2) of the Federal National Mortgage Association Charter Act is amended by inserting after "mortgage" the first place it appears the following: "secured by a property comprising one to four family dwelling units".

(b) The first sentence of section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act is amended by inserting after "mortgages" the first place it appears the following: "secured by a property comprising one to four family dwelling units".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, I shall be very brief.

The FNMA charter act and the Federal Home Loan Mortgage Corporation Act contain provisions prohibiting the purchase of multifamily mortgages with loan-to-value ratios greater than 80 percent unless the seller has mortgage insurance, retains a 10-percent participation interest, or commits to repurchase or replace the mortgage in case of default. The restriction makes it difficult, if not impossible, for FNMA and FHLMC to issue commitments to purchase any new FHA-insured mortgages, because, unlike single family mortgages, multifamily mortgages do not have access to private mortgage insurance.

Mr. MCKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Connecticut.

Mr. MCKINNEY. Mr. Chairman, the minority has looked at the gentleman's amendment, and it is to be applauded. There is no doubt about the fact that this has been a tremendous hindrance and obstruction to the purchase of these mortgages. We totally agree with the amendment.

Mr. ST GERMAIN. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island (Mr. ST GERMAIN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BARTLETT. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. The Chair would like to inquire of the gentleman from Texas, is this the amendment to title V?

Mr. BARTLETT. It is the amendment to title V, Mr. Chairman. It begins on page 149.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. ST GERMAIN. Mr. Chairman, reserving the right to object, once the

Clerk has started to report the amendment, we will have no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Bartlett: Page 149, after line 13, insert the following new section (and conform the table of contents accordingly):

ELIMINATION OF REQUIREMENT THAT FEDERAL HOUSING ADMINISTRATION INTEREST RATES BE SET BY LAW

SEC. 514. (a) Sections 3 and 4 of Public Law 90-301 are hereby repealed.

(b)(1) Section 2(b)(5) of the National Housing Act is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such rate as may be agreed upon by the borrower and the financial institution.".

(2) Section 203(b)(5) of such Act is amended to read as follows:

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(3) Section 203(k)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(5) The first sentence of section 213(d) of such Act is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(6) The second sentence of section 220(d)(4) of such Act is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe.".

(7) Section 220(h)(2)(iii) of such Act is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(8) Section 221(d)(5) of such Act is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee".

(9) Section 231(c)(6) of such Act is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and".

(10) Section 232(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(11) The first sentence of section 234(f) of such Act is amended to read as follows: "Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(12) Section 235(i)(3) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) bear interest at a rate not to exceed such per centum per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets.".

(13) Section 240(c)(4) of such Act is amended to read as follows:

"(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(14) Section 241(b)(3) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(15) Section 242(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(16) Section 1002(d)(2) of such Act is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee: *Provided*, That the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than ten years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;".

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BARTLETT. Mr. Chairman, I am offering an amendment today to H.R. 1, the Housing and Urban-Rural Recovery Act of 1983, which would allow the interest rates on Federal Housing Administration mortgage loans or FHA loans to be negotiated between the lender and the buyer, thus lessening the need for those excessive points which are too often charged at the closing, those points which dampen the housing market and in fact act to restrain both the buyers and the sellers who are ready to close.

Congress first recognized the need for the negotiated interest rate program in the 97th Congress in the Housing and Community Development Act of 1980. A trial program, a demonstration program allowing 50,000 loan approvals or 10 percent of the FHA-insured mortgage volume to be negotiated by the borrower and the lender went into effect in December of 1982, just last year. That demonstration program passed on this House floor by a vote of 290 to 68.

The demonstration has been very well received by the home-buying market, and my amendment would now put that demonstration project into effect across the board.

Between December 1982 and June 30, 1983, the Department of Housing and Urban Development reports that 22,898 outstanding commitments have been issued under this demonstration of negotiated rates. What is significant about these figures is that activity was slow in the first months that the program was fully implemented—there were only 3,216 outstanding commitments—but by March 15 that total had nearly tripled to 10,273.

Mr. Chairman, I am saying that the initial public acceptance of the negotiated rate was slow as the public began to understand it, but within 2 months consumers became familiar with the concept and the concept rapidly gained support.

A negotiated FHA rate benefits both the buyer and seller by minimizing points charged to bring the effective rate of the loan up to the market rate. One more inflationary pressure is extracted from the mortgage scenario to the advantage of all concerned. Make no mistake, the market sets the rate anyway. The only question is whether that market rate will finally be set by surprise points charged at closing, either adding to the price of the home or stopping the sale by an otherwise willing seller to a willing buyer.

The setting of a maximum interest rate for mortgages insured by FHA harkens back to an earlier era in America's financial history when residential mortgage markets were highly localized and sometimes dominated by a few suppliers of credit. At that time the possibility for abuse existed, and the Federal Government acted in a fashion similar to State governments and set a maximum interest rate ceiling. That ceiling is no longer necessary. The time has arrived for Congress to complete the task of reform-

ing the law by repealing all artificial restrictions on interest rates for FHA mortgages.

I urge this committee to support this amendment which would free FHA rates from any maximum limitation and to allow all FHA-insured mortgages to bear an interest rate in points as agreed upon by the borrower and the lender without any maximum set by the HUD Secretary. Adoption of a freely negotiated FHA interest rate would effectively substitute the market force of supply and demand for the current artificial restriction on interest rates for FHA-insured loans and would obviate the need for those burdensome points which are often charged at closing.

I would refer the Members to the Washington Post article of just yesterday in which it was stated that thousands of would-be buyers are still shut out of the housing market by the high cost of discount points charged with FHA- and VA-insured loans.

The head of the Mortgage Bankers Association, Mr. James Wooten, of Dallas, says that the high level of points now being charged is aggravating a seasonal slowdown in the housing industry.

I would emphasize in the final analysis that the market will set the rates whether the present system of ever-changing ceiling rates set by administrative fiat is continued or not, because the difference between the market rates and the ceiling rates will be made up by points unless this market is adopted, and in a volatile market, those points, sometimes totaling 5, 7, 8, or 10 points at a time, become very cumbersome and very inflationary.

Mr. Chairman, they are unfair to buyers, they are unfair to sellers, they are not productive to anyone, and I urge the adoption of this amendment to lessen the need for those burdensome points.

Mr. LEATH of Texas. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the distinguished gentleman from Texas.

Mr. LEATH of Texas. Mr. Chairman, I want to commend the gentleman from Texas for offering this amendment, because I think, even though it possibly comforts all of us when we can say we have held FHA and VA rates to a certain level, the gentleman is absolutely correct. It has been proven that we do have the market setting rates currently. I think it is terribly important that we not have a buyer who is faced with a $10,000 to $11,000 or $12,000 up front that could be amortized over the period of that mortgage if we had not had the rates negotiable.

Mr. Chairman, I want to commend the gentleman from Texas (Mr. BARTLETT) for offering the amendment. I support the amendment, and I hope my colleagues will vote for it.

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the amendment before the House at this point might sound attractive, and, of course, if the packaging and the nomenclature used to describe it were to be accepted at face value, it might well be acceptable. However, we have to look behind the packaging and the nomenclature at the actual facts and at what the results will be rather than at what we might hope the results might be.

We must not be fooled by the term, "negotiated rate," and the connotation it carries, because that suggests equity is better served this way than by permitting a borrower and lender to negotiate the terms of the loan.

The fact is that the parties are not on an equal footing. The borrower is at a distinct disadvantage, and the negotiations are going to conclude at one point and the rate is going to be set by the lender. Amen. Case closed. That is the only result of a negotiation between a lender and a borrower.

The borrower comes in and looks for a mortgage, but the buyer comes in once or twice in a lifetime. The lender is lending money on a daily basis—who knows how many times per day. The borrower very badly and sadly needs that home for his family, and if he or she is told that he or she is going to have to pay a high rate, indeed that is what will happen.

As to the argument that the points would be lessened or done away with, with all due deference, bankers, S&L people, lenders, and mortgage bankers, are in business to make a profit. Points have become a way of life with them, and there is no way that we are going to eliminate or in any way reduce the number of points with an amendment such as this.

The gentleman is well intentioned. I have very high regard for him, but, very frankly, I am afraid that his amendment will not accomplish that which he would like to accomplish.

Of equal significance is the fact that the FHA rate has served as an incentive in the industry to keep mortgage interest rates lower than otherwise—at least for the lower portion of the market. And, to the extent that points have been either formally or informally limited, the result has been lower borrowing costs for the lower end of the market, which is precisely the sector that we traditionally have targeted FHA to serve. So even with points, the FHA rate serves to maintain relatively reasonable mortgage interest rates for moderate income home buyers. That is what FHA was all about when it was conceived almost 50 years ago and that is what it is about today. Perhaps it is even more appropriate today, when we all know how interest rates are fluctuating at unprecedented high levels.

I urge my colleagues in the House to vote in favor of the moderate income home buyers to assure that they have at least some chance to realize the American dream. Many of these families will more than likely be cut out of the market if the FHA rate is allowed to float as the gentleman's amendment would permit.

Mr. Chairman, for those reasons, I must oppose this amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I think the chairman of the committee has spoken very eloquently with regard to the problems of the inherent disparity between the buyer, the person who needs the home and is purchasing the home, and the bank. But, more importantly, the interest rates on this loan, of course, as we all understand, are paid by the buyer, whereas the points, with the exception of 1 point, 1 percentage point, is paid by the seller.

The fact of the matter is that the gentleman's amendment, as well intentioned as it may be, does not really address or in any way limit the number of points that might still be assessed against that seller and be reflected in the price and indirectly, of course, paid by the seller. In other words, that is the freight, the price that the market will bear with regard to it.

Second, what is the interest here? Why does the National Government have an interest in terms of what the FHA loan rate is? Well, it is a matter of the extension of the insurance we provide with regard to the FHA. Are we to let the extension of the value of that insurance to be determined by the private bankers.

In other words, are we not going to have anything to say over the type of loan guarantee or insurance program we are extending in this particular interest? Because indirectly we maintain, of course, a considerable liability and concern, in other words, with regard to the basic objectives of the FHA program.

For those reasons, Mr. Chairman, and those articulated by the committee chairman, this amendment is simply not workable, and is indeed not equitable and I ask the House to defeat it.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that the gentleman from Texas (Mr. BARTLETT) has come forth with one of the most important amendments that could face this House when we are discussing housing in this country.

The point system that presently takes care of the differential between the FHA and the VA mortgage and the real estate market is probably in fact one of the most destructive instruments to the real estate business this country has seen in many years. This point system has been known to fluctuate as much as six or seven points from 1 week to the next. This has made many builders and homeowners who have their property for sale write in contingency clauses in their contracts which say the sale will not take place if points go further than such and such a level.

□ 1330

This means that from one week to the next, the person buying the home and the person selling the home do not, in fact, even know whether they can do it. We are doing this to one of the most depressed industries within the United States of America that is trying to make a comeback.

We do far more destruction with the point system than just simply putting in doubt on the part of the sale and doubt on the part of the owner or buyer. Look what we in fact do to the whole price index structure in the United States. We have turned around and improved the Consumer Price Index by putting it on a rental basis, but at the same time points are built into the price of the house, not the price of the money. This is an aberration of the entire system. What you are saying is that you are inflating the price of housing to in fact cover the price of money which is buying that house proportionately.

This was an enormous distortion when points were as high as 12, 14, and 16, when this country was suffering through our interest rate climb and our sales recession; but on top of that, Mr. Chairman, 80 to 85 percent of the houses in the United States of America are sold outside of the FHA, outside of the VA structure. They are sold through the conventional mortgage system, and yet since parity in real estate prices is a well-known fact, you find that owners and real estate brokers are building points into those houses that are not even going to have a VA or an FHA mortgage.

Last, but not least, and think about this, and I speak as a man who has just had two of his daughters get married and try to find a place to live in Fairfield County. The point rate at one settlement was nine and five for the other.

This is up-front cash that the seller must get when the seller is, in fact, going to be going forward and trying to replace that dwelling with something else. It is up-front cash that the buyer must get. It artificially inflates the value of the house and it is a mess.

If, in fact, 80-odd percent of the mortgages in this country can be done by negotiating with a bank, albeit the buyer may do it twice, and the bank may do it 200 times a day, the fact of the matter is that there are a lot of banks out there. There are a lot of banks in competition with each other. Anyone that just goes shopping in one place for a mortgage is pretty darned stupid. You can get the best negotiated rate, and this could also be done with the FHA.

I think the gentleman has proposed an amazingly correct and proper amendment.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman.

Mr. BARTLETT. So the gentleman is saying, Mr. Chairman, that even though these points would technically be charged on the seller's closing statement, the gentleman would say that in fact if those points are excessive, due to the volatility of the market, either the sale will not occur, which slows down the entire housing recovery, or the seller raises his price on the negotiated rate and the buyer ends up paying anyway; but it is a cumbersome process.

Mr. McKINNEY. Absolutely no question that in that type of neighborhood, particularly in my district, I can prove it, where FHA sales and VA sales are the norm, that prices are adjusted to reflect the points that people know, the seller knows he is going to have to pay, and when those points can go from 5 to 10 points difference, in 1 single week, this is a tremendous inflationary factor to the housing market which is trying to struggle up from the bottom.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. What little time I have, yes.

Mr. VENTO. Well, Mr. Chairman, I think the concern here, of course, is one with the high FHA point problem; but the gentleman's amendment really does not assure us, there are no assurances whatsoever that it will do anything for the cost of housing.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

(At the request of Mr. VENTO, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 2 additional minutes.)

Mr. VENTO. Mr. Chairman, will the gentleman yield further?

Mr. McKINNEY. I am delighted to yield.

Mr. VENTO. There is no assurance in this amendment, there is a hope that it would, but there is no assurance that it will really have any effect. In fact, the gentleman from Connecticut himself, I think, in a way reflected this tangentially, although I do understand the gentleman's point with regard to market value and agree that that is not a positive factor; but nevertheless, I indicated that they have built into the cost of that housing points already. So what assurance do we have?

Does the gentleman not concede that the National Government does have a fundamental interest in terms of the extension of the FHA guarantee and the extension of the FHA insurance, which, of course, they are paying for, in terms of maintaining some control over what the rates would be and what the conditions of sale might be?

I mean, that is why, for instance, we limit the buyer to paying only one point, as an example.

I would appreciate it if the gentleman could respond. I frankly do not understand the gentleman's logic.

Mr. McKINNEY. Mr. Chairman, if I may regain my time, I am a firm believer that the negotiated system will work just as well as it works in 80 percent of the other sales, I believe in the national interest; but if this amendment does nothing else, it would at least put the load of financing on financing, instead of the system we have now, which puts the load of financing on the cost of a building and that is intrinsically wrong and intrinsically disjoints the entire system and the structure of pricing of housing throughout the United States.

If, in fact, the cost of the house is one thing, it should be the cost and the honest cost. If, in fact, the cost of financing is one thing, it should be clearly recognized.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the pending amendment.

I just cannot seem to believe my ears to hear the proponent and the supporters of this amendment advancing arguments on the basis that they are. This is simply an amendment that, if mistakenly accepted by the Congress and adopted as law, would just legalize extortionate rates of interest.

Points or no points, interest is interest by any name, whether it is called points or interest rates.

The fact is that this amendment has absolutely no purpose in mind other than to remove the only existing legal restraints on runaway extortionate interest rates. That is all it does. That is all it is intended to do. All this folderol about reversing the awkward financial mechanisms where interest is on buildings and not on the financial process is exactly that, folderol.

In the first place, the predicate on which the main thrust of this argument is made is absolutely fallacious—that this is going to be a negotiable situation where the lender and the borrower are going to be on an equal plane negotiating interest rates.

I think any adult knows by now that in that kind of situation, the lender

has absolute control of the bargaining process. He is the one that is going to determine what the terms of negotiating are going to be, not the borrower, not the seeker of credit.

Now, I do not know the statistics in most of the districts of the country, but I do know that, in the areas represented by the gentlemen who have spoken thus far in its behalf, there the statistics show that homeownership, and I am not talking about FHA mortgages now, I am talking about conventional mortgages, which the gentleman from Connecticut quite correctly says is the majority of the mortgage activity in this country, there the average price of a home today exceeds $90,000 in actual value. I am talking about single family, new by constructed homes. This is what we are talking about. We are talking about homeownership.

Now let us talk about the existing housing stock and the terms and conditions under which interest is negotiated today.

As a matter of fact, the average long-term mortgage rate as of last week went up over 13½ percent, not counting points.

Now, points are just interest charges disguised as service charges and nothing else. The gentleman's amendment, by his own admission and wording, says that the purpose and intent of this is exclusively to remove that power of the Secretary to set the maximum limits of interest, period, on FHA insured mortgages.

□ 1340

So I agree to this extent. I cannot think of a more important, though I think quite undesirable amendment, than this one pending before the House. I cannot believe that the majority of the Members of this House are going to accept the legalization of extortionate rates of interest from here on out, and particularly in an FHA insured mortgage which the Congress originally intended should be controlled this way. I urge my colleagues to vote against this amendment.

Mr. LEATH of Texas. Mr. Chairman will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Texas.

Mr. LEATH of Texas. I wish my colleague would explain to me the difference between negotiating for points, which we currently do, and the difference between negotiating interest rates.

It would be great if we sat here today and said that the FHA lending rate is going to be 8 percent.

The CHAIRMAN. The time of the gentleman from Texas (Mr. GONZALEZ) has expired.

(On request of Mr. LEATH of Texas and by unanimous consent, Mr. GONZALEZ was allowed to proceed for 2 additional minutes.)

Mr. LEATH of Texas. If the gentleman will yield further, the problem with that would be there would not be anybody to buy those mortgages at 8 percent. So someone could come in and say OK, now, in order for us to take that 8-percent mortgage we are going to have to get some money up front. The same thing is true if the current going rate is 14 percent and we have a lid of 12 percent on FHA guaranteed mortgages. They are going to pay that money up front as opposed to amortizing that money over a period of 20 or 25 years, and there is absolutely no difference. We are negotiating interest rates.

All we are doing is saying we are not negotiating interest rates.

Mr. GONZALEZ. I think the gentleman reveals a basic flaw of his understanding of the thrust of this amendment. There is one thing the gentleman must recognize and that is that FHA, with its limitations, sets the pace in that market. It sets the pace.

If you remove FHA's authority to set the interest rate you are going to open up the flood gates for legalization of extortionate interest rates. I do not think the gentleman would deny that when you get into a situation of this kind you are not talking about an equal basis negotiating situation. The lender has all of the chips. You are not going to negotiate on an equal basis if you are borrowing with the bank lending or the mortgagor lending. You are going to be at the lender's mercy.

What I am saying is that this removes the only protection that a borrower has when purchasing a home, that the Congress has provided from the inception of the program.

Mr. LEATH of Texas. If the gentleman will yield further, I would just say I do not disagree with that. But this Congress made the decision when it chose to deregulate all of the financial markets to let everything float and let everything be deregulated. Now for us to come back and say we are going to regulate simply does not work.

AMENDMENT OFFERED BY MR. ST GERMAIN TO THE AMENDMENT OFFERED BY MR. BARTLETT

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN to the amendment offered by Mr. BARTLETT: At the end of the amendment, insert the following additional subsection:

(c) In the case of any mortgage insured under titles I or II of the National Housing Act, no mortgagor may charge a fee of more than 1 percent of the principal amount of such mortgage, which fee may be charged only against the purchaser of the property covered by the mortgage.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. I yield to the gentleman from Connecticut.

Mr. McKINNEY. On the third line of the amendment as proposed, does not the gentleman mean "mortgagee"?

Mr. ST GERMAIN. That is a typographical error. Mr. Chairman, I ask unanimous consent to have the word "mortgagor" in the third line of the amendment itself changed to the word "mortgagee."

Mr. CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. ST GERMAIN. Mr. Chairman, I will not take the 5 minutes. If what we are talking about is doing away with those extra points that are being charged at the present time, I have wanted to do that for the last 18 years in this Congress but I have always been told that you could not do away with it. But when listening to the arguments by the proponents of the pending amendment, they seem to think indeed we can.

Well, if that is the case, why just pretend to do it? Let us indeed do it and do it with statutory language.

That is the thrust of the amendment. It would limit the points to one point to be paid by the purchaser, and none by the seller, so that the seller need not increase the price of the home that he is selling in order to compensate for those points he would have to give to the lender.

I am sure the lenders will all be happy about this because in this way they will not be getting all of that money up front that they have been getting up front for that long period of time.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. ST GERMAIN. Certainly.

Mr. McKINNEY. I think the gentleman would have to admit as perfecting as this amendment appears to be and the joy it would spread throughout the communities of the country, that it would in fact totally stop the secondary market and therefore the FHA market as well.

The point is——

Mr. ST GERMAIN. Excuse me. The gentleman is on my time.

The point is that I listened to your argument and the arguments of the proponents of the legislation. You are giving the American people the feeling and conveying to them the thought the Bartlett amendment would indeed do away with points and reduce points to where they would no longer exist.

If that is the case, as the fellow says, let us put our money where our month is and let us just prohibit any points beyond the one point permissible to be paid by the purchaser.

Mr. McKINNEY. If the chairman would yield further on his time, I would suggest that then we would not

have the ability to have the secondary market take over because there has to be ability to move. That is exactly what a negotiated mortgage could do for 80 percent of the sales throughout the United States of America.

Mr. ST GERMAIN. Did not the gentleman in his dissertation in support of the amendment extol the merits of the amendment because of what it would do to eliminate these ugly points?

Mr. McKINNEY. Yes.

Mr. ST GERMAIN. And those points increased the price of the home?

Mr. McKINNEY. And would replace them with a real mortgage base which would be the finance charge and not be put on the charge to the cost of the house.

Mr. ST GERMAIN. That is right and you could still do that with this amendment, absolutely.

Mr. McKINNEY. I would simply suggest that with this amendment there is going to be no way still to negotiate the mortgage costs so there will be no FHA market.

Mr. ST GERMAIN. I think everybody would love to get rid of exhorbitant, extortionate points being charged at this time, and this is one way to do it.

I yield back the balance of my time.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the Bartlett amendment.

The amendment which has been offered, may I say, by the chairman of the full committee, the gentleman from Rhode Island (Mr. ST GERMAIN), does have some visceral appeal in that it would limit the amount of points which can be charged to 1 percent.

One of the reasons that I am supporting the Bartlett amendment at this time is because what I regard as excessive charging of points, or may I say the surprising charge of points at the time of closing.

I did some real estate legal work on my own when I was in the private practice of law, and there is nothing more disconcerting than to go to a closing where everybody is agreed on how much will be passed by the purchaser to the seller and then a bank officer comes in with a little adding machine tape and he has five, six, or seven points written on it, and says, "I am sorry, I must charge the seller five points," and therefore deduct from his amount which he receives at the closing.

As a matter of fact, that sort of thing became so disconcerting to me that I decided I did not want to represent anybody in FHA closings.

So I support the Bartlett amendment and as the author of the 1980 provision now in the law which provided for a demonstration program of negotiated FHA interest rates I strongly think that the program has worked fairly well.

As a matter of fact, HUD has suggested that they would like to have this authority and in a report entitled "The Future of FHA" dated January 18, 1977, and in the final report of the Task Force on Housing Costs dated May 27, 1978, which was established by the then Secretary of HUD, the HUD task force suggested that the Department deregulate the FHA interest rate on all insured mortgages and other loans for any housing related purposes.

□ 1350

The "Future Role of FHA" report included another statement:

A further difficulty is that the inevitable byproduct of interest rate ceilings is the appearance of discounts or points on the mortgages originated under FHA programs.

Through this system of charging an up-front discount the lender compensates for the fact that the interest rate ceiling may be below the prevailing rate required by the market.

Now, discounts can become excessive. And as was pointed out by Mr. McKINNEY a little earlier, this is exactly what they do in the conventional market; negotiate the rate and if it is good for the conventional market, I do not understand why it would not be good for the Government.

As sellers are required to pay points, the price, of course, of those housing units is increased, as has been pointed out. And even when interest rates fall, these inflated prices built in by the discount are used as comparable and there is a wholesale upward spiral of housing costs.

So, I think Secretary Pierce has made a fine effort to keep the FHA rate in line with the market but there is no substitute to my way of thinking to a free floating interest rate and I therefore urge adoption of the Bartlett amendment without the St Germain amendment.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. GREEN. I thank the gentleman from Ohio for yielding.

I want to commend him for the initiative he showed back in 1980 in getting an amendment passed which made possible the demonstration of the market rate FHA insured mortgage.

I think the evidence is quite clear that that demonstration has been highly successful. I have not heard one person opposing the Bartlett amendment today point to anything that has occurred under that demonstration that is in any way untoward. I think both sides have acknowledged that market interest rates have to be paid and that people are not going to lend money on mortgages below the market. They either get paid through interest rates or they get paid through points. The problem with paying them through points, aside from the disruption of the closing to which the gentleman from Ohio referred, is, of course, that the higher interest gets paid in a single up-front lump sum; but typically the home buyer does not then occupy his home for the full term of the mortgage. And some years later, an average of 12 years or so, he comes to sell his house. If he has had to pay that extra interest charge up front, he has paid that interest for 30 years, even though he is getting only 12 years benefit, whereas if he pays that interest month by month then he pays only for the time he actually occupies the house.

So, plainly the home buyer is much better off to have a situation where he pays the true interest rate rather than having to pay up front in points.

(On request of Mr. GREEN and by unanimous consent, Mr. WYLIE was allowed to proceed for 3 additional minutes.)

Mr. GREEN. Will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. GREEN. I thank the gentleman for yielding further.

So, I think the effort which the gentleman from Ohio began with his amendment to establish the demonstration program has proved that this approach will work.

I again commend him for that initiative that he showed and I commend the gentleman from Texas (Mr. BARTLETT) for pursuing the issue here today.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from New York (Mr. GREEN) for his excellent statement. I appreciate it very much because this comes from a gentleman who has the expertise of a former HUD area officer in his home town of New York. So, I appreciate the contribution.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am glad to yield to the gentleman.

Mr. ST GERMAIN. I thank the gentleman.

The gentleman from New York just made a wonderful argument for my amendment to the amendment, when he referred to the up-front payment which meant that the purchaser was paying interest for 30 years, even though he might own the house for only 12 years.

I further note that the gentleman from Ohio is impressed with the expertise of the gentleman from New York. I wish he would be as impressed with that expertise of the gentleman from New York with respect to the Wylie amendment that I understand we will revisit on the motion to recom-

mit, to wit: The rent control amendment.

You talk to Mr. GREEN; his expertise is there from his service with HUD in New York. I thank the gentleman.

Mr. WYLIE. The gentleman from New York has a little more provincial interest on the rent control issue. But I did accept his amendment on it yesterday if you recall.

I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and fellow Members, I think that we are getting into the mesquite brush of error; with this amendment.

I do not know of any way I could honestly offer my colleagues, constituents, or fellow Americans a perfecting amendment to this absolutely noxious, insidious, vicious attempt to legalize an extortionate rate of interest, no matter what you call them, and this is what this amounts to, simply put.

I honor the distinguished chairman of the full committee's effort to bring about the purposed intent of the sponsors of this amendment by attempting to control such things as points and point charges, either by one or the other party.

But, it is very simple for the people in the kind of business that becomes predatory—and this is the reason why we have this protection in the law, to protect the average American home buyer and mortgage seeker from the predator. We are not trying to do anything other than maintain the initial protection that the Congresses through the years have seen necessary in order to maintain just minimal safeguards for the American who is in the mortgage credit market and needs that protection from the predator and extortionate rates of interest.

The basic argument we must answer and the basic duty we have confronting us is to stoutly resist the continued attempt to legalize what all through the years has been considered extortionate and usurious rates of interest.

We have always complained about the Congress not having that ability to control interest rates and that Chairman Volcker is the one that imposes these high rates of interest because of tight money policies. Well, here is where the Congress has a chance to express itself against extortionate and prohibitive rates of interest. This amendment will do nothing else but legalize extortionate rates of interest at a time when this market is practically nonexistent for the average American family.

As of this year, as of the moment I am speaking, the ability of the American family to purchase a home has been reduced to only 6 percent of our population.

Ninety-four percent of the American families are simply out. Why? Because of interest rates; no other reason. Interest rates have all through the history of mankind, have been antipublic interest.

They have never been anything but outlawed since before Christ. And this minimal protection that the Congress wisely, gave to the Secretary to set the maximum limits of interest charged on FHA-financed insured mortgages should be retained. I just do not see ourselves reneging on that fixed rate and turning our backs on that duty of protecting the interests of our American citizens who are still hoping to reach the point that a few years ago they had, and that is to have affordable housing within their reach.

This amendment will further anchor down the inability of the average American to purchase a home.

It will further restrict it only to those favored, who themselves are powerful enough to enter into a negotiable position with the lender.

□ 1400

Mr. HILER. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment of the gentleman from Texas (Mr. BARTLETT).

Mr. Chairman, I rise in support of the amendment of the gentleman from Texas because I think it is exactly the right thing to be doing at this time of high volatility in interest rates, the kind of volatility we have seen for the last 3 to 4 years.

The fact of the matter is the market rate of interest is being paid already. The FHA through trying to at times artificially lower interest rates, we just end up having higher points charges, which ends up in having higher home prices and at times restricts the ability of many buyers to buy a house, restricts the ability of many sellers to sell the home; and as a result, we have a market that is not clear. We have buyers wanting to buy, sellers wanting to sell, but because of high numbers of points and artificially low set interest rates, that market clearing does not take place.

We have been in the process of deregulating the interest rate structure in this country now for the last 3 years or so. And I think it is only proper that we continue this process by doing away the artificially set rate by the FHA and by the Secretary of HUD. We have determined that the market can best set interest rates. I think it is proper that we do that by passing the Bartlett amendment. I think that the only thing that would result from the gentleman's amendment being passed is the fact that we will have a better functioning market which insures that buyers and sellers are able to buy homes and sell homes at rates that are affordable in our marketplace.

I applaud the gentleman for offering his amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

I would like to propound a few questions to the sponsor of the amendment.

The gentleman from New York (Mr. GREEN) referred to the fact that this side had not discussed the demonstration program or addressed it during the debate.

I would like to ask a few questions on that very point .

No. 1, how did the negotiated interest rate under the demonstration program compare to the FHA rate set during the same time period? Do we have statistics on that?

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from Texas.

Mr. BARTLETT. I thank the gentleman for yielding.

We do not have the statistics back yet. It was well received in the marketplace, but as far as a specific study as to what happened to the rates, we have not been able—it just took effect.

Mr. ST GERMAIN. By the way, and incidentally, where is this report that we are talking about on the FHA negotiated rate demonstration program? We do not have the benefit of that report.

Mr. BARTLETT. That is correct. The project did not begin until December. We have the total numbers—through June 30.

Mr. ST GERMAIN. If the gentleman will yield further, we do not have a report.

The second question: What was the difference between the discount points charged under the demonstration program and those charged under the regular FHA program during the same time period?

Mr. BARTLETT. Would the gentleman clarify his question or repeat his question.

Mr. ST GERMAIN. The gentleman in his arguments on behalf of his amendment stated that his amendment would reduce the number of points that are charged. Now I am asking the gentleman to tell us what the differences were between the discount points charged under the demonstration program and those under the regular FHA program.

Mr. BARTLETT. I will get that information to the gentleman a little later on in the debate. I have it here.

Mr. ST GERMAIN. Well, we are about to vote. The gentleman's arguments were to the effect that the number of points charged were reduced under the demonstration pro-

gram, so he should have this information with him in hand——

Mr. BARTLETT. If the gentleman from Indiana will continue to yield, the point is 85 percent of the market is done by the conventional market in which both points and the rates are negotiated and the fact is that the conventional market then does not have this high volatility of surprise points as has been well reported in the public press, if nowhere else, of 5 points, 7 points, 10 points at a time.

Mr. ST GERMAIN. Well, if the gentleman will yield further, I am just asking for this report. The gentleman's amendment is based on the demonstration program and the results of that program.

I have another question on that program. The demonstration program differs from the proposed amendment, in any case, since under the demonstration program the interest rate and discount and the points charged were binding for at least a 30-day period. Therefore, the purchaser could go out and shop around to determine if he or she could get a better deal. Whereas this amendment does not even include those limited consumer protections. What was the impact of the 30-day commitment period; does the report tell us that? Obviously not, since the report does not yet exist, does it?

Mr. BARTLETT. The buyers and lenders and the sellers do have the opportunity to shop around as they do in the conventional market. There is a very efficient marketplace which lends money in this country. A lender does not set the rates, but it is set by tens of thousands of lenders who are competing with each other, so there is a great deal of shopping around, and there could be under the FHA market, in fact, if this amendment is passed.

Mr. ST GERMAIN. If the gentleman will yield further, the point is that the 30-day commitment period that was included in the demonstration program is not included in the gentleman's amendment.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the Bartlett amendment.

Mr. Chairman, I think it is very clear from the last colloquy that we are really in an area where we do not really understand what the effect is of the so-called experiment or pilot program with regard to the FHA.

The fact that it has only been in existence for 6 months ought to give a signal to many of us because when we start talking about the actuarial soundness of the FHA program which extend mortgages for almost 30 years, the straight-line, fixed mortgage, which has been the bulwark of the mortgage market, it has been a countercyclical force and here we are on the floor today with the Bartlett amendment attempting to pull the rug out, as it were, from under that FHA program and mandate a complete negotiation of that rate of interest.

What is the real reason that underlies what the point problem is with regard to FHA? I think it is very clear to all of us, although it has not been stated on this floor today. And that is that we are concerned about the rate at which, and the means by which, HUD has actually increased or decreased the FHA rate that has been an imperfect mechanism.

Now if I wanted to be unkind and uncharitable, I could suggest that if the Reagan administration wants to deal with monetary policy, it might address itself to the conduct of the people it appoints to the Federal Reserve Board and what is going on there, rather than attempting to do it through the FHA mortgage rates, which has caused these tremendous distortions in terms of the number of points that are being paid, one way or another.

But all of us recognize that the FHA rate setting is an imperfect mechanism and that as a consequence results in the point differential being able to make up for the inconsistency or lack of interfacing, as it were, with the marketplace with regards to FHA mortgage rate. And over the last few months it has been volatile, it has been a problem, it is not an easy thing to set the FHA rate. Although I think the lag has been obvious, it may even have political overtures as to why FHA has been out of sync.

What this amendment really does in essence, however, is to shift—and especially now with the amendment proposed by the chairman of the committee—the burden of this financial and financing from the seller to the buyer. A vote for the Bartlett amendment, in conjunction. With a vote for the St Germain amendment will really accomplish that, it will foreclose any option for the seller to absorb some of the costs.

And the reason that the seller has been permitted to absorb some of those costs, either rightly or wrongly, is because from a policy standpoint they are in a better position to do so. They are selling a home, they are selling a piece of real estate, they are accruing a cash value, and the payment of points by the seller facilitates, in fact, the sale of the home.

□ 1410

Many times I think these buyers or sellers are willing to pay some points, they are actually willing to do that if that facilitates a low downpayment, fixed-rate, 30-year type of mortgage arrangement, and that is indeed what FHA has offered.

The fact of the matter is, now, with the type of amendment being offered by the chairman, with all good intentions clearly to accommodate what in fact has been the expressed policy objective of our colleague from Texas, it really does shift once and for all the cost to the buyer.

I think we ought to look at what we are doing to the buyer in terms of the FHA insurance and the other programs and with regard to the up-front payment of insurance, of course, which I objected to on this floor last year. But what this amendment does is, is an invitation to extend the Federal loan guarantee, the FHA program, to a whole series of noncontrolled types of interest-rate arrangements. In fact, it may well be the demise of the 30-year, fixed-rate mortgage. And I think we ought to really have something before us, the official transmission, at least, of what has happened in the last 6 months, before we embark on this particular policy venture.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. Chairman, I think the purpose of my perfecting amendment has been accomplished and that is to point out that, in reality, the proponents really do not mean to do away with the point system because they know, as the chairman of the subcommittee pointed out, and as we all know, one way or another those points are going to be charged.

Under the circumstances, Mr. Chairman, I ask unanimous consent to withdraw my perfecting amendment to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. VENTO. Mr. Chairman, I think a vote now for the Bartlett amendment is a vote basically for one thing, and that is for higher interest rates on the part of buyers. I confess to the problem that has been alluded with regard to points. I think the solution, though, is inequitable and would cause great harm to the FHA program. We would lose a basic tool by which we hold accountable the FHA program. I do not think I am prepared to do that, and I would urge the other Members of this body to reject the Bartlett amendment.

Mr. HARTNETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in reluctant opposition to the amendment offered by the gentleman from Texas, but I strongly disagree with my colleagues on the other side of the aisle as to the intentions of the gentleman from Texas. I commend him from the bottom of my heart for his sincere efforts to do what he can through his amendment and his opinion to improve the housing industry in this country and make more

moneys available at reasonable rates of interest for buyers.

I want to say at the outset, Mr. Chairman, that I am a realtor. I consider myself a citizen Congressman, one who is a realtor, who is serving in the Congress and who one day looks forward to going back to being a realtor. I want to say, also, that the FHA has meant a lot to generally first-time home buyers in this country.

I would like to get it clear, from the outset—I am sure everyone understands this—the FHA, the Federal Housing Administration, is not a lending agency. It is, for all intents and purposes, the Federal Government insuring the loans of purchasers.

When the Federal Housing Administration looks at a potential purchaser and at a piece of property, they want to know two things: First, that the property is worth the amount of money that the purchaser is going to pay for it; and second, the purchaser is financially able to fulfill his obligation, thereby hopefully not making it necessary for the Federal Government to have to pick up his loan later on should he default in his payment.

We have had throughout the years a good number of first-home buyers participating in the FHA program. The Federal Government, in its wisdom, has always regulated the rate of loans insured by the Federal Housing Administration, as they do with loans made through the Veterans' Administration.

If we were in fact by this amendment, Mr. Chairman, going to eliminate those insidious points, as was wanted to be done by the distinguished chairman over there, or to at least keep the points, at one point, then in fact perhaps the amendment of the gentleman from Texas would have some substance. But let me say that since the Federal Housing Administration is only an insuring agency and not a lending agency, I want to assure the chairman and my colleagues here in this House that those lending institutions are in business for one purpose and one purpose alone; that is, to make money.

They are either going to continue to charge points, as is not prohibited by the amendment of the gentleman from Texas, or they are not going to lend money through the Federal Housing Administration's insurance program at all.

It is my understanding that only 15 percent of the buyers of houses buy through the FHA insured program, and that is limited to 15 percent of the 6 percent to which the gentleman from Texas referred.

What we would be doing, in effect, and what we are doing now, Mr. Chairman—let me use a hypothetical situation for my colleague from Texas and for anyone who may care to listen. If I as a seller of a home—an existing home, not a new home—had my house appraised through the Federal Housing Administration's insurance program, they would send one of their designated appraisers out to establish the market value of my home. Let us hypothesize that that market value were set at $100,000. If a potential purchaser came along and wished to buy my home for that amount, several things have to be done: One, he has to be shown the FHA appraisal certificate indicating that indeed the value of that home, as certified by the Federal Housing Administration, is $100,000, so that he would know he was not paying 1 penny more than what the Federal Government was willing to insure that loan for. His downpayment is set by law and by the Secretary as to what percentage of that $100,000 he would pay as downpayment. If he and I, as the seller, were to enter into a negotiated contract for the purchase of my house, and we established the market value of $100,000, I as a seller would have to agree to pay the FHA discount, or the points, as we refer to them today. That is set, Mr. Chairman, by what the market rate is now.

If the chairman over here were the third party in our negotiation, me the seller, the gentleman from Texas the purchaser and the chairman the lender, he would say to the FHA—you being the FHA, Mr. Chairman—"If I am limited to 12 percent or 11½ percent lending money through your program, and I can lend money to AT&T for 16 percent, I am either not going to lend money through your insurance program, or if I am—you being in business to make money—I am going to charge the seller a discount to make up for the difference in the money I could charge by lending my money to AT&T or lending it to the purchaser, the gentleman from Texas."

Do you follow me, Mr. Chairman?

The CHAIRMAN. The time of the gentleman from South Carolina (Mr. HARTNETT) has expired.

(By unanimous consent, Mr. HARTNETT was allowed to proceed for 3 additional minutes.)

Mr. ST GERMAIN. I just wanted to know, Mr. Chairman, why the gentleman makes me the lender.

Mr. HARTNETT. The lender is always the bad guy, Mr. Chairman, and I just tend to look to that side of the aisle as all being bad guys. So I apologize to the gentleman for that.

Mr. ST GERMAIN. I am really chagrined to hear the gentleman say that.

Mr. HARTNETT. That was all in jest, Mr. Chairman.

Mr. ST GERMAIN. I would hope so.

Mr. HARTNETT. I withdraw those remarks. I ask that those remarks be stricken from the RECORD.

If I might go on——

Mr. ST GERMAIN. If the gentleman will yield to me, I want to say something nice about the gentleman.

Mr. HARTNETT. That has never been done here. I would like to see that done, and I will be happy to yield to the gentleman.

Mr. ST GERMAIN. Seriously, as one who has worked with the program, the gentleman has given the Members of this House a very clear understanding, for those who might have been a little confused by the debate, of what FHA is all about and of what we can do and what we cannot do with FHA and what the importance of FHA is to that first home purchaser. That is very important. And I just want to commend the gentleman for his very wonderful statement because I think it is very helpful to all the Members of the House.

Mr. HARTNETT. I thank the chairman.

If I might summarize, Mr. Chairman, to the lender or to the insurance agency, also what we are doing is, these mortgages, these points, they enable the lender to get a mortgage for $100,000 and only put out $96,000, thereby actually giving him more money to lend to other purchasers who may be coming down the road. So, in effect, if we pass, as well intentioned as it is, the amendment of the gentleman from Texas, I am afraid we would be doing one of several things. And do not forget that we have also inflated that fellow's home, the Federal Government through its spending policies of past decades has already inflated that seller's home far beyond what its actual value would be. What we will be doing if we pass this amendment is, we will either be drying up all FHA funds completely or we will be placing an interest rate on FHA insured loans which is going to dry up the recovery of the housing industry.

□ 1420

We will psychologically be saying to first-time home purchasers, "Your rate is now 17 or 16 or 15 percent," when we have just given them a small flicker of encouragement to go out and buy that home. So, in effect, what we will be doing is scaring away first-time home purchasers or drying up FHA-insured funds altogether.

So I commend the gentleman from Texas and the chairman for the debate which has taken place here today, and for his efforts to strengthen and to make available more money for housing through the Federal Housing Administration, but I urge my colleagues to defeat the Bartlett amendment.

The CHAIRMAN. The Chair wishes to announce that the time on the mortgage has run.

Mr. RIDGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise today in support of my colleague's amendment on FHA mortgages. It is time that we give consideration to ways to make a good program, FHA mortgages, an even better program. All of us know that the FHA has done a great deal to assist homeownership. But when the interest rate changes, there are high costs added to getting an FHA mortgage. This added cost takes the form of increased points that have to be paid by the home buyer and the home seller in order to get an FHA mortgage.

Currently, the points added to an FHA mortgage range between 5 and 5½, while the normal range is about 3 to 3½. This is a substantial fee that must be paid by the seller of the house. The seller has to pay this cost because present law sets a 1-point limit that can be charged to the home buyer.

At a time when the dream of homeownership is already suffering, and just beginning to pick up, it makes no sense to impair the recovery. This is even more important as the problems facing the real estate market is the high cost of financing; the present FHA program is exacerbating this problem when it is intended to assist the sale of houses. The amendment offered by the gentleman from Texas corrects this problem. By allowing the interest rate on FHA mortgages to reflect the market rate of interest, we will facilitate people getting FHA mortgages to finance the purchase of a home.

In short, this amendment makes it easier for the American home buyer to get FHA financing. The negotiated interest rate program will eliminate the need for a lender to charge a seller points, a practice that ends up hurting the very people that the FHA ceiling is supposed to protect—the home buyer and the home seller. Points are charged the seller by the lender to bring the effective rate of the loan up to the market rate. This can mean as many as 7 or 8 points, or 7 or 8 percent of the loan amount. Although the home buyer is prohibited by law from paying more than 1 point, he oftens ends up paying more for a property than it is worth, a device home sellers use to offset the cost of points.

The prospective home buyer will be free to arrange the best financing plan possible. There will be no extra points assessed on the loan or increase to the worth of the house. Rather, the cost of financing will be a negotiated interest rate, agreed to by the lender and the home buyer and set in advance. This is a dramatic improvement from the existing system where the buyer can agree to settlement expecting to pay one rate of interest and number of points and then find the situation has changed before the purchase contract can be signed.

I urge all of my colleagues to support this amendment which increases the opportunity of the home buyer to find financing. This is an amendment that will improve the housing market and help restore vitality to a major sector of our economy.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the basic point we have to face as we wind up this debate is that we do not set interest rates by passing a law, and the Secretary of HUD does not set interest rates by announcing an FHA interest rate. Interest rates are set by market forces.

When an FHA mortgage comes to close, those market forces come into play regardless of what rate the Secretary has set, and those market forces can be dealt with either by allowing a market interest rate or by points. I submit that the sole question we have to decide is whether it is better to use the market interest rate by allowing the interest rate to fluctuate or to have those enormous point burdens which have come up during a period of rapid fluctuation of interest rates.

The problem with doing it by points has been made very clear. Someone has to eat those points. When the buyer or the seller cannot eat those points in some form or other, the transaction does not take place, the seller does not get to sell his home, the buyer does not get to buy the home he wants, and they are both discommoded.

Alternatively, if the transaction is accommodated by a price which reflects the fact that points are going to be included in the transaction, then the price of the home is increased and, therefore, the interest that otherwise would have to be paid over the life of the mortgage is reflected in those points. That means that a 30-year higher interest gets reflected in a price that the buyer pays, but, since the typical buyer does not live in the home for 30 years, when he goes to sell after an average of 12 years he has lost that full 30 years of interest payments because he paid it up front in points.

So we are doing the buyer no favor by artificially holding down the interest rate and having him pay it in the form of the higher price for the home instead. That is really what this amendment is about.

If you think that we can pass a law and the Secretary of HUD can determine what the interest rate is going to be on mortgages by arbitrarily setting an interest rate, then vote against this amendment.

But if you understand that market forces are going to work and that we do the buyer no favor by making him pay that higher interest rate up front in the form of points, then you will understand that this is a sound amendment and one which should be supported.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BARTLETT).

The question was taken; and on a division (demanded by Mr. BARTLETT) there were—ayes 15, noes 14.

Mr. ST GERMAIN. Mr. Chairman, I demand tellers.

Tellers were refused.

Mr. ST GERMAIN. Mr. Chairman, I make a point of order that a quorum is not present and object to the vote on the ground that a quorum is not present.

The CHAIRMAN. The gentleman from Rhode Island may demand a recorded vote.

Mr. ST GERMAIN. I demand a recorded vote.

The CHAIRMAN. On this, of course, the Members are aware that 25 are required. The gentleman first made a point of order.

Mr. ST GERMAIN. I make a point of order that a quorum is not present and object to the vote on the ground that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears. Pursuant to the provisions of clause 2(a), rule XXIII and clause 2(b), rule XV, Clerks will take their places and Members will submit their cards in the well to indicate their presence.

□ 1440

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have responded. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Rhode Island (Mr. ST GERMAIN) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. In view of the fact that the electronic device is not working, the Clerk will call the roll.

The question was taken; and there were—ayes 223, noes 201, not voting 9, as follows:

[Roll No. 243]

AYES—223

Anderson	Barnes	Bliley
Andrews (TX)	Bartlett	Boehlert
Anthony	Bateman	Broomfield
Archer	Bereuter	Brown (CO)
Badham	Bethune	Bryant
Barnard	Bilirakis	Burton (IN)

Byron	Hutto	Porter
Campbell	Hyde	Pursell
Carney	Ireland	Quillen
Chandler	Jeffords	Regula
Chappell	Jenkins	Richardson
Chappie	Jones (OK)	Ridge
Cheney	Jones (TN)	Rinaldo
Clarke	Kasich	Ritter
Clinger	Kazen	Roberts
Coats	Kemp	Robinson
Coleman (MO)	Kindness	Roemer
Coleman (TX)	Kramer	Rogers
Conable	Lagomarsino	Roth
Conte	Latta	Rowland
Corcoran	Leach	Rudd
Coughlin	Leath	Sawyer
Courter	Lent	Schaefer
Craig	Lewis (CA)	Schneider
Crane, Daniel	Lewis (FL)	Schulze
Crane, Philip	Livingston	Sensenbrenner
Daniel	Lloyd	Shaw
Dannemeyer	Loeffler	Shelby
Daschle	Lott	Shuster
Daub	Lowery (CA)	Sikorski
DeWine	Lujan	Siljander
Dickinson	Lungren	Sisisky
Dowdy	Mack	Skeen
Dreier	MacKay	Slattery
Duncan	Madigan	Smith (FL)
Durbin	Marriott	Smith (NE)
Dyson	Martin (IL)	Smith (NJ)
Eckart	Martin (NC)	Smith, Denny
Edwards (AL)	Martin (NY)	Smith, Robert
Edwards (OK)	McCain	Snyder
Emerson	McCandless	Solomon
English	McCollum	Spence
Erdreich	McCurdy	Spratt
Erlenborn	McDonald	Stangeland
Evans (IA)	McEwen	Stenholm
Fazio	McGrath	Stump
Fiedler	McKernan	Sundquist
Fields	McKinney	Synar
Fish	Michel	Tallon
Flippo	Miller (CA)	Tauke
Forsythe	Miller (OH)	Tauzin
Franklin	Molinari	Taylor
Frenzel	Mollohan	Thomas (CA)
Gekas	Montgomery	Thomas (GA)
Gilman	Moody	Valentine
Gingrich	Moore	Vander Jagt
Goodling	Moorhead	Vandergriff
Gradison	Morrison (WA)	Vucanovich
Gramm	Mrazek	Walker
Green	Murphy	Watkins
Gregg	Myers	Weber
Gunderson	Neal	Whitehurst
Hall, Ralph	Nelson	Whitley
Hall, Sam	Nielson	Whittaker
Hance	O'Brien	Williams (OH)
Hansen (ID)	Olin	Winn
Hansen (UT)	Ortiz	Wirth
Hightower	Oxley	Wolf
Hiler	Packard	Wortley
Hillis	Parris	Wylie
Holt	Pashayan	Young (AK)
Hopkins	Paul	Young (FL)
Horton	Penny	Zschau
Huckaby	Petri	
Hunter	Pickle	

NOES—201

Ackerman	Britt	Dwyer
Addabbo	Brooks	Dymally
Akaka	Brown (CA)	Early
Albosta	Burton (CA)	Edgar
Alexander	Carper	Edwards (CA)
Andrews (NC)	Carr	Evans (IL)
Annunzio	Clay	Fascell
Applegate	Coelho	Feighan
Aspin	Collins	Ferraro
AuCoin	Conyers	Florio
Bates	Cooper	Foglietta
Bedell	Coyne	Foley
Beilenson	Crockett	Ford (MI)
Bennett	D'Amours	Ford (TN)
Berman	Davis	Fowler
Bevill	de la Garza	Frank
Biaggi	Dellums	Frost
Boggs	Derrick	Fuqua
Boland	Dicks	Garcia
Bonior	Dingell	Gaydos
Bonker	Dixon	Gejdenson
Borski	Donnelly	Gephardt
Boucher	Dorgan	Gibbons
Boxer	Downey	Glickman
Gonzalez	Martinez	Russo
Gore	Matsui	Sabo
Gray	Mavroules	Savage
Guarini	Mazzoli	Scheuer
Hall (IN)	McCloskey	Schroeder
Hall (OH)	McDade	Schumer
Hamilton	McHugh	Seiberling
Harkin	McNulty	Shannon
Harrison	Mica	Sharp
Hartnett	Mikulski	Simon
Hatcher	Mineta	Skelton
Hefner	Minish	Smith (IA)
Hertel	Mitchell	Snowe
Howard	Moakley	Solarz
Hoyer	Morrison (CT)	St Germain
Hubbard	Murtha	Staggers
Hughes	Natcher	Stark
Jacobs	Nichols	Stokes
Johnson	Nowak	Stratton
Jones (NC)	Oakar	Studds
Kaptur	Oberstar	Swift
Kastenmeier	Obey	Torres
Kennelly	Ottinger	Towns
Kildee	Owens	Traxler
Kogovsek	Panetta	Udall
Kolter	Patman	Vento
Kostmayer	Patterson	Volkmer
LaFalce	Pease	Walgren
Lantos	Pepper	Waxman
Lehman (CA)	Perkins	Weaver
Lehman (FL)	Price	Weiss
Leland	Pritchard	Wheat
Levin	Rahall	Whitten
Levine	Rangel	Williams (MT)
Levitas	Ratchford	Wilson
Lipinski	Ray	Wise
Long (LA)	Reid	Wolpe
Long (MD)	Rodino	Wright
Lowry (WA)	Roe	Wyden
Luken	Rose	Yates
Lundine	Rostenkowski	Yatron
Markey	Roukema	Young (MO)
Marlenee	Roybal	Zablocki

NOT VOTING—9

Boner	Broyhill	Heftel
Bosco	Hammerschmidt	Shumway
Breaux	Hawkins	Torricelli

□ 1520

Mr. BOLAND changed his vote from "aye" to "no."

Messrs. MILLER of California, RICHARDSON, NELSON of Florida, KAZEN, and WIRTH changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title V?

AMENDMENT OFFERED BY MR. RINALDO

Mr. RINALDO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RINALDO: Page 149, after line 13, insert the following new section (and conform the table of contents accordingly):

MORTGAGE INSURANCE FOR BOARD AND CARE HOMES

SEC. 514. (a) Section 232(a)(2) of the National Housing Act is amended by inserting "and board and care homes" after "intermediate care facilities".

(b) Section 232(b) of such Act is amended—

(1) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and "; and

(2) by adding the following new paragraph at the end thereof:

"(4) the term 'board and care home' means any residential facility providing room, board, and continuous protective oversight that is regulated by a State pursuant to the provisions of section 1616(e) of the Social Security Act, so long as the home is located in a State that, at the time of an application is made for insurance under this section, has demonstrated to the Secretary that it is in compliance with the provisions of such section 1616(e).".

(c)(1) Section 232(d) of such Act is amended by inserting "or a board and care home" after "intermediate care facility" the second place it appears.

(2) Section 232(d)(4) of such Act is amended—

(A) by striking out "The" in the first sentence and inserting in lieu thereof the following: "(A) With respect to nursing homes and intermediate care facilities and combined nursing home and intermediate care facilities, the";

(B) by striking out "(A)" and "(B)" in the first sentence and inserting in lieu thereof "(i)" and "(ii)", respectively; and

(C) by adding the following new subparagraph at the end thereof:

"(B) With respect to board and care homes, the Secretary shall not insure any mortgage under this section unless he has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(d) Section 232(g) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services";

(e) Section 232(h) of such Act is amended by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services".

(f)(1) Section 232(i)(1) of such Act is amended—

(A) by inserting "or to board and care homes" after "intermediate care facilities";

(B) by inserting the following after "Association": "(or any subsequent edition specified by the Secretary of Health and Human Services)";

(C) by striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(D) by inserting the following before the period at the end thereof: "or as mandated by a State under the provisions of section 1616(e) of such Act".

(2) Section 232(i)(2) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) in the case of board and care homes, be made with respect to such a home located in a State with respect to which the Secretary has received from the appropriate State licensing agency a statement verifying that the State in which the home is or is to be located is in compliance with the provisions of section 1616(e) of the Social Security Act.".

(g) The section heading of section 232 of the National Housing Act is amended to read as follows: "MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES".

Mr. RINALDO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be consid-

ered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RINALDO. Mr. Chairman, I am offering an amendment to this legislation concering section 232 of the National Housing Act. Section 232 insures loans for the construction and rehabilitation of skilled nursing facilities and intermediate care facilities, as well as for the installation of fire safety equipment. My amendment would add board and care homes regulated by a State under section 1616(e) of the Social Security Act to the list of eligible facilities.

For the most part, board and care homes house indigent and elderly persons, many of whom are former patients of State mental hospitals. While in theory board and care homes provide a viable alternative to institutionalization, the greatest number of these buildings were not designed to house the frail or infirm, nor do they meet State fire and safety requirements.

As ranking minority member of the House Select Committee on Aging, I have closely monitored the problems of board and care homes brought on by inattention to fire and safety standards and negligence in the proper care and supervision of residents.

In my own State of New Jersey, many old, wooden frame resort hotels have been converted into board and care homes. A series of deadly fires in these homes and other around the country during the past few years claimed well over 100 lives and focused the attention of concerned individuals and agencies on promoting fire safety measures for these facilities.

I am concerned about board and care homes because they are vulnerable structures housing equally vulnerable individuals, and because Congress has little leverage over their operation. The Federal Government has no effective means of requiring board and care proprietors to make the structural modifications necessary to minimize these tragedies. Unlike nursing homes, which must meet certification standards for participation in the medicare and medicaid programs, there are no Federal payments which go directly to board and care facilities.

At my request, former Secretary Schweiker of the Department of Health and Human Services ordered the Inspector General to study this problem. Subsequently, Secretary Schweiker issued the Inspector General's report and expressed his firm commitment to strengthening Federal protections for board and care residents through an eight-point program undertaken by the Department. My amendment is consonant with the Department's concern for upgrading the conditions of board and care homes.

This amendment would provide a means of encouraging board and care home operators to comply with State fire and safety standards. The extension of mortgage insurance to board and care homes would facilitate rehabilitation of these facilities, thereby expanding the universe of quality board and care homes, providing greater options for housing persons not requiring daily medical attention in less costly and less institutional settings. There is no cost to the Government in the section 232 program unless there is a default, since it only insures the improvements through conventional private sector loans.

The rising costs of nursing home care and the decreasing availability of medicaid funds will certainly increase the need to place the long-term care population into the most appropriate institutional setting, and it is the responsibility of the Federal Government to encourage a greater standard of fire safety and healthy conditions than exists today. This amendment represents a significant step in that direction.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, the minority side has reviewed the gentleman's amendment, finds it totally acceptable, and congratulates the gentleman on the amendment.

Mr. RINALDO. I thank the ranking minority member.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the majority has looked at the amendment, finds it acceptable, and we have no objection to the amendment.

Mr. RINALDO. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey (Mr. RINALDO).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title V?

AMENDMENT OFFERED BY MR. CHAPPELL

Mr. CHAPPELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CHAPPELL: Page 180, after line 9, insert the following new section (and conform the table of contents accordingly):

VERIFICATION OF ELIGIBILITY OF FAMILIES FOR CERTAIN ASSISTANCE

SEC. 555. (a) Section 6(c)(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2)(A) the public housing agency shall determine, and so certify to the Secretary, that each family in the project was admitted in accordance with duly adopted regulations and that the eligibility of each such family was verified in accordance with the requirements described in section 8(k);

"(B) the public housing agency shall review, on an annual basis and in accordance with the requirements described in section 8(k), the eligibility of families living in the project; and

"(C) the Secretary may conduct vertifications using the data obtained under section 8(k);".

(b) Section 8(k) of such Act is amended to read as follows:

"(k)(1) The Secretary shall verify the eligibility of families in accordance with this subsection.

"(2) The Secretary shall require that eligibility data be provided to a public housing agency or owner by each family applying for or receiving assistance under this Act. Such data shall be verified in accordance with this subsection. In order to carry out such verification, the Secretary shall require that each such family authorize the Secretary to obtain information on the family for the purpose of eligibility verification and authorize any Federal, State, or local agency to release information related to the initial determination of eligibility or benefit level or postverification thereof. Such information may include, but is not limited to, data concerning wages (not including return information as defined in section 6103(b)(2) of the Internal Revenue Code of 1954), unemployment compensation, and benefits made available under the Social Security Act, the Food Stamp Act of 1977, or title 38, United States Code. The Secretary may require, as a condition of initial or continuing eligibility for participation that an applicant, including members of an applicant's household if the Secretary so requires, include his or her social security account number on forms prescribed by the Secretary. Any such information received pursuant to this subsection shall be subject to the requirements of section 552a of title 5, United States Code.

"(3) In addition to any other sanction or remedy that may be available, upon a finding by the Secretary or a public housing agency responsible for determining eligibility or level of benefits under this Act that an applicant for assistance or current participant has made or submitted inaccurate or misleading statements, concealed or withheld material facts, or violated provisions of law or related Federal regulations with respect to such applications or participation—

"(A) the Secretary of such agency shall, with respect to any such applicant or participant who is ineligible for benefits under such program, deny or terminate such eligibility; or

"(B) the Secretary or such agency shall, with respect to any such applicant or participant who received assistance payments in amounts exceeding those to which such applicant or participant was properly entitled, require reimbursement to the Secretary or such agency of such amounts in accordance with a schedule, notwithstanding the family rental payment limits set forth at section 3(a) of this Act.".

(c) The last sentence of section 8(c)(3) of such Act is amended to read as follows: "Reviews of family eligibility shall be made, for each family receiving assistance under this section, on an annual basis in accordance with the verification requirements described in subsection (k).".

Mr. CHAPPELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CHAPPELL. Mr. Chairman, the amendment which I offer has to do with a procedure by which we may further reduce waste, fraud, and abuse in the programs covered by this bill.

The Department of Housing and Urban Development subsidizes over 2 million families under the U.S. Housing Act. The estimates are that at least 15 percent of these families are either totally ineligible or are receiving more assistance than is allowable because they simply do not disclose all their income.

This costs the taxpayers about $200 million annually, according to studies done by the HUD Inspector General of the low-income and section 8 programs.

□ 1530

It is obvious to me, then, that we need a better approach on the part of HUD to detect these individuals, such as the computer match programs used by the States to identify food stamp fraud. The provisions of this proposal will help public housing agencies and HUD to better use housing resources for truly needy families.

This amendment, Mr. Chairman, simply has the following effect: It would require the social security numbers and other eligible data to be provided and authorization for current eligibility factors to be verified annually.

Unlike the food stamp program, social security numbers cannot be required by HUD to check those who participate in housing programs. These are essential for public housing authorities to obtain information from State unemployment agencies on unreported income. Authorizations are needed to allow for the verifications and auditing of the information they supply about their eligibility. Data on wages would not include any Federal income tax return information.

Second, this amendment would require the PHA's or HUD to terminate assistance to ineligible tenants or require repayment by those who have received unauthorized benefits. This provision permits enforcement by PHA's and HUD. Many individuals have used legal or administrative loopholes to avoid losing their benefits. Enabling administration to stop these practices is a must in maintaining program integrity.

Third, this amendment would require State unemployment agencies to cooperate with the PHA's and HUD in computer matching, which would be extremely important and very helpful. This provision, which is identical with the authority provided in the food stamp program, would provide the major information source for identifying unreported income.

In essence, Mr. Chairman, the purpose of this amendment is simply to provide HUD and the PHA's an opportunity to better identify fraud, waste, and abuse in eligibility, and in the reporting of income. This should save us about $200 million a year, and I would urge the adoption of the amendment.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to commend the gentleman from Florida on his amendment. I think that we have a tremendous problem that this committee must examine in full, and that is the relationship between Housing and Urban Development and the public housing authorities, which for the main part are mismanaged and illused.

In my own city of Bridgeport, I managed to get a $9½ million grant to redo one of the Northeast's worst public housing projects. We found out the money had been misappropriated, misused, and that some of the people who were taking advantage of what it was doing were not eligible. Yet HUD was powerless to come in except under public health and safety and violation of contract.

I think what the gentleman is proposing is a good amendment.

Mr. CHAPPELL. I thank the gentleman.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. Chairman, the gentleman will recall that we had a conversation with the chairman of the subcommittee, and I, myself, have queried people from HUD over the years on this very point.

By the same token, in looking at the gentleman's amendment, although we agree with its purport and its purpose, we do have a problem with the working of the amendment. We would like to work with the gentleman, have a hearing, and do something in the near future when we are prepared to commit ourselves to that, if the gentleman would be gracious enough to withdraw his amendment.

Mr. CHAPPELL. I respect the gentleman very highly, as he knows, and I would like to work with him to make certain that we do perfect it. If the gentleman would assure us that he would have hearings in this session of Congress and living back to the House legislation to rectify this problem, I will be delighted to withdraw the amendment.

Mr. ST GERMAIN. Very early hearings this year in the subcommittee. As I say, I share the gentleman's concerns, and I want to work with him to cure this defect.

The CHAIRMAN. The time of the gentleman from Florida (Mr. CHAPPELL) has expired.

(On request of Mr. McKINNEY and by unanimous consent, Mr. CHAPPELL was allowed to proceed for 1 additional minute.)

Mr. McKINNEY. Mr. Chairman, will the gentleman yield further to me?

Mr. CHAPPELL. I yield to the gentleman from Connecticut.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, I am delighted to hear the chairman's suggestion and your response because this type of hearing would give us, in fact, the ability to look a little further. I have already been speaking to the chairman on other occasions about the entire business of why HUD should supply all the money and not have any control over public housing authorities and how they react.

Mr. CHAPPELL. I thank the gentleman.

Mr. Chairman, with that assurance, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. AU COIN

Mr. AuCOIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AuCoin: Page 169, after line 10, insert the following new subsection:

(f) Section 514(b)(4) is amended by inserting before the semicolon at the end thereof the following: "unless such residential energy conserving improvements are installed in a building which is either located in an area which is not served by a public utility described in section 211(a) of such Act or which is located in an area served by such a public utility but in which no list has been made public by the public utility under section 215(b)(3) of such Act by the Secretary of Energy".

Mr. AuCOIN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. AuCOIN. Mr. Chairman, this amendment corrects an oversight in the Energy Security Act of 1980 by allowing for solar energy grants to go to buyers of energy weatherization equipment in service areas outside of those served by utilities that utilize the residential conservation list.

The Energy Security Act of 1980 established the Solar Energy and Energy Conservation Bank to encourage energy conservation and the use of solar energy, and thereby reduce the Nation's dependence on foreign sources of energy supplies.

The act set forth certain conditions on financial assistance provided by the bank for residential and commercial energy conservation improvements. One condition requires that in order for the bank to provide a grant, the supplier or contractor installing or selling the residential energy conservation improvements must be on a list of contractors provided under the Residential Energy Conservation Service in section 231(a) of the National Energy Conservation Policy Act.

This contractor listing requirement creates a problem for States in their efforts to assist individuals through the bank in areas not covered by the Residential Energy Conservation Service. This is because the RCS is required only of larger utilities, leaving those areas not required to participate in RCS without any RCS contractor lists under any circumstances.

The logical conclusion, if the listing requirement continues, is that many States could not offer solar bank grants in areas not served by a utility under the RCS or in States without a statewide RCS contractor list.

To resolve this problem, I am offering an amendment to H.R. 1, the Urban-Rural Housing Recovery Act of 1983. The amendment would specifically amend section 514(b)(4) of Public Law 96-294, Energy Security Act, to allow individuals to be eligible for assistance under the solar bank in areas not covered by RCS or where a State has not gone forward with RCS plans.

The amendment in no way relinquishes States from the RCS requirement and does not eliminate the RCS contractor-listing procedure in areas served by RCS utilities.

It simply supports States in their efforts to provide energy conservation assistance to segments of the population not served by areas participating in the RCS program.

The House Banking Committee and Congress have taken steps to assure the creation of an effective program that fully complies with the intent of the original legislation to lessen our national dependence on foreign oil sources. Although the so-called oil glut has turned our attention from energy conservation, the case for conservation, as a recent Post editorial notes, remains as compelling as ever.

I urge the Members to support this amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the chairman of the full committee, the gentleman from Rhode Island.

Mr. ST GERMAIN. I thank the gentleman for yielding.

Mr. Chairman, with the cooperation of the genial gentleman, an alumnus of our committee, we would like to see if we cannot get this thing rolling along. We have looked at the amendment. He has made a very strong case for the amendment. We would be very happy to support his amendment.

Mr. MCKINNEY. Mr. Chairman, will the gentleman yield?

Mr. AUCOIN. I yield to the gentleman from Connecticut.

Mr. MCKINNEY. I thank the gentleman for yielding.

Mr. Chairman, as the gentleman knows, I have been very interested in the solar bank for a very long time, in fact, so interested that I became a correspondent in a lawsuit against my own President in the Southern District Court of New York which, by the way, we won.

I approve of the gentleman's amendment. I do want to have a further discussion within the committee on how we qualify contractors, because I think there is a foggy area there.

We, in the minority, are delighted to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. AUCOIN).

The amendment was agreed to.

Mr. LOWRY of Washington. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this legislation and congratulate the chairman of the full committee, the chairman of the subcommittee, and our outstanding ranking minority member on the subcommittee, the gentleman from Connecticut, and the ranking minority member on the full committee.

Mr. Chairman, I specifically would ask the distinguished chairman to enter into a colloquy on an important question of clarity within the bill.

Mr. ST GERMAIN. I appreciate the opportunity to have a colloquy with the gentleman.

Mr. LOWRY of Washington. We will try to make it as short as possible, and I thank the chairman.

Mr. Chairman, as it is well known, this bill provides explicit statutory authority for FNMA and FHLMC to purchase second mortgages until October 1, 1985. The maximum principal obligation of such mortgages may not exceed $50,000 for a single family home or $60,000 for a two- to four-family home.

Mr. Chairman, it is my understanding that the purpose of this provision is to clarify the authority for FNMA and FHLMC to purchase second mortgages of up to $50,000 and $60,000 regardless of the purposes for which the loans are made.

The reason that I believe clarification is needed, Mr. Chairman, is to clarify that this provision is not intended to permit FNMA or FHLMC to exceed their maximum statutory loan limits above the $108,300 that is now within the existing law. Is that the purpose of this?

Mr. ST GERMAIN. If the gentleman will yield, I would like to again thank the gentleman for this colloquy and commend him for bringing this to the attention of the House because it was certainly not our intent to allow this limitation or this $50,000 second mortgage to be utilized to circumvent the existing absolute ceiling of $108,300 for single-family residences or the higher multifamily limits now in effect for the first mortgage or a combination of a first and second mortgage, to wit: If an additional second mortgage is granted it cannot and should not and it is not the intention of the legislation that that mortgage do indeed increase the limits now in effect.

□ 1540

Mr. LOWRY of Washington. Mr. Chairman, I thank the chairman of the committee for that clarification.

Mr. MCKINNEY. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Connecticut.

Mr. MCKINNEY. Mr. Chairman, I would just like to add the voice of the minority to that subject. I think the chairman of the committee and I made it clear in our conversation with the gentleman from California (Mr. PATTERSON) yesterday, and we further made it clear today that in no way should the combination of these two powers be put together for a first mortgage on the purchase of a new house or to circumvent the distinct subject that the committee chairman and I and everyone else have committed ourselves to. We have committed ourselves to hold hearings on it and in fact to bring it to a vote of the full committee at a later date this year.

Mr. LOWRY of Washington. Mr. Chairman, I thank the gentleman from Connecticut (Mr. MCKINNEY), and I thank the chairman of the committee for that clarification.

The CHAIRMAN. The Chair will inquire, does the gentleman from Oklahoma (Mr. WATKINS) seek recognition?

Mr. ST GERMAIN. Mr. Chairman, I suspect that we have disposed of title V at this point.

The CHAIRMAN. Are there any further amendments to title V?

PARLIAMENTARY INQUIRY

Mr. BARTLETT. Mr. Chairman, I have a parliamentary inquiry.

Mr. Chairman, I intend to offer an amendment which would add a title VI. Is this the proper time to offer it, or would that be next?

Mr. ST GERMAIN. Mr. Chairman, may I be recognized?

The CHAIRMAN. If there are no further amendments to title V, the Chair will state that the amendment of the gentleman from Texas (Mr. BARTLETT) would be in order.

For what purpose does the gentleman from Rhode Island (Mr. ST GERMAIN) rise?

Mr. ST GERMAIN. Mr. Chairman, the gentleman would seek the indulgence of the Chair for a moment and ask for orderly procedure in trying to dispose of this legislation.

If we could allow the gentleman from Oklahoma (Mr. WATKINS) to be recognized first, his amendment would be title VI, and the other amendment then could be title VII, so we would dispose of everything that was noncontroversial and address the controversial item last.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. WATKINS).

AMENDMENT OFFERED BY MR. WATKINS

Mr. WATKINS. Mr. Chairman, I offer an amendment adding a new title, title VI.

The Clerk read as follows:

Amendment offered by Mr. WATKINS: Page 180, after line 9, add the following new title (and conform the table of contents accordingly):

TITLE VI—GUARANTEED LOAN DEMONSTRATION PROGRAM

GUARANTEED LOAN DEMONSTRATION PROGRAM

SEC. 601. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"GUARANTEED LOAN DEMONSTRATION PROGRAM

"SEC. 533. (a) The Secretary shall, to the extent approved in appropriation Acts, carry out the program established in this section to demonstrate the effectiveness of utilizing the loan guarantee authority provided in this title in connection with State or private mortgage credit.

"(b) The Secretary may insure, and make commitments to insure, loans made by any State housing finance agency or private lender in accordance with terms and conditions that are, except as otherwise provided in this section, substantially identical to the terms and conditions established with respect to loan guarantees authorized in section 517(a).

"(c)(1) The Secretary may provide interest subsidies with respect to loans guaranteed by the Secretary under this section on behalf of borrowers whose incomes do not exceed 130 percent of the median income of the area involved. The Secretary shall prescribe regulations establishing the amount of interest subsidy to be made with respect to any such loan and the period for which such interest subsidy shall be made, except that in no case may such interest subsidy result in the reduction of the interest rate of a loan to below 1 percent per annum.

"(2) The Secretary shall provide for the recapture of all or a portion of the assistance provided to any borrower under this subsection upon the disposition or nonoccupancy of the property involved by such borrower. Notwithstanding any other provision of law, such assistance shall constitute a debt secured by the security instruments provided by such borrower to the Secretary to the extent that the Secretary may provide for the recapture of such assistance.

"(d) Of any amounts approved in appropriation Acts for 1984 for loans under section 502 on behalf of borrowers receiving assistance under subparagraph (B) or (C) of section 521(a)(1), $100,000,000 shall be available to carry out the demonstration program established in this section.".

Mr. WATKINS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WATKINS. Mr. Chairman, first and foremost, I want to thank the subcommittee chairman and the staff who have worked many long hours and months, I know personally, on this particular legislation. I also want to thank the chairman of the full Committee on Banking, Finance and Urban Affairs for the tremendous job he has done in working on this particular legislation along with the minority. I have talked with the minority about this particular amendment, and I have talked with the majority.

Mr. Chairman, first I want to say to the Members that I appreciate the title of the bill. I think that is a great move forward. As we look at this, being "Housing and Urban-Rural Recovery Act," one of the things we had in the original bill was a demonstration program to assist rural housing, but in the amendment that we had to have on cutting back, we disposed of one phase of the program. The committee chairman has been kind enough to work with me on shifting a portion of that money to this new title. That does not increase the budget authority at all but will allow us to properly demonstrate a great and better building program in rural America.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the chairman of the subcommittee.

Mr. GONZALEZ. Mr. Chairman, I thank the gentleman for yielding, and I just want to corroborate what he said.

We have worked since the last Congress, on rural housing matters, and this subcommittee has delved into the question of rural housing extensively. The gentleman from Oklahoma is a former member of this subcommittee. He is knowledgeable and has quite a bit of housing expertise. His amendment, as perfected, is before us now, and we have had a chance to go over it in detail.

Mr. Chairman, as far as we are concerned on this side, we accept the amendment and commend the gentleman for offering this improvement to the bill.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, the minority side of the aisle has looked at the amendment offered by the gentleman from Oklahoma (Mr. WATKINS) and we approve of it.

We have on this side of the aisle for a long time said that demonstration programs are the way to go. Modern industry in America calls it "test marketing."

I think that demonstration programs such as the gentleman is asking for is a wise idea, to tell us whether things are working, and we will get a chance to look at it in the real context without committing ourselves totally over the long pull.

Mr. Chairman, I compliment the gentleman from Oklahoma (Mr. WATKINS) on offering his amendment.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. WATKINS. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I want to commend the gentleman from Oklahoma (Mr. WATKINS) for his amendment and for looking forward and remembering that there is a rural America and there is a small town America which is terribly important. Were it not for this amendment and others like it that have been offered by the gentleman from Oklahoma (Mr. WATKINS), certain legislation would not be complete.

Mr. Chairman, I think this is the right thing to do, and I certainly support the gentleman in what he has done.

Mr. WATKINS. Mr. Chairman, I appreciate the remarks of the gentleman from Missouri (Mr. SKELTON). I appreciate the efforts of the majority, and I thank the subcommittee chairman for his patience and kindness, as well as the chairman of the full committee and also the minority.

Let me say this, Mr. Chairman: I truly feel that with this amendment we can say it is a part of a rural recovery program that I can truly recommend to my colleagues from rural America who have been sent by the people in rural areas to this Congress that they vote for this particular bill if this amendment is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. WATKINS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BARTLETT

Mr. BARTLETT. Mr. Chairman, I offer an amendment to create a title VII.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 180, after line 9, add the following new title (and conform the table of contents accordingly):

TITLE VII—EXISTING HOUSING PROGRAMS

EXISTING HOUSING PROGRAMS

SEC. 701. Notwithstanding any other provision of this Act, section 5 of the United States Housing Act of 1937, or section 235 of the National Housing Act to the contrary, any budget authority or contract authority approved for fiscal year 1984 for title III of this act or section 235 of the National Housing Act shall be available instead for assistance under section 8(b)(1) of the United States Housing Act of 1937.

Mr. BARTLETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. BARTLETT) is recognized for 5 minutes in support of his amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield to me?

Mr. BARTLETT. I yield to the committee chairman.

Mr. ST GERMAIN. Mr. Chairman, I have consulted with the minority, and what we would like to do at this time is ask unanimous consent that all time on this amendment and all amendments thereto expire in 30 minutes, the time to be equally divided between the majority and the minority.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

Mr. WYLIE. Mr. Chairman, reserving the right to object, I have consulted with the minority, and we have no objection to the request of the gentleman from Rhode Island.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The CHAIRMAN. The gentleman from Texas (Mr. BARTLETT) is recognized for 15 minutes.

Mr. BARTLETT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in summary, what this amendment would do is this: It goes to the heart of the new construction which is proposed in H.R. 1. It is similar to the amendment that I had offered yesterday to title III but which was withdrawn subject to a point of order.

What this amendment would do is this: It would delete the $900 million which is included in title III and the $167 million in the 235 programs, title III being for new construction for multifamily that had been set aside for construction of new units. It would delete that $1.063 billion of authorized funds and reallocate that use for assisted housing using existing section 8.

Mr. Chairman, I would emphasize that my amendment would not reduce the total amount of funds authorized under this bill.

In fact, the amendment offered by the subcommittee chairman has already done that yesterday, and the Committee on Appropriations had appropriated that same amount. I would commend the committee chairman and the chairman of the subcommittee for that reduction.

What this amendment did do, Mr. Chairman, would be to simply realize and acknowledge those scarce resources to the tune of $9.9 billion of assisted housing. We have already agreed to spend those scarce resources. Those resources of the Federal Government should all be allocated in a way that would do the most good for the most number of people.

We have already recognized that scarcity by a reduction of the committee bill in assisted housing from $12.9 billion, as it passed out of committee to $9.9 billion as it was approved on the House floor yesterday and $9.9 billion that has been appropriated by the Committee on Appropriations.

□ 1550

The problem, Mr. Chairman, with that reduction as it is presently drafted in H.R. 1 is that reduction would be fully borne by assisted housing or by existing section 8; so the full $900 million and the $167 million, without the Bartlett amendment, would be taken from existing section 8.

I would add that back on to be used by existing section 8, as opposed to taking it all out to be used for new construction.

Now, both the new construction program and the 235 program are not targeted to low-income families that are most in need of assistance. It makes little sense to subsidize projects, Mr. Chairman, even with only a shallow subsidy, with only 20 percent of those units would be available for low-income persons in these days of scarce resources.

It may be true that the $900 million would technically build 75,000 apartment units in this country, but only 15,000 of those units would be for lower income families and none of the money would go toward assisting with rent. The other 60,000 units would be for middle and upper income families.

As for the 235 program, the same disparity exists, only more so. All the funds in section 235 would go to provide homeownership for more moderate-income families. I do not believe we should utilize scarce resources to allow someone to buy a home when there are so many who are in greater need just to be able to pay their rent in these times.

By adopting this amendment, the $1.067 billion allocated to these mistargeted programs would be directed toward assisting approximately 18,000 families of low income under existing section 8 housing programs.

You can be assured that these funds would be used primarily to benefit the truly needy, as opposed to what is now in the bill, which would be to subsidize developers and not families.

The administration believes that there is already an adequate supply of unsubsidized rental housing units which could be used under a housing voucher program had the committee chosen to adopt it, but at least could be used under existing section 8. Vacancy rates for all types of property have been slightly over 5 percent for the past 3 years; and rental vacancy rates exceeded 6 percent for each of these years. These rates exceed the 5 percent which is believed to be adequate to allow for normal market turnover.

Additional proof that there is a substantial amount of new units that are not needed can be seen in the rate of demand for recently completed units.

Mr. Chairman, 28 percent of the units completed in 1982 were not rented until at least 3 months after completion. If there were such a rental housing shortage, the units would be grabbed up much faster.

There has been a lot spoken on this floor about the word scarcity, and that is what we are doing today is to allocate that scarcity and allocate the funds that have been appropriated by this bill and authorized by this bill.

The issue here is whether we spend that $1 billion on new construction or whether we spend that $1 billion to assist those families who are already on the rolls.

There has been lots of talk about fairness and that is spoken about a lot these days. It is more fair, Mr. Chairman, it is a fairer allocation of the scarce resources, that those resources be allocated to the existing section 8 program instead of being diverted away from families who are in need and allocated toward new construction of unsubsidized, largely unsubsidized apartment units.

Mr. Chairman, I reserve the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield such time as he may require to the chairman of the subcommittee, the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I rise in opposition to this amendment, again feeling very strongly in opposition to it.

The gentleman's amendment would transfer about $900 million from the new multifamily construction rehabilitation program to the existing section 8 program. I would eliminate the only thing that would be offered to the American people by way of production or new construction. This is the basic

critical issue as far as policy and program is concerned.

Our hearings have amply reaffirmed the critical need in areas of our Nation that can be served only by the minimal construction program that this amendment would do away with.

Also, there is $167 million from section 235 homeowners program which would be transferred to the section 8 program.

There are several serious problems with the amendment.

First, the amendment would reduce the number of families that could be assisted. Now, $900 million for the multifamily construction program will assist an estimated 75,000 families, a minimum of 15,000 of which have to be low-income families. Priority is given to projects in this program that will set aside more than the statutory minimum of 20 percent of the units for low-income families; so potentially more than 15,000 low-income families will benefit from the new program.

If $900 million in budget authority were transferred to the section 8 program, only 15,000 additional low-income families would be helped.

Second, by deleting the Schumer rental production program—and let me here have the record reflect the tremendous contribution by this distinguished young man, the gentlemen from New York (Mr. SCHUMER) in this regard—by deleting that rental production program, we would be ignoring the burgeoning problem that is making it significantly to the point of social danger more difficult for families to find affordable rental housing. In many areas of the country, the shortage of rental housing is so great that rents are skyrocketing, particularly for families with children. The only way to reduce the pressure created by this shortage is to build new housing. Hearing after hearing has amply verified this conclusion.

This is the only program designed to address this need for additional rental housing. Despite the numerous hearings and testimony from every single section of the country—particularly the densely populated areas in which this crying need is amply demonstrated—the administration steadily argues a need does not exist.

Mr. MITCHELL. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to my distinguished colleague from Maryland.

Mr. MITCHELL. Mr. Chairman, I want to associate myself with the gentleman's remarks.

I listened to a very persuasive argument over there. In my city there are some 45,000 people waiting for section 8.

I do not think I or any other Member of this House can be parochial in terms of a particular socioeconomic class. The housing need is across the board. Certainly we need rental housing units. Certainly we need new construction units, and although it is the kind of thing that ordinarily I would vote for based solely on the need in my community, I cannot vote for it because I think we have got to assume a position that says we are concerned about housing for all of our citizens.

I thank the gentleman for yielding to me.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I am delighted to yield to the distinguished gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I would simply like to say that the Bartlett amendment, it seems to me, has the world turned upside down. Here we Democrats have given the criticism of the section 8 program, many of those very criticisms coming from the other side of the aisle, have taken those criticisms into account and produced a new program, a program that is much cheaper than section 8.

Let it be known that the Bartlett amendment would create 15,000 units of housing for the same amount of money that would create 75,000 units of housing under our program.

We have gone and done programs where localities have control, and let it be known that the Bartlett amendment is subject to all the HUD guidelines that so many mayors and Governors and county executives have railed against over the years, while our program gives flexibility to the locality.

Let it be known—I am sorry that I cannot yield because we have a limited amount of time, I would be happy to speak to the gentleman from Connecticut on his time—let it be known that the Bartlett amendment also is only directed at one segment of the population, while our program builds more housing for the very lowest income people and in addition houses some of the working people of the country who cannot afford housing, while the Bartlett program does not.

So all the criticisms that have been made of the section 8 program that we have taken to heart and modified, while unlike the administration saying there ought not to be a housing program at all, are taken into account in this legislation and now we get an amendment that says, "No, don't take those criticisms into account; rather, go back to the old section 8 programs."

□ 1600

Let me say, if I just might, Mr. Chairman, who this program is supported by, groups that never supported us before. Not only is it supported by the National Low Income Housing Coalition, and I find it quite strange that the National Low Income Housing Coalition supports the bill, and yet the gentleman from Texas (Mr. BARTLETT) is making his argument in the name of the very group who is supporting our program, but it is supported by the National Multihousing Council, the National Leased Housing Association, the Mortgage Bankers Association, the National Association of Home Builders, the National Housing Conference, the U.S. Conference of Mayors, the National League of Cities, the National Apartment Association, and the National Association of Housing and Redevelopment Officials, as well as the localities, as well as the low-income people.

It seems to me that in this program, Mr. Chairman, we have crafted something that has the coalition from the left to the right in the housing area united. The only thing, the only thing that can be said about the program that the other side is saying about the program is dismantle it, do not put something new in its place and go back to the old way.

It will not build new housing the old way. The housing that it builds is tremendously more expensive. And, Mr. Chairman, I urge that the amendment be defeated by people on both sides of the aisle who are interested in cost efficiency, who are interested in spending less, who are interested in housing not only the very low income but working people who cannot get housing and who are interested in seeing that this Nation has a housing program once again.

I thank the distinguished chairman for yielding and yield back the floor to him.

Mr. GONZALEZ. I wish to thank the gentleman from New York in turn.

Mr. WATKINS. Will the distinguished chairman yield to me?

Mr. GONZALEZ. I yield to the gentleman from Oklahoma.

Mr. WATKINS. I would like to speak in behalf of the people in rural America and for all of the Congressmen that represent rural people. This amendment would be a disaster, a disaster to multiple housing programs in rural America.

The Farmers Home Administration has a very limited program. We have to participate through the multiple housing in HUD to some extent, but if we shift to the section 8 that comes to rural areas, that section 8 comes through or has to come through, what limited money comes, through the Farmers Home Administration and the Farmers Home Administration people refuse to initiate it.

This amendment would be disastrous to the program in rural America, to small towns, and rural communities. So I hope all of the people who represent the small communities, some small communities in this Congress, realize that they will be destroying the rural housing, the small multiple

housing and what little 235 we can get if this statement is adopted.

Mr. GONZALEZ. I thank the distinguished gentleman from Oklahoma.

I would just wish to add a third point, that is to emphasize what the gentleman has just said. This amendment would strike $167 million provided for one of the most successful programs that have been devised by the Congress, the section 235 program, which assists the low- and moderate-income families to become homeowners.

The program offers the last little whimper of an ability for homeownership for many moderate income families. This amendment would eliminate that, even the little, modest programing that we are asking for in this bill. Given the continuing high interest rates that presently exist, this program is one of the only ways that the working families of modest income can become homeowners. By eliminating this provision, 6,300 new homes will not be built.

Mr. Chairman, may I inquire how much time we have remaining on this side?

The CHAIRMAN. The gentleman from Texas has 4 minutes remaining.

Mr. GONZALEZ. Mr. Chairman, we reserve the remaining 4 minutes.

Mr. BARTLETT. Mr. Chairman, I would just take a brief moment to talk a little bit about rural housing now that the subject has been introduced. In fact, section 235 would vary nationwide in urban and rural districts combined, as I understand, would build only 6,300 units nationwide anyway. That amounts to fewer than 15 units per congressional district for the total urban and rural 235 program.

By contrast, section 502, which is rural housing, which is in the bill and will not be touched by this amendment, would build over 100,000 units for this coming year, all in rural America.

On the question of section 8, the old way to build housing was new construction of section 8 apartment units and it did not work very well at all. But what does work a lot better is assisted housing, using existing section 8 program. Let private builders build housing using private money.

Mr. Chairman, I yield such time as he may consume to my colleague from Connecticut (Mr. MCKINNEY).

Mr. MCKINNEY. I thank the gentleman for yielding.

I find myself in a strange quandry here. I happen to support the idea of Dodd-Schumer. I happen to support the idea of Dodd-Schumer through a tax program, too.

But I seriously question being able to support it under this present bill. You see, there is one terrible snag here. We have had a great deal of criticism about section 8. We have had criticism that the amendment offered by the gentleman from Texas, Mr. BARTLETT, would only allow for 18,000 section 8's for low income, yet, in fact, Dodd-Schumer would only allow for 15,000 for low income with the inclusion now, as I would say from some of the conversations I have heard, that the low income in the Dodd-Schumer housing, which we could call it, will have to have a section 8 as well. In fact, the system will not work without a section 8 coming along to supplement the income within that area.

What we are talking about here is a billion-odd dollars and what do we do with it. Do we in fact, as the Low Income Housing Coalition, which has somewhat held their nose and jumped for this and asked first for 100 percent for low income, do we in fact entitle this one-billion-odd dollars to the low income or do we in fact entitle it to the middle income and the builders of apartment houses?

Quite frankly I would rather if we are going to give it to the builders of apartment houses or the builders of the 235 housing, all 16 units per congressional district, I would far rather put it into rental supplemental income. If in fact we had another billion dollars in this bill I would probably be on the floor strongly supporting the idea of trying this approach. But I know as well as the chairman knows, regardless of which political party we belong to, that that was an absolute impossibility. In fact, one of the only reasons we are sure of that is that the appropriations bill has gone before with the total amount of money that can go into these programs.

So what we are really doing is diverting 900-odd million, quite frankly, to developers for multifamily production, of which only 20 percent is going to be low income, and most of which is also going to have to then be further subsidized by section 8.

If we are going to have the limited amount of money that we have, it seems to me that that money should go to the low income, should go to the low income specifically, and the best way to give it to them is in fact to give it to them through section 8 existing, which is in fact the cheapest way we can do it.

I have to say something, gentlemen, which puts me in a quandry, and I am sure that the DCC is taking notes for the next election. I have supported the 235 program. I have gone to almost every center there has been 235 housing in this country in the last 13 years, or however long we have had the program. But 235 housing—and I see the chairman smiling because I think he knows what I am going to say—is a little bit like a private bill. We in Connecticut know how to use it and we use it and they know how to use it maybe elsewhere, and they use it. The consequences of 235 housing becoming a modicum of housing across the Nation, I would suggest in my friend's rural district, is almost an impossibility.

I am not going to stand here and argue one way or the other, but if anybody is listening to this debate at this hour I would simply suggest that you have a moral choice you have to make.

Do you take the limited 900 million to $1.1 billion and devote it essentially to those of the low-income category or do you take it and devote it to a new program which I think has a good future when we have the money but which will only supply help to the low income with subsidiary section 8 help along the line also being required?

□ 1610

In other words, a typical double-dip type of program that we get involved in because it would not support itself.

In times of financial prosperity, perhaps the best of all ideas. Right now, I question it, and it is a moral judgment each one of 435 Members of this House will have to make.

I would yield back to the gentleman from Texas (Mr. BARTLETT).

Mr. BARTLETT. Mr. Chairman, I yield to my distinguished ranking member, the gentleman from Ohio (Mr. WYLIE), such time as he may consume.

Mr. WYLIE. I thank the gentleman for yielding.

I rise in support of the Bartlett amendment which is now before us.

As I stated during the debate on the Gonzalez amendment yesterday, I oppose the way the $9.9 billion for assisted housing would be frittered away on the two new programs being addressed in this legislation.

I think it does a great disservice to the poor to take away over $1 billion from a program to help the truly low-income person and put it into programs which at best would only be problematical in their success.

The Bartlett amendment would keep these funds targeted to the poor rather than permitting multifamily production programs designed more to benefit developers and syndicators than the families in need of decent and safe and sanitary housing.

The poor are only assured of getting 20 percent of the total units assisted and as Mr. MCKINNEY stated, even that will require additional subsidies from section 8. As I said before, I find this a little odd in light of the committee's effort to require a 51-percent test for the CDBG program.

I also agree with the effort to redirect the $167 million from the 235 homeownership program back to section 8 existing housing. When we have such limited resources, we should not be channeling even minor amounts into a program designed to subsidize the purchase of a home for some pre-

cious few moderate income and above families.

Now let us face the fact, Mr. Chairman: Section 8 is targeted to those families making less than 50 percent of the median income in the area. Under 235, a family's income can be as high as 110 percent of the median and for 80 percent of the units under the new multifamily housing program there is no income limit at all. Even for that 20 percent of the units reserved for lower income families the test is 80 percent of median income.

Clearly the Bartlett amendment targets assistance to the poorest families and those most in need of assistance.

I also dispute that there is a shortage of new housing starts. I have statistics here from the National Association of Home Builders which estimates that for 1983 there will be 1,563,000 new starts for new public and private residential construction; 517,000 of those new starts will be in multifamily units.

So, I urge my colleagues to support the amendment and perhaps even help assure that there might be a housing bill which the President could sign.

I yield back the balance of my time to the gentleman from Texas (Mr. BARTLETT).

Mr. BARTLETT. Mr. Chairman, I will reserve the balance of my time.

Mr. ST GERMAIN. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. I thank the gentleman for yielding.

I rise in opposition to the amendment of the gentleman from Texas. Frankly, I am somewhat surprised because the new multihousing program that is included plus the 235 program represents a balanced approach to dealing with and providing for housing needs.

I am somewhat suspect because of the current administration's conduct in the way that the section 8 program has been administered. The fact of the matter is that we know that the authorized money from the Dodd-Schumer program will indeed go for new multifamily housing. With the appropriation, and so forth, we still have a hard battle ahead of us for all of those points.

One of the major uses of new section 8 money has been in recent years is the conversion of rent supplement program units.

The fact of the matter is putting this back into section 8 will likely produce few new units, especially given the discretion of the Secretary of HUD, the tendency to use this for the rent supplemental conversions.

That is an aspect that has not been brought up on this House floor and Members should be aware of this consequence.

The 235 program works well in specific areas of the country. The initiative in this measure trys to do something different in the sense that we are talking about homeownership, not just assisted housing.

Many times people will work their way out of the assisted 235 part of the program and into a situation where they are paying a higher rate of interest and more of the subsidy.

Therefore, Mr. Chairman, I urge the rejection of this amendment.

Mr. BARTLETT. Mr. Chairman, I yield to the gentleman from Texas from Connecticut such time as he may consume.

Mr. McKINNEY. I thank the gentleman for yielding.

Mr. Chairman, there has been some question expressed on the other side of the aisle about my statement that it would be necessary to bring in section 8 funding to make up a second tier of Federal funding within this program.

If there is still a question in anyone's mind I would just ask that they look at page 111 of the bill as reported, section 306:

> The amount of assistance provided under this title with respect to a project shall be the least amount that the Secretary determines is necessary to provide, through the construction or rehabilitation of such project, decent rental or cooperative housing of modest design that is affordable for families and individuals without other reasonable and affordable housing alternatives in the private market, including an amount necessary to make rents for at least 20 percent of the units, as described in section 307(a)(2), affordable for persons and families whose incomes do not exceed 80 percent of the area median income.

Now, what I am trying to say to my colleagues is what then do you do with the 50, 60, 70, even 78 percent of median-income people? You must override with a section 8. So that in fact you are using in a very, very short supply system two forms of Federal financing.

I yield to the gentleman from Texas (Mr. BARTLETT).

Mr. BARTLETT. In summary, in present form the bill is not an assisted housing bill as regards this $1 billion. This $1 billion would be a developer assistance bill. I would ask my colleagues to think of those tens of thousands of families on the waiting list for section 8 in your districts while we spend this $1 billion to subsidize construction by developers for new apartment complexes.

Mr. ST GERMAIN. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut (Mr. MORRISON).

Mr. MORRISON of Connecticut. I thank the chairman for yielding.

Mr. Chairman, I rise to speak strongly in opposition to this amendment.

In the two programs that this amendment seeks to remove from this bill we have new initiatives that are critically needed. We need new rental housing where rental housing is very short.

This program will address the needs for lower income people; it will help those in the moderate income class who are unable to find rental housing especially due to condominium conversions.

With respect to the 235 program we have crafted a mixture of approaches in 235 that will allow single family housing to be owned under this program, in some parts of the country and will allow for substantial rehabilitation of two- and three-family housing in other areas of the country. It is a program that addresses a crying need, homeownership to the low- and moderate-income person. This amendment would undermine that very important aspect of this bill.

I yield back to the chairman.

Mr. ST GERMAIN. I yield myself the balance of the time.

Mr. Chairman, I, too, wish to rise in opposition to the amendment now before the House.

Though well-intentioned, I am sure, the actual result of the amendment will be to say to renters, and potential renters around the country in the areas where there is a lack of rental housing available and as a result prices for renting units are skyrocketing, that "there will be no relief for you under this legislation, you the taxpayers of this Nation, the middle-income people."

It will ask us to trade a new program that will assist 75,000 families, at least 15,000 of which must be low income; it will stimulate new construction or rehabilitation where it is desperately needed for an additional 15,000 units of section 8, one-fifth of the number of units. It would ask us to trade 6,300 new units of housing for 2,700 units of section 8. By transferring funds to the section 8 program the gentleman would assist only 17,700 families instead of assisting 83,000 families as the bill now provides for, through the rental production and section 235 programs.

□ 1620

Mr. Chairman, I do not believe that the tradeoffs will be worth it.

I join the previous speakers. We heard from rural America, none other than WES WATKINS, Mr. Rural America. And we heard from CHUCK SCHUMER, Mr. City, Mr. Big Apple, Mr. New York.

The two poles, opposite poles, standing here together in concert in opposition to this amendment, what more could speak so eloquently than to see that occur on the floor of this House.

Mr. Chairman, I ask for the defeat of this amendment.

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the Bartlett amendment which seeks to strike title III, the multifamily housing production program and retains the $1.067

billion or lower income housing programs.

Our current budget situation has led to a significant decrease in our resources. It is, therefore, imperative that we maximize the use of our resources by targeting assistance to those that need it the most.

Title III of the bill would essentially allow the $900 million for low-income housing programs and the $167 million set aside for the 235 program to be used to subsidize new rental construction with only 20 percent targeted toward low-income persons. Under title III, developers would have the option of building a subsidized project with 80 percent of the units targeted toward middle and upper income groups.

It is unconscionable to think that in times of such limited resources that we would agree to such a program. Our most pressing goal is to provide adequate hosing for low-income individuals, not supplement developers and builders across the country.

If title III is allowed to remain in H.R. 1, we will be initiating a more costly program with shallow subsidies that is targeted more toward the middle and upper income levels rather than those we profess to be trying to assist—the low-income persons.

Mr. BARTLETT's amendments would provide approximately 18,000 families of low income with assistance under the existing section 8 housing program versus current title III provision which would spread the same amount of funds between lower-, middle-, and upper-income groups.

Support the Bartlett amendment, and enhance our chances of passing a long-awaited housing bill this year.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Texas (Mr. BARTLETT).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BARTLETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 120, noes 300, not voting 13, as follows:

[Roll No. 244]

AYES—120

Archer	Clinger	Evans (IA)
Badham	Coats	Fiedler
Bartlett	Conable	Fields
Bateman	Corcoran	Franklin
Bereuter	Coughlin	Frenzel
Bethune	Craig	Gekas
Bilirakis	Crane, Daniel	Gingrich
Bliley	Crane, Philip	Goodling
Brown (CO)	Dannemeyer	Gradison
Burton (IN)	Davis	Gregg
Campbell	DeWine	Gunderson
Carney	Dickinson	Hansen (ID)
Chandler	Duncan	Hansen (UT)
Chappie	Edwards (AL)	Hartnett
Cheney	Edwards (OK)	Hiler
Hopkins	McDonald	Schaefer
Hughes	McEwen	Schulze
Hunter	McGrath	Sensenbrenner
Jeffords	McKinney	Shaw
Kasich	Michel	Shuster
Kemp	Miller (OH)	Siljander
Kindness	Moore	Skeen
Kramer	Moorhead	Smith (NE)
Lagomarsino	Morrison (WA)	Smith, Denny
Latta	Nielson	Smith, Robert
Leach	Packard	Solomon
Lent	Pashayan	Spence
Lewis (CA)	Paul	Stangeland
Lott	Petri	Sundquist
Lowery (CA)	Porter	Tauke
Lujan	Quillen	Thomas (CA)
Lungren	Regula	Vander Jagt
Mack	Ridge	Vucanovich
Madigan	Ritter	Walker
Marriott	Roberts	Weber
Martin (NY)	Robinson	Whitehurst
McCain	Rogers	Whittaker
McCandless	Roth	Winn
McCollum	Roukema	Wortley
McDade	Rudd	Wylie

NOES—300

Ackerman	Dwyer	Kastenmeier
Addabbo	Dymally	Kazen
Akaka	Dyson	Kennelly
Albosta	Early	Kildee
Alexander	Eckart	Kogovsek
Anderson	Edgar	Kolter
Andrews (NC)	Edwards (CA)	Kostmayer
Andrews (TX)	Emerson	LaFalce
Annunzio	English	Lantos
Anthony	Erdreich	Leath
Aspin	Evans (IL)	Lehman (CA)
AuCoin	Fascell	Lehman (FL)
Barnard	Fazio	Leland
Barnes	Feighan	Levin
Bates	Ferraro	Levine
Bedell	Fish	Levitas
Bellenson	Flippo	Lewis (FL)
Bennett	Florio	Lipinski
Berman	Foglietta	Lloyd
Bevill	Foley	Loeffler
Biaggi	Ford (MI)	Long (LA)
Boehlert	Ford (TN)	Long (MD)
Boggs	Fowler	Lowry (WA)
Boland	Frank	Luken
Bonior	Frost	Lundine
Bonker	Fuqua	MacKay
Borski	Garcia	Markey
Bosco	Gaydos	Marlenee
Boucher	Gejdenson	Martin (IL)
Boxer	Gephardt	Martin (NC)
Britt	Gibbons	Martinez
Brooks	Gilman	Matsui
Broomfield	Glickman	Mavroules
Brown (CA)	Gonzalez	Mazzoli
Bryant	Gore	McCloskey
Burton (CA)	Gramm	McCurdy
Byron	Gray	McHugh
Carper	Green	McKernan
Carr	Guarini	McNulty
Chappell	Hall (IN)	Mica
Clarke	Hall (OH)	Mikulski
Clay	Hall, Ralph	Miller (CA)
Coelho	Hall, Sam	Mineta
Coleman (MO)	Hamilton	Minish
Coleman (TX)	Hance	Mitchell
Collins	Harkin	Moakley
Conte	Harrison	Molinari
Conyers	Hatcher	Mollohan
Cooper	Hefner	Montgomery
Courter	Hertel	Moody
Coyne	Hightower	Morrison (CT)
Crockett	Hillis	Mrazek
D'Amours	Holt	Murphy
Daniel	Horton	Murtha
Daschle	Howard	Myers
Daub	Hoyer	Natcher
de la Garza	Hubbard	Neal
Dellums	Huckaby	Nelson
Derrick	Hutto	Nichols
Dicks	Hyde	Nowak
Dingell	Ireland	O'Brien
Dixon	Jacobs	Oakar
Donnelly	Jenkins	Oberstar
Dorgan	Johnson	Obey
Dowdy	Jones (NC)	Olin
Downey	Jones (OK)	Ortiz
Dreier	Jones (TN)	Ottinger
Durbin	Kaptur	Owens
Oxley	Schneider	Thomas (GA)
Panetta	Schroeder	Torres
Parris	Schumer	Towns
Patman	Seiberling	Traxler
Patterson	Shannon	Udall
Pease	Sharp	Valentine
Penny	Shelby	Vandergriff
Pepper	Sikorski	Vento
Perkins	Simon	Volkmer
Pickle	Sisisky	Walgren
Price	Skelton	Watkins
Pritchard	Slattery	Weaver
Pursell	Smith (FL)	Weiss
Rahall	Smith (IA)	Wheat
Rangel	Smith (NJ)	Whitley
Ratchford	Snowe	Whitten
Ray	Snyder	Williams (MT)
Reid	Solarz	Williams (OH)
Richardson	Spratt	Wilson
Rinaldo	St Germain	Wirth
Rodino	Staggers	Wise
Roe	Stark	Wolf
Roemer	Stenholm	Wolpe
Rose	Stokes	Wright
Rostenkowski	Stratton	Wyden
Rowland	Studds	Yates
Roybal	Stump	Yatron
Russo	Swift	Young (AK)
Sabo	Synar	Young (FL)
Savage	Tallon	Young (MO)
Sawyer	Tauzin	Zablocki
Scheuer	Taylor	Zschau

NOT VOTING—13

Applegate	Forsythe	Shumway
Boner	Hammerschmidt	Torricelli
Breaux	Hawkins	Waxman
Broyhill	Heftel	
Erlenborn	Livingston	

□ 1630

Messrs. ANDREWS of North Carolina, PARRIS, and BROOMFIELD, Mrs. MARTIN of Illinois, Mrs. HOLT, and Mr. COLEMAN of Missouri changed their votes from "aye" to "no."

Mr. HUGHES changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. BEREUTER. Mr. Chairman, I rise in opposition to one particular provision of this bill, section 542, that dealing with RESPA. Now many Members of Congress have all heard more than they ever wanted to hear about RESPA in the course of arriving at the so-called compromise which is included in this bill, and I am reluctant to open the matter for further discussion at this time, but I feel I must forthrightly express my views on this matter. I am compelled for the simple reason that the compromise included in this bill is certainly, in my judgment, a questionable public policy action with respect to American consumers. I opposed last year, and continue to oppose, HUD's efforts to revise this aspect of RESPA law in the manner proposed, in spite of the American Land Title Association's tacit approval of it.

The saving grace of the new provision is its clear and forthright language concerning the relationship of State law to Federal law on the controlled-business issue. Thus, for example, the Nebraska Legislature recently passed a bill closely resembling the original section 518 provision, setting a

20-percent limit on controlled business. While, as the percentage set is certainly debatable, it is preferable, in this Member's view, to the yet unsatisfactory disclosure requirements set forth in H.R. 1 as amended.

● Mr. BONKER. Mr. Chairman, I believe H.R. 1, the Housing and Urban-Rural Recovery Act of 1983, is vital legislation for several reasons.

First, H.R. 1 provides a long-overdue comprehensive Federal approach to our Nation's housing needs. The bill continues and expands a wide range of Federal programs, from FHA mortgage insurance and GNMA mortgage-backed securities to community development block grants and low income assisted housing. In the simplest terms, H.R. 1 represents a major step toward making adequate, affordable housing a reality once again for all Americans—whether they are first-time homebuyers or low-income elderly renters.

Second, the bill would stimulate substantial construction of single family and multifamily housing. This is good news for wood products workers in the Pacific Northwest and homebuilders across the Nation. These basic industries have just suffered through the most severe recession in over 40 years, and must feel some concern as interest rates begin to creep back up again, threatening the fragile recovery they have only begun to feel.

Finally, H.R. 1 is critical for our Nation's elderly. As chairman of the House Aging Committee's Subcommittee on Housing and Consumer Interests, I have closely followed the development of H.R. 1. The legislation addresses the immense, current demand for specially designed housing among older Americans, and recognizes that this demand will only grow as the number of elderly doubles over the next 50 years. H.R. 1 places high priority on construction of appropriate elderly housing that we so badly need.

The borrowing authority and gross loan limitation provided by the bill are sufficient to finance 14,000 units of section 202 housing for the elderly and handicapped in fiscal year 1984. While I believe more units are needed, the 14,000-unit figure represents a solid compromise between what we need and what many Members considering this legislation feel we can afford.

The bill also contains several elements designed to reverse or prevent regulatory and other actions by the administration that threaten the continued, successful operation of the section 202 program. These include capping the permissible interest rate for section 202 loans at 9.25 percent; limiting the number of efficiency units allowed in any one project to 25 percent; prohibiting equity participation by a sponsor; maintaining the section 202 sponsor's right to select a general contractor, limiting the circumstances in which the HUD Secretary may approve the prepayment of section 202 loans, and assuring that cost limitations for projects reflect the actual costs of construction.

Most noteworthy are the provisions of H.R. 1 that revise and expand the section 202 program as of October 1, 1984. My subcommittee colleague, Mr. LUNDINE, was the chief author of these provisions and should be commended for his thoughtful work. Under the new program, the present section 202 financing and subsidy mechanisms would be changed to permit, beginning in fiscal year 1985, the development of approximately 36,000 units of housing for about the same amount of budget authority used to assist the 14,000 units financed by H.R. 1 under the current program for fiscal year 1984. The administration's resistence to the implementation of housing production programs, is well documented. Therefore, all of us concerned with elderly housing programs will need to carefully work together to assure the development of regulations and procedures necessary for the successful implementation of the revised program.

H.R. 1, as amended by Mr. GONZALEZ, also includes two seemingly smaller provisions of importance that are targeted to the elderly. First, $4 million is authorized for the congregate housing services program (CHSP). Initiated in 1978, the CHSP has proven its worth as an alternative to institutionalization of low-income elderly. As with the section 202 program, the program's funding level is not as high as I would like but it is high as many feel is affordable.

Second, the legislation permits the use of section 8 existing housing certificates to assist elderly families who choose to share housing arrangements with other elderly families. Shared living, or shared housing as it is sometimes called, is a living arrangement in which unrelated people live together, each having their own private space but sharing common spaces such as the living room and kitchen. H.R. 1 guarantees that elderly persons who choose to live in a shared housing situation will not suffer a loss of assisted housing benefits as a result of this choice.

Of major importance to every low-income older person are the provisions of H.R. 1 that reduce the amount of income that assisted housing tenants are required to contribute toward rent. The Omnibus Budget Reconciliation Act that President Reagan pushed through Congress in 1981 raised the required rent payments for low-income individuals from 25 to 30 percent of their total income. H.R. 1 would reduce that figure to 25 percent again. I strongly agree with the committee's view that it is unfair to ask the poorest of our citizens to bear rent increases in a time of economic decline.

Equally important, the legislation requires that HUD return to its previous practice of excluding extraordinary medical expenses exceeding 3 percent of income in the calculation of tenant rents. Recent HUD regulations permit a $300 exclusion for medical expenses exceeding 3 percent of income in the calculation of tenant rents. Recent HUD regulations permit a $300 exclusion for medical expenses. The effect of this regulation is to unfairly increase the rents of those who can least afford it—individuals with out-of-pocket medical care expenditures in excess of $300.

I suspect that almost every Member of this body, as well as the President, has extolled the virtues of our Federal elderly housing efforts, and the section 202 programs in particular. However, the approximately 100,000 units constructed under the section 202 program are a relatively small part of the assistance provided to the elderly. For example, under the section 8 new construction and public housing programs, over 2.3 million units have been constructed. Of this amount, over 1.1 million are occupied by older persons. Thus, the Banking Committee's judgment to continue Federal involvement in the production of housing will benefit the present and future elderly citizens of this Nation. In resisting the administration's attempts to abolish Federal involvement in housing production, the committee has saved the most effective and efficient of our current programs such as the public housing program and the Farmers Home Administration's section 515 program. Further, it has replaced the most controversial of our housing programs, the section 8 new construction program, with a new, less costly multifamily production and rehabilitation program. All of these production-oriented provisions mean good news not only for the elderly but for all Americans in need of adequate housing.●

● Mr. ROYBAL. Mr. Chairman, I rise in support of H.R. 1, the Housing and Urban-Rural Recovery Act of 1983.

As chairman of the Select Committee on Aging, I would like to commend the distinguished chairman and ranking minority member of the Banking Committee, Mr. ST GERMAIN and Mr. WYLIE, and the chairman and ranking minority member of the Subcommittee on Housing and Community Development, Mr. GONZALEZ and Mr. MCKINNEY, on their continued commitment to improving the quality of life for our Nation's senior citizens.

I am in strong support of H.R. 1 as orginally reported and regret that lower authorization levels must be submitted in order to bring H.R. 1 within the levels set forth in the budget resolution. I believe that H.R. 1 as originally reported provided minimal levels necessary to meet the low-

and moderate-income housing and community development needs of our Nation's population. However, we have not had a housing authorization bill since 1980 and the negative effect that absence has on our ability to provide the policy direction that we expect the administration to follow makes passage of this year's housing authorization bill imperative. Although, for example, as an original sponsor of the congregate housing services program bill, I strongly oppose the reduction of funding for CHSP from $10 million to $4 million in fiscal year 1984, I realize that we are forced to try and pass H.R. 1 within unfortunate budget restraints and I stand in support of Mr. GONZALEZ amendments.

H.R. 1 provides for 14,000 units of section 202 new construction housing for fiscal year 1984. These units represent the only new construction activities targeted toward the elderly and handicapped and I commend the House Banking Committee for their work to insure this much needed level of authorization.

I also stand in support of Mr. WORTLEY's amendment which, would prohibit the Department of Housing and Urban Development from selling any mortgages held as security for a loan under the section 202 program. Last year, as chairman of the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, I fought to oppose the prepayment of a section 202 mortgage and am glad to see that other Members are in agreement that HUD's attempts to divest themself of responsibility for such mortgages are inconsistent with congressional intent regarding the section 202 program.

Shared housing is another issue of great concern to older Americans which is addressed in H.R. 1 in two important areas. First, it allows the use of section 8 assistance in existing housing and moderate rehabilitation programs for shared housing by the elderly. This shared housing language does not add any additional cost to the Government and in most cases will result in a savings due to the lower cost of assistance for shared housing. And second, H.R. 1 provides for rural rental assistance for elderly persons who choose to live in a shared housing arrangement. Shared housing allows the elderly to not only stay in and maintain their homes, but it provides them with companionship and support helping to prevent unnecessary or premature institutionalization.

Another section of the bill which will help reduce the financial burden faced by many elderly renters of public assisted housing is the reduction of tenant rent contribution from 30 to 25 percent, along with appropriate exclusions to income that would be determined before applyng the 25 percent contribution level. Such language is necessary and extremely important in order to help keep rent contribution levels fair and financially manageable.

In conclusion, I would like to compliment Representatives STAN LUNDINE and MARY ROSE OAKAR for their part in including important provisions regarding elderly housing needs. Their continued commitment as dedicated and responsible members of both the Select Committee on Aging and the Subcommittee on Housing and Community Development of the Banking Committee is to be commended. I urge my colleagues support of this important piece of legislation.●

● Mr. LOWERY of California. Mr. Chairman, I rise in strong support of the amendment of my colleague from Ohio (Mr. WYLIE).

Before I began serving in Congress 2½ years ago, I served as a city councilman and deputy mayor of the city of San Diego. From this vantage point, I viewed a situation that dramatically illustrates the reaction of the private sector, and the potential results of this reaction, when rent control becomes a possibility.

In 1978, a proposal was written to appear as a referendum question which would have instituted rent control whenever the vacancy rate fell below 5 percent. As the number of signatures necessary to actually get the question on the ballot mounted, two other very interesting situations developed—the number of applications to convert rental units to condominiums increased dramatically, and the number of applications for building permits for rental units decreased just as dramatically.

For example, in 1978, when the rent control proposal was drafted and petitions began to be circulated, there were applications to convert a total of 6,304 units to condominiums. The following year this number increased by 53.6 percent. In 1980, the year the referendum appeared and was defeated, the number of conversion applications dropped 73.3 percent from the previous year. And only 20 percent of the units covered by these applications were actually converted.

Perhaps even more interesting are the figures on building permits for rental units. Again starting with 1978, there were applications for 6,071 units or rental housing. In 1979, that figure dropped by 27 percent; the following year, the number was down an additional 35.2 percent. The number of applications for 1981 I feel is the most significant of all—in spite of unprecedentedly high interest rates, the figure increased by 23.3 percent—after the defeat of the rent control referendum.

Mr. Chairman, I would like to emphasize to my colleagues that the rental housing situation in San Diego is, if anything, tighter than the national average. The vacancy rate is consistently about 3 percent. This cuts across all levels of rent—from very moderate to very expensive. Had the rent control referendum been successful, the city could have lost several thousand rental units to conversion, and an uncounted number of units never would have been built at all.

I feel that this is a graphic example of the situation that Mr. WYLIE's amendment addresses. Again, I urge a "yea" vote.●

● Mr. FRENZEL. Mr. Chairman, many of the problems with H.R. 1 go far beyond the excessive spending levels. However, most of these problems have already been detailed by previous speakers and do not need reiteration now.

Mostly, I am opposed to H.R. 1 because it calls for an increase in budget authority of over $23 billion which is $15.7 billion above what the President requested in his budget, or about three times as much as he asked.

It is my understanding that an amendment will be offered which will reduce the spending level so that it is more in line with the HUD appropriation bill passed last month. Many Members applaud that reduction as a noble attempt at fiscal restraint. I agree that any reduction is an improvement. However, I also believe that the reduction proposed serves only to highlight the extravagant nature of this bill.

Housing, perhaps more than any other segment in our economy, is dependent on stable and low interest rates in a good economy. The high interest rates which spurred the recession were devastating to the building industry, as well as to home buyers and lenders. Fortunately, interest rates have come down, and new housing starts and construction contracts have increased rapidly.

Competition for available loans is increasing. However, interest rates are still at historically high levels, and current rates are now at a very delicate point. If there is much upward pressure at all, there is a chance that the housing recovery will come to a screeching halt. No Government program could undo the resulting damage to the housing industry, or to those persons this bill is supposed to help.

The primary reason interest rates will remain high is our inability to bring Federal budget deficits under control. Until Congress can convince the financial markets and private investors that we can control Federal spending, it is unrealistic to expect interest rates to do anything but rise. Already, the Federal Government borrows over half of all the available private credit in our capital markets. What remains must meet the needs of a country that is recovering from a deep recession, so there will be an increasing demand for the remaining half, putting additional upward pres-

sure on rates. Adding another $23 billion of Federal borrowing will only accelerate the crowding out problem.

I share my colleagues strong desire to see a strong housing recovery. I agree that it is time we consider new housing policies. However, it should be a program that is fiscally responsible, as well as programmatically sound. I am convinced that the expensive programs promoted in this legislation will not stimulate a housing recovery, but instead will stifle the industry by contributing to the push on interest rates.●

● Mr. COYNE. Mr. Chairman, shelter is a basic human need. Because the majority of Americans are well housed, it is difficult for many to imagine the housing deprivation faced by millions of low-income Americans.

Those of us who have served on public housing authorities, or who know the slums and blighted areas of our communities, have seen the dismal other America that millions of citizens inhabit. It is our responsibility to support a measure now before us, H.R. 1, the Housing and Urban Rural Recovery Act of 1983, as amended, which addresses itself to those conditions.

Housing conditions for millions of Americans in 1983 include vermin-infested, overcrowded units with plumbing and heating which do not work, stairways that threaten life and limb, and windows which are broken or inoperable.

A recent report by the General Accounting Office noted that in my own city of Pittsburgh, 53,631 housing units, or 30 percent of all units in the city, are substandard. They have structural deficiencies, major building code violations, lack some plumbing facilities, or were vacant 6 months or longer.

Such conditions are hard to accept in a nation as wealthy as our own. It is all the more unacceptable that this administration would virtually halt new construction of housing for low-income people as it allows Federal housing assistance to the middle- and upper-class to rise without control.

We do indeed have a massive, and growing, system of Federal housing assistance.

I speak of the tax subsidies for homeownership provided by the Federal Tax Code. These subsidies, the bulk of which come through mortgage interest deductions, have roughly doubled in just 4 years.

At this point, I would like to place in the CONGRESSIONAL RECORD some figures on the cost to Federal Government of home mortgage interest deductions:

FEDERAL TAX EXPENDITURES—DEDUCTIBILITY OF MORTGAGE INTEREST ON OWNER-OCCUPIED HOMES

[In millions of dollars]

1981	1982	1983	1984
$19,805	$25,295	$31,115	$37,960

Source: Congressional Budget Office.

Thirty percent of this ever deepening subsidy, according to the Congressional Budget Office, goes to the 1 tax filer out of 20 who falls into the $50,000 plus category.

Thirty percent of housing in Pittsburgh is substandard. Yet 30 percent of the Federal tax expenditure for homeownership goes to those with incomes of $50,000 or more.

We need to continue mortgage interest deductions for those who need them.

But in all fairness, can we allow further cuts in housing for the poor while we continue to subsidize the purchase of ever more expensive homes by those in upper-income brackets who need no such aid?

The question before us, I submit, is one of equity. By the reckoning of the Congressional Budget Office, roughly $10 billion of the tax expenditures for mortgage interest deductions in 1984 will benefit the 5 percent of the population filing with incomes above $50,000.

The assistance provided by the Housing and Urban Rural Recovery Act will aid those who are less fortunate. Most of them will not have the privilege of itemizing their taxes.

Under title I of this bill the community development block grant program, the most important ongoing Federal contribution to local community redevelopment efforts, would receive $3.5 billion. In addition, the bill restores important provisions of the law repealed by Gramm-Latta which will insure that localities spend at least 51 percent of their CDBG funds to benefit low- and moderate-income persons; that HUD institute application and review requirements to determine if the law is being carried out; and that citizens will have broad opportunity to comment at the local level on how funds are spent.

Mr. Chairman, I would prefer that the funding for the CDBG program be greater than this bill provides, if we had the budgetary leeway. In recent years, the CDBG allocation for the city of Pittsburgh has dropped dramatically, due not only to a loss in population, but to an increase in the number of eligible cities as the aggregate amount authorized for the program remained approximately the same.

What happens when more pieces are cut from a smaller pie? In my city, where between 1975 and 1981, $69 million, or 56 percent of CDBG funds, were spent on housing programs, here is what it means:

Every loss of $15,000 in housing funds means a loss of a home repair;

For every $10,000 lost in economic development funds, the city loses an ability to create or retain at least two jobs;

Rehabilitation or new construction of bridges—a necessity in an area with more bridges than any region in the world, save Venice, Italy—will be deferred.

This legislation continues the versatile and effective urban development action grant program, a Carter administration initiative for which the Reagan administration has shown little enthusiasm. The funding would remain at $440 million, enough to produce or retain thousands of jobs in the coming year.

At this point, I would like to share with my colleagues some figures supplied to me by the Library of Congress which demonstrate how effective the UDAG program is. The Congressional Research Service estimated in 1982 the results of 3 years of funding UDAG at $440 million based on both application data and on projections based on HUD-generated survey data compiled after the application process, here is what it found:

SUMMARY OF THREE-YEAR CUMULATIVE FISCAL YEARS 1982, 1983 AND 1984 AT APPROXIMATELY $440 MILLION PER YEAR

	Projections based on—	
	Application data	Survey data
New permanent jobs	166,268	127,883
Permanent jobs retained	55,461	53,014
Total permanent jobs	221,729	180,897
Property tax revenues ($1,000s)	$135,973	$87,023
Private sector financial investment ($1,000s)	$8,184,000	$9,742,074

Source: Library of Congress Congressional Research Service.

H.R. 1 also restores, wisely I think, the housing component in the UDAG Program. As originally structured, applications for commercial, industrial and housing UDAG Projects were considered equally. This adminstration decided that housing was not a proper activity for the program.

This was a serious mistake in judgment. I offer as an example of a successful UDAG housing grant the Pittsburgh northside revitalization program. By combining a UDAG with proceeds from a bond issuance, the city improved housing conditions, and thereby the housing market, in six northside neighborhoods.

The northside revitalization project has provided below-market interest rate mortgage financing, public improvements, subsidies for treatment of historic facades, and professional marketing of the area. Between November 1979 and December 1982, the program assisted more than 812 units. In July

1982, five new neighborhoods were added to the program as more bonds were issued.

The success of this program argues not for fewer housing UDAG's, but more of them.

Title I of the bill now before us also includes two more provisions I strongly support. One section would revise and expand the existing urban homesteading program. The other establishes a program designed to assist directly neighborhood development programs.

While homesteading is clearly a productive use of Federal moneys and properties, it has not fully realized its potential as a housing program for low- and moderate-income people.

The Housing and Urban-Rural Recovery Act would help the program meet that potential. It revises the homesteading program by restricting eligibility to households whose income is 80 percent or below the SMSA median. To make homesteading affordable to low-income families, H.R. 1 provides $12 million for rehabilitation and technical assistance grants. In addition, it authorizes $12 million for acquisition of properites. Further, participating localities would, for the first time, be allowed to use homesteading funds to acquire single family properties which are not federally owned, thereby expanding the homesteading inventory.

With adequate rehabilitation assistance, homesteading can be a workable program for low-income persons. The city of Pittsburgh now limits participants in its homesteading program to low-income persons. A study by the city of Philadelphia's Office of Housing and Community Development of that city's homesteading program found that "successful deed recipients tended to be very low income individuals." The median household income for participants in Philadelphia was $5,886, compared to a citywide median of $12,727.

By structuring our existing homesteading program to meet the needs of low-income people, we break some important new ground in Federal housing policy. We can house people most in need of shelter while improving our housing stock.

The neighborhood development grant program, authorized at $5 million in this measure, combines the innovation one finds at the neighborhood level with the resources of the Federal Government.

I believe this makes for a powerful combination. The neighborhood development grant program would provide matching Federal funds to nonprofit neighborhood development organizations engaged in activities to improve an area. The amount of a grant would be from 3 to 10 times the amount raised by the neighborhood group, but could not exceed $50,000. Eligible activities include creating permanent jobs in an area; developing or rehabilitating housing; establishing or expanding a business; planning, promoting or financing voluntary neighborhood improvement efforts; and delivery of essential services.

Grants would be awarded based on the amount of economic distress in a given area, the extent to which activities benefit low- and moderate-income persons, and the amount of participation in a project shown by individuals and businesses in a neighborhood.

The ability to solve problems at the local level is not lacking. Thousands of neighborhood groups prove this daily. This program will match the ability of the local problem-solvers with the financial capacity of the Federal Government. The lack of money has caused too many worthwhile neighborhood efforts to be stillborn.

An excellent feature of H.R. 1, and one that I think is long overdue, is a $25 million demonstration program to make a start toward bringing welfare-supported housing up to a decent standard. The Department of Health and Human Services, through housing allowances for public assistance recipients, already spends over $5 billion a year for housing. Since at least 30 percent of welfare recipients live in housing that is substandard, this means that the Federal Government is subsidizing slum housing.

Parenthetically, I might add that this is one reason that many of us were alarmed at an administration proposal to convert most of the HUD programs for low-income housing into a housing voucher program. Without some sort of quality control, this would become a repetition of the welfare housing allowances. It would be a further subsidy to some of the most substandard housing, and to some of the least responsible landlords, in the country.

This demonstration program aims to get two agencies of the Federal Government, HUD and HHS, to cooperate. For example, HUD's housing rehabilitation funds would be targeted to housing where families on public welfare are living. Another feature of the demonstration is to induce State and local governments to upgrade this same housing. Code enforcement, social services and technical assistance will all be brought to bear on this housing that is already, if indirectly, receiving large Federal grants. It may be difficult to develop the coordination and cooperation envisioned in this program, but it is well worth the effort to remove the Government from the slum-perpetuation business.

To increase the production of rental housing, this measure establishes a UDAG style mechanism of assistance to localities. This long overdue program is cost-conscious and locally oriented, and would provide thousands of new rental units in areas where there is a need. Rental housing need resulting from new household formation will range from 290,000 to 400,000 per year through the decade. Many of those households will be composed of female-headed low-income families, which are the poorest in our population. The $900 million provided in this measure will not come close to meeting that need entirely, but should provide assistance to some 75,000 units.

Mr. Chairman, H.R. 1 as a whole does not come close to meeting the needs of low-income families. The President's Commision on Housing has reported that of the 20 million households with income below half of the area median, half of the households are renters. Only 1 out of 4 of those 10 million households lives in federally assisted housing. Seven and one-half million households with less than 50 percent of area median in income receive no assistance at all.

We only make a small beginning at dealing with the scope of our housing problem in this measure. It is, however, a beginning. The administration would, I am convinced, be happy to see Federal housing effort come to an end. I urge my colleagues to oppose the efforts of the administration, and to start to renew our Federal commitment to housing by a yes vote on H.R. 1, the Housing and Urban-Rural Recovery Act of 1983, as amended.●

● Mr. PATTERSON. Mr. Speaker, I rise in support of the bill H.R. 1, the Housing and Urban-Rural Recovery Act of 1983. As I have said on previous occasions, this legislation is essential if the Federal Government is to continue its historical commitment of striving to provide a decent, safe, and sanitary home for all Americans.

One provision in H.R. 1 which I would like to point out is the $100 million for shelter grants—a provision added by the committee amendment offered by Chairman GONZALEZ yesterday. I am very pleased that the House has accepted this provision, but I am disappointed that we needed to pass this provision again. As my colleagues are well aware, the House has already approved a shelter grant proposal in which H.R. 1983 is languishing in the Senate. By attaching the shelter grant provision to H.R. 1, we will have a better chance of getting this critical program enacted into law.

In my district the problems of the homeless are acute. Although a number of local governments and nonprofit organizations are attempting to provide shelter for such people, the resources are limited. The shelter grant program we have provided in H.R. 1 will augment these local efforts by providing localities with additional funds that they can leverage with private resources in order to better meet

the shelter needs of homeless individuals and families.

I thank my colleagues who voted in favor of H.R. 1 and hope we can quickly move this legislation to enactment.●

□ 1640

The CHAIRMAN. Are there any further amendments? If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MINETA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to amend and extend certain Federal laws that establish housing and community and neighborhood development and preservation programs, and for other purposes, pursuant to House Resolution 248, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate amendment demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mr. ST GERMAIN. Mr. Speaker, I demand a separate vote on the so-called Bartlett amendment to title V relating to the elimination of the requirement that Federal Housing Administration interest rates be set by law.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Clerk will report the amendment on which the separate vote has been demanded.

The Clerk read as follows:

Amendment: Page 149, after line 13, insert the following new section (and conform the table of contents accordingly):

ELIMINATION OF REQUIREMENT THAT FEDERAL HOUSING ADMINISTRATION INTEREST RATES BE SET BY LAW

SEC. 514. (a) Sections 3 and 4 of Public Law 90-301 are hereby repealed.

(b)(1) Section 2(b)(5) of the National Housing Act is amended to read as follows:

"(5) No insurance shall be granted under this section to any such financial institution with respect to any obligation representing any such loan, advance of credit, or purchase by it unless the obligation has such maturity, bears such insurance premium charges, and contains such other terms, conditions, and restrictions as the Secretary shall prescribe, in order to make credit available for the purpose of this title. Any such obligation with respect to which insurance is granted under this section shall bear interest at such rate as may be agreed upon by the borrower and the financial institution.".

(2) Section 203(b)(5) of such Act is amended to read as follows:

"(5) Bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(3) Section 203(k)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(4) The first sentence of the first undesignated paragraph of section 207(c)(3) of such Act is amended to read as follows: "The mortgage shall provide for complete amortization by periodic payments within such term as the Secretary shall prescribe, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(5) The first sentence of section 213(d) of such Act is amended to read as follows: "Any mortgage insured under this section shall provide for complete amortization by periodic payments within such term as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(6) The second sentence of section 220(d)(4) of such Act is amended to read as follows: "The mortgage shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee and contain such terms and provisions with respect to the application of the mortgagor's periodic payment to amortization of the principal of the mortgage, insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Secretary may in the Secretary's discretion prescribe.".

(7) Section 220(h)(2)(iii) of such Act is amended to read as follows:

"(iii) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(8) Section 221(d)(5) of such Act is amended by striking out "(exclusive" and all that follows through "mortgage market" and inserting in lieu thereof the following: "at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(9) Section 231(c)(6) of such Act is amended to read as follows:

"(6) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee; and".

(10) Section 232(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(11) The first sentence of section 234(f) of such Act is amended to read as follows: "Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such terms as the Secretary may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(12) Section 235(i)(3) of such Act is amended—

(A) by striking out "and" at the end of subparagraph (D);

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof "; and"; and

(C) by adding the following new subparagraph at the end thereof:

"(F) bear interest at a rate not to exceed such per centum per annum on the amount of the principal obligation outstanding at any time as the Secretary finds necessary to meet the mortgage market, taking into consideration the yields on mortgages in the primary and secondary markets.".

(13) Section 240(c)(4) of such Act is amended to read as follows:

"(4) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(14) Section 241(b)(3) of such Act is amended to read as follows:

"(3) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee;".

(15) Section 242(d)(3)(B) of such Act is amended to read as follows:

"(B) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee.".

(16) Section 1002(d)(2) of such Act is amended to read as follows:

"(2) bear interest at such rate as may be agreed upon by the mortgagor and the mortgagee: *Provided*, That the Secretary may agree to a reasonable extension of the term of a mortgage, the maturity of which is limited by this paragraph to not more than ten years, if the Secretary determines that unusual or unforeseen circumstances make such extension necessary to avoid undue hardship to the mortgagor;".

Mr. ST GERMAIN (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. BARTLETT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 194, not voting 11, as follows:

[Roll No. 245]

AYES—228

Anderson	Coats	Erlenborn
Andrews (NC)	Coleman (MO)	Evans (IA)
Andrews (TX)	Coleman (TX)	Fazio
Anthony	Conable	Fiedler
Archer	Conte	Fields
Badham	Corcoran	Fish
Barnard	Coughlin	Flippo
Barnes	Courter	Forsythe
Bartlett	Craig	Franklin
Bateman	Crane, Daniel	Frenzel
Bereuter	Crane, Philip	Gekas
Bethune	Daniel	Gilman
Bilirakis	Dannemeyer	Gingrich
Bliley	Daschle	Goodling
Boehlert	Daub	Gradison
Broomfield	Davis	Gramm
Brown (CO)	DeWine	Green
Bryant	Dickinson	Gregg
Burton (IN)	Dowdy	Gunderson
Byron	Dreier	Hall (OH)
Campbell	Duncan	Hall, Ralph
Carney	Durbin	Hall, Sam
Chandler	Dyson	Hance
Chappell	Edwards (AL)	Hansen (ID)
Chappie	Edwards (OK)	Hansen (UT)
Cheney	Emerson	Hefner
Clarke	English	Hightower
Clinger	Erdreich	Hiler

Hillis	Miller (CA)	Sensenbrenner
Holt	Miller (OH)	Shaw
Hopkins	Molinari	Shelby
Horton	Mollohan	Shuster
Huckaby	Montgomery	Sikorski
Hunter	Moody	Siljander
Hutto	Moore	Sisisky
Hyde	Moorhead	Skeen
Ireland	Morrison (WA)	Slattery
Jeffords	Mrazek	Smith (FL)
Jenkins	Murphy	Smith (NE)
Jones (OK)	Myers	Smith (NJ)
Jones (TN)	Neal	Smith, Denny
Kasich	Nelson	Smith, Robert
Kazen	Nichols	Snyder
Kemp	Nielson	Solomon
Kindness	O'Brien	Spence
Kramer	Olin	Spratt
Lagomarsino	Ortiz	Stangeland
Latta	Oxley	Stenholm
Leach	Packard	Stump
Leath	Parris	Sundquist
Lent	Pashayan	Synar
Lewis (CA)	Paul	Tallon
Lewis (FL)	Penny	Tauke
Lloyd	Petri	Tauzin
Loeffler	Pickle	Taylor
Lott	Porter	Thomas (CA)
Lowery (CA)	Pritchard	Thomas (GA)
Lujan	Pursell	Valentine
Lungren	Quillen	Vander Jagt
Mack	Ray	Vandergriff
MacKay	Regula	Vucanovich
Madigan	Richardson	Walker
Marriott	Ridge	Watkins
Martin (IL)	Rinaldo	Weber
Martin (NC)	Ritter	Whitehurst
Martin (NY)	Roberts	Whitley
McCain	Robinson	Whittaker
McCandless	Roemer	Williams (OH)
McCollum	Rogers	Winn
McCurdy	Roth	Wirth
McDonald	Rowland	Wolf
McEwen	Rudd	Wortley
McGrath	Sawyer	Wylie
McKernan	Schaefer	Young (AK)
McKinney	Schneider	Young (FL)
Michel	Schulze	Zschau

NOES—194

Ackerman	Downey	Kastenmeier
Addabbo	Dwyer	Kennelly
Akaka	Dymally	Kildee
Albosta	Early	Kogovsek
Alexander	Eckart	Kolter
Annunzio	Edgar	Kostmayer
Applegate	Edwards (CA)	LaFalce
Aspin	Evans (IL)	Lantos
AuCoin	Fascell	Lehman (CA)
Bates	Feighan	Lehman (FL)
Bedell	Ferraro	Levin
Beilenson	Florio	Levine
Bennett	Foglietta	Levitas
Berman	Foley	Lipinski
Bevill	Ford (MI)	Long (LA)
Biaggi	Ford (TN)	Long (MD)
Boggs	Fowler	Lowry (WA)
Boland	Frank	Luken
Bonior	Frost	Lundine
Bonker	Fuqua	Markey
Borski	Garcia	Marlenee
Bosco	Gaydos	Martinez
Boucher	Gejdenson	Matsui
Boxer	Gephardt	Mavroules
Britt	Gibbons	Mazzoli
Brooks	Glickman	McCloskey
Brown (CA)	Gonzalez	McDade
Burton (CA)	Gore	McHugh
Carper	Gray	McNulty
Carr	Guarini	Mica
Clay	Hall (IN)	Mikulski
Coelho	Hamilton	Mineta
Collins	Harkin	Minish
Conyers	Harrison	Mitchell
Cooper	Hartnett	Moakley
Coyne	Hatcher	Morrison (CT)
D'Amours	Hertel	Murtha
de la Garza	Howard	Natcher
Dellums	Hoyer	Nowak
Derrick	Hubbard	Oakar
Dicks	Hughes	Oberstar
Dingell	Jacobs	Obey
Dixon	Johnson	Ottinger
Donnelly	Jones (NC)	Owens
Dorgan	Kaptur	Panetta
Patman	Schroeder	Udall
Patterson	Schumer	Vento
Pease	Seiberling	Volkmer
Pepper	Shannon	Walgren
Perkins	Sharp	Waxman
Price	Simon	Weaver
Rahall	Skelton	Weiss
Rangel	Smith (IA)	Wheat
Ratchford	Snowe	Whitten
Reid	Solarz	Williams (MT)
Rodino	St Germain	Wilson
Roe	Staggers	Wise
Rose	Stark	Wolpe
Rostenkowski	Stokes	Wright
Roukema	Stratton	Wyden
Roybal	Studds	Yates
Russo	Swift	Yatron
Sabo	Torres	Young (MO)
Savage	Towns	Zablocki
Scheuer	Traxler	

NOT VOTING—11

Boner	Hammerschmidt	Livingston
Breaux	Hawkins	Shumway
Broyhill	Heftel	Torricelli
Crockett	Leland	

□ 1650

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the legislation?

Mr. WYLIE. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WYLIE moves to recommit the bill, H.R. 1, to the Committee on Banking, Finance and Urban Affairs with instructions to report the bill back to the House forthwith with the following amendment: Title III is amended by adding the following new section:

"SEC. 312. Notwithstanding any other provision of law, assistance under this title shall not be made available if the unit of general local government, with jurisdiction over the area in which the project is to be located, has any law, ordinance or other measure which could control rents on projects built after the date of enactment of this section, other than projects developed with State or local government assistance."

The SPEAKER. Under the rule, the gentleman from Ohio (Mr. WYLIE) is entitled to 5 minutes.

The Chair recognizes the gentleman from Ohio.

□ 1700

Mr. WYLIE. Mr. Speaker, this is exactly the same amendment which I offered yesterday relative to rent control. We have had extensive debate on the amendment already. I referred in my debate on the amendment yesterday to studies which have been conducted by HUD, by Nobel prize winning economists and editorials all over the country on the subject of rent control. No one, virtually no one, disagrees that rent control is a disincentive to the construction of rental housing.

The problem of rental housing cannot be solved with federally subsidized funds. The problem is too great in those cities which need the capital to construct new rental housing units. Only the private sector can provide the necessary capital to do this in cities such as New York and Washington, D.C., which are worst case situations, both cities with rent control.

What my amendment says, Mr. Speaker, is that we will help you solve your problem, but you have got to help yourself. You cannot receive money under this new multifamily housing program if you impose rent controls on new private capital investment in rental housing projects.

Incidentally, local rental controls would not apply to the Federal Government. The Secretary of HUD has the authority to fix the rent on Government-assisted housing to provide a reasonable return on investment.

In other words, rent controls are no good for the Government, but they are all right as applied against private builders.

This is not a partisan issue. If I thought it were, I can count.

Mr. ROTH. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Wisconsin.

Mr. ROTH. Mr. Speaker, I think this is a most important issue. I would hope that the House would join our colleague, the gentleman from Ohio, in his motion.

There is nothing that is a greater impediment to adequate housing in this country today than are rent controls. We can look at the evidence. There is not a place in this country where we have rent controls where we do not have a case of insufficient housing. If we are logical we will admit that our policy here will be incongruent if we do not go along with the gentleman's amendment, because on the one hand we are saying that we want to spend billions of dollars to improve housing in this country, and on the other hand we are saying that we are endorsing a policy that empirical evidence shows is a policy that does not lend itself to good housing, because it takes the incentive away from the private entrepreneurs.

I think if we want adequate housing in this country, we have to follow the philosophy that the gentleman from Ohio has enunciated.

Mr. WYLIE. Mr. Speaker, I associate myself with those remarks and thank the gentleman for his contribution.

As I said, Mr. Speaker, this is not a partisan issue. A Democratic and a Republican administration have both spoken out against rent controls as being counterproductive of the construction of new rental housing. Rent controls are anticonsumer.

It is a fact that as a general proposition there are more rental housing units available in nonrent controlled cities than there are in rent controlled cities.

My amendment would have no impact on present renters or on existing housing. It would apply only prospectively, and I want to make that clear, it would provide cities with a choice as to how they would approach local rent control practices. It does not force them to change existing law. It would eliminate a built-in bias that would reward rent control cities. As drafted, cities that would qualify or try to get funds from the multifamily housing program in this bill would benefit and those with the lowest vacancy rates are the rent control cities which would benefit.

Now, some have said to me after the vote yesterday that you are not for rent controls, either, but they should be a matter of local option. Every single Federal program which we have has some suggestion as to how the taxpayers' money should be used. In funds for public buildings, we provide that there shall be access ramps. In historic preservations, we provide certain criteria by which this money can be used. In transportation funds, of course, we provide that.

In yesterday's debate, the gentleman from Texas (Mr. WRIGHT) mistakenly——

The SPEAKER. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

The gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in opposition to this motion.

This is not a question of whether you like rent control or not. That is not up to us to decide. It is a question of whether we in the Federal Government want to arrogate to ourselves the almighty presumption of denying to cities an opportunity to participate in a program in which all other cities might participate on the basis of their own local judgment.

Attempts have been made throughout the years to use this kind of legislation as a means to browbeat local cities and tell them that they may not have any form of rent control. That is very ironic, because at the very same time we apply rent controls of a direct and indirect sort in our own Federal legislation.

Now, if this motion were to prevail, cities in the States of Massachusetts, New York, New Jersey, and California would be simply denied the privilege of participating in this program. Some of them have widely varying forms of rent stabilization agreements. For example, in the city of New York and in the State of New York, all rent controls are wholly voluntary and only the developer who chooses to enter into that kind of an agreement does so; yet because of the law which permits it, the city of New York would be utterly denied the use of any funds under this bill if the recommittal motion of the gentleman from Ohio were to prevail.

The gentleman suggests that rent control may be one of the things that discourages the construction of new housing. Well, I do not know whether it is or not. I do know that the main thing that has been discouraging the construction of new housing is high interest rates.

□ 1710

One of the other things that has been discouraging the construction of new housing is low tenant incomes. But the truth simply is that with interest rates at their present levels, higher than they have ever been, as a real proposition above the rate of inflation, over a prolonged and more sustained period of time, the real interest rate has prohibited the construction of housing. Builders cannot afford to build houses that they can rent at prices that the average citizen can afford to pay, because of the high interest rates.

Are you going to deny the participation because of interest rates? You have just voted against that. Therefore it seems to me that it would be entirely illogical for us to presume that we are going to dictate now how local communities govern their own cities, that we are going to go in and censure their ordinances, and that we are going to impose our will upon them in a matter so local as the question of whether or not they are going to apply any form of rent stabilization.

Always in the past we have voted against it. We voted against it yesterday in the Committee of the Whole.

I suggest to you then, therefore, that the responsible course is to vote "no" on this motion to recommit and to vote for the bill.

I yield my time back to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Speaker, I would like to conclude very briefly by stating that the gentleman from Ohio said that we require access ramps in Federal buildings that are federally subsidized. Certainly. Certainly.

But what he is asking here in this amendment is that we say to these communities that have decided on their own to have rent control you cannot have it because Uncle Sam knows better than you.

If that is the case we should have adopted the amendment that was offered by the gentleman from New York yesterday that would say yes, and indeed we will also tell every community in this Nation what their building codes should be, should they use plastic tubing and piping or copper tubing and piping, and what the size of the door should be, and how many entrances and egresses there should be, and how many fire escapes.

We have decided over the years that we would not do that because that is too much interference. Why should we interfere here? Let these cities make up their own minds.

For those of you from the South and States righters, this is a States rights issue also.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Pursuant to the provisions of clause 5, rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage of the bill.

The vote was taken by electronic device, and there were—yeas 205, nays 217, not voting 11, as follows:

[Roll No. 246]

YEAS—205

Anderson	Corcoran	Gradison
Andrews (NC)	Coughlin	Gramm
Andrews (TX)	Courter	Gregg
Anthony	Craig	Gunderson
Archer	Crane, Daniel	Hall (OH)
AuCoin	Crane, Philip	Hall, Ralph
Badham	Daniel	Hall, Sam
Barnard	Dannemeyer	Hance
Bartlett	Daub	Hansen (ID)
Bateman	Davis	Hansen (UT)
Bedell	DeWine	Harkin
Bennett	Dickinson	Hartnett
Bereuter	Dreier	Hightower
Bethune	Duncan	Hiler
Bilirakis	Edwards (AL)	Hillis
Bliley	Edwards (OK)	Holt
Boehlert	Emerson	Hubbard
Broomfield	Erdreich	Huckaby
Brown (CO)	Erlenborn	Hunter
Burton (IN)	Evans (IA)	Hutto
Byron	Fiedler	Hyde
Campbell	Fields	Ireland
Carney	Flippo	Jeffords
Chandler	Forsythe	Kasich
Chappell	Franklin	Kemp
Chappie	Frenzel	Kindness
Cheney	Gekas	Kramer
Clinger	Gibbons	Lagomarsino
Coats	Gingrich	Latta
Coleman (MO)	Glickman	Leach
Conable	Goodling	Leath

Lent
Levitas
Lewis (CA)
Lewis (FL)
Lloyd
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
MacKay
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McCain
McCandless
McCollum
McDade
McDonald
McEwen
McGrath
McKernan
McKinney
Mica
Michel
Miller (OH)
Molinari
Montgomery
Moore
Moorhead
Morrison (WA)
Murphy
Myers
Nelson
Nichols
Nielson
O'Brien
Ortiz
Oxley
Packard
Parris
Pashayan
Patman
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Rahall
Ray
Regula
Ridge
Ritter
Roberts
Robinson
Roemer
Rogers
Roth
Rudd
Sawyer
Schaefer
Schneider
Schulze
Sensenbrenner
Shaw
Shelby
Shuster
Siljander
Skeen
Skelton
Smith (IA)
Smith (NE)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Valentine
Vander Jagt
Vandergriff
Volkmer
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Williams (OH)
Wilson
Winn
Wolf
Wortley
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—217

Ackerman
Addabbo
Akaka
Albosta
Alexander
Annunzio
Applegate
Aspin
Barnes
Bates
Beilenson
Berman
Bevill
Biaggi
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Britt
Brooks
Brown (CA)
Bryant
Burton (CA)
Carper
Carr
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
D'Amours
Daschle
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
English
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fish
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Gonzalez
Gore
Gray
Green
Guarini
Hall (IN)
Hamilton
Harrison
Hatcher
Hefner
Hertel
Horton
Howard
Hoyer
Hughes
Jacobs
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Levin
Levine
Lipinski
Long (LA)
Long (MD)
Lowry (WA)
Luken
Lundine
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McHugh
McNulty
Mikulski
Miller (CA)
Mineta
Minish
Mitchell
Moakley
Mollohan
Moody
Morrison (CT)
Mrazek
Murtha
Natcher
Neal
Nowak
Oakar
Oberstar
Obey
Olin
Ottinger
Owens
Panetta
Patterson
Pease
Penny
Pepper
Perkins
Pickle
Price
Rangel
Ratchford
Reid
Richardson
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland
Roybal
Russo
Sabo
Savage
Scheuer
Schroeder
Schumer
Seiberling
Shannon
Sharp
Sikorski
Simon
Sisisky
Slattery
Smith (FL)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Swift
Synar
Torres
Towns
Traxler
Udall
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams (MT)
Wirth
Wise
Wolpe
Wright
Wyden
Yates
Zablocki

NOT VOTING—11

Boner
Breaux
Broyhill
Hammerschmidt
Hawkins
Heftel
Hopkins
Leland
Livingston
Shumway
Torricelli

□ 1720

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WYLIE. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. The Chair will remind the Members that this will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 263, noes 158, not voting 12, as follows:

[Roll No. 247]

AYES—263

Ackerman
Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews (NC)
Annunzio
Anthony
Aspin
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Berman
Bevill
Biaggi
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Britt
Brooks
Brown (CA)
Bryant
Burton (CA)
Carper
Carr
Chappell
Clarke
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
D'Amours
Daschle
Davis
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Ferraro
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall (IN)
Hall (OH)
Hamilton
Harkin
Harrison
Hatcher
Hefner
Hertel
Hightower
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kaptur
Kastenmeier
Kazen
Kennelly
Kildee
Kogovsek
Kolter
Kostmayer
LaFalce
Lantos
Lehman (CA)
Lehman (FL)
Levin
Levine
Lipinski
Long (LA)
Long (MD)
Lowry (WA)
Luken
Lundine
MacKay
Markey
Martinez
Mavroules
Mazzoli
McCloskey
McDade
McHugh
McKernan
McKinney
McNulty
Mica
Mikulski
Miller (CA)
Mineta
Minish
Mitchell
Moakley
Mollohan
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Ottinger
Owens
Panetta
Patman
Patterson
Pease
Pepper
Perkins
Pickle
Porter
Price
Pritchard
Quillen
Rahall
Rangel
Ratchford
Reid
Richardson
Ridge
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Rowland
Roybal
Russo
Sabo
Savage
Scheuer
Schneider
Schroeder
Schumer
Seiberling
Shannon
Sharp
Shelby
Sikorski
Simon
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Thomas (GA)
Torres
Towns
Traxler
Udall
Valentine
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams (MT)
Williams (OH)
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki

NOES—158

Andrews (TX)
Applegate
Archer
Badham
Bartlett
Bateman
Bereuter
Bilirakis
Bliley
Broomfield
Brown (CO)
Burton (IN)
Byron
Campbell
Carney
Chandler
Chappie
Cheney
Coats
Coleman (MO)
Conable
Corcoran
Courter
Craig
Crane, Daniel
Crane, Philip
Daniel
Dannemeyer
Daub
DeWine
Dorgan
Dreier
Edwards (AL)
Edwards (OK)
Emerson
English
Erlenborn
Evans (IA)
Fiedler
Fields
Forsythe
Franklin
Frenzel
Gekas
Gingrich
Goodling
Gramm
Gregg
Gunderson
Hall, Ralph
Hall, Sam
Hance
Hansen (ID)
Hansen (UT)
Hartnett
Hiler
Hillis
Holt
Hopkins
Huckaby
Hunter
Hyde
Ireland
Kasich
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach
Leath
Lent
Levitas
Lewis (CA)
Lewis (FL)
Livingston
Loeffler
Lott
Lowery (CA)
Lujan
Lungren
Mack
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McCain
McCandless
McCollum
McCurdy
McDonald
McEwen
McGrath
Michel
Miller (OH)
Molinari
Montgomery
Moody
Moore
Moorhead
Morrison (WA)
Myers
Nielson
Oxley
Packard
Parris
Pashayan
Paul
Penny
Petri
Pursell
Ray
Regula
Ritter
Roberts
Robinson
Roemer
Rogers
Roth
Roukema
Rudd
Sawyer
Schaefer
Schulze
Sensenbrenner
Shaw
Shuster
Siljander
Skeen
Smith (NE)
Smith, Denny
Smith, Robert
Snyder
Solomon
Spence
Stangeland

Stenholm	Vandergriff	Wolf
Stump	Vucanovich	Wortley
Tauke	Walker	Wylie
Tauzin	Weber	Young (AK)
Taylor	Whitehurst	Young (FL)
Thomas (CA)	Whittaker	Zschau
Vander Jagt	Winn	

NOT VOTING—12

Bethune	Hammerschmidt	Matsui
Boner	Hawkins	Nelson
Breaux	Heftel	Shumway
Broyhill	Leland	Torricelli

□ 1730

The Clerk announced the following pair:

On this vote:

Mr. Matsui for, with Mr. Breaux against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS, PUNCTUATION, AND CROSS REFERENCES IN ENGROSSMENT OF H.R. 1

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that, in the engrossment of the bill, the Clerk be authorized to correct section numbers, punctuation, and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill, H.R. 1.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERSONAL EXPLANATION

● Mr. NELSON of Florida. Mr. Speaker, had I been present to vote on final passage of H.R. 1, I would have voted "aye."●

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested a bill of the House of the following title:

H.R. 3392. An act to amend the Agricultural Act of 1949.

HOUR OF MEETING TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns tonight, it adjourn to meet at 12 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 3069, SUPPLEMENTAL APPROPRIATIONS, 1983

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3069) making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and, without objection, appoints the following conferees:

Mr. WHITTEN, Mr. BOLAND, Mr. NATCHER, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LONG of Maryland, Mr. YATES, Mr. ROYBAL, Mr. BEVILL, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. MCDADE, Mr. EDWARDS of Alabama, Mr. MYERS, Mr. MILLER of Ohio, Mr. COUGHLIN, and Mr. KEMP.

There was no objection.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON FOSSIL AND SYNTHETIC FUELS OF COMMITTEE ON ENERGY AND COMMERCE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. SHARP. Mr. Speaker, I ask unanimous consent that the Subcommittee on Fossil and Synthetic Fuels of the Committee on Energy and Commerce be permitted to sit tomorrow during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana.

Mrs. ROUKEMA. Mr. Speaker, reserving the right to object, could the gentleman repeat his request.

Mr. SHARP. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Illinois.

Mr. SHARP. This is a unanimous-consent request to allow the Subcommittee on Fossil and Synthetic Fuels to meet tomorrow afternoon during the 5-minute rule.

My distinguished colleague, the gentleman from Illinois, the ranking minority member, I believe agrees with this request.

□ 1740

Mr. CORCORAN. Mr. Speaker, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Illinois.

Mr. CORCORAN. I thank the gentlewoman for yielding on her reservation.

Mr. Speaker, let me say that the distinguished chairman of the subcommittee has discussed this with me. We have been meeting regularly. We think that tomorrow we can make progress, and I have no objection.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Indiana?

Mr. FIELDS. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

(Messrs. BEREUTER, WALKER, Mrs. ROUKEMA, Messrs. BARTLETT, CARNEY, CONABLE, LOTT, KEMP, LENT, GEKAS, EMERSON, and Mrs. SMITH of Nebraska also objected.)

The SPEAKER pro tempore. A sufficient number has objected. Objection is heard.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3021, HEALTH CARE FOR THE UNEMPLOYED ACT

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 98-292) on the resolution (H. Res. 262) providing for the consideration of the bill (H.R. 3021) to amend the Social Security Act to provide for a program of grants to States to provide health care benefits for the unemployed, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 2769, CARIBBEAN BASIN ECONOMIC RECOVERY ACT

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 246 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 246

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region, the first reading of the bill shall be dispensed with, and all points of order against section 201 of the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment under the five-minute rule. No amendment to the bill shall be in order except the

amendments recommended by the Committee on Ways and Means and the amendments recommended by the Committee on Ways and Means now printed in the bill, said amendments shall be considered en bloc and shall not be subject to a demand for a division of the question in the House or in Committee of the Whole, said amendments shall not be subject to amendment, and all points of order against the last committee amendment inserting a new section 203 for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Florida (Mr. PEPPER) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, for purposes of debate only. I yield 30 minutes to my friend, the able gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 246 provides for the consideration of H.R. 2769, the Caribbean Basin Economic Recovery Act. To proceed to the consideration of H.R. 2769 in an orderly and efficient manner, House Resolution 246 provides for a modified closed rule, allowing 2 hours for general debate. The rule makes in order amendments offered en bloc by the Committee on Ways and Means, which are not amendable nor subject to a division. Under the rule, points of order pursuant to clause 5, rule XXI are waived against section 201 of the bill, and clause 7, rule XVI is waived against the last committee amendment. Lastly, the rule provides one motion to recommit.

House Resolution 246 provides that after 2 hours of debate, the bill shall be considered for purposes of amendment under the 5-minute rule and that the bill be considered as read. The Committee of the Whole House would then consider the amendments to be offered by the Committee on Ways and Means under the 5-minute rule. These amendments include, but are not limited to, the amendments recommended by the committee now printed in the bill.

The rule permits consideration of other committee amendments as well, but provides that committee amendments printed in the bill be considered en bloc, both in the Committee of the Whole and in the House. That is, the committee amendments would not be subject to a demand for a division of the question either in the House or the Committee of the Whole. In addition, the amendments themselves would not be amendable.

It was necessary to waive points of order against consideration of the last committee amendment inserting a new section 203, for failure to comply with clause 7, rule XVI, pertaining to germaneness. Section 203 of the bill requires the Secretary of the Treasury to report to the Committee on Ways and Means and the Committee on Finance on the use of tax havens in the Caribbean Basin nations. This provision is not germane to the original bill, which involves the tariff treatment of goods and articles imported from the Caribbean Basin region.

It was also necessary to waive points of order under clause 5, rule XXI against section 201 of the bill, which provides that all excise taxes on rum imported into the United States be paid to the treasuries of Puerto Rico and Virgin Islands. Clause 5, rule XXI prohibits the appropriation of funds in a legislative bill. Because section 201 of the bill in effect mandates an appropriation of funds, a waiver of clause 5, rule XXI is necessary in order to permit its consideration on the floor.

Mr. Speaker, House Resolution 246 provides for the consideration of H.R. 2769, the Caribbean Basin Economic Recovery Act. This measure is the legislative embodiment of the Caribbean Basin Initiative, the President's United States-Caribbean economic cooperation program. This program is intended to halt and reverse the economic destabilization of the Caribbean Basin countries caused by the unprecedented levels of balance-of-trade deficits experienced by these nations.

The chief component of the Caribbean Basin Initiative is the offer of one-way free trade, providing secure long-term access to the U.S. market for goods manufactured or grown in the region. Title I of H.R. 2769 authorizes the President to proclaim duty-free eligible imports from any of 28 Caribbean Basin countries subject to certain conditions and limitations. Nations engaged in economic, trade or international policy actions adverse to the interest of the United States would be ineligible for duty-free status. Beneficiary countries seeking duty-free treatment for sugar and beef must submit a "stable food production plan" to insure that changes in land use to take advantage of the duty-free treatment of these products will not adversely affect nutritional standards.

The Caribbean Basin Initiative was adopted by the House during the 97th Congress, but failed to pass the Senate. This year, the Senate adopted the Caribbean Basin Initiative and attached the measure to H.R. 2973. Although it aroused some controversy last year, the bill enjoys bipartisan support because of the inclusion of a package of provisions to protect domestic industry and labor.

Under the provisions of the bill, imports from eligible countries must comply with "rules of origin" guidelines included to prevent the establishment of "pass-through" operations. H.R. 2769 exempts certain items such as leather goods, canned tuna, and petroleum products whose duty-free entry would threaten domestic industries and jobs in the United States and insular possessions, and limits the duty-free treatment of sugar. In addition, the bill's provisions allow a range of Presidential actions—including the suspension of duty-free treatment—to respond to injury to domestic industries.

In this year's version of the bill as reported by the Committee on Ways and Means, provisions were added requiring the International Trade Commission and the Secretary of Labor to monitor and report to the Congress on the impact of the Caribbean Basin Initiative on domestic and labor. In addition, both Chairman ROSTENKOWSKI and Hon. SAM GIBBONS, chairman of the Subcommittee on Trade, assured the Committee on Rules that the Ways and Means Committee would conduct vigorous oversight of the operation of this legislation, with a view toward determining whether there is any adverse effect on American labor. If, on the basis of such hearings or reports, the Congress is informed of adverse effects on U.S. labor, appropriate changes can be considered by the Ways and Means Committee and by the Congress.

□ 1750

Mr. Speaker, I think I can say that I have about as good a labor record as any Member of Congress in either House, and it was a matter of keen concern to me when there was a presentation to the Committee on Rules of these labor amendments. After I voted no on the Caribbean Basin bill last year because we had not reconciled the matter about the labor amendments, I went to work to try to bring about a reconciliation of views between the Committee on Ways and Means, those who were sponsoring this bill, and the people in the White House and in the appropriate departments of the executive branch of the Government, and we had many meetings trying to find a satisfactory solution.

None of us wants to hurt American labor. This bill is designed to help American labor by providing a better market for American products that are made primarily by American labor.

So we were not able to come to an agreement. Labor presented a series of amendments which the Members who were the sponsors of this bill thought were contrary to the basic philosophy of the bill. It was thought that if they were adopted, they would practically emasculate the bill, and there just was not a vote in the Committee on Rules to authorize those amendments to be

considered by the House in the consideration of this measure.

But I want every Member of this House to know that certainly as one Member I will support the gentleman from Florida (Mr. GIBBONS) and the gentleman from Illinois (Mr. ROSTENKOWSKI), the chairman of the subcommittee and the chairman of the full committee, as I think the majority of this House will. If anybody of responsibility can show that this bill hurts American labor, we are undertaking the moral responsibility to correct what it is in this bill that hurts American labor. So we are certainly intending to be fair to American labor, and I certainly feel as keenly as anyone does who has a conscientious responsibility with respect to that matter.

Finally, I would note that section 102(e) of the bill provides authority for the President to suspend duty-free treatment under title I of the bill, and makes the procedures of section 203 of the Trade Act of 1974 applicable to any such suspension.

Since section 203 of the act provides for a two-House legislative veto—subject to special rules of the House set forth in section 152 of the act—the Committee on Rules asserts partial jurisdiction over this bill. To accommodate the need for speedy action on the measure, the committee did not seek reference of H.R. 2796 but the committee does not intend for the history of the processing of this matter to constitute a precedent.

Yesterday, Mr. Speaker, the Committee on rules did not grant a rule for each of two bills under our consideration and instead referred these bills to the respective committees which presented those bills to the Rules Committee. One of those bills contained a two-House legislative veto provision which had been held unconstitutional by the recent decision of the Supreme Court. We felt that we could not, with proper regard to the Constitution, send to the floor of the House a provision in the bill that was purely and potentially unconstitutional according to the decision of the Supreme Court.

However, House Resolution 246 was reported out before the Supreme Court decision was made on the two-House veto, and the veto involved here is a two-House veto. The Committee on Rules also receive the assurance of the distinguished chairman of the Committee on Ways and Means that the two-House veto referred in the bill is saveable from the remainder of H.R. 2769. So we did not want to delay the bill by calling the bill back referring the measure back to the Ways and Means Committee in order that the Rules Committee could consider it again. Although this action is subject to the will of the House, I wanted to explain why the Committee on Rules did not take some action with respect to the inclusion in this bill of the two-House veto.

Mr. Speaker, H.R. 2769 is designed to grant desperately needed trade relief to many of our 28 neighboring countries to the southeast. Each dollar of trade preference to these nations will ultimately return many more dollars to the United States in economic benefits. I urge my colleagues to allow its consideration by adopting House Resolution 246.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say right up front that I am for this rule. This rule makes in order consideration of the Caribbean Basin Economic Recovery Act. This bill contains a combination of tax and tariff incentives designed to provide financial and trade assistance to non-Communist Caribbean nations, who are in an impoverished, but troubled region. It is hoped that this measure will help to stabilize this area, which is of vital interest to the United States.

This resolution provides for a modified closed rule, which has been ably explained by the gentleman from Florida (Mr. PEPPER). No other amendment but the Ways and Means Committee amendments are in order. The resolution does provide for one motion to recommit.

Although I am usually not in favor of a closed rule of any sort, I support this particular modified closed rule, as does the administration. To do otherwise would seriously weaken our commitment to the Caribbean, an area to whom we have promised so much and delivered so little.

The Ways and Means Committee has taken into consideration every possible concern that any Member might have in relation to this bill and tried to accommodate them without dealing a deathblow to the intent of the bill. The bill exempts from or limits duty-free treatment of many articles that might be of concern to many Members. The bill also contains protective measures to reduce any detrimental effect CBI may have on Puerto Rico, the Virgin Islands and other possessions. In addition, the bill requires an annual report to Congress by the ITC on the impact of this act on the U.S. economy and on particular industries producing a similar product. These seem like adequate protections to me. There is no need to indulge in unwarranted fears of the unknown. In other words, "if it ain't broke, don't fix it."

To allow any other amendments would make this bill only a symbolic gesture, instead of a concrete economic benefit. If we do not provide assistance, the nations of the Caribbean may be forced to look elsewhere.

□ 1800

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I rise in strong support of the rule for consideration of the Caribbean Basin Economic Recovery Act.

It is vital that the House act promptly on this most important piece of legislation. Those Members who have been urging a policy for Central America and the Caribbean that does not rely on military aid as part of the program should look to the Caribbean Basin Initiative as precisely the approach they seek.

When President Reagan first proposed the CBI almost a year-and-a-half ago, the urgent needs of the region required immediate action. Too much time has already passed without having approval of the entire CBI package. We must act with all deliberate speed toward getting the trade, investment, and tax provisions of this program in place. Our allies in the region look to us for help and seek an approach that will avoid the crisis affecting El Salvador.

Only today, I have received information from the Congress in Honduras of their active interest and support for the Caribbean Basin Initiative and their hope that our Congress will act promptly to pass this bill.

Earlier I learned of the strong support of Honduran free trade unions, especially the banana workers.

For those Members who are concerned as well about the domestic impact the provisions of this bill might have should consider the even greater impact on the U.S. economy of not passing this legislation. The potential for continued immigration to the United States from the Caribbean is overwhelming. If some means is not found to provide hope for economic development for the future, then it will be virtually impossible to stem the tide of both political refugees and illegal immigrants into this country as a result of social, economic, and political unrest in the Caribbean and Central American region.

I urge my colleagues to pass this rule so that we might move quickly to expedite consideration of the Caribbean Basin Economic Recovery Act.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to the able gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Speaker, I thank the chairman for yielding this time.

Mr. Speaker and my colleagues on the Democratic side, the vote on this rule is not a referendum on the leadership. It is not a test of party loyalty. A vote on the previous question is a loyalty-leadership-support test. The vote on the rule is a vote of conscience—you are free to vote for what you

think is the right thing to do on this legislation. Your are free to vote for fairness in procedure.

A no vote does not tie the leadership's hands. We did not try to defeat the previous question and control the floor thereby. A no vote will still leave the leadership in control of the destiny of the legislation, both the subsequent rule and the CBI bill itself. This is the fairest way we can proceed to have a test of something that we feel very deeply about, those of us who do oppose the bill in its present form.

The question really is, are you going to give this body an opportunity to make some adjustments in this legislation?

If the advocates of the CBI on both sides of the aisle are as confident as they proclaim of the righteousness of their position, they should have no fear of any amendment that we might offer. They should not hide behind this cloak of silence, this closed rule. They should be willing to let us debate the merits of the amendment we propose and have an up or down vote on that amendment on the floor. We are willing to test own views on the merits and they ought to be willing to let us test them as well.

I cannot vote for the bill in its present form. I could if we could make some adjustments for fairness in this CBI program. Here are some of the things we propose.

First of all, there ought to be some safeguards against human rights violations in the countries that are going to benefit from this bill.

There ought to be a safe and healthful workplace assured so that goods produced in the United States can compete on a basis of fairness with respect to those that will be imported from these Caribbean benefiting countries.

To give the President the flexibility he deserves in foreign affairs, we propose a waiver authority for the President where he determines that it is necessary in the interest of national security.

Second, we think that the preferences in this bill ought to conform to the generalized system of preference, which means that 35 percent of the components ought to be produced in the benefiting Caribbean nations.

Third, there is a category of items that ought to be protected included along with those already in the bill—steel, glass, watches, electronic components, those ought not to be eligible for these CBI benefits. Steel plants have been set up in the Caribbean for the specific purpose of exporting their products into the United States and now to come in duty free is ridiculous.

Fourth, Taiwan, Korea, and Hong Kong ought to be moved out of their duty-free status under the GSP. They used up half the GSP benefits last year and had a $9 billion balance of trade surplus with the United States.

You may not agree with these amendments, but you ought to recognize that they represent a valid viewpoint and that we ought to have the freedom to offer those amendments on this floor and have an up or down vote on them.

I know that some of you have golfed and surfed and suntanned and tripped lightly through the Caribbean and may have some passing acquaintance with that part of the world, their problems and their needs. Well, I have lived there. I lived in Haiti for 3½ years. I understand that part of the world. I speak the language of their country, both the French and the Creole. I know the people. I know the peoples of the Caribbean reasonably well.

I want to tell you that I have seen exploitation. I have seen it up close. I have seen poverty, not just poverty, but misery, wretched misery, exploitation of people of the kind that we have outlawed in this country.

We ought not to reinforce that exploitation as a matter of U.S. Government policy, and that is what is going to happen as a result of this legislation.

The CBI, as reported, will continue the exploitation of people and reinforce that misery, but with the difference, and the difference is it will have official U.S. Government sanction.

Do not deceive yourselves into thinking that by the mere passage of this legislation you are going to create job opportunities for jobless and poor Caribbean peoples. Jobs will be lost in the American workplace. They will be replaced by jobs created in the Caribbean workplace, but those will be subsistence-type jobs. The workers will have no health benefit plan, no retirement plan, no vacation pay, no overtime, nothing.

Unless the package of amendments we are proposing is adopted, you are going to be a partner in the repression of the peoples of the Caribbean.

Vote against the rule.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from Ohio (Mr. ECKART).

Mr. ECKART. Mr. Speaker, any time my able colleagues from this side of the aisle rise in support of a gag rule, I think we all ought to stand up and take a closer look at it. Let us take close scrutiny at exactly what it is this rule would do. It is neither prudent, wise nor fair. It offers Members in this Chamber neither a choice nor a voice in meaningful regional policy discussions about the problems of our nations, allies and friends to the south.

Many of us are interested in true economic development in that region and recognize it as the lynch pin around which any success, both of an economic, social, and indeed probably even of a military nature may occur; but the provisions of the Caribbean Basin Initiative do not encourage that economic development. Rejecting this rule and allowing us to at least offer responsible policy initiative alternatives, I think are in the best interests of this House, the Caribbean nations as a whole and perhaps even for public and foreign policy.

We will offer local content protection. We will offer human rights protections. We will offer exclusions for export and import sensitive items; but most importantly, we will offer some hope to the millions of Americans who stand in unemployment lines all across this Nation, asking what it is that the Congress and the administration have done for them.

□ 1810

Mr. Speaker, I come from a part of the country and from a family that told me that charity begins at home. With the legislation on the floor before us today under this closed rule we are not beginning with our charity at home, we are turning our backs on the American taxpayers and providing for the exporting of thousands of jobs, jeopardizing the livelihoods of millions of Americans.

We will not export prosperity; we will only import higher levels of unemployment.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from Arkansas (Mr. ANTHONY).

Mr. ANTHONY. Mr. Speaker, I rise in support of the legislation and also in support of the modified closed rule.

Mr. DE LUGO. Mr. Speaker, will the gentleman yield?

Mr. ANTHONY. I yield to my colleague from the Virgin Islands.

Mr. DE LUGO. Mr. Speaker, for the record I would like to say that I wish I would have an opportunity to bring my amendment to the floor, but I cannot do that under this rule.

Mr. Speaker, once again this House is being asked to weigh its judgment on the Caribbean Basin Initiative. But, unlike last December, this House will not be allowed to express its views on an amendment to that legislation that is of vital concern to the future stability of its territories in the Caribbean, especially the U.S. Virgin Islands.

That amendment would have protected our rum industry, and when we speak of that industry, we are just not looking out for the jobs directly generated, but for an industry that through a unique relationship mandated by Congress nearly 30 years ago, generates revenues that now equal nearly 20 percent of the entire operating budget of the U.S. Virgin Islands. We are speaking of thousands of jobs, of schools and ports, and housing and health care. Above all, we are speaking of the fiscal integrity of the U.S.

Virgin Islands and our ability to maintain economic, political, and social stability.

The amendment I had wanted to bring before the Members of this House was not only a fair one, it would have improved the CBI. Over 125 Members of this House, including members of the leadership, cosponsored my amendment effort and I am grateful to them for their support. I regret that the Members of this entire House will not have the opportunity now to hear the arguments for this amendment because this is a very important issue. This is not an issue that has a mainland constituency, and this absence became only too apparent a disadvantage when political decisions were being made on amendments to the CBI. But this is an issue that will have a telling effect on the impact of the CBI in the Caribbean, and on the future policy of the United States, and particularly this Congress, toward the territories of this Nation.

The Virgin Islands consistently expressed its willingness and its desire to work with the administration, work with the Congress in resolving this issue, in seeking an equitable compromise, in looking for a solution that would be in the best interests of all concerned. I would like to state for the record that we never refused to negotiate and compromise. What we have seen, Mr. Speaker, is territorial policy be put not only in a back seat but in a rumble seat to a foreign policy that may or may not work. The bottom line, Mr. Speaker, is that what should have been viewed as a policy decision was treated as a purely political decision.

I am still hopeful that this can be worked out and I will continue to pursue all avenues to do so. That is my responsibility as a Representative of the U.S. citizens in the territory of the Virgin Islands. As such, I cannot vote on this floor, but if I could, I would vote against the rule which prevents a case being made on this floor for those citizens whose only recourse is to this House. I thank you, Mr. Speaker, for your personal concern and interest over the past few months, and all my colleagues who supported me on this issue.

Mr. ANTHONY. As the membership will know, last year when we debated this issue, I had worked with the gentleman who represents the Virgin Islands trying to work out some sensible compromise and provisions in the bill as it pertains to rum. We hammered that out last year. There was an opportunity for a vote on the floor at that time. The membership spoke its will.

We went back through our negotiating sessions and we hammered it out in the committee again. The membership of the Committee on Ways and Means made all of the justifiable accommodations to both Puerto Rico and the Virgin Islands under the rule provision so that they could say that they were treated fairly.

I stand in the well today asking you to vote for this rule saying that we have treated both Puerto Rico and the Virgin Islands fairly under this piece of legislation.

I would like to take a minute to address the labor side of this particular issue. I made a trip to the Caribbean. I had an opportunity to talk to both labor leaders, business leaders, and just the general population. I can tell you that if more people would go down and talk to them they would come back totally supportive of this particular piece of legislation.

This is an opportunity for the United States to extend our hand of friendship to these particular small island countries, countries that are so vital not only to our national defense, security interests, but also because of our strong economic trade position with them.

This is a good piece of legislation. I encourage my colleagues to support the rule and also support the legislation.

Mr. PEPPER. Mr. Speaker, I yield 1 minute to the able gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, the last couple of years around here we have gone through a whole explanation about the economic use of sanctions in terms of exercise of foreign policy. We had objections to grain embargoes. We have had objections to the pipeline embargo.

Here we are now with some sort of a crafted vehicle which, indeed, will have an impact on American jobs. That is what we are putting on the line, and we are doing it in a very discriminatory way.

In other words, it is not an equally shared burden by all of the people across America. It is specifically going to fall on certain types of persons and job categories.

For some of you, you may say, well, those are nonskilled, unnecessary jobs, but for a lot of people in this country they are the jobs that they have, and that is the only work opportunity they have.

What we are asking in this particular instance is to defeat this rule so that we will have the opportunity to offer some amendments. I do not think it is any secret to the Members of this body that we have people in steel and specialized categories that are not, indeed, having a good economic recovery in this country, whatever it looks like, and second, we are asking that, indeed, the benefits flow to those that are intended.

If we defeat the rule and the amendments are offered by the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Missouri (Mr. GEPHARDT), we will accomplish that end.

The people of the Caribbean nations are in desperate need of immediate and long-term assistance. H.R. 2769 is the administration's response to the suffering of these people. But like so many administration policies, they are offering an empty hand, not a helping hand to these people, and are embarking on a policy which will hurt our own American workers.

H.R. 2769 has serious deficiencies. It is certainly not a panacea for the Caribbean Basin and if it is not amended, it could worsen their current situation.

H.R. 2769 is titled the Caribbean Basin Economic Recovery Act, it should be called the Caribbean Basin Economic Exploitation Act. Because of the loopholes in the administration supported bill, the Caribbean nations will not be the real beneficiaries. Thousands of jobs will not be created. Rather, the Caribbean will become a port of call for products made elsewhere. The Caribbean nations will only be a short stop used by other nation's industries to circumvent U.S. tariffs. It will be those industries who will be the true beneficiaries.

I realize that some jobs will be created but at what expense? Caribbean workers will not be protected.

The committee's bill ignores current conditions in the Caribbean. The weak language on human rights protections insures no respect for human rights. Rather, current abuses will continue and dictators will have a new power—economic blackmail and control of the few jobs this bill would create.

For those few fortunate enough or with enough political connections to get a job, there are no assurances that they will work in a safe workplace at a decent wage.

The committee bill also ignores the impact of their proposal on American industry and workers. At a time when 11 million Americans are still without jobs, this bill encourages established foreign industries to dump their products on our market. Simply by providing for a minimum Caribbean content these established industries will enjoy a U.S. subsidy to undermine our own domestic companies and to put more Americans out of work.

Mr. Speaker, amendments are available to close the loopholes in H.R. 2769. However, under the current rule these amendments cannot be offered. The supporters of H.R. 2769 may feel that they have the best approach, but their rule denies this House an opportunity to debate the issue and to consider legitimate alternatives.

Nearly everyone agrees on the need to economically aid the Caribbean nations. However, only by defeating the rule can we consider the amendments which will provide meaningful and constructive assistance to the people

of the Caribbean. For this reason, I urge a "no" vote on the rule.

Mr. LOTT. Mr. Chairman, in view of the limited time, I yield 6 minutes to the gentleman form Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, first I want to thank the gentleman from Mississippi for yielding me this time. I was delinquent in not asking my friend, Senator PEPPER, chairman of the Rules Committee, for any time.

I had not planned to get involved in the debate on the rule. It is a rule that amends the tariff schedules and the last time we tried on the House floor to write tariff legislation we made a mess of it.

We made such a terrible mess of it that it took this country years and years to recover from it.

But this bill has been around for well over a year and a half, and I am a rather approachable fellow. I held hearings on the bill in my subcommittee. I sat through the full committee hearings. I listened to everybody who wanted to come in and testify; listened, some people said, ad nauseum.

The Members here today who are seeking to overturn this rule have, as far as I know, never made any requests to come in and never had any suggestions to offer. I should mention that my friend from Missouri, Mr. GEPHARDT, did present his amendments and argue them very fairly and directly. He just did not have enough votes. That has happened to me a number of times. It will probably happen to me again.

But I want every person to know that this bill has been thoroughly considered. This bill was passed by the House in substantially the same form last year. It got caught behind a filibuster in the other body last year or it would have been law some time ago.

This bill will not hurt any American jobs. It will create jobs in the United States.

Let me tell you, if I may, in this short period of time, about a little vignette that happened to me. On one of my visits to the Caribbean; and I was not golfing, nor was I playing tourist in the Caribbean. I was down there working on this legislation.

I visited a little bitty textile plant in Jamaica during this visit. Now, textiles are exempt under this bill because textiles are included in a multifiber arrangement. So no textiles are adversely affected by this bill.

But I was invited to visit this plant anyway and as I toured the facility I was surprised by what I found. The roof on the plant said "Alcoa." The aluminum was refined, I found out later, in Brownsville, Tex. The sheet was finally rolled in Tennessee and shipped to the Caribbean and became a part of the roof.

The steel beams that held up that aluminum roof were clearly marked Bethlehem. That does not mean Bethlehem in the Near East. That probably means Bethlehem right up the road here in Baltimore. The fluorescent light bulbs were made by Westinghouse. The sewing machines and cutting machines used in the plant were made in New York.

There were some foreign products in there. The little kilns in there for firing of the ceramic buttons that they were going to put on these pieces of garment, were foreign products. But the clay used to make these buttons was from Georgia. The containers holding the dye that they were using on the cloth were clearly marked "Spartansburg, South Carolina."

I asked the gentleman running the plant down there where he got his cloth. He said, "Well, you get the best cloth from North Carolina." The water cooler was made in Indiana. The Xerox machines and IBM typewriters were made somewhere here in the United States.

There is another fact that clearly shows how much we benefit from trade with the Caribbean. We are their principal suppliers of machinery and tools. This bill just offers us an opportunity to sell more of that kind of machinery and tools there. This bill does not hurt American labor.

There are strong labor unions throughout the Caribbean. In fact, if you go down there and talk to most of those governments—and Haiti is not a good example because Haiti is the poorest of the poor of any nation in the Western Hemisphere—you will find strong support for organized labor.

This bill does all that it can at this stage to help the Caribbean to open doors of opportunity. There is not $1 in this bill for anybody down there with his hand out. There is only an opportunity to work, to make a better living, and to ship their products here so that we can all enjoy economic growth and balanced bilateral trade.

□ 1820

The Caribbean is a good customer of ours. Here are the poorest areas of the world, and yet if you exclude petroleum—which is just a pass-through product and is usually American-owned when it passes through there—these poor people in the Caribbean buy twice as much from us as they sell to us.

How long can they keep on doing that? How long before they have to turn to various desperation measures to save themselves?

Most of them have free democratic elections, strong unions, and are working to preserve peace and tranquility and improve opportunities for their people.

If I thought there was anything in here that would hurt American labor I would not sponsor this bill, I would not speak for it and I would not vote for it.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. GIBBONS. I yield to the gentleman.

Mr. OBERSTAR. Then why object to the opportunity to offer amendments that the gentleman says were defeated in committee? All we are asking for is an opportunity to offer the same amendments on the floor and to make our arguments to the whole House.

Mr. GIBBONS. I will tell you why I and the gentleman is a good historian so he should appreciate this. The last time we tried to write a tariff bill on this floor was in 1930. And you know what happened. If we open this bill up there is no telling where it would end. We do not know that the gentleman's proposal will be adopted.

Mr. OBERSTAR. We do not ask for an open rule.

Mr. GIBBONS. We do not know that the gentleman's rule will be adopted, we do not know what is going to happen. There may be other people around here having other amendments. Then we start down that endless path.

There are 6,000 or 7,000 primary items in the tariff schedule; there are hundreds of thousands of subitems in there that are just as important to other people around this House floor as those of the gentleman. We have got to retain those items in this bill if it is to have any beneficial effect.

The SPEAKER pro tempore. The time of the gentleman has expired.

The gentleman from Florida (Mr. PEPPER) has 7 minutes remaining.

Mr. PEPPER. Mr. Speaker, does the gentleman from Mississippi have futher requests for time now?

Mr. LOTT. Mr. Speaker, I do have the distinguished ranking member of the Ways and Means Committee to whom we would like to yield some time after the chairman of the committee has spoken on the rule, and we also have some additional Members from the chairman's side of the aisle that are asking for time in support of the rule which we would like to accommodate; but we do not want to violate any traditions here. I would yield to them but perhaps the gentleman would like to take some time.

Mr. PEPPER. I say to the gentleman, we would appreciate it. There are a number of Members on this side of the aisle who would like to have time that I just do not have. The only time I have remaining is 2 minutes to the next speaker whom I will allot that time to and the last 5 minutes to the distinguished chairman of the Ways and Means Committee.

Mr. LOTT. We would like to reserve ample time for our ranking member on the committee. But at this junc-

ture, with the Chair's permission I yield 3 minutes to the gentleman from New York (Mr. RANGEL), a member of the Committee on Ways and Means, in support of the rule.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding. I support the rule and I support the bill.

It troubles me that so many Members of this august body have indicated that charity should begin at home. But so many cases of the people from the Caribbean have found their way into our home, into our districts, there is hardly a month that goes by that I do not receive a letter from some Member asking whether or not they can provide some assistance to some maid, some cook, somebody who is obviously looking for a place to stay in this country.

It seems to me that if we had friends in the Caribbean for so long, that if they are not going to be able to tear down the fences that allow people to visit with us because they are looking for a better way of life, that we have some responsibility to our friends in the Caribbean to at least try to stabilize the economies that are there.

We have made tremendous promises for decades to the people in the Caribbean Islands indicating that they are not only friends but that they are friends which we intend to help. This bill does little or nothing for those critics to provide that assistance. But one strong thing that it does do is it provides hope and it does recognize the friendship existing between this great power and these small nations that are our neighbors in this area of the hemisphere.

For those people fearful of the big Soviet bear and fearful of the people on the little island of Cuba, I can say that the best way to allay those fears is to perhaps create some type of showcase, to show that our form of government is best.

It seems to me, the best way we can do this is not just to turn our backs and to say that this bill does not go far enough; perhaps to see whether or not we can do something and let this be that one first step.

We have studied a lot, and I do not think some of us are too tanned in the Sun to recognize that the economic problems of the people that live in the Caribbean Islands have been with us for a long while. We have had heads of states come to this country to visit us swallow their pride and indicate the only thing they would like to see is some form of economic partnership; not handouts, not welfare, not foreign assistance, but an opportunity to bring their resources, their skills together and to present their products to our market.

It seems to me that no one can be critical of any budgetary expenditure that is involved here.

We are talking about giving an opportunity to people who are asking for a chance.

For those who say we have not gone far enough, let me agree with them, we certainly have not gone far enough. But I thank this Congress for thinking about letting this rule and this legislation be that first step, not only toward our national security in the area, but I think in returning the friendship that these people have given to our great country.

I thank the gentleman.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. JENKINS), also a member of the committee.

Mr. JENKINS. Mr. Speaker, I rise in support of the rule and the legislation.

I do so very reluctantly. I do so only because I feel that the overriding national interest of this particular legislation outweighs the concerns that are being expressed here today from many people.

There are provisions in this bill that I disagree with. I am on the subcommittee and I am on the full committee and I truly believe that there needs to be addressed in conference some of the concerns of the Virgin Islands, and of Puerto Rico.

I would hope that the conferees, whomever they may be, will take those valid concerns into account and address them in conference because it does not stand this body in good stead to run over, as I think the delegate from the Virgin Islands has been, by not permitting him an opportunity to at least have a vote on his amendment.

But having said that, I nevertheless will support the rule and I will support the bill. But I do so only because of the national interest involved.

If we are to help any part of the world we ought to look to this particular part of the hemisphere to lend our support.

We owe a great deal to the people in our hemisphere, particularly those poor countries of the Caribbean; and while I understand labor's argument and I supported some of the amendments that were offered on behalf of labor in the committee, I fear that this entire bill would be lost if the rule is opened up.

With the many concessions that have been made already in the field of textiles, and in several other fields, I believe that if we open this up we do stand the chance of seeing this country get a black eye simply because we would be unable to pass the legislation and, then, I believe, as far as foreign policy is concerned we would suffer.

So, for those reasons I support the rule and I support the bill.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. MOODY), and then I will reserve the balance of my time for the gentleman from New York (Mr. CONABLE).

Mr. MOODY. Mr. Speaker, before I begin, I yield to the gentleman from Missouri (Mr. GEPHARDT).

Mr. GEPHARDT. I thank the gentleman.

I rise in opposition to the rule for the reason it does not allow the amendments that were offered in committee designed to protect American and Caribbean workers.

Mr. Speaker, I want to describe the amendments I offered in the Ways and Means Committee and would like to offer on the floor. I first want to say my amendments do not gut the bill. They provide a balanced mix of measures to secure the jobs of American workers at the same time that it brings more investment and opportunities to workers in the Caribbean.

This package has not been offered on the floor before. It was not offered last year.

These amendments are offered to make the CBI bill consistent with our current domestic laws and international obligations, especially with the GSP.

It is essential that we be concerned with the quality of life and work in the Caribbean. Human and worker rights are necessary to a balanced approach.

There have been efforts to compromise. The administration and those working with them have not shown any real willingness to consider the legitimate concerns of labor. This package is offered in an effort to create a truly bipartisan approach to the problems of the area.

The first amendments are on human rights.

This package contains human and worker rights not present in the administration bill.

New investment in the Caribbean as a result of this bill must generally conform to OSHA standards. There would not be any OSHA inspection or anything of the sort. This is a general standard, and only flagrant violations would disqualify a country from benefits under the CBI.

The definition of human rights is taken verbatim from the State Department Country Reports on Human Rights.

There is a provision for congressional oversight. For any of these conditions to be waived, a joint resolution of Congress is required. The recent Supreme Court decision on the legislative veto does not affect this.

The record amendments affect the content requirement.

This amendment would make the content requirement consistent with the content requirement for GSP.

It differs from the administration's proposal by not allowing pooling of countries, and not allowing that 15

percent of the 35-percent content requirement be of American origin.

By changing the pooling, this would insure greater investment in the Caribbean country by investing companies, insuring more jobs for Caribbean workers. It would also prevent foreign companies using this legislation for pass through operations to evade U.S. customs duties.

Not allowing 15 percent of the content to be American origin would mean more jobs for Caribbean workers by forcing greater investment in the Caribbean countries.

The third amendments relate to import sensitive items.

Several categories of items have been declared to be "import sensitive" under the GSP, and are therefore not entitled to duty-free access to American markets. If these items are import sensitive under one piece of legislation, should they be any less sensitive under another? If U.S. industries would be hurt by duty free imports of these goods under the GSP, would they be any less hurt by duty-free imports under CBI? Would any fewer jobs be lost?

These import sensitive categories are: Watches, electronic articles, steel articles, and semi-manufactured and manufactured steel articles.

This would make the CBI consistent with current law.

This would not gut the bill. For example, the "competitive need" formula which is in the GSP and triggers products off the duty-free list—based on the total value of a product being exported to the United States—does not apply to the CBI.

The fourth amendments relate to GSP graduation.

Taiwan, Korea, and Hong Kong, are now self-sufficient trading partners of the United States. They no longer need duty-free treatment. These three monopolize about 50 percent of the total GSP benefits.

Graduating these three will give the Caribbean countries a comparative advantage, as they compete for the same labor-intensive industries. There are direct benefits for the Caribbean countries in graduation.

Mr. MOODY. Mr. Chairman, I rise to support the rule and the bill and I want to address my comments predominantly to the freshmen who may not have been aware of the arguments made last year.

I have spent considerable time in the Caribbean, particularly in the English-speaking parts and have spent some time studying the trade and import statistics of that region of the world.

□ 1830

While I do not frequently agree with Mr. Reagan's policies in foreign fields, I think here is one where we have to support the President's initiative in our own interest. We have tended to neglect this part of the world in favor of Asia and Africa and Europe and other parts and we are paying the price for that now.

An area that has been very pro-United States is beginning to waiver and I think it is particularly important that the English-speaking sections of the Caribbean be extended a helping hand in the form of this initiative.

The trade statistics, I think, will show that a very tiny fraction of U.S. imports come from this area of the world and that those that do come, 90 percent of those would be totally unaffected by this bill.

In the long run, this kind of initiative should create, not destroy, U.S. jobs, when you consider that virtually every dollar that the Caribbean would earn by virtue of this bill would come right back to this country to purchase U.S.-made goods. The trade pattern of that part of the world has been to spend almost all of their import foreign exchange on our goods. So, in the long run, I think that our friends in labor will not be hurt, but indeed will be helped by this bill.

So I think it is a very important initiative that we follow through. I do support the bill and I hope that we will all support the rule. I urge my freshman colleagues to do so.

Mr. PEPPER. Mr. Speaker, I yield 2 minutes to the able gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY of New York. Mr. Speaker, I yield to the gentleman from West Virginia (Mr. MOLLOHAN).

Mr. MOLLOHAN. Mr. Speaker, on behalf of the 11 million unemployed American workers, I rise today in opposition to the rule on H.R. 2769, the Caribbean Basin Initiative. The rule restricts amendments to only those offered by the committee and this restriction will limit the broad-based discussion we need on a bill as critical as this one to the interests of American workers. And those interests, at this time, should be central to our consideration of this bill and all legislation.

H.R. 2769 removes duties on goods imported into this country and encourages foreign investment of our dollars, creating additional American unemployment, and having the potential to drive American companies and American capital to desert this great land, leaving behind in its wake additional unemployment here at home.

We are the elected representatives of the people of this Nation. If we agree to this rule, the voices of American workers will not be fully heard.

All we ask is that these people have a chance to be heard. I urge my colleagues to vote against this rule.

Mr. DOWNEY of New York. Mr. Speaker, last year the AFL-CIO gave me a 100-percent COPE rating, which I had some difficulty explaining to the people of Long Island, but I am proud to be a strong support of labor, but I disagree strongly with them on this issue.

We spent a lot of time in the committee trying to make sure that the interests of labor were protected. We dropped a 10-percent investment tax credit for fear that it would lead to run-away shops. We have already exempted the most interest sensitive items of textiles and leather goods and footwear. We have increased the minimum content requirement from 25 to 35 percent. We have done, in my opinion, a very creditable job of taking into consideration the problems of labor and dealing with them.

This is not a bill that is going to transform the economies of the Central American countries or the island countries that are all our friends.

This is a bill that will provide some help and it is something that we need to do.

To my friends who are concerned about the Caribbean Basin and the failure of human rights and other things, there are ample opportunities for us to deal with the question of human rights in direct aid programs that we will have, in multilateral aid lending programs. There are a lot of different ways that we can protect ourselves.

This is a very small step and a very important step. I urge my colleagues not to be blinded by my good friends in labor who say it will destroy jobs. It will not. It will only help some small countries to do a little more small manufacturing and to provide a little more hope and opportunity to people who are very much our friends and very much in need.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I do not wish to debate the merits of this measure at this point. We will have ample opportunity for debate later.

Let me say that I do strongly support the rule, that is before the House. This is the second time that the measure has been up. It is up this time in almost the same form it was previously when it was passed by an earlier Congress.

Indeed, this is the time to discuss the rule. If I may have the attention of the chairman for a moment, it is my understanding that it is not our intention to complete the debate tonight, but to retain a few minutes for discussion tomorrow and to move into the issue of any amendments of any final passage tomorrow; is that not correct?

Mr. ROSTENKOWSKI. If the gentleman will yield to me, the gentleman is correct.

Mr. CONABLE. I thank the gentleman for handling the debate in this way. We doubtless will have a vote on the previous question and on the rule and I urge my colleagues to support

both the previous question and the rule. It is an unusual for me to find myself supporting a modified closed rule but, on this particular issue, but the opportunities for full discussion of the nature of labor's opposition to this bill have been presented in the committee and on the floor previously.

I think that many of labor's concerns about trade are more general, and that this vehicle is being used to make demands on issues far outside the scope of the Caribbean Basin Initiative itself.

For instance, the generalized system of preferences is one issue that labor is greatly concerned with. That will be up later this year and Chairman ROSTENKOWSKI has publicly promised labor fair consideration of their demands for graduation of specific countries from GSP when the program is considered for renewal. This assurance should take a good deal of the steam out of the concerns here.

We are talking about a very deprived area of the world which is of particular concern to the United States. Major concessions have already been made to labor in putting this provision together and additional concessions will, indeed, leave us with nothing but an empty shell, something that I believe would be very embarrassing to the leaders of the Caribbean area, who got out on a limb in their support of the United States and in their hopes for this initiative. They see this as their last hope for providing some degree of economic infrastructure. Their confidence should not be abused. The alternative to this effort is boat people, something that I think American labor should be much more concerned about than the comparatively modest number of nonsensitive imports that will come from this region if this initiative is permitted to move ahead.

I am very hopeful that the House in its wisdom will support the position it took previously. This is not a threat to the American working man and it is most regrettable, in my view, that this regional opportunity is being endangered because of unfounded fears. Our interests in the region, and our desire for a long term, humane relationship to the people of this region dictate no future delay in this minimal economic initiative.

Mr. Speaker, I urge my colleagues to support both the rule and to vote for the previous question when it comes up.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and would like to reserve my time until we have the final speaker.

Mr. PEPPER. Mr. Speaker, I believe it is customary for the affirmative to have conclusion. I have reserved my last 5 minutes for the distinguished chairman of the Ways and Means Committee.

Mr. LOTT. Mr. Speaker, I yield back the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield 5 minutes to chairman of the Ways and Means Committee, the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. I thank the gentleman from Florida, the chairman of the Committee on Rules. I want to publicly acknowledge and express my gratitude for the cooperation that I have had from the chairman and the members of the Rules Committee. Certainly I would only want to reaffirm what my colleague from Florida (Mr. PEPPER) has said with respect to any injuries that American labor would suffer. There will be ongoing oversight. And I am sure that my subcommittee chairman, the gentleman from Florida (Mr. GIBBONS) will watch this with fervor.

Mr. Speaker, I rise in support of the rule which provides the only reasonable mechanism for consideration of the bill, H.R. 2769, The Caribbean Basin Economic Recovery Act.

This bill represents an extremely delicate balance between foreign policy interests and domestic economic concerns. The Caribbean Basin Initiative, as it is commonly called, is a limited system of trade preferences for 28 countries in the Caribbean.

In perfecting the bill, the committee made absolutely certain that such preferences were sufficiently limited, and accompanied by sufficient safeguards to prevent any significant harm to U.S. industries or labor.

We examined levels of trade in every product category; we adopted every reasonable proposal for limitations or product exclusion; and we made certain that every conceivable future problem arising from CBI imports would be examined and reported to Congress, and remediable by swift safeguard action.

What we have left is the minimum degree of coverage we can give and still achieve the important objectives of this legislation.

□ 1840

Opponents of the rule want the House to consider several amendments which would curtail substantially the trade benefits and impose all sorts of new conditions on the beneficiary countries. To adopt such a package would be to perpetrate a cruel hoax on the people of the Caribbean because the resulting legislation would definitely be meaningless.

If we are going to pass the CBI, it must provide actual benefits rather than mere window dressing. It would be better not to pass CBI than to pass it in a form which does not grant the countries more favorable conditions than they presently enjoy. That is why the committee supports a straight up-and-down on the bill as reported.

If you believe, as we do, that CBI will not have a significant domestic impact except hopefully a beneficial one, it will greatly promote economic progress throughout the Caribbean, and it contains adequate safeguards to avoid the dire results predicted by labor, then let us pass this bill in its unadulterated form and let us not destroy it with amendments which are supposedly benign but are actually designed to tear the heart out of this legislation.

The decision Members must make today is whether to support the Caribbean Basin Initiative in a form which conveys meaningful economic benefits. If so, then you must support the adoption of this rule.

I further want to make the observation that after the rule is adopted, Mr. Speaker, it is our intention to manage the bill through an hour and 50 minutes of debate, and to reserve the last 10 minutes for consideration tomorrow. The final vote on passage of the CBI will be tomorrow in the early afternoon.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OBERSTAR. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 212, nays 204, answered "present" 1, not voting 16, as follows:

[Roll No. 248]

YEAS—212

Addabbo	Coleman (MO)	Ford (TN)
Albosta	Coleman (TX)	Forsythe
Alexander	Conable	Fowler
Andrews (NC)	Corcoran	Franklin
Andrews (TX)	Coughlin	Frenzel
Anthony	Courter	Frost
Archer	Craig	Fuqua
Badham	Daniel	Gekas
Bartlett	Dannemeyer	Gibbons
Bateman	Davis	Gingrich
Beilenson	de la Garza	Gonzalez
Bennett	Derrick	Goodling
Bereuter	DeWine	Gradison
Berman	Dickinson	Green
Bliley	Downey	Gregg
Bonior	Dreier	Gunderson
Britt	Duncan	Hall (OH)
Brooks	Dymally	Hall, Ralph
Broomfield	Edwards (AL)	Hall, Sam
Burton (IN)	Edwards (OK)	Hance
Campbell	Emerson	Hansen (ID)
Chandler	Erlenborn	Hansen (UT)
Chappell	Evans (IA)	Hartnett
Chappie	Fascell	Hatcher
Cheney	Fiedler	Hiler
Clarke	Fields	Hillis
Clinger	Flippo	Holt
Coats	Foley	Huckaby

Hunter	Miller (OH)	Schaefer
Hutto	Moakley	Schulze
Hyde	Molinari	Sensenbrenner
Ireland	Montgomery	Shaw
Jenkins	Moody	Shelby
Johnson	Moore	Shuster
Jones (OK)	Moorhead	Siljander
Kazen	Morrison (WA)	Sisisky
Kemp	Murtha	Skeen
Kennelly	Myers	Smith (FL)
Kindness	Nelson	Smith (NE)
Lagomarsino	Nichols	Smith (NJ)
Latta	Nielson	Smith, Denny
Leath	O'Brien	Smith, Robert
Lehman (FL)	Olin	Snowe
Lent	Ortiz	Solomon
Lewis (CA)	Oxley	Spence
Lewis (FL)	Parris	Spratt
Lipinski	Pashayan	St Germain
Livingston	Pease	Stangeland
Loeffler	Pepper	Stenholm
Long (LA)	Perkins	Stump
Lott	Petri	Tauke
Lowery (CA)	Pickle	Taylor
Lujan	Porter	Thomas (CA)
Lungren	Price	Thomas (GA)
Mack	Pritchard	Valentine
MacKay	Pursell	Vander Jagt
Madigan	Quillen	Vucanovich
Markey	Rangel	Weber
Marriott	Ray	Whitehurst
Martin (IL)	Regula	Whittaker
Martin (NC)	Ritter	Wilson
Martin (NY)	Roberts	Winn
Mazzoli	Robinson	Wirth
McCain	Rose	Wolf
McCandless	Rostenkowski	Wright
McCollum	Roth	Wylie
McCurdy	Roukema	Young (AK)
McEwen	Rowland	Young (FL)
McKernan	Rudd	Zablocki
Mica	Russo	Zschau
Michel	Sawyer	

NAYS—204

Ackerman	Early	Lantos
Akaka	Eckart	Leach
Anderson	Edgar	Lehman (CA)
Annunzio	Edwards (CA)	Levin
Applegate	English	Levine
Aspin	Erdreich	Levitas
Barnard	Evans (IL)	Lloyd
Barnes	Fazio	Long (MD)
Bates	Feighan	Lowry (WA)
Bethune	Ferraro	Luken
Bevill	Fish	Lundine
Biaggi	Florio	Marlenee
Bilirakis	Foglietta	Martinez
Boehlert	Ford (MI)	Matsui
Boland	Frank	Mavroules
Bonker	Garcia	McCloskey
Borski	Gaydos	McDade
Bosco	Gejdenson	McDonald
Boucher	Gephardt	McGrath
Boxer	Gilman	McHugh
Brown (CA)	Glickman	McKinney
Brown (CO)	Gore	McNulty
Bryant	Gray	Mikulski
Burton (CA)	Guarini	Miller (CA)
Byron	Hall (IN)	Mineta
Carney	Hamilton	Minish
Carper	Harkin	Mitchell
Carr	Harrison	Mollohan
Clay	Hefner	Morrison (CT)
Coelho	Hertel	Mrazek
Collins	Hightower	Murphy
Conte	Hopkins	Natcher
Conyers	Horton	Neal
Cooper	Howard	Nowak
Coyne	Hoyer	Oakar
Crane, Daniel	Hubbard	Oberstar
Crane, Philip	Hughes	Obey
Crockett	Jacobs	Ottinger
D'Amours	Jeffords	Owens
Daschle	Jones (NC)	Panetta
Daub	Jones (TN)	Patman
Dellums	Kaptur	Patterson
Dicks	Kasich	Paul
Dingell	Kastenmeier	Penny
Dixon	Kildee	Rahall
Donnelly	Kogovsek	Ratchford
Dowdy	Kolter	Reid
Durbin	Kostmayer	Richardson
Dwyer	Kramer	Ridge
Dyson	LaFalce	Rinaldo
Rodino	Smith (IA)	Volkmer
Roe	Snyder	Walgren
Roemer	Solarz	Walker
Rogers	Staggers	Watkins
Roybal	Stokes	Waxman
Sabo	Stratton	Weaver
Savage	Studds	Weiss
Scheuer	Sundquist	Wheat
Schneider	Swift	Whitley
Schroeder	Synar	Whitten
Schumer	Tallon	Williams (MT)
Seiberling	Tauzin	Wise
Shannon	Torres	Wolpe
Sharp	Towns	Wortley
Sikorski	Traxler	Wyden
Simon	Udall	Yates
Skelton	Vandergriff	Yatron
Slattery	Vento	Young (MO)

ANSWERED "PRESENT"—1

Bedell

NOT VOTING—16

AuCoin	Gramm	Shumway
Boggs	Hammerschmidt	Stark
Boner	Hawkins	Torricelli
Breaux	Heftel	Williams (OH)
Broyhill	Leland	
Dorgan	Packard	

□ 1850

Mr. STOKES changed his vote from "yea" to "nay."

Messrs. McEWEN and LEWIS of Florida and Mrs. KENNELLY changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1900

AGRICULTURAL ACT OF 1949 AMENDMENT

Mr. ROSE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3392) to amend the Agricultural Act of 1949, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment and the House amendment to the Senate amendment, as follows:

Senate amendment: Page 1, after line 11, insert:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by—

(1) in the second sentence of subsection (c), striking out "5 per centum" and inserting in lieu thereof "15 per centum"; and

(2) in the fourth sentence of subsection (e), striking out "95 per centum" and inserting in lieu thereof "85 per centum".

SEC. 3. The Secretary of Agriculture shall review, under section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

House amendment to the Senate amendment: Strike the language proposed to be inserted by the Senate amendment and insert in lieu thereof the following: Page 1, line 11 insert:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended in the fourth sentence of subsection (e), by striking out "95 per centum" and inserting in lieu thereof "85 per centum".

SEC. 3. The Secretary of Agriculture shall review, under section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

Mr. ROSE (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment and the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. JEFFORDS. Mr. Speaker, reserving the right to object, and I shall not object, I yield to the gentleman from North Carolina for an explanation.

Mr. ROSE. Mr. Speaker, the Senate sent the bill, H.R. 3392, back over here with two amendments. We have deleted one of them and are sending it back to the Senate.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I wish to compliment the distinguished gentleman from North Carolina for his amendment to the Senate-passed bill deleting certain language which gave the Secretary authority to cut allotments from 5 to 15 percent. The small growers should be protected, and it is my hope that no one will object to passage of the bill.

Mr. JEFFORDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPKINS. Reserving the right to object, and I shall not object, Mr. Speaker, I feel there are some individuals and organizations that would not agree with this amendment here. I am among those.

Mr. Speaker, as you know, H.R. 3392 was passed by the House Monday. The Senate passed the measure today with two amendments. The first amendment gives the Secretary of Agriculture authority to decrease the annual national marketing quota by 15 percent. His current authority is limited to no more than a 5-percent cut. The other amendment is an effort to deal with increasing imports of burley tobacco and pertains to a recommendation by the Secretary to the President to direct the International Trade Commission to conduct a section 22 investigation to determine if an import quota on burley tobacco is warranted when certain conditions exist with respect to price supports and supplies.

The gentleman from Kentucky, with whom I work very closely on all matters pertaining to burley tobacco, sees a need to eliminate the Secretary's authority to reduce quotas by 15 percent. This language is included in an amendment I offered to the more comprehensive tobacco bill, H.R. 1440, passed by the Agriculture Committee and is necessary in order to make the price support freeze more effective. I find myself in opposition to his efforts to delete it.

There was overwhelming support for this provision, as evidenced by testimony at hearings in the spring before the Subcommittee on Tobacco and Peanuts, on which I serve as the ranking minority member.

It is with deep regret that I must differ with my learned and distinguished colleague, the gentleman from Kentucky, for whom I have the utmost respect. In light of the eminent opening of the Flue-cured markets, I also regret that precious time must be consumed by further deliberations on this measure.

I want my colleagues to know that I oppose the amendment to the Senate passed bill and I intend to fight in conference to insure that the provision is contained in the final version of this legislation.

Mr. HOPKINS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. JEFFORDS. Reserving the right to object, Mr. Speaker, I do not have any objection to this particular commodity bill that it represents, but I would like to raise the problem that we are running into as time runs out. There are several agricultural commodities which need to be acted upon before the House adjourns before the end of July, or else there are going to be serious problems in those commodity areas.

I would like to point out that if the dairy compromise does not come as it should, and it should be ready to do that, we are going to create an extreme problem in the dairy industry.

Mr. ROSE. Mr. Speaker, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from North Carolina.

Mr. ROSE. I am very sensitive to what the gentleman is saying. I shall continue, as I have in the past, to support compromises that the gentleman helped author. I will do everything I can to see that that bill is passed by the end of July.

Mr. JEFFORDS. I appreciate that and I would hope the Members realize that unless that compromise passes, the dairy farmers are going to get an extra 50 cents assessed on the one hand and the taxpayers are going to have a huge burden to carry with food surpluses on the other.

Mr. ROSE. Mr. Speaker, I thank the gentleman.

Mr. JEFFORDS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, I was unavoidably detained off the Hill on official business during rollcall Nos. 244, 245, and 246.

I would like the RECORD to reflect that had I been on the Hill and been present, I would have voted "aye" on all three votes.

A TRIBUTE TO THE LATE ROBERT CANTRELL

(Mr. JONES of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONES of Oklahoma. Mr. Speaker, I take this time to inform my colleagues about the sudden and tragic death of my good friend and a former outstanding public servant in Congress, Robert Cantrell. Robert was killed in a one-car automobile accident last Friday morning in southwest Virginia when he was on his way to pickup one of his children from summer camp.

Robert Cantrell was one of those priceless public servants without whom this institution could not function.

Robert Cantrell came to Washington in 1961 as a congressional assistant to the Representative from his district in Virginia, Pat Jennings. A few years later he was appointed Executive Assistant to Mayor Walter Washington. In that position, Robert Cantrell contributed mightily to the successful launching of a renewed experiment in local self government for the District of Columbia.

Robert completed 20 years of Federal service here on Capitol Hill as an important House committee staff member. Along the way, he was very active in promoting the arts and cultural opportunities of our Nation's Capitol City.

Following his retirement from federal service, Robert Cantrell with his usual gusto jumped into a new challenge as treasurer and financial manager for Southern Seminary College in Buena Vista, Va. Partly he liked the new challenge. Mostly, I suspect, this opportunity brought him closer to his family home in southwestern Virginia. Whatever the reason, it was obvious that Robert Cantrell's experience, enthusiasm and ability to bring diverse people together for common cause, reaped rich dividends for the college and the community.

These are the statistics of Robert Cantrell's life. They are not greatly different from any achievers through history who have made the legislative branch of the Federal Government work for the people of this Nation. However, Robert Cantrell had may other qualities that are not necessarily typical in today's society.

He was first and foremost a family man. He was devoted to his wife, Mary, and his children, Charlotte, Fitzhugh, and Robbie. He was a practitioner of devotion to the extended family in the best old fashioned tradition of American family life. Our family was privileged to be a part of the extended Cantrell family.

Robert Cantrell had visions and horizons for himself and his family which were considerably larger than the average folk. He expanded the horizons of all who worked with him.

Robert Cantrell was a generous, exuberant, witty, bright, successful and dedicated human being whose time on this earth was important for compassionate public policy. In addition, he brought a sparkle to the lives of all who were privileged to be related to him by family or by friendship.

CARIBBEAN BASIN ECONOMIC RECOVERY ACT

The SPEAKER pro tempore. Pursuant to House Resolution 246 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2769.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbe-

an Basin region, with Mr. KILDEE in the chair.

The Clerk read the title fo the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 1 hour, and the gentleman from New York (Mr. CONABLE) will be recognized for 1 hour.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say at the outset, as I mentioned during the debate on the rule, it is the intention of the manager of the bill to conclude debate tonight, reserving 10 minutes for debate tomorrow in the early afternoon, so that the vote on final passage of the legislation presently being considered will be voted on tomorrow.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the distinguished gentleman.

Mr. CONABLE. Is that 10 minutes for each side tomorrow?

Mr. ROSTENKOWSKI. That is 5 minutes for each side, 5 minutes for the majority and 5 minutes for the minority.

Mr. CONABLE. Mr. Chairman, I wonder if the gentleman would consider 10 minutes for each side tomorrow? Is there a heavy schedule tomorrow that leads the gentleman to propose this?

Mr. ROSTENKOWSKI. I should think that anybody that wants to participate in the debate can stay here and participate.

Mr. CONABLE. I understand, but I want to be sure that those who do not stay here tomorrow will be adequately instructed.

Mr. ROSTENKOWSKI. They will get 5 minutes on each side.

Mr. CONABLE. Mr. Chairman, I thank the gentleman.

Mr. ROSTENKOWSKI. Mr. Chairman, the Caribbean Basin Economic Recovery Act, better known as the CBI, provides a very important package of trade and tax incentives to encourage economic development and revitalization in the Caribbean Basin region. Its centerpiece is the limited grant of a duty-free arrangement for qualifying CRI imports, subject to numerous conditions to protect vital U.S. interests. It is designed to provide a means by which the sovereign nations of that area—long-time allies of the United States—can pull themselves out of an endless cycle of poverty and economic uncertainty. Through the incentive of increased trade, these countries can foster lasting economic growth which will benefit their people in ways that traditional foreign aid never could.

But CBI is not only for the benefit of the Caribbean. One fact has impressed me throughout our consideration of this bill; the Caribbean nations are among our best customers. Most of what they buy they import from us. In 1982, their combined trade deficit with the United States—excluding petroleum—was $2.9 billion. Unfortunately, they are amassing a huge foreign debt. If we do not give them the means and the incentive to sell more in the U.S. market in order to earn vital foreign exchange, they will be forced to buy less, and American industries will suffer as a result. If, however, we pass this measure, we will be encouraging the type of sustained economic growth which would stimulate greater two-way trade. In short, CBI makes good economic sense.

There is another reason why this legislation is so important. It offers the best hope to solve the chronic problems of the region through economic rather than military means. We have made many promises to the people of the Caribbean. Most have gone unfulfilled. These nations are now looking to CBI as the last chance to better their standard of living. If we turn them away, they are likely to seek assistance from others who will promise them easy answers and offer political stability from the barrel of a gun. CBI is the best kind of foreign policy, because it is based upon principles of economic growth, self-help, and peaceful cooperation.

The Committee on Ways and Means worked hard to perfect this legislation so that it would provide a meaningful package of trade and tax incentives without damaging any U.S. industry or threatening American labor. We believe that the legislation reported by the committee, which contains numerous safeguards for U.S. industries, represents a careful balancing of interests. The committee considered every reasonable proposal for modification and only rejected limiting amendments after assuring ourselves that the concern in question was adequately addressed.

There have been several concerns raised about the impact of the committee bill on the U.S. economy. In order to demonstrate why we feel these concerns are unfounded, let me describe the real economic impact of this bill in terms of total U.S. trade. Caribbean imports accounted for only 3.3 percent of total U.S. imports last year—$8.1 billion out of $244 billion. About 90 percent of these imports would not even be affected by this legislation, either because they are already duty free or because the bill exempts them from such treatment. This leaves less than $1 billion affected by the bill—about three-tenths of 1 percent of total U.S. imports and only three-one-hundredths of 1 percent of our total GNP. This minuscule amount of trade cannot possibly cause us harm, yet it is a big incentive to the tiny economies of the Caribbean.

Furthermore, we adopted every type of reasonable precaution. Items which are import sensitive in the context of Caribbean trade are exempt. These include textiles and apparel, leather products, footwear, canned tuna, and petroleum. There are also limits on sugar imports. Import relief measures are included in the bill in case there are isolated instances of import injury, and a special fast-track procedure was adopted for agricultural perishables which would grant emergency relief within 21 days. We adopted tough prohibitions on pass-through operations which impose not only a minimum Caribbean content requirement but also a substantial transformation test. We disqualified operations that merely constitute duty-avoidance schemes, such as simple blending of foreign and Caribbean tobacco or mere combining of parts without a meaningful change in the product. Finally, we dropped the 10-percent investment tax credit proposed by the administration last year because we were concerned about the exportation of domestic tax incentives.

I would also like to point out that the committee included in the bill two important provisions to insure continued oversight of the domestic economic impact of this legislation. The first requires an annual review by the International Trade Commission on the impact of CBI on U.S. industries producing like or directly competitive products. The second requires an annual study by the Secretary of Labor on the impact on U.S. workers. These reports will be forwarded to the Committee on Ways and Means. I can assure you that we intend to look very closely at these studies to determine whether the program is having adverse effects and whether legislative modification is necessary.

Mr. Chairman, there have been many concerns raised about the harm this legislation could conceivably, under some unlikely scenario, cause. But the facts I have quoted simply do not support these concerns. Our trade problems are not with the Caribbean, and we should not allow larger trade problems with other countries to be artificially transposed to this region. This region has extremely small export potential, and CBI could not possibly lead to the kind of trade problems some have predicted.

Another concern raised before the committee was the possible effect of the legislation on Puerto Rico and the U.S. Virgin Islands. In particular, there has been an effort to limit duty-free treatment for bulk rum. The committee considered and rejected this

proposal by a substantial margin. Rum is an extremely important industry in the Caribbean, yet CBI rum imports represent only 3 percent of U.S. consumption. The large, well-financed U.S. industry, located in Puerto Rico and the Virgin Islands, is amply protected by the safeguards in the bill. Moreover, we adopted serveral measures to benefit Puerto Rico and the Virgin Islands, including a requirement that all Federal excise taxes on imported rum be rebated to their treasuries and a requirement that the President grant compensation if excise tax rebates begin to fall. Existing rebates on domestic rum shipments pay $280 million annually to the two islands, and the extension to cover imported rum will generate an additional $10 million annually for their treasuries.

Mr. Chairman, the time has come for Congress to finally recognize the importance of our Caribbean neighbors to the future security and economic stability of this hemisphere. This modest legislative proposal, accompanied by adequate safeguards for U.S. industries and labor, is one small step in a long overdue process of lifting the Caribbean Basin from its shameful legacy of poverty and neglect. It is only a beignning, but it is a step in the right direction. I urge adoption of the bill.

□ 1910

Mr. CONABLE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 2769, the Caribbean Basin Economic Act, a bill approved by the House during the preceding Congress and brought before us today with a greater sense of urgency because of the delay in achieving final passage. I urge my colleagues to recognize again the importance of this legislation to approve the bill without further hesitation.

As I said, this will be the second time this legislation has moved through committee and to the House floor. Yet, no shortcuts were taken in the repetitive process, as thorough hearings again were conducted and new suggestions were aired fully.

After carefully addressing both old and new issues surrounding this legislation, few substantive changes were made in last year's version of the bill. This committee sincerely believes we are presenting to this body the best possible program to promote economic revitalization and expanded economic opportunities in the Caribbean Basin. It is an initiative long awaited by our neighbors to the south and signifies an important joint effort to insure economic and political stability in the area.

Under Secretary of State Lawrence Eagleburger emphasized, in his testimony before the committee, that prosperity and peace in the Caribbean Basin mean greater security and new economic opportunities for the United States, "Trade is not a zero sum game," Mr. Eagleburger correctly stated. I wholeheartedly agree that increased prosperity in the region will mean increased demand for U.S. goods and services and increased jobs both in the United States and in the Caribbean.

This bill demonstrates that very little investment on our part in the way of benefits and concessions provided by this bill can trigger economic and political returns many times over. It is easy to visualize the meaning of even a few thousand dollars to very small depressed economies. Effects can be obscured in a large and complicated economy like our own, but the benefits are there and can be seen. Exports accounted for 5 million U.S. jobs in 1982 with an average of 25,000 jobs being created for each $1 billion in U.S. exports. U.S. merchandise exports make up more than 8 percent of our GNP.

Looking in the other direction, we see little possibility for adverse effects from preferential Caribbean imports. All imports from the Caribbean Basin countries constitute less than 4 percent of total U.S. imports. Because of the exclusion from duty-free treatment built into the bill for import-sensitive products such as textiles, footwear, leather goods, and tuna, total duty-free imports under CBI still will equal only about three-tenths of 1 percent of all duty-free imports into this country. In addition, the United States enjoyed an overall trade surplus last year with the Caribbean Basin of $2.9 billion, excluding petroleum and petroleum products.

To further safeguard the United States from any potential, though hardly foreseeable, adverse effects, H.R. 2769 contains a strict transformation provision to prevent "pass-throughs," procedures for considering injury from CBI imports and lifting duty-free treatment should injury occur, and "fast-track" procedures to guard against any substantial imports of perishable products. Every conceivable adverse impact has been considered, and as a consequence the benefits of the bill are extremely limited. It is an important step, however, for the United States and for our neighbors to the south.

H.R. 2769 remains an important foreign objective for the United States and an important economic initiative for the Caribbean Basin. It is a program that represents a departure from direct foreign aid and a new focus on assistance based on free market principles. It will help to demonstrate that a market-oriented economic foundation for a country, whether large or small, can insure for it a better and more secure future.

I urge my colleagues to vote "yes" on H.R. 2769.

Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman. I rise in support of H.R. 2769, the Caribbean Basin Economic Recovery Act. This legislation is of vital importance to the countries of the Caribbean, as well as to the well-being of the United States.

I urge passage of this bill into law so that the people of the Caribbean can begin to benefit as soon as possible from the increased economic prosperity this legislation will provide. We are already long overdue. The CBI should have been passed within a few months of introduction.

The purpose of this legislation is to establish an incentive for sound, market-oriented economic development in the Caribbean. Increased economic prosperity in the region will strengthen the area's political stability and lessen the possibility that countries will be tempted to adopt nondemocratic forms of government.

The job and entrepreneurial opportunities created through the CBI will add to the economic vitality of these countries. Their citizens will be able to take advantage of such close-at-hand opportunities. As a result, it is expected they will have less reason to seek illegal entry to the United States as the only country where they believe their dreams for a better life can be realized.

Everyone benefits from this proposal: The United States gains by strengthening pro-Western, democratic governments to our south, while the people of the Caribbean gain the opportunity to improve their standard of living. Moreover, the prosperity created through increased trade will be more enduring and more far-reaching because it will be founded on private enterprise activities operating on a competitive, market-oriented basis. The Caribbean Basin Initiative will stimulate the economic development of the region by promoting increased trade between the United States and the Caribbean nations.

The United States offers these countries their best and most attractive export market. By providing the Caribbean with broad duty-free access to the U.S. market, the CBI offers the Caribbean nations a chance to balance their trade with the United States and to create closer economic ties with this country that can lead to stronger political and cultural ties in the future.

Our economic ties with the Caribbean Basin countries already are extensive. Our two-way trade with the area in 1982 was $14.4 billion. Our direct investment in the region in 1981 was $22 billion. Total U.S. economic assistance to these countries budgeted for the current fiscal year is $664 million. The

CBI program would emphasize further the interest of the United States in improving economic conditions in the Caribbean Basin. The program likely will result in a small increase in U.S. imports from the region in the short run—about $600 million or 17 percent of total current imports from these countries. In the longer run, however, the United States will benefit from the increased exports generated by growing demand in the Caribbean, as well as from the greater political and economic stability that the program will make possible for the region.

This legislation has been very carefully drafted by the Committee on Ways and Means to make sure that the benefits resulting from the increase in trade will actually flow to the Caribbean people.

The bill prevents goods merely passed through the region from qualifying for duty-free entry into the United States. At least 35 percent of the value of a product must be added in the Caribbean region for it to qualify as Caribbean-made. As a way to encourage U.S. exports to the area, as much as 15 percent of that amount can originate in the United States and still count toward the Caribbean content.

Finally, the bill contains strict provisions on "substantial transformation," so that mere mixing, combining, or packaging operations cannot be considered sufficient to qualify a product for duty-free treatment.

There are other safeguards in the bill which will protect U.S. businesses and workers from any adverse impact resulting from the duty-free treatment provided for in this legislation. The International Trade Commission is required to report periodically on the economic impact of the program. The President may terminate a product's duty-free eligibility under the program if the product is subject to import relief under existing U.S. trade laws and the ITC finds that the duty-free treatment provided for by CBI has resulted in injury to the U.S. industry. Finally, there are special provisions in the bill to allow for provisional import relief for designated perishable products within 21 days of the filing of a petition requesting such relief.

However, I believe that it seldom will be necessary to invoke these precautions. The economies in the Caribbean are tiny. Taken all together, their combined GNP is only $40 billion. They do not have the economic infrastructure or the manufacturing capacity to swamp the U.S. market. Moreover, many of their exports to the United States—nearly 80 percent—already enter free of duty under the generalized system of preferences (GSP), so that any additional economic impact due to CBI will be minimal. The CBI provides more certainty than does the GSP, which has additional limitations and is due to expire at the end of next year.

In summary, the CBI offers us an opportunity to give the Caribbean nations a real shot in the arm at no real cost to ourselves. The economies in the Caribbean are so small and many of them are so desperately poor that a very small increase in their exports, which would be insignificant in an economy the size of ours, can provide the means for new prosperity and real economic hope.

It is cheaper and more effective for us to offer market access instead of merely approximating more foreign assistance. Market access provides a work incentive rather than a welfare dependence.

Finally, I would like to emphasize that the Caribbean nations will benefit most from a CBI program that offers them the broadest possible access to the U.S. market. The Ways and Means Committee has worked with care on this legislation to insure that the product exclusions are minimal, to strike a balance between the interests of these small, struggling nations to our south and our own economic interests.

We believe this bill adequately safeguards American industries from any adverse impact that may result from the duty-free treatment offered to the Caribbean region. At the same time, this legislation provides for a meaningful program that will contribute to economic recovery in the area. This is a proposal under which everyone wins and no one loses.

I urge my colleagues to join me in support of H.R. 2769.

□ 1920

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky (Mr. HOPKINS).

Mr. HOPKINS. I thank my colleague for yielding.

Mr. Chairman, I am not opposed to the Caribbean Basin Initiative concept. I applaud the President's efforts to assist the Caribbean countries. I have traveled in the region recently and saw the need for economic development. I am concerned, however, that this assistance not be to the detriment of American citizens. As ranking minority member of the Subcommittee on Tobacco and Peanuts, of the House Committee on Agriculture, and the representative of the largest burley tobacco-producing congressional district in the country, I am particularly alarmed by the potential for economic harm to America's tobacco producers.

Let me go into a little background—to refresh this same legislative body of the lashes already whipped upon the tobacco farmer. As you remember, last year, Congress passed the No Net Cost Tobacco Program Act. The tobacco program now operates at no net cost to the American taxpayers, except for administrative expenses. Any losses on price support loans will be paid by the tobacco farmer from a fund comprised of farmer contributions. Tobacco producers cannot efficiently operate their price support program at no cost with potential interference from duty-free tobacco.

Imports of tobacco have been increasing steadily in recent years. In 1972, total imports of unmanufactured tobacco for which duties were paid were 229 million pounds. In 1982, that figure had increased to 376.5 million pounds. With the duty-free treatment of tobacco from Caribbean countries as provided for in H.R. 2769, the possibility exists for further increases in imports.

I am distressed by this possibility. If larger quantities of cheap imported tobacco begin to enter this country, there is no doubt in my mind that this tobacco will be bought instead of our American-grown tobacco. Buyers, understandably, purchase the cheapest raw material available. When homegrown tobacco is not sold at auction for at least 1 cent more than the established price support loan level, it goes into the pool—in other words, under loan. The farmer, as I mentioned previously, is responsible for paying any losses that occur when American tobacco, the production of which is controlled through quotas, is displaced by cheap imports. If loan tobacco must be sold at a loss, the farmer's contribution to the no-net-cost fund increases the next year. At this point, the imported tobacco is no longer duty free. Who is paying the duty? The tobacco farmers in my district, that is who.

Tobacco is the only price supported commodity that is required to operate at no net cost—the only one. I think it is unfair to threaten the livelihood of tobacco farmers with the possibility of increased imports—there are plenty of cheap imports in the marketplace already. Imported tobacco now accounts for 31 percent of an American cigarette. In fact, competition from cheap imports is one of the reasons it was necessary for this body to pass H.R. 3392, a bill freezing price supports for all tobacco for 1 year, on Monday of this week. Additionally legislation is under consideration in the Senate. The Members representing America's tobacco farmers are working diligently to preserve the financial viability of tobacco production in this country. The added threat of cheap, duty-free imports is asking too much of our American tobacco farmers. I think it is time we take a little bit better care of the American people first.

I am informed that the potential for imports of duty-free tobacco, especially burley, is minimal, approximately

30 million pounds annually. If this is the case, if so little tobacco is expected to be imported under this legislation, its exemption would have had an insignificant impact on the thrust of the legislation.

I appreciate the efforts of my friend and colleague from South Carolina, CARROLL CAMPBELL, that included language in the report to preclude tobaco from being trans-shipped from non-Caribbean countries through the CBI region for purposes of making it eligible for duty-free treatment. This will at least protect against undeterminable duty-free imports of tobacco from all over the world.

After numerous appearances this year before the committees of jurisdiction and even an attempt last December on this floor to exempt tobacco, along with several other items with particular circumstances that already have been exempted, such as tuna, certain textiles, apparel articles, and leather goods, from duty-free status, it is still one of the commodities eligible for such treatment. For this reason, I cannot support the legislation before us.

I urge my colleagues with an interest in the survival of the American tobacco farmer to join me in voting against the passage of this legislation.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BARNES. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Maryland.

Mr. BARNES. Mr. Chairman, I rise in support of H.R. 2769, the Caribbean Basin Economic Recovery Act, which I consider crucial to U.S. national and security interests in this hemisphere.

I would like to commend the gentleman from Illinois, Chairman ROSTENKOWSKI, for his leadership on this issue. This debate here today represents the culmination of efforts by the chairman and many others who for the past 2 years have advocated passage of this legislation.

It is important for the new Members of Congress to know the legislative history of the Caribbean Basin Initiative and the reasons why many of us believe that this proposal is the first truly comprehensive effort on the part of the United States in many years to provide a long-term response to the economic difficulties afflicting our neighbors.

The Reagan administration first annouced its intention to propose a regionwide program for the Caribbean and Central America in 1981. The proposal that was submitted to Congress in March 1982, consisted of a series of mutually reinforcing provisions in the aid, trade, and investment areas. The bill was referred jointly to the Foreign Affairs Committee and the Ways and Means Committee.

The Subcommittee on Western Hemisphere Affairs, which I have the honor of chairing, conducted a series of six hearings on the proposal and listened to the views of 27 witnesses. Subsequently the Foreign Affairs Committee reported out the economic assistance component, which has since been implemented.

The trade and investment components were not acted upon until December, when they were adopted by the House by a vote of 260 in favor to 142 against. This overwhelming majority clearly demonstrated that the Congress understands that U.S. security interests in the region largely depend on the economic and political development of those countries. Unfortunately, the Senate was not able to act on the legislation before the end of the session.

It is essentially the House-passed version that is before us today. The Senate has already acted on a similar proposal.

This initiative is long overdue. We have ignored the economic plight of our neighbors to the south for too long. The only thing that seems to awaken us from the stupor of our neglect is political turmoil. And when that happens our response is often conveyed in the form of military assistance. We are living through this in Central America, and we are paying the price of our neglect.

I have criticized the Reagan administration for reacting in this way to the crisis in Central America. But I do not hesitate in praising the administration for having the foresight of putting together this long-term economic proposal for the Caribbean Basin.

As one of the original supporters of this initiative, my only criticism of the CBI has been that it is too little and too late. I support the CBI because I see it as a first step in a long process that will continue to require our support. It is the first step because it makes the American people recognize the importance of the economic and political development of our neighboring countries for our own security. It is a first step because we are not providing quick-fix military solutions but long-term economic opportunities that can contrbute to political stability. But much more needs to be done.

H.R. 2769 will provide our neighbors with the opportunities they need to expand their exports, to produce more, to surmount their economic difficulties. This is not foreign aid.

What we are telling those countries is: "We will give you the opportunities to have better access to our markets, but the rest is up to you, you have to produce and work harder." And let me assure my colleagues that the people in the region have heard this message and are willing and anxious to make the most of it. I have traveled to many of the countries in the region and the question that I am asked most frequently is not about El Salvador or Cuba, but "Why has the U.S. Congress refused to enact the CBI?" The people in those countries have been hearing about the CBI for the past 2 years, and they have made plans around it. The least we can do is to deliver on our promises.

We have already heard today the concerns of labor with respect to the CBI. I am proud to be a good friend of labor. I will continue to be a good friend of labor. But I just do not think that the case has been made that the CBI will take away U.S. jobs. On the contrary, I am convinced that an economic upturn in the countries in the Caribbean Basin will result in an increased demand for U.S. products, and thus the creation of new jobs in the United States.

The Ways and Means Committee held extensive hearings on this subject, and I am satisfied that the safeguards are adquate to protect U.S. workers and industries.

I urge my colleagues on both sides of the aisle to vote in favor of H.R. 2769. It will be one of the few occasions we will have this Congress to vote in favor of economic solutions and not military solutions, to vote in favor of long-term economic development and political stabiltiy in this hemisphere.

Mr. BEREUTER. Mr. Chairman, I would first like to begin by commending the chairman and the ranking member of the Ways and Means Committee and all of the members of the committee responsible for bringing us this legislation.

Mr. Chairman, more than 18 months ago we were asked by the President, to approve a few small but meaningful steps now to help us achieve a more stable and prosperous hemisphere tomorrow. He presented us a proposal that had been developed through long and painstaking hours of formal consultations with the leadership of more than two dozen self-governing States. There had also been hours of informal give-and-take with our own private sector, with whom the administration exchanged views on how government and business could jointly attack the economic and social crisis that so heavily shrouds the future of the Caribbean Basin. As a member of the Western Hemisphere Subcommittee of the Foreign Affairs Committee, I can attest that numerous contacts with leaders of Caribbean and Central American nations shows they are anxiously awaiting for this positive sign of interest and assistance from the United States of America.

The President's proposal turned out to be a realistic and tough-minded approach to development that no one has criticized as being too generous. In point of fact, most of the testimony the Congress received which was criti-

cal of the Caribbean Basin Initiative cited the small dollar amount of direct financial support associated with the program.

We were not asked by the President to spend large sums of money to fund a short-lived bailout of governments which were temporarily overextended. We were asked instead, to give the President authority to extend to the Caribbean Basin nations limited preferences with respect to trade and tax treatment for a period of 12 years.

The President recognized, and I believe that most Members of this body recognized, from the outset that the CBI would not bring immediate results—but he and we had been unwilling to compromise our Nation's long-term interests in this vitally important region for short-term and short-sighted victories.

This Chamber voted changes in the CBI last session which the President felt would lessen the CBI's effectiveness. The President accepted those changes when he introduced the legislation in the current session. Where this Chamber expressed its preference for a more conservative approach, the President has been willing to listen, asking only that the program's central elements be retained in a meaningful way.

We should act tomorrow to approve the CBI. We can well afford this program, along with the expansion of trade and commercial exchange which it seeks to promote. If we deny the Caribbean nations an opportunity for self-generated economic renewal, we will be denying our own Nation the opportunity to draw upon our own strength to create a new, dynamic business environment south of our third border.

I yield back the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PICKLE).

Mr. PICKLE. Mr. Chairman, this is a good bill and it is in our national interest that we pass it and we ought to pass it as quickly as we can.

I know there are some interests in this country who feel that if we pass the CBI, it might result in the loss of jobs or affect our economy in some way.

That kind of argument can be made of any import from any port, from any part of the world. That is not a legitimate reason to oppose this measure.

The question is: Does it affect our economy in any measurable manner? And you have to say, "No, the CBI bill does not do that."

CBI production is small in comparison to our own economy. The gross national product of the entire Caribbean Basin is only about $40 billion, or about 1.4 percent of U.S. GNP.

So, it is not a grave matter. We ought to be mindful of the fact that while we are looking at that amount of production, we ought to remind ourselves that the United States enjoys a trade surplus of $2.8 billion in the Caribbean region this year. That is, excluding petroleum.

Now, this is important to our country. We enjoy a favorable balance of trade with the Caribbean. We ought to, in turn, try to help them.

We have tried to accommodate many of those who objected to certain parts of this measure.

We eliminated the investment tax credit in order not to be accused of encouraging any kind of runaway plant. We exempted certain items which are import sensitive in the general context of CBI trade.

For instance, we exempted the textiles, the apparels, leather products, footwear, canned tuna, and petroleum. Any industry which came to us and felt they might be affected, we tried to accommodate them.

In addition to the 35-percent local content requirement we adopted a strict pass through rule, to be sure that the products that came into this country are actually made in the Caribbean region.

So, we have tried to be fair and we have tried to help the Caribbean countries. The main reason that we ought to consider this bill favorably is simply because it is in our national interest.

We need to cast our eyes southward. We need to say to our neighbors in the Caribbean and Central America: "We want to be friends." And we feel now that the best way to do it is to improve trade relations.

Over the years we have given grants, we have made public works contributions to many projects, we have helped many nations in the Central American and Caribbean regions. I think we can take some measure of pride in it. But that has been temporary. You have to ask yourself is it really lasting?

A lasting effect would be provided through improved trade relations; let us give them a chance to trade with us, give them a chance to increase their production. That is what CBI is all about. That is why we ought to support it. We have a lot of trouble in Central America and the Caribbean now. Every day we pick up a paper and there is a headline about El Salvador, Honduras, or other countries.

That is because those people are poor, those people need help. And you cannot object to the fact that they are objecting to the severity of their economy and of their lives.

What we can do is try to help them improve their own lot. We can do that by trade, better than any other way.

Now, that is the simple fact of this measure. Those who would want to vote "no" and throw in maybe a little easy negative vote to satisfy some group are overlooking the fact that that would not be the right thing in the interests of this great Nation.

We must have peace to the south. It is a very important region to us; more important perhaps than any other region of the world. We have neglected it too long, Mr. Chairman. We ought to pay attention to the Caribbean area and Central American area. This is one way to do it.

The way to do it is to pass this bill and get about improving relations with our neighbors to the south. They are our neighbors, our backyard neighbors, almost our frontyard neighbors, and we must, therefore, show that now by acting affirmatively on this bill.

Mr. CONABLE. Mr. Chairman, I would like to congratulate the gentleman from Texas on the earnestness of his delivery and the comprehensiveness of his measure.

Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. I thank the gentleman for yielding.

I shall not repeat the fine debate we have had pointing out many of the things the chairman pointed out, ranking member pointed out, the gentleman from Minnesota, and, I think, particularly right now, the gentleman from Texas.

He has a very fine statement with regard to the Caribbean Initiative.

□ 1930

However, there is one type of export that we have not touched upon and I think this is one that we ought to be particularly concerned and we are particularly concerned about, particularly in south Florida. And this is the export of economic refugees from the Caribbean area. Those people who are seeking nothing more than a better job. I can think of no better way to assist the problem that we are having all throughout this country as it is now coming to us to stop the illegal export of economic illegal aliens from south of our border and that is to produce the jobs where they are, where they live, and allow them to maintain a fruitful life in those particular areas.

This, of course, has tremendous political importance to the United States as has been pointed out. It has military importance to the United States as has been pointed out.

But I think that one of the things when we are talking about protecting American jobs when these economic illegal aliens come to our shores they take jobs of the American workers. And I can think of no better way to protect the job of the American worker than to stop this flow of illegal aliens into our country.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. PEASE), a distinguished

member of our subcommittee and our committee.

Mr. PEASE. Mr. Chairman, I rise in support of the Caribbean Basin Economic Recovery Act. Unless our country takes positive action to aid the economies of the countries in the Caribbean Basin, those countries are likely to erupt in turmoil and civil war such as we are already seeing in parts of Central America. I especially want to speak to those of you who are concerned about the loss of American jobs associated with this bill.

Last year, I voted against a similar bill. The unemployment rate was over 20 percent in much of my congressional district at that time. Import penetration was a substantial cause of much of the joblessness. But the Reagan administration stubbornly refused to support badly needed improvements in the only Federal program designed to assist American firms and workers adversely affected by increased imports—the trade adjustment assistance (TAA) program.

I expect that some American jobs will be lost as a result of enactment of this bill. If this is not the case, what good will this bill do? But I urge those of you concerned about the loss of jobs to join me in requesting that the Rules Committee clear for prompt floor action H.R. 3391 to reauthorize the TAA program for both firms and workers through fiscal year 1985. In this way, we can overcome the callous disregard shown by the White House for the American businesses and workers put at risk by import penetration. Extension of the TAA program will allow them to regroup and retrain.

Why am I supporting this bill this year? Very simply, I am convinced that we are facing a crisis in Central America at this time that threatens to spill over into the entire Caribbean Basin. To me, that is an overriding consideration.

Mr. CONABLE. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana (Mr. MOORE), a valued member of the committee, known for his brevity.

Mr. MOORE. Mr. Chairman, I rise in strong support of H.R. 2769 as an original cosponsor of this Caribbean Basin Initiative for a very basic reason. This bill represents to me a very fundamental experiment or change in our foreign policy.

We are changing in this bill from a program of handouts to a program of incentives. I do not mean to demean all foreign aid. Some of it is necessary, but the average American believes today that, for a long time, we have been trying to buy friends with handouts with little success. We have spent tens of billions of dollars over the years giving countries cash or weapons. We should question the results. Communism is on the rise worldwide and is now even in this hemisphere. World poverty is still severe, the world economy is weakening, and our need for a strong national defense to defend the free world is growing.

We do not buy friends. The world's poor do not want handouts. They want jobs, just like the poor in this country do.

When we stop and look at it, most despotic or totalitarian governments rise because of economic chaos, because there are no jobs, and their people sink down into despair and desperation to a loss of freedom.

The Caribbean area is no different. Already, we have seen such things take place in Cuba, Nicaragua, perhaps El Salvador, and I fear others. This results in a national security problem for this Nation, waves of illegal immigrants on our borders, and the loss of markets for our own trade goods, thereby hurting our economy. We simply cannot afford, with our own deficit problems, the amount of foreign aid or handouts we are going to have to give to keep these countries going and keep them free. We cannot afford it. We cannot afford the national defense expenditures to defend the free world if they all begin to turn Communist. We just do not have the money.

But Caribbean Basin Initiative nations do not want handouts. They are proud people, and they want economic futures for their people just as we want for our own. Where we have gone wrong over the years is in giving a demeaning handout to a country who looked to us for the secret of our own success. That secret is the engine of our progress—our free market, free enterprise system. That is what they are looking for. They want to emulate the economic strength of this country, not a handout.

That is precisely what this bill begins to set in motion. It is not giving a handout. It is beginning to give, for the first time, incentives to these countries to begin to develop their own free market economy and strong economy.

When we look at history, we find that all through history the strongest alliances between nations have been built on trade. A strong economy is going to keep these Caribbean countries free, make them trading partners of this Nation, and someday even allies. Think of the billions we could have saved and the much better conditions the world could be in if only we had tried something like this years ago.

Opponents of this bill fear that it will cost the United States jobs and they support foreign aid instead. I think they are wrong. What they are fearing is fear itself, and we had one President caution us against forming a national policy based on fear. We do not have to fear free and fair trade. We can and will compete successfully in this strong Nation of ours against anybody who competes fairly. We have laws on the books that are going to insure that all of these countries are going to have to compete fairly.

But, here is the interesting part—when their economy grows, they are going to have the money for the first time to buy our goods, and they do not have it now. That will create jobs in this Nation that do not exist now. Furthermore, we will have reductions in our national defense and foreign aid budgets as this part of the world becomes stronger economically, thereby reducing deficits, and again contributing to a stronger economy in this country.

Protectionism, in this country, coupled with the age-old mistake of "big brother" handouts is not the solution, Mr. Chairman and my colleagues. The solution is to give incentives to help these countries build their own strong free economies, make them trading partners of ours, equal partners of ours, and thereby true friends forever.

Mr. GIBBONS. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. JENKINS).

Mr. JENKINS. Mr. Chairman, I would like to engage the chairman in a colloquy, if I might, on one point in the bill.

I would like to clarify for the record that the value-added requirements set forth in section 103(a) of this bill are intended solely for the purpose of establishing eligibility for duty-free treatment under the CBI and not for the purpose of determining country of origin. I assume that these value-added criteria cannot in any way be used for the purpose of circumventing current rules for determining country of origin under the substantial transformation criteria, including such criteria as apply under the multifiber arrangement. Is my understanding of this situation correct?

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Florida.

Mr. GIBBONS. I thank the gentleman for yielding.

This is correct. I would also add by way of clarification that the value-added requirements are only one of the rule-of-origin tests under the CBI. To receive duty-free treatment, a product must also be substantially transformed into a new or different article which has been grown, produced, or manufactured in a Caribbean Basin country. So a substantial transformation rule will also apply under CBI.

Mr. JENKINS. I thank the gentleman for his statement in this regard.

Mr. GIBBONS. If the gentleman would yield further, I would like to commend the gentleman from Georgia for his careful way in which he ap-

proaches controversial pieces of legislation, the constructive and fine work that he does on legislation like this and in the committee.

Mr. JENKINS. I thank the gentleman for his remarks.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, as does any nation the United States wants as neighbors, friendly, healthy, stable democracies; nations whose citizens are permitted to live and work in an environment which is conducive to sustained economic growth and a peaceful and profitable coexistence with its neighbors.

Our national economic and security interests in the Caribbean can be stated in more hardnosed terms. Nearly one-half of our trade and two-thirds or our energy imports move through the sea lanes of the Caribbean. We sell the Caribbean Basin around $3 billion more in goods each year than we import from them. We export to this region more machinery and capital goods per capita than to any other developing region in the world.

It should also be recognized that, today, America is part Caribbean. The Caribbean Basin is currently the second largest source of immigrants to this country and many of our cities and towns have populations whose family and business ties to the Caribbean are strong and vital.

The economic picture in the Caribbean is miserable and, frankly, further decline is possible. There are over 6 million people living in the Caribbean today who are surviving on family incomes at or below the level of minimum subsistence.

These countries are suffering severe and prolonged balance-of-payments crises. The administration had estimated a balance-of-payments shortfall in the region in 1982 of $800 million. The actual shortfall was $1 billion. For 1983, we are estimating a shortfall of $1.2 billion. This group has a current debt burden of over $23 billion—more than half their collective GNP in a given year. Just to service that debt, they are forced to consume over 25 percent of their annual export earnings.

The worsening situation in the Caribbean has done nothing to help this country get out of its own economic troubles. Our exports to the region in 1982 declined by $155 million, a predictable outcome, considering the fact that the Caribbean lost $700 million in U.S.-derived export earnings because of the sharp drop in commodity prices.

The economic problems of the Caribbean Basin will not be self-correcting once the developed nations achieve full economic revitalization. The Caribbean needs help, and I think we can afford to give it that help. Caribbean Basin nations have a total population which is around a fifth of our own. Yet in 1 week, we are able to produce the equivalent amount of goods and services that it takes all 28 Caribbean Basin nations a year to produce. The Caribbean Basin Initiative contains trade liberalizing measures that will affect one-tenth of 1 percent of the total value of goods and services consumed in this country in a given year.

The integrated measures of the Caribbean Basin Inititative are directed toward what both donors and beneficiaries mutually believe to be the medium- and long-term needs of the Caribbean.

They are measures which will facilitate the Caribbean Basin playing a broader role in the inter-American trading system.

They are measures which depend for their success upon the efforts of the beneficiaries themselves, thereby fostering a self-help outlook.

The CBI is neither a panacea for the Caribbean, nor will it prove the bane of the American worker. It is a practical trade and investment policy approach to treat the needs of a region of vital interest to all Americans.

It is ironic that the AFL-CIO opposes this legislation for it has been instrumental in the formation and development of free trade unions in the basin. The head of the Banana Workers Union of Honduras, the largest union in the country, told me several months ago that his union and all of the unions in the country strongly support this legislation.

I submit that illegal immigration from the basin is a far greater danger to American workers than any provisions in this bill.

I urge its approval.

Mr. CONABLE. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Chairman, I rise today to speak in opposition to the bill, H.R. 2769.

I have mixed feelings about this bill—I would have liked to have supported it. I am greatly concerned about the advances that Mr. Castro has been making in the Caribbean, taking full advantage of the turmoil within many of these countries. And I do believe that a good dose of free enterprise with the United States can provide needed benefits for these countries.

But I am also concerned about the effects this bill could have on some American communities, communities right here at home which are struggling to keep their heads above water. Mr. Chairman, I refer to the communities of very small tobacco growers throughout Appalachia and the middle South which depend on an acre or two of tobacco for their livelihoods. Because I am convinced that this legislation could open the door to floods of imported tobacco which would drown out the hundreds of thousands of tobacco growers in our country, working to make ends meet on an acre or two of tobacco.

Let me outline my concerns for you.

First, I am concerned that the Caribbean could become a funnel for tobacco from other countries—competitors like Korea and Mexico—who would take advantage of CBI by shipping their tobacco into the Caribbean, and from there to the United States, thereby gaining a savings of 15 to 17 percent ad valorem.

Certainly I would like to commend the committee for including report language to begin to address this problem. This language clarifies what operations represent insufficient transformation of the product to become eligible for duty-free treatment, including merely blending foreign and Caribbean tobacco, chopping or thrashing foreign tobacco without further manufacturing or simply performing alterations of wrapper tobacco—as under item 806.20 of the Tariff Schedule of the United States by stemming or cutting. This is an excellent step in the right direction and I commend the committee for including it.

But frankly, I am still not convinced that this will give us the protection we need. I do not question the intent of the law in this regard—I question our ability to enforce it. Considering the immense difficulty our customs personnel have had stemming the flow of illegal drugs coming into this country, including boatload after boatload of illegal marihuana—I see no reason to believe that they will be able to successfully police the tobacco coming into this country. And in view of the administration's request to cut back on customs personnel for fiscal year 1984, I am even more concerned that we could have a great deal of trouble policing tobacco imports in years to come.

Second, I am also fearful that we will see increased production of tobacco right in these Caribbean countries. These countries already export over 14 million pounds per year and they can already undersell us by more than $1 per pound. They have the capacity to increase their production, and with this price differential I have no doubt but that they will promptly take advantage of this capacity. Our domestic producers cannot compete with the cheap foreign labor and this will mean lost market shares for our own growers.

Now Mr. Chairman, I would like to speak for a moment about these growers, the Americans who could be so badly injured by this legislation. We are not talking about the cigarette manufacturers who would benefit from cheap foreign tobacco for their

cigarettes. We are not talking about the large tobacco growers here in the United States, who at least have a fighting chance to use economies of scale so they can compete with the underpriced foreign growers.

The folks who would be most severely affected by this flood of foreign grown tobacco would be the small tobacco growers—such as the hundreds of thousands of burley tobacco farmers, whose tobacco allotment in Kentucky averages under just 1 acre. These small farmers, who cannot use the economies of scale of the large corporations, these are the ones who would be hurt by this legislation. And these are the farmers who have no other source of income with which to buy their groceries, feed their small children, pay for the youngsters education, and to provide for their own basic livelihood.

Mr. Chairman, I am fully prepared to work for the stability of the Western Hemisphere. But our fight against communism does not depend on giving a Caribbean country the right to flood us with tobacco. But the well-being of these hundreds of thousands of small growers in 22 States across our land does most certainly depend on their ability to grow this old American crop.

Mr. Chairman, we already have a surplus of tobacco. Last year, 24 percent of the Flue-cured crop and 31 percent of the burley crop went under loan. Our growers are facing the prospect of huge increases in their assessments under the no net cost tobacco program. We already have too much tobacco in the market, as our Secretary of Agriculture has affirmed when he cut back on the quotas and reduced the scheduled increases in the price supports. And just the day before yesterday, this very body voted to freeze price supports for a year. The last thing in the world we need is more tobacco flooding through our ports.

Mr. Chairman, these hundreds of thousands of tobacco growers are the backbone of our great country. We cannot afford to cripple them as we go about fighting communism. I urge my colleagues to join me in voting against this legislation.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

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Mr. STENHOLM. Mr. Chairman, I rise in support of H.R. 2769 and commend the chairman's work on this legislation and that of the committee. I appreciate the Chair's strong efforts on behalf of our Nation's interests which I believe passage of H.R. 2769 certainly is.

I would like to bring to light, however, a troubling situation. In doing so, I am not criticizing the purposes of this bill, H.R. 2769, but I do mean to call attention to the kind of problem that still remains to be addressed.

In its report No. 97-80, just last December, the House-Senate conference committee on appropriations stated that it was "seriously concerned about the growing number of expropriation cases involving U.S. companies in foreign countries. In case after case," the committee went on to note, "the Department of State, which is responsible for these matters frequently appears to be more interested in defending the position of the foreign country than the rights of U.S. citizens. * * * (T)he conferees are particularly concerned about expropriation claims in El Salvador, Indonesia, and Haiti."

Mr. Speaker, I share these concerns particularly Haiti and feel they ought to be addressed. I am sure that many Members are familiar with individual cases that meet the description offered by the conference committee that I have just read. The case with which I am most familiar involves the failure of the Government of Haiti to resolve a claim of expropriation, which is several years old.

In this particular case, the Haitian Government canceled a contract with a U.S. company for a major port development project and seized property belonging to U.S. citizens. Even though this confiscation involved several million dollars of U.S. investment, and even though there was a great deal of evidence showing a grievous disregard for procedural due process on the part of the Haitian Government, the initial State Department response was, at best, casual inattention. Since then, several years of efforts by my office, by my predecessor, and by other Members, have not persuaded the State Department to take an interest in negotiating a settlement with Haiti. A number of those involved in this case have contended vigorously that officials of both the United States and the Haitian Governments have said one thing in private and another thing in public.

Whether U.S. citizens have lost millions of dollars or considerably less, the first responsibility of our State Department should be to advise, assist, and provide advocacy for those U.S. citizens in pursuing a just settlement—advocacy which I have failed to see in this case.

Which brings me to this point: In this bill, the President is not allowed to extend special treatment to a Caribbean nation, such as Haiti, if that nation has taken an action, such as a contract repudiation, to seize property owned by U.S. citizens, unless a good-faith effort is being made to settle. I would pose two questions to the Chairman:

First, is it not the responsibility of the President to determine that a country has committed no acts of seizure or expropriation before designating it as a beneficiary country? Second, once a lack of wrongful seizure has been asserted and a beneficiary country designated, what recourse remains for the U.S. citizen whose property has been confiscated by a foreign country and who has filed an expropriation claim that the State Department will not pursue?

Mr. GIBBONS. Mr. Chairman, will the gentleman yield?

Mr. STENHOLM. I would be happy to yield to the gentleman from Florida.

Mr. GIBBONS. I thank the gentleman for yielding.

Mr. Chairman, in response to the gentleman, I would point out that the provision in the bill regarding expropriation is tough language. It prohibits the President from designating a country that has expropriated property or taken action having the effect of an expropriation unless that country takes appropriate steps toward compensation. I might add that the bill as amended by the committee specifically mentions repudiation of a contract as a measure which has the effect of an expropriation.

I do not know the history of your constituent's problem, but I would assume that if he has a valid contract repudiation case and the State Department refuses to take it up with the Haitians, he could challenge that refusal in court based upon the language in this law. Also, I expect to exercise extensive oversight over this designation process, and we will be looking closely at the State Department's decisions on designation.

Mr. STENHOLM. I thank the chairman very much for that answer.

I acknowledge the reasons that the committee has for the latitude given the President in this legislation. However, for those U.S. citizens, who could live in any Member's district, and who have invested or will invest in the Caribbean, I raise the question of what other protections are available. In this vein, I am also interested in hearing from other Members who know of or have experience with similar problems.

I thank the chairman for his interest and his helpfulness in this area, and I do appreciate the chairman's response.

Mr. CONABLE. Mr. Chairman, I yield 4 minutes to the gentleman from Florida (Mr. MCCOLLUM).

Mr. MCCOLLUM. I thank the gentleman for yielding this time to me.

Mr. Chairman, I know that we have been discussing the Caribbean Basin Initiative for some time this evening, and I would particularly like to associate myself with some of the remarks that have gone before.

I think the remarks of the gentleman from Minnesota a few minutes ago were very on the point, and that is

that the Caribbean Basin Initiative is long overdue. I think in the debate earlier this afternoon on the rule, the statement of the gentleman from Florida (Mr. GIBBONS), was eloquent and to the point about the trade benefits to the United States of our good neighbor policy if we could just get it going properly, what is already there as well as what will be under this bill.

I know the gentleman from Florida (Mr. SHAW) a few minutes ago raised the question of the refugee flow out of the Caribbean to this country and the importance to this country of stemming that flow.

One thing I would like to comment on in connection with all of this is the fact that I also am aware from some other gentlemen who spoke today that there are industries in this country, despite all of the efforts of the committee and the subcommittee, and I know the gentleman from Florida (Mr. GIBBONS) has made special efforts to see to it that no industry is harmed by this bill, there are still industries who believe they are. There is one in particular in my district who has talked to me about this bill any number of times, and they are, I am sure, never going to be satisfied.

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But this legislation is too important not to pass. It it too important for the economic issues of one or two industries or any group of people in this country to hold up or block. We need a cohesive policy toward the Caribbean Basin area or any number of reasons that are in our best interest. We need good economic conditions in those islands and in Central America, just as we need good economic conditions in California, in Texas, and in Florida, in order for our Nation to survive as a free country.

I speak that way not only because of the foreign policy implications and the economic implications but because they are so integrally connected with us that our quality of life cannot continue to exist if we ignore it regardless of all the other questions that are raised.

I speak that way in large measure from my experience on the Immigration Subcommittee for the past 2½ to 3 years. We know that there is a bill pending, the Lord willing and if the creek does not rise and the Rules Committee and the leadershp on the other side get it out, to let us vote on an immigration bill that perhaps will give us a chance for the first time to enact legislation that will have employer sanctions in it, that will begin to follow the path of regaining control of our borders and stop the flow into this country of millions of illegal aliens that are coming to our country every year, most of them from this Caribbean Basin region.

There are estimated to be over 12 million illegals in this country; some say less; some say more. There are over 500,000 Salvadorans in this country, I understand, now, and more are coming every day. We can name country after country of our neighbors to the south where the economic pressures are forcing them northward. Whether those pressures are political or come from difficulties in the political arena, most of them come to get a job, to get an opportunity to be able to work.

The main reason they are coming here is to have that economic opportunity that the United States provides. It is essential to the workings of the entire effort that we are making to regain control of our borders.

In addition to all other questions, not only do we need to have employer sanctions and to have the provisions of the immigration bill in general that we are going to have before us shortly, but also we need to reinforce the economies of those countries if we are going to succeed in the long run. We need stability. We cannot have stability without good economies. We cannot have the control of the borders without all of us working together.

We need a team effort on this, and the Caribbean Basin Initiative is an absolutely essential ingredient if this is going to succeed, and it is paramount to all the other considerations of the individual interests of the Members and some of the industries that I know we all represent.

Mr. Chairman, I urge all of my colleagues to put aside those personal and individual district concerns and vote for this bill tomorrow. I think it is absolutely essential to our Nation's quality of life.

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may use, and then I will yield 3 minutes to the gentleman from Puerto Rico (Mr. CORRADA).

Before I yield that time to the gentleman, let me say that the gentleman from Puerto Rico has been very helpful to us in crafting this legislation. He has worked very constructively with us. Because of his expertise in the area of the Caribbean and particularly his expertise on Puerto Rico, he has done an outstanding job, and we appreciate his contribution.

Mr. Chairman, I yield 3 minutes to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Chairman, I thank the subcommittee chairman for yielding this time to me, and I express my appreciation to him for his kind words. I would like to commend the committee chairman, the gentleman from Illinois (Mr. ROSTENKOWSKI) and the ranking Republican member, the gentleman from New York (Mr. CONABLE), as well as the chairman of the Subcommittee on Trade, the gentleman from Florida (Mr. GIBBONS), and others for bringing this bill to the floor of the House.

Mr. Chairman, I rise in support of H.R. 2769, the Caribbean Basin Economic Recovery Act.

Both the Governor of Puerto Rico, Hon. Carlos Romero-Barceló and I are deeply committed to the CBI. Indeed, we in Puerto Rico are already using the principles underlying the CBI in creating our own economic assistance program. Our expertise, our industrial know-how, and our commonalities with the nations of the Caribbean are being put to use. For example, we have just signed an agreement with the Government of Jamaica to train 7,000 Jamaicans in basic industrial skills such as masonry, carpentry, electricity, and plumbing. The funds for this are coming from AID, the expertise from the people of Puerto Rico. In the near future, we hope to expand this program to other nations such as the Dominican Republic, Haiti, Costa Rica, and the nations of the eastern Caribbean.

We are undertaking these efforts because we believe that these countries need more than an infusion of dollars to develop. They need technical aid and trade opportunities as well. Puerto Rico can help provide the technical aid, but only the passage of the CBI can bring the trade opportunities.

The Government of Puerto Rico is supportive of the CBI even though we recognize the potential problems this could cause to the economy of the island. Our employment rate is still above 20 percent. Some of the products which will enter the United states duty free could cause some harm to our own local manufacturers. Still I am in favor of the Caribbean Basin Initiative.

The Governor of Puerto Rico, Carlos Romero-Barceló, has said that the key to the CBI can best be expressed by saying that when your neighbor is improved, how can you not be helped. The Caribbean Basin Initiative is designed to improve a lot of the nations of the region, but we, Puerto Rico in particular, and the United States in general, will benefit. Puerto Rico will benefit from the additional use of its resources as well as participation on the rules of origin portion of the bill, and the United States will benefit by the additional trading opportunities which will exist and by the chance for political stability arising from economic prosperity.

In closing, let me note that we would be following ourselves if we thought this bill would cure all the ills of these nations, but we would be deluding ourselves even more if we did not pass this legislation and then expect the nations of the Caribbean to better themselves economically to a point where there would be no threat to

that most fragile of all political systems—democracy.

I urge the passage of this legislation.

Mr. CONABLE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Chairman, I speak on this subject as the ranking Republican on the Immigration Subcommittee, and perhaps in some ways it sounds like I am merely reiterating what other Members have said. But I do think it bears repeating over and over again how important this particular bill, along with other things, is to our whole question of immigration in this country.

Coming from the Southwest portion of the United States, I can tell the Members that unless we come to grips with the immigration situation in this country, we are virtually running the risk of losing one of the major evidences of sovereignty, that is, control of the borders and determination of what type of society one country or the other wishes to maintain.

Those who have at times argued with those of us who have supported the Simpson-Mazzoli approach have suggested that all we do is deal with the pull factor in our immigration bill, that is, the attraction of jobs, and that in fact unless we do something with the push factors, those things that drive people out of the countries in the Central and South American regions, we will do nothing.

Well, this is an opportunity for us to do something about that push factor. It is an open opportunity for us in essence to put our money where our mouth is and for us to suggest that if we truly believe that if we are going to do anything about the immigration situation from Central and South America, we must cooperate with the countries of that region to try and shore up their economic situation, such that they can do things to help themselves.

There is a crying need in that portion of the world for this type of assistance. For whatever reason, we have long ignored our neighbors to the south, either on immigration policy or trade policy and in some cases military policy. We can no longer afford to do that. There is an impending crisis upon us, and we cannot at this point indeed fail to act.

So, Mr. Chairman, I would suggest that those Members who might have some reluctance in supporting this bill should look again to see what the immigration implications are for this bill, because it is extremely important that we act and act now.

● Mr. HEFTEL of Hawaii. Mr. Chairman, I oppose H.R. 2769, this year's version of the administration's Caribbean Basin Initiative, for the same reasons I opposed this bill when it was considered in the House Ways and Means Committee. Although I recognize that our Caribbean neighbor-nations do indeed need substantial assistance from the United States to help them resolve their serious financial problems, I do not believe that we should be trying to accomplish that goal at the expense of any single industry or State in this country.

With the exception of perhaps Florida and certain U.S. possessions, no other State stands to be affected more severely by the provisions of the Caribbean Basin Economic Recovery Act than my State of Hawaii. In essence, the Caribbean Basin Initiative in its present form delivers a one-two punch to Hawaii's economy.

First, the CBI provides special duty-free treatment for many agricultural products that would compete directly with Hawaiian produce. As Hawaii struggles to broaden its agricultural base and break from its dependence on sugar and pineapple, it is imperative that this effort to revitalize Hawaii's agriculture not be undermined.

During our consideration of the CBI proposal that is before us today, the administration argued that the one-way free trade provisions of this bill, which provide duty-free treatment to imports from the Caribbean Basin, would affect only a handful of imports from that region that do not already come into the United States on a duty-free basis. However, almost every item on the list of products to receive duty-free treatment for the first time under this legislation is not grown in Hawaii and exported to the mainland. These products include orchid plants, macadamia nuts, both fresh and prepared papaya, pineapple, and guava products, and cut flowers. Moreover, although proponents of the bill claim that Caribbean Basin agricultural products will not penetrate U.S. markets beyond the East Coast, the fact is that cut flowers from the Caribbean, for example, are already appearing in markets as far away as Minnesota and Wisconsin.

Second, the CBI would siphon off Hawaii hotel convention business by providing tax deductible treatment for attending a convention held in the Caribbean. Thus, Hawaii's two major industries, agriculture and tourism, are directly and adversely affected by this legislation.

However, it became apparent during Committee and floor consideration of the CBI legislation during the closing days of the 97th Congress that an item-by-item exclusion approach for agriculture products was not practicable. Indeed, protecting all of Hawaii's agriculture interests necessarily meant the gutting of the tariff provisions of the CBI bill. Therefore, the goal of finding an acceptable approach that would help deflect at least some of the force of the CBI's one-two punch from Hawaii's economy was indeed made difficult. However, I developed an amendment in the nature of a substitute for the convention tax deduction provisions that would have provided the Caribbean Basin nations with real assistance in meeting their most fundamental economic hurdle.

The dependence of Caribbean nations on imported oil is perhaps the biggest cause of the huge imbalance of payments from which those countries suffer. Clearly, a measure that would help those countries to meet their energy needs by breaking their reliance on imported fuel would go a long, long way toward providing the economic stability that those nations so desperately need.

My amendment would have extended the business energy tax credits for renewable energy equipment to investments made in Caribbean countries that qualify for beneficiary treatment under the CBI. Extending the business energy tax credits to these countries would provide significant energy benefits to a region that is especially suited to renewable installations due to the warm sunny climate and reliable winds that that region of the world enjoys. Moreover, helping these countries become energy independent would go a great deal further toward solving their economic ills than encouraging them to become tourist dependent.

However, when it became obvious during Committee consideration of this new CBI legislation that the climate was not ripe for my amendment, or any amendment, for that matter, the decision was made not to offer my proposal, despite its substantial merits. Nevertheless, I hope that the Committee and Congress will have an opportunity to consider my tax credit extension proposal, because we should not turn our backs on proposals that will provide Caribbean nations with meaningful assistance to help them deal with their economic enemy No. 1—their almost total dependence on costly imported crude oil. Such constructive alternatives to the frankly harmful provisions in this CBI legislation clearly merit our consideration and support.●

● Mr. WALGREN. Mr. Chairman, I opposed the rule on H.R. 2769, because it did not allow for any amendments other than Ways and Means Committee amendments to the so-called Caribbean Basin Initiative.

Although I believe we can all agree that true economic growth and prosperity is the key to a stable and democratic Caribbean, this goal must be balanced against the necessity of preserving economic strength at home. In my view, world stability starts with a strong American economy and that requires balanced protection of American jobs from foreign imports. I view the administration's proposed Caribbe-

an Basin Initiative is long on hope for our neighbors but short on protection for the American worker. If we are forced to vote on this Caribbean aid bill without amendment, the American worker would again be sacrificed by the Reagan administration's assumptions about free trade which operate without regard to overall employment considerations here in the United States.

Pragmatic considerations demand that we adopt a modified free trade approach responsive to the needs to labor. This means that any Caribbean legislation must reflect fair labor practices. We need a Caribbean policy that will guarantee human rights, workplace safety and health standards for new construction, and which incorporates the right to organize and bargain collectively. We also need a Caribbean policy that insures across-the-board local content requirements so that this region does not become a cheap "pass through" for imports from other developed nations.

In my view, it is critical that the administration's approach be amended to exempt from duty-free access any articles in depression plagued sectors such as the steel industry. It is a bitter irony that this administration is pushing a bill without concern for overall employment at a time when tens of thousands of American steelworkers are unemployed. Their factories stand idle from current unfair competition that goes unaddressed. Opening the U.S. market to additional steel producers in the Caribbean would only make the situation faced by American steel manufacturing worse.

I wish my colleagues had defeated this rule because it allows this Caribbean Basin Initiative bill to escape the test of amendments that would insure that American jobs are not lost as we reach out to help our Caribbean neighbors.●

● Mr. SENSENBRENNER. Mr. Chairman, today, I am glad to take part in this opportunity to pass a long-needed and well-planned self-help proposal to aid our neighbors in the Caribbean Basin. H.R. 2769, the Caribbean Basin Economic Recovery Act, will strengthen our trade position in this region and will provide new opportunities for these nations to achieve self-sustaining growth. As we are well aware, our developing neighbors to the south are going through a difficult transition period. We have ignored the economic needs of these nations for too long. It is clear that security, democracy, and economic development are plainly linked, and I strongly believe passage of this legislation would demonstrate a sincere U.S. commitment to furthering economic development and political stability in the Caribbean nations.

This legislation has been developed in close consultation with governments and private sectors of both potential recipients and other donor countries. The initiative has, as its cornerstone, the granting of duty-free access to U.S. markets for many Caribbean products. It consists of integrated, mutually reinforcing measures in the fields of trade, investment and financial assistance. The Caribbean Initiative is designed to foster self-reliance. Its success rests primarily on implementation through local and foreign private sector initiative and will address both emergency problems and long-range economic development.

In addition to helping the Caribbean Basin nations, this legislation is also advantageous to the United States. We already have a $2.9 billion trade surplus with over $6 billion is U.S. exports sold in this region, which translates into more than 150,000 U.S. jobs. Further, while the duty-free access would provide significant stimulus to the Caribbean nations, this legislation would translate into only about three-tenths of 1 percent of total duty-free U.S. imports, or about $800 million of Caribbean exports. Added to the duty-free provisions, the legislation includes important exemptions, a strict rule of origin requirement and insures existing procedures for protecting domestic industries. All told, the effect of the CBI will be to expand trade and create more U.S. jobs by encouraging economic growth in this region.

Finally, the strategic importance of furthering political stability through economic development and strengthening our friendship with this vital area of the world is invaluable. Trust and cooperation between our nations is essential and I can think of no better way to do this than by providing the Caribbean Basin nations the means to help themselves. This is not a handout and can only benefit both sides.●

● Mr. STARK. Mr. Chairman, during Committee consideration of Caribbean Basin legislation, I brought to the attention of my colleagues again, as I did during consideration of this bill in the 97th Congress, the flagrant tax abuses that take place in a number of countries included in H.R. 2769.

Now included in the bill, section 203 directs the Secretary of the Treasury, no later than 90 days after the enactment date, to report to House Ways and Means and Senate Finance on the level at which Caribbean tax havens are being used to evade or avoid Federal taxes and their effects on Federal revenue, information on the relationship of such tax haven use to drug trafficking and other criminal activities, and on current antitax haven enforcement activities of the Department of the Treasury.

We can no longer tolerate the abuses of tax haven countries. These nations have served to pirate the capital of other nations and are delighted to harbor legal and illegal investments, with no questions—and no taxes asked. They refuse any effective cooperation with United States and international police efforts to trace drug money and the "profits" of organized crime and the investments of international swindlers.

To fulfil our commitment in this House to closing tax loopholes, to make our tax system fair and more effective, we need to deal with the problems of tax havens. I look forward to seeing the Treasury's study, as it should better notify Congress and the public of abuses and should clarify the means for corrective action.●

● Mr. FAUNTROY. Mr. Chairman, H.R. 2769, the Caribbean Basin Economic Recovery Act, embodies concepts and goals that are long overdue. This legislation is a first and very imperfect step in moving to a changing relationship with our neighbors in the Caribbean. It is a tentative step in moving our relations with the Caribbean nations from one of domination to cooperation.

While supporting the positive aspects of this legislation which recognizes the political, social, and economic importance of our Caribbean neighbors, I am troubled by the criteria for beneficiary status that imposes terms of conditionality which are offensive to the sovereignty of the Caribbean nations.

At the same time this legislation imposes extensive criteria designed to insure the environment for U.S. investors, the legislation fails to establish protections for Caribbean workers and fails to establish eligibility based upon reasonable human rights criteria. This failure of the legislation is not inconsequential to the goals of the proposal. Human rights and fair labor practices are necessary to insure that the benefits of increased trade and investment are fairly distributed and that Caribbean workers benefit from their contribution to increased production and trade which we all hope will result from this legislation. This legislation would bring under its umbrella many different countries with differing social systems, differing standards of fair labor practices, and differing political systems. We will need to insure in the future through public policy oversight that this legislation, if passed, will not lead to increased exploitation in any of the beneficiary countries.

It will also be necessary to give greater attention to the infrastructure needs of the Caribbean nations if the investment and development goals are to be met. This will necessitate greater levels of development assistance to the Caribbean and particularly the eastern Caribbean.

It is my hope that we will, in the future, be able to consider and adopt more far-reaching and refined legisla-

tion that will assist the peoples of the Caribbean in their quest for economic development and social justice.●

Mr. CONABLE. Mr. Chairman, in keeping with the spirit of the agreement entered into previously, I now yield back all but 10 minutes of my remaining time, which I reserve until tomorrow.

The CHAIRMAN. The gentleman from New York (Mr. CONABLE) yields back all but 10 minutes of his time.

The Chair recognizes the gentleman from Florida (Mr. GIBBONS).

Mr. GIBBONS. Mr. Chairman, would the Chair inform me as to how much time I have remaining?

The CHAIRMAN. The gentleman from Florida (Mr. GIBBONS) has 32 minutes remaining.

Mr. GIBBONS. Mr. Chairman, I will yield back the greater portion of my time, and at this time I yield myself such time as I may use.

Mr. Chairman, I do not think I should let this opportunity pass without saying something about the Caribbean Basin. This country needs a good policy toward that very sensitive area of the world. Almost 50 years ago, Franklin Roosevelt decided that that was true, and he started a program that began with Puerto Rico and the Virgin Islands.

□ 2000

Any of us who have visited those areas know how vastly those areas have improved in those 50 years, but World War II came along and interrupted those dreams of improving the Caribbean.

John F. Kennedy came along and started the great Alianza Para Progresso, or Alliance for Progress. The South Americans were caught up with it. The Caribbean nations were caught up with it and they made some progress; but unfortunately, the Vietnam War came along and robbed that area of the world of its opportunity to progress. With the decolonization that took place in the 1950's and 1960's, and the 1970's, many of these small areas that had existed as colonies of Europe were cast adrift. They lost their opportunities to trade and poverty overtook those prosperous areas. They were not very prosperous ever, but they became less prosperous. With better medicine and greater longevity, the population expanded, some people would say exploded, and created all kings of social and economic problems for them.

The second largest Dominican Republican city in the world is in the United States. The second largest Haitian city in the world is in the United States and the same is true for a whole list of those countries down there. By one means or another, sometimes legal and sometimes not legal, these people have moved to the United States in order to survive.

A coherent approach to the security of the United States must include a strong Caribbean. Should a conflagration ever break out of any major size, the ports of the eastern parts of the United States would probably be inoperative, forcing most of the reinforcement of our Armed Forces, in fact, the deployment of our Armed Forces to go through the Caribbean.

Most of the oil that we import must transit the Caribbean; so for humane reasons and economic reasons and for security reasons, it is in our own self-interest that we strengthen the Caribbean. We have tried to do it by aid and some programs have been modestly successful; but when you visit that area, you constantly find the people saying, "Don't give us aid. Give us an opportunity to help ourselves. Give us an opportunity to build an industry that will keep our sons and daughters here doing some productive work instead of having them escape to the United States and live illegally, perhaps."

These people want to live at home and they want to live peaceably at home. They are friends of the United States, so we owe them some kind of opportunity.

As an American and understanding this bill as I do, I am a little embarrassed about how small it is. It is extremely small to us, but from the point of view of an inhabitant of the Caribbean, it is a huge opportunity. When you compare our gross national product, there is just no logical way to compare them. When you compare what their trade would have on our economy, there is no logical way to explain them, unless you just dwell on the figures to the right of the decimal point.

As I said in my debate on the rule and as I told in that little vignette about that textile factory in Jamaica, there is nothing in this bill that will hurt American labor. It will provide jobs for American labor in building tools, in making the materials, in operating the expertise that these countries need to make some modest development on their own.

Certainly, there will be displacements. There always have been displacements in any economy, but they will not be directly traceable to this, in my opinion. They will be the kind of evolutionary changes that America has always been making and must make if we are going to keep up with the demands to keep this the most productive highest standard of living in the world; but your Subcommittee on Trade and the Ways and Means Committee will exercise vigorous oversight, not only with the American departments in our government to be administered, but by going and seeing and talking to the people and if any serious problems develop, and I do not believe they will, we will be back here to report them to this Congress for whatever appropriate action the Congress wants to take.

Mr. Chairman, I want to pay particular tribute to the members of the Ways and Means Committee who perhaps looked very skeptically upon this legislation in the beginning, but who took the time to travel, and not very pleasant travel, either, to go to the Caribbean and see what is really going on down there, to get the kind of feel that you must have in order to legislate intelligently about it.

I hope all Members who may be skeptical about this legislation and about the Caribbean, will take the opportunity to travel there and to see what is going on and to see how important that area is to us and to make an objective judgment about the significance of this legislation and its impact upon America.

Mr. Chairman, I could not close my remarks without paying particular tribute to our fine technical staff on the Ways and Means Committee that has done a very workmanlike job in putting this legislation together, correcting and making suggestions, marshalling the facts, helping in so many ways to make what I think is a very important step forward in the opportunity of the 23 million people who live in these 28 countries to help themselves to raise their standard of living and to raise our standard of living and to make it so that it is possible for us to live peacefully in this hemisphere.

Mr. Chairman, I yield back all the balance of time on this side, with the exception of 10 minutes.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GIBBONS) having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region, had come to no resolution thereon.

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ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would like to make an announcement.

On the first rollcall of the day on the approval of the Journal, the electronic voting system became inoperative and the roll was then called by the Clerk. Several Members who voted while the voting system was operating, before the Chair converted to the manual call, did not respond when their names were called.

The Chair announces that those Members will be included as voting on the rollcall on the approval of the Journal, since they properly cast their vote before the electronic voting system became inoperative.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from New Jersey (Mr. RODINO).

UNEMPLOYMENT BENEFIT LEGISLATION

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Madam Speaker, today I am joining with my colleague, Congressman GUY VANDER JAGT, in a bipartisan effort to correct an important inequity in present unemployment compensation programs. Due to an unforeseen statistical glitch, which is a consequence of the method used to determine program eligibility, and the now large number of long-term unemployed, many States with very high unemployment rates are ineligible for extended unemployment benefits. We expect strong bipartisan support for the corrective legislation we are sponsoring today, here in the House. In the Senate there is bipartisan support for identical legislation introduced by Senator LEVIN in that body on June 29 as S. 1589.

My own State of Michigan, which has a total unemployment rate of 15.2 percent—over 50 percent higher than the national average—triggered off the extended benefit (EB) program in June, thereby reducing unemployment benefits in Michigan by 13 weeks. In addition, benefits under the Federal supplemental compensation (FSC) program were reduced by 4 weeks last month. This same situation occurred in Alabama where the total unemployment rate stands at 12.9 percent, Ohio with 12.8 percent, Illinois with 12.4 percent, Indiana with 11.2 percent, and other States with double digit unemployment levels.

This absurd result, where programs intended to assist the unemployed are "triggered off" in some of the hardest hit States in the country, can be traced to the measure of unemployment used to trigger the program on and off. This measure is not the traditional unemployment rate with which we are all familiar. The measure that is used in the EB and FSC programs is what is known as the Insured Unemployment Rate (IUR). The IUR is calculated by dividing the number of people receiving regular State unemployment benefits by the number of people working in jobs covered by unemployment insurance. Thus the IUR is only a good measure of the recently unemployed and is generally a poor indicator of total unemployment.

As a State enters a recession, the IUR and TUR increase in relation to one another. However, when a State has been in a recession for some time and workers exhaust their regular State unemployment benefits, they fall out of the statistical count for the IUR. Finally, as the rate of layoffs falls off, there is a further critical divergence between the IUR and the TUR. The unemployment rate does not decline as quickly as the IUR. This is particularly true in the current recession, the length and depth of which have caused many jobs to simply disappear. There is a significant difference between fewer layoffs and new job openings for unemployed workers.

The 1981 Reconciliation Act made two major changes in the extended benefits program. The first was to raise the State eligibility triggers by a full percentage point. Second, individuals receiving extended benefits were dropped from the IUR calculation, lowering the IUR for all States and in effect making it more difficult for States to qualify for extended benefits. Legislation has been introduced in both the House and the Senate this year, and in the previous Congress to repeal these two provisions of the 1981 Reconciliation Act. However, to date this approach has not been successful.

The legislation I am introducing today would leave these two provisions of the 1981 Reconciliation Act intact. This bill will introduce an additional trigger into the Extended Benefits program based on the total unemployment rate (TUR). If the unemployment rate in a State is 11 percent or greater, that State would automatically qualify for extended benefits. While all unemployment is tragic, this legislation recognizes the particularly catastrophic nature of an unemployment rate which exceeds the national average by a full percentage point or more. It compensates for the particular inadequacies of the IUR by building in a third trigger; namely, the traditional unemployment rate. Individual States would have the choice to opt out of this new trigger.

The Department of Labor is directed to conduct a study to determine what common measure can be used for all States to better reflect labor market conditions. In the best of all possible worlds, we would conduct this study before any legislative changes are made. But we cannot afford to wait while people are suffering.

In the States for which the Bureau of Labor Statistics compiles seasonally adjusted data for the TUR on a month-to-month basis, the 11-percent trigger level would be determined by looking to the most recently available TUR for those States. This provision would cover the 10 most populous States in the Nation for which the statistical sample is large enough to make the TUR an accurate measure of labor market conditions.

In the remaining States and jurisdictions, the 11-percent trigger would be determined by looking to the rolling 12-month average of the TUR for those areas, and by looking at the most recently available 1 month data. If an area's TUR is over 11 percent by both measures, it would be eligible for extended benefits. This two-pronged test is an attempt to increase the sample size as well as to approximate a seasonal adjustment.

Finally, the new 11-percent trigger would apply to the highest tier of the Federal supplemental compensation program. Those States experiencing the greatest degree of economic distress would be eligible for the full benefits of this program.

In conclusion, let me reemphasize that the current law is causing real suffering. In Michigan, 56,600 people lost their extented benefits in June and another 10,000 were dropped from the FSC program because of the inequity in the IUR trigger. In Alabama, 15,000 people lost their extended benefits, 5,000 of these were unable to qualify for FSC. Another 3,000 lost there final 2 weeks of FSC payments. In Ohio, last May, 66,000 unemployed workers lost their extended benefits. These are exactly those States that I believe Congress intended to help by creating the extended benefit and FSC programs. Let us not continue to allow the technical workings of the insured unemployment rate to deprive those most in need of assistance.

CONTRADICTION IN ADMINISTRATION'S MX NUMBERS

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VENTO. Madam Speaker, I am concerned that as we sift through the post mortem with regard to the MX missile debate that it is becoming very clear that the representations and presentations and promises that had been made by the administration are indeed not being followed by the administration. There is a specific contradiction, that begs explanation. The Department of Defense program operation manual, that is the most definitive statement for the administration with respect to what the military planning strategy is has a three-phase, provide for an MX program, or a peacekeeper program as it has been euphemistically renamed.

The fact of the matter is that in spite of the representations and promises that have been made that phase 1 will require and sets as an objective 100 MX missiles, and beyond that they are looking to provide hardened silos. Beyond that, they are looking to deploy a significant number of additional MX missiles with regard to this program's operations manual, clearly in contradiction to the news reports of the so-called compromise.

It appears that the objective of the administration is to promise anything, to do anything, provided that they get what they want, but not to keep the promises and representations that have been made.

Consequently I would strongly urge my colleagues to review the actions of the Reagan administration as well as the rhetoric concerning the MX missile debate.

[From the Washington Post, July 2, 1983]

MEMO CONTRADICTS REAGAN ON MX NUMBERS

(By George C. Wilson)

A month after President Reagan's April announcement that he would be content with only 100 MX missiles, Air Force planners were writing that this was only the first phase in likely MX deployment, according to a secret document obtained by The Washington Post.

The document, called a Program Objectives Memorandum, or POM, is designed to guide Air Force budgeting and planning for the five fiscal years 1985 through 1989.

In an effort to rescue the MX after a disenchanted Congress sidetracked it last winter, Reagan on April 19 announced a new weapons program. He would build only 100 of the 10-warhead MXs and turn in the future toward a smaller, less threatening mobile missile that might be more conducive to arms control.

Congressional moderates hailed this as a sign of restraint and funds for the MX were restored.

But the POM, dated May 11, speaks of the 100-MX deployment as only a first stage, and describes a "phase 3 follow-on deployment of the MX."

The Air Force said yesterday that this POM has been "superseded" by one that conforms fully to the president's 100-MX proposal.

But several lawmakers know about the POM and are expected to make an issue of it in opposing the MX when further defense bills come up for debate after the July 4 recess. They say the POM shows the Air Force still has a secret agenda that calls for deployment of at least 200 of the missiles, the same total sought during the Carter administration.

The POM says: "The need for improved ICBM [intercontinental ballistic missile] capabilities in the mid-1980s and beyond is addressed in the POM as a three-phased approach to ICBM modernization.

"Phase 1 is the near term deployment of 100 Peacekeepers," Reagan's name for the MX, "in Minuteman silos. This phase is essential to redress the existing imbalance in prompt hard target capability by adding 700 warheads."

The 700 are the 1,000 MX warheads minus 300 Minuteman warheads to be lost as 100 Minuteman missiles are taken out of the silos to make room for the MX. "It will demonstrate our resolve and help to ensure meaningful arms control negotiations," the POM says.

"Phase 2 continues R&D [research and development] on options to enhance survivability. These options include superhard silos, deep basing, small missiles and hardened mobile launchers.

"Phase 3 involves a follow-on deployment of additional Peacekeepers, plus research and development on a new, small, follow-on ICBM. . . ." Other parts of the POM indicate that the third phase would involve deploying a second 100 MX missiles.

The Air Force provided this response yesterday when queried about the additional MX missiles described in the May 11 POM:

"The Air Force Program Objectives Memorandum is a classified document, and we are unable to discuss specific elements of it. However, the Air Force fully supports the report of the President's Commission on Strategic Forces which the president endorsed and sent to the Congress.

"This is reflected in the current version of the Air Force Extended Planning Annex, a section of the POM, and was forwarded to the secretary of defense on 22 June. It included the force level of Peacekeeper missiles recommended by the President's Commission on Strategic Forces. Any earlier drafts of the document have since been superseded."

One Air Force official who declined to be identified said the second hundred MXs got into the POM because somebody did not get the word in time about the president's strategic program.

A Pentagon civilian official, who also did not wish to be identified, said he doubted that the policy statements about a follow-on MX deployment got into the Air Force POM inadvertently. He contended that such general policy directions, in contrast to details that are revised as the POMs go through the budget process, are usually written carefully.

LEGAL AUTHORITY OF THE BONNEVILLE POWER ADMINISTRATION TO PAY FOR THE CONSTRUCTION OF WASHINGTON PUBLIC POWER SUPPLY SYSTEM NET BILLED PROJECTS FROM REVENUES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MORRISON) is recognized for 30 minutes.

● Mr. MORRISON of Washington. Mr. Speaker, on June 27, 1983, the gentleman from Oregon, Congressman JAMES WEAVER, offered for the RECORD reasons why he believes the Bonneville Power Administration (BPA) lacks the authority to collect and pay from current rate revenue approximately $262,600,000 for construction costs associated with two nuclear powerplants part of the Washington Public Power Supply System.

The gentleman does not question that Congress authorized BPA to purchase the output of these plants to meet the loads of its customers in the Pacific Northwest. Nor is there any question that the power from these plants will be needed to serve those loads. The only question, Mr. Speaker, is the means by which BPA can pay for the plants.

On this somewhat technical point the gentleman contends that while BPA may have statutory authority to pay debt service on bonds issued to finance construction, it has no authority to make direct payments to support construction. This is so, Mr. Speaker, notwithstanding the fact that the consequence of Mr. WEAVER's interpretation could cause indefinite delay or termination of an investment in power for which ratepayers are already committed to spend $5.6 billion, including $3.2 billion to bring one plant to 98 percent of completion.

In my view, the legal arguments advanced by the gentleman from Oregon are misleading. I believe it is important that additional views be considered so that my colleagues in Congress are not forced to conclude that silence on this issue constitutes acceptance of Mr. WEAVER's views. I therefore take this opportunity to provide for the RECORD a summary of the opposite point of view.

I. BPA PAYMENT OF CONSTRUCTION COSTS IS IMPLIED FROM THE AUTHORITY PURSUANT TO WHICH THE CAPABILITY OF THE PLANTS WERE ACQUIRED. SUCH PAYMENT IS ALSO CONSISTENT WITH BPA AUTHORITY TO MAKE SUCH EXPENDITURES AS ARE NECESSARY TO MEET BPA'S LEGAL OBLIGATIONS, CONSISTENT WITH SOUND BUSINESS PRINCIPLES

A. BPA'S IMPLIED AUTHORITY TO PURCHASE POWER TO MAXIMIZE THE EFFICIENT USE OF THE HYDRO SYSTEM

BPA acquired the capability of the plants following action by Congress on the Appropriations Acts of 1970 and 1971. BPA explained its legal authority to the House Appropriations Subcommittee on Public Works. In response to a question from then Subcommittee Chairman Whitten, BPA counsel Kenneth Kaseberg said:

Mr. KASEBERG. The authority for BPA to acquire thermal power is implied from other provisions of the Federal power marketing laws. There is no express authority authorizing these purchases to which you can point your finger and say Congress expressly said you could do this. These net billing agreements are part of the security behind the bonds that the public agencies will issue to supply the funds to build these plants. Since these bond issues involve such substantial amounts of money, the bond counsel and the underwriting bankers have requested that Congress give express recognition to this existing implied authority to acquire the power. This goes back to the question you asked, Mr. Chairman.

"Mr. WHITTEN. Thank you. *I thought that a very fine answer. . . . Public Works for Water, Pollution Control, and Power Development and Atomic Energy Commission Appropriation Bill, 1971: hearing on H.R. 18127 before the Subcommittee on Public Works of the House Comm. On Appropriations* (hereinafter cited as House Hearings), 92d Cong., 2d Sess. at 867-868 (1970)." (Emphasis added)

The implied authority relied on by BPA is discussed in a series of Opinions of the Solicitor of the Department of Interior. In an October 29, 1945, letter opinion the Solicitor

concluded that "the [Flood Control Act of 1944] . . . carries such authority [to purchase thermal power] provided the steam capacity constructed or purchases is necessary to firm up the hydro capacity of the reservoirs." Letter from Warner Gardner, Solicitor, to Charles Curran, Bureau of Budget (Nov. 16, 1945), *reprinted in Interior Department Appropriation Bill for 1947, Hearings Before the Subcomm. of the House Comm. on Appropriations*, 79th Cong., 2nd Sess. 73 (1946). See also Opinion of the Solicitor of the Department of the Interior, M-36009, July 15, 1949, and M-36769, December 18, 1968. BPA's statutory authorities include the Flood Control Act of 1944, 16 U.S.C. 825s. The Attorney General of the United States has reached a similar conclusion in advising that the authorities of all power marketing agencies are to be considering *in pari materia*. 41 Op. Att'y. Gen 236 (1955).

In *Kansas City Power & Light Co.* v. *McKay*, 115 F. Supp. 402, 417-418 (D.D.C. 1953), *vacated for lack of standing*, 225 F.2d 924 (D.C. Cir. 1955), *cert. denied* 350 U.S. 884 (1955), the court held:

"[T]he purchase of thermal energy. . . which purchase is reasonably incidental to the integration of hydroelectric power generated at the [Federal] Reservior Projects, is not prohibited by the provisions of the Flood Control Act [of 1944] but rather is within the scope of its provisions and in accord with its purpose."

BPA itself explained its purchase to Congress in terms similar to those held to support a purchase of thermal capability. As then BPA Administrator Richmond explained to the Senate Appropriations Committee:

"The basic concept is that the Federal system, from plants such as the Grand Coulee . . . will have large capacity installations to take the daily load curves, variations, while the steamplants run full bore, all-out, 7 days a week, to meet the base load. By combining the hydro capacity with the thermal plants operated in such a manner, you achieve the greatest economy and, incidentially, the minimum investment. *Public Works for Water, Pollution Control, and Power Development and Atomic Energy Commission Appropriations for Fiscal Year 1970: Hearings on H.R. 14159 before the Subcommittee of the Senate Comm. on Appropriations* (hereinafter cited as Senate Hearings), 91st Cong., 1st. Sess. at 3209 (1969)."

In short, BPA has implied authority to acquire the capability of the plants and so informed Congress. Congress did not dispute BPA's authority; indeed, the Chairman of the House Public Works Subcommittee found the explanation to be "a very fine answer." *See, supra*, House Hearings at 868.

B. BPA PURCHASE OF THE CAPABILITY OF THE PLANTS AUTHORIZES THE BPA ADMINISTRATOR TO MAKE NECESSARY EXPENDITURES TO SUPPORT THE FACILITIES

In contracting to purchase the capability of the power projects, BPA exercised the broad contract and expenditure authority contained in section 2(f) of the Bonneville Project Act, 16 U.S.C. 832a(f), which provides:

"Subject only to the provisions of this Act, *the Administrator is authorized to enter into such contracts, agreements, and arrangements . . . and to make such expenditures, upon such terms and conditions and in such manner as he may deem necessary.*" (Emphasis added)

This authority has recently been reaffirmed in section 9(a) of the Pacific Northwest Electric Power Planning and Conservation Act, 16 U.S.C. 839f(a) (Regional Act). The legislative history of both Acts supports the wide discretion apparent on the face of the statutes. The provision was initially included by Congress in a 1945 amendment to the original Bonneville Project Act, in recognition of BPA's need "to employ business principles and methods in the operation of a business enterprise. . . ." S. Rep. No. 469, 79th Cong., 1st Sess. 4. In reaffirming this original intent Congressman Swift noted during debate on the Regional Act:

"Section 9(a) extends Bonneville's existing special contracting authorities (and related expenditure authorities) contained in Section 2(f) of the Bonneville Project Act. . . . When Congress amended Section 2(f) into the Bonneville Project Act in 1945, it recognized the need for Bonneville to have the ability to employ business principles and methods . . . *The Comptroller General in reviewing this unique authority and its application summarized the intent of Congress as 'enabling the (Bonneville Power) Administrator to conduct the business of Bonneville with a freedom similar to that which has been conferred on public corporations* carrying on similar or comparable activities.' 126 Cong. Rec. H98554 (daily ed. Sept. 29, 1980). (Emphasis added)

As noted, the Comptroller General has consistently supported this broad interpretation of BPA contract and expenditure authority. *See* Comp. Gen. B-105397 (Sept. 21, 1951) (the "Rainmaker Opinion," from which Congressman Swift quoted with approval in discussing the Administrator's broad contracting and expenditure authority); Opinion Letter to Chairman Holifield, Joint Committee on Atomic Energy, Nos. B-149016 and B-149083 (July 16, 1962) (Purchase of the Capability of the Hanford Steam Plant); 46 Comp. Gen. 349 (1966) (Purchase of Circuit Breakers); Comp. Gen. B-114858 (July 13, 1976) (Review of Bid Protests); and Opinion Letter to Congressman Weaver, No. B-114858 (July 10, 1979) (BPA Authority to Purchase Conservation Resources).

Two of these opinions are particularly relevant to the circumstances presented. In Opinions B-149016 and B-149083, the Comptroller General reviewed BPA authority to purchase the capability of the Hanford Steam Plant from generating facilities to be constructed by the Washington Public Power Supply System (Supply System), the same entity constructing the projects in question. The Comptroller General said with respect to BPA's obligation to repay the Supply System in the event of project termination that "It is our understanding that funds to fulfill this contingent liability . . . would have to be appropriated from Congress." While this assumption would be suspect for most agencies, section 2(f) provides "express legislative intent . . . [to] vast discretion in the Administrator of BPA as to the terms and conditions of that act. . . ." *Id.*

The Hanford Opinion was followed in a 1979 Opinion to Congressman Weaver which concluded that despite the lack of express evidence of congressional intent to support purchase of conservation as a resource, *"This is not to say, however, that absent such an express manifestation of legislative intent, energy conservation initiatives are unauthorized."* (emphasis added) Letter Opinion B-114858 (July 10, 1979) at 2. The Comptroller concluded:

"Accordingly, to the extent that the Administrator, on a reasonable basis, determines conservation to be a desirable device for discharging his transmission and marketing functions, and includes projected expenditures therefore in his annual budget submitted to Congress, we would find it consistent with BPA's enabling legislation. *Id.*"

C. THE ADMINISTRATOR'S PAYMENT OF CONSTRUCTION COSTS IS CONSISTENT WITH THE STATUTORY DIRECTIVE TO CONDUCT BPA'S AFFAIRS CONSISTENT WITH SOUND BUSINESS PRINCIPLES

A corollary to BPA's contract and expenditure authority is a legal duty to act "consistent with sound business principles." 16 U.S.C. 839f(b), 16 U.S.C. 825s, and 16 U.S.C. 838g. On the facts presented, the alternatives are clear: (1) to pay the cost of construction from rates, utilizing all authorities available to do so, or (2) risk the suspension and possible termination of two nuclear projects, needed to meet Pacific Northwest electric loads, and for which literally billions of dollars have already been spent or committed to be spent. Under such circumstances, to terminate or suspend projects would be the height of financial folly.

II. THE APPROPRIATION ACTS OF 1970 AND 1971

The remarks of the gentleman from Oregon do not discuss the independent purchase basis for the plants which I have outlined. Rather, they focus on the Appropriations Acts, Committee Reports, and hearings testimony which confirmed BPA's purchase authority.

A. "NON-FEDERALLY CONSTRUCTED, NON-FEDERALLY OWNED, NON-FEDERALLY FINANCED"

It is first suggested that BPA's payment of construction costs from current rates is inconsistent with the Appropriation Acts because those Acts provide (1) the plants should not be "federally constructed;" (2) should not be "federally owned" and (3) should not be "federally financed." These points are considered in order, although the first and second arguments require only a brief analysis.

1. "Federally Constructed"

BPA's payment of *construction* costs does not alter the fact that the Supply System is responsible for building the plants. BPA has no authority to engage in a construction program and the plants, in this context, are not "federally constructed." BPA's authority in this regard is to be distinguished from the Tennessee Valley Authority which has construction authority.

2. "Federally Owned"

Nor does the fact that BPA will pay for construction costs change the Supply System's *ownership* of the plants. BPA owns only the capability of the projects. This is the only interest BPA told Congress it would acquire, and it represents the greatest interest it is entitled to acquire. 16 U.S.C. 839d(A).

3. "Federally Financed"

The final argument is that BPA payment of construction costs violates the Congressional admonition against "federal *financing*". The implication is that "BPA financing" and "federal financing" can be equated. Such is not the case. "Federal financing" as the term is used in the Acts, as evidenced by the legislative history, refers to general taxpayer financing from the United States Treasury, not the use of BPA ratepayer revenues.

The accuracy of this statement is reflected in the Senate Report to the 1970 Appropriation Act. The report reflects that Con-

gress meant by the use of the words "nonfederally financed" that *"Any costs or losses of the Bonneville Power Administration* under these agreements *will be borne by the Bonneville Power Administration ratepayers through rate adjustments* if necessary." S. Rep. No. 528, 91st Cong., 1st Sess. 50 (1969) (emphasis added).

This intent that BPA ratepayers, not Federal taxpayers, pay for projects that were properly viewed as benefiting only the Pacific Northwest was reflected again in the 1971 Appropriations Act. The Report of the House Appropriations Committee states:

"Last year the Administration approved a 10 year hydrothermal power program for the Pacific Northwest. . . .

"The program includes the construction of . . . thermal generating plants between 1971 and 1981. None will be federally . . . financed or owned. The committe approves implementation of the remainder of the program by the use of net billing as the means of affecting payment by the Bonneville Power Adminstration for part or all of the generating capacity of *nonfederally financed thermal plants,* under suitable agreements between Bonneville Power Administration and preference customers to accomplish this purpose. Such *agreements would provide that . . . Bonneville . . . will acquire from a date certain, on a cost basis, the preference customers' rights to the generating capability of nonfederally financed plants* whether or not they are operable. *Any costs or losses to the Bonneville Power Administration under these agreements will be borne by Bonneville Power Administration ratepayers through rate adjustments if necessary.* H. Rep. No. 1219, 91st Cong., 2d Sess. 90 (1970). (Emphasis added)

Congressional hearing testimony demonstrates that BPA knew what Congess meant. Administrator Richmond advised the House Appropriations Committee: "To the extent that the Bonneville revenues do not increase sufficiently to cover all of the costs, our rates will be adjusted upward. The point is no appropriations are required under this approach." *See, supra,* House Hearings at 863, 873.

B. THE ACTS DO NOT PRECLUDE PAYMENT OF CONSTRUCTION COSTS FROM RATES

The gentleman from Oregon next contends that the Acts limit, as a matter of law, the means BPA may use to pay for the power purchased. This argument is based on excerpts of testimony which reflect BPA's intent to pay construction costs from the sale of bonds sold by the Supply System.

The gentleman concludes from these statements that the plants may be financed *only* by the sale of bonds. This is not correct. The Acts authorize only the purchase of power, leaving to the Committee Reports the details of how acquisition will occur. See Pub. L. 91-439, Act of October 7, 1970 "pay by net billing . . . in the manner described in the Committee Report" and Pub. L. 91-144, Act of December 11, 1969 "pay by net billing . . . in the manner described in the committee report."

An examination of the Committee Reports shows that they give only an abbreviated description of the acquisition process. They refer only to "net-billing" and the obligations of BPA ratepayers to pay "any costs or losses" under those agreements. The Reports reflect no intent to limit BPA's ability to pay for the plants solely by net-billing. Indeed, the legislative history of the Acts and the later enacted Federal Columbia River Transmission System Act reflect a clear recognition that alternate payment methods may be necessary.

C. CONGRESS RECOGNIZED THE NEED FOR ALTERNATIVE PAYMENT PLANS

In discussions with the House Appropriations Public Works Subcommittee, Administrator Richmond responded to a question by Congressman Whitten:

"Mr. WHITTEN. In connection with the proposed contracts, under what conditions will the Administration be required to seek appropriations for cash payments to the participants?

"Mr. RICHMOND. We do not anticipate that we will. The only thing that would cause us to do that would be if our load forecasts were grossly overestimated . . . That, would cause us to seek appropriations to pay for the power. *See supra,* House Hearings at 871."

The potential need to rely on appropriations was also recognized by the Comptroller General and the Solicitor of the Department of Interior. *See* Comp. Gen. B-170878 (October 21, 1970) and Opinion of the Solicitor of the Department of Interior M-36812, September 21, 1970, at 6. The principle that appropriations might be required was acceptable because under the Bonneville Project Act any funds appropriated would be required to be repaid by BPA ratepayers. 16 U.S.C. 832f.

In 1969 appropriations were the appropriate means for obtaining additional revenue to pay for BPA's interest in the plants because BPA was an appropriated agency. 16 U.S.C. 832j. This changed in 1974 with the passage of the Federal Columbia River Transmission System Act, and creation of the BPA Fund. 16 U.S.C. 838i. All BPA revenues are deposited in the Fund, including rate revenues. 16 U.S.C. 838i. From the Fund:

"The BPA Administrator may make expenditures . . . which shall have been included in his annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation acts, for any purpose necessary or appropriate to carry out the duties imposed upon the Administrator pursuant to law, including but not limited to—"

* * * * *

"(6) purchase of electric power (including the entitlement of electric plant capability) . . . (ii) if such purchase has been heretofore authorized. . . ."

In short, Congress recognized the need for alternate payment plans. Indeed, because Congress has included these resources as part of the Federal Base System in the Regional Act, 16 U.S.C. 839a(10) and obligated BPA to set rates which pay the full costs of all such resources, 16 U.S.C. 839e(a)(1), there is not only authority to raise the rates to pay for the plants, there is a duty imposed on BPA to do so.

III. THE CONTRACTS BETWEEN BPA AND THE SUPPLY SYSTEM THAT WERE REVIEWED AND APPROVED BY CONGRESS AUTHORIZE THE PAYMENT OF CONSTRUCTION COSTS IF THE SUPPLY SYSTEM IS OTHERWISE UNABLE TO SELL BONDS OR OBTAIN PRUDENT FINANCING

Finally, the gentleman from Oregon maintains that the contract agreements do not provide for BPA payment of construction costs from revenues. While the agreements do no expressly provide for BPA to apy construction costs, neither do they preclude such payment. They do, however, require BPA to pay all Project costs, whether or not the Projects are operating or operable. Because construction costs are a project cost, and given the Supply System's present inability to raise funds for the projects by the sale of bonds, BPA is therefore obligated to assume construction costs.

The Annual Budget provides that each participant, from whom BPA receives an assignment of interest in plant capability, will pay

"[A]ll such Supply System costs, including accruals and amortizations, *resulting from ownership,* operation, (including cost of fuel), maintenance of the Project, and repairs, renewals, replacements, and additions to the Project. . . ." (Emphasis added)

Congress contemplated by this provision that the Bonneville fund could be used to pay for the power acquired from net-billed projects. In this regard, Senator Hatfield's June 6, 1974 request to Administrator Hodel on behalf of the Senate Interior Committee is pivotal. The request, forwarded to BPA by Senator Church, read:

"8. Section 11(b)(6) of the bill authorizes expenditures from the Bonneville Power Administration Fund for the purchase of power if such purchase has been heretofore authorized by Congress. Would this phrase include expenditures from the Fund for power which has been acquired by net-billing agreements under Phase 1 of the Hydro-Thermal Program? *Reprinted in Bonneville Power Administration Financing, Hearing on S. 3362 Before the Subcomm. on Water and Power of the Senate Comm. on Interior and Insular Affairs,* 93rd Cong., 2nd Sess. 117, 118 (1974)."

BPA responded to the request in July 1974 in a letter from Assistant Secretary of the Interior Mallory to Senator Church:

"Answer. *Yes. The purchase of a portion of the capability from the projects associated with Phase 1 of the Hydro-Thermal Program has been expressly authorized by Congress and included in this phrase.* BPA would, of course, continue to use the net-billing procedure for payment for such power in accordance with the terms of these agreements, but should it develop that any of the parties from whom such power is acquired does not have adequate net-billing capability, BPA would be in the position of either effecting an assignment of that party's interest to another utility having adequate net-billing capability as provided in the contract or using the Fund to pay any deficit in cash. Letter from Assistant Secretary Mallory to Senator Church, July 3, 1974." (Emphasis added)

To summarize, the legislative history of the relevant Appropriation Acts and the Federal Columbia River Transmission System Act recognize that there may be circumstances where payment would be accomplished. Initially this was to be accomplished by an appropriation process. Now this is accomplished pursuant to BPA's budget submission to Congress as required by the Federal Columbia River Transmission System Act. On June 22, 1983, BPA submitted its 1983 Revised Budget Package to the Appropriations Committees of both Houses. The Committees were advised of BPA's intent, which is based on the Administrator's conclusion that "[f]inancing alternatives are currently either unavailable or not prudent."

Construction costs are ownership costs. Project construction is not required to be funded solely from Supply System bond proceeds. The Annual Budget must include all annual costs. Construction costs not covered by bond proceeds must be included in each project's Annual Budget, reflected in

the participants Billing Statements, and paid by BPA through net billing or cash payment in the event net billing is unavailable.

The Project Agreements between BPA and the Supply System provide that the Supply System's construction obligation is subject to several conditions, including the requirement that the Supply System continue to construct and finance the plants consistent with Prudent Utility Practice. If the Supply System is unable to sell bonds, the Supply System is obligated to find other ways to finance construction. While the Supply System's obligation is conditional upon several requirements, the ability to sell bonds to finance construction is not one of these conditions. Rather, the agreements obligate the Supply System to use its best efforts to sell bonds.

The Construction Budget between BPA and the Supply System is called for by the Project Agreement and requires construction estimates for each project. These agreements do not require that the budgets specify the source of funds for construction, nor do they state that construction is to be funded solely from bond proceeds. The Construction Budget is required to show only costs, not sources of funds.

In short, although bonds can provide a source of funds for construction, the Supply System can seek other revenues if, despite its best efforts, it is unable to sell bonds. BPA has an obligation to pay for all costs of the projects, whether or not operable or operating. Construction is one such cost and barring alternative means of funding, raising BPA rates to pay construction costs is clearly within BPA's authority.●

GEN. EDWARD CHARLES MEYER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. HOLT) is recognized for 5 minutes.

● Mrs. HOLT. Mr. Speaker, I rise to commend Gen. Edward Charles Meyer for a job well done and to congratulate him on his retirement after 31 years of service to the Army and to the Nation. In his 31 years in the Army, General Meyer served in Korea and Vietnam, commanded the 3d Infantry Division in Europe, and served as Assistant Deputy and Deputy Chief of Staff of the Army.

While I am sure General Meyer performed superbly in each of these positions, nothing can compare to the outstanding job General Meyer has done as Chief of Staff of the Army these last 4 years revitalizing what he himself termed as the "hollow" Army. While the transformation is not yet complete, General Meyer has set admirable and achievable goals.

As Army Chief of Staff, General Meyer participated in a dramatic change in the debate over national defense: The question was no longer whether to increase defense spending, but instead by how much.

General Meyer's unparalleled commitment to the quality of the Total Army was apparent during his frequent appearances before the Armed Services Committee. As General Meyer stated before the committee earlier this year: "Our ability to deter wars in the future and our ability to win war if deterrence fails will not be decided by how big our Army is—but by how good it is." It is this sort of commitment to the quality of the Army that will transform increased authorizations and appropriations into increased readiness and deterrence.

By emphasizing personnel as well as material, readiness as well as modernization, I believe General Meyer has wisely laid the foundation for an Army of excellence. Although General Meyer's retirement was effective as of July 1, I am certain that the strides he made in rebuilding the Army will remain evident to those of us concerned with national defense. Duncan and I wish General and Mrs. Meyer all the best in whatever the future holds for them.●

HEARINGS TO BE HELD ON PERMANENT TAX TREATMENT OF FRINGE BENEFITS ACT OF 1983

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 10 minutes.

● Mr. STARK. Mr. Speaker, yesterday the Honorable BARBER CONABLE and I introduced H.R. 3525, the Permanent Tax Treatment of Fringe Benefits Act of 1983. Today I am announcing hearings on H.R. 3525 before the Subcommittee on Select Revenue Measures of the Committee on Ways and Means on August 1, 1983. The text of the bill follows:

H.R. 3525

A bill to provide permanent rules for the tax treatment of fringe benefits

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Permanent Tax Treatment of Fringe Benefits Act of 1983".

SEC. 2. EXCLUSION OF CERTAIN FRINGE BENEFITS FROM GROSS INCOME.

(a) EXCLUSION OF CERTAIN FRINGE BENEFITS.—

(1) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 132 as section 133 and by inserting after section 131 the following new section:

"SEC. 132. CERTAIN FRINGE BENEFITS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income shall not include any fringe benefit which qualifies as a—

"(1) no-additional-cost service,

"(2) qualified employee discount,

"(3) working condition fringe, or

"(4) de minimis fringe.

"(b) NO-ADDITIONAL-COST SERVICE DEFINED.—For purposes of this section, the term 'no-additional-cost service' means any service provided by an employer to an employee for use by such employee if—

"(1) such service is provided to customers in the ordinary course of the trade or business of the employer in which the employee is performing services, and

"(2) the employer incurs no substantial additional cost (including forgone revenue) in providing such service to the employee (determined without regard to any amount paid by the employee for such service).

"(c) QUALIFIED EMPLOYEE DISCOUNT DEFINED.—For purposes of this section—

"(1) QUALIFIED EMPLOYEE DISCOUNT.—

"(A) IN GENERAL.—The term 'qualified employee discount' means any employee discount with respect to qualified property or services to the extent that such discount does not exceed 20 percent of the price at which the property or services are being offered by the employer to customers who are not employees.

"(B) SPECIAL RULE WHERE EMPLOYER'S PROFIT PERCENTAGE IS LESS THAN 20 PERCENT.—

"(i) IN GENERAL.—If the employer's profit percentage is less than 20 percent, subparagraph (A) shall be applied by substituting such profit percentage for '20 percent'.

"(ii) PROFIT PERCENTAGE.—For purposes of clause (i), the term 'profit percentage' means the percent which—

"(I) the excess of the aggregate sales price of property or services sold by the employer over their aggregate cost to the employer, is of

"(II) the aggregate sales price of such property or services.

"(iii) DETERMINATION OF PROFIT PERCENTAGE.—Profit percentage shall be determined on the basis of—

"(I) all property or services offered to customers in the course of the trade or business of the employer in which the employee is performing services (or a reasonable classification of property or services selected by the employer), and

"(II) the employer's experience during a representative period.

"(2) EMPLOYEE DISCOUNT DEFINED.—The term 'employee discount' means the amount by which—

"(A) the price at which the property or services are provided to the employee by the employer, is less than

"(B) the price at which such property or services are being offered by the employer to customers who are not employees.

"(3) QUALIFIED PROPERTY OR SERVICES.—The term 'qualified property or services' means any property or services which are offered for sale to customers in the ordinary course of the trade or business of the employer in which the employee is performing services.

"(d) WORKING CONDITION FRINGE DEFINED.—For purposes of this section, the term 'working condition fringe' means any property or services if—

"(1) such property or services are provided primarily for the purpose of facilitating the employee's performance of service for the employer, and

"(2) substantially all of the use of the property or services can reasonably be expected to occur in connection with the employee's performance of services.

"(e) DE MINIMIS FRINGE DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'de minimis fringe' means any property or service the value of which is so small as to make accounting for it unreasonable or administratively impracticable.

"(2) AGGREGATION RULE.—For purposes of applying paragraph (1), all small-value property or services provided to an employ-

ee during a calendar year shall be aggregated.

"(f) CERTAIN INDIVIDUALS TREATED AS EMPLOYEES FOR PURPOSES OF SUBSECTION (a) (1) AND (2).—

"(1) SPOUSE AND DEPENDENT CHILDREN.—

"(A) IN GENERAL.—For purposes of paragraphs (1) and (2) of subsection (a), any use by the spouse or a dependent child of the employee shall be treated as use by the employee.

"(B) DEPENDENT CHILD.—For purposes of subparagraph (A), the term 'dependent child' means any child (as defined in section 151(e)(3)) of the employee who is a dependent of the employee. For purposes of the preceding sentence, any child to whom section 152(e) applies shall be treated as the dependent of both parents.

"(2) RETIRED AND DISABLED EMPLOYEES.—For purposes of paragraphs (1) and (2) of subsection (a), the term 'employee' includes, with respect to a trade or business of an employer, any individual who was formerly employed by such employer in such trade or business and who separated from service with such employer in such trade or business by reason of retirement or disability.

"(g) SPECIAL RULES.—

"(1) EXCLUSIONS UNDER SUBSECTION (a) (1) AND (2) APPLY ONLY IF NO DISCRIMINATION.—Paragraphs (1) and (2) of subsection (a) shall apply with respect to any fringe benefit described therein only if such fringe benefit is available on substantially the same terms to each member of a group of employees which is defined under a reasonable classification set up by the employer which does not discriminate in favor of officers, owners, or highly compensated employees.

"(2) SPECIAL RULE FOR LEASED SECTIONS OF DEPARTMENT STORES.—

"(A) IN GENERAL.—For purposes of paragraph (2) of subsection (a), in the case of a leased section of a department store—

"(i) such section shall be treated as part of the trade or business of the person operating the department store, and

"(ii) employees in the leased section shall be treated as employees of the person operating the department store.

"(B) LEASED SECTION OF DEPARTMENT STORE.—For purposes of subparagraph (A), a leased section of a department store is any part of a department store where over-the-counter sales of property are made under a lease or similar arrangement where it appears to the general public that individuals making such sales are employed by the person operating the department store.

"(3) AUTO SALESMEN.—

"(A) IN GENERAL.—For purposes of subsection (d)(2), qualified automobile demonstration use shall be treated as use in connection with the employee's performance of service.

"(B) QUALIFIED AUTOMOBILE DEMONSTRATION USE.—For purposes of subparagraph (A), the term 'qualified automobile demonstration use' means any use of an automobile by an automobile salesman in the sales area in which the automobile dealer's sales office is located if there are substantial restrictions on the personal use of such automobile by such salesman.

"(4) PARKING.—For purposes of this section, the term 'working condition fringe' includes providing parking to an employee if (and only if) such parking is available on substantially the same terms to each member of a group of employees which is defined under a reasonable classification set up by the employer which does not discriminate in favor of officers, owners, or highly compensated employees.

"(5) ON-PREMISES GYMS AND OTHER RECREATIONAL FACILITIES.—

"(A) IN GENERAL.—Gross income shall not include the value of any on-premises recreational facility provided by an employer to his employees.

"(B) EXCEPTION WHERE EMPLOYER ELECTS INCLUSION IN LIEU OF DENIAL OF DEDUCTION.—Subparagraph (A) shall not apply with respect to any on-premises recreational facility provided by an employer to his employees during any taxable year of the employer if an election by the employer under section 280F(b) applies to such facility for such taxable year.

"(C) ON-PREMISES RECREATIONAL FACILITY.—For purposes of this paragraph, the term 'on-premises recreational facility' means any gym or other recreational facility—

"(i) which is located on the premises of the employer,

"(ii) which is operated by the employer, and

"(iii) substantially all the use of which is by employees of the employer, their spouses, and their dependent children (within the meaning of subsection (f)(1)(B)).

"(h) SECTION NOT TO APPLY TO FRINGE BENEFITS EXPRESSLY PROVIDED FOR ELSEWHERE.—This section (other than subsection (e)) shall not apply to any fringe benefit of a type the tax treatment of which is expressly provided for in any other section of this chapter.

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(2) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking out the item relating to section 132 and inserting in lieu thereof the following:

"Sec. 132. Certain fringe benefits.
"Sec. 133. Cross references to other Acts.".

(b) LIMITATION ON DEDUCTION FOR ON-PREMISES RECREATIONAL FACILITIES.—

(1) Part IX of subchapter B of chapter 1 of such Code (relating to items not deductible) is amended by adding at the end thereof the following new section:

"SEC. 280F. LIMITATION ON DEDUCTION FOR OPERATING ON-PREMISES EMPLOYEE RECREATIONAL FACILITIES

"(a) GENERAL RULE.—Except as otherwise provided in this section, the deductions allowed under this chapter to an employer with respect to any on-premises recreational facility shall not exceed the excess of—

"(1) the gross income derived from such facility for the taxable year, over

"(2) the deductions allocable to such facility which are allowable under this chapter for the taxable year without regard to their connection with the trade or business.

"(b) ELECTION OF EMPLOYEE INCOME INCLUSION IN LIEU OF DISALLOWANCE OF DEDUCTION.—

"(1) IN GENERAL.—Subsection (a) shall not apply to any taxable year of the employer if an election made by such employer under this subsection applies to such taxable year.

"(2) SCOPE.—Except as otherwise provided in regulations, any election under this subsection shall apply to all on-premises recreational facilities of the employer.

"(3) MANNER AND TIME OF ELECTION.—An election under paragraph (1) for any taxable year shall be made at such time and in such manner as the Secretary shall by regulations prescribe. An election, once made for any taxable year, may be revoked only with the consent of the Secretary.

"(c) ON-PREMISES RECREATIONAL FACILITY.—For purposes of this section, the term 'on-premises recreational facility' has the meaning given to such term by section 132(g)(5)(C).

"(d) EXCEPTION FOR INTEREST, TAXES, ETC.—Subsection (a) shall not apply to any deduction allowable under this chapter to the employer without regard to its connection with his trade or business.".

(2) CLERICAL AMENDMENT.—The table of subchapters for part IX of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following new item:

"Sec. 280F. Limitation on deduction for operating on-premises employee recreational facilities."

(c) DEFINITION OF CAFETERIA PLAN.—

(1) IN GENERAL.—Paragraph (1) of section 125(d) of such Code (defining cafeteria plan) is amended to read as follows:

"(1) IN GENERAL.—The term 'cafeteria plan' means a written plan under which—

"(A) all participants are employees, and

"(B) the participants may choose among 2 or more benefits consisting of cash and statutory nontaxable benefits.".

(2) DEFINITION OF STATUTORY NONTAXABLE BENEFIT.—Subsection (f) of section 125 of such Code is amended to read as follows:

"(f) STATUTORY NONTAXABLE BENEFIT DEFINED.—For purposes of this section, the term 'statutory nontaxable benefit' means any benefit which, with the application of subsection (a), is not includible in the gross income of the employee by reason of an express provision of this chapter (other than section 117, 124, 127, or 132).".

(3) TECHNICAL AMENDMENT.—Subsection (c) of section 125 of such Code is amended by striking out "nontaxable benefits" each place it appears and inserting in lieu thereof "statutory nontaxable benefits".

(d) CONFORMING AMENDMENTS TO EMPLOYMENT TAXES.—

(1) SOCIAL SECURITY TAXES.—

"(A) Subsection (a) of section 3121 of such Code (defining wages) is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by inserting after paragraph (19) the following new paragraph:

"(20) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 132".

(B) Section 209 of the Social Security Act is amended by striking out "or" at the end of subsection (q), by striking out the period at the end of subsection (r) and inserting in lieu thereof "; or", and by inserting after subsection (r) the following new subsection:

"(s) Any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 132 of the Internal Revenue Code of 1954.".

(2) RAILROAD RETIREMENT TAX.—Subsection (e) of section 3231 of such Code (defining compensation) is amended by adding at the end thereof the following new paragraph:

"(5) The term 'compensation' shall not include any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 132.".

(3) UNEMPLOYMENT TAX.—Subsection (b) of section 3306 of such Code (defining wages)

is amended by striking out "or" at the end of paragraph (13), by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or", and by inserting after paragraph (14) the following new paragraph:

"(15) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 132.".

(4) WITHHOLDING.—Subsection (a) of section 3401 of such Code (defining wages) is amended by striking out "or" at the end of paragraph (18), by striking out the period at the end of paragraph (19) and inserting in lieu thereof "; or", and by adding at the end thereof the following new paragraph:

"(20) any benefit provided to or on behalf of an employee if at the time such benefit is provided it is reasonable to believe that the employee will be able to exclude such benefit from income under section 132."

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 1984.

SEC. 3. EXCLUSION FROM GROSS INCOME OF CERTAIN REDUCTIONS IN TUITION.

(a) IN GENERAL.—Section 117 of the Internal Revenue Code of 1954 (relating to scholarships and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(d) QUALIFIED TUITION REDUCTIONS.—

"(1) IN GENERAL.—Gross income shall not include any qualified tuition reduction.

"(2) QUALIFIED TUITION REDUCTION.—For purposes of this subsection, the term 'qualified tuition reduction' means the amount of any reduction in tuition provided by an organization described in section 170(b)(1)(A)(ii) to an employee of such organization for the education (below the graduate level) at such organization of—

"(A) such employee,

"(B) the spouse of such employee, or

"(C) any child (as defined in section 151(e)(3)) of such employee who is a dependent of such employee.

For purposes of subparagraph (C), any child to whom section 152(e) applies shall be treated as the dependent of both parents.

"(3) REDUCTION MUST NOT DISCRIMINATE IN FAVOR OF HIGHLY COMPENSATED, ETC.—Paragraph (1) shall apply with respect to any qualified tuition reduction only if such reduction is available on substantially the same terms to each member of a group of employees which is defined under a reasonable classification set up by the employer which does not discriminate in favor of officers, owners, or highly compensated employees.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to qualified tuition reductions (as defined in section 117(d)(2) of the Internal Revenue Code of 1954) for education furnished after June 30, 1984, in taxable years ending after such date.●

CHRYSLER: AN EXAMPLE OF A SUCCESSFUL IMPLEMENTATION OF INDUSTRIAL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

Mr. LAFALCE. Mr. Speaker, earlier today I attended a lunch at the National Press Club where Lee Iacocca, chairman of the board, Chrysler Corp., spoke. Mr. Iacocca's message had both good news and bad news.

The good news is that Chrysler is going to be able to retire its Government-guaranteed debt ahead of schedule. Chrysler's dramatic turnaround is a tribute to the diligence of the Chrysler family—shareholders, workers, management, suppliers, dealers, and lenders—in working cooperatively to make the program a success. The key to this success story was that the Government imposed shared sacrifices, conditions, and adjustment commitments, on those various Chrysler entities in return for the Federal assistance.

The bad news is that while an ad hoc industrial policy for Chrysler has worked, the country still does not have a rational industrial policy to deal with our long-term economic problems. As Lee Iacocca pointed out, the United States must have a comprehensive industrial policy to help our industries and workers stay competitive in world markets. Because of the importance and timeliness of his remarks, I want to share with the Members of the House a few passages from today's speech:

"So what was it that we created * * *" with the sucessful Chrysler loan guarantee program? "I guess you would say it was an ad hoc industrial policy."

With reference to the more than $500 billion in Federal loans and loan gurantees outstanding, as well as subsidies, tax credits, loopholes, incentives, grants, and regulations, Mr. Iacocca pointed out that "you can see that U.S. industrial policy is being made every day, in lots of places, by lots of pepole. So the question isn't: Should we have a national industrial policy? We already have one, make no mistake about it? The question is: Should we have a rational industrial policy?"

Mr. Speaker, I absolutely agree.

Mr. Iacocca then discussed the industrial policy significance of some of the steel industry's recent actions. He said:

Take the steel industry, where U.S. Steel is right now setting industrial policy. While protected by trigger prices, it paid four-point-three billion dollars for an oil company, instead of investing in modern basic oxygen furnaces to be competitive . . . Right or wrong, U.S. Steel is setting industrial policy in the steel business for the next 50 years.

In referring to the national debate about industrial policy, Mr. Iacocca said:

To start with, it seems the use of the Washington buzzword "industrial policy" is all wrong. So maybe we should call it "a policy to stay competitive in world markets" or something, and bring together the steel and automobile companies, their suppliers, labor, and the general public and get an answer to the gut question: Does the United States really need a steel or automobile industry and what form should they take?

Mr. Iacocca in his speech grasped the essential point of the Chrysler loan guarantee program—what was learned from it, and what that lesson implies for the future of U.S. industry. "But in the end," he said, "the lesson we have really learned is that we have got to compete. There is just no place to hide for business, for labor, or for government." And then he raised the really important question: "Now that things are looking better, the key question is, can we keep on working together to attack the gut problems of this country." Clearly, Mr. Iacocca believes we should be doing that, and so do I, for as he pointed out, "It's the American way."

I couldn't agree more with Mr. Iacocca, and I am working diligently on this vital project. The Subcommittee on Economic Stabilization of the House Banking Committee is in the midst of a series of extensive hearings on industrial policy, leading toward comprehensive legislation at the end of this year. Because I believe that this issue is so deserving of your attention, I commend to you Mr. Lee Iacocca's speech today at the Press Club. The full text of his speech follows:

REMARKS BY L. A. IACOCCA, CHAIRMAN OF THE BOARD, CHRYSLER CORP., AT THE NATIONAL PRESS CLUB, WASHINGTON, D.C., JULY 13, 1983

Thank you Mary (Mary Kay Quinlin), distinguished guests, ladies and gentleman.

This is the political season or so I've heard, which means it's the season for people to come to this podium to make promises and ask for your support.

I did that two years ago—two years ago next week as a matter of fact at this Press Club. And for the last four years I have been on the stump asking the support of just about anyone who would listen to me.

But today, we are going to turn it around. We are here to celebrate a little and say thank you.

When I was here two years ago, it was a historic occasion for us at Chrysler. We had actually turned a modest profit ($10 million) in the preceeding quarter—our first profit in three years. It was no big deal but it was a beginning: a glimmer that maybe we could make it, that maybe Chrysler had a future after all.

And you might recall we showed you the first of some exciting new products: The industry's first production convertible—one of the reasons I could stand up here and tell you we were in the ballgame to stay (you might be interested in knowing Ted Kennedy, John Glenn and Chuck Percy all immediately bought one, establishing it quickly as the first bi-partisan convertible)!

Since then our momentum has picked up month after month. In this business good news always starts with good products and on that point our record is solid.

We converted our cars to front-wheel-drive, about doubled the miles per gallon from 14 to 28, and improved the quality so much we could afford to offer the best warranty in the business. So our sales are up, our market share is up, our resale values are up, we are attracting strong new dealers, we are No. 2 in Canada now, and we haven't had a recall worth mentioning in so long it

scares me just to talk about it—and that's about as commercial as I am going to get today!

Once we started building the best cars in America again, we started making money. We made a profit for all of 1982 followed by a record profit in the first quarter of this year. This spring we even sold 26 million shares of new stock (would you believe at 16%) in about three hours, and just three weeks ago we paid off $400 million, or one-third of our government-guaranteed loans—seven years ahead of schedule.

All this makes it possible for us today to talk about our own declaration of independence—financial independence. We are about to re-establish Chrysler as a successful private corporation that pays its own way.

So today, I would like to complete the circle. I am proud to announce an even greater milestone on Chrysler's comeback. This is a day that makes the last three miserable years all seem worthwhile.

Today I am here to tell you that we are going to pay off the last $800 million in government-guaranteed loans, taking the outstanding debt down to—Zero.

The actual mortgage burning won't take place today because the law requires 60 days for the paperwork and red tape. Otherwise I'd give someone a check right now, right here.

This isn't an everyday occurrence here in Washington, but as John Houseman might say, We at Chrysler borrow money the old-fashioned-way: we pay it back!

All the loans, all $1.2 billion, are being paid back seven years early. Why? Because this will save Chrysler $56 million in net interest payments each year for the next seven years or a total of $392 million.

And more importantly, because we believe this action should tell the financial community, but especially the American car buyer, that we are here to stay and have the strength to compete with anybody in the world. But probably even more important than that, I think it shows the system can work if everybody pulls together.

Bear in mind the $1.2 billion we are paying off was part of a one-and-a-half-billion-dollar loan guarantee. So we only drew down 80% of it. And bear in mind that the guarantee was to be paid off by 1990, (if ever) so we are paying it back in three years instead of ten years. In addition, we already have paid the government $34 million in fees and a little over $100 million to lawyers, bankers and consultants merely to administer the act during the past three years. So, it didn't come cheap.

I might add here, we still have a couple of tough issues facing us and that is the subject of warrants and what constitutes a fair and reasonable profit to the government for a three-year guaranteed loan. Since as of today there is no longer a loan guarantee act, and therefore, no risk to the government, I am hopeful that we can reach an agreement that is fair to everyone.

But make no mistake about it, as expensive as it was, the government guarantee was the catalyst that made it all happen. It certainly got all the publicity.

What is often forgotten is the $2.2 billion that everybody else put up to keep the company together. And, of course, these were the union workers and the white collar workers who took pay cuts; the states that loaned us money; and the banks; and the suppliers; and the dealers. All the guys who really had something at stake. So, our whole program was based on equality of sacrifice, because everybody offered up something—something important.

And that's why we have invited representatives from each of these groups to be here today as part of this historic event (and that's why I am glad the Press Club took me off the hook and set up the head table).

First, we couldn't have made it without concessions from the members of the United Automobile Workers—then under the leadership of Doug Fraser and now under new UAW President, Owen Bieber. (Doug, as you may have heard, is also a member of our Board of Directors). So Doug and Owen, we thank you.

Next our salary and management employees saw their numbers cut in half (40,000 to 20,000) and those who stayed took cuts in pay and benefits. Gerry Greenwald, and our Vice Chairman, and Hal Sperlich, President of North American Operations, are representing those employees and I want to say thank you to them too.

Next, our supplies—all 11,000 of them. They rolled back prices, they bankrolled us by letting us pay them very slowly and even bought $75 million in debentures to provide us with capital. I'd like to thank all of them and I will through Pete Love, Chairman of the Board of National Steel, who is representing them here today.

Next our dealers. They really sacrificed—over 2100 of them went out of business and the ones who survived lost lots of money for a couple years running. But about 4,000 of them are left—stronger then ever. And today our two National Dealer Council Chairman are here, Will Perkins of Colorado representing the Chrysler/Plymouth Dealers and Gene Beltz of Indiana representing the Dodge Dealers. Thank you.

Next, and this will be a first for me, I want to say thank you to my friendly bankers. They helped save us during our darkest days, then supported our recapitalization program earlier this year. John McGillicuddy, Chairman of Manufacturers Hanover has been our lead banker through it all and he is here today representing 434 other bankers and insurance companies around the world. The rates were a little high, John, but your faith in us was even higher; and we thank you.

Then there were the state and local governments that helped us with loans and helped support our employees that were laid off. First, the Governor of our home state, Governor Blanchard of Michigan who as a Member of Congress sponsored the Chrysler legislation in the House. And Governor Pierre du Pont of Delaware who came through with the very first "no-strings-attached" loan (represented by Lt. Governor Mike Castle). Thank you, Governors.

And then there is that unique institution, the Chrysler Guarantee Loan Board. During the Carter years, they wanted to see us every week. In the Reagan administration, they never wanted to see us at all; of course, in the early days, we didn't want to see them. Now I'm trying to find them so that I can pay them back. Well anyway, I want to thank G. William Miller and Elmer Staats from the original Board, and Secretary of the Treasury Donald Regan, Chairman of the current Board, all of whom are here today, for their help during these past (3) years.

Then there is one more big group: All those people who had to stand up on the floor, and vote, and then convince the voters back home that they had done the right thing. After a year of debate, we won 53 to 44 in the Senate and 271 to 136 in the House (a two to one margin)—mainly due to the impassioned plea made by Speaker Tip O'Neill on the House floor to save 600,000 jobs. So I would first like to recognize and thank the Speaker and also other key House members here today: Stewart McKinney, John LaFalce, Bud Hillis and Joe Minish.

In the Senate we were fortunate to have the bi-partisan leadership of Senators Don Riegle of Michigan and Dick Lugar of Indiana. Thank you, Senators.

And last, but maybe they should have been first, I want to thank the first one million people who bought our first million "K" cars—the Reliant and Aries. Sure we needed the cash, but their faith in us meant even more. They were buying a good car from a company that they felt was not so good. And that simply told us that a lot of people were rooting for us.

So today is such a great occasion, my inclination is to just stop now and hold a party. But if we did so, we would miss the most important point—for all the American people and the government, itself, have the right to ask: Did you learn anything from all of this? You bet we did! We learned that people working together can make anything happen!

There are some idealogues in government (and in the press) who are still against the whole idea—they say results don't really matter when it conflicts with their principles. They say our case was unique. Well, it was. But not for the reason they think. It was unique because we did it during four years of a hellish depression in the auto industry. Some even say it was a fluke, and shouldn't be a precedent for anything. What they are saying is they are not interested in hearing about anything that doesn't jibe with their theories. But we didn't have time for theoretical economics.

We just got everyone working together. We cooperated; we fought for each other; we sacrificed equally—in a way maybe it was social democracy at its best. And we had help from all levels of government—Capitol Hill, the White House, the State House and City Hall. And my question is simply this—What is so wrong with that?

What else can we say about it? It was bipartisan in terms of Democrats and Republicans and in terms of labor and mangement. We all knew there were a lot of jobs at stake. As Tip O'Neill said in the midst of heated debate, "I have always fought hard to save 100 jobs so it's a little crazy to argue when more than a half million families are waiting to hear our verdict." And maybe, that's the real reason we all went through so much pain together. In human terms, there was a lot riding on us.

So what was it that we created? I'll tell you what it was, and pardon me for using this term with so many Republicans in the room. I guess you would say it was an ad hoc industrial policy. Better still, let's call it a jobs and economic development policy, because the reality is we already have an industrial policy even though it's a hodge-podge based on congressional actions or administrative orders during the last 50 years. Some of these actions were taken with broad public support, some by narrow interest groups.

Let's take federal loan guarantees, for example.

When we charged up Capitol Hill to get ours—$1.5 billion—of which we used $1.2 billion—we found out there were already $409 billion—that's right, count them, $409 billion—in federal loans and loan guarantees on the books (or should I say off the books). (Because this is all off-balance sheet ac-

counting that never shows in the deficits). By the way, that number has now climbed to over $500 billion, that's half a trillion!

And who has all those loans? Look around the room boys and girls—big business is on the list. And small businesses of every description. And farmers. And college students; probably some of your sons and daughters.

Now add in all the subsidies, tax credits, loopholes, incentives and grants, and regulations, and you can see that U.S. industrial policy is being made every day, in lots of places, by lots of people. So the question isn't: Should we have a national industrial policy? We already have one, make no mistake about it. The question is: Should we have a rational industrial policy? After all, somebody has to coordinate monetary, fiscal, tax, trade, energy and regulatory policy—or they all go off in different directions.

Take the steel industry, where U.S. Steel is right now setting industrial policy. While protected by trigger prices, it paid four-point-three billion dollars for an oil company, instead of investing in modern basic oxygen furnaces to be competitive.

Then, while leading the lobbying in Washington against imports of cheap, subsidized foreign steel, it cut a deal with British Steel for—guess what?—cheap, government-subsidized foreign slab steel that would double imports from Europe.

It looks like the company is closing down American furnaces and becoming merely a finisher and fabricator. Well, what happens to the smaller steel companies? Will some of them be forced to shut down their furnaces too—and switch to imports?

Right or wrong, U.S. Steel is setting industrial policy in the steel business for the next 50 years.

And General Motors and Toyota are about to set industrial policy, (not to mention anti-trust policy). With 25 percent of the world market and 50 percent of the U.S. market, they want to set up shop in an abandoned GM plant in California.

GM will put up $20 million, Toyota will contribute petty cash and get to sell an extra 200,000 cars in this country wearing the Chevrolet label. Most of the parts of the new cars will come from Japan, and the Chevette that's assembled in Delaware with 95 percent of its parts made in the U.S., probably will die.

Shouldn't the government at least ask what they are up to? Even the unions are asking the right questions. But in both industries, steel and autos, once you have asked your government for even some modest form of protection, the quid pro quo is an obligation to talk about excessive wage demands or exorbitant pricing or investments or tax breaks.

To start with, it seems the use of the Washington buzz word "industrial policy" is all wrong. So maybe we should call it "a policy to stay competitive in world markets" or something, and bring together the steel and automobile companies, their suppliers, labor, and the general public and get an answer to the gut question: Does the United States really need a steel or automobile industry and what form should they take?

If the answer is yes we do—then solutions to the real problems of the industry could include tax credits and guaranteed loans for productivity improvements and modernization for those companies that choose to participate, and then maybe even commit to wages and prices that are indexed to productivity and real GNP growth, not inflation. And all the people involved could work out their plan for getting it done.

That's what we did at Chrysler and it worked. It was equality of sacrifice—and not just a simple bail-out.

The ideologues in Washington, and there are many, couldn't accept that something truly worked. It's that simple—if it clashes with their principles, they don't care to look at it even if it works. In other words, results are meaningless.

Well fine. Some people may hear inner voices that tell them that what Chrysler did is some kind of sin or worse. I say it is simply a great example of how government, labor and management can work together to save and create something of real value.

I guess my attitude is the same as Abraham Lincoln's when somebody told him U.S. Grant got drunk a lot—"Find out what kind of whiskey he drinks, and send it to my other generals."

I happen to think we can do a better job than we have in deciding what kind of economy we want to have. Maybe even what kind of country we want to have.

But in the end, the lesson we have really learned is that we have got to compete. There is just no place to hide for business, for labor, or for government.

You know as Americans, we seem to have a rather peculiar trait, we run better and faster scared! Adversity brings us together. When we had to, because there was a gun at our heads, we learned to work together. Now that things are looking better, the key question is, can we keep on working together to attack the gut problems of this country.

For our union and the workers they represent, that means we have got to continue to get quality and productivity and we just can't handle demands that exceed our ability to produce and be competitive in a world market.

To those of you in government, I say we cannot handle a 20% undervalued yen and a legal but unfair Japanese tax policy—that together adds up to a $2000 per car advantage. I know some of you in government are working on these problems and I believe you should because otherwise there won't be any industry left in this country to work on.

And while you are doing all of that, management sure has no place to hide. We can't go back to the old ways of getting fat and letting all kinds of costs creep back in. Simply stated, only by competing hard and fair will we be able to make it.

So, it's not done yet, not by a long shot. This was kind of a pleasant and personally gratifying pit stop along the road but we have a lot of miles to go before we sleep. We have got to straighten out the warrants issue. I don't want to get into that here, but we will do what's fair and I am sure the government will too.

The UAW and its members want to share in our success and we expect to sit down with them shortly and talk it out.

And the suppliers, after many lean years, are going to want to dicker a little—they have already started.

I guess that's the price of success. In some ways, it's easier when you are broke; everybody is a little more patient. But, it's fair this way. You give me a little transfusion when I am bleeding to death and I try to pay you back a little when I get back on my feet. You could say it's the American way!

As long as we learn from the disease and the illness. Well, I learned and I hope all of you did. I learned that a little sacrifice shared equally goes a long way.

I learned that we can compete, even in the darkest days, with anybody.

I learned that when adversarial positions melt under pressure, good things happen.

I even learned that an ad hoc industrial policy is better than no policy at all, particularly when much of the rest of the world has a policy, good or bad.

Teamwork is an old, sometimes tired cliche, until you win! Then, you marvel at it and say, "Why did I ever try to do it any other way."

□ 2020

LEGISLATION TO ADDRESS EXCESSES IN CERTAIN LARGE CORPORATE ACQUISITIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am pleased to join with my distinguished colleague from Ohio in introducing this important legislation to address excesses that are occurring in connection with certain large corporate acquisitions.

Almost a century has passed since the Sherman Antitrust Act became law in 1890. The concerns that led Senator Sherman and his colleagues to take that bold step—the abuses and unfair practices stemming from large and monopolistic corporate trusts—have been checked somewhat by Federal and State antitrust and securities laws. Yet, many of the problems Senator Sherman hoped to address linger today. To be sure, the abuses of wide open frontier capitalism are less frequent. But we can pick up our newspaper almost any day and read of secret deals and jockeying by one firm's management to gain control of another firm. In one well-publicized instance, the managements of two of our Nation's largest corporations engaged in an almost suicidal battle to take control of one another.

This battle for control of corporate assets occurs against a backdrop of the ever-increasing size of American corporations. Mechanized and computer-controlled methods of production; modern, speedy, and efficient methods of transport; and the influence of the electronic media in advertising and marketing have internationalized many markets and fostered the growth of ever-larger corporations. This growth is most easily reflected in the number of employees of our largest firms. In 1955, the largest 500 firms in the United States employed 8 million workers; by 1982, the largest 500 employed 14.4 million.

Both Attorney General William French Smith and Antitrust Division Chief William Baxter have said that bigness is not necessarily bad. Up to a point, size may indeed bring efficiencies that enhance competition. But big corporations, like big government,

carry with them substantial costs. Size may reduce the number of decisionmaking centers; it may impose additional layers of intracorporate bureaucracy; it may impede experimentation and innovation. Management specialists increasingly favor decentralized decisionmaking as the most productive and efficient way to run a business. If big corporations adopt decentralized management systems, they may mitigate some of the costs of being large. But even decentralized management of a component of a large firm is unlikely to have complete freedom to make major investment decisions that could determine the future productivity of their operations. Such decisions may be critical for this Nation's future economic strength.

Smaller, owner-managed concerns continue to demonstrate vitality in our growth industries. In electronics and computers, for example, innovation and growth have been most dramatic among small firms. Statistics from a National Science Foundation study indicate a much higher return of patentable inventions from research dollars invested by small firms than for amounts invested by large ones.

There are also social and political costs to bigness. The loyalty of a locally owned company to its workers and the surrounding community is said to be greater than that of a large firm operating plants throughout the country. And there is a legitimate concern, though difficult to demonstrate empirically, that large firms possess inordinate political power that could thwart the balance in our democratic system.

But why should this Nation be concerned with these developments? Can we not rely on market mechanisms and the stockholders' self-interest ultimately to reward the efficient and right the abuses? And does not freedom of the marketplace, despite occasional abuse, provide an important cleansing and weeding-out mechanism that insures that survivors are fit and competitive? Are the benefits of regulation worth the cost in restraints, lawyers fees, and additional bureaucracy?

We cannot address these questions lightly. They will be fully aired in forthcoming hearings by the Subcommittee on Monopolies and Commercial Law. But there is still room today for legitimate regulatory initiatives such as those embodied in our antitrust and securities laws. We can hope to emulate Senator Sherman's action in 1890 in developing constructive and balanced legislative reform that addresses today's problems.

The legislation we introduced deals only with corporate growth through future acquisitions and mergers. It does not directly address problems of size in corporations that already exist. There are, however, special concerns that warrant legislative action in this area. Merger activity is responsible for the most dramatic and abrupt changes in corporate size.

FTC data indicate that a substantial percentage of corporate growth occurs through mergers and acquisitions—testimony of William Comanor, former Director of the Bureau of Economics, before the Senate Judiciary Committee, March 1979. Such activity involves substantial transaction costs. Assistant Attorney General Baxter has estimated that as much as 5 percent of the cost of an acquisition may go to lawyers, investment bankers, public relations firms, and managers either planning for, fighting against, or implementing an acquisition. There are indications that this estimate may be low. In some cases, the initial acquisition sets in motion a chain of management and corporate reorganizations, including the spinning off of some of the acquired assets, a process that may take years. Certainly, "golden parachutes" by which high-ranking corporate executives guarantee themselves continuing salaries regardless of the outcome of the takeover battle are an unrecoverable cost that cannot be justified by resort to the efficiency rationale.

Although golden-parachute schemes do not seem a fair and equitable use of stockholders' investment, they are a sign of the times. Why do top corporate managements suddenly find it necessary to design protection for themselves—golden parachutes—and for their companies—shark-repellant schemes? At least part of the answer lies in the decision of many company managements to look outside their own corporations for investments. Many corporate managements spend substantial time and resources calculating how and when to buy the securities of other corporations. This manipulation of assets, instead of the productive management of existing assets, seems a primary goal for these companies. The unfriendly takeover, said by some to be necessary to insure the free flow of capital and the displacement of inadequate management, was virtually nonexistent 25 years ago. Today, an entire industry of legal, banking, and public relations specialists has grown up to deal with adversarial and expensive takeovers. And those company managements that would prefer to devote their time and energy to conventional management tasks are compelled to keep a wary eye for potential takeover bids, hiring consultants and specialists of their own to guard against unexpected attack.

There are, of course, compelling reasons why many acquisitions should be allowed to take place, even among very large corporations. Acquisitions can lead to efficiencies that benefit the consumer. And, while takeover targets are frequently well-managed companies, there are cases where the acquiring company can bring in a management team that can more effectively use company resources.

The purpose of the Clayton Act amendment we introduce today is straightforward. First, it is time for the Congress to send a clear signal to corporate America that we will no longer tolerate unrestrained warfare between top managements for control of corporate assets. It is time that we get back to fundamentals: the management of a corporation's own assets for the most productive possible use of the stockholders' investment.

This bill will not prevent efficiency-enhancing combinations and other socially beneficial transactions, but it will discourage managers of large corporations from raiding other firms at the expense of the public, the stockholders, and other diligent company managements.

Unfriendly takeovers are not the only problem this legislation seeks to address. A second beneficial effect will be to restrain the blind rush to ever-bigger corporate structures. Although some increase in size may well be justified by international markets and the efficiencies that come with size, corporate combinations that offer no hope of such benefits should not be encouraged.

The bill will establish special procedures for the scrutiny of acquisitions exceeding specified size limits. Whenever an acquisition will bring the acquiring corporation's total U.S. assets to more than $5 billion and its total number of employers to more than 25,000, the antitrust enforcement agencies—Department of Justice and the Federal Trade Commission—will have the authority to delay the acquisition for an additional 60 days beyond the current waiting period for premerger clearance.

These size limitations encompass roughly the Nation's 100 largest corporations. Additional corporations may fall within the limitations if they make large acquisitions. It may be wise to consider a clause that would automatically adjust the dollar limit on assets to account for inflation. The two-step nature of the test, setting a limit both on the amount of corporate assets and on the number of employees, establishes a more balanced measure of corporate size and power. Many firms that require large amounts of capital to function—such as financial service corporations—employ relatively few people and do not possess economic and social power tantamount to their nominal assets. The number of employees in a firm is an important alternate measure of a corporation's economic power as well as of that power's potential effect on the social and political fabric.

The special procedures for large acquisitions will not apply to acquisitions of assets in the ordinary course of business or of voting securities that do not confer working control. Acquisitions of assets valued at less than $100 million and of securities that confer working control of a corporation that controls less than $100 million in assets are also exempt from the special review requirements.

The special review procedures will also not apply if the acquiring corporation has, during the 2 years prior to the acquisition, divested assets of comparable size to the smaller company. In this event, the acquisition will not increase corporate size; in general, acquisitions made after prior divestiture are more likely to reflect careful planning as to the long-term benefits to the corporation and its stockholders. This divestiture mechanism also assures management the ability to plan with certainty for an acquisition believed to be crucial for the corporation's future.

If there has been no divestiture of equivalent assets, acquisitions exceeding the size limitations—and not subject to one of the other exemptions—will be judged under a new public-interest test. If the enforcement agency determines that the acquisition is unlikely to serve the public interest, it is empowered to seek appropriate injunctive relief in a U.S. district court. In making this determination, the enforcement agency may consider the views of any person, including the parties to the transaction, their employees, their customers, and interested agencies of Federal, State, and local government.

The enforcement agency may consider any matter that it deems relevant to the public interest. Subsection (c) spells out four specific areas for scrutiny: Whether the acquisition is likely to; one, maintain and promote existing or potential competition in the market for any goods or services within the United States; two, result in the effective and productive management of corporate assets, the offering of new goods or services, the enhancement of the quality or reliability of existing goods or services, or the reduction in price of such goods or services; three, unduly disrupt management or employees; and four, in light of the benefits, result in excessive fees and other transactional costs.

The decision calculus for the agency will involve a weighing of the potential benefits against likely costs. For example, an acquisition that offers likely efficiencies or more productive use of corporate assets may outweigh any costs that ensue from disruption of management or employees and the transactional costs. On the other hand, an acquisition that offers meager benefits would probably not withstand the negative costs of the transaction.

Many transactional expenses, including the fees paid to lawyers, investment bankers, public relations firms, and the management time that must be spent before an acquisition, will have been incurred before the acquisition is reviewed by the enforcement agency. These costs should nonetheless be carefully scrutinized by the enforcement agency. For while it may be too late to recover resources spent unwisely for the acquisition under review, the agency's determination will force potential acquiring persons to take account of these expenses before undertaking future acquisition activity.

Objections to the flexible public-interest standard are likely to focus on the subjectivity and uncertainty in interpretation. But an acquiring company can avoid this uncertainty through prior divestiture, a marketplace mechanism that encourages a wise choice in acquisitions. If an acquiring company chooses not to divest, the public-interest review still leaves an option for proceeding with the acquisition. As in the case of other flexible standards that are part of our antitrust laws, an expanding body of case law will, over time, afford substantial guidance.

Scrutiny under the public interest standard will, in some instances, result in additional delays for a proposed acquisition. Those delays may inject a much needed element of caution and reason into takeover proposals. The time for additonal review is, in any event, strictly limited. The enforcement agency may delay the acquisition only for an additional 60 days beyond the time permitted by current premerger clearance procedures. Thus, the total period for review—in the case of a tender offer, around 3 months—is substantially less than the 6-month period for review of questionable mergers under British law. At the end of the review period, the agency must notify the parties to the transaction and seek injunctive relief if it believes the transaction is not likely to serve the public interest.

Whatever subjectivity and uncertainty may be injected into the takeover process by this legislation, the real question is whether it is worth the cost. Under present law, we allow one corporate management to make a takeover decision involving another large corporation with few legal restraints. That decision itself obviously involves many subjective elements; it is made from the point of view of narrow corporate or management interests, and may even be predicated on nothing more than the command-and-control ethic now fashionable in the leading business and management schools. To defend against such arbitrary takeovers, our Nation's corporations today are already investing an undetermined—but certainly large—sum to build takeover defenses, including many golden-parachute and shark-repellant schemes that, themselves, are probably not in the public interest or that of stockholders. And, most importantly, attention of management is being diverted from the critical task of effective use of existing corporate assets—the task that will ultimately determine this Nation's competitive success in the international marketplace.

It is time for the Congress to send a clear message to the business world that we want our corporate assets managed well and effectively. While mergers and acquisitions among large corporations will continue to have an important role in our economy, the gamesmanship and unrestrained tactics—with their attendant costs—must become a relic of the past, just as the monopolistic practices of Senator Sherman's day are now a part of history.●

● Mr. SEIBERLING. Mr. Speaker, in recent years, the phrase "merger mania" has become standard headline copy used in the business press to describe both the growth in the level of large corporate takeover activity and the frequently frenzied and hostile nature of that activity. In 1981, the level of merger activity was unprecedented in U.S. history, exceeding $82.6 billion. While it has fallen off somewhat since then, it has still been enormous, reaching a level of $53.8 billion in 1982. Moreover, the number of unfriendly takeovers increased from 37 percent in 1981 to 43 percent in 1982.

This development has not always been good for the business community or for the public at large. Thus, I am pleased to join today with the distinguished chairman of the House Judiciary Committee PETER RODINO in introducing legislation aimed at remedying some of the problems associated with the merger mania.

The history of corporate growth teaches that mergers have both benefits and costs. On the plus side, mergers sometimes generate economic efficiencies, sometimes eliminate managerial complacency, sometimes reduce consumer costs and sometimes even strengthen the international position of the United States.

However, many of the large combinations coming out of the merger mania of the last 15 years have served neither the public nor the companies involved. For instance, some mergers divert scarce capital from productive to unproductive uses. Last year's acquisition of Marathon Oil Co. by United States Steel quickly comes to mind as a prime example of this problem. Claiming the need to increase its overall corporate profits through diversification, United States Steel paid $6 billion to buy Marathon. So far, the

effort has been unsuccessful. United States Steel incurred $3 billion in new borrowings for the oil and gas company. Last year Marathon reported an operating income of $1.2 billion. But the acquisition increased United States Steel's interest payments threefold to $911 million, and forced the company to spend $1.2 billion for new plant, property, and equipment for Marathon. It is reported that next year, United States Steel plans to allocate over 80 percent of its capital expenditures to Marathon. In the meantime, United States Steel is planning to import steel slabs from Britain, an action costing some 1,000 to 3,000 U.S. jobs, because it does not have the $2 billion it would take to modernize its own slabmaking facility in Pennsylvania. It is plain to see that by focusing attention on growth by acquisition rather than growth by internal capital investment and expansion, United States Steel has actually reduced rather than enhanced its own efficiency.

There are other serious economic costs that can be associated with large corporate mergers. Through market concentration they can encourage anticompetitive, anticonsumer behavior. And financing large mergers can reduce the pool of available loan funds and lead to high interest rates. In addition there are often social and political consequences attending unbridled merger activity. Economic power is political power. Increasing size poses the danger of excessive corporate power and leverage in the economic arena. The wealth and power of individual citizens cannot approach that of huge corporations.

Absentee ownership can be another adverse result of a merger. When the headquarters of the parent company is miles away from the subsidiary, such absentee corporations often do not have the sense of commitment and community pride that home-grown enterprises do. Important decisions concerning subsidiaries made in faraway headquarters are more likely to be made without regard to the needs of the subsidiary's local employees, the local community or the concerns of local officials. This kind of disregard of employees' interests is one thing that is perpetuating workers' hostility toward management and injuring our national productivity.

The spectacle last year of Bendix, Allied, and Martin Marietta trying to devour one another in a $2 billion takeover effort generated a great deal of public concern. Many observers, questioning the waste of time and resources involved in the high-level wheeling and dealing, saw it as a black mark on American business, and expressed the fear that managers engaged in such meaningless corporate empire building might just unwittingly provoke a movement toward more Government control of corporate operations. If corporate aggrandizement continues to replace sound management, then the time may come when Government, for the sake of competition and productivity, must decide when a company must modernize and when it must invest, whether the shareholders like it or not. I certainly would not want to see that happen, but if our biggest steel company cannot even compete because it has chosen to put its money into buying an oil company, then the idea of Government regulation is a threat not totally unreal.

The legislation that Chairman RODINO and I introduce today attempts to deal with the excesses associated with large corporate acquisitions by establishing a public interest standard which very large proposed mergers would have to meet in order to go forward. This legislation would not in any way supplant the existing test in section 7 of the Clayton Act which sets forth criteria for determining whether a proposed acquisition is anticompetitive and thus unlawful. But our legislation does broaden the test by giving the Justice Department and the Federal Trade Commission the authority to scrutinize any proposed merger which would result in an entity with assets in excess of $5 billion or employees in excess of 25,000 and determine whether it is unlikely that the merger would serve the public interest. In order to make that determination, the agency could delay the acquisition for 60 days—beyond the existing waiting period—while it looks at factors such as the impact on management and employees, the amount of transactional costs involved, the effect on productivity, and the likelihood that competition will be enhanced. If, in weighing the potential benefits against the likely costs, the agency determines that the proposed merger will result in a positive benefit to society, it would not attempt to obtain injunctive relief.

Mr. Speaker, if our economy is to recuperate, our productivity increase, and our competitiveness in the world market improve, we must remove the obstacles which merger mania presents. The legislation Chairman RODINO and I introduce today will bring us closer to that goal.●

INTERNATIONAL MONETARY FUND BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. WYLIE) is recognized for 5 minutes.

Mr. WYLIE. Mr. Speaker, I take this special order to make some comments on the bill reported by our committee to increase the International Monetary Fund quota increase and to say why it is so important that it be enacted now.

While, the legislation to increase our quota at the IMF is low on most Member's political agenda, it might be the most important piece of legislation for domestic and worldwide recovery that we will consider this year. H.R. 2957 has more to do with jobs than most so called jobs bills we have enacted. This bill has more trade promoting impact than most so called trade-promotion bills. In my own State of Ohio more than 4.5 million jobs are directly related to exports—that is about 8 percent of Ohio's total work force. Quick passage of this legislation will go a long way toward maintaining Ohio's exporting community and strengthening the kind of trading environment where the State's export sector can continue to grow. Finally, the quota increase legislation will do more to keep the international financial system functioning in a way that serves U.S. interests, than any legislation since the Bretton Woods Act of 1945.

At the same time, Mr. Speaker, the quota increase legislation is tailor made to be misunderstood or misrepresented. It is incredibly broad in its scope and complicated in its detail. The bill reported by the Banking Committee bears little resemblance to the one page quota increase the administration originally asked us to enact. After the most extensive set of hearings ever held by the Congress on the international financial situation, our committee—in a true bipartisan effort—fashioned a bill that makes the most meaningful changes ever proposed to bring discipline to the manner in which banks lend abroad and the way they are supervised by regulatory authorities. Together, this package of new liquidity for the IMF and new regulations on the international lending activities of banks will help restore international growth and domestic economic recovery.

The IMF quota increase has become a lightning rod for criticism from all points on the political spectrum. Liberals criticise the IMF for being too harsh in its conditions, while conservatives complain about too few strings. Some supply-siders quarrel that the conditions are anti-supply-side while other argue they are too supply-side. In all of this, it is important that we do not lose sight of the fact that the United States, more than any other country in the world, benefits from the existence of a healthy international economic system and a well-funded IMF.

The IMF has played a central role in safeguarding and nurturing a smoothly functioning international economic system. Under that system, the United States has prospered and maintained the highest economic standards in his-

tory. For decades, U.S. technology, agriculture, and manufactured exports have been sought after around the world. The dollar, our domestic currency, has become the international standard of payment and the principal reserve asset of central banks around the world. The great majority of economic systems in the world have copied our own system and rely heavily on the market mechanism to run their economies. One sees trends in this direction even in the most radically socialized economies. The IMF has made a major contribution by reinforcing the trend toward an open, international system where free markets and free enterprise can thrive.

Over the years, the role of the IMF has been changing. In its traditional role, the IMF continues to provide bridge financing for countries facing temporary balance of payments problems. The IMF assistance allows countries to adjust over a reasonable period of time without having to shut down and seal off their economy from the rest of the world. The United States itself has borrowed from the IMF window on 24 separate occasions. Over its lifetime, the Fund has lent roughly equal amounts to developing and developed countries.

The IMF has a newly emerging role as the world's international financial crisis manager. No one I know foresaw that the world would face the deepest recession in two generations, a recession so strong and deep that it brought a number of once strong economies to the brink of collapse. When no other actor was ready or able to step in to save the system, the IMF intervened in Mexico, Brazil, and Argentina with bridge financing and economic policy prescriptions that forced concessions from lenders and borrowers alike. The Fund's performance during the recent crisis period has been universally applauded.

Today the Fund's resources are close to being exhausted. Two or three major drawings by member countries could leave the IMF without capital by year's end. This is why we are proceeding on this bill so expeditiously and why the other body has already passed companion legislation, by a vote of 55 to 34.

In spite of the dramatic need for this legislation, this proposal has sparked more controversay than any IMF bill we have ever considered. In my view however, most of the criticisms do not stand up to scrutiny, and reflect a lack of understanding on what is at stake and what is in our bill.

The most frequently heard criticism is that the IMF bails out banks. Like many one-line descriptions, this charge represents an over-simplification and bears little relation to the facts. It is, perhaps, inevitable that one man's judicious financial rescue effort is another man's bailout. But if we must use terms like "bailouts," we should understand that it is countries, not banks, which are getting bailed out. And with the stringent economic conditions the IMF attaches to its lending, that bailout becomes very bittersweet.

Remember how the IMF works. When a country faces severe balance of payments problems, it may turn to the IMF for modest amounts of bridge financing. The country uses this financing to enable it to maintain Government expenditures, foreign debt payments, imports, and so forth, while it attempts to correct its economic ills. The IMF never lends without first winning meaningful—and often somewhat painful—concessions from the borrowing country. A typical IMF agreement with a borrower might require reduction of the domestic deficit; an end to foreign exchange controls and unwarranted subsidies, and renewed efforts to improve the country's trade balance.

No one disputes the fact that international banks can benefit from IMF programs, since some of the IMF's money may be used to repay interest on foreign debts. But this is not the end of the story. Because the IMF's money is also used to maintain imports, IMF lending also benefits U.S. export industries, American workers, shippers, farmers, wholesalers, and so forth. Because of the fact that the U.S. economy is so intertwined with the world economy, the benefits of IMF rescue programs are felt throughout the American economy.

There is a feeling that banks played a role in creating an international debt crisis which the Congress must now resolve. There is also the sense that banks are not being made to share in the costs of saving the system. Again, the facts do not support this thesis. Most big banks are already taking huge losses as a result of the worldwide recession. The banks which have loaned heavily to Brazil, Mexico, and Argentina are facing losses on loans to commercial borrowers within those countries. Even on Government-backed debt which has been rescheduled—and which banks hope to eventually collect—their risks have increased significantly as they have been forced to inject new funds to help insure repayment on existing loans. Banks have everything to lose and nothing to gain when their creditors run into trouble.

For those who are still convinced that the IMF bails out banks, I urge an examination of the numbers. Mexico and Brazil's borrowing needs this year are estimated at $23 billion. In contrast, the IMF will lend only $3 billion to these countries this year. The vast majority of their borrowing needs must continue to be met by commercial lenders. Simply put, the IMF does not have enough resources to bail out banks.

It would be a serious mistake if we in Congress were to allow this bugaboo of a big bank bailout to detract from our support for this bill. It is true that banks will benefit from our attempt to rescue the international financial system. So will borrowing countries, their citizens, U.S. exporters, farmers, workers, and so forth. The second charge we hear is that there are low cost alternatives to increasing our IMF quota. Believe me, all of the managers of the bill wish this were true. It is not, however.

Some have claimed we should force the IMF to sell gold to increase its liquidity. The idea has an appealing ring but there are simple reasons why it would never work. For instance, to make the plan work, the Fund would have to sell all of its gold—103 million ounces—at the current gold price. This amounts to over three times the world's annual gold output, and a sale of such magnitude would cause a collapse in the gold price, leaving the IMF and other gold holders—like the United States—worse off. In addition, IMF gold sales require 85 percent vote at the Fund. A small group of countries could, and likely would, torpedo such a proposal.

A variation of this idea calls upon the IMF to borrow in private capital markets, with securities backed by gold. This concept has frightening ramifications for the U.S. credit markets. If the IMF skimmed $30 billion out of the private capital market it would have a devastating effect on the availability of credit for private borrowers in the United States. OMB estimates that Government borrowing and loan guarantee programs already consume more than 50 percent of all credit in the United States. Adding the IMF to this would mean even tighter credit conditions for private borrowers. The size of the Fund's needs are too big and too pressing to be met by devising some new, untested borrowing scheme. We did, however, ask the Fund in our bill to consider both gold sales and private borrowings as possible long-term alternatives to increases in member's quotas.

Neither the bank bailout argument nor the existence of alleged alternatives to increasing quotas provides reason to oppose this bill. On the other side of the coin, however are very important reasons for supporting this legislation.

In the course of our lifetime, the destiny of the U.S. economy has become inextricably linked to the fate of the world economy. The days of insular, national economies are gone forever. We can no longer make policies without affecting the rest of the world. Nor can we insulate ourselves from conditions outside our borders.

Examples of our dependence on the world economy are everywhere:

From 1978 to 1980, three-fourths of the growth in U.S. GNP was directly attributable to the rapid growth in our international trade sector; in 1981 and 1982 most of the decline in U.S. GNP can be attributable to the worldwide decline in trade; Contracting markets abroad have had a greater impact on the domestic recession than the decline in the U.S. housing or automobile industries; It has been estimated that 80 percent of the new jobs created in the United States between 1977 and 1980 derive their existence from the increase in U.S. exports; More than a million jobs have been lost in the last 2 years due to the decline in U.S. exports; 1 out of 3 acres of farmland produces crops for export; One out of seven jobs in manufacturing is related to U.S. exports.

Obviously the United States has a strong interest in insuring that the international economy remains strong, open, and fundamentally healthy.

The International Monetary Fund has a critical role to play in providing a measure of stability to the international economy. In addition to safeguarding the entire system, the IMF is in business to help nurse the injured individual economies back to health by injecting bridge financing and dispensing sound, dispassionate, economic advice. The existence of the IMF allows countries to adjust their payments imbalances smoothly, over a period of time, without having to seal off their economies from the outside world. This has important ramifications for jobs here in the United States. The case of Mexico is a sterling example. Mexico is our third largest trade partner, and we are the largest purchaser of their exports. When their economy is sick, it has a direct and dramatic impact on our economy. It is estimated that U.S. exports to Mexico dropped by $7.6 billion in 1982 as a result of Mexico's inability to maintain the import of capital and domestic growth. The decline in their purchase of U.S. exports meant the direct loss of nearly 200,000 U.S. jobs.

To many, it may be discomforting to realize how deeply dependent we have become on the IMF. Many Members would prefer to devote resources to problems closer to their constituents' hearts. But it is important to bear in mind that the IMF helps solve these very same problems. Interest rates, for instance, are higher than they should be because of uncertainty as to the stability of the international financial system. In addition, the rate of growth in the United States this year will be one-half of a percentage point lower because of the decline in world trade. Adding to the resources of the IMF and strengthening its role will have as much to do with improving the domestic U.S. economy as almost any other proposal we will consider this year.

Mr. Speaker, a number of Members have asked me what happens if we vote this bill down? My answer has been that we do not have that choice. Too much is riding on the willingness of the United States to shoulder its share of international responsibility by increasing its quota at the IMF. I will not stand here and predict international financial collapse if we do not enact this bill, but collapse is not beyond the realm of possibility. Defeat of this would certainly intensify the current international crisis to the point where it is more severe than any we have witnessed this decade. The point is we do not know exactly what would happen, and when the fate of all the world's economies hang in the balance, I will vote for a measure to strengthen that system. The Assistant Secretary of Treasury for International Affairs under the Carter administration has warned that if we fail to enact this measure, we will earn a reputation in history that will make the Smoot-Hawley Congress of the 1930's look like freetraders. This is serious business, and I trust you will join us in support of this measure.

U.S. EXPERT SAYS SOVIETS WANT SERIOUS ARMS NEGOTIATIONS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, evidence is piling up that the Reagan administration's hard line, militaristic approach toward arms control negotiations may well have an effect opposite from the one claimed by its proponents. Certainly, it is no substitute for a serious effort, at this time, to explore realistic arms control proposals before going further with another more dangerous and expensive round in the nuclear arms race.

The New York Times for last Sunday, July 10, contained an illuminating article on this subject by Marshall D. Shulman, who was Special Assistant on Soviet Affairs to former Secretary of State Cyrus Vance and is now director of the Harriman Institute for Advanced Study of the Soviet Union, at Columbia University. Reporting on a recent trip to the Soviet Union, Mr. Shulman states:

One comes away with the powerful, inescapable impression that our policies toward the Soviet Union are based upon erroneous assumptions and are having effects that are contrary to our interests. Measures that the administration believes will make Moscow more compliant have left the leaders puzzled, angry and defiant, determined to show muscle to prove they are not intimidated. This is a dangerous state of mind.

What makes this particularly depressing is the impression that the Soviet Union is going through a singular transition period in which the opportunity for putting the relationship on a more sensible footing is at hand—if we are prepared to act upon it.

The picture Mr. Shulman paints is of a Soviet Government whose response, like that of our own Government, to a new military threat or buildup on the other side is not a more flexible negotiating posture but a counterthreat or counterbuildup. In this respect, each side is a mirror image of the other side. Certainly, it would be interesting to see whether a more positive and constructive approach on the part of the United States would meet with a similar response from the Soviet side. On this point, Mr. Shulman observes:

The official American view is that a further buildup of stragetic weapons is necessary to make the Soviet Union more forthcoming in the negotiations. But the effect of the American programs, particularly the MX, is the contrary: It will result in additional Soviet weapons. It is worth testing the proposition that the Soviet leaders already have ample incentives to negotiate a stable and moderate-level strategic balance, if they are convinced the Administration is serious about it, which they do not now believe to be the case.

If they now have that incentive, it is because they are genuinely concerned about the consequences of nuclear war and because an improvement in their economy has become a priority preoccupation.

Mr. Shulman thus joins other distinguished experts on Soviet affairs, such as George Kennan, who have criticized the total failure on the part of this administration to explore the possibility of building arms control negotiations around the interest of the Soviet leadership in reducing the threat of nuclear war and the terrible drain of the arms race on their economy. Here is an area of mutual interest which both countries share and which ought to be explored before the strategic nuclear weapons race gets further out of hand. Unfortunately, given the overall weakness of the administration's arms control negotiating team, it will require a personal initiative by the Secretary of State, and even the President himself, if this kind of opportunity is to be effectively pursued.

Mr. Speaker, the full text of Mr. Shulman's article follows these remarks:

[From the New York Times, July 10, 1983]

MOSCOW OPPORTUNITIES

(By Marshal D. Shulman)

A visit to Moscow is a depressing experience. One comes away with the powerful, inescapable impression that our policies toward the Soviet Union are based upon erroneous assumptions and are having effects that are contrary to our interests. Measures that the Administration believes will make Moscow more compliant have left the leaders puzzled, angry and defiant, determined to show muscle to prove they are not intimidated. This is a dangerous state of mind.

Returning to Moscow after three years, I talked with more than 60 party and Govern-

ment officials, diplomats, institute analysts and journalists, most of whom I have known for many years. One has to sift and evaluate what is said, of course, but there can be no doubt that the course followed by the present and the previous Administrations has resulted in a drift of events toward a higher level of military competition, with the prospect of serious miscalculation on both sides.

What makes this particularly depressing is the impression that the Soviet Union is going through a singular transition period in which the opportunity for putting the relationship on a more sensible footing is at hand—if we are prepared to act upon it.

This tangle of cross-purposes and mutual exasperation was further evidenced in the visit to Moscow last week of Chancellor Helmut Kohl of West Germany. For weeks, the Soviet leadership had been building up its anticipation of the visit, which they saw as the last chance for heading off what they regard as the most imminent step toward higher tensions, the deployment in Europe of American theater nuclear weapons. Contrary to the belief dominant in Washington that the beginning of these deployments will lead Moscow to make concessions in the Geneva negotiations, there should be no doubt that the actual effect will be to harden the Soviet position and to lead to further Soviet deployments of missiles in Eastern Europe and in the north, targeted on Western Europe and America.

To my question: "Why these Soviet deployments, when it is evident they will simply result in stimulating further deployments in the West?" the answer was invariable: "We cannot do otherwise, or your Administration will say we are weak and that your pressure tactics are successful."

There are debates in the party and Government over how to respond to the Administration. One debate concerns the question whether to accept a summit meeting between Yuri V. Andropov and Ronald Reagan, or possibly George P. Shultz, as Mr. Kohl suggested.

Some Soviet authorities believe that the coming election is responsible for Washington's flicker of interest in a summit meeting; they do not believe the President is prepared to go beyond symbolic and superficial steps in negotiations at present, and they do not want to strengthen his political chances. Others are prepared to gamble that a summit meeting may have effects beyond what is intended and hope that a negotiated theater nuclear force agreement might still be possible. They do not want to appear to be the obstacles to negotiations, and they are genuinely uncertain whether some elements in the Administration may be moving toward less rigid and doctrinaire positions.

There are similar debates in the Soviet establishment about how to end their part of the competition in nuclear weapons. What in the United States is justified as "modernization," is universally seen in Moscow as an effort to gain superiority and the capability for a first strike. They know that they do not have strategic superiority, and they see ulterior purposes behind the Administration's attribution to them of this dubious advantage. "When will the Americans say: 'Enough is enough'?" a high military official said with some passion. "Why doesn't the Soviet Union say this?" I asked. This argument has been made by some, but the preponderant view is that a strategic leveling-off would be taken by America as a sign of weakness, and therefore the Kremlin is defiantly headed on an upward course instead, matching what it sees as American initiatives toward new and more capable weapons systems.

The official American view is that a further buildup of strategic weapons is necessary to make the Soviet Union more forthcoming in the negotiations. But the effect of the American programs, particularly the MX, is the contrary: It will result in additional Soviet weapons. It is worth testing the proposition that the Soviet leaders already have ample incentives to negotiate a stable and moderate-level strategic balance if they are convinced the Administration is serious about it, which they do not now believe to be the case.

If they now have that incentive, it is because they are genuinely concerned about the consequences of nuclear war and because an improvement in their economy has become a priority preoccupation.

Like some other industrial societies, the Soviet Union is turning inward. Prospects in foreign policy are not bright, and domestic problems are demanding attention. This is not to say that the regime will not respond to crises or opportunities abroad, but, barring unpredictable developments, this will be a period in which foreign policy will be a secondary priority while the regime seeks to rationalize and to modernize the economy and the society.

It was evident at the recent Central Committee plenum that the leadership is not yet ready to move on the fundamental economic reforms that must be addressed. Plans for economic reforms, some of them radical are being debated. From the discussions, it appeared probable that the Soviet regime is preparing to go from a first attack on low work discipline to some local economic experiments, and, in perhaps a year, to more fundamental economic restructuring, which may involve both centralization of some functions and decentralization of others, with important changes in the party's role in day-to-day administration of the economy.

Some have complained, in the Soviet Union and abroad, that the regime is moving slowly, but it appears that the reason for its deliberate pace is less political resistance than caution and uncertainty in entering upon major organizational changes.

The question is whether Mr. Andropov's health will give him enough time. By his frank and direct treatment of the shortcomings of the economy, he has put his stamp on the regime, and changes in the party's style are already evident. But the problems are formidable: Bureaucratism and low work discipline, confusion, corruption and apathy are all widely in evidence. Yet, the process of generational change has begun: Here and there are to be seen younger, more energetic and better-trained managers who may be the forerunners of a new leadership in the distant future. Whether they will be able to cope with the complex problems of the huge, sprawling economy without fundamental political changes is the crucial question for the future.

These preoccupations and these uncertainties would make the present moment a good one for testing the possibilities of putting our relations with the Soviet Union on a more sensible footing. The Soviet leaders are parochial and limited in their perspectives; they still have little insight into how their own actions contributed to a hardening of American attitudes toward the Soviet Union. But as they examine their options for the future, their choices will depend at least in part on how America frames these choices. If, as we now appear to be doing, we require of them as conditions for moderating the relationship immediate steps on Afghanistan, Poland and human rights, which even under the best of circumstances will take time to work out, we are seen as posturing, while the Soviet Union will become more mobilized and as a consequence more repressive. But if we see our own self-interest in bringing the military competition under control and moderating tensions, the responsiveness of the Soviet leaders will be put to a genuine test.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TORRICELLI (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RIDGE) to revise and extend their remarks and include extraneous material:)

Mr. MORRISON of Washington, for 30 minutes, today.

Mrs. HOLT, for 5 minutes, today.

Mr. LEWIS of California, for 60 minutes, July 20.

Mr. WYLIE, for 5 minutes, today.

(The following Members (at the requests of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 30 minutes, today.

Mr. STARK, for 10 minutes, today.

Mr. LAFALCE, for 20 minutes, today.

Mr. JONES of Oklahoma, for 5 minutes, today.

Mr. RODINO, for 5 minutes, today.

Mr. SCHUMER, for 60 minutes, July 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BEREUTER, to insert his statement of objection to section 542 of H.R. 1 immediately before the vote on the bill in the House today.

Mrs. ROUKEMA, to revise and extend her remarks on Bartlett amendment to strike title III of multifamily housing production program of H.R. 1 in the Committee of the Whole today.

(The following Members (at the request of Mr. RIDGE) and to include extraneous matter:)

Mr. DREIER of California.

Mr. WEBER.

Mr. QUILLEN in two instances.

Mr. WINN.

Mr. KRAMER.

Mr. GUNDERSON in three instances.
Mr. MCGRATH.
Mr. CAMPBELL in two instances.
Mr. STUMP in two instances.
Mr. EDWARDS of Oklahoma.
Mr. LENT.
Mr. LEWIS of Florida.
Mr. LEWIS of California.
Mr. FRENZEL in five instances.
Mr. LAGOMARSINO.
Mr. GILMAN in two instances.
Mr. SUNDQUIST.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mrs. BOXER.
Mr. DYSON.
Mr. SHELBY.
Mr. KOLTER.
Mr. TOWNS.
Mr. STARK in three instances.
Mr. PEASE in two instances.
Mr. FLORIO.
Mr. RAHALL.
Mr. LIPINSKI.
Ms. MIKULSKI.
Mr. HAMILTON in two instances.
Mr. CLAY.
Mr. WON PAT.
Mr. BRITT.
Mr. EDGAR.
Mr. LUNDINE.
Mr. MCDONALD.
Mr. BERMAN.
Mr. FLIPPO.
Mr. GORE in two instances.
Mr. GEJDENSON.
Mr. SAVAGE.
Mr. HEFTEL of Hawaii.
Mr. DYMALLY.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 929. An act to amend the act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area.

ADJOURNMENT

Mr. KILDEE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 23 minutes p.m.) under its previous order, the House adjourned until tomorrow, Thursday, July 14, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1527. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1983 and amendments to the request for appropriations for fiscal year 1984 (H. Doc. No. 98-83); to the Committee on Appropriations and ordered to be printed.

1528. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of July 1, 1983, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 98-84); to the Committee on Appropriations and ordered to be printed.

1529. A letter from the Secretary of Defense, transmitting a report on violations of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517; to the Committee on Appropriations.

1530. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the Navy's decision to convert to contractor performance the shelf-stocking function at the branch commissary store, Naval Air Station, Moffett Field, Calif., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1531. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the Navy's decision to convert to contractor performance the custodial services function at the Naval District, Washington, D.C., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

1532. A letter from the General Council, Department of Energy, transmitting notice of cancellation of meetings relating to the international energy program to be held on July 11 and 12, 1983, in Paris, France; to the Committee on Energy and Commerce.

1533. A letter from the Acting Secretary of State, transmitting a list of Soviet participants in the graduate student/young faculty and senior research scholar exchanges during the 1983-84 academic year, as requested by section 126(c) of the Department of State Authorization Act, fiscal year 1982 and 1983; to the Committee on Foreign Affairs.

1534. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Navy's proposed intention to sell certain defense articles and services to Israel (Transmittal No. 83-25), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1535. A letter from the Acting Secretary, Department of the Interior, transmitting notice of the leasing systems for the western Gulf of Mexico oil and gas lease offering to be held on August 24, 1983, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

1536. A letter from the Secretary of the Treasury, transmitting the final report on adequacy of private insurance protection for the owners and operators of vessels and facilities subject to liability under section 107 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, pursuant to section 301(b) of the act; jointly, to the Committees on Energy and Commerce, Public Works and Transportation, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 1341. A bill to establish the Mono Lake National Monument in the State of California, and for other purposes; with amendments (Rept. No. 98-291). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONIOR: Committee on Rules. House Resolution 262. Resolution providing for the consideration of H.R. 3021, a bill to amend the Social Security Act to provide for a program of grants to States to provide health care benefits for the unemployed, and for other purposes. (Rept. No. 98-292). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT (for himself, Mr. FOGLIETTA, Mr. DYSON, Mrs. LLOYD, Mr. SISISKY, Mr. BRITT, Mr. ORTIZ, Mr. PRICE, Mr. SPENCE, Mr. HARTNETT, Mr. HILLIS, and Mr. HUNTER):

H.R. 3544. A bill to amend the Strategic and Critical Materials Stock Piling Act to facilitate the use of barter in the acquisition of strategic and critical materials for the national defense stockpile, and for other purposes; to the Committee on Armed Services.

By Mr. CAMPBELL (for himself, Mr. MOORE, Mr. FRENZEL, Mr. THOMAS of California, Mr. CONABLE, Mr. DUNCAN, Mr. MARRIOTT, Mr. COATS, Mrs. ROUKEMA, Mrs. JOHNSON, Ms. SNOWE, Mrs. MARTIN of Illinois, and Mr. LOTT):

H.R. 3545. A bill to amend part D of title IV of the Social Security Act to assure that all children in the United States who are in need of assistance in securing financial support from their parents will receive such assistance regardless of the economic status of their parents and that parents prevent their children from becoming a burden on taxpayers by fulfilling, to the best of their ability, their financial obligations on behalf of their children; to the Committee on Ways and Means.

By Mr. CONABLE:

H.R. 3546. A bill to amend the Social Security Act to recognize effective program administration in the financing of State programs of child support enforcement, to improve the ability of States to collect child support for non-AFDC families, and otherwise strengthen and improve such programs and for other purposes; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, and Mr. MCKINNEY):

H.R. 3547. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to make such loans; to the Committee on the District of Columbia.

By Mr. GILMAN:

H.R. 3548. A bill to amend the Internal Revenue Code of 1954 to eliminate the age requirement for eligibility for the one-time exclusion of gain from the sale of a principal residence; to the Committee on Ways and Means.

By Mr. GLICKMAN (for himself and Mr. WINN):

H.R. 3549. A bill to amend the bankruptcy rules with respect to providing notice; to the Committee on the Judiciary.

By Mr. GUNDERSON:

H.R. 3550. A bill to provide for Federal primary elections and for inclusion of not more than two national advisory referendum questions on the ballot in each biennial general election; to the Committee on House Administration.

H.R. 3551. A bill to establish a Commission on Standards of Official Conduct and to abolish the Committee on Standards of Official Conduct of the House of Representatives; to the Committee on Rules.

By Mr. HANSEN of Idaho:

H.R. 3552. A bill to authorize the Secretary of the Interior to construct, operate, and maintain hydroelectic powerplants at various existing water projects, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. HOLT (for herself and Mr. HOYER):

H.R. 3553. A bill to require the Secretary of the Interior to convey certain land located in the State of Maryland to the Maryland National Capital Park and Planning Commission; to the Committee on Interior and Insular Affairs.

By Mr. LEWIS of Florida:

H.R. 3554. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to provide greater protection to spouses under private pension plans, and to amend such Code to repeal the earned income limitation on the education for retirement savings, to establish displaced homemakers as a targeted group for purposes of computing the credit for employment of certain new employees, and to provide a credit for household and dependent care services for individuals performing substantial volunteer services; jointly to the Committees on Education and Labor and Ways and Means.

By Mr. LUNDINE (for himself and Mr. KEMP):

H.R. 3555. A bill to declare certain lands held by the Seneca Nation of Indians to be part of the Allegany Reservation in the State of New York; to the Committee on Interior and Insular Affairs.

By Mr. McEWEN:

H.R. 3556. A bill to amend chapter 89 of title 5, United States Code, respecting annuitants eligibility to enroll under the Federal employees health benefits program; to the Committee on Post Office and Civil Service.

By Mr. MOODY (for himself, Mr. WEISS, Mr. PRITCHARD, Mr. FOWLER, Mr. BEVILL, Mr. ZABLOCKI, Mr. HEFTEL of Hawaii, Mr. EVANS of Illinois, Mrs. KENNELLY, Mr. MONTGOMERY, Mrs. BOXER, Mr. SHAW, and Ms. KAPTUR):

H.R. 3557. A bill to allow State agencies to continue to elect to use a system of retrospective accounting for the purpose of determining benefits under the Food Stamp Act of 1977, and for other purposes; to the Committee on Agriculture.

By Mr. PASHAYAN (for himself, Mr. QUILLEN, Mr. KINDNESS, Mr. CHAPPIE, and Mr. BURTON of Indiana):

H.R. 3558. A bill to encourage private sector gifts to enhance the understanding of the history of our Nation through the use of our historical documents held in the National Archives and to establish a nonprofit organization; to the Committee on Government Operations.

By Mr. PEASE:

H.R. 3559. A bill to improve adjustment assistance for firms under the Trade Act of 1974; to the Committee on Ways and Means.

H.R. 3560. A bill to amend the Trade Act of 1974 to encourage the preparation and implementation of adjustment plans for industries materially injured by imports, and for other purposes; to the Committee on Ways and Means.

By Mr. RODINO (for himself and Mr. SEIBERLING):

H.R. 3561. A bill to modify the application of the Clayton Act to certain large acquisitions; to the Committee on the Judiciary.

By Mr. STUMP (for himself, Mr. UDALL, Mr. RUDD, Mr. McCAIN, Mr. McNULTY, Mr. MARRIOTT, Mr. HANSEN of Utah, Mr. NIELSON of Utah, Mr. SEIBERLING, and Mr. YOUNG of Alaska):

H.R. 3562. A bill entitled: the "Arizona Strip Wilderness Act of 1983"; to the Committees on Interior and Insular Affairs and Agriculture.

By Mr. WALKER:

H.R. 3563. A bill to amend the Internal Revenue Code of 1954 to allow an individual a deduction for educational expenses for his own education and the education of his spouse and children; to the Committee on Ways and Means.

By Mr. DOWNEY of New York (for himself, Mr. ADDABBO, Mr. BARNES, Mr. BONIOR of Michigan, Mrs. BOXER, Mr. CORRADA, Mr. D'AMOURS, Mr. DAUB, Mr. DOWDY of Mississippi, Mr. DWYER of New Jersey, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FAZIO, Mr. FISH, Mr. FLORIO, Mr. FRENZEL, Mr. GEJDENSON, Mr. GREEN, Mr. HOWARD, Mrs. JOHNSON, Mrs. KENNELLY, Mr. LANTOS, Mr. LELAND, Mr. LEVIN of Michigan, Mr. MAZZOLI, Mr. MITCHELL, Mr. MONTGOMERY, Mr. MURPHY, Mr. NIELSON of Utah, Mr. ROE, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STARK, Mr. TOWNS, Mr. VENTO, Mr. WALGREN, Mr. WALKER, and Mr. WORTLEY):

H. Con. Res. 142. Concurrent resolution expressing the sense of the Congress regarding the need for a uniform symbol of identification, specifically the International Symbol of Access, to be used either on special license plates or on dashboard placards of vehicles carrying handicapped persons desiring the use of special parking privileges, and that all States be encouraged to honor this uniform symbol and grant reciprocity between the several States to those persons displaying this symbol and properly using the parking spaces reserved for handicapped persons; to the Committee on Energy and Commerce.

By Mr. GUNDERSON:

H. Con. Res. 143. Concurrent resolution recommending elimination of voter registration on the basis of political party affiliation, and for other purposes; to the Committee on House Administration.

H.J. Res. 318. Joint resolution proposing an amendment to the Constitution of the United States with respect to the privilege of Senators and Representatives from arrest for traffic offenses in going to and returning from a session of their respective Houses; to the Committee on the Judiciary.

By Mr. GUNDERSON (for himself, Mr. ERLENBORN, Mr. NIELSON of Utah, Mr. BARTLETT, and Mr. PACKARD):

H.J. Res. 319. Joint resolution to clarify congressional intent with respect to the requirements for approval of State plans under the Occupational Safety and Health Act of 1970; to the Committee on Education and Labor.

By Mr. GUNDERSON:

H. Res. 263. Resolution to amend the Rules of the House of Representatives to eliminate the practice of providing part-year funding of full-year programs and the use of continuing resolutions in lieu of general appropriation measures; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McEWEN introduced a resolution (H. Res. 264) to commend Gregory Karam for his actions as an air traffic controller in the rescue of the crew and passengers of a burning Canadian aircraft, which was referred to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 171: Mr. PHILIP M. CRANE.

H.R. 225: Mr. OTTINGER, Mr. FAZIO, Mr. ECKART, Mr. FLORIO, and Mr. TALLON.

H.R. 287: Mr. CHENEY.

H.R. 785: Mr. PHILIP M. CRANE.

H.R. 800: Mr. KOLTER, Mr. KEMP, Mr. MOAKLEY, Mr. BREAUX, Mr. GEPHARDT, Mr. OLIN, Mr. ACKERMAN, and Mr. REID.

H.R. 878: Mr. PHILIP M. CRANE.

H.R. 953: Mr. TAUZIN, Mr. GARCIA, and Mr. VALENTINE.

H.R. 954: Mr. WEISS.

H.R. 1016: Mr. HARTNETT and Mr. BONIOR of Michigan.

H.R. 1077: Mr. BEREUTER.

H.R. 1257: Mr. LUJAN, Mr. ROEMER, Mr. CHAPPIE, Mr. FORSYTHE, and Mr. CAMPBELL.

H.R. 1596: Mr. GRAY.

H.R. 1599: Ms. SNOWE.

H.R. 1605: Mr. MARKEY.

H.R. 1644: Mr. GUARINI and Mr. TORRICELLI.

H.R. 1742: Mr. ANNUNZIO and Mr. FRANK.

H.R. 1880: Mr. OTTINGER, Mr. BATES, Mr. AKAKA, Mr. CARPER, Mr. CHANDLER, Mr. CONYERS, Mr. DOWNEY of New York, Mr. EDWARDS of California, Mr. GRAY, Mr. KILDEE, Mr. LAFALCE, Mr. LUNDINE, Mr. McNULTY, Mr. MINETA, Mrs. SCHROEDER, Mr. WEAVER, and, Mr. WEISS.

H.R. 1905: Mr. FISH, Mr. HORTON, and Mr. COUGHLIN.

H.R. 1918: Mr. McKERNAN.

H.R. 2023: Mr. FAZIO.

H.R. 2053: Mr. BONIOR of Michigan, Mr. LATTA, Ms. MIKULSKI, and Mr. VANDER JAGT.

H.R. 2088: Ms. KAPTUR.

H.R. 2099: Mrs. BURTON of California.

H.R. 2100: Mrs. BURTON of California.

H.R. 2204: Mr. MINETA and Mr. HARRISON.

H.R. 2372: Mr. ROWLAND, Mr. GREGG, and Mrs. BOXER.

H.R. 2419: Mr. McNULTY.

H.R. 2434: Mr. GINGRICH, Mr. HUGHES, Mr. McNULTY, Mr. MORRISON of Washington, Mr. NEAL, Mr. PASHAYAN, Mr. PATMAN, Mr. ROE, and Mr. WORTLEY.

H.R. 2483: Mrs. HALL of Indiana.

H.R. 2490: Mr. MARTINEZ.

H.R. 2566: Mr. WHITTAKER, Mr. HUGHES, Mr. VOLKMER, Mr. EDGAR, Mr. SUNIA, Mr. WEISS, Mr. RATCHFORD, Mr. EVANS of Illinois, Mrs. COLLINS, and Mr. HIGHTOWER.

H.R. 2883: Mr. QUILLEN, Mr. SAWYER, and Mr. YOUNG of Missouri.

H.R. 2911: Mr. WYDEN, Mr. BOEHLERT, Mr. EDGAR, Mr. DASCHLE, and Mr. BOUCHER.

H.R. 2961: Mr. PEPPER and Mr. WEISS.

H.R. 2977: Mr. SIMON, Mr. PASHAYAN, Mr. COATS, Mr. SOLOMON, Mr. BROOMFIELD, Mr. NIELSON of Utah, Mr. GEKAS, Mr. PURSELL, Mr. HUNTER, Mr. WHITTAKER, Mr. HILER, Mr. BURTON of Indiana, Mr. DANIEL B. CRANE, Mr. WILSON, Mr. RITTER, Mr. KASICH, Mr. PRITCHARD, Mr. PAUL, Mr. DELLUMS, Mr. CROCKETT, Mr. SAVAGE, Mr. DREIER of California, Mr. KEMP, Mr. MYERS, Mr. VANDER JAGT, Mr. DEWINE, Mr. STANGELAND, Mr. LIVINGSTON, Mr. COURTER, Mr. LOWERY of California, Mr. GINGRICH, Mr. LOTT, and Mr. WEBER.

H.R. 3028: Mr. DANIEL, Mr. PRITCHARD, Mr. CHANDLER, Mr. SCHUMER, and Mr. BIAGGI.

H.R. 3072: Mr. CLAY, Mr. TALLON, Mr. FASCELL, Mr. AKAKA, and Mr. MCNULTY.

H.R. 3099: Mr. PASHAYAN, Mr. LAGOMARSINO, Mr. FORSYTHE, and Mr. DANNEMEYER.

H.R. 3106: Mrs. SCHROEDER, Mr. DOWNEY of New York, and Mr. BLILEY.

H.R. 3175: Mr. HOYER, Mr. FAZIO, Mr. EVANS of Illinois, Mr. SIMON, Mrs. COLLINS, Mr. CORRADA, Mr. CLINGER, and Mr. GAYDOS.

H.R. 3192: Mr. LAGOMARSINO and Mr. HANSEN of Idaho.

H.R. 3193: Mr. WORTLEY and Mr. FISH.

H.R. 3264: Mr. WISE, Mr. MITCHELL, Mr. YATES, Mr. BROWN of California, and Mr. FAZIO.

H.R. 3322: Mr. FISH, Mr. BLILEY, Mr. FRENZEL, Mr. WOLF, Mr. KASICH, Mr. ROE, Mr. FORSYTHE, Mr. HANSEN of Utah, Mr. HYDE, Mr. SMITH of New Jersey, Mr. DEWINE, Mr. STOKES, Mr. DAUB, Mr. LEWIS of Florida, Mr. COATS, Mrs. VUCANOVICH, Mr. BURTON of Indiana, Mr. SUNIA, and Mr. NIELSON of Utah.

H.R. 3354: Mr. MCNULTY, Mr. FAZIO, Mr. TALLON, Mr. DYSON, Mr. THOMAS of California, Mr. STOKES, and Mr. FLORIO.

H.R. 3362: Mr. PETRI, Mr. WOLF, Mr. DEWINE, Mr. MCKAY, Mr. HYDE, Mr. KINDNESS, Mr. GOODLING, and Mr. WEBER.

H.R. 3419: Mr. ROSE, Mr. HARTNETT, and Mr. WILSON.

H.R. 3420: Mr. GREEN, Mr. MATSUI, Mr. WHITEHURST, Mr. LANTOS, Mr. LELAND, Mr. WAXMAN, Mr. ROYBAL, Mrs. BURTON of California, Mr. STOKES, Mr. MILLER of California, Mr. LEVINE of California, Mr. BERMAN, Mr. LEWIS of California, Mr. GINGRICH, Mr. CHAPPIE, Mr. BILIRAKIS, Mr. MINETA, Mr. BATES, Mr. PANETTA, Mr. BARNES, Mr. DYMALLY, and Mr. MCNULTY.

H.R. 3433: Mr. CORRADA, Mr. RITTER, Mr. RIDGE, Mr. VENTO, Mr. FORD of Michigan, Mr. FAUNTROY, Mr. RODINO, Mr. FORSYTHE, Mr. MRAZEK, Mr. LAFALCE, Mr. STOKES, Mr. DURBIN, Mr. DINGELL, and Mr. WHITTAKER.

H.J. Res. 29: Mr. OWENS, Mr. GRAY, Mr. CAMPBELL, Mr. DELLUMS and Mr. BARTLETT.

H.J. Res. 93: Mr. HUGHES, Mr. ALEXANDER, Mr. HANSEN of Idaho, Mr. LIVINGSTON, and Mr. LEVIN of Michigan.

H.J. Res. 103: Mr. JONES of Tennessee and Mr. LUJAN.

H.J. Res. 105: Mr. BADHAM, Mr. BARTLETT, Mr. BATEMAN, Mr. BLILEY, Mr. BROYHILL, Mr. CHAPPIE, Mr. COELHO, Mr. CORRADA, Mr. COURTER, Mr. DYSON, Mr. EMERSON, Mr. ENGLISH, Mr. FASCELL, Mr. FISH, Mr. FRANK, Mr. GEKAS, Mr. GRADISON, Mr. HANSEN of Utah, Mr. HYDE, Ms. KAPTUR, Mr. LATTA, Mr. LENT, Mr. LEVIN of Michigan, Mr. LEVITAS, Mr. LEWIS of California, Mr. LOWERY of California, Mr. LUNGREN, Mr. MCCAIN, Mr. MCNULTY, Mr. MORRISON of Connecticut, Mr. NIELSON of Utah, Mr. PANETTA, Mr. PEPPER, Mr. PURSELL, Mr. RINALDO, Mr. ROBINSON, Mr. SHAW, Mr. SKELTON, Mr. SMITH of New Jersey, Ms. SNOWE, Mr. VANDERGRIFF, Mr. WOLF, Mr. WORTLEY, and Mr. YOUNG of Florida.

H.J. Res. 145: Mr. TORRICELLI, Mr. MADIGAN, Mr. ANNUNZIO, and Mr. EDGAR.

H.J. Res. 176: Mr. PEPPER, Mr. CHAPPIE, Mr. GUNDERSON, Mr. HATCHER, Mr. HIGHTOWER, Mr. ALEXANDER, Mr. ANDREWS of Texas, Mr. BATEMAN, Mr. BENNETT, Mr. BONER of Tennessee, Mr. DANIEL B. CRANE, Mr. CROCKETT, Mr. WALGREN, and Mr. TALLON.

H.J. Res. 218: Mr. BATEMAN and Mr. HARRISON.

H.J. Res. 240: Mr. BEDELL, Mr. BERMAN, Mrs. COLLINS, Mr. FOGLIETTA, Mr. LUKEN, Mr. MRAZEK, Mr. NEAL, Mr. OWENS, Mr. SIMON, Mr. WAXMAN, Mr. WOLPE, and Mr. WYDEN.

H.J. Res. 241: Mr. BEDELL, Mr. BERMAN, Mrs. COLLINS, Mr. FOGLIETTA, Mr. LUKEN, Mr. MRAZEK, Mr. NEAL, Mr. OWENS, Mr. SIMON, Mr. WAXMAN, Mr. WOLPE, and Mr. WYDEN.

H.J. Res. 273: Mr. HAMMERSCHMIDT, Ms. KAPTUR, Mr. DOWNEY of New York, Mr. LEHMAN of Florida, Mr. CHAPPELL, Mr. MCNULTY, Mr. LUNGREN, Mr. GUARINI, Mr. TOWNS, Mr. BRITT, Mr. EDWARDS of California, Mr. FISH, Mrs. KENNELLY, Mr. MCCURDY, Mr. HARRISON, and Mr. BATES.

H.J. Res. 277: Mr. ROBINSON, Mr. BENNETT and Mr. MORRISON of Washington.

H.J. Res. 278: Mr. ADDABBO, Mr. ANNUNZIO, Mr. BADHAM, Mr. BARNES, Mr. BATEMAN, Mr. BEDELL, Mr. BERMAN, Mr. BIAGGI, Mr. BOEHLERT, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BRITT, Mr. BROWN of California, Mr. BROYHILL, Mr. CORRADA, Mr. D'AMOURS, Mr. DANIEL, Mr. DASCHLE, Mr. DE LA GARZA, Mr. DONNELLY, Mr. DWYER of New Jersey, Mr. DYMALLY, Mr. EARLY, Mr. EDGAR, Mr. EMERSON, Mr. FAUNTROY, Mr. FAZIO, Mr. FISH, Mr. FLORIO, Mr. FORSYTHE, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. GILMAN, Mr. GONZALEZ, Mr. GREEN, Mr. GUARINI, Mr. HEFTEL of Hawaii, Mr. HERTEL of Michigan, Mrs. HOLT, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. HUTTO, Mr. KEMP, Mrs. KENNELLY, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LELAND, Mr. LONG of Maryland, Mr. MCGRATH, Mr. MARKEY, Mr. MARRIOTT, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MAVROULES, Ms. MIKULSKI, Mr. MOAKLEY, Mr. MONTGOMERY, Mr. O'BRIEN, Mr. OWENS, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. QUILLEN, Mr. RANGEL, Mr. RATCHFORD, Mr. ROBINSON, Mr. ROE, Mr. ROGERS, Mr. SCHEUER, Mr. SCHUMER, Mr. SIMON, Mr. SMITH of Florida, Mr. SOLARZ, Mr. STUMP, Mr. SUNIA, Mr. TORRICELLI, Mr. TRAXLER, Mr. VANDERGRIFF, Mr. VENTO, Mr. WAXMAN, Mr. WEISS, Mr. WINN, Mr. WIRTH, Mr. WOLF, Mr. WORTLEY, Mr. WYDEN, Mr. YATES, Mr. YATRON, Mr. YOUNG of Florida, and Mr. YOUNG of Alaska.

H.J. Res. 283: Mr. BOEHLERT, Mr. BORSKI, Mr. CHANDLER, Mr. CLINGER, Mr. CONTE, Mr. COOPER, Ms. FERRARO, Mr. FRANK, Mr. HUNTER, Mr. MARTINEZ, Mr. MCCOLLUM, Mr. NIELSON of Utah, Mr. REGULA, Mr. SUNIA, Mr. VANDER JAGT, Mr. WALKER, Mr. WEISS, and Mr. WINN.

H. Con. Res. 13: Mr. DONNELLY.

H. Con. Res. 14: Mr. CHANDLER.

H. Con. Res. 107: Mr. BLILEY, Mr. EVANS of Illinois, Mr. FAZIO, Mr. FROST, Mrs. HALL of Indiana, Mr. HYDE, and Mr. REID.

H. Con. Res. 115: Mr. NIELSON of Utah.

H. Con. Res. 127. Mr. ADDABBO, Mr. ANDREWS of Texas, Mr. ANDERSON, Mr. BADHAM, Mr. BARNES, Mr. BARTLETT, Mr. BEILENSON, Mr. BETHUNE, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BLILEY, Mr. BOUCHER, Mr. BRITT, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. CHAPPELL, Mr. CLINGER, Mr. DANIEL, Mr. DASCHLE, Mr. DAVIS, Mr. DEWINE, Mr. DIXON, Mr. DONNELLY, Mr. FAZIO, Mr. FIELDS, Mr. FISH, Mr. FORD of Tennessee, Mr. FRENZEL, Mr. FRANKLIN, Mr. FUQUA, Mr. GEKAS, Mr. GRAMM, Mr. HAWKINS, Mr. HEFNER, Mrs. HOLT, Mr. HUGHES, Mr. HYDE, Mr. JEFFORDS, Mr. LATTA, Mr. LEATH of Texas, Mr. LELAND, Mr. LENT, Mr. LEVINE of California, Mr. LONG of Maryland, Mr. LANTOS, Mr. LOWERY of California, Mr. LUNGREN, Mr. MACK, Mr. MCEWEN, Mr. MCKERNAN, Mr. MICHEL, Mr. MINETA, Mr. MOAKLEY, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. NICHOLS, Mr. OLIN, Mr. OTTINGER, Mr. OWENS, Mr. PACKARD, Mr. PANETTA, Mr. PEPPER, Mr. PETRI, Mr. QUILLEN, Mr. RODINO, Mr. RUDD, Mr. SAWYER, Mr. SCHEUER, Mr. SENSENBRENNER, Mr. SISISKY, Mr. SMITH of Florida, Mr. ROBERT F. SMITH, Mr. SOLARZ, Mr. SPENCE, Mr. ST GERMAIN, Mr. STRATTON, Mr. SUNDQUIST, Mr. SUNIA, Mr. TALLON, Mr. TAUKE, Mr. TRAXLER, Mrs. VUCANOVICH, Mr. WALKER, Mr. WEBER, Mr. WEISS, Mr. WORTLEY, Mr. WRIGHT, Mr. YATRON, and Mr. LOEFFLER.

H. Res. 24: Mr. MARKEY.

H. Res. 172: Mr. ALEXANDER, Mrs. BOGGS, Mrs. BURTON of California, Mr. COELHO, Mrs. COLLINS, Mr. GONZALEZ, Mr. HIGHTOWER, Mr. HOYER, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LELAND, Mrs. LLOYD, Mr. MINETA, Mr. MOODY, Mr. ORTIZ, Mr. RITTER, Mr. SISISKY, Mr. STARK, Mr. WATKINS, Mr. WEISS, and Mr. KASTENMEIER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2760

By Mr. CARNEY:

—Page 2, line 19, strike the period and add: "Providing that the government of Nicaragua ceases to engage in any activity for the purpose or which would have the effect of supporting, directly or indirectly, military or subversive or paramilitary operations in or against El Salvador, or any other country in Central America by any nation, group, organization, movement, or individual.

By Mr. BROOMFIELD:

—On page 2, at line 18, add the following parenthetical phrase immediately following the word "nation": (except a nation acting in self-defense)".

—Page 3 after line 8, add the following new subsection (c):

"(c) Notwithstanding the effective date stipulated by subsection (b), if the President certifies to the Speaker of the House and to the chairmen of the appropriate committees of the Senate that the United States has attemped and continues to be willing to engage in good faith efforts to negotiate a peaceful resolution of the conflicts in Nicaragua and El Salvador, then this section shall not take effect until the President further certifies that a mutual agreement has been entered into among the interested parties in the region that the governments of Nicaragua will cease all activities to provide arms, training, command and control facilities or logistical support to military or paramilitary operations in or against any country in Central America, and that Nicaragua's compliance with such agreement has been verified. Subsection (a) of this section shall become inoperative if it has been veri-

fied that Nicaragua has in fact resumed such prohibited activities.".

H.R. 2969

By Mr. DANIEL:

—Page 17, line 11, strike out "$22,253,888,000" and insert in lieu thereof "$22,254,888,000".

Page 17, line 15, strike out "$10,581,807,000" and insert in lieu thereof "$10,582,807,000".

Page 18, line 12, strike out "$18,364,248,000" and insert in lieu thereof "$18,365,248,000".

Page 18, line 16, strike out "$3,967,778,000" and insert in lieu thereof "$3,968,778,000".

Page 19, line 17, strike out "$678,400,000" and insert in lieu thereof "$686,400,000".

Page 19, line 20, strike out "$401,234,000" and insert in lieu thereof "$409,234,000".

At the end of title IV (page 25, after line 13) insert the following new section:

SHELTER FOR THE HOMELESS AT MILITARY INSTALLATIONS

SEC. 405. (a)(1) Chapter 151 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2546. Shelter for homeless; incidental services

"(a)(1) The Secretary of a military department may make military installations under his jurisdiction available for the furnishing of shelter to persons without adequate shelter. The Secretary may, incidental to the furnishing of such shelter, provide services as described in subsection (b). Shelter and incidental services provided under this section may be provided without reimbursement.

"(2) The Secretary concerned shall carry out this section in cooperation with appropriation State and local governmental entities and charitable organizations. The Secretary shall, to the maximum extent practicable, use the services and personnel of such entities and organizations in determining to whom and the circumstances under which shelter is furnished under this section.

"(b) Services that may be provided incident to the furnishing of shelter under this section are the following:

"(1) Utilities.

"(2) Bedding.

"(3) Security.

"(4) Transportation.

"(5) Renovation of facilities.

"(6) Minor repairs undertaken specifically to make suitable space available for shelter to be provided under this section.

"(7) Property liability insurance.

"(c) Shelter and incidental services may only be provided under this section to the extent that the Secretary concerned determined will not interfere with military preparedness or ongoing military functions.

"(d) The Secretary of Defense shall prescribe regulations for the administration of this section.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2546. Shelter for homeless; incidental services.".

(b) Section 2546 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 1983.

SENATE—*Wednesday, July 13, 1983*

(Legislative day of Monday, July 11, 1983)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the Honorable MACK MATTINGLY, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Peace, the world languishes for peace, yet that which is universally desired seems out of reach. We want peace, but we make war—in our families, between spouses, parents, and children. We make war in industry, between labor and management. We make war between races, between colleagues and peers, even among friends. Our courts are clogged with litigation—yet we profess too long for peace.

God of Judgment, may we hear the word of Thy servant, James: "What causes wars, and what causes fightings among you? Is it not your passions that are at war in your members? You desire and do not have, so you kill. You covet and cannot obtain, so you fight and wage war." (James 4: 1,2).

Patient, long-suffering Father, give us the will to peace in our hearts, in our homes, and everywhere. Help us to hear the word of Jesus: "Blessed are the peacemakers, for they shall be called sons of God." (Matthew 5: 9). In His name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 13, 1983.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MACK MATTINGLY, a Senator from the State of Georgia, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MATTINGLY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

SENATE SCHEDULE

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BAKER. Mr. President, when we resume consideration of S. 675, the Department of Defense authorization bill, it is my hope that we can make good progress and dispose of amendments promptly and regularly, for I continue to feel that it is imperative that we finish this bill this week.

I have advised both managers, Senators TOWER and JACKSON, that I will ask the Senate to remain in today as long as they feel it is useful and profitable from a legislative standpoint.

Mr. President, what I hope we can do today is deal with at least two of the principal controversial amendments. The three amendments, as I observe them, that will cause the most conflict are binary gas, the B–1 bomber, and the MX missile. Any two of those would suit me just fine. Maybe we can dispose of all of the other amendments on this bill today by staying late, if necessary, and put us in a position then to deal with the remaining amendment tomorrow and have final passage of this measure sometime tomorrow afternoon or tomorrow evening.

If that is the case, Mr. President, it would not be my intention to ask the Senate to remain in session on Friday. If that is not the case—that is, if we have not finished this bill—I believe I have no alternative except to ask the Senate to be in and active on Friday and Saturday, if necessary.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business to extend no longer than 11:30 a.m. in which Senators may speak for not more than 3 minutes each.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

Mr. BAKER. Mr. President, I have no further need for my time under the standing order and, as now arranged for, the bill will recur as the pending business and a reported amendment will recur as the pending question at the expiration of the time for transaction of routine morning business.

Mr. President, if the minority leader needs additional time, I am happy to yield to him any time I have remaining.

ORDER OF PROCEDURE—MESSAGE

Mr. BAKER. Mr. President, before I yield my remaining time to the minority leader, I see there is a messenger at the door once more. I observe that he is here almost every day. I try to head him off to see if he has good news or bad and he never will tell me, which makes him a diligent messenger of the President of the United States. So I yield so the Chair can admit him.

Mr. BYRD. Mr. President, I ask unanimous consent that this interruption occur after the statement by both leaders under the standing order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate will receive a message from the President of the United States.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ORDER OF PROCEDURE—MESSAGES

Mr. BAKER. Mr. President, I yield any time I have remaining to the minority leader.

Mr. BYRD. Mr. President, I thank the majority leader.

I suppose my unanimous-consent request covers a statement which I may

have later today or may not have, which would be inserted immediately following whatever the majority leader would like to have in the RECORD prior to the entry of the messenger.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. If it is within the purview of ourselves to make this request, I make that a standing request throughout this session.

Mr. BAKER. Mr. President, I have no objection to that, but I am perfectly willing to admit the messenger after the minority leader speaks. I have in the past done it at the conclusion of my remarks. I have no preference one way or the other. I would be pleased for the Senator to go ahead and make his request, but if he does not want to make that request, I can assure him we will not make a problem out of that.

Mr. BYRD. I thank the majority leader. I think it is a proper place for the messenger to come in after the two leaders have spoken. I have nothing at this point I want to say, but I would say that, when I was the majority leader, I did want any messengers to appear after both the majority leader and the minority leader had a chance to speak.

Mr. BAKER. Mr. President, I do not believe the minority leader and I have discussed this before, so I am somewhat surprised by it, but I am not concerned about it. I can assure the minority leader if that is his wish, we will do it that way in the future.

Mr. BYRD. I thank the majority leader.

Mr. President, I am ready, if the majority leader is ready, to proceed with the nominations on the executive calendar.

Mr. BAKER. Mr. President, I had planned to do that during morning business, but we can do it right now.

Mr. BYRD. I have a meeting going on in my office made up of West Virginians, and I would like to do it now.

Mr. BAKER. Mr. President, I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering nominations beginning on page 3, under Department of Defense, including all of the nominations on that page, all the nominations on page 4, all the nominations on page 5, and the nominations placed on the Secretary's desk in the Air Force, Marine Corps, and Navy.

Could I inquire of the minority leader if he is cleared to consider the ones I have just identified?

Mr. BYRD. Yes.

Mr. BAKER. I thank the Senator. Then, Mr. President, I make that request.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Delbert L. Spurlock, Jr., of Virginia, to be an Assistant Secretary of the Army.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

AIR FORCE

The legislative clerk read the nomination of Maj. Gen. Edgar A. Chavarrie, U.S. Air Force, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Maj. Gen. Winston D. Powers, U.S. Air Force, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Maj. Gen. Richard K. Saxer, U.S. Air Force, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

ARMY

The legislative clerk read the nomination of Lt. Gen. Julius W. Becton, Jr., U.S. Army, to be lieutenant general, on the retired list.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Maj. Gen. Charles W. Bagnal, U.S. Army, to be lieutenant general.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NAVY

The legislative clerk read the nomination of Vice Adm. Edward C. Waller III, U.S. Navy, to be vice admiral, on the retired list.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

DEPARTMENT OF LABOR

The legislative clerk read the nomination of John J. O'Donnell, of the District of Columbia, to be an Assistant Secretary of Labor.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NORTH ATLANTIC TREATY ORGANIZATION

The legislative clerk read the nomination of David M. Abshire, of Virginia, to be U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I am most pleased that the Senate has just confirmed the nomination of David Abshire to be the U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, and I am most proud of the fact that our newest Ambassador was born in Chattanooga, Tenn.

I have known David Abshire for many years, and throughout that time, I have come to rely on him for his intelligence and resourcefulness. As president of the Center for Strategic and International Studies at Georgetown University, he has distinguished himself. As a Government employee for over 20 years, he has proven his dedication to our country.

On behalf of all my colleagues in the Senate I want to extend to David and his wife Carolyn, my congratulations and best wishes for a position that is crucial to our Government and our national security.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, MARINE CORPS, AND NAVY

The legislative clerk proceeded to read sundry nominations placed on the Secretary's desk in the Air Force, Marine Corps, and Navy.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, MARINE CORPS, NAVY

Air Force nominations beginning Charles P. Hatsell, and ending David E. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nominations beginning Glen W. Alexander, and ending Galen S. Woolley, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nominations beginning Louis W. Adams, III, and ending Alfonso Villamizar, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nominations beginning John N. Rogerson, and ending Kevin P. Yakuboff, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nominations beginning Robert F. Ackerman, and ending Howard M. Richardson, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nominations beginning Edward F. Augustyniak, Jr., and ending Robert G. Zerull, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Air Force nomination of Erwin J. Rokke, which was received by the Senate and appeared in the Congressional Record of June 20, 1983.

Marine Corps nominations beginning Keith W. Danel, and ending Timothy V. Shindelar, which nominations were received by the Senate and appeared in the Congressional Record of June 13, 1983.

Navy nominations beginning David John Abbott, and ending William Leighton Davis, which nominations were received by the Senate and appeared in the Congressional Record of June 16, 1983.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask that the President be immediately notified that the Senate has given consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE—MESSAGES

Mr. BYRD. Mr. President, I apologize to the majority leader for the comments I made regarding the receiving of a message from the President prior to the conclusion of the recognition of the two leaders, although I did not feel that my comments would offend him.

Mr. BAKER. The minority leader's comments did not offend me.

Mr. BYRD. I have intended to raise this question from time to time. I just happen to believe that the statements by the two leaders should appear first before any messages that might be spread upon the RECORD are allowed to intervene.

Mr. BAKER. Mr. President, I have no quarrel with that and there is certainly no reason for the minority leader to feel that I was put out or offended in any way. I thank the minority leader.

Mr. President, I have no further need for my time under the standing order.

SENATE SCHEDULE

Mr. HART. Mr. President, will the majority leader yield to me momentarily so that I may ask a question about the schedule?

Mr. BAKER. I yield.

Mr. HART. Mr. President, the majority leader mentioned his desire to move on with the authorization bill, and understandably so. We all share that commitment. With his genuine interest in accommodating all Senators, I wanted to advise the distinguished Senator from Texas, the floor manager, that there will be considerable debate on the MX issue.

I know the majority leader wants to move the bill forward. I know that he understands that some issues are more important than others. For many of us, the issue of the production and deployment of the MX is of a magnitude that I think will require some very serious debate, not frivolous but serious discussions, so that people of the country understand the implications of this decision.

Mr. President, I wanted the majority leader to know that. It is my intention to keep in touch with both him and the Senator from Texas as this debate goes on and to try to focus attention on the serious nature of it. I hope the majority leader understands that. We are not prepared to obstruct other business on the bill.

Mr. BAKER. Mr. President, I thank the Senator. I am sure he will fully participate in that debate. I am sure that he is also aware that I have indicated that if we cannot finish tomorrow, as I said on Monday, it is the intention of the leadership on this side to ask us to continue deliberations on this measure through the weekend. I do not mean that to be a punishment but, rather, as the Senator from Colorado pointed out, it is responsive to my belief that this is a terribly important piece of legislation, one that we have to deal with.

We have to dispose of it before we can get to the appropriations bills which are backed up behind us, and before the Senate goes out for the August recess.

There is no effort to rush to judgment, so to speak, but, rather, to provide an orderly schedule for the affairs of the Senate.

I appreciate the remarks of the Senator from Colorado and I look forward to his participation in the debate. If we cannot finish tomorrow, we will finish Friday. If we cannot finish Friday, we will finish Saturday, or whenever we finish. One way or another, of course, the Senate will complete action on the bill.

Mr. HART. I thank the majority leader.

Mr. BAKER. Mr. President, if I have any time remaining, I yield 30 seconds to the Senator from North Carolina.

LEWIS R. HOLDING: A BANKER LAYS THE FACTS ON THE LINE

Mr. HELMS. Mr. President, Lewis R. Holding is a very prominent and highly respected banker in my State who is, in fact, nationally known and recognized as a topflight leader in his profession. Mr. Holding is chairman of the board of First Citizens Bank & Trust Co., headquartered in Raleigh and Smithfield.

First Citizens was founded by Lewis Holding's father, the late R. P. Holding. The elder Mr. Holding and his wife had three sons, all of whom followed their father into banking. Robert P. Holding, Jr., died several years ago. He was the oldest of the three "Holding boys." Lewis Holding, the middle son, is known by his nickname, "Snow." The youngest son, Frank P. Holding, like his two brothers, is remarkable in perception and successful as a leader of his community and State.

Mr. President, I have known the Holding family for more than 30 years. "The Holding boys" were very young men when I first met them. My first impression of them was that they were destined to become leaders—and they have.

With that bit of background, Mr. President, I would offer a few remarks about an address delivered June 22 by Mr. Lewis R. Holding at a meeting sponsored by the Federal Deposit Insurance Corporation at Lake Buena Vista, Fla. To be more precise, the meeting was a training conference of the Atlanta Region of FDIC.

I hope Senators, and others who read the CONGRESSIONAL RECORD, will take note of Snow Holding's candid and courageous message contained in his June 22 address. He warned that many banking practices today may be leading to perilous consequences, and that the imprudent—dangerous is the better word—the dangerous and irresponsible actions of today's politicians are a threat to the security and stability of not only the United States but the entire world.

Let me cite just a couple of paragraphs from Mr. Holding's remarkable speech:

The governments of the United States and numerous other countries are broke. By all imaginable definitions, when you cannot repay a debt and have to borrow more money in order to be able to pay just the interest on that debt, that is a sign of bankruptcy. In 1983, the interest on the U.S. Government debt will be almost $100 billion, and they are borrowing money just to help pay the interest.

Then, Mr. President, in assessing the enormous loans made to, and in, foreign countries, Mr. Holding had this comment:

I am convinced that the crucial factor regarding our future economic well-being is the international financial situation. The precarious instability of the multinational banks and numerous debtor countries will, at best, retard economic progress and could, at worst wreak havoc upon us all.

Those two excerpts from Mr. Lewis Holding's speech should be enough to prompt a careful reading of his entire speech. So that Senators may have that opportunity, Mr. President, I ask unanimous consent that the text of Mr. Holding's address be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY LEWIS R. HOLDING AT FDIC'S ATLANTA REGIONAL TRAINING CONFERENCE

Good afternoon, first, I would like to say how honored I am to have been invited to talk with you. As you are, of course, aware, bankers and regulators have been known, on occasion, to have differing viewpoints. On this occasion, however, I would like to think my invitation indicates that the FDIC sees eye to eye with First Citizens regarding the sound manner in which we have managed our bank.

And I am here today to give you in the FDIC a pep talk. I believe your role is absolutely vital in preserving the soundness of our banking system. And I believe preserving the integrity of our banks is vital to the stability of our economic future. I am here today to let you know that there are bankers who are behind you 100 percent in your efforts to strengthen the quality of our banks.

I was asked to speak about the outlook for the southeast. I am proud of being from and living in the southeastern United States. The happy combination of climate, people, and resources that have brought the Sun Belt into the national limelight will continue to keep the Southeast in better shape than the Nation as a whole.

During 1982, the Southeast's labor force grew 4 percent, twice the national rate, and total employment grew 1 percent, despite the recession. The farmers of the Southeast saw less erosion in their prices and land values than in the Midwest. The numerous defense installations and contractors provided a strong source of stability throughout the recession. In 1983, the Southeast is quickly feeling the benefits of the revival in construction spending. Tourism is picking up, led by the addition of "Epcot" to Disney World.

The more I thought about the outlook for the Southeast, however, the more I realized that we must look beyond the Southeast to find the factors that will affect our future prosperity. The combination of communications satellites, television, jet airplanes, computers, and OPEC have produced a world so interconnected that no area can thrive alone. Indeed, the Southeast will remain relatively better off. I am grateful for that, but the key is, relative to what? A deteriorating world economy will require tightening of the Sun Belt right along with all other belt-tightening.

I am convinced that the crucial factor regarding our future economic well-being is the international financial situation. The precarious instability of the multinational banks and numerous debtor countries will, at best, retard economic progress and could, at worst, wreak havoc upon us all.

The message I want to leave with you today is that at no time since the 1930's has the role of the bank supervisor been more important. There are over $1.2 trillion on deposit in our banking system, and the people of this Nation rely totally on the FDIC to insure that those deposits remain safe and available. The responsibility on your shoulders is awesome. In the best of times, the burden of such a responsibility would rest heavily. In difficult times, the pressure will test the strength of the most vigilant.

We are now in the most difficult of times economicially. We have even begun to take for granted problems that would have shocked us in the past. I heard a story the other day that illustrated this for me.

An unemployed fellow in Detroit was talking with a friend who had moved to Miami to find work. The friend was trying to persuade the unemployed fellow to join him in Miami, saying that there were plenty of jobs.

The Detroit fellow said he didn't think Miami was safe, judging from all the riots and negative news reports.

His friend said that was no problem, that he got up every morning, went to work, went home and never had any trouble.

The Detroit fellow said, yeah, but what about all that vandalism, and mugging, stabbing, and murdering I hear about.

His friend said, no problem. Go to work at 8:30, get off at 5:00, have dinner, watch TV, drink some beer, go to bed. No trouble.

Finally, the Detroit fellow asked what kind of job did his friend have.

"I'm a tail-gunner on a bread truck."

That story is both humorous and frightening. Unfortunately, the situtation with the multinational banks and the debtor countries is not humorous, only frightening. Ladies and gentleman, the stress on our banking system today is so huge as to almost defy comprehension. It is so alarming and so distressing that many people, including some officials who know better, have turned their heads and decided to ignore it, hoping things will somehow work out.

Well, I am here to point out to you that things will not work out unless someone works them out. This dilemma must be resolved before we have a repeat of the deflation in the 1930's or of the hyperinflation of Germany in the early 1920's.

The collapse of the banking system in the 1930's occurred because banks used depositors' money for purposes of speculation, power, and greed. When the speculation proved unprofitable, the deposits disappeared, and millions lost their jobs, homes, and life savings. The FDIC was formed to assure that that episode will not repeat itself.

Yet today, we see some large banks repeating this cycle of speculation, power and greed, using their depositors' money for unsound purposes. Unsecured loans to insolvent companies and bankrupt countries are not suitable uses for bank deposits. Bank deposits are not venture capital. Banks loans should be secured with adequate collateral that can be recovered. Bank managers should not be permitted to use deposits as the base for entrepreneurial activity through unsecured loans. The millions of people who have placed their life savings (and their faith) in our banks would literally tremble if they knew where their money has being "invested". I would like someone to tell me the difference between 1929 banks playing the stock market and 1983 banks making loans to Poland.

I need to pause here a minute and say that I realize many of these developing countries need loans, not only because of the terrible burden of oil prices and the recession, but because developing countries do not have the capital to finance their own growth. The United States got loans from Britain and France for over a century during our developing stage. But those loans should be looked at as venture capital loans, with all the corresponding risks and rewards, or they should be viewed as direct foreign aid, with the hope, but not the requirement, of payback. Such unsecured loans should be the provence of private entrepreneurs of foreign policy administrators.

Instead, what has developed over the past 20 years is a situation where the eagerness of our largest banks to become international power brokers and the desire of our Government to win allies by subsidizing developing countries (without directly voting that use for taxpayers' money) has led to an accommodation between those banks and the Government which threatens the integrity and the solvency of the banking system.

This accommodation takes place in numerous ways. The largest banks are underregulated and undersupervised compared to the normal bank. We need only to look at the foreign involvement, the energy loans, the stretch-out rather than the writeoff of loans to clearly insolvent companies. The recent situation in Tennessee did not develop overnight. The sad fact is that the deficiency in those banks was known years ago, but was tolerated because the banks were large. Smaller banks are shut down for practices that are allowed to slide by at the larger banks.

It is often said of our court system that the kind of justice a defendant receives depends more on how good a lawyer he can afford than on his guilt or innocence. Unfortunately, it often appears that the strictness of bank regulation depends not on the quality of the assets, but rather on the size of those assets.

The very largest banks are subject to capital ratio requirements far below those demanded of the normal bank. Why? Are their assets less risky? To the contrary, they are more risky. Why then are their capital ratios lower? The only reason is political accommodation. How could those banks get the funds to continue increasing their foreign loans if they were subject to capital ratios of 6 percent instead of 3 percent? The bottom line, ladies and gentlemen, is that our Government has decided that continued increases in foreign loans are more important than the capital adequacy of our largest banks.

The money center banks today have loans outstanding to countries and companies that clearly will never be repaid, which are in excess of their total capital. Yet they continue to issue high yielding CD's to the money market funds. They continue to sweep up deposit dollars from the wonderland of America. The only way they can make a good spread on those CD's is to continue loaning abroad (or to high risk companies here at home).

Now one thing I will not accuse these large banks of is being dumb. They know exactly what they are doing. They know before the money leaves their hands that it

will not be returned with interest from the country they "gave" it to. But they also know that under the current rules it will be returned, with handsome interest and fees, through the IMF or the U.S. Government directly.

None of this information is new. I do not expect that I have told you anything yet that you have not been exposed to in some form before. And to me, that is the most startling information of all. As I see it, what is happening is nothing less than the financial rape of the American citizen—both as a bank depositor and as a taxpayer. Why is it being allowed? What can be done to correct it?

Ladies and gentlemen, there is too much permissiveness in the regulation of the largest banks, just because they are large. The practice cannot continue. When the largest are permitted to pursue unsound practices, there is tremendous competitive pressure placed on all other banks to behave in a similar fashion. With the failure of the Penn Square, the United American, and the difficulties at the First National Bank of Midland, Tex., we have seen how smaller banks are lured into the fast track, high-risk world of go-go banking. There are 1,500 banks with foreign loans, many of them, of course, far outside their area of expertise.

Now, I said earlier that I was here today to give you a pep talk. Paraphrasing Mr. Shakespeare, I have come here to praise Caesar, not to bury him. The FDIC, in my judgment, has done an excellent job of regulating the community banks, and a good job of regulating the regional banks. Decisions on nonperforming assets, writeoffs, and capital adequacy are handled, for the most part, on a strictly business basis.

The situation with the Federal Reserve and the Comptroller, as the regulators of the multinational banks is, however, a sad saga. They should be ashamed of themselves. Looking back and being charitable, perhaps no one 10 years ago or even 5 years, could have foretold how risky there international loans would become. But today, they are clearly bad loans and need to be recognized as such. Actions must have consequences.

Now, I am a realist, I do know that the multinational banks must be bailed out. All those loans cannot simply be written off. But, as a realist, I am also aware that people do not learn from their mistakes, unless there are at least some real negative consequences that flow from those mistakes. Borrowers and taxpayers should not bear the total burden. The multinational banks must suffer some earnings penalty. If they do not, it will be a ripoff that makes the Chrysler deal look like peanuts.

I believe that the FDIC stands for quality and that the FDIC would like to see sounder regulation of the multinational banks. Currently, as the insurer of all deposits, you have all the responsibility without the means of control. I applaud Mr. Isaacs' initiatives regarding a sliding scale for FDIC insurance premiums based on the riskiness of assets; his initiative regarding less than 100 percent payoff on deposits over $100,000 at failed banks or banks that are forced to be merged; and his initiative on disclosure of information on insider and foreign loans.

If the Federal Reserve and the Comptroller will not penalize the money center banks for their high risk activities, then I believe that the FDIC, as the insurer of all deposits, has the right to take actions that will force, through financial penalties, a reduction in those high risk activities. Private insurance companies penalize high risk automobile drivers. I believe that principle makes good sense in the banking world also.

The time for action is now. With some luck, there may be a year or two of relative calm before the next round of accelerating inflation and loan demand. Policies that will reduce the riskiness of future loans must be enacted now. It is also important that better controls be in place before the concentration of financial institutions through deregulation gathers more momentum.

What I am suggesting is not easy, I know that. The forces lined up against prudent financial management of our countries' affairs are formidable. I know that. In a minute, I'll elaborate on some of those forces. My comments are intended to help you gear yourselves up for the fight. There will be more bank failures. The question is whether we will have smaller catastrophies sooner or larger tragedies later.

What I am suggesting is also not pleasant. I know that too. But the FDIC is the trustee of the public faith. A trustee's job cannot always be pleasant. The following quote is familiar to all bank trust officers and should be just as familiar to all bank regulators.

"It is, of course, disagreeable to take another person by the throat: But if a person undertakes to act as a trustee, he must face the necessity of doing disagreeable things when they become necessary in order to keep the estate intact. A trustee is not entitled to purchase a quiet life at the expense of the estate, or to act as good-natured men sometimes do in their own affairs, in letting things slide and losing money rather than create ill feelings."

If the FDIC assertively begins to challenge unsound practices of our largest banks, it will indeed not face a quiet life. Ill feelings will indeed be created. A most formidable array of forces will rise up to defend the status quo. You will be told over and over that the largest banks are different, not only in degree, but in kind, and that forcing them to adjust their foreign loans as a smaller bank is forced to do with its bad loans, would cause a collapse of the whole system. High government officials, central bankers, and some leading bankers are constantly threatening the FDIC and other regulators with this prophecy of disaster.

It is the big lie theory of negotiation, if you tell a big enough lie often enough, people will believe it. Don't believe it. Any country or company, or team that allows its "stars" to be treated as prima donnas, whose behavior is not subject to the same rules as other players, is playing with fire. All rules must be enforced equally, otherwise they are useless.

The regulators' job, in my judgment, is to equally enforce the current rules, as written. If Congress decides to change the rules, that is another matter, to be decided on its own merits when debated. But for now, the rules should not be handled through the front door for most banks and through the back door for a "privileged" few.

To take an even larger view of the situation, and to emphasize the reason your task is so difficult, let me briefly place the current banking dilemma in another context.

The Governments of the United States, and numerous other countries are broke. By all imaginable definitions, when you cannot repay a debt and have to borrow more money in order to be able to pay just the interest on that debt, that is a sign of bankruptcy. In 1983, the interest on the U.S. Government debt will be almost $100 billion, and they are borrowing money just to help pay the interest.

The politicians have gotten us into this mess by spending and promising more and more money on programs that seek to create social justice at home and foreign policy allies abroad. For decades, they have been buying the votes of American citizens and the allegiance of developing countries without totalling up the cost. The costs are now emerging and they are staggering. I am not going to quote figures because they are too large to really comprehend. Dry statistics can oftentimes distract from understanding the depth of the problem.

The accumulated costs of these programs can be seen very dramatically in foreign trade. Our economy was based on a belief in competition. The taxes and restraints placed on businesses to further social welfare have severely damaged our competitiveness by eroding our base of private capital. It is, unfortunately, now an open question as to whether the United States can be competitive in foreign trade. The present attempt to prevent default by bankrupt countries or companies by propping up the largest banks will have the same effect or reducing our own competitiveness by further eating away at that capital base. The bottom line is more unemployment, as jobs are lost to other countries.

Further evidence of the accumulated costs of these programs can be seen in the unfunded liabilities of the social security system, the Federal employees retirement system, and the retirement systems of the 50 States. Promises were made and now the payment is coming due. The full payments are clearly impossible to ever collect, but even the current burden is further eroding our capital base.

Other evidence—the municipal bond market continues to become more and more vulnerable as the Federal Government cuts back its grants to the States. The Washington Public Power System (WHPPS) is a warning to those who thought defaults were a thing of the past. Many more ratings will be reduced as the financial pressures on the cities and States become more intense and more visible.

A final example is the condition of the savings and loan industry. The high interest rates that drove numerous thrifts out of business and threatens many others, are a direct result of inflation caused by these Government spending programs. Not only have the S&L's been threatened, but insurance companies and banks as well have been forced to abandon the long-term market for investments because of inflation. Today, the only sane way to manage a bank is to be short term.

I could go on and on, but hopefully I have made my point, which is that the Government has reached the point where the costs of their promises and their spending are beginning to surface. Like cancer, their disease is becoming visible and its crippling effects are being felt. In their desperation to avoid blame and to keep in power, they are grasping for money and friends wherever they can find them.

The cooperation between the Government and the large money center banks concerning bad loans, foreign or domestic, must be seen in this light. The bureaucrats believe they have a way to spend taxpayers' money without voting tax increases. The multinational banks believe they have found a way to receive a subsidy without calling it one. The average citizen is unknowingly paying

higher interest rates rather than higher taxes in order to support this subsidy.

As private citizens, we ought to be scrutinizing our Congressmen and voting them out if they continue such blatant taxation without representation. As members of the FDIC, you ought to be carrying your banner of quality banking to the Federal Reserve, the Comptroller, the Treasury Department, and the Congress. I believe you have the right and the authority to do so. Mr. Isaacs has made a good beginning. He and the FDIC will have the strong support of all bankers who value financial safety and economic stability above speculation, power, and greed.

Mr. BAKER. Mr. President, I am sure I have no more time remaining, but, if I do, I yield back the remaining time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 11:30 a.m., during which Senators may speak for 3 minutes each.

Mr. BAKER. Mr. President, during this period for the transaction of routine morning business, which will be about 15 minutes, as I announced last evening it is my hope that we can do the agriculture freeze bill which has been cleared, I believe, on both sides. I am going to ask the staff to see if H.R. 3392 is available for action by unanimous consent.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I will be happy to yield the floor for that purpose anytime.

IS IT TIME TO REVIVE THE EISENHOWER OPEN SKIES TO STEM NUCLEAR ARMS RACE?

Mr. PROXMIRE. Mr. President, 28 years ago, President Eisenhower proposed and the Soviets rejected the suggestion that the United States and the Soviet Union exchange blueprints of their military establishments and provide each other facilities for aerial photography and reconnaissance. That was the famous Eisenhower open skies initiative. On Wednesday, June 29, two authors writing in the Wall Street Journal proposed that President Reagan revive the Eisenhower proposition but bring it, as they see it, up-to-date by providing that each country could at will—day or night—send investigators into the other country to check nuclear installations without prior notice. The Wall Street Journal authors put their proposition about as negatively as it can be put. Few Americans, and certainly not BEILENSON and COHEN—the two Wall Street Journal authors—can speak with the authority of William Colby on the efficacy of on-site inspection as compared with satellite inspection. After all, Colby has served for years as the head of the Central Intelligence Agency of this country. He has solid credentials in his opposition to the Soviet Union and his understanding both of the threat to freedom the Soviets pose and their will to engage in deception and concealment if they think they can get away with it. Yet, Mr. Colby testified only a few weeks ago before the Defense Appropriations Committee on the far greater reliability of satellite monitoring of arms control agreements as compared with on-site inspection.

Colby flatly favored a nuclear freeze without on-site inspection and relying entirely on satellites. Frankly, I trust Colby, but I would like to see this country try hard to negotiate both with satellites and—as BEILENSON and COHEN have asked—with on-site inspection. But we should do so in a positive way, not as a means of showing up the Soviet Union or exposing the inadequacy of satellite reconnaissance, but as a way of assuring the strongest possible verification.

It would be a great tragedy, however, if this Nation falls for the Beilenson-Cohen line that satellites are not essential to effective verification. As Colby argues, they can be immensely revealing and far more comprehensive and precise in the detail they provide than hundreds of spies.

My fear is that the Beilenson-Cohen argument can be used to justify the antisatellite or satellite killer. Both the Soviet Union and our country are into the satellite killer technology. The Soviets already have a crude satellite killer. We have designed a potentially much more efficient antisatellite that is in the process of being funded now. Such a satellite could, in my judgment, kill any real prospect of arms control. If this country and the Soviet Union have the capability of knocking out the one comprehensive, verifying agent we now have, satellites, we can kiss arms control and the nuclear freeze goodbye and start building our fallout shelters for the virtually certain nuclear war that will someday certainly come.

President Eisenhower had it exactly right 28 years ago when he called for an open skies policy, enforced with satellites. If we can undergird that technique with onsite inspection, great. If not, as long as we have satellites we have the bedrock basis for a verification system. And we have a fighting chance for a nuclear freeze that could stop a nuclear war—the most dangerous threat mankind has ever faced.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal's June 29 issue, headlined "Arms Limits: From Open Skies to Open Spies," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 29, 1983]

ARMS LIMITS: FROM OPEN SKIES TO OPEN "SPIES"

(By Laurence Beilenson and Sam Cohen)

A firm foundation for peace between the United States and the Soviet Union can be constructed from reliable knowledge by each of the military capabilities of the other. Such knowledge can be assured only by an army of lawful "spies" exchanged between the two countries, with authority to inspect each other's nuclear installations at any time, day or night, and without prior notice. A public offer to that effect by President Reagan would bring the "open skies" proposal of President Eisenhower up to date in conformity with the change in nuclear weapons.

Addressing the Geneva Conference of Heads of Government in July 1955, Mr. Eisenhower stressed that futility of agreements without inspection and suggested that the U.S. and the Soviets exchange blueprints of their military establishments and afford each other "facilities for aerial photography [and] reconnaissance." As Mr. Eisenhower knew, and Thucydides related, the Peloponnesian War started "when the Athenians and the Peloponnesians broke the Thirty Year Truce." From then in the fifth century B.C. until now, many other great wars, including World Wars I and II, began by surprise attack in violation of treaties, thus accentuating the historical undependability of treaties. Mr. Eisenhower therefore proposed to ground a secure peace of full disclosure and continuous monitoring. The Soviets rejected the offer.

WHAT HAVE WE REALLY SEEN?

When the strategic nuclear delivery system consisted of bombers, aerial reconnaissance could have been highly useful for gauging strategic capabilities and detecting preparations for surprise attack. Today, by agreement, each country employs unlimited photographic coverage of the other in the form of a vast reconnaissance satellite system. Now, however, the great bulk of the Soviets' strategic nuclear capabilities is in their missile force, and satellite photography is of limited utility in monitoring such a force. Unlike bombers, missiles can be hidden by any number of means and fired in the immediate vicinity of their hiding places. What our satellites have seen is what we have been allowed to see; what we have seen is not necessarily what we think we have seen; and even if what we think we have seen is actually in existence, we have no way of knowing what we haven't seen, which may by far exceed what we have seen.

During his press conference on May 17, President Reagan, questioned about the possibility that the Soviets weren't complying with the unratified SALT II agreement, answered that we suspected they weren't but we could not get "solid evidence."

The president's response was a candid admission of our inability to verify, yet an understatement of the present problem. The difficulty goes deeper than our apparent inability to satisfactorily monitor existing agreements. The real problem is that so far we have negotiated arms-control treaties according to our ability to count missile launchers and measure seismic signals rather than on our basic need to know the

other side's true military capabilities. For realistic nuclear arms control, however, we must know the actual nuclear strength of the Soviets, and this is impossible to discover through national technical means of verification.

How many Soviet ICBMs are actually in silos? We don't know, and there is no way of finding out by orbiting satellites over these silos. The Soviets are not compelled to use silos to launch their missiles; they can launch them from any concealed place they wish by erecting missiles in their containing cannisters. The number of missiles they may have produced and concealed far away from the silos may be far in excess of the number of silos. It would be greatly to the advantage of the Soviets to use empty silos as decoys and thereby make their missiles essentially invulnerable to U.S. attack.

How many missiles are the Soviets actually producing and deploying? We cannot know except through an army of legal "spies"; for there is no way a camera on a satellite can see through a factory roof or underground. What are the true performance capabilities of Soviet nuclear weapons? Again, we don't know; we have determined weapon capabilities on the basis of what the Soviets have permitted us to see. Is the SS-20 ballistic missile, to which we have ascribed a range only 10 percent short of its being classified as an ICBM, merely an intermediate-range weapon incapable of hitting the U.S.? Perhaps not, but there is no way of telling unless we are permitted to examine the weapon.

The U.S. and the Soviet Union each has recently proposed that a new nuclear arms control agreement should rest on counting warheads, not missiles. But if we cannot count missiles, how can we count warheads? Even if we thought we could count missiles, there is no sure way to tell how many warheads each missile carries short of being able to look inside each missile payload. Those who maintain that observing Soviet missile flight tests reveals how many warheads are so carried forget that the Soviets aren't compelled to eject all of the reentry vehicles in their testing. The Soviets may feel confident that ejecting only a fraction will allow a sufficient determination of performance at full ejection.

"Verification" is a semantic trap that diverts attention from each side's need to know, which open skies can no longer satisfy. For each to know what the other has, the cameras must be brought down to earth and placed in the hands of agents with unlimited access to every nook and cranny of each country. An offer of this kind by Mr. Reagan would be in the spirit of Mr. Eisenhower's proposal, modified to conform to the changed character of delivery systems.

The inspections wouldn't be limited to declared nuclear installations. Nuclear weapons may be concealed elsewhere. After a complete mutual report, the lawful "spies" (inspectors) would arrive and have the access required. They would stay in the other country with replacements from time to time. Meanwhile, negotiations could proceed, with treaties resulting from time to time, subject to cancellation on short notice, and being constinuously checked by the "spies" on the ground.

Not ceasing with the treaty, and subject to cancellation with an agreed period for notice, the unlimited inspections would continue. This would provide confidence in the other side's intentions and would go a long way toward preventing surprise attack, preemptive attack and accidental war.

Even such an arrangement could be thwarted if loopholes were allowed. It is of the essence that there be no limit on inspections and no notice required.

Objectors may say this suggestion is merely a ploy to kill arms-control negotiations. The U.S. settled for national technical means of verification because the Soviets wouldn't permit on-site inspections; they are hardly likely to permit an army of bourgeois "spies."

CAN'T BUY A PIG IN A POKE

The way to find out is to make the public offer. If accepted, the prospect of nuclear peace will be enormously enhanced. If rejected, we shall know that for the Soviet Union, arms-control negotiations and resulting treaties are a game to gain an advantage, and with that knowledge we can act accordingly.

It won't be easy for President Reagan to persuade the military or some of his own followers. They may claim that the Soviets will cancel the arrangement and use the knowledge obtained under it against us, but this works both ways, and because of our open society, the Soviets now know much more about our nuclear strengths and weaknesses than we know about theirs.

Mr. Reagan should dust off and update Mr. Eisenhower's bold proposal by publicly offering the Soviet Union an open-nations accord. By admitting the great and dangerous inadequacy of national technical means for determining Soviet nuclear capabilities and by making the suggested proposal, Mr. Reagan can clarify the national mind.

Arms control isn't an end in itself; the aim is peace. The advocates of arms control urge us to take risks for peace by buying a pig in a poke. Instead, President Reagan should blow away the fog surrounding the subject by publicly offering the Soviet Union a secure knowledge by each side of the armament of the other—the best chance for a secure peace.

RESETTLEMENT IN SOUTH AFRICA

Mr. PROXMIRE. Mr. President, for the past 16 years, I have spoken on the floor of the Senate, urging the ratification of the Genocide Convention. Our support of the codification of international law would help secure a minimum of basic human rights for all. A commitment to the rule of law in international affairs would strengthen our protests against human rights violators.

One example of a violation that requires our most strident diplomatic protest is the South African resettlement policy. Over the past two decades, 3.5 million people have been uprooted and relocated in South Africa. The Pretoria government hopes to relocate another 2 million in the near future. The logical outcome of this resettlement process is the denationalization of the black population in South Africa. In 1978, in fact, a government minister voiced the hope that one day there will be no South Africans.

In 1960, 39 percent of the black population lived in the tribal territories. Today, 54 percent do, according to a recently published report entitled, the "Surplus People Project." One of the most comprehensive reviews ever made of the South African relocation process, the report labels the forced resettlement a "process of dispossession."

Typically, the relocated blacks are given a small plot of land, a shack, and little opportunity for a job. Uprooted from self-sufficient black communities within South Africa, these blacks are forced into areas possessing only rudimentary facilities. But more significant than the physical sufferings is the psychological damage done by the resettlement process. The report states that the apartheid policy effectively dispossesses blacks of their land and citizenship, depriving them of the opportunity to improve their living conditions.

In a June 23 address on U.S. policy in Africa, Lawrence Eagleburger, Under Secretary of State for Political Affairs, said that:

> We reject unilaterally attempts to denationalize the black South African majority and relegate them to citizenship in separate tribal homelands. We do not and will not recognize those areas. All Americans are repelled by the sight of long-settled, stable black communities being uprooted and their inhabitants forcibly removed to barren sites in faraway "homelands."

Mr. President, I wholeheartedly agree with the administration's rejection of the abhorrent resettlement policy in South Africa. We must vigorously protest violations of human rights wherever they occur, but we can do more to preserve the rights of the oppressed.

We should support the codification of international law. One such codification is the Genocide Convention, which makes genocide an international, punishable crime. It has been pending before the Senate for 34 years. Ratification of this treaty would demonstrate our commitment to human rights.

I urge my colleagues to provide their advice and consent to the Genocide Convention.

I yield the floor, Mr. President. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I indicated earlier that I hoped we would be able to do H.R. 3392 during morning business. That is still in clearance, but it looks as if it may clear. We need

about 10 more minutes. I ask unanimous consent that the time for the transaction of routine morning business be extended until 11:45 a.m. under the same terms and conditions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TAIWANESE SURPLUS RICE DUMPING

Mr. BUMPERS. Mr. President, I rise today to join my colleagues in urging the administration to pursue active measures to prevent Taiwan from illegally dumping surplus rice into markets currently served by the United States. It is my conviction that Taiwan must abide by the international agreements in which it has entered, and that negotiations must begin immediately with the aim of halting the displacement of U.S. rice exports, especially our exports to Indonesia.

Traditionally, world exports of rice have been comparatively small, accounting for only 5 percent of all rice produced—roughly 12.5 million metric tons. However, yearly U.S. exports of rice approach two-thirds of all rice produced domestically. Therefore, any dumping of surplus rice into the world market is severely disruptive, often causing a 1-for-1 displacement of U.S. rice exports alone.

For 1983 it is estimated that Taiwan will dump 850,000 metric tons of rice onto the world market, primarily earmarked for Indonesia. This represents well over a threefold increase in Taiwanese rice dumpings from its previous 6-year annual average (1977–82) of 241,000 metric tons, and is 543,000 metric tons greater than Taiwanese rice dumping levels in 1982.

It should be noted that Taiwan only recently reinstituted the practice of dumping surplus rice in 1977. From 1977 to 1982, Taiwan dumped 1,450,000 metric tons into the world market, 1,141,000 metric tons to Indonesia alone. For the same period, U.S. rice exports to Indonesia rapidly declined from nearly 400,000 metric tons in 1978 to 2,500 metric tons for the 1981–82 marketing year.

If allowed to compete fairly, U.S. rice producers could easily maintain their share of the Indonesian market. Taiwanese support prices per metric tons of rough rice is approximately $450 compared to just over $181 in the United States. However, Taiwan is offering milled rice for export at $200 a metric ton. Is there any doubt why Indonesia ever rejected a recent U.S. offer of blended credit for the export of U.S. rice?

It is my understanding that the rice industry is preparing to file a § 301 complaint. The entire rice industry is facing a projected loss of $303 million that is directly attributable to the dumping by Taiwan of the 850,000 metric tons of surplus rice onto the world market. This move could lower U.S. prices by as much as $57 a ton, thereby costing the U.S. Treasury over $80 million in target price payments. Rice producers and the rice industry are asking the Government for effective redress. No one wishes a trade war, especially not one with Taiwan. We enjoy a special relationship with Taiwan, and I am certain that active negotiations can lead to a settlement of this dispute.

RICE TRADE

Mr. PRYOR. Mr. President, frequently Members of this body bring to the attention of all Senators a particular situation or issue of considerable importance to this country, and possibly a particular State. Often the subject is world trade. Our Nation is dedicated to free and unobstructed trade and most of the time this position serves us well because our products can compete favorably in just about all corners of the world. Today, however, there exists a situation concerning the export of one of our agricultural products—rice—which needs to be corrected. Our rice is being seriously injured by the trade practices of Taiwan.

The Taiwan system of subsidizing rice is seriously damaging our rice growers and the whole rice industry, and I urge the President, Special Trade Ambassador Brock, and other officials to carefully review these subsidies and how they have harmed our rice industry.

Mr. President, international trade, particularly in the area of agriculture, is going to be one of the most important issues in the next decade. There are several bills currently on the Senate and House Calendars dealing with trade, and many congressional committees are looking into trade issues. One agricultural trade issues of particular concern to me—poultry—has been seriously damaged as a result of the trade policies of Brazil and the European Economic Community. We face challenges in other areas as well, Mr. President, and I am afraid that if we do not something with regard to rice, we are going to lose valuable markets for this commodity. The end loser would be the person who can least afford it—the American farmer. Our farmers have been hurt by affirmative policies of this Government, and they can be hurt also by our failure to act when such action is warranted under the applicable trade laws of this country.

Mr. President, the Taiwan rice program, which pays a large subsidy to their farmers, has allowed that country to accumulate a surplus of over 1 million metric tons. Since the total world rice trade is a little over 12 million tons, this represents a large share of the world market. The Taiwan surplus, in and of itself, is not the real problem, however. The problem is that Taiwan takes this rice and sells it to other countries, including our traditional markets, for prices far below the going world market price. For example, Taiwan recently contracted with Indonesia, a traditional U.S. buyer, for some rice at prices between $198 to $215 per ton. The comparable U.S. price was $375 per ton. Since Indonesia is the world's largest importer of rice—almost 17 percent of the world market in 1979—it is an extremely valuable market for our rice.

With Taiwan stepping up its subsidized rice sales, Mr. President, the end result is fairly obvious. We are losing our share of the world rice trade. In 1980, our exports accounted for about 23.6 percent of the world rice trade. In 1981 this dropped to 21.2 percent, and this year it is projected that our share will drop even further to 18.2 percent. Our farmers cannot continue to be undercut by unfair trade policies of other governments. I hope the plea of the rice industry and the rice growers in these trade matters will not go unheeded.

Mr. President, certainly no one wants to start a trade war. We all want to be able to discuss these important issues, and hopefully we can agree on the problem and how it should be resolved. However, on certain trade matters, like rice, I do not think we can sit idly by while other countries capture an increasing share of the market and our farmers suffer with unacceptably low commodity prices. We need to negotiate and insure that all countries play as fairly as possible when it comes to trade. I am confident that if this occurs, Mr. President, our exports will increase because our producers are very efficient and our products are of extremely high quality.

Mr. JOHNSTON. Mr. President, many Americans wonder why, after years of dominating world trade, our country's fortunes have changed. Many Americans, and I am speaking of well-intentioned men and women who love this Nation, find much to criticize in the way our international trade has been conducted. They fault our productivity, our will to succeed, and our basic economic goals.

I share many of these criticisms. I too think that we need a national rededication to succeed in world trade.

We have been complacent; we must be resolute.

But, Mr. President, while we must be honest in recognizing our shortcomings and acknowledging our past errors, we must not assign to ourselves all of the blame for what has gone wrong. In some measure, the United States has suffered as a result of our devotion to fairness, justice, and the rule of law in the world marketplace.

Recently, some of my constituents have begun to see a perfect example of this paradox. The U.S. rice industry is heavily dependent upon exports. It has succeeded in establishing itself over the years as a reliable, efficient supplier of a top-quality product, easily competitive with the best that the rest of the world has to offer. Our rice farmers produce what their customers want at a price they are prepared to pay.

Foreign governments on occasion, however, do not share our dedication to the principles of the GATT; including, in this instance, the principles that agricultural exports must not be subsidized in order to increase market share. In 1980, the rice industry protested the massive subsidization of millions of tons of Japanese rice, which was being offered for sale to such historic U.S. customers as Korea and Indonesia.

Now, once again, Mr. President, a friendly foreign nation is abusing the rules of international trade, selling rice at subsidized prices with which no grower in the United States can compete. The Senator from Arkansas and my colleague from Louisiana have shown how Taiwan has, through its domestic policies and agricultural support prices, encouraged the development of an enormous surplus. That surplus rice—800,000 metric tons of it—is being offered for sale on the world market. Although the Government of Taiwan paid a significant premium for the rice, it is being exported at or below world price levels.

The entirely predictable results of this policy is the displacement of U.S. sales, principally to Indonesia, the acquisition of market share, and the depressing of world rice prices generally. These are precisely the evils that the GATT and the Subsidies Code have sought to avoid.

Mr. President, I join in the call upon the President and the U.S. Trade Representative to insist that Taiwan cease immediately its subsidized exportation of rice. It is time for our Government to declare the U.S. rice farmers will not pay the bill for domestic programs for foreign nations, including our closest allies.

Mr. WILSON. Mr. President, the major trading countries agree that export subsidies distort international trade. They reward inefficiency, interfere with traditional and longstanding relationships, and introduce paralyzing uncertainty into planning for the future. They make it impossible for the unsubsidized to compete.

Export subsidization of industrial products is absolutely forbidden by the GATT. Subsidizing agricultural products for export is discouraged in all cases, and is banned outright when it results in displacement of sales and acquisition of market share. In the Tokyo Round, the parties to the Subsidies Code reaffirmed these rules, and it is fair to say that the United States has uniformly lived by them.

I take the floor today, Mr. President, to add one more voice to those who have denounced a case in which these rules are being openly violated. The Government of Taiwan has apparently decided—for its own reasons, which I do not presume to second-guess—to guarantee rice farmers a healthy return on their investment. To accomplish this aim, the Taiwanese authorities purchase a portion of each rice farmer's production at artificially high prices. This rice is then taken over by the Government.

Naturally, the result of this policy is to encourage rice production, as well as the development of a massive surplus. Faced with vast accumulations of rice far greater than domestic demand, Taiwan has begun to offer its rice for export. To make its rice competitive, the Government absorbs the difference between the price it paid and the price at which the rice can be resold.

This is plainly an export subsidy, which can amount to as much as 100 percent of the value of the crop. It is unfair to ask U.S. rice producers to compete with the Taiwanese treasury, which—unlike our farmers—can set prices at fire-sale levels if need be in order to move its surplus.

The effect of this policy, Mr. President, is to make the American rice farmer the residual supplier on the world market. U.S. rice, at market prices, will be sold only after stocks of artifically priced rice have been exhausted.

Not only do U.S. rice farmers bear the short-term burden of this unfairness, but the U.S. taxpayer will be saddled with the cost in the long term. For if U.S. rice—of which yet another record crop is expected this year—is not exported, farmers will default in their loans, and the U.S. Government will take title to that rice. American taxpayers, who will be required to buy, store, and carry the rice produced by our farmers, will be the ultimate losers.

Mr. President, the rules of international trade say that this should not happen. Taiwan is bound by those rules. Taiwan must be told immediately and in no uncertain terms that its program of export subsidization is unacceptable.

THE RICE SITUATION

Mr. LONG. Mr. President, like other Senators I am concerned about the dangerous and destructive effects of foreign export subsidies on U.S. rice farmers.

The pattern is a familiar one. To assure its farmers a guaranteed return on investment, the Taiwanese Government purchases rice at high prices on the farm. It then resells that rice at or below world prices in the export trade, and especially to a traditional and growing market for U.S. rice, Indonesia.

Taiwan is not a traditional exporter of rice. In an effort, initially, to become self-sufficient in rice and to guarantee its rice farmers a 20-percent profit on the rice that the Government is required to buy, the Taiwanese Government has increased its guaranteed support prices by nearly 400 percent in the last 10 years. The guaranteed support price in 1982 was $458 for 1982 first crop long-grain rough rice and $483 for short-grain. The respective retail prices for milled rice in June 1982 averaged $754 and $756 per ton. Because of the high support price levels, Taiwanese rice consumption has declined leading to a buildup in surplus rice stocks. Rice consumption has declined from a peak of 2.4 million tons in 1974 to only 1.9 million tons in 1982. In recent years, Taiwan has exported its surplus—about 250,000 tons annually—with over 90 percent of its exports going to Indonesia.

I call upon the Department of Agriculture and the Office of the U.S. Trade Representative to do everything within their power to end the damage being visited on the U.S. rice industry.

Mr. President, our rice farmers have suffered enough. We have an enormous crop of high-quality rice ready for export. We are prepared to compete with any other rice producers—but not with public treasuries. The rules of international trade do not require us to do that. And those rules must be observed. Our citizens justly and properly make that demand.

S. 1589—THE EXTENDED BENEFITS DILEMMA

Mr. DIXON. Mr. President, I have joined with my friend and colleague from Michigan, Senator CARL LEVIN, to offer another effort to make some sense out of what we call our unemployment insurance system in this country.

To call it a system, Mr. President, is somewhat of a misnomer, because it does not function smoothly and effortlessly. We have to keep tinkering with it, and if it were truly working for our citizens, we would not have to be applying band-aids all of the time.

I am sorry to report that another band-aid is in order. This action is nec-

essary because Illinois, Michigan, Ohio, and many other States have triggered off of extended benefits. In fact, Mr. President, only 6 States remain eligible to pay these benefits.

Our past attempts to keep States on line for extended benefits—and our efforts have been numerous—have failed. The insured unemployment rate, or IUR, is the mechanism by which a State becomes eligible for the extended benefits program. The IUR is also the determining factor in the number of weeks of benefits payable under the Federal supplemental compensation program.

My own State of Illinois is no longer eligible to pay extended benefits under this formula, because Illinois has dropped to a rate of 5.28 percent, which is 115 percent of the prior 2 years.

What this means in real terms, Mr. President, is that during the third week of June an unemployed worker who qualified for the maximum benefits available could be assured of protection under our formula for a total of 53 weeks. With the drop in the insured unemployment rate during the fourth week of June, that same unemployed worker would be eligible for only 38 weeks of coverage.

I think it is fair to look back on why the FSC program was brought into being last September. It was due to a similar set of circumstances, where States with the highest unemployment rates in the country were triggering off extended benefits.

The FSC program was adopted to cope with this problem, since Congress refused to repeal the changes implemented by the Reconciliation Act of 1981. These changes made it more difficult for States to qualify for the extended benefits program by raising the triggers and changing the way in which the IUR was calculated.

The FSC answer was meant to assure that unemployed workers in those States which had triggered off would still receive the same number of weeks of benefits to which they were entitled before the State became ineligible to make payments.

In the present situation in which we find ourselves, however, unemployed workers in Illinois, as well as others who were at one time eligible for the extended benefits tier of unemployment compensation, will receive 1 week less than they used to, and will shortly slip to 3 weeks less.

The FSC program as it is currently structured, allows the maximum benefits to be paid to unemployed workers in States with an insured rate over 6 percent. Therefore, we experience a double penalty: No extended benefits, and 2 weeks less of FSC.

What do we tell our unemployed workers who depend on these benefits when they ask why they are only eligible for 38 weeks of benefits? Statistics do not provide an answer in situations like this. These people are looking for a way to keep a roof over their heads. They are looking for a way to continue to meet their basic needs for survival. Yet we are telling them that the law is the law, and we are sorry, but that is the way it is.

It does not have to be this way, Mr. President. This law is not only unfair, but it does not address the majority of our States that are having the most serious problems. The administration has estimated that by the end of this year, only four States will be eligible to pay extended benefits. I wish we could say this is going to happen only because those 4 States out of 50 would be experiencing serious levels of unemployment. Unfortunately, that will not be the case.

Our bill offers a new approach to this dilemma. It does not repeal existing law. It merely allows an opportunity for States to qualify for the extended benefits program and the maximum weeks of the Federal supplemental compensation program based on the total unemployment rate, rather than the insured unemployment rate.

If a State has had over 11 percent unemployment, surely that is a sign of distress. Our bill will alleviate that distress by allowing a State the option of using our method of triggering onto extended benefits, if the State cannot qualify with a 6-percent insured rate, or 5 percent if it is 120 percent of the 2 prior years. Estimates indicate that eight States have or soon will trigger off of extended benefits, while at the same time suffering an unemployment rate in excess of 11 percent.

By addressing the problem as our bill does, we are assuring that States with the greatest needs are able to pay the total allowable number of weeks of benefits.

It is truly unfortunate, Mr. President, that we must continue to deal with this system in piecemeal fashion. The Federal-State unemployment insurance programs are patched up whenever an emergency presents itself. There are many of us in this body who would like to see that unwieldly situation changed. The system should truly be a system which responds in critical times. It does not do that now.

I commend the distinguished chairman of the Finance Committee for recognizing the need to hold hearings on this important subject, and we appreciate his cooperation.

We look forward to working with the Finance Committee to find a solution to this recurring problem, so that at long last we can provide some real answers. It is time to tell the millions of unemployed in our Nation that we hear their cries of pain, and that our laws can indeed be changed to respond to them.

THE PURSUIT OF PEACE IN THE MIDDLE EAST

Mr. CRANSTON. Mr. President, the Washington publication Near East Report recently published the following statement of mine on policy toward the Middle East. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MIDDLE EAST POLICY

The fundamental goal of American policy in the Middle East must be the pursuit of the broadest possible peace for the peoples of that vital region, a peace that enhances the security of our only democratic ally in the region, Israel, and a peace that enhances the stability of moderate Arab nations with which we seek closer ties.

We must be very clear about the best means of achieving that goal. Proposals to bring peace to this troubled region by a "comprehensive settlement" offer an enticing prospect for those who hunger for an end to the violence endemic to the Middle East. But such proposals are a prescription for failure. As we have seen in the Nixon-Rogers plan of 1969, the 1977 Carter call for negotiations in Geneva, and the recent Reagan peace plan, they simply give veto power to the most radical Arab elements.

AMERICAN DIPLOMATIC OBJECTIVES

A more promising course for American diplomacy is:

First, to do all we can to ensure Israeli security so that we can work cooperatively with this key regional ally to devise flexible approaches to a step-by-step solution to regional tensions.

Second, to do all we can to secure and build upon the landmark Egyptian-Israeli peace treaty.

Third, to continue to encourage relatively moderate Arabs on the West Bank and Gaza to join with the other Camp David parties to advance talks on autonomy arrangements.

Unfortunately, the Reagan Administration has pursued a policy that has led to frequent and unnecessary confrontation with Israel, especially its policy of proliferating arms sales to Arab states hostile to Israel. The result has been seriously harmful to the security interests of both our nations.

The Reagan Administration:

Suspended the Memorandum of Understanding on strategic cooperation just at a time when Israel was reaping the windfall of intelligence information from its rout of Soviet-armed forces in Lebanon. (Significantly, the Administration later flip-flopped on this.)

Suspended contracts for F-16 fighter aircraft sorely needed by Israel (followed by another Administration flip-flop);

Discouraged close contact between U.S. and Israel forces in Lebanon, leading to at least one potentially dangerous incident;

Pursued sophisticated arms sales negotiations with King Hussein of Jordan;

Opposed Congressional efforts (which I led) to increase U.S. aid to Israel (again, another Administration flip-flop ensued);

Armed Saudi Arabia with our most advanced technology to enhance the offensive capability of their F-15's and sold them AWACS without gaining any offsetting concessions in the peace process.

FLAWS IN REAGAN APPROACH

The Reagan Administration has still not learned the basic lessons; confrontation with Israel does not gain the cooperation of so-called "moderate" Arab states; appeasement of Arab states at war with Israel will not gain their support in the peace process or even their recognition of Israel's right to exist.

The Reagan Administration uses "the Soviet threat" to the Middle East to justify its sales of the most advanced U.S. military hardware to Arab confrontation states. But the Arabs freely admit that in their view Israel, not the Soviet Union, is their main enemy. The weapons they buy from us are deployed for potential use against Israel, with whom all but Egypt are still technically at war. The massive military buildup by the Arabs has forced Israel—already burdened with a nearly 130 percent inflation rate—to spend more than 25 percent of its GNP on defense. In the meantime, net U.S. aid to Israel under Reagan—aid monies less Israeli repayments—has slipped more than 40 percent in real dollars since 1981.

Israel relies for her survival on technological superiority, a margin of safety which the Reagan Administration has methodically eroded through arms sales to the Arabs. It was especially for this reason that I led the fight in the Senate against the unwise and dangerous AWACS arms package for the Saudis.

REGIONAL TENSIONS

Our ties to Israel are based on both strategic self-interest and moral commitment. These principles should also guide efforts to improve ties with relatively moderate Arab states and to deal with the great humanitarian needs of Palestinian refugees. U.S. diplomatic initiatives towards the Arab world must be grounded on a realistic appraisal of where our interests converge with theirs and where they do not. We should exact a *quid pro quo* from Arab states for any concessions we make in the interest of reducing regional tensions and improving relations. We must make it absolutely clear to them that we will never undermine Israeli security in exchange for oil. We should disabuse them of any expectation that we will pressure Israel into making any concession inimical to Israel's security.

The Palestinians have been betrayed by the radicals of the PLO and the rejectionists of the Arab world who have used an entire generation of Arab youth as cannon fodder for their holy war against Israel. Radical Arab leaders like to portray "the Palestinian problem" as the root of instability in the Middle East. But the undeniable fact is that leaders like today's Khomeinis, Husseins, Assads and Quadaffis have been engaged in fanatic intramural combat for generations. Jordan did nothing for the Palestinians from 1947 to 1967 when Jordan occupied the West Bank. Inter-Arab rivalry—not the presence of a Jewish state—is the primary source of instability in the Arab world. The best hope for the Palestinians is peaceful negotiation of the autonomy called for in the Camp David Accords, together with increased assimilation in neighboring Arab countries like Jordan, which, with its 70 percent Palestinian population, is a genuinely "Palestinian state."

CHALLENGES AHEAD

The challenges ahead for American Middle East diplomacy are great. We must work relentlessly for restoration of Lebanese sovereignty, for greater moderation by the Arabs, for regional cooperation to discourage potential Soviet adventurism, and for continued progress to broaden the Camp David framework.

This is going to be a painstakingly slow, step-by-step process. Lasting peace can not be imposed from the outside. We must be realistic in our approach, wise in our appreciation of the region's history, and visionary in our commitment to a better future for all the people of the region.

TWO SPECIAL ALABAMIANS: STEPHANIE ASHMORE AND PAM BATTLES

Mr. HEFLIN. Mr. President, I rise today in recognition of two very special Alabamians, Stephanie Ashmore and Pam Battles, their common alma mater, Muscle Shoals High School and their home area of Muscle Shoals.

Besides both hailing from the Muscle Shoals area, just a stone's throw from my own hometown of Tuscumbia in northwest Alabama, these two young ladies have another common bond in that they were both chosen to represent Alabama in national pageants, the America's Junior Miss Pageant and the Miss America Pageant, respectively. Stephanie has been fortunate enough, and talented enough, to go on to be named America's Junior Miss at the recent national pageant held in Mobile, Ala.

There can be no confusion as to whether the people of Muscle Shoals, and in particular, the people at the high school, are proud of Stephanie Ashmore and Pam Battles. In fact, after Stephanie's performance in the national pageant and Pam's in the State pageant, both in June, a personal friend, Alma Keys, an official at Muscle Shoals High School, was quoted as saying, "We don't put out anything but pretty women here."

Both young ladies are fine people, and their families had a lot to be proud of even before their recent successes.

Stephanie, the first Alabamian to be named America's Junior Miss in the 26 years of the pageant, is the daughter of Dr. and Mrs. James Ashmore. She is planning to attend Mississippi State University this fall, and plans to major in physical therapy. An accomplished baton twirler, Stephanie has already been chosen by Mississippi State to be the school's featured twirler this fall. Besides being a member of National Honor Society in high school she has also been active in both her church and in community activities.

Pam, a senior at the University of North Alabama, is the daughter of Mr. and Mrs. Clifford Battles. She is an accomplished pianist, her mother having started personal lessons when Pam was only 4. At 9 years of age, she became a student of the man who is still her teacher, Prof. Walter Urben of the UNA Music Department. Pam is pursuing a twin course of study at the university, majoring in both music and mathematics.

This September, Pam will travel to Atlantic City to represent Alabama in the Miss America Pageant, were she hopes to duplicate the feat of Stephanie Ashmore and take the coveted walk down the runway. I am sure that all Alabamians, and especially those in the Muscle Shoals area, join me in hoping that Pam's dream comes true in Atlantic City.

Mr. President, just as these two fine young ladies are to be congratulated on their recent achievements, something also needs to be said about an area, indeed one single high school, that can produce two such outstanding young achievers. Being from northwest Alabama myself, I have always known that our area has been blessed with an abundance of particularly attractive and talented young ladies, but a record like that of Muscle Shoals High School in being such a factory of beauty and talent is truly to be commended and held in high esteem.

A TRIBUTE TO "JUDGE" JOHN H. WHITE

Mr. HEFLIN. Mr. President, it is a great honor for me to rise today to acknowledge the many generous contributions made to the young people of Alabama by one very dedicated and very principled man, John H. "Judge" White of Bay Minette, Ala., director of the Alabama District of Key Club International for the past 30 years.

I am sure that many of my colleagues are familiar with the reputation of Key Club. The high school affiliate of Kiwanis International, Key Club, and its members, have exceptionally high ideals of service. They are dedicated to identifying the needs of a community and working to satisfy those needs. They are deeply committed to making the world a better place, and tomorrow a better day, through service.

It is within this framework that one can best understand the contributions made by Judge White. In 1951, he became an adviser to the Key Club at Baldwin County High School in Bay Minette. After attending a Key Club international convention with his local club, Judge saw the need to create a governing organization at the State level.

With that goal in mind, he began traveling the State of Alabama, planning and organizing the first State, or district, convention. In the spring of 1953 his efforts met with success when the first convention was held at the Jefferson Davis Hotel in Montgomery. Since the Alabama District of Key Club was founded there 30 years ago, Judge White has been the only director it has ever had. In addition, for

some 32 years, he has remained adviser to the Key Club at Baldwin County High School, the same involvement that first brought him into contact with Key Club.

Judge White's involvement with Key Club has been multifaceted; he has been an adviser, a counselor, an example, a friend. He has always been willing to invest countless hours of his time in the futures of the young people belonging to Key Club. Still, time has not been the only form which Judge's investments have taken. On many occasions, he has taken money from his own pocket to help a key clubber in financial need, or to provide funding for a club project, or to do anything at all for Key Club. This was done with no request for repayment, and no claim of special credit. He is a great friend—I know for he has been a close personal friend of mine for more than 30 years. Also, Tom considers Judge one of his closest friends.

Judge White possesses a genuine concern for others, and this, together with his dedication to the ideals of Key Club, has led to many instances of special recognition. In 1960, he was awarded the Gold Key, the highest honor given by Key Club International. In 1979, he was given a special recognition at the international convention here in Washington.

The honors have also gone beyond the boundaries of Key Club. In 1974, the city of Bay Minette selected Judge as "Man of the Year," and opened a city park named in his honor. That same year, the gymnasium at the Alabama Sheriff's Boys Ranch near Decatur was named in his honor. The gymnasium was funded entirely through fundraising projects held by Key Clubs throughout the State.

Mr. President, just as the honors have come from beyond Key Club, the work has gone on outside Key Club. Judge White has also been active with his community's retired senior volunteer program, the United Fund, united Christmas giving program, the Red Cross blood drive, the heart and cancer funds, and the Baptist training union.

Throughout his more than 80 years, Judge has always been an impressive individual. At the age of 16, he was his high school's valedictorian. In college, he was elected president of his fraternity—only 10 days after initiation.

It is this talent, along with his dedication to Key Club and his complete refusal to acknowledge any sort of "generation gap" that have enabled Judge White to touch the lives of thousands of Key Club members throughout the years. It was this 30-year achievement which the Alabama District of Key Club recognized when they dedicated their 30th annual convention to John White. Thanks to Judge's interest in and devotion to young people over the past 30 years, I am certain that the future is in good hands.

BLUFF PARK UNITED METHODIST CHURCH

Mr. HEFLIN. Mr. President, I rise today to pay tribute to Bluff Park United Methodist Church, as it celebrates its 75th anniversary on June 12. The past 75 years have seen this church realize tremendous growth. And, through these years, the people of this church have worked together to meet needs in their community. Being the son of a Methodist minister, I am especially proud to recognize Bluff Park United Methodist Church for this achievement.

In 1908, with 20 members in a rural church building, costing about $1,000, with one part-time minister, Bluff Park United Methodist Church embarked on this 75-year period of remarkable growth. Now its 1,800 members enjoy a multimillion-dollar complex and a staff of 14 persons, including three full-time ministers.

Such growth as this comes from meeting the needs of people. Bluff Park United Methodist Church has obviously been meeting the needs of people in the community for the past 75 years. By providing this vital service to their community, this Bluff Park church has worked to maintain the founding principle of "one nation under God," which has brought our Nation to the greatness she knows today.

The church is the cornerstone upon which our national heritage was founded. With this, our Nation has withstood the violent winds of many trying times. As evidenced by the lengthy tenure of institutions such as Bluff Park United Methodist Church, this cornerstone remains firmly in place.

Mr. President, I congratulate Bluff Park United Methodist Church for the past 75 years of successful service. I know my colleagues will join with me in wishing it equal success in the years to come.

MOBILE'S BOY SCOUTS WIN AWARD

Mr. HEFLIN. Mr. President, I rise today to pay tribute to a group from my home State which has recently brought honor to Alabama by receiving the Gold Seal Award from the U.S. Department of Agriculture. This group that I recognize with my comments here today and the recipient of this year's Gold Seal Award is the Mobile Area Council Boy Scouts of America.

The USDA Gold Seal Award is given annually to the council, among 520 Boy Scouts of America councils, which makes the greatest progress in achieving five major objectives. These objectives are established to produce continuing conservation programs for America's Boy Scouts. The Gold Seal Award provides incentives for extra effort toward this endeavor. In 1982, emphasis was placed on conservation by the Boy Scouts. As a result, for the first time in the history of the award, the gold seal was given to two councils: Mobile Area Council and East Texas Council. These Scouts are to be commended for their effort in the reaching of these conservation objectives.

Alabama is a State of abundant natural resources and our Boy Scouts are playing a vital role in protecting these resources. As the Mobile Area Council was awarded the gold seal, nationwide attention of conservational interests focuses on Alabama. This attention will certainly encourage additional effort in the conservation program from Boy Scout Councils throughout the State.

Mr. President, I commend the Mobile Area Council for assuming this leadership position in the conservation effort. This honor should initiate a statewide response from our Boy Scouts that will greatly benefit the State of Alabama.

A GREAT AMERICAN INSTITUTION

Mr. HEFLIN. Mr. President, I would like to take this time to honor one of America's greatest institutions, and several people in particular that epitomize this institution. The fine tradition that I am speaking of is the American family, the backbone of our country. The First Lady, Mrs. Reagan, has recognized the importance of the family, especially in our current individualistic society, by publicly honoring this past month the nine greatest American families. One of those families is the Larry McCord family from Slapout in my home State.

Mrs. Reagan personally presented the McCord's with a certificate, acknowledging them as one of the greatest families in our country, at a reception on the White House lawn. Chosen from among hundreds of families nominated for the award, the recipients were selected for their involvement in State, community, and church affairs. "They have touched the lives of all those around them, earning the respect of all who know them," said Willard Scott, the program's emcee, of the honored families. The key to the fine example they have set is, as Mrs. McCord said, "being together, sharing, being honest with one another. The greatest thing is to love." And for this, they were unexpectedly rewarded.

In addition to the hard work and large amount of time their dairy farm requires, each member of the McCord family serves their community. Mr. McCord is the chief of the volunteer

fire department, and, his wife, Ramona, actively lobbies for farming issues before our State legislature. Between school and farm chores, the children have helped organize and initiate their area's first Farmer's Market Day. Their eldest daughter joined the rescue squad as its first woman member. Indeed we can see how the McCord's unity and strength have been spread through Elmore County. We see from their shining example a natural, real love for each other and for their country.

This is the kind of love best created and nutured in a family home. We cannot deny the importance of family influence in our society. Hopefully, by nationally recognizing nine great American families, our public awareness will increase. And, consequently, national respect for the family institution will resurface and continue to grow.

I share with Mrs. Reagan a deep concern and respect for the traditions of family unity. There are many families across this country, who, like the McCord's, have provided innumerable services to their communities and local organizations. Their reward is their self-satisfaction which comes from the comfort and good that they have brought to others. Families such as these are the heart and the working hands of the United States. The great American family gains strength from its unity, maintains its unity through its love, and nurtures its love with its strength. Every single segment of our fast paced, high technological society benefits from the care and gifts American families share.

Our young people are perhaps even greater beneficiaries of the family ties than are the communities, churches, and States. I am sure each one of us can remember, and now realize, the influence our parents and brothers and sisters have had on us. We learn so much from those close around us. Our values, our appreciation of certain things, and our convictions are developed in the family unit. These are the beliefs upon which our country was found and built, and is sustained even today. The love, learning, and fun within a family has always played, and, as seen in families like the McCord's, will continue to play an integral part in our Nation's heritage. I applaud our Nation's silent strength.

Mr. President, I ask unanimous consent that these articles be placed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

SLAPOUT'S MCCORDS HONORED AS GREAT AMERICAN FAMILY

(By Gayle McCracken)

WASHINGTON.—Ramona McCord's answer came easily. The key, she said, to rearing a great American family in a fast-paced society is: "Being together, sharing, being honest with one another. The greatest thing is to love."

Mrs. McCord was speaking from experience yesterday as she stood on the White House lawn moments after being recognized, along with her husband and four children, as one of the nation's nine greatest families.

The McCords, a second generation farm family from Slapout, a small community in Elmore County, were among hundreds of families from across the country considered for the first Great American Family Awards presented by Nancy Reagan.

"I just want to tell you how deeply I respect you and how personally honored I am to know you," Mrs. Reagan told the families during a ceremony in the East Room.

Mrs. Reagan's voice broke several times and her eyes misted with tears as she spoke. "The families we're honoring today grace this room every bit as much as those first families who have been here."

The ceremony was the high point for Mrs. McCord during a four-day gathering of the award winners.

"Never, ever did we expect to receive any type of award for anything we've done," she said. "We've been rewarded so many times."

The president of the Elmore County Extension Homemakers Council recommended the McCord family for the award several months ago. Larry McCord, a strapping dairy and truck-crop farmer, said he never expected anything to come of the nomination.

But yesterday he stood on a stage with Mrs. Reagan to accept a framed certificate for the example his family has set.

"They have touched the lives of all those around them, earning the respect of all who know them." Willard Scott, program emcee, said as he introduced the Alabama family.

Their selection by a panel of judges was based on involvement in state, community and church affairs. Every member of the McCord family—including daughters Lila, 22, and Lisa, 19, and sons Jimmy, 14, and Joel, 8—work on the farm.

McCord is chief of the volunteer fire department and Lila was the first woman member of the rescue squad.

Mrs. McCord is a statewide prize-winning cook, in addition to operating tractors and other equipment on the family farm. She also is an active lobbyist for farming issues before the state Legislature.

"Do you ever sleep?" Scott of NBC's "Today" show, asked the McCords.

The family also organzied the first Farmers Market Day in downtown Montgomery where residents can buy fresh local produce.

For Joel, the best part of the Washington visit was appearing on "Today" early yesterday morning. The family was interviewed on the White House lawn and ribbed a little about the name of their hometown.

McCord explained the town is called Slapout because it seemed the owner of the general store was always slap out of everything. A repeat of the story during the White House ceremony had the audience in stitches.

[From the Birmingham (Ala.) News, June 23, 1983]

SLAPOUT FARM FAMILY MOVES FRONT, CENTER

(By Tom Scarritt)

WASHINGTON.—Larry McCord was shaking his head and smiling as he walked out onto the White House lawn Wednesday after a ceremony to honor nine great American families.

"I told them a little farmer from Slapout, Ala., hasn't got a chance in this thing," he said. "They proved me wrong."

McCord, his wife Ramona, and children Lila, Lisa, Jimmy and Joel were chosen among the honorees to the first annual Great American Family Awards Program. McCord accepted the award from First Lady Nancy Reagan during a ceremony in the East Room.

"It is really fantastic," Mrs. McCord said. "Never, ever did we expect to receive any kind of award for anything we've done."

Mrs. Reagan was on the verge of tears as she told the families how much family life meant to her. "Regardless of age, I'm still my parents daughter, and the family is very central to my life," she said.

She wanted them to know, she said, "how deeply I respect you and how personally honored I am to know you."

The McCords were touched by the ceremony, they said.

That event capped a program that began last November when 186 families were honored in their communities by seven national organizations, including Armed Services, YMCA, Family Services Association of America, General Federation of Women's Clubs, National Association of Life Underwriters, National Extension Homemakers Council Inc., National Urban League and U.S. Jaycees.

The McCords, nominated by the Elmore County Extension Homemakers Council, were among nine families chosen to represent all great American families at the White House event.

They have been involved in community and church affairs for a quarter of a century, according to the biography Today show weatherman Willard Scott read at the ceremony.

All the family members work the farm, he said, and volunteer in a variety of community services. Mrs. McCord works alongside her husband, Scott said, as well as keeping the family organized. She organized a marching band at her children's school, he said, and sewed the shirts and flags for the band.

The trick to raising a great American family, Mrs. McCord said afterwards, is "staying together, being together, being honest (and) the greatest thing is to love."

It is easier for a family to do that on a farm, she said, because all the family members are together. "We're closer to God and nature, and therefore we can be closer to one another," she said.

The McCords, who appeared on the Today show Wednesday morning, were to tour the White House Wednesday evening and visit other Washington points of interest today before returning home Friday.

McCord said his brother, W. C. McCord, a chief in the Montgomery Fire Department had taken some time off to look after the farm while the family was away, and another man was hired to milk the cows. The McCords may have been participating in a White House ceremony but in McCord's words, "you have to milk the cows 365 days a year."

Other families honored Wednesday include Mr. and Mrs. Stephen Black of Kenai, Alabama; Ural Campbell, a single parent from Milwaukee, Wis.; Mrs. Dorothy Harris, a single parent from Carter Lake, Iowa; Mr. and Mrs. David Keala of Pulcalub, Hawaii; Mr. and Mrs. John Madison of Echo, Ore.; Sgt. and Mrs. Raymond Oeth of the Baumholder Military Command in West Germany; Mr. and Mrs. Peter Palmer of Collins,

N.Y., and Mrs. Timothy Vann, a single parent from St. Paul, Minn.

KAROL RUTH LATIMER FLEMING

Mr. HEFLIN. Mr. President, on May 26, 1983, Alabama lost one of its greatest community supporters when Mrs. Karol Ruth Latimer Fleming passed away. I know I join her many friends and readers in expressing sympathy over her untimely death to her husband, Charles, and her three sons.

Geneva County, Ala., will especially feel the loss. Mrs. Fleming was a longtime resident of Geneva and had been active in many of her community's organizations. She was a member and served on the administrative board of the First United Methodist Church in Geneva. The Geneva Library Board and the Geneva Board of City Schools received the benefits of her leadership when Mr. Fleming served as the boards' president and chairman, respectfully. Her volunteer work and community service did not go unnoticed. She was the recipient of the Distinguished Service Award of the Southeast Alabama Soil and Water Conservation District in 1980 and the recreation department of Geneva presented the Volunteer Service Award to her in 1976. In 1971, the Future Farmers of America presented her the State Leadership Award and the local chapter made her an honorary chapter farmer. Most recently before her death, Mrs. Fleming was initiated into Geneva County Chapter of Delta Kappa Gamma, a teacher sorority, as an honorary member. Truly these segments of her community felt the benefits of her service and paid her tribute with these well-deserved awards.

However, most people know Karol Fleming as the editor and publisher of the Geneva County Reaper. Her journalistic and photographic talents informed and entertained her community. In her newspaper career, she won several awards in statewide competition for her editorials and news stories, including Best News Story in 1976 and Best Editorial in 1980. Mrs. Fleming served as a director on the Alabama Press Association Board in 1981 and 1982.

Her dedication to a quality paper was apparent during her tenure as editor of the Reaper. Moreover, her influence on her staff and readers will not be soon forgotten.

Karol Fleming was an active leader and a caring person. She recognized the goodness in the people and events around her and nurtured that goodness through her warm personality and by her writing talent. Indeed, her spirit, abilities, and caring will be sorely missed by those fortunate to have known and loved her.

Mr. President, I ask for unanimous consent that two articles be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Geneva County Reaper, June 2, 1983]

OUR KAROL

(By Orsen B. Spivey)

This is the first time I have tried to write anything in several years. It's not easy, but it must be done.

Last week I could walk out to get a cup of coffee, or go to the golf course, or go fishing! Karol would take care of everything!

But . . . Karol is gone! Karol Fleming was strong. She could write. She could sell. She could collect. She could make hard decisions. She could lead. She could sweep the floor. She could fix the typewriter. She could repair the plumbing or the electric wiring. She could hire, but she couldn't fire.

She could make up a newspaper page with speed and skill. She could do what was necessary in the darkroom after having shot the picture and written the cutlines. I never would have been surprised to see her running a printing press, had it become necessary.

She could always smile, but seldom frown. She could placate an irate subscriber when a paper failed to arrive on time, or an advertiser when a mistake was made in an ad. She could sit through sometimes boring commission, or council meetings take notes and boil them down to a story on the important points.

All this she could do . . . and did, at the job she loved!

Outside the office she could cook, clean sweep, mow, paint, repair and other household jobs for her husband Charles and three sons, Charlie, Frank and John, and, more recently helped care for her daughter-in-law, Joyce. And even more recently, her pride and joy, granddaughter, Cassie.

When finished there, she could check to see if her mother and father, Ruth and Sid Latimer needed her help.

And . . . she didn't stop there. She had to go to a Cub Scout meeting, attend a Little League game or a varsity game. She had to preside at a meeting of the library board or the school board. If there was any time left, she would go to Tuscaloosa or Brimingham to attend a meeting on the board of Alabama Press Association.

Her church also felt the effects of her efforts. She grew up as an active Baptist, but their loss became our gain when she married Charles and transferred her membership to United Methodist. She taught toddlers and babies in the Sunday School and served on many committees and as a member of the official board.

And, sometimes she even found time to do some things she really enjoyed, like going to an Alabama football game, fishing at Jolly Bay, or going with Charles to an insurance company convention.

Yes . . . she could, and did, all those things.

Maybe God, in his mercy and wisdom decided that she had done enough. Or, maybe he decided he needed her to help him.

[From the Geneva County Reaper, June 2, 1983]

KAROL RUTH LATIMER FLEMING

(By Wynnton Melton)

As I stood at the entrance of the First United Methodist Church this past Friday and watched the throngs of people file in to pay their last respects to Karol Fleming it occurred to me that there was a uniqueness to the crowd that further documented the remarkable dimensions of her life. Most, if in fact not all, of those in attendance had been touched in some positive way by Karol in one or more of her innumerable endeavors. Her sincere concern for her community and the people in it drove her beyond the point of duty so often that only a person born to serve and kindled by incredible energy would have attempted such a life style.

She was an excellent newspaper person that sought good news and never resorted to sensationalism or character assassination that would have no doubt sold newspapers but that was not her way and that is what separated her from the mode. The hour was never too late nor a program too long to prevent her from giving every community project, school activity, and etc. complete and professional coverage. Many a face has glowed and many a heart has been warmed as they viewed pictures of themselves or their families in the Reaper often times on occasions that most newspapers would not have thought newsworthy and would have elected not to cover at all, but she did because she was a special person whom enjoyed making others happy.

Karol was a people person, like all responsible people she had to work with laws, regulations, procedures and figures but her interest and strength was working with people and their priority transcended all others in her life and work. She looked for and found the best in all with whom she was associated. She was a trusted and trusting friend to so many that one is completely awed as we remember.

She leaves a family for which any mother would be proud. Handsome, strong and learned all; they will no doubt learn to cope with their great loss and continue their heritage of strength and servive

I could fill the pages of this paper with services that Karol Fleming has rendered to the Geneva City Schools but somehow I did not feel compelled in that direction when I began to write. Perhaps it is because the servant was an offspring of the person and it is the person I want to remember and that we are all going to miss so much.

SENATE AND HOUSE RESOLUTION, ALABAMA LEGISLATURE

Whereas, it is with deep sadness and regret that the Alabama Senate notes the untimely death of Mrs. Karol Ruth Fleming of Geneva, Alabama, on May 26, 1983, at the age of 51 years; and

Whereas, Mrs. Fleming, who was publisher of the Samson Ledger and Hartford News-Herald, and editor of the Geneva County Reaper, was a graduate of Geneva County High School and of the University of Alabama where she was a member of Kappa Delta Sorority and Mortar Board; and

Whereas, Mrs. Fleming was a member and served on the administrative board of the First United Methodist Church in Geneva, was a past member and chairman of the Geneva City School Board and also served

on the Board of Directors of the Geneva Public Library; and

Whereas, she further served as a director on the Alabama Press Association Board for 1981 and 1982 and was the recipient of numerous awards of excellence by the association in recognition of her outstanding journalistic and photographic skills; and

Whereas, Mrs. Fleming additionally had been honored on a number of occasions for outstanding service in other areas of volunteerism and community involvement; and

Whereas, she is survived by her husband, Mr. Charles W. Fleming, and their three sons; by one grandchild; and by her parents, Mr. and Mrs. Sidney F. Latimer, whose sorrow we share and with whom we mourn even as we give thanks for the life of Karol Ruth Fleming; now therefore,

Be it resolved by the Senate of the Legislature of Alabama, That we grievously mourn the death of Mrs. Karol Ruth Fleming of Geneva, Alabama, and direct that copies of this resolution, bespeaking our sorrow, be forwarded to her family, to the Samson Ledger, Hartford News-Herald and to the Geneva County Reaper.

MEMORIAL DAY IN TROY, ALA.

Mr. HEFLIN. Mr. President, this past Memorial Day I had the pleasure of attending the holiday program held in Troy, Ala. On arriving at the Bicentennial Park there in Troy, the patriotism of the citizens was evident, not only in the preparations for the Memorial Day festivities, but also in their attempts to take every opportunity to honor this Nation and its veterans.

The Bicentennial Park I mentioned a moment ago was established in 1976 by the people of Troy as a token of their patriotism. That year, the park was dedicated, a monument erected, and shrubbery planted. On Veterans Day 1981, three large flagpoles, bearing the flags of America, Alabama, and Troy, were dedicated. A gazebo was erected and additional trees and shrubs planted in memory of Pike County citizens.

By Veterans Day of 1982, 100 American flags flew as memorials to deceased veterans. These flags were purchased by the families and friends of deceased veterans, to be flown on Memorial Day, Flag Day, the Fourth of July and Veterans Day.

By this past Memorial Day, when I visited Troy, there were some 220 of these memorial flags lining the Avenue of Flags.

The members of the Troy Bicentennial Committee, under the leadership of Nell Whittle, and the Troy Chapter of the American Legion Auxiliary, under the direction of Mrs. Joyce Austin, are to be particularly commended for their efforts in these areas.

Troy is also the home of another rather unique example of patriotism, James D. Williams, a veteran of World War II and a legionnaire of 35 years. During this time, he has devoted a great deal of time and effort to honoring his departed comrades.

In 1970, he was accorded personal recognition by President Nixon for his displays of white crosses and American flags on the graves of veterans. The President wrote:

I was particularly heartened to learn of your special observance of Memorial Day. You have paid a great tribute to the men who have served our nation in times of war and who continue to make great sacrifices for peace and freedom in the world.

Williams has continued to provide flags for veterans' graves, bearing the expenses all by himself. He has now placed American flags on the graves of veterans in 35 cemeteries across Pike County. This year alone, he has purchased two gross of flags for this purpose. In addition, he has taken it upon himself to try and provide the presence of an American flag and the colors of the Legion at funerals of every veteran in Pike County, even if he did not know the veteran or the family.

James Williams asks no payment for his work. He does it purely out of love for our country, and for that I commend him.

The featured speaker at Troy's festivities this year was Dr. Edwin Walter, pastor of the First Baptist Church of Troy. Dr. Walter delivered what I thought was a very moving and thoughtful tribute to the many Americans who have worked to insure our freedom.

Mr. President, I ask unanimous consent that Dr. Walter's speech be printed in the RECORD at the conclusion of my remarks.

It is indeed a pleasure for me to represent the patriotic people of Troy, Ala., people with such great pride in and dedication to our country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEMORIAL DAY ADDRESS, MAY 30, 1983

(Delivered by Dr. Edwin R. Walter)

I'm proud to be an American. I'm also proud to be standing here in this park in Troy, Alabama, with the freedom to celebrate Memorial Day as we are doing. Freedom always costs somebody something.

On July 4, 1776, in the Continental Congress, representatives of the thirteen American colonies gave full and formal approval of a resolution announcing the separation of those colonies from Great Britain. Due to this stand for freedom, the United States of America was born. That document, forged by the gallant lives of fifty-six men, was and is now known as the Declaration of Independence. The purpose of that hallowed declaration was to state the clear-cut conviction of some brave men that they should never again be oppressed by political powers from without. It was, indeed, a declaration of freedom.

But, what is freedom? What is freedom to you, to me? What does it mean to be free in America?

Freedom is Father Jacques Marquette, a Jesuit priest, braving unknown waters in a canoe with his partner Louis Joliet, to open the Mississippi River to exploration, trade, and commerce.

It is Sequoyah, the Cherokee chief, developing a written language for his people and growing so tall in American esteem that the giant redwoods of California were named for him.

It is Crispus Attucks, a black man, becoming one of the first to die for American liberty while facing the British in Boston in 1770.

It is John Witherspoon, the only clergyman to sign the Declaration of Independence, also helping to write the treaty ending the war for liberty.

Freedom is Julia Ward Howe, unable to sleep after hearing a Civil War song, scribbling through the night to write words to it for what became "The Battle Hymn of the Republic!"

It is Jonas Salk leading in the development of a vaccine against polio, virtually eliminating it as a cause of crippling children and adults.

It is congregationist missionaries pioneering in the development of what is now our 50th state, the Hawaiian Islands.

One of the freedoms that God has given us is the freedom of choice. Freedom in America is a variety of choices which we all have available to us. Abraham Lincoln, in his Gettysburg Address, in which he sought to bind the wounds between the north and south expressed hope that there would be "a new birth of freedom" in a nation that had been founded only "four score and seven years ago."

Let me share with you the simple stories of a few of the heroes who have gone before us and shaped our history. Since there is not enough time to tell about all of them, I will focus on only a few of the remarkable individuals who helped bring about a "new birth of freedom" in America.

One of the earliest success stories in American history shows what a person can do if he is really motivated. We are more familiar with the man as a firebrand lawyer who stood in St. John's Episcopal church, on a Richmond hilltop in 1775, and whipped his fellow Virginians into enthusiastic action against the British with the declaration, "I know not what course others may take but as for me, give me liberty, or give me death!" Of course we know the young man as Patrick Henry.

Three years before the signing of the Declaration of Independence, another event occurred which was an important milestone on the road to freedom. It became known as the Boston Tea Party. Colonists protested a special tax imposed by the government of King George II by pouring three shiploads of tea into the Boston Harbor. One of the Bostonians was Paul Revere. Henry Wadsworth Longfellow immortalized Revere for his ride through the countryside to warn of the approaching British army.

I was surprised when I found a story lost in the shadows of history similar to Paul Revere's. It is the story of a teenage heroine, Sybil Ludington, whose midnight ride took her from her home in Patterson, New York, a few miles away to Danburg, Connecticut. Little Sybil galloped more than fifty miles in wind and rain on that night in 1777 to summon troops to help repel the British.

Our nation has never suffered from a shortage of men and women who were willing to stand up and be counted when it came to freedom. A young pastor, Peter Muhlenberg, managed to shake up his congregation in Woodstock, Virginia. To conclude a Sunday morning sermon, Muhlenberg threw off his clerical robes to reveal

himself in the uniform of a Colonel in the Continental Army. "In the language of Holy Writ," he exclaimed, "there is a time for all things. There is a time to preach and a time to fight: and now is the time to fight!" Then he ordered, "Roll the drums for recruits!" Three hundred men enlisted that day to serve with Muhlenberg in what became the Eighth Virginia Regiment.

James Caldwell, a Presbyterian preacher is another unsung hero of old. He dared to help Revolutionary soldiers in Elizabeth, New Jersey, in a moment of need. When the fighting men ran out of wadding material to ram into their muskets, Caldwell produced an armful of Isaac Watts hymnals. "Now, put Watts into them, boys!" he roared, as the soldiers ripped out pages and stuffed them into their weapons. Caldwell saved the day, but he lost his wife, killed by a stray bullet, and his church, destroyed by fire; he was later killed by an American sentry who was subsequently tried and executed for his murder.

Freedom is never free; it always costs someone something. I shall never forget the first time I saw a young man in Winston Salem, North Carolina. He stood straight as he walked across the platform to the pulpit. He was to give a personal testimony at a Bill Glass Crusade for Christ. At first glance several features were noticeable. There was a black patch where his left eye should have been. A hook extended from the artificial limb where a strong left arm had once helped to make him an outstanding athlete. His face had been repaired through the process of more than two dozen operations. Through it all this former college athlete, high school coach, and young family man had a certain handsome appearance.

Lt. Clebe McClary went on to share his story. At twenty-six years of age he had left his coaching career to enlist in the United States Marine Corps. Following training in Quantico, he had been sent to Vietnam. While leading his nineteenth "recon" patrol, Clebe and his twelve men were attacked. Two gave their lives; four others were severely wounded. When a hand grenade was thrown near his men, Lt. McClary threw his body on top of it to save their lives. Miraculously, the young man from Georgetown, South Carolina, was lifted to safety by helicopters.

On a plaque presented to Lt. McClary by his admiring men is the following statement: "In this world of give and take, there are all too few who are willing to give what it takes." Surely, Clebe McClary is an example in modern history that freedom is never free. It is always bought with blood. Down through the years it has always been so. This young man lives to tell this story that many left untold in a bath of death's bloody battles.

Somehow we need to remind fellow Americans of the price our freedom has cost. Those who are guilty of defacing the flag, of criticizing and never helping, of taking and never giving, need to know how to appreciate that freedom for which such a high price has been paid. Surely, we should know that freedom is never free. It is purchased by those who are willing to "give what it takes."

Beloved patriots such as John Adams understood the cost of liberty. On the day the Declaration of Independence was signed, Adams said in an address before the Continental Congress: "Live or die; sink or swim; survive or perish; I am committed to this Declaration of Independence. I am committed, and if God wills it, I am ready to die that this nation may be free." Because of that declaration, men equipped with little more than hunting rifles went out to do battle with the greatest nation in the world in that day. By human valor and sacrifice, they won the freedom we enjoy. Freedom is never free; it is bought by blood.

In our time, as in the heroic past, a reaffirmation of faith in America's freedom and in the God of our fathers is vital to our future. Through this faith we shall produce a new breed of great Americans: men and women who, like our forefathers, share Longfellow's belief that:

"Lives of great men all remind us
We can make our lives sublime,
And, departing, leave behind us
Footprints on the sands of time."

I'm proud to be an American; and, I trust, you are also!

THE EUFAULA VIETNAM WAR MEMORIAL

Mr. HEFLIN. Mr. President, at the end of every May our great country pauses to remember the veterans who have sacrificed to make our country what it is today. The observance of Memorial Day brings nationwide attention to our ideals and our freedom, bought with the sacrifices of our veterans who thought that these values were definitely worth fighting for. On that day, we honor those veterans, those who have worked and trained hard, those who have risked their lives, and those who have lost their lives in conflicts. Why did they fight? They fought to sustain democracy and protect their country. Our heritage, for more than 200 years, has been founded on such sacrifices, and through ceremonies on Memorial Day, we demonstrate that we have believed, we do believe, and we will continue to believe in them—for both their spirit and their courage.

No less is true for our veterans who fought in the Vietnam conflict. Unfortunately, they have suffered from the confusion and anger of public opinion concerning this conflict, too often receiving the blame for something for which they were not responsible. Despite the unpopularity of the conflict in which they served, they served bravely and patriotically, and, just as do our other veterans, they deserve our recognition and our honor.

The city of Eufaula, Ala., has done just this very thing when, on this past Memorial Day, they dedicated a memorial to the thousands of men who fought in Vietnam. The dedication of a beautiful marble and bronze eagle-topped monument, honoring these war veterans, was the culmination of 16 long months of planning and fundraising. Spearheaded by retired Sgt. Maj. William Nolin, Gaylon Amerson, and Ted Dotson, the Eufaula Vietnam Veterans Memorial Committee raised over $7,000 from private donations and from a veterans' march from Eufaula to Montgomery last December. The weekend-long festivities, highlighted by the presence as guest speakers of Gen. William Westmoreland, commander of the U.S. Assistance Command in Vietnam, and Eufaula's own native son, retired Vice Adm. Joseph Moorer, served as a long overdue "welcome home" reception for many veterans of Vietnam.

The tremendous effort and good will of the Eufaula Memorial Committee should serve as an initial step in addressing the needs of our Vietnam veterans. The memorial itself is a lasting symbol to those who served so proudly and courageously when their country called, only to be ignored by much of that country when they returned. We have started to make amends, with the National Vietnam Memorial in Washington, and, on a more personal and local scale, with the Vietnam Memorial in Eufaula.

Mr. President, I found it a tremendously moving experience to be present at the dedication of this memorial. The people of Eufaula are to be commended for their efforts and their dedication on behalf of all the Americans who fought in Vietnam. Perhaps the inscription on the primary plaque of the monument conveys the proper sentiment far better than I could, Mr. President, when it says:

Dedicated to all veterans of the Vietnam War in tribute to the gallant sacrifices made by those men and women of all branches of America's military whose unselfish and conspicuous performance of duty represented the finest traditions of the United States. Their unswerving loyalty to this Nation, their dedication to the ideals of strength and freedom, their determination to protect the integrity of this country gives every American a true sense of what the word Patriotism really means.

As a veteran of the Second World War, Mr. President, I can understand the meaning of those words, just as I can understand the meaning of another inscription on the monument, a quotation from Gen. Creighton Abrams of the United States Army:

Nobody in his right mind welcomes war. Especially those who have seen it. The pain, the carnage, the destruction are beyond telling. But the less prepared we are, the greater the cost of war when it comes.

The monument erected by the people of Eufaula serves as a fitting reminder of all those who did sacrifice in the service of our Armed Forces. It is a project of which the city should be proud, and I congratulate its citizens on its success and meaning.

THE FEDERAL PROSECUTOR

Mr. HEFLIN. Mr. President, the Federal prosecutor is one of the most important figures in our law enforcement and judicial system. They have been granted wide discretion, often with only their own conscience to guide them.

One of the best expressions of the role and responsibilities of the Federal prosecutor is in an article recently brought to my attention by Carl Shipley, a prominent attorney in Washington.

This article is the contents of an address given at the Second Annual Conference of U.S. Attorneys in 1940 by then Attorney General of the United States, Robert H. Jackson. Mr. Jackson later served as Justice on the U.S. Supreme Court.

Although this speech was delivered over 43 years ago, it embodies thoughts that should be brought to the attention of U.S. attorneys and other prosecutors today.

Mr. President, I ask that this speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the Journal of the American Judicature Society, June 1940]

THE FEDERAL PROSECUTOR

(By Robert H. Jackson [1])

"The qualities of a good prosecutor are as elusive and as impossible to define as those which mark a gentleman. And those who need to be told would not understand it anyway."

It would probably be within the range of that exaggeration permitted in Washington to say that assembled in this room is one of the most powerful peace-time forces known to our country. The prosecutor has more control over life, liberty, and reputation than any other person in America. His discretion is tremendous. He can have citizens investigated and, if he is that kind of person, he can have this done to the tune of public statements and veiled or unveiled intimations. Or the prosecutor may choose a more subtle course and simply have a citizen's friends interviewed. The prosecutor can order arrests, present cases to the grand jury in secret session, and on the basis of his one-sided presentation of the facts, can cause the citizen to be indicted and held for trial. He may dismiss the case before trial, in which case the defense never has a chance to be heard. Or he may go on with a public trial. If he obtains a conviction, the prosecutor can still make recommendations as to sentence, as to whether the prisoner should get probation or a suspended sentence, and after he is put away, as to whether he is a fit subject for parole. While the prosecutor at his best is one of the most beneficent forces in our society, when he acts from malice or other base motives, he is one of the worst.

These powers have been granted to our law-enforcement agencies because it seems necessary that such a power to prosecute be lodged somewhere. This authority has been granted by people who really wanted the right thing done—wanted crime eliminated—but also wanted the best in our American traditions preserved.

Because of this immense power to strike at citizens, not with mere individual strength, but with all the force of government itself, the post of federal district attorney from the very beginning has been safeguarded by presidential appointment, requiring confirmation of the senate of the United State. You are thus required to win an expression of confidence in your character by both the legislative and the executive branches of the government before assuming the responsibilities of a federal prosecutor.

Your responsibility in your several districts for law enforcement and for its methods cannot be wholly surrendered to Washington, and ought not to be assumed by a centralized department of justice. It is an unusual and rare instance in which the local district attorney should be superseded in the handling of litigation, except where he requests help of Washington. It is also clear that with his knowledge of local sentiment and opinion, his contact with and intimate knowledge of the views of the court, and his acquaintance with the feelings of the group from which jurors are drawn, it is an unusual case in which his judgment should be overruled.

Experience, however, has demonstrated that some measure of centralized control is necessary. In the absence of it different district attorneys were striving for different interpretations or applications of an act, or were pursuing different conceptions of policy. Also, to put it mildly, there were differences in the degree of diligence and zeal in different districts. To promote uniformity of policy and action, to establish some standards of performance, and to make available specialized help, some degree of centralized administration was found necessary.

Our problem, of course, is to balance these opposing considerations. I desire to avoid any lessening of the prestige and influence of the district attorneys in their districts. At the same time we must proceed in all districts with that uniformity of policy which is necessary to the prestige of federal law.

Nothing better can come out of this meeting of law enforcement officers than a rededication to the spirit of fair play and decency that should animate the federal prosecutor, Your positions are of such independence and inportance that while you are being diligent, strict, and vigorous in law enforcement you also afford to be just. Although the government technically loses its case, it has really won if justice has been done. The lawyer in public office is justified in seeking to leave behind him a good record. But he must remember that his most alert and severe, but just, judges will be the members of his own profession, and that lawyers rest their good opinion of each other not merely on results accomplished but on the quality of the performance. Reputation has been called "the shadow cast by one's daily life." Any prosecutor who risks his day-to-day professional name for fair dealing to build up statistics of success has a perverted sense of practical values, as well as defects of character. Whether one seeks promotion to a judgeship, as many prosecutors rightly do, or whether he returns to private practice, he can have no better asset than to have his profession recognize that his attitude toward those who feel his power has been dispassionate, reasonable and just.

The federal prosecutor has now been prohibited from engaging in political activities. I am convinced that a good-faith acceptance of the spirit and letter of that doctrine will relieve many district attorneys from the embarrassment of what have heretofore been regarded as legitimate expectations of political service. There can also be no doubt that to be closely identified with the intrigue, the money raising, and the machinery of a particular party or faction may present a prosecuting officer with embarrassing alignments and associations. I think the Hatch Act should be utilized by federal prosecutors as a protection against demands on their time and their prestige to participate in the operation of the machinery of practical politics.

There is a most important reason why the prosecutor should have, as nearly as possible, a detached and impartial view of all groups in his community. Law enforcement is not automatic. It isn't blind. One of the greatest difficulties of the position of prosecutor is that he must pick his cases, because no prosecutor can ever investigate all of the cases in which he receives complaints. If the department of justice were to make even a pretence of reaching every possible violation of federal law, ten times its present staff would be inadequate. We know that no local police force can strictly enforce the traffic laws, or it would arrest half the driving popualtion on any given morning. What every prosecutor is practically required to do is to select the cases for prosecution and to select those in which the offense is the most flagrant, the public harm the greatest, and the proof the most certain.

If the prosecutor is obliged to choose his cases, it follows that he can choose his defendants. Therein is the most dangerous power of the prosecutor: that he will pick people that he thinks he should get, rather than pick cases that need to be prosecuted. With the law books filled with a great assortment of crimes, prosecutors stand a fair chance of finding at least a technical violation of some act on the part of almost anyone. In such a case, it is not a question of discovering the commission of a crime and then looking for the man who has committed it, it is a question of picking the man and then searching the law books, or putting investigators to work, to pin some offense on him. It is in this realm—in which the prosecutor picks some person whom he dislikes or desires to embarrass, or selects some group of unpopular persons and then looks for an offense, that the greatest danger of abuse of prosecuting power lies. It is here that law enforcement becomes personal, and the real crime becomes that of being unpopular with the predominant or governing group, being attached to the wrong political views, or being personally obnoxious to or in the way of the prosecutor himself.

In times of fear or hysteria political, racial, religious, social, and economic groups, often from the best of motives, cry for the scalps of individuals or groups because they do not like their views. Particularly do we need to be dispassionate and courageous in those cases which deal with so-called "subversive activities." They are dangerous to civil liberty because the prosecutor has no definite standards to determine what constituties a "subversive activity," such as we have for murder or larceny. Activities which seem benevolent and helpful to wage earners, persons on relief, or those who are disadvantaged in the struggle for existence may be regarded as "subversive" by those whose property interests might be burdened or affected thereby. Those who are in office are apt to regard as "subversive" the activities of any of those who would bring about a change of administration. Some of our soundest constitutional doctrines were once punished as subversive.

[1] This address by the Attorney General of the United States was delivered at the Second Annual Conference of United States Attorneys held in the Department of Justice Building, Washington, on April 1, 1940.

We must not forget that it was not so long ago that both the term "Republican" and the term "Democrat" were epithets with sinister meaning to denote persons of radical tendencies that were "subversive" of the order of things then dominant.

In the enforcement of laws that protect our national integrity and existence, we should prosecute any and every act of violation, but only overt acts, not the expression of opinion, or activities such as the holding of meetings, petitioning of Congress, or dissemination of news or opinions. Only by extreme care can we protect the spirit as well as the letter of our civil liberties, and to do so is a responsiblity of the federal prosecutor.

Another delicate task is to distinguish between the federal and the local in law-enforcement activities. We must bear in mind that we are concerned only with the prosecution of acts which the Congress has made federal offenses. Those acts we should prosecute regardless of local sentiment, regardless of whether it exposes lax local enforcement, regardless of whether it makes or breaks local politicians.

But outside of federal law each locality has the right under our system of government to fix its own standards of law enforcement and of morals. And the moral climate of the United States is as varied as its physical climate. For example, some states legalize and permit gambling, some states prohibit it legislatively and protect it administratively, and some try to prohibit it entirely. The same variation of attitudes towards other law-enforcement problems exists. The federal government could not enforce one kind of law in one place and another kind elsewhere. It could hardly adopt strict standards for loose states or loose standards for strict states without doing violence to local sentiment. In spite of the temptation to divert our power to local conditions where they have become offensive to our sense of decency, the only long-term policy that will save federal justice from being discredited by entanglements with local politics is that it confine itself to strict and impartial enforcement of federal law, letting the chips fall in the community where they may. Just as there should be no permitting or local considerations to stop federal enforcement, so there should be no striving to enlarge our power over local affairs and no use of federal prosecutions to exert an indirect influence that would be unlawful if exerted directly.

The qualities of a good prosecutor are as elusive and as impossible to define as those which mark a gentleman. And those who need to be told would not understand it anyway. A sensitiveness to fair play and sportsmanship is perhaps the best protection against the abuse of power, and the citizen's safety lies in the prosecutor who tempers reality with human kindness, who seeks truth and not victims, who serves the law and not factional purposes, and who approaches his task with humility.

AMENDMENT NO. 1450: AVOIDING DELAYS IN THE VETERANS' ADMINISTRATION'S MAJOR CONSTRUCTION PROJECTS

Mr. CRANSTON. Mr. President, on June 29, 1983, as ranking minority member of the Veterans' Affairs Committee, I submitted, for appropriate reference, amendment No. 1450 to S. 1388, the proposed Veterans' Disability Compensation and Survivors' Benefits Amendments of 1983. The purpose of this amendment, which is now pending before the Veterans' Affairs Committee, is to enable the Veterans' Administration—on a 1-year trial basis—to avoid certain extensive delays in the completion of certain VA medical facility major construction projects. It will achieve this purpose by permitting the agency to use up to $25 million in its major construction account working reserve to undertake working drawings for those projects in fiscal year 1984 despite the fact that they have not yet been approved in the appropriations process or by the Veterans' Affairs Committees. These so-called major reserve funds are funds that the Administrator determines are no longer necessary for the projects for which they were appropriated.

On May 25, I submitted for printing amendment No. 1298 to S. 578. That amendment, which is cosponsored by Senators BYRD, RANDOLPH, MATSUNAGA, DECONCINI, SASSER, and EXON, had the same purpose as the amendment submitted on June 29. I did not call up amendment No. 1298 when S. 578 was under consideration of June 28 because we were then engaged in discussions about the amendment with interested Senators and others.

Amendment No. 1450 is a scaled-down version of amendment No. 1298. It contains provisions derived from the prior amendment—with the modifications being made both in order to achieve a consensus and in order to produce legislation that the Veterans' Affairs Committee can consider during its markup of S. 1388, now scheduled for July 21, and, consistent with section 402(a) of the Congressional Budget Act of 1974, report to the Senate.

Mr. President, in the statement I made when submitting amendment No. 1298, I explained why it seems very desirable to allow the VA to undertake working drawings of medical facility projects as soon as it is ready to do them rather than—as the VA now must—stop all work on a project when it has reached that stage and wait at least 18 months for Office of Management and Budget and congressional approvals. That statement appeared in the RECORD for May 25, 1983, at page 13854, and I will not now repeat the detailed justification I presented then for avoiding those delays in the manner proposed. Rather, I would like to note briefly that what I proposed in amendment No. 1298—and am proposing on a smaller scale in amendment No. 1450—is authorizing the VA, on a trial basis, to avoid such delays in the cases of a limited number of projects. The results of doing so should help the Congress determine whether permitting the VA to proceed simultaneously to undertake working drawings and seek OMB and congressional approvals is cost-effective and otherwise advisable.

Mr. President, amendment No. 1450 differs in three significant respects from amendment No. 1298.

First, I deleted the provision in amendment No. 1298 that would authorize the appropriation of $50 million in fiscal year 1984 to permits the VA to undertake working drawings. With this authorization of appropriations deleted, this legislation may properly be considered and reported by the committee without running afoul of section 402(a) of the Budget Act, which requires that authorizations of appropriations be reported not later than May 15.

Second, I reduced from $5 million to $2.5 million the amount that may be expended in the expedited process for the completion of working drawings on any one medical facility construction project. The $5 million limit was premised on the understanding that working drawings usually cost the VA approximately 10 percent of the total cost of a project. After seeking clarification on this matter, it is now my understanding that the amount expended on working drawings is closer to 6 percent of the total cost. Limiting the amount permitted to be used on any one project to $2.5 million, using the 6-percent figure, still permit the VA to undertake working drawings on projects having a total cost of approximately $42 million.

Third, the proposed authority to use the working reserve for working drawings would not cover working drawings for the replacement or new construction of a complete health-care facility. The purpose of this modification is to address concerns expressed that giving the VA now the authority to proceed—without formal congressional approval—farther down the road to construction of complete health-care facilities projects is unwise and unnecessary. Certainly, I agree that it is not necessary for the experiment we are proposing for the VA to have this authority.

Mr. President, I believe that the modified proposal in amendment No. 1450 would be a useful step forward, if enacted, in helping to avoid delays in the VA construction program. I plan to work closely with my colleagues on the Veterans' Affairs and Appropriations Committees in seeking favorable action on this amendment.

Mr. President, I ask unanimous consent that the text of amendment No. 1450 be printed in the RECORD.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

On page 6, between lines 18 and 19, insert the following new title:

TITLE III—EXPEDITING CERTAIN MEDICAL FACILITY CONSTRUCTION PROJECTS

SEC. 301. (a) Subject to subsection (b) and notwithstanding section 5004(a)(1) of title 38, United States Code, or any other provision of law, not to exceed $25,000,000 in funds that were appropriated to the Veterans' Administration construction, major projects, account and that the Administrator of Veterans' Affairs has determined are no longer needed either for the projects for which such funds were appropriated or for contingencies arising in the Veterans' Administration's construction program may be expended in fiscal year 1984 for the purpose of undertaking in fiscal year 1984 working drawings for the construction or alteration of any medical facility in order that such construction or alteration can, subject to appropriations therefor, be undertaken in fiscal year 1985, except that no funds may be expended under this paragraph for working drawings for the replacement or new construction of a complete health-care facility.

(b)(1) The amount obligated for working drawings under subsection (a) for any one medical facility shall not exceed $2,500,000.

(2) No working drawings for the construction or alteration of any particular medical facility shall be undertaken under subsection (a) unless 30 days prior to undertaking the drawings the Administrator has provided to the Committees on Veterans' Affairs and on Appropriations of the House of Representatives and the Senate written notice thereof and of the estimated range of the total cost of such construction or alteration and of the cost of the drawings.

(c) For the purpose of this section, the term "medical facility" shall have the meaning specified in section 5001(3) of such title.

On page 6, line 19, strike out "III" and insert in lieu thereof "IV"

On page 6, line 20, strike out "301." and insert in lieu thereof "401.".

THE BALANCED BUDGET AMENDMENT

● Mr. THURMOND. Mr. President, as I have repeatedly stated, Congress has only balanced the budget once in the last 23 years. My colleagues are well aware of the numerous efforts to remedy this budgetary problem through statutory legislation. However, those bills became nothing more than a vain attempt to solve a tragic dilemma.

Last year, a historic event took place when the Senate approved a constitutional amendment to balance the budget. I was proud to introduce this measure, as well as lead the floor fight to pass this necessary legislation. Unfortunately, the House of Representatives allowed this amendment to die, thereby prolonging the process by which a balanced budget can be achieved.

Mr. President, Congress has illustrated fiscal irresponsibility for entirely too long by not implementing legislation mandating a balanced budget. The States have grown weary of Congress inability and indifference to resolve this important matter, and they refuse to sit idly by and wait for Congress to act. In the face of congressional inaction, the States have gathered great momentum in an attempt to succeed where Congress had failed by calling for a constitutional convention to draft a balanced budget amendment.

This is a humiliating referendum against Congress, and is a sad commentary on the budgetary woes of the Federal Government.

Thirty-two State legislatures have already called for such a convention, and once two more States join their ranks, Congress will have to call for the first constitutional convention since our Constitution was adopted.

Mr. President, I want to call to my colleagues' attention a fine editorial which appeared in the July 11, 1983, Washington Times newspaper which elaborates on the merits of a constitutional convention to balance the budget. Mr. Eric Meltzer makes some very valid points in this article, and I ask unanimous consent that this editorial appear in the RECORD at the conclusion of my remarks.

Whatever the method, the Federal budget must be balanced. It is my sincere hope that the 98th Congress will exercise the discipline and responsibility to pass the balanced budget amendment which I have reintroduced. If this worthwhile goal cannot be achieved, then the States have every right to be disappointed and take it upon themselves to heal a disease which Congress has refused to cure.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE CONVENTION ROUTE MAKES A LOT OF SENSE

On May 26, the Missouri legislature became the 32nd state to call for a limited constitutional convention to draft a balanced budget amendment. When two more states act, Congress will have no choice but to convene the first constitutional convention under our nation's Constitution.

Some supporters of the amendment are hesitant to have a constitutional convention draft the amendment for fear that the convention might run away. But as most independent authorities have concluded, a convention can be limited to the subject the states request. Indeed, a limited constitutional convention would be the best way to draft the amendment.

One must be skeptical, after all, of a Congress which has only lethargically turned its attention to a balanced budget amendment when the states turned the heat up. And when an election was just around the corner.

An amendment drafted by Congress would originate in the judiciary committee of both houses. One of these committees is openly hostile to a balanced budget amendment. Do we really want the amendment—intended for the Constitution—to be delivered into this world by balanced budget abortionists?

Abraham Lincoln didn't think so. At a time of great upheaval he said:

To "me the Convention mode seems preferable, in that it allows amendments to originate with the people themselves; instead of only permitting them to take or reject propositions originated by others, not especially chosen for the purpose. . . ."

Unlike Congress, which is forever flitting from issue to issue, a constitutional convention would have as long as required to draft this one amendment. It would be certain to give more thought to the issue than the House of Representatives where debate lasted a grand total of five hours when the amendment was considered last year.

Convention delegates would be better suited than congressmen to the task of drafting a federal budget amendment. Congressmen are selected for a wide variety of reasons. In some cases, political views and constituent service are less important for electoral success than athletic ability or space travel.

Delegates to a convention would be selected for one purpose: to set about drafting a balanced budget amendment.

It is worth noting that Milton Friedman, who has no intention of running for Congress, has repeatedly stated his desire to be a delegate at a budget amendment convention. Can many congressmen claim an expertise on this issue of the same degree as this Nobel prize winner? Surely other qualified individuals can be found in all 50 states.

Furthermore, a balanced budget amendment is an appropriate subject on which to first use this alternative, parallel method of amending the Constitution. Thirty-two states have not called for a convention out of a morbid fascination to see what will happen if we have one. They're concerned about runaway government. If such is the case, it makes tremendous good sense to go the convention route.

Having finally cut its teeth and proven that the specter of a runaway convention is, as former Sen. Sam Ervin said, but a "constitutional ghost," the convention method will allow the states to concern themselves with the substance of an issue on which Congress refuses to act. The alternative is that the states shy away from important issues and wait for Congress to lead the way—should it ever decide to do so.

The constitutional convention is one of the most powerful mechanisms the states have to redress grievances. At a time when there is grave concern about the powers of Congress it is a worthwhile endeavor to ensure that the states be guaranteed a path of recourse that they can resort to unflinchingly, should the need to do so arise.

Ultimately, the question the people who fear a convention must answer is: Do they fear democracy? The convention method was written into the Constitution to provide states with a method of amendment parallel to that of the congressional process of amendment. As Aaron Wildavsky has written, "Invoking the sanctity of the Constitution to effectively prohibit one of the main mechanisms it provides for allowing the people to petition state legislatures for redress of grievances is an odd way of defending our fundamental law."

Yet it is the most effective way the opponents of the balanced budget amendment have found to slow it down. Why tamper with success—regardless of the mockery it makes of our democracy.

Opponents of budgetary reform may yet again raise the specter of our Constitution left in tatters on the ground, maimed by democratic forces run wild. Some of them may even sincerely believe this is a possibility.

But in their declaration they slap the Founding Fathers in the face. For to deny

the states and the people their convention is axiomatically to assert that Washington alone knows what it is we really want. Congress alone is to have the power to decide what is right and what shall be. You and I, we are told, are not to be trusted.

The last word one would use to describe citizens of Missouri is radical. But given a choice among protracted deficits, an empty self-imposed discipline upon Congress, or a constitutional convention that would draft an amendment with teeth, the choice of Missouri is "power to the people."

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—H.R. 3392

Mr. BAKER. Mr. President, we had thought that by now we would have a clearance finished on H.R. 3392, a little agriculture bill that appeared to have been cleared, but there is a snag or two along the way. I think it will still clear. That is the indication I have.

But rather than delay the Senator from Colorado and the managers of this bill, I have consulted with the minority leader on this subject and I wish to put a unanious-consent request now for the consideration of the Senate and particularly for the consideration of the managers of this measure.

Mr. President, I ask unanimous consent that at any time during this calendar day, after consulting with the minority leader, it may be in order on my suggestion to temporarily lay aside the pending measure, the DOD authorization bill, and proceed to the consideration of H.R. 3392 for a period of not more than 5 minutes, to be equally divided between the Senator from North Carolina and the minority leader or his designee, and that at the expiration of that 5 minutes, regardless of the status of the proceeding, the Senate will resume consideration of the Department of Defense authorization bill.

Mr. BYRD. Mr. President, reserving the right to object, in other words, the majority leader is not saying that at the end of the 5 minutes the Senate would take action on the bill.

Mr. BAKER. No.

Mr. BYRD. Furthermore, I would hope that we would make some provision concerning amendments. I understand there are one or two amendments that may be offered. I just hope that we would not open it up to other amendments and certainly not nongermane amendments.

Mr. BAKER. Mr. President, the point is well taken.

Let me amend the request then to say that no amendment will be in order, except a single amendment by the distinguished Senator from Kentucky (Mr. HUDDLESTON).

Mr. BYRD. I thank the majority leader.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I believe the extended time for the transaction of routine morning business has expired. I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

If not, morning business is closed.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of the pending business which the clerk will state.

The bill clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill S. 675.

Mr. TOWER. Mr. President, the Senator from Colorado (Mr. HART) has been waiting patiently to make a statement, and I do not wish to detain him.

I also note that the distinguished Senator from Arkansas (Mr. PRYOR) is in the Chamber and will offer an amendment relative to binary chemical weapons.

It will be my intention also before we go to binary chemical weapons to suggest that Senator PROXMIRE be recognized to offer an amendment that is noncontroversial. It has been cleared on all sides. If the distinguished Senator from Arkansas would maintain his patience and forbearance a few minutes longer, I think then we could get on the binary issue in 20 to 25 minutes.

Mr. PRYOR. Mr. President, I do appreciate the distinguished manager of the bill and chairman of the Armed Services Committee making those allowances.

I have spoken with the Senator from Wisconsin (Mr. PROXMIRE) and I will certainly be glad for him to precede me and with the distinguished chairman's indulgence, the distinguished Senator from Colorado (Mr. HART) also has a statement that he wishes to make before the actual amendment on binary weapons will be offered, if that is satisfactory.

Mr. TOWER. Yes. I suggest we dispose of Senator HART's statement and Senator PROXMIRE's amendment and then proceed to the consideration of the amendment to be offered by the Senator from Arkansas.

Mr. PRYOR. Very well.

THE MX MISSILE

Mr. HART. Mr. President, I thank the distinguished floor manager of the bill, the chairman of the Armed Services Committee.

In the inexorable flow of human affairs, a nation periodically reaches turning points, such as this, where the road taken will set the course of events for years, even decades, to come. We rarely recognize these turning points, preoccupied as we are by the irritations and pleasures of daily life. Often, a nation approaches these points with steps so measured seemingly small and incremental that the next step—the one that carries out the fateful decision—seems inevitable. There is no signpost along the path that alerts us to the consequences ahead.

Only later, after we look back at the decision and the steps leading to it, after the historians have neatly dissected and packaged the events surrounding the decision—only then do we fully appreciate all of its implications.

Mr. President, our Nation, indeed in my judgment the entire world, has reached a great divide. The decisions we make at this critical juncture, as we consider this bill to provide for our common defense, will shape the future—radically and irreversibly. Those decisions may well determine whether ours will be the best generation—or the last.

How many times have countries later regretted they did not listen more carefully to those who warned of the dire consequences that would flow from a particular decision?

Two examples immediately come to mind. First, Winston Churchill, who in the 1930's declaimed from the battlements that the British policy of continued military weakness and appeasement would only whet Adolf Hitler's appetite and draw Britain into war.

Second, a distinguished former member of this Senate, the Senator from Oregon, Wayne Morse, who at the time of the Gulf of Tonkin resolution recognized that U.S. military involvement in a distant country few had heard of and for reasons even fewer understood would deeply divide the country and inflict wounds on this Nation that would not heal for decades.

History abound with turning points not recognized and warnings not heeded.

Mr. President, I believe this country has reached such a turning point as we approach a decision on whether to produce and deploy the MX missile. For, if deployed, the MX missile would radically change our world and place at risk the very future of civilization.

That missile would reverse years of thinking about nuclear weapons strategy. And it would open a dangerous, new chapter in the madness of an unrestrained nuclear arms race.

Why is the MX missile such a menace to the future of the planet? Because it is designed not to deter a nuclear war, but to fight and win one. With the nuclear firepower in the world's arsenals sufficient to kill every living human being 12 times over, the idea of winnable nuclear war is sheer howling insanity.

Yet, we are asked to approve deployment of this so-called counterforce weapon, five to six times more destructive than any we now have. And for no purpose other than to be able to strike against—and destroy—Soviet missiles before they can be used against us.

Where once we based our nuclear strategy on deterrence—the grim reality that neither side would dare attack the other for fear of a devastating counterattack—we now seek the capability to strike first and destroy the enemy's ability to retaliate. Contrary to commonsense, to our instinct for self-preservation, to moral strictures, and to past policy, we now are contemplating the possibility of initiating nuclear war.

That is what the MX missile decision is all about.

This, then, is the choice we face at the great divide: a choice between two roads leading in opposite directions. We can take the road chosen by those who support the MX missile which leads to more savage weaponry, an intensified nuclear arms race, and ultimately to the brink of nuclear annihilation. Or we can take the other road, chosen by those who oppose the MX missile, a road which leads away from this new "hair trigger" on our nuclear arsenals, and away from the insanity of "winnable nuclear war." It leads toward serious, good faith negotiations to freeze and reduce nuclear weapons, toward a smaller but more survivable nuclear force sufficient to deter attack, and, ultimately, toward a time when we will banish these horrible weapons forever from the face of the Earth.

Mr. President, like Thomas Jefferson, I place my trust in the good sense of the American people. When they are presented with all the facts, they will make the right choice. I believe, after hearing a full debate on the question, they will agree—along with a number of my colleagues, and myself—that the MX missile makes no national security sense. No economic sense. And no moral sense. They will join us in opposing this $30 billion, vulnerable, destabilizing first-strike weapon.

Unfortunately, those of us concerned about the security of our country and the preservation of civilization, do not often have the opportunity to take our case to the American people and lay the facts before them. Today, however, as the Senate takes up the defense authorization bill, we have such a chance. My colleagues and I will take this opportunity to debate all aspects of the MX missile, to examine the arguments on both sides and to recount the history of this missile. It is a history, by the way, premised upon the MX missile being a survivable and stable system, and it includes warnings of the dire consequences of this missile's deployment in fixed silos.

We plan a full debate to educate the American people about what all of us, including our children and theirs, have at stake in this decision.

Mr. President, we do not intend unnecessarily to delay Senate action on the defense authorization bill. Rather, we seek to use this—the greatest deliberative body in the world—to enter into a sweeping national debate on deployment of this dangerous new weapons system. A decision of such great moment deserves no less.

Mr. President, I said that I consider this body's decision on the MX missile a turning point in the history of nuclear war and of the nuclear arms race and, perhaps, of our Nation and the world. It is a turning point because it radically changes our approach to strategic nuclear theory.

More importantly, however, a debate on the MX missile deployment gives us a full opportunity to discuss and to define for the American people those fundamentals that are the cornerstone of all our other debates and decisions on national security.

Just what do we mean by "national security"?

Just what are the real "threats" to our national security as we define it?

How will the MX missile respond to those real threats?

Does the military posture of this administration meet those real threats, or is that posture so fundamentally wrong that it indeed weakens our national security in the long run?

What are the assumptions around which this administration is building our military and defense posture? Are they correct? Or are they so exaggerated, that we are required by the administration's definition of "threat" and "national security" to go to any length, including the building of the MX which makes no sense, to protect ourselves?

We will do the American people a disservice if we follow our past practices and expend a great deal of energy debating whether the defense budget should be increased a few percentage points or whether it is more efficient to buy three cruisers or two in a given year.

If we do this, we will define the terms of the debate so narrowly that we lose all sight of the larger picture. In the end, we may give the correct answers to the wrong questions.

An extended debate gives us a full opportunity to debate and define the fundamentals of national security, of our nuclear posture, and what we can, in fact, do to increase security around the world.

We will have an opportunity to rethink the relationship between our nuclear forces and our conventional forces and the emphasis we place on each.

Should we strengthen our conventional forces to create a buffer of deterrence between a regional conventional conflict and a worldwide nuclear conflagration?

Can we continue to rely on a nuclear "umbrella" to protect our allies from attack by the Soviet Union's conventional forces?

Given the exorbitant $30 billion cost—if not more—of the missile, can we reform our military to get better defense at less cost? Should we not do this even if we do not produce the MX missile?

Mr. President, let us for a change use this debate to carefully examine the elements of national security that are at stake here, not merely individual weapons systems, not arbitrary increases or decreases in overall spending, not even, for that matter, the degree of waste, fraud, and abuse in the military budget. Let us get to the core and the center of what defense and national security really mean in the 1980's and 1990's and do the American people a favor by debating what should be central to the lives of all of our people in the future of this Nation. Let us, for once, come to grips with what the issue of national defense is all about.

Let us use this debate to carefully examine what national security means. Just as the GNP or the Dow-Jones average tells us little about the quality of our lives, so the number of ICBM's in our arsenals or aircraft carriers on the high seas tell us little about whether we are truly secure.

For our national security depends as much upon our diplomatic successes as upon our military strength. Our security increases with our competitiveness in international markets and declines with our increased reliance on raw materials from unstable countries. National security is the aggregation of how secure each of us feels, and, more importantly, the manner in which each of us is secure.

It rises when we clean up our hazardous waste sites, our air, and our rivers. It grows when we train our workers with new skills for the new technology of a changing economy and when we educate our young people for the future. It is diminished precisely by the number of children despairing in a life that leaves them ill-nourished, ill-clad, or ill-housed.

It shrinks in the face of ignorance and fear, but it grows again with the security of our civil rights and liberties, and with the equality of our opportunities for all of our citizens.

And our national security reaches its peak when we can demonstrate to the rest of the world that the democratic experiment can succeed and that this country will champion the cause of freedom wherever people are opposed by tyranny.

Thus, these three issues for the future—our strategic nuclear theory, our military policy, and our definition of national security—converge at this critical turning point in this Nation's history. And I believe the American people deserve a full debate, not truncated, not limited by some arbitrary time agreement, but a full debate on all three of these issues before deciding whether to go forward with a weapons system that dramatically changes the nature of the nuclear arms race. It changes it in terms of our doctrine, from a doctrine of deterrence to a doctrine of waging and winning nuclear war for the first time in this Nation's history and in the history of the world.

Just as frightening is the fact that the MX changes our launch doctrine from one that has consistently, historically, and traditionally been one of waiting to absorb a nuclear first strike and then delivering an unacceptable retaliation to a doctrine of launch under attack or launch on warning. That doctrine is, perhaps, the most threatening implication of loading up vulnerable, unstable silos with new first-strike threatening missiles. It causes our strategic planners, indeed our political leadership, to contemplate waging nuclear war by accident or by miscalculation for the first time in this Nation's history.

Mr. President, the MX missile is not just another weapons system. It is not even just another nuclear weapons system.

The decision to build this specific missile and to deploy it in this specific way represents a hinge, a turning point, in the history of the nuclear arms race, which, if it is made, will come back to haunt this Nation, indeed this body, indeed every present Member of the U.S. Senate, for the rest of our lives.

I do not intend to permit Senators to make this decision lightly. I want them to make it in the light of all of the evidence. I want them to have to make this decision with their constituencies fully aware of the historical implications of this decision. I want them to make it for grounds other than the possibility that we can convince our own President to become serious about nuclear arms negotiations. I want them to make it in the full light of what it means for our children and their children throughout the history of this country.

I want this to be one of the most serious decisions any Senator is ever forced to make, because, Mr. President, I am convinced if, in fact, this decision is made in that spotlight, the decision will be not to go forward with the MX missile. And I think, Mr. President, that would be the best decision the Senate has made since I was elected to this body.

Mr. President, I have never in my Senate career used the time of the Senate frivolously. And I do not intend to do so now. I would not urge an extended discussion of these issues at this time if I did not love my family and my country—and want them both to survive.

Mr. President, there are many of my colleagues in this Chamber who have something to say on the building of the MX. But I believe our statements can all be summed up in one sentence: Do not make this decision; do not build this missile. And we intend to continue to say it until the American people fully understand the enormity of this decision.

I hope more colleagues will join with us and choose to walk the difficult road that leads to stability, that leads to true deterrence, that leads indeed to true national security and leads ultimately to peace.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER (Mr. KASTEN). The Senator from Texas.

Mr. TOWER. Mr. President, I congratulate my distinguished friend and fellow committee member from Colorado (Mr. HART) on a very well crafted and a very eloquent speech.

There is one thing that he said that struck me, that our security depends as much on diplomatic success as it does on military power. I think it should be noted that, unfortunately, very often diplomatic success is related to one's military capability, one's force projection capability, one's military presence, and always has been thus historically. I think one might actually note that most of the diplomatic success achieved by the Soviet Union has been a result of the enormous capacity for force projections the Soviet Union now possesses. We would not arm nearly to the extent we do now were it not for that fact.

I think all of us look forward, as does the distinguished Senator from Colorado, to the day when men will beat their swords into plowshares, and their spears into pruning hooks. I commend him on that objective and I share it with him.

But, unfortunately, for the future, we must be sufficiently armed to defend our own security against military attack, to defend our vital interests abroad and, in the final analysis, to do what Mr. HART wants us to do, and that is to support our foreign policy objectives to the extent that we will have diplomatic successes.

Mr. HART. If the distinguished Senator from Texas will yield for a response, he knows full well, based upon our mutual participation in our Armed Services Committee and whatever record I have been able to make in my 9 years in the Senate, that I agree completely with his analysis and his statement about the role that a secure, strong and stable deterrent and conventional force represents in overall diplomacy.

The issue, however, is not resolved by merely stating that overall objective and that overall policy. The question really is whether this specific weapons system contributes to that peaceful goal of diplomacy. It is, of course, the judgment of the Senator from Colorado that it does not.

Mr. TOWER. Therein, Mr. President, lies the issue.

Mr. HART. Indeed.

Mr. TOWER. In fact, I agree that military force should not be a substitute for diplomacy, but should reinforce diplomacy. It should never be a substitute for diplomacy. I do not believe it has been the policy of any American President, at least not wittingly the policy of any American President, regardless of his party, to substitute force for diplomacy.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 1466

(Purpose: To amend title 38, United States Code, to increase the maximum amount provided for Servicemen's Group Life Insurance and Veterans' Group Life Insurance)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an amendment numbered 1466.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. . (a) Section 767 of title 38, United States Code, relating to the Servicemen's Group Life Insurance program, is amended—

(1) in the first sentence of subsection (a) by inserting "$100,000, $95,000, $90,000, $85,000, $80,000, $75,000, $70,000, $65,000, $60,000, $55,000, $50,000, $45,000, $40,000," after "(B) to be insured in the amount of";

(2) in the first sentence of subsection (c)—

(A) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000, or $5,000", and inserting in lieu thereof "an amount other than $35,000"; and

(B) by striking out "in the amount of $35,000, $30,000, $25,000 $20,000, $15,000, or $10,000", and inserting in lieu thereof "in another amount authorized by subsection (a) of this section"; and

(3) by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this section, any member who, on the effective date of this subsection, is assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service, may obtain increased insurance coverage under this subchapter up to a maximum of $100,000 in increments of $5,000, if the member (1) is insured under this subchapter on such effective date or, within one year after such effective date, reinstates insurance which lapsed before such date for nonpayment of premiums, and (2) submits, within one year after such effective date, a written application for increased coverage to the office established pursuant to section 766(b) of this title.".

(b) Section 777(a) of such title, relating to Veterans' Group Life Insurance, is amended—

(1) by striking out "or $35,000 only" in the first sentence and inserting in lieu thereof "$35,000, $40,000, $45,000, $50,000, $55,000, $60,000, $65,000, $70,000, $75,000, $80,000, $85,000, $90,000, $95,000, or $100,000 only";

(2) by striking out "$35,000" in the second sentence and inserting in lieu thereof "$100,000"; and

(3) by striking out "$35,000 each place it appears in the fourth sentence and inserting in lieu thereof "$100,000".

(c) The amendments made by subsections (a) and (b) shall take effect on the first day of the first month which begins at least sixty days after the date of enactment of this Act.

Mr. PROXMIRE. Mr. President, this amendment has been discussed with the manager of the bill, the distinguished chairman of the Armed Services Committee, Senator TOWER. I believe it is acceptable to him. It has also been made available to the distinguished Senator from Washington, Senator JACKSON, for the minority.

Mr. President, this amendment will increase the maximum amount of coverage under servicemen's group life insurance and veterans' group life insurance by providing an additional $65,000 of optional coverage to the current $35,000 basic coverage totaling $100,000. This would be available to all members of the Armed Forces who are currently eligible.

This increase in coverage is vital for a number of reasons. First, the serviceman's life insurance coverage will be brought in line with increases in the cost of living. Second, the increase in coverage will be another benefit which recruiters for the armed services can offer to attract and retain qualified personnel. Finally, the men and women in the services will have a benefit package which more closely approximates that which is enjoyed by employees of the civil service.

SGLI is a bargain for the serviceman or woman. They are eligible for up to $35,000 of coverage at low monthly rates. The problem is that $35,000 is not enough.

Increasing the ceiling to $100,000 by providing the optional $65,000 coverage to the basic $35,000 is the least we can do for our men and women in the military—especially in view of the salary increase which the Senate has just voted for itself. The civil service has a means to keep its group life insurance coverage at pace with increases in the cost of living. Why should we deny this to the men and women in the Armed Forces of our country?

A person entering the civil service is now offered a life insurance coverage ceiling that is much higher than what he would get in the military. For example, a new GS-3 clerk, making about as much as a private in the Army, can buy up to $70,000 in Federal employee group life insurance. The private can buy only $35,000 at present.

The beauty of this amendment, Mr. President, is that in the face of massive defense expenditures which we are now shouldering, increasing this insurance coverage will not cost the Government another dime. Remember, servicemen's group life insurance and veterans' group life insurance programs are designed to be self-sustaining. That way, an increase in the ceiling does not increase the cost to the taxpayer, servicemen, and women electing to take the optional insurance coverage would simply pay more premiums. Also, they would still have the option of buying coverage which is less than the total $100,000. Or they can buy no coverage at all.

Mr. President, recent attempts to raise this ceiling have excluded the National Guard and the Reserves from these increased benefits. For all of the reasons which I have already mentioned, and in accordance with the implementation of the total force concept, it is essential that the Guard and the Reserves continue to be included under this coverage.

My amendment does include both the National Guard and the Reserves under this expanded coverage. There is no discrimination between Regular and Reserve Forces. The same coverage would be available to all members of the armed services who are currently eligible for SGLI.

A host of military associations support increasing the insurance ceiling. They include the:

National Guard Association of the United States.
Association of the U.S. Army.
Retired Officers Association.
Veterans of Foreign Wars.
Navy League of the United States.
Fleet Reserve Association.
The Marine Corps League.
American Legion.

Why do they support it? Because it is a good deal for the GI. And it is also a good deal for the taxpayer.

Mr. JACKSON. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend from Washington.

Mr. JACKSON. Mr. President, I commend the Senator from Wisconsin for proposing this amendment. I think it makes a lot of sense. As the Senator pointed out, it will have no impact whatever on the budget.

Mr. PROXMIRE. I thank my good friend from Washington.

Mr. TOWER. Mr. President, I think it is a good amendment. I can recall the days when GI insurance had a $10,000 limit. I think the fact that Senator PROXMIRE had to offer this amendment indicates how much the value of the dollar has declined.

Mr. PROXMIRE. Mr. President, if the Senator from Texas will yield, I did not know he was old enough to remember that. Frankly, when I went in the Armed Forces, I got a $10,000 life insurance policy, paid $6 a month and had 15 bucks left out of my 21 bucks a month.

Mr. TOWER. So did I. I very foolishly cashed it in after I got out of the service and spent it.

Mr. President, this is a good amendment and the majority is prepared to accept it.

Mr. PRYOR. Mr. President, will the distinguished chairman yield?

Mr. TOWER. I yield.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may be added as an original cosponsor to the amendment of the distinguished Senator from Wisconsin. I strongly support the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I am delighted to have the distinguished Senator from Arkansas as a cosponsor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (No. 1466) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TOBACCO PRICE SUPPORT FREEZE

Mr. BAKER. Mr. President, we have been trying for some time to get clearance and consideration for action by unanimous consent on H.R. 3392. Under the order previously entered, the pending measure can be set aside for the consideration of that measure for not more than 5 minutes, after first consulting with the minority leader. I have now consulted with the minority leader and he concurs in this action.

I now ask that the Chair lay before the Senate H.R. 3392.

The PRESIDING OFFICER. The bill will be stated by title.

The bill clerk read as follows:

A bill (H.R. 3392) to amend the Agricultural Act of 1949.

The PRESIDING OFFICER. Under the previous order the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. I ask that the Senator from North Carolina explain for us the nature of this legislation.

Mr. HELMS. Mr. President, on Monday, H.R. 3392 passed the House of Representatives under the Suspension Calendar because it is recognized as an interim measure to permit the orderly opening of the 1983 tobacco markets.

The bill simply freezes the loan rates for 1983 on all types of quota tobacco at the 1982 level.

It has been considered by the House under suspension of the rules because it is regarded as completely noncontroversial, and yet immensely beneficial to those thousands of tobacco farmers who would take enormous financial losses if the markets do not open on time this year. Those farmers who would be most particularly impacted are in the States of Forida and Georgia.

Mr. METZENBAUM. Will the Senator yield for a question?

Mr. HELMS. I yield to the Senator from Ohio.

Mr. METZENBAUM. I wish to inquire of the distinguished chairman of the Agriculture Committee as to whether or not Senate passage of H.R. 3392 will in any way preclude consideration in the near future of substantive legislation on the tobacco program?

Mr. HELMS. As the Senator knows, the House Committee on Agriculture, and the Senate Committee on Agriculture, Nutrition, and Forestry have both reported legislation which makes substantial adjustments in the entire tobacco program.

I can assure the Senator that it is our intention to take up the Senate bill, the tobacco legislation, without fail, immediately after the defense authorization bill is disposed of. It is absolutely necessary. Adoption of this interim measure will not substitute for the comprehensive measure, nor will its consideration be delayed in any way.

The Senate is not now in a position to take up this comprehensive legislation. A commitment has been made by the Senate leadership to consider the Department of Defense authorization bill, and to take up legislation relating to a variety of farm program changes immediately following that, probably beginning on July 18.

Because the Senate has a number of farm program changes to consider, in addition to the comprehensive tobacco program changes, it is very likely that several days will be spent in the Senate on them. These include dairy program changes and cotton PIK program changes, and change in the target price levels for wheat, feed grains, rice, and cotton. These matters are not without controversy and opposition. In short, it is impossible to predict at this juncture just how much time will be consumed in Senate consideration, not to mention House consideration, and in a conference with the House, and all the rest. But I assure the Senator from Ohio that a tobacco vehicle will come to the floor immediately after the DOD authorization bill.

This potential for delay is the reason that the Senate should agree to H.R. 3392 right now.

Mr. METZENBAUM. May I inquire of the majority leader as to whether it is his intention to bring farm program legislation which would include consideration of tobacco legislation, to the floor immediately upon disposition of the defense authorization bill.

Mr. BAKER. That is indeed my intention.

Mr. METZENBAUM. I thank both the Senator from North Carolina and the majority leader. I have no objection to proceeding to this matter providing that no amendments be in order, except the one provided for.

Mr. HUDDLESTON. Mr. President, I commend the leadership for bringing H.R. 3392 to the Senate floor so expeditiously. The markets for the 1983 crop of tobacco are about to open—the Flue-Cured markets will begin to open as early as late July. H.R. 3392 makes a necessary revision in the 1983 tobacco price-support program; and Congress must act on it now if the revision is to go into effect before the 1983 marketing year begins.

H.R. 3392 will establish the price-support levels for the 1983 crops of all kinds of tobacco for which price support is available at the same price levels at which the 1982 crops were supported. Under the bill, for the 1983 crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound will be the same level at which the 1982 crop was supported.

Mr. President, this bill responds to the need of U.S. tobacco growers to maintain a competitive position in world trade.

To compete in international markets, our tobacco growers must keep the price of their product at a level attractive to foreign purchasers. However, current law will escalate the support level for 1983 crop tobacco based on increases in growers' costs of production. For the 1983 crop, support prices for burley and Flue-cured tobacco are scheduled to increase by about 10 cents per pound.

In view of current market conditions, I believe that the scheduled increase in the support level at this time might be harmful to tobacco sales. Many farm organizations have voiced their support for a freeze on the tobacco support level for 1983, and H.R. 3392 accomplishes the freeze.

During the course of our consideration today of H.R. 3392, I intend to offer an amendment that will incorporate two provisions of S. 1529, a bill containing comprehensive tobacco legislation.

One of the provisions would increase the downward adjustment the Secretary of Agriculture may make in the quota for burley tobacco, and the other provision would require review of tobacco imports under section 22 of the Agricultural Adjustment Act.

However, H.R. 3392, with the amendment I intend to offer, is not a complete substitute for S. 1529. H.R. 3392 is an interim bill to address certain needs of tobacco producers; S. 1529 contains a wide range of provisions of vital interest to tobacco producers in Kentucky and other States.

In addition to maintaining the loan rates for the 1983 and later crops of tobacco at the 1982 level, S. 1529 would, first, authorize the Secretary of Agriculture, for the 1984 and 1985 crops of burley tobacco, to establish price support levels for each of such crops at levels that will not narrow the normal price support differential between Flue-cured and burley tobacco. Before establishing such levels, the Secretary will give notice of the proposed levels, receive public comment on the notice, and take into consideration changes in the costs of producing burley tobacco and such other relevant factors as the Secretary determines appropriate.

Second, S. 1529 will establish price support levels for the 1983 through 1985 crops of fire-cured, sun-cured, dark air-cured, and cigar filler and

binder tobacco under the same criteria as provided for burley tobacco.

Third, S. 1529 will reduce the amount of burley tobacco that can be leased and transferred to any farm from 30,000 to 15,000 pounds.

Fourth, S. 1529 will prohibit the filing of any lease of any burley tobacco quota after July 1 of the crop year specified in the lease.

Fifth, S. 1529 will modify the prohibition against the lease and transfer of burley quotas across county lines so as to permit the Secretary of Agriculture to combine as one farm tracts of land in contiguous counties that are owned and operated by a producer as a single unit.

Sixth, S. 1529 will extend, from December 1, 1983, to December 1, 1984, the date by which nonfarming entities must sell their Flue-cured and burley quotas, and make it clear that the mandatory sale provision does not apply to farms where the land is being used for agricultural purposes.

S. 1529 also will make a number of needed changes in the Flue-cured program. During the coming weeks, I will continue my efforts to seek enactment of S. 1529.

Mr. President, I believe that H.R. 3392 is a necessary bill and I urge my colleagues to support it.

AMENDMENT NO. 1469

(Purpose: To increase the downward adjustment the Secretary of Agriculture may make in the quota for burley tobacco and require section 22 review of tobacco imports under certain circumstances)

Mr. HUDDLESTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON), for himself and Mr. FORD, proposes an amendment numbered 1469.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the end of the bill the following new sections:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by—

(1) in the second sentence of subsection (c), striking out "5 per centum" and inserting in lieu thereof "15 per centum"; and

(2) in the fourth sentence of subsection (e), striking out "95 per centum" and inserting in lieu thereof "85 per centum".

SEC. 3. The Secretary of Agriculture shall review, under section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

Mr. HUDDLESTON. Mr. President, my amendment incorporates two provisions of S. 1529, which the Agriculture Committee reported to the Senate on June 23.

The amendment would add two new sections to the bill.

The first section would give the Secretary of Agriculture greater flexibility to achieve a no-net-cost tobacco program. The amendment made by the new section 2 would increase from 5 percent to 15 percent the downward adjustment the Secretary of Agriculture may make in the quota for burley tobacco when the Secretary determines that such an adjustment is desirable for the purposes of effecting an orderly reduction of supplies.

The second section of the amendment will require the Secretary of Agriculture—when a freeze or a downward adjustment of more than 35 percent is imposed with respect to the price support level for burley tobacco or when the CCC stocks of burley tobacco are in excess of 20 percent of the basic quota for burley tobacco—to review, in accordance with section 22 of the Agricultural Adjustment Act, whether imports are interferring with the domestic price support program, and, where appropriate, recommend to the President a section 22 investigation.

Both of the provisions contained in my amendment are important to the producers of burley tobacco, and I urge my colleagues to support the amendment.

Mr. METZENBAUM. Mr. President, I would like to ask the Senator from Kentucky if that part of his amendment giving the Secretary of Agriculture greater authority to adjust the quota for burley tobacco would increase the price to consumers of burley tobacco.

Mr. HUDDLESTON. Mr. President, the amendment in question would have little or no effect on the market price of burley tobacco. That is so because burley is currently in a surplus situation, which my amendment will help to correct. The amendment would simply facilitate the ability of farmers to produce what is needed and avoid accumulations of surpluses.

Mr. METZENBAUM. Could the Senator from Kentucky inform me of the budgetary effect of the quota adjustment amendment.

Mr. HUDDLESTON. Under the amendment, and assuming the use of the authority by the Secretary, there would be less burley tobacco eligible for price support than would otherwise be the case. That would mean a reduction in Commodity Credit Corporation loan activity and, therefore, a reduction in Federal outlays. We will not, in other words, be making price support loans on tobacco that is not needed.

Mr. METZENBAUM. I thank the Senator. I have no objection to proceeding with the amendment offered by the Senator from Kentucky.

I want to state, however, that my position on the tobacco program in general remains the same, and when agriculture legislation reaches the floor following the disposition of the Department of Defense authorization bill, I intend to offer an amendment to bring to tobacco production the benefits of deregulation.

Mr. HUDDLESTON. Mr. President, this amendment has been cleared on both sides of the aisle. I move its adoption.

Mr. HELMS. Mr. President, we accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1469) was agreed to.

Mr. EAGLETON. Mr. President, a year ago when we debated the No Net Cost Tobacco Program Act of 1982, the legislative history was quite clear that the intent of that legislation was to assure that the Commodity Credit Corporation and, therefore, the taxpayers, would sustain no net losses from the operation of the tobacco price support program other than the administrative expenses necessary to carry out that program. Recently, the Office of the Inspector General of the Department of Agriculture issued an audit report to the Administrator of the Agricultural Stabilization and Conservation Service that is critical of the methodology used by CCC in the computation of interest on CCC tobacco loans and the policy of assigning sales proceeds to loan principal first and then to interest owed. To quote from the report:

We estimate that the Commodity Credit Corporation (CCC) will lose at least $95 million on the 1982 crop of tobacco in inventory at the Flue-Cured Tobacco Association unless the method of computing interest on loan repayments is changed.

I would like to receive the assurance of the chairman of the Agricultural Committee that the intent of the No Net Cost Tobacco Program Act is not to be thwarted by CCC accounting procedures or gimmicks. The law is clear that, for the 1982 and subsequent crops of tobacco, the tobacco price support program is to be carried out at no net cost to the taxpayers with only one exception, administrative expenses. All interest costs associated with the program are to be considered a cost of carrying out the pro-

gram and fully recovered. I would ask the chairman of the Agriculture Committee if he agrees with this statement.

Mr. HELMS. Yes, I agree with the statement of the Senator from Missouri. Clearly, the No Net Cost Tobacco Program Act by its very nature requires CCC to keep accurate records of all costs, including all interest costs, associated with the tobacco price support program. All of these costs must be repaid with the sole exception of administrative costs.

Mr. EAGLETON. So my colleague would agree with the opinion of the Inspector General's Office that no matter what the sales proceeds assignment policy of the CCC might be, CCC cannot share in a loss on the 1982 or subsequent crop years of tobacco because of the method used in computing interest.

Mr. HELMS. Yes, I agree that CCC cannot share in a loss on the 1982 or subsequent crops of tobacco because of the method used in computing interest. The CCC Board of Directors determines the method of computing interest and must do so in a way that involves no procedures that would result in CCC sharing in losses.

Mr. EAGLETON. I thank the chairman for the clarification on this point. I ask unanimous consent that the report of the Office of the Inspector General be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FAST REPORT OF PROGRAM OR ADMINISTRATIVE DEFICIENCY

To: Everett Rank, Administrator, Agricultural Stabilization and Conservation Service, Washington, D.C.

Audit title: No Net Cost Tobacco Program, Computation of Interest on CCC Loans.

STATEMENT OF CONDITION

We estimate that the Commodity Credit Corporation (CCC) will lose at least $95 million on the 1982 crop of tobacco in inventory at the Flue-Cured Tobacco Association unless the method of computing interest on loan repayments is changed. CCC permits the association to apply repayments to loan principal until all principal is repaid and then to interest, but does not require that interest be compounded. CCC pays for funds borrowed to make the loans, first by applying repayments to accumulated interest and then to unpaid loan principal. A similar condition exists at the other 12 associations.

The General Accounting Office (GAO) reported the above condition for tobacco in inventory prior to 1981 in a supplement to their report number CED-82-70, dated April 23, 1982. They recommended that you cancel or modify the interest computation provision of CCC Docket HCP 40a to bring it more in line with the method followed by CCC for its own Treasury borrowings (see Attachment 1).

As a result of GAO's recommendation, the Controller of CCC, in October 1982, notified the association of a changed policy for allocating sales proceeds to principal and interest (see Attachment 2). However, in November 1982, the Controller received a letter from the Chairman of the U.S. Senate Committee on Agriculture, Nutrition and Forestry informing the Controller that the Chairman did not believe that a change in policy was required (see Attachment 3) and the policy was not changed. (Continued)

DONN E. ADKISSON,
Assistant Inspector General for Audit.

Public Law 97-218, the No Net Cost Tobacco Program Act of 1982, was enacted by Congress on July 20, 1982. This Act provides that the tobacco price support and production adjustment programs be carried out at no net cost to the taxpayer, other than administrative expenses common to the operation of all price support programs.

The term "administrative expense" has been defined by the Agricultural Stabilization and Conservation Service (ASCS) as the cost of administering the tobacco program at the National level in Washington, D.C., and through the Kansas City ASCS Management Field Office, State and county ASCS offices, and the cost of testing tobacco to assure the merchantability of loan collateral.

Based on the Act, we do not believe that CCC can share in a loss on the 1982 crop year of tobacco because of the method used in computing interest. While reviewing the procedure used in computing interest for the 10 months (July 1982-April 1983) that 1982 crop of tobacco had been under loan at the association, we computed a CCC loss of $2,700,516 because of the method used in computing interest. With the assistance of our statistician, we estimated that the 1982 crop of tobacco would be under loan over 8 years and that losses to CCC would amount to about $95 million if the current method of computing interest in continued. In our estimate, we used the following factors:

1. A yearly disappearance from inventory using the average disappearance for the last 8 years prorated by percentage share of the December 31, 1982, inventory to the 1982 crop.

2. The proposed sales price of tobacco for 1983 increased for inflation (price support increases) by 4.5 percent for each 6-month period beginning July 1983 and ending June 30, 1987, after which the tobacco will be 5 years old. If price support is not increased for future years, the losses to CCC could amount to about $215 million on the 1982 crop of tobacco.

3. No determination for the tobacco over the years.

4. An annual interest rate of 9 percent. Since the yearly disappearance from inventory times the sales price was greater than the amount of interest due, it was not necessary to compound interest after each 6-month period.

5. Miscellaneous expenses such as storage, treatment of tobacco, etc., were not considered.

We recommend that the method of computing interest be changed to prevent losses to CCC or that CCC be reimbursed for losses from the association's No Net Cost Funds/Accounts.

Please provide us with your proposed corrective action to the above condition by July 29, 1983.

ATTACHMENT 1

Hon. EVERETT RANK,
Executive Vice President, Commodity Credit Corporation, Department of Agriculture.

Subject: Collection and Accounting for Accrued Interest on Commodity Credit Corporation Producer Loans (AFMD-82-40).

DEAR MR. RANK: As you are aware, we concluded our review of the Commodity Credit Corporation's (CCC) financial statements for fiscal year 1980 and issued our report (OED-91-137, August 13, 1981). As a result of information gathered during the course of our review, we believe CCC's practice of applying repayments of tobacco associations' loans first to principal and then to accrued interest is inconsistent both with CCC's procedures for repaying its Treasury borrowings and with normal banking practices.

Under the CCC accounting system, accrued interest on tobacco loans is computed and maintained in memorandum records. Cash received from loan repayments is applied first to loan principal, then, after the principal is liquidated, to interest receivable. The memorandum record of accrued interest is reduced by the same amount. Cash recieved beyond liquidation of accrued interest is returned to the tobacco associations. However, if cash collections are insufficient, the memorandum account is closed and the receivable waived.

CCC Docket HP 40a, as approved by the Secretary of Agriculture on January 28, 1966, provided that sales proceeds from 1966 and prior years' loans outstanding be applied first to loan principal and then to accrued interest. This change from the prior rule, which applied up to 2½ cents of every dollar to interest and 97½ cents to principal, was recommended as a means of eliminating unproductive computations and reducing recordkeeping. The change also resulted in recording interest income on tobacco loans only when the proceeds from loan collateral dispositions exceeded the principal amount of the loans. The docket stated that a loss in accrued interest receivable resulting from a more rapid liquidation of loan principal would not be significant.

The low interest rates of 1966 (3.5 percent) may have justified dispensing with the control over accrued interest receivable. However, the same justification does not exist today. CCC was required on June 30, 1981, for example, to pay interest at a rate of 15.825 percent for its borrowings. We calculated, using data from crop years 1978-80, that the present practice cost CCC almost $2 million in 1980 in lost revenue which is mostly to the benefit of the tobacco associations in the form of reduced interest payments.

Treasury charges CCC interest on the daily outstanding balance owed, which, on January 1 and July 1, includes unpaid interest on borrowings from prior periods. In contrast, the tobacco associations are paying interest to CCC on the daily outstanding principal balances, which do not include interest from prior periods. As a result, the tobacco associations are paying interest at substantially reduced amounts because their loan principal balances are more rapidly reduced as they apply sales proceeds (under the provisions of the 1966 docket) first to loan principal, until liquidated, and then to accured interest.

To summarize, a significant difference exists between the recording and collection of interest on CCC tobacco loans (and others, such as loans on warehouse stored peanuts) and the corresponding interest which CCC pays Treasury for borrowed funds. In view of the magnitude of this difference and the need to address it, we recommend that CCC:

Cancel or modify the interest computation provision of CCC Docket HCP 40a to bring it more in line with the method followed by CCC for its own treasury borrowings, and

Revise interest computation procedures on other comparable programs or activities for which CCC also may not be recovering comparable borrowing costs.

We discussed these issues with CCC's Comptroller who generally agreed with our findings. He pointed out, however, that although the Department of Agriculture's appropriation bill contains language that imposes new restrictions on the tobacco program, our recommendation could result in additional costs to CCC if the tobacco associations were to press for accommodations which currently are not part of their program—for example, partial redemptions. He stated that the probability of such accommodations being granted, and their cost, is unknown.

We do not intend that our recommendations should result in additional costs to CCC. We believe tightening interest computation procedures is consistent with the new limits placed on the tobacco program, and that CCC need not incur a loss on the program if other compatible program changes were also made; for example, adjusting loan rates by grade of tobacco.

If your have any questions or wish to discuss this matter further, we will be happy to meet with you or your staff. We would appreciate being kept informed of any charges that you may implement or as a result of this recommendation.

Sincerely,

RONALD J. POINTS,
Associate Director.

ATTACHMENT 2

COMMODITY CREDIT CORPORATION,
Washington, D.C., October 19, 1982.

MR. FRED BOND,
Manager, Flue-Cured Tobacco Cooperative Stabilization Corp., Raleigh, N.C.

DEAR MR. BOND: On June 23, 1982, the Board of Directors of Commodity Credit Corporation (CCC) approved the policy for the 1982 and subsequent crop tobacco price support program. One provision in the policy is that sales proceeds remitted to CCC will be allocated to principal and interest. This is a change from the provision, in effect since 1966, that sales proceeds be applied first to loan principal and then to accrued interest.

The following alternatives, for allocating sales proceeds, have been proposed:

1. Apply all sales proceeds to accrued interest until the interest has been paid, any remaining sales proceeds would be applied to principal.

2. Compute interest applicable to tobacco as it is sold. A weighted average start date for interest computation could be used as tobacco in a particular hogshead might have come under loan on various dates. Use actual interest rates charged by CCC for the time the tobacco was under loan.

3. Determine the relationship between the principal balance and the accrued interest at the end of each month and establish that ratio as the allocation factor to be used for all sales proceeds remitted to CCC during the following month.

4. Determine the relationship between the principal balance and the accrued interest at the end of the marketing year and establish that ratio as the allocation factor to be used for all sales proceeds applicable to that crop year.

5. Use the January interest rate charged by CCC to determine the amount of sales proceeds to be applied to interest during the calendar year.

We would appreciate your comments on the above proposals and any alternative suggestions you have for allocation of sales proceeds. In order that we can proceed with a determination on this, your comments/suggestions should be furnished by November 22, 1982.

Sincerely,

LESTER W. LECOMPTE.

ATTACHMENT 3

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., November 9, 1982.

MR. LESTER W. LECOMPTE,
Controller, Commodity Credit Corporation, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. LECOMPTE: It is my understanding that the Commodity Credit Corporation is presently reviewing sales proceeds assignment policies for the tobacco price support program.

It is my considered opinion that no change is required in the current policy of applying proceeds to the loan principal and then to interest. This method of repayment has worked well and the proposed changes would not be in the best interests of the tobacco program at this time.

The No Net Cost Tobacco Program Act of 1982 provides that costs associated with the tobacco program, except administrative expenses, not be borne by the taxpayers. Liability for repayment of principal and interest rests with program participants and would, therefore, make changes in sales proceeds assignment policies unwarranted.

In the event you feel compelled to make any changes in the sales proceeds assignment policy, I hope you will consult with me in advance.

Sincerely,

JESSE HELMS, *Chairman.*

Mr. HELMS. Mr. President, as previously noted H.R. 3392 passed the House of Representatives Monday under the Suspension Calendar because it is recognized as an interim measure to permit the orderly opening of the 1983 tobacco markets.

The bill simply freezes the loan rates for 1983 on all types of quota tobacco at the 1982 level.

It has been considered by the House under suspension of the rules because it is regarded as completely noncontroversial, and yet immensely beneficial to those thousands of tobacco farmers who would take enormous financial losses if the markets do not open on time this year. Those farmers who would be most particularly impacted are in the States of Florida and Georgia.

As already indicated, the House Committee on Agriculture, and the Senate Committee on Agriculture, Nutrition, and Forestry have both reported legislation which makes substantial adjustments in the entire tobacco program. These adjustments are designed to make U.S. tobacco more competitively priced in world markets, and to respond to criticism that the tobacco program ought to operate to the greatest extent possible to the direct advantage of actual tobacco farmers.

The comprehensive tobacco legislation freezes the loan rates at the 1982 levels for 1983, 1984, and depending on whether the cost of production increases 5 percent or less, also for 1985. In addition there are numerous other provisions in the comprehensive bill, S. 1529. These changes in the price supports for the years 1983–85 and the numerous other changes are vitally necessary to achieve the goal of restoring profitability to the U.S. tobacco economy. I can assure Senators that it is our intention to take up farm program legislation which would embody comprehensive tobacco program changes—without fail. It is absolutely necessary. Adoption of this interim measure will not substitute for the comprehensive measure, nor will its consideration be delayed in any way.

But the Senate is not now in a position to take up that comprehensive legislation. A commitment has been made to consider the Department of Defense authorization bill, and to take up legislation relating to a variety of farm program changes following that, probably beginning on July 18.

As I have already related, the Senate has a number of farm program changes to consider in addition to the comprehensive tobacco program changes. It is very likely that several days will be spent in the Senate on them. These include dairy program changes and cotton PIK program changes, and change in the target price levels for wheat, feed grains, rice, and cotton. These matters are not without controversy and opposition. It is impossible to predict at this juncture just how much time will be consumed in Senate consideration, not to mention House consideration, and in a conference with the House, and all the rest.

This potential for delay is the reason that the Senate should agree to H.R. 3392 right now.

Objection to its consideration and passage will accomplish no purpose except to create economic hardship for those farmers in the tobacco markets in Florida and Georgia which are the first to open. Of course, all tobacco farmers would be adversely affected if the delay were to extend beyond July 30, because the markets would have to go ahead and open with the 1983 loan rates at their present established level.

There is a consensus in the tobacco family that the price support would be too high in such a situation, and buyers would in consequence turn in even greater amounts to foreign tobacco.

I urge the Senate to agree to the interim measure now before us, and to approve H.R. 3392 without delay.

Mr. WARNER. Mr. President, I rise in support of this legislation which is simply a 1-year freeze on the price of all types of tobacco. With passage of this bill, the price support for tobacco in 1983 will be the same as in 1982. This is an interim measure that is not intended to take the place of the broader and more comprehensive legislation which has been reported out of the Senate Agriculture Committee. This interim, emergency legislation is necessary because Flu-cured tobacco markets are scheduled to open in Georgia and Florida on July 20 and in Virginia on August 8. Unless this legislation is passed prior to the opening of these markets, there will be much confusion with respect to what the Federal price support will be.

American tobacco is the finest quality tobacco in the world; however, in recent years the price has risen to such a high level that we are not only pricing ourselves out of the world market, but we are even beginning to import substantial quantities of foreign-grown tobacco.

The purpose of this legislation is to halt the escalation in the support price and to assist American Tobacco in improving its competitive position in the marketplace.

Last year, Congress adopted the "No Net Cost Tobacco Program." Under this program, growers must bear the cost of the tobacco price support system, except for governmental administrative costs. In this respect, the tobacco price support program is unique. The program is funded through an assessment which each grower is required to pay. This money is maintained in case the tobacco under loan must be sold at less than cost. If the scheduled price support increase for 1983 goes into effect, loan stocks could increase, which in turn would cause the farmers' assessment to increase.

Mr. President, tobacco growers are, by and large, family farmers. The tobacco program has provided the stability to preserve these rural jobs in our country. I hope that in the near future, Congress will pass the more comprehensive legislation which contains additional adjustments to improve the program. In the meantime, I urge my colleagues to support this 1-year price support freeze.

Mr. THURMOND. Mr. President, I rise in support of H.R. 3392, which will freeze the 1983 tobacco price support at the 1982 level.

This bill is essential to tobacco farmers in that it will result in a more stable price for their product, and thereby help prevent American tobacco from being overpriced on the international market. Due to the fact that tobacco markets in South Carolina will open near the end of this month, this legislation is very timely and will reduce uncertainty among tobacco producers over pricing at the opening of markets.

Mr. President, it is very important that the tobacco marketing process continue to be a smooth and dependable system. Tobacco is vital both to the economy of my State and to the Nation. Tobacco is the fifth largest cash crop nationwide in terms of value, with marketings of $3.5 billion last year. This important crop is grown in 22 States on some 200,000 separate farms. In South Carolina, tobacco is grown on over 5,000 farms and employs over 27,000 people.

In addition, Mr. President, the United States is the leading exporter of tobacco. Tobacco product exports greatly improve our balance of trade, with the value of U.S. exports amounting to over $2.8 billion in 1982. Last year alone, Federal, State, and local governments collected $7.4 billion in sales and excise taxes on tobacco. South Carolina received $29 million in taxes from the sale to tobacco products in 1982.

Mr. President, the importance of tobacco to our economy today is abundantly clear. Congress should help maintain the profitability and stability of this farm industry. Passage of this legislation will go a long way toward achieving this goal, and I hope that my colleagues can support this noncontroversial measure.

Mr. EAGLETON. Mr. President, I certainly have no desire to delay the consideration of this legislation, but I would like to make just a few comments regarding this proposal. I find it rather ironic that those who vehemently criticized amendments I had offered over the past 2 years as being antifarmer would now push legislation which embodies what they had fought so hard.

What is perhaps most ironic, though, Mr. President, is that as a direct result of their refusal to hold down increases in price supports back in 1980 when I had first proposed such action, our tobacco exports have declined, inventories of tobacco have increased substantially, tobacco quotas have been reduced, Government outlays for the tobacco program have increased, and tobacco farmers have seen their required contribution to the no net cost tobacco fund double and will probably see it at least double again in order to insure that the program is carried out at no net cost to the taxpayers.

I am concerned that even what is being proposed today may not be adequate to protect tobacco producers from a repeat of what happened with the 1982 crop, that being 24 percent of the Flue-cured and more than 31 percent of the burley crop going under loan. I have already been approached by one tobacco producer group from North Carolina that is seeking additional discretionary authority for the Secretary to reduce price support levels below the 1982 level. They sincerely believe that a price freeze now will not be adequate to address the problems U.S. tobacco is facing on the world market. Since the tobacco farmer is responsible for any losses incurred by the Commodity Credit Corporation in carrying out the price support program, it is certainly in their interest to insure that their product is as competitive as possible.

It should come as no surprise that those of us who have expressed concern over this program would support this legislation moving in a timely manner. Our only regret is that it has taken us so long to get to this point. I urge the adoption of this legislation.

Mr. BAKER. Now, Mr. President, I understand there are no further statements, colloquies, or other actions to be taken.

I ask that the Chair place before the Senate the question on passage of the bill as amended.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. HELMS. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

If there be no further amendments, the question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 3392), as amended, was passed.

Mr. HELMS. I move to reconsider the vote by which the bill passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I believe under the order previously entered, the Senate will resume consideration of the defense authorization bill. Before we do so, I express my appreciation to the two managers of the measure and the countless Senators involved in the clearance process, particularly the Senator from Ohio, who gave his clearance for the consideration of this measure.

Mr. METZENBAUM. I thank the majority leader.

Mr. HELMS. Mr. President, I simply want to express my deep appreciation to the distinguished majority leader, the distinguished minority leader, Senator HUDDLESTON, and all others for their cooperation and the expeditious manner in which this was handled.

Mr. BAKER. I thank the Senator.

Mr. BYRD. Mr. President, I join with the distinguished majority leader in the comments that he made. I also

thank Senator PRYOR for his courtesy in yielding.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate continues with the consideration of the bill (S. 675).

AMENDMENT NO. 1467

Mr. TOWER. Mr. President, it has come to my attention that a reduction made in the funding authorized for appropriations for the Department of the Air Force in order to reallocate the necessary funds toward procurement of 240 ALCM-B strategic air-launched cruise missiles was inadvertently taken from the improper account.

My amendment is intended to correct this technical misallocation and bring the bill into conformity with the committee's recommendation and intent. As a consequence of this amendment, $437 million will be restored to the Air Force research and development account and an offsetting $437 million will be reduced from the Air Force procurement account.

The $115 million of this reduction is to be made in the special support projects line of the Air Force procurement account and a further $322 million is to be made as a miscellaneous reduction also in the Air Force procurement account.

Mr. President, I send this amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 1467.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 11, strike "$12,499,116,000" and insert in lieu thereof "$12,936,116,000."

On page 18, line 24, strike "$8,532,334,000" and insert in lieu thereof "$8,095,334,000."

Mr. JACKSON. Mr. President, I have no objection to the amendment. It is a technical amendment growing out of a mistake that was made, as I understand it, charging the program to one account whereas it should have been to another.

Mr. TOWER. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1467) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I believe now is the time to recognize the Senator from Arkansas, if the Chair is so disposed. Let me advise Senators that this is a very important amendment. I regard it as one of the three most important issues to be addressed on the authorization bill. This, along with the B-1 and the MX, I think, ranks as one of the more important issues. I hope Senators will pay close attention.

I might note that for those Senators desirous of getting some insight on the implications of this amendment and our ability to negotiate a ban on chemical weapons, the U.S. Ambassador to the disarmament meeting in Geneva is available here on the Hill for consultation.

AMENDMENT NO. 1468

(Purpose: to prohibit the production of lethal binary chemical munitions and related production, facilities, equipment and precursor chemicals)

Mr. PRYOR. Mr. President, I have an amendment that I will offer shortly relative to prohibiting the production of lethal binary chemical munitions and related production, the equipping of facilities to produce these munitions, and for other purposes.

Mr. President, I offer this amendment today for myself and Mr. HATFIELD, Mr. HART, Mr. COCHRAN, Mr. LAUTENBERG, Mr. DURENBERGER, Mr. BURDICK, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. PROXMIRE, Mr. KENNEDY, Mr. MITCHELL, Mr. CRANSTON, Mrs. KASSEBAUM, Mr. MELCHER, Mr. MOYNIHAN, and Mr. HEINZ.

Mr. President, I send the amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR), for himself, Mr. HATFIELD, Mr. HART, Mr. COCHRAN, Mr. LAUTENBERG, Mr. DURENBERGER, Mr. BURDICK, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. PROXMIRE, Mr. KENNEDY, Mr. MITCHELL, Mr. CRANSTON, Mrs. KASSEBAUM, Mr. MELCHER, Mr. MOYNIHAN, and Mr. HEINZ, proposes an amendment numbered 1468.

Mr. PRYOR. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, line 3, strike out "$2,144,589,000" and insert in lieu thereof "$2,013,989,000".

On page 139, strike lines 1-23 and insert in lieu thereof "prohibition on procurement of lethal binary chemical munitions, related production facilities, equipment and precursor chemicals.".

SEC. 1013. (a) None of the funds appropriated pursuant to the authorization of appropriations in this bill may be obligated or expended, and notwithstanding any other provision of law no agency of Government may obligate or expend appropriated funds, for procurement of binary chemical munitions or for production facilities, equipment, or precursor chemicals for such munitions.

(b) For the purposes of this section, the term "lethal binary chemical munitions" means (1) any toxic chemical (solid, liquid, or gas) which is intended to be used to produce injury or death to human beings through its chemical properties, and (2) any device, instrument, apparatus, or contrivance, including any components or accessories thereof, intended to be used only to disperse or otherwise disseminate any such toxic chemical.

Mr. PRYOR. Mr. President, I am today introducing an amendment to the fiscal year 1984 Department of Defense authorization bill that would prohibit the production of lethal binary munitions by the United States. It would also call upon the President to intensify his efforts in the Committee on Disarmament with the Soviet Union on achieving an agreement to establish a mutual and verifiable ban on the production and stockpiling of chemical weapons.

The administration earlier requested approximately $157.2 million for the procurement of binary chemical equipment and munitions. Because of recently discovered operational problems with the Big Eye bomb, this request has been reduced to $130.6 million.

For the purposes of the RECORD and the general debate on this issue, Mr. President, I would like to include in the RECORD how this $130.6 million is broken out.

PRODUCTION FUNDS

First, $18 million for initial production of 155 millimeter binary shells.

Second, $30 million for the facility to produce DC, a chemical for 155 millimeter production.

Third, $16 million for equipment to make the metal parts of the Big Eye bomb.

Fourth, $35 million for facility to produce QL, one of the binary components of the Big Eye.

Fifth, $31.6 million for tools and equipment—Big Eye bomb load, assemble and pack the facility.

Mr. President, my amendment would delete all of the funds for the production of binary nerve gas. I would like to state that this does not delete any of the money that the Senate Armed Services Committee has asked for, which is approximately $700 million for chemical defensive systems which we must have: These systems include, for example, protective clothing, gas masks, immunization studies, and related and defensive mechanisms. It is with these systems that we defend not only our soldiers but also our civilians from possible nerve gas warfare.

Mr. President, I am opposed to the production of binary chemical munitions on these grounds:

First, we today have a sufficient stockpile of 155 millimeter nerve gas shells on hand. Even Defense Secretary Weinberger indicated earlier this year that the U.S. stockpile of 155 millimeter shells is in the "range of sufficiency" to deter any chemical warfare against our troops.

Second, our current stockpile of 155 millimeter and 8-inch chemical shells is not deteriorating to the point where it is obsolete. A special blue ribbon panel on chemical stockpile status appointed by Defense Secretary Weinberger issued an interim report on March 22, 1938, concluding that metal deterioration of the shells is not serious and that the military utility of both the 155 millimeter and 8-inch shells "has not been seriously degraded to date."

Third, the Big Eye bomb has suffered severe technical problems and is not ready to pass from the development stage to the production stage.

As we know, Mr. President, $82 billion of this request, which is on the floor of the Senate at this particular time, is for the production itself of the Big Eye bomb.

To date, there have been two successful tests of the Big Eye. The first was on May 31 of this year, and the second was on July 7. These first two tests dealt with the release of the bomb from the aircraft, the mixing in flight of the agent, and the dissemination of the agent from the bomb. There are to be approximately 40 tests in the development testing and evaluation of the revised Big Eye program. To date, we have the results of 5 percent of these tests. It would not be prudent at this time to proceed with the Big Eye program, consuming some $82.6 million, as we are only now beginning to take a second look at a weapons system that has been under development for 19 years, almost two decades. There will eventually be 60 operational tests and eventuations of this system, and the issue can be more effectively addressed when futher test results are in.

Fourth, from the standpoint of military utility, the agent that is to be delivered by the Big Eye bomb is wrong, in my opinion. VX, although persistent, has a vapor that does not last a long time. Most Warsaw Pact aircraft are sheltered and the VX would cause little degradation to the operational capability of these aircraft. Not only have the services come up with an outdated way to deliver the agent, they are also recommending what is in my opinion the wrong kind of agent.

Fifth, renewed binary production is a waste of money, Mr. President. Production of these weapons would ultimately cost between $6 and $15 billion in 1982 dollars and divert funds from other needed military programs. In fact, the production cost of one binary artillery shell is 18 times the cost of upgrading one existing unitary shell. Also, for each 155 millimeter binary artillery shell requested, the Pentagon could get four more effective, 155 millimeter high explosive artillery shells.

Sixth, in my opinion, we need to shore up our defensive equipment before we launch into exotic weaponry we do not need. In developing defensive equipment, not only for our own soldiers but for our civilians, as well, we have put into the field relatively good suits for individual protection. But we need to improve a number of areas—decontamination, remote-area detection, and collective protection in vehicles and stationary shelters. Remote sensors and alarms are an especially critical deficiency.

Seventh, this is an old argument of mine. I have made at many times on the floor, and shall, perhaps, have an opportunity to make it again, but it is well worth making once again: Chemical weapons do not kill those in combat, they kill civilians. Our troops and theirs are equipped to withstand the effects of nerve gas, but our people—our civilian women and children—are not. And neither are theirs.

Eighth, I have serious concerns, Mr. President, over possible implications of binary weapons on arms control.

To begin with, most foreign countries that we deal with would perceive production of binary chemical weapons by the United States as escalating the confrontation between the U.S. and U.S.S.R. in chemical warfare production.

In addition, I believe we now have the high ground as far as world opinion is concerned. We have tabled our detailed views on chemical weapons with the Committee on Disarmanent. Soviet stalling tactics have been witnessed by all members of the committee, and we must intensify our efforts at the bargaining table.

Third, Mr. President, the production of new chemical weapons could mark the beginning of a new kind of arms race. It could also result in the dangerous proliferation of chemical agents to Third World countries.

And, finally, deployment of these new binaries could represent a diplomatic problem, as most European countries have not been approached concerning their willingness to have these weapons on their soil.

Mr. President, the new 155 millimeter shell facility and equipment will soon be ready to produce binary shells. The plant is built. The equipment is being moved in. All that is left is for us to allow this funding to go through, and within a few short months we will see this country turning its back on a policy that has served us well. We will then reverse 14 years of no chemical warfare production and actually begin producing nerve gas, chemical weapons and agents on our own soil.

Let me assure my colleagues that I strongly support all of the defensive funding of chemical warfare—the suits, masks, antidotes, and research that is necessary. This amounts to in this particular bill some $700 million for these defensive measures, and I strongly support every dollar that we are putting into this defensive funding.

I believe very strongly, Mr. President, that any additional move to produce the 155 millimeter shell or to proceed at this time with the Big Eye bomb would be unwise. I think it would be destabilizing and it would be wrong.

My amendment, on the other hand, is separate and apart from all of the defensive measures that we have talked about previously. It would prohibit the production itself of binary chemical munitions. It would call upon the President to intensify our efforts at the bargaining table.

Mr. President, before I sit down, I should like for my colleagues to be fully aware of a report that was recently issued by the General Accounting Office. This particular report in summary goes on to speak of the many unanswered questions as to our chemical warfare doctrine. In fact, I think one of the main points about this particular General Accounting Office report is that it demonstrates the total absence of any chemical warfare doctrine that this country now has. Second, I think this report is very important because, once again, it demonstrates that the particular doctrine that is now going to be implemented, will be preceded by a new policy of producing nerve gas before that doctrine has been established. We do need to improve on decontamination, remote area detection and collective protection vehicles. This is stressed by the General Accounting Office report. The General Accounting Office also found that assertions about the specific technical and operational advantages of binary weapons are not supported by empirical evidence and must be recognized as possibly inaccurate.

Fourth, this General Accounting Office report concluded that we need more information on Soviet offensive chemical capability. We need more information on the mix of chemical and conventional weapons needed to achieve objectives. And it asks this question: "Are chemicals tactically more advantageous?"

The General Accounting Office also stated that we need to do an analysis of comparative delivery systems. We need to determine how to protect civilian populations. We need to study planning of use of chemical weapons more. Finally, the General Accounting Office concluded by saying that little

information is provided to compare unitary weapons to chemical weapons in terms of the national security and dollar costs.

Mr. President, this request of $130 million is inclusive of a 155-millimeter shell which we have plenty of, which has not deteriorated, and which is going to be costing some $48 million to just begin to replace.

Second, an $82 million request for the Big Eye bomb, which has researched and developed for the last 19 years. It is a bomb, once again, that has been tested 2 times with some 40 DT&E tests and 60 OT&E also yet to come.

Mr. President, I think it is wrong for us to go into production of the revised Big Eye bomb, one as dangerous as it is, and, two, knowing as little about the recently fixed Big Eye bomb as we know at this time.

Mr. President, this administration, since it has occupied the leadership of the White House and since it has basically committed our country to a $1.5 trillion defense preparedness program, has gotten every weapon system it has asked for with one exception—chemical warfare. I think today is the day that we must answer the question as to whether we are going to allow this administration to prematurely go back into production of chemical warfare and its agents as we know them.

I also hear on many occasions, Mr. President, of the need to have a bargaining chip with the Soviet Union. We are told that we need to go out and manufacture more chemical warfare agents and weaponry.

In conclusion, Mr. President, the production of more 155-millimeter shells because we have plenty of them already in stockpile, the production of a Big Eye bomb that probably will not work—it has only been tested two times with 40 DT&E and 60 OT&E tests yet to come—is not much of a bargaining chip for our country. It is trying to purchase, in my opinion, the illusion of strength. We know our own strength. The Soviets know our strength. I do not believe that if we pass this authorization today and go back into the production of chemical warfare and its agents that we will in any way strengthen the defense of this country or our ability to defend ourselves.

Mr. President, I yield at this time to the very distinguished manager, the Senator from Virginia, but before I do I ask unanimous consent to insert immediately following my remarks a statement by one of the cosponsors of my amendment, Senator DURENBERGER, of Minnesota, relative to chemical weapons and this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURENBERGER. Mr. President, the Senate is in the process of examining administration proposals to spend more than $6 billion over 5 fiscal years on chemical weapons production. The President's request for funds for fiscal year 1984, if passed, would end a 14-year moratorium on the production of chemical weapons, CW. I do not believe it is advisable to begin production for a variety of reasons, but principally because these weapons use up limited defense dollars and because there is no stated plan for their deployment.

Recently, the General Accounting Office completed a year-long investigation into chemical weaponry. Although much of the report is classified, the conclusions are public knowledge and require serious consideration by both the administration and the Congress.

In 1968, the United States unilaterally decided to halt the testing and production of chemical weapons and thus no new weapons have been produced. After an exhaustive survey of the literature and in-depth interviews, GAO investigators reported that "GAO finds that the U.S. chemical weapons system is generally not seen as a credible deterrent and that little is known about its function or its usefulness."

Therefore, one of the principal arguments offered by supporters is that resumption of a CW program will create a deterrent. However, the GAO report highlighted several flaws in our present policy and outlined the weaknesses of this deterrence theory.

One of the principal reasons that U.S. chemical weaponry may lack a deterrent effect is that the United States has no plan for deployment of these new weapons. The issue is not how many weapons we have—we have a huge arsenal. The issue is whether we know what to do with existing stockpiles much less new weapons.

The principal theater for chemical weapons is likely to be Europe but the NATO allies are unwilling to accept the weapons of their territory. Germany and Italy are prohibited from deployment by treaty obligations, and other NATO members have indicated their unwillingness to accept them.

If the funding proposal is accepted and production begins, we will need to articulate a deployment plan. This would surely involve discussion and coordination with our European allies. If a plan were announced, we could expect a popular outburst of protest against these weapons that may well exceed the current opposition to nuclear weapons. The net effect would be to futher weaken our alliance in the eyes of the Soviets. It would be foolish to foster further divisiveness in NATO by replicating the Pershing II-cruise missile controversy. Production and deployment decisions must be unanimous or we weaken the fabric of NATO.

A second issue of grave concern is the lack of a chemical warfare doctrine implementing any policy. As cited by the GAO in their investigative report, the United States is prepared to modernize its chemical weapons stockpiles without being able to test them and without knowing precisely how they would be used in combat and in what combination with conventional weapons. This point is particularly important because it builds on the uncertainty created by a lack of a deployment plan. Even if we knew where the weapons would be based, it is another matter entirely to decide how they would be used and under what circumstances. This matter is further compounded because we possess only a limited long-range air-strike capability and no long-range surface-to-surface capability at all, as the GAO noted. The recent failure of the Big Eye binary chemical bomb underscores the problems associated with testing and implementation of usage doctrine. It is clear that far more preliminary planning must be undertaken before production can even be considered.

A third concern I have deals with the cost of this program. Once the usage and deployment questions of any new program are resolved, a more comprehensive debate can be conducted on spending proposals. Deployment plans and doctrine can by analyzed and flaws or weaknesses pointed out. However, I can find no justification for spending more than $6 billion on a program that lacks clarity on these two points. The Department of Defense has acknowledged serious problems in the development of the latest model for chemical weaponry, the Big Eye. Given these serious flaws in the development of this weapon, the Senate Armed Services Committee voted to defer funding for it until the problems could be corrected.

Finally, attention has been drawn to the Soviet chemical weapons capability. The GAO interviewed many specialists in this field and found a commonly held perception about Soviet superiority in the production and deployment of these weapons. Grave concern about the use of chemical weapons in Afghanistan and Southeast Asia has prompted supporters to urge the development of a U.S. capability to act as a deterrent.

We have a deterrent. Our chemical weapons arsenal is already large. If we face any serious weakness in this area, it is primarily in things like detection and sensory devices or protective gear. Deterrence must be based on a combination of defensive means to protect our troops and offensive means to retaliate if necessary. We have the offensive capability. Why modernize it at a cost of billions when we still do not have enough protective gear?

The negotiators at Geneva and Vienna already have a full agenda for their arms control negotiations, but we can find an appropriate forum for the discussion of chemical weapons that I am certain our NATO allies would endorse. The confusion about how we will use these weapons and where they will be deployed weakens the case for them. The repugnance which all must feel for weapons that will kill people over a huge area—whether civilians or soldiers—makes it even harder for proponents to state their case. And our lack of protective devices makes it harder still to see why we should spend billions more on weapons which are neither needed nor morally acceptable.

Mr. WARNER. Mr. President, before taking the floor, I wish to advise my distinguished colleague from Arkansas that there are other Members who desire to speak in support of this amendment. Senator COCHRAN is due momentarily. As a courtesy to those Members who are associated with the amendment of the the distinguished Senator from Arkansas, I suggest that we wait just a few minutes. Therefore, Mr. President—

Mr. PRYOR. I say to my friend from Virginia that I understand we have two speakers coming to the floor immediately, Senator LAUTENBERG and also Senator HART, who plan to speak on this subject. I notice the arrival of Senator COCHRAN.

Mr. WARNER. Mr. President, I yield the floor to the distinguished Senator from Arkansas.

Mr. PRYOR. Mr. President, should the distinguished Senator from Mississippi care to give any remarks at this time, I would be happy to yield to him.

Mr. COCHRAN. Mr. President, I appreciate very much the Senator from Arkansas yielding to me.

First, I want to compliment him and the Senator from Colorado for their leadership on this issue. It has concerned me, Mr. President, for some number of years that our policy in the development of additional binary munitions, nerve gas weapons, is wrong.

For many, many years, we took the position in the world community that the appropriate thing to do was to lead other nations in the direction of dismantling and destroying all weapons that were capable of delivering chemical agents. I think it is important for the United States to continue to assert leadership in that direction.

To me, it is totally inconsistent with the efforts we are making in Geneva and in our effort to rally world opinion to our side on this issue to appropriate, or authorize to be appropriated, the funds for the production of a new series of modern chemical weapons.

I was very encouraged some time ago when we read that our negotiators at Geneva called for the systematic destruction of all chemical weapons. We also have urged that there be onsite inspections. That is a necessary and an important part of the effort to do away with the possibility of this kind of warfare being conducted by any nation.

On February 11 of this year, I read in the Dallas Morning News a report that was published by United Press International stating the Government's proposal to destroy all chemical weapons. Progress on a chemical weapons ban which had been under discussion in Geneva at the 40-nation disarmament conference had been said to have been prevented by Soviet refusal to accept the requirement of onsite inspection.

Whatever that problem may be, I think we can continue to work hard to bring the Soviet Union around to agreement on that issue, so that we can get full compliance by not only the Soviet Union but also by all nations with the ban that has been proposed by our Government.

I call attention to the fact that on February 15 I put into the RECORD, at page 2205, that complete news report, because I thought it was important for the Senate to realize that in spite of the request for funding of $158 million to build these new nerve gas shells, to update the so-called inadequate chemical weapon stocks we have, the administration was taking a very strong position in calling for a ban of all chemical weapons.

However, as I say, I am concerned that it is inconsistent, on the one hand, to be urging a ban on these weapons and, on the other hand, to be asking Congress to appropriate money to build new ones.

Although I was not on the floor to hear the entire statement by the Senator from Arkansas, I know he has pointed out that we already have substantial numbers of these chemical weapons that are already stockpiled; and although they may be somewhat old, they are still, by and large, usable and would certainly equip our forces to at least impose a threat of use, if that is considered important by the Defense Department in a combat situation.

I have had an opportunity to talk with representatives of the Department of Defense about this issue, and they are very concerned about the fact that I tend to be reluctant to support this new money for construction. They argue that we need this new capability to put potential adversaries in a disadvantageous position, in terms of forcing them to wear the protective gear and to adopt the defensive measures that would be necessary on the battlefield—that this would impede efficiency and would make it more difficult for them to wage any aggressive action in an effective way.

That is an interesting argument, but I contend that by using the weapons stock we have on hand now, we can cause that result, and we can cause that to occur without having to embark upon what could very well be a new, multibillion dollar spending program for a weapon that I do not think the United States would ever use in warfare.

This is another point. I do not know whether it has been discussed here today or not. To me, it is absolutely unthinkable that the United States would actually engage in chemical warfare in an offensive way on a battlefield anywhere in the world. Certainly, it would not occur in the defense of the continental United States, because we know that the damage that would be occasioned by the use of those weapons would be to the civilian population. I do not think that technology has advanced to the point that we could target the application of these weapons to a small geographic area and have the weapons selectively impair only the military forces on the battlefield.

We will have to come to terms with the reality of the use of these weapons in our own mind, as a part of the development of our national policy. Very real dangers will be posed to the civilian population, whether we are talking about Western Europe, Latin America, Eastern Europe—anywhere in the world.

Right now, our entire policy is directed toward the potential deployment of chemical weapons in the countries of our NATO allies. I am convinced that we will run into some of the most hostile opposition from our Western European allies if we even start discussing advanced deployment or making available to our forces in Western Europe any new stockpiles of chemical weapons.

We have already seen the difficulties that can be encountered with the discussion of deployment of modern missile systems which, it can be argued, pose no real threat and certainly no imminent danger to the civilian population of the Western European countries in which they are deployed; because if they are used, they will be targeted to areas hundreds of miles away, and the only real danger is the creation of an atmosphere in which they might suggest that they are in more danger of a preemptive strike from the Soviet Union or from a missile system in an Eastern bloc country.

This chemical weapons situation is a completely different kind of system. It would be used, we presume, against troops attacking or engaging in aggressive incursions into Western European countries. If they are so used, they will necessarily harm and kill, in a very inhumane way, the civilian populations in the countries which are allied with

us in NATO. I do not think that the leaders of the Western European nations are going to agree that these weapons can be deployed in their countries, and certainly they are not going to agree that they can be used unilaterally by the United States under any circumstances.

So if we are not going to use them, if it is just unthinkable that we would ever utilize this kind of weapon, why build it?

So I think there are many very good reasons for us to take a very careful look at this issue and put a stop to the policy that would cause us to commit millions of dollars, maybe billions of dollars in the long run, to a weapons system that is simply not needed. It should not be a part of our offensive policy in time of war, which I am confident our allies would find very objectionable if we considered deploying or using the weapons in their area.

(Mrs. KASSEBAUM assumed the chair.)

Mr. WARNER. Madam President, will the Senator yield for a question?

Mr. COCHRAN. I am happy to yield to the Senator from Virginia.

Mr. WARNER. Madam President, the distinguished Senator from Mississippi has raised a question of the possible use by the United States, and I am sure he is acquainted with the fact that we have a no first use policy of such weapons in the Armed Forces of the United States and indeed we are bound by a number of international protocols and treaties on this subject.

However, is the Senator aware of a publication put out by the Soviets, June 1983, in the form of a press bulletin during the course of the negotiations on the conference for the disarmament in Geneva? And I quote from page 3 of the Soviet document:

> Last year the Soviet Union put forward the draft "Basic Provisions of a Convention on the Prohibition of the Development, Manufacture and Stockpiling of Chemical Weapons and on Their Destruction." This document, now before the Committee, takes into account the results of the Soviet-American talks as well as the viewpoints of other states set forth both in the Committee and at the UN General Assembly. It represents a detailed and well-considered proposal covering the problem of banning chemical weapons in all its aspects.

I interject here my own observation. I now am approaching the key point that I find most troubling. I continue reading from page 3:

> It provides specifically for international control measures, including on-site checks on the observance of the future convention. Under the Soviet proposal if any State, party to the convention, is suspected of violating the convention international inspections may be made—with its consent—in its territory.

I repeat: "With its consent—in its territory."

I, therefore, draw to the Senator's attention the crux of this international debate on this issue. The United States, and I will point that out in my opening remarks soon to be made, has in every way tried to show its good faith toward eliminating this category of horrible weapons, but the Soviets on the key point of inspection have thus far indicated they would only do it with the consent of the country, that it would just mitigate and put a veto power on behalf of any nation to the international body going in and making an appropriate inspection.

It is for that reason that it is imperative that we go forward today and not in the context of putting a chip on the table in Geneva but more in the context of continuing to show the good faith of the United States to go forward in the international forum of the Conference on Disarmament and advocate a treaty which would be fair, equitable, and verifiable.

Thus far, at least as late as June 1983, there has been no indication on the part of the Soviet Union that they would meet such conditions, and I pose that in the form of a question. Was the Senator aware of that?

Mr. COCHRAN. Madam President, the Senator is aware of the fact that from the beginning of the debate in Geneva on this issue the Soviet Union has not agreed to onsite inspections as a part of a new international agreement.

I pointed that out in my initial statement and that is fully explained in a copy of this report from United Press International dated February 11, 1983, that I placed in the RECORD on February 15 of this year.

This is a crucial part of the issue and it points out the difficulty that our negotiators are having in Geneva in trying to get the Soviet Union to come to an agreement with us on this ban.

So I am not criticizing the fact that we are making every effort to get the Soviet Union to enter into an agreement with us, and I realize the onsight inspection is a problem, but let me ask the Senator this. I know he has had hearings on this issue, and I have submitted testimony, and we have had an opportunity to get into the issue in great detail because of the leadership of the Senator from Virginia. But does the Senator not agree with me that it is absolutely unthinkable for the United States to even deploy much less use this new generation of chemical weapons in an area where we think they might be used or we might be challenged by potential adversaries?

Mr. WARNER. Madam President, let us go back to the lessons of World War II. The Armed Forces of the United States in campaigns in Europe and in the Pacific were equipped with not only defensive equipment in the case of a gas attack but the necessary ordnance to retaliate if a chemical attack were inflicted on our troops.

History shows not in one instance—even in the last days of the Wehrmacht, the Nazis declined to use chemical weapons even under those desperate circumstances, knowing full well that the allied forces were prepared to retaliate.

The comparability on both sides spared not only fighting men but indeed the civilian populations particularly in Europe. It is for that reason that I and others most strongly urge the Senate today to accept the report of the Armed Services Committee which indeed I think is fair and equitable under the circumstances of a stalled treaty negotiation for a stockpile which we question as to the long-term viability and of the need under what I call a doctrine of fairness to the men and women today of the Armed Forces of the United States who are stationed throughout the world. I would think it unconscionable that we would put them in those forward positions knowing full well that they do not have adequate measure of protection in the form of retaliatory capability if an adversary were to initiate an attack.

Mr. COCHRAN. Madam President, I am still disturbed over the statement of policy that we would have a weapon that we are said to be prepared to use when I really do not believe that. I do not think that the Soviet Union believes we would use it. I do not think our allies would permit us to deploy it for use even in a retaliatory context.

To me, this kind of weapons system has no place in the arsenals of the United States. We have adequate capability to inflict damage with some of the most destructive weapons ever created by man. Surely, they are sufficient to provide us with a retaliatory capability against a chemical attack or any other kind of weapons systems attack.

Just because the Soviet Union may be producing a new generation of chemical weapons does not mean that we have to. I do not think that our national policy should be mirrored by what the Soviet Union is doing.

If we are taking the lead in the international community of trying to attract attention to the fact that there may be this kind of weapon used now in come parts of Southeast Asia—some argue very strongly that there is good, hard evidence of that—well, let us condemn its use and have the international community condemn its use, but let us not engage in the construction of a new era of chemical weapons just because the Soviet Union is doing so.

Let us put our dollars to use in developing defensive capabilities and figure out ways to protect ourselves from the possible use. If we are well protected and can withstand an attack by chemical weapons and can retaliate with other destructive weapons of our

own, then in my judgment that should be sufficient to protect the interests of our fighting forces in any potential battlefield situation.

Madam President, I do not mean to prolong the debate.

Mr. WARNER. Madam President, if the Senator will yield for clarification, I have listened intently to the points he made. Is the Senator arguing for a doctrine of unilateral disarmament in terms of chemical warfare capability?

Mr. COCHRAN. I am not suggesting that we destroy the existing stockpile we have. I am saying that probably is a stockpile that ought to be kept.

I do argue though that it certainly makes no sense to spend a lot of money building a lot of new weapons that we will never use.

Mr. WARNER. That begs the question. Would we not use the present weapons under certain circumstances?

Mr. COCHRAN. I doubt that we ever would. We have never in the history of our country used chemical weapons. If I were going to vote for the future now, if I were going to vote for an amount for the future, I would vote against it.

Mr. WARNER. I wish to remind the Senator of the war to end all wars, World War I, in which I have had a special interest from a historical viewpoint since my father was in it as a doctor and was indeed in the trenches at the time gas was used by both sides, so I think in the history of the United States regrettably we have been forced under certain circumstances to retaliate.

It is an interesting point in history that as soon as the AEF, the American Expeditionary Force, was equipped with it to be utilized then the use of it was terminated on the Western front.

Mr. COCHRAN. I appreciate being enlightened by the Senator from Virginia. As I said, he has shown a great deal of interest and leadership in his capacity on the Armed Services Committee, holding hearings, looking into this issue in depth, and I certainly agree he is more of an expert in this area than I am.

I am trying to discuss this through on the basis of a commonsense approach to whether or not we make available potentially billions of dollars for the construction of a weapons system that we will never use, and I am not satisfied that we will, and I think it is inappropriate for us to approve the provision of this bill that would lead us into a commitment to construct and presumably at some point in the future maybe to deploy or try to deploy chemical weapons.

Mr. TOWER. Madam President, will the Senator yield?

Mr. COCHRAN. I would be happy to yield.

Mr. TOWER. Is the Senator suggesting that we should spend no money on any weapons unless we actually intend to use them? That would be a rather dangerous way to proceed. That would suggest that we really should disarm ourselves because we are spending money on weapons we hope we will never have to use, but we spend them in order, we spend money on those weapons in order, to give us a capability that will deter attack on the United States or on its friends.

So I do not think the argument is well made that because it is unlikely we will ever use the weapon we should not spend money on it. It is unlikely that we would ever use a nuclear weapon, I pray it is unlikely we would ever use a nuclear weapon.

Napoleon once said about the bayonet that you can do anything with the bayonet but sit on it.

The modern corollary to this is that you can never do anything with a nuclear weapon but sit on it. I hope the same will be true of gas.

Let me remind the Senator that in World War II, even when his armies were in extremis, Hitler ordered his generals not to use chemical weapons against the Allies because he feared our capacity to retaliate. That is a perfect example of deterrence. Therefore, we did not have to use chemical weapons in World War II. But, thank God, we had them.

Mr. COCHRAN. Madam President, I appreciate the comments of the distinguished chairman of the committee, and I understand the arguments being advanced by the committee and by the Department of Defense on this issue. But I hope the Senate will be very cautious in its approach to this provision of the bill, and let us discuss it. If it is the policy—if it is consistent with the view of the Senate—that we ought to embark on this, of course, I accept that decision. But I am convinced that we are, in effect, wasting money by embarking on this new weapons construction, and I intend to vote for the amendment to delete the authorization.

I thank the Senator from Arkansas.

Mr. WARNER. Madam President, I think, at this point, we will accommodate our colleague from New Jersey, Senator LAUTENBERG.

Mr. LAUTENBERG. Madam President, I thank the Senator from Virginia.

Madam President, I rise as a cosponsor of this amendment to prohibit a resumption in chemical weapons production. I have joined my distinguished colleague from Arkansas, Senator PRYOR, and others in offering this amendment for two basic reasons. Beginning to produce nerve gas weapons again is not essential to our national security. Ending our 14-year moratorium on nerve gas production will only delay and make more difficut achievement of an international ban on these weapons that would add to our security.

The United States halted its production of chemical weapons on its own in 1969, convinced that the hundreds of thousands of artillery projectiles and bombs already held were adequate to deter the use of such weapons by others. Since that time, the United States has sought an international agreement banning the production and stockpiling of chemical weapons. Such a comprehensive ban would eliminate uncertainties that still exist, despite the 1925 Geneva Protocol governing actual chemical weapons use.

The Congress of the United States, in 1982, determined again that this was the preferred course. The Congress found renewed production of chemical weapons marginal at best, given a long list of other defense needs. It chose to concentrate on improving our chemical defensive capabilities and to press harder for efforts to ban further production, possession or use of chemical weapons. The Congress voted to prohibit chemical weapons production.

The prime reason we can continue along this course is that we maintain a stockpile of chemical weapons that are fully capable for deterrence purposes. In our stockpile, ready for use, are hundreds of thousands of chemical artillery projectiles, possibly more than 1 million. That number of chemical artillery shells is enough for 30 days or more of continuous chemical war in Europe.

A rigorous Army maintenance program in the last 5 years has actually increased the number of usable artillery projectiles we have ready. Defense Secretary Weinberger wrote the Armed Services Committee in February to note that this stockpile of munitions is compatible with current artillery pieces, that the quantity—hundreds of thousands—was in the range of sufficiency and that the shells still meet acceptable standards.

The Secretary's Blue Ribbon Panel on Chemical Stockpile Status issued an interim report earlier this year that noted, "Military utility of 155 millimeter and 8-inch munitions in stockpile have not been seriously degraded to date."

In terms of deterrence, Secretary Weinberger's reply to the Armed Services Committee was that the number of munitions stockpiled was sufficient—was, in fact, higher than the number of newly produced weapons proposed to replace them. With more than 10 percent of the current stockpile already deployed in the Federal Republic of Germany, these munitions are already where they need to be in order to be a timely, credible deterrent.

Resuming production now is not designed to bring a net increase in the chemical stockpile. The new munitions produced would add nothing to the ef-

fectiveness or reliability of our current stockpile if they are not fully tested and fully proven. There are few prospects of deploying any more chemical weapons to Europe simply because our NATO allies would rather not have them. None of this adds up to increased deterrence.

We should remember that chemical weapons are deadly weapons of war, particularly for defenseless citizens. Chemical weapons, like nuclear weapons, are classified as weapons of mass destruction. Tens of millions of civilians would die were chemical weapons used in Europe. It would hardly be a moderate step to use chemical weapons instead of nuclear weapons.

I believe the interests and national security of the United States can be best served by the achievement of an effective chemical weapons ban. Resuming chemical weapons production after 14 years would more likely complicate efforts to achieve a ban than ease the process.

This has been the general conclusion of three successive administrations. The Nixon administration laid the groundwork for chemical weapons negotiations with the Soviet Union. The Ford administration began the bilateral negotiations. The Carter administration continued the effort. We and the Russians negotiated actively from 1975 to 1980. Then the Reagan administration decided it would not renew the bilateral negotiations. It has not done so for 2½ years.

Negotiating with the Russians does not guarantee there will be agreement, but not negotiating with the Russians insures there can be no agreement.

Mr. TOWER. Madam President, will the Senator yield for a question?

Mr. LAUTENBERG. May I finish my statement?

Mr. TOWER. I just wanted to question the Senator on that particular point, if I may. I was present in Geneva when Vice President BUSH tabled a proposal for chemical weapons ban at the Disarmament Commission in Geneva back in February. So I would just question the Senator's facts on that particular occasion that the administration had chosen not to make this an issue.

Mr. LAUTENBERG. I thank the Senator from Texas for his comments. With respect, it is my view, notwithstanding, that there has not been an earnest effort to continue the negotiations on this basis.

Mr. TOWER. I think the Senator is in error. We have the ambassador to the Disarmament Commission here in the Capitol. We can get confirmation on this very shortly.

Mr. LAUTENBERG. Madam President, I ask the Senator from Texas, has there been any bilateral negotiations on this matter?

Mr. TOWER. There has not been bilateral negotiations. There has been a proposal by the United States. Let me say, the Senator said we can solve this matter by negotiation. Our negotiator says:

> There seems to be little incentive for the Soviets to negotiate away a clear, preponderant advantage, particularly if they are confused as to our commitment to maintain a viable deterrent capability.

Ours would be useless by the end of this decade.

Mr. LAUTENBERG. I thank the Senator from Texas for his comments.

Madam President, we need a more convincing case before renouncing the prudent policy of a chemical weapons production moratorium and serious bilateral negotiations with the Soviet Union. We deserve a more compelling case for adopting, instead, the expensive policy of renewing nerve gas production and the dangerous policy of refusing to negotiate directly with the Soviets to ban these weapons of mass destruction. It is such a ban that would truly add to our security.

I urge my colleagues to join with the House in rejecting renewed chemical weapons production by supporting this amendment.

Madam President, I yield the floor back to the Senator from Arkansas.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Madam President, first of all, I wish to indicate my pleasure of being associated with the Senator from Arkansas, Senator PRYOR, in his effort to attempt to delete the effort to revive the chemical weapons system under this authorization bill.

Madam President, it appears to me that this whole effort is unjustifiable at every level of consideration, the military, the diplomatic, or arms control, the political, and the moral.

There are two very, I believe, salient arguments to offer on behalf of the fact that this is a moral question. First of all, this weapon kills civilians, not military. Let us understand that clearly. This is not really something that is going to be aimed, in its ultimate deadly character, toward military, but toward civilians, because the military can prepare and defened against it. No. 2, nerve gas is so grotesque, so barbaric, that we are compelled to strain our intellectual abilities to their utmost in the search for alternatives to this policy of production.

As it stands, there is no need for such intellectual strain as it is glaringly apparent that there is no case for this weapons system.

First of all, on the military question. Let me refer to a letter signed not by the Quaker Church, but let me refer to a letter signed by Rear Adm. Thomas D. Davies, U.S. Navy, retired, former Assistant Director, U.S. Arms Control and Disarmament Agency; Vice Adm. John Marshall Lee, U.S. Navy, retired, former Vice Director, NATO Military Committee; Robert S. McNamara, former Secretary of Defense; and Cyrus R. Vance, former Secretary of States.

I do not think there is a dove in the group. For those who like to oversimplify this argument, it is an argument between hawks and doves, and other such superficial analysis.

I quote from this letter:

> In our opinion, the adequacy of our existing stockpile of chemical munitions, and the technical, operational and political uncertainties surrounding the proposed binary chemical weapons program thus argue strongly against funding binary weapons production at the present time.

Madam President, let me also quote from Secretary of Defense Caspar Weinberger in a February 1, 1983, written response to questions from Senator SAM NUNN of Georgia. Secretary Weinberger wrote:

> For procurement of new artillery shells, the need is not one of redressing a clear lack of military capability. The quantity is in the range of sufficiency (at least for U.S. forces) and actually is higher than the planned acquisition quantity for the binary projectile.

On April 29, 1983, the General Accounting Office report to the Congress, entitled "Chemical Warfare: Many Unanswered Questions," considers these factors and concludes:

> The available data do not sustain the argument that binaries offer substantial technical and operational advantages over existing weapons.

The extensive hearings I held last year reinforce and corroborate the finding that our current stockpile is more than adequate and that the uncertainties surrounding the binary program are immense.

Let us look for a moment to the arms control front as an issue relating to this weapon. I would like to refer my colleagues to a letter from Mr. Charles C. Flowerree, former head of the U.S. Delegation in Bilateral Negotiations on Chemical Weapons; and Mr. James F. Leonard, former Assistant Director, U.S. Arms Control and Disarmament Agency.

> In the work on chemical weapons now underway in the Committee on Disarmament in Geneva, the United States occupies the political high ground. The draft chemical weapons proposal tabled by the United States earlier this year is regarded by the delegations of allied and non-aligned countries alike as a serious and fair approach.
>
> They would perceive the commencement of production of binaries by the U.S. as an escalation of the confrontation in chemical warfare capabilities between the U.S. and the Soviet Union. Such a development would cause a deterioration in the favorable atmosphere in which the U.S. negotiators are now operating.

ON THE POLITICAL FRONT

We are currently facing pressures, because of new weapons we want to deploy in Europe, on the cohesion of the NATO Alliance which become

more counterproductive and unbearable with each passing day.

The Europeans cannot be fooled. They know that these weapons are intended primarily for deployment of their soil. Logistically and militarily they are useless if not forward deployed—and they know it.

Reckless and unsound judgment, because the Pentagon must have everything, however ludicrous, wasteful or in this case hideous. We are willing to slowly destroy the bonds of the alliance upon which our true security lies.

Upping the chemical competition, Madam President, does not raise the nuclear threshold; it lowers the nuclear threshold. Pressures for surrender or escalation will increase.

Internationally, Madam President, the United States is the leader of military technology in the world. This action would signal that nerve gas is, in fact, a useful military instrument. Is that the message we want to communicate?

Let me also say that that message communicates to the terrorists and desperate governments unable to develop a nuclear capability and they will be most interested as well in this kind of weapon.

To the members of my party, I say, if I were a Member of the minority, I would make sure that the television sets of America are filled with political advertisements showing the infrastructure of America coming apart at the seams, schools deteriorating, health clinics closing, while shiny new nerve gas factories glisten in the sun. Ultimate example of skewed priorities in precisely what this issue is. A $130 million down payment on a $5 billion to $10 billion program.

Where are all the fiscal conservatives here who like to stand on this floor and in the political hustings and speak about how we are going to balance the Federal budget and reduce Federal spending?

Let me just remind this body that in the last 3 years we have, in the appropriations process, increased all nonmilitary programs, including entitlements, by 1 percent. But in that same period of time we have increased military spending by 18 percent.

This is out of balance. For those who are concerned about the economic future of this country, about inflation, unemployment, high interest rates, this is the place to start taking the action. We have been very selective. All of our so-called fiscal constraints have been applied to the nonmilitary where report upon report piles upon us as to the waste today in military spending. Let us not fall from that Rooseveltian New Deal conundrum that used to equate dollars with solving a problem. Dollars do not equate to security. This is another good example today.

I thank the Senator from Arkansas for raising this issue on the floor. I am very glad to support his effort.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Madam President, it is easily suggested here that we can negotiate a chemical ban without having much of an inventory of the weapons ourselves. Much has been made of the inventories we now have, which, I may note, have two features.

One is the systems that are now in our inventory are old and deteriorating and dangerous to their handlers.

The second point is that by the end of this decade, everything that we now have in our inventory will be useless.

I do not know where anybody in this Chamber got the notion that the Soviets are prepared to negotiate with you when you have very little or nothing to negotiate with.

When have the Soviets demonstrated a clear willingness to give up a substantial and marked advantage in a peculiar kind of weaponry?

There is no affirmative answer to that question. They have not.

Let us look at the Soviets' record.

Let me ask my colleagues who advocate this, since we unilaterally ceased the production of chemical weapons in this country, has there been a corresponding restraint by the Soviet Union? Can anyone on that side answer me in the affirmative? Maybe the distinguished Senator from Arkansas can answer that question.

Since we unilaterally discontinued the production of chemical weapons, have the Soviets acted with similar restraint?

Mr. PRYOR. I would like to respond to the chairman of the Armed Services Committee by saying that no one today, according to the General Accounting Office, according to every source I have been able to find, no one today can speak with any degree of truth or veracity about what the Soviets are producing in chemical warfare or about how they are utilizing it. We do not know that answer today.

I think the Senator is really basically raising an issue that may be even somewhat moot because we do not know the answer. I do not know it.

Mr. TOWER. Does the Senator believe, or I suppose he believes, that the Soviets have themselves not been engaged in the production of chemical weapons in the period of time that we have not been engaged in.

Mr. PRYOR. I would answer the Senator from Texas by saying let us assume that right now they are making chemical weapons to beat the band, having a good time, turning out nerve gas. Maybe they have something similar to our Big Eye bomb but I bet it works. I bet they will not produce it until it does work. I bet they do not risk their pilots and $15 million planes carrying a Big Eye bomb that has only been twice tested.

Mr. TOWER. The Big Eye is not the issue here.

Mr. PRYOR. The Senator just conceded that the Big Eye bomb is a serious issue. This amount of $82 million is to produce the Big Eye bomb, not to study it. That is very much the subject of our debate this afternoon. I am trying to restrict the production of funds for the Big Eye bomb because that bomb has questions, that bomb has flaws. It has been researched for 19 years. Any time you research a bomb for 19 years and it still does not work, I say to the distinguished Senator from Texas, there is something wrong with that bomb.

Let us assume the Soviets are producing chemical warfare weapons. I would say this, that our present stockpile, as evidenced by information, by a letter from Secretary Weinberger to our colleague Senator NUNN in February of this year, indicates to me without any problem whatsoever or any reservation on my part, that our supply of 155-millimeter shells has not deteriorated to the extent that it jeopardizes our country and, further, the Weinberger statement indicates to this Senator from Arkansas that our supply of 155-millimeter shells is adequate for the time being.

So let us assume the Soviets are making all these chemical warfare agents over there. I say we have an adequate supply. It is deliverable. The GAO has indicated in several reports in the last 5 years that our supply is adequate.

I would just say to the distinguished Senator from Texas that we could produce all the chemical weapons for warfare we want to, but it is still not going to improve our defense posture and, two, it will not provide one iota of additional bargaining chips in dealing with the Soviets.

Mr. TOWER. May I say, Madam President, that our negotiators believe to the contrary. I have already read a statement by Ambassador Field who is here and available to talk to Senators who want to talk to him.

Our negotiators feel that what we are doing here if we act favorable on the amendment of the Senator from Arkansas is to seriously undermine our negotiating capability.

Relative to Big Eye, by the way, we have had two successful flight tests recently.

But let us look at other aspects of this. If we have a superior capability, one that poses less danger to the handlers, poses less danger in storage in the binary system, why not replace on a 1-for-1 basis these old weapons that are dangerous, of questionable safety, with these newer and more safe systems?

Madam President, let me take note of some aspects of this issue. We cannot just talk in terms of numbers of systems we possess. Let us look at the following issues.

Safety. The newest unitary round is over 16 years of age. There have been no test firings of this round since 1969. There is no guarantee that the rounds will function properly.

Incorrect mixing agent type. It has been determined that nonpersistent agents are necessary on the mobile modern battlefield. Less than one-half of the current unitary rounds are of the nonpersistent variety. The 155-millimeter binary rounds will all be nonpersistent agents. The current stockpile of nonpersistent agents is insufficient for U.S. use.

Deterioration of agent strength. The blue ribbon panel established by the office of the Secretary of Defense has confirmed that there is serious deterioration of the strength of the agent contained in our unitary rounds. The panel's best estimate is that by 1990, the strength of the agent within our unitary rounds will have deteriorated to 50 percent. The panel, however, cannot guarantee against the possibility of catastrophic deterioration rendering our stockpile virtually useless. At present, our binary rounds have deteriorated to the point of only 80-percent strength.

Further, and finally, operational safety and range. The unitary agent is subject to release in a battlefield environment due to enemy fire. Binary rounds, however, do not present this danger. The range of our current unitary rounds is only 18 kilometers. The range of the new binary rounds will be 22 kilometers.

So, Madam President, what the proposers of this amendment are seeking to do is prevent us from incorporating more safety in our chemical warfare capability, a capability that, in my view, we must have as a deterrent, for the same reason that we have any other kind of weapons systems—for deterrent purposes, not because we want to engage in first use. We talk about first use of any weapon. What we ought to talk about is first use of any weapon. I trust it will always be the policy of the United States not to initiate a war in the first place. That is the first thing because, in the heat of battle, one is tempted to use almost anything in his arsenal. The important thing is to not start the war in the first place. That is what we are trying to avoid: Do not fire the first shot.

If there is any aspect of our military capability that is so weak that it tempts attack against us, then obviously our deterrent is inadequate and we enhance the possibility that someone might launch a war against us with the notion that it is indeed a winnable war. In my view, nothing could be more calculated to enhance the prospect that American soldiers would die in a chemical warfare environment than the adoption of the amendment of the Senator from Arkansas. There will be no incentive on the part of the Soviets to negotiate if we do not have a modern chemical warfare capability.

May I further say that I do not think that anybody in this body has had experience negotiating with the Soviets, with the possible exception of my distinguished colleague on the Armed Services Committee (Mr. WARNER), who was engaged in negotiations with them back in his days as Secretary of the Navy. But I have looked over the shoulders of negotiators who have negotiated with the Soviets. I have talked to Soviet negotiators. I remember a chilling thing said to me at Geneva one time when I was engaged in conversation with Aleksandr Shchukin, who was the scientific adviser of Semyenov, the Soviet negotiator on SALT II.

I said to him, "Dr. Shchukin, we have unilaterally given up the B-1 bomber. What will you do in response?"

He said to me, "Senator, I am neither a pacifist nor a philanthropist."

I think that is revealing of the mentality of the Soviet negotiators. I believe Ambassador Field is right, and he is out there on the cutting edge, when he says:

> They have modernized their chemical warfare capability whereas we have not produced such weapons since 1969. In these circumstances, there seems to be little incentive for the Soviets to negotiate away a clear preponderant advantage, particularly if they are confused as to our commitment to maintain a viable deterrent capability. There is, to be sure, evidence of Soviet apprehension over the binary weapons.

It is that apprehension that will make them willing to negotiate should we demonstrate a willingness to produce it if necessary.

Let me quote another letter received by me from the Secretary of State, Mr. Shultz. He says:

> As long as the Soviets are assured that the United States will do nothing to improve or even maintain its chemical weapons deterrent capability, they will have little incentive to conclude a verifiable ban.

That is from the people who are out on the cutting edge of the negotiating process.

We have heard, too—I do not have a direct quotation, but I have heard on several occasions similar statements made by Vice President BUSH, who tabled a proposal before the Disarmament Commission in Geneva back in February.

This, by the way, cannot be considered just a bilateral matter, because the Soviets have not observed nonproliferation as far as chemical weapons are concerned, because we know the Vietnamese use them against the Cambodians and Laotians. Of course, we know that other Western nations, whether they actually have chemical weapons or not, can certainly build them because the technology is not all that complicated. Therefore, I think we can assume that if we are going to have a viable chemical warfare ban, we are going to have to negotiate on a multilateral basis. Obviously, the prime players are the Soviet Union, but I see little likelihood, I do not believe anyone who properly understands the Soviets believes that they are going to give up an advantage over us as long as they think we will do nothing.

Oh, they might make a gesture, must say we will reduce our stockpile by a certain amount. But as to verification, do you think they will permit adequate verification? No, they will not. In the proposal that they tabled in Geneva, they suggested that they have a veto over any right of inspection. So they do not really mean to accept anything in the way of real verification.

Here is what the Soviets actually say:

> The state party to which such a request is sent may treat the request favorably to decide otherwise.

That is what they say. This clearly shows that Soviet lack of political will to move on onsite inspection, which is, I think everyone will agree, essential to a meaningful verification system.

So there is the picture, Madam President. I hope we will not place ourselves at a negotiating disadvantage and place our troops out on the central front in jeopardy of, if they ever have to fight, being subjected to these terrible weapons, which we all agree are terrible. I do not think there is any disagreement on that, they are probably more terrible than either the Senator from Arkansas or I might realize. I certainly know I have never even witnessed chemical war or seen many people who are victims of it except a few old soldiers from World War I. It is terrible, we all agree.

Any kind of warfare is terrible. War is a detestable means for men and nations to resolve their differences, but we have to understand the real world we live in, the threat that is posed against us by a country that has demonstrated greater willingness to engage in military aggression to the United States. We must be prepared to confront that threat with whatever spectrum of weapons is necessary to defend ourselves.

Mr. JACKSON. Will the Senator yield?

Mr. TOWER. I yield to the Senator from Washington.

Mr. JACKSON. Madam President, I shall be very brief. I want to associate myself with the remarks of the distinguished chairman of the committee.

What we are really trying to do, Madam President, is to find ways and means to get the Russians to the conference table. Negotiations have gone on for years. There has been no willingness on their part, knowing the state of our stockpile, to engage in meaningful negotiations. The problem of the pending amendment is no different than the problem we have in trying to get the Soviets to negotiate in a meaningful way to eliminate another catastrophic weapon, the intercontinental ballistic missile systems.

Madam President, I am convinced, if history is any guide, that the Soviets are not going to respond if they have modern chemical weapons in abundance and we do not. This is exactly what has been going on as demonstrated by their unwillingness to negotiate.

May I again remind the Senate that in World War II Hitler's general staff for a while considered the use of gas and other chemical agents, but when they were made aware that the Allies had adequate means of retaliation it was never attempted. Again, the word is deterrence. I think commonsense tells us that we ought to avoid, as I want to do and as every Member of this body wants to do, the possible use of these catastrophic weapons. In the case that we now have before us, I cannot think of a nastier weapon, a weapon that comes as close to a genocide weapon as anyone can imagine. We know how difficult it has been to try to police the Geneva agreement outlawing biological warfare with reports of the use of such weapons turning up here and there. We have had evidence of violations of the Geneva Treaty.

Madam President, I believe that if we are going to get any kind of movement at the conference table, we have to take the step proposed by the Armed Services Committee. I hope that the amendment will be rejected in the interests of obtaining a treaty and to provide the wherewithal to our negotiators so that their Russian counterparts will be willing to sit down with the goal the abolishment of the systems that we all deem to be the ultimate in evil.

Mr. WARNER. Madam President, I yield the floor to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. DENTON. I deeply respect the intentions of the Senator from Arkansas with his amendment. I do ask his indulgence in hearing my reasons for disagreeing with it. I am sure that the letter from Secretary Weinberger, to which the Senator has referred, is not inconsistent with the rebuttal offered by the chairman of the Armed Services Committee to the implications drawn by the Senator from Arkansas when he quoted Secretary Weinberger as saying, "Yes, numerical sufficiency is not the issue."

The issues are an incorrect mix of agent type, the deterioration of agent strength, the operational safety and range, factors which introduce the consideration to which I ask the Senator from Arkansas to please listen.

I have been to Fort McClellan and heard the Army plea for modernization of our chemical weaponry. They say that if we do not do this, the Soviets will be able to walk to the Atlantic because in part of the superiority of their chemical weapons. They could do that, say 5 years from now when ours have become obsolete. Or they might be able to do it now because of the inferiority because the discrepancy in ranges which means that the Soviets employing chemical weapons can stay beyond our range. Our troops will have to get into suits, put on masks. Some of them will die of heat prostration, if this is in the summertime, and they will be so encumbered in terms of operational capability and logistical motion, movement, that we will be at a fatal disadvantage to the Soviets.

Therefore, all we are asking is, one, that our Army be permitted to survive by having the same capability as the Soviets, and, two, that we help motivate the Soviets to negotiate on the only basis that I can assure you they will negotiate on; namely, they have something to gain or something they do not want to lose.

I assure the gentleman, the Senator from Arkansas, whom I respect and love, that his heart and mind may not be capable, as good as they are, of understanding the degree of cruelty which is in Soviet planning. We know what they say they plan to do with their chemical warfare. I could read it. But I can assure the Senator that the Soviets are willing to hurt you so much you would not believe it. They are not humane.

I negotiated with them when I was in prison. After mistreating us, some for as much as 8 years, they finally tried to fatten us up to present us to the American public. It took them 3 years to try that. The only way we could get concessions from them was to refuse to eat, to fast even when we were relatively starving, so that we would not get fattened up the way they wanted us to. Then they would concede that we could say a prayer in a cell, or they would concede that we might get outside 5 minutes a day to get some sun. That is the only kind of negotiating behavior they respond to.

The gentlemen who support the provisions in the bill are intelligently and humanely requesting that you permit us to come up with the wherewithal that could cause the Soviets either not to continue to produce their chemical weapons or not to use them on the battlefield. We do not now have adequate means by which to insure either of those things.

Mr. President, after those remarks in response to the Senator from Arkansas, I turn to a statement I prepared in an effort to contribute to this debate.

Mr. President, I am deeply concerned about the growing Soviet chemical warfare threat and our inadequate capacity to respond to it. Without question, the Soviet Union has the best equipped and trained forces in the world for conducting sustained chemical warfare, and doing so as an integral part of overall military operations.

It is abundantly clear from its publicly stated doctrine that the Soviet Union considers chemical weapons to be a powerful means of influencing the outcome of battle. Soviet military commanders assign complementary roles to conventional, chemical, and nuclear weapons. Massive use of chemical agents, integrated with conventional weapons and delivered in depth on the battlefield by a variety of means, is incorporated into authoritative publications on Soviet military doctrine as the means to achieve major penetrations, exploit success, and destroy the sustainability of NATO forces. The doctrine incorporates the use of chemical weapons whether or not nuclear weapons are used.

Soviet doctrine plans for the use of chemicals throughout the battle area: Against maneuver forces, nuclear delivery systems, airfields, and ports, and major logistics storage sites. Our intelligence shows clearly that Soviet doctrine is supported by the superior Soviet chemical arsenal with weapons systems that can deliver chemical warheads throughout the battlefield, both at the frontlines and deep in the rear, with rockets, missiles, mortar shells, artillery projectiles, and aerial bombs.

The Soviet arsenal includes multiple agents, both lethal, and incapacitating: Nerve gas, blister agents, blood gas, harassing agents, and relatively new toxins, incapacitants, and lethal agents being used in Afghanistan and Southeast Asia. The Soviets have the existing capacity to produce those agents in very large quantities. The Soviet chemical industry as a whole has undergone an approximately eightfold increase in the value of output from 1960 to 1980, while the rest of Soviet industry has grown only fourfold in total output. In 1981, the Soviet Union imported some $400 million worth of chemical machinery, mostly from the West.

The Soviet Union has stockpiled chemical agents in large quantities. Although the size of the stockpile is not precisely quantifiable, it is known to be extensive and deployed in forward regions in Europe and Asia. Chemical

weapons are immediately available to Soviet commanders at all levels.

Since 1969, the Soviets have continued to update their chemical arsenal, and they have started using it in Asia. It has been estimated that the Soviet Union has an advantage of 5 to 1 in chemical warfare delivery systems, at least a 4 to 1 advantage in chemical munitions, and a 12 to 1 advantage in chemical personnel in peace time, with a potential for a 20 to 1 or greater advantage in war.

In contrast to the massive Soviet effort, the United States has not produced any chemical agents or munitions since 1969. We have an inadequate stockpile that is aging and becoming obsolete as new delivery systems are brought into the inventory and old delivery systems are retired. The Soviet commanders have the capability to deliver chemical munitions to any point in a military theater, while we now can engage their troops effectively only out to 18 kilometers, and even that capability is limited.

Against those odds, it is nonsense to believe that we can prevent or deter the Soviets from using chemicals unless we develop a capability that could eliminate the significant advantage they would gain from using them. The Soviet use of chemical munitions in accordance with their public doctrine holds out the spectre, for example, of an ability to conduct a rapid and low-cost invasion and conquest of Western Europe in a matter of days. Our forces, and other NATO forces, are simply not in a position to deter or to counter Soviet battlefield use of chemical weapons.

After years of setting aside the difficult issue of our capacity to deter Soviet chemical warfare, it is time for us to come to grips with the threat and with the problem of countering it. We can no longer stand by and watch, in effect unilaterally disarming by our failure to act. We must decide now to restore our capability to enhance the national policy of deterrence and to reduce the potential of a chemical war. The consequences of failing to do that will be a period of rapidly rising risk, diminished flexibility of response, and lowering of the threshold for the first use of nuclear weapons in response to a chemical assault that we can neither resist nor counter by our own chemical warfare capability.

Any further deterioration of the U.S. capability further mortgages the survivability of our forces and the lives of our fighting men. This is one debt that we have refinanced too often. We must act in the interest of our men and women in uniform who face the Soviet threat. If we do not improve our readiness, we will invite chemical warfare against us and we will risk a decisive defeat.

Mr. President, a recent article in Parade magazine has described the problem in graphic and persuasive terms for the people of the United States. Our constituents are justifiably concerned by the picture that article conveys, and indeed they may understand the situation more clearly than do many in Congress. I commend the article to my colleagues, and I ask unanimous consent that it be printed in full in the RECORD immediately following my remarks.

I urge my colleagues to support the committee provisions for the first steps in modernizing our chemical arsenal. They are reasonable, carefully formulated, and in the best interest of our service personnel, of the security of our allies and ourselves.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Parade magazine, June 26, 1983]

HOW THE SOVIETS USE CHEMICALS TO WAGE WAR

CONVENTIONAL WEAPONS ARE COMPLEX AND EXPENSIVE—POISONS ARE CHEAP—AND THEY HAVE THE KILLING POWER OF NUCLEAR WEAPONS WITHOUT ATTRACTING SO MUCH ATTENTION

(By Al Santoli)

The Phu Bia Mountains of Laos are greenest in November. The long winter monsoon rains have ended and wildflowers are abundant in the rugged foothills. Lee Mai, a 25-year-old schoolteacher in the village of Moung Hong, was walking in a neighbor's field when he saw the helicopters come again.

He watched in horror as the metal birds circled above the community of 300 wooden and grass thatch houses. Startled parents tried to grab their screaming children and run for cover as exploding clouds of red smoke and a musty yellow rain descended from the sky. Those covered by the wet, sticky substance began spinning wildly in uncontrollable seizures, gasping for breath, blood spouting from their noses and mouths as they died.

Two years later, November 1982, across the Phu Bia range in the village of Nong Ching, 13-year-old Mai Lor was on harvest vacation from school. Early in the morning, as she was walking to begin work in her father's rice field, she saw an airplane spray the mysterious yellow substance. After cautiously waiting a few hours. Mai entered the field. She became dizzy and nauseous; her skin turned itchy and began to blister. For a week after the attack. Mai's entire family was bedridden with fever, nausea, diarrhea and burning eyes. Neighbors who had been directly sprayed died a violent death, blood pouring from every opening in their bodies.

The Lor family learned that neighborhood villages, inhabited by Hmong tribespeople—many of whom had been America's allies in the war against the Vietnamese invaders and their Pathet Lao surrogates—had experienced "yellow rain" attacks in recent months, suffering many deaths. In January 1983, the Lor family tearfully made their last visit to the Nong Ching community church and joined their neighbors in a dangerous two-week walk to seek refuge across the Mekong River in Thailand.

In 1975, the Hmong population numbered 400,000 out of a total population of 3 million Loatians. Today, it is estimated at less than 75,000. Most have been killed or driven out by starvation or lethal chemical attacks. Dr. Khamsenkeo Sengstith, former bureau director of the Laotian Communists' ministry of health, defected to Peking in 1981. He states: "The Vietnamese use chemical weapons in the air and on the ground, killing thousands upon thousands of people."

American and Thai intelligence have monitored Soviet radio transmissions inside Laos regarding shipments of chemical weapons to the Phu Bia region and a Soviet general inspecting chemical munitions depots. The Laotian Air Force is run by 500 Soviet advisers. A Laotian pilot who defected in 1979 gave a detailed description of the chemical warfare missions he flew and the overall Soviet-Vietnamese program being waged against the Hmong. His accounts were verified by previous civilian refuge and resistance-fighter testimonies and satellite photographs. The pilot said this program is named "Extinct Destruction Operations" and is intended "to wipe out the Hmong people."

In 1963, reports of chemical-biological warfare (CBW) came out of Yemen. Since then, they have come from remote mountain regions in Laos, Cambodia, Vietnam and Afghanistan. Thousands of terrified homeless people have told the same story and have shown the same horrifying medical symptoms. Soviet military manuals explain the operational use of these weapons. Soviet bloc defectors testify to their use. Physicians document and treat countless victims. Yet world governing and scientific tribunals remain paralyzed and refuse to acknowledge the use of these weapons because they fear a new chemical arms race and are intimidated by the implications of underlying Soviet intentions.

Dr. B. A. Zikria, professor of surgery at Columbia University College of Physicians and Surgeons and a pulmonary specialist, has worked inside Afghanistan, caring for Mujahidin resistance fighters and civilians. In Baluchistan, he found a large number of people suffering from a mysterious variety of symptoms including chronic nosebleeds, nausea, shortness of breath, nervous tremors and skin lesions. All the victims described being attacked by black or yellow smoke from Soviet aircraft.

Some doctors found that the victims' skin problems only responded to medicine used for chemical burns. After examining numerous patients with breathing difficulty and black spots around their lungs, which ruled out tuberculosis, Dr. Zikria discovered that in medical history this problem has only been seen in chemical warfare victims. Returning to the U.S., Dr. Zikria studied reports from Laos and Cambodia and found almost identical symptoms in reported chemical warfare victims there.

Today, in New York, Dr. Zikria says: "Though there are debates over what is causing the problem, from the clinical standpoint the evidence is overwhelming that chemical warfare is happening: The effect of the agent on the victim is more important than its identification. As with cancer, we don't know exactly what causes it, but we can diagnose it by its effects—poisoning is a medical and clinical problem. The physician's reality is that thousands of people are suffering and dying, telling the same stories and showing the same signs."

Military specialists and government scientists in the U.S., Canada, Great Britain, France, West Germany, Norway, Thailand, Israel and New Zealand have confirmed the current Soviet use of chemical warfare. Yet, at the United Nations, the Soviets and their surrogate governments in the countries where it is being used veto any attempts for

on-site investigations. At a recent press conference in Bangkok, French Foreign Minister Claude Cheysson said his country was convinced that chemical weapons were being used in Asia.

Recently in Paris, PARADE spoke with a top French military scientist and a government chemical-warfare expert. These authorities said that though they have identified toxic weapons substances in field samples from Southeast Asia and Afghanistan, they still have not developed the adequate high technology to do a complete indentification of all the toxins involved. They feel that we have only seen the tip of the iceberg of the Soviet CBW arsenal and are concerned that the French Army could be caught in a surprise attack.

The United States signed an international treaty with the Soviets in 1972, banning all such weapons. However, that treaty had no provisions for verification, and the Soviets have continued to produce up to 10,000 tons a year of nerve gas and toxic weapons. Military experts estimate that the Soviets' current arms stockpile contains 400,000 to 700,000 tons of poisons—15 to 40 percent of their total ammunition holdings.

In a Soviet military publication, Col. Oleg Penkovskiy wrote: "Soviet artillery units are all regularly equipped with chemical warfare shells, and our artillery is regularly trained in their use. Let there be no doubt if hostilities should erupt, the Soviet Army would use chemical weapons against its opponents. The political decision has been made, and our strategic planners have developed a doctrine . . . Chemical shells and missiles may be considered just ordinary weapons available to the military commanders to be used routinely when the situation calls for it."

In 1977, Soviet bloc chemical-biological capabilities (standard for all Soviet bloc armies) were documented in the East German Textbook of Military Chemistry:

"Toxins are agents which are produced by biological organisms such as micro-organisms, plants and animals and cannot themselves reproduce. By the middle of 1960, the toxins selected for military purposes were included among biological warfare agents. Today it is possible to produce various toxins synthetically.

"Toxins are not living substances; they thus differ from the biological organisms, so that they can be included among chemical warfare agents. When they are used in combat, the atmosphere can be contaminated over relatively large areas.

"The toxic warfare agents can be aerosolized. They can be used primarily in microbombs which are launched from the air or in warheads of tactical rockets. Toxic warfare agents can be applied with aircraft spray equipment and similar dispersion systems."

This account accurately confirms what terrified tribespeople and farmers in the Near East and Asia have been trying to tell a disbelieving West. These events in far-off places may seem remote to many Americans, but a comparison of Soviet-U.S. capabilities in chemical-biological weaponry reveals some frightening facts and figures:

The Defense Department estimates the Soviets outnumber us in chemical munitions by up to a 10 to 1 ratio; in delivery systems by 5 to 1; in production by 14 to 1; and in decontamination vehicles by 10 to 1. Experts estimate 72 percent of U.S. chemical stocks are of doubtful military value because of deterioration.

Soviet chemical warfare troops number up to 100,000, compared to 6,000 in the U.S. Soviet troops and chemical specialists have battlefield experience in Afghanistan and Southeast Asia and have used this to develop tactical integration of toxic warfare. NATO commanders doubt our capability to deter a chemical attack. While Soviet armor is sealed against chemical penetration, U.S. armor is woefully unprotected.

A massive Soviet surprise attack on NATO could render our forces defenseless. The Soviets have the ability to spread chemical agents over a large area by a number of means. Their FROG and SCUD missiles, similar to our Pershings, all have chemical capabilities. The U.S. Navy now feels our battleships are vulnerable to Soviet cruise missiles tipped with chemical warheads.

Small chemical rockets are now used on Soviet helicopters, jets and biplanes (crop dusters). A single 200-pound toxic bomb can cover half a square kilometer with nerve gas. MiG 27 aircraft, the kind employed in Cuba, can deploy four tanks of nerve gas, each tank capable of covering four square kilometers. Satellite photos and intelligence assets have documented the existence of a large military chemical depot and training field in Cuba, where Soviet advisers train Cuban troops in chemical-biological warfare exercises.

Some Soviet toxins derived from fungi are impossible to detect by current U.S. gas alarms, and their minuscule particles could penetrate existing gas mask filters.

Though the new generation of Soviet toxins has been grouped under the term "yellow rain," a wide variety of toxic smoke colors are being used. Each causes varying effects, ranging from incapacitation, stupor and nausea to choking, neurologic fits and massive hemorrhage, causing quick death.

Guerrilla fighters in Afghanistan have experienced fatality rates of up to 70 percent, and large civilian populations have experienced rates of nearly 100 percent. Chemical experts believe that known chemicals like mustard gas, phosgene and sarin are being use, as well as new forms of toxins.

In June 1980, Dutch journalist Berod DeBruin DeBruin filmed two Soviet chemical helicopter attacks in Jalalabad, Afghanistan. The helicopters circled a village like a carousel, dropping cannisters and shooting rockets that produced a lethal yellow smoke. A few hours later, DeBruin entered the village and photographed a corpse that had turned blueblack from extensive internal hemorrhaging (all blood vessels in the body had burst) due to chemical exposure. DeBruin suffered from blisters, facial swelling, nausea, diarrhea and cramps for 10 days following the attack and still has skin lesions. DeBruin has photographed chemical shells with Soviet nomenclature. These shells and helicopter delivery systems match reports made by Cambodians since 1978.

Afghan resistance units have captured and photographed a number of Soviet chemical protection suits, antidote kits and gas masks contaminated with T-2 mycotoxin residue (not indigenous to the region). Soviet prisoners and defectors have confirmed the use of at least nine different types of chemical weapons, including the deadly sarin, phosgene and soman. One young soldier, Anatoly Sakharov, described an agent called "smirch," which has 100 percent mortality. His description matches reports from DeBruin, doctors in Afghanistan and Hmong refugees from Laos who described these effects to PARADE.

Yuriy Povarnitsyn, a Soviet military chemical specialist, reported performing autopsies on Afghan villagers and taking soil samples after attacks. His account corresponds to stories coming out of Laos regarding the Vietnamese. In 1974, a Cuban emigre baffled U.S analysts with descriptions of similar chemical warfare systems being taught in Cuba. He described a chemical land mine that validated a report by a Soviet defector in the 1960s. Similar reports recently have come out of Cambodia. After reading these descriptions, a Chinese official in Peking told a U.S. chemical expert, "We read your report with great fascination because we ran into the same mines on the Vietnam border." In 1980, the Vietnam's People's Army chemical warfare branch received the government's highest award, the Ho Chi Minh Medal.

In Cuba, Soviet instructors described the effects of the chemical mines as being "radiation-like"—which describes the effects of mycotoxins, once used in experiments by cancer researchers as an alternative to chemotherapy.

Sterling Seagrave, author of the book "Yellow Rain", says: "Why are the Soviets using poisons? In a nuclear stalemate, only conventional weapons can be used in regional wars. Conventional weapons have become so complex and expensive—a new weapons system can bankrupt a national economy. Poisons, on the other hand, are cheap. And they have the killing power of nuclear weapons, without attracting so much attention.

There's no big bang and there's no mushroom cloud. But all the people can be eliminated silently, as they have been in parts of Afghanistan. The new poisons are so bizarre and evaporate so rapidly that they make proof extremely difficult to obtain. But any serious study of Soviet military doctrine demonstrates that not only is CBW defensive gear a routine part of Soviet operations, so is CBW aggressive gear.

"In Afghanistan, for instance, Soviet helicopter gunships equipped with lethal chemical agents now perform routine duties like convoy security, which used to involve ground troops. This is only one of numerous examples that show the growing dependence on toxic weapons. And poison tactics and poison stategy have taken much of the role previously attached to tactical nuclear weapons in Soviet doctrine."

Dr. Bernard Wagner, professor of medical pathology at Columbia University, who just returned from a fact-finding visit to Southeast Asia, says with great concern:

"The threat of limited, controlled biological warfare is, at least for me, on a scale with nuclear war. With toxins having both acute and delayed effects, an aggressor can achieve his ends without the problems posed by a nuclear blast. Besides, toxins can be delivered in an insidious, almost undetectable manner.

"The current outcry against nuclear weapons must also extend to chemical biological warfare. Our government, along with all other nations, must find a way to pressure the Soviet Union and its clients into halting this activity. Until then, prudence dictates that we formulate policies to safeguard populations at risk."

Today, while the urgent reality of chemical warfare is obscured in endless political and academic debate, thousands of defenseless men, women and children continue to suffer. On March 25, 1983, at Ban Vinai refugee camp on the Mekong River in Thailand, Parade spoke with Tou Xiong, a 25-year-old Hmong resistance fighter. Tou has risked his life on numerous occasions to

guide members of desperate families across the Laotian mountains in frantic escape from Vietnamese-Soviet "extinct destruction" campaigns. With the quiet intensity of one who has walked with death, he said:

"It is difficult for people to live in Laos because of the poison gas. Thousands and thousands of Hmong people have died. It took my group of 100 people one month to walk to Thailand. We had to pass through many patrols of Vietnamese and Pathet Lao soldiers. By the time we crossed the Mekong River, 75 people—including many babies and children—had died by starving, drowning or shooting.

"My people asked me to come to Thailand to ask the Americans if you have any medicine to take care of the poison gas today. If the Communists keep using this gas on the fields, the forests, the water and the villages, the Hmong Lao people will no longer have any life left."

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Madam President, just a brief response to the Senator from Alabama and then I would like to yield to my colleague, the Senator from Massachusetts.

Madam President, the distinguished Senator from Alabama has raised what I think is the key issue in this debate. I think he has put his finger on it. What we are really talking about this afternoon in the Senate is: Do we as a country have the capability of waging chemical warfare? That answer in this Senator's mind is yes, and I think in the mind of the Secretary of Defense, whose very words are on this board behind the back row in the Senate Chamber, in response to a question by Senator NUNN of Georgia, and I think, too, the distinguished chairman of the Armed Services Committee when he discussed a few moments ago a blue ribbon panel report. I do not know if we are talking about the same blue ribbon panel or not, but from the seven summary items in that report I would read No. 1 and No. 2. This is the report given by the blue ribbon panel on chemical 155-millimeter artillery shells appointed by Secretary Weinberger, and Dr. Gold of the Pentagon, who deals in this program. Let us see what this blue ribbon commission said about our present stockpile or our capability of waging a chemical war.

First, metal deterioration does not appear to be a serious problem for 155-millimeter 8-inch shells.

There is no problem of deterioration there.

Second, I say to the distinguished chairman and my friend from Alabama and my colleagues, is the key point of this blue ribbon panel's report—military utility of 155-millimeter 8-inch munitions in stockpile has not been seriously degraded to date.

So I take the words of the Secretary of Defense. I take the words of a blue ribbon commission, a panel that he and his friends in the Pentagon appointed, and I bring these facts to the attention of my colleagues, and I think they speak for themselves.

The answer, once again, is, yes, we have the capability to wage a chemical war, and we have the capability to do it anywhere in the world.

At this time, I yield to the distinguished Senator from Massachusetts (Mr. KENNEDY).

(Mr. QUAYLE assumed the chair.)

Mr. KENNEDY. Mr. President, I welcome the opportunity to join the Senator from Arkansas, who, in recent years, in the course of debates on defense authorization and appropriation bills, has made what I think is an enormously compelling argument against renewing production of chemical weapons.

Mr. President, I stand in support of his proposal to prohibit the production of lethal chemical binary weapons and to call on the President to intensify efforts to achieve a mutual, verifiable agreement with the Soviet Union to ban the production and stockpiling of chemical weapons. I am an original cosponsor of this amendment and I urge the Senate to adopt it.

President Reagan and congressional supporters of chemical weapons have argued that the United States needs an expanded offensive chemical warfare capability to counter extensive Soviet chemical war-fighting capabilities. But the United States already stockpiles approximately 200,000 tons of chemical munitions, including 155-millimeter artillery shells, which can be used to adequately respond to any Soviet first use of chemical weapons. Even the Secretary of Defense admitted in written testimony before the Armed Services Committee this February that when it comes to "procurement of new artillery shells, the need is not one of redressing a clear lack of military capability. The United States possesses a stockpile of chemical nerve agent artillery shells [that] * * * actually is higher than the planned acquisition quantity for the binary projectile."

The administration has also argued that these existing stockpiles are deteriorating and rapidly becoming unusable. But according to a report by the Pentagon's own blue-ribbon panel on chemical stockpile status, which was released in May 1983, deterioration is not a significant problem and the military utility of both the 155-millimeter and 8-inch munitions has not been seriously degraded to date.

Furthermore, it has yet to be shown that binary weapons will work any better than our existing chemical munitions. As Rear Adm. Thomas Davies, Vice Adm. John Lee, former Secretary of Defense Robert McNamara, and former Secretary of State Cyrus Vance pointed out in a letter they sent me this week:

Because the binaries have never been open air-tested in their actual configuration, their reliability is far from certain. Recent test failures involving the proposed Big Eye binary bomb, which led both the House and Senate Armed Services Committees to delete part of the administration's fiscal year 1984 request for this program, underscore the importance of not proceeding with the production of binary munitions until they have been fully tested.

Binary weapons may also cause greater logistical problems than existing chemical munitions. Not only are binaries heavier and bulkier, but they also may be more difficult to operate as they require two separate components to be assembled on the battlefield. An April 29, 1983, GAO report on chemical warfare concludes that:

The available data do not sustain the argument that binaries offer substantial technical and operational advantages over existing weapons. . . . Army estimates indicated that nearly four times the space is required for transporting and storing binary munitions, compared to unitary.

It has been the policy of the last three administrations, both Republican and Democratic, to oppose U.S. production of new chemical weapons, and now is no time to reverse that policy.

The administration's proposal promises to get the United States involved in another long and costly arms race. Although the 1984 request for chemical weapons is only $130.6 million, outyear funding could run to several billion dollars. Proceeding with production of binary weapons would succeed only in straining our relations with our NATO allies. Our European allies, at least, recognize that the vast majority of casualties from chemical warfare would not be NATO soldiers or Warsaw Pact soldiers—instead, the victims of chemical warfare will overwhelmingly be defenseless civilians. There is little doubt that our NATO allies quite rightly would refuse to store—let alone actually use—new chemical weapons on their soil. Therefore, even if the United States were to go ahead with binary weapons production, such weapons would have to be stored in the United States, far away from Europe where they are supposed to be used, thereby heavily detracting from their military utility.

Instead of building more of the grotesque weapons, the United States should continue to improve its capabilities to protect our troops in the event of chemical war. Protective equipment, such as masks and special clothing, have been shown to be an effective defense against the effects of chemical warfare without significantly reducing the combat effectiveness of ground units. Providing our troops with more protective gear and more training will be a far less expensive and far more effective means of deterring our enemies, by demonstrating that chemical weapons will give them

absolutely no advantage in the event of war.

More importantly, I believe that we must press forward with negotiating with the Soviet Union to ban chemical weapons altogether, in a verifiable manner. Proponents of chemical production assert that the alleged Soviet use of chemical weapons in Asia proves that Moscow cannot be relied to adhere to a chemical weapons agreement and that, therefore, arms control should be abandoned. I think they have learned the wrong lessons. According to a recent report, challenges for U.S. National Security, by the Carnegie panel on U.S. security and the future of arms control, a bipartisan group of defense experts, the more valid lessons are that:

(1) Neither the Geneva Protocol nor the Biological Weapons Convention contains any detailed verification provisions, and the United States explicitly understood in 1982 when it signed the Biological Weapons Convention (after unilaterally terminating its own biological weapons efforts in 1970 as militarily ineffective) that the convention was not verifiable; and (2) treaties and agreements that are inherently unverifiable should either be avoided or accepted with the certain knowledge that cheating may issue.

I am encouraged by the administration's recently begun efforts in the Committee for Disarmament in Geneva. But the administration's argument that it needs authorization for binary weapons to use as a bargaining chip in disarmament negotiations is unconvincing. At present, the United States current chemical weapon stockpiles and protective capabilities provide a more than adequate level of deterrence. Renewed production of chemical weapons now will not enhance our security by one iota, nor will it lead to a chemical weapons agreement with the U.S.S.R.—instead, it would more than likely lead to a particularly gruesome arms race.

President Reagan's funding request for lethal binary chemical weapons is dangerous and wasteful, and I call upon my colleagues to join in opposing this unconscionable expenditure.

Mr. HART. Mr. President, I am pleased to join once again with the distinguished Senator from Arkansas (Mr. PRYOR) and the Senator from Mississippi (Mr. COCHRAN) in sponsoring an amendment that will delete the funds to go forward with the new generation of chemical warfare agents.

In the course of outlining this amendment and debate surrounding it, the issue seems to get down to two clear issues.

One is whether at the present time, without the expenditure of these hundreds of millions of dollars, eventually billions of dollars, the United States presently possesses a sufficient stockpile of chemical warfare agents to achieve two purposes. One purpose is to deter the use by the Soviet Union of such agents against our own forces or those of our allies, or any other interest. And the second purpose is whether that stockpile that presently exists is a sufficient basis and provides sufficient leverage with which this Nation can go to the bargaining table and bargain from a position of strength and in good faith with the Soviet Union and potential adversaries to restrict and limit the volume and the potential use of chemical warfare agents.

There is a clear-cut dispute between the proponents and opponents of this amendment over that issue. Based upon my years of participation in the Armed Services Committee and hours and days of repeated testimony over the years, bolstered by recent statements of the incumbent Secretary of the Defense Department, I am absolutely convinced that the stockpile presently in the possession of the United States deployed at various locations is sufficient to carry out those two objectives.

That stockpile is credible enough, large enough, lethal enough to justify a position of strength on the part of this Nation in negotiating arms control agreements on chemical warfare usage and overall volumes, quantities, and levels.

I am also convinced that the present stockpile sufficiently enables this Nation and its allies to deter a first use on the part of the Soviet Union.

But that, Mr. President, leads to the second issue in this debate which I am sure has been touched on enough, and that is the credibility of the stockpile that we have, indeed the credibility of a new generation of chemical warfare agents if the provisions of the bill were to pass.

Credibility in the case of this stockpile, present or future, hinges upon one thing and that is the defensive capability of this Nation. Are our troops in Europe and those of our allies sufficiently equipped to withstand the lethal effect of chemical agents that we ourselves might use? And, second, is the equipment to be used on the battlefield itself protected sufficiently enough?

In my judgment, Mr. President, the answer to that is clearly no. Over 6 years ago the distinguished Senator from Georgia (Mr. NUNN) and the Senator from Colorado joined to urge that steps be taken by the Defense Department to equip our own forces and those of our NATO allies to withstand the defensive use of chemical agents and their use by any other nation or any adversary.

Mr. President, the record is clear. Previous administrations and this administration have done little, if anything, to enhance the defensive capability of our forces and those of our allies to withstand a chemical warfare attack.

Where does this leave us? It leaves us with a proposal contained in the bill to go forward with a new generation of chemical agents to be deployed presumably in Europe, because that is the only place they would be effective in any timely manner. The weapons would be used on the battlefield potentially against the Soviet aggressors or those of the Warsaw Pact. However, depending on the direction of the wind and the conditions of the climate, the chemical agents perhaps would drift back on our own forces, and as the Senator from Massachusetts has very eloquently stated, on civilians on both sides of the Iron Curtain.

Are we prepared for that kind of devastation? The answer is no.

Do the Soviets know that? The answer is yes.

Is, therefore, a new generation of chemical agents a credible deterrent? The answer is clearly no.

Until this Nation is prepared to defend itself against the lethal effects of its own use or the use of its adversaries of chemical warfare agents, no amount, old or new, of chemical warfare agents is going to suggest to the Soviets that we are serious about the use of any of these weapons.

We have not even begun to defend our own forces. We have not even begun to address here in the Chamber the issue of the defensive protection of our forces and our equipment on the battlefield.

Until we take that step, we can spend $100 billion on a new generation of chemical warfare agents and the Soviets are not going to take that seriously because we will end up gassing and annihilating more of our own forces and those of our allies than we will the Russians. The Russians are way ahead of us in defensive chemical preparation. They are prepared in fact to defend themselves against such use. Therefore, building a new generation of chemical agents, as sophisticated as it might be, does not bother them one whit. They have made the investment to protect their forces against the use of these agents, and we have lost.

So, until we are prepared to take that step for the Army of the United States, the Marine Corps, and other elements of our conventional forces—it is an investment that the Senator from Georgia and the Senator from Colorado urged be made years ago—until we take that step, no amount of spending, no amount of sophistication, no volume of chemical agents are going to be a credible deterrent to the Soviet Union.

So, Mr. President, it is the strong view of the Senator from Colorado as a sponsor of this amendment that we should put the horse before the cart and invest the dollars necessary in defensive protection and capability for our forces, our troops, and our equip-

ment to deter the Soviets. And by a margin of 1 to 10, an investment in defensive capability neutralizes whatever capability the Soviets have.

If the Soviets, clearly know that American and NATO forces can survive in a chemical battlefield environment, they are going to be deterred much more than they would be by 10 times that amount of spending on a new generation of weapons.

We are not prepared to fight on a chemical battlefield of today or of tomorrow. We are certainly not prepared to fight on a chemical battlefield that contains the Big Eye.

Mr. WARNER. Mr. President, I ask the Senator, and there is no question that he enthusiastically believes we should equip the troops with defensive measures, namely suits, and to some extent modify the vehicles and the aircraft, but the lessons of history from World War I and World War II were to the contrary. Both sides had gas masks, yet it was the presence of the ordnance itself utilized by our forces in World War I, followed by a cessation of use by the German forces, and in World War II neither force exchanged chemical ordnance because of the potential and the rough equivalence, so I ask the Senator how does he answer today's scenario in light of history?

Mr. HART. Well, in two regards. As I said in my opening remarks, I take the Secretary of Defense at his word that we have a sufficient capability today, and I have always believed we did, to deter the Soviets' first use; and, second, to point out that my reading of World War I history is that where chemical agents were used in the battlefield against troops not defended, those troops were devastated. Where they were used against troops that were defended, the chemical agents were almost noneffective.

We are not prepared to fight on the chemical battlefield in the 1980's in a defensive capability. In some limited ways we were in World War I, and it proved effective.

Mr. WARNER. Of course, in World War I the chemical was mustard gas while in World War II that brought about the advent of nerve gas which is presently in the inventory.

Mr. HART. A distinction of kind and not of quality.

Mr. WARNER. I take exception to that. I am delighted to hear the Senator's answer.

Mr. HART. Mr. President, I yield back to the Senator from Arkansas.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Arkansas. In 1969 President Nixon ordered a unilateral halt to the production of chemical weapons. His move was a bold, diplomatic gesture designed to elicit a similar response from the Soviet Union.

Fourteen years later and following many long hours of negotiating with the Soviets no such action has been taken on their part. What our actions have accomplished is concession of a grave form of military superiority to the Soviet Union. If our stockpile were a sufficient deterrent, the Soviets would have been more forthcoming in the negotiations on chemical weapons.

Chemical warfare has been referred to as barbarous; all forms of warfare are barbarous. War only results from the failures of political leaders who fail to adequately prepare their nations to deter war. Our inaction only improves the possibility that such weapons will be used against our troops.

Therefore, it is imperative that we proceed with the production of binary weapons. The language contained in S. 675 provides sufficient protection to the interests of the opponents of binary weapons. Prior to the assembly of any 155-millimeter binary weapons, the President of the United States must certify that 2 more years of negotiations with the Soviet Union on a chemical warfare ban have not been sufficiently fruitful. At that time, and only at that time, will we actually assemble chemical weapons.

Our current stockpile of 155-millimeter chemical weapons is not sufficient for U.S. use. Because of the mobility of modern warfare, artillery fired chemical weapons should all be made of a nonpersistent agent. Less than half of our current stockpile of unitary weapons contain a nonpersistent agent.

The blue ribbon panel established by the Office of the Secretary of Defense determined that the chemical agents in our unitary rounds have deteriorated and are only 80 percent effective. The panel has further stated that according to its best estimate the unitary rounds in our current stockpile will only be 50 percent effective by 1990. The panel indicated, however, that they cannot guarantee against catastrophic deterioration of the stockpile now in place.

There has been ample testimony and evidence that the Soviets or their clients have employed chemical weapons. The Soviet advantage is a severe threat that we must address. Delaying the production of binary weapons simply strengthens the Soviet position.

Mr. President, for the safety of our soldiers deployed overseas and to deter the use of such weapons against our forces, we need this weapon system. I urge all of my colleagues to oppose this amendment.

In fairness to our troops who will have to fight these wars, we ought to give them the best weapons available and we are not giving them the best weapons if we deny them binary weapons when the Soviet Union has binary weapons.

Mr. President, it seems to me the time has come when the people of this country will recognize when Congress fails to give its soldiers who are defending our very freedom and liberty the best and most modern weapons when our liberty is in jeopardy.

I say to you if we have a sufficient supply of binary weapons no chemical weapons, in my judgment, will be used in a war.

In World War II both sides had those weapons. I happen to have been in the European Theater. We had those weapons, the other side had the weapons, and neither side used them. If we had not had that weapon it is my judgment the other side would have used that weapon.

So to protect our own soldiers who are defending our very liberty and our very lives, we should make available to them the best that this country can offer, and if we fail to do this we are not going along with what is best for our country and for the protection of these soldiers who will have to fight for our freedom.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, the 20th century brought the world a new and horrible weapon with the use of poison gas.

Introduced on the battlefields of Europe in World War I, toxic chemicals have proven to be both an anathema to civilized people and, unhappily, a tempting and potent instrument of war.

My father, who served in the trenches as a doctor in World War I, observed firsthand the terrible consequences of this weapon. His recollections of treating those suffering victims are indelibly engraved in my childhood memories.

World War I taught the United States the deterrent value of chemical weapons. We learned that deterrence has three essential elements:

First, the maintenance of a credible retalitory deterrent, coupled with a commitment not to engage in first use;

Second, adequate battlefield training and equipment for defensive measures; and

Third, the pursuit of mutually verifiable, comprehensive arms control agreements designed to ban or constrain the use of toxic chemicals.

History has clearly demonstrated that an approach which embraces all three of these strategies, can deter chemical warfare.

America's need to improve its chemical deterrent capability is clear:

The Soviets have 106 plants producing or capable of producing war gases.

The Soviets provide chemical payloads for up to 50 percent of all Warsaw Pact missiles and bombs.

The Soviet defensive capability is far more durable and dependable than that of the United States or its allies, including highly efficient antichemical collection systems and readily available, effective decontamination gear.

The Soviet Army is well-trained at all levels—from their headquarters down to the foxhole—in all phases of chemical warfare.

Let me emphasize that retaliatory capability is absolutely essential. Whenever an adversary perceives an advantage through employment of a weapon which only they possess, the likelihood of their use of that weapon is far greater. If, on the other hand, use of that weapon would be countered in kind by a like, equally potent system, thus eliminating any potential unilaterial advantage, the probability of that weapon's use is much less.

Gen. Bernard W. Rogers underscored this concept in a July 4, 1983, letter to the Senate Armed Services Committee:

> Fundamental to deterring a Soviet chemical attack is an effective retaliatory capability that can strike anywhere on the battlefield. That means the Big Eye binary bomb for deep targets and the 155 millimeter binary artillery projectile for short-range targets. Chemical defensive measures alone will not stop Soviet use of their chemical capabilities. We must convince the Soviets that our retaliatory chemical warfare capability is too potent for them to risk employment of such weapons. Furthermore, without the bargaining leverage provided by the credible retaliatory capability of the Big Eye binary bomb and the 155 millimeter binary artillery projectile, we will be unable to persuade the Soviets to outlaw all chemical weapons, our ultimate goal in this arena.

A primary objective of the United States is, and has long been, to eliminate the threat of chemical warfare by a complete and verifiable ban on chemical weapons. Vice President BUSH announced in Geneva on February 4 of this year new U.S. initiatives in this area. A week later, Ambassador Lou Fields tabled "Detailed U.S. Views on the Contents of a Chemical Warfare Ban" at the 40-nation Committee on Disarmament in Geneva. This initiative is the latest in a continuing U.S. effort to achieve an effective and lasting chemical warfare ban.

Yesterday, I spoke at length with Ambassador Fields. I continue to be very favorably impressed with the capabilities of this outstanding statesman. However, he is negotiating from a position of distinct disadvantage.

Clearly, the Soviets have little incentive to negotiate away a preponderant advantage, especially if we fail to maintain a viable deterrent capability. We in Congress must give our negotiators in Geneva what they need to persuade the Soviets that we are serious.

There are those who claim that, today, the United States has the "moral high ground," since we have not produced any chemical weapons since 1969. They contend this example of restraint and world opinion will force the Soviets to negotiate seriously. They claim that, should we begin to prepare for production of chemical munitions, we will no longer enjoy world opinion.

I believe this argument to be specious. The United States has not produced chemical munitions for 14 years. During this time, we disposed of all our biological and toxin weapons and demilitarized 20,000 tons of chemical munitions. This restraint has not caused the Soviets to negotiate seriously. Instead, they have built the world's most powerful chemical warfare capability.

Let us now turn to the action of the Committee on Armed Services. Essentially, the committee has walked a middle ground on the chemical modernization issue.

Funds are authorized to prepare facilities for binary chemical weapons production ($112.5 million).

Funds are authorized to begin limited production of the 155-millimeter binary artillery round ($18.1 million).

Funds are denied without prejudice for the Big Eye binary bomb in view of development problems recently encountered with this weapon (two recent tests indicate that fixes have been implemented successfully to correct these problems).

An important statutory limitation has been imposed: Only components of the 155-millimeter shell may be produced until October 1, 1985. No final assembly of these components into usable weapons may occur prior to that date and only thereafter if the President certifies that—in light of then-prevailing military and arms control circumstances—such assembly is essential to the national interest.

The effect of these provisions is to:

First, provide real incentives to the Soviets to negotiate seriously on a chemical ban;

Second, provide sufficient time to consummate such negotiations before any binary assembly would take place; and

Third, place the United States in a position whereby—should negotiations fail—we can promptly begin to rectify the effects of 14 years of unilateral moratorium on chemical munitions production.

In conclusion, Mr. President, I firmly believe that our chemical warfare modernization program must continue to progress. The likelihood that the Soviets would use these weapons to exploit the major advantage they now enjoy, is far greater than if they faced the prospect of retaliation in kind.

Unless we modernize our stockpile, the Soviets have absolutely no incentive to negotiate seriously. In the absence of a clear commitment on our part, they can be expected to do everything possible to thwart our efforts to mutually reduce chemical weapons.

I urge my colleagues to provide the funds required for modernization to proceed, providing a capability to replace our inadequate chemical munitions deterrent stockpile. Continuing to negotiate from a position of weakness will insure continued weakening of our deterrent posture.

Thank you, Mr. President.

OPPOSITION TO BINARY CHEMICAL WEAPONS PRODUCTION

Mr. CRANSTON. Mr. President, I strongly support Senator PRYOR's amendment to delete funding for production of binary chemical weapons. I am a cosponsor of Senator PRYOR's amendment.

This is the third year that the Senate has debated whether the United States should resume production of chemical weapons. I have consistently opposed resumption. President Nixon ordered a halt to production of chemical weapons in 1969. Since then the United States has been out of the business of producing chemical weapons. We should stay out. Nothing has happened over the last 14 years and nothing that has been said in the congressional debate over the last years has persuaded me that we have a good reason to begin producing chemical weapons again. In fact, my convictions are stronger than ever that we should keep and maintain the stockpile that we have but we should not restart the chemical weapons program.

ADEQUATE DETERRENT

The purpose of having a stockpile of chemical weapons is to have a deterrent against the Soviet Union. There is little argument about the necessity of having a stockpile. The question is whether ours is sufficient to be an effective deterrent. No less an eminent authority than the Secretary of Defense, Casper Weinberger, testified earlier this year that our deterrent in chemical weapons is indeed adequate. This was good news for those of us who have been arguing this case for years but with little support from the Pentagon. Since we have an adequate number of weapons and since our chemical nerve agent artillery shells still meet acceptable standards, we can not justify spending from $6 to $15 billion on the binary chemical program on the grounds that our stockpile is insufficient.

SAFETY

One of the great selling points for binary chemical weapons is that they are supposed to be safer. But this argument is inconclusive. Safer for whom? We complicate the assignment

of the men in the field by increasing the complexity of the weapon. Will our people really be safer if they have to take more time to assemble this weapon? Do we really want to introduce another level of technology into the battlefield environment? Are not we again falling for the same old problem of the allure of a new fancier piece of equipment without asking whether it is really any better than what we have?

Recently the General Accounting Office (GAO) completed a fascinating study on binary chemical weapons. The GAO found no satisfactory answer to this question. According to GAO:

> The available data do not sustain the argument that binaries offer substantial technical and operational advantages over existing weapons.

We have also had the unpleasant discovery recently that some of our new chemical weapons do not work the way they should. The Big Eye bomb explodes in certain circumstances in transport. It does not take a genius to see the dangers of this characteristic. The Army acknowledged this problem by asking to defer procurement of the Big Eye bomb until several technical problems are solved. Why are we providing any money for production until these technical problems are solved?

There is a larger question of safety—one that I and many of my colleagues have repeatedly raised. The best and safest deterrent against chemical weapons is adequate defensive equipment. We do not have a sufficient supply of equipment. The GAO report also states that:

> The United States, unlike the Soviet Union, has not built a strong ability to defend against chemical warfare.

There is money in this bill to build such a defensive capability and I strongly support efforts to do so. This is where we should be concentrating our efforts.

COST

We must also think what this new gadget will cost. The estimates range widely—anywhere from $6 to $15 billion. The disparity in that figure alone should give us pause for thought. We may only be eliminating $130 million from the program this year but we need to look down the road a little way. Down the road, we have a bill for a minimum of $6 billion. The production cost of one binary artillery shell is 18 times more than the cost of upgrading one existing unitary shell ($550 per binary round against $30 per upgraded unity round). That is quite a difference for a weapon system that has yet to be proven necessary.

ARMS CONTROL

Finally, Mr. President, we must come to the question of arms control. Where is the element of arms control in this debate? You find it here in the Congress. My colleagues and I have raised it repeatedly. But what is this administration doing? This administration broke off bilateral discussions with the Soviet Union—negotiations that are essential if we are to have a workable arms control agreement. Vice President BUSH presented the views of the United States on his issue to the 40-nation Committee on Disarmament in Feburary. This is a positive step and one that I commend. But in the same breath that this administration is saying that it is committed to banning the use and production of chemical weapons, it is also asking for the funds to begin production of these weapons. How credible can our proposal be?

Over and over again we allow the Pentagon to put us in a position of making decisions based on inadequate information. Over and over again we end up with weapons systems that cost too much and do not work. Why? There is no compelling national security reason for us to proceed with production at this time. We have an adequate stockpile. It is absolutely unclear whether producing binary chemcial weapons will in any way add to our deterrent. The GAO report goes into great detail about how little we understand the military utility of this weapon. It may not have any at all.

Mr. President, it is clearer this year more than ever that there is no good reason to begin production of chemical weapons in this country. We have an adequate stockpile that we need only to maintain. We have no defined military justification for binary chemical weapons. We are very uncertain that we are building a better or safer weapon.

We can be sure that if we proceed with this weapon we will add yet another element to the already hideously inflated and dangerous arms race and that we will spend at least $6 billion on a highly questionable weapon system.

I urge my colleagues to consider these problems and to vote in favor of Senate PRYOR'S amendment to prohibit production of these weapons.

● Mr. BUMPERS. Mr. President, I think we can all agree that chemical weapons are particularly horrible and inhumane instruments of war. As such, it should be our primary objective to conclude an agreement with the Soviet Union that will ban all future production and lead to the destruction of existing stockpiles. The only question in my mind is how best to achieve this goal.

The United States has observed a unilateral moratorium on the production and testing of chemical munitions since 1969. Unfortunately, there is evidence to suggest that not only has the Soviet Union continued to produce and test chemical weapons, but that it may have actually used these heinous munitions in Afghanistan and, through surrogates, in Southeast Asia. If anything, these disturbing Soviet actions bring into focus even more sharply the need to reach an equitable and verifiable arms control agreement that would eliminate chemical weapons from the face of the Earth.

I have been heartened by the new initiative to ban chemical weapons that was tabled by the United States at the conference on disarmament in February of this year. It is my deepest hope that the Soviet Union will respond positively to this proposal, and that serious negotiations leading to a treaty will now result. With this goal in mind, I support the provision in the bill which proscribes final assembly of the 155-millimeter binary artillery shell until October 1, 1985. Between now and then, there will be five negotiating sessions of the Conference on Disarmament at Geneva. This should be ample time to gage the sincerity of the Soviet Union's proclaimed desire to conclude a chemical weapons ban.

If an agreement can be reached, then there will be no need to assemble the components into binary munitions. If an agreement cannot be achieved by the fall of 1985, the bill requires the President to inform the Congress as to the status of the arms control negotiations at that time, and to certify that creation of binary munitions from the components is essential to the national interest. A unilateral decision by the United States to forego the option of building chemical weapons would be unlikely to create sufficient incentives for the U.S.S.R. to bargain in good faith at Geneva. On the other hand, proceeding in the cautious, measured way proposed in the bill should convince the Soviets of our resolve both to maintain a safe, stable deterrent capability and to accelerate our arms control efforts.

If funding is approved, these weapons would be produced at the Pine Bluff Arsenal in my home State of Arkansas. I have spent many hours studying and reflecting on this issue, and let me say that both opponents and proponents of the administration's proposal have presented their cases effectively; that there are merits to both sides of the issue; and that a number of the more sensitive and controversial technical issues relating to the shelf-life of the present stockpile and the adequacy of the testing program for the binary weapons are likely to remain unresolved for years to come.

Having visited Pine Bluff Arsenal where a considerable portion of our current unitary stockpile is stored, and having spent hours listening to the residents of Pine Bluff and surrounding communities, I can tell my colleagues that both Army personnel and Arkansans are genuinely concerned

about the potential hazards associated with the long-term storage of these unitary chemical weapons. If a retaliatory stockpile is required to deter possible Soviet use, or induce the Soviets to negotiate in good faith, it should be much safer to handle and store than the one we have now.

Binary munitions are safe because they are made up of two nonlethal chemicals that are manufactured and stored separately. The two chemical agents would be kept apart until they reach the battlefield, where they would be put together in an artillery shell or bomb. The chemicals mix and become toxic only after the shell is fired or the bomb is dropped. An important factor affecting my position on this issue has been the administration's response to my insistence that any proposal to proceed with the production of binary weapons include a clear, binding commitment on the part of the Department of Defense to destroy the weapons currently in the inventory. The production of binaries will not add to the chemical stockpile. Rather, they will replace the aging, decreasingly effective and increasingly unstable unitary munitions with a smaller number of binary munitions that are totally safe to store.

Mr. President, the primary emphasis of our total chemical program must continue to be on developing and producing protective clothing, equipment, and decontaminants, and I am pleased that the bulk of the resources in the proposed plan will be devoted to this effort. If we show the Soviets that we can protect our troops against a chemical attack, the Soviets should see the futility of using such repugnant weapons. The administration also needs to develop a clear and unified position with our NATO allies concerning binary weapons. Since the primary rationale for producing binaries is to deter the use of chemicals by the Soviets in the European theater, their value would be greatly reduced if they were not deployable.●

Mr. PERCY. Mr. President, the vote on this amendment revolves on two key issues: Are new chemical weapons needed to preserve our deterrent against a Soviet first-use of these inhumane weapons and, second, would production of new weapons in some way enhance the prospects for negotiating a mutual ban on maintaining any chemical weapons stockpile. I believe the answer to both questions is no.

First, the Secretary of Defense has made it clear that the current stockpile of 155-millimeter chemical shells is sufficient for purposes of deterrence. The main justification, in his opinion, for producing new shells is to guard against future deterioration of the current stockpile. However, in an interim report issued on March 23, the Secretary's own "blue ribbon panel on chemical stockpile status" concluded that the military utility of the existing artillery projectiles has not been seriously degraded to date and that metal deterioration does not appear to be a serious problem.

Second, I must say that in the light of a briefing I received this morning from our representative to the United Nations—sponsored negotiations on a chemical weapons ban, Ambassador Louis Fields, the chances for concluding a treaty appear very bleak whether or not the United States goes forward with new chemical systems. Furthermore, I fail to understand why the Soviets would be more frightened by the proposed binary artillery shells when the main argument for them is that they are safer to handle by our own troops. Indeed, the Army is proposing to procure fewer binary shells than are now in the inventory. The binary projectiles have never been tested in the open atmosphere, but our existing weapons received extensive open-air testing and thus their reliability and effectiveness is well known. For all these reasons, I do not think a U.S. decision to replace an adequate chemical weapons inventory with a smaller, and untested inventory will in any fashion alter Soviet incentives to negotiate a comprehensive ban. Soviet attitudes are far more influenced by their resistance to legitimate U.S. demands for on-site inspection.

Mr. President, the NATO alliance stands today at a crucial crossroad. In the next few months the alliance will most likely be asked to follow through on its December 1979 decision to deploy new intermediate-range nuclear missiles in Europe absent an arms control agreement in Geneva. I believe that our allies will be able to stand by this collective decision. But the cause of maintaining public support within Europe for this vital NATO modernization program will not be advanced if the United States now needlessly creates a new controversy over chemical weapons. I urge the adoption of the amendment.

Mr. WARNER. Mr. President, I know of no other Senator at this time who desires to address this issue.

Mr. PRYOR. Mr. President, on this side of the issue at least I know of no other Member of the Senate who desire to speak on this subject. I would like to reserve the right to close for my amendment, and I am wondering if the Senator from Virginia might have a statement at this time? I would be glad to close for the amendment very shortly and very quickly.

Mr. WARNER. Mr. President, I yield to the Senator for the purpose of his closing argument at this time.

Mr. TOWER. Mr. President, may I ask about how long does the Senator intend to take with his closing remarks?

Mr. PRYOR. I will say to the Senator from Texas I am not normally a long-winded speaker. I do feel very close to this issue and I feel very strongly about it.

Mr. TOWER. I was not suggesting any lengthy remarks from the Senator. I just wanted to inquire as to how long it would take.

Mr. PRYOR. I will say to the Senator from Texas I will speak not more than 5 or 6 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, in a very few moments this Senate is going to make a major decision. A lot of my colleagues have been coming up to me this afternoon since this debate started and have said, "Listen, I would like to support this amendment but I am afraid that I cannot simply because it is my fear that we have got to be ready"—and I emphasize "ready"—"to produce new chemical warfare."

My answer is simple. Whether we pass this amendment or not is actually moot to that concern. It is irrelevant. The truth of the matter is that we have not appropriated the money for the facility. The facility is there. It is standing.

Also, we have appropriated most of the money to equip this facility. It is my understanding that at this time they are actually moving the equipment into that facility in Pine Bluff, Ark., where this new binary nerve gas is going to be produced. That money has been appropriated, Mr. President. What is lacking is the money to produce or actually manufacture the binary chemical weapon or the new system of nerve gas that is asked for in this particular authorization bill.

Mr. President, I can say without reservation that any of my colleagues, I would think, would feel very comfortable in taking the position that we have appropriated the money for the facility, we have appropriated the money for the equipment and now let us let it be there and ready if we actually need it.

But until that time, I have attempted this afternoon throughout this debate, in all candor, in all honesty, to cite not only what Secretary of Defense Weinberger has stated—and basically, that statement is that "The 155-millimeter, 8-inch chemical shells still meet acceptable standards." That is a quote from the Secretary of Defense, Secretary Weinberger.

I have also attempted, Mr. President, to include in my comments this afternoon, in some discussion with my colleagues on the other side of this issue, the summary from a blue ribbon panel commission appointed by the Secretary of Defense and others at the Pentagon who made their report on March 22 of this year, stating what I think goes to the heart of this particu-

lar issue. And that is as follows, and I quote from this report from the blue ribbon panel on stockpile status, March 22, 1983:

Military utility of 155 millimeter and 8-inch munitions in stockpile has not been seriously degraded to date.

So we have a statement from the Secretary of Defense, a statement from the blue ribbon panel on stockpile status and finally, last but not least, Mr. President, we have an absolutely devastating statement from the General Accounting Office, dated April 29, 1983, which indicates that this country has no chemical warfare doctrine whatsoever.

Even in a subsequent statement by the General Accounting Office, Mr. President, dated as late as July 1, 1983—not even 2 weeks ago—let me read if I might from the first paragraph from the cover sheet of this General Accounting Office statement:

The United States has a large stockpile of toxic chemical munitions to deter other countries from using chemicl warfare and to retaliate if deterrence is unsuccessful.

That is the issue. That is the issue of our discussion today. That is what we are talking about. That is the crux of the matter and that is what is the central point of this debate. Are we prepared to wage chemical warfare should our soldiers or civilians be affected by an attack by the Soviets or any other country?

Mr. WARNER. Will the Senator yield?

Mr. PRYOR. I would appreciate it if I might just finish my statement. I am going to finish in just a very few moments.

Mr. WARNER. I apologize. I detected a pause.

Mr. PRYOR. A little pause there. I am going to pause permanently very shortly, I might say to my friend from Virginia.

First, in my concluding remarks, Mr. President, let me say this, and I will reiterate an earlier position I have taken. In all due respect, it may be because President Reagan is one of the best communicators I have ever seen, in all due respect to that man, to the Secretary of Defense, to the distinguished chairman of the Armed Services Committee, and the members of that committee who have made a very strong statement in the past 2½ years for the idea that we must go forward with a $1.5 trillion buildup in our military commitment, let me say this: Every weapon, every program, almost every dollar that the President and the Pentagon has requested in the past 2½ years has been approved. There is one exception—chemical warfare. The House of Representatives only 2 weeks ago disapproved chemical warfare. The House of Representatives 1 year ago disapproved chemical warfare. Each time, Mr. President, we have a vote in this Senate, we come within three, four, five—sometimes one—votes of disapproving chemical warfare. And the reason that, basically, the President has not been able to get chemical warfare production back underway is simply because he knows, this Senate knows, the Congress knows, and the people, above all, know that we are moving from a period of the unthinkable to the thinkable. We are moving from a period of defending ourselves to a period of purchasing offensive mechanisms and weapons that could bring one step closer to doing the unthinkable.

We have had discussions here this afternoon on this floor, Mr. President, about the possibility or the question being raised: Is this unilateral disarmament? Of course this is not unilateral disarmament. This Senator from Arkansas would never get on this floor and ask this country to unilaterally disarm. He would never ask one soldier or one service man or woman or one citizen of this country to in any way sacrifice their own safety. And, Mr. President, I am not asking a sacrifice at this time when I ask that the $130 million for the production of the Big Eye bomb, which has been tested only two times—with over 100 tests yet to come—that the production of this bomb, which has been researched for 19 years, be halted, studied further, if necessary, and that we no longer consider going forward at this stage with the production of nerve gas.

So, Mr. President, we come to the final argument and that argument is trying to get the Soviets to go to the bargaining table; in other words, we have got to be strong to get the Russians to the bargaining table.

I do not dismiss this. I do not say this is wrong. I do not say this thought is invalid. I do not trust the Soviets. I do not think there is anyone in here that really trusts the Soviets. If we ever do get to the bargaining table, we have got to have a verifiable means of knowing what they are doing and they must know what we are doing.

But, Mr. President, many times in the past 5 years since I have been a Member of this very illustrious body, I have heard time and time and time again the fact that we have got to build the MX so we can get the Soviets to the bargaining table; the fact that we have got to build the B–1 bomber so we could get the Soviets to the bargaining table. On weapon after weapon, cause after cause, this seems to be the mentality of this city, of this town, of this administration, of this Congress, of all of us—let us build more, let us produce more, so that we can ultimately have less.

Our own Ambassador to our disarmament talks in Geneva who I have just had the privilege of meeting today is a fine man. I just had a nice visit with him in the Vice President's office. Do you know what? I found it ironic that he would be here today lobbying the Members of the U.S. Senate on this issue. As our man who wants to disarm and our man who wants to control armaments and our man who wants to lessen armaments, here he is today asking us for more armaments. I do not know that that makes sense to me.

I would only conclude by saying, even though he is a fine man, I wish he were utilizing his strengths and his resources in Geneva in talking with the Russians rather than coming today to the U.S. Senate to convince waivering Senators to defeat this particular amendment.

I have great respect for the Ambassador. I do not know whether he came here on his own. But I do strongly feel, Mr. President, that this amendment is right and sound. My friend from Mississippi, Senator COCHRAN, said it is an amendment that represents commonsense in these times and these days, in these days of great trouble.

Mr. WARNER. Will the Senator yield?

Mr. PRYOR. I am happy to yield.

Mr. WARNER. Ambassador Fields came in at my invitation to see me last night, not for the specific purpose of lobbying, but to be present to respond to the inquiries of Senators. I have had extensive conversations with him over the past 6 months and indeed over the past 48 hours, intensive conversations with him. Unequivocally, he represented to me, and I think others, that the trend in the Congress over the past 3 years, by adding bit by bit some capability to the United States, has strengthened his hand, albeit we have not made any success.

It is clear that in the face of 3 years of momentum, indeed, in the House of Representatives, the margin was narrowed this year on the vote to just a mere 12. If the Senate today were to reverse that momentum, it would send the strongest of signals to the Soviet Union and I dare say negotiations would grind to a halt.

It seems to me that we should bear in mind that the last vote on this issue last year was 49 to 45, in which we prevailed. I know not how the vote will be today. But each of us carries a very heavy burden.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I yield briefly to the Senator from Alabama for the purpose of making a correction in the RECORD.

Mr. DENTON. I thank the chairman. I just got off the phone with Secretary Weinberger. His name has been used to support the amendment. He says it is a very bad amendment. He is unalterably opposed to it. He knows of

no blue ribbon panel or commission of any kind which has said anything in disagreement with the view that the chairman of the Armed Services Committee and his co-floor manager of the bill are propounding. To remove any doubt about the position of the Secretary of Defense and any views of a blue ribbon panel or commission, I thought that information should be stated.

Mr. TOWER. I want to reiterate what the Senator from Virginia has said about Ambassador Fields being here at the invitation of many of us about being here to respond to any questions on the impact of this amendment on his negotiating posture in Geneva.

I would like to enter into the RECORD a statement he has made on the issue of verification:

The Soviets will place ultimate resolution of challenge in the Security Council where the Soviets have a veto. Is this meaningful verification? The Soviets are not serious in these negotiations. I know, I have negotiated with them, they will not give up a superior arms position without getting something for it.

That is a statement of Ambassador Fields.

Mr. President, I would like to enter into the RECORD letters on this issue from the Secretary of State, from Ambassador Fields, from National Security Council member William P. Clark, and from General Rogers, the commander in chief of U.S. forces in Europe.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington, D.C., July 13, 1983.

Hon. JOHN G. TOWER,
Chairman, Armed Services Committee, U.S. Senate.

DEAR MR. CHAIRMAN: The Senate is now considering the FY 1984 Defense Authorization Bill. Included in that bill is a request for funds to restore our chemical warfare deterrent and to modernize our deteriorating chemical weapons stocks.

I believe that the United States needs to take visible steps now to modernize our chemical weapons deterrent. Action is necessary for security as well as foreign policy reasons.

As you know, the United States is actively seeking a complete ban on all chemical weapons. Last February, at the 40-nation Geneva Committee on Disarmament, Vice President Bush put forth an initiative to accelerate the work of the Committee and to launch negotiations on an agreement. In Geneva we also offered our detailed views on the contents and requirements for a comprehensive, effective, and verifiable chemical weapons ban.

The United States should do all it can to make arms control work in the chemical weapons area. Existing agreements must be strengthened and new, more effective ones negotiated. Working together with the U.S. Arms Control and Disarmament Agency and the Department of Defense, the Department of State is pursuing these goals. An effective chemical weapons deterrent is an important element of our arms control objectives.

One of the major tasks we face in this area is to convince the Soviet Union that a complete and effective ban on chemical weapons is truly in its interest—not just its political or propaganda interests, but in its security interests as well. As long as the Soviets are assured that the United States will do nothing to improve or even maintain its chemical weapons deterrent capability, they will have little incentive to conclude a verifiable ban. An effective U.S. deterrent capability should help convince the Soviet Union to negotiate seriously. It would also safeguard U.S. security in the interim until our arms control goal is achieved.

I therefore urge you and your colleagues to approve the Administration's funding request.

Sincerely yours,

GEORGE P. SHULTZ.

U.S. ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, D.C., April 7, 1983.

Hon. JOHN W. WARNER,
Chairman, Subcommittee on Strategic and Theater Nuclear Weapons, Senate Armed Services Committee, Washington, D.C.

DEAR MR. CHAIRMAN: I regret very much that my responsibilities in the Committee on Disarmament preclude my appearance at this time before your Subcommittee to testify concerning the President's budget proposal for the Chemical Weapons Modernization Program. As you know, I have a strong interest in and commitment to the negotiation of an effective and verifiable ban on chemical weapons. We are currently attempting in the Committee on Disarmament to achieve that objective as a matter of the highest priority.

Vice President Bush announced a new U.S. initiative in the chemical weapons area in his speech to the Committee on February 4th, and I tabled the "United States Detailed Views on the Contents of a Chemical Weapons Ban" in a statement to the Committee on February 10th. Unfortunately, during the first eight weeks of our thirteen-week Spring Session, serious discussions were obstructed by procedural maneuvering; the Eastern Bloc, aided and abetted by certain members of the neutral and nonaligned states (Group of 21) raised numerous procedural questions related to the Committee's agenda and establishment of our working groups. The result of this deplorable development has been a blockage of all substantive work in the Committee and a temporary frustration of our efforts to achieve progress on a chemical weapons ban. It was only last Thursday that we reestablished the chemical weapons working group and elected Ambassador Donald McPhail (Canada) as its chairman.

We have, however, done some useful work in the CW field. We held a series of meetings to discuss our initiative and to take questions concerning our detailed views from interested delegations. Even though we were unable to explain our detailed views more formally, we sought every available means of pursuing our objective, and it was useful to do so.

During this period we had the good fortune to have two distinguished visitors who are associated with the chemical weapons issue in Washington—Dr. Theodore Gold, Deputy Assistant to the Secretary of Defense for Chemical Matters, and the Honorable Edwin Bethune, Member of Congress (R-Arkansas). Each of these gentlemen held a series of conversations with representatives and experts of many delegations here. As you know, they represent different views on the modernization issue. Both, however, stressed their serious and active support for achievement of an effective and verifiable ban on chemical weapons, and their support for our initiative in the Committee. As well, both expressed their commitment to a strong U.S. deterrent posture pending achievement of that goal. It was extremely useful for our negotiating partners to gain an understanding of the deep degree of commitment of the United States Government to these negotiations, and to the maintenance of a strong deterrent, even though there may be disagreement on the means to achieve our goals.

I believe there is a growing realization among the Committee on Disarmament that the U.S. came here with a serious purpose, and a keen interest to move toward a successful chemical weapons negotiation. I cannot recall more concerted interest in the Committee on behalf of a proposal than has been prompted by our initiative. And, although I cannot conceal our deep disappointment over the procedural delays which have thus far thwarted our efforts, hopefully we are about to begin serious work.

We have now reestablished the Chemical Weapons Working Group under an able chairman, and will continue to press for movement. However, there are only a few weeks left in our Spring Session and the chance for real movement is negligible. The best we can hope for is that the Committee will be organized and prepared for serious work during the Summer Session. It is unclear whether progress can be achieved even during that period, especially with the frustrating experience of three years of bilateral negotiations with the Soviets on this subject. We will apply ourselves diligently to the task and hope for some progress. Of course, the key is in the hands of our Soviet colleague. We have made it clear to him, and the entire Committee, that Soviet acceptance of effective verification and compliance provisions is a prerequisite for real progress. The need for strong verification measures is, I am happy to report, becoming broadly accepted among the Group of 21. We are continuing to advocate our position on the verification issue very strongly, and I am encouraged that so many delegations are recognizing the strength of our argument. I can only speculate as to whether the Soviets will begin to seriously consider this issue.

This leads me quite naturally to comment on the issue of the U.S. Chemical Weapons Modernization Program as seen in the context of this negotiation. It is simply too early for me to report any realistic prospect in the near future for achieving an effective ban—one which the Senate would feel comfortable in giving its advice and consent to ratification. The Soviets have not yet responded in any substantive way to our Detailed Views. While I wish that I were in a position to give the Senate an optimistic view, my judgment is that we are some years away from producing the kind of agreement which President Reagan has authorized me to negotiate—one which keeps faith with his commitment to assure that arms control and disarmament agreements will be both effective and verifiable.

The litmus test of Soviet political will in negotiations on a chemical weapons ban must be agreement on an international regime for systematic on-site inspection of key activities. The Soviets have suggested that they are willing to consider some

regime for one type of on-site inspection; however, we have been unable to clarify what sort of regime it has in mind. My judgment is that we are a considerable way from resolving the critical verification issues. Even if there should be a breakthrough, the negotiation of detailed arrangements would be a protracted, time-consuming effort.

Thus, you and your colleagues are faced with a most difficult decision. I cannot assure you of an early prospect for the achievement of an effective and verifiable chemical weapons ban, given Soviet traditional hostility to meaningful on-site inspection, although this remains our hope. You must decide whether we should take out the necessary "insurance" that chemical weapons will not be used while we continue to pursue our goal of an effective ban. The decision becomes difficult when we face, as we do, the economic realities of the day and when savings in budget expenditures is the watchword. There is, of course, another reality of our time, i.e., that chemical weapons are being used, despite the existence of a ban on such use. In such circumstances, it would seem prudent to me to assure that the temptation to use such weapons will be minimized by the knowledge that we possess the capacity for a prompt and effective response in kind.

I might add, in conclusion, that, as a negotiator, the public debate on the binary issue has the effect of reducing such leverage as we may have. There is no doubt that the Soviet Union has the overwhelming advantage in this field of weaponry. They have modernized their chemical warfare capability; whereas, we have not produced such weapons since 1969. In these circumstances, there seems to be little incentive for the Soviets to negotiate away a clear, preponderant advantage, particularly if they are confused as to our commitment to maintain a viable deterrent capability. There is, to be sure, evidence of Soviet apprehension over the binary weapon. Their statements in the Committee, and particularly those of Ambassador Issraelyan to Congressman Bethune, all suggest their concern over our possible acquisition of a modernized deterrent capability. I hope that whatever action the Congress takes this year, it will be supportive of our negotiating efforts.

One other factor is significant. The fact that the negotiations are taking place in the Committee—a multilateral forum—keeps the Soviets under a certain pressure. They are bothered by the growing support of the Group of 21 for our position—especially on the verification issue—and are loath to take public positions contrary to popularly held Third World views. This is, however, a thin advantage for us and highly volatile. At some point, if the Soviets decide to negotiate seriously, they will pay little attention to world opinion, and at that point they will be influenced only by their own perception of their national interests. If they perceived that their present advantage might be neutralized by our acquisition of a modernized and effective deterrent capability, it could provide a powerful incentive.

We will keep you currently and fully informed of our progress here in Geneva, and I look forward to an early opportunity to appear before your Committee to give a more detailed report of our negotiations.

With warmest regards,

Respectfully,

LOUIS G. FIELDS, Jr.,
Ambassador, U.S. Representative to the Committee on Disarmament.

THE WHITE HOUSE,
Washington, D.C., July 12, 1983.

Hon. JOHN G. TOWER,
U.S. Senate,
Washington, D.C.

DEAR JOHN: On behalf of the President, I want to underscore his commitment to achieve a comprehensive, effective, and verifiable chemical weapons ban. He was both moved and frustrated by the *Parade* article of June 26, "How The Soviets Use Chemicals to Wage War" and, as a result, is even firmer in his conviction that lack of progress toward an adequate U.S. deterrent will greatly reduce our leverage and the Soviet Union's incentive to negotiate a ban.

The Vice President, in February of this year, addressed the Committee on Disarmament in Geneva on our commitment to negotiate a complete and effective ban on the development, production, and stockpiling of chemical weapons. In addition, he provided a document containing our detailed views of the content of such a ban. A major challenge we face in this area is to motivate the Soviet Union to begin serious negotiations.

A fourteen year unilateral U.S. freeze on chemical weapons production in concert with intensive U.S. arms control efforts have proven fruitless. Your committee's recent treatment of our chemical program request was an important step in signalling clearly to the Soviets that the U.S. will not continue its unilateral freeze indefinitely in the absence of an effective ban.

The President has asked that I urge all members of the Congress to support only those alternatives, such as your committee's amendment, which provide a realistic opportunity to move us toward the goal we all seek—an effective ban on chemical weapons.

Sincerely,

WILLIAM P. CLARK.

U.S. EUROPEAN COMMAND,
OFFICE OF THE COMMANDER-IN-CHIEF,
APO New York, N.Y.

Hon. JOHN TOWER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR TOWER: As you consider the fiscal year 1984 Department of Defense Budget, I want to emphasize my continuing great concern about the need in Europe for a credible chemical warfare deterrent. My views are as clear-cut today as they were in 1982. The Soviets possess an overwhelming superiority in chemical warfare capabilities. Our current chemical stockpile will provide only a nominal deterrent until later in this decade when it becomes largely unusable. At that point there will be no deterrent chemical warfare capability in the free world.

Fundamental to deterring a Soviet chemical attack is an effective retaliatory capability that can strike anywhere on the battlefield. That means the Bigeye Binary Bomb for deep targets and the 155mm Binary Artillery Projectile for short-range targets. Chemical defense measures alone will not stop Soviet use of their chemical capabilities. We must convince the Soviets that our retaliatory chemical warfare capability is too potent for them to risk employment of such weapons. Furthermore, without the bargaining leverage provided by the credible retaliatory capability of the Bigeye Binary Bomb and the 155mm Binary Artillery Projectile, we will be unable to persuade the Soviets to outlaw all chemical weapons, our ultimate goal in this arena.

For the above reasons, I urge you and the other members of the U.S. Senate to ensure that funds are available in FY 1984 to construct the production facility for the Bigeye Binary Bomb and to produce the 155mm Binary Artillery Projectile.

With gratitude for your continuing support and all good wishes,

Sincerely,

BERNARD W. ROGERS,
General, U.S. Army,
Commander-in-Chief.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Arkansas.

Mr. WARNER. I ask for the yeas and nays, Mr. President.

Mr. PRYOR. I ask unanimous consent to place in the RECORD certain letters from scientists and others.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 11, 1983.

DEAR SENATOR: As professional chemists, biochemists and biologists with expertise in the area of chemical warfare, we are writing to urge you to support the amendment which will be offered by Senators David Pryor (D-AR), Mark Hatfield (R-OR), Gary Hart (D-CO) and Thad Cochran (R-MO) to eliminate from the FY 1984 Defense authorization bill $130.6 million for the production of binary nerve gas munitions.

Chemical warfare weapons have generally been regarded by military experts as tactically unreliable and strategically irrelevant. In addition, much of civilized leadership has rejected these weapons since their first use as hideous and inhuman and has called for a total ban on chemical warfare just as biological warfare has been banned. The only justification for continued interest in chemical weapons is their application in anti-guerrilla warfare and their genocidal use against unprotected civilian populations.

The Senate will only take inhuman and backward step if it approves in any way of the production of lethal chemical weapons, in particular, the nerve gases. This is true for a number of reasons:

(1) The so-called binary agents are untested and by their true nature are less than predictable and more restricted in use than their single (unitary) agent counterpart, of which we possess a more than adequate supply in our existing stockpile.

(2) The major armies of the developed world are protected against these agents; civilian populations are not.

(3) The nerve gasses may also have as yet undefined mutagenic, teratogenic and carcinogenic effects on friend and foe alike, long-range effects potentially as obnoxious as their immediate toxic effect.

(4) Any move toward production by the United States of binary nerve gas can only add a new spiral to the armaments race.

The only answer to our concerns about chemical warfare is to move quickly to ban this form of armament. There is little doubt that the United States Army, except for the nearly moribund chemical corps, would welcome this restriction of the horror of warfare. The Senate can facilitate progress toward an agreement to ban chemical warfare by refusing to place its stamp of approval on chemical weapons. Last month, the House of Representatives did exactly that when it voted 256-161 to prohibit resumed nerve gas production.

We urge you to follow a similar path by voting for the amendment to eliminate funds for binary chemical weapons from the Department of Defense authorization for fiscal year 1984.

Sincerely yours,

John Edsall,

Professor of Biochemistry, Emeritus, Harvard University; Gordon Orians, Director, Institute for Environmental Studies, University of Washington; George Streisinger, Professor of Biology, Institute of Molecular Biology, University of Oregon; Richard Novick, Director, Public Health Research Institute for the City of New York; Robert Rutman, Professor of Biochemistry, University of Pennsylvania; Franklin W. Stahl, Professor of Biology, University of Oregon; David Dubnau, Professor of Microbiology, New York University School of Medicine; Jonathan King, Professor of Molecular Biology, Massachusetts Institute of Technology.

JULY 11, 1983.

DEAR SENATOR: As former defense and foreign policy officials, we are writing today to express our concern over the request for fiscal year 1984 funds for the production of binary chemical weapons.

At the outset, we wish to emphasize that we would not question binary chemical weapons production if we thought such an action would put the United States at a disadvantage militarily. However, it is our view that U.S. national security interests will be ill-served by producing binary weapons at this time.

Earlier this year, Secretary of Defense Caspar Weinberger addressed the issue of the adequacy of our current chemical artillery stockpile. In a February 1, 1983 written response to questions from Senator Sam Nunn, Secretary Weinberger wrote:

"For procurement of new artillery shells, the need is not one of redressing a clear lack of military capability. The U.S. possesses a stockpile of chemical nerve agent artillery shells, similar to the proposed M-687 binary round, that are compatible with modern 155 mm. and 8-inch artillery pieces. The quantity is in the range of sufficiency (at least for U.S. forces) and actually is higher than the planned acquisition quantity for the binary projectile."

We are concerned that the proposed binary chemical munitions may actually be militarily inferior to the unitary weapons in our existing stockpile. Because the binaries have never been open air-tested in their actual configuration, their reliability is far from certain. Recent test failures involving the proposed Bigeye binary bomb, which led both the House and Senate Armed Services Committees to delete part of the administration's fiscal year 1984 request for this program, underscore the importance of not proceeding with the production of binary munitions until they have been fully tested.

Binaries also create greater logistical problems compared to existing chemical weapons because they are heavier and bulkier, and because there are two separate components which must be assembled on the battlefield. An April 29, 1983 General Accounting Office report to the Congress, entitled "Chemical Warfare: Many Unanswered Questions," considers these factors and concludes:

"The available data do not sustain the argument that binaries offer substantial technical and operational advantages over existing weapons. . . . Army estimates indicated that nearly four times the space is required for transporting and storing binary munitions, compared to unitary."

It is also far from clear whether our friends and allies in Europe would be positively disposed toward the prepositioning of binary weapons on their soil. We are concerned that an attempt to forward deploy binary chemical weapons will not only be rejected by our European allies, but could also trigger a request for the removal of currently deployed unitary chemical weapons from West Germany.

The foregoing points certainly suggest that spending billions of dollars on the procurement of binary munitions does not constitute a judicious allocation of our defense dollars. In our opinion, the adequacy of our existing stockpile of chemical munitions, and the technical, operational and political uncertainties surrounding the proposed binary chemical weapons program thus argue strongly against funding binary weapons production at the present time.

We urge you to support the upcoming effort in the Senate to delete the $130.6 million binary production request from the fiscal year 1984 defense bill.

Sincerely yours,

Rear Adm. Thomas D. Davies, U.S. Navy, Retired, former Assistant Director, U.S. Arms Control and Disarmament Agency; Robert S. McNamara, former Secretary of Defense; Vice Adm. John Marshall Lee, U.S. Navy, Retired, former Vice Director, NATO Military Committee; Cyrus R. Vance, former Secretary of State.

Mr. WARNER. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. MURKOWSKI) would vote "yea."

The VICE PRESIDENT. Are there any other Senators in the Chamber wishing to vote?

The yeas and nays resulted—yeas 49, nays 49, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—49

Abdnor	Hatch	Nunn
Armstrong	Hawkins	Quayle
Baker	Hecht	Rudman
Bentsen	Heflin	Simpson
Boschwitz	Helms	Stafford
Bumpers	Hollings	Stennis
Cohen	Humphrey	Stevens
D'Amato	Jackson	Symms
Denton	Jepsen	Thurmond
Dixon	Johnston	Tower
Dole	Kasten	Trible
Domenici	Laxalt	Wallop
East	Long	Warner
Exon	Lugar	Wilson
Ford	Mattingly	Zorinsky
Garn	McClure	
Glenn	Nickles	

NAYS—49

Andrews	Gorton	Moynihan
Baucus	Grassley	Packwood
Biden	Hart	Pell
Bingaman	Hatfield	Percy
Boren	Heinz	Pressler
Bradley	Huddleston	Proxmire
Burdick	Inouye	Pryor
Byrd	Kassebaum	Randolph
Chafee	Kennedy	Riegle
Chiles	Lautenberg	Roth
Cochran	Leahy	Sarbanes
Cranston	Levin	Sasser
Danforth	Mathias	Specter
DeConcini	Matsunaga	Tsongas
Dodd	Melcher	Weicker
Durenberger	Metzenbaum	
Eagleton	Mitchell	

NOT VOTING—2

Goldwater	Murkowski

The VICE PRESIDENT. On this vote, the yeas are 49, and the nays are 49. The Senate being equally divided, the Vice President votes in the affirmative. The motion to table is agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The VICE PRESIDENT. The minority leader is recognized.

Mr. BYRD. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senate is not in order. Senators are asked to take their seats.

The minority leader is recognized.

Mr. BYRD. I thank the Chair.

SENATOR JACKSON'S 11,000TH VOTE—THE VICE PRESIDENT'S FIRST VOTE

Mr. BYRD. Mr. President, the senior Senator from Washington (Mr. JACKSON) has just cast his 11,000th rollcall vote during his distinguished career in the House of Representatives and the U.S. Senate. This 11,000th vote is composed of 10,004 rollcall votes cast during his tenure in the Senate and 996 rollcall votes cast during his career in the House.

I assume this comes as a surprise to him because he did not know I was keeping count of his rollcall votes, but the landmark achieved by Senator JACKSON is a sign of the outstanding contribution that he has made to this body and to the people of this Nation.

The Senator from Washington, who ranks third in seniority in the Senate, is currently serving in his sixth term. During this long career he has served in many important positions: chairman of the Government Operations Subcommittee on National Security Policy from 1959-73; chairman of the Democratic National Committee in 1960; chairman of the Senate Energy and Natural Resources Committee from 1963-80; chairman of the Senate Permanent Subcommittee on Investi-

gations from 1973-79; ranking minority party member, Senate Energy and Natural Resources Committee from 1981-82; and currently the ranking minority party member on the Senate Armed Services Committee.

Senator JACKSON has long been recognized as a congressional expert in the fields of national security, energy, and environment. He is a leading spokesman for a strong national defense. His record of concern for human rights is exemplified by the amendment which bears his name, the Jackson-Vanik amendment, which links most-favored-nation status for nonmarket economy countries to respect for freer emigration.

Mr. President, if this were being said about me, I would want order in the Senate. I want everybody to listen.

The PRESIDING OFFICER (Mr. ANDREWS). The Senate will be in order. The minority leader is talking about a very exemplary record of one of our most distinguished colleagues, and the Senate should be in order.

Mr. BYRD. I thank the Chair.

Senator JACKSON has also played a key leadership role in the passage of major energy legislation of our day, including the law establishing the strategic petroleum reserve, the Nonnuclear Energy Research and Development Act of 1974, the Natural Gas Policy Act of 1978, the Energy Security Act of 1980, and the National Nuclear Waste Policy Act of 1981.

During his illustrious career, he has had the opportunity to cast votes important to the present and future welfare of this Nation. Among them were votes for the Nuclear Test Ban Treaty, the National Environmental Policy Act, the creation of medicare, and the Civil Rights Act of 1964.

I offer my hearty congratulations to Senator JACKSON on attaining this outstanding record of achievement.

[Applause, Senators rising.]

The VICE PRESIDENT. The majority leader is recognized.

Mr. BAKER. Mr. President, I know that our friend from Washington wants to respond. I saw him on his feet, and I thank him for giving me an opportunity first to join the minority leader in offering congratulations to Senator JACKSON on this momentous occasion.

I express to the Senator from Washington the gratitude, I am sure, of the Senate, on both sides, for the extraordinary contribution he has made over the years to the direction and quality of the work product of the Senate of the United States.

Mr. President, while I have an opportunity, I wish to say something about one who cannot respond, absent the unanimous consent of the Senate.

I observed a few moments ago that the Vice President of the United States, who is the President of the Senate of the United States, cast his first rollcall vote.

I wish to express my congratulations to the President of the Senate of the United States and point out that this is the first time since November 4, 1977, that a Vice President of the United States has been called upon to cast a vote to break a tie in this Chamber.

It has always been a matter of interest to me that the founders of the Republic created only one position in our Government in which an individual had his loyalties spread in two departments of the Government, and that is the Vice Presidency. He is, of course, the Vice President, who is charged, as best I can ascertain, with inquiring daily of the President's health. [Laughter.]

More important, perhaps, he is also the President of the Senate of the United States, and therefore a Senator.

This President of the Senate of the United States has conducted himself with great skill, with great style, and has shed credit not only on the Senate and those of us who number ourselves as his friend, but also on the tradition of great Vice Presidents of the United States.

So I congratulate him on this occasion, and I ask the Senate to join me in extending our congratulations to the Vice President.

[Applause, Senators rising.]

Mr. TOWER. Mr. President, before the Senator from Washington responds, I am delighted, as a fellow Texan, to congratulate the Vice President on his first vote, and, as chairman of the Armed Services Committee, to congratulate the ranking minority member of that committee on his 11,000th vote.

I am really delighted to have the privilege of serving with "Scoop" JACKSON, who is the shadow chairman of our committee—and there are some who contend he is more real than shadow. In my own view, I feel his influence is probably greater than that of any other member of the Armed Services Committee.

It is a great pleasure to note that on his 11,000 vote, he voted the right way. [Laughter.]

The VICE PRESIDENT. The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, I thank the distinguished minority leader, Mr. BYRD, and the distinguished majority leader, Mr. BAKER, for their generous remarks. I also thank my chairman, Mr. TOWER, who has suffered with "Scoop" JACKSON most effectively over a long period of time.

Mr. President, I did not realize I had reached 11,000 votes. I would have to engage in retroactive righteousness in order to justify perhaps of the 11,000 votes.

I might just mention, as a matter of history, with the Vice President in the chair, that I was the manager on this side, and I think the distinguished senior Senator from Texas was handling it on the other side of the aisle, when the anti-ballistic-missile system was before the Senate. There was a tie vote on that matter, and the Vice President of the United State cast the decisive vote.

Incidentally, that vote led to the antiballistic treaty. So that we do have significant arms control in that area. I think it confirms the need to have credibility at the conference table.

I wish to express my appreciation to both sides of the aisle, because many of those votes were cast, especially in the national security area, without regard to an aisle separator. It will always be that way, because I think that is the heart and soul of the American system when we are dealing with problems relating to the security and future of our Nation.

I wish to express my appreciation to my colleagues for reminding me that the Senate, in recent years, has required that Senators cast a lot of votes. I hope that will not be the case in the future, so that we can cut down on the number of votes; 11,000 votes in 30 years seem to be a pretty heavy allocation. That includes my years in the House; but if you subtract the years in the House, which involved a little over 900 votes, the bulk of the votes, by an overwhelming margin, was in the Senate.

Mr. WARNER. Mr. President, I join in congratulations to our distinguished colleague from Washington. Any of us who join him in the gym late at night know that his vigor will stand him another 11,000 votes.

I say to the Vice President that the "Hand of Providence" may have rested on his vote, because he opened the plenary session of the Committee on Disarmament, concerning the very subject about which this vote was taken today.

Let us hope, as the distinguished Senator from Washington has said, that this decisive vote can end in a treaty that is fair and equitable and verifiable on both sides, on chemical weapons.

Mr. BOREN. Mr. President, it is a privilege to join with my colleagues in paying tribute to the service of Senator HENRY JACKSON. I have a special appreciation for his service as the second generation of my family to serve in the Congress with the Senator from Washington. My father, Lyle Boren, served in the House of Representatives with "Scoop" JACKSON from 1941 until 1947. Both of us have had our lives enriched by having the chance to work with him. His friendship has meant much to both of us. By his example of dedicated public serv-

ice, he has made a real and lasting contribution to his country.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate continued with the consideration of S. 675.

Mr. TOWER. Mr. President, the Senator from Massachusetts (Mr. KENNEDY) was prepared to bring up another of our extremely difficult and controversial and important issues, the B-1. I do not see him in the Chamber at the moment. Therefore, I suggest the absence of quorum.

The VICE PRESIDENT. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ANDREWS). Without objection, it is so ordered.

Mr. TOWER. Mr. President, I see the distinguished Senator from Massachusetts is here and is prepared to offer his B-1 amendment. I think this is a very important vote which will reflect whatever the clear division is of the Senate on the issue of the B-1, so I hope that Senators will pay attention to the debate on this particular issue.

We can dispose of it I hope in a fairly final way because there are a number of other amendments waiting on the disposition of the B-1 issue. I would expect that once that is disposed of, we will deal with an amendment on contracting and an amendment relating to the GI bill.

Senator KENNEDY is here and I hope he will be recognized to present his amendment.

The PRESIDING OFFICER. The Senator from Massachusetts.

AMENDMENT NO. 1470

(Purpose: To delete funds for the B-1 bomber aircraft)

Mr. KENNEDY. Mr. President, I send to the desk an amendment on behalf of the Senator from Arkansas (Mr. BUMPERS), the Senator from South Carolina (Mr. HOLLINGS), and myself and ask that it be immediately considered.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY), for himself and others proposes an amendment numbered 1470.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 23, strike out "$21,286,690,000" and insert in lieu thereof "$15,659,890,000".

On page 21, strike out lines 1 through 7 and insert in lieu thereof the following:

PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

On page 21, line 8, strike out "(b)" and insert in lieu thereof "Sec. 108.".

On page 24, line 11, strike out "$12,499,116,000" and insert in lieu thereof "$11,749,116,000".

On page 158, between lines 8 and 9, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR THE B-1B BOMBER AIRCRAFT; REQUEST FOR ADDITIONAL FUNDS FOR THE STEALTH BOMBER PROGRAM

SEC. 1026. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used to carry out the B-1B bomber aircraft program.

(b) It is the sense of the Congress that the development of the Stealth bomber is essential to national security and should proceed as rapidly as is possible. The Secretary of the Air Force is directed to submit a supplemental request to the Congress for such additional funds for fiscal year 1984 to carry out research, development, testing, and evaluation in connection with the Stealth bomber program as he determines can effectively be used in such fiscal year on such program.

Mr. KENNEDY. Mr. President, this amendment is offered in behalf of the three Senators whom I have mentioned. I think this body is very familiar with the fact that at different times during the discussion of the B-1 bomber the Senator from South Carolina has offered a similar amendment; at other times on appropriations bills the Senator from Arkansas (Mr. BUMPERS) has offered a similar amendment, and now the three of us offer this amendment here today.

I know that a number of my colleagues both on the Armed Services Committee and in this body have been extremely active and involved in the whole discussion of the B-1 bomber issue.

I think the arguments that we make today are really building upon those comments, those statements, those efforts that have been made in the past, and also upon some new information that we believe is important to this debate and to this discussion.

So, Mr. President, our amendment proposes deleting all the funds in this bill for the B-1 bomber. Our amendment also asks that the Air Force submit a supplemental budget request for accelerating development of the advanced technology bomber, commonly known as Stealth.

We offer this amendment for sound strategic and budgetary reasons. Militarily the B-1 is unnecessary and will be virtually obsolete the moment it becomes operational. Even the most enthusiastic advocate of the B-1 concedes that the plane is a stopgap, an interim measure, to cover the air leg of the triad as we make the transition from the aging B-52 to the new generation of bombers incorporating Stealth technology.

We do not need to spend the $20 billion to $40 billion on a temporary fix. I mean you can go back to the estimates that have been made by the CBO that the Senator from South Carolina mentioned, and also the Senator from Georgia (Mr. NUNN) had mentioned, where those individual copies would reach the figure of some $400 million and would amount, therefore, to a $40 billion purchase.

We do not need the B-1. We have far more pressing needs for the money and, perhaps, more significantly spending billions of dollars on the B-1 may delay or even jeopardize our acquisition of a Stealth bomber.

It is often said that our B-52's are older than the pilots who fly them, but that is a misleading exaggeration. While the first B-52 did come off the production line nearly 30 years ago, our operational B-52's today bear little resemblance to their predecessors.

The B-52G's and B-52H's that make up our current strategic bomber force have been vastly improved over the past decade. Among the major upgrades are improvements in offensive avionics, electronic countermeasures, electro-optical viewing, and hardening against electromagnetic pulse.

Most importantly, the air-launched cruise missile has given the B-52 a new lease on life. With cruise missiles, the B-52 will continue to be an effective strategic bomber and a vital component of our strategic nuclear deterrent well into the 1990's.

Admittedly, the B-52 does have its limitations. It is not a pretty airplane, and it well deserves its pilots' nickname of "BUF"—"Big Ugly [Fellow]," to use the euphemism appropriate to Senate debate.

But more worrisome than the B-52's ungainly appearance is its large size and correspondingly large radar cross-section that make it vulnerable to Soviet air defenses which are being continually improved. With the New "look-down, shoot-down" technologies now being developed, the B-52's role as a penetrating bomber will become increasingly limited.

So we do need a new strategic bomber; there is no question about that. But the B-1 is not that bomber. It suffers from the same technical shortcomings that affect the B-52. The B-1 is better looking, and it does fly faster; but it has limited maneuverability, and that particular limitation will force it to fly at relatively high altitudes, where it can be easily detected by Soviet radar. Its terrain tracking and radar jamming gear will spotlight the B-1 for Soviet air defenses. In short, the B-1 is at best a marginal improvement over the B-52, and it has the same basic deficiencies. It is absurd to spend $20 to $40 billion on so minuscule an advance.

The new bomber we need is Stealth. It constitutes the best penetrating bomber for the future, and is the only bomber that will be able to survive the Soviet air defense environment of the 1990's. Until Stealth is developed, the improved B-52 offers a fully effective and substantially less expensive alternative to the B-1.

I am proud to serve as a member of the Armed Services Committee. In the few months that I have been on the committee I have learned a great deal about the strengths and weaknesses of our defense establishment. We do have strengths, despite the limitations and lamentations of Secretary Weinberger. We also have weaknesses, most particularly in the areas of readiness, mobility, and conventional forces. Relatively speaking, we are very well off in the area of strategic nuclear forces; our most pressing defense need is to improve our conventional forces. It makes no military sense to ignore the real deficiencies in our conventional force posture, while spending billions of dollars on a strategic bomber that we do not need. Our priorities are wrong—they are the military equivalent of the administration's domestic policy that offers tax cuts to the rich and budget cuts to the poor.

The bill before us provides funding for five—count them, five—separate programs to modernize our strategic bomber force. These include the Stealth bomber, the B-52 bomber, the air-launched cruise missile, the advanced cruise missile, and the B-1 bomber. Of these programs the B-1 is the most expensive and the least important.

Now, we can all agree that some overlaps in our security forces are essential—duplication, triplication, even quadruplication—but this quintuplication is ridiculous.

If the Air Force wants to trade in the ALCM-B and accelerate production of the advanced cruise missile because it fears that the present-day cruise missile can be shot down by the Soviets' SA-10, then it makes no sense to trade sideways from the B-52 to the B-1. Instead we should trade up directly from the B-52 to Stealth.

Such a trade-up also makes sense because we want to be certain that we can afford to buy the Stealth bomber when it is ready for production. One of the most troublesome issues on the defense horizon—and it troubles Republicans and Democrats, conservatives and liberals—is what some analysts call the "plans-reality mismatch." Simply put, there is a growing realization that our defense plans are grossly underfunded, perhaps by hundreds of billions of dollars for coming years. We are rushing blindly and foolishly toward a serious dilemma in the future—either we will have to spend hundreds of billions of dollars more for defense, or we will have to start making major cuts in our blueprints for modernizing and improving our military forces. Either course could be an inexcusable mistake for our Nation. It might very well also cause a substantial threat to our national security, if, 10 years from now, we find ourselves with an outmoded force of 100 B-1's and without the funds to build the Stealth bomber we really need.

Our amendment insures that such a mistake will not occur. It deletes all funding for the B-1, and asks the Air Force to come back to Congress with a supplemental budget request to accelerate development of the Stealth bomber. Since the B-52 will be entirely adequate until the Stealth is available, our national security will be best served by eliminating the costly and redundant B-1.

Finally, there is also the serious question of the way the Senate and the Armed Services Committee have been misused and abused by the administration as a result of the budget manipulations that have marred our deliberations on the B-1.

I regard David Stockman and OMB, and the Reagan administration, as the principal offenders in this budget charade. But the committee must share the blame for permitting itself to be tricked by the administration's unseemly last-ditch effort to salvage the B-1.

Mr. Stockman's notorious reputation for cooking budget numbers is well-earned. On the present issue, Mr. Stockman was clearly aware of the timetable for congressional action. In particular, he was aware that if he confirmed the supposed $2.1 billion in budget savings too quickly, before action on the budget resolution was completed, the Budget Committee might well use the savings to reduce the Federal deficit.

Even after the budget mark for defense was set by the budget resolution, Mr. Stockman still had to run the gauntlet of the Armed Services Committee. If he confirmed the savings too quickly for the full committee, the additional funds would be allocated among the subcommittees in accord with the committee's established procedure, and there would be little likelihood of assigning enough of the savings to rescue the B-1 bomber.

Instead of dealing fairly with the committee, Mr. Stockman conveniently arranged for the new OMB estimate to be delivered to the committee at the 11th hour of its deliberations, long after the subcommittee markups had been completed, but just in time for the new-found funds to be diverted to the B-1.

If it were not so serious an issue, Mr. Stockman's budget acrobatics would be comical. In the nursery rhyme, little Jack Horner stuck in his thumb and pulled out a plumb. In this case,

"Little Dave Stockman sat in his office,
Biding his budget time;
He stuck in his thumb,
Pulled out a B-1,
and said, 'Oh, what a good boy am I.' "

I urge my colleagues to join this effort to eliminate a wasteful diversion of scarce defense resources, and to move ahead with development of a real contribution to our strategic nuclear deterrent. The B-1 bomber will be nothing more than a supersonic albatross in the sky and in the budget, and it should be rejected by the Senate.

A final point, Mr. President, I would make is that I know the argument will be made during this discussion that the research into the Stealth technology is moving as rapidly as possible and what we really need is the B-1 with the follow-on for the Stealth technology and the Stealth bomber.

The fact of the matter is I believe that were we to take this action, were the Senate and the Congress to accept this amendment, what we would find is that the Air Force, in committing its resources and its technology and the technology that exists in the private sector, can move and move effectively and efficiently and rapidly in filling this particular vacuum.

I am seriously concerned that, should we continue on the path that we are, we are going to really, as far as the strategic bomber, make an important strategic mistake, because by committing to the B-1 we will delay the Stealth technology, Stealth development, and the implementation and deployment of that bomber into the Air Force and, thereby, I think, lessen rather than strengthen our national security and national defense.

So I believe this amendment makes good sense from a defense point of view. I think it makes good sense from a budgetary point of view. I hope the Senate will be willing to accept this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I think the issue here is very straightforward and clear cut. I actually want to commend Senator KENNEDY for offering this amendment because I think we do need to make a determination of whether or not indeed the Senate is committed to a continuation of the B-1 program. This gives us a perfect opportunity to know that.

It is my understanding that the amendment provides the funds for the ATB, which is, I would say, strongly supported by the committee, and I think one that is strongly supported by the Senate.

I think there are several questions here. The question is do we need an interim bomber, one that fills the gap between the coming obsolescence of the B-52 and the full operating capability of the advanced technology

bomber. I think events will show that we must have the interim bomber while aggressively modernizing the air-breathing leg of the strategic triad.

When one considers that there is a great deal of controversy over the modernization of the land-based leg of the triad, then one must conclude that it is prudent to do what we can to modernize the air-breathing leg of the triad.

It occurs to me that the B-1 will have a useful function beyond the time it is no longer an effective penetrator, and I might say probably a more satisfactory aircraft for delivery of the cruise missile than anything else we can think of at the moment. It also has the virtue of being able to perform conventional measures. It can be used in a conventional role and I think with some considerably military effectiveness.

The B-1, I think, must be regarded as even a superior conventional system and the one that could be used very effectively in an extensive role. I think with the growing age of the F-111 and the FB-111, the B-1 could be a great complement to the deep interdiction capability of those two aircraft.

So I think there are many arguments for bringing the B-1 into the inventory.

In the strategic area probably the best is that, first, we need an interim bomber to moderize the air-breathing leg of the triad and, second, that a mixture of the B-1 and the advanced technology bomber will give us added dimension of capability should we have to use these systems. That is to say, it complicates matters enormously for the Soviet defense planners. It creates an additional element of uncertainty for them. It forces them to dedicate more of their resources through an even more complex system of air defense and, therefore, poses, I think, a more effective retaliatory threat than if we had only the advanced technology bomber.

Finally, Mr. President, it occurs to me that we could perhaps be doing the ATB a disservice if we tried to accelerate too much. I think very often Senators get interested in programs and, to the exculsion of other programs, want to accelerate those that appear to have a great deal of promise. There is no question about the promise of the advanced technology bomber. It does, however, have some problems which are as yet unresolved.

I think in the briefing this morning those problems might have been enumerated. I was not privileged to attend that meeting so I have not been briefed on that myself.

The fact is that the B-1 is a bird in the hand and one that we should seize at the moment. I think that if we tried to accelerate the ATB too much and spent a great deal of funding on it and did not achieve results as early as some Members of Congress might want, it might jeopardize the eventual development of the advanced technology bomber.

We should not move any faster than our technology and resources will permit us to move on the advanced technology bomber. It is a system that has a great deal of promise and one that I very, very strongly support. The fact that I would oppose this amendment represents no diminution of my support for the advanced technology bomber.

Mr. HART. Will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. HART. The Senator from Texas is aware of the fact that as this bomber was originally promoted in Congress it had the mission of an advanced technology bomber. Over the years since the 1970's and into the 1980's, there seems to be a decreasing willingness on the part of the service to qualify its own commitment to the B-1 as a penetrating bomber, that is, to accept the criticism raised against the bomber years ago, that the attrition rate against Soviet air defense would be quite high.

I hear increasing talk that the B-1 in any case will be a wonderful tactical bomber.

The Senator just talked about the bomber as an air-launched cruise missile platform.

As chairman of the committee and a distinguished Member, as well as floor manager, will the Senator from Texas enlighten the Senate on what exactly the mission of the B-1 bomber is?

Mr. TOWER. I think the B-1 would have the strategic mission as a penetrator, a mission that it would be able to fulfill into the early 1990's, and one that could conceivably be extended by the development of more sophisticated penetration aids. Indeed, more sophisticated penetration aids are being developed now to be included in the B-1.

In addition, it can serve as an air-launched cruise missile platform, as suggested.

Further, it could serve in what we might call a normal defense role. It actually could perform a strategic bombing mission with conventional weapons.

We should not proceed on the assumption that every strategic bombing mission might be or is going to be with nuclear weapons. It could supplement the deep interdiction capability of the F-111 and the FB-111.

So I envision it as a multimission bomber. That is what Congress started it to be and that is what I expect it to be. Based on the information that I have now, I think it will be a valuable addition to our inventory.

Mr. HART. Is it not the case that in at least two if not three of those missions: As tactical bomber, air-launched cruise missile platform and strategic bomber using conventional bombs—that the bomber is overdesigned, that it has characteristics originally required as a strategic penetrating bomber that are not required in those other three missions; that it is an overcapacity, overdesigned aircraft for those follow-on missions?

Mr. TOWER. Based on the statements made to me, it is not overdesigned. It is an aircraft that is carefully crafted to fulfill the mission to be assigned to it.

Let me say to the Senator from Colorado that I am not a professional expert on this system, perhaps not on any system. I am a layman, as is the Senator from Colorado. I must, therefore, base my conclusions on professional judgments. I believe the great weight of professional judgment holds that our Air Force, the men who man our strategic systems, deserve the best capability we can afford and we should not send them into combat with less.

Mr. HART. Mr. President, I respect the chairman's humility—ill-placed, I think. He is a much greater expert than he holds himself to be.

Mr. TOWER. Now the Senator from Colorado is just about to set out to prove that I am not an expert at all. But he should go right ahead.

Having said that, having set me up, I hope he will feel free to proceed.

Mr. HART. Mr. President, what has upset the Senator from Colorado is that the Air Force keeps changing the mission of the plane. It is my distinct impression of the last 2 or 3 years that the Air Force's mission and justification for the plane have substantially shifted. I frankly do not find in the record, in the testimony and the entire submission of the Defense Department and its witnesses the strong support for this plane, given its design characteristics, as a manned penetration bomber.

Mr. TOWER. Mr. President, I personally do not get upset about changing the nature of missions. Some missions have to be changed. We changed the mission of the B-52. The B-52 was originally designed as a high-altitude penetrator. Everybody knows we cannot use it for that now. So what do we use it for? A low-altitude penetrator. It has a very limited life in that role.

The B-1 can perform as a low-altitude performer. That is its mission. That is its priority mission, as I see it, for the immediate future. But other missions can be developed for this aircraft as times change, defensive capabilities change, and products are improved.

Mr. HART. The Senator from Colorado concludes only on this note, that we are buying an airplane that is now intended to perform missions that it was not designed to perform; that, in fact, it will not perform the mission it was designed to perform; and that, fi-

nally, in fact, it is overqualified and overdesigned for the missions it probably will perform.

I thank the distinguished floor manager.

Mr. WILSON. Mr. President, will the Senator from Texas yield?

Mr. TOWER. The Senator may seek the floor in his own right.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from California is recognized.

Mr. WILSON. Mr. President, in light of comments from the distinguished manager of the bill, I was privileged to attend virtually all of the briefing to which he alluded, which took place this morning. In just a few words, let me say that repeatedly, the Air Force representatives who were conducting that briefing were asked by Senators the precise question that is the subject of this proposed amendment. They made clear repeatedly in response to those questions that not only are they not seeking the assistance which the amendment proposes; to the contrary, they indicated it would be very counterproductive; that there is no need for acceleration; that, in fact, time is required in order to achieve an adequate testing, an adequate assurance that the advanced technology bomber will be all that we do, indeed, hope it will be.

In the interval, it was quite clear from the response, the explicit response to the explicit question, that the Air Force feels that there is an urgent requirement for the production of the B-1B bomber and that without it, we shall be continuing to suffer a real gap, that efforts to try to modernize the B-52 will be unavailing to fill that gap.

So, in a very few words, Mr. President, I think that Senator KENNEDY has offered an amendment which is not only not required, not solicited by the Air Force, but, in fact, is one which would be resisted by it. So I urge that his good intention be commended but that this amendment be defeated. It will not assist the Air Force; it will not assist us in achieving the cause of peace.

Mr. HOLLINGS. Mr. President, the B-1 bomber has been under discussion for some time. As time moves on, it becomes less and less viable as an item of defense weaponry.

The fact is, Mr. President, that the Budget Committee has tried its best to narrow into a particular focus where we are headed in defense and how much it will cost.

If you ask the Secretary of the Army to list all his requirements from the infantry fighting vehicle to the M-1 tank, the attack helicopter, the Patriot, and ammunition—all the gear to put a soldier on the field of battle—and then ask for the 5-year cost of the items using the proper inflation rate and the proper outlay rate; if you ask the Secretary of the Navy for a similar listing and the Secretary of the Air Force the same for Air Force missiles and planes, you quite quickly conclude that there is just not that much money in the world. So commonsense and reason dictate that there must be some give and take. You just cannot finance all the particular requirements that every service Secretary would like to have for his service. So we go about, in a very advised way, trying to find out where there can be some economies and where there are needs.

One item we need, very, very badly is funds for conventional arms and for operation and maintenance. We need more money for F-15's and F-16's, for attack submarines; we need to flesh out the Rapid Deployment Force; we need to take our Reserve and our National Guard and beef it up. They are shy some 400,000 troops and are woefully inadequately prepared from an equipment standpoint.

So we have many needs that we are not caring for.

Then we come across a weapon that has now gone to a level of 41 billion bucks—100 planes at $41 billion, or $410 million a copy.

Everyone has his way of analyzing costs. I was in Detroit recently, and I went through the Renaissance Center that is the core of the downtown renewal effort. The Renaissance project cost $380 million. This one plane—the B-1—will exceed the cost of doing all renovation of Detroit's Renaissance area.

As we look at this $410 million item, we should look at the assessment given the B-1B by none other than the Secretary of Defense, Caspar Weinberger:

> I think there is no question whatever that we will not be able to use the B-1 as the penetrator after 1990 * * * probably 1988 to 1989, you lose the ability to penetrate unless someone wants to direct suicide missions, and that is not anything I am going to do.

Here I am as a budgeteer, with a responsibility to set priorities. We have the President saying we need 10 percent real growth; we have another group saying 6 percent, 7 percent, we know our commitment to NATO is 3 percent. Who can make sense out of such a hodgepodge?

We cannot afford it all. Secretary Weinberger is not the only DOD official critical of the B-1. William Perry, former Under Secretary of Defense, testified as follows:

> The B-1B will be extremely useful as a cruise missile carrier * * * but I do not believe we should delude ourselves into thinking it is a high confidence penetrator of sophisticated, modern air defenses that will be in the Soviet Union in the late 1980's and 1990's.

From the budgeting savings standpoint I have found a winner. I am trying to save $40 billion, and I have the Defense Department designating the savings themselves in the form of the Defense Secretary and the former Under Secretary, the most respected William Perry.

What better testimony is needed. We can all talk about the briefings we have had. When you have been in the Senate 17 years, you learn that they will give you a briefing on most anything. The real need is to learn how to listen and learn how to seek out.

Mr. President, we are in bad shape. For 15 years, the Soviet Union has been conducting a massive buildup of its military strength—ships, tanks, planes, and missiles. The Soviets invaded Afghanistan, unconscionably experimented with chemical weapons in Laos, and we know about them also in Afghanistan. The Soviets have clipped the wings of freedom in Poland. Those who think we can step down in any way and not keep ourselves alert and prepared are sadly mistaken. How have we responded to the incredible Soviet improvements and actions? We allowed our Navy to shrink from 900 to 500 ships. Begrudgingly, we allowed the Army to buy one new tank system and we slowly started to rebuild the Air Force's tactical aircraft capability. That has been done at a turtle's pace.

We have begun to modernize selected segments of our strategic forces.

And while we exercise détente, the Soviets have been having a ball. They are in the seventh inning stretch while we have yet to go to bat. We finally have a bipartisan consensus in this country that the national defense is important to all of us. I do not want to lose that momentum. Unfortunately, the President in his headlong rush to the MX missile, the B-1 bomber, DIVAD, and all the other expensive weaponry, is destroying not just the strategy of buying useful weapons for our troops but is also destroying the valued consensus that we had on both sides of the aisle to study the projected and realistic rebuilding of our national defenses.

There are important questions to be answered regarding the B-1's penetrating capability. Compared to the B-52, the B-1 flies faster but its smaller wing area is more heavily loaded, making it less maneuverable and more sluggish than the B-52, forcing it to fly higher than expected and into the Soviet radar horizon.

The B-1's sophisticated terrain-tracking electronics and jamming gear—active systems—are also sure to alert the Soviets to the plane's position. One might conclude that we are replacing the B-52 with a more vulnerable bomber at a tremendous price.

Another consideration often glossed over by the B-1 proponents is the tremendous expenditures already undertaken to retrofit and modernize the B-52's.

The distinguished chairman of the committee, who is handling the bill,

knows better than I the improvements in B-52 offensive avionics—electronic counter gear measures, electro-optical viewing, fuselage extension, electromagnetic pulse hardening, and an air-launched cruise missile capability. In fact, these improvements have cost more than the plane itself. There is no need for the B-1 as a cruise missile carrier or as a conventional bomber in lieu of the improvements that I have listed for the B-52.

By canceling the B-1, we will not be creating a bomber gap. There are those who say, "Oh, Chicken Little, the sky is falling; we must move forward," or you hear that some of us are prodefense or are antidefense.

I yield to no one as a pro-defense Senator. Anybody listening on the floor can join me now in my draft bill. I do not propose we try to draft everyone. But more than a demonstration, Mr. President, of military power, we, in this land, need a demonstration of willpower. Every time we go to an international conference, our NATO colleagues say, "You come here with a percent of money and you know and I know that your volunteer army is not working."

I debated the issue with the distinguished Senator from Arizona back in 1971. We could look at the casualty count. At that time, you could see very readily that the war in Vietnam was being fought by the black, the poor, the disadvantaged.

I countered at the time; I said, "Senator, we will have in your volunteer army an army of the black, the poor, and the disadvantaged." And I might add, with the economic distress in this country, the unemployed. That is how this administration maintains the figures for the AVF—not the skills for the modern sophisticated army that we need today. For the conscience of America, the most affluent of nations, to rely on the least advantaged in our society for our national defense is a dangerous anachronism. If we really want to build our defenses and we really want Americans committed to our defense, we would be calling on a crosssection of our society as we did prior to the AVF.

So let us not talk about who is for defense and who is not and whether there may or may not be a bomber gap. We have over 330 B-52's, 63 FB-111A strategic bombers, and we intend to procure up to 4,000 tactical aircraft that can carry bombs and missiles—the F-15, F-16, F-18, A-6, A-7, and AV-8B. No one should cry wolf about weakening the bomber leg of the triad by ridding the DOD budget of the waste of the B-1.

We are building, Mr. President, a bomber that can and will be able for a long period of time to penetrate the Soviet defenses, and that bomber is the Stealth bomber. The CIA has testified that there is no penetration difference between our current force of B-52's and the B-1 beyond the late 1980's—the third authority I have referred to now. At that time, the B-52 and B-1 would both become standoff cruise missile carriers, so why build the B-1 when the B-52 is flying and accomplishing the same mission? We can move forward with the Stealth bomber. We can have it operational by 1989. Those briefed on Stealth intelligence information, know the truth of that statement.

If the Air Force can get away with using Stealth money to pay for the B-1 cost overruns, that is what they will be doing. And let me tell you what is soon going to happen over at the Pentagon, and then I will yield, Mr. President. I know other Senators want to bring this issue to a vote. The Air Force and its B-1 contractors will attempt to place some of the funds for the Stealth bomber into a so-called B-1C bomber. I want to make this record because we are going to face it in the near future. The claim will then be made that there is no longer a need to build a new Stealth bomber. The B-1C will simply co-opt it. The $40 billion for 100 B-1 aircraft will grow to $80 billion because we will then have a 200 B-1 aircraft program.

What is now inaccurately advertised as a $20 billion program will likely be an $80 billion program. There will be another new group saying "waste, fraud, and abuse." But the waste, fraud, and abuse start on the floor of the U.S. Senate—right here, this afternoon. You can look ahead to the future and see it coming.

You do learn a little after being here.

How about the contractors working on the Stealth bomber? Would they not be upset by this maneuver? After all, they are hoping to build at least 100 Stealth bombers at $20 billion or so. The answer is no. The Northrop Corp., lead contractor on Stealth, is also building the F-20. All the DOD has to do is profess that the F-20 fighter is a great plane—not for our Air Force, of course, but for export purposes. Help the F-20 on the international market. So the profits that could occur from the Stealth bomber would be derived instead from the F-20. Who is hurt? The American public and our military who get an inferior product.

At best, for a 2- or 3-year period, the B-1 would be a penetrator and then lose this ability, and the Stealth bomber would pick up the penetrating job. For many politicians, this short time span presents no problems. When I consider that the B-1 will cost $40 billion just to buy 100—mind you, merely buying 100, not operating them—I get very concerned. Forty billion for 100 planes works out to $400 million a piece for a bomber that is limited in a strategic role to standing off from its targets and firing missiles up to 1,500 miles from them. That is an expensive way to buy our defense, especially when that job can be done for less than $100 million a plane. It really hurts the taxpayer when the price tag jumps to $80 billion for a 200 B-1 program.

Why are we paying so much when the same job can be done for so little? The Pentagon refuses to answer that question. I do not hesitate to answer it at all. The issue is priority. The current administration in the Pentagon has one priority—to spend as much money as it can and hope to pass this misguided scheme off on the American public, that it is building up our defense capability. Nothing could be further from the truth, and our military leaders know that. Money does not equate to capability. Getting the right kind of soldier, the right kind of equipment, and keeping ready and trained to fight means capability.

And in this regard, what is the $40 billion costing us in terms of real defense capability. It means that we have roughly a 30- to 40-day supply of ammunition when our defense fighting plans say we need a 180-day supply. We are short over 50,000 trucks, jeeps, and supply vehicles for our Army and Marines. We are building new tanks at a rate of only 60 a month instead of the 90 a month the Army needs to equip its forces. We have no rapid deployment force. We are way short in ability to airlift and sealift supplies to our troops in Europe and elsewhere if war were to break out; thus, they could sustain in battle for only a very short time. Protect the oil in the Middle East. We can not. The Soviet submarine force stands at 3 to 1 larger than ours. We buy tactical aircraft for the Air Force at only one-half to two-thirds the level that they need. Our Reserve and Guard Forces are undermanned and poorly underequipped. We cut the readiness, training, and operating funds of all the services to buy a few bombers.

Does this make good sense? Does this make good defense? Absolutely not!

The B-52 is a great airplane. But it must be replaced by the mid-1990's. The Stealth bomber will become our basic strategic bomber by the early 1990's. A $40 billion program, a $400 million airplane, is not the answer as we cover the conventional bomber gap to be open as we retire the B-52.

We do not need to rush and fill a nonexistent gap. We should take a lot of the $40 billion saved from canceling the B-1 and put it into our conventional forces. That is the way to show our support to our military. That is the way to show our resolve to the Soviet Union. If we prepare ourselves to fight only a nuclear war, we will fight nuclear war. We are robbing our conven-

tional forces to the point where we will never be able to use them.

I agree with Defense Secretary Weinberger that the B-1 will have only a very short span as a strategic bomber. We need to replace the B-52 with a new cruise missile carrier with a command and control function by the mid to late 1990's. The B-1 is not that plane. The B-1 is not a defense priority.

Mr. President, I know that our distinguished majority leader is trying to move things along. I have tried to help him move things along by staying away. They should already have passed all the appropriations bills by now. I hope we are not dragging our feet.

In fact, I have taken his advice and become a citizen Senator, out with the people, and it has been a truly educational experience.

Mr. BAKER. Mr. President, I really cannot resist; good judgment suggests I should and good friendship suggests that I must, but I cannot resist. We would have passed every appropriations bill we could, if I had known the Senator would stay out of town just a few more days. But he has been out running for President, and I wish him well—almost successful, not quite.

I have been around that track, and I know a little of what he is going through now, and I know how much it strains the smile muscles, and how from time to time you would give almost anything for just a few minutes to yourself.

I know what a really exhilarating experience it is, running for the Presidential nomination, but I hope the Senator does better than I did.

Mr. President, I hope we can get on with the vote on this amendment as soon as possible.

Mr. SYMMS. Mr. President, I have listened to the remarks of the distinguished Senator from South Carolina, and I have read his "Dear Colleague" letter. I enjoyed very much working with the distinguished Senator on the Budget Committee in the first session I was privileged to be here, and I agree with very much of what he says.

I certainly share his point of view, and I would like the Senator to know that I appreciate the thrust of his attitude toward volunteer service. I think that in time he will be proved correct. The Volunteer Army as a concept is based on an idea that, in my opinion, is not correct for the long term, that the defense of the Nation is a question of will and determination more than it is dollars, hardware, and equipment.

However, it sometimes becomes very difficult to discern between the dollars that are spent, the equipment that is bought, and the will; because if we are not willing to buy new, modern equipment for the Armed Services, we may never have the will or the courage to defend the country or to ask the young people of the country to do what is necessary to preserve the freedom and opportunity we enjoy in this country.

In the "Dear Colleague" letter, the distinguished Senator from South Carolina tells us that the B-1 is too expensive. No one talks about how expensive the Stealth bomber or the Stealth concept may be. I never hear anyone talk about that. It is always some kind of great saving.

The Senator from South Carolina tells us that the B-1 will not be able to penetrate Soviet defenses. Yet, are we assured—do we know—that the Stealth bomber will be able to penetrate Soviet defenses? The Senator from South Carolina does not tell us about the costs or about the limitations it might have.

In other words, what we are talking about doing is buying something in the future, putting it off, instead of going ahead with something that is assured state-of-the-art technology.

I do not come from the part of the country that the Senator from South Carolina comes from, but I have been told that they have a hush puppy down there. When the hunters come in and are tired of hunting and dogs are there, the hunters cook a little corn and say, "Hush, puppy," and throw it to them at the campfire.

I sometimes wonder if we are not serving up this Stealth bomber as some kind of figment of our imagination, which we are going to get by 1990, 1995, or the year 2000, when the B-52's will be 40 or 50 years old, and have this great flying hush puppy, because we do not have one now and we do not know what we are talking about. There is no cost data. There is no performance data. There is actually no airplane that I know of.

I think we have to ask some questions such as this:

What plane is the U.S. Air Force going to use to carry cruise missiles if commercial aircraft and the B-52's are aging and if they cannot be protected against the disabling effects of nuclear radiation, and so forth? Do they have the payload capacity?

If Stealth costs too much, will we not then be left with making do with the B-52, an airplane that in the 1990's will be almost 40 years old?

What will be the deterrent effect of crippling the MX program and interrupting an ongoing bomber production program? What deterrent will we have?

I agree with the Senator from South Carolina that a lot of the idea of defending this country is whether we have the will to do it, and that is why I share his point of view with respect to the volunteer program. I think the country would be stronger and better served if the young people in the country grew up knowing and were taught that from grade school on; that if the time comes, they have to answer the call; that they know it and grow up knowing it. I share that view with the distinguished Senator from South Carolina.

I think that in this case, the will and the necessity for the modern equipment preclude our ability to decide now that, somehow, we can put this off and not build the B-1 bomber, which is the state-of-the-art technology, which is necessary.

We spend much money training experts in this country, in terms of our well trained, highly professional military officer corps, and then we never listen to them.

Mr. President, the Stealth could be called the great flying hush-puppy. It is some kind of wonder weapon that we do not have. I think it is too risky for this country for us to make a decision here based on thumbnail sketch information, based on something we hope to get in the future.

Mr. President, I will summarize by saying that when I was in the other body, we had a great debate on the then B-1 bomber. This was back in the early 1970's. I recall that in the debate on the B-1 bomber, a senior Member of the House from Kansas, Joe Skubitz, made the argument that there was a $20 billion program and we were trying to build some 500 B-1's.

He made the argument that if we build the B-1, we hope we never have to use it. If we do not use it, all we have done is lost $20 billion, which is a lot of money. But at least it has provided for the deterrent. It has provided for the safety, and we will hope that we never need it. There is no way to know for sure whether you do or you do not.

He said if we do not build the weapon and the day comes when we do not have it and we do need it, then we may run the risk of losing our country.

I think this is highly risky for us not to complete the program that has been set out, that has been called for by numerous Presidents in the past and by President Reagan, and I think that we definitely need that in our inventory. It will serve this country well for many years. It has great versatility.

A modern bomber like this can be used for other kinds of more conventional warfare and serves, I think, as a great deterrent to any of our adversaries who might at some time make the mistake to underrate what the underlying will power of the American people is.

Mr. President, I ask unanimous consent to have printed in the RECORD the article "Stealth Bomber Won't Work," by Knut Royce of the Hearst News Service.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STEALTH BOMBER WON'T WORK, CRITICS SAY

(By Knut Royce)

WASHINGTON.—The "Stealth" bomber, a much-ballyhooed futuristic aircraft that would be invisible to Soviet radar will never work, according to Pentagon sources familiar with the research.

They said no bomber can be designed to escape detection flying over Soviet airspace, and military planners view the claim of the "Stealth" bomber's invisibility as a "joke," albeit one that is consuming hundreds of millions of dollars in research and development funds.

"Stealth" became a buzz word in 1980, when then-Secretary of Defense Harold Brown announced "a major technological advance" would soon usher in a new generation of "invisible" bombers, a promise still advanced by lawmakers and public figures seeking to kill the B-1 bomber.

Why, they argue, spend up to $400 million a copy for the B-1 when just around the corner is a new bomber that could fly through defenses with impunity?

Although denied by Brown at the time, his announcement was widely interpreted as a ploy in the heat of the presidential campaign to counter claims the Carter administration was "soft" on defense because it had killed the B-1 bomber.

Pentagon skeptics said the Reagan administration has continued the project in order to bail out Northrop Corp., which has been selected the prime contractor for research and development of the "Stealth" bomber. That company has admitted losing $350 million building F-5G fighters for the foreign market.

The funding to Northrop—which one source estimated as much as $750 million for 1982—is through so-called "black" money, highly classified amounts funneled secretly through several Defense Department agencies.

All this secrecy, according to the defense sources, is much ado about nothing.

The sources said there have been no new technological breakthroughs, and that if the U.S. waits for the "Stealth" bomber to be developed before going ahead with a new generation of bombers to replace the aging B-52s, it may have to wait forever.

The sources said the "Stealth" coating that would absorb radar waves rather than bouncing the signal back would have to be between 2 and 4 feet thick to foil Russia's old-fashioned, search radars.

Ironically, the Soviet capabilities to detect "Stealth" can be traced to reluctance to throw anything away. After World World II, Russia built a vast network of long-wave radar installations and hundreds still exist.

These radar installations emit wavelengths of 8 to 16 feet, as opposed to the more modern U.S. network based on shorter waves measured in inches and smaller dish antennas. Successful "coating" to absorb radar must be at least one-fourth as thick as the length of the radar wave.

The coating is a plastic substance embedded with fibers that conduct the radar waves. By dissipating the waves into the coating there would be little bounceback to the radar, and the signal would be weak.

Similarly, shaping an aircraft to deflect radar echoes away from the searching radars can be moderately effective only against shorter-wave radars.

"Stealth" technology dates back to German developments at the end of World War II and was not lost on the U.S. military. For many years after that the Defense Department quietly worked on "Stealth" research, with much of it in the open.

Then, in the mid-1970s, a test pilot working at the Pentagon convinced his superiors that a small, 15,000-pound airplane should be built to incorporate "Stealth" techniques. Its mission would be to penetrate enemy lines, conduct some surveillance, and perhaps do a little strafing as well.

But to fund the project, the Pentagon decided to dip into its "black" money. From that moment everything became highly classified, and the word "Stealth" first crept into the vocabulary of a few officials familiar with the project.

In 1980 word leaked out that something unusual was going on, and Brown announced the U.S. was developing the technology to apply to all aircraft, including bombers.

Unlike the original small plane that launched the top-secret "Stealth" program, the "invisible" bomber currently under design is a 550,000-pound behemoth, larger still than the B-52.

With such a large bomber, the use of "Stealth" techniques is virtually impossible. Even if it were possible, the plane could still be detected and intercepted, the radar experts said.

Civilian Stealth applications—mostly on automobiles to avoid police radar—have shown that, at best, they can buy the speeding motorist a hundred yards or so of reduced detection range. Ultimately, even the weak police radars will pick up the automobile.

And while "Stealth" coatings for cars occasionally hit the market, they have never enjoyed the popularity of so-called "fuzzbusters," which warn the motorist that a police radar gun, with a range of about 250 yards, is about a mile away.

Edward Teller, a nuclear bomb specialist and a widely acknowledged hawk on defense issues, hinted in a Wall Street Journal article shortly after Brown's announcement of a breakthrough in "Stealth" technology that he was skeptical the "Stealth" bomber would work.

"At least one proposal for a countermeasure exists," he wrote. "This method appears obvious and does not even require any extensive technological effort in order to allow the Soviets to detect, localize and destroy 'Stealth' bombers. Unfortunately, the rules of classification do not permit me to describe this countermeasure concept."

Mr. SYMMS. I yield the floor.

Mr. ZORINSKY. Mr. President, should we ask our pilots to fly an outdated aircraft against a sophisticated air defense? Certainly not—yet that is the question we keep returning to as we continue to debate the pros and cons of producing the B-1B bomber.

I firmly believe that, Mr. President, we need a new bomber and the B-1B has proven itself in every aspect to be ready to step in where the B-52 has left off.

Many of the arguments we hear today against the B-1B bomber were used against the B-52 bomber three decades ago. In 1953 we heard that—

No decision has been reached yet, but a proposal is circulating around USAF headquarters to eliminate all but a small part of the Boeing B-52 production program. Feeling in some USAF quarters is that the difference between B-47 and B-52 performance is not worth the cost of the B-52. SAC also anticipates getting supersonic bombers soon enough to make the B-52 strictly a short interim measure.

The B-52 has been a fine airplane but it is an old airplane and it is a fact that, like any machinery, the older an airplane is the more it costs to maintain. In addition, it was designed as a high altitude bomber, not a low-flying penetrator.

On the other hand, the Stealth aircraft is so highly classified that very little is known about it and enormous expenditures and much time will be required before we can reach the degree of confidence that we have in the B-1B bomber today.

The argument in favor of the B-1B bomber is overwhelming. Those who contend that the B-1B should not be built obviously are turning their backs on clear evidence and demonstrable facts: The B-52 force is fast becoming obsolete and unreliable, and will cost billions of dollars if we are to keep them operational.

That brings us back to this reliable, tested and effective airplane. The B-1 gives us the capability of penetrating Soviet air defenses flying as low as 200 feet above ground with highly sophisticated avionics, a much larger payload capacity than the B-52, and such a small radar cross section so as to be very difficult, if not impossible to detect.

We should never lose sight of the fact that peace through strength is the only proven path we can follow in today's world: The Soviet leadership has not wavered in their drive for military supremacy—that has to be made clear as we look at the options available to us by which we can provide for a rational defense of all Americans' freedom.

To negotiate an effective arms control treaty with the Soviets, we need the triad and a versatile and potent B-1B force will give us a solid foundation from which we can negotiate.

In conclusion, Mr. President, our vote today for the B-1 will send the Soviets a clear signal of our firm resolution not to fall behind in the defense of our freedom, which we have enjoyed for the past 200 years.

Mr. SYMMS. I appreciate the Senator's remarks, and I agree with what the Senator from Nebraska has said.

Mr. GARN. Mr. President, I shall be very brief because this issue has been argued the 9 years that I have been in the Senate. I know of nothing new that can be added, only to say that I am disappointed that we continue to argue about it, that we continue to make the decision on weapons systems which is never to build them, to delay and delay decade by decade while the Soviet Union continues to build in every category of weapons systems.

I only remind my colleagues on this issue where we hear that we should

not build the B-1 and we should move to a more advanced bomber that the same arguments were heard in this body by those who opposed the B-52. The faces change, the names change; the arguments do not.

We find the same rhetoric that the B-47 was adequate and that the B-52 would only be an interim bomber until we came up with a more advanced and a better strategic bomber. All we have done is change the names.

Now we talk about the B-52 being adequate; even though it was only going to be interim, it has been around for 30 years. Many of the crews who were flying it were not born when it became operational. It is an old airplane. It is not adequate into the 1990's. Certainly it will fly. DC-3's still fly as well.

But we simply cannot play this game over and over and over again of always deferring for something better and never building deterrence because I will guarantee you if we make this decision, if we eliminate the funds for the B-1 and we wait for this Stealth that will not be ready before 1995, no matter how much money we spend on it, the technology, just the aerodynamics of it. The Senator from South Carolina and I debated this many times in the Appropriations Committee. I happen to have flown a few airplanes over the last 30 years and do know something about their characteristics. I do not care. I will be willing to bet anyone in this Chamber that we will not have an operational Stealth type aircraft before 1995 no matter how much we spend on it. Certain technology we cannot accelerate regardless of the amount of money.

But what will we have if the Senate makes this decision today to eliminate funds for B-1 on the hopes of some future bomber? Thank goodness we did not do that with the B-52; it has been rather helpful to have around for the last 30 years. But then you will find Senators a decade from now arguing that we should not build the Stealth because they have one just around the corner after the year 2000 that will be better.

That has happened over and over and over again in this body. We have argued about a replacement for the Minuteman III for more than a decade while the Soviets build three new weapons systems. Let us have a bird in the hand for once. We simply do not.

Let us not make the mistake again. For once let us make a decision and build the capable bomber and not rely on the 30-year-old aircraft and the hopes of some technology springing out of the woodwork in 1990. It will not happen.

My colleagues should look at the record and they will find, as I said, the exact same remarks being made about the B-52 that are being made about the B-1.

Mr. BUMPERS. Mr. President, first of all, let me say that if we were to go back to the debate in the 1940's about a follow-on bomber to the B-29 we would have heard a lot of the same arguments to which the Senator from Utah has just alluded. He said, "I bet you heard the same arguments when we started to build the B-52 that you are hearing now about the B-1." I do not doubt it. We probably did.

But the Senate, the Congress, and the Defense Department have been wrong about half the time since the end of World War II about bombers. There were a lot of people who stood on the floor of this body in the late 1940's and said that the B-36 is not the bomber we should build.

But the other side prevailed and we started building the B-36, only to replace it with the B-47 almost immediately after production was initiated. And all the money we spent on the B-36 was an absolute, utter, irreversible waste.

Then some of you will remember, if you go back and check the record, that some of the debate that you hear here today was also made when we started to build the B-70. Now it was the improved B-52 that stopped the debate on the B-70. I think we built one or two prototypes of the B-70. Now we have built the B-47, the B-58 and the B-52 since the end of World War II. We should not have built the B-36. We did. We are sorry. We did not build many of them. And we did not build the B-70.

So the fact that we are having a debate here about whether we are going to build the B-1 or the Stealth, or both, is a very legitimate debate. There is plenty of precedent for it, and there are as many good examples on the side of not building the B-1 as there are on the side of building it, so far as the past mistakes we have made in selecting weapons systems for production.

Mr. President, let me say also at the outset that it is a curious phenomena in this country that any time you oppose the Pentagon or something it wants you are considered to be a liberal, a dove, a host of other negative things that people tag you with. But I will tell you something. I have been in public life now 13½ years and I have yet to run across an American citizen, let alone a colleague in Congress, or all the people I talked to in the years I was Governor of my State who has said he favors unilateral disarmament, who has said he favors a weak America, who has said that he does not favor a strong deterrent.

But a few of us who believe very expensive weapons systems that we do not think give us a very big bang for the buck will persist in our efforts.

The reason the B-1 has been around so long, and the Senator from Utah said we have been debating this since 1977, is that the arguments we made in 1977 are just as cogent, just as persuasive, just as compelling now as they were in 1977.

As a matter of fact, they are much more so because this plane was going to cost $100 million in 1977, and now the procurement plan for 1984 that we are proposing to strike here is $3.8 billion for 10 airplanes; $3.8 billion in this budget for next year for 10 airplanes. You do not have to be an Einstein to know that that comes out to $380 million per plane for those we are going to buy next year.

But that is not all the story. There is a lot more in here for R&D. There is a lot more in here for advance procurement and associated spares, and the total amount of funding in this bill for the B-1 is $7 billion.

Well now, the Pentagon will tell you, "Yes, it is true the first planes we are going to buy cost a lot more. They do cost over $400 million each."

Just stop and reflect, does that not blow your mind, $0.4 billion for one airplane?

Incidentally, Mr. President, when I was talking about the B-36 we built and the B-70 we did not build, it reminded me of a really dramatic debate on the floor of the Senate on whether we were going to build an antiballistic missile system in North Dakota. Some of you will recall we voted to spend $6 billion to build an antiballistic missile system in North Dakota by one vote. That appropriation measure passed the Senate by one vote, and there were some people who said, "This will not work and we are wasting $6 billion."

The cry went up, "You doves are just waiting for the Commies to come and take us over."

Well, what happened was we started dismantling that ABM site before we finished it. We dismantled that antiballistic missile system in North Dakota after we spent $6 billion because we knew it would not work. But a lot of people, always afraid that the next time they ran somebody was going to say, "Well, he is antidefense, he is for a weak America," voted for that unworkable antiballistic missile defense.

The truth of the matter is when you vote funds for some of these weapons systems you are indeed weakening America because you are spending good, hard-earned tax dollars for systems that give this country not one extra ounce of security.

I favor the Stealth bomber and I have ever since I first heard about it, and I am going to continue to favor it. The briefing I got this morning convinced me that at least so far I am still right on that one.

I have voted for every appropriation for the Trident submarine because I favor the Trident submarine program.

I have voted for money for the D-5 missile because I think the D-5 missile makes a lot more sense than the MX.

I am for a bigger Navy. I am for the cruise missile. Out of the hundreds of weapons systems in this bill, I favor all of them but three or four. But I do not favor the B-1 bomber and I do not favor the MX missile because I think they are wasting our money.

Mr. President, when I talk to some of the people in the Pentagon about the B-1, I admire their expertise and sometimes I admire their candor; sometimes I do not admire their candor because I do not think they level with us. But, for the most part, they are men who honestly and fervently believe in what they are doing.

But bear in mind that those noble men in blue over there do not operate under the same kinds of budget constraints that you and I do. When my kids used to go to the candy store, if they had 50 cents they had to pick and choose what they were going to buy. But if I gave them $10, they did not. They could buy a little of everything.

So here we are in a similar situation. We have budget constraints, and the question here involves hard choices. Put the best face on the B-1 and assume that it will penetrate the Soviet Union until, as they say, the 1990's. Now, incidentally, I practiced trial law for 18 years before I got into politics, and I learned as a lawyer to be very careful about what somebody says. Semantics can be very deceptive.

When DOD says that the B-52 will be good into the late eighties, you can bet your bottom dollar it will be good at least into the late eighties because they want to get rid of the B-52 as soon as they can.

But when they say that the B-1 will penetrate the Soviet Union into the 1990's, you can bet your bottom dollar that is the early 1990's, because if they had any confidence at all that the B-1 would penetrate the Soviet Union past 1995 they would tell you it will penetrate the Soviet Union into the late 1990's, and they do not say that.

So I have to believe that it is the early 1990's. As a matter of fact, I am willing to take the Secretary of Defense at his word because he testified before the Senate Armed Services Committee that he would not dare put an American airman's life at stake in a B-1 attempting to penetrate the Soviet Union after 1990.

I also have to believe that when he went back to the Pentagon that he was placed in the woodshed by the generals, who said, "Mr. Secretary, you may have just killed the B-1, because if Congress does not believe the B-1 will penetrate the air defenses of the Soviet Union past 1990, you are looking at a very narrow window between the time the B-52 will not penetrate and the time the B-1 will not penetrate, maybe 2 years. Congress may be dumb but they are not stupid, and they are not going to spend $40 billion on an airplane to penetrate the Soviet Union for only 2 years."

So all of you around here who pay attention know the Secretary held a press conference and said, "I misspoke myself." He did not say precisely how long the B-1B is going to be able to penetrate. He just said beyond 1990.

Much is made of the fact that the Stealth and the B-1 will cost about the same amount of money in today's dollars. In other words, if the Stealth bomber were to the point where we could start building it today it is estimated that it would cost just about the same amount of money as the B-1. But that is relevant only if these two planes are equal in their capabilities. If they have the same capability though, then we do not need the Stealth.

They both cost the same amount of money, but nobody here would argue, and certainly the Air Force does not argue, that they are the same plane and each has the same capability. What we are talking about are cost figures only.

But if they are not the same, and the Stealth is to become our penetrating bomber, then we do not need the B-1.

I do not think the Air Force knows itself how long the B-1 will penetrate.

I think that simply because the Air Force perceives that it is under no budget constraints it says, "We want it all. We want both bombers."

So far as I can recall, since the end of World War II this country has not embarked on two bomber programs at the same time; but today we are talking about a double ton of money for Stealth and about a double ton of money for the B-1 which will not give us one single additional ounce of security.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. TOWER. Were not the B-52 and the B-58 both produced at the same time?

Mr. BUMPERS. I am sorry.

Mr. TOWER. Were not the B-52 and the B-58 both produced at the same time? You say we have not produced two bombers at the same time.

Mr. BUMPERS. I think the Senator is right.

Mr. TOWER. Actually the B-52 is the follow-on.

Mr. BUMPERS. The B-52 was the follow-on.

Mr. TOWER. The B-57 was the follow-on for the B-52.

Mr. BUMPERS. What happened to that plane?

Mr. TOWER. McNamara canceled it—the B-58 Hustler, I beg your pardon.

Mr. BUMPERS. Mr. President, I want my colleagues to look at what we are getting for our money. Air Force officials want both planes. They want the B-1 and they want the Stealth and they are telling us that the Stealth's initial operating capability could be in the early 1990's.

Now, if that is true, you can bet, since they want the B-1 now, they will be willing to fight for the Stealth later. They know that most of us are committed to the Stealth, but they are willing to fight that battle later. The one they are interested in right now is the B-1. And when they say early 1990's for delivery of the Stealth, you can bet your bottom dollar that is the very latest date they think it will be operational.

There is $472 million in this bill for continuing modernization of our B-52G and H bombers, and we have been spending hundreds of millions of dollars a year for as long as I can remember to put electronic countermeasures and other new equipment on the B-52's so they will continue to be able to penetrate.

Mr. President, the Air Force will tell you that it needs the Stealth, and that they want it and they think it will do what most of us hope it will do. But bear in mind that this is going to be one of the last times, along with the defense appropriations bill, that we are going to get a chance to deal with this B-1B issue. This is the next to the last chance that this body is going to be able to save the taxpayers of this country somewhere between $28 billion in constant fiscal year dollars, and $40 billion in then-year dollars, according to the Congressional Budget Office.

One of the reasons President Carter canceled the B-1 was not just the cost of $100 million a copy, which we thought was prohibitive at the time, but because the cruise missile on B-52's would penetrate the Soviet Union into the 1990's. I saw in the paper the other day that we have already deployed our first squadron of B-52 bombers with cruise missiles on board. I am for the cruise missile because I think it is one of the most revolutionary weapons systems of the century.

We may decide at some point in the not too distant future that we do not even need a penetrating bomber. All we may need is a standoff bomber that can unload about 20 cruise missiles which hopefully someday will be accurate enough that we could put one in the Kremlin dining room if we wanted to. It is a great weapons system, and we talk about how great it is, and yet we are not willing to cancel the B-1 bomber which cannot get to its target until 7 hours after the war is over. As I heard a former Senator from this body tell the President in the Oval Office one day, all the B-1 can do is make the rubble bounce a little higher.

In any event, the B-52's can carry cruise missiles through the late 1990's, if you want to use them for that. Nobody is suggesting that. But that is a lot of firepower and it is a good way to save $40 billion.

Did you know that the research and development on the B-1 is not going to be complete until 1987? And yet we are supposed to deploy all 100 by 1988.

Incidentally, for a long time we were not going to get these planes deployed initially until 1987. Now, in order to stretch out that window again, the Pentagon says we can do it by 1986. They have done their very best to stretch what was originally a 2-year window between the end of the penetrating capabilities of the B-52 and the B-1, and they have got it out to about 5 years now. That is how badly they want the B-1.

Have you ever heard of a program where you finish the plane and start flying it before you can complete your research and development on it? Well, that is the case here. The Air Force says they will not have their R&D completed until 1987, and yet we are told they are going to have this plane operational and a squadron of 18 deployed in 1986.

Did you know that the first actual flight test of the B-1 will not take place until the 50th B-1 is in production? Does that make sense to anybody here?

Supporters of the B-1 contend that it is not necessary to finish R&D before we start producing these planes; that it is so similar to the B-1A that there cannot be any surprises. But the Air Force, in a May 9 letter from Lieutenant General Skantze, Air Force Chief of Staff for Research, Development, and Acquisition, to Senator JOHNSTON, admits that the B-1B airframe is only 80 percent common with the original B-1A and that the defensive avionics are only 62 percent common with the B-1A. Does that make you feel more comfortable now, knowing that we are relying on what we learned from the B-1A even though the defensive avionics is only 62 percent compatible, and yet we are going to be in production on the 50th plane before we have a test flight?

We know that the flight tests for defensive avionics are the things that will determine the B-1's ability to penetrate and survive, and we know that that tests will not even begin until the summer of 1984 at the very earliest.

We also know that the GAO has concluded that the central integrated test system (CITS), which is the onboard computerized system that is key to in-flight monitoring and maintenance, never performed up to standards in the B-1A. So what has the Air Force done about the CITS for the B-1B? Well, originally, this program was required to find effective line replaceable units 95 percent of the time and that requirement has now been reduced to finding defective LRU's 65 percent of the time, or a defective cluster of four LRU's 95 percent of the time. That is a 30-percent reduction in the requirements for the CITS.

We know that the B-1B has experienced the same problem a lot of us Senators have. That is a weight problem. It is up now to 480,000 pounds. Well, 480,000 pounds does not mean anything to me, but I can tell you what it means to the Air Force. First of all, there is no corresponding increase in the thrust of the engines on the B-1 to make up for that increased weight. They are the same engines with a lot more weight.

It has four engines made by General Electric out in Ohio, and each engine produces 30,000 pounds of thrust, for a total of 120,000 pounds. That works out to a 4-to-1 weight-to-thrust ratio, which is very low.

In comparison to the B-1B's 25 percent thrust to weight ratio, the figure for the B-58 was 45 percent, and for the F-111 50 percent. Even the 727, which I ride home every Friday afternoon, has a 30-percent thrust-to-weight ratio.

So you can expect the B-1 to be fairly slow and cumbersome and not the hotrod we have been told it was going to be.

Finally, we know that the B-1 will rely almost exclusively on an active radar system that will increase the ability of the Soviets to pick it up and track it.

Mr. President, later on, when this amendment is defeated, Senators NUNN and JOHNSTON are going to offer an amendment to stop multiyear funding for the B-1B. Everybody here respects Senator NUNN. He is one of the most respected members of the Armed Services Committee, and I hope people in this body will pay attention to what he has to say.

Senator JOHNSTON has already offered this amendment and has taken the time to research this whole thing very carefully.

I do not want to preempt their amendment but I will tell you one thing they are going to argue, and it is about as compelling an argument as you can get. That is their response to the Air Force's contention that by going to multiyear funding on the B-1, we will save $1.5 billion.

There are to schools of thought on that, whether it is $800 million or $1.5 billion, but we always give the Pentagon the benefit of the doubt.

What defense officials do not tell you is that because of all the strategic weaponry we are building, they have had to cut back on procurement on a whole host of conventional weapons, and that these cuts total $2.5 billion.

That is what my mother taught me was pennywise and pound foolish.

Mr. President, I have been appalled ever since I have been in the Senate, and I used to be on the Armed Services Committee and enjoyed my tenure there, at the sums of money we spend on exotic weaponry while we continually allow our conventional weaponry to go begging. We should not even think about cutting back on procurement, at a cost to the American taxpayer of $2.5 billion, of those things that would be absolutely necessary if the Soviets should, God forbid, ever decide to sweep across Europe with their massive tank and infantry forces.

Finally, there is this argument to make that we ought to build the B-1 because we need a conventional bomber.

That is an argument that really makes no sense to me. No. 1, if we need a conventional bomber, let us not spend $400 million for one. All we would want is a bomber that can fly long distances at high altitudes and drop conventional bombs. I promise you there are a lot of aircraft builders in this country that will build you a plane that will do that for a lot less than $400 million a copy.

The second thing is, we are not building this plane to be a conventional bomber. The whole rationale is to build a penetrating bomber, and it has two things wrong with it. It costs $400 million and it will not penetrate.

And, finally, what does the B-1 give you as a conventional bomber that you are not going to get with the Stealth? The answer: Nothing.

Let me just make this additional point: Why would we want a conventional bomber? If push comes to shove with the Soviet Union we are not going to use a conventional bomber. So what do you want it for? You would want it for the same reason some people want to bring those old battleships out of mothballs, to shoot at people that cannot or will not shoot back. We would not be building a new conventional new bomber for any perceived kind of warfare in Western Europe.

So where does that leave us in the nineties, when we are already selling the Saudis, for example, AWACS and the F-15 which will give them the same air defense capability we have, which we call look down, shoot down? By 1990 it is anticipated that 20 nations are going to have the atomic bomb, and who knows who is going to have AWACS besides the Saudis? There is only one reason to buy a fleet of AWACS and that is to develop that look down, shoot down capability.

So where does that leave the B-1 in the nineties after we bring on the Stealth? The Pentagon says, it will not penetrate the Soviet Union in the nineties. It could only be used as a conventional bomber. Yet even a number of the less-developed countries

are likely to have the ability to shoot it down in the nineties. One could use the Stealth bomber for a conventional bomber if one wanted to and they could not shoot it down.

Mr. President, I am finished. I am ready to yield the floor and give somebody else a chance to talk. We are about to make a bad mistake. We are about to embark on the building of a weapons system that does not improve this country's national security.

There is a follow-on substitute that is available that will give us the security we want at the same cost. So why are we doing it?

Mr. HART. Will the Senator yield?

Mr. BUMPERS. I yield.

Mr. HART. I am trying to recollect the years the Senator was on the Armed Services Committee.

Mr. BUMPERS. 1976.

Mr. HART. Does the Senator recall the justification used by the Air Force on this bomber at that time, to be a follow-on manned strategic bomber against the Soviet Union?

Mr. BUMPERS. I did not understand the Senator.

Mr. HART. Was the justification used by the Air Force at that time for the bomber that it was to be a follow-on manned strategic bomber to attack the Soviet Union?

Mr. BUMPERS. Absolutely.

Mr. HART. And were the characteristics, the rather expensive characteristics, of this plane not incorporated in the design to achieve that mission, that purpose?

Mr. BUMPERS. Absolutely.

Mr. HART. The Senator's eloquent statement points out that the mission has shifted but design has not shifted very much except, in some respects, the capability. But the mission is clearly going toward what is usually called a tactical bomber.

The question I have for the Senator is, Is the record of the past 5 or 6 years, since this was clearly designed to penetrate the Soviet air defenses, or to seek to, and now the studies have shown that the attrition rate is so high that it probably cannot achieve that mission, and probably would not even be used for that purpose, that now the mission is shifting to that of tactical bomber but what we have is a bomber not designed as a tactical bomber and a very expensive strategic bomber whose mission is now being justified for other reasons without requiring that kind of technological sophistication? Is that not correct?

Mr. BUMPERS. The Senator is absolutely correct. The arguments for it continue to change based on those arguments leveled against it.

Mr. HART. Is it the Senator's understanding that we really do not need a bomber with all this sophistication and all this capability and all this expense to carry cruise missiles?

Mr. BUMPERS. If the Senator will recall, when we first entered into the SALT talks with the Soviet Union, we were considering using 747's to carry cruise missiles because a 747 is generally considered to be quite capable of carrying—retrofitted, reconfigured—up to 35 cruise missiles. The L-1011 and the DC-10 were also considered as cruise missile carriers. So the answer is obvious, you do not need much of an airplane to carry a cruise missile.

Mr. HART. In other words, Mr. President, what you need is a big bus. You do not need a sleek, new carrier, you need just a big bus. Those other planes the Senator mentioned are probably better cruise missile carriers—cheaper, more cost effective and all the rest.

Mr. BUMPERS. The Senator is right. I see the distinguished Senator from Mississippi (Mr. STENNIS) over there. I always have a warm feeling in my heart for him because he helped me when I was asking for $50 million one late night when we were debating the defense appropriations bill. I was trying to get $50 million for the Pentagon, which they said they needed to test, I believe it was, the 747 and the DC-10. They wanted to test some way of reconfiguring those planes, and do some tests to see whether they could carry the cruise missile.

We did not get the $50 million, but we got part of it. To tell the truth, I do not know what happened, but I have reason to believe those two planes are just as capable of carrying the cruise missile now as they were then.

Mr. BOREN. Mr. President, once again, we are launching into a debate on the B-1 bomber. Time and again, we have discussed this issue and, time and again, this Senate and this Congress have voted, very wisely in my judgment, to sustain this program.

There are no new arguments against the B-1—only the repetitions of those who do not believe in its mission or capabilities, or who believe we should not spend the money because something better is coming down the road.

For those of us who have consistently supported the timely upgrading of this leg of the triad, Mr. President, there is a new argument—an argument that is being provided to us by men and women across the country who are working hard at the job of producing the B-1B bombers already authorized and funded by Congress.

I am proud to say that many of those men and women are in Oklahoma, at plants in Tulsa and McAlester. They are part of a work force which is making the B-1 a reality, on time and within the budget. In fact, Mr. President, a case can be made that they are ahead of schedule and slightly under budget.

We asked the President of the United States to certify that the B-1 program could be completed for $20.5 billion in 1981 dollars. He has done so and, with diligent management by the contractor, that certification is becoming reality.

Congress responsibility does not end with such demands for certification and accountability. We must be sure that, once we have committed ourselves to a course of action and charged others with the task of carrying out our orders, we do not prevent them from doing so.

I am convinced that we made the right decision and that if the B-1 program is delayed or cost overruns occur, it is going to be due to congressional second-guessing more than anything else.

Mr. President, there is ample evidence of the need to replace our B-52's. It has been said before that the B-52 fleet is older than the men who fly the planes and that the increasing numbers of accidents involving B-52's is a tragic reminder of that.

We cannot wait forever for a replacement. The advanced technology bomber, or Stealth as it is commonly called, has great potential and is making progress. But it is still a largely paper plane and the most optimistic estimate of when it could be deployed in effective numbers leaves a gap that must be filled. In my judgment, we cannot trust to luck that the B-52's will keep flying long enough to cover our needs.

The B-1B is a vastly improved aircraft and it employs some of the Stealth technologies that greatly increase its penetrability. Most importantly, it is here—now—when we need it.

It is time to build and move on. I urge my colleagues to do so.

Mr. JACKSON. Mr. President, I would like to stress that the B-1B is not the same aircraft that the Congress voted to terminate in 1977. I voted against the B-1 in 1977, because it did not then offer enough improved capability over the B-52 bomber to warrant its cost to the national budget; it was also unclear whether or not it could reliably penetrate future Soviet air defenses. The B-1B, however, represents a very substantial improvement over the initial B-1.

Through the application of technology from our Stealth technology program, the radar cross section of the B-1B has been reduced by a factor of 10 from the original B-1 aircraft. It will be much harder to detect.

The B-1B has more sophisticated avionics and electronic countermeasure capabilities than the B-1. The combination of reduced radar cross section and improved ECM capabilities means that the B-1B can successfully penetrate Soviet air defenses throughout the late eighties and early nineties.

The B-1B has a superior payload capability than either the B-1 or the B-52. For a typical mission, the B-1B can carry of 40-percent greater payload with a 20-percent longer unrefueled range than the B-1.

Finally, what kind of a signal would we send to the world and to our adversary if the B-1B program were terminated now, after some $7 billion have been put into it? If the United States fails to build the B-1B after such high investments and after so many years of effort, what credibility would be given to our announced intention to build an as yet undesigned advanced technology bomber in the late eighties? Termination of the B-1B program would signal faltering resolve on our part and might seriously weaken the hand of the United States in the strategic arms reduction talks with the Soviet Union.

Mr. HART. Mr. President, I rise in support of the amendment.

As my colleagues know, there are many agruments against the B-1. Cost is an argument. We are being asked to pay in excess of $200 million for each airplane. By way of comparison, $200 million will buy about 200 M-60 tanks, about 2,000 M-113 armored personnel carriers, or 2 modern conventional submarines.

Obsolescence is an argument. We are being asked to buy a penetrating bomber that, by some testimony, may not be able to penetrate Soviet airspace for more than 2 or 3 years after it enters service.

Better alternatives are an argument. If Stealth technology works, we may be able to buy a different bomber that could penetrate Soviet airspace.

Rather than repeat these arguments in detail, I would like to look at several military aspects of the B-1 which have not received the attention they deserve. There are several important questions about the B-1 that have not yet been thoroughly examined.

The first question, Is the B-1 a good bomber? It seems to have been assumed by both proponents and opponents that, if you want a new bomber, the B-1 is a good one. But is it? Is it a well-designed airplane?

At least three reported characteristics of the B-1 suggest it may have design deficiencies. Specifically, it has been reported that the B-1 accelerates more slowly than the B-52; that its turning rate is less than that of the B-52; and that it relies on a terrain-following radar that gives its own positions away to enemy air defenses.

Are these reports correct? And if they are, what do they signify? Their significance may be substantial. For example, if the B-1 accelerates slower and turns worse than a B-52, does this mean it must fly higher to avoid the terrain? If so, would its vulnerability not be increased?

Similarly, if the B-1's own terrain-avoidance radar gives the enemy a way to see and track the B-1, would this not negate all the efforts to reduce the B-1's radar profile?

If all three reported deficiencies are real, how does the survivability of the B-1 compare with that of the B-52, in terms of ability to penetrate enemy airspace? Does the B-1 have to fly higher than the B-52? With its terrain-avoidance radar on, does it have a larger signature than the B-52? On balance, could it end up more vulnerable to enemy air defenses than a B-52? We have the assurances of the Air Force that the B-1 will be less vulnerable than the B-52, but I have not seen the Air Force address these specific points. Until we have this information, can we accept the Air Force's assurances?

The vulnerability of the B-1 compared to the B-52 is not the only major area where we can question the B-1's performance. Another area is the B-1's utility as a conventional bomber.

We are told that even after the B-1 can no longer penetrate Soviet airspace, it will be useful to deliver nonnuclear ordnance in conventional conflicts. Since the B-1's life as a penetrating nuclear bomber may be very brief indeed, this is an important consideration. Unfortunately, the B-1's utility in conventional roles is doubtful:

In Naval roles, as an American equivalent of the Soviet Backfire, the B-1 can undoubtedly do what the Backfire does: it can deliver antiship missiles in attacks against enemy surface ships. However, this is far less useful to the United States than it is to the Soviet Union. Why? Because while the American Navy is primarily a Navy of surface ships—aircraft carriers in particular—the Soviet Navy is primarily a submarine navy. The Soviets have only 4 aircraft carriers—we have 13. But the Soviets have about 300 attack submarines while we have fewer than 100. If you are fighting a surface navy—as the Soviets are—then land-based bombers armed with antiship missiles are quite useful. But such bombers are useless against submarines. So their value to us, facing what is largely a submarine navy, is far less.

It is also arged that the B-1 could be used against land targets in Third World countries, the way we used B-52's in Vietnam. Undoubtedly, it could. But again, there are other considerations. Heavy bombers, like the B-52 and the B-1 are used primarily for what is called deep interdiction bombing—bombing enemy rail yards, powerplants, cities, and so on. Historically, such bombing has not been very effective. Even a relatively primitive country like Vietnam had enough redundancy in its infrastructure to absorb the damage and continue fighting effectively.

The civilian population suffers, but the war effort generally does not. As World War II illustrated, the civilian population's morale does not collapse under the weight of such bombing. Indeed, the determination of the country being bombed to continue the war is often increased.

Furthermore, this kind of bombing, even against Third World countries, tends to be costly in bombers lost. We lost 18 B-52's to enemy action in Vietnam. When each airplane costs over $200 million, the expense of such losses will be so high as to outweigh any benefit. The loss of just 15 B-1's would be equivalent, in dollars, to the sinking of a *Nimitz* class aircraft carrier. So it is not clear that the B-1 would be either effective or cost effective as a conventional bomber against ground targets.

Indeed, the net effect of the B-1 program is likely to be a significant weakening of our conventional air power.

Between now and 1990, the Air Force is currently planning to be involved with four major strategic weapons programs: The B-1, the MX, the Stealth bomber, and the Midgetman missile. The B-1 and the MX together will cost at least $40 billion and possibly $60 billion. Stealth and Midgetman together may cost another $40 billion. If cost overruns approach their usual levels, we could be talking of substantially more than $100 billion during the next 10 years.

How much money will be left for tactical air power? Very little. We will have to defer or cancel most if not all new tactical aircraft programs. We will have to curtail purchases of the tactical aircraft now being procured. We will have to cut back or eliminate buys of tanker aircraft, transport aircraft, and infrastructure. Worse, we will probably end up cutting readiness by reducing purchases of spare parts, funds for training and flying time. Not only will the B-1 be unsatisfactory as a conventional bomber itself, it will also contribute materially to weakening our other conventional air power.

Mr. President, as I said at the beginning, these are only a few of the arguments against the B-1. But they are important arguments, and I have seen no answers to them. If they are correct, then the B-1 may actually weaken our nuclear bomber force, and it will assuredly weaken our conventional aviation capability. Do we desire such weakness so much that we are willing to pay between $20 billion and $40 billion for it?

Mr. LEVIN of Michigan. Mr. President, I rise in support of this amendment.

Congress credibility in the eyes of the hard-pressed American taxpayers

is at stake with the B-1B bomber program, Mr. President. This is especially so in light of the presentation by the General Accounting Office that the costs of this aircraft program are far more than the $20.5 billion in constant fiscal year 1981 dollars advertised by the administration.

These costs have been estimated to be as much as $6.2 billion above the $20.5 billion figure by the Pentagon's own independent cost analysis improvement group. In dollars we actually will spend, that equals about $39 billion, according to the Congressional Budget Office (CBO). That money will be needed for many other conventional forces improvement programs. We should cancel further procurement of the B-1B as a waste of taxpayer money and to prevent robbing these programs which will contribute much more to our national security.

Given the projected defense budget constraints and Federal deficits in the future, this Nation will not be able to afford a two-bomber program. The only way we may be able to reduce outlays sufficient in the defense budget without harming our national security would be to kill an unneeded program.

The B-1B certainly fits that description to a "T," Mr. President, especially when one considers the reports that the Stealth bomber could be developed and deployed much more quickly if the Pentagon and Air Force did not hinder it. I ask unanimous consent this newspaper report be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Aug. 4, 1982]

3-YEAR ADVANCE OF STEALTH PLANE REJECTED BY U.S.

(By Richard Halloran)

WASHINGTON, Aug. 3—The builders of the radar-evading Stealth bomber have said that they could produce the aircraft by 1988, three years earlier than planned, according to Defense Department and Congressional officials. But the Pentagon has rejected that as unrealistic and risky.

Even so, development of the highly classified technology has progressed enough that the Air Force will deploy the first Stealth air-launched cruise missile this year, according to a former Pentagon official who directed research on the project. No date was previously given for employing the advanced technology on missiles.

The disagreement between the Defense Department and the Stealth contractors, led by the Northrop Corporation, directly involves the B-1 bomber being built by the Rockwell International Corporation. The first B-1's of a planned fleet of 100, estimated by the Reagan Administration to cost $20.5 billion, are to be deployed in 1986.

ARGUMENTS AGAINST THE B-1

Congressional advocates of the Stealth project have contended that the B-1 is unnecessary and that the Administration has stalled development of the Stealth bomber to avoid jeopardizing the B-1.

Senior Defense and Air force officials deny there is a conflict, asserting that the B-1 is needed to replace aging B-52 bombers as soon as possible. Some B-52's have been modified for launching cruise missiles and more are scheduled to be assigned that role later.

Executives of the Northrop Corporation and the Boeing Company have said they could move forward the initial operating date of bombers employing Stealth technology from 1991 to about 1988 if the Reagan Administration asked Congress to speed up financing of the project, according to Defense Department and Congressional officials.

MILITARY RISK IS SEEN

But Defense Department and Air Force officials contend that that is neither technically nor fiscally feasible; that the Stealth aircraft, known formally as an advanced technology bomber, is still uncertain and that any delays in developing that technology would mean a military risk, the same officials said.

The officials argued further that asking Congress to shift funds from the B-1 program would advance Stealth bomber production by only six months.

Stealth technology is a combination of materials, coatings, designs and surface shapes that absorb or deflect rather than reflect radar beams. Jet engine air intakes and exhausts would be masked from detection by radar and infrared sensors.

When combined with electronic countermeasures, a Stealth bomber would be nearly invisible to radar or other sensors. Specialists have said that Stealth technology can be applied to fighter and reconnaissance aircraft, missiles, tanks and ships with varying degrees of effectiveness.

ARTICLE BY EX-CARTER AIDE

William J. Perry, who directed Stealth technology as Under Secretary of Defense for Research and Engineering in the Carter Administration, wrote recently in Technology Review, "The first Stealth vehicle, the air launched cruise missile, will become operational this year."

Mr. Perry said that the Stealth missile's image on radar would be one-thousandth that of a B-52 bomber "and thus can defeat existing Soviet air defenses."

An Air Force spokesman said that, as a matter of policy, he could not comment on Stealth programs.

When President Reagan announced last October that two new bombers were needed, Defense Secretary Caspar W. Weinberger said the B-1 would become operational in 1986 and the Stealth bomber in 1989. Several Congressmen questioned the need and cost of producing two different bombers with initial deployment dates so close together.

DEPLOYMENT DATE SHIFTED

The then Under Secretary of Defense for Research and Engineering, Richard D. DeLauer, told Congress the initial operating date of the Stealth bomber would be 1991.

The Reagan Administration estimates the cost of a fleet of B-1's at $20.5 billion, but the Congessional Budget Office and the General Accounting Office, both agencies of Congress, have suggested that the actual cost could be a third more.

The budget for a fleet of Stealth bombers is secret but has been estimated at about the same as for the B-1 fleet. Mr. Weinberger has told Congress that building both fleets, plus improving the B-52's, would cost $63 billion.

Paul H. Nisbet, an analyst of military contractors for Bache Halsey Stuart Shields in New York, recently estimated that Northrop, the prime contractor for the Stealth bomber, would earn $150 million this year from the Stealth project, rising to $900 million by 1987 for a total of $3.4 billion.

FEARS FOR STEALTH PROJECT

Executives of the contractors have contended, as have members of Congress who favor their position, that once the B-1 production line starts, Rockwell and its subcontractors and Congressmen representing those districts will press for it to be continued, delaying the Stealth bomber or killing it.

Advocates of the B-1, such as Senator John Glenn, Democrat of Ohio, have contended the two airplanes will have different missions and should be seen as complements. He said in a recent article that, after receiving extensive briefings on all aspects of Stealth technology, "Stealth's fundamental flaw is that its potential is greatly overblown."

"Stealth is intended for a very specialized bomber mission, flight through Soviet airspace in a nuclear war," Senator Glenn wrote in Strategic Review. "It cannot serve as a cruise missile carrier nor would it be a cost-effective conventional bomber."

Mr. President, former B-1 supporters—U.S. Representative John Rhodes, former House Republican leader, and former President Gerald R. Ford—now think we should either kill or delay the program to help reduce the staggering deficits which prevent our economic recovery.

The B-1 is a luxury to buy for a cruise missile carrier and a conventional bomber, especially when one considers that the advanced technology bomber will be capable of performing these missions as well as the strategic nuclear penetration mission.

Canceling the B-1B and pressing ahead with the Stealth bomber will invest scarce defense dollars where the longest-term payoffs are greatest in terms of modernizing our strategic forces.

B-1B costs are ample reason for Congress to cancel this program.

The true costs of the B-1B program should be between $22.5 billion and $26.7 billion in fiscal 1981 dollars, instead of the $20.5 billion being advertised, according to the Defense Department's own internal analyses given to the GAO.

It was disclosed that, in order to artifically reduce the projected price of the B-1B, the administration deviated from established, prudent management and budgeting procedures, ignored historical weapons development and production experience, accepted overly optimistic cost estimates and omitted costs which should have been included in the B-1B program.

The conclusion is inescapable that the American people are being sold a bomber which not only is unnecessary in light of the successes of the Stealth bomber program, but which will cost

many billions more than is being admitted.

The evidence presented by GAO comes from independent examinations of the B-1B costs by two special groups in the Pentagon. One, the cost analysis improvement group (CAIG) in the Office of the Secretary of Defense, has the reputation for providing the most accurate and independent cost estimates in the Pentagon. CAIG was established to provide independent advice to the Secretary of Defense to counter the understandably optimistic program cost estimates submitted by proponents of particular weapons systems.

The second group was formed by the Air Force to give an independent cost assessment (ICA) of the estimate provided by the B-1B program office.

Both CAIG and ICA rejected the $20.5 billion program cost estimate by the B-1B office, the estimate adopted by the administration, on two grounds:

First, they calculated that this figure was too low, even if the decisions to include only a limited number of items in the B-1B program were valid. CAIG, for example, disagreed with the Air Force's claim that $800 million could be saved through multiyear procurement of the B-1B.

Both CAIG and ICA decided the Air Force's assumptions were extremely optimistic about savings possible through increased efficiencies resulting from the repeated production of the air frame and avionics equipment. More realistic assumptions about "learning curves" would add about $2 billion to the program, these groups estimated.

Second, both ICA and CAIG estimated that the B-1B program cost estimate should include about $1.4 billion in additional costs excluded by the administration for such items as air crew training simulators and additional maintenance requirements.

The ICA went so far as to say that the excluded items "typically and traditionally" had been included in determining costs of other weapons systems, and GAO provided evidence that the Air Force command responsible for the B-1B program, its Systems Command, had challenged the exclusion of the simulators as, and I quote:

> Counter to the tenets of the planning, programming, and budgeting system in which all the components of weapons systems are accumulated in a single program element for management visibility.

This challenge was delivered in a September 11, 1981, message from the Systems Command.

ICA also criticized the decision by the administration to truncate the B-1B flight test program. ICA's assessment of the 1,000-hour flight test program called it both "high risk" and incomplete and recommended a 1,300 to 1,400 hour testing program.

> A program of 1,000 hours of developmental flight testing will provide a minimal amount of data to support a valid IOC (Initial Operating Capability). This program . . . has a relatively high degree of risk and only limited physical and functional weapon certification will be accomplished. Full nuclear certification will not be complete, and no climate tests will be done.

Mr. President, these findings by CAIG and ICA contradict the administration's repeated assertions that the B-1B will cost $20.5 billion.

They raise serious questions about the accuracy of testimony by administration officials last year. In November 1981, only 1 day after the CAIG reported its $26.7 billion estimate, I asked Defense Secretary Weinberger the following:

> I am informed that our own independent Cost Analysis Improvement Group, CAIG, just this last weekend told you it would cost $27 to $28 billion for the B-1B.

Secretary Weinberger responded, "That is incorrect and misleading."

What was "incorrect and misleading" was the testimony the administration gave about the B-1B program's ultimate costs—testimony upon which Congress relied in approving this program.

Finally, Mr. President, ample testimony before the Senate Armed Services Committee demonstrates advanced technology bomber is not a high risk technological program. General Ellis said that in late 1981, and he was the former commander of SAC nuclear forces.

In fact, General Ellis, in response to a question by the chairman of our committee's Strategic Nuclear Forces Subcommittee, Senator Warner, about the degree of risk in the Stealth bomber program, declared:

> • • • I do not see major design problems that put the effort in the high risk category.

General Ellis, who also felt that this administration had slipped the IOC of the Advanced Technology Bomber and MX to pay for the B-1B, went on to conclude:

> In my opinion, the consequences of delaying the program to eliminate all the uncertainty are more detrimental than proceeding as rapidly as possible and accepting a degree of risk.

There also is extensive testimony before our committee that our present B-52 bomber force is capable of carrying out the strategic nuclear deterrent mission, as well as conventional bombing assignments, until well after the Stealth bomber is deployed. This further undercuts the case for the B-1B at any time.

Testimony in 1982 before Senate Armed Services Committee showed B-52 G/H's can penetrate to late eighties and can operate well after advanced technology bomber, initial operating capability, as air launched cruise missile carriers.

In January 1983, the Secretary of Defense Posture Statements for fiscal year 1984 had this to say about our B-52's: "We expect our B-52G's to serve effectively into the next decade"—either as cruise missile carriers or conventional bombers. Retirement of B-52G's would not even begin until sometime "over the next decade, he said.

"Finally, we foresee a very long operational life for our B-52H's, the latest B-52 model, as cruise missile carriers well into the 1990's," Secretary Weinberger reported.

Now SAC Commander, Gen. Bennie Davis, said this about our present B-52 and FB-111 bombers:

> Q. Can SAC perform its mission today as the major element of the nation's nuclear deterrent?
>
> A. SAC can perform its mission today.
>
> We maintain two very potent legs of the Triad. The B-52 and FB-111 are still very effective bombers—we have not let them atrophy, but have implemented modifications that have kept pace with the expanding, improving Soviet threat. We recently achieved a major milestone with the deployment of the cruise missile system.
>
> We have made excellent progress in improving our aerial refueling capability which is a critical factor in determining the bombers' success. Our land-based ICBMs are currently unsurpassed in terms of readiness and immediate reaction capability.

The B-18 is not needed for our national security, Mr. President, and it is a waste of money.

There are much more cost-effective and militarily effective ways to spend our defense dollars.

I urge adoption of this amendment.

Mr. SPECTER. Mr. President, the defense budget, including substantial funding for the B-1 bomber, poses difficult and complex issues which require the balancing of many factors in making final judgments. The special urgency surrounding any nuclear weapons and arms control decisions makes our choices even more crucial. Historically, or at least until World War II, the United States had shunned military power because of the protection afforded us by the vast oceans which separate us from Europe and Asia. This attitude still lingers in our national consciousness, but historical events have made preparedness a regrettable necessity.

The arms race makes little sense, but unpreparedness makes even less sense. As nations spend millions for guns while millions of people do not have bread, let alone butter, we wonder about the allocation of our gross national product between defense and social programs. When we observed the advanced social program of Norway in the late 1930's, it was obvious that those programs meant little in the face of invasion by the German hobnailed boot. So, history teaches that military strength deters aggression by others. Our recent experiences

with Soviet foreign policy particularly underscores this generalization.

Military strength is not in and of itself the answer to keep peace in the world. Negotiation must also be pursued. It is for this reason that an overwhelming majority of my colleagues joined with me yesterday in calling for President Reagan to meet President Andropov as soon as practicable to discuss serious proposals for nuclear arms reduction. But, in light of the potentially catastrophic consequences of being unprepared, it is my personal judgment that we must be militarily strong as well. It is a form of insurance policy. It is expensive but, as with any insurance, the insured prefers to pay the premium and not collect rather than incur the risk-event and collect.

As is usually the case, the questions on the Defense budget are easier to formulate than the answers:

First. How much can we afford to spend for defense considering our gross national product?

Second. How much can we afford to spend for defense considering the competing needs in social programs?

Third. How much can we afford to spend for defense considering the current deficit and its impact on inflation, interest rates and unemployment?

Fourth. How much can we afford not to spend for defense considering the Soviet potential for aggression?

Fifth. How much can we afford not to spend for defense considering the dire consequences of being unprepared?

Sixth. What impact will our military strength have in stimulating strategic arms reduction talks?

Seventh. What impact would our failure to modernize our nuclear bombers have upon our ability to modify the land/based leg of our nuclear triad if future events indicate that moving ahead with plans to build the MX missile system are no longer warranted?

Against this background, I have decided to vote in favor of the current request for funding for the B-1 bomber. I have had the benefit of extensive briefings by the Department of Defense and the Air Force in Washington and at Edwards Air Force Base. I have read extensively about the B-1 bomber by those who favor and oppose it. I have also consulted with people who favor and oppose the B-1, including colleagues in the Senate.

There are no exact answers to how long the B-1 can penetrate Soviet air defense. That will depend on the evolving level of Soviet defenses and the evolving status of our own countermeasures to avoid detection. I am persuaded that the B-52's are too old to be relied upon as our primary bomber until we have the advanced technology bomber, commonly known as the Stealth bomber. Even beyond the time when the B-1 can penetrate, it has significant utility as a cruise missile carrier.

The Congress, as well as the Department of Defense, must be vigilant to avoid escalating costs on the B-1 bomber. In this light the economies afforded by multiyear funding become particularly important. Secretary Weinberger has given positive assurance that change orders will not be tolerated and that the contracts on the B-1 will be extremely tightly drawn to avoid the known pitfalls of other escalating contracts. The private contractors have verified the toughness of the Department of Defense negotiating posture.

I am optimistic that congressional support of the B-1 bomber and a strong defense generally will provide President Reagan with important bargaining strength to succeed in the strategic arms reduction talks. I am also optimistic that producing the B-1 will be a critical enhancement of this country's ability to deter nuclear war. In my view, we cannot afford to create uncertainty about this country's commitment to preserving the important deterrent role played by our strategic bomber force.

Mr. McCLURE. Mr. President, I rise to oppose Senators KENNEDY, BUMPERS, and HOLLINGS amendment to delete funding for the B-1B bomber. I strongly support the B-1B bomber.

The B-1B bomber is the only significant new military program, either strategic or conventional, to be requested by the Reagan administration. The Reagan administration has requested the B-1B because American National Security was significantly weakened when former President Carter canceled the B-1 bomber in July 1977. The B-1B is urgently needed to modernize our bomber leg of the strategic triad and help to close the window of our strategic vulnerability.

Mr. TOWER. Mr. President, I believe that all the speakers I am aware of on the B-1 issue have spoken. I think the Senate is desirous of having a vote right away. Therefore, I move to lay the amendment of the Senator from Massachusetts on the table.

Mr. KENNEDY. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment on the table. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 68, nays 30—as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—68

Abdnor	Glenn	Nickles
Andrews	Gorton	Packwood
Armstrong	Grassley	Percy
Baker	Hatch	Quayle
Bentsen	Hawkins	Randolph
Boren	Hecht	Roth
Boschwitz	Heflin	Rudman
Burdick	Heinz	Sasser
Chiles	Helms	Simpson
Cochran	Huddleston	Specter
Cohen	Humphrey	Stafford
Cranston	Inouye	Stennis
D'Amato	Jackson	Stevens
Danforth	Jepsen	Symms
DeConcini	Kasten	Thurmond
Denton	Laxalt	Tower
Dixon	Long	Trible
Dole	Lugar	Wallop
Domenici	Mattingly	Warner
Durenberger	McClure	Weicker
East	Melcher	Wilson
Exon	Metzenbaum	Zorinsky
Garn	Moynihan	

NAYS—30

Baucus	Hart	Matsunaga
Biden	Hatfield	Mitchell
Bingaman	Hollings	Nunn
Bradley	Johnston	Pell
Bumpers	Kassebaum	Pressler
Byrd	Kennedy	Proxmire
Chafee	Lautenberg	Pryor
Dodd	Leahy	Riegle
Eagleton	Levin	Sarbanes
Ford	Mathias	Tsongas

NOT VOTING—2

Goldwater	Murkowski

So the motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease discussions on the floor or retire to the cloakrooms.

Mr. TOWER. Mr. President, many Senators have asked me how late we intend to be in tonight. I have discussed this with the majority leader, and he has indicated that as long as we can function productively, we should stay in. Therefore, I put Senators on notice that we intend to be in very, very later tonight. So I advise all Senators to make plans accordingly.

I expect that we will have more record votes. As to scheduling the next record vote, the distinguished junior Senator from Maine will present an amendment on contracting-out. Senator JEPSEN will handle it for this side.

Will the Senators agree to a time limitation? It is my understanding that the Senator from Iowa wants a record vote on this issue. If we could agree to 30 minutes, that would make it certain that the vote would occur at 10 minutes past 6. Is that agreeable to the Senator from Maine?

Mr. MITCHELL. I did not hear the Senator from Texas.

Mr. TOWER. I was about to propound a unanimous-consent request that the time on the amendment of the Senator from Maine be limited to 30 minutes, equally divided between the Senator from Iowa and the Senator from Maine.

Mr. MITCHELL. Will the Senator make it 40 minutes, equally divided?

Mr. TOWER. Do both Senators agree to that?

Mr. ARMSTRONG. Mr. President, reserving the right to object, I wonder if the Senator from Texas will tell us the schedule beyond the next amendment.

Mr. TOWER. It is then anticipated that we will take up the amendment of the Senator from Colorado (Mr. ARMSTRONG).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I ask the chairman whether part of the agreement request is that we have a time agreement and no second degree amendments be offered.

Mr. TOWER. Mr. President, if we start a time agreement as that we would be getting in trouble here. I think there would be numerous objections.

Mr. President, I withdraw my unanimous-consent request. Let us just go ahead.

I was trying to accommodate Senators who are trying to get away for plans between 6 and 7.

The PRESIDING OFFICER. The request was agreed to. It will take unanimous consent to vitiate the order.

Mr. TOWER. If the request was agreed to, all right. I thought the Senator from Maine reserved the right to object and was trying to amend it.

The PRESIDING OFFICER. No.

Mr. TOWER. Then we are in a situation of 40 minutes equally divided.

The PRESIDING OFFICER. It will take unanimous consent to withdraw the previous agreement.

Mr. MITCHELL. I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Maine?

Mr. JEPSEN. I object.

The PRESIDING OFFICER. Objection is heard.

AMENDMENT NO. 1472

(Purpose: To extend for two years the prohibition against contracts for the performance of firefighting and security functions at certain military installations)

Mr. MTICHELL. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The bill clerk read as follows:

The Senator from Maine (Mr. MITCHELL) for himself, Mr. LEVIN, Mr. SARBANES, Mr. DODD, and Mr. HOLLINGS proposes an amendment numbered 1472.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

At the appropriate place in the bill insert the following new section:

EXTENSION OF PROHIBITION ON CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this or any other Act may be obligated or expended prior to October 1, 1985, for the purposes of entering into any contract for the performance of firefighting or security-guard functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of the enactment of this Act or when such funds are for new contracts for functions under contract on the date of the enactment of this Act.

(b) The provisions of this section shall not apply (1) to overseas locations (excluding Hawaii and Alaska) at which military personnel would have to be used for the purposes described in subsection (a) at the expense of unit readiness, or (2) to government-owned but privately operated installations.

(c) The Secretary of Defense shall submit to the Congress not later than March 1, 1984, a written report, compiled in consultation with the United States Fire Administrator, containing an assessment of the special needs of the Department of Defense with respect to firefighting and base security and an assessment of how those needs are met by both Federal employees and contract personnel.

Mr. MITCHELL. Mr. President, the purpose of the amendment which we now offer is to insure that two functions critical to the effective operation of American military installations remain where they belong—under the direct control of the commanding officers of those facilities. The two functions are fire protection and base security. The amendment specifically prohibits for 2 years any funds from being used by the Federal Government to enter into contracts with private sector firms for the provision of base firefighting and security services.

This amendment does not seek to address the broader issues involved in the ongoing debate on the utility or abuse of the A-76 contracting-out process. This amendment does not challenge the fundamental assumption on which the contracting-out effort is based.

Rather, the amendment is grounded in the belief that the A-76 circular which exempts inherently governmental functions has no application in a circumstance involving fire fighting and base security. If these are not inherently governmental functions, it is difficult to conceive any that are.

In addition to extending the current prohibition for 2 additional years, the amendment contains provisions which will insure that military unit readiness is protected; provisions which exempt from the section's coverage the provision of services at facilities, the entire operation of which is contracted-out; and provisions which require a comprehensive study and report of the issue.

I am offering this amendment today because I firmly believe that base security and base firefighting are functions which are inherently governmental in nature and should be under the direct control of a base commander. Underlying my amendment is a conviction that the security and fire safety requirements of our military reservations are in the words of the A-76 document, intimately related to the public interest.

Some high ranking Pentagon officials do not hold these views, despite the fact that at the installation, command, and other higher levels the dangers of contracting out these essential services are well recognized.

To illustrate this, permit me, Mr. President, to read into the record brief portions of a memorandum to all major Air Force commands dated March 5, 1982, and signed by Gen. Robert C. Mathis, Air Force Vice Chief of Staff.

General Mathis wrote:

Recent budget decisions as well as the fiscal year 1984 draft defense guidance, make it apparent that we will continue to be pressed for substantial contracting—we have been directed to convert 3,000 spaces to contract in fiscal year 1983, and OSD projects an additional 20,000 spaces for fiscal year 1984-88. Unfortunately OMB uses contracting as a way to reduce civilian and strength without having to acknowledge the resultant degradation in defense capability. While we have tried to reverse this attitude, it is evident that civilian and strength considerations are becoming more and more overriding.

Later in the same memorandum, General Mathis wrote:

Since high-level OSD and OMB officials view contracting as a panacea for reducing civilian employment in the federal government, I want you to evaluate the impact future contracting will have on readiness, sustainability, and flexibility in meeting your mission requirements. Our recent world wide A-76 conference, convened to identify contact candidates, reinforces our view that extensive contracting will risk degrading wartime capability.

The Vice Chief of Staff concluded his memorandum with the following warning:

Unless we change current contract thinking among highest officials, we are slowly going to transition to an efficient peacetime force which cannot respond to wartime commitments—we cannot let that happen.

Those are the words of the Vice Chief of Staff.

I suggest that the on-going Pentagon effort aimed at contracting out firefighting and security services at militarily installations around the country is a perfect example of the danger to which the Vice Chief of Staff referred.

Do we want our military bases to be susceptable to security guard and firefighters strikes? A major problem of this type has yet to occur but would certainly be more likely if the Department of Defense is successful in contracting-out firefighting and security services at the many installations which would be considered for such a change.

Additional arguments exist for retaining firefighting and security functions under the direct control of base commanding officers. I will briefly cite these arguments by using the case of Portsmouth Naval Shipyard, an industrially-funded activity located on the Piscataqua River in Maine.

If, as proposed last year and as proposed by those who oppose this amendment, base firefighting and security functions are contracted out, the following results would occur:

First. The shipyard commander's ability to meet his personal responsibility under articles 0732 and 0735 of the U.S. Navy Regulations regarding safety and physical security of his command would be restricted because personnel performing these functions would no longer be under his command.

Second. Responsibilities for security and fire protection would be fragmented for ships in commission while in the shipyard between the shipyard commands, the ship's commanding officer, the security forces contractor, and the fire protection contractor. Depending upon the actual incident, serious questions could arise as to who is in charge. Any delay in giving or carrying out an order could result in loss of or serious damage to a Navy ship or loss of life.

Third. The integrity of the nuclear propulsion systems maintained and serviced at Portsmouth could be compromised. The servicing of nuclear powered combatant ships at Portsmouth requires that security and firefighting personnel have specialized training and be operationally integrated with radiological control and other shipyard personnel in case of an emergency or accident involving radioactivity. To have the security and fire protection personnel in such situations not responsible to the Government officials in charge, but to a private business firm, is unacceptable and invites a disaster.

Fourth. The mutual support agreements which Portsmouth Naval Shipyard has with local governments in Maine and New Hampshire could be undermined. The support which such agreements provide would be lost because local governments could be reluctant to continue such agreements with a private contractor. Furthermore, it is doubtful that a contractor could be required to enter into such agreements.

Fifth. Last, the shipyard commander, under a contract guard situation, would be placed in an absolutely untenable position of not having direct control over a contract guard even though the commander could be liable for a contract guard's actions under the Federal Tort Claims Act (28 U.S.C. 2371 et seq.) Portsmouth Naval Shipyard security guards have citizens' arrest rights under Federal common law, delegated through the shipyard commander's authority to provide for the security of his installation. This direct delegation cannot be extended to nongovernmental employees.

Mr. President, I cite the example of Kittery's Portsmouth Naval Shipyard because I am familiar with its operational mission. I must emphasize, however, that the points I have raised with respect to Portsmouth's situation are not original or unique to that yard. They were in fact, contained in a communication dated January 20, 1982, to Vice Adm. E. B. Fowler, the commander of the Naval Sea Systems Command from that command's Executive Director for Industrial and Facility Management.

Portsmouth's case is not unique. Many of the problems I have cited apply to the many other installations and facilities which will be examined for possible contracting out of firefighting and base security functions, should the current moratorium not be extended.

Among the most compelling arguments for retaining base security and firefighting under the direct control of the base commanders, rather than contract officers, are the following:

First. National security can be threatened when these services are contracted out. Strikes are possible. One of the very reasons why certain functions are performed in our society by public agencies is that the public employees do not have the right to strike, and the services will be guaranteed to continue to perform notwithstanding any emergency. That right will be lost, that protection will be lost, if the services are contracted out. When emergencies arise, the response of contract personnel may be limited because of the terms of the contract between the Government and the contractor, or because of the contract between the employees and the contractor.

Second. Contrary to popular belief, contracting out does not always result in reduced costs. Contracting out of firefighting and base security may prove pennywise and pound foolish if reduced levels of security or the actions of inadequately trained firefighters result in the loss of a multimillion dollar capital ship or an accident involving nuclear weapons or nuclear propulsion materials.

Third. Contracting out base security and firefighting services may jeopardize mutual support agreements which over time have been developed between security and firefighting operations on base and certain municipalities. Many municipalities do not want to enter into mutual support agreements with private contractors.

Mr. President, I remind my colleagues that on May 6 of last year, this body voted to permanently prohibit the contracting out of these vital functions. In an effort to be responsive to those who have questioned a permanent ban, Senator LEVIN and I have joined together on this amendment which would extend the current 1-year moratorium until October 1, 1985, and in the interim will require the Department of Defense to undertake a comprehensive, comparative study of in-house versus contractor-provided services.

Contracting out of base security and firefighting is a serious problem, but one which can be quickly remedied by legislative action adopting the amendment which I have offered which extends for 2 years the current sound moratorium.

I thank the Chair and I yield to the Senator from Michigan.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I am pleased to support the amendment of the Senator from Maine. Senator MITCHELL brought this matter to the attention of the full Senate in May 1982, when he offered an amendment prohibiting further contracting out of security and firefighting personnel at military bases. This amendment was accepted by the Senate and modified in conference with the House as a 1-year prohibition on the contracting out of these functions.

This amendment was offered last year, and again today because it is important that base commanders retain control over that most essential of missions—protection of a military base.

Base commanders have privately pointed out that they lose control over their bases when firefighting and security functions are contracted out because the contractor then becomes the supervisor for the contract employees—not the base commander.

Gen. Robert C. Mathis, the Air Force Vice Chief of Staff in a memorandum to all major Air Force Commands dated March 5, 1982, made the argument that much of the pressure to contract out such functions was based on personnel ceilings and budget concerns. General Mathis states:

Unfortunately OMB uses contracting as a way to reduce civilian end strength without having to acknowledge the resultant degradation in defense capability. While we have tried to reverse this attitude, it is evident that civilian end strength considerations are becoming more and more overriding. . . .

General Mathis then concludes his memo with:

Unless we change current contracting thinking among highest officials, we are going to transition to an efficient peacetime force which cannot respond to wartime commitments—we cannot let that happen. . . .

General Mathis' comments are buttressed by the fact that when this prohibition took effect last year, on the firefighting functions alone, there were 32 contracts in effect—of which, at least 27 were umbrella contracts at bases such as ammunition plants where the entire facility is operated by contract—and there were plans underway to contract out an additional 95 such functions. Mr. President, in the face of such data, one cannot help but reach the conclusion, as did General Mathis, that these efforts were being largely driven by budget concerns and not the security concerns of the local commanders.

Passage of this amendment last year was a formal recognition of these privately voiced fears of base commanders, that there were some functions at some bases that simply should not be contracted out even if there were alleged savings. The Senate heard those arguments and supported the needs of commanders to have command over security and safety functions. Today we simply ask that this action not be allowed to expire until we can receive a report on the special needs of these functions. The report is due on March 1, 1984 and the amendment continues the prohibition until October 1, 1985. This action gives the Congress time to review these needs. Should it not be necessary to bar additional contracts for these two functions, then so be it. If we reach that conclusion, then I, too, will support removing any bar to these additional contracts. But I cannot understand acting to remove it or allowing it to expire without a report.

In full committee markup on this bill, I offered this 2-year extension of the original amendment, combined with a report requirement, in order that the Armed Services Committee might more fully understand the implications of further contracting out these functions. The amendment Senator MITCHELL offers today is essentially identical to one that I offered in committee 2 weeks ago. But contrary to certain misimpressions, this amendment is not a blanket ban on contracting, nor is it a permanent ban on contracting out base security and firefighting functions. This amendment merely continues the restrictions currently in effect on additional contracting out for these two functions until the Secretary of Defense and the U.S. Fire Administrator prepare a report on the special firefighting and base security needs at military installations.

Mr. President, three modifications we have made to the amendment since it was offered in committee that reflect our concern for the comments made by the Department of Defense and Chairman TOWER are:

First, in a June 23, 1984 letter to the chairman from the General Counsel of the Department of Defense, Mr. William H. Taft IV, the Department raises several concerns that we have addressed. Mr. Taft states: "It is not entirely clear (whether) the exemption applies to current contracts rather than the functions performed under the current contracts." Mr. President, it has always been both my intent, and that of Senator MITCHELL's last year, that no function currently contracted out should be forced to return in-house because of the existence of this amendment. Our intent has been, and is, to allow any currently contracted function to continue as is, but to stem a veritable flood of proposed contracting actions that may have been caused by personnel ceilings and apparent budget concerns rather than sound management and public safety. The amendment has been rewritten to clarify that it applies to currently contracted functions and to extensions of current contracts.

Second, the DOD raised a concern in the same letter, that this amendment might require the use of needed military personnel to perform these functions at the expense of unit readiness when there are no available civilian employees. Mr. President, the only location I can think of where this scenario might apply is the Naval Base at Diego Garcia. However, since there was never an intent for the amendment to have such an effect, an exception has been added for overseas locations where compliance with the amendment would requre military personnel to fill such positions.

Last, Mr. President, the Department of Defense's General Counsel's letter speaks to the long history of successful operation of Government owned but privately operated facilites, commonly called Go-Co's. This is the case with nearly every Army ammunition depot. Mr. President, I certainly agree with the DOD in this area, and I am hard pressed to see how anyone could argue that such facilities are not covered when we have allowed for continuation of all current contracts, and for all currently contracted functions. However, we want these concerns to be addressed, so we have also included the exception that this amendment does not apply to Government owned but privately operated facilites, such as Army ammunition depots.

Mr. President, we have accommodated the concerns of the Department of Defense and those of the chairman in these matters. This amendment simply continues the status quo on the subject of contracting out firefighting and base security. I am confident that a vote for this amendment recognizes the concerns of the local base commanders regarding OMB and Pentagon pressure placed on these base commanders to contract out public safety and security functions at their base—regardless of the individual needs of the base. And again such important needs include security for nuclear materials, expensive military equipment, dangerous weapons, vulnerable ships, and Navy yards.

However, we want these concerns to be addressed, so we have also included the exception that this amendment does not apply to Government owned but privately operated facilities, such as Army ammunition depots.

Mr. President, we have accommodated the concerns of the Department of Defense and those of the chairman in these matters and, to the extent possible, we believe it is certainly intended to do so. This amendment simply continues the status quo on the subject of contracting out firefighting and base security. I am confident that a vote for this amendment recognizes the concerns of local base commanders regarding the OMB and Pentagon pressure placed on these base commanders to contract out public safety and security at their base, regardless of the individual needs of the base.

Again, just so we know what we are talking about, those needs include such important security needs as security for nuclear material, expensive military equipment, dangerous weapons, vulnerable ships, navy yards, and so forth.

Finally, Mr. President, let me close with a comment on the question of the mutual aid and mutual support agreement between our facilities and those of the neighboring communities. These facilities are important to our security. Indeed, they have been helpful to the neighboring community.

I would like to quote from a letter from the San Francisco Fire Department, dated July 12, 1982:

Capt. ARTHUR M. OSBORNE,
Commanding Officer, Naval Station, Treasure Island, Calif.

DEAR CAPTAIN OSBORNE: It has come to the attention of the San Francisco Fire Department that the U.S. Navy is proposing to seek bids from private contractors to provide fire protection services at Naval Station Treasure Island. While I do not wish to interfere with the processes of government, I do feel obligated to state my position on this matter.

I am concerned with the possibility that the Navy may contract to a private firm to provide these services.

I must inform you that if a private contractor is employed, this department can no

longer assist in providing the required "third" engine to meet the fire protection requirements your activity demands. Also, we are considering the termination of any existing mutual aid firefighting agreements that may exist between the San Francisco Fire Department and the Naval Station if a private contractor is employed.

This decision is based upon the concept of mutual aid being reciprocal between both parties. Because a private contractor cannot provide the level of competence required to fight fires in San Francisco, any mutual aid pact would be out of the question.

If I may be of further assistance to you or answer any questions regarding this matter, please feel free to contact me at your convenience.

Sincerely,

ANDREW C. CASPER,
Chief of Department.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. LEVIN. Parliamentary inquiry. Is there a time agreement on this amendment?

The PRESIDING OFFICER. There are 20 minutes allotted to each side and all time for the proponents has expired.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the distinguished Senator from Mississippi (Mr. STENNIS) be allowed to speak on this subject for 3 minutes, and that the Senator from Maryland (Mr. SARBANES) be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I do not want to cut off the Senator from Michigan, but I do have very strong feelings about this subject.

Mr. President, it would be a great mistake now to take away from the commanding officers of these small military installations, particularly ones in villages and rural areas, in order to comply with some broad policy that cannot possibly fit their needs. They need these men, the security and firefighters that are localized, that are trained, that are available, but more than that they need the responsibility to rest with the commanding officer of those installations so that he is in charge and can make his demands and carry them out and make this function for the benefit of the innocent victims of any neglect, like these trainees, these young fellows starting out and are training these fast-flying planes and many other activities that are dangerous and uncertain.

So I strongly support the Mitchell-Levin amendment because it is necessary. I hope we can put this question to rest. We have to deal with it from year to year to year. I hope there will be a strong vote for the amendment this time.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. DANFORTH). Does the Senator from Mississippi yield back his time?

Mr. STENNIS. Yes; I yield back the time I have remaining.

Mr. SARBANES. Mr. President, I rise to express my strong support for the amendment offered by my distinguished colleague from Maine to place a moratorium on the contracting out of fire and security functions at Department of Defense installations. As we are all aware, fire protection and base security are functions which are crucial to the effective operation of our Armed Forces. Many of our defense installations routinely handle dangerous explosives, radioactive materials, and highly sophisticated electronic systems. In my view, it is essential that the highest degree of safety be afforded the operation and maintenance of these systems. This can only be accomplished if these functions remain under the direct control of the base commanders and the specialists who are thoroughly familiar with the mechanics of the facilities involved.

There are a number of factors which support the need for this measure. In the event of labor relations difficulties, these essential services would be in doubt, jeopardizing not only our servicemen and servicewomen, but also the populations that reside in the vicinity of the installations concerned. Additionally, many of the Federal security and firefighters employed by the Department of Defense have reciprocal agreements with the local jurisdictions surrounding our military bases. These mutual support agreements have not become part of the contractual obligations assumed when some bases have implemented a commercial activities program. Therefore, serious complications in the relationship with the adjoining community will develop in the event many of our facilities rely upon private contractors for these services. In addition, the regulations of the individual services make base and shipyard commanders individually responsible for fire and security functions. Contracting out creates an unacceptable conflict for such officials because these functions are removed from his direct control.

Another matter that troubles me deeply is the realization that the Defense Department has taken no steps during the past year to address these problems; they have simply opted to wait for the expiration of the moratorium agreed to by the Senate during the consideration of last year's authorization. Yet the same conditions which motivated the Senate to impose this morotorium last year remain valid considerations now and are sufficiently compelling to justify the reimposition of a prohibition this year. I strongly urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in strong opposition to this amendment for several reasons. The first reason is that the amendment is not necessary. Last year a 1-year moratorium was placed on contracting out firefighting and security functions on military installations to enable the Committee on Armed Services to study whether there was any necessary or proper basis to exclude firefighting and security functions from the general policy of obtaining goods and services for the Government in the most efficient manner. Quite frankly, I opposed that moratorium. But nonetheless, the Committee on Armed Services held hearings during the past year on exactly that subject to determine if there was any basis for the claims that contracting out firefighting and security functions on military installations was detrimental to national defense readiness.

I think the record is now clear—in fact, it is crystal clear—that there is no evidence of such an adverse effect on our readiness posture. To clearly understand the record it is necessary to know that the Department of Defense and the military departments have been contracting for security and firefighting services for more than 40 years. Some of our most sensitive installations presently are provided firefighting and security services by contract. Such contracts are now in effect at the Navy Trident Nuclear Submarine Base at Bangor, Wash., at Cape Canaveral Air Force Station, Fla., and at the Nevada Atomic Energy Test Site, where, I might note, security has been provided by contract since 1965.

It is also necessary to understand that the 40-year history of contracting for security and firefighting services is a successful history. The Department of Defense and the military departments want the ability to contract for these functions in appropriate cases. To my knowledge, there is not one shred of evidence to support the claim that contracting out these functions has resulted in a loss of national defense readiness. The amendment would exclude from its application all of those locations where contracts now exist. If contracting out these functions at these many locations does not adversely affect national defense readiness—and apparently there is no claim by the proponents that readiness is being adversely effected at these locations or they would not be excepted—then I simply do not understand how national defense readiness can be adversely affected by even one new contract for these services.

Second, the amendment will be costly and result in waste and inefficiency in the Department of Defense. The Department of Defense estimates

that more than 50 million dollars' worth of savings will be lost in fiscal year 1983 alone because of the existing 1 year prohibition on contracting for these services. This compelled loss of savings comes at a time when the Congress and the Nation are demanding that the Department of Defense eliminate every ounce of fat in the defense budget. In light of the fact that there is not one iota of evidence that contracting these functions threatens national defense readiness, I quite simply will not vote to prohibit the Department of Defense from making these savings.

In summary, I oppose this amendment because there is no basis for the claims that national defense readiness is threatened by the appropriate use of contracting for security and firefighting functions, because those claims have already been studied and there is no evidence of record to support them. There simply is no need for the amendment.

I urge each of my colleagues to oppose this amendment and to permit the Secretary of Defense to effectively manage the Department of Defense in this matter.

I would also point out that the information and the so-called facts offered here earlier are, in fact, a year or two old. The letter from General Mathias that was cited is no longer applicable. In fact, the problem identified in that letter has been reversed. Civilian end strengths are no longer reduced to force contracting out.

Additionally, General Mathias never mentioned either firefighting or security functions as having any special interest in the problem he discussed. The letter is out of date, and no longer relevant to the issue.

I would ask the junior Senator from Maine how the base commander, as he said, would be liable under the Federal Tort Claims Act for actions of his contract employees? Counsel for the Armed Services Committee cannot determine how a base commander can ever possibly be liable under the Federal Tort Claims Act of actions of a contract employee. And the legal counsel for various departments have also indicated no evidence whatsoever, nor legal precedent, for any commander to ever be held liable under the Federal Tort Claims Act.

I would also point out to the main sponsors of this amendment that the Deputy Secretary of Defense; the Defense General Counsel; the Army Chief of Staff; the Chief of Naval Operations; the vice president of the U.S. Chamber of Commerce; the Business Alliance on Government Competition; the president of Pinkerton's; the Secretary of Defense; Capt. John H. Kinert, U.S. Navy, commanding officer, Naval Submarine Base, Bangor, Wash.; the Aerospace Industries Association; the American Consulting Engineers Council; the American Council of Independent Laboratories; the Associated General Contractors; the Building Service Contractors Association International; the Chamber of Commerce of the United States; the Door & Hardware Institute; the Electronic Industries Association; the Joint Maritime Congress; the National Association of Government Service Contractors; the National Association of Women Business Owners; the National Council of Investigation & Security Services; the National Council of Technical Service Industries; the National Marine Engineers' Beneficial Association (AFL-CIO); the National Maritime Union (AFL-CIO); the National Small Business Associaton; the Professional Services Council; and the Small Business United are all against the amendment.

After holding hearings on this subject, I have not found one shred of evidence that the claims made by the proponents of this amendment have any bearing in fact.

I now yield to the distinguished Senator from Florida.

Mrs. HAWKINS. Mr. President, today I rise in opposition to the Mitchell amendment calling for a moratorium on the Department of Defense commercial activities program. The 97th Congress enacted legislation prohibiting private firms from competing for security and firefighting contracts on defense installations. That measure failed to achieve its goal of enhanced security and readiness. Instead, it promoted inefficiency, wastefulness, and increased costs, the very things I hear constantly pointed out on this floor by my colleagues as being abused by the Department of Defense.

For 40 years, private contractors have fulfilled important services on our defense installations. Not only have they diligently completed their duties, but the competition inspired by the free-market system has saved our Government countless dollars. Each year private contracts save the Naval Air Station in Memphis, Tenn., over $13 million; over $5 million in fat is cut from the budget at a defense installation in Portsmouth, Va., because of the commercial activities program; in Jacksonville, Fla., 70 percent of the overall cost of certain projects is saved because of private competition. The total savings from the commercial activities program is estimated to be in excess of $140 million a year. In effect, a moratorium on such projects would only increase costs without a concurrent increase in quality.

OMB circular A-76 has served as the basis for the Defense Department policy of competitive contracts. It allows private enterprise to replace Government functions only if the civilian bid is more than 10 percent lower than Government costs. This desire to cut costs and increase efficiency is laudable; yet it has been challenged on the grounds that this program hampers readiness. However—and I think this is a very telling point—the Secretary of Defense and the chiefs of the major branches of the armed services all agree that there is no factual basis for this claim. In other words, according to the experts, A-76 does save money without hampering readiness.

Mr. President, I would like to point out that I know, as do all of us, that bureaucratic inefficiency has seeped into many areas of the Department of Defense. But I believe that the vitality and competition of the free market system can cut through the mountains of paperwork and wastefulness. In my view, this proposed moratorium is a serious blow to the effort to bring greater efficiency to the military.

Mr. President, I urge all my colleagues to fight waste and inefficiency and to promote the vitality of competition by voting against this amendment.

Mr. JEPSEN. Mr. President, I yield to the Senator from California.

Mr. WILSON. Mr. President, at a time when amendments on this floor are being directed at this bill in order to try to stretch the defense dollar, it seems ironic, to say the least, that this amendment would seek to curtail the flexibility presently enjoyed by base commanders, much of the opportunity afforded them to stretch their dollars.

There is no evidence that this moratorium is required. To the contrary, there is a vast amount of evidence that base commanders themselves prefer having the option. It has allowed them to allocate their personnel as they think most wise. It has saved money. That, Mr. President, is what we should be thinking about in a time of critical defense needs.

I urge defeat of the amendment, however well intended.

Mr. DODD. Mr. President, I strongly support the Levin-Mitchell amendment continuing the prohibition on contracts for the performance of firefighting and security functions at military facilities.

There is no doubt that the most important service functions at a military base or other military facility are those protecting the physical integrity of the facility. Indeed these functions are as important as the particular mission of the facility itself since a breakdown in the performance of these functions can wipe out the whole installation and make the performance of the mission impossible. A lowering of the standards in the performance of these functions, a loosening of the standards of discipline, a break in the chain of direct responsibility to the base commander can seriously endanger the integrity of our Armed Forces and the security of the Nation.

I am generally very supportive in performing the support functions associated with the defense of our country in the most cost-effective fashion. This is an area, however, where we can easily be pennywise and pound foolish. I am not convinced at all that we can get the same level of performance at lower cost from private contractors that we get now from specially trained, experienced Federal personnel. In fact, private contractors would be under pressure to lower their costs by hiring inexperienced personnel and cut corners in any other manner possible. We cannot afford this in an area so crucial to our security.

The question of the right to strike is also pertinent here. Contractor employees have the right to strike and should that happen, it would quite seriously interfere with the functioning of an important unit of our national defense.

In sum, the questions of discipline, the maintainance of a direct chain of command, the cost factor and the assurance of a reliable, continuous performance all argue very strongly for the retention of Federal personnel for the performance of these crucial functions.

Mr. President, I urge my colleagues to adopt this amendment.

Mr. TOWER. Mr. President, I move to table the amendment.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas has moved to table the amendment.

Mr. TOWER. Mr. President, I would be delighted to temporarily withdraw my motion if the Senator from Maine wants to make a further statement.

Mr. MITCHELL. Mr. President, I just want to say that I was asked some questions by the Senator from Iowa and was asked if I would respond to them. I wonder if he would give me the opportunity to answer them.

Does the Senator from Iowa deny me the opportunity to answer the questions that he asked me?

The PRESIDING OFFICER. There is no time remaining for debate. The motion to table has been made.

Mr. JEPSEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), and the Senator from Alaska (Mr. MURKOWSKI), are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Oklahoma (Mr. BOREN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 44, nays 53, as follows:

[Roll Call Vote No. 186 Leg.]

YEAS—44

Abdnor	Hatch	Packwood
Andrews	Hatfield	Pressler
Armstrong	Hawkins	Proxmire
Baker	Hecht	Quayle
Boschwitz	Helms	Rudman
D'Amato	Humphrey	Simpson
Danforth	Jepsen	Stevens
Denton	Kassebaum	Symms
Dole	Kasten	Thurmond
Durenberger	Laxalt	Tower
East	Leahy	Wallop
Exon	Lugar	Warner
Garn	Mattingly	Wilson
Gorton	McClure	Zorinsky
Grassley	Nickles	

NAYS—53

Baucus	Ford	Mitchell
Bentsen	Glenn	Moynihan
Biden	Hart	Nunn
Bingaman	Heflin	Pell
Bradley	Heinz	Percy
Bumpers	Hollings	Pryor
Burdick	Huddleston	Randolph
Byrd	Inouye	Riegle
Chafee	Jackson	Roth
Chiles	Johnston	Sarbanes
Cochran	Kennedy	Sasser
Cohen	Lautenberg	Specter
Cranston	Levin	Stafford
DeConcini	Long	Stennis
Dixon	Mathias	Trible
Dodd	Matsunaga	Tsongas
Domenici	Melcher	Weicker
Eagleton	Metzenbaum	

NOT VOTING—3

Boren	Goldwater	Murkowski

So the motion to lay on the table amendment No. 1472 was rejected.

Mr. TOWER. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TOWER. Mr. President, the distinguished Senator from Colorado (Mr. ARMSTRONG) is prepared to offer his amendment creating a new entitlement program of enormous cost. He indicates to me that he is prepared to accept a controlled time agreement on this amendment.

Mr. SARBANES. Mr. President, will the Senator yield? What is the amendment?

The PRESIDING OFFICER. The amendment is to reestablish the GI bill.

There is a pending amendment, offered by the Senator from Maine. The motion to table was not agreed to.

The question is on agreeing to the amendment of the Senator from Maine.

The amendment (No. 1472) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, the Senator from Colorado has an amendment that would reestablish the GI bill.

Mr. STENNIS. Mr. President, will the Chair demand order?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. If those conversing will please step into the cloakroom, it will be appreciated. The Senator from Texas cannot be heard.

Mr. TOWER. Mr. President, it appears that all interested parties are prepared to accept a controlled time agreement on this matter. Therefore, I propound the unanimous-consent request that the time consumed on the amendment of the Senator from Colorado be limited to 2 hours, to be equally divided between the Senator from Colorado and the senior Senator from Texas.

Mr. CRANSTON. Mr. President, reserving the right to object.

Mr. DOMENICI. Mr. President, reserving the right to object.

Mr. CRANSTON. Can we do that and close the window on secondary amendments, with no time for debate? If we can, it is perfectly all right with me.

Mr. TOWER. I would prefer not to. I think it would complicate matters a great deal. We are going to consume a lot of time. I would rather not have an agreement, if we cannot have that understood. Or 10 minutes on each amendment.

Mr. STENNIS. Ten minutes for each side?

Mr. CRANSTON. Ten minutes evenly divided on germane amendments, with no other amendments in order at the end of the time.

Mr. TOWER. Mr. President, I am prepared to amend my unanimous-consent request in that respect.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object, I did not hear the unanimous-consent request.

The PRESIDING OFFICER. The unanimous-consent request is that debate be limited to 2 hours, equally divided, with only germane amendments in order, and that debate on the amendments be limited to 10 minutes, equally divided.

Mr. ARMSTRONG. I have no objection.

Mr. TOWER. Equally divided between the proposer of the amendment and the Senator from Colorado.

Mr. ARMSTRONG. It is understood that the time allocated for amendments is over and above the time allocated to my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOWER. Mr. President, there will be a rollcall vote on this matter. That means the rollcall vote will occur, if there are no amendments, no later than a quarter to 9. So Senators should be alerted to that fact. Time could be yielded back. It is my intention to yield back some of my time, if that is possible, so we could have a vote as early as 8:15 p.m.

Mr. SARBANES. Mr. President, will the Senator yield for a question?

Mr. TOWER. I yield.

Mr. SARBANES. Upon the disposition of the Armstrong amendment and any amendments thereto, what is the intention of the manager?

Mr. TOWER. On the disposition of the Armstrong amendment, it is expected that we will turn to the amendment to be offered by the Senator from Georgia (Mr. NUNN) relative to the 155 millimeter shell. It is hoped that we can get a time agreement on that, too.

Mr. SARBANES. And dispose of that this evening?

Mr. TOWER. And dispose of that this evening.

Then I have one or two amendments I might bring up and dispose of, if no other Senators have amendments.

In other words, we will be here for a while this evening. Senators should be on notice that there will be record votes until late in the evening.

The PRESIDING OFFICER. Who yields time?

Mr. EXON. Mr. President, reserving the right to object, what is the time agreement that has been proposed?

Mr. TOWER. It is too late to reserve the right to object. I will be delighted to yield to the Senator for a question.

Mr. EXON. What is the time agreement that has been agreed to on the GI bill debate?

Mr. TOWER. Two hours, to be equally divided between the Senator from Colorado and the Senator from Texas, plus 10 minutes for any amendments thereto, to be equally divided.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield 1 minute to the Senator from Iowa.

Mr. JEPSEN. Senator LEVIN and I have a colloquy we would like to enter into.

Mr. TOWER. I yield 3 minutes to the Senator from Iowa and the Senator from Michigan for that purpose.

The PRESIDING OFFICER. The Senator from Texas is advised that the amendment has not been offered, and therefore the time agreement has not yet started running.

Mr. TOWER. Mr. President, I yield to the Senator from Colorado for the purpose of offering his amendment.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 1473

(Purpose: To establish two new programs of educational assistance designed to assist the Armed Forces in recruiting and retaining highly qualified men and women, to repeal a termination date applicable to certain current GI bill benefits, and for other purposes)

Mr. ARMSTRONG. Mr. President, in order to facilitate the business of the Senate, I will be happy to offer the amendment and thereby set the time agreement running.

Mr. TOWER. And I can yield time on the amendment for this purpose.

Mr. ARMSTRONG. I think the Senator from Iowa needs a couple of minutes. On behalf of myself and Senators COHEN, HOLLINGS, MATSUNAGA, CRANSTON, BOSCHWITZ, DECONCINI, HART, DOLE, KASTEN, KENNEDY, PRESSLER, HAWKINS, BRADLEY, MITCHELL, and D'AMATO, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and others, proposes an amendment numbered 1473.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add at the end of the bill add the following new title:

TITLE IV—VETERANS' EDUCATIONAL ASSISTANCE AMENDMENTS

SEC. 401. This title may be cited as the "Peace-Time Veterans' Educational Assistance Act".

NEW EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 402. (a) Title 38, United States Code, is amended by inserting before chapter 31 the following new chapters:

"CHAPTER 29—PEACETIME VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

"Subchapter I—Purposes; Definitions

"Sec.
"1401. Purposes.
"1402. Definitions.

"Subchapter II—Basic Educational Assistance

"1411. Entitlement to basic educational assistance for active duty service.
"1412. Entitlement to basic educational assistance for service in the Selected Reserve.
"1413. Duration of basic educational assistance.
"1414. Payment of basic educational assistance allowance.

"Subchapter III—Supplemental Educational Assistance

"1421. Entitlement to supplemental educational assistance.
"1422. Determinations of designated personnel categories.
"1423. Payment of supplemental educational assistance allowance.

"Subchapter IV—Additional Recruitment and Retention Incentives

"1431. Additional amounts of assistance.

"Subchapter V—General and Adminstrative Provisions

"1441. Expiration of periods during which entitlement may be used.
"1442. Suspension of educational assistance.
"1443. Exclusion of certain service for purpose of earning entitlement; bar to duplication of benefits.
"1444. Extension to permit completion of term.
"1445. Program requirements.
"1446. Appropriations; adminsitrative expenses; budget function.
"1447. Reporting requirements.

"Subchapter I—Purposes; Definitions

"§ 1401. Purposes

"The purposes of this chapter are—

"(1) to promote and assist the total force concept of the Armed Forces by establishing a new program of educational assistance to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces; and

"(2) to assist such personnel in obtaining an education that they might not otherwise be able to afford.

"§ 1402. Definitions

"For the purposes of this chapter—

"(1) the term 'basic educational assistance' means educational assistance provided under subchapter II of this chapter;

"(2) the term 'effective date' means the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984;

"(3) the term 'educational institution' has the same meaning provided in section 1652(c) of this title;

"(4) the term 'program of education' has the same meaning provided in section 1652(b) of this title;

"(5) the term 'Selected Reserve' means the Selected Reserve of the Ready Reserve of any of the reserve components of the Armed Forces, as required to be maintained under section 268(b) of title 10; and

"(6) the term 'supplemental educational assistance' means educational assistance provided under subchapter III of this chapter.

"Subchapter II—Basic Educational Assistance

"§ 1411. Entitlement to basic educational assistance for active duty service

"(a) Except as provided in subsection (b) of this section, an individual shall be entitled to basic educational assistance under this chapter if such individual—

"(1) after the effective date—

"(A) serves at least three years of continuous active duty in the Armed Forces, or

"(B) serves at least two years of continuous active duty in the Armed Forces and agrees to serve at least four years in a reserve component of the Armed Forces after service on active duty;

"(2) before completion of the active-duty service described in clause (1) of this subsection, has received a secondary school diploma (or an equivalency certificate); and

"(3) upon completion of the active-duty service described in clause (1) of this subsection—

"(A) is discharged from such service with an honorable discharge, is placed on the retired list, is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retired list;

"(B) continues on active duty; or

"(C) is released from active duty for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service.

"(b) An individual who receives a commission as an officer in the Armed Forces upon graduation from one of the service academies or upon completion of a program of educational assistance under section 2107 of title 10 is not entitled to basic educational assistance under this section.

"(c) For the purposes of subsection (a)(3)(A) of this section, an individual who, upon completion of such individual's full period of obligated service or upon such individual's discharge under section 1173 of title 10, has received a general discharge shall be deemed to have been discharged with an honorable discharge if the Administrator determines that such individual's discharge was under conditions other than dishonorable.

"(d) Except as provided in subsection (b) of this secton, an individual who has not yet become entitled to basic educational assistance under this chapter pursuant to subsection (a)(1)(A) of this section and who—

"(1) after the effective date serves at least two years of continuous active duty in the Armed Forces; and

"(2) before completion of the service described in clause (1) of this subsection, has received a secondary school diploma (or an equivalency certificate),

shall be entitled to such assistance while such individual is serving a year of active duty that, when completed, will result in such individual meeting the length- and continuity-of-service requirement of subsection (a)(1)(A) of this section.

"§ 1412. Entitlement to basic educational assistance for service in the Selected Reserve

"(a) Subject to subsection (b) of this section and except as provided in subsection (c) of this section, an individual shall be entitled to basic educational assistance under this chapter if such individual—

"(1) after the effective date serves—

"(A) in any order (i) at least two years of continuous active duty in the Armed Forces characterized by the Secretary concerned as honorable service, and (ii) at least four years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned; or

"(B) at last six years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned;

"(2) before completion of the duty or service described in clause (1) (A)(i) or (B) of this subsection, has received a secondary school diploma (or an equivalency certificate); and

"(3) upon completion of the duty or service described in clause (1) of this subsection—

"(A) is discharged with an honorable discharge, is placed on the retired list, or is transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service in the Selected Reserve characterized by the Secretary concerned as honorable service; or

"(B) is ordered to or continues to serve on active duty or enters or continues to serve in the Selected Reserve.

"(b) For the purposes of clause (1) of subsection (a) of this section, the continuity of service of a member in the Selected Reserve shall not be considered to be broken—

"(1) by any period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member if unable to locate a unit of a Selected Reserve that such member is eligible to join or that has a vacancy;

"(2) by any other period of time (not to exceed a maximum period prescribed by the Secretary concerned under regulations such Secretary shall prescribe) during which the member is not assigned to a unit of a Selected Reserve and which the Secretary concerned, pursuant to regulations which such Secretary shall prescribe, determines should not be considered for the purpose of ensuring continuity of service; or

"(3) by any period of time during which such member serves on active duty.

"(c) An individual who receives a commission as an officer in the Armed Forces upon graduation from one of the service academies or upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section.

"(d) For the purposes of subsections (a)(3)(A) and (e) of this section, an individual who, upon completion of such individual's full period of obligated service or upon such individual's discharge under section 1173 of title 10, has received a general discharge shall be deemed to have been discharged with an honorable discharge if the Administrator determines that such individual's discharge was under conditions other than dishonorable.

"(e) Subject to subsection (b) of this section and except as provided in subsection (c) of this section, an individual who has not yet become entitled to basic educational assistance under this chapter by virtue of subsection (a) of this section and who—

"(1) after the effective date serves two years of continuous active duty in the Armed Forces or two years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned, or serves any combination of such types of service and the combined service equals at least two years of continuous service;

"(2) before completion of such two years of service has received a secondary school diploma (or an equivalency certificate); and

"(3) following completion of such two years of service has not been discharged or released from such service with a discharge other than honorable discharge or a characterization of such service by the Secretary concerned as other than honorable service,

shall be entitled to basic educational assistance under this chapter while such individual continues to serve either (A) on active duty, or (B) on continous duty in the Selected Reserve, during which the individual participates satisfactorily in training as required by the Secretary concerned.

"§ 1413. Duration of basic educational assistance

"(a) Subject to section 1795 of this title and subsection (b) of this section, each individual entitled to basic educational assistance under this chapter is entitled to (1) one month of educational assistance benefits under this chapter for each month of active duty served by such individual after the effective date, and (2) one month of educational assistance benefits under this chapter for each three months served by such individual in the Selected Reserve after the effective date.

"(b) An individual may not receive basic educational assistance benefits under this chapter for a period in excess of thirty-six months (or the equivalent thereof in part-time educational assistance).

"§ 1414. Payment of basic educational assistance allowance

"(a) The Administrator shall pay to each individual entitled to basic educational assistance under this chapter who is pursuing an approved program of education under this chapter a basic educational assistance allowance pursuant to this section to help meet, in part, the cost of such individual's subsistence, tuition, fees, supplies, books, equipment, and other educational expenses.

"(b) A basic educational assistance allowance under this subchapter shall be paid—

"(1) at the monthly rate of $300 for an approved program of education pursued on a full-time basis; or

"(2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

"Subchapter III—Supplemental Educational Assistance

"§ 1421. Entitlement to supplemental educational assistance

"An individual who has established entitlement to basic educational assistance under chapter II of this chapter by completing three years of continuous active duty after the effective date shall be entitled to supplemental educational assistance under this subchapter if such individual—

"(1) has been determined by the Secretary concerned to be serving in a category of personnel designated under section 1422 of this title;

"(2) has completed an additional three years of continuous active duty in such category; and

"(3)(i) has been honorably discharged or released therefrom, or (ii) is serving on active duty.

"§ 1422. Determinations of designated personnel categories

"In order to obtain or retain the services of sufficient numbers of personnel in specified skills, the Secretary concerned may designate, in accordance with regulations which the Secretary of Defense shall prescribe, categories or personnel for the purposes of section 1421(2) of this title.

"§ 1423. Payment of supplemental educational assistance allowance

"(a) The Administrator shall pay to each individual entitled to supplemental educational assistance under this chapter who is pursuing an approved program of education under this chapter supplemental educational assistance purusant to this section to help meet, in part, the costs of such individual's subsistence, tuition, fees, supplies, books, equipment, and other educational expenses.

"(b) A supplemental educational assistance allowance under this subchapter shall be paid to an individual entitled thereto—

"(1) concurrently with the payment of the basic educational assistance allowance paid to such individual under subchapter II of this chapter; and

"(2)(A) at the monthly rate of $300 for an approved program of education pursued on a full-time basis, or (B) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

"Subchapter IV—Additional Recruitment and Retention Incentives

"§ 1431. Additional amounts of assistance

"Subject to the availability of funds appropriated specifically for the purposes of this section, the Secretary concerned may, in accordance with regulations which the Secretary of Defense may prescribe to implement this section, increase the rate or rates of basic or supplemental educational assistance allowance, or both such allowances, payable to an individual on account of active duty service performed in a category of personnel designated under section 1422 of this title if (1) the Secretary concerned determines such action is necessary and appropriate in order to obtain or retain the services of sufficient numbers of qualified active duty personnel in such designated category of personnel, and (2) such action is approved by the Secretary of Defense. In no event may the amount by which such rates are increased under this section exceed $300 a month in the case of any individual.

"Subchapter V—General and Administrative Provisions

"§ 1441. Expiration of periods during which entitlement may be used

"(a) Except as provided in subsections (b) and (c) of this section, the period during which an individual may use such individual's entitlement to educational assistance under this chapter expires at the end of the ten-year period beginning on the later of—

"(1) the date of such individual's last discharge or release from active duty; or

"(2) the last date on which such individual becomes entitled to any such assistance.

"(b) In the case of an individual who, subsequent to such individual's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, the ten-year period described in subsection (a) of this section shall not run (1) while such individual is so detained, or (2) during any period immediately following such individual's release from such detention during which such individual is hospitalized.

"(c)(1) In the case of any individual—

"(A) who was prevented from pursuing such individual's chosen program of education prior to the expiration of the ten-year period described in subsection (a) of this section because of a physical or mental disability (not including a condition described in paragraph (2)(A) of this section) which was not the result of such individual's own willful misconduct; and

"(B) who applies for an extension of such ten-year period within one year after (i) the last day of such period, or (ii) the last day on which such individual was so prevented from pursuing such program, whichever is later,

such ten-year period shall not run with respect to such individual during the period of time that such individual was so prevented from pursuing such program and such ten-year period will again begin running on the first day following such individual's recovery from such disability on which it is reasonably feasible, as determined under regulations which the Administrator shall prescribe, for such individual to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"(2)(A) A condition referred to in paragraph (1)(A) of this subsection and in subparagraph (B) of this paragraph is an alcohol or drug dependence or abuse condition of an individual in a case in which it is determined, under regulations which the Administrator shall prescribe that—

"(i) such individual (I) has received recognized treatment for such condition, or (II) has participated in a program of rehabilitation for such condition; and

"(ii) such condition is sufficiently under control to enable such individual to pursue such individual's chosen program of education under this chaper.

"(B) In the case of any individual—

"(i) who was prevented from pursuing such individual's chosen program of education prior to the expiration of the ten-year period described in subsection (a) of this section because of a condition described in subparagraph (A) of this paragraph; and

"(ii) who applies for an extension of such ten-year period within one year after (I) the last date of the ten year period otherwise applicable under this section, (II) the termination of the last period of such treatment or such program of rehabilitation, or (III) the date on which final regulations prescribed pursuant to subparagraph (A) of this paragraph are published in the Federal Register, whichever is the latest, such ten-year period shall not, subject to subparagraph (C) of this paragraph, run with respects to such individual during the period of time that such individual was so prevented from pursuing such program and such ten-year period will again begin running on the first day, following such condition becoming sufficiently under control to enable such individual to pursue such individual's chosen program of education under this chapter on which it is reasonably feasible, as determined in accordance with such regulations, for such individual to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"(C) An extension of the applicable ten-year period because of such condition shall be limited to the period of time the individual was receiving treatment or the period of time the individual was participating in a program of rehabilitation for such condition plus such additional length of time as the individual demonstrates, to the satisfaction of the Administrator, that the individual was prevented by such condition from initiataing or completing such program of education, but in no event shall the extension be for more than four years.

"§ 1442. Suspension of educational assistance

"(a) The Administrator shall suspend the payment of educational assistance allowance under this chapter in the case of any individual who is assigned to a reserve component of the Armed Forces in connection with establishing entitlement to educational assistance under this chapter and with respect to whom a certification has been received from the Secretary concerned stating that such individual is failing to serve satisfactorily in such reserve component.

"(b) Unless the individual (except for the operation of subsection (a) of this section) is no longer entitled to such assistance, the payment of such assistance shall be reinstated upon receipt of certification from the Secretary concerned that such individual is serving satisfactory as a member of such reserve component.

"§ 1443. Exclusion of certain service for purpose of earning entitlement; bar to duplication of benefits

"(a) For the purposes of this chapter, the term 'active duty' does not include any period during which an individual (1) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (2) served as a cadet or midshipman at one of the service academies, or (3) served under the provisions of section 51(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(b) A period of service counted for purposes of repayment under section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), of an education loan may not also be counted for purposes of entitlement to educational assistance under this chapter.

"(c) An individual entitled to educational assistance under a program established by this chapter who is also eligible for educational assistance under a program under chapter 31, 32, 34, 35, or 36 of this title or under chapter 106 or 107 of title 10 may not receive assistance under both programs concurrently but shall elect (in such form and manner as the Administrator shall prescribe) under which program to receive educational assistance.

"§ 1444. Extension to permit completion of term

"(a) If an individual is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period during which such individual may use such individual's entitlement under this chapter would, under section 1441 of this title, expire during a quarter or semester, such period shall be extended to the termination of such quarter or semester.

"(b) If an individual is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period during which such individual may use such individual's entitlement under this chapter would, under section 1441 of this title, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period of extension.

"§ 1445. Program requirements

"Except as otherwise provided in this chapter, the provisions of sections 1663, 1670, 1671, 1673, 1674, 1676, and 1683 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(c) and 1787, shall be applicable to the payment of educational assistance allowances under this chapter.

"§ 1446. Appropriations; administrative expenses; budget function

"(a) Payments of educational assistance allowances under this chapter shall be made from appropriations made to the Department of Defense (in the case of service in a military department) or the Department of Transportation (in the case of service in the Coast Guard) and transferred to the Administrator for such purpose.

"(b) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall also transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator in administering this chapter.

"(c) Transfers under subsections (a) and (b) of this section shall be made in advance, with necessary adjustments from time to time for overpayments and underpayments.

"(d) Appropriations and expenditures made to carry out this chapter shall be considered for budgetary purposes as appropriations and expenditures made for national defense functions.

"§ 1447. Reporting requirements

"(a) The Secretary of Defense and the Administrator, not later than February 1 of the year beginning one year after the effective date and annually thereafter, shall each submit to the Congress reports on the operation of the programs provided for in this chapter and chapter 30 of this title.

"(b) The Secretary shall include in each report submitted under this section—

"(1) information indicating (A) the extent to which the benefit levels provided under such chapters are adequate to achieve the purposes of inducing individuals to enter and remain active in the Armed Forces and to enter and remain in the Selected Reserve and of providing an adequate level of financial assistance to help meet the costs of pursuing a program of education, and (B) whether it is necessary, for the purposes of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces and well-qualified personnel in the Selected Reserve, to continue to offer the opportunity for educational assistance under such chapters to individuals who have not yet entered active-duty service; and

"(2) such recommendations for administrative and legislative changes as the Secretary considers appropriate.

"(c) The Administrator shall include in each report submitted under this section—

"(1) information (A) indicating the extent to which the benefit levels provided under such chapters are providing an adequate level of financial assistance to help meet the costs of pursuing a program of education, and (B) concerning the level of utilization of educational assistance and of expenditures under such chapters; and

"(2) such recommendations for administrative and legislative changes as the Administrator considers appropriate.

"CHAPTER 30—CAREER MEMBERS' CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM

"Subchapter I—Definitions

"Sec.
"1451. Purposes.
"1452. Definitions.
"Subchapter II—Eligibility; Contributions; and Matching Fund
"1461. Eligibility.
"1462. Contributions; matching fund.
"1463. Refunds of contributions.
"1464. Death of participant.
"1465. Discharge or release under conditions which bar the use of benefits.
"Subchapter III—Entitlement, Transfer, and Duration
"1471. Entitlement; payment.
"1472. Transfer of educational benefits.
"1473. Duration; limitations.
"Subchapter IV—Administration
"1481. Requirements.
"1482. Reports; accounts.
"1483. Administrative expenses; budget function.

"Subchapter I—Definitions

"§ 1451. Purposes

"The purposes of this chapter are—

"(1) to establish a contributory educational assistance program to enhance the ability of the Armed Forces to retain on active duty highly qualified men and women; and

"(2) to assist such individuals and their families in obtaining educations that they might not otherwise be able to afford.

"§ 1452. Definitions

"For the purposes of this chapter:

"(1) The term 'active duty' does not include any period during which an individual (A) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(2)(A) The term 'eligible person' means any individual who is serving on active duty in the Armed Forces after completing ten years of such active duty.

"(3) The term 'Fund' means the Career members' Education Account established pursuant to section 1462(a) of this title.

"(4) The term 'participant' means an eligible person who enrolls in the program and makes contributions to the Fund under section 1462(a) of this title.

"(5) The term 'program' means the educational benefits program established by this chapter.

"(6) The term 'program of education' has the same meaning provided in section 1652(b) of this title.

"Subchapter II—Eligibility; Contributions; and Matching Fund

"§ 1461. Eligibility

"(a)(1) An eligible person is entitled to enroll in the program at any time during such person's service on active duty. Except as provided in paragraph (2) of this subsection, when a person elects to enroll in the program, the person must participate for at least twelve consecutive months before such person may suspend participation in the program or disenroll from the program.

"(2) The provisions of paragraph (1) of this subsection which require at least twelve consecutive months of participation in the program before a participant may suspend participation or disenroll does not apply in the case of any participant who (A) suspends participation or disenrolls because of personal hardship, as defined in regulations issued jointly by the Administrator and the Secretary of Defense, or (B) is discharged or released from active duty.

"(b) A participant shall be permitted to suspend participation or disenroll from the program at the end of any twelve-consecutive-month period of participation. If participation is suspended, the participant shall be eligible to make additional contributions to the program under such terms and conditions as shall be prescribed in regulations issued jointly by the Administrator and the Secretary of Defense.

"(c)(1) Except as provided in paragraph (2) of this subsection, if a participant disenrolls from the program, the participant forfeits any entitlement to benefits under the program. A participant who disenrolls from the program is eligible for a refund of contributions as provided in section 1463 of this title.

"(2) A participant who has disenrolled may be permitted to reenroll in the program under such conditions as shall be prescribed in regulations issued jointly by the Administrator and the Secretary of Defense.

"§ 1462. Contributions; matching fund

"(a) Each eligible person enrolling in the program shall agree to have a monthly deduction made from such person's military pay. Such a monthly deduction shall be in any amount not less than $25 nor more than $100 except that the amount must be divisible by five. Any such amount so contributed by the participant and any amount contributed by the Secretary concerned pursuant to subsections (b) and (c) of this section shall be deposited in a deposit fund account which shall be established in the Treasury and shall be known as the 'Career Members' Education Account.' Contributions made by a participant shall be limited to a maximum of $6,000.

"(b) Except as provided in subsection (c) of this section, the Secretary concerned shall deposit in the Fund to the credit of a participant $2 for each $1 contributed by such participant under subsection (a) of this section. Deposits for the first twenty-four months of participation shall be made in the twenty-fifth month after the date on which the first contribution is made by such participant and periodically thereafter.

"(c) Pursuant to regulations which the Secretary of Defense may prescribe, the Secretary concerned may deposit in the Fund to the credit of a participant such amounts in addition to the matching funds deposited under subsection (b) of this section as the Secretary concerned considers necessary or appropriate to encourage persons to remain on active duty in the Armed Forces.

"§ 1463. Refunds of contributions

"(a) Contributions made to the program by a participant may be refunded only after the participant has disenrolled from the program or as provided in section 1464 of this title.

"(b)(1) If a participant disenrolls from the program before discharge or release from active duty, such participant's contributions shall be refunded not later than sixty days after the date on which the Administrator receives notice from the Secretary concerned of such participant's disenrollment.

"(2) If a participant disenrolls from the program after discharge or release from active duty, the participant's contributions shall be refunded not later than sixty days after the date on which the Administrator receives such participant's application for a refund.

"§ 1464. Death of participant

"In the event of a participant's death, the amount of the unused contributions deposited in the Fund to the credit of such participant under section 1462 of this title shall be paid to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such participant under the participant's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the participant.

"(3) The surviving children of the participant, in equal shares.

"(4) The surviving parents of the participant, in equal shares.

If there is no such person living, such amount shall be paid to the participant's estate.

"§ 1465. Discharge or release under conditions which bar the use of benefits

"If a participant is discharged from active duty with other than an honorable discharge or released from active duty after

service on active duty characterized by the Secretary concerned as other than honorable service, the participant is automatically disenrolled from the program and any contributions made by the participant under section 1462(a) of this title shall be refunded to the participant not later than sixty days after the date on which the Administrator receives notice from the Secretary concerned of such discharge or release.

"Subchapter III—Entitlement, Transfer, and Duration

"§ 1471. Entitlement; payment

"(a)(1) A participant shall be paid educational assistance in accordance with the provisions of this subchapter.

"(2) A participant shall be entitled to a maximum of thirty-six monthly educational assistance payments (or their equivalent in part-time payments) in addition to any amounts payable in the case of such participant under chapter 29, 31, 32, 34, 35, or 36 of this title.

"(b) Payment of educational assistance under this chapter shall not be made in the case of a participant who is serving on active duty until such participant has participated in the program for at least twenty-four months.

"(c)(1) The number of months of a participants' entitlement shall be the lesser of thirty-six or the number equal to the number of months in which the participant made contributions under section 1462(a) of this title.

"(2) The amount of educational assistance to which a participant is entitled under this section in any month is equal to the excess of—

"(A) the sum of all amounts deposited in the Fund to the credit of such participant under section 1462 of this title before such month, over

"(B) the total amount of such benefits paid out of the Fund under this chapter in the case of such participant before such month,

divided by the number of months of unused entitlement remaining in the case of such participant on the day before the date on which the payment of benefits for such month is made.

"(d) Payment of educational assistance under this chapter in the case of any participant may be made only for periods of time during which such participant or transferee under section 1472 of this title is actually enrolled in and pursuing an approved program of education.

"§ 1472. Transfer of educational benefits

"(a) A participant may transfer any portion of such participant's entitlement to educational assistance payments under section 1471 of this title to such participant's spouse or child (in this chapter referred to as a 'transferee'). A participant may revoke a transfer made under this subsection at any time.

"(b) Any transfer or revocation of entitlement under subsection (a) of this section shall be made in accordance with regulations prescribed by the Secretary of Defense.

"(c) Notwithstanding any other provision of this chapter, educational assistance may not be paid under this chapter to a person divorced from the participant on whose service the person's entitlement is based.

"§ 1473. Duration; limitations

"(a) Educational assistance under this chapter may not be paid to or transferred by a participant at any time more than ten years after the date of such participant's last discharge or release from active duty.

"(b) Educational assistance under this chapter may not be paid to a transferee at any time after the later of (1) the date ten years after the date on which benefits were transferred to the transferee, or (2) the date on which the transferee attains twenty-nine years of age.

"(c) In the event that a participant or transferee has not utilized any or all of such participant's entitlement by the end of the applicable period for under subsection (a) or (b) of this section, such participant is automatically disenrolled from the program and any contributions made by such participant remaining in the fund shall be refunded to the participant following notice to such participant and an application by such participant for such refund. If no application is received within one year from the date of such notice, it shalll be presumed for the purposes of section 1322 of title 31 that the participant's whereabouts are unknown and the funds shall be transferred as directed in subsection (a) of such section.

"Subchapter IV—Administration

"§ 1481. Requirements

"The provisions of section 1663, 1670, 1671, 1673, 1674, 1676, and 1683 of this title and the provisions of chapter 36 of this title with the exception of sections 1777, 1780(c), and 1787, shall be applicable to the payment of educational assistance under this chapter. For the purpose of such provisions, transferees shall be considered to be eligible veterans.

"§ 1482. Reports; accounts

"(a) The Secretary of Defense shall submit to the Administrator a report each month showing the name, service number, and amount of the deduction made from the military pay of each participant enrolling in that month, any contribution made by the Secretary concerned under section 1462(c) of this title, and any change in each participant's enrollment or contribution. The report shall also include any additional information the Administrator and the Secretary of Defense consider necessary for the administration of the program.

"(b) The Administrator shall maintain accounts showing contributions made to the Fund by individual participants and by the Secretary concerned as well as disbursements made from the Fund in the form of payments or contributions withdrawn.

"§ 1483. Administrative expenses; budget function

"(a)(1) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator in adminstering this chapter.

"(2) Transfers under paragraph (1) of this subsection shall be made in advance, with necessary adjustments from time to time for overpayments and underpayments.

"(b) Appropriations and expenditures made to carry out this chapter shall be considered for budgetary purposes as appropriations and expenditures made for national defense functions.".

(b) The tables of chapters at the beginning of such title and at the beginning of part III of such title are each amended by inserting before the item relating to chapter 31 the following new items:

"29. Peacetime Veterans' Educational Assistance Program 1401
"30. Career Members' Contributory Educational Assistance Program . 1451".

COORDINATION WITH OTHER VETERANS' EDUCATION AND TRAINING PROGRAMS

SEC. 403. (a) Section 1508(f)(1) of title 38, United States Code, is amended—

(1) in subparagraph (A)—

(A) by inserting "29 or" before "34" the first place it appears; and

(B) by striking out "chapter 34" the second place it appears and inserting in lieu thereof "either chapter 29 of chapter 34"; and

(2) in subparagraph (b), by inserting "29 or" before "34".

(b) Section 1623 of such title is amended by adding at the end the following new subsection:

"(e) If a participant becomes entitled to educational assistance under chapter 29 of this title, the participant may elect to disenroll for the program under this chapter effective on the first day of the month in which the participant becomes entitled to such assistance.".

(c) The third sentence of section 1673(d) of such title is amended by inserting "29," after "chapter" the second time it appears.

(d)(1) Section 1781 of such title is amended—

(A) by inserting "29," after "chapter" the first time it appears;

(B) by striking out "36," and inserting in lieu thereof "36 of this title or chapter 106 or 107 of title 10,"; and

(C) by striking out the comma after "chapter 31".

(2) Section 1795(a) of such title is amended—

(A) in clause (4), by inserting "29," after "chapters"; and

(B) by inserting after clause (4) the following new clause: "(5) chapters 106 and 107 of title 10.".

EDUCATIONAL LEAVE OF ABSENCE FOR ENLISTED MEMBERS OF THE ARMED FORCES

SEC. 404. (a) Chapter 40 of title 10, United States Code, relating to leave, is amended by adding at the end thereof the following new section:

"§ 708. Educational leave of absence

"(a) Under such regulations as the Secretary of Defense shall prescribe after consultation with the Secretary of Transportation and subject to subsection (b), the Secretary concerned may grant to any eligible member (as defined in subsection (e)) a leave of absence for a period of not to exceed two years for the purpose of permitting such member to pursue a program of education.

"(b)(1) A member may not be granted a leave of absence under this section unless—

"(A) in the case of an enlisted member, the member agrees in writing to extend the member's current enlistment after completion (or other termination) of the program of education for which the leave of absence was granted for a period of two months for each month of the period of the leave of absence; and

"(B) in the case of an officer, the member agrees to serve on active duty after completion (or other termination) of the program of education for which the leave of absence was granted for a period (in addition to any other period of obligated service on active duty) of two months for each month of the period of the leave of absence.

"(2) A member may not be granted a leave of absence under this section until such member has completed any extension of enlistment or reenlistment, or any period of obligated service, incurred by reason of any previous leave of absence.

"(c)(1) While on a leave of absence under this section a member shall be paid basic pay but may not be paid basic allowance for quarters or basic allowance for subsistence or any other pay and allowances to which the member would otherwise be entitled for such period.

"(2) A period during which a member is on a leave of absence under this section shall be counted for the purposes of computing the amount of a member's basic pay, for the purpose of determining the member's eligibility for retired pay, and for the purpose of time in grade for promotion purposes, but may not be counted for the purpose of completion of the term of enlistment of the member (in the case of an enlisted member).

"(d)(1) In time of war, or of national emergency declared by the President or the Congress, the Secretary concerned may cancel any leave of absence granted under this section.

"(2) The Secretary concerned may cancel a leave of absence granted to a member under this section if the Secretary determines that the member is not satisfactorily pursuing the program of education for which the leave was granted.

"(e) In this section, 'eligible member' means a member of the armed forces on active duty who is eligible for basic educational assistance under chapter 29 of title 38 and who—

"(1) in the case of an enlisted member, has completed at least one term of enlistment and has enlisted; and

"(2) in the case of an officer, has completed the officer's initial period of obligated service on active duty.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"708. Educational leave of absence.".

PRESEPARATION COUNSELING

SEC. 405. (a) Chapter 53 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1043. Preseparation counseling requirement

"Effective not later than two years after the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984, upon the discharge or release from active duty of a member of the armed forces, the Secretary concerned shall provide for individual counseling of that member. That counseling shall include a discussion of the educational assistance benefits to which the member is entitled because of the member's service in the armed forces and an explanation of the procedures for the advantages of affiliating with the Selected Reserve. A notation of the provision of such counseling, signed by the member, shall be placed in the service record of each member receiving such counseling.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1043. Preseparation counseling requirement.".

TERMINATION OF RIGHT TO ENROLL IN CHAPTER 32 PROGRAM

SEC. 406. Section 408(a) of the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94-502, 90 Stat. 2383, 2397) is amended—

(1) By (A) striking out "(1)"' and

(2) striking out all after "Act) after" and inserting in lieu thereof "the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984".

REPEAL OF THE 1989 TERMINATION DATE CONTAINED IN CHAPTER 34 OF TITLE 38, UNITED STATES CODE

SEC. 407. (a) Section 1662 of title 38, United States Code, is amended by striking out subsection (e).

(b)(1) Chapter 34 of such title is amended by adding at the end the following new section:

"§ 1694. Appropriations; administrative expenses

"(a) Payments of educational assistance for the pursuit of a program of education or of apprenticeship or other on-job training under this chapter or chapter 36 of this title after December 31, 1989, shall be made from appropriations made to the Department of Defense, the Department of Health and Human Services, and the Department of Transportation, as appropriate, and transferred to the Administrator for such purposes.

"(b) The Secretary of Defense, the Secretary of Health and Human Services, and the Secretary of Transportation, as appropriate, shall also transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator in administering this chapter after December 31, 1989.

"(c) Transfers under subsections (a) and (b) of this section shall be made in advance, with necessary adjustments from time to time for overpayments and underpayments.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1694. Appropriations; administrative expenses.".

EFFECTIVE DATES

SEC. 408. (a) The amendments made by sections 406 and 407 shall take effect on October 1, 1983.

(b)(1) Except as provided in paragraph (2), the amendments made by section 402 through 405 shall take effect on October 1, 1987.

(2)(A) Subject to subparagraph (3) and subsection (c), such amendments shall take effect on a date prior to October 1, 1987, as detemined by the President, upon the recommendation of the Secretary of Defense, in accordance with the provisions of subparagraph (B).

(B) In making a determination pursuant to subparagraph (A), the President—

(i) shall take into account (I) the projected costs of carrying out the programs of educational assistance for men and women in the Armed Forces that would be established under chapters 29 and 30 of title 38, United States Code (as added by section 402(a)), (II) the Armed Forces' recruitment and retention experiences in the preceding fiscal year and projected recruitment and retention performances for the fiscal year in which such determination is made and the next four fiscal years, and (III) other alternatives and their projected costs to enhance such recruitment and retention, and

(ii) shall determine a date for the establishment of such programs upon finding that the establishment of them on such date is, in terms of the factors specified in clause (i), necessary in the national interest of the United States in order to achieve the purposes of such chapters.

(C) Prior to making a recommendation under subparagraph (A), the Secretary of Defense shall consult with the Administrator of Veterans' Affairs and obtain and review the recommendations of the Secretaries of the military departments in terms of the considerations specified in subparagraph (B).

(3) The amendments made by sections 402 through 405 shall not take effect on the date determined pursuant to subparagraph (A) unless the President, not less than ninety days prior to such date, has submitted to the Committees on Armed Services, on Veterans' Affairs, and on Appropriations of the House of Representatives and the Senate written notice of, together with a report explaining the justification for, the determination.

(4) On each December 1 occurring in the years 1984, 1985, and 1986, the President shall decide whether to make a determination pursuant to paragraph (2), and shall, not later than thirty days thereafter, submit to such committees a report explaining the reasons for that decision.

FUNDING

SEC. 409. (a) No obligations to make outlays or payments under the amendment made by section 402(a) may be entered into unless the authority to enter into such obligations has been provided by an appropriation Act.

(b)(1) During the first fiscal year in which payments of educational assistance are to be made under chapter 29 of title 38, United States Code (as added by section 402(a)), such payments shall be made from funds in the Veterans' Administration readjustment benefits accounts to the extent that funds sufficient for making such payments are not available for transfer to the Administrator of Veterans' Affairs pursuant to section 1446(a) of such title.

(2) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall transfer to the Administrator of Veterans' Affairs for deposit in such account funds sufficient to reimburse the Administrator for payments made from such account pursuant to paragraph (1).

Mr. ARMSTRONG. Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, I yield 3 minutes to the Senator from Iowa and the Senator from Michigan for the purpose of conducting a colloquy.

Mr. LEVIN. Mr. President, in the Supreme Court's recently issued decision in the case of the Immigration and Naturalization Service against Chadha, the Court stated broadly and clearly that any legislative veto requiring less than bicameral approval and presentment to the President is unconstitutional. That decision struck down approximately 100 legislative veto provisions in current law. In the wake of that decision, everyone is wondering whether the executive or the legislative branch gains power in the short and long run and what the practical effects of the decision will be.

I would like to draw the attention of my colleagues to a provision contained in this DOD authorization bill, which will be the first Senate action, I believe, on a preexisting legislative veto. And what we will be doing by passing this bill is taking back from the President a grant of authority previously authorized with an accompanying one-House legislative veto. Let me provide some important background.

With the passage of the so-called Rivers amendment in 1967, the pay adjustment mechanism for military personnel was linked to the mechanism in place for civilian pay raises. That mechanism requires the President to seek a report from a designated pay agent on the pay levels based on an assessment of comparable pay levels in the private sector. If the President takes no further action on the pay agent's recommendation after reporting that recommendation to Congress, the pay adjustment will become effective on October 1 of that year. If, however, due to a national emergency or economic conditions affecting the general welfare the President decides to offer an alternative pay plan, the President may send such alternative plan to the Congress and it will become effective on October 1 of that year, unless within 30 days of submission either House adopts a resolution of disapproval. If a resolution of disapproval is adopted, the pay agent's original recommendation takes effect.

Prior to the Chadha decision, the Armed Services Committee was planning on breaking the statutory link between military and civilian pay raises by creating a separate procedure for the Secretary of Defense to serve as pay agent for military pay adjustment determinations, and we have in fact done that in this bill. We were also going to allow the President, as in current law, to offer an alternative pay plan which would be subject to a one-House legislative veto. After the Chadha decision, however, the legislative veto we were considering was no longer a viable alternative.

In looking for a way to handle the issue without the tool of the legislative veto, the committee agreed, on an amendment by the senior Senator from Iowa, Senator JEPSEN, to remove the President's ability to offer an alternative pay plan without proposing specific legislation on the subject.

This is an important step in the lengthy process that now faces the authorizing committees of Congress. Each situation is unique, of course, and the solutions to life without the legislative veto may prove to be varied. I think, however, that in many cases Congress will find itself in the situation of simply having to rescind the prior grant of authority. We on the Armed Services Committee and the Senate as a whole, when this authorization bill passes, will have taken that step with regard to military pay adjustment.

Mr. President, I wonder if my good friend from Iowa and colleague on the Armed Services Committee, Senator JEPSEN, agrees with me in my assessment that the amendment he offered in the Armed Services Committee on the procedure for determining military pay adjustments represents a rescission of prior authority we had granted to the President?

Mr. JEPSEN. The Senator from Michigan is absolutely right. Without the tool of a one-House veto, we were faced with a choice of either giving the President full authority to set the pay adjustment for military personnel at a level different from that of the recommendation of the pay agent, or to require that the President follow the full legislative process in obtaining an alternative. We decided to require the President to seek congressional approval of any alternative pay plan for the military.

Mr. LEVIN. Mr. President, I might add, here, that I know Senator JEPSEN has been a longtime supporter of the legislative veto. He was, I believe, an early cosponsor of S. 890 in the 97th Congress, which would have applied a one-House veto to regulations issued by executive and independent agencies.

Mr. JEPSEN. The Senator is again correct, and I can tell him that I believe that the loss of our ability to use legislative vetoes is a great one—to both the executive branch and Congress, and I agree with Senator LEVIN's analysis that in many situations Congress will be reluctant to continue to extend a grant of authority to the executive branch which was otherwise checked by the presence of a legislative veto.

Mr. LEVIN. I thank my friend.

Mr. JEPSEN. I thank the Senator. Mr. President, I yield to the Senator form Colorado.

Mr. LEVIN. I also thank my friend from Colorado for yielding.

AMENDMENT NO. 1473

Mr. ARMSTRONG. Mr. President, I believe we are now ready to proceed to the consideration of the amendment, and I yield myself 15 minutes.

Mr. President, as we reflect upon the efforts of Congress to legislate for the future of America, on the hundreds and even thousands of pieces of legislation that have been enacted over this country's existence, we can look back on the programs and we readily can see that some of them have been terrible, some of them have been mediocre, and a handful have really been outstanding.

When you think of the landmarks that really stand out over the decades of programs that have been enormously successful in fulfilling their intended purpose, the list is not very long, and I think immediately of the land-grant college program of the last century as something that Congress did that really reflected the kind of wisdom and leadership that has benefited this country down to the present day.

Then I think the Interstate Highway program was probably the greatest public works program in the history of mankind, and may be a handful of others.

Certainly on that list of programs that have worked, programs that have really been in the long run for the best interests of this country, none could be said to be greater in my opinion than the GI education bills of the last 40 years.

The amendment which more than a dozen of my colleagues and I have submitted is to reestablish the GI bill. Our proposal will provide a basic educational assistance benefit of $300 a month to service members who complete 2 or more years of honorable service starting October 1, 1987.

Benefits will vest at the rate of 1 month of benefits for each month of honorable service to a maximum of 36 months. Thus, a serviceman or woman could earn enough GI bill credits to actually put themselves through a normal 4-year, 9-month-per-year, college program.

In addition, a benefit of $100 per month is to be earned for each month of service in selected Reserves or the National Guard.

Our amendment provides, in addition, two discretionary means of increasing education benefits to encourage longer enlistments and to steer qualified recruits toward military occupational specialties where critical skills are required. Moreover, our bill will establish a career members contributory educational program through which service members with 10 or more years of honorable service would be permitted to contribute from $25 to $100 a month, up to a maximum of $6,000, to a special education fund. After a 24-month vesting period, the service member's contribution would be matched 2 for 1 by the Department of Defense.

The fund could be used either by the service member himself or herself to supplement the GI bill entitlement or be transferred to a spouse or dependent child.

A fourth provision of the bill which we now offer as an amendment is to permit career service members to utilize their GI educational benefits full time, without having to interrupt or abandon their military career. The service Secretaries in their discretion would be permitted to grant an educational leave of absence of up to 12 months for this purpose.

Our GI bill will be administered by the Veterans' Administration and paid for by the Department of Defense appropriation.

Our bill will not go into effect until October 1, 1987, although the President under the terms of our amendment would be given authority to implement it sooner if needed to meet recruiting and retention goals.

Since there would be no outlays for at least 2 years after the implementing

date, our GI bill is virtually cost-free throughout the balance of this decade.

Indeed, according to the projections of the Congressional Budget Office, the total cost of the program from now through the end of fiscal year 1989 is only $7 million. Later, the cost rises to a maximum rate in 1993 of $486 million. While this is a substantial amount of money, I should note that it is really very modest in proportion to the total defense budget and will be offset at least to some extent by counterveiling savings arising from reduced attrition and from lower dependent benefits because one of the fastest rising elements in the manpower account is the cost of providing benefits such as medical care, housing subsistence, and day care service to dependents of junior personnel.

Our studies indicate that upward bound college eligible high school graduates are less likely to have dependents than are service men and women who are not in the college bound group.

Dr. Charles Moskos of Northwestern University, the renowned military sociologist, has estimated that these and other countervailing savings which would be triggered by our GI bill proposal could save more than $500 million per year. Initially, when we proposed this amendment, we intended to offset the modest cost of our GI bill by placing a cap on the pay of recruits in basic training. However, the Armed Services Committee anticipated this action by establishing a new pay scale for E-1's with less than 4 months service. The net savings to the taxpayers throughout the decade will exceed $200 million.

Mr. President, the combination of the recession and the long overdue military pay increases of 1980 and 1981 have temporarily produced an ample supply of qualified recruits, but nearly every expert has testified that a GI bill will be needed by 1987 if not before. Improved economic times historically have meant hard times for military recruiters.

In addition—and I ask my colleagues to note this point well—in addition, the number of military age youths will decline by 1.3 million between fiscal year 1982 and 1987. In other words, in order to meet our manpower goals we will have to select a higher and higher proportion from the eligible age group.

If we exclude those young people who are college bound, we will have to attract one out of two in this age group within very few years in order to meet our recruiting goals.

What this means, Mr. President, is that we need a program that goes into place now ready to be triggered into action by 1987 or sooner if the President so determines in order to deal with an admittedly serious military manpower problem before it becomes a crisis.

Mr. President, the GI bill has proven to be the most effective and the most cost effective recruiting device the Armed Forces ever have had, but it is much more than that.

The World War II and successor GI bills were among the most successful social programs in our Nation's history, providing millions with a college education they would not otherwise have been able to attain and enriching our Nation immeasurably. The World War II GI bill, according to estimates, ultimately returned to the Treasury three to six times its cost in higher tax revenues, not taking into account the immeasurable enrichment of the lives of those who participated in this program.

Truly, the GI bill is an investment in this Nation's future. It is a program from which everyone benefits, the recipients, the Armed Forces, our colleges and universities, our society as a whole.

Mr. President, in the interest of time, I wish to submit for the record at this point and ask unanimous consent to have printed in the RECORD in full a summary of the GI bill amendment which we now suggest.

There being no objection, the summary was ordered to be printed in the Record, as follows:

SUMMARY OF PROPOSED GI BILL AMENDMENT TO S. 675 TO BE PROPOSED BY SENATORS ARMSTRONG, COHEN, HOLLINGS, MATSUNAGA, AND CRANSTON

The proposed amendment incorporates and blends together major features of S. 691 (introduced by Senators Armstrong, Cohen, Hollings, and Matsunaga and cosponsored by Senators Andrews, Boschwitz, Garn, Inouye, Specter, Trible, and Tsongas) and S. 8 (introduced by Senator Cranston and cosponsored by Senators Hart and DeConcini). The amendment would amend title 38, United States Code, to establish two new programs of educational assistance designed to assist the Armed Forces in recruiting and retaining highly qualified men and women.

I. PEACETIME VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

Basic eligibility: Eligibility for the basic educational assistance program would be earned by fulfillment of a contract to perform military service after the effective date—October 1, 1987 (or an earlier date if determined by the President). Generally, the minimum contract would be 3 years of active-duty service, or 2 years of active-duty service followed by 4 years of service in the reserves. Additionally, 6 years of service in the Selected Reserve (or any combination of four years in the Selected Reserve and two years active duty) would also establish eligibility.

Honorable discharges would be required as a condition of eligibility (except in the case of a veteran with a general discharge who has completed his or her enlistment or other period of obligated service and receives a favorable adjudication from the Veterans' Administration).

Eligibility would also be contingent upon receipt of a high school diploma (or equivalency) prior to the completion of active-duty service.

Officers who have graduated from one of the service academies or completed a Reserve Officers' Training Corps program would not be eligible for the new program.

Benefits: Up to 36 months of educational assistance benefits at $300 a month could be earned under the new program. One month of active-duty service or three months of Selected Reserve service would earn one month of benefits. Payment of benefits to an eligible individual could begin after 24 months of service on active duty or in the Selected Reserve.

Supplemental Benefits: A second, discretionary tier of benefits—$300 per month—could be added to the basic benefits program where necessary to overcome particular recruitment and retention problems in such areas as the combat arms and scarce skills. These supplemental educational assistance benefits would be available to those who have established eligibility for the basic program by completing three years of active-duty service and who subsequently complete an additional three years in a personnel category specified by the Service Secretary concerned in accordance with regulations of the Secretary of Defense. Those who qualify would double the basic program benefit level—becoming eligible for 36 months of educational assistance at $600 per month.

Kickers: The Service Secretaries would also have the authority, consistent with regulations prescribed by the Secretary of Defense, to enrich either the basic benefits (without requiring additional active-duty service) or the supplemental benefits. These kickers, up to $300 in additional benefits per month, would also be predicated on the needs of the various service branches to recruit and retain personnel in specified categories.

Administration: The program of educational assistance, which would be established under a new chapter 29 of title 38, would be administered by the VA in a manner generally consistent with the Vietnam-era, chapter 34 GI Bill. Individuals would generally have 10 years in which to use their benefits after leaving the service.

Funding: The Department of Defense (and the Department of Transportation for the Coast Guard) would be required to transfer to the VA funds to cover benefit payments and costs associated with administering the new program.

Effective Date: The new program would become effective on October 1, 1987. However, the President could, upon giving 90-days notice to the Congress, provide for the program to become effective if the President determines that an earlier date would be in the national interest.

II. CAREER MEMBERS' CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM

Eligibility: Enlisted personnel with ten years of active-duty service would be eligible to participate in this new contributory program.

Contributions and Matching: Eligible individuals would be able to make contributions to a fund through deductions from military pay up to a maximum of $6,000. Each $1 contributed by the service member would be matched on a 2-for-1 basis. In addition, the Service Secretaries would be authorized, based on recruitment and retention needs and with the Secretary of Defense's approval, to add supplemental contributions to an individual's fund.

Transferability: A service member would have the option of using the benefits for his or her own education or of transferring them to a spouse or child. Benefits would be paid based on the monthly amount of contributions and the number of months in which they were made.

Administration and Funding: This program would be established under a new chapter 30 of title 38. Like the chapter 29 program described above, the new program would be administered by the VA in a manner similar to that in which the current GI Bill is administered. The Department of Defense (and the Department of Transportation for the Coast Guard) would transfer to the VA funds to cover the costs of benefit payments and administrative expenses.

Effective Date: October 1, 1987. However, an earlier date could be established as described under I, above.

III. EDUCATIONAL LEAVE

The proposed amendment would add to title 10, United States Code, a new program under which individuals who establish eligibility for the new chapter 29 program would be eligible to apply for a period of up to two years of educational leave. For each month of two months of service would be required to be completed following return to active duty.

IV. REPEAL OF 1989 TERMINATION DATE

Under the provisions of chapter 34 of title 38, United States Code—the so-called "Vietnam-Era GI Bill"—no educational assistance may be paid after December 31, 1989. This means that eligible individuals (those who entered the service before January 1, 1977), still on active duty on December 31, 1989, will lose all of the GI Bill benefits to which they are not entitled. The proposed amendment would repeal the 1989 termination date. It would further require that the Department of Defense (and the Department of Health and Human Services for the Public Health Service and the Department of Transportation for the Coast Guard) bear all benefit-payment and administrative-expense costs after that date.

Mr. ARMSTRONG. Mr. President, before yielding to others who wish to speak on this subject, I wish now to deal directly with some of the objections which have been raised when this issue has been brought before Congress on previous occasions.

Obviously, the GI bill is not some radical new notion. It has been around a long time. It has worked successfully. Yet there remains a kernel of opposition, and Senators might well ask is this because this is an unstudied proposal.

Mr. President, I do not see anyone who can say that this proposal has not been adequately studied. I doubt if there is any one issue during the last three Congresses which has been as fully and as carefully studied as has been the GI bill. There have been 24 hearings on the GI bill before committees of Congress, more than 200 witnesses have testified, among them Members of Congress, the Department of Defense, and witnesses ranging from private to general, military dependents, budget analysts from CBO and GAO, academic experts, spokesmen for service associations and veterans, and representatives of the National Association of Colleges and Universities.

More than 90 percent of these witnesses, most of them with great vigor, have enthusiastically endorsed the reinstitution of GI bill benefits. Yet the opposition remains in the Congress.

I should amend that and say the opposition remains in the Senate. The other body is ready to go on this proposal. The House of Representatives in 1982 considered, with only a single dissenting vote in the House Veterans' Affairs Committee, a similar GI proposal in 1982; and earlier this year the House Veterans' Affairs Committee again turned its attention to and unanimously reported out a GI bill.

What about the argument that somehow we do not need a GI bill at this time? Let me just meet that head on because it is a fact that our armed services are meeting our recruiting and retention goals admirably at the present time.

However, this condition is certain to deteriorate, and deteriorate markedly, in the very near future; first, because the economic recovery has begun, and with good times there will be more jobs available for young people in the crucial military service age group. In other words, there will be more competition for the attention and loyalty of these young people.

Second, the effect of recent pay raises is wearing off. Already we are returning to the bad practices which created the military manpower emergency of the late 1970's.

In his recordbreaking budget submission for fiscal year 1984 President Reagan proposed a pay freeze for our servicemen and women. The Armed Services Committee mitigated this damage by proposing a half-year 4 percent pay increase for service members other than E–1 with less than 4 months of service.

But the trend toward capping pay is unmistakable. Once again military pay is falling behind the cost of living, and once again we are sending a signal to our servicemen that they are the last to be thought of in the formulation of defense policy.

In my opinion, the continuation of this trend will put us right back into the same kind of a jam we were in only a few years ago when we could scarcely keep our ships afloat and, in fact, some of them were beached; when our Army units were understrength and not combat-ready.

But what makes this problem even worse as we look to the next 3 or 4 years is the fact that the proportion of young people reaching age 18 is expected to decline by a full 20 percent, by 1.3 million, from fiscal year 1982 to 1987, and drop still further in the late 1980's and early 1990's.

It is abundantly clear that additional recruiting incentives will be required by 1987, if not before, just to keep maintained end strengths at their present level.

Mr. President, in the interest of time I would like to submit for the RECORD the comments of a number of experts. I do not consider myself an expert on this subject. I have been beating the drum for the GI bill for the last 3 years, and as with more than two dozen of my colleagues I have sponsored legislation on this subject, have testified at hearings.

But the real experts are the ones who have studied this, from a military need standpoint, from an economic standpoint, from the standpoint of military sociology, and they have testified on this at length.

So I would like to submit for the RECORD brief excerpts of this expert testimony, and I would like to call attention to the observations of President Reagan speaking before the Nation in a televised address on October 19, 1980, when he said:

I will ask Congress to reinstate the GI bill, a program which was directly responsible for the most rapid advances ever in the educational level of our population.

Then I hope, Mr. President, that all Senators will consider seriously the observations about the desirability of the GI bill by Lt. Gen. Maxwell Thurman, USA, Deputy Chief of Staff for Personnel; Vice Adm. Lando Zech, USN, Deputy Chief of Naval Operations; Lt. Gen. C. G. Cooper, USMC, Deputy Chief of Staff for Manpower; Maj. Gen. Kenneth Peek, USAF, Deputy Chief of Staff for Manpower and Personnel; James N. Magill, special assistant, National Legislative Service, Veterans of Foreign Wars; G. Michael Schlee, director, National Security Commission, American Legion; Lt. Commander David Passamaneck, USA (retired) legislative director, AMVETS; Richard W. Johnson, national legislation director, Noncommissioned Officers Association; Max Bielke, legislative counsel, National Association for Uniformed Services; Col. Erik Johnson, USA, director of legislative affairs, Association of the U.S. Army; and Robert W. Nolan, national executive secretary, Fleet Reserve Association.

I have just quoted a paragraph from the extended statements of these gentlemen, but I ask my colleagues to consider well their recommendations as they think on this amendment.

Mr. President, I ask unanimous consent that the excerpts be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS

"I will ask Congress to reinstate the G.I. Bill, a program which was directly responsi-

ble for the most rapid advance ever in the educational level of our population."—Ronald Reagan, Televised Address to Nation, October 19, 1980.

President Reagan is far from alone in his appreciation of the benefits to the Armed Forces and to the country of a new G.I. Bill. Below are excerpts from the testimony at the most recent of the 24 hearings that have been held on the G.I. Bill during the last three Congresses, this one before the House Veterans Affairs Committee on April 12, 1983:

"The Army must have an educational pull mechanism permanently authorized in law which is not subject to the vagaries of year to year change . . . The education benefits about which we are speaking do two things at once. They are recruitment incentives for us, and they are rewards for service to the Nation."—LTG Maxwell Thurman, USA, Deputy Chief of Staff for Personnel.

"No Americans are more deserving of educational assistance than those who serve our Nation in the military services. I believe their service and their sacrifice should be rewarded. Although the individual services would benefit greatly by a G.I. Bill, I believe in the long run our country benefits even more."—Vice Adm Lando Zech, USN, Deputy Chief of Naval Operations.

"I think the G.I. Bill is a must for the future. I have been in the recruiting business, and I can look down the pike and know that the talent market is going to become much smaller, competition is going to become much more intense with industry and other means looking for the quality of youngsters we want, and I think that a good education bill in the future will be of great assistance."—LtGen C.G. Cooper, USMC, Deputy Chief of Staff for Manpower.

"There is no question about it: A new G.I. Bill will help recruitment, retention and society, and I think it is especially important as we look down the road and see a recovering economy, a declining pool of eligible youth to serve the country, and some programmed growth in the Air Force. A new G.I. Bill would help us attract and retain the kinds of people that we need in the increasingly complex and high technology Air Force that we have today."—Maj. Gen. Kenneth Peek, USAF, Deputy Chief of Staff, for Manpower & Personnel.

"The VFW supports the concept of a peacetime G.I. Bill and has testified so on previous occasions. We recognize the undeniable need of the military to attract and retain qualified, high-caliber personnel."—James N. Magill, Special Asst., Natl Leg Service, Veterans of Foreign Wars.

"The G.I. Bill model for recruitment and retention is preferable to a contributory educational program."—G. Michael Schlee, Director, Natl Security Commission, American Legion.

"AMVETS, which was born with the original G.I. Bill, believes that the traditional hard distinctions between wartime and peacetime veterans, which has formed the matrix for much of our veterans' legislation, is becoming increasingly irrelevant in this age of constant, increasingly dangerous and expensive struggle with the forces of totalitarian communism throughout the world . . . The sacrifices which military service exacts, especially in terms of years away from that period of life usually devoted to education are just as real for the peacetime veteran as for his wartime comrade. The crucial need for armed forces of the highest caliber is greater now than at any time in our history, including periods of hostilities. AMVETS believes that it is high time that the dignity of military service during this age of peril be recognized at least to the same degree that wartime service has been recognized in the past."—LTC David Passamaneck, USA (ret), Legislative Director, AMVETS.

"We believe that recruiting and retention in the Armed Forces in the future will become more difficult and that consideration supports the creation of a G.I. Bill. But we have also said . . . that we believe the creation of a G.I. Bill is something that should not be done specifically for the purpose of recruiting and retaining people in the Armed Forces, but also for the good that it has on the Nation's economy and for its positive effect on veterans."—Richard W. Johnson, National Legislation Director, NonCommissioned Officers Assn.

"A new G.I. Bill should not be considered as an expenditure of funds; rather, it should be considered as an investment of funds . . . An investment in the youth of America is one of the best, for it returns the highest dividends."—Max Bielke, Legislative Counsel, National Association for Uniformed Services.

"An educational assistance program is a proven, highly effective recruiting incentive. Not only is it a strong magnet among bright, motivated youngsters; it also is attractive to their parents."—Col. Erik Johnson, USA, Director of Legislative Affairs, Association of the U.S. Army.

"The Fleet Reserve Association, in cooperation with U.S. Rep. Duncan Hunter, held a public G.I. Bill Forum in San Diego. Thirty-nine active duty witnesses, ranging from pay grades E-3 with three years of service to E-9 with 30 years of service, presented the views of over 200,000 active duty personnel. Amazingly enough, the views of all personnel, those in the Tidewater area, Boston and San Diego, were the same: a peacetime G.I. Bill was needed and all felt such a program would attract and retain Service personnel."—Robert W. Nolan, Natl. Executive Secretary, Fleet Reserve Assn.

Mr. ARMSTRONG. Mr. President, I am going to yield the floor in a moment because others who are well-informed on this matter are prepared to speak. But I just want to urge my colleagues to look upon this in a true perspective as a budgetary priority for the Nation's defense.

We have got a trend going right now which I think is really injurious to the national interests. It is a trend that, in effect, emphasizes hardware over people. I have supported the hardware, I supported the B-1, I supported the MX, the new weapons systems, and I intend to continue to do so. Yet I recall that Napoleon said that the morale is to the materiel as three is to one, and all of the great captains of history agree with that.

Our military leaders, from the sergeant in charge of a squad to the chairman of the Joint Chiefs, understand the first principle of leadership is to take care of our own, take care of the troops. It is a principle which we in Congress and, unfortunately, some of the civilian leaders in the Department of Defense, have not always recognized, and that is the very essence of this amendment, which is to put first the needs of the people upon whom our national security depends.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER (Mr. COCHRAN). The Senator has consumed 17 minutes.

Mr. ARMSTRONG. Mr. President, I yield 15 minutes to my colleague from Maine (Mr. COHEN).

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. I thank the Senator for yielding.

I am pleased to join my colleagues, Senator ARMSTRONG and others, in introducing this amendment and calling for a return to the GI bill.

When I first introduced legislation some 3½ years ago to restore the GI benefits, our military services were facing serious problems, and both from the standpoint of quality and quantity they were unable to recruit the people they needed.

I will never forget the time that Admiral Hayward came to testify before the Armed Services Committee and he said,

> We have got a desperate situation. We have a hemorrhage in the ranks of the Navy. We are losing good qualified people and we cannot afford to do that.

I recall Secretary of Navy Lehman testifying if he had a choice between having new ships or having more people and qualified people, he would take the men each time.

So significant improvements have been made since the day that Admiral Hayward testified before the Armed Services Committee. Today the recruiters are having unmatched success and quality levels are as high as they have ever been in our history.

I think the Members of this body can take great pride in today's strong record because after all we are the ones who initiated the legislation which reversed the decline in pay and benefits for military personnel. But we should not, however, become overly sanguine about today's successes or overly boastful about our role in bringing them about. Before we do so we have to look at our overall track record, and we have to look for the lessons from our past experience so that we might avoid that condemnation that the only thing we learn from history is that we learn nothing.

In the mid-seventies both Congress and the administration saw how well the All-Volunteer Force was working, and with a feeling of confidence they made some false economies which seriously undermined the Force.

Pay was capped, the GI bill was terminated, and recruiting and advertising funds were cut.

These actions, coupled with the Pentagon implementation of the new recruit qualification test, which I might add was incorrectly calibrated, proved

to be disastrous. By the late 1970's, the number of high school graduates entering the Army had plummeted and the percentage of category IV recruits, the lowest accepted into the service, had skyrocketed.

Congressional attention to the problem reversed the negative trend. We increased pay and benefits, made improvements in quality of life items, and imposed quality standards.

Those actions, coupled with a faltering economy—let us not forget the importance of a faltering economy—brought dramatic results. Things are going well now, and it is easy to forget just how bad things were before we stopped the pay erosion and restored the pride of wearing a military uniform.

But today's strong record could prove as transitory as that of the mid-1970's if we again allow benefits to erode, as we have in the past 2 years.

Last year, the administration and Congress concluded that service personnel could get by with a 4-percent pay increase, rather than the 8 percent needed for full comparability.

This year, the administration proposed a total freeze on military pay. As Senator ARMSTRONG has indicated, while the Armed Services Committee has recommended a pay raise for most personnel, it has proposed a freeze on pay for E-1's under 4 months. In the absence of new educational benefits program, this could again hamper the ability of recruiters to attract sufficient numbers of top quality individuals into the service. This is especially so in an improving economy.

As unemployment goes down, military service may no longer be as attractive to potential high quality recruits, particularly if pay for military personnel is again allowed to fall significantly below comparability with the civilian sector. And with a diminishing manpower pool throughout the decade of the 1980's, the risks of trying to cut corners in compensation for military personnel are made even greater.

The Army Research Institute last fall produced a study which concluded,

> If the jobless rate declines as fast as the administration projects, without corresponding increases in military pay or education incentives, the Army could miss its recruiting total for male high school graduates by 34,000 (or about 35 percent) by fiscal year 1986.

The Institute predicted "problems ahead for the services in attracting sufficient numbers of high school graduates once the Nation's economy turns around."

For this reason, I hope my colleagues will join in supporting this amendment. The GI bill was one of the best and most successful Government programs ever enacted. The program which replaced it and is now in effect, the veterans educational assistance program (VEAP), is one of the least successful.

The Senator from Colorado, Senator ARMSTRONG, has cited Gen. Maxwell Thurman, then the Army's Personnel Chief and now its Vice Chief of Staff. General Thurman told me in a hearing last year that he would prefer reinstitution of the GI bill to VEAP. His sentiments have been echoed by other military personnel experts and endorsed by service recruiters.

I might go back and point out, as long as this whole issue of the briefing bookgate or debategate is circulating in Washington, I might point out that President's Reagan's campaign staff called a member of my staff, Jim Dykstra, back in the campaign of 1980 requesting my briefing book on the GI bill provisions, for which we gladly, voluntarily threw them over the transom, through the telephone wires, right directly to the President so he might address a group of the American Legion or perhaps the VFW with a call for the institution of the GI bill.

So he has reached right into the bowels of the U.S. Senate to pull out this information that would be so helpful during 1980 campaign elections.

In addition to that, I might point out I believe the Secretary of Defense has testified in favor, during the first year of his service in that position, in favor of the GI bill, as have many others serving the administration.

They support a new GI bill for one simple reason. It will result in a better force, while benefiting the Nation. The Armed Forces will have reduced costs through lower attrition rates and improved trainability, unit performance will be enhanced, and readiness will be improved.

Last fall, the Army Recruiting Command conducted a study which concluded that there is a direct link between a tank commander's mental aptitude—as measured on the Armed Forces qualification test—and the performance of his tank crew during gunnery and simulated combat drills. The study found that a platoon of tanks commanded by mental category II tank commanders will have a combat exchange ratio of 7.45 enemy killed to one tank lost. The exchange ratio for tanks commanded by those in mental category IV is only 1.33-to-1—an 82-percent degradation in performance.

The significance of this is that, while the services are having virtually unparalleled recruiting success, they are still not bringing in as many individuals in the top mental categories as they would like. Educational incentives for service would improve their ability to attract these top quality recruits.

Our amendment would provide a basic educational benefit of $300 a month to individuals who complete 2 or more years of honorable service dating from October 1, 1987. Benefits would vest at the rate of 1 month of benefits for each month of honorable service, to a maximum of 36 months. A benefit of $100 a month would be earned for each month of service in the Selected Reserves or the National Guard.

It provides two discretionary means of increasing education benefits to encourage longer enlistments and to steer qualified recruits toward military occupational specialties where critical skills are required. The service secretaries would be permitted, but not required, to offer a second level of benefits of $300 a month for completion of 6 or more years of active duty service. The benefit amounts for either the basic or supplemental levels could be increased by up to $300 a month.

Our amendment would establish a contributory program for career personnel. Service members with 10 or more years of honorable service would be permitted to contribute from $25 to $100 a month, to a maximum of $6,000 to a special education fund. After a 24-month vesting period, the member's contribution would be matched 2 for 1 by the Department of Defense. The funds could be used by the service member to supplement his or her GI bill entitlement or could be transferred to the members's spouse or dependent child.

A fourth provision would allow career military personnel to use their GI education benefits full time without having to interrupt or abandon their military careers. The service secretaries, at their discretion, would be permitted to grant an educational leave of absence of up to 12 months. Personnel granted education leave would be required to extend their term of obligated service by 2 months for each month spent on education leave.

Our GI bill program would be administered by the Veterans' Administration, but paid for by the Department of Defense. The President would be given authority to implement the new GI bill prior to October 1, 1987, if he concludes it is needed earlier to meet recruiting and retention goals.

As the study to which I referred earlier concluded, it is almost certain that by 1987, the combination of an improved economy and a smaller pool of eligible recruits will make a new program of educational incentives essential. The job of recruiters will be getting more difficult, especially since they will still be obligated to meet the quality standards we imposed a few years ago.

I should note parenthetically that when Congress established those quality standards, it established goals higher than those achieved in many draft years. Further, it mandated only that those standards apply in a volunteer environment. I do not approve of

this double standard, and I can sympathize with those who see it as unfair and suggest that these standards have been put in place as a time bomb ticking against the volunteer force.

If we are to have those standards, though, we must give the services and their recruiters the tools they need to attract the kind of people that we have mandated that they must. We do not give them those tools when we cap military pay, and we do not give them those tools when we freeze the pay of recruits. When all civil servants, from the lowest to the highest, receive a 4-percent pay increase, how do we explain the decision to deny a raise to those who are making the decision to volunteer to put their lives on the line in defense of their nation.

One way of explaining that decision is by making clear our intention to provide the educational incentive for service which our proposal embodies. We will be providing the young men and women who choose to serve with a benefit which will be of both short- and long-term value to them.

We should remember that when GI bill benefits were established in 1944, they were the initial step in the Federal provision of educational assistance. Until 1965, the GI bill stood virtually alone as a source of aid to postsecondary students. And as late as 1975, the Vietnam-era GI bill provided for over 50 percent of all student aid to those in postsecondary schools.

To those who say GI bill benefits should go only to those who have served during wartime, and not those service in today's peacetime environs, I can only take the strongest exception. Some who served during World War II and the Korean and Vietnam conflicts did so here in the United States or in other places out of harm's way.

The young men who gave their lives in Iran, the Marines who were stationed in Pakistan when the Embassy there was overrun, the sailors who spent months in the Indian Ocean, and the brave young men who are now on assignment in Lebanon and Central America would, I suspect, take issue with those who say that those serving in peacetime should not be entitled to this kind of benefit. Are they any less worthy than those who spent 2 years on stateside duty during an earlier conflict?

Our proposal is, I believe, a reasonable and a balanced one. It will take effect only at the point when we know if it is needed, and it requires a minimum period of honorable service to be eligible for benefits.

The GI bill is a time-tested program. It is one which we know provides great benefits to the individual, the service, and the Nation. The broad, bipartisan cosponsorship of this amendment shows the strong support which this approach holds. The Senate will, I hope, give its approval to this proposal so that those who serve can again receive the benefit of this important program.

Mr. President, I would like to turn to some of the questions that Senator ARMSTRONG suggested that have been raised about this bill.

Members of this body have been sent a "Dear Colleague" letter which raises a number of points that need to be addressed. The letter suggests that a new GI bill would be unduly costly, that it would not attract the top quality recruits our services want, and that today's military personnel are somehow less deserving of GI bill benefits than their predecessors who served during wartime. I disagree on all three counts.

The most recent Congressional Budget Office projection is cited as proof that our proposal is not cost effective. Let me say this. This is not the first time that I have heard from those who argue in favor of economic, rather than educational incentives. I have seen their assumptions and their projections before.

But I have also seen an analysis prepared for the Department of Defense in 1975 by Army manpower planners who were asked to assess the potential impact of the loss of the GI bill. They reached some very interesting—and prophetic—conclusions.

The Army said that the percentage of high school graduates would drop to about 47 percent, that the number of those in mental categories I-IIIa would go down to about 44 percent, that the number of those in category IV would be about 20 to 22 percent, and that the minority content would rise to 25 to 30 percent overall, with higher levels in some combat units. In addition, the Army said, the loss of high school graduates would mean higher attrition in training, greater instability in units, and corresponding losses in the administrative time of commanders and staffs.

One must hesitate to ascribe cause and effect, since the end of the GI bill was not the only action to make life difficult for military recruiters in the late 1970's, but 1980 Army quality figures made the 1975 estimates look prescient. Of the Army's recruits in 1980, 54 percent were high school graduates, about 30 percent were in categories I-IIIa, and over 50 percent were in category IV.

About the same time, the General Accounting Office reported that attrition, which is twice as high for non-high-school graduates as it is for those with a diploma, was costing the Government $12,000 per person, or about $5.2 billion over a 5-year period.

Other services also reported an adverse impact from the end of the GI bill. In 1980, the Air Force concluded that—

> The termination of GI bill educational benefits has resulted in a decrease in our ability to attract the high school graduates and those young men and women of higher ability levels.

It cited significant declines in both high school degree graduate and category I and II accessions.

The Marine Corps also reported in early 1980 that elimination of the GI bill had hurt recruiting. It cited a Center for Naval Analysis study which—

> Supports the hypothesis that the termination of the GI bill has resulted in a 17-percent loss in total contracts and a 24-percent decrease in high school graduate contracts.

It has been estimated that the old GI bill helped recruit between 25 and 36 percent of the volunteers entering the Armed Forces. In December 1976, the last month the GI bill was in effect, a record 27,585 individuals enlisted in the Army alone. The approximately 100,000 youths who joined the uniformed services were about twice the normal first time enlistment.

So, I do not buy the argument that the return of the GI bill will make no difference, or that it is not cost effective. I place far greater stock in the analysis of our services—and in the hard numbers of actual experience—than I do in an econometric projection.

Let me also address the cost question. I cannot go along with the argument that the GI bill is too expensive. As I prepared my GI bill proposal, I went back to review the debate back in October 1975, when the House approved the bill ending the GI bill. Throughout the debate were repeated references to testimony from the Department of the Treasury and the Internal Revenue Service that for every $1 spent in educational assistance to veterans, from $3 to $6 is returned in the form of taxes paid due to higher wages and greater earning capability. Additional savings were cited from reduced unemployment benefits paid out to veterans who have taken advantage of the benefits.

It should also be noted that the GI bill educational assistance funds do not simply go into a void. They are not simply dumped into some void out there. Rather, they are returned to college campuses in each of our States across the Nation.

Finally, the argument I find most offensive is that our young men and women serving today are somehow less worthy of GI bill educational benefits simply because we are not in a wartime status. I have said this before, but I feel I cannot emphasize it enough. The argument simply does not stand up to scrutiny and reason.

What do we tell the parents of the young men who died during that rescue mission in Iran? That their sons were not committed to a wartime situation, therefore, were not entitled to GI bill benefits?

We have young people today in Lebanon who are on the firing line over there. They are not entitled to GI bill educational benefits?

How about those who are now at least poised to be sent around the world in the Rapid Deployment Force? Are they not in a wartime or potentially wartime situation?

I think the individuals who are serving today who are out in the Indian Ocean on those aircraft carriers, in those submarines that are patrolling all around this world, who are prepared to react on a moment's notice if need be, are just as entitled as all the individuals who served during World War II, the Korean conflict—we did not call it a war—during the Vietnam conflict, again, are entitled to the same benefits those people enjoyed. I might point out that not everybody who served in World War II, Korea, or Vietnam all went to the front lines. Some never left the United States but they were still entitled to the GI bill benefits.

In sum, Mr. President, I believe the merits lie with this amendment. It deals with the situation that I believe needs addressing and it does so before things deteriorate, and that is a strength, not a flaw, of this proposal.

I just raise a simple question: Do we stop conserving energy because of the temporary oil glut? Do we say no more conservation efforts? Do we stop developing alternatives to oil because there happens to be a temporary surplus? Do we stop filling the strategic petroleum reserve because we have too much oil today when that surplus could dry up in a moment's notice with a conflict with the Middle East or the Persian Gulf? The answer is we do not.

For the same reason, we ought not to wait until such time as we have a crisis on our hands, that we have reduced numbers going into the service, that we have a better economy and, therefore, are unable to attract the kind of high level individuals we want in our service.

A lot of thought has gone into this proposal and it provides a responsible positive means of responding to the manpower problems that we anticipate later in the decade. I believe it deserves the support of the Senate.

Mr. ARMSTRONG. Will the Senator yield to me for 30 seconds?

Mr. TOWER. I yield.

Mr. ARMSTRONG. I want to say what I know is in the heart of every Senator in the room, and would be in the hearts of our absent colleagues had they been here to actually hear the fine speech that the Senator from Maine has made. I congratulate him. That is the finest, clearest explanation of why this is so urgently needed that I have heard. I have heard a lot of speeches on the GI bill and have made quite a few of them. I congratulate him for what he has said and I hope every Senator will read his statement.

Mr. TOWER. I will confess that it was a fine speech that the Senator from Maine made, but I do not think it was quite convincing to some.

I yield to the Senator from Wyoming such time as he may require and designate him to control the time during my absence from the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I speak with some trepidation as I present my remarks on this particular amendment. I think again of my good fortune on the three issues in this Chamber of immigration policy, nuclear regulation, and veterans affairs. To say they are exciting would be an understatement, I can tell you, in every way, because they are issues that have various blends of emotion, guilt, fear and racism, I have found, in mixed or regional amounts. I appreciate the level of the debate here because it enhances clarity. Hopefully, we can keep emotion from it as we deal with this very serious issue and try to address it properly.

There is no one I have a higher regard for here than BILL ARMSTRONG, BILL COHEN, and ALAN CRANSTON, who will soon speak. I would only share with you that I have the flickering of something like: Woe is me, in the emaciated form of the chairman of the Veterans' Affairs Committee, speaking against the peacetime GI bill; the hint of, again, muffled drums on the parade ground. The decommissioning ceremonies will be cranking up again. I can hear them now.

Let me share with you some thoughts about this amendment.

This bill as presently crafted was completed just several days ago, less than a week, if I am not mistaken, hardly enough time to deal with it from a standpoint not just of the authorizing committee appearing today, but the Veterans' Affairs Committee which, indeed, somewhere along the line will have to be dealing with this issue very seriously.

I speak against the amendment to establish this new educational assistance program for members of the Armed Forces to take effect in October 1987, or, oddly enough, at such time or date as the President determines it to be "in the national interest."

The sponsors of this amendment have recognized that the Armed Forces presently are enjoying unprecedented success in levels of recruiting and retaining quality personnel. There is no question about that. Not one person in this Chamber will argue that point. I think it is very important that you hear it, as you sit listening to the debate. Not one person here who has spoken or will speak is arguing that we are not enjoying unprecedented levels of success in recruiting and retaining quality personnel.

It is only because they believe that future manpower problems are inevitable that they recommend that we adopt a prophylactic or preventive approach to these as yet unknown problems by enacting a very broad, unwieldy and expensive educational assistance program. Therein lies the reason I think this is unwise.

Mr. President, I recognize there is a possibility that recruiting and retention shortfalls may occur in the future, although I certainly do not believe in any way that they are inevitable.

Those shortfalls, however, if they do occur, will not arise suddenly or unexpectedly. Congress will have ample opportunity to address them in a proper manner. Meanwhile, the Department of Defense, which is opposing this legislation, has many other effective incentives available to it, including the post-Vietnam era educational assistance program, known as VEAP. Also available to the Department of Defense are these kickers, as we refer to them, extra benefits to sweeten the pot, which can be combined with the VEAP program to attract quality personnel to particular occupations. We call that one VEAP with kickers. It is currently doing an extraordinary job of attracting high quality enlistees to the Army's combat arm. The Army is not the only service authorized to use this ultra-VEAP, but it is the only one which has needed to use this very effective option.

Mr. President, I ask unanimous consent that a letter from the Secretary of Defense expressing DOD's opposition to this amendment be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., July 13, 1983.

HON. ALAN K. SIMPSON,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It has come to my attention that a new educational benefit program for military personnel—a new G.I. Bill—may be offered as an amendment to the FY 1984 DoD Authorization Bill on the floor of the Senate. I want to reiterate my support for educational benefits. Our current program of targetted educational benefits has been a major reason for our recent recruiting success. But, as I said in a letter to Senator Tower last September, I do not believe that this is the time for a new program.

Recruiting and retention remain at historically high levels. While our success may erode somewhat over the next few years, we are optimistic that our current set of tools, including educational benefits, will be sufficient to maintain a quality force through this decade. Should we find that available programs are not sufficient, a new educational benefits program would be of the major changes we would consider. Enacting

a new program now to address problems that are as yet unknown, is, however, unlikely to produce a program that will meet the force-manning needs of the future.

I look forward to working with you and your committee at the appropriate time to design a new educational benefits program that meets the needs of our members and their dependents as well as the force manning needs of DoD.

Sincerely,

CAP.

Mr. SIMPSON. Additionally, Mr. President, Congress, possessed with the rare luxury of time to address this possible recruiting and retention shortfall, should consider carefully not only educational assistance programs but other incentives, perhaps more precisely targeted to meet the potential problem areas, which assist us in retention and recruitment of quality personnel. Such considerations should be aimed at determining the most cost effective and efficient means of addressing the problem.

We have had hearings on this. Strong evidence was presented earlier this year by the CBO and by the General Accounting Office in testimony before our committee. Educational assistance programs are neither the most cost effective nor the most efficient means of addressing recruiting and retention problems, and that is what we are addressing, nothing more.

It is essential, I think, to point out that, as the GAO testified, recruitment and retention difficulties in the past have varied greatly from service to service, grade to grade, occupation to occupation, and there has never been an across-the-board problem or one that would even call for an across-the-board solution such as the one proposed by this amendment. What clearly is needed if and when these difficulties surface is, first, identification of a specific manpower problem or need; second, a solution that is applied only to that problem and not to areas where there is no problem; and, third, a solution that is the most cost-effective one available. That simply cannot be done in advance by enactment of a broad, unwieldy, and expensive education program such as is called for here.

I am especially concerned with the cost of the program that would be authorized by this amendment. A close look at the costs figures, together with the likely results on recruitment and retention of quality personnel, shows that it will yield very little benefit for the taxpayers' dollar. The Congressional Budget Office has projected that, in fiscal year 1990, the first year of appreciable budget impact, outlays in the proposed programs will total $261 million, increasing to $775 million in fiscal year 1998. Those figures do not even assume the adjustment of benefits for inflation, as has been the consistent congressional practice with all previous GI bills throughout their history. if similar adjustments were made with this bill, the CBO estimates that the net cost would be $1.4 billion per year by fiscal year 1998.

Additionally, CBO projects, and I think these are extraordinary figures, that enactment of this amendment will result in a net increase of only about 900 quality military personnel in fiscal year 1990. That figure is projected to decrease to 700 by fiscal year 1998. Thus, the cost—and this is, I think, extraordinary—per additional quality recruit in 1990, using CBO's lower unadjusted figures, would be almost $300,000 per recruit, rising in 1998 to more than $1 million.

Mr. President, the service of today's volunteers is invaluable to this Nation. Indeed, it should not be rated as somehow second class because they were not drafted or because they do not serve during wartime. No one in the Veterans' Affairs Committee has ever said that, certainly not this chairman. However, the fact remains that, throughout this vast array of services and benefits provided to veterans, distinctions have always been drawn between wartime and peacetime service. Congress has, on numerous occasions, deemed it appropriate to provide higher rewards, including the various GI bills, for wartime service.

In considering the programs offered today, we must keep in mind that in the future, should it become necessary to return to conscription or, God forbid, should we become involved in war, we will then be asked and, indeed, we shall feel compelled to increase existing benefits to compensate for that service, as we should. If we accept the very expensive amendment offered today, how will we then meet what is required of us in any future effort to "up the ante"? I believe the answer to that question involves some very serious and sincere and severe budgetary considerations.

Mr. President, I ask each of my colleagues to reflect just for a moment upon the entitlement nature of what we shall do if we pass this amendment. No one has mentioned that yet. As to the entitlement nature of the programs that are proposed in this amendment that is before us, there is not a single Member of this body—not one, especially my colleague from Colorado, who serves so capably on the Budget Committee and grapples with entitlements—who is not painfully aware of the link between uncontrollable entitlement spending and the present state of crisis in the Federal budget. Year after year, we find ourselves stymied in our efforts to reduce deficits. We realize that a large part of the problem is that almost 60 percent of the Federal budget is entitlement spending, which is not subject to the annual spending review of this Congress.

Oh, how I wish it could be dealt with. But the political considerations of it all freeze us in place—indeed, they do. Yet it is proposed today to add not one but two new entitlement programs which have been estimated by CBO to cost some $5 billion in the first decade of their operation.

I hasten to point out that this cost estimate does not include the periodic cost-of-living adjustments such as have been the custom of Congress in every single GI bill we have had. If COLA's are included, this cost will be easily doubled to well over $10 billion by fiscal year 1998.

Let us just bear in mind, at the same time, the uncertainty of these figures. Because of the uncontrollable nature of these programs, it is impossible to predict with any kind of certaintly, on either that side of the issue or this side, or with reliability, what the actual cost would be. It all depends on how many people are going to sign up for the programs and on future inflation rates. The actual cost could be double or triple the present estimated cost. I point out to those I hope are interested, and I know we all are in this issue because it is one of those issues that creates a great deal of interest, politically, especially, that this is going to grant a very attractive and very costly array of benefits—up to $900 per month in educational assistance for the service member, as well as up to $18,000 in educational benefits which can be transferred to the service member's children.

In addition to that, there is a whole raft of other education and training benefits to which the same individual may be entitled under other provisions of title 38. Nothing excludes the further benefits when they receive their benefit here. The issue of transferability has never, ever, been enacted in a GI bill. We are dealing with the most novel and extraordinary adventure, transferability of benefits to spouses and minor children.

Mr. COHEN. Will the Senator yield at that point? It does require a minimum of 10 years in the service. It also requires that an individual contribute up to $6,000 before that $18,000 figure; $6,000 of that figure at least is contributed by the serviceman or woman.

Mr. SIMPSON. Mr. President, my colleague from Maine interrupted my chain of thinking for the moment. Let me say they will have every opportunity to further review my comments at the conclusion of my remarks.

Let me say that Senator COHEN is correct in that, but he has failed to blunt the argument that we have never had transferability before. We are talking about enacting it for the first time here. It is called transferability of benefits. It is real; it is there. You can put all the conditions on it that you want, but there it is.

So, what have we? We have this person to receive these extraordinary

benefits, more generous than any we have ever had, even for our wartime veterans, which is an extraordinary departure in that sense. But what other benefits does this person have?

He or she has post-Vietnam era veterans' educational assistance under chapter 32; GI bill educational assistance under chapter 34; survivors' and dependents' educational assistance under chapter 35; training and rehabilitation assistance for veterans with service-connected disabilities under chapter 31; and other educational benefits such as apprenticeship or other on-the-job training programs under chapter 36. No effort is made in the proposed programs to limit the payment of benefits to persons not receiving these other benefits or to target benefits only to those veterans most in need, or to impose some final termination date for the programs which would be comparable to the 1989 termination date presently in effect for the Vietnam-era GI bill. We have never had a GI bill without a termination date.

The end result is that for every person who is actually induced to sign up for military service as a result of these programs, a great many more will be receiving benefits who would have signed up for the service in any event.

Mr. President, I am disturbed by the notion that at a time when we are routinely dealing with a budget deficit in the neighborhood of $200 billion, we would consider enacting two new uncontrollable entitlement programs which have a potential for awesome expense, virtually unrestricted in scope and are wholly lacking in any present justification. The sponsor of the amendment and those who will speak for it will all admit that there is no present need for it.

Mr. President, it seems clear that this amendment, standing alone on its merits, will create a great deal of conflict for those who will vote on it. If we could earnestly look at it, really, there are only two reasons to choose to support it—first, that GI bills are a very good thing. That is reason No. 1. I share in every way that view, because it provided me with educational benefits.

I was a beneficiary of the GI bill and it has provided educational opportunities which, for many, would not otherwise have been available.

A second reason to vote for it would be that this seems to be an excellent opportunity to get on record as having done an act which is generally positive for veterans.

As to the first point, it cannot be emphasized strongly enough that this is not a GI bill like any other GI bill. The goal in the past—and this is a very key distinction—has always been to assist veterans to readjust to civilian life after service in a period of war.

That is what the GI bill was for. No GI bill has ever been enacted solely in order to assist the Armed Forces in recruitment and retention, especially at a time when they do not need recruitment and retention.

Furthermore, for the present peacetime period, we already have an extraordinarily attractive educational assistance array, thanks largely to the gentleman that chaired this committee before I did, Senator ALAN CRANSTON, whose compassion and realism with regard to dealing with veterans spread upon the books a most extraordinary itemization of benefits for veterans of the United States.

No veteran who seriously wishes to pursue a college education is going to be left out in the cold with regard to the educational benefits that are on the books of the United States for veterans. As I have already noted, DOD informs us that we have never been in finer shape with regard to our position on the All-Volunteer Force.

On that second point, Mr. President, I would respectfully offer a very brief list of items already on the legislative agenda for this session of Congress, not some previous session of Congress, not some future session of Congress, but this Congress, which are of very substantial benefit to our Nation's veterans.

We have a VA budget for fiscal 1984 that is $1.3 billion above the 1983 budget. All programs will be maintained at or above current service levels. No programs will be cut.

We have a $150 million program of job training for veterans who have been hardest hit by unemployment during the present recession. That bill has already passed the Senate and a similar bill has passed the House. I expect the final compromise legislation to come before the Senate before the August recess.

We have a veterans' health bill—again, passed by both Houses and presently awaiting compromise action—establishing a new program of adult day health care, new benefits for women veterans, and extension of authority for the popular "storefront" outreach centers for the Vietnam veterans—something I wholly subscribe to—an epidemiological study of the health effects of radiation exposure during atomic bomb testing; we are going forward with our work on agent orange to make sure we are doing the right thing for the veterans there, and a number of other very significant expansions of benefits and services for veterans.

We have a bill increasing the rates of compensation for service-connected disabled veterans. We have a bill granting veterans the right, which is presently denied to them by statute, to go to Federal court to challenge and appeal any denial of benefits by the VA.

Clearly, this is not a session of Congress in which any Senator who feels a true sense of commitment and a national obligation to veterans would find himself or herself somehow lacking in opportunities of a most unarguably worthy and positive nature to disclose that he or she has continued to honor that commitment to veterans and to repay that very heartfelt debt.

Mr. President, I strongly urge my colleagues to resist the amendment for these reasons. It is a most difficult task for me to perform as chairman of the Veterans' Affairs Committee, having a deep obligation to the Nation's military veterans, and I take it very seriously. It is not going to be a popular thing for me. It is a very political no-win type of situation, but I seem to have those things hanging around my neck like a lavaliere. But the true perspective—and I heard the sponsors speak of a true perspective of this bill—is different than my version of a true perspective because the true perspective of this legislation is that it is an entitlement measure. Are you ready for that?

The PRESIDING OFFICER. Who yields time?

Mr. EXON and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. I yield to the Senator from Nebraska——

Mr. EXON. How much time remains, Mr. President?

The PRESIDING OFFICER. The opponents of the bill have 33 minutes and 40 seconds.

Mr. TOWER. Ten minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. EXON. Mr. President, this Senator, the ranking minority member of the Armed Services Manpower Subcommittee, takes a second seat to no Member of the U.S. Senate on proper consideration for pay and other compensation for the men and women of our armed services. I have been a strong supporter and a proponent of education as well.

Mr. President, I strongly oppose this amendment to reinstitute a new GI bill in this form or anything like it. I oppose this amendment with the greatest respect for the intentions of the sponsors.

But, Mr. President, this amendment is unnecessary, very expensive, and an ill-conceived solution to a problem which does not exist. If enacted, it will further complicate the meeting of our highest priority defense needs in the future. There is no question that the old GI bill was one of the most successful social programs in our history.

Mr. President, the old GI bills were meant as a postservice readjustment

benefit. They were designed to benefit those servicemen and women who volunteered or were drafted to fight in World War II, the Korean war, and the Vietnam war at a time when military pay was minuscule compared to today. It was designed to reward those who sacrificed, to help those who were suddenly summoned, their careers interrupted and to help compensate them to make up for those who stayed home, most of whom were well served at that time by the economy at home.

The needs of the All-Volunteer Force today are very different. Pay scales are much more generous than when the old GI bills were in effect. But even if the military services were faced with recruiting and retention problems, the GI bill proposed by this amendment would not be the answer. In fact, it would create more problems than it would solve. I want to take a few minutes to outline some of the problems that would result if this amendment is passed.

Mr. President, the first basic problem with a postservice educational benefit like the one proposed today is that people will leave the service to use it. One of the major military personnel problems facing the country today is the retention of experienced noncommissioned officers and petty officers. A post-service educational benefit will provide people in the service with a negative incentive to reenlist. The Congressional Budget Office recognized this problem in their study of educational benefits for military personnel. They concluded "earned educational benefits also provide service members an incentive to leave in order to use their benefits. Ultimately such separations might offset, in part or in whole, the gains in recruiting. This should be a key concern in evaluating educational benefits."

Not only would a GI bill hurt retention, but also, it would also drive up recruiting requirements. With more people getting out to use their education benefits, personnel turnover and turbulence will increase and we will have to recruit greater numbers of people to man the same size force. The ultimate result will be to make the job of recruiting enough people to sustain the All-Volunteer Force an even greater challenge than it is today.

The authors of this amendment will say they have offset the probable negative impact of a post-service education benefit on retention by allowing enlisted service members to transfer education benefits to their spouse or children. Mr. President, I have real doubts that this transferability provision will be strong enough to keep people in the service, since most enlisted service men and women are still relatively young when they finish their first enlistment. The immediate prospect of getting out and going to school will be much more attractive to an enlisted person than transfering the education benefits sometime in the future to a family the service member probably does not even have yet. Transferability, Mr. President, is just not a proven retention tool, especially at the cost of almost $300 million a year when the program is fully underway.

The second problem with a new GI bill is that it could very well do the most harm to the service that needs the most help. The greatest challenge of the All Volunteer Force is recruiting enough people for the Army, especially the Army combat arms. The year-long test of educational benefits authorized by the Congress and conducted last year by the Defense Department demonstrated that an across-the-board educational benefit, like the one being offered today in which all services offer the same benefits, could reduce the number of high quality recruits in the Army. The reason is obvious: Offering the same benefits to recruits in all services will draw recruits away from the service and skills which involve the greatest risk and which are not readily transferable to the civilian economy—in other words, the Army combat arms.

The proponents of the amendment will say they have overcome this problem by giving the Secretary of Defense the authority to target additional amounts for educational benefits above the basic benefit. Mr. President, they have overlooked a very basic point: We already have a very successful, targeted educational benefit for the Army under the veterans' education assistance program.

The Army today is offering $12,000 "kickers" in addition to the $8,000 an individual can otherwise receive in educational benefits under the current program. This program has proved to be very successful in the Army this past year. By fiscal year 1996, assuming the benefits keep peace with inflation, this program will cost approximately $300 million per year compared to over $1.3 billion per year for a new GI bill. Why do we need a new, more expensive educational incentives program when we already have one in place that is doing the job? Passing this GI bill would be like spending an additional $1 billion simply to run in place.

Another objection I have to this amendment, Mr. President, is that it is going to be very expensive. With all of the agony this Congress has gone through to reduce Federal spending, and with the huge deficits we are facing in the next few years, I am rather amazed at the cavalier attitude of the amendment's authors. They say that their amendment is a measure which "would cost taxpayers virtually nothing throughout this decade." Yes, I think I heard a usually sound fiscal conservative, a colleague of mine on the Budget Committee, talk about this being cost free, a cost-free amendment. There are very few amendments or bills that ever passed the U.S. Senate that are cost free. I challenge the statement that this is one of those few times, that there is an exception. The fact is that this program is going to cost money beginning the day it goes into effect. The bill may not fall due for a few years, but it is still going to fall due. Ten years from now, if the benefits in this amendment keep pace with inflation, the net cost of these benefits according to the Congressional Budget Office will be almost $800 million per year.

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. EXON. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The time is under the control of the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I yield an additional 3 minutes to the Senator from Nebraska.

Mr. EXON. Mr. President, last summer, Deputy Secretary Carlucci offered the military services a GI bill similar to the one being proposed today. The only stipulation was that the services had to find the money to pay for it. To no one's surprise, the military services all decided that under those conditions they could get along without a new GI bill. It is the same old story, Mr. President—programs look great until it comes time to pay the bill.

The final difficulty I have with this amendment is that it takes the established legislative process which exists in the Senate and stands that process on its head. Neither of the two Senate committees which have jurisdiction over this legislation—the Armed Services and Veterans' Affairs Committees—have seen the need to report out a GI bill. Before the Senate passes a major piece of legislation like this with all of its long-term ramifications, we ought to hear from the Senate committees which have jurisdiction over this area. To do otherwise, as the authors of the amendment are asking us to do, is to undermine the integrity of the whole committee system in the Senate.

Mr. President, during the 1980 campaign, President Reagan voiced support for a new GI bill. However, his administration has looked into this question exhaustively, and his military manpower task force found that we just do not need a new GI bill now. It is time we faced reality. The President and his administration have done that when faced with the cold, hard reality of responsibility and found the program to be wanting.

In the past, proponents of a new GI bill have claimed that, even though military recruiting is in the best shape it has been in years, problems loom

over the horizon and "the time to fix the leak in the roof is before it starts to rain." Mr. President, that may make for good carpentry, but in this case it certainly does not make for good Government.

A new GI bill has a nice "ring" to it. But let us not legislate on the basis of nostalgia. With the tremendous deficits that are projected for the next several years, we have a responsibility to examine carefully every new spending proposal, especially entitlements, that comes before this body. A careful examination has led this Senator to conclude what I hope that a majority of my colleagues will conclude: A new GI bill for the All-Volunteer Force is a needlessly expensive, wrong solution to a problem that does not even exist.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, would you please review the situation with regard to the time for the proponents?

The PRESIDING OFFICER. The proponents of the amendment have 28 minutes and 51 seconds; the opponents of the amendment have 20 minutes and 32 seconds.

Mr. SIMPSON. At this time I yield 5 minutes to the senior Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Wyoming for his courtesy.

Mr. President, let us be frank about this thing, and I wish to make the point that I am going to make crystal clear. The names on this proposal are respected and uniformly valuable Members of this body, and we look to them for guidance of many important things.

But just that are we going to become now, Mr. President, if we pass a bill of this magnitude, without any hearings—without any hearings of any kind by the Senate Armed Services Committee? Even though, as I understand, there were some hearings by our valuable Veterans' Affairs Committee, the bill was not marked up by the committee, as I am told, and as I understand we do not have any testimony about it, where the witnesses were subject to cross-examination. We do not have any analysis of their testimony or any testimony on the bill either by a trained valuable staff member who specializes in fields of this kind. We do not have the benefit of any of the ordinary tools of our trade.

We are here now at 8 o'clock at night after many hours—I am not complaining about that—of service here, and we have an attendance here that totals, a minute ago when I counted, eight or nine Members of the Senate. That is less than 10 Members, less than 10 percent of the membership are here, and it has been just about that average since this debate started.

What kind of a parliamentary body do we have and are we practicing here? We are far, far, far more capable than that and ordinarily more careful, more thorough, and more in depth in preparation. This is a very important measure; it is a sensitive field, and it is one that pays off.

I have always been proud of the fact that one of my classmates in college was what we called then a delayed war student and he became president—one of the outstanding ones of the South—of that same institution later, and I can cite many, many dozens of them whom I remember so well who received this training and have since then excelled. I claim to be a very strong proponent of a GI bill in its proper place and after its proper preparation and weighing of the benefits and the resources we have.

But to just come stumbling in here—I did not mean any reference to any individual stumbling—but just to come in here pell-mell without the ordinary safeguards and preparation that goes with an item of this magnitude and importance and pass this bill—and it is not going to be going into effect for 4 or 5 years—it seems to me it would be a neglect of duty and grave error on top of that.

We just do not have the money, Mr. President, either. However noble the cause and the purposes here of the authors of the amendment, however noble their cause, we just do not have the money to throw around.

All of us are impressed every day, every day, for years here we have been impressed of the need and the demand for more and more and more money. Instead of getting things in balance, we are getting farther and farther and farther from balance all the time, and that is not said in criticism of anyone, the administration or anyone else. It is our way.

So certainly we have to give it an even more careful look, weighing—deliberation and exchange of views—in consultation with people throughout the Nation. I know we do not even give this the dignity and the magnitude of the position to be a bill in its own right. They offer it as an amendment here. They offer it as an amendment to a general all-out military authorization bill.

I do not want to comment on who is going to pay for it. The taxpayers will pay for it. But I do not think it should be charged to the military account. Certainly it is a Veterans' Affairs matter. It is a serviceman's matter and post-military service matter, largely, that does not go in the category of the necessarily expensive hardware programs and everything else that goes with hard military programs.

So I think in deference to the men involved, in deference to the educational processes, and in deference to the parliamentary processes that we should go through, and we have not been through it in this matter, this amendment certainly, as I said, has had no hearings, no record, no analysis, no nothing here to help us, not even anyone much to hear this speech, I mean in numbers, or any other speech or comments.

So I think I have come to a quitting place, Mr. President. I just cannot conceive to treating in this manner the subject matter, with its magnitude of importance, its future, and it is a highly important subject matter, but it demands all the better treatment and consideration.

So, with respect to its authors, and with respect to the subject matter, and with hopes of a better chance to pass a more appropriate bill at the right time, I hope that we can respectfully put this one to sleep and to bed and come back another day.

Mr. President, if I have any time remaining, I yield it back.

The PRESIDING OFFICER (Mr. PRESSLER). Who yields time?

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, I shall be very brief.

The fact is that this legislation is not required to deal with any present critical need. Our initial accretion rates are very satisfactory now. As a matter of fact, they are above the requirements.

So the legislation is not required. It creates an entitlement program for a contingency that might arise but that is unknown at the moment.

But aside from that, the merits of the bill proposed, and it is a bill—it is not just an amendment—it is in fact a bill in the form of an amendment proposed by the Senator from Colorado, and it is a very irresponsible way to legislate. I endorse everything that my distinguished colleague from Mississippi, Senator STENNIS, said. This matter was not brought up in the Armed Services Committee. It was not brought up at all in the Armed Services Committee. We had no opportunity to hold hearings on it, none whatsoever, to look into the long-term implications of it.

It is an enormously important matter. It is in fact free-standing legislation and should be treated as such.

The responsible thing for this legislation to do is to have it introduced as a bill and have it promptly referred. In the process of that reference it would not come to the Armed Services Committee anyway because it comes under the jurisdiction of the Veterans' Affairs Committee, so ably chaired by the distinguished Senator from Wyoming, who has already expressed his views this evening.

Now, this is an attractive program. But I hope that my colleagues, even those who are up for reelection next year, will not think they have to do the politically popular thing in supporting this measure and subordinate their better judgment on orderly legislative procedure.

I am up for election next year, and I am sure I do not enhance my political prospects in a State like Texas that has a number of military establishments, a number of members of the armed services, a number of veterans by opposing this legislation. But I am willing to pay the political price to oppose legislation that, in fact, is brought up out of order.

I hope the Senate will reject this amendment, not just on its merits, aside from its merits, but reject it on the basis of this being an improper way to legislate. It makes a mockery of the deliberative process. It makes a mockery of the committee system, and for that reason alone should be rejected by the Senate.

A politically attractive program, yes. But I hope my colleagues, in the words of Lady Macbeth, would screw their courage to the sticking-place and reject this amendment.

Mr. ARMSTRONG. Mr. President, I am going to yield in a moment to the Senator from Hawaii. But first, I want to recognize the Senator from Maine to comment on the observations of the distinguished Chairman of the Armed Services Committee.

As I yield to the distinguished Senator from Maine, I want to recall what Winston Churchill said. I think it applies as well to the statements of the Senator from Texas. Mr. Churchill said, "I do not resent criticism even when, for the sake of emphasis, it departs from reality."

Mr. President, I yield 1 minute to the Senator from Maine.

Mr. COHEN. Mr. President, I thank the Senator for yielding.

I would just like to point out a couple of items. No. 1, it has been suggested by the chairman of the Armed Services Committee that this bill is somehow politically motivated. I did not hear that stated about Ronald Reagan who used it as his No. 1 campaign issue when he ran in 1980. There was no criticism then.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. COHEN. I will not yield until I finish.

Further, let me say that I introduced the GI bill back in 1979 not when I was running for reelection, the first year of my service in this body.

I reintroduced it back in 1981, and I have reintroduced it every year, and let me say to the chairman, who has complained that he has not had an opportunity to hold hearings, no one certainly is in the position to have the opportunity to hold hearings on an issue of this importance better than the chairman of the Armed Services Committee. So the opportunity has been there. To the extent that it has not been seized, that is not the problem of the Senator from Maine or the Senator from Colorado.

For the chairman to now suggest this is politically motivated for 1984, I think, is a great disservice to his colleagues from Maine and Colorado.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. COHEN. I recall back in 1979 and 1980——

Mr. TOWER. Mr. President, will the Senator yield?

Mr. COHEN. I will not yield at this particular point, Mr. President. If the Senator will give me some time I would be happy to yield to him.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. COHEN. I will not yield on my time. On the Senator's time I would be happy to yield.

Mr. TOWER. All right. I think if the Senator from Maine will examine the record carefully—and we could have the reporter read it back, perhaps—he will find I did not say it was politically motivated. I said it was politically attractive. I do not think the Senator from Maine will contend that it is not politically attractive. I would never suggest that anything that either the Senator from Maine or the Senator from Colorado would do is politically motivated, and I think the Senator from Maine did himself and the Senator from Colorado a disservice by even planting that in the minds of anyone.

Certainly that was the farthest thing from the mind of this Senator.

Mr. COHEN. Let me say to my friend from Texas on his time that I doubt very much whether any piece of legislation introduced in this body is so introduced because it is politically unattractive. That goes without saying. But, second, let me go back to 1979 and 1980 so that I can point out——

Mr. TOWER. Some are more attractive than others.

Mr. COHEN. It was in such bad shape there was a drumbeat in the U.S. Senate to go back to the draft. They said we have too many poor, too many blacks, too many minorities, too many such people in the Army.

Mr. TOWER. I have not yielded time to the Senator from Maine.

Mr. COHEN. They said "Let us have a draft." It was through the legislation offered by the Senator from Colorado (Mr. ARMSTRONG), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Maine that we insisted upon changing the pay scales to start paying people what they deserve.

Now, thanks to the initiative we introduced back in 1979, everybody seems to be taking credit for this celebrated status we now have in the military, when we never had it so good.

All the Senator from Maine and the Senator from Colorado are trying to do is to say let us just look to the future, let us not make the same mistakes that were made in the past. Let us look to the future and we will continue to have the high quality which the chairman of the Armed Services Committee celebrates so highly.

Mr. ARMSTRONG. Mr. President, in view of the very pertinent, very relevant, import of the remarks of the Senator from Maine, it is most appropriate now to yield to the Senator from Hawaii because when we were making that fight to get fair pay scales for the military personnel, a fight which was ultimately successful over the opposition of some of the most important leaders in this Chamber and downtown, a fight which, if it had not been won would have ended, I think, in destroying utterly the all-volunteer service concept, because our Army units were being decimated by people leaving the service, and the Secretary of the Navy was actually at one point forced to beach ships because he could not get sailors to sail them—when it became so clear that something had to be done, the Senator from Hawaii came forward, with others, to fight the battle. He has shown a great deal of leadership and perspicacity in dealing with this issue, and I am very proud he is a cosponsor of this amendment. I am pleased to yield 10 minutes to my distinguished colleague from Hawaii.

Mr. MATSUNAGA. Mr. President, I thank the Senator from Colorado for yielding, and I thank him for his kind remarks.

I certainly must commend him and congratulate him for the leadership he has shown in this body in trying to keep the All-Volunteer Force going.

Mr. President, as a cosponsor, I rise in strong support of the Armstrong-Cohen-Hollings-Matsunaga-Cranston amendment which would establish a new, peacetime GI bill education assistance program for members of the All-Volunteer Force.

At the outset, Mr. President, I want to emphasize, as my fellow sponsors have done, that this amendment is a truly bipartisan effort. The provisions of this GI bill proposal we are offering to the Senate were hammered out painstakingly and with an eye toward reaching a compromise measure with which a large majority of the Senate would feel comfortable.

I think we have done that in this amendment, Mr. President. Our GI bill proposal is drafted to address every major concern or criticism that has traditionally been leveled against the peacetime GI bill idea in the past. This is not to say that there will not be criticism of this amendment. I am

certain that the obligatory arguments against the proposal will be made and made forcefully. I am confident, however, that this compromise GI bill will stand up to the scrutiny. I believe that if Senators take a long, hard look at this proposal, they will agree with its cosponsors that it is the way to go to address the future manpower problems of the All-Volunteer Force.

Mr. President, although this is clearly a measure designed to bolster the All-Volunteer Force—which is, of course, the primary objective of the sponsors of the amendment—it can be and is supported by Senators who do not have confidence in the all-volunteer concept and favor a return to the draft. The Senator from South Carolina, Mr. HOLLINGS, is one of the Senate's strongest supporters of a return to the peacetime draft. He is, however, a primary sponsor of this amendment because of his deep concern, which I share, that the All-Volunteer Force is heading for serious recruiting problems and that only a GI bill will be able to provide the incentives necessary to insure that the military services are able, under the volunteer system, to recruit adequate numbers of high quality personnel to man the highly technical systems and equipment of our modern Army.

Mr. President, the All-Volunteer Force is here and it is going to be with us into the indefinite future. We must, therefore, provide it with the tools it needs to meet our military manpower requirements. One of the most important tools which it now lacks is the incentive of the GI bill.

One of the main criticisms launched against our amendment is that a GI bill is not needed now; that the military services are now experiencing record success in recruiting, and the incentive of a GI bill is not necessary. While this observation may be true today, we would only remind Senators that we were proposing this GI bill back in the dark days of 1979 and 1980 when the All-Volunteer Force was in serious trouble in terms of recruiting and retaining personnel because of our Government's failure to keep military pay and benefits at levels competitive with the private sector. It was needed then and would have made the difference in terms of the recruitment of high school graduates. In 1981, however, as the economy took a plunge and unemployment skyrocketed, military recruiting was given an unexpected boost by thousands of high quality enlistees who could not find jobs on the outside. At the same time, the Congress belatedly approved significant military pay increases which also made enlistment and reenlistment much more attractive. I am proud to say that I joined my distinguished colleague from Colorado, Senator ARMSTRONG, in offering the first amendments in 1979 and 1980 to raise military pay back to competitive levels.

In the light of indications that the current success in recruiting and retention will continue for at least the next 2 years, we have altered our original GI bill proposal. The proposal before the Senate today recognizes the current situation and is designed to address what most military manpower experts project will be almost certain future recruiting problems.

The Department of Defense, the President's task force on Military Manpower, and the Congressional Budget Office all agree that recruiting success will continue up to fiscal year 1987. This, of course, assumes that several conditions exist, the two most important of which are: First, steady but slow economic recovery over the next several years; and second, entry level and career military pay remaining at competitive levels with the private sector. After fiscal year 1987, according to the President's manpower task force and the CBO, the services will encounter recruiting difficulties, particularly in terms of high quality personnel. In fact, the manpower task force predicted that as early as 1985, if not earlier, the Army will begin experiencing serious difficulties in meeting the recruit quality standards established by the Congress, unless additional recruiting incentives are provided. Again, let me emphasize that the President's military manpower task force based its projections on the assumption that the economic recovery will be slow and steady and that unemployment will decline very slowly. The task force also assumed that other factors which affect recruiting would be held constant, such as military pay, manpower end strengths, the size of the career force, and career force retention.

Presumably, the findings of the President's Task Force were to be reassuring to Congress that the All-Volunteer Force is doing well and that there is no need for further legislative action such as a GI bill. In my view, the projection that the Army will be experiencing recruiting shortfalls by fiscal year 1985, assuming that all goes as planned, is in truth, disconcerting.

Mr. President, the sponsors of this amendment are concerned that everything will not go as planned; that there is too great a risk that any number of factors which affect recruiting will combine with the absolutely certain decline in the pool of eligible young men and women to send military recruiting into a tailspin which could have a catastrophic effect on our manpower and readiness situations. Such a recruiting catastrophe would no doubt set the stage for what I believe would be the premature abandonment of the volunteer manpower system in favor of a return to peacetime conscription.

We strongly believe that the recruiting situation 5 years from now, if not earlier, could be much worse than predicted by the President's manpower task force. All it would take would be a significant surge in the economic recovery, a faster drop in unemployment than expected, a falling behind of the competitiveness of military pay, and continued strict adherence to congressionally imposed recruit quality standards, to turn the current recruiting successes into serious manpower problems for the services.

Mr. President, we believe it would be incredibly shortsighted for the Congress to believe that the likelihood of such a scenario is remote—it is not. One needs only to be reminded that the Congress in the midseventies decided that the All-Volunteer Force was doing so well recruiting personnel that it could afford to let military pay fall behind the private sector and cancel the Vietnam-era GI bill. Less than 3 years later, the military services were experiencing the worst recruiting years in the history of the volunteer system.

I sincerely hope, Mr. President, that the Congress has learned its lesson on the All-Volunteer Force. As the Senator from Colorado and I argued in 1979 and in 1980, the viability of the All-Volunteer Force ultimately depends upon the willingness of the Congress, the President, and the Department of Defense to maintain adequate levels of military pay and benefits.

Unfortunately, there are signs that the Armed Services Committee and the President have forgotten the lessons of only a few short years ago. In this defense authorization bill there is a provision to freeze the pay of entry-level recruits. Such a provision will undoubtedly have a detrimental effect on the recruitment of top quality high school graduates. I strongly oppose this provision and am considering offering an amendment to strike it and provide E-1's within their first 4 months of service the same pay raise that civil servants and all other military personnel, including the top generals, are being provided. I will reluctantly support this E-1 pay freeze if the Senate adopts this GI bill amendment. I believe that the benefit which will be drawn from the GI bill by the military in terms of recruiting and by the recruit in terms of educational assistance compensates for the freeze on entry pay.

The President, in his budget proposal for the Defense Department, showed a willingness to go even further than the Armed Services Committee. President Reagan proposed a complete freeze on military pay for fiscal year 1984. According to testimony submitted to the Senate Veterans' Affairs Committee by Department of Defense Manpower Chief Lawrence Korb, mili-

tary personnel are now approximately 4 to 5.5 percent behind private sector wage growth, depending on the wage index used. Military pay comparability was reachieved in October 1981 after successive catchup pay increases, but fell behind again last year when the President and the Congress agreed upon a reduced 4-percent pay raise for the military. Mr. Korb further reported that if military personnel do not receive a pay raise this October, the pay comparability shortfall will grow to 10 to 12 percent, assuming private sector pay increases of 6 to 6.5 percent.

The fact of the matter is, Mr. President, even if the military receives a 4-percent increase in pay this year, military pay will most likely fall further behind the private sector. There has been talk that the administration will ask for a catchup raise for the military next year, but I am sure that that idea was tied to congressional acceptance of the administration's pay freeze proposal. As a consequence, I think it is safe to say that military pay will continue to lag behind comparability with the private sector for the next several years, contributing to the recruiting difficulties the services will begin in the mideighties.

Most importantly, Mr. President, there is the chance that the economy will recover much faster than anticipated, bringing down the jobless rate much quicker and much further than expected. The economy is beginning to heat up, and barring a further rise in interest rates which I believe may choke off any chance of recovery, there may be an economic turnaround which will make the recruiting market even tougher for the military.

There is no doubt in our minds that by fiscal year 1987, if not earlier, there will be a pressing need for a strong incentive for the enlistment of high school graduates. We are convinced that a GI bill is necessary to provide the All-Volunteer Force with the incentive it needs to attract sufficient numbers of high quality recruits. We believe that having the GI bill set to take effect in fiscal year 1987, when most manpower experts predict recruiting difficulties will begin, and providing the President with discretionary authority to implement it sooner if the recruiting situation requires it, provides the All-Volunteer Force with the protection it needs to be able to continue, throughout the 1980's, to meet military manpower requirements. With the pool of eligible recruits declining later in this decade, with the economy improving, producing more competition for a limited number of quality recruits, and with the possibility that military pay will continue to lag behind private sector pay, the need for a GI bill educational assistance program becomes increasingly clear.

As I indicated, there will be criticism of our proposal that it is prohibitively costly, that it will actually hurt rather than help military recruiting efforts, and that other alternatives exist that would be more cost-effective ways to bolster recruiting efforts. I would like to briefly address these points.

First, we strongly disagree with the argument that the GI bill program we are offering will be too costly. The fact is that our GI bill, if it goes into effect in fiscal year 1987, would not cost the Federal Government anything for 2 full years and then only an estimated $7 million in fiscal year 1989. Outlays would necessarily increase in fiscal year 1990 to $261 million and would continue to rise to approximately $486 million by fiscal year 1993.

Mr. President, I do not believe that the costs associated with the GI bill are prohibitive by any means. In the late 1980's and early 1990's we will need to spend a lot more to recruit adequate numbers of quality manpower and, speaking only for myself, I believe the cost is warranted if it means that we can extend the life of the All-Volunteer Force. I am adamantly opposed to a return to the peacetime draft and if it takes a $486 million GI bill in fiscal year 1993 to avoid it, I think the expenditure will be in the best interest of our Nation.

But let us look at it from another angle, Mr. President. We are considering at this very moment a Department of Defense authorization bill which contains hundreds of millions of dollars for weapons systems such as the MX, the B–1, chemical munitions, and nuclear aircraft carriers, costing hundreds of millions of dollars for various weapons systems, many of which may not be essential to our national security. What is essential to our national security is having qualified military manpower in a state of combat readiness. In my judgment, this authorization bill provides far too little for manpower and readiness accounts and far too much for big-ticket nuclear weapons systems. Mr. President, we can afford a GI bill for the All-Volunteer Force, if we will only muster the courage to realine our defense spending priorities to give manpower and readiness their fair shake. We must never permit the U.S. to find itself sadly lacking in conventional military readiness, if unavoidably drawn into limited conflict, as Britain was.

Second, I do not know how it can be argued that the GI bill might have a detrimental effect on military recruiting. It has been estimated that the Vietnam-era GI bill during the initial years of the volunteer system helped to recruit between 25 and 36 percent of the volunteers entering the Armed Forces. In December 1976, the last month the old GI bill was in effect, approximately 100,000 recruits joined the military services, with the Army receiving more than 27,000 enlistees. I think this more than demonstrates the great attractiveness of the GI bill educational benefits to the recruit and the return on investment to the military.

There has always been concern, which I acknowledge, that any GI bill proposal will have a detrimental impact on retention because service members with GI bill benefits will want to separate in order to make use of the educational entitlement. We have attempted to address that concern in our amendment by permitting service members to transfer benefits to spouses or children or to apply for educational leaves of absence. We do not believe that the impact of this GI bill proposal on retention of career personnel will be significant.

Third, there is the argument that other alternatives such as enlistment and reenlistment bonuses targeted at certain problem areas would be more cost effective than a full-fledged GI bill. Over the next several years, that argument may be valid because recruiting problems will not be that acute. However, as many manpower experts have predicted, the late 1980's will be a difficult time for the military services, particularly for the Army. The recruiting of high school graduates will probably require more than just cash bonuses. The GI bill may be necessary to get the recruiting job done, and the cost may be offset somewhat by a reduction in the number of direct cash bonuses provided to enlistees.

In the final analysis, Mr. President, what we are asking the Congress to do in establishing a peacetime GI bill is to anticipate rather than react to a future recruiting crisis in the All-Volunteer Force. In 1980, the Congress reacted sharply, but belatedly, to the severe recruiting and retention shortfalls experienced by the military services. The damage had already been done to the combat readiness of our military forces. We foresee a recruiting crisis which could be exacerbated by a swiftly improving economy, the failure to keep military pay competitive, and forced adherence to recruit quality standards. We are convinced that the answer is putting a GI bill on the books for fiscal year 1987 so that we are prepared for the recruiting shortfalls which are sure to come.

What is at stake here today is nothing less than the future of the All-Volunteer Force, if we fail to provide the military with proper manpower recruitment and retention tools. I therefore urge my colleagues in the strongest of terms to support this bipartisan amendment.

The PRESIDING OFFICER. Who yields time?

Mr. SIMPSON. Mr. President, I yield 4 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank my good friend from Wyoming.

Mr. President, I have the greatest respect for the principal sponsor of this legislation and the cosponsors. I know that for many this bill appears to be one of these motherhood bills. I regret to say that I think it is a far cry from it.

I think it is the wrong bill at the wrong time which will accomplish the wrong thing. I really cannot believe that the U.S. Senate is seriously debating a peacetime GI bill for educational purposes at a time when the U.S. military is having little or no trouble with recruitment; little or no trouble with retention; when we have the pay approaching parity; and when we have a pension program which requires no contribution that is better than any pension program in the private sector. All of these benefits are aimed at one thing—retention, longevity in the military service, a necessary requirement, when the United States decided to go with an All-Volunteer Army. Needed to retain the young men and women in the military?

Now, we come to the floor of the Senate with this proposal which provides a fantastic education program, free, if you spend 3 years in the military. If that does not fly in the face of everything we are trying to do to retain an All-Volunteer Army—instead of trying to keep people as long as possible, this education program seems to be saying "Get out of the service, and go to school". We are setting up a $1.4 billion entitlement program to help you do this.

I hate to say that about this amendment, but that is how I feel. In addition, I do not think it ought to be put into this bill, a military authorization bill, where we have already had a serious challenge on the floor as to whether or not it comes within budget targets. Obviously, this is a new entitlement program. The CBO estimates for an indexed program indicate it will cost $1,400,000,000 a year by the end of the century.

Again, I repeat, I have the greatest respect for those who came here today and eloquently argued that we need this. I regret to say, however, that many Members in this Senate who are prone to vote for this are constantly, persistently, consistently saying the problem with the U.S. budget is the entitlement programs, which are out of control. Once you create them, you cannot do anything about them. They are automatic. Presidents cannot veto them. Appropriators cannot do anything with them. If you are entitled, to a benefit you get. If you have the right color eyes, the right stature, the right age, they will write you a check. That is what an entitlement is. This will be $1,400,000,000 in entitlement spending.

It is obvious to this Senator that this is not the way to conduct the fiscal business of the U.S. Senate. For those constantly worrying about the U.S. budget, about the size of the deficits, I hope they understand that the Budget Act envisioned this kind of entitlement in the outyears and included a provision against it. I have discussed it with the distinguished ranking minority member of the Budget Committee and I believe he concurs that this is an inappropriate measure today in terms of the budget process of the United States under the laws and procedures established under that act.

I see my good friend from Florida on the floor.

Mr. MATSUNAGA. Will the Senator yield for a question?

Mr. DOMENICI. I yield.

Mr. MATSUNAGA. Does the Senator realize that the amendment we are proposing will not cost a penny, will not affect the budget until 1987?

Mr. DOMENICI. The Senator from New Mexico is fully aware of that. With one other exception——

Mr. MATSUNAGA. Until 1989, excuse me. So if the principal reason for the Senator objecting to the amendment is that it would upset the budget, he should be pleased to note that it will not affect the budget at all until fiscal year 1989.

Mr. CHILES. Will the Senator yield?

Mr. DOMENICI. Let me respond and then I will yield. I thought the first version was 1987 but perhaps it is 1989. Everything I have said has the same application, whether it is 1989 or 1987.

Mr. SIMPSON. Mr. President, I yield an additional 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator.

There is a provison in the amendment, as I understand it, which could acccelerate the operational date based on a President of the United States making the necessary finding.

I am pleased to yield to my friend from Florida.

Mr. CHILES. Is there any other time on our side?

Mr. SIMPSON. Mr. President, would you advise us of the time of the proponents?

The PRESIDING OFFICER. The proponents have 14 minutes, 1 second and the opponents 5 minutes, 7 seconds.

Mr. DOMENICI. I yield back the remainder of the time which was yielded to me.

Mr. TOWER. I yield 3 minutes to the distinguished Senator from Florida.

Mr. CHILES. Mr. President, I want to comment in a little different way than my distinguished chairman has commented.

I thought many of us have thought at times that we would need something like this. I am not sure that this is the time.

If you really think back about the Budget Act and what we were trying to do, Mr. President, we were trying to set up a process so that we would not really go out and create some new entitlement programs. You know how those entitlement programs all got started. Someone would stand up and say, "This little program is not going to cost but $300 million," or "it is only going to cost $700 million, or maybe $1 billion."

But no one looked at what that program would do down the line. That is where we are now, trying to get ourselves out of this entanglement.

Here, part of the process envisioned is you would take into consideration what you were going to spend and you would not obligate something in those future years.

This is the way a program does get started. It does not cost anything this year. There is no obligation. It does not cost anything in 1985, it does not cost anything in 1986, nothing until 1987. I do not worry about 1987. That is so far away, why should anyone worry about it?

That is one thing the Budget Act was trying to make us conscious of, to see that we would worry about it, because that is the way you get these programs started; that is the way you got the ones started which are giving us all the trouble now, which we cannot cut back.

I think the point we are talking about making here is that when we were putting that act together, people who had been around here a lot longer than I had, who had seen the problems we got into in the past, said, "We will set a device where you will not be able to obligate in the future. You will have to envision what something is going to cost. You will have to determine that."

Of course, you ought to be looking at that in the act itself when we take up the budget resolution.

Now, because you can say there is no cost to this program now, it is so tempting to say, "We can put that on this bill."

It is a nice vote when you go home. It makes the veterans happy, the colleges happy, the universities happy. You can say you are doing something about the young folks. There is no problem about the deficit. It will not affect that.

But if you can do it with this program you can do it with all kinds of other things.

That is what we were trying to envision in the Budget Act. We were trying to say, "Look, that is not the way you ought to go about it. You ought to look at this thing at the time you are

discussing the budget itself. You ought to determine what is going to be the cost of that. Are you ready to obligate the future? Do you think that is a sound thing that you should do?"

Under those processes, I certainly want to join with the chairman of the committee because I think we are setting a very bad precedent if we start putting programs like this, regardless of how you feel on the merits, onto a bill such as this. I feel that a lot of people who might have even been a cosponsor of this act know this is not the way to do it. It is contrary to the Budget Act. I think the point should be made that this is not the way to have a program like this.

Mr. SIMPSON. Mr. President, I reserve the remainder of our time.

Mr. ARMSTRONG. Mr. President, it is my understanding that the proponents of the amendment have 14 minutes remaining. I yield to the Senator from California (Mr. CRANSTON) 10 minutes, reserving 4 minutes to close the debate.

EDUCATIONAL INCENTIVES FOR THE ALL-VOLUNTEER FORCE

Mr. CRANSTON. Mr. President, I am delighted to rise and join with my colleagues—Senators ARMSTRONG, COHEN, HOLLINGS, and MATSUNAGA, as well as Senators BOSCHWITZ, DECONCINI, HART, DOLE, KASTEN, KENNEDY, PRESSLER, HAWKINS, and BRADLEY—in urging the Senate to approve the pending amendment to S. 675 to establish a new, peacetime GI bill. Our amendment would establish two new programs of educational assistance designed to assist the Armed Forces in recruiting and retaining highly qualified men and women.

Mr. President, our amendment incorporates and blends together major features of a measure I introduced along with Senators DECONCINI and HART on January 8, 1983—S. 8, the proposed All-Volunteer Force Educational Assistance Act—and a measure introduced by Senators ARMSTRONG, COHEN, HOLLINGS, MATSUNAGA, ANDREWS, GARN, INOUYE, and TSONGAS on March 7, 1983, S. 691, the proposed Veterans' Educational Assistance Act of 1983.

I have long believed very strongly that educational incentives, if properly designed and implemented, can aid significantly in helping to insure the success of the All-Volunteer Force. Educational benefits—as part of a military compensation system made up of both pay and benefits—have a special, important role to play in increasing the numbers and quality of men and women we are able to attract to and keep in the armed services. In this connection, I first introduced in December 1980 a measure designed to establish such a program of benefits. That was S. 3263, the proposed All-Volunteer Force Educational Assistance Act of 1980, in the 96th Congress. I reintroduced modified versions of that legislation in the 97th Congress as S. 417 on February 5, 1981, and as S. 8 in this Congress.

The major impetus for enactment of a GI bill-type program has derived in large part from concerns about the inability of the Armed Forces to recruit and retain qualified individuals.

At the time I introduced S. 417 in early 1981, recruitment and retention shortfalls in the Armed Forces were reaching emergency proportions. The four service branches had each failed to reach their recruitment goals, and retention rates were very low. The caliber of new recruits was also a major concern.

However, the situation has changed dramatically since then—indeed, Secretary of Defense Weinberger announced in December 1982 that, in terms of both recruiting and retention, fiscal year 1982 was "one of the best years since the beginning of the All-Volunteer Force, was better than most years under conscription, and even surpassed the excellent results" of the preceding year.

Thus, in my opinion, implementation today of a peacetime GI bill-type program is not justifiable, and that is not what we are proposing.

We must bear in mind, Mr. President, the large problems waiting down the road that may undermine the current recruitment and retention success. The pool of eligible young men is projected to decline significantly over the next decade. By 1987, the size of the enlistment-age youth population is expected to decline by 15 percent or almost 1.3 million. Based on the lower birth rates of 1965 through 1980, the size of the pool of potential eligibles is not expected to increase for some time.

Competition among the military, colleges, and industry for increasingly smaller numbers of qualified and talented young men and women will intensify. Moreover, a significant upswing in the economy could substantially reduce the attractiveness of military service as well as encourage more individuals to leave the military rather than "reup" when they complete their hitches.

To address these problems, our amendment proposes enactment today of a peacetime GI bill educational incentive program effective October 1, 1987. I believe that the evidence before us now indicates quite clearly that we will need this program by then. However in the event that the President were to determine, based on recruitment and retention experience, that the programs to be established by the amendment are needed before fiscal 1988, the President would be authorized—after giving 90 days' notice to the Congress—to make such a determination and bring the programs into effect sooner.

This fail-safe effective date provision—derived from the provisions of my bill, S. 8—takes into account the current and likely future recruitment and retention situations. It takes into account concerns about the cost-effectiveness of a GI bill at this time. I believe it strikes the appropriate balance among these considerations.

Mr. President, the goal of promoting recruitment and retention in the military would be served by our amendment in a variety of ways. First, the availability of the new chapter 29, noncontributary benefit program would encourage many new enlistments. Recruiters would welcome this powerful tool to encourage young men and women to enlist in order to finance their education through military service.

Second, the new chapter 29 program is designed to give major encouragement to entrants into military service to complete their initial terms of service. As already pointed out by the distinguished Senator from Colorado (Mr. AMRSTRONG), the costs to the military are very high when military personnel—especially first-term personnel—fail to complete enlistments. Military dropouts, like school dropouts, are very expensive for society. The armed services must make a large outlay of funds to train and pay a new recruit but realize little return on that investment when the enlistee fails to complete his or her term of service.

Third, both the new chapter 29 program and the new chapter 30 contributory program of transferable benefits would provide major incentives for active-duty personnel to remain in the military longer. Current active-duty personnel would be provided with a very substantial incentive to reenlist in order to earn the benefits which would be made available under the new programs. Indeed, the provision for a discretionary second tier of supplemental benefits—a provision derived from my measure, S. 8—would permit the service branches to target these benefits on particular skill areas where there are retention problems.

Fourth, the Secretary of Defense would be given authority to permit the service branches, under the supervision of the Secretary of Defense, selectively to augment benefit levels through the use of a kicker that could be added to either the basic tier of benefits or the second, supplemental tier.

This kicker authority along with the discretionary tier two supplemental benefits would provide additional flexibility and latitude necessary for each of the services to target on specific categories of skills that are in short supply while avoiding wasteful competition among the services. Indeed, providing flexibility to the

armed services is one of the hallmarks of our proposal today.

I want to stress that, as a result of the delayed-effective-date approach taken in this amendment, enactment of the proposal at this time will not preclude Congress from exercising its options in the future. If the President were not to take action to make the new programs effective before October 1, 1987, we would have more than ample time to consider any adjustments or further refinements that might be necessary or desirable. If the President were to decide that the program were necessary sooner, the 90-day advance notification requirement would preserve the prerogatives of the Congress to consider the wisdom of the President's decision and, if it were to disagree, to act to modify or nullify the effects of the President's action by alternative legislation or by denying necessary obligational authority for the program.

It should also be noted that, under the provisions in our amendment, Congress would, after enacting our proposal, have to take affirmative action, next time in an appropriations act, in order for the entitlements that the bill would establish to become effective.

Mr. President, I want to make special mention of another provision in the pending amendment which I believe is particularly critical—that is, the repeal of the 1989 termination date for the current Vietnam-era GI bill. This provision is basically identical to that which the Senate passed on September 24, 1982, in section 204 of H.R. 6782, the proposed Veterans Compensation, Education, and Employment Amendments of 1982, but which the House would not accept last year.

Under the current, Vietnam-era GI bill, carried out under chapter 34 of title 38, no educational assistance benefits may be paid after December 31, 1989. This termination date, which was added to chapter 34 in 1976 by Public Law 95-202, was designed to permit those who entered the service prior to December 31, 1976—the general termination date for entry into the service in order to acquire eligibility for current GI bill benefits—to complete their initial enlistments and then have a 10-year "delimiting" period in which to use their GI bill benefits.

For some time now, I have been concerned by reports from persons now on active duty with eligibility for the current GI bill who are suggesting that they may leave the service in order to utilize their GI bill benefits prior to the 1989 termination date. According to testimony presented by the Department of Defense at a hearing before the Senate Veterans' Affairs Committee on July 28, 1982, all the military departments believe that if the 1989 termination date is not extended, there will be early separations in order to use earned benefits. Although the Department of Defense is not able to document this precisely, testimony was presented that "many service members have expressed their concern about the delimiting date." Survey evidence indicates that 41 percent of third-term personnel leaving the Navy report losing GI bill benefits as one of the most important factors in their decision to leave the service. That is a principal reason why the Department of Defense supported section 204 of the Senate-passed H.R. 6782 last year.

According to the Department of Defense, there are still over 800,000 service members on active duty who entered the service prior to 1977 and who thus have eligibility for the current chapter 34 GI bill. To the extent that these experienced individuals elect to leave the service early in order to use their GI bill benefits, the military incurs undue costs because of the need to recruit and train replacements. In addition, the replacement of senior personnel with more junior personnel reduces the effectiveness and readiness of the Armed Forces.

In the cases of those who choose to remain on active duty and thereby lose the opportunity to make full use of the benefits to which they are entitled, it seems to me to be very unfair to penalize them by cutting short or eliminating their periods of eligibility because they sought to fulfill a greater obligation of service to the Nation.

Thus, the amendment we are offering today would repeal section 1662(e) of title 38, the provision which establishes the December 31, 1989, termination date. It would thus generally provide all current service members—as well as those who left service after December 31, 1979—who are entitled to GI bill benefits with a full 10-year period from the date of their separations from service to complete their educations under the current chapter 34 GI bill.

Because of the major underlying purpose for repealing the termination date is to provide a retention incentive for the armed services, rather than a readjustment benefit for veterans, the amendment provides that the Department of Defense would bear the full responsibility for the cost of all educational and training benefits paid after December 31, 1989, for military veterans. Thus, as did the Senate-passed provision in H.R. 6782, our amendment would require the Department of Defense to reimburse the VA for these costs incurred—for both benefits and administration—after that date. As to members of the Coast Guard and the Public Health Service, the Secretary of Transportation and the Secretary of Health and Human Services, respectively, would also reimburse the VA appropriately.

Finally, Mr. President, I want to note briefly the relationship of the two new programs that would be established by our amendment to existing educational assistance benefits available to those who are serving in the Armed Forces.

First, as I have just pointed out, there are those who are now serving on active duty who have eligibility for the current chapter 34 Vietnam-era GI bill. If our amendment were enacted, those individuals who remain on active duty for the requisite period of time to establish eligibility for the new chapter 29 program would have the option of receiving benefits under either the Vietnam-era GI bill or the new program. The choice would be that of the individual, who would be required to elect under which program to receive benefits, and the maximum amount of benefits would be subject to the 48-month maximum now provided in title 38.

Second, those individuals now on active duty who are participating in the chapter 32, contributory program—known as VEAP—and who continue on active duty for the requisite time could also establish eligibility for the new chapter 29 program. When they establish chapter 29 eligibility, they would automatically be disenrolled from VEAP and receive a refund of their contributions.

Last, both individuals with chapter 34 eligibility and those with eligibility for chapter 32 would, after having served on active duty for 10 years, would be eligible to make contributions and, after 2 additional years of active duty after the effective date of the new programs, receive benefits under the new chapter 30 contributory program that would be established by our amendment. They could receive these benefits in addition to any other VA educational benefits to which they are entitled or, of course, transfer them to a spouse or child who could use them in addition to any other VA benefit to which they might be entitled.

By enacting this proposal at this time, we would be providing for a forward-looking program that effectively addresses the very real pitfalls likely to face our armed services in the future.

Mr. President, my fellow cosponsors of this amendment have already outlined the provisions of it in considerable detail. I shall not provide a further detailed description. I do ask unanimous consent that the summary of the measure that has been circulated to my colleagues be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, this amendment is designed to contribute to the recruitment and retention of

well-qualified personnel in the All-Volunteer Force. I believe it is carefully crafted to do just that in an equitable, efficient, and cost-effective manner. Although I believe that the delayed-effective-date approach to these benefits is essential, as I have noted, I continue to believe strongly in the value of educational incentives both to enhance recruitment and retention in the Armed Forces and as a sound investment in the future of our Nation. I also fully concur with the sentiment that one does not wait to fix the roof until it is raining. The time to address the issues involved in educational incentives and their relationship to the needs of the All-Volunteer Force is now—not when recruitment and retention problems again reach emergency proportions.

Mr. President, Senators ARMSTRONG, COHEN, HOLLINGS, MATSUNAGA, and I have worked closely together to develop the provisions of this amendment in a manner that we believe meets the needs of our national security. I congratulate them for their leadership and vision, and I thank each of them for the cooperative and constructive spirit with which they and their staffs have approached the development of this amendment. As we prepared it, it was necessary to rewrite and restructure much of the language as we drew concepts from both bills. I believe we have achieved a superior product to either bill standing alone. In this case, compromises have produced stronger legislation. I believe the amendment is an excellent one, fully deserving of the Senate's strong support.

I urge its adoption.

EXHIBIT 1

SUMMARY OF PROPOSED GI BILL AMENDMENT TO S. 675 TO BE PROPOSED BY SENATORS ARMSTRONG, COHEN, HOLLINGS, MATSUNAGA, AND CRANSTON

The proposed amendment incorporates and blends together major features of S. 691 (introduced by Senators Armstrong, Cohen, Hollings, and Matsunaga and cosponsored by Senators Andrews, Boschwitz, Garn, Inouye, Specter, Trible, and Tsongas) and S. 8 (introduced by Senator Cranston and cosponsored by Senators Hart and DeConcini). The amendment would amend title 38, United States Code, to establish two new programs of educational assistance designed to assist the Armed Forces in recruiting and retaining highly qualified men and women.

I. PEACETIME VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

Basic eligibility: Eligibility for the basic educational assistance program would be earned by fulfillment of a contract to perform military service after the effective date—October 1, 1987 (or an earlier date if determined by the President). Generally, the minimum contract would be 3 years of active-duty service, or 2 years of active-duty service followed by 4 years of service in the reserves. Additionally, 6 years of service in the Selected Reserve (or any combination of four years in the Selected Reserve and two years active duty) would also establish eligibility.

Honorable discharges would be required as a condition of eligibility (except in the case of a veteran with a general discharge who has completed his or her enlistment or other period of obligated service and receives a favorable adjudication from the Veterans' Administration).

Eligibility would also be contingent upon receipt of a high school diploma (or equivalency) prior to the completion of active-duty service.

Officers who have graduated from one of the service academies or completed a Reserve Officers' Training Corps program would not be eligible for the new program.

Benefits: Up to 36 months of educational assistance benefits at $300 a month could be earned under the new program. One month of active-duty service or three months of Selected Reserve service would earn one month of benefits. Payment of benefits to an eligible individual could begin after 24 months of service on active duty or in the Selected Reserve.

Supplemental benefits: A second, discretionary tier of benefits—$300 per month—could be added to the basic benefits program where necessary to overcome particular recruitment and retention problems in such areas as the combat arms and scarce skills. These supplemental educational assistance benefits would be available to those who have established eligibility for the basic program by completing three years of active-duty service and who subsequently complete an additional three years in a personnel category specified by the Service Secretary concerned in accordance with regulations of the Secretary of Defense. Those who qualify would double the basic program benefit level—becoming eligible for 36 months of educational assistance at $600 per month.

Kickers: The Service Secretaries would also have the authority, consistent with regulations prescribed by the Secretary of Defense, to enrich either the basic benefits (without requiring additional active-duty service) or the supplemental benefits. These kickers, up to $300 in additional benefits per month, would also be predicated on the needs of the various service branches to recruit and retain personnel in specified categories.

Administration: The program of educational assistance, which would be established under a new chapter 29 of title 38, would be administered by the VA in a manner generally consistent with the Vietnam-era, chapter 34 GI Bill. Individuals would generally have 10 years in which to use their benefits after leaving the service.

Funding: The Department of Defense (and the Department of Transportation for the Coast Guard) would be required to transfer to the VA funds to cover benefit payments and costs associated with administering the new program.

Effective date: The new program would become effective on October 1, 1987. However, the President could, upon giving 90-days notice to the Congress, provide for the program to become effective if the President determines that an earlier date would be in the national interest.

II. CAREER MEMBERS' CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM

Eligibility: Enlisted personnel with ten years of active-duty service would be eligible to participate in this new contributory program.

Contributions and matching: Eligible individuals would be able to make contributions to a fund through deductions from military pay up to a maximum of $6,000. Each $1 contributed by the service member would be matched on a 2-for-1 basis. In addition the Service Secretaries would be authorized, based on recruitment and retention needs and with the Secretary of Defense's approval, to add supplemental contributions to an individual's fund.

Transferability: A service member would have the option of using the benefits for his or her own education or of transferring them to a spouse or child. Benefits would be paid based on the monthly amount of contributions and the number of months in which they were made.

Administration and funding: This program would be established under a new chapter 30 of title 38. Like the chapter 29 program described above, the new program would be administered by the VA in a manner similar to that in which the current GI Bill is administered. The Department of Defense (and the Department of Transportation for the Coast Guard) would transfer to the VA funds to cover the costs of benefit payments and administrative expenses.

Effective date: October 1, 1987. However, an earlier date could be established as described under I, above.

III. EDUCATIONAL LEAVE

The proposed amendment would add to title 10, United States Code, a new program under which individuals who establish eligibility for the new chapter 29 program would be eligible to apply for a period of up to two years of educational leave. For each month of leave, 2 months of service would be required to be completed following return to active duty.

IV. REPEAL OF 1989 TERMINATION DATE

Under the provisions of chapter 34 of title 38, United States Code—the so-called "Vietnam-Era GI Bill"—no educational assistance may be paid after December 31, 1989. This means that eligible individuals (those who entered the service before January 1, 1977), still on active duty on December 31, 1989, will lose all of the GI Bill benefits to which they are so entitled. The proposed amendment would repeal the 1989 termination date. It would further require that the Department of Defense (and the Department of Health and Human Services for the Public Health Service and the Department of Transportation for the Coast Guard) bear all benefit-payment and administrative-expense costs after that date.

● Mr. BOSCHWITZ. Mr. President, I rise to express my strong support for the amendment offered by my distinguished colleague and friend, Senator ARMSTRONG. His amendment will reinstate the GI bill and I am pleased to cosponsor it.

Education programs are one of the major benefits provided for veterans. It has been widely recognized that veterans deserve assistance in readjusting to civilian life and over the past 40 years Congress has created several valuable veterans education programs. But those programs have changed over the years, some for the better, some not.

Congress and the Senate Veterans' Affairs Committee, of which I am a member, continues to review these programs, both past and present. We are asking do they work? And if so, How well?

Currently, there are two basic programs in operation for veterans—the old GI bill and the veterans education assistance program (VEAP).

Past GI bills were meant to help wartime vets return to society. Other readjustment programs include housing loans, employment assistance, and life insurance. But because we now have an all-volunteer peacetime force, veterans education programs must also address recruitment and retention.

Unfortunately, VEAP has not been successful at either. CBO has estimated that VEAP has improved recruitment of high-quality recruits by only 0 to 0.2 percent, but has hurt retention by the same small amount.

Nor has VEAP helped many veterans.

The fact that only about 25 percent of today's service-members participate in the program is not surprising when we consider that, in 1981, the minimum VEAP contribution was more than 11 percent of entry level pay. How can we expect a kid—who is not making much money as it is—to commit to a long-range plan that takes such a good chunk of his salary?

What is more, only 60 percent of those who sign up for VEAP actually stay in the program. Thus, less than 20 percent of those who enter the service will be eligible for an education benefit when they leave. This compares to the over 60 percent usage of the GI bill. Clearly, veterans are not being served by this program.

On the other hand, enlistments are up—including for so-called "high quality" enlistments. While only 49 percent of Army recruits were high school graduates in 1980, that percentage is expected to jump to 90 percent for 1983. The key question is why?

Two reasons: The economy is hurting and military pay scales have improved.

With the record unemployment rates of this prolonged recession, the military has been an attractive option for many young people. For some, it represents the only option. Military enlistments always rise in poor economic times, and this recession is no exception.

What will happen when the economy rebounds? Almost every day now I hear another good little bit of news about the economy. Good economic times are historically bad times for military recruiters. This will be especially true if military pay is again allowed to lag behind the civilian sector. And it will reach serious proportions when in 1986–87 the number of military age youth in the population begins to decline.

Clearly something must be done. This is why I urge my colleagues to support this amendment.

The Vietnam era GI bill was perhaps one of the most successful Government programs ever developed. It was easy to understand and gave educational opportunities to thousands of veterans who may not otherwise have been able to afford a college education. At the same time, it assisted Armed Forces recruiting and helped veterans readjust to civilian life. Today the United States is beginning to reap the benefits of that investment.

The new GI bill proposed will again offer education opportunities to veterans, and will start up a second round of investments in America. The GI bill has proven its worth; now it is time to reinstate it.●

● Mr. DENTON. Mr. President, I must oppose the Armstrong-Cranston amendment because it would not establish a GI bill as history defines it, but would open a Pandora's box of future uncontrolled spending.

I cannot in good conscience support major spending legislation that has not been produced through and considered in the normal committee process within the Senate. I cannot agree to legislation that does not take effect until 1987. I cannot agree to legislation that has no controls and no termination date. I cannot agree to legislation that adds more uncontrolled and open-ended entitlements to an already bloated entitlement system. I cannot agree to legislate firm commitments for an unknown future.

I do support educational benefits for the veterans of America who have done so much for our country. I support benefits for the men and women who serve now, and who will serve, in our All-Volunteer Forces. I recognize that they are ready to lay their lives on the line, indeed that they are doing it in places such as Lebanon and the Sinai. But, Mr. President, there already is a veterans education assistance program that is doing a good job and providing good education benefits today.

I am interested in developing a new package of veterans benefits before the current GI bill expires in 1989. I will support the effort of the Veterans' Affairs Committee to develop a bill that is fair to all veterans and fits within the budget requirements with which we all must live. There is plenty of time to do that correctly and with full consideration. We cannot jump into major spending programs with blinders on.

Now is the time to put our foot down, stop unnecessary spending, and get on to high priority items.●

Mr. KENNEDY. Mr. President, I am pleased to join my colleagues in the Senate as cosponsor of this important amendment which will help to insure that our Armed Forces are staffed with qualified men and women. I commend Senators ARMSTRONG, COHEN, CRANSTON, HOLLINGS, and MATSUNAGA for their hard work in developing this GI bill. I am aware of their continued interest in this area and the amendment we have before us represents a well-thought-out compromise.

In the past, the main goal of our GI bills has been to assist the Nation's veterans in readjusting to civilian life after war duty. Those programs were very effective and were responsible for educating and broadening the horizons of many Americans who would not have had such opportunities without these benefits. I do not doubt that some of my colleagues in the Senate and many of the Members of the House of Representatives reaped the benefits of the GI bill and would not presently be serving the people of our great Nation in their present capacities were it not for those educational programs.

More recently, this focus has shifted from readjustment to recruitment and retainment of personnel in our All-Volunteer Forces. We are all aware of the recruitment difficulties that existed in our armed services in the late 1970's. At one point during that time, all four branches of the Armed Forces failed to reach their recruitment goals and the quality of our military personnel was not as high as the figures were showing. Even the President expressed his strong concerns regarding the critical recruitment situation at that time. During his address before the 1980 annual American Legion Convention in my home State of Massachusetts, then-candidate Ronald Reagan stated, "We must provide the resources to attract and retain superior people in each of the services. We should take steps immediately to restore the GI bill, one of the most effective, equitable and socially important programs ever devised."

We can all agree that over the past few years, there has been a major improvement in the number of recruits and in the quality of these volunteers. Hard economic times and a tight job market have made enlistment a viable option for many men and women. But we must not become complacent about this situation. We must not allow our military to slip back into the critical posture that existed only a few years ago. An expected decline in military-age youth in the near future and the possibility of a stronger economy could bring about these past difficulties.

In order to avoid this crisis and continue to recruit quality personnel for our Armed Forces and for the protection of all Americans, we must act now to establish a GI bill. We must provide the necessary incentives to attract men and women to careers and opportunities in the military. The GI bill has proven to be one of the most effective and cost saving recruitment devices the military has ever had and we should reinstitute it.

I urge the Senate to adopt this amendment and once again reaffirm our commitment to the people who are instrumental in keeping our Nation secure.

Mr. HOLLINGS. Mr. President, we are spending over $240 billion for our national defense in 1983. This total will increase to nearly $270 billion in 1984 or nearly double the 1981 total of $145 billion. We are spending billions of dollars in defense on O&M, weapons procurement, and R&D. We spend billions on our manpower needs. The DOD says that we are getting the high quality, trainable personnel through the All-Volunteer Force that we need in order to operate our new and advanced technology systems.

We hear wondrous stories of how the DOD is more than meeting its recruiting objectives. This success does not come from an enlightened citizenry that feels a duty to serve its nation. It comes only from the hard times that all our citizens are facing and from the sobering fact that the economy is in shambles. Teenage unemployment is over 20 percent; for black teenagers, unemployment is over 50 percent. The Reagan administration promises an economic revival while our young people grow desperate for work. But the DOD incredibly boasts that it is successful in meeting personnel goals. They hide the truth that their success comes only from the pains of idleness and unemployment resulting from callous policies that favor the wealthy at the deprivation of all others. And now we are confronted with the prospect of thousands of college graduates unable to find employment in the Reagan depression. Their only hope lies in our Armed Forces. This is not a commitment for national duty—but the path of last resort.

The administration's shallow view of success ignores the broadening need for the highest quality and educated recruit for our future Army. The percent of recruits that score in category I and category II in the Armed Forces qualification test is much lower today than the percent of draftees scoring in the same category in 1964, the last prewar year before Vietnam; 33.7 percent of our draftees scored in these highest categories in 1964; in 1981 only 23.6 percent scored in category I and II. The Reagan depression—and the influx of unemployed high school graduates has caused it to improve some in 1982.

We must upgrade the quality of the Armed Forces and reward those that sacrifice for our national security. A new GI bill is the most effective, and cost effective step we can take to improve the quality of recruits for our Armed Forces. To meet this goal, I am pleased to introduce—along with my distinguished colleagues, Senators ARMSTRONG, MATSUNAGA, COHEN, and CRANSTON—a new GI bill program for our Armed Forces.

Mr. President, we must recruit more high-quality, highly motivated young men and women. The manning problems of our Armed Forces will become quite severe in future years when the pool of young, service-age people is diminished and if our economy improves. The educational benefits provided by a new GI bill shall attract increased numbers of high school graduates into the services and will assist them in retaining the career middle-grade noncommissioned officers needed to train and lead our fighting men.

Under the provisions of the new GI bill, veterans could receive education assistance payments of up to $300 per month for up to a total of 36 months while attending an approved educational institution. Eligibility for benefits at this level would be attained through a number of active duty and Reserve service options. For example, a young man could enlist for 2 years of active duty and agree to serve 4 years in the Reserves to become eligible for the maximum benefits commencing at the time he is honorably discharged from active duty. A longer period of active duty would reduce the Reserve obligation. Military personnel who perform in critical skill and combat arms jobs as designated by a Service Secretary could be eligible for up to a $600 a month benefit.

A unique feature of the bill is that it also provides educational benefits for persons who serve in the Reserve Forces without having served on active duty. While the benefits for eligible reservists are roughly one-third of what is provided to active service veterans, they are still substantial and should prove to be an attractive recruitment incentive. The Reserves are experiencing even greater difficulties in filling their ranks with quality people than the Active Forces. I believe that this bill can go a long way toward providing the needed incentives to draw young men and women into the Reserve Forces.

A unique feature of the bill which should have the greatest appeal to our career military people is a provision which provides for transferability of benefits. As written, the bill would enable a person eligible for education benefits to transfer these benefits to one or more of his dependents—but not to exceed the 36-month/$300 level. This requires a contribution from the military member that is matched on a two for one basis by the DOD. Thus, for every $1,000 contributed by the serviceman, DOD will kick in $2,000. I believe that this will provide an extremely valuable retention incentive for many of the very important middle-grade noncommissioned officers. An alarmingly large number of these small unit leaders are presently leaving the services because they cannot afford to send their children to college on the military pay they receive. This bill can provide them the assistance they need to educate their children while continuing in a career that most of them prefer.

Mr. President, the Congress has moved decisively in recent years to provide our military forces with the modern, high technology equipment they need to at least keep abreast of the Soviets in a materials sense. But, as we all know, we are now at a point where we must significantly improve the quality of our military manpower. I believe that we must now move resolutely to remedy this problem if the security of this Nation is to be assured. I believe a new GI bill can be a major step in that direction. I am very pleased to join with my colleagues today in introducing this vital legislation.

Mr. MITCHELL. Mr. President, I rise in support of the amendment offered to the Department of Defense authorization bill for fiscal year 1984 to establish a new GI education benefit for our military personnel.

I believe the program incorporated in this amendment combines the best features of GI bill proposals already introduced in this Congress. Eligibility for the basic educational assistance program would be earned by fulfillment of a contract to perform military service after the effective date, October 1, 1987. The contract would be 3 years of active duty service, or 2 years of active duty service followed by 4 years of service in the Reserves. Honorable discharges would be required for eligibility, as would be a high school diploma or equivalency prior to completion of active duty service.

Up to 36 months of educational assistance benefits at $300 a month could be earned; in addition, a second, discretionary tier of benefits, $300 a month, could be added where necessary to overcome particular recruitment and retention problems in such areas as combat arms and scarce skills. Service personnel who serve an additional 3 years in a personnel category specified by the Service Secretary would be eligible for the additional monthly benefit; and the Service Secretaries would have the authority to enrich either basic benefits or the supplemental benefits based on the needs of the various service branches to recruit and retain personnel in specified categories.

The program would be administered by the Veterans Administration, although funding would come from the Department of Defense. The program would become effective on October 1, 1987. Veterans, as in previous GI bills, would have 10 years in which to use their benefits after leaving the service.

The amendment will also establish a career members' contributory educational assistance program for service members with 10 or more years of honorable service by which contributions from the service member would be matched two for one by the Department of Defense. The amendment would also permit career service personnel to utilize their education benefits full time without having to interrupt or abandon their military careers.

Mr. President, GI bills have, without question, proven to be among the most effective and cost effective social programs in our Nation's history, providing millions of Americans with a college education they would not otherwise have been able to obtain, and enriching our Nation immensely. The GI bill is an investment in the Nation's future. It is a program from which everyone benefits, the recipients, the Armed Forces, our colleges, our society as a whole.

But Mr. President, the GI bill is more than an investment in America's future. I feel it is an important element in the present national defense function of our budget. While that may not be obvious at first glance; it seems clear to anyone who closely examines the nature of any national defense.

Through history the component which has been the most crucial to an effective military has been the men and women who serve. Only by recruiting and retaining military personnel of the highest quality can we assure the citizens of this Nation that we have the strong national defense which is absolutely necessary.

This is a basic people/weapons question. The best, and most advanced, weapons systems cannot function without skilled people to operate them. I feel this amendment offers the various services a cost effective, worthwhile and workable recruiting and retention tool. I urge my colleagues to support this amendment.

Mr. ARMSTRONG. Mr. President, in discussing the parliamentary situation with the opponents of the amendment, it has been agreed that I should close for the proponents. Then I think the opponents of the amendment have 3 remaining minutes.

Mr. President, I am not one of those who thinks the way you win the hearts of Senators is by going back and reanalyzing every nitpicking objection that has been made during the course of the debate. I am not going to do that. But there are two or three points that I just want to set the record straight on before we go off the rails altogether.

Somebody thinks that this is an additional program and that, in our amendment, we do not terminate the VEAP program. That is not right. The VEAP program is a failure and on page 26 of our amendment, we terminate it.

Somebody else thinks this program is going to cost $1.4 billion the first year it is in effect. That is not right. It is going to cost, according to the CBO, $7 million the first year, $271 million the next and $1.4 billion is what it might cost over the first 5 to 10 years of the program, not the first year.

There was even an observation by one of our colleagues that somehow we were trying to hold this out as cost free. I do not believe there is a Member of this Chamber who has been more diligent about pointing out the long-term effects of this legislation on the future of the Federal budget than I have. I am concerned about costs. I have come to this floor over and over again to call attention to programs that are running out of control. This is not such a program. This is a sound, a modest investment. It is not a costly program.

We are talking about something which will have no cost, literally, only $7 million for the balance of this decade. Then after it hits its stride, if it works as well as we think it is going to, it will cost in the low hundreds of millions of dollars, perhaps by the time it reaches its full potential, as much as one-quarter of 1 percent of the national defense budget.

This is not a runaway program or an extravagant program, Mr. President, it is really just a commonsense investment in national defense, in the lives of the young people affected, and in the future of America. That is why it has been endorsed already by about 15 Members of the Senate.

That is why it has been endorsed already by about 15 Members of the Senate and by dozens of witnesses.

That was one of the issues that was raised; there had not been any hearings. Mr. President, there has been 3½ years of hearings by four committees. More than 200 witnesses have testified, and about 90 percent of them have said that what we ought to have is a reinstatement of the GI bill.

I am distressed, however, as the debate on this issue closes that somebody has in mind the motion of making a point of order against this bill under either section 303 or 311 of the Budget Act. I appeal to my colleagues not to do that. If such a point of order is made, I will move to waive the Budget Act, and I do not think it is going to change the outcome whether we have a vote on the Budget Act or the GI bill. I think the point of order, which potentially might be sustained, is really frivolous because it relates to this question: whether or not we have a budget resolution in force for 1987.

Of course we do not have a budget resolution in place for 1987, and that is the very reason why we are proposing it this way—to plan well in advance of the problem instead of waiting until a crisis appears.

A possible point of order could be raised by somebody who says an expenditure could occur in the current fiscal year if the President triggers it under the provisions of this act. However, I personally think that is a frivolous point of order which probably would not be sustained because this is only an authorization and would not necessarily result in an outlay unless it were backed by further action in the Congress.

But in any case, all of those are technical details, not really worthy as the manner of deciding this issue. We know what the question is, so I hope that we will not see a point of order on this measure. If we do, I shall move to waive the Budget Act. But I say let us vote on the merits of this question. We all understand it. It has been under study for a number of years. It has been endorsed by practically everybody who has looked at it. I think we ought to have an up-and-down vote on this question.

THE PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Wyoming is recognized.

Mr. SIMPSON. How much time, Mr. President, is remaining?

THE PRESIDING OFFICER. Two minutes.

Mr. SIMPSON. Mr. President, let me just summarize very swiftly in that 2 minutes.

This particular GI bill has never been introduced or considered in this Congress in its present form. It is very different from every other recent proposal, including the proposals of Senator COHEN. And his consistency has been admirable over the years.

Under this proposal we would have an effective date 4 years hence. We have never had that before. We would repeal VEAP. We have never had that before. We would have a combination of a grant program and a contributory program for career members. We have never had that before.

There are a lot of things about this measure that we have never had. I think it will prove to be a disincentive instead of an incentive because, in effect, what will happen with an effective date of 1987 is a resulting chill on recruitment efforts. Why do this now? Why not wait until this thing comes to pass in 1987?

But finally, Senators should determine what will happen when the DOD gets this if it passes. The DOD has never handled a GI bill. They have never administered a GI bill. What will occur? I have a hunch. It will become an obligation and be placed in the budget of the Veterans' Administration. It will increase competition for the GI bill dollar. The generosity of this measure could be absolutely

deleterious and destructive to the present GI bill support systems, and that would be a result none of us could ascribe to.

I urge the amendment be rejected.

Mr. ARMSTRONG. Mr. President, have the yeas and nays been ordered? I ask for the yeas and nays.

The PRESIDING OFFICER. They have not.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, on behalf of myself, Senator BAKER, and Senator CHILES, I make the point of order that the amendment is in violation of section 303 and 311 of the Budget Act.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ARMSTRONG. For the reasons I have previously stated and pursuant to section 904 of the Budget Act, I move to waive the relevant provisions of the Budget Act and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I move to table the motion. I ask for the yeas and nays.

Mr. ARMSTRONG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 46, as follows:

[Rollcall Vote No. 187 LEG.]

YEAS—52

Abdnor	Cochran	Exon
Baker	Danforth	Gorton
Bentsen	Denton	Grassley
Bingaman	Domenici	Hatfield
Bumpers	Durenberger	Hecht
Chafee	Eagleton	Heinz
Chiles	East	Helms
Jepsen	Nickles	Stevens
Johnston	Nunn	Symms
Kassebaum	Packwood	Thurmond
Lautenberg	Percy	Tower
Laxalt	Proxmire	Wallop
Long	Quayle	Warner
Lugar	Roth	Weicker
Mathias	Rudman	Wilson
Mattingly	Simpson	Zorinsky
McClure	Stafford	
Metzenbaum	Stennis	

NAYS—46

Andrews	Ford	Matsunaga
Armstrong	Garn	Melcher
Baucus	Glenn	Mitchell
Biden	Hart	Moynihan
Boren	Hatch	Pell
Boschwitz	Hawkins	Pressler
Bradley	Heflin	Pryor
Burdick	Hollings	Randolph
Byrd	Huddleston	Riegle
Cohen	Humphrey	Sarbanes
Cranston	Inouye	Sasser
D'Amato	Jackson	Specter
DeConcini	Kasten	Trible
Dixon	Kennedy	Tsongas
Dodd	Leahy	
Dole	Levin	

NOT VOTING—2

Goldwater Murkowski

So the motion to lay on the table Mr. ARMSTRONG's motion was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. DOMENICI. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER, Mr. BYRD, and Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. Mr. President, the question recurs on the point of order, does it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, could I inquire of the Senator from Colorado, as the yeas and nays have been ordered on the point of order, is a rollcall vote necessary at this time?

Mr. DOMENICI. There are no yeas and nays.

Mr. BAKER. I withdraw the statement, and I yield to the Democratic leader.

Mr. RANDOLPH. Mr. President, a point of order. The Senate is not in order, and we cannot hear the able majority leader who has a right to be heard.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

I sought recognition in order to ask the able majority leader what the program is for the remainder of the evening and what time the Senate will be coming in tomorrow.

Mr. BAKER. Mr. President, I thank the minority leader. I misstated the situation a moment ago. The point of order that was made by the distinguished chairman of the Budget Committee has not been ruled on by the Chair; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I assume that after this colloquy the Chair will rule and if that is dispositive of the issue, then I believe on the basis of the information given me by the managers they wish to take up two additional amendments this evening, I believe a Nunn amendment and a Gorton motion to recommit, both of which will require rollcall votes.

I would expect then that the Senate will be in at least until 11 p.m. tonight.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. President, while I have the floor, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the majority leader.

Mr. BAKER. I thank the minority leader.

The PRESIDING OFFICER. The point of order raised by the Senator from New Mexico is well taken. The amendment falls.

The bill is open to further amendment.

Mr. TOWER. Mr. President, what is the situation?

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TOWER. Mr. President, the distinguished majority leader has said that there will be two more rollcall votes. There could be more than two because there could be amendments offered to the amendments to be offered by the Senator from Georgia and the motion to be offered by the Senator from Washington. So there will be a possibility of more than two rollcall votes.

I would hope that we could dispose of these by 11 p.m. but although hope springs eternal in the human soul I am not terribly optimistic that it will be at all before that time and will perhaps be a little later.

I would hope that the Chair would recognize the Senator from Georgia to offer an amendment.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

AMENDMENT NO. 1474

(Purpose: To deny the use of funds for Project 82-D-109)

Mr. NUNN. Mr. President, I have an amendment at the desk and I ask the clerk to report the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself, Mr. JOHNSTON, and Mr. RANDOLPH, proposes an amendment numbered 1474.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . Notwithstanding any other provision of this Act or any other Act, all funds authorized to be appropriated for Project 82-D-109 of the Department of Energy are hereby repealed. No other funds authorized or appropriated by this or any other Act may be used for this project. There is hereby authorized to be appropriated $50 million for procurement, research and development of improved conventional munitions and submunitions.

Mr. NUNN. Mr. President, this amendment is designed to deny the use of funds for the production facilities for the 155-millimeter nuclear artillery round. Yesterday, the Senate voted to remove a fence the conference report on the energy and water appropriations bill placed on these funds.

I supported the amendment of Senator TOWER and Senator JACKSON because I did not believe the provision in the appropriations measure making production contingent on a decision by a foreign government was wise.

I agreed we should not make key national security decisions and certainly not write them in legislation——

Mr. STENNIS. Mr. President, may we have order?

Mr. BYRD. May we have order, Mr. President?

Mr. STENNIS. I request the Chair give us order here. This is an important matter.

The PRESIDING OFFICER. The Senate will be in order. Those in the rear of the Chamber please cease conversations. The Senate is not in order. The group immediately to my right should cease conversations.

The Senator from Georgia.

Mr. NUNN. I thank the Chair and I thank my colleagues.

Mr. President, I was saying I supported the amendment of the Senator from Texas, as did the Senator from Washington, because I do not believe we should write into law that a key national security decision in this country was contingent on the action of a foreign government.

However, I do believe the production facilities for this 155-millimeter nuclear artillery round should receive a very close examination by the Senate this evening, and my amendment will allow us to do that because my amendment would terminate these funds.

Spending multibillions for a very short-range nuclear artillery shell will not buy a commensurate amount of incresed military capability or deterrence. These scarce funds could be better spent on technologies now available to replace nuclear systems such as the 155 artillery shell with new, improved conventional munitions. These munitions now have an improved accuracy which give them destructive power equal to small yield battlefield nuclear weapons.

We must invest funds in creating a larger firebreak between conventional and nuclear warfare and in decreasing what I think has increasingly in recent years, with the change in the overall nuclear equations, been a great overreliance on the erly use of nuclear weapons as a key to NATO deterrence.

This amendment denies use of funds for the production of facilities to produce this nuclear artillery round and authorized $50 million for improved conventional munitions. This is the same amount of money. This amendment neither adds nor subtracts money from this bill—$50 million for improved conventional munitions.

Senator JOHNSTON has joined me in this amendment. He has been active in this regard for some time. He and I were not on the same side of this yesterday because of a different interpretation of the intent of the fencing amendment, but we joined forces tonight in what, I think, is a very important vote that the Senate will be faced with that will help determine the future direction of NATO in both the nuclear area and in the conventional area.

Mr. President, I want to emphasize at the beginning that this issue we deal with tonight is not simply a debate about the requirement for a particular nuclear warhead, but rather the direction the NATO alliance will take in the decades ahead and how we can best begin to correct existing problems in our overall deterrence.

It has been apparent for years that the nuclear crutch upon which the North Atlantic Treaty Organization has leaned so heavily for over three decades is in question. Since the Soviet Union achieved intercontinental nuclear parity with the United States and gained theater advantages particularly with what we call intermediate range nuclear systems represented by the SS-20; when they did that, when they achieved that advantage, and when they achieved conventional parity with us in strategic nuclear systems, then the credibility of NATO's posture which continues today of nuclear responses to conventional attack, is certainly changed, and I would submit has dwindled dramatically. If Europe is to be successfully defended, it must be defended without an early resort to nuclear fire in response to a nonnuclear attack and I emphasize the word "early." This is particularly true with respect to short-range battlefield nuclear systems, many of which are more destructive to the territory we are sworn to defend than to the enemy we are sworn to defeat.

There are many within NATO, and I am sad to say regrettably, in Europe and a good many in this country—who believe that Europe is conventionally indefensible, given the Soviet Union's geographical proximity, the sheer size of Warsaw Pact ground and tactical air forces, and NATO's purely defensive doctrine, which cedes to the Soviet Union inestimable operational advantages associated with the initiation of hostilities.

I do not share this view. There is a wide agreement in the alliance that it would be desirable to reduce reliance on nuclear weapons and to strengthen NATO's conventional forces as a means of deterring nonnuclear Soviet aggresion in Europe.

NATO is thus faced with a very serious dilemma: There is a growing consensus that less reliance should be placed on use of nuclear weapons in response to a conventional Warsaw Pack attack, but—again particularly in Europe—there is a widespread feeling that a viable nonnuclear defense is not attainable.

I believe this is an incorrect view. I believe the ingredients are present to achieve both a decreased reliance on nuclear systems and improving conventional capability simultaneously. I would alert my colleagues to the fact that the alliance, led by our own country, now has at hand new technologies which, if procured in adequate quantity and intelligently employed, could greatly enhance NATO's defense against a Soviet invasion of Europe by exploiting weaknesses in the Soviet military's operational doctrine. These conventional technologies can and should begin to replace the battlefield nuclear systems NATO must now rely on for these purposes.

Mr. President, we now have at hand new conventional technologies capable of destroying the momentum of a Soviet invasion by means of isolating the first echelon of attacking forces from reinforcing follow-on echelons. These technologies, which are collectively known as deep strike technologies, capitalize on three major advances. The first is the substantially improved lethality of improved conventional munitions—and that is the subject of this amendment tonight—these munitions can be delivered from existing weapons platforms, and when I use the words "weapons platforms" I am talking about existing artillery tubes, existing airplanes, existing tanks, and other such delivery systems.

The second is the burgeoning capability, the growing capability, of microelectronics to enhance the rapid collection, processing, distribution, and ability to act upon information about the size, character, location, and movement of enemy units. Another way of saying that is our tactical intelligence capabilities are improving in quantum jumps each year. The third

is improved ability to move and target quickly large quantities of improved conventional firepower against enemy force concentrations. All of these together give us the potential today of moving toward a deep strike threat with conventional weapons.

I would also point out that Secretary of Defense Weinberger has made acquisition of deep strike technologies a centerpiece of the U.S. program in NATO, and that Gen. Bernard Rogers, Supreme Allied Commander Europe, has stated that the ability to locate, target, delay, disrupt and destroy Warsaw Pact follow-on echelons before they reach the battle area "may well be the determinant as to whether we will have to use nuclear weapons." President Reagan himself has strongly endorsed "boldly proceeding with these new technologies, which can significantly reduce any incentive that the Soviet Union may have to threaten against the United States and her allies."

Unfortunately, neither the Pentagon nor the Congress has to date been, in the President's words, "proceeding boldly" with the development and acquisition of deep strike technologies—despite the expressed desires of the President, Secretary of Defense, the military leaders, and NATO's supreme commander. The three principal new deep strike programs in this year's budget—programs collectively known as the joint interdiction system—or JIS—are mired in a bog of bureaucratic squabbling, service parochialism and opposition from many who see these technologies as a threat to existing programs and existing platforms.

The first program is the joint tactical fusion program, designed to provide real time information about distant enemy forces through a combination of national surveillance means and sensors assigned to local commanders.

The second program is the joint surveillance and target attack radar—or JSTARS—which will permit defending forces to target both stationary and moving enemy forces once they are located.

The third critical deep strike program in this year's budget is the joint tactical missile system—or JTACMS—which is armed with smart munitions and assigned the job of actually destroying enemy forces once they are detected and targeted.

All three of these programs were reduced by the Armed Services Committee in varying degrees.

In addition to the three programs of the joint interdiction system that I have been discussing, there is a host of other smaller programs critical to full realization of the deep-strike concept.

Here are some of the programs that I will share with my colleagues that support this deep-strike concept, and I emphasize again that it has been strongly endorsed by Secretary Weinberger. He made a special presentation in NATO and labeled this one of our top priorities. Here are some of the items that have been cut from this group of programs.

First, the joint tactical fusion program, in this bill the President's submission has been cut by $49 million; second, the joint target attack radar system has been cut by $40 million; third, the joint tactical missile has been cut by $20 million; fourth, the Copperhead has been cut by $75 million; fifth, the standoff attack weapon has been cut by $8 million; sixth, the wide area antiarmor weapon has been cut by $31 million; seventh, the remotely piloted vehicle has been cut by $20 million; eighth, the laser-guided bomb kit has been cut by $100 million; ninth, the laser Hellfire system has been cut by $10 million; and, tenth, the gator scatterable mine system for antiarmor role has been cut by $60 million.

The total cut in this bill of various systems that have been one of our top priorities in NATO is $413 million.

There are a number of other systems which are available in the near term both in the United States and in NATO countries which are available for the deep-strike concept.

I see the Senator from Delaware is in the Chamber. I might just interject that he has been one of the real leaders in promoting interoperability standardization in NATO, trying to eliminate duplication and waste, trying to present to the countries in Europe and this country the opportunity for saving enormous amounts of money if we begin to cooperate together.

I might say to my friend from Delaware that I support his efforts in that respect and I join him in many of his initiatives. I think that is enormously important. There is no better example of the type of programs we should be working together on now than the ones I am referring to. The NATO countries have several initiatives themselves in these areas, but we have not followed through in what the Secretary of Defense has labeled as one of his top priorities.

I must say that I am rather disappointed that, as these programs were cut out of the defense budget, we did not hear much protest from the administration at all. But any time anyone starts in any way touching a nuclear program, then all the Pentagon turns out in severe protest. It is time for us to realize that we are going to have to spend as much effort on conventional programs, if not more so, than on nuclear programs, and that is what this amendment is all about.

None of the programs that I will name that are very important programs are in the budget, including the laser beam riding missile—that is one program that is not in the budget at all; that was not cut by the committee—families of scatterable mines, JP-233 airfield attack munition, short-range antiarmor weapons, and smart antiarmor artillery munitions.

You do not hear about these programs because they are not sexy. We do not hear about them because they are not grouped together. We do not hear about them because the contracts have not been let and they do not have lobbyists because people do not have a vested interest in them.

We hear about all the other programs and yet this group of programs, in my view, are the most important initiatives we can take in terms of giving our own forces the capability of not having to immediately resort to using nuclear weapons in the event of a conventional attack. These are enormously important programs.

Mr. President, it is clear from the large cuts in various programs needed for the deep-strike concept and from the large numbers of near term programs available here and in NATO that shifting of funds from the short-range nuclear artillery shell program to these improved conventional munitions is warranted.

This amendment authorizes $50 million which could be used by the Department of Defense for any of these munition and submunitions where funding has been reduced or not budgeted as yet.

I have not tried to pick out particular programs. These are technical programs. We have not had any kind of testimony on some of the programs, but I do know when you have cut almost a half a billion dollars out of the programs and you are adding back $50 million that this money can indeed be wisely used and it can also move us away from what I call a hair trigger in terms of a tactical nuclear posture of NATO that has been going on too many years.

Some experts in this area—and this is a very loose estimate, I must emphasize that—have estimated that the cost of the entire spectrum of intelligence systems, missiles, munitions, and submunitions for our country, if we go into this kind of effort, may be around $10 billion over the next decade. That would, of course, not count the cost in NATO countries and this would have to be a joint effort. The lifecycle cost of the 155-millimeter nuclear artillery round program, which is one of the most expensive programs in the nuclear area, is a large percentage of the $10 billion. We cannot discuss specific figures on the floor and I will not do so. Some of this is classified, but it is a very large hunk of the amount of money that would be needed to really convert NATO's defense into a viable conventional posture.

One may well ask, Mr. President, why the Armed Services Committee has cut a group of programs whose realization could prove the difference in providing a viable conventional defense in Europe. The answer to this question lies in the committee's disenchantment—and I must say that some of this disenchantment was certainly well founded—in the Pentagon's own inability to get its act together on the deep strike concept.

First, there appeared within the Pentagon little appreciation of deep strike's significance within the broader context of NATO's current military and political environment.

Second, there is within the Pentagon no central and authoritative coordination of the deep-strike overall concept and its associated technologies. Congress is confronted with a host of individual and seemingly unrelated line items. Nobody has come up and presented these in one hearing. We have not focused on it in that concept. We have them scattered all through the budget. There is no office in charge of them, and that is one of the real big problems.

Third, the momentum to, in the President's words, "proceed boldly" with deep strike has been deflated by bureaucratic squabbling between the Office of the Secretary of Defense and the services, and among the services themselves.

This is the unfortunate part about joint programs. In the case of joint programs in the past, in the case unfortunately here, the services participating in the joint interdiction system programs are finding it difficult to agree on common requirements and design specifications. Once again, the parochialism of services appears to be trampling on the cause of larger military and overall effectiveness.

Finally, I think we should be candid. Deep strike programs in this year's budget simply are not regarded by the individual services as a top priority even though they are regarded by the Department of Defense at least in their original budget as priority. In constrained budgetary environments the services traditionally have placed a higher emphasis on procurement of ships, tanks, aircraft, and other weapons platforms rather than on munitions themselves. The reasoning is that since weapons platforms take longer to produce than munitions they should receive priority in peacetime.

I have heard that whispered around for the last 5 years.

I happen to believe this is outmoded thinking in the modern world.

Future conflicts are likely to be come-as-you-are affairs. You are going to go to battle with what you are dressed with on the occasion. In that kind of environment, decisive phases of combat could well be over before the United States mobilizes and prepares for a significant military battle.

To continue to produce and deploy multimillion and even multibillion dollar weapons platforms as we are doing, and then to arm them with only a few days or a few sorties' worth of outdated firepower is a recipe for early defeat in a future war.

What is the point of investing hundreds of millions of dollars in sophisticated aircraft or missiles slated for sorties against the Warsaw Pact second and third echelons if the Pentagon cannot or will not proceed to arm that aircraft or missile with munition technologies capable of effectively disrupting or destroying those echelons?

These munitions can be one of the greatest multipliers of our existing military capabilities that we could possibly find.

Mr. President, Congress cannot, using President Reagan's term, boldly proceed with the development and acquisition of new and potentially decisive deep-strike technologies without strong leadership on the part of the executive branch, and especially the Pentagon. I believe that if we adopt this amendment tonight, this will send a strong signal first of all that the day of developing new, short-range, battlefield nuclear systems is drawing to a close. I am not saying the day of having those systems is at a close. I am saying the day of developing new systems like this one certainly should be drawing to a close.

Second, nuclear deterrent in Europe must begin to move to the systems that have sufficient range to destroy enemy territories as opposed to NATO territories. The range of this particular system is classified. Suffice it to say that it is extremely short-range. It is extremely unlikely that the result of any use of this system would land on soil other than the NATO soil we have sworn to defend.

Third, I think if we adopt this amendment tonight, Congress will send a message that we will back improved munitions and submunitions to enhance conventional deterrence in NATO as well as other parts of the world if the Pentagon will simply get its own act together.

I yield to my colleague from Louisiana.

Mr. JOHNSON. Mr. President, Secretary of Defense Harold Brown sometime ago recommended to Congress, and Congress went along with, terminating this program of the 155-millimeter enhanced recovery artillery shell. We were right then and we would be right tonight to adopt this amendment. Let me tell you why.

Point No. 1, so eloquently made by my colleague: There is a better answer. There is a better answer against massed Russian tanks. The studies today show that terminally guided submunitions laser delivered are equally as lethal as are enhanced recovery artillery shells.

Remember, Mr. President, we are talking about, in effect, a cannon, a cannon which shoots a 6-inch shell. That is what this 155-millimeter shell is. A howitzer to be sure, but a cannon nevertheless. The range is classified, but I do not think I would be breaking any classification to say that it is within commuting distance from Washington.

There happens to be no NATO country which will accept deployment of the 155-millimeter shell. So picture this, if you will: In order to deploy this weapon, we have to put the shell over in Europe and we have to put the other part, which is a laser bottle which can be screwed in—this is what we are doing today; that is the plan for the Lance missile right now—back here in the United States somewhere we have the little bottle you screw in. Keep in mind that this is a cannon that shoots commuting distance to Washington. So while the Russian tanks are coming through the Fulton Gap or on the northern plain, we call up Washington and say, "You better send a plane with a trillion bottles so we can make these artillery shells live."

By the time they got within range of those guns, the Russian tanks would have overwhelmed the guns.

You say, "Well, Mr. President, we are talking about a quick blitzkrieg strike if the Russians should strike." That is what all the doctrines say. They say if the Russians strike, they strike quickly. They are not going to have a trenched battle across the DMZ. They are going to strike quickly and overrun these cannons shooting 6-inch shells before they ever get a chance to shoot them.

So that is problem No. 1. You cannot deploy them in Europe. Not one NATO country will accept them. That, by the way, is what our fencing amendment said that this Senate passed 2 weeks ago. It said, "Commit the $50 million but you cannot spend it until you can find a European country that is going to accept the shell."

I can tell you that they are not going to accept the shell, first, because it is a so-called enhanced recovery or neutron bomb and they do not like a neutron bomb. You know the history of that. But beyond that, they are not going to make that political sacrifice for a 6-inch cannon shell. They are just not going to do it, and especially one that is only going to be fired on their own territory.

If they are going to make that political sacrifice, it is going to be for the Pershing II or for the ground-launched cruise missile, something that means something. This turkey does not mean anything. That is why Harold Brown canceled it in 1979.

Problem No. 2: How would you like to be a forward observer telling the 155-millimeter crew where to shoot the shell? Do you know what forward observers are? Our colleague, Senator GLENN, was in Korea and I guess was probably guided in fighter planes by forward observers. Forward observers get up there close so they can look through the binoculars and say, "There is a mass of tanks." Remember, these tanks do not stay in one place. They are moving. Would you want to be a forward observer when they shoot a neutron bomb at a mass of tanks?

Mr. NUNN. I would suggest that the only place to be would be on the eastern side of the border because they will not reach that far. Forward observers would be heading for the eastern border as fast as possible.

Mr. JOHNSTON. I believe that is correct.

We are also told that these 6-inch shells are very good because there are a lot of 155 millimeter cannons that can shoot the shell. That is right. That also happens to be one of the biggest problems of command control.

Does it make you feel comfortable to know that there are—I do not know how many—certainly tens and maybe hundreds—I do not know the figure but they want to put them down to the battery level and have them all over Europe—does it make you feel comfortable to know that a nuclear war can be started down on the battery level? Do they still call them batteries? Yes, they still call them batteries.

If we are going to have a nuclear war started, it ought to be with the Commander in Chief having the close control and not having these things proliferated throughout Europe, if you could proliferate them throughout Europe.

Finally, Mr. President, just remember this is a very expensive system.

It is probably next to the MX in terms of expense, in total cost. There may be a more expensive system, but I do not believe so. I believe this would be the most expensive, a multibillion dollar life cycle cost.

Mr. President, while we have such fierce competition for all of that defense dollar, all of the terminally guided submunitions——

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. Yes, Mr. President.

Mr. TOWER. The Senator suggests that the cost of this program is higher than the cost of the MX.

Mr. JOHNSTON. I say it is next most expensive to the MX.

Mr. NUNN. Mr. President, for point of clarification, it should be warhead.

Mr. TOWER. Because it is classified information, we cannot discuss it here, but I think it is a misinterpretation.

Mr. NUNN. Let us say in terms of warhead—the warhead-to-warhead comparsion, not system-to-system comparison.

Mr. JOHNSTON. Finally, Mr. President, Congress was right in 1969 when we canceled the program. Now is not the time to be dusting off old, obsolete programs, very expensive, which compete with up-to-date, needed programs, and to cannibalize these needed programs to fund a program which, today, cannot even be implemented because no European country will take it.

Mr. President, we ought to pass this amendment.

Mr. BIDEN addressed the Chair.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I hope that we will not adopt the amendment of the Senator from Georgia (Mr. NUNN). I find much to agree with in what he said. And after we scrubbed what we had already done in funding those weapons, we did go back in the committee, in the closing hours of the committee session, and add some more money back in. The House has more money than we have, so there is a good prospect that there will be close to adequate funding for those systems. But to zero a system entirely to fund these systems, in my view, is certainly not prudent. It is not consistent with the best judgment of our professional military people on the scene.

I think we must act very carefully in the Senate when we second-guess professional military men who actually have the responsibility for fighting. I know civilians should make policy; we all agree with that. Civilians should determine when policy is to be implemented by military means. But once that decision is made, I think great weight should be placed on the judgment of professional military men about the weapon to be used—consistent, of course, with public policy. I think we have a good class of professional military people in this country. We sometimes treat them with contempt. My guess is they stand higher in the public's estimation than politicians do, even Members of the Congress of the United States, and even the Members of the world's greatest deliberative body, the Senate.

Mr. NUNN. If I agree with the last statement, will the Senator yield for a question?

Mr. TOWER. Let me finish, Mr. President, then I shall yield.

What we have done is make a major tactical decision. We have not held hearings on this in the Armed Services Committee. I wish that the distinguished Senator from Georgia had brought this up then. He did bring up the matter of adequately funding the new conventional munitions and submunitions in the subcommittee. He did do that and discussed it at great length. But he did not bring up a proposal to absolutely zero the 155. I wish he had done so then so we could have discussed the matter.

Maybe we would have arrived at the result that the Senator from Georgia seeks to achieve here tonight with his amendment. Maybe we would not have. But this is a major tactical decision that I do not think we ought to make in haste on the Senate floor. There is plenty of opportunity subsequently, let us say on the appropriations bill, to deal with the issue. We should not deal with it initially here.

I hope that the amendment of the Senator from Georgia will not be agreed to. In my view, it is not in our best interest to do so. I think there is a clearly established need for modernization of our tactical nuclear force when you consider the rate of modernization of the Soviet arsenal of tactical nuclear weapons, including the more recent developments, the SS21's 22's, and 23's. So I hope the amendment of the Senator from Georgia will be rejected.

He wanted to pose a question to me. I shall be delighted to take that question now, though perhaps I shall not be able to give him a satisfactory answer.

Mr. NUNN. Mr. President, I was going to say to the Senator from Texas that in all the cuts that were made in the committee endorsed by military men, how do you distinguish those cuts made by the fighting men, a lot of them on the line, and this particular cut? We cut $413 million that these same——

Mr. TOWER. Mr. President, I do not think any of the cuts were endorsed by the military men. In my view, we are underfunding our defense requirements. That is why we are in this kind of debate now, in part, because defense is being underfunded this year. We are going back to the practice of the seventies in underfunding defense.

Mr. NUNN. The point I am making is that the amount of money that I am restoring and the programs that are being restored, that are requested, were requested by those same fighting men that requested the 155 millimeter.

Mr. TOWER. I think there is no question, but I do not think they should be totally balanced, if you have to make cuts, by cutting out something they think is of enormous effect and necessity. What we have done here in many instances in trying to pick and choose between validated military requirements for cancellation purposes is reduce funding so we do not prejudice these systems that are validated military requirements. We have stretched out programs, reduced the buy.

I do not defend any of the cuts we have made on military grounds. I do not think they are defensible except that we were forced to operate within budgetary restraints imposed on us by a Congress bent on shaping the military budget to what they conceive to be budgetary requirements and not national security requirements.

Mr. NUNN. Mr. President, I agree with much of what my colleague has said. I can only add that we are in a period of having to select priorities. I believe if we continue to stretch everything out and cut a little bit here and there from all the programs, we are not really doing our job in asserting priorities. I think we are going to have to zero out programs if we are going to avoid massive cost overruns and huge impacts in the out years.

Mr. TOWER. We did, but this was not brought up as a candidate for cancellation. There was not proper opportunity to consider this matter in committee. Every other thing canceled in the committee was considered by the committee, discussed, and canceled.

Mr. NUNN. Mr. President, I agree with the Senator on that, the reason being that this is not an appropriation item and was not authorized in 1983, I believe. If it had been brought up in the committee, I would have presented this amendment in committee.

I might also say, and I know my friend from Texas will agree, that the Senator from Texas did not bring up his amendment which passed last night on this same subject in the committee, either.

Mr. TOWER. The only reason I failed to do that is that we had not met in conference before that time. I am at a loss to respond to that.

Mr. NUNN. I understand, because I had the same reason. The Senator from Georgia will forgive the Senator from Texas if the Senator from Texas will reciprocate.

Mr. BIDEN. Mr. President, I forgive both the Senators for whatever transgression they may have committed. I just hope we will not commit another transgression like that which the Senator from Texas is now suggesting.

First, the Senator suggests that this system is sensible. Even if it were not juxtaposed against other conventional systems in Europe, even if money were not an issue, I would argue that this is not a sensible system in the first instance.

Second, I think the facts that have been brought out by both the Senator from Louisiana and the Senator from Georgia bear repeating, but in the interest of time I will not repeat them. They are particularly cogent for this debate. Even if it were a sensible system, there is no sensible way of deploying the system. Even if it were a sensible system the alternative is much more important.

In response to the question of whether or not we are second-guessing the military men who have to be there and make the decision, well, that never concerned the Senator from Texas or others when the military men in 1979, the Joint Chiefs, were saying we needed a SALT agreement. They were the ones that had to make the decision, and obviously the Senator found good reason to second-guess these, as did many others I might add in good faith. We use this notion of military men on the line and how can we second-guess them, we public officials, to our own liking. I do it on occasion. The Senator from Texas does it on occasion. We all use it. We all know it is an irrelevant statement to be made on the question of whether this system has merit or lacks merit.

I would ask the rhetorical question, do the professional officials in Europe believe we need an increase in short-range nuclear systems at all or do they support a decrease?

I would also ask, have not the military men in Europe supported reduction in tactical nuclear systems as we did in 1980 and as we are planning to do right now?

By the way, the Senator from Louisiana said "within commuting distance." I would like to amend that slightly. I commute from Delaware. The 155 mm range is not nearly that far. I am one of those Senators who commutes 240 miles. I do not want the press to think that it could potentially have that kind of range, although it could have any range, I guess, since all of it is classified.

But the fact of the matter is that we are in this crazy situation of everybody quietly saying we have to reduce the number of tactical nuclear weapons in Europe. Everybody acknowledges that—everybody in NATO acknowledges it, everybody in our military. The only fight is how we decide to go about that. And now we have what I acknowledge is a more sophisticated nuclear weapon than a nuclear landmine, but not so much more sophisticated in terms of how it would be used in the new scenario of encounters with the Soviets in Europe that is used to justify it. Here we are at a time when within the next 6 months, I predict, even this President is going to endorse the reduction at least of some of our existing tactical nuclear weapons—I would be dumbfounded if he did not—and we are going forward with a new and costly system.

I cannot speak for General Rogers. I cannot speak for any of the generals or military men, but I will lay the Senator from Texas 8 to 5 that one of the reasons why they support it goes beyond the internal warfare that goes on among the branches of the services, as goes on within all branches of government—in the criminal field it goes on between the FBI and the DEA, and in the military it goes on between the Army and the Navy and Marines. It is the nature of human beings. But beyond that I will bet that when you get them in a corner, one of the reasons why some of the military men who support this particular system are doing so—and potentially maybe even our commander, and I do not know this; I have not spoken to him—is because of the serious doubt on the part of the military that this Congress is willing to make a commitment to modernizing the conventional force capability of the U.S. military in Europe. So they think that NATO is obviously not doing it. The Germans are backing off. The British are backing off. The rest of NATO is backing off the amount of modernization that is necessary. All those jockeys, myself included, in the U.S. Senate are talking about new exotic systems. No one is willing to come up front with a big number for conventional systems in Europe. I know the Senator from Texas supports that. But they look and wonder whether or not that is going to happen in this body.

I think it is against that backdrop that you get some of the opinions about the utility and the need for this system, because I will bet that their concern is this versus really nothing much in terms of artillery capability at all.

Given that option, they are going to yield to their instinct, and that is "Give me something."

What we should be doing is adding to the conventional strength of our military with useful conventional capabilities and enhancing, as both the Senator from Texas and the Senator from Georgia are committed to, the deep strike concept capability. We are talking about a weapon that, in fact, is going to cost a lot of money. It is going to cost more than my salary and less than the MX. Why are we doing this? Well, I guess if you adopt the view of the Senator from Texas that we should be able to do everything every place militarily, then, sure, add this one, too—have it on the shelf; it may be a bargaining chip some day. We are big on bargaining chips. But this has limited military utility notwithstanding the assertions of our military.

To expand on what the Senator from Georgia said—I do not want to get him in trouble by suggesting that he agrees with the remarks that I am about to make or that I have made, and I am not on the Armed Services Committee; I am on the Intelligence Committee and the Foreign Relations Committee—I do not recall a branch of the service coming in on a multimillion dollar or billion dollar system that they have a chance of acquiring and saying, "By the way, even though we asked for it before, we changed our mind; cut it."

That happens on occasion, I guess, but it is not the nature of the beast. We are expecting too much if we expect that. If there is any utility, if it enhances our capability even marginally, you are going to find a military man who says, "Yes, sir, it would be better to have it than not have it." But we do not have the luxury of talking about spending a great deal of money for marginal enhancement. I would argue, and I will conclude my statement, that not only does this not enhance our capability, it diminishes our capability because it diminishes our credibility. When we diminish our credibility, our capability is put in question.

Mr. NUNN. Mr. President, I commend the Senator from Delaware and I do agree with his comments, whether risky or not. I thank him for his excellent presentation and also for his leadership in this area. I know the Senator from Delaware has been very involved in NATO circles. I know he has taken the initiative in writing a NATO report that was signed off by all the parliamentary representatives that were engaged in NATO that counseled on the reduction of the theater nuclear weapons, the short-range battlefield system, so I commend the Senator from Delaware.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I rise in opposition to the proposed amendment. I believe in my career in the Senate this is probably the first time I have ever been on the opposite side of my distinguished colleague from Georgia.

Mr. President, I should like to open my remarks by first putting a question to my distinguished colleague. The question is, did the Senator have the opportunity today to speak to the Commander in Chief of NATO Forces, Europe, with respect to this issue?

Mr. NUNN. Yes, I did. It never ceases to amaze me how quickly you hear from people involved in top military positions when you talk about a nuclear system. But the other side of it is that I am very disappointed that I did not hear from many military people, in fact I heard from none, when the committee went through and cut out almost $500 million of conventional munitions that are designed to take the place of these battlefield systems.

In answer to the question of the Senator from Virginia, I did hear from General Rogers, and I will stipulate that General Rogers does not favor the Nunn-Johnston amendment.

While I have the floor, I ask unanimous consent that the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Florida (Mr. CHILES) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. The Senator from Virginia is correct: General Rogers does not support this amendment.

Mr. WARNER. If I may continue our colloquy on this subject, we are here shortly after 10 o'clock at night, and we are asking our colleagues to make a decision which strikes at the very heart of a number of sensitive issues coming before the NATO Alliance in the next few months.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to the chairman of the committee, dated July 13, 1983, signed by General Rogers, General, U.S. Army, Supreme Allied Commander, Europe.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 13, 1983.

Hon. John Tower,
Chairman, Senate Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you continue Senate debate on a range of military issues, I would like to underscore the importance and critical need for development and deployment of the W82 155mm Nuclear Artillery Projectile. The W82 will represent an important element in sustaining and bolstering NATO's posture against an increasing Warsaw Pact theater nuclear threat. Thus, the issue is of major concern to me because of the adverse impact of an unfavorable decision on the deterrent and combat capabilities of the Alliance.

The 155mm round will provide NATO forces with three essential advantages at a critical stage of a European war: first, increased military effectiveness against WP formations in a crucial sector of the battlefield; second, a more versatile and survivable theater nuclear short range force; and third, a capability for Allied ground forces, which generally have few 8-inch howitzers, to use their new FH-70/SP-70 155mm howitzers (which are compatible with the W82) in a nuclear role. With the W82 in NATO's armory, the Soviet land planner would be forced to consider any 155 howitzer tube in the Alliance as a potential nuclear delivery system. Thus, deterrence would be significantly enhanced by the number of 155mm delivery systems available as well as by their distribution and widespread Allied participation in the program.

The W82 will replace an aging round which is difficult to handle and does not provide the degree of target coverage that the W82 could provide. The versatility of the W82 round, as represented by the ability to adapt to either the rocket assisted projectile for increased range or to other features which enhance military effectiveness, provides the commander a spectrum of short range responses that is a critical element in the total TNF posture for the Alliance. In sum, deploying the W82 projectile will provide Allied Command Europe with an appropriately versatile mix of militarily effective nuclear artillery systems (155mm and 8-inch). Its deployment could also, I believe, be a significant factor in facilitating the eventual reduction of the size of the required theater stockpile of weapons because these modern systems can reduce our reliance on greater numbers of less capable, older systems.

Senator, we have taken a major step forward in our theater nuclear force with the December 1979 dual track decision on long-range systems—a decision just recently reaffirmed by the NATO Nuclear Planning Group. This momentum must be continued by modernizing our short and medium range nuclear systems. I strongly urge your support in funding the new W82 nuclear projectile so that plans for its deployment can begin apace.

With respect and best wishes.

Sincerely,

BERNARD W. ROGERS,
General, U.S. Army,
Supreme Allied Commander, Europe.

Mr. WARNER. The letter to which I have referred states in its last paragraph:

Senator, we have taken a major step forward in our theater nuclear force with the December 1979 dual track decision on long-range systems—a decision just recently reaffirmed by the NATO Nuclear Planning Group. This momentum must be continued by modernizing our short and medium range nuclear systems. I strongly urge your support in funding the new W82 nuclear projectile so that plans for its deployment can begin apace.

My question to the Senator from Georgia is this: What impact on this delicate series of negotiations would result from an affirmative vote by the Senate tonight on behalf of this amendment?

Mr. NUNN. I say to my colleague and friend from Virginia that the 155 has nothing whatsoever to do with intermediate force talks. The talks center on the Pershing II and the ground-launched cruise missile.

As the Senator knows, I am in favor of those systems, and we have to continue the two-track system. We have to induce NATO to be willing to deploy them.

This 155 shell is a replacement for existing shells. It has nothing to do with any arms control talks with which I am familiar.

Mr. WARNER. I call the Senator's attention to this letter once more, in which General Rogers states:

We have taken a major step forward in our theater nuclear force with the December 1979 dual track decision on long-range systems—a decision just recently reaffirmed by the NATO Nuclear Planning Group. This momentum must be continued by modernizing our short and medium range nuclear systems. I strongly urge your support in funding the new W82 nuclear projectile so that plans for its deployment can begin apace.

I read that to embrace this issue as a part of the overall series of issues facing NATO in the coming 6 months.

Mr. NUNN. I say to the Senator that there is nothing involving this amendment that affects any arms control talks that have taken place anywhere.

The momentum General Rogers is referring to I do not believe refers in any way to the arms control talks. He is talking about the overall nuclear program, and he is in favor of this 155.

There is also no doubt about the fact—and I will have to be careful about my wording—that I had an amendment in 1975, at which time I believe the Senator from Virginia was the Secretary of the Navy, which was adopted by Congress and which required a full report. It defers deployment of new tactical or battlefield weapons in Europe until we have a complete report on the number of them, how they were to be used, what the doctrine was, and so forth.

That report came back, and Mr. Schlesinger, who was then Secretary of Defense, had recommended very fundamental changes in our battlefield nuclear posture. Without breaching any classification, it basically said that our theater battlefield posture was outdated, outmoded, dangerous, and needed fundamental changes.

Since that time, we have done very little in the way of fundamental change. We have had the neutron debate, and I led the fight on the floor for the enhanced radiation weapon back when President Carter and Chancellor Schmidt were for it and everything was rolling along smoothly. We prevailed in that debate.

However, since that time, we have had fundamental changes. We have had fundamental changes in political attitudes in Europe. We have had fundamental changes in attitudes in this country. We have had a breakthrough with technology that allows us to replace these battlefield systems.

The Senator from Delaware made the point a few minutes ago, with which I agree. One of the reasons why many military people favor these systems is that they do not believe we are ever going to have the conventional systems.

We are putting in a major initiative which the Secretary of Defense has called for and Bernie Rogers has called for. He has been just as strong in supporting these conventional systems in his presentations as he has with respect to the 155.

Mr. WARNER. I yield to the Senator on that point. In my conversations with the general, he equates clear priority to the two systems.

I commend the Senator from Georgia for his action before the committee of restoring funds to the very category of weapons which is the subject of this amendment.

I draw the Senator's attention once again to the last paragraph. I now have supplied the Senator with a copy of the letter. I reiterate that it is clear to me that General Rogers looks upon the dual track decision of 1979 as part of an overall policy embracing the subject weapon before us tonight.

Mr. NUNN. I say again to the Senator from Virginia that this 155 has nothing whatsoever to do with intermediate-range talks. The momentum General Rogers refers to could have referred to any program, anywhere. He just threw that in. He just threw it in at the end of the letter.

Let me rephrase the question: Is the Senator saying that the 155 system is part of any of the talks we have going on?

Mr. WARNER. The Senator from Virginia is stating that he interprets this letter to mean that there is an overall theater nuclear source, various components, part of it being the planned dual track range system. In another part, he says, "This momentum must be continued by modernizing our short and medium range nuclear systems," of which W82 is an integral part. They are all one.

Mr. NUNN. No, I say to the Senator——

Mr. WARNER. Part of the nuclear forces in Europe, short and intermediate range.

Mr. NUNN. The Senator from Virginia, in my view, is erroneously interpreting the letter of General Rogers. I have read the last paragraph. This letter in no way suggests that the short-range systems are part of the arms control talks.

Mr. WARNER. I understand that. My point is that the dual track system is certainly part of the arms control talks.

Mr. NUNN. I did not hear that.

Mr. WARNER. The December 1979 dual track decision on long-range systems is very much the subject of arms control talks.

Mr. NUNN. That is correct.

Mr. WARNER. And this letter combines the W82 with those systems. I am not intimating that the W82 will be a part of the present arms control talks.

Mr. NUNN. We agree on that.

Mr. WARNER. The point is that the general combines the two weapons systems, the long-range systems and the short range, the short range being the subject of the Senator's amendment.

Mr. TOWER. In other words, the total of our theater nuclear capability. I think that is the point.

Mr. NUNN. I stipulate for the RECORD that General Rogers is in favor of the 155 system. I also stipulate that he believes this is part of the overall momentum in NATO. But he could have added a comma and said the M-1 tank, the F-16 aircraft, and all conventional munitions are also part of our munitions.

He just made a speech that was in the paper. I wish I had the quotation of it because it was in the Los Angeles Times which quoted extensively. Yesterday, he had an interview in which he said that "the biggest problem, as I interpret it, in NATO is that we are going to have to resort to the early use of theater nuclear weapons, the battlefield weapons," and he felt that could not be confined, and that was going to escalate into strategic use of nuclear weapons very rapidly, and the reason for that was because we had conventional weakness.

If the Senator wants to talk about what General Rogers has said, I think he has said a whole lot more about the importance of building up our conventional capabilities in recent days than he has about the battlefield systems. He says right here, and this was in April 1983. General Rogers said in our NATO hearings:

> The ability to locate targets, delay, disrupt, and destroy the Warsaw Pact firearm forces will be the determinant as to whether we will have to use the nuclear weapons.

So I would certainly agree with the Senator from Virginia that General Rogers does not support the Nunn amendment. There is no doubt about that. The Senator is correct.

Mr. WARNER. That is clear.

Mr. NUNN. The Senator is absolutely correct.

Mr. WARNER. We are tonight at 10:20 p.m. about to make a decision which impacts on its overall plan—if the Senator will yield for a moment.

Mr. NUNN. I say neither did General Rogers support the $413 million we cut out of convention munitions in the bill.

Mr. WARNER. Is the Senator aware of the fact that General Rogers has convened a high-level group to study the integration of the weapons systems the Senate is addressing tonight—that is, the enhancing system together with the present theater nuclear forces and to try to allocate priorities between the two? And if we were to take the action as recommended by the Senator tonight, we would be preempting the very thing he is trying to analyze with great care in a matter of an hour or so here late at night.

Mr. NUNN. I say to my friend from Virginia that they have been analyzing this since 1975. They have been analyzing it, analyzing it, analyzing it, and I would call it paralysis by analysis. That is exactly where we are in NATO. We cannot make a move because everyone is doing so much analyzing. We have had study after study after study on this whole question. No one ever makes a move. We are going in a circle. We cannot get the conventional forces we need because we are spending so much on nuclear forces. Because we cannot get the conventional forces we need, the generals and the admirals rely more and more on nuclear forces and early use of nuclear weapons. Someone has to break that chain at some point.

I have been waiting now for the executive branch for about 8 years, and I

really have gotten to the point where when we cut $413 million out of conventional forces for Europe, we did not hear anything from any generals, we did not hear anything from European commanders, we did not hear anything from the Department of Defense. We sat and cut every one of these programs. The first time anyone touches a nuclear program, we hear from all over the world. That is what the psychology is, and that is the reason this country and our Western European allies are in the situation that we are in, which is very regrettable—and that is, we are the ones who are going to have to resort to the early use of nuclear weapons in Europe in the event the Soviets invade. We are the ones who are still relying on nuclear weapons in an age of overall nuclear parity. We are the ones who do not have a strong enough conventional defense to lower or to raise the nuclear threshhold.

So that is the circle we are in, I say to my friend from Virginia, and someone, sometime, has to break it, and I am convinced it is not going to be broken in the executive branch, whether this administration or any other administration.

Mr. WARNER. If the Senator will yield for this observation, we are talking about the eventual reduction of nuclear arms in Europe. If the Senator will look at the immediately preceding paragraph, the last sentence, and I quote:

> Deployment could also, I believe, be a significant factor in facilitating the eventual reduction on the size required of theater stockpile of weapons because this modernization system can reduce our reliance on greater numbers of less capable older systems.

Mr. NUNN. I have been waiting since 1975 for that to happen. It has happened one time. We did withdraw about 1,000 of these systems in the late stages of the Carter administration. Unfortunately, there was no credit given on that. We did not publicize that at all. Some people in Europe never knew about it. We did not get any credit for it, but it was a welcome first step.

In that respect, I do hope we will begin to reduce battlefield nuclear systems, but the way we begin to reduce those is not to produce more short-range systems that we have to use on our own territory.

I do not think the Senator from Virginia would welcome a phone call from our NATO commander saying to the Senator from Virginia if he were in the White House or the Secretary of Defense or Secretary of the Navy that:

> We have just had a conventional invasion of Europe. We backed up our weapons 20 miles. You know the range on them, and we are going to have to start firing them now.

And the Senator asks where they are going to hit.

> They are going to hit in Western Europe, the territory we have sworn to protect.

That is the situation we are in. It is not a question of enhanced radiation weapons. To me, that is motivation for other people. My problem is with the short-range battlefield systems that we do not have a proper rationale for. We did not have a strategy for, and we are driving ourselves to the early use of those systems more and more in a period of, I think, increasing tension and danger.

So I have waited a long time for the executive branch to make the proper move on this. Perhaps they are beginning to study it. I hope they will, and I hope whatever the result of this amendment is tonight, whether it fails or whether it succeeds, it will speed up whatever efforts are going on in NATO.

I might submit they could go back and look at the 1975 report that has been over there in the executive branch for a long time. It was done under Secretary Schlesinger. They could get a lot of helpful hints out of that since not much has occurred since then. There were a lot of suggestions.

Mr. WARNER. As I have observed the Senator in our working relationship in the Senate, when he approaches a major decision like that, he carefully lays a foundation of facts with hearings and otherwise.

I suggest that we are imposing on our colleagues really an unfair decision, in view of the record that is a sparse record.

The only record we have at the moment that I can put my hand on is on page 46 of the report of the committee which the committee solidly backed this proposal of going forward with W82. There is nothing that I can find in the record to rebut that.

It seems to me that a question that would be so significant in relation to the overall theater nuclear forces that would send a very strong signal at a time in my judgment of considerable sensitivities should be done in a manner that is quite thorough and give the other side the opportunity of coming in and making as part of that record a rebuttal to this.

Mr. NUNN. I say to my friend from Virginia, I think the Senator from Louisiana will address the point about the hearing record because the Appropriations Committee has been in this in considerable detail.

Mr. JOHNSTON. Mr. President, if the Senator will yield, the Appropriations Committee has had hearings and after those hearings rejected the funding. If there is perecipitous action involved with respect to the 155-millimeter shell it surely would be in starting a program without extensive hearings rather than failing to begin a program.

What we are talking about here is starting a new program and starting a new program by an amendment here in the Chamber, because that is what we did in the action last night to start a multibillion dollar program without hearings in the Armed Services Committee. It seems to me if we are going to start a new program we first should have the hearings, lay the foundation and, second, get permission of the host country where we are going to deploy the weapon.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. JACKSON. Mr. President, I wish to inquire to get an estimate of how much we would have to expend over the next several years for conventional arms to be able to provide a conventional response to a conventional attack. I know this has been studied over and over again. I also know that when we look at the bottom line most of the commanders have said that currently we cannot stop a conventional Soviet-Warsaw Pact attack without the use of nuclear weapons in the battlefield.

Mr. NUNN. Mr. President, I would say the the Senator from Washington that I think General Rogers is probably the best source on this. He has been quoted many times saying that the NATO alliance as an alliance would have to increase their overall spending at the level of about 4 percent of GNP in real terms per year. That is the best estimate I have.

So far as the United States is concerned we would already be doing more than our part.

If the other allies were to come in and do their part and if we did coordinate together and have interoperable standardization and move to these weapons programs with high technology, and so forth, I think we could meet that over a period of 6 or 8 or 10 years. I think we must meet it. I believe we must meet if for NATO to continue over the next 20 years as we have the last 15 or 20. To rely on nuclear use of weapons, in the kind of political climate in Europe today I think is going to increasingly provide so much tension in Europe that the question of realliance also will be brought into question.

Mr. JACKSON. The Senator will agree it was the American nuclear monopoly after World War II that deterred Stalin from moving into Europe. We had no forces in Europe, none. It was only the fact that we had the bomb that deterred it.

Mr. NUNN. We had the dominance, that is right.

Mr. JACKSON. That is right.

The question, I think, that Senators need to be conversant with is how much are we going to have to invest in conventional arms to provide what, I

think, we all feel should be the option, that is a conventional response to a conventional attack? We should not be put into the position to have to rely on nuclear weapons to deter a conventional attack on the part of the Soviets.

As I read the General Rogers' letter here, it seems to me what he is saying is that we have to do both because right now we do not have the conventional means of deterring the Soviets if that is going to be our sole option. Is that a fair statement?

Mr. NUNN. I think that is exactly right. I think a good many people in the military, probably with some justification, considerable justification, believe that we must continue to rely on nuclear weapons and early use of them in Europe. They do not believe NATO, as an alliance, is going to do the things necessary to deter a conventional attack.

Mr. JACKSON. That is the dilemma.

Mr. NUNN. That is the dilemma. At some point it has to start. We have to make up our minds, and I think if we do not do it with conventional capability—this is the first time, as a matter of fact, I believe that—I think in 1951 there was a convention of NATO countries, and at that time they felt if they had a conventional response they had to be able to match the Soviets in military manpower, in tanks, artillery, and so forth.

We have a different situation now. I do not suggest that we match them in that respect. We should use our brain power and military intelligence to build a viable defense.

I think the way we are learning to do it now, in light of conventional technology, is such that we have got to go through and to take a stronger leadership.

Mr. JACKSON. I would agree with the Senator from Georgia on that point. He has led the way to various programs that are underway to provide more sophisticated conventional arms.

I think clearly on a broad perspective we have a greater capability than the Soviets have when it comes to highly sophisticated nonnuclear systems.

I think the dilemma we face, or that I face, is what do you do in the meantime until you reach that point where you will have adequate conventional forces that are backed up by sophisticated nonnuclear systems to deter the Soviets. It is this interregnum that bothers some of us.

Mr. NUNN. I would have more of that concern regarding this amendment if we were not funding the 8 inch and the Lance. This is the third system we are modernizing, not the first. We have, of course——

Mr. JACKSON. Of course, the Lance does not have the accuracy for the purposes that are involved here in the 155.

Mr. CHILES. Is not what the Senator from Georgia is attempting to do now is to just sort of start us on that bridge?

Mr. NUNN. That is right.

Mr. CHILES. I do not see this as something that we are saying we are no longer going to go tactical nuclear. That is gone.

Mr. NUNN. Not at all.

Mr. CHILES. It is simply how do we ever start on that bridge if we never start now?

Mr. NUNN. We will never start if we allow the budget to squeeze out conventional munitions at the same time we are starting multibillion-dollar battlefield systems that are going to cost huge amounts of money and that duplicate characteristics of what we already have.

Mr. CHILES. Here we have new technology, we have a new concept of warfare which has been approved by the Department of Defense, which has been recommended and spoken highly of by the President of the United States, and yet we are still hesitant to embark upon that.

Mr. NUNN. That is correct. I just wish the President and the Secretary of Defense would get as excited when we cut some of these conventional munitions out as they do on the nuclear side. I think if they did that, we would have a much better balance in our overall defense budget.

I must add that I commend Secretary Weinberger for going to Europe and making a major presentation. This was not a minor presentation he made on these munitions. It was the center subject of his whole presentation to the NATO Defense Ministers, and he pledged a strong American initiative.

Of course, we have carved that up one way or the other, and nobody said anything.

Mr. CHILES. What the Senator is saying is that we have an opportunity to put our money where his mouth was.

Mr. NUNN. That is exactly correct.

Mr. CHILES. I thank the Senator for his presentation.

WHY WE NEED THE NEW 155-MILLIMETER NUCLEAR PROJECTILE

Mr. SYMMS. Mr. President, the W82 round is very important to our tactical nuclear posture in light of the growing Soviet nuclear artillery threat, especially in NATO. Because of its improved military effectiveness, the W82 will significantly enhance our theater deterrence by substantially reducing the Soviets' estimate of success in a major ground offensive. Since the cannons that fire the W82 round will be widely dispersed, it will also be much more difficult for the Soviets to target and destroy our battlefield nuclear weapons—an objective central to their doctrine of warfare. Because of these advantages, there is significant Allied interest in a modernized 155-millimeter nuclear round.

The main function of our Theater Nuclear Forces [TNF] is to instill in the Soviets' minds that they cannot win a conflict and thus will not try.

To continue this function, our TNF must be improved.

A vital element of the TNF is nuclear artillery; it is highly survivable, and is extremely effective against troop or armor formations massed for breakthroughs.

The Soviets cannot negate this deterring threat by destroying our nuclear artillery, because we have many cannons and they are widely dispersed.

The old 155-millimeter nuclear shell is obsolete. The new 155-millimeter nuclear round has vastly increased effectiveness, range, accuracy, safety, and security.

The 155-millimeter shell is especially important because most of NATO's cannon are of that size.

The total systems cost of the new artillery round is low compared to other nuclear weapon systems, because the cannon already exist. All that is needed are the shells.

Because of improved features, replacement is planned on a less than one-for-one basis.

Because of its dramatically improved military effectiveness, the W82 will significantly enhance our theater deterrence by substantially reducing the Soviet's estimate of success in a major ground offensive.

I. FUNCTIONS OF THEATER NUCLEAR FORCES

Theater nuclear forces are maintained to provide a critical element in our overall ability to prevent war with the Soviet Union. They provide a credible structure for flexible nuclear options which will cause the Soviets to assess ground operations as having high risk. They also provide the linkage between conventional forces and the U.S. strategic deterrent. Basically, TNF should be seen by the Soviets as having the following capabilities:

Provide insurance against the failure of conventional forces—but do not replace them.

Deter Warsaw Pack first use of nuclear weapons.

Provide a balanced force at all range levels and in geographic areas where the threat is significant; and

Prevent the Warsaw Pact from massing conventional forces for large-scale attacks.

In order to do these things, our TNF must be improved. The Warsaw Pact has made great improvements in both conventional and theater nuclear forces in the last decade; currently, they have the advantage in every category except nuclear artillery. Even in this area, where the United States and NATO had a 10-year start—an overwhelming superiority only a few years

ago—the Soviets are rapidly closing the gap. They have deployed three nuclear capable cannons; 203-millimeter gun, 240-millimeter mortar, and most recently a 152-millimeter cannon which can provide new tactical nuclear options for Soviet forces. Since we have no plans to increase our TNF stockpile, we have to offset the considerable, (and growing), Soviet advantage by modernizing our forces.

II. ADVANTAGES OF NUCLEAR ARTILLERY

Nuclear artillery provides us an effective capability to defend against Warsaw Pact front line forces. It is very responsive and can be used in all weather, day or night. Its prime virtue in NATO's defense is to deter the massing of large concentrations of Pact ground forces, tanks, and artillery—massing which they must do, at least temporarily, to insure the success of an attack. In fact, artillery, because if its quick response time, is virtually the only effective nuclear delivery means in situations where speed and accuracy (that is, against mobile armored forces) are required. Consequently, nuclear artillery helps to offset the Pact's huge advantage in tanks and artillery (3.1 in both), and increases the effectiveness of NATO's conventional defense. (This may well be the reason that Soviet propaganda has been so vociferous against the modernization of artillery.) If the Warsaw Pact chose to attack NATO's Central Region, nuclear artillery would hold almost half of the attacking force at risk. Other advantages of nuclear artillery are:

It is extremely survivable;

It requires minimal force structure, since all nuclear artillery units fire both conventional and nuclear rounds;

It is widely distributed among all the members of the NATO Alliance which maintain nuclear-capable forces.

III. WHY TWO TYPES OF NUCLEAR ARTILLERY

Maintaining two types of nuclear artillery, the 155-millimeter and 8-inch rounds, has two distinct advantages.

Only about one-quarter of NATO's nuclear artillery tubes are 8-inch, while the remaining three-quarters are 155-millimeter. The Soviets repeatedly state in their literature that targeting NATO's nuclear assets is their highest priority in the opening stages of a war. This targeting problem is three times more difficult if the Soviets must attack both 8-inch and 155-millimeter tubes.

The NATO Allies deploy both types of nuclear artillery, and NATO's future force planning goals include requirements for modern 8-inch and 155-millimeter rounds. We do not expect the allies to change their force posture and doctrine to accommodate only one type of nuclear artillery.

IV. THE NEED FOR MODERNIZED NUCLEAR ARTILLERY

The current 155-millimeter and 8-inch nuclear rounds deployed in NATO are 20 to 25 years old and need to be modernized. We are now producing a new W79 8-inch round and have a W82 155-millimeter round in engineering development.

The new W82 round as compared to the old W48 round has the following improvements:

It has greatly improved military effectiveness through longer range, better accuracy, and greater military damage potential.

It has improved safety and security features, which allow more deployment flexibility.

It is designed to be compatible with new United States and NATO howitzers and is matched to modern conventional rounds.

V. STATUS OF THE NEW W82-155 MM AFAP

The W82 program is 5 years into development. Feasibility is assured.

NATO, DOD, DOE, and theater commanders firmly support the requirement.

Lack of full congressional support for DOE funding is the most severe problem.

VI. COST

Because of the need to pack a tremendous destructive power into a small volume, the W82 cost per round is somewhat higher than the "average" nuclear warhead. The total system cost, however, is quite low, since the 155-millimeter howitzer is a dual-capable system. The force structure is already there to fire the conventional 155-millimeter round. Hence, the total cost is significantly lower than a nuclear-only system such as GLCM. The advantages of this round make it well worth the expense.

VII. CONCLUSION

When all of these factors are considered, it is inherently logical and vital to develop and deploy the W82 round. From the standpoint of providing an effective military capability and strengthening deterrence, the W82 meets all of the requirements. It will enable us to streamline NATO's nuclear stockpile to provide more capability with smaller numbers of weapons. The W82 program has the highest level support in the Office of the Secretary of Defense, the Joint Chiefs of Staff, the U.S. Army, and the Department of Energy. We all believe that the system will be a distinct asset to our national security.

The PRESIDING OFFICER. Is there further debate?

Mr. WARNER. Mr. President, I move to table the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Georgia.

Mr. NUNN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia to lay on the table the amendment of the Senator from Georgia. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from ALASKA (Mr. MURKOWSKI), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The VICE PRESIDENT. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 30, nays 67, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—30

Abdnor	Hecht	Simpson
Armstrong	Heflin	Stevens
Baker	Helms	Symms
Cochran	Humphrey	Thurmond
Denton	Lugar	Tower
Dole	Mattingly	Trible
East	McClure	Wallop
Garn	Nickles	Warner
Gorton	Quayle	Wilson
Hatch	Rudman	Zorinsky

NAYS—67

Andrews	Exon	Matsunaga
Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Grassley	Mitchell
Bingaman	Hart	Moynihan
Boren	Hatfield	Nunn
Boschwitz	Hawkins	Packwood
Bradley	Heinz	Pell
Bumpers	Hollings	Percy
Burdick	Huddleston	Pressler
Byrd	Inouye	Proxmire
Chafee	Jackson	Pryor
Chiles	Jepsen	Randolph
Cohen	Johnston	Riegle
Cranston	Kassebaum	Roth
D'Amato	Kasten	Sarbanes
Danforth	Kennedy	Sasser
DeConcini	Lautenberg	Specter
Dixon	Laxalt	Stafford
Dodd	Leahy	Stennis
Domenici	Levin	Tsongas
Durenberger	Long	
Eagleton	Mathias	

NOT VOTING—3

Goldwater	Murkowski	Weicker

So the motion to lay on the table amendment No. 1474 was rejected.

Mr. NUNN. Mr. President, have the yeas and nays been ordered on the amendment?

The VICE PRESIDENT. They have been ordered.

Mr. NUNN. I ask unanimous consent that the order for the yeas and nays be vitiated.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. NUNN. I move adoption of the amendment.

The VICE PRESIDENT. If there is no further debate, the question is on agreeing to the amendment of the Senator from Georgia.

The amendment (No. 1474) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, could I have the attention of my colleagues, please? I think they have more than a casual interest on how late we are going to be in here tonight.

Senator GORTON has been waiting patiently throughout the evening for the opportunity to offer his motion. I understand he is prepared to offer his motion, which is a motion to recommit. We have not had a discussion about an agreement on the time. I understand the Senator from Washington is not ready to enter into a time agreement at this moment. I do not anticipate we will take a great deal of time in opposition to the amendment.

Can the Senator from Washington give us some estimate of what he thinks will be required in the way of time?

Mr. GORTON. I would say to the Senator from Texas my remarks will certainly not exceed 10 minutes, but there are a number of other people who wish to speak to it. That is why I am not prepared to enter into a time agreement.

Mr. TOWER. I understand. Why not proceed for a while and at some point perhaps the Senator from Washington would be amenable to a time agreement for the benefit of our colleagues.

Mr. BAKER addressed the Chair.

The VICE PRESIDENT. The Senate will be in order.

Mr. BAKER. Will the Senator from Texas yield?

Mr. TOWER. I yield.

Mr. BAKER. Mr. President, while we are on that subject, let me say that I do not expect us to stay in extremely late tonight. It is already extremely late, I guess. I hope we can finish the debate on this motion and have the vote within an hour. If not, it would be my suggestion to go out and have the vote in the morning.

Let me make clear, Mr. President, that it is my intention to try to assist the managers of the bill to finish this week. Senators should be on notice then that we will be in session on Friday. Whether or not we are in session on Saturday must abide the event.

In addition to the completion of this measure we also have other business that needs to be attended to, including the possibility of appropriations bills.

I would hope that we can finish this motion by midnight or thereabouts and that we can finish this bill sometime within a reasonable time tomorrow. If we cannot do so, however, we will continue to consider this bill on Friday and perhaps on Saturday.

The VICE PRESIDENT. The Senator from Texas.

Mr. TOWER. Mr. President, I yield the floor so we can get on with the business before the Senate.

The VICE PRESIDENT. The Senator from Washington.

MOTION TO RECOMMIT S. 675

Mr. GORTON. Mr. President, I move to recommit S. 675 to the Committee on Armed Services with instructions that the Committee on Armed Services report that bill back to the Senate within 2 days, not counting any day on which the Senate is not in session——

Mr. BYRD. Mr. President, I certainly think we ought to have order in the Chamber. This is a motion to recommit with instructions.

The VICE PRESIDENT. The Senate will be in order.

Mr. TOWER. Mr. President, will the Senator from Washington yield to me for just a moment for an observation?

Mr. GORTON. Yes, I will.

Mr. TOWER. Mr. President, a motion to recommit is amendable, so we could have several record votes on amendments to the motion to recommit. Everyone should understand that, because there have been actions already taken here tonight and some Senators may want protection. So Senators should be advised that they should stick close at hand, because we could have three or four record votes before midnight.

Mr. GORTON. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Washington has the floor.

MOTION TO RECOMMIT

Mr. GORTON. Mr. President, I move to recommit the bill (S. 675) to the Committee on Armed Services with instructions that the Committee on Armed Services report that bill back to the Senate within 2 days, not counting any day on which the Senate is not in session, with such changes as are necessary to insure that the new budget authority for fiscal year 1984 provided for in the bill, as reported to the Senate by such committee, and determined without regard to the assumptions relating to savings due to inflation set forth in the letter of the Director of the Office of Management and Budget to the chairman of the Committee on Armed Services of the Senate dated June 27, 1983, do not exceed the appropriate levels of new budget authority set forth for the functional category relating to national defense (050) for fiscal year 1984 in House Concurrent Resolution 91, agreed to on June 23, 1983.

Mr. President, first, I wish to say incidentally to the minority leader that it is not the intent of this motion to frustrate any action already taken by the Senate, and the instructions certainly do not permit or prohibit in any respect whatsoever the committee from including the amendment of the Senator from Georgia which as already been passed and I assume it would do so.

Mr. BYRD. I thank the Senator.

Mr. GORTON. Mr. President, we in this body spent the better part of 3 weeks debating a budget resolution, House Concurrent Resolution 91, which was finally passed only shortly before the Independence Day recess. It is certainly no exaggeration to say that one of the pivotal subjects of that long and extended debate was the share of the budget which was to be devoted to national defense. While most of the debate centered about the percentage of real increase of the defense budget which was to be appropriate, given the nature of our views toward revenues and toward domestic spending programs, nevertheless, the actual amount for defense was stated in dollar terms, designed by a majority of Members of both the House and the Senate to provide for approximately 5 percent real increase; that is to say, an increase of about 5 percent over and above inflation in the authority for national defense.

This left the Committee on Armed Services and its distinguished chairman, the Senator from Texas (Mr. TOWER), with a very, very difficult task. That task was made more difficult by the fact that the Department of Defense had so strenuously opposed any reductions in its original proposals for defense that the committee was left largely to its own wisdom and its own devices in determining where to cut from the original request of the 10 percent real increase.

At the very last moment, well after all of the Members of the House and the Senate had voted what they thought was an appropriate level of national defense in the first budget resolution and less than 24 hours before this bill was reported to the floor of the Senate, the Committee on Armed Services received a midnight memo on the subject of inflation, among others, from the Office of Management and Budget Director Stockman. Mr. Stockman suddenly, after an extended period of time, found magic new and lower inflation predictions on which to base proposed or projected increased costs for various defense systems.

I may say, incidentally, that he has not found comparable new room for domestic spending programs on the part of committees which have authority over those subjects. But the net result of that new estimate was an increase of roughly $2.1 billion in budget authority for fiscal year 1984.

To put it mildly, Mr. President, that made the task of the Committee on Armed Services considerably easier

than did the assumptions on which the budget resolution was itself made.

Mr. President, the problem with the letter or the memorandum which was received from Mr. Stockman and acted upon with such promptness was that the new inflation predictions included in that letter are, to the best of my knowledge, without basis in either fact or in history. For this purpose, we might look back approximately 1 year to the time at which we were dealing with the defense authorization bill for fiscal year 1983. That proposal, according to the Congressional Budget Office, was based on a defense inflation prediction, or defense deflator, for fiscal year 1983 of 4.7 percent. Through the second fiscal quarter of 1983, the actual deflator figure was 6.6 percent, almost 2 percentage points higher than the one on which we based all of our action a year ago in connection with the 1983 defense authorization bill.

Now, Mr. President, the Director of Management and Budget comes to us with the knowledge or the proposal that we need only count on a 4.7 percent inflation rate for defense purchases other than major systems and a 6.1 percent inflation rate for those major systems for fiscal year 1984. He is, therefore, saying to us that inflation in connection with these military purchases will be almost 2 percentage points lower than in fiscal year 1984, at the time of what we all anticipate to be a very strong economic recovery, a time at which increased interest rates and increased inflation are a significant threat to that recovery, and they are, in fact, in fiscal year 1983, the year in which we had the very lowest point in a recession and thus almost certainly the lowest point in the rate of inflation.

As a consequence, Members of this body should be willing to accept the fundamental premises on which this bill is based only if they feel, in fact, that inflation will be considerably lower during fiscal year 1984 than it is in fiscal year 1983; only if they feel that this last minute estimate is, in fact, correct; only if they ignore the fact that the same estimate for a defense inflator in 1983 was, in fact, almost two full points too low. I submit, Mr. President, that that simply is highly unlikely and that the chances that, in fact, the systems and proposals included in this bill can actually be met with the authorizations contained therein are highly unlikely, to say the least.

Now, while I have spoken of the figure of $2.1 billion, the actual impact of this motion, if it is passed, is unlikely to be quite that high. At the beginning of this debate, at the time at which the question was the budget waiver, on Monday, the distinguished chairman of the Budget Committee stood up and reported on the relationship between budget authority in this bill and the budget authority anticipated by the budget resolution itself. He pointed out to the Members on the floor that in fact the Armed Services Committee had come in at some $800 million less than it could have done under the terms of the budget resolution itself.

So subtracting that $800 million from $2.1 billion by which this bill was increased, we see that the approximate and probable effect of this bill would be to require $1.3 billion in budget authority to be taken out of the bill at some point or another during the course of the process.

As I have discussed this proposition with a number of my colleagues, some of them have been restless about dealing with this bill in this fashion. Some have pointed out that if in fact the Stockman figures are incorrect and the general assumption and the general private opinion on this floor is that they are incorrect, they can be taken care of during the appropriations process.

I should like to point out not only to the chairman but the members of the Armed Services Committee that to the extent that they use that argument they are frustrating the very reason to have a defense authorization bill at all. For a number of years it is my understanding that this Congress went along without having defense authorization bills and that the basic defense decisions were made by the Appropriations Committee.

If, however, the Armed Services Committee is to use the expertise which it genuinely possesses, it should come up with something realistic, something which can be met without major substantive and programmatic changes by the Appropriations Committee itself. To exactly the extent that Members say this does not count, let the Appropriations Committee take care of it, they are saying that the entire debate process through which we are going this week does not count. If these figures are invalid, they should be corrected by the Armed Services Committee and not by the Appropriations Committee.

Second, the chairman of the committee himself in privately debating this matter has said if you think the figures are too high you should vote for amendments which take the requisite amount of money out of specific programs.

Mr. President, I put to you that that is exactly what I think would be inappropriate for me to do or for that matter to a certain extent for any other nonmember of the Armed Services Committee to do. I must confess to a greater degree of frustration from the absolute unwillingness of the Secretary of the Department of Defense to prioritize his concerns over what defense systems are most important and what systems, while he regards them to be important, are of a secondary nature. To a very significant degree I think that that is true in connection with the report of the Armed Services Committee on this bill.

I do not want to specify where any cuts caused by these unfortunately inaccurate inflation predictions should come from. I want the expertise of the distinguished senior Senator from Texas. I want the expertise of my own senior Senator from the State of Washington. I want the expertise of all of the members of the Armed Services Committee on where this amount of money should be found. I do not want to operate blindly in voting for amendments and for cuts which might not be the priority cuts of the experts in this field who are to deal with this particular subject.

In summary, Mr. President, we had a very difficult time in passing the budget resolution. The original Senate budget resolution passed this body by a margin of 1 vote, 50 to 49. The conference committee report had 2 or 3 votes in addition to that. I want to say very bluntly that I can see no justification for any person who was in that majority at either time supporting this bill under this set of circumstances using a far different inflation figure, one of the most important single figures in any budget resolution, almost immediately after we have adopted a defense policy based on realistic estimates from the congressional Budget Committee.

Second, I should like to point out that the overwhelming majority of the Members of the U.S. Senate who voted against the budget resolution did not, to put it mildly, vote against it because they thought that it spent too little money. They voted against it because they thought that it spent too much money. With the exception of the distinguished chairman of the Armed Services Committee and a handful of others, those negative votes were not based on the ground that we were spending too little for defense. There was a relatively broad consensus for that proposition.

As a result, I feel very strongly that we should require action of this nature. To support this bill guarantees that the Appropriations Committee will cut, thus making this debate less relevant than it ought to be or that we will end up having to cut, to reprogram or most likely to spend substantially more than was otherwise the case.

In a letter which is dated today to me from the Congressional Budget Office, the Congressional Budget Office makes the following statement:

CBO would expect that the fiscal year 1984 program of the Department of Defense would be underfunded and that any savings from adjustments in the inflation rate would eventually require a reduced number

of weapons bought, reprograming and/or a supplement.

That language ought to be familiar to almost every Member of this body because that is precisely what has happened with the defense budget year after year after year. The figures have been unrealistic and either there has had to have been a reduced number of weapons bought, reprograming and/or a supplemental.

At this time the CBO reports a major change in the CBO rates—in this case of inflation—is not to be expected. I urgently ask the Members of this body not to be taken in by last minute and obviously contrived figures resulting from the actions of the Department of Defense and the Office of Management and Budget which you have already rejected and which desire to subvert not only the budget process but the policies which have been carefully and considerately already adopted by the Senate and by the House of Representatives of the United States.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I think that we on the Armed Services Committee established a pretty good record this session of not doing anything to subvert the budget process. We have waited patiently for the budget process to run, not just for the adoption of the Senate first concurrent resolution but we waited for the conference so that we would know what the ceiling would be, and we lived within that ceiling. As a matter of fact, we had a discussion in the committee recognizing the fact that the first concurrent is only a target, and we are not mandated to stay within the parameters of the first concurrent budget resolution. But we wanted to maintain the credibility of our committee. We wanted to support the budget process, and we elected, Mr. President, to stay under the ceiling established by the conference report which was eventually adopted by both houses. Even though most of us did not like it, we thought that this was the responsible thing for us to do.

Now we are confronted by a motion to recommit our bill because a few people do not like the way that we made our calculations. The fact is, according to the Congressional Budget Office—as a matter of fact, I think one Senator was contemplating offering a motion to recommit with instructions to come back with a 5-percent real increase because there was some impression we exceeded 5 percent. I would be delighted to support such an amendment because that would give us more money.

We actually come, according to the CBO, with a 4.6-percent increase in real terms. We are $1.1 billion below our budget ceiling in obligational authority.

This was not any new thing that was sprung on anybody, the fact of the change in purchase cost, inflation assumptions. They were discussed as early as May 5 in the committee, as the committee records show. We elected not to accept the numbers that appeared to exist because they had not been validated. Eventually, they were. I think they should have been validated sooner.

Of course, the Office of Management and Budget did me no great service, or any member of the committee any great service, in waiting so late to validate these figures, and I concede that. But the fact is that they were validated, as they had been for any other of the numbered accounts in the budget resolution back in April. So again we waited patiently, while other jurisdictional committees that had jurisdiction over certain accounts could take advantage of the April calculations.

Mr. President, if this bill goes back to committee, it will be my intention to report back as quickly as possible. But I think it will mean a long weekend. If anybody has the notion that he can string out the bill to next week by a recommittal motion, I should like to disabuse him of that, because it would be my intention to convene the committee tonight, if possible, and be ready to go in the morning. It might not be possible, and I have not consulted with the distinguished ranking minority member on that. If he says, "It ain't possible," it "ain't possible."

Let me note, Mr. President, than when CBO scores the bill, the reasons for taking money out of the budget are irrelevant. If the bill were recommitted, the committee might agree to assign a different reason for their proposed reductions, but this would have no effect on the bill totals nor on the CBO scoring of the bill. This would really be a useless exercise.

Even if we backed out everything that might be assigned to change the inflationary assumptions, we would come in only $400 million above the budget with our current bill—above the budget ceiling; and, of course, I would anticipate that if the bill were recommitted, we would come out with a proposition that would probably result in higher obligational authority than is now contained in the bill, because I think we would feel inclined to go to the ceiling.

So I hope that the Senate will reject this motion.

It is my understanding that the distinguished Senator from New Mexico, the chairman of the Budget Committee, will speak later on this matter. He is in the Chamber, and eventually I hope to hear from him.

I yield to the distinguished Senator from New Mexico.

Mr. METZENBAUM. Mr. President, I think the rules of the Senate do not provide for one Member to yield to another.

Mr. TOWER. The distinguished chairman of the Budget Committee has said, "Let him talk." Therefore, the Senator from Ohio may speak if the Chair will recognize him.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I appreciate the cooperation of the chairman of the committee and of the chairman of the Budget Committee.

I rise to support the motion of the Senator from Washington. I think the motion he makes could very aptly be called the integrity in budgeting amendment. It deals with the subject of finding $2.1 billion in the 11th hour or, in this instance, probably the 12th hour, in connection with the subject of military spending.

We have to look at this matter in an overall perspective. The administration wanted a 5-year defense budget of $1.8 trillion, or more than $20,000 for every household in America. By 1986, the President would actually have us spending a billion dollars a day for defense.

The Budget Committee worked zealously on the question of what the numbers ought to be. There were members of that committee who felt very strongly that they ought to be set at a 10-percent increase, and there were members of that committee who thought there ought to be a zero increase.

So that there may be no misunderstanding about that, the motion to that effect was offered by a Member from the opposite side. So there was discussion back and forth; and finally, as a compromise, it was agreed that the figure would be 5 percent.

As a matter of fact, I cannot think of anything that the Budget Committee dealt with that took up more attention or involved more deliberation than the matter of trying to resolve the budgetary increase figures for defense.

The fact is that the House was not supportive of that 5 percent figure, and the House wanted more money for domestic spending. We fought back and forth, not over billions but over millions, and finally came to a resolution of the Defense Department figures as well as the other figures in the budget.

However, during all this period, the Secretary of Defense had made it quite clear that he did not agree with the budget process in the first instance. As a matter of fact, we all know that on June 16, the Secretary of Defense wrote a letter to the chairman of the Armed Services Committee, in which he refused to indicate where savings could be made in the de-

fense budget. He encouraged the committee—a rather audacious kind of letter—to ignore the 5-percent real growth limit of the House-Senate conference. He went on to say, "I do not worship with the faithful at the altar of the congressional budget process."

That is the right of the Secretary of Defense. But the fact is that those of us in Congress who think Government ought to be conducted in an orderly manner may not worship at the altar of the congressional budget process, but we respect it. It is the law of the land, and we try to live within the confines of the law of the land.

The fact is that we are talking about a rather small amount of money in one sense, $2.1 billion, as compared to the total Defense Department spending, but a tremendous amount of money when we are talking about some of the cuts that were put in place with respect to domestic spending.

During this entire process, Mr. Stockman's voice was mute. It was not heard. He had not used his pencil with respect to the inflation adjustment. He had not advised the chairman of the Budget Committee or any other Member of Congress that he was able to find $2.1 billion by reason of an inflation adjustment. Suddenly, out of nowhere, he comes up with the $2.1 billion figure.

I believe that this Senate should support the Gorton motion, regardless of whether Senators are for higher defense spending, lower defense spending, or whatever. I think it is a matter of whether or not Senators respect the process which we have elected to have govern ourselves. It is the budget process.

We have been hoodwinked. We have had a situation where the information was withheld from us and whether or not the distinguished chairman of the Armed Services Committee says that the matter was being talked about back in April or May is not relevant because, as he points out, the figures have not been validated.

I am not an authority on figures about the budget and other kinds of figures, but I have not heard the term "validated" before. I do not know what it means. But I guess it means that they had not been authenticated by the Office of Management and Budget and, therefore, the chairman of the Armed Services Committee was not confident in going forward and using them.

Suffice it to say that all of the members of the Armed Services Committee were taken by surprise and certainly all of the Members of Congress were taken by surprise when Mr. Stockman looked up into the sky and with his little pencil found $2.1 billion additional, and that is all we are talking about. Mr. Stockman has had a record along this line.

Let me quote to the Senate from the article about David Stockman in the Atlantic Monthly, and this is his quote:

> There was less there than met the eye. Nobody has figured it out yet. Let's say that you and I walked outside and I waved a wand and said, "I've just lowered the temperature from 110 to 78." Would you believe me? The numbers are just out of this world.

That is from Mr. Stockman.

Mr. Stockman has a record of coming up with numbers that are just out of this world and in this instance they are figures that are just out of the sky.

I am not arguing the accuracy or the credibility of the $2.1 billion. I think there is always an appropriate inflation adjustment. But why did Mr. Stockman see fit to hold those figures back until the 12th hour?

And all that the Gorton motion does is it sends the matter back to the Armed Services Committee so that all of us in Congress may be given fair credit and the Armed Services Committee may be called upon to act with the same constraint and not just spend the extra $2.1 billion.

Let me read to you from the article in the Washington Post.

> After voting the $888.7 million for the B1, the committee proceeded to make additions to the authorization bill to use up most of the rest of the $2.1 billion

This is the relevant language:

> To use up most of the rest of the $2.1 billion.

Here is a Congress that is concerned about holding down spending and yet we find the Armed Services Committee trying to find a way to use up the $2.1 billion that Mr. Stockman found as pie in the sky.

I am not even taking issue with the rightness or the wrongness of the manner in which they used up that $2.1 billion. The issue is not a question of whether or not those particular expenditures are right or wrong. The issue is whether or not that $2.1 billion should be used to bring down the amount of expenditures by the Armed Services Committee.

If Senators believe in the integrity of the process, if Senators believe in the integrity of the budget itself, then, as I see it, Senators have no alternative but to vote favorably and to support the Gorton motion to recommit this measure.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I wish that I could agree with my friend from Washington (Senator GORTON) the distinguished member of the Budget Committee, and my good friend from Ohio (Senator METZENBAUM) who worked so hard in the conference, but I cannot.

What the Senator is really arguing about here tonight is that he does not like this defense bill because somehow or another it might end up costing more in the out years than he thinks it should cost because the costing of military procurement is not as accurate as he would like it.

I heard another Senator seeking recognition a while ago, the distinguished Senator from the State of Iowa that serves on the Budget Committee, I suspect, that that when he speaks, he will argue that he is against this bill because he does not believe the estimates that the Defense Department gives us on what procurement is going to cost.

That is not a bad argument. If the Senator makes that argument, he probably should vote against the bill because he believes it is underfunded.

That is a different issue. Anyone in this Chamber should vote that way if they do not believe the budget estimates the military is giving to Congress.

Let me say to my good friend from Ohio who worked so long and hard on the budget conference, that I can remember him saying over and over to the conferees from the House of Representatives that the Senate had to have $268.6 billion in budget authority for National Defense in 1984. Does the Senator remember that?

Mr. METZENBAUM. Yes.

Mr. DOMENICI. The Senator from Ohio was our best spokesman. He convinced the House conferees that $268.6 billion was 5 percent real growth. Without him we could not have gotten that agreement.

Now the real fact is that the Senate Budget Committee estimates the cost for the defense function based on the CBO estimate of the cost of this bill, assuming if it were all appropriated, and it is not—it is authorized at $267.8 billion—I do not care what economic assumptions the Senator claims David Stockman handed to someone, the estimated cost is still less than the Senator from Ohio so ably negotiated with the House of Representatives—$267.8 billion.

Now, Senator GRASSLEY might get up and say the Senator's $268.6 billion is baloney because next year it is going to be $20 billion more than the Senator thinks, and the Senator from Ohio might get up and say CBO is whacky, it is going to cost $25 billion more next year.

I submit that if that is the case, we should not blame the budget process. Do not blame economic assumptions, and do not blame a belated David Stockman adjustment to economic deflators. Blame something else.

If Senators want to recommit this bill, they should not recommit it on some notion that the Armed Services Committee is making a mistake; when,

as a matter of fact, they came in lower than our guideline in an authorization bill over which we technically have no jurisdiction. As a matter of fact, if they were $2 billion higher, the Budget Committee has nothing to say about it because this is an authorizing bill. The appropriators do not have to appropriate the full amount and we do not measure spending except in an appropriations bill.

The Armed Services Committee knows that the appropriators are not going to fund every item in this bill. In fact, some items will be deleted. They may add some that will make JOHN TOWER angry because they are not even in this bill.

So if the Senator wants to be mad at some belated reassessment of a deflator, let me tell him how this committee could have accomplished the same thing. In fact, I hope the committees of authorization that are as controversial as this one will do it in the future.

I hope they will get about nine-tenths through the bill, stop, and then send it over to CBO and say, "Price it out for us,". CBO will send them over a price and then they will say "We have this much left,". Then the committee will finish and will not have been concerned about the economic assumptions in the bill.

The committee can say CBO told us that it is within the guidelines.

So, I really think with the amount of work that has gone into this bill, the amount of time this Senate spent on it, Senators have a clear opportunity to do one of two things—vote yes or no when this bill finally comes up to vote, but don't recommit it because you disagree with the economic assumptions.

But certainly do not vote to recommit it on the basis of your being angry at somebody for adjusting economic assumptions belatedly.

Let me tell you one last fact. If I read CBO right, and I would ask my good friend the junior Senator from Washington if I am reading it right. First, they say they have no updated economic assumptions after January.

Second, they say "Nonetheless, we have estimated this bill and it is within the budget guidelines." I submit if that is the case, it is significantly under the first budget resolution targets.

So I would think that if anything it would be yet lower in budget authority. So if you want to vote against the bill, vote against it that you do not like the mix of programs, you do not like the way the military estimates outyear costs, and I remind everyone that there is nothing binding about the outyear estimates.

So it seems to me the distinguished Senator from Texas and his committee deserve an up-or-down vote on the bill, not on this issue of whether or not they have breached some budget guidelines when it is apparent they have not.

Mr. BAKER. I will not take but a moment. I understand the distinguished minority manager wishes to speak. I plan to make a motion to table, as I indicated earlier, and I would like to do that before midnight. People are tired, and they will be in late tomorrow night. I understand the Senator from New York wishes to speak and the Senator from Massachusetts, the Senator from Florida, the Senator from Iowa, and the Senator from Washington.

I really hope, Mr. President, we keep those remarks as brief as possible, and when they are finished, it will be my intention to make a motion to table.

Mr. JACKSON. Mr. President, the distinguished junior Senator from Washington, my colleague, has demonstrated outstanding professionalism in his work on the Budget Committee, and I salute him. His work in the short time he has been on that committee has come to the attention of the Nation as a whole.

I merely want to say objectively, as I went through all of the markup process on the Armed Services Committee, that my chairman did everything he could to get the figures from OMB as to the savings. We knew what the savings were going to be on petroleum, $1.3 billion.

I must also say that the Office of Management and Budget did not handle this matter properly. In fact, the idea of coming up the last minute put the chairman of our committee in a very difficult position. But I am standing here to tell my colleagues that the Senator from Texas (Mr. TOWER) played it straight. He did everything he could. We knew there were going to be some savings. Only the amount was in question?

So I think where we are at a little before midnight is a situation in which we are arguing over numbers when we know, I think, what needs to be done here as far as the defense budget is concerned. I think the Senator from New Mexico put his finger right on it. You have to decide for yourself. We have the CBO figure where we are under the budget resolution target.

I would strongly urge my colleagues to support the position taken by the committee under the leadership of Senator TOWER, and that is not send this bill back to the committee. Even if we start at midnight tonight we will get into an argument over the various programs that we have been arguing about now for many weeks in committee.

So I hope the motion to send it back to the committee will be rejected.

Mr. GRASSLEY. Mr. President and Members of this body, I am going to approach this problem exactly as my friend from New Mexico predicted I would. In the process of making my remarks, may I remind my friend from New Mexico that the people we are working with in this administration are supposed to be our friends. All we have sought since January is information. In fact the Senator from New Mexico helped me to a great extent in regard to my pursuit of information.

We have had ample evidence of cost overruns, low-balling and underestimating to get programs started.

I think we can say that historically almost every one of these programs is going to cost much more than were anticipated.

I have been spending many months working with Senator GORTON, Senator KASSEBAUM, and others to get more realistic budget numbers from the Defense Department. My conclusion has been that the real costs of the 5-year defense budget will be much greater than is stated. The budget numbers are underestimated in order to fit everything into this budget, into these budget constraints.

I sense this is occurring here on this very authorization bill. The numbers were altered to fit everything inside the budget resolution. This bill is a microcosm of the larger 5-year defense budget which is terribly underfunded.

This is not the way for the Congress to conduct either its budget affairs or its national security affairs. It can only hurt our defense, our economy, and public confidence in the budget process.

I support Senator GORTON's motion to recommit this bill to committee, and urge that the committee make the tough decisions necessary to comply with budget constraints voted on by the Congress.

Let me say this: Budget constraints do not cause our defense problems. It is our inability as a body to deal with these constraints intelligently that has caused our defense to suffer.

Mr. MOYNIHAN. Mr. President, I would make two brief points: The first is that this will not be the end of this discussion. The Office of Management and Budget at the very last moment came to the Armed Services Committee and suggested a set of price deflators which implies an inflation rate for fiscal year 1984 of 2.3 percent; 1984 will come and go and we will have had the opportunity to learn whether in fact that was the case.

Economic forecasts are fallible, and yet they have a certain internal integrity to them, and we trust in the organizations that make them. Just yesterday in Paris the OECD put forward its forecasts for the member nations of 1984. It stated that its best forecast for the U.S. inflation in 1984 was 5.25 percent. Just a few days ago Data Resources Inc. issued its forecast for the year broken down by quarters as follows: For the last quarter of the new

fiscal year, 5.2 percent; then 4.6, then 4.4, then 4.2.

If we go ahead with the assumption suddenly presented to us yet never before encountered in the economic forecasts of the present time, of 2.3 percent, I believe we will deceive ourselves to no advantage. I suggest the issue will be raised when that deceit, that self-deceit, has become a matter of historical fact.

Second, Mr. President, and lastly, if we are to assume a 2.3-percent inflation rate with respect to this authorization measure, I assume it would be acceptable that we assume the same rate for all the other authorization bills that come along. And I would be interested when such proposals are made, to see how much support we got from those now defending the 2.3 percent. Their support is clearly not likely, and clearly not forecast by our own organization, the CBO. It is clearly within our powers to recommit this bill and, ask the CBO to make its estimate. We should abide by it as our institution, giving us its best professional advice.

I thank the Chair.

Mr. KENNEDY. Mr. President, I rise in support of the motion offered by Senator GORTON, a Republican and a member of the Budget Committee. I think it is appropriate that he raise this issue, because it is a bipartisan concern and it deals fundamentally with the budget process which this body has worked diligently to make succeed.

I reluctantly voted against this bill in the Armed Services Committee because I oppose the flagrant budgetary manipulation that accompanied the committee's action.

The executive branch discovered $2.1 billion of additional funds on the last day of our committee deliberations—enough to fund the multiyear procurement of B-1 bombers which our Strategic and Theater Nuclear Subcommittee had recommended against. Such statistical trickery undermines the hard work of the Armed Services Committee and the credibility of the entire budgetary process.

Until the final day of our committee deliberations, I intended to vote in favor of this legislation. I disagreed with some provisions of the bill, but I was very favorably impressed by the hard work of my colleagues, by the professionalism of the committee staff, and by the conscientious process which we followed in the committee in marking up the defense budget.

The budget mark received by the Armed Services Committee from the Budget Committee permitted 5 percent real growth in defense spending, compared to the 10-percent growth requested in the President's budget. To meet the 5-percent target, the Armed Services Committee allocated reductions from the President's request to each subcommittee. The subcommittees than marked up their portions of the defense budget to meet the assigned target, and reported their conclusions to the full committee.

This procedure worked very well until the final moments of our full committee markup. The Strategic and Theater Nuclear Forces Subcommittee had recommended deleting funds for multiyear procurement of the B-1 bomber and limiting production to a rate of three aircraft per month.

This recommendation was ratified by the full committee, and would have been reported to the Senate—until we were presented with a $2.1 billion pot of gold on the last day of our deliberations.

I regard David Stockman and OMB, and the Reagan administration, as the principal offenders in this budget charade. But the committee must share the blame for permitting itself to be tricked by the administration's unseemly last-ditch effort to salvage the B-1.

Mr. Stockman's notorious reputation for cooking budget numbers is well earned. On the present issue, Mr. Stockman was clearly aware of the timetable for congressional action. In particular, he was aware that if he confirmed the supposed $2.1 billion in budget savings too quickly, before action on the budget resolution was completed, the Budget Committee might well use the savings to reduce the Federal deficit.

Even after the budget mark for defense was set by the budget resolution, Mr. Stockman still had to run the gauntlet of the Armed Services Committee. If he confirmed the savings too quickly for the full committee, the additional funds would be allocated among the subcommittees in accord with the committee's established procedure, and there would be little likelihood of assigning enough of the savings to rescue the B-1 bomber.

Instead of dealing fairly with the committee, Mr. Stockman conveniently arranged for the new OMB estimate to be delivered to the committee at the 11th hour of its deliberations, long after the subcommittee markups had been completed, but just in time for the new-found funds to be diverted to the B-1.

If it were not so serious an issue, Mr. Stockman's budget acrobatics would be comical. In the nursery rhyme, Little Jack Horner stuck in his thumb and pulled out a plum. In this case:

Little Dave Stockman sat in his office,
Biding his budget time;
He stuck in his thumb,
Pulled out a B-1,
And said, "Oh, what a good boy am I."

I have the greatest respect for Senator TOWER, distinguished chairman of the Armed Services Committee. He has done a fine job in guiding our committee through a difficult endeavor. But I also have respect for the budget process, for the hard work of Senators DOMENICI, CHILES, GORTON, and other members of the Budget Committee.

This amendment says to our committee: We respect your expertise on defense issues, but you must respect our guidance on budget matters.

This is not a vote against defense spending. It is a vote for our budget process, and a warning to those who would attempt to abuse it.

I urge my colleagues to support this motion.

Mr. CHILES. Mr. President, everybody has talked about it and recalls the debates we had when we were on the budget resolution. Those of us in the Budget Committee felt when we left the Senate after we had passed the resolution with a vote of 50 to 49 that we really had a firm commitment of the Senate that we were going to stand for 5 percent. We went to the House and went through a tough conference fight and the basis of that fight every day on our part was that we had made a commitment to the Senate that we will have at least 5 percent. We came out with a figure slightly higher than that, about 5½, I think. But there is no way that we can go back or will go back to the Senate without a true 5 percent.

The House, as you know, called their figure 4 percent. When you really got to looking at the numbers, it was close to 2.4 to 2.6 as an actual percentage figure. So they had to come more than three-fourths of the way to us in the conference. That was a very tough thing for the House to do. We finally got them to agree to allow CBO to price it out and that they would accept the CBO figure. We went back and forth on this, but we insisted all the time.

Now, had we had the Stockman figures, the 5 percent would be over $2 billion lower. And now, of course, those Stockman figures materialized at last and were popped out of the box. And I am not going to argue today that this violates the Budget Act. It does not. I am not going to argue that the Armed Services Committee has acted in bad faith. I do not think they have.

But, I hope Senators will put themselves in a position, especially the fiscal conservatives, of what they would be feeling like if we did this kind of pricing. What if we did this kind of pricing in medicare? What if we said, "We do not think hospital costs are going to go up this year and so we are going to use about a 2.3-percent figure on hospital costs"? Imagine the kind of overruns. Imagine what we would have in medicare. What if we did that in food stamps? What if we did it in any of the other programs? I can tell you the fiscal conservatives in here would be jumping

out of their skin and they would be talking about, "This is not truth in budgeting." They would be talking about all of the fudging.

But then let us just disregard that. This money has now gone into pricing of programs. What is going to happen? We are not going to have a 2.3-percent figure in defense in inflation. I do not believe that and I do not really believe that many people in here believe that. So what is going to happen? Well, what it means is one of several things. You are going to have a supplemental and that means you will violate the Budget Act at the time that you come with the supplemental. And you know, because the number of the weapons themselves—they are carried in the report here—the way it is done. It means that you will not be able to buy what the report says that you expect to be able to buy. So we know what happens there. The unit costs go up. It will cost us more. We will have cost overruns there. Or—and this has happened so many times that it has made us all sick—they will reach into operations and maintenance and they will take the money out of there.

Now, my goodness, we had every periodical—Life, Time, Look—all talking about the spending reports, all talking about the overruns that we have had, all talking about the poor management and costs that we have had in defense and here we are building it in. We are building it in tonight. We are building it in this bill right here and we know we are building it in.

And we are doing it because we allowed David Stockman to come up here—and we have so carefully used CBO and we have said this whole year, "You are not going to lead us down this path again of giving us some phony figures." CBO may be wrong but at least they are sort of impartial, and at least they are doing it on a standard basis that we are going to use that. And here we are turning around and compounding it.

I think the Senator from Washington has put his finger on something so quickly. It is just the wrong way to go about it. We do not want to set this as a way of doing it. We are going to have to pay for it.

The question is, Should we allow it to be corrected right now or are we going to put the load on the Appropriations Committee, because I guess that is where it will really have to be done. Then we are going to pay for it later in operations and maintenance or coming out of there, because you are not getting something for nothing.

So we are adding the $2 billion to the deficit or we are going to take it out of operations and maintenance or we are going to reduce our buy. We are going to do one of those things because you cannot work this with mirrors.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. CHILES. I yield.

Mr. DOMENICI. Does the Senator really think if we take this back and take out $2.1 billion—is that what is being recommended?

Mr. GORTON. $2.3 billion.

Mr. DOMENICI. Do you really think that the appropriators would spend less than the amount in the budget resolution for military expenditures? I am not talking about this bill, I am talking about the appropriators.

Mr. CHILES. I would trust the appropriators are going to try to save money in every way they can. And I happen to be a member of that body and the Senator is too. And I am going to try to help them do that and I expect the Senator is, also.

Mr. DOMENICI. Maybe I ought to be a little more specific. Do you think they are going to spend less because you are taking $2.3 billion out of an authorization bill, which is itself under the budget resolution?

Mr. CHILES. I think if you allow phony figures to be used, we are making a mistake. And I think it will come back to haunt us. And I will be glad to see the Senator about that a little further down the line and determine whether it does come back to haunt us or not.

I think we will have an opportunity to correct it in the Appropriations Committee. And I trust that if this does not work tonight on this motion, I trust that we are going to have another shot and that is where I will certainly work to correct it and I hope the other members of the Appropriations Committee will, too. But I do not think it should go this way.

Mr. DOMENICI. I want to ask one other question. The Senator asked would we do this kind of thing with medicare.

Mr. CHILES. That is right.

Mr. DOMENICI. My understanding of the way the budget process handles medicare and other entitlements affected by economics is that the appropriation process is, literally, as a matter of stipulation, held harmless from increases or decreases that might occur as a result of economic changes. So when they appropriate in a bill that has direct appropriations for entitlements, we do not even charge for the entitlements. If they go up, they go up. If that breaches their authority, it breaches it, because they are assumed not to be bound by economic changes that are without their control.

Mr. CHILES. I do not think medicare is appropriated.

Mr. DOMENICI. How about food stamps?

Mr. CHILES. But my example was medicare.

Mr. DOMENICI. And food stamps.

Mr. CHILES. All right, that is your example. If the committee decided just to report a new bill, they could do that, and they could say under the Stockman figures now, or other manufactured figures, "This comes within our ceiling." They can do that in a reconciliation bill. They can say, "We made our savings because David Stockman came in here this morning and said this was so."

Mr. DOMENICI. We have CBO pricing, I will say, just as we do here. That would be my last comment. We pass judgment on CBO pricing.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

[The following proceedings occurred after midnight:]

Mr. GORTON. Mr. President, I ask unanimous consent that Senators DURENBERGER, KENNEDY, METZENBAUM, MOYNIHAN, BUMPERS, and GRASSLEY be added as cosponsors of this motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Also, as a result of a request of Senator MITCHELL, the remarks which I made in reference to Senator NUNN's amendment apply equally to his.

As the Senator from New Mexico knows, there is no Member of this body for whom I have greater admiration than I do him, or on whom I have been more dependent during my short career here.

Having said that, I must say very bluntly that I feel the two principal points that he made in connection with his response to me are grievously in error on the basis of his own figures and presentations.

He started out by saying that CBO had decided on the basis of its figures that the authorization in this bill was, in fact, $800 million less than the authorization anticipated by the budget resolution, and that that was based on CBO figures.

If the Senator from New Mexico will look at the presentation which he made on Monday, which is in the CONGRESSIONAL RECORD, he will note that that $800 million difference is a result of a line called OMB inflation adjustment minus $3.4 billion.

CBO accepted, for the purposes of that chart, Mr. Stockman's midnight report to the Armed Services Committee. CBO did not accept the validity of the statement. It simply listed its numerical number.

CBO in a letter to me today states that, "At this time, a major change in the CBO rates" on which the Budget Committee's action was based "is not expected."

That, of course, is what I feel to be the second error made by the Senator from New Mexico. While it is true that CBO has not and will not for another

3 or 4 weeks update its inflation figures, it is unfortunately the case that inflation figures, which were arrived at in January, are very unlikely to be reduced in rates by the next time CBO comes up with that. In fact, that is precisely what the CBO says in its letter to me today. That is to say that lower inflation rates projected by David Stockman are not going to be projected by the Congressional Budget Office in all probability.

Therefore, the $3.4 billion inflation adjustments contained in the Senator's own report on the budget waiver are simply a report of what OMB said. They are not CBO's opinion of the accuracy or the validity of those figures.

We have, as a direct result of what David Stockman told the members of this Armed Services Committee on the last day of their markup, $2.1 billion more in budget authority in this bill than would have been the case without that report by David Stockman and OMB. Unless you believe that David Stockman was accurate, which he has not been, I may say, last year or the year before, on any of these figures—unless you believe that he was accurate, you have before you an authorization bill which cannot carry out all of its purposes within the amount of money which is its bottom line. We will come back here and either have to slow down some of these things, cancel some of these things, or, more likely, pay more for some of these things as a result of figures which are inaccurate, unless we require the Armed Services Committee to do its work on the same basis utilized by the Budget Committee, on the same basis utilized by the Senate when it passed the budget resolution, on the same basis that the conference committee used at the time at which the final budget resolution was adopted.

We have a special deal provided for the Armed Services Committee by David Stockman and OMB which has not been granted to anyone else. We have a special deal which, I submit to Members of this body, should not be accepted because it has never been accurate in the past and is not accurate now.

SEVERAL SENATORS. Vote! Vote!

Mr. TOWER. Mr. President, I will not prolong this. I simply want to say the Armed Services Committee was not required to come in under the budget ceiling in any case. Even without the assumptions we would have been only $400 million above the budget ceiling, which is only a target, anyway. We are not mandated to do that. But we came in below, at 4.6 or 4.7 percent real growth.

I think the Armed Services Committee should not be punished for diligently complying with not only the spirit but the letter of the budget process.

You unnecessarily prolong the consideration of this bill if it is returned to the Armed Services Committee. I predict the result will not be substantially different, except that the instruction says we must come in at or below the ceiling. I would be reasonably sure that we would go to the ceiling. It is very possible that you might end up with a little bit larger budgetary authority than you would otherwise. That is to say a greater expenditure of money.

The proper thing to do is to defeat this motion, and I hope that is what the Senate will do.

Mr. DURENBERGER. Mr. President, I intend to support the motion to recommit this bill to committee for further work. This is not an easy decision, but I feel it is a necessary one. The bill is simply too large, and I feel that it overfunds a number of less important programs to the detriment of such urgent priorities as Army ground forces or operations, maintenance, training, and stockpiles.

Let me note, however, that the Armed Services Committee deserves our support and appreciation for working so hard and long on this bill. The committee did a first-rate job of reducing the Pentagon's budget request in order to fit within the guidelines of the first budget resolution. The President's budget message had sought more than $213 billion in authority for defense this year. The committee returned a recommendation of less than $200 billion.

The real issue is not the committee's job. The issue, instead, is whether or not the Pentagon will respect and abide by the budgeting process. As most Senators are aware, the committee had made a number of hard choices in order to meet necessary commitments to our security while staying within the spending guidelines set out by the Senate. The result was a set of committee proposals which admirably balanced a number of competing claims. Obviously, each of us here might have done things a shade differently in terms of individual items, but that is not the point. The point is that throughout its consideration of the bill, and throughout the markup, the committee faced up to the budgetary guidance set by the Congress, and allocated its funds well.

Some of the decisions the committee reached were so important, and so strong a concession to the need to hold spending within sensible limits, that the press paid attention. For instance, faced with the need to meet several commitments while money was limited, the committee chose to reduce funding for the B-1 bomber. For people who support the B-1 program—and I do—this was obviously a painful outcome. But it was clearly necessary, and it reflected the committee's willingness to meet its responsibilities to all taxpayers. It is not surprising, therefore, that several major newspapers paid attention to this decision.

Why should we recommit the bill given this record? Simply because the work of the committee was undone in large measure at the 11th hour when the Pentagon somehow "found" that things would not cost as much as originally assumed, and that moreover a good deal of extra money was available. This discovery came on the last day of the markup. It caught everybody by surprise, to say the least, and it gave the committee little choice except to alter its recommendations in order to reflect this newly found money.

That is why the bill we are considering today looks somewhat different from the bill we expected to consider. And it is why the bill should be recommitted.

If the Defense Department and the Office of Management and Budget have so little control of the money we set aside that they can find extra funds at the last minute, we have to ask ourselves just how well they are run. Is it really worth it to pour nearly $200 billion into the hands of people who do not seem to know where it goes? I am reminded of the famous comment by Senator Everett Dirksen: "A billion here, and a billion there, and pretty soon we're talking about real money."

So if OMB and the Defense Department can find a billion here and a billion there when it suits their purpose, I think it is only sensible for us to ask the committee to take a closer look at the original requests which shaped its decisions. Perhaps they can come in with altered figures. Perhaps they can find a billion here or a billion there to restore some of the cuts which were taken in operations and maintenance funds—cuts which prompted Senator HUMPHREY to express concern over our investment in modernization versus readiness.

There is another possibility, of course. Perhaps the committee will discover, when it is given the time it was denied by the last-minute tactics of the Pentagon, that the newly "found" money is not there at all. If so, this will call into question the wisdom of proceeding to invest funds which do not really exist in programs which may well not be needed.

In short, Mr. President, the issue here is not whether we like or dislike the particular way the committee allocated its funds among various programs. That is an important point, and it is one that we ourselves will deal with through the amending process. So let us not kid ourselves that we should recommit the bill simply in order to restore or cut funds for some particular program, whether the B-1, the MX missile, or anything else.

Instead, the real issue is the integrity of the budget process. At a time when the recovery is beginning to take hold, but when it can be imperiled by the failure of this Congress and the Government to come to grips with deficits, we do not need a bill based on magic numbers. We must preserve and enhance our economic recovery by looking the facts straight in the eye. If we have more money in the defense coffers than we had thought, we must ask why. If we are being flim-flammed on the basis of somebody's wish list, we must recognize that the recovery is far more important than some bureaucrat's career. In either event, I feel that we must ask the committee to reexamine the figures it was given. If we do not, then we further undermine a budget process which already has been weakened too much.

Mr. President, a recent exchange between David Broder, the respected political columnist, and Caspar Weinberger, the Secretary of Defense, illustrates the problem I have addressed. I ask unanimous consent that the Broder editorial of June 22, the reply by Secretary Weinberger on June 29, and the followup by Mr. Broder on July 10 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 22, 1983]

WEINBERGER THEN AND NOW

(By David S. Broder)

"Let's be fair and reasonable," I cautioned.

"You want to talk fair and reasonable?" the cabbie said. "Okay, here's an internment camp survivor who dies the day after the compensation act goes into effect, so his family inherits $20,000. Here's another guy who dies the day before the act takes effect, and his people don't get diddly. Is it fair for them to miss out just because it took Congress so long to pass the bill? What about the people who died shortly after they left the camps? Maybe the ones that didn't survive are the ones that got hurt the worst. Is it fair not to give their children anything?

"You want fair?" He was fairly shouting by now. "What's fair about compensating the Japanese-Americans and not compensating the Navajos and the Sioux and the others we took land from? What's wrong with compensating the Chicanos for taking Texas and Arizona and Southern California? You're not talking fair. You're talking dumb. You're talking about draining the national treasury, as if the economy's not in bad enough. . ."

"There's one group you forgot to mention," I interrupted. "The descendants of the ex-slaves who were promised 40 acres and a mule. Now mules don't have any offspring, so I guess that part's about dead."

"Forget the mule," the cabbie said, suddenly thoughtful. "But it sure would be nice if I could pick up Grandpa's 40 acres, particularly if it happens to be in downtown Atlanta or Birmingham or someplace like that. Of course if my 40 acres happened to be sitting under the Superdome or maybe in the middle of some fancy country club, I might sell it back to them—at market rates, of course. Then, there's my wife's 40 acres . . . matter of fact, the more I think about it the more sense you make. It's about time this country made up for the way it treated the Japanese. And others."

It's an old story in Washington that where you stand depends on where you sit. That's a practical acknowledgment of the fact that people's views change as they change responsibilities.

Still, it is extraordinary to find Secretary of Defense Caspar W. Weinberger, of all people, inviting and urging members of Congress to subvert the congressional budget process.

This is the same Cap Weinberger who, in his earlier incarnation, was the director of the Office of Management and Budget for the Nixon administration. In those days, Weinberger understood the importance of enforceable spending ceilings.

On Oct. 10, 1972, when Richard Nixon was trying to impose an overall spending lid on a Congress which then had no budget process of its own. The Post published a letter from budget director Weinberger. He argued that "the proposed spending ceiling is absolutely essential to the nation's economic well-being."

"This Congress," he wrote, "has proved beyond any reasonable doubt that it has been incapable of exercising effective control over total spending . . . The Congress pays excessive attention to details and virtually no attention to overall totals or to the effect of individual separate acts of spending on the budget totals. This is the very antithesis of fiscal responsibility."

Some of what Weinberger said of that Democratic Congress—a few weeks before the 1972 election—had the ring of partisan rhetoric. But it was essentially an accurate picture of the way things were then.

Two years later, recognizing the accuracy of the indictment, Congress voted the congressional budget process into being. The enforcement tool of that process is the requirement that individual spending bills must remain below the ceilings set by the overall budget resolution. It was that discipline—the so-called reconciliation process—that the Reagan administration used to force important reductions in previous domestic spending plans only four months after it took office.

But now it is defense spending that Congress proposes to discipline, and both Weinberger and President Reagan have shifted ground. They are the ones who are telling Congress to forget about the overall ceiling and pump out the money the Pentagon wants.

In a letter last week to Chairman John G. Tower (R-Texas) of the Senate Armed Services Committee, Weinberger said that even "if the House-Senate budget conference agrees upon a 5 percent real growth defense funding level, as stated in your letter," Tower's committee should ignore the ceiling and "avoid making any reductions" in Reagan's 10 percent defense hike.

The secretary pins this act of White House-sanctioned defiance on the technicality that the first budget resolution—on which Congress has been laboring since February—is not final and binding. He ignores the reality that if a budget ceiling is breached at any points, all the barriers to runaway spending will come down.

Reagan has chosen to ignore the same point, constantly disparaging the congressional budget process as a "Rube Goldberg machine," and throwing roadblocks in the way of the Republican and Democratic lawmakers who are struggling to contain the deficits.

This is a strange concept of conservatism and Reagan and Weinberger are employing. It is a conservatism that denigrates the need for discipline. It is a conservatism that would squander a long-term asset—as the budget process surely is—in order to achieve a temporary advantage. It is a conservatism that rejects the need for political and fiscal balance and insists on having it all its own way.

That is not conservatism. That is dogmatism, even when it is wrapped in fine phrases about national security. And it is political opportunism, setting the stage for a veto strategy aimed at depicting Congress as a pack of wild spenders.

This is not a new game, as Weinberger knows. Back in 1972, when Weinberger was unsuccessfully urging a spending ceiling, Richard Nixon announced that "with or without the cooperation of Congress," he would do all that he could to limit expenditures. "If bills come to my desk calling for excessive spending, which threaten the federal budget, I will veto them."

That kind of talk helped Nixon win his landslide reelection in 1972, and similar rhetoric may help Reagan in 1984. But the Nixon victory soon turned to dust, as the country discovered that behind his facade of conservative talk, Nixon was determined to get his own way—and the laws be damned.

Cap Weinberger escaped unscathed from the ruins of the Nixon years, and he came back to Washington with a reputation for intellectual and political integrity. It is disquieting to see him put his talents on the block for another president who sets his own will above the law.

[From the Washington Post, June 29, 1983]

YELLOW JOURNALISM

(By Caspar W. Weinberger)

David Broder's column on June 22—"Weinberger Then and Now"—demands a response. I have rarely seen so short a piece in need of so much correction. It ignores and implicitly rejects the constitutionally prescribed method for enacting legislation; misrepresents both the immediate purpose and the longer-term effects of the congressional budget process, which were to raise overall spending levels instead of lowering them; and distorts the records of the administrations in which I have been privileged to serve.

The Constitution provides for the president's participation in the legislative process both by recommending bills for consideration to Congress and by exercise of the veto power. A president who vetoes legislation does not thereby "set his own will above the law," as Broder suggests; to the contrary, he carries out his constitutional responsibility to determine what the law shall be. Broder's concern that the operation of this constitutionally established scheme, which has been in place for almost two centuries, may "subvert the congressional budget process," which was developed less than a decade age, stands our system of government on its head. It is the congressional process that must accommodate to the constitutional scheme, not the other way around.

Broder's equating the exercise of the veto power with a "the-laws-be-damned" attitude is yellow journalism of the crudest sort, and his reference to President Reagan as "another president who sets his own will above the law" because he has threatened to use his veto power is both absurd and shameful.

In fact, I regard that as one of the most maliciously erroneous remarks I have seen in all the years I have read about President Reagan.

The column starts by stating that I "understood the importance of enforceable spending ceilings" for the federal budget as a whole when I was director of OMB and it assumes that I now no longer understand it. The evidence for this is that I do not worship with the faithful at the altar of the congressional budget process, I never have, and the reason is that I understand the importance of enforceable spending ceilings, which the congressional process does not provide. What it does provide is elastic, nonbinding spending levels at the start and a process for ratifying appropriations in excess of those levels at the end—a "Rube Goldberg machine" if ever there was one, as President Reagan has said.

It is fashionable now, particularly among journalists and in Congress, to point to the budget process as a method of imposing fiscal discipline on the federal budget. The origins of the process are, however, far more ambiguous than this view acknowledges, and with the exception of the 97th Congress, which was dominated by President Reagan and deemphasized the "congressional" in the "congressional budget process," there is little in the history of the process to support it.

In fact, the question for Congress in the early '70s, before the budget process was established, was not so much one of disciplining overall spending levels as of who would dictate those levels—Congress or the president. The record shows that for three budgets developed while I was deputy director and director of OMB—fiscal year 1972 to fiscal year 1974—the president established and enforced those levels rigidly. Overall spending was kept within $1.5 billion of the budget in each of the three years, and came in below the budget in two of the three years:

[In billions of dollars]

	Fiscal year—		
	1972	1973	1974
President's proposed outlays—January budget	229.2	246.3	268.7
Actual outlays	230.7	245.6	267.9

The president enforced fiscal discipline principally through two devices—vetoes and impoundments. Congress disapproved of both devices and in establishing its budget process in 1974, prohibited impoundments altogether and, as Broder's article demonstrates, attempted to diminish the effectiveness of vetoes by implying that they are at least faintly improper in the context of the new procedures. Congress claimed to have replaced these presidential controls with its own reconciliation process, to which the column refers. In view of the continued existence of the veto power, however, it is simply wrong to assume that the reconciliation process is the exclusive legitimate source of fiscal discipline. It is Congress' method and not a very effective method at that; the president retains the veto.

If the reconciliation process worked to discipline overall spending, of course, it would not matter whether Congress or the president controlled it. Regrettably, however, the process has characteristically resulted in precisely what it was intended to when it was adopted in 1974: Congress has been able to impose higher overall spending levels than the president has sought in his budget:

[In billions of dollars]

	Fiscal year—			
	1980	1981	1982	1983
President's proposed outlays—January budget	531.6	615.8	739.3	757.6
Actual outlays	579.6	657.2	728.4	[1] 805.2

[1] Estimated.

With the exception of fiscal year 82, when President Reagan controlled the process and outlays were $11 billion below what President Carter had proposed, the pattern of $40 billion increases holds. In fact, even fiscal year 82 is consistent with the pattern, if we recall that Congress did not actually consider the budget submitted by President Carter. The budget submitted by President Reagan in March 1981, which Congress acted on, increased by $33.1 billion over the president's request of $695.3 billion.

I am opposed to the congressional budget process because as a rule it fails to hold down overall spending levels, not as Broder suggest because it succeeds in doing that. It does not succeed and, more seriously, it makes it more difficult for the president to succeed. In reclaiming the constitutional veto power, however, President Reagan has served notice that he will restore discipline to the budget process, even if Congress will not. It is high time.

Finally, I should respond briefly to the assertion that I have changed my mind about the desirability of holding down overall spending levels because this presently has an adverse impact on this administration's request for the defense budget. I have said enough here to show that I favor today, as I have over the years, "effective control over total spending." I also favor today, as I have over the years, a strong national defense. During my time at OMB, I consistently supported more spending for the defense budget than Congress appropriated I regret to find myself in the same position 10 years later. Ten years ago, I also consistently felt that Congress was appropriating more money overall than the economy could support. The figures proposed in the budget resolution before Congress persuade me that it would do so again, if the president does not use or at least offer to use, his veto power. I supported the use of the veto power to hold down overall spending levels 10 years ago, and I support it today.

There does not seem to me to be any "political opportunism" or "shifting ground" in this record. In asking Sen. John Tower to provide in the defense authorization bill the money needed to protect our national security, I am not telling Congress to "forget about" overall spending levels; nor is the president. In fact, the entire administration is strongly urging Congress to cut back sharply on domestic spending so a proper ceiling can be adhered to. We are also urging enough military spending to enable us to meet the real security need of the country. My letter to Sen. Tower is not "defiance" of the law; it is based on the idea that a process that relies on rubber budget ceilings, and permits appropriations committees to shift amounts previously allocated to a function up or down, is not an effective process for disciplining federal spending in any event. The track record of the last 10 years bears this out.

As for "having it all my way," sadly, no one who has been long in public life could claim so much. I have always felt a responsibility, nonetheless, at least to have people understand what my position is and why I hold it. Broder's statement that by so doing I am putting my will "above the law," or that the president is, seems to me to undermine seriously his reputation for intellectual and political integrity.

[From the Washington Post, July 10, 1983]

THE BLAST FROM WEINBERGER

(By David S. Broder)

On June 29, the distinguished secretary of defense was transformed suddenly into "Mad-Cap" Weinberger. The ire of the Hon. Caspar W. Weinberger was so aroused by the scribblings of a hitherto obscure journalist named Broder that he unleashed a MIRV-missile of a missive to the editor of The Washington Post. In 1,276 well-chosen words, plus charts, he proved conclusively that said Broder was guilty of "yellow journalism" in questioning the posture the administration had taken toward Congress' efforts to limit the size of next year's military budget.

One would like to believe that the secretary of defense was not diverted from his heavy responsibilities by such petty irritations, and therefore assigned the Broder-bombing mission to some of the Pentagon flacks, otherwise known as Caspar's friendly ghosts.

But the style of the letter was vintage Weinberger, and showed the former Harvard Crimson editor at his finest. "Absurd," "shameful" and "maliciously erroneous" were among the milder adjectives with which he singed the offender.

Along the way, Weinberger also lambasted the congressional budget process with such gusto that he pretty much confirmed the main point of the original column: that he and the president he serves will do all in their power, by hook or by crook, to evade the limits on military spending set in the budget passed by the nation's elected lawmakers.

"I do not worship at the altar of the congressional budget process," Weinberger wrote. "I never have, and the reason is that I understand the importance of enforceable spending ceilings, which the congressional budget process does not provide. What it does provide is elastic, nonbinding spending levels at the start and a process for ratifying appropriations in excess of those levels at the end—a 'Rube Goldberg machine' if there ever was one, as President Reagan has said."

Weinberger's description of the congressional budget process differs from that of the Committee on Economic Development, an organization of 200 leading businessmen. In a report released the same day as Weinberger's letter, the blue-ribbon group, including Weinberger's successor as the Nixon administration budget director and three former Cabinet members, said:

". . . the reforms instituted by the [budget] act have had a major beneficial impact on congressional budget procedures. . . . They have for the first time caused individual members of Congress to take responsibility for the aggregate budgetary outcome of their legislative actions. They have clearly facilitated a more rational and coordinated consideration of budget issues and their relation to economic developments. They have also permitted a more systematic look at budget priorities."

The report conceded that "the early years of the new budget process did not result in the degree of improvement in fiscal disciplines" that had been hoped for, but it noted that Congress has responded by "substantially strengthen[ing] the first budget resolution, giving it close-to-binding force," and clamping down on other spending loopholes. "We strongly support continuation of the basic elements of the present budget process and believe that further strenghtening of that process is a vital precondition for sound and effective fiscal and economic policies," the business group concluded.

Weinberger and the Reagan administration are pursuing exactly the opposite course, weakening the congressional budget process where they can and evading it whenever possible.

The day before the secretary's letter was published, Weinberger and his partner, David Stockman, the director of the Office of Management and Budget, sent the Senate Armed Services Committee a midnight revision of the Pentagon's fuel prices and equipment costs. By reestimating the inflation factor for 1984, they found $2.3 billion of unallocated funds—including all the money needed to spare the B1 bomber program from what seemed a certain slowdown.

"It is strange that at the 11th hour they managed to come up with it," said Sen. Dan Quayle (R-Ind.), a committee member. It sure was. Had Weinberger and Stockman delivered the estimate earlier, while Congress was considering the budget, as they were repeatedly pressed to do, the information could have been used to reduce the overall spending ceiling for the year—or to reallocate the money to any program, domestic or military. By coming in when they did, Weinberger and Stockman evaded the congressional budget process.

Their numbers look as suspicious as their timing. Their oil estimate, one nonpartisan congressional staff expert told me, is "terribly optimistic"—about $2 a barrel lower than any other figure extant. The prediction of savings on defense materiel flies in the face of the experience in the first half of 1983, when those costs outran estimates by almost 2 percent, the same specialist said.

The latest incident—like Weinberger's earlier refusal to give the Armed Services Committee the guidance it sought on areas for defense cutbacks—demonstrates this appointed official's contempt for Congress.

It does not matter a whit if Weinberger trashes a reporter. It matters a great deal if he trashes Congress, and gets away with it.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, as I indicated earlier, it was my intention to attempt to table this motion. I believe all those who have wanted to speak have now spoken.

Mr. President, I move to table the Gorton motion and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, before the vote starts, let me say the Senate will come in at 10 a.m. This will be the last record vote tonight.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Vermont (Mr. STAFFORD), the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Louisiana (Mr. LONG) are necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 41, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—53

Abdnor	Hatch	Nunn
Andrews	Hawkins	Percy
Armstrong	Hecht	Pressler
Baker	Heflin	Quayle
Bingaman	Helms	Roth
Boren	Huddleston	Rudman
Byrd	Humphrey	Simpson
Chafee	Inouye	Stennis
Cochran	Jackson	Stevens
Cohen	Jepsen	Symms
D'Amato	Johnston	Thurmond
Denton	Kassebaum	Tower
Dixon	Kasten	Trible
Dole	Laxalt	Wallop
Domenici	Lugar	Warner
East	Mattingly	Wilson
Garn	McClure	Zorinsky
Glenn	Nickles	

NAYS—41

Baucus	Exon	Metzenbaum
Bentsen	Ford	Mitchell
Biden	Gorton	Moynihan
Boschwitz	Grassley	Packwood
Bradley	Hart	Pell
Bumpers	Hatfield	Proxmire
Burdick	Heinz	Pryor
Chiles	Kennedy	Randolph
Cranston	Lautenberg	Riegle
Danforth	Leahy	Sarbanes
DeConcini	Levin	Sasser
Dodd	Mathias	Specter
Durenberger	Matsunaga	Tsongas
Eagleton	Melcher	

NOT VOTING—6

Goldwater	Long	Stafford
Hollings	Murkowski	Weicker

So the motion to lay on the table the motion to recommit S. 675 was agreed to.

Mr. TOWER. I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, I rise for the purpose of engaging the distinguished manager of the bill in a brief colloquy concerning the $150 million reduction directed by the Armed Services Committee in the Army procurement account for "Other Support Equipment."

In its report accompanying the bill, the committee declared that, "In allocating the reduction, the Army should consider deferring those items which might be readily available from commercial sources should there be an outbreak of hostilities."

In past communications with the able chairman of the Armed Services Committee and my esteemed colleague, the chairman of the Tactical Warfare Subcommittee, I have emphasized the importance of providing full funding in fiscal year 1984 for the grader and scraper portions of the commerical construction equipment (CCE) program. I am concerned, therefore, that the report language guiding the allocation of the $150 million reduction not be construed by the Army as applying either exclusively or in part to the grader and scraper procurements.

First, I would point out that the tractor scrapers and motor graders, which are produced by the Caterpillar Tractor Co. in Illinois, are highly specialized pieces of equipment built to order for the Army and are not readily available from either factory or distributor inventories. For example, this equipment is by design capable of withstanding chemical attack. The vehicles feature pressurized cabs and special, nonporous paints fully resistant to the powerful decontamination agents that would be applied following chemical attack. The chemical protection features of the equipment are built into the vehicles starting at the subassembly stage and could not be added retroactively. As a result, any graders and scrapers that might be located in civilian hands during a crisis could not be upgraded to meet this crucial Army specification.

If lesser-capable graders and scrapers could be located and expropriated in a contingency, the Army would find itself in possession of a hodge-podge of makes and models incompatible with the logistics base being established to support the standardized Caterpillar procurement.

Second, I would also point out that these machines are by nature extremely large and bulky and, in general, not air-transportable. Accordingly, it is the Army's intention to buy this equipment now and preposition it in Europe and the Far East, thereby avoiding what would otherwise be an enormous transportation bottleneck during a rapid reinforcement operation. Wheel tractor scrapers, in particular, are not manufactured in Europe and therefore would be in very limited supply in event of hostilities in that region.

Lastly, I would stress that in bidding on the Army's proposed multiyear contract for the CCE program, Caterpillar offered very low prices—about 50 percent of normal selling price—based on large quantity, accelerated delivery, its

strong desire to reemploy workers now unemployed because of continued depressed conditions in its commercial business, and therefore would be placed at a serious disadvantage if the contract should be reduced. The original Army contracts with Caterpillar were thus a bargain all around: The Army gets vital defense equipment at cut rate prices thus benefiting the American taxpayers enormously, and high-unemployment areas in Illinois receive a desperately-needed shot in the arm. If, due to reduced funding, the Army were to have to extend the planned CCE procurement program, the Army might well not be able to buy a standardized fleet of construction equipment due to the very real possibility of model changes or a need to rebid the purchase.

In light of these considerations, I would therefore ask the distinguished Senator from Texas to confirm that it was not the intent of the Armed Services Committee to reduce funding for the scraper and grader accounts below the level requested for fiscal year 1984.

Mr. TOWER. Let me say in response to my good friend from Illinois, the distinguished chairman of the Foreign Relations Committee, that the reduction made by the Armed Services Committee in the Army's other procurement account is an undistributed reduction—that is the committee has not specified how the Army will take the reduction.

This other procurement account contains 121 different line items for miscellaneous equipment, ranging from firetrucks to railroad cars. The budget request for this account was $1.433 billion; the reduction of $150 million made by the committee represents a cut of just over 10 percent.

With regard to the Senator's particular question on construction equipment, the committee did not mandate cuts in any specific equipment items. The reduction will be distributed by the Army and the committee will be advised of where those specific cuts will be made—before any funds are expended. In its normal oversight role, or the committee will either endorse the Army's recommended cuts or coordinate with the Army to modify the recommended cut list. I think it would be foolish to cut funds earmarked for ongoing contracts for construction equipment which are very advantageous to the Army; as the Senator points out, some of these contracts are providing equipment to the Army at a cost of about one-half of what commercial users are paying. I will be very surprised if the Army proposes to take, as part of the undistributed reduction made by the committee, any significant reductions in the construction programs that might jeopardize ongoing contracts for construction equipment.

Mr. PERCY. I thank the Senator for that clarification and appreciate his continued cooperation on this vital procurement program.

I know also the distinguished minority leader of the House, Hon. ROBERT MICHEL, whose congressional district embraces the world headquarters of Caterpillar and who has worked diligently in the other body on this matter, would want me to express his deep appreciation as well.

Mr. TOWER. Mr. President, the Senator from Idaho (Mr. SYMMS) has a resolution which I think can be disposed of by voice vote very quickly. I think it has been cleared on all sides, so I would suggest, if he can be recognized for that purpose, we can close down the Armed Services Committee business here tonight, and how long Senator BAKER and Senator BYRD conduct their business is up to them.

RECOGNITION OF THE ROLE OF JAPANESE-AMERICANS IN THE SECOND WORLD WAR

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I have a resolution which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 173) recognizing the role of Japanese-Americans in the Second World War.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. SYMMS. Mr. President, the United States of America owes a deep debt of gratitude to the Japanese-American servicemen who fought in World War II.

The 100th Infantry Battalion, later united with the 442d Regimental Combat Team, fought with honor and distinction—and with heavy casualties—in Italy and France. Other Japanese-Americans, understanding the Japanese language, served in the Military Intelligence Service and were in effect the eyes and ears of Allied forces in the Pacific theater. Approximately 33,300 Nisei, the first American-born generation of Japanese, served in World War II. Many thousands never came back.

Such service was performed during a very difficult period, not only in a national sense, but more specifically in the individual and group lives of Japanese-Americans. It was during this period that the loyalty of those of Japanese descent was considered suspect.

To Japanese-Americans such was not tolerable. Such was an insult to them as individuals and as Americans that had to be remedied. The record had to be set straight and their honor restored.

Mr. President, the record was set straight. The resolution which I am introducing lists in only the merest detail the gallantry and heroism shown by these Japanese-Americans determined to leave no doubt that they too were Americans in the finest sense of the word.

These individuals proved their loyalty. For them the issue was settled, the matter closed. Those that returned, returned not to demand apologies, damages, or reparations of some manner as a result of the Nation doubting their loyalty. To them, such would have been an insult. They returned to build a future for themselves and their families in this country which they love, and a future they did build. Americans of Japanese descent have, through their efforts, fully integrated themselves and have distinguished themselves in our national life.

The Japanese-American servicemen did more than help win the war against fascism abroad. They won the respect and trust of their fellow Americans of every national and racial origin.

I think it is worthy to note that we have two very distinguished Senators for Hawaii who were part of this unit. I think the American people owe a great debt of gratitude to all those men who proved their loyalty to the United States at a very crucial time in our history.

Mr. MATSUNAGA. Mr. President, just a word of appreciation. I thank the Senator from Idaho for submitting the resolutions.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 173) was agreed to, as follows:

S. RES. 173

Whereas the 100th infantry Battalion, the 442nd Regimental Combat Team, and the Japanese-Americans who served in the Military Intelligence Service in the Pacific Theater served valiantly in the Second World War;

Whereas the men of the 100th Infantry Battalion and the 442nd Regimental Combat Team received, among other awards, seven Presidential Unit Citations, one Congressional Medal of Honor, fifty-two Distinguished Service Crosses, five hundred sixty silver Star Medals, over four thousand Purple Heart Medals and Oak Leaf Clusters, and over four thousand Bronze Star Medals with more than twelve thousand Oak Leaf Clusters; and

Whereas these American soldiers risked their lives in the service of this country, suffering in the process a casualty rate of over 45 percent: Now, therefore, be it

Resolved, That the Senate recognizes the debt of gratitude owed by all Americans to those Japanese-Americans who served this country so valiantly and honorably in the field of battle during the Second World

War, and expresses to the 100th Infantry Battalion, the 442nd Regimental Combat Team, and all of those Japanese-Americans who served in the Military Intelligence Service the deepest admiration and most sincere thanks of the Nation.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, to last for 1 minute, in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE 75TH BIRTHDAY OF PARLIAMENTARIAN EMERITUS "DOC" RIDDICK

Mr. MATHIAS. Mr. President, today is the 75th birthday of the Parliamentarian Emeritus of the U.S. Senate, Floyd M. Riddick, known to all of us, with affection and respect, as "Doc."

Born in Gates County, N.C., on July 13, 1908, Dr. Riddick attended Vanderbilt and Duke Universities, earning his doctorate in political science at Duke in 1935. While researching his doctoral dissertation, he spent the year of 1933 observing the workings of the U.S. House of Representatives, a study which he eventually expanded and published as Congressional Procedure in 1941. Moving to Washington, first as a statistical analyst for the FERA, and then for the Rural Resettlement Administration, he continued his congressional research interests, as an instructor of political science at American University from 1936 to 1939, and later as editor of the Congressional Daily for Congressional Intelligence, Inc., from 1939 to 1943. He then edited Legislative Daily for the U.S. Chamber of Commerce from 1943 to 1947, a project which led to an invitation to establish a "Daily Digest" in the CONGRESSIONAL RECORD. From 1947 to 1951, Dr. Riddick established and continued the Senate "Daily Digest." It was from that post that Doc joined the office of Parliamentarian, where he remained for 24 years.

Dr. Riddick is the author of numerous scholarly books and articles on congressional activities. These include "Congressional Procedure" (1941), "Congress in Action" (1948), "The U.S. Congress: Organization and Procedure" (1949), "Senate Procedure" (1958, 1964, 1974), and a series of articles summarizing the work of each Congress from the 76th through the 90th Congresses, appearing in the American Political Science Review and the Western Political Quarterly.

Doc's wisdom, knowledge, counsel and patience have enhanced the lives of those Senators and staff who have worked with him during these many years; his steadfast commitment and love for the U.S. Senate has enhanced the stature and strength of that vital institution.

Since so-called retirement in 1974, he has continued to give generously of his time and talent, writing and publishing "History of the Committee on Rules and Administration, United States Senate and Senate Procedure," and codifying the Standing Rules of the Senate; advising Senators and speaking to parliamentary groups; serving as the Rules and Administration Committee's resident wise man; being honored by election to the presidency of the American Institute of Parliamentarians and the Cosmos Club; and, more recently, serving as the principal consultant to the work of the Senate Study Group, the distinguished former Senators James Pearson and Abraham Ribicoff.

Dr. Riddick's direct observation of, and participation in, the work of the Congress spans an eventful 50 years. We look forward to many more years of association with this man of the Senate, Floyd M. Riddick.

ILLINOIS MANUFACTURERS SUPPORT TRADE DEPARTMENT

Mr. PERCY. Mr. President, I had the opportunity to meet with the members of the Illinois Manufacturers Association on June 24, 1983. They support the formation of a Department of International Trade and Industry embodied in Senator ROTH's bill, S. 121. The IMA joined the National Association of Manufacturers and other organizations and businesses that have expressed their support for an International Trade Department. The Illinois State Chamber of Commerce will take a position on this legislation soon and I look forward to their recommendation, too.

The IMA correctly sees that the stability and future of the U.S. economy depends on our success in foreign markets. Over 20 percent of U.S. products are exported and 80 percent of the manufacturing jobs created between 1977 and 1980 were in export industries.

Under Senator ROTH's proposal, our foreign trade policy would be established by the combined efforts of the Department of Commerce and the Office of U.S. Trade Representative under the new Department of Trade and Industry. The IMA believes this new department would speak with an effective, unified voice that would promote the expansion of U.S. exports.

So that this demand for the reorganization of the Department of Commerce may receive more attention, I ask unanimous consent that the full text of the "I.M.A. Position Regarding the Creation of a New U.S. International Trade Department" be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I.M.A. POSITION RE CREATION OF NEW U.S. INTERNATIONAL TRADE DEPARTMENT

The Administration recently proposed the creation of a cabinet-level Department of International Trade and Industry. Earlier, Senator William Roth (R-DE) had introduced S. 121, the "Trade Reorganization Act of 1983." A somewhat similar bill, H.R. 2630 (Bonker, D-WA), is also under consideration in the House. These actions are in response to the growing demand for some type of federal government reorganization designed to cope more adequately with international trade problems.

International trade has become increasingly central to the United States economy. We are the world's largest exporter. Over 20 percent of everything we produce is exported; one of every three acres of land under cultivation is for export, and one in six industrial jobs is dependent on exports. Some 23 percent of all manufactured goods is exported. Between 1977 and 1980, four out of five new manufacturing jobs were attributable to exports. In addition, more than 70 percent of all U.S. goods is now effectively in international competition. A concerted trade effort is sorely needed to counter foreign competition.

Under the Administration's proposal, the trade policy functions of the Department of Commerce and the trade negotiations now carried out by the Office of U.S. Trade Representative would be joined in a single department. Non-trade functions of the Department of Commerce would be assigned to other areas of government. The Export-Import Bank, the essential credit financing tool, would also be joined. The new department would not only provide a leaner, more efficient, better coordinated approach to international trade, but would also help to achieve many key objectives:

A healthy and open system of international trade;

Expansion of U.S. exports;

Reduction of overseas barriers so that American firms can compete more effectively abroad;

Encouragement of the private sector to seek out more opportunities overseas;

And of great importance, insurance that America speaks with a strong, unified voice in trade and industrial matters.

The National Association of Manufacturers (NAM) and the U.S. Chamber of Commerce are both supporting the concept. The NAM has long advocated a unified trade department which would act as a logical planner, central reference point and strong spokesman for exports. The State Department, which has a natural concern for trade policy, has also indicated agreement.

It is recommended that the board approve an I.M.A. position in support of a Department of International Trade and Industry for communication to the Illinois congressional delegation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to

the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed in the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 6:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 929. An act to amend the Act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 8:30 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House agrees to the amendment of the Senate to the bill (H.R. 3392) to amend the Agricultural Act of 1949, with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 10. An act to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1956;

H.R. 2163. An act to amend the Federal Boat Safety Act of 1974, and for other purposes; and

H.R. 2809. An act to establish a National Fish and Wildlife Foundation.

HOUSE MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 10. An act to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; to the Committee on Environment and Public Works.

H.R. 2163. An act to amend the Federal Boat Safety Act of 1974, and for other purposes; to the Committee on Finance.

H.R. 2809. An act to establish a National Fish and Wildlife Foundation; to the Committee on Environment and Public Works.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 13, 1983, he presented to the President of the United States the following enrolled joint resolution:

S.J. Res. 96. Joint resolution to designate August 1, 1983, as "Helsinki Human Rights Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1428. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Israel; to the Committee on Armed Services.

EC-1429. A communication from the Acting Secretary of the Navy transmitting a draft of proposed legislation authorizing reimbursement for expenses by certain members of the uniformed services deprived of their quarters aboard ship; to the Committee on Armed Services.

EC-1430. A communication from the President of the United States transmitting, pursuant to law, notice that he is waiving the ceiling on troops permanently stationed ashore in Europe by the number of personnel associated with deployment of ground-launched Cruise Missiles in Europe; to the Committee on Armed Services.

EC-1431. A communication from the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics transmitting, pursuant to law, a report on the comprehensive study of the DOD dependent's school system; to the Committee on Armed Services.

EC-1432. A communication from the Acting Secretary of State transmitting, pursuant to law, a report listing Soviet nationals participating in the 1983-84 U.S.-U.S.S.R. graduate student/young faculty and senior research scholar exchange and their topics and places of study; to the Committee on Foreign Relations.

EC-1433. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a list of General Accounting Office reports issued during May 1983; to the Committee on Governmental Affairs.

EC-1434. A communication from the Assistant Secretary of Health and Human Services for Health transmitting, pursuant to law, a report on two new Privacy Act systems of records; to the Committee on Governmental Affairs.

EC-1435. A communication from the Chairman of the U.S. Merit Systems Protection Board transmitting, pursuant to law, the Board's study of the 1981 reductions-in-force in the Federal Government; to the Committee on Governmental Affairs.

EC-1436. A communication from the Secretary of the National Aviation Hall of Fame, Inc. transmitting, pursuant to law, the calendar year 1982 audit report for the National Aviation Hall of Fame; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources, with amendments:

S. 772. A bill to promote public health by improving public awareness of the health consequences of smoking and to increase the effectiveness of Federal health officials in investigating and communicating to the public necessary health information, and for other purposes (with additional and minority views) (Rept. No. 98-177).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance:

Stephen J. Swift, of California, to be a Judge of the United States Tax Court for a term expiring fifteen years after he takes office.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 1610. A bill to establish the wilderness areas in Wisconsin; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DECONCINI (for himself, Mr. GOLDWATER, Mr. HATCH, and Mr. GARN):

S. 1611. A bill entitled the "Arizona Strip District Wilderness Act of 1983"; to the Committee on Energy and Natural Resources.

By Mr. BAKER (by request):

S. 1612. A bill to amend title VIII of the Act commonly referred to as the Civil Rights Act of 1978 to provide the Secretary of Housing and Urban Development and the Attorney General with additional authority to enforce rights to fair housing, and for other purposes; to the Committee on the Judiciary.

By Mr. TRIBLE (for himself, Mr. BINGAMAN, and Mr. THURMOND):

S. 1613. A bill to amend title 10, United States Code, with respect to the provision of medical benefits and post and base exchange and commissary store privileges to certain former spouses of certain members or former members of the Armed Forces; to the Committee on Armed Services.

By Mr. HEINZ (for himself, Mr. HATCH, Mr. BRADLEY, and Mr. PACKWOOD):

S. 1614. A bill to amend title XIX of the Social Security Act to allow States to implement coordinated programs of acute and long-term care for those individuals who are eligible for both medicare and medicaid; to the Committee on Finance.

By Mr. MATSUNAGA (for himself, Mr. RANDOLPH, Mr. HOLLINGS, Mr. INOUYE, Mr. LEAHY, Mr. SARBANES, Mr. RIEGLE, Mr. MOYNIHAN, and Mr. BYRD):

S. 1615. A bill to amend title XVIII of the Social Security Act to authorize payment for occupational therapy services under part B of the medicare program; to the Committee on Finance.

By Mr. STEVENS (for himself and Mr. INOUYE):

S. 1616. A bill to revise the laws regarding the transportation of Government cargoes in United States-flag vessels; to the Committee on Commerce, Science, and Transportation.

By Mr. STEVENS (for himself and Mr. INOUYE):

S. 1617. A bill to provide for consideration of certain policy objectives in order to promote the development and maintenance of an efficient ocean transportation system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S.J. Res. 128. A joint resolution to designate the day of October 22, 1983, as "Metropolitan Opera Day."; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SYMMS:

S. Res. 173. A resolution to recognize the role of Japanese-Americans in the Second World War; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN (for himself and Mr. PROXMIRE):

S. 1610. A bill to establish the wilderness areas in Wisconsin; to the Committee on Agriculture, Nutrition, and Forestry.

WISCONSIN WILDERNESS ACT

Mr. KASTEN. Mr. President, I am very pleased to announce that today I am introducing legislation to create four new wilderness areas in my home State of Wisconsin.

This legislation will give these areas the special protection necessary to maintain their wild character. By bringing these areas into the National Wilderness Preservation System, they will be protected in an undeveloped state for the use and enjoyment of present and future generations of Americans.

The bill which I am introducing today will create four new wilderness areas. Those areas are: the "Porcupine Lake" area comprising 4,235 acres of the Chequamegon National Forest; and the "Headwaters Wilderness" area, comprised of three adjoining tracts in the Nicolet National Forest: the "Kimball Creek" area (7,527 acres); "Headwaters of the Pine" (8,872 acres); and "Shelp Lake" (3,705 acres).

By designating these lands as wilderness, Congress will assure that they remain undisturbed by man. By definition, wilderness is an area where man is but a visitor, and his actions should leave no lasting mark. These areas are to remain undisturbed so that future generations can see the land as our settling forefathers first experienced it.

In drafting this legislation, I have worked very closely with groups who use Wisconsin's national forests. This bill will give the needed protection to those lands most suitable for management as wilderness. It will protect the most significant roadless areas in the State where incompatible land uses have not already become established. In addition, it will not take commercially important lands out of production or otherwise impair the important forest products industry in my home State.

Joining me in introducing this bill today is the senior Senator from Wisconsin (Senator PROXMIRE). His cooperation throughout the process of drafting this legislation has been most helpful. Also joining on a companion bill will be a number of other members of the Wisconsin delegation in the House of Representatives. I believe that with the broad bipartisan support of the Wisconsin delegation action can be soon taken to enact this legislation.

Mr. President, I ask unanimous consent that the complete text of this important legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in furtherance of the purposes of the Wilderness Act (78 Stat. 890; 16 U.S.C. 1131)—

(1) Certain lands within the Chequamegon National Forest, Wisconsin which are generally depicted on the map entitled "Porcupine Lake" comprising four thousand two hundred and thirty-five acres; and

(2) certain lands within the Nicolet National Forest, Wisconsin, generally known as the "Headwaters Wilderness," and which are depicted on the maps entitled—

(A) "Kimball Creek" comprising seven thousand five hundred and twenty-seven acres;

(B) "Headwaters of the Pine" comprising eight thousand eight hundred and seventy-two acres; and

(C) "Shelp Lake" comprising three thousand seven hundred and five acres,

are hereby designated as wilderness, and therefore as a component of the national wilderness system.

SEC. 2. Subject to valid existing rights, the wilderness areas designated by this act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 3. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of national forest roadless areas in Wisconsin and the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to national forest lands in States other than Wisconsin, such statement shall not be subject to judicial review with respect to national forest system lands in the State of Wisconsin;

(2) with respect to the national forest lands in the State of Wisconsin which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II), that review and evaluation shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976 (Public Law 94-588) to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the initial plans and in no case prior to the date established by law for completion of the intitial planning cycle;

(3) areas in the State of Wisconsin reviewed in such final environmental statement and not designated as wilderness by this Act shall be managed for multiple use pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 as amended by the National Forest Management Act of 1976; and

(4) unless expressly authorized by Congress the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of national forest system lands in the State of Wisconsin for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

SEC. 4. As soon as practicable after enactment of this Act, maps and legal descriptions of the wilderness areas designated by this Act shall be filed with the Committees on Agriculture and Interior and Insular Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and such maps and legal descriptions shall have the same force and effect as if included in this Act: *Provided, however,* That corrections of clerical and typographical errors in such legal descriptions and maps may be made.

Mr. PROXMIRE. Mr. President, it is with great pleasure that I join with Senator KASTEN in offering this compromise wilderness bill for Wisconsin.

I am especially happy that all the many interests affected by wilderness designations participated in the process including representatives of the forest products industry as well as environmental groups and State government.

The bill represents the culmination of almost a decade of discussion and planning, beginning with the Eastern Wilderness Act in the early 1970's and continuing with the RARE II process which started in 1977. My own office has actively participated in the process since 1980.

The bill is a very modest one. It designates four areas for a total of 24,339 acres—only about one-fourth of all acres studied. Included are Porcupine Lake in the Chequamegon National Forest and the Kimball Creek, headwaters of the Pine and Shelp Lake areas of the Nicolet National Forest. The rest is released for multiple use.

The Porcupine Lake area includes a mile-long lake used for canoeing and a section of the North Country Trail. The area has great biological diversity, great potential for recreation and diverse topography.

The three areas in the Nicolet National Forest are contiguous and together include the entire watershed of the Pine River, a Wisconsin State protected wild river. Designation will protect the water quality of the river and improve its potential for wilderness recreation.

Shelp Lake includes two State scientific areas and one of the few remaining stands of old-growth pine in the Midwest.

While the new wilderness areas will offer unique opportunities for recreation as well as solitude, their designation will have very little impact on State timber harvests. The Porcupine Lake area eliminates less than 1 percent of the saw timber base of the Chequamegon National Forest while most of the three Nicolet wilderness areas are swampy and not suitable for timbering.

Two significant areas have been left out of the bill but we hope the committee will deal with them in report language. They are the St. Peter's Dome area in Ashland County and the Round Lake old growth white pine stand in Price County, both located in Chequamegon National Forest.

This bill offers real protection to some of Wisconsin's most unique and valuable areas and I will work hard to get it enacted.

By Mr. DECONCINI (for himself, Mr. GOLDWATER, Mr. HATCH, and Mr. GARN):

S. 1611. A bill entitled the "Arizona Strip District Wilderness Act of 1983"; to the Committee on Energy and Natural Resources.

ARIZONA STRIP DISTRICT WILDERNESS ACT OF 1983

● Mr. DECONCINI. Mr. President, on behalf of myself, Senator GOLDWATER, Senator HATCH, and Senator GARN, I am pleased to introduce today an Arizona and Utah wilderness bill which is the result of a great deal of hard work, negotiation and compromise by numerous representatives of the mining industry, the environmental community, the ranching interests, State, and local governments, and ordinary citizens. While no group was able to secure everything they wanted, I believe this bill is a fine representation of what can be achieved when industry and conservation interests work hand-in-hand.

The Arizona Strip District Wilderness Act of 1983 will make significant and timely contributions to our Nation's existing Federal wilderness system. At the same time, this measure will insure that those areas which are unsuitable for wilderness designation be opened to permit multiple use of the resources.

Mr. President, this bill will add approximately 400,000 acres of Bureau of Land Management and Forest Service land within Arizona and Utah to the wilderness system. It is carefully designed to preserve for future generations of Americans the unequaled beauty of proposed wilderness units known as Kanab Creek; Cottonwood Point; Mount Logan; Mount Tumble; Saddle Mountain; Paria Canyon—Vermilion Cliffs; Paiute; and the Beaver Dam Mountains located in Utah. All of these areas have been thoroughly reviewed for potential wilderness designation by the BLM and the Forest Service. Their conclusion has been that these areas possess those outstanding qualities and characteristics suitable for wilderness. Many of these rugged areas within the Arizona Strip have been untouched by man—they are remote and wild but provide great recreational and hiking potential as well as enormous sightseeing opportunities. The Arizona Strip rests beyond the great gorges of the Grand Canyon and possesses many of the same geologic features and formations of that natural wonder. The environment contains stationary sand dunes, archeological remains, volcanic formation, sedimentary layers of cliff that rise hundreds of feet above the desert, and offers magnificent panoramic views. The Mount Trumbell unit has prominent archeological values such as a 40-room pueblo dwelling and the remains of ancient walls and scattered pottery. The Paria unit contains the White Pockets Hole-in-the-Rock with numerous buttes, alcoves, washes, and sand dunes providing many places for seclusion and solitude. Mount Logan possesses a large colorful ampitheater-shaped depression known as Hells Hole presenting a spectacular sightseeing opportunity.

Units to be designated in the strip also contain prime habitat for many species of fish and wildlife. Some of the animals which inhabit the area are mule deer, desert bighorn sheep, pronghorn antelope, small mammals, bald and golden eagles, broadwinged hawks, the horned and pygmy owls, the peregrine falcon, the black hawk and snowy egrets. Vegetation ranges from creosotebush and Joshua-trees to ponderosa pine forests.

Mr. President, the Arizona Strip, while abundant in mineral resources vital to our national security and lands important to ranching, is one of the most scenic and striking areas of the Southwest. Placing some of its most valued parcels under the protection of Federal wilderness will enhance its qualities and insure that these pristine areas are there for future generations of Americans to enjoy.

Mr. President, this bill was carefully crafted to accommodate the needs and desires of interests within and outside of our State. While it is important to allow the development of strategic minerals which protect our Nation's security and allow grazing, there is one area in the strip, which I hope can be protected to preserve its scenic, natural and wildlife values at the same time. The Lower Grand Wash Cliffs are located in a geologic and ecologic transition zone between the Great Basin and the Colorado Plateau. It is a spectacular uplift on the western edge of the strip which is rich in uranium deposits. Mr. President, I believe there is a way to protect the scenic and natural values of this area through its designation as a national conservation area which will allow important multiple-use activities to continue. I intend to explore this concept with the Energy and Natural Resources Committee during the hearing process.

Mr. President, this wilderness bill has the support of all users of the land and its resources. The cooperative and spirited attitude of the representatives of Energy Fuels, Inc. and the Wilderness Society have helped to accomplish a truly "consensus" bill. Both organizations deserve a great deal of praise and credit for their fair-minded and professional approach to designing a balanced bill.

In closing, I would like to point out that this measure does contain "release" and "sufficiency" language for BLM and Forest Service lands in the strip area. It is my hope that this bill can be expeditiously considered by the Energy and Natural Resources Committee so that appropriate steps to allow development and protection can move forward.●

By Mr. BAKER (by request):

S. 1612. A bill to amend title VIII of the act commonly referred to as the Civil Rights Act of 1968 to provide the Secretary of Housing and Urban Development and the Attorney General with additional authority to enforce rights to fair housing, and for other purposes; to the Committee on the Judiciary.

FAIR HOUSING AMENDMENTS ACT OF 1983

Mr. BAKER. Mr. President, today, I am pleased to introduce at the request of the President, the administration's proposals to the Fair Housing Act. These amendments to the landmark 1968 measure are designed to strengthen the enforcement of fair housing laws throughout the country.

President Reagan's action today reaffirms what he declared in his state of the Union message earlier this eyar, that he would make every effort for "effective enforcement of our national fair housing laws . . . that are . . . essential to insuring equal opportunity."

Mr. President, I want to commend President Reagan on this initiatve, and also commend Senators MATHIAS

and KENNEDY for their proposal on this issue as well as the many Senators of both parties for their tireless efforts on behalf of equal rights and guaranteed enforcements in housing.

Clearly, all of us adhere to the same objective on this issue—to rid our society of discrimination, and to encourage true enforcement of any violations that threaten that tenet. I ask unanimous consent Mr. President that the text of the bill, a section-by-section analysis, and an editorial that appeared in the Washington Post on June 15 of this year be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION This Act may be cited as the "Fair Housing Amendments Act of 1983".

SHORT TITLE FOR 1968 ACT

SEC. 2. The Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the comma at the end of the enacting clause the following: "That this Act may be cited as the 'Civil Rights Act of 1968'.".

SEC. 3. Title VIII of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting immediately after the title's catchline the following new section:

SHORT TITLE

SEC. 800. This title may be referred to as the 'Fair Housing Act'.".

DEFINITIONS

SEC. 4. Section 802 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended—

(a) by striking out "or 806." in subsection (f) and inserting in lieu thereof "806, or 817."; and

(b) by adding at the end thereof the following new subsections:

"(h) 'Conciliation' means the resolution of issues raised by a complaint and its investigation, through informal negotiations involving the person aggrieved, the respondent and the Secretary (or a State or local agency to which a complaint is referred).

"(i) 'Conciliation agreement' means a written record, executed by the person aggrieved and the respondent and (except in the case of an agreement obtained by a State or local agency to which a complaint is referred) approved by the Secretary, setting out the terms under which the issues raised by a complaint and its investigation have been resolved.

"(j) 'Respondent' includes the person named in a complaint, or any other person identified in the course of investigation as a person who participated in, or was responsible for, an alleged discriminatory housing practice.

"(k) 'Handicap' means, with respect to a person, (1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment; but such term does not include any current impairment that consists of alcoholism or drug abuse, or any other impairment that would be a direct threat to the property or the safety of others.".

DISCRIMINATION AGAINST THE HANDICAPPED

SEC. 5. Section 804 of such Act is amended—

(a) by adding the following after subsection (e):

"(f)(1) To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, a dwelling to any person because of a handicap of a prospective buyer or renter or of any person associated with such buyer or renter unless such handicap would prevent a prospective dwelling occupant from complying with such rules, policies, and practices as are permitted by paragraph (2) of this subsection.

"(2) To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of handicap. For purposes of this paragraph—

"(A) discrimination includes—

"(i) refusal to permit reasonable modifications of premises occupied, or to be occupied, by persons with a handicap which are necessary to afford such handicapped persons ready access to and use of premises, but in the case of a rental, no modification need be permitted unless the renter first agrees to restore the premises to the condition which existed before such modification, reasonable wear and tear excepted; and

"(ii) refusal to make reasonable accommodations in policies, practices, rules, services, or facilities when such accommodations are necessary to afford handicapped persons ready access to and use of dwellings; and

"(B) discrimination does not include—

"(i) refusal to make alterations in premises at the expense of sellers, landlords, owners, brokers, building managers, or persons acting on their behalf;

"(ii) refusal to modify generally applicable rules, policies, practices, services, or facilities where such modification would result in expense to sellers, landlords, owners, brokers, building managers, or persons acting on their behalf or unreasonable inconvenience to other affected persons; or

"(iii) refusal to allow architectural changes to, or modifications of, buildings which would decrease the marketability or value of a building or alter the manner in which a building or its environs has been, or is intended to be, use."; and

(b) by inserting "handicap", immediately after "sex," each place it appears in sections 805 and 806, and subsections (c), (d) and (e) of section 804 of such Act.

ENFORCEMENT BY THE GOVERNMENT

SEC. 6. Section 810 of such Act is amended—

(a) by striking out "Within thirty days after receiving a complaint, or within thirty days after the expiration of any period of reference under subsection (c), the" in subsection (a) and inserting in lieu thereof "The";

(b) by adding after "person aggrieved" in the fourth sentence of subsection (a) the phrase "and to the respondent";

(c) by adding the following after the fourth sentence in subsection (a):

"The Secretary shall make and give notice of his decision whether to resolve the complaint as promptly as possible and, so far as practicable, not later than one hundred and twenty days after receiving the complaint or after expiration of any period of reference under subsection (c).";

(d) by adding the following at the end of subsection (a): "A conciliation agreement may provide for binding arbitration of the dispute arising from the complaint. Any arbitration that results from a conciliation agreement under this section may award appropriate specific relief, including monetary relief, to the person aggrieved.";

(e) by adding the following after the third sentence in subsection (b):

"A person who is not named in a complaint, but who is identified in the course of investigation as a respondent, may be joined as an additional or substitute respondent by means of written notice from the Secretary. Such notice shall set out the procedural rights and obligations of respondents and shall explain the basis for the Secretary's belief that the person to whom the notice is addressed is properly joined as a respondent. The notice shall be accompanied by a copy of the original complaint.";

(f) by striking out subsection (c) and inserting the following in lieu thereof:

"(c) Whenever a complaint alleges a discriminatory housing practice which appears to constitute a violation of a State or local fair housing law within the jurisdiction of a State or local public agency which has been certified by the Secretary under this subsection, the Secretary shall refer such complaint to such agency and, except as provided in this subsection, shall take no further action with respect to such complaint if the appropriate State or local agency has, within thirty days from the date of referral, commenced proceedings in the matter and, having done so, carries forward such proceedings with reasonable promptness. The Secretary shall take action as provided in subsection (a) on a complaint referred to a State or local agency on which a final disposition by such agency has not been obtained upon request by the complainant made at any time not less than ninety days following the date of referral, provided that the Secretary may continue such action from time to time so long as the Secretary believes, on the basis of consultation with the State or local agency, that the ongoing efforts of such agency are likely to result in satisfactory resolution of the complaint. The Secretary also may take further action at any time on a complaint referred to a State or local agency if the Secretary certifies that his judgment, under the circumstances of the particular case, the protection of the rights of the parties or the interests of justice require such action. In making such certification with respect to a complaint on which a final disposition by a State or local agency has been obtained, the Secretary shall accord substantial weight to the findings and conclusions made by the State or local agency. In no event shall the Secretary take further action where the State or local agency has obtained a conciliation agreement. An agency may be certified under this paragraph if the Secretary determines that the substantive rights protected by such agency are substantially equivalent to such rights protected by this title (provided that an agency may be certified with respect to discriminatory housing practices based on race, color, religion, sex, or national origin notwithstanding that the agency does not provide substantially equivalent protection against discriminatory housing practices based on handicap) and that the authority of such agency to investigate and conciliate

complaints is substantially equivalent to such authority granted to the Secretary by and under this title."; and

(g) by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Whenever a complaint is filed with the Secretary, or whenever the Secretary is taking further action on a complaint previously referred to a State or local fair housing agency pursuant to subsection (c) of this section, and the Secretary determines on the basis of a preliminary investigation that prompt judicial action is necessary to carry out the purposes of this title, the Secretary may refer the matter to the Attorney General with a recommendation that a civil action be filed on behalf of the United States for appropriate temporary or preliminary relief pending final disposition of the complaint by the Secretary. Any temporary restraining order or other order granting preliminary or temporary relief shall be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure.

"(2) If within thirty days after notification to a respondent of the Secretary's decision to resolve a complaint, the Secretary has not secured an acceptable conciliation agreement, the Secretary may at any time thereafter refer the matter to the Attorney General with a recommendation that a civil action be filed on behalf of the United States. Nothing in this paragraph shall prevent the referral of a complaint to the Attorney General before the expiration of thirty days after notification of the Secretary's decision to resolve a complaint, if the Secretary certifies that conciliation of the complaint has been attempted and that additional efforts are considered unlikely to be successful.

"(3) The Secretary, in the Secretary's sole discretion, may refer any matter otherwise within the Secretary's jurisdiction under this title to the Attorney General with a recommendation that appropriate action be taken.

"(4) Whenever the Secretary has reasonable cause to believe that a respondent has failed to comply with a conciliation agreement approved by the Secretary, the Secretary may refer the matter to the Attorney General with a recommendation that a civil action be filed on behalf of the United States for the enforcement of the terms of the agreement in an appropriate district court. In any proceeding brought under this paragraph, the petition for enforcement shall include a true copy of the conciliation agreement, and the court's inquiry shall be limited to interpretation of the agreement's terms and to factual issues concerning the nature and extent of the respondent's alleged failure to comply with the agreement. Nothing in this paragraph shall prevent the court from setting aside or modifying any provision of a conciliation agreement upon a finding that the provision is unconscionable or in derogation of the Constitution or laws of the United States.

"(5) Actions may be brought under this section in any appropriate United States district court. If the court finds that the respondent has engaged or is about to engage in a discriminatory housing practice, the court may award such preventive relief, including a permanent or temporary injunction, restraining order, or other order, against the person or persons responsible for a violation of this title as is necessary to insure the full enjoyment of the rights granted by this title, and may assess a civil penalty against the respondent in an amount not exceeding $50,000, and for any subsequent violation by such respondent may assess a civil penalty in an amount not exceeding $100,000, to vindicate the public interest. The court may allow the prevailing party (other than the United States) a reasonable attorney's fee as part of the costs.

"(6) Actions brought under this section shall be commenced within eighteen months after the alleged discriminatory housing practice or failure to comply with a conciliation agreement occurred.".

ENFORCEMENT BY PRIVATE PERSONS

SEC. 7. Section 812 of such Act is amended—

(a) by striking out subsection (a) and inserting in lieu thereof the following:

"(a)(1) The rights granted by sections 803, 804, 805, 806, and 817, as well as the rights created by a conciliation agreement, may be enforced by civil actions in appropriate United States district courts without regard to the amount in controversy and in appropriate State or local courts of general jurisdiction. A civil action shall be commenced within two years after the alleged breach of the conciliation agreement or the alleged discriminatory housing practice occurred.

"(2) A civil action may be filed without regard to whether a complaint has been filed with the Secretary pursuant to section 810(a) and without regard to the status of any complaint filed with the Secretary, but where the Secretary or a State or local agency has obtained a conciliation agreement, no action may be filed under this section by the person aggrieved except for the purpose of enforcing the terms of such an agreement.

"(3) The court may continue a civil action brought pursuant to paragraph (1) of this subsection from time to time before bringing it to trial if the court believes that the ongoing efforts of the Secretary or of a State or local agency to obtain conciliation are likely to result in satisfactory settlement of the discriminatory housing practice which forms the basis for the action in court.

"(4) Any sale, encumbrance, or rental consummated prior to the issuance of any court order issued under the authority of this title, and involving a bona fide purchaser, encumbrancer, or tenant without actual notice of the filing of a complaint or civil action under the provisions of this title shall not be affected.";

(b) by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The court may grant as relief, as it deems appropriate, actual damages, any permanent or temporary injunction, temporary restraining order, and other relief, including punitive damages, and may allow the prevailing party a reasonable attorney's fee as part of the costs."; and

(c) by adding the following after subsection (c):

"(d) Upon timely application, the Attorney General may intervene in such civil action, if the Attorney General certifies that the case is of general public importance. Upon such intervention the Attorney General may obtain such equitable and declaratory relief as may be appropriate.".

ENFORCEMENT BY THE ATTORNEY GENERAL

SEC. 8. Section 813 of such Act is amended by striking out subsection (a) and inserting the following in lieu thereof:

"(a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title, or that any group of persons has been denied any of the rights granted by this title and such denial raises an issue of general public importance, the Attorney General may bring a civil action in an appropriate United States district court.

"(b) The Court may award such preventive relief, including a permanent or temporary injunction, restraining order, or other order against the persons or persons responsible for a violation of this title as is necessary to insure the full enjoyment of the rights granted by this title. The court may assess a civil penalty against the respondent in an amount not exceeding $50,000, and for any subsequent violation by such respondent may assess a civil penalty in an amount not exceeding $100,000, to vindicate the public interest.".

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 9. (a) Section 803 of such Act is amended—

(1) by striking out the words "EFFECTIVE DATES" in the caption and inserting in lieu thereof the word "APPLICABILITY";

(2) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) The prohibitions against discrimination in the sale or rental of housing set forth in section 804 shall apply to all dwellings except as exempted by subsection (b) of this section and by section 807."; and

(3) by striking out "section 804 (other than subsection (c))" in the opening clause of subsection (b) and inserting in lieu thereof "subsections (a), (b), (d), or (f) of section 804."

(b) Section 804 of such Act is amended by striking out "As made applicable by section 803 and except" and inserting in lieu thereof "Except".

(c) Sections 805 and 806 of such act are amended by striking out "After December 31, 1986, it" in each such section and by inserting in lieu thereof in each such section "It".

(d) Section 810(e) of such Act is amended by striking out the word "complainant" and inserting in lieu thereof "plaintiff".

(e) Section 810(f) of such is amended to read as follows:

"(f) Whenever, prior to the conclusion of conciliation efforts by the Secretary, an action filed pursuant to this section, section 812 or section 813 shall come to trial, the Secretary shall immediately terminate all efforts to resolve such complaint by informal methods.".

(f) Section 811(e) of such Act is amended to read as follows:

"(e) In case of contumacy or refusal to obey a subpoena or to answer an interrogatory, a petition for enforcement may be filed in the United States district court for the district in which the person to whom the subpoena or interogatory was addressed resides, was served, or transacts business.".

(g) Section 811(f) is amended—

(1) by striking out the word "or" after the words "the supena" and inserting in lieu thereof the phrase, "interrogatory or other"; and

(2) by striking out the phrase "his subpena" and inserting in lieu thereof "the Secretary's subpoena, interrogatory".

(h) Section 814 of such Act is amended by striking out "812 or 813" and inserting in lieu thereof "810, 812 or 813".

(i) Section 817 of such Act is amended by striking out the last sentence.

CONFORMING AMENDMENT TO TITLE IX OF 1968 CIVIL RIGHTS ACT

SEC. 10. Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes" (Public Law 90-284, approved April 11, 1968) is amended by inserting ", handicap (as defined in Section 802 of this Act)," immediately after "sex" each place it appears.

APPLICABILITY

SEC. 11. The amendments made by this Act shall be applicable to complaints pending before the Secretary, to complaints heretofore referred to State or local agencies pursuant to Section 810(c) of Public Law 90-284 and pending on the date of enactment of this Act, and to all complaints initiated, filed or referred thereafter, but nothing in this Act shall be construed to shorten the time for filing a civil action pursuant to this title with regard to any complaint filed with the Secretary, or referred to a State or local agency, prior to the effective date of this Act.

SECTION-BY-SECTION SUMMARY OF THE FAIR HOUSING AMENDMENTS ACT OF 1983

POPULAR NAMES

Section 1 provides that the Act may be cited as the "Fair Housing Amendments Act of 1983". Sections 2 and 3 are nonsubstantive amendments making official the popular names of the 1968 Act and VIII of that Act.

DEFINITIONS

Section 4 adds Section 817 of the existing Law (prohibitions on harassment and intimidation of persons exercising fair housing rights) to the definition of discriminatory housing practice. This change would clarify that complaints may be made to HUD in intimidation cases, and that the strengthened enforcement powers proposed for the Justice Department could be employed in such cases. (Current law provides only for "appropriate civil action(s)" to enforce Section 817.)

Section 4 also provides definitions of "conciliation" and "conciliation agreement" in order to facilitate other amendments which increase the prominence of conciliation as a milestone in the enforcement process. Also added is a definition of "respondent", which includes both persons identified by the person aggrieved in the original complaint and others identified in the course of investigation as persons who participated in or who were responsible for the alleged illegal practice.

In addition, a definition of "handicap" is provided. The term is defined (with respect to a person) as (1) physical or mental impairment which substantially limits one or more major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment. The term, however, does not include any current impairment that consists of alcoholism or drug abuse, or any other impairment that would be a direct threat to the property or safety of others.

DISCRIMINATION AGAINST THE HANDICAPPED

Section 5 adds handicapped persons as a new protected class under the Fair Housing Act. A new Section 804(f) prohibits refusals to sell or rent or refusals to negotiate for the sale or rental of dwellings because of the handicap of a buyer or renter or of any person associated with the buyer or renter. The amendment also prohibits discrimination in the terms, conditions or privileges of sale or rental, or in the provision of services or facilities in connection with a dwelling, because of handicap.

The amendment includes an outline describing the broad types of seller/renter conduct which will be considered discriminatory, and other actions which are not included in the definition of discrimination.

Discrimination includes refusal to permit reasonable modifications of premises for occupancy by persons with handicaps where those modifications are necessary for ready access and use, but in the case of rental dwellings, the renter must first agree to restore the premises, reasonable wear and tear excepted.

The refusal to make reasonable accommodations of policies, practices, rules, services or facilities connected with a sale or rental, when such accommodations are necessary to afford handicapped persons ready access and use, is also included in the definition of discrimination.

It is not, however, considered discriminatory under the amendments to refuse to make alterations at the expense of the housing supplier, or to refuse to modify rules, policies, practices, services or facilities where the modification would result in expense to the housing supplier, or in unreasonable inconvenience to other affected persons. Refusal to allow architectural changes or other building modifications is not discriminatory under the amendments if the change or modification would decrease a building's marketability or value, or alter the manner in which a building or its environs has been or is intended to be used.

The amendment also adds "handicap" as a prohibited basis of discrimination under other provisions of the Act, including Sections 804 (c) (advertising), (d) (misrepresentation of availability of units) and (e) (block busting), 805 (financing), 806 (provision of brokerage services), and 901 (criminal prohibition against intimidation).

ENFORCEMENT BY THE GOVERNMENT

Section 6 is one of the bill's key amendments. It would augment Section 810 of the present law by authorizing HUD to refer a complaint to the Attorney General with the recommendation that the Attorney General initiate a lawsuit for injunctive relief and civil penalties during or after HUD's investigation-conciliation process.

Section 810(a) of the Act currently requires that the Secretary investigate a complaint and give notice in writing to the aggrieved person whether he intends to resolve it within thirty days after receipt of the complaint or after expiration of a period of reference to a State or local fair housing agency. The thirty-day limitation is unrealistically short to permit adequate investigation of a complaint and an informed decision whether to attempt to resolve it by conciliation. Section 6(a) of the bill removes the thirty-day limitation, and Section 6(c) of the bill substitutes therefor a provision requiring the Secretary to make and give notice of his decision whether to resolve the complaint as promptly as possible and, so far as practicable, within 120 days after receiving the complaint or reactivating a complaint previously referred to a State or local agency. The provision is not intended to bar the Secretary from conducting further investigation after the determination to resolve and commencement of conciliation where considered necessary. The permission to deter the determination to resolve beyond 120 days where it is not practicable to do otherwise is intended to provide for unusual circumstances, such as where issuance and enforcement of subpoenas and interrogatories under Section 811 of the Act is required.

A new provision is added to Section 810(a) of the Act stating that a conciliation agreement may provide for binding arbitration of the dispute arising from the complaint. Any such arbitration may result in the award of appropriate specific relief, including monetary relief, to the person aggrieved. The specification of such authority of the arbitrator is not intended to question the appropriateness of current practice of providing for specific relief, including monetary relief, in conciliation agreements.

Section 6(e) of the bill contains an amendment to Section 810(b) permitting the Secretary to join additional respondents as parties to a complaint where such persons are identified, in the course of investigation, as appropriate additional or substitute respondents. The Secretary must provide written notice of this action to any such new respondent.

Section 810(c), regarding referral of complaints to State or local agencies administering laws providing substantially equivalent rights and remedies, is revised to assure that State and local laws which have been recognized under current law will not lose such status (and, as a consequence, their rights to reimbursement for expenses under Section 816 of the Act) as a result of the amendments. The fair housing laws of 30 States and 40 localities have been recognized to date. The amendment would confirm HUD's practice since 1972 by providing that, as to remedies, a State or local agency will be certified if the authority of such agency to investigate and conciliate complaints is substantially equivalent to such authority granted to the Secretary, notwithstanding that the State or local law fails to provide a complainant with a judicial remedy. Current regulations provide that the Secretary will recall referred complaints, pursuant to the recall authority granted by Section 810(b) of the Act, where the applicable State or local law fails to provide access to a State or local court and the complaint has not been satisfactorily resolved. Under current law, such recall by the Secretary recommences the statute of limitations for institution of private action by the complainant pursuant to Section 810(d). Following enactment of the amendments, recall of a previously referred complaint by the Secretary under such circumstances would permit the Secretary to pursue the enhanced enforcement procedures provided by the amendments. Thus, such enhanced procedures will be available as a back-up to State and local conciliation efforts as well as HUD conciliation.

The revisions to Section 810(c) reflect the position of investigation and conciliation as the key remedial procedure under the Act and the benefits of providing for the availability of this procedure at the most decentralized level where housing transactions occur and within the most ready access to complainants and respondents. The revisions also reflect, however, that the Fair Housing Act represents strong national civil rights policy for which Federal enforcement responsbility is important and not to be evaded or diluted. Accordingly, the amendment preserves the right of the Secretary under current law to reactivate a complaint referred to a State or local agency if the Secretary certifies that in his judgment, under the circumstances of the particular case, the protection of the rights of the parties or the interests of justice require such

action. In the interests of according finality to informed dispositions of complaints by State and local agencies, the amendment provides that, in making the foregoing certification with respect to a complaint on which a final disposition by the State or local agency has been obtained, the Secretary is to accord substantial weight to the findings and conclusions made by the agency. The Secretary is barred from taking any further action where a conciliation agreement has been obtained.

In order to further assure the availability of enforcement of Federal rights to aggrieved persons, the amendment also provides that the complainant may obtain reactivation of a complaint by the Secretary where a final disposition has not been obtained within 90 days following referral to a State or local agency. However, the Secretary may defer active investigation of such a complaint so long as the Secretary believes, on the basis of consultation with the State or local agency, that the ongoing efforts of such agency are likely to result in satisfactory resolution of the complaint. It is intended that the term "final disposition" encompasses no cause determinations, conciliation agreements, enforceable consent orders, orders issued after hearing, and any other actions resulting in termination of the agency proceeding.

The amendment also provides that, as to substantive rights, an agency may be certified if the law it administers provides substantially equivalent protection against discriminatory housing practices based on race, color, religion, sex or national origin even if it does not provide such protection with respect to discrimination based on handicap. Current HUD regulations permit recognition of a State or local law as providing substantially equivalent rights notwithstanding that the statute does not prohibit acts of discrimination based on sex, which was added as a basis of prohibited discrimination under the Fair Housing Act in 1974. In fact, all State and local laws which have been recognized contain adequate prohibitions against discrimination based on sex. The proposed amendment reflects a determination that the exception of sex discrimination is no longer necessary and, further, that prohibitions against sex discrimination in housing are essential to an effective and comprehensive State or local fair housing law. However, not all State or local laws currently recognized contain prohibitions against discrimination based on handicap. The amendment is intended to make clear that complaints based on other prohibitions may be referred to a State or local agency even if the State or local fair housing law administered by it does not prohibit discrimination based on handicap.

The amendment is not intended to otherwise limit the Secretary's judgment and discretion in determining whether a particular State or local law is sufficiently comprehensive in its prohibitions to be an effective instrument in carrying out and achieving the intent and purposes of the Act.

Section 6 extensively amends Section 810(d), dividing that subsection into six paragraphs:

Paragraph (1) provides for authority in the Secretary to refer cases to the Attorney General during HUD's investigation stage where necessary for the purpose of seeking preliminary judicial relief pending final administrative disposition of a complaint. Any temporary restraining order or other order granting preliminary or temporary relief would be issued in accordance with Rule 65 of the Federal Rules of Civil Procedure.

Paragraph (2) provides basic authority for suits by the Attorney General on behalf of the United States where the Secretary, within thirty days after the notice of a decision to resolve, has not secured an acceptable conciliation agreement. If the Secretary wishes to refer the case to the Attorney General before the expiration of this thirty-day period, the Secretary must certify that conciliation has been attempted and that additional efforts are not likely to succeed.

Paragraph (3) authorizes the Secretary, in his or her sole discretion, to refer any case otherwise within the Secretary's jurisdiction for action by the Attorney General.

Paragraph (4) authorizes judicial enforcement by the Attorney General, upon referral from the Secretary, of conciliation agreements. The paragraph is explicit on the point that such an action should be in the nature of a suit to enforce a contract—i.e., the court is not to look behind the agreement to examine the facts leading up to it. However, a special reservation allows the court reviewing an agreement to set it aside or modify it if any provision is "unconscionable or in derogation of the Constitution or laws of the United States".

Paragraph (5) authorizes U.S. District Courts, in actions brought by the Attorney General under Section 810, to assess up to $50,000 in civil penalties against any person or persons responsible for a violation of the Fair Housing Act. For any subsequent violation by the same respondent, a civil penalty may be assessed in an amount up to $100,000. The purpose of the civil penalties is "to vindicate the public interest." The court is also authorized to award preventive relief, including a permanent or temporary injunction, restraining order, or other order, and may allow the prevailing party (other than the United States) a reasonable attorney's fee as part of the costs.

Paragraph (6) provides for a statute of limitations on enforcement actions filed by the Attorney General under Section 810—eighteen months following the alleged discriminatory housing practice or violation of a conciliation agreement. (The statute of limitations for filing a complaint with the Secretary is 180 days following the alleged discriminatory housing practice.)

Because the basic thrust of an action by the Attorney General is to vindicate the public interest in assuring freedom from discrimination, the bill does not authorize intervention of right in the Attorney General's action by a private person aggrieved seeking redress for the violation. However, consolidation of private actions commenced under Section 812 with enforcement actions under Section 810 involving common questions of law and fact will be available under Rule 42 of the Federal Rules of Civil Procedure.

Under current law, Section 810(d) provides an independent basis for commencement of a private action by an aggrieved person following inability of the Secretary to obtain voluntary compliance. Such actions are subject to a special, short statute of limitations and may not be brought in Federal Court if the person aggrieved has a judicial remedy under a State or local law providing substantially equivalent rights and remedies. It also is uncertain, under current law, whether an aggrieved person who commences suit under Section 810(d) may obtain damages as well as equitable relief. In view of separate amendments to Section 812 which expand the statute of limitations for suits brought under that Section and permit such suits to be brought without regard to whether a complaint has been filed with the Secretary or the status of such a complaint, the amendment eliminates the separate basis for private action under Section 810(d) as unnecessary.

ENFORCEMENT BY PRIVATE PERSONS

Section 7 amends Sections 812 (a) and (c) of the present law—the private litigation provisions.

Section 812(a) is amended to:

1. Extend the statute of limitations for private actions from 180 days to two years;
2. Clarify that a private action may be filed whether or not a complaint has been filed with the Secretary, and without regard to the status of such a complaint;
3. Make explicit the aggrieved person's separate cause of action to enforce the terms of a conciliation agreement; and
4. Provide that where the Secretary or a state or local agency has obtained a conciliation agreement, no separate civil action may be filed by the person aggrieved under Title VIII except for the purpose of enforcing the terms of the agreement.

Other features of present Section 812(a) are retained without substantive change. Section 812(b) is also undisturbed.

Revised Section 812(c) authorizes the court to grant as relief, as it deems appropriate, actual damages, any permanent or temporary injuction, temporary restraining order, and other relief, including punitive damages. As under current law, "actual damages" recoverable as a result of a discriminatory housing practice are intended to include intangible damages, such as emotional distress and humiliation, as well as out-of-pocket costs. See *Jeanty* v. *McKay & Poague, Inc.*, 496 F.2d 1119 (1974); *Steele* v. *Title Realty Co.*, 478 F.2d 380 (10th Cir. 1973). The dollar limit on punitive damages is removed—leaving the amount of such damages to the discretion of the court—and the attorney's fee clause is adjusted to follow the format of the Civil Rights Attorney's Fee Awards Act, 42 U.S.C. 1988. (A comparable attorney's fee provision appears in amended Section 810(d).) Under current law, an attorney's fee may be awarded only to a prevailing plaintiff and only if the court finds that the plaintiff is financially unable to assume such fee.

A new Section 812(d) is added to the Act, providing that the Attorney General may intervene in any private civil action brought under Section 812, if the Attorney General certifies that the case is of general public importance. Upon such intervention, the Attorney General may obtain such equitable and declaratory relief as may be appropriate.

SPECIAL JURISDICTION OF THE ATTORNEY GENERAL

To augment the new litigation authority for the Attorney General contained in revised Section 810(d) of the Act, the bill provides in Section 8 for amendments to the Attorney General's existing enforcement powers contained in Section 813 of the present law. In addition to the existing authority of the United States to sue for injunctive relief, the court is empowered in an action brought under Section 813 to assess a civil penalty, "to vindicate the public interest," of up to $50,000 against a respondent found to have violated the statute and to assess a penalty of up to $100,000 for a subsequent violation by the same respondent.

TECHNICAL AND CONFORMING AMENDMENTS

Section 9 contains a series of technical and conforming amendments. They include

confirmation of the authority of the Secretary to enforce an interrogatory, as well as a subpoena, under Section 811. Section 10 adds "handicap" as a protected class under Title IX of the Civil Rights Act of 1968, which imposes criminal penalties for intimidating or interfering with any person in the exercise of rights protected by the Fair Housing Act.

APPLICABILITY

Section 11 provides that the new enforcement powers set out in the bill shall be applicable to pending complaints, and provides that the bill's revised time requirements shall not be construed to shorten the time for filing a civil action with regard to complaints filed before the Amendments Act's effective date. This latter provision is necessary because, under court decisions, some complainants have been permitted to file suits very late where the Secretary's case-closing letter was received beyond the 180-day statutory filing period.

[From the Washington Post, June 15, 1983]

ENFORCING FAIR HOUSING

In a welcome announcement, the administration has now said it will address the high priority civil rights issue of enforcing the 15-year-old law against discrimination in housing sales and rentals. Under that law, complaints are subject to conciliation by the Department of Housing and Urban Development. But if conciliation fails, private individuals must bring their own lawsuits in court to enforce their rights. The Justice Department can sue only violators who engage in a widespread pattern or practice of discrimination.

It has been clear for some time that this enforcement mechanism is ineffective. Congress has in the past considered but not enacted remedial legislation. Last month, Sen. Charles Mathias and 37 cosponsors introduced a bill with the backing of the Leadership Conference on Civil Rights. Now HUD Secretary Pierce has released details of a forthcoming administration bill.

Both proposals provide a new enforcement mechanism for individuals whose rights have been violated. Both would continue to refer cases to state agencies where appropriate. Both look to conciliation as a first step. Under either bill, a plaintiff could apply for a temporary restraining order to prevent the sale or rental of the housing in question during adjudication of the claim. Sen. Mathias proposes civil penalties of up to $10,000 on a first offense; the administration bill allows a $50,000 penalty in such circumstances.

The major difference between the two bills is the method of enforcement. The Mathias bill authorizes administrative law judges to receive complaints and issue orders. Their decisions would be reviewable first by a new Fair Housing Review Commission and eventually by federal courts of appeals. Civil rights groups believe that this kind of specialized administrative enforcement is faster than court suits. The administration disagrees; the bill Secretary Pierce describes would have the Justice Department bring suit in federal court on behalf of individuals when the HUD secretary so recommends. The essential element, though, is in both bills; the burden of enforcement is on the government rather than on the individual victim.

Administration action on fair housing is not only appropriate and right, it is politically smart. No less so is a recent announcement by Assistant Attorney General William Bradford Reynolds that he will tour Mississippi with black leaders to investigate possible violations of the Voting Rights Act. Steps like these counter the widely held belief that this administration has been at best indifferent to civil rights concerns that affect not only minorities but the general perception of American society as just and fair.

By Mr. TRIBLE (for himself, Mr. BINGAMAN, and Mr. THURMOND):

S. 1613. A bill to amend title 10, United States Code, with respect to the provision of medical benefits and post and base exchange and commissary store privileges to certain former spouses of certain members or former members of the Armed Forces; to the Committee on Armed Services.

PROVISION OF BENEFITS TO FORMER SPOUSES OF CERTAIN MEMBERS AND FORMER MEMBERS OF THE ARMED FORCES

Mr. TRIBLE. Mr. President, all of us appreciate the sacrifices made by our men and women in uniform. Separation from loved ones, frequent relocation, overseas duties, and a lack of roots are all part of military career. What is often unappreciated is that military spouses endure many of the same hardships. They, too, endure the separation and nomadic way of life that characterizes military service.

Moreover, military spouses often must sacrifice their own autonomy and careers. If they are to provide the vital support role essential to military morale, they must forgo many of the opportunities available to civilian spouses.

The Congress has made efforts to compensate servicemen and servicewomen for their efforts. Regrettably, its efforts to meet the needs of their self-sacrificing spouses has been inadequate. This failure is evident in the treatment of former spouses.

Today I am introducing legislation, along with my colleagues Mr. BINGAMAN and Mr. THURMOND, which would begin to redress this situation. It would provide medical coverage as well as commissary and post exchange privileges for ex-spouses who meet revised eligibility criteria, regardless of the date of divorce, dissolution, or annulment of the marriage.

The Uniformed Services Former Spouses Protection Act, title X of the 1983 Department of Defense Authorization Act, was an important initial step in eliminating inequities and securing necessary benefits for former spouses. It was, at least, official recognition of the important role of these individuals. However, the provisions of this measure are insufficient. We have not provided necessary protection and support for long-term spouses who have clearly earned it and who desperately need it.

The eligibility requirements for continued health care, as outlined in the Uniformed Services Former Spouses Protection Act, are excessively restrictive. To qualify, a spouse cannot remarry and must have been married to a service member for at least 20 years, during which the service member performed at least 20 years of creditable service. In addition, the spouse cannot have medical coverage under an employer-sponsored health plan in order to qualify for health care in military medical facilities or under the civilian health and medical program for the uniformed services (CHAMPUS). And, the health care provisions of this act are prospective in nature, applicable only to divorces granted after February 1, 1983.

A former spouse who has been married to a service member for 18 years, during which the service member performed 18 years of creditable service, does not qualify for continued health care. Unfortunately, this situation is not unusual. Many service members marry after joining the service and their former spouses are left without any protection or benefits.

These former spouses have, in many cases, been unable to establish careers as a result of constant relocation, and without marketable skills and experience, these individuals have a difficult time finding employment. Achieving financial security and obtaining medical insurance are extremely difficult—in some instances impossible to achieve.

Clearly, many long-term military spouses are not able to receive desperately needed benefits. The circumscriptive language of last year's act prevents individuals who may not qualify or be able to afford health insurance, from receiving deserved protection. Moreover, these same individuals are deprived of the economical shopping traditionally available at a commissary or post exchange.

In an effort to eliminate these inequities and to continue the efforts initiated in the 97th Congress, I am introducing legislation which revises the health care provisions and the commissary and post exchange provisions of the Uniformed Services Former Spouses Protection Act. This measure redefines the eligibility requirements for continued health care and commissary and post exchange privileges.

A former spouse of a service member or former service member who performed at least 20 years of creditable service, and, on the date of divorce, had been married to the member for at least 20 years—not less than 10 years of which were during the period in which the member performed creditable service—would be eligible for continued health care. The date of divorce, dissolution, or annulment of the marriage would no longer be a factor. Former spouses who meet these new eligibility requirements would also

retain commissary and post exchange privileges.

I believe that the revised eligibility requirements would remove excessive restrictions which penalize former spouses who contributed to a military career, thus addressing the significant concerns of many former spouses who are left unprotected by the provisions of last year's act. I urge my colleagues to join me in pressing for timely consideration of this measure.

Mr. President, I ask unanimous consent that the text of the bill appear in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1072(2) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of clause (E); and

(2) by striking out clause (F) and inserting in lieu thereof the following:

"(F) a person who is the former spouse of a member or former member who performed at least twenty years of service which is creditable in determining the member's or former member's eligibility for retired or retainer pay, or equivalent pay, and who on the date of the final decree of divorce, dissolution, or annulment had been married to the member or former member for a period of at least twenty years, not less than ten years of which were during the period the member or former member performed service creditable in determining the member's eligibility for retired or retainer pay; and

"(G) a person (i) who is the former spouse of a member or former member, and (ii) who has a disease or disability attributable to or arising from the nature or location of the service performed by the member or former member during the marriage, or from treatment received at a United States military medical facility.".

(b) Section 1077 of such title is amended by adding at the end thereof the following new subsection:

"(c) In the case of a person covered by section 1072(2)(G) of this title who is not also covered by section 1072(2)(F) of this title, the only health care that may be provided under section 1076 of this title is health care necessary for the treatment of any disease or disability of that person described in subclause (ii) of section 1072(2)(G) of this title.".

SEC. 2. (a) Chapter 53 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1043. Post exchange and commissary store privileges for certain former spouses of certain members or former members of the armed forces

"Subject to such rules and regulations as the Secretary concerned may prescribe, a dependent of a member or former member of the armed forces, as defined in clause (F) or (G) of section 1072(2) of this title, shall be entitled to use the services and facilities of post or base exchanges and commissary stores operated under the jurisdiction of any military department.".

(b) The table of sections at the beginning of chapter 53 of such title is amended by adding at the end thereof the following new item:

"103. Post exchange and commissary store privileges for certain former spouses of certain members or former members of the armed forces.".

SEC. 3. (a) The amendments made by the first section of this Act shall apply with respect to health care furnished on or after the date of the enactment of this Act and in the case of a former spouse regardless of the date of the applicable decree of divorce, dissolution, or annulment.

(b) The amendments made by section 2 of this Act shall apply in the case of a former spouse regardless of the date of the applicable decree of divorce, dissolution, or annulment.

Mr. BINGAMAN. Mr. President, I am pleased to join my distinguished colleague from Virginia, Senator PAUL TRIBLE, as an original cosponsor of this bill.

Unlike Senator TRIBLE, I was not a member of the 97th Congress and thus did not have a chance to participate in the debate over the Armed Services Former Spouses Protection Act, which was passed last August as title X of the 1983 Defense Authorization Act (Public Law 97-252). That clearly was a landmark piece of legislation. In it the Congress dealt for the first time with the problems faced by divorced spouses of members of the Armed Forces. As Representative PAT SCHROEDER said at the time "it is a great first step."

But problems and inequities remain to be dealt with. When I reviewed this legislation this spring, I was particularly concerned that the provisions dealing with medical benefits and commissary and exchange privileges were too restrictive. Public Law 97-252 extends commissary and exchange privileges to former military spouses only if; First, the final decree of divorce or annulment, et cetera was issued on or after February 1, 1983; second, the couple was married for at least 20 years during which the military member performed at least 20 years of creditable military service; and third, the former spouse has not remarried. To qualify for medical benefits there is in addition the requirement that the former spouse not be enrolled in any employer-sponsored health plan.

The bill we are introducing today would significantly extend eligibility for these benefits. There is still a requirement for 20 years of marriage and 20 years of creditable military service, but the overlap must be only 10 years. Eligibility for these benefits is made retroactive for all former spouses, who meet this 20-20-10 criterion, whether or not they have remarried or are enrolled in an employer-sponsored health plan.

This bill parallels H.R. 2715 which was introduced in April by the distinguished member of the House Armed Services Committee, G. WILLIAM WHITEHURST of Virginia, and which currently has 46 cosponsors in the House. The provisions of the two bills on eligibility for medical benefits are the same. The House bill does not deal with eligibility for commissary and exchange privileges.

The Senate Armed Services Committee in its report on the 1984 DOD Authorization bill has asked the Defense Department to estimate the costs of extending eligibility for medical, commissary, and exchange benefits to former military spouses. Various alternatives for extending eligibility are to be evaluated. The Defense Department's report is due by March 1, 1984 and will obviously be useful in the Armed Services Committee's consideration of this issue during next year's Defense authorization process. I look forward to working with my colleagues on the Armed Services Committee on this legislation and hope that they will join me in supporting it. The 98th Congress must build on the solid work of the 97th and provide further recognition for the sacrifices made by these former military spouses during their spouses' military careers. The spouses who faced the hardships of military life should not be forgotten.

By Mr. HEINZ (for himself, Mr. HATCH, Mr. BRADLEY, and Mr. PACKWOOD):

S. 1614. A bill to amend title XIX of the Social Security Act to allow States to implement coordinated programs of acute and long-term care for those individuals who are eligible for both medicare and medicaid; to the Committee on Finance.

HEALTH CARE COORDINATION ACT OF 1983

Mr. HEINZ. Mr. President, I am pleased to introduce today with my colleagues Senators HATCH, BRADLEY, and PACKWOOD the Health Care Coordination Act of 1983. This bill is the next important step in the reform of long-term care health and support services for those with chronic illnesses and disabilities.

The Health Care Coordination Act amends title XIX of the Social Security Act to allow States to implement comprehensive and coordinated programs of acute and long-term care for persons eligible for both medicare and medicaid. There are approximately 4 million dually eligible persons nationwide, with over 160,000 in my home State of Pennsylvania. Mr. President, this population is truly in need of the kind of care that would be provided with this bill.

This bill would permit States to combine medicare and medicaid resources, for the first time, to provide expanded home and community-based services to the dually eligible population. Each State program would provide the entire range of health alternatives, ranging from home and community-based services to hospital and nursing

home care and physician services. Benefits assured by this bill would include all medicare parts A and B services, all services provide under the State medicaid plan, case management and case assessment and other services, such as homemaker and home health aide—as needed. By combining medicare and medicaid resources, overall savings can be achieved by the appropriate use of acute hospital or nursing home care.

There can be little doubt that long-term care reform is greatly needed. According to the Health Care Financing Administration, over $40 billion was spent in this country in 1982 for long-term care, which is approximately 15 percent of total national personal health care expenditures. These expenditures include: First, public and private expenditures for nursing homes; second, expenses for long-term care hospitals and long-term care provided in short-term hospitals; third, medicare expenditures for home health care, and fourth, the cost of providing care to those who are inappropriately backed up in acute care hospital beds awaiting nursing home care. In 1982, over $27 billion was spent on nursing home care, alone. Over $10 billion was spent for long-term care provided in long-term care hospitals and acute care hospital beds. A substantial portion of this $40 billion is now being spent on often inappropriate and overly costly institutional health services for the chronically ill, who could frequently be more appropriately cared for with home and community-based services.

The National Center for Health Statistics has projected that, absent legislative reforms, the nursing home population will increase by 500,000 per decade in the coming years. Between 10 and 40 percent of this population could avoid nursing home placement if home and community-based services were more readily available. It is time that we in Congress act to provide such services, in order to achieve savings and better care through the prevention of inappropriate hospital and nursing home care.

The Health Care Coordination Act of 1983 seeks to confront and change some of the traditional barriers to appropriate care. Medicaid, the source of about 90 percent of all public funds spent on long-term care, provides coverage for a range of institutional services to the categorically or medically needy population. The medicare program, on the other hand, provides skilled services for a limited period of time; it is neither intended nor designed to serve those in need of long-term care. This bill attempts to overcome medicare and medicaid's structural differences—with this bill, States may use both Federal and State dollars to provide the kind of care that is usually preferred by families and for those in need of long-term care services.

Mr. President, just last week, at a Special Committee on Aging hearing in Harrisburg, Pa., witness after witness spoke of the need for expanded home and community-based services. Based on testimony presented at the hearing, I am now convinced that the medicare and medicaid programs should be expanded to provide additional community-based services for those who are able to remain at home. The chronically ill, covered by both medicare and medicaid, are today all too often thrown into a whirlwind of health care services. Typically, the cycle begins with acute hospitalization, then home health care until they no longer qualify for skilled home health care under medicare, than their health status declines, then they are hospitalized again and the cycle goes on and on.

The Health Care Coordination Act of 1983 provides a financing mechanism that will permit comprehensive services to be provided within strict incentives to control costs. For States participating in the program, medicare would pay a capitated rate, the average adjusted per capita cost, or the AAPCC, for each enrolled participant. The AAPCC, used to determine medicare's share of program costs, is based on current spending for medicare services. Medicare would make payments to the State on a per capita basis for each individual enrolled in the program. The amount paid by medicare for those who are not frail would be 95 percent of the noninstitutional AAPCC. Payments for those persons designated as "frail" would equal 95 percent of the institutional AAPCC. For the purposes of this bill, persons considered "frail" are: First, inpatients in a SNF or ICF; or second, determined by the State to require the level of care provided in SNF's or ICF's; or third, dependent on personal assistance on at least two of the defined activities of daily living. Any additional cost of providing services to the enrolled population in excess of total medicare payments will be paid by medicaid.

There are several advantages in combining medicare and medicaid resources for this population. First, by allowing States to use medicare dollars, the bill recognizes that the current medicare benefit package is not well designed to meet the needs of the chronically ill—who currently use approximately 25 percent of acute medicare hospital days. Also, the bill removes traditional barriers to home and community-based reimbursement under medicare such as the skilled care and homebound requirements for home care and the skilled care requirement for nursing home care.

Second, the combination of medicare and medicaid resources into one program under State auspices removes current and perverse incentives to shift costs between the two programs. Establishment of a single program, responsible for the whole range of acute and long-term care services, will help to insure that the most appropriate level of care is provided at all times.

Third, the bill makes it possible for the State to capture savings from high-cost hospitalization that can be used to fund expanded home and community-based services. Savings achieved under medicaid alone—such as with the section 2176 community care waivers—will probably never save a sufficient amount to finance adequate additional services. By combining medicare and medicaid as we do in this bill, truly significant savings can be captured by avoiding unnecesary hospitalization. Demonstration projects, such as project OPEN, at Mount Zion Hospital in San Francisco, have demonstrated that substantial savings can be achieved by keeping those "at-risk" of institutionalization out of hospitals by providing additional services in the community.

The bill targets the dually eligible for several reasons. First, this is the only group which qualifies for reimbursement for medicare and medicaid nursing home services. In order to assure a representative population, however, the number of persons enrolled in nursing homes is limited to 25 percent of the total enrollment. Second, by combining medicare and medicaid and thus limiting the population to the dually eligible, the bill prevents cost shifting to the medicare program. Third, this population base allows us to establish an approach to long-term care reform that is not targeted to the frail. With this program design, the general acute care system should learn better ways of caring for the chronically ill. Fourth, although limited to the 4 million or more dually eligible persons, data generated from this program will eventually enable this approach to be expanded to the entire medicare population.

Quality assurance is required by this bill. A State program must provide for quality assurance review, either with a contract with a professional review organization or with another quality assurance entity. The Secretary may terminate a State program at any time if it is determined that the program provides inadequate care or engages in fraud and abuse. Coverage under the program will be voluntary. If individuals are dissatisfied with the quality of care, they may drop out during the first month of participation or after 6 month intervals and return to regular medicare and medicaid coverage.

Cost effectiveness will also be assured. The bill specifically prohibits States from double billing. The bill provides further cost assurances by

limiting the program to a 3-year period, with reapproval contingent upon costs not being increased. Finally, the bill limits the scope of the program and the number of States that can participate to 20 during the first 3 years to allow the Congress to see results and minimize the risk of unanticipated cost increases.

States may pay providers for services under the program by any of the following methods: First, a prepaid capitation payment arrangement with federally qualified HMO's or other competitive medical plans which meet medicare requirements; second, a negotiated payment method and rate, which must be reasonable and adequate to meet the quality care standards as defined under section 1902 of medicaid; and third, a fee for service system, but only if medicare services are paid for at medicare, not medicaid, rates.

Mr. President, we should all be sobered by the demographic and economic projections that are certain to affect the need for and delivery of long-term care services—if current trends continue. Meaningful reform on the national, State, and local levels is critically necessary. A broader and more flexible distribution of expenditures is required to encourage the delivery of adequate, comprehensive and affordable long-term care services.

Mr. President, the Health Care Coordination Act offers an innovative and flexible response to these needs. I believe that enactment of this legislation would constitute an important next step in long-term care reform. I am pleased that it will become a part of the comprehensive long-term care reform package offered by Senators PACKWOOD, BRADLEY, HATCH, and myself. I urge my colleagues in the Senate to join me in support of the Health Care Coordination Act of 1983. I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Care Coordination Act of 1983."

PURPOSE

SEC. 2. It is the purpose of this Act to provide a coordinated continuum of care and expanded home and community-care services for those individuals who are eligible for both medicare and medicaid. Under this Act, for the first time, a State will be allowed to pool medicare and medicaid resources in order to offer a comprehensive program encompassing the entire range of acute care and community-based and institutional long-term care services. It is also the purpose of this Act to encourage cost savings through the use of capitated and other competitive health plans.

STATE PROGRAMS AUTHORIZED

SEC. 3. Title XIX of the Social Security Act is amended by adding at the end thereof the following new section:

"COMPREHENSIVE HEALTH CARE PROGRAM FOR INDIVIDUALS ELIGIBLE FOR MEDICARE AND MEDICAID

"SEC. 1981. (a)(1) Any State may, subject to a waiver being granted under subsection (f), establish as a component of its State plan under this title a comprehensive program under which individuals who are both eligible for medical assistance under the State plan and entitled to benefits under title XVIII (other than an individual having end stage renal disease) shall he furnished health care and other services (described in subsection (b)) under such program.

"(2) A program established under this section need not be in effect statewide. In any case in which more than one program is in effect in a State, each program shall be considered independently for purposes of meeting the requirements of this section, but each must provide the same services and must be administered by a single State administrative unit. Separate programs in the same State may utilize different methods and rates of payment.

"(b)(1) Any program established under this section must provide the following services for those individuals enrolled in the program:

"(A) all services for which payment would be made to or on behalf of such individual under parts A and B of title XVIII;

"(B) all medical assistance for which such individual would otherwise be eligible under the State plan;

"(C) case management, including assessments and periodic reassessments; and

"(D) to the extent the State determines such services to be required by an individual enrolled in the program—

"(i) homemaker and home health aid services; and

"(ii) adult day health care services.

"(2) In addition to the services required to be provided under paragraph (1), the program may provide any other community-based services deemed to be necessary to maintain an enrolled individual in the community who would otherwise be institutionalized. Such additional services must be requested by the State and approved by the Secretary.

"(3) All services provided under any such program must be provided by health care providers or persons who are qualified to provide such services under the applicable provision of title XVIII or the State plan.

"(c)(1) Any program established under this section shall provide for coverage under the program for any individual, subject to paragraphs (2), (3), and (4), who is eligible for assistance under the State plan, is entitled to benefits under part A of title XVIII, and is enrolled under part B of title XVIII, but excluding any individual having end stage renal disease.

"(2) Enrollment in a program established under this section shall be optional with the individual. Any individual who chooses to enroll in such program shall not be eligible for coverage under the State plan (other than under this section) or under part A or part B of title XVIII. The program shall provide any individual who chooses to enroll in the program the opportunity to terminate his enrollment (and return to coverage under the other provisions of the State plan and under title XVIII) at any time during the first month such individual is enrolled and at 6-month intervals thereafter.

"(3) No individual who is an inpatient in a skilled nursing facility or intermediate care facility may enroll in a program established under this section if, at the time such individual wishes to enroll, the number of individuals enrolled in the program who are inpatients in such facilities exceeds 25 percent of the total number of individuals enrolled in such program.

"(4) The percentage of individuals enrolled in a program established under this section who are disabled individuals or frail elderly individuals must be approximately equal to or greater than the percentage of the population of such individuals who are eligible under title XVIII and under the State plan in the area served by such program.

"(d) Any program established under this section shall provide that the State, or a health care provider or other entity designated by the State, shall assess and periodically reassess the health care needs of, and develop a plan of care and case management system for, each individual enrolled in the program. Periodic health reassessments shall be made not less often than every six months in the case of frail elderly individuals. A health reassessment shall also be made at any time that an individual's status changes for purposes of reimbursement (as described in subsection (h)).

"(e) The amounts and methods of payment under the program to providers of services may be any of the following methods:

"(1) a prepaid capitation payment arrangement with one or more health maintenance organizations or competitive medical plans, which meet the requirements of section 1876, and which may contract with other entities to provide those services under the program which are not services covered under title XVIII;

"(2) a negotiated payment method and rate which meets the requirements of section 1902(a)(13)(A); or

"(3) a reimbursement system which provides for payment in accordance with title XVIII for those services covered under title XVIII and for payment in accordance with the generally applicable provisions of the State plan for those services not covered under title XVIII.

"(f)(1) The Secretary shall grant a waiver of those requirements of this title and of title XVIII described in paragraph (2) to any State as may be necessary to establish a program or programs under this section if such State provides assurances satisfactory to the Secretary that—

"(A) the program shall meet all the requirements of this section;

"(B) the total cost to the State and Federal Governments for each fiscal year in which the program is in effect will not exceed the total cost which would have been incurred by the State and Federal Governments for such fiscal year if the program were not in effect, taking into account such factors as trends in the rate of cost increases and changes in eligible populations which might occur in the absence of the program; and

"(C) quality of and access to health care under the program shall be maintained.

During the period prior to October 1, 1986, the Secretary shall not grant waivers under this section to more than 20 States.

"(2) A waiver granted under this subsection may include a waiver of the skilled care, intermittent care, and homebound requirements for the provision of home health services under title XVIII, the skilled care and post hospital requirement for extended care services under title XVIII, and the requirements of this title relating to statewideness, comparability of services, and freedom of choice of providers. The waiver may include a waiver of any provision of title XVIII or this title relating to methods and amounts of reimbursement, subject to the requirements of subsection (e).

"(3) Waivers granted under this section shall be for a period of three years and shall be renewable for additional three-year periods. The Secretary shall approve any request for a waiver or renewal unless the Secretary can demonstrate that the conditions specified in paragraph (1) will not be or have not been met. The Secretary may terminate a waiver prior to the expiration of the three-year period if the Secretary can demonstrate that such conditions have not been met.

"(4) A waiver granted under this subsection may allow for the imposition of restrictions and limitations in the amount and duration of covered services, but such restrictions and limitations may not be more restrictive than those imposed under title XVIII or those imposed under the otherwise applicable provisions of the State plan.

"(5) A waiver granted under this subsection may not allow for the imposition of any restrictions or limitations which are more restrictive than those allowed under a waiver granted under section 1915(c), if the State has a waiver in effect under such section.

"(6) A waiver granted under this subsection may allow for the eligibility under the State plan (for purposes of the program under this section) of frail elderly individuals and disabled individuals living in the community who, if in an institution, would be eligible under the State plan, without regard to whether the State generally applies a higher income eligibility level under its plan with respect to institutional care.

"(7) A waiver granted under this subsection may allow for enrollment fees, premiums, deductions, cost sharing, and similar changes in excess of those generally allowed under section 1916 if the program provides services in addition to those required to be provided under subsection (b) (1), but such additional amounts shall not exceed an amount which bears the same ratio to the actuarially determined value of such additional services as the amounts allowable under section 1916 bear to the actuarially determined value of the services otherwise provided under the State plan.

"(g)(1) The State must provide for quality assurance review of any program established under this section, either through a contract with a utilization and quality control peer review organization having a contract with the Secretary under part B of title XI, or with another quality assurance entity designated by the State and approved by the Secretary for purposes of this section.

"(2) The organization performing quality assurance review under paragraph (1) shall, as a minimum requirement, be responsible for reviewing on a sample basis the validity of the assessments and reassessments performed for purposes of determining reimbursement levels pursuant to subsection (h)(2).

"(3) Payment with respect to expenses incurred by the State in meeting the requirements of this subsection shall be made under section 1903(a)(3)(C).

"(h)(1) The Secretary shall make payments to the State on a per capita basis with respect to each individual enrolled in a program under this section. The amount of such payment shall be equal to 95 percent of the adjusted average per capita cost (as determined for purposes of section 1876(a)) for parts A and B of title XVIII for the class to which such individual is assigned under section 1876(a), but subject to paragraph (2) of this subsection.

"(2)(A) For purposes of this subsection, payment shall be equal to 95 percent of the adjusted average per capita cost of institutionalized individuals (as determined for purposes of section 1876(a)) in the case of any individual who is an inpatient in a skilled nursing facility or intermediate care facility, or who—

"(i) has been determined to require the level of care provided in a skilled nursing facility or intermediate care facility, but for the provision of home or community-based services under this program, and

"(ii) is dependent on personal assistance on at least a daily basis for at least two of the following activities: eating, bathing, use of the toilet, transferring to and from bed, or dressing.

"(B) The State shall provide to the Secretary the assessment criteria to be utilized for purposes of determining those individuals who meet the requirements of subparagraph (A).

"(3) In the event that the amount of the payments received by the State under paragraph (1) is greater than the amount of the expenses incurred by the State for providing the medicare parts A and B services required to be provided by reason of subsection (b)(1)(A), the State must use such excess to provide services under the program or to offset other expenditures for medical assistance under the State plan. Such excess amount shall not be considered to be an amount expended by the State for purposes of payment under section 1903.

"(4) Expenses incurred by the State for providing medical assistance under the program (other than expenses for the medicare parts A and B services required to be provided by reason of subsection (b)(1)(A) and the excess payments referred to in paragraph (3)) and for administrative and related costs of the program shall be included for purposes of payment under section 1903.

"(5) The State shall pay the premium under part B of title XVIII for each individual enrolled in the program. Such payment shall be included as an amount expended by the State for purposes of section 1903. The State may make such payments to the Secretary, or may have the amount of such payments deducted from the amount otherwise payable to the State under paragraph (1). Any amount so paid to the Secretary or deducted shall be transferred by the Secretary into the Federal Supplementary Medical Insurance Trust Fund.

"(6) Payments to States under paragraph (1) shall be made from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in the same proportion as payments are made from such Trust Funds under section 1876(a)(5).

"(i) Each State having any program under this section shall submit reports to the Secretary at intervals which the Secretary determines to be appropriate, but not less often than annually, with respect to any such program in such State. Each report shall include assessments of—

"(1) the number of individuals enrolled in the program, and the proportion of those individuals who are frail and living in the community, and the proportion who are frail and living in skilled nursing facilities or intermediate care facilities;

"(2) the total number and type (on a basis of age and health and institutional status) of individuals living in the area served by the program;

"(3) the services provided to enrolled individuals, the utilization rates of community-based services as compared to hospital and other institutional care services, and any changes in such utilization rates;

"(4) a comparison of actual average per capita costs of the program to the adjusted average per capita costs established for the area served by the program;

"(5) the number and types of health care providers who have participated in the program;

"(6) a description of case management and assessment procedures utilized under the program, including a description of the criteria and procedures used in determining whether an individual is considered to be frail for purposes of this section;

"(7) the proportion of total expenditures under the program for community-based services, and the proportion for hospital and other institutional care services, and any changes in such proportions;

"(8) the proportions of total costs of the program which are borne by the Trust Funds (under subsection (h)(1)), by the Federal Government under section 1903, by the State, and by the enrolled individuals; and

"(9) the procedures used by the State for monitoring cost and service utilization under the program, including the procedures for program audits.

"(j)(1) The Secretary shall submit an interim report to the Congress not later than one year after the date of the enactment of this section describing steps taken by the Secretary to implement the provisions of this section, including procedures for monitoring and evaluating State programs, the status of approved or pending waiver requests, and problems encountered by States in implementing programs under this section.

"(2) The Secretary shall submit a report to the Congress not later than three years after the date of the enactment of this Act evaluating the programs established under this section. The report shall include assessments of—

"(A) the effectiveness of the programs in achieving coordination of community-based services and institutional care services by combining financing under title XVIII and the State plan;

"(B) the impact of the programs on the utilization of community-based services as compared to institutional care services;

"(C) the effectiveness of the programs in preventing or delaying the need for institutional care services, and in shortening the duration of such services, through the use of community-based services; and

"(D) the impact of the programs on total expenditures under title XVIII and the State plan for the enrolled individuals.".

BILL SUMMARY—THE HEALTH CARE COORDINATION ACT OF 1983

1. What is the purpose of this bill?

This bill would amend title XIX of the Social Security Act to allow States to implement coordinated programs of acute and

long-term care for those individuals who are eligible for both Medicare and Medicaid.

The bill would allow Medicare and Medicaid resources to be combined for the first time in order to provide comprehensive, competitive health services.

These cost effective coordinated programs would provide the entire range of health care services, including acute care, nursing home care, and expanded home and community-based services for eligible enrollees.

2. How will the goals of this bill be accomplished?

For States choosing to participate in the program, Medicare would pay a capitated rate, the average adjusted per capita cost (AAPCC) for frail and non-frail medicare beneficiaries.

The State will be the risk bearing entity, and would have the ability to contract with medical providers or other agents for services. States may negotiate reimbursement rates and methods, including capitation, with such providers.

By combining Medicare and Medicaid, savings can be achieved from the appropriate use of both acute hospital and nursing home care services and used to expand home and community based services.

Traditional requirements and barriers to health care defined under Medicare and Medicaid would be waived by the Secretary to allow enrollees to receive the most appropriate levels of care. Participating States may receive waivers under Medicare for the skilled, intermittent and homebound requirements for home health services, and the skilled care and post hospital requirements for extended care. The Secretary may also waive the statewideness, freedom of choice of provider, and comparability of services requirements under Medicaid.

Program cost effectiveness would be assured in two ways: (1) Medicare payments for eligible enrollees would be capped; and, (2) States would be required to assure the Secretary that total cost to the State and the Federal government will not exceed the total cost which would have been incurred by the State and Federal government if the program were not in effect.

3. What benefits will be provided under this Act?

At a minimum, each State program will offer the following:

(a) All services for which payments would be made under parts A and B of Medicare on behalf of the individual.

(b) All medical assistance to which the individual would otherwise be entitled under the State Medicaid plan.

(c) Case management, including assessments and periodic reassessments.

(d) Homemaker, home health aide, and adult day health care services to the extent that the State determines that the eligible enrollee needs such services.

The program may also provide any other services requested by the State and approved by the Secretary that may delay or prevent institutionalization.

4. Who may participate in this program?

Any individual eligible for both Medicare and Medicaid living in the program service area may elect to enroll in the program. However, the Act insures that the participants in the program will reflect the health status of the overall dually eligible population. Therefore:

(a) no more than twenty-five percent of the total number of individuals enrolled in the program can be inpatients in a skilled nursing facility or an intermediate care facility;

(b) the percentage of the disabled or frail elderly enrolled in the program must approximately represent the proportion of disabled, frail dually eligible individuals in the total population.

5. Who will provide the services?

Participating States have the responsibility to assure that all services defined by this Act are provided. The State may delegate health care providers or other persons who are qualified to provide services under Medicare (parts A and B) or the State Medicaid plan.

6. How is quality of care assured under this program?

(a) The State, or a health care provider or other entity designated by the State will assess and periodically reassess the health care needs, the appropriate plan of care and delivery of services for individuals covered under the program.

(b) Any State that establishes this program must provide for quality assurance review, either through a contract with a Professional Review Organization (PRO) or with another quality assurance entity designated by the State and approved by the Secretary.

(c) The quality review assurance entity will review the validity of the assessments and reassessments performed.

(d) Coverage under this program will be voluntary. Benefit packages must give enrollees incentives to join. If enrollees become dissatisfied with the quality of care, they may drop out of the program during the first month of participation or after six month intervals and return to regular Medicare/Medicaid coverage.

7. How will this program be financed?

(a) The Secretary shall make payments to the State on a per capita basis with respect to each individual covered under this program. The amount of such payments will be equal to 95 percent of the adjusted average per capita cost (AAPCC), as determined for the purposes of HMO reimbursement for parts A and B of Medicare for the nonfrail. The Secretary will reimburse 95 percent of the institutionalized AAPCC for:

(1) any individual who is an inpatient in a SNF or ICF; or

(2) any individual who:

(i) has been determined by the State Medicaid Office to require the level of care provided in a SNF or ICF, if the individual did not receive home or community based services; and

(ii) is dependent on personal assistance on at least a weekly basis, for at least two of the following activities; eating, bathing, use of the toilet, transferring to and from bed, or dressing.

(b) In the event that the amount of the payments received by the State for the program from Medicare's H. I. Trust exceeds the amount of the expenses incurred by the State for the Medicare parts A and B services for enrolled individuals, the States must use such excess to provide additional services under the program or to reduce Medicaid expenditures under the State plan.

(c) The State must pay the Medicare Part B premium for each individual enrolled in the program. The State may either make such payments for Part B to the Secretary or may have the amount of such premium payments deducted from the Medicare payment that would otherwise be paid to the State.

(d) States may, with the Secretary's approval, impose enrollment fees, premiums, deductions, cost sharing and other charges in excess of those generally allowed. The additional cost to the enrollee, however, must not exceed the amount which corresponds to the actuarially determined ratio of the amounts allowable under sections 1916 of Medicaid for such additional services to the value of the services otherwise provided under the State plan.

8. How will the program encourage use of cost-effective, competitive plans?

States may pay providers of services under the program by any of the following methods: (a) a prepaid capitation payment arrangement with Federally qualified HMOs or other competitive medical plans which meet Medicare requirements, (b) a negotiated payment method and rate which must be reasonable and adequate to meet the cost of quality care as defined under Section 1902 of Medicaid, and (c) a fee for service system, but only if Medicare services are paid for at Medicare payment levels.

The program financing, which caps Medicare payments and requires the States to assure that total costs will not be increased by the program, provides incentives to control costs. The need to control costs, yet offer enrollees attractive benefits and providers, encourages the use of competitive medical plans or negotiated provider payments over the use of fee for service reimbursement.

The requirement that fee-for-service payments for Medicare services be in accordance with Medicare provisions guards against the possibility that States would choose to use a fee-for-service system, and simply achieve savings by paying lower Medicaid rates for Medicare services.

9. How will Congress and the Secretary be able to evaluate the program?

(a) States are required to submit reports at least once a year that include the number and description of program participants, the range of services provided, utilization rates, per capita costs, total costs of the program borne by the H.I. Trust Funds, the State, and enrolled individuals, and the procedures used by the State to monitor cost and service utilization.

(b) The Secretary is required to submit an interim report to the Congress at least one year after enactment that will include procedures for monitoring and evaluating State programs, the status of approved or pending waiver requests, and problems encountered by States in implementing programs under this section.

(c) The Secretary is required to submit a report to Congress three years after the date of enactment that includes an evaluation of the program's effectiveness in achieving coordinated service delivery by combining Medicare and Medicaid resources, a comparison of utilization rates of home, community-based and institutional care services, the effect of this program in preventing, delaying or shortening the need for institutional care services, and the impact of the various State programs on total expenditures under title XVIII and the State plan for the covered individuals.

By Mr. MATSUNAGA (for himself, Mr. BYRD, Mr. RANDOLPH, Mr. HOLLINGS, Mr. INOUYE, Mr. LEAHY, Mr. MOYNIHAN, Mr. SARBANES, and Mr. RIEGLE):

S. 1615. A bill to amend title XVIII of the Social Security Act to authorize payment for occupational therapy service under part B of the medicare

program; to the Committee on Finance.

OCCUPATIONAL THERAPY SERVICES

Mr. MATSUNAGA. Mr. President, I am introducing today with Senators BYRD, RANDOLPH, HOLLINGS, INOUYE, LEAHY, MOYNIHAN, SARBANES, and RIEGLE, S. 1615, a bill to authorize payment for occupational therapy services under the medicare supplemental medical insurance program (part B) in certain settings that presently are not covered by medicare, including skilled nursing facilities, rehabilitation agencies, public health agencies, or in private practice. The bill would also set a limit of $500 per year per beneficiary for occupational therapy provided in a private practice setting.

One of the major cost issues we face in this 98th Congress is the continuing rapid rate of increase in medicare expenditures, which severely threatens the country's ability to provide necessary quality medical care to the elderly. Our bill, S. 1615, would improve the accessibility of crucial rehabilitation services, in appropriate settings, while at the same time provide savings to the medicare program.

A number of changes were made during the 97th Congress, and earlier this year, which were designed to control hospital costs. Of equal importance is the need to promote and support the delivery of health care services in less costly outpatient and ambulatory settings. The issue is not whether or not to provide for such services, but whether or not to provide them with cost-efficiency.

Occupational therapy is a rehabilitative service which is medically necessary for persons who have suffered a stroke, heart attack, or other debilitating physical or mental illness. It is necessary also for persons who have sustained a severe physical injury. Occupational therapy not only addresses the symptoms associated with these conditions, such as pain, weakness or loss of function, but also helps individuals recover their physical independence enabling them to return to their homes and communities.

At the present time, occupational therapy services are covered by medicare when provided to beneficiaries in hospitals, comprehensive outpatient rehabilitation facilities and through home health agencies, under a plan of treatment approved by a physician. Some coverage is available in skilled nursing facilities under part A; S. 1615 would allow full coverage of occupational therapy services in skilled nursing facilities and organized outpatient settings. This is not a significant expansion of benefits but rather a fine-tuning of the system with respect to occupational therapy services.

Patients in skilled nursing facilities are frequently transferred to part B medicare coverage when their part A benefits are exhausted. When this occurs, occupational therapy is no longer covered, treatment is discontinued and the patient's progress towards recovery and independence is seriously jeopardized. Occupational therapy can often make the difference between continued institutionalization and discharge to the home. It is crucial, therefore, that reimbursement be available throughout the skilled nursing home stay.

In one study conducted by Dr. Joel S. Feigenson, M.D., published in the May-June 1981 issue of Stroke which examined nonacute care in rehabilitative facilities such as skilled nursing homes, it was reported that 190 out of 258, or 80 percent of the patients were returned to their homes after an average stay of only 43 days. All of the patients in the study (258) would have been sent to long-term, maintenance-care facilities if they had not received therapy. Other subsequent studies confirm these data, and support the need for therapy services to be provided at skilled nursing facilities.

Patients who have returned home after a hospital stay also continue to need rehabilitative services such as occupational therapy. If they are not home-bound, they can receive them in organized outpatient settings. Since shorter hospital stays will most likely result from the new hospital cost limits enacted by Congress last year and the prospective payment system being established this year, it is crucial that medicare reimbursement be available in community settings, where patients can continue the progress made in the hospital and, more importantly, avoid recurring disability and rehospitalization.

In this connection, Mr. President, I wish to direct the attention of my colleagues to two recent physician-directed, controlled trial studies. One study, by D. S. Smith, and others, published in the February 14, 1981 issue of the British Medical Journal, showed that patients with stroke who continued to receive rehabilitation services after hospital discharge made further progress toward independence than similar patients whose progress was merely monitored. In the second study by W. M. Garraway, and others, published in the September 27, 1980 issue of the British Medical Journal, it was found that patients with stroke who had their rehabilitation program interrupted before the end of hospitalization did not make further progress and, in fact, many lost the skills of independence gained during the hospital stay. The authors of this study concluded that the therapeutic management of stroke continues well beyond the acute phase. Both of these studies concluded that occupational therapy was a vital component in the therapeutic program.

Two studies citing occupational therapy as a major element in achieving positive functional and cost-effective results are also worth noting. The first is the Feigenson article published in Stroke which I mentioned previously. The other Feigenson study appeared in the October 1981 issue of Neurology. The authors of these articles conclude that multidisciplinary rehabilitation was an effective method of improving functional outcomes, returning individuals to the community, and minimizing long-term health care costs.

Mr. President, the extension of medicare part B benefits for occupational therapy services as delineated in S. 1615 is not simply an expansion of benefits. It is the type of necessary change we must enact in order to reduce rising health care costs, while maintaining the quality of rehabilitative services for medicare beneficiaries.

I urge my colleagues to join me in supporting the proposed legislation which would unbelievably provide additional benefits and reduce long-term medicare costs at the same time.

Mr. RIEGLE. Mr. President, I am pleased to cosponsor S. 1615, a bill introduced by my colleague from Hawaii, Senator MATSUNAGA, to provide for an expansion of an important service under the medicare program.

The proposed amendment to the medicare program provides that occupational therapy, already a covered service under part A, would become a covered service under part B of the supplemental medical insurance program of medicare when provided in a skilled nursing facility, clinic, rehabilitation agency, public health agency, or in private practice. The amendment establishes a limit of $500 a year per beneficiary for the occupational therapy; the same limit currently applied to physical therapy services.

Occupational therapy is a medically necessary rehabilitation service and is an integral part of successful treatment for those who have suffered a stroke, heart attack, or other debilitating physical illnesses. Many patients are able to receive this treatment and thus speed the process toward recovery. It is my belief that this legislation will help to promote the physical and emotional recovery of many of those who have been stricken with serious illnesses.

Mr. President, in addition to providing a new covered service under part B of medicare, I believe the approach will be cost-effective by reducing the duration of hospitalization of medicare beneficiaries. Because occupational therapy is a fully covered service in the hospital setting under part A of the program, if this bill becomes law, it will no longer be necessary for a beneficiary to prolong hospitalization in order to receive the vital benefits which result from occupational therapy.

I commend the Senator from Hawaii for taking the lead in this effort and urge my colleagues to join us in supporting this legislation.

Mr. HOLLINGS. Mr. President, I am proud to be a cosponsor of the occupational therapy bill, S. 1615. This important legislation will extend medicare reimbursement for occupational therapy services in certain outpatient settings and in skilled nursing facilities.

Occupational therapy is one of the most important but least recognized components of the healing process. It is a necessary rehabilitative service for people who have suffered a severe physical injury, stroke, heart attack, or some other debilitating physical or mental illness. And what makes occupational therapy so vital and so special is that it not only addresses the symptoms associated with these conditions—pain, weakness, loss of function—but it also helps people recover their physical independence so they can return to their homes and communities.

Currently, occupational therapy services are covered by medicare, but in a rather haphazard fashion. The treatment is covered when provided in hospitals, home health agencies, and comprehensive outpatient rehabilitation facilities. Some coverage is also available in skilled nursing facilities.

But this is not enough and, as is often the case, in medicare, these complicated regulations lead to counterproductive behavior. For example, patients in skilled nursing facilities are frequently switched to part B medicare coverage when their part A benefits are exhausted. When this occurs, occupational therapy, is no longer covered, treatment is discontinued and the patient's progress toward recovery and independence is seriously jeopardized. At other times, patients may be kept in the hospital for additional days simply to continue the necessary occupational therapy—a noble, but costly, effort.

For these reasons and others, our bill is important. It would eliminate the need for unnecessary hospitalization and the termination of necessary treatment because it would allow full coverage of occupational therapy services in skilled nursing facilities and organized outpatient settings.

Now, Mr. President, I am sure that many of my colleagues are wondering why I am cosponsoring this legislation when we all know that the medicare trust fund is dangerously close to bankruptcy and will in fact be bankrupt within the next few years. Well, the answer is quite easy and prudent.

First, this bill does not represent a significant expansion of benefits. It is instead, a fine tuning of the system with respect to occupational therapy services. The examples I listed above certainly show to me the need for the fine tuning and the modest cost involved proves that we can afford it.

Second, my support of this legislation in no way means that I am not aware of the financial difficulties confronting the medicare program or that I will not work to bring a workable solution forward. Nothing could be further from the truth. Indeed, I often feel as though I am the only one who wants to discuss the pending crisis in medicare. If I have one fear, it is that my colleagues and the Executive will ignore the facts and again panic the millions of elderly and disabled on medicare by waiting until the last minute for another "midnight bailout." This was sadly the case in the social security program this year despite the admonitions of myself and others who looked at the actuarial reports in 1979 and 1980 and easily saw the financial crunch looming.

And, finally, this legislation deserves support because it is an excellent proposal. For the last 3 years we have done nothing but cut medicare, cut social security, cut aid to the elderly, and on and on. It is as if we in Congress, have forgotten that we were sent here to run the Federal Government, not dismantle it. It has gotten so that good ideas that help people are pushed aside without any thought or worry. We "shouldn't" do this or we "can't" do that because the "administration" might object.

Well, I say enough is enough. Those of us who want fiscal discipline and lower deficits will continue that fight. But we will not wear blinders as to our other responsibilities. We are still here to govern, we are still here to streamline and improve existing programs, and we are still here to improve the commonweal.

Mr. President, I hope that the Finance Committee will give this legislation the serious consideration that it deserves. I would also like to commend my distinguished colleague from Hawaii. Senator MATSUNAGA has been a leader in this area and is to be complimented for his work and diligence on this legislation.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1832(a)(2)(C) of the Social Security Act is amended to read as follows:

"(C) outpatient physical therapy services, other than services to which the second sentence of 1861(p) applies;".

(b) Section 1833(g) of such Act is amended to read as follows:

"(g) In the case of services described in the second sentence of section 1861(p), with respect to expenses incurred in any calendar year, no more than $500 for each service described shall be considered as incurred expenses for purposes of subsections (a) and (b).".

(c) Section 1835(a)(2) of such Act is amended—

(1) by redesignating subparagraphs (D) and (E) to (E) and (F), respectively;

(2) by inserting a new subparagraph (D) to read as follows:

"(D) in the case of outpatient occupational therapy services, (i) such services are or were required because the individual needed occupational therapy services, (ii) a plan for furnishing such services has been established, and is periodically reviewed by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician;".

(d) Section 1861(p) is amended by deleting the last three sentences beginning with the second sentence of such section and inserting in lieu thereof the following:

"The term 'outpatient physical therapy services' also includes physical therapy and occupational therapy services furnished an individual by a physical therapist or occupational therapist (in his office or in such individual's home) who meets licensing and other standards prescribed by the Secretary in regulations, otherwise than under an arrangement with and under the supervision of a provider of services, clinic, rehabilitation agency, or public health agency, if the furnishing of such services meets such conditions relating to health and safety as the Secretary may find necessary. In addition, such term includes physical therapy and occupational therapy services which meet the requirements of the first sentence of this subsection except that they are furnished to an individual as an inpatient of a hospital or extended care facility. The term 'outpatient physical therapy services' also includes speech pathology and occupational therapy services furnished by a provider of services, a clinic, rehabilitation agency, or by a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency to an individual as an outpatient, subject to the conditions prescribed in this subsection.".

(e) Section 1861(s)(2)(D) is amended by inserting "and occupational therapy" immediately after "physical therapy".

SEC. 2. The amendments made by the first section of this Act shall be effective on and after October 1, 1983.

By Mr. STEVENS (for himself and Mr. INOUYE):

S. 1616. A bill to revise the laws regarding the transportation of Government cargoes in U.S.-flag vessels; to the Committee on Commerce, Science, and Transportation.

S. 1617. A bill to provide for consideration of certain policy objectives in order to promote the development and maintenance of an efficient ocean transportation system, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MERCHANT MARINE

Mr. STEVENS. Mr. President, for some years now our merchant marine has been in a state of decline. In some segments, such as shipbuilding and repair, that decline has been so severe that their continued viability is in serious doubt. In others, the short-term

prognosis is not as serious, but unless something is done soon, they too will face disaster.

The Merchant Marine Subcommittee, which I chair, is trying to find solutions to the many problems afflicting the industry. Our task is especially difficult because whatever recommendations we make must take into account two realities:

First, the Federal budgetary constraints dictated by the economy, and competing national interest claims for available Federal funds;

Second, a worldwide shipping slump.

And yet solutions must be forthcoming if we are to continue to have a merchant marine to further our national economic interest, and to serve as our fourth arm of defense in a national emergency.

Our maritime industry is complex. There are liner operators, dry bulk, and liquid bulk operators, shipbuilding and repair facilities, seagoing and shoreside personnel, and myriad support industries and services; and, of course, the interests of shippers and consumers must be considered. Because the nature of the industry and the interests it serves are so complex, it is not surprising that its problems are also diverse and difficult. Thus, there is no single solution, or magic potion.

Mr. President, in summary fashion I have tried to convey some sense of the enormity of our task, so that everyone will understand why proposed solutions have not been forthcoming so far.

There are now pending in the Merchant Marine Subcommittee several proposals which attempt to deal with various aspects of this multifaceted problem. In the next few months I would hope there will be many more proposals, and that they will stimulate the thinking of everyone—the administration, the Congress, the industry, and the public. After there has been sufficient time for all interests to consider them—and by that I mean before the end of this year—it is my intention to bring everyone together in an effort to obtain an agreement on what specifically can be done to revitalize our merchant marine. I am joined in this by my colleague and friend, the senior Senator from Hawaii, who is also the ranking Democrat on the Merchant Marine Subcommittee.

In keeping with our plan, I am today introducing two bills on behalf of myself and Senator INOUYE, which along with those already pending will, we hope, generate some constructive thought. I stress that this is our purpose, and in no way should our sponsorship be construed as endorsing their specific provisions.

The first proposal would consolidate, clarify, and to some extent enlarge the scope of existing cargo preference laws. It would apply solely to cargoes that are generated directly or indirectly by Federal funds. While it is similar to H.R. 2692, it differs in several important respects.

We are also introducing a proposal which is intended to focus attention on international liner shipping as it will be after the UNCTAD Code comes into force this fall. The United States is not signatory to the code, but as the world's largest trader whose trades are open to everyone, we must insure that U.S. liner operators receive fair and equal treatment when they crosstrade. Thus, this bill does not prescribe a policy of bilaterialism, but in effect proposes "when the U.S. negotiates a bilateral maritime agreement, this is the way to do it."

Mr. President, I would encourage every Member of the Senate to consider these bills and the others that are already pending, and to communicate their views to the subcommittee. I would hope the administration and all interested parties would do the same. Then, in the fall, I would hope we will be in a position for everyone to sit down and try to agree on what, specifically, can be done now to revitalize our maritime industry.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S.J. Res. 128. Joint resolution to designate the day of October 22, 1983, as "Metropolitan Opera Day"; to the Committee on the Judiciary.

METROPOLITAN OPERA DAY

● Mr. MOYNIHAN. Mr. President, later this year the Metropolitan Opera will celebrate its 100th birthday. I take pleasure and pride in introducing a joint resolution to authorize and request the President to declare October 22, 1983, as "Metropolitan Opera Day." And I am pleased to have my distinguished colleague, Senator D'AMATO, join me in this resolution.

For the last 100 years, the Metropolitan has brought opera to millions of people and has succeeded in reaching an audience larger than that of any other performing arts organization in the world. Eight hundred thousand people see performance at the opera house each year; another quarter of a million see the company during its annual tour. For the last 17 years, the Metropolitan has sponsored free performances of full-length operas in the parks of New York City and Nassau County; each performance attracts an audience of a quarter of a million people.

For over 40 years, live radio broadcasts of Saturday matinees at the Met have reached millions of listeners all over the country. Telecasts of Metropolitan performances reach 7 million viewers throughout the North American continent; since 1980 telecasts have been shown in 26 countries all over the world.

The Metropolitan is an inspiration not only in its artistic achievements, but also in its exemplary record of service. Student performances, seminars, and auditions are held each year under the sponsorship of the Metropolitan. The staff provides technical and managerial assistance to opera companies throughout the United States. The Metropolitan also distributes educational materials to schoolteachers all over the country.

The Metropolitan Opera has enriched the lives of our citizenry and our Nation's standing in world culture for almost half our Nation's history. It is only appropriate that we honor the Metropolitan for its century of excellence and that we send the company our best wishes for the years to come.

I request that the text of the resolution be printed in the RECORD following my statement.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows;

S.J. RES. 128

Whereas the Metropolitan Opera is one of the world's premier performing arts organizations and has an audiene larger than that of any other such organization in the world;

Whereas the Metropolitan Opera, since its first performance one hundred years ago on October 22, 1883, has provided the finest quality in opera to audiences throughout the nations;

Whereas the Metropolitan Opera pioneered radio presentations of live opera, performing on radio for more than 40 years and more recently on television;

Whereas the Metropolitan Opera has toured the United States since its founding in 1883;

Whereas the Metropolitan Opera provides educational services to the people of the United States by generously encouraging and training young artists and by providing technical and managerial assistance to other opera companies in the Nation;

Whereas the Metropolitan Opera has presented renowned performing arts companies from all over the world at the Opera House;

Whereas the Metropolitan Opera House, which is maintained by the company, is one of the Nation's treasures and one of the greatest performing arts theaters in the world; and

Whereas throughout its long history, the Metropolitan Opera Company has fostered generations of music lovers and has enriched and inspired this Nation: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating October 22, 1983, the 100th anniversary of its first performance, as "Metropolitan Opera Day" throughout these United States.●

● Mr. D'AMATO. Mr. President, today, I join my good friend and colleague, Senator MOYNIHAN, in support of this resolution celebrating the 100th birthday of the opening of the Metropolitan Opera. As Americans, we are extremely proud of the contributions made by the Metropolitan Opera

to our cultural heritage. It is one of the great treasures of our Nation, of New York State, and of New York City. In its short 100 years, it has grown into the world's premier performing arts organization. Its performances uplift our spirit and add beauty to our lives.

Music has always been very important both to me and my family. It is a central part of our daily lives. I remember when I was young that Saturday afternoons were reserved for the Metropolitan Opera radio broadcasts. I remember the thrill when I heard the announcer say "the golden curtain is going up." These broadcasts, in existence for over 40 years, created many lifelong opera lovers, of which I am one.

The Metropolitan Opera is the only opera company in the United States with year-round activity. As a result, more than 130 million people hear the Metropolitan Opera each season either live or via radio broadcasts and telecasts.

The Metropolitan Opera currently has a 30-week New York season, during which it presents 25 different operas at 210 performances. Each season, 20 of its performances are broadcast on radio Saturday afternoons and 4 or 5 performances are presented on television. In addition, the Metropolitan undertakes an annual national tour of fully staged opera performances in eight cities—Atlanta, Boston, Cleveland, Dallas, Detroit, Memphis, Minneapolis, and the Nation's Capital. It also provides eight free performances in New York City and Nasssau County parks.

The Metropolitan Opera also functions as our cultural ambassador abroad. Its performances are telecast to 26 countries. In 1980, the Metropolitan presented its first live telecast to Europe of "Manon Lescaut" by the great Italian operatic composer Giacomo Puccini. More people saw this telecast than had seen the opera in the 87 years since it premiered.

Mr. President, I urge our colleagues to join us in paying tribute to this great cultural institution by recognizing the 100th birthday of the Met.●

ADDITIONAL COSPONSORS

S. 166

At the request of Mr. INOUYE, the name of the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 166, a bill to amend title XVIII of the Social Security Act to provide that services furnished by a clinical psychologist shall be reimbursable under medicare when furnished by a health maintenance organization to a member of that organization.

S. 267

At the request of Mr. JOHNSTON, the name of the Senator from Washington (Mr. JACKSON) was added as a cosponsor of S. 267, a bill entitled "The Coal Distribution and Utilization Act of 1983."

S. 555

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 555, a bill to stop the proliferation of "cop-killer" bullets.

S. 618

At the request of Mr. PERCY, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 618, a bill to revise certain Federal training and economic development programs to create jobs and develop skills in renewable energy and energy conservation industries, and for other purposes.

S. 657

At the request of Mr. DOLE, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 657, a bill to amend the Animal Welfare Act to insure the proper treatment of laboratory animals.

S. 971

At the request of Mr. MOYNIHAN, the name of the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 971, a bill to authorize the Secretary of Health and Human Services to expedite research on a disease or disorder which constitutes a public health emergency.

S. 980

At the request of Mr. WALLOP, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 980, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not aply to the surface mining of stone, clay, and sand work.

S. 1169

At the request of Mr. EAGLETON, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1169, a bill to delay indexation of individual income taxes until the Federal deficit for any fiscal year does not exceed 2 percent of the Gross National Product for such fiscal year.

S. 1170

At the request of Mr. PRYOR, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 1170, a bill to establish a Director of Operational Testing and Evaluation in the Department of Defense, and for other purposes.

S. 1231

At the request of Mr. BOREN, the name of the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 1231, a bill to amend the Internal Revenue Code of 1954 to exempt certain piggyback trailers and semitrailers from the tax on motor vehicles.

S. 1444

At the request of Mr. MELCHER, the names of the Senator from Minnesota (Mr. BOSCHWITZ) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 1444, a bill to deny most-favored-nation status to any country that in the judgment of the President denies religious freedom to its citizens.

S. 1541

At the request of Mr. BYRD, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from California (Mr. CRANSTON), the Senator from Colorado (Mr. HART), the Senator from Mississippi (Mr. STENNIS), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of S. 1541, a bill to authorize the presentation on behalf of the Congress of a specially struck bronze medal to the families of American personnel missing or otherwise unaccounted for in Southeast Asia.

S. 1563

At the request of Mr. STEVENS, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 1563, a bill to amend section 204 of the Federal Property and Administrative Services Act of 1949 to authorize the deposit of cash proceeds from the disposal of excess or surplus property into the general fund of the Treasury for use to retire the national debt.

S. 1596

At the request of Mr. TRIBLE, the name of the Senator from North Dakota (Mr. ANDREWS) was added as a cosponsor of S. 1596, a bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Nebraska (Mr. EXON), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month."

SENATE JOINT RESOLUTION 102

At the request of Mr. SPECTER, the names of the Senator from Maryland (Mr. SARBANES), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Indiana (Mr. LUGAR), the Senator from Arkansas (Mr. PRYOR), the Senator from Illinois (Mr. DIXON), the Senator from Kentucky (Mr. FORD), the Senator from Oklahoma (Mr. BOREN), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate

Joint Resolution 102, a joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 105

At the request of Mr. RUDMAN, the name of the Senator from Texas (Mr. BENTSEN) was added as a cosponsor of Senate Joint Resolution 105, a joint resolution calling upon the Department of Justice and all other appropriate Federal agencies to enforce Federal antitrust laws, including the prohibition against vertical price restraints.

SENATE JOINT RESOLUTION 106

At the request of Mr. SIMPSON, the names of the Senator from Alabama (Mr. DENTON) and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of Senate Joint Resolution 106, a joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

SENATE JOINT RESOLUTION 110

At the request of Mr. STEVENS, the name of the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of Senate Joint Resolution 110, a joint resolution proposing an amendment to the Constitution of the United States with respect to limiting campaign contributions and expenditures.

SENATE JOINT RESOLUTION 126

At the request of Mr. DIXON, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 126, a joint resolution to designate the week of July 17, 1983, through July 23, 1983, as "National Corn Week."

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. COHEN, the name of the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of Senate Concurrent Resolution 21, a concurrent resolution expressing the sense of the Congress respecting the administration of title X of the Public Health Service Act.

SENATE CONCURRENT RESOLUTION 40

At the request of Mr. LEVIN, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Concurrent Resolution 40, a concurrent resolution expressing the sense of the Congress that a uniform State act should be developed and adopted which provides grandparents with adequate rights to petition State courts for privileges to visit their grandchildren following the dissolution—because of divorce, separation, or death—of the marriage of such grandchildren's parents, and for other purposes.

SENATE RESOLUTION 74

At the request of Mr. PELL, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of Senate Resolution 74, a resolution expressing the sense of the Senate concerning the future of the people on Taiwan.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1984

PROXMIRE AND PRYOR AMENDMENT NO. 1466

Mr. PROXMIRE (for himself and Mr. PRYOR) proposed an amendment 1466 to the bill (S. 675) authorizing appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes, as follows:

At the appropriate place in the bill insert the following new section:

SERVICEMEN'S GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

SEC. . (a) Section 767 of title 38, United States Code, relating to the Servicemen's Group Life Insurance program, is amended—

(1) in the first sentence of subsection (a) by inserting "$100,000, $95,000, $90,000, $85,000, $80,000, $75,000, $70,000, $65,000, $60,000, $55,000, $50,000, $45,000, $40,000," after "(B) to be insured in the amount of";

(2) in the first sentence of subsection (c)—

(A) by striking out "the amount of $30,000, $25,000, $20,000, $15,000, $10,000, $5,000", and inserting in lieu thereof "an amount other than $35,000"; and

(B) by striking out "in the amount of $35,000, $30,000, $25,000, $20,000, $15,000, or $10,000", and inserting in lieu thereof "in another amount authorized by subsection (a) of this section"; and

(3) by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this section, any member who, on the effective date of this subsection, is assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service, may obtain increased insurance coverage under this subchapter up to a maximum of $100,000 in increments of $5,000, if the member (1) is insured under this subchapter on such effective date or, within one year after such effective date, reinstates insurance which lapsed before such date for nonpayment of premiums, and (2) submits, within one year after such effective date, a written application for increased coverage to the office established pursuant to section 766 (b) of this title.".

(b) Section 777(a) of such title, relating to Veterans' Group Life Insurance, is amended—

(1) by striking out "or $35,000 only" in the first sentence and inserting in lieu thereof "$35,000, $40,000, $45,000, $50,000, $55,000, $60,000, $65,000, $70,000, $75,000, $80,000, $85,000, $90,000, $95,000, or $100,000 only";

(2) by striking out "$35,000" in the second sentence and inserting in lieu thereof "$100,000"; and

(3) by striking out "$35,000" each place it appears in the fourth sentence and inserting in lieu thereof "$100,000".

(c) The amendments made by subsections (a) and (b) shall take effect on the first day of the first month which begins at least sixty days after the date of enactment of this Act.

TOWER AMENDMENT NO. 1467

Mr. TOWER proposed an amendment to the bill S. 675, supra, as follows:

On page 24, line 11, strike "$12,499,116,000" and insert in lieu thereof "$12,936,116,000".

On page 18, line 24, strike "$8,532,334,000" and insert in lieu thereof "$8,095,334,000".

PRYOR (AND OTHERS) AMENDMENT NO. 1468

Mr. PRYOR (for himself, Mr. HATFIELD, Mr. HART, Mr. COCHRAN, Mr. LAUTENBERG, Mr. DURENBERGER, Mr. BURDICK, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. PROXMIRE, Mr. KENNEDY, Mr. MITCHELL, Mr. CRANSTON, Mrs. KASSEBAUM, Mr. MELCHER, Mr. MOYNIHAN, and Mr. HEINZ) proposed an amendment to the bill S. 675, supra, as follows:

On page 17, line 3, strike "$2,144,589,000" and insert in lieu thereof "$2,013,989,000".

On page 139, strike lines 1-23 and insert in lieu thereof:

PROHIBITION ON PROCUREMENT OF LETHAL BINARY CHEMICAL MUNITIONS, RELATED PRODUCTION FACILITIES, EQUIPMENT AND PRECURSOR CHEMICALS

SEC. 1013. (a) None of the funds appropriated pursuant to the authorization of appropriations in this bill may be obligated or expended, and notwithstanding any other provision of law no agency of Government may obligate or expend appropriated funds, for procurement of binary chemical munitions or for production facilities, equipment, or precursor chemicals for such munitions.

(b) For the purposes of this section, the term "lethal binary chemical munitions" means (1) any toxic chemical (solid, liquid, or gas) which is intended to be used to produce injury or death to human beings through its chemical properties, and (2) any device, instrument, apparatus, or contrivance, including any components or accessories thereof, intended to be used only to disperse or otherwise disseminate any such toxic chemical.

AGRICULTURAL ACT AMENDMENTS

HUDDLESTON (AND FORD) AMENDMENT NO. 1469

Mr. HUDDLESTON (for himself and Mr. FORD) proposed an amendment to the bill (H.R. 3392) to amend the Agricultural Act of 1949; as follows:

Insert at the end of the bill the following new sections:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by—

(1) in the second sentence of subsection (c), striking out "5 per centum" and inserting in lieu thereof "15 per centum"; and

(2) in the fourth sentence of subsection (e), striking out "95 per centum" and inserting in lieu thereof "85 per centum".

SEC. 3. The Secretary of Agriculture shall review, under section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less then 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

MILITARY PROCUREMENT ACT, 1984

KENNEDY (AND OTHERS) AMENDMENT NO. 1470

Mr. KENNEDY (for himself, Mr. BUMPERS, and Mr. HOLLINGS) proposed an amendment to the bill S. 675, supra; as follows:

On page 18, line 23, strike out "$21,286,690,000" and insert in lieu thereof "$15,659,890,000".

On page 21, strike out lines 1 through 7 and insert in lieu thereof the following:

PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

On page 21, line 8, strike out "(b)" and insert in lieu thereof "SEC. 108.".

On page 24, line 11, strike out "$12,499,116,000" and insert in lieu thereof "$11,749,116,000".

On page 158, between lines 8 and 9, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR THE B-1B BOMBER AIRCRAFT; REQUEST FOR ADDITIONAL FUNDS FOR THE STEALTH BOMBER PROGRAM

SEC. 1026. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used to carry out the B-1B bomber aircraft program.

(b) It is the sense of the Congress that the development of the Stealth bomber is essential to national security and should proceed as rapidly as is possible. The Secretary of the Air Force is directed to submit a supplemental request to the Congress for such additional funds for fiscal year 1984 to carry out research, development, testing, and evaluation in connection with the Stealth bomber program as he determines can effectively be used in such fiscal year on such program.

HART (AND OTHERS) AMENDMENT NO. 1471

(Ordered to lie on the table.)

Mr. HART (for himself, Mr. HATFIELD, Mr. PROXMIRE, Mr. SASSER, Mr. BUMPERS, Mr. LEVIN, Mr. BRADLEY, Mr. MOYNIHAN, Mr. MELCHER, Mr. TSONGAS, Mr. BAUCUS, Mr. KENNEDY, and Mr. DODD) submitted an amendment intended to be proposed by them to the bill S. 675, supra; as follows:

At the end of the bill, and the following new section:

"SEC. . Notwithstanding any other provision of law, no funds appropriated under any Act shall be obligated or expended for the research, development, testing, evaluation, procurement, or deployment of the MX missile.".

MITCHELL (AND OTHERS) AMENDMENT NO. 1472

Mr. MITCHELL (for himself, Mr. LEVIN, Mr. SARBANES, Mr. DODD, and Mr. HOLLINGS) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill insert the following new section:

EXTENSION OF PROHIBITION ON CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this or any other Act may be obligated or expended prior to October 1, 1985, for the purposes of entering into any contract for the performance of firefighting or security-guard functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of the enactment of this Act or when such funds are for new contracts for functions under contract on the date of the enactment of this Act.

(b) The provisions of this section shall not apply (1) to overseas locations (excluding Hawaii and Alaska) at which military personnel would have to be used for the purposes described in subsection (a) at the expense of unit readiness, or (2) to government-owned but privately operated installations.

(c) The Secretary of Defense shall submit to the Congress not later than March 1, 1984, a written report, compiled in consultation with the United States Fire Administrator, containing an assessment of the special needs of the Department of Defense with respect to firefighting and base security and an assessment of how those needs are met by both Federal employees and contract personnel.

ARMSTRONG (AND OTHERS) AMENDMENT NO. 1473

Mr. ARMSTRONG (for himself, Mr. COHEN, Mr. HOLLINGS, Mr. MATSUNAGA, Mr. CRANSTON, Mr. BOSCHWITZ, Mr. DECONCINI, Mr. HART, Mr. DOLE, Mr. KASTEN, Mr. KENNEDY, Mr. PRESSLER, Mrs. HAWKINS, Mr. BRADLEY, Mr. MITCHELL, and Mr. D'AMATO) proposed an amendment to the bill S. 675, supra; as follows:

Add at the end of the bill the following new title:

TITLE IV—VETERANS' EDUCATIONAL ASSISTANCE AMENDMENTS

SEC. 401. This title may be cited as the "Peace-Time Veterans' Educational Assistance Act".

NEW EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 402. (a) Title 38, United States Code, is amended by inserting before chapter 31 the following new chapters:

"CHAPTER 29—PEACETIME VETERANS' EDUCATIONAL ASSISTANCE PROGRAM

"SUBCHAPTER I—PURPOSES; DEFINITIONS

"Sec.

"1401. Purposes.
"1402. Definitions.

"SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

"1411. Entitlement to basic educational assistance for active duty service.
"1412. Entitlement to basic educational assistance for service in the Selected Reserve.
"1413. Duration of basic educational assitance.
"1414. Payment of basic educational assistance allowance.

"SUBCHAPTER III—SUPPLEMENTAL EDUCATIONAL ASSISTANCE

"1421. Entitlement to supplemental educational assistance.
"1422. Determinations of designated personnel categories.
"1423. Payment of supplemental educational assistance allowance.

"SUBCHAPTER IV—ADDITIONAL RECRUITMENT AND RETENTION INCENTIVES

"1431. Additional amounts of assistance.

"SUBCHAPTER V—GENERAL AND ADMINISTRATIVE PROVISIONS

"1441. Expiration of periods during which entitlement may be used.
"1442. Suspension of educational assistance.
"1443. Exclusion of certain service for purpose of earning entitlement; bar to duplication of benefits.
"1444. Extension to permit completion of term.
"1445. Program requirements.
"1446. Appropriations; administrative expenses; budget function.
"1447. Reporting requirements.

"SUBCHAPTER I—PURPOSES; DEFINITIONS

"§ 1401. Purposes

"The purposes of this chapter are—

"(1) to promote and assist the total force concept of the Armed Forces by establishing a new program of educational assistance to aid in the recruitment and retention of highly qualified personnel for both the active and reserve components of the Armed Forces; and

"(2) to assist such personnel in obtaining an education that they might not otherwise be able to afford.

"§ 1402. Definitions

"For the purposes of this chapter:

"(1) The term 'basic educational assistance' means educational assistance provided under subchapter II of this chapter.

"(2) The term 'effective date' means the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984.

"(3) The term 'educational institution' has the same meaning provided in section 1652(c) of this title.

"(4) The term 'program of education' has the same meaning provided in section 1652(b) of this title.

"(5) The term 'Selected Reserve' means the Selected Reserve of the Ready Reserve of any of the reserve components of the Armed Forces, as required to be maintained under section 268(b) of title 10.

"(6) The term 'supplemental educational assistance' means educational assistance provided under subchapter III of this chapter.

"SUBCHAPTER II—BASIC EDUCATIONAL ASSISTANCE

"§ 1411. Entitlement to basic educational assistance for active duty service

"(a) Except as provided in subsection (b) of this section, an individual shall be entitled to basic educational assistance under this chapter if such individual—

"(1) after the effective date—

"(A) serves at least three years of continuous active duty in the Armed Forces, or

"(B) serves at least two years of continuous active duty in the Armed Forces and agrees to serve at least four years in a reserve component of the Armed Forces after service on active duty;

"(2) before completion of the active-duty service described in clause (1) of this subsection, has received a secondary school diploma (or an equivalency certificate); and

"(3) upon completion of the active-duty service described in clause (1) of this subsection—

"(A) is discharged from such service with an honorable discharge, is placed on the retired list, is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retired list;

"(B) continues on active duty; or

"(C) is released from active duty for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service.

"(b) An individual who receives a commission as an officer in the Armed Forces upon graduation from one of the service academies or upon completion of a program of educational assistance under section 2107 of title 10 is not entitled to basic educational assistance under this section.

"(c) For the purposes of subsection (a)(3)(A) of this section, an individual who, upon completion of such individual's full period of obligated service or upon such individual's discharge under section 1173 of title 10, has received a general discharge shall be deemed to have been discharged with an honorable discharge if the Administrator determines that such individual's discharge was under conditions other than dishonorable.

"(d) Except as provided in subsection (b) of this section, an individual who has not yet become entitled to basic educational assistance under this chapter pursuant to subsection (a)(1)(A) of this section and who—

"(1) after the effective date serves at least two years of continuous active duty in the Armed Forces; and

"(2) before completion of the service described in clause (1) of this subsection, has received a secondary school diploma (or an equivalency certificate),

shall be entitled to such assistance while such individual is serving a year of active duty that, when completed, will result in such individual meeting the length- and continuity-of-service requirement of subsection (a)(1)(A) of this section.

"§ 1412. Entitlement to basic educational assistance for service in the Selected Reserve

"(a) Subject to subsection (b) of this section and except as provided in subsection (c) of this section, an individual shall be entitled to basic educational assistance under this chapter if such individual—

"(1) after the effective date serves—

"(A) in any order (i) at least two years of continuous active duty in the Armed Forces characterized by the Secretary concerned as honorable service, and (ii) at least four years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned; or

"(B) at least six years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned;

"(2) before completion of the duty or service described in clause (1)(A)(i) or (B) of this subsection, has received a secondary school diploma (or an equivalency certificate); and

"(3) upon completion of the duty or service described in clause (1) of this subsection—

"(A) is discharged with an honorable discharge, is placed on the retired list, or is transferred to the Standby Reserve or an element of the Ready Reserve other than the Selected Reserve after service in the Selected Reserve characterized by the Secretary concerned as honorable service; or

"(B) is ordered to or continues to serve on active duty or enters or continues to serve in the Selected Reserve.

"(b) For the purposes of clause (1) of subsection (a) of this section, the continuity of service of a member in the Selected Reserve shall not be considered to be broken—

"(1) by any period of time (not to exceed a maximum period prescribed by the Secretary concerned by regulation) during which the member if unable to locate a unit of a Selected Reserve that such member is eligible to join or that has a vacancy;

"(2) by any other period of time (not to exceed a maximum period prescribed by the Secretary concerned under regulations such Secretary shall prescribe) during which the member is not assigned to a unit of a Selected Reserve and which the Secretary concerned, pursuant to regulations which such Secretary shall prescribe, determines should not be considered for the purpose of ensuring continuity of service; or

"(3) by any period of time during which such member serves on active day.

"(c) An individual who receives a commission as an officer in the Armed Forces upon graduation from one of the service academies or upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section.

"(d) For the purposes of subsections (a)(3)(A) and (e) of this section, an individual who, upon completion of such individual's full period of obligated service or upon such individual's discharge under section 1173 of title 10, has received a general discharge shall be deemed to have been discharged with an honorable discharge if the Administrator determines that such individual's discharge was under conditions other than dishonorable.

"(e) Subject to subsection (b) of this section and except as provided in subsection (c) of this section, an individual who has not yet become entitled to basic educational assistance under this chapter by virtue of subsection (a) of this section and who—

"(1) after the effective date serves two years of continuous active duty in the Armed Forces or two years of continuous service in the Selected Reserve during which the individual participates satisfactorily in training as required by the Secretary concerned, or serves any combination of such types of service and the combined service equals at least two years of continuous service;

"(2) before completion of such two years of service has received a secondary school diploma (or an equivalency certificate); and

"(3) following completion of such two years of service has not been discharged or released from such service with a discharge other than honorable discharge or a characterization of such service by the Secretary concerned as other than honorable service,

shall be entitled to basic educational assistance under this chapter while such individual continues to serve either (A) on active duty, or (B) on continuous duty in the Selected Reserve, during which the individual participates satisfactorily in training as required by the Secretary concerned.

"§ 1413. Duration of basic educational assistance

"(a) Subject to section 1795 of this title and subsection (b) of this section, each individual entitled to basic educational assistance under this chapter is entitled to (1) one month of educational assistance benefits under this chapter for each month of active duty served by such individual after the effective date, and (2) one month of educational assistance benefits under this chapter for each three months served by such individual in the Selected Reserve after the effective date.

"(b) An individual may not receive basic educational assistance benefits under this chapter for a period in excess of thirty-six months (or the equivalent thereof in part-time educational assistance).

"§ 1414. Payment of basic educational assistance allowance

"(a) The Administrator shall pay to each individual entitled to basic educational assistance under this chapter who is pursuing an approved program of education under this chapter a basic educational assistance allowance pursuant to this section to help meet, in part, the cost of such individual's subsistence, tuition, fees, supplies, books, equipment, and other educational expenses.

"(b) A basic educational assistance allowance under this subchapter shall be paid—

"(1) at the monthly rate of $300 for an approved program of education pursued on a full-time basis; or

"(2) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

"SUBCHAPTER III—SUPPLEMENTAL EDUCATIONAL ASSISTANCE

"§ 1421. Entitlement to supplemental educational assistance

"An individual who has established entitlement to basic educational assistance under chapter II of this chapter by completing three years of continuous active duty after the effective date shall be entitled to supplemental educational assistance under this subchapter if such individual—

"(1) has been determined by the Secretary concerned to be serving in a category of personnel designated under section 1422 of this title;

"(2) has completed an additional three years of continuous active duty in such category; and

"(3)(i) has been honorably discharged or released therefrom, or (ii) is serving on active duty.

"§ 1422. Determinations of designated personnel categories

"In order to obtain or retain the services of sufficient numbers of personnel in specified skills, the Secretary concerned may designate, in accordance with regulations which the Secretary of Defense shall pre-

scribe, categories of personnel for the purposes of section 1421(2) of this title.

"§ 1423. Payment of supplemental educational assistance allowance

"(a) The Administrator shall pay to each individual entitled to supplemental educational assistance under this chapter who is pursuing an approved program of education under this chapter supplemental educational assistance pursuant to this section to help meet, in part, the costs of such individual's subsistence, tuition, fees, supplies, books, equipment, and other educational expenses.

"(b) A supplemental educational assistance allowance under this subchapter shall be paid to an individual entitled thereto—

"(1) concurrently with the payment of the basic educational assistance allowance paid to such individual under subchapter II of this chapter; and

"(2)(A) at the monthly rate of $300 for an approved program of education pursued on a full-time basis, or (B) at an appropriately reduced rate, as determined under regulations which the Administrator shall prescribe, for an approved program of education pursued on less than a full-time basis.

"SUBCHAPTER IV—ADDITIONAL RECRUITMENT AND RETENTION INCENTIVES

"§ 1431. Additional amounts of assistance

"Subject to the availability of funds appropriated specifically for the purposes of this section, the Secretary concerned may, in accordance with regulations which the Secretary of Defense may prescribe to implement this section, increase the rate or rates of basic or supplemental educational assistance allowance, or both such allowances, payable to an individual on account of active duty service performed in a category of personnel designated under section 1422 of this title if (1) the Secretary concerned determines such action is necessary and appropriate in order to obtain or retain the services of sufficient numbers of qualified active duty personnel in such designated category of personnel, and (2) such action is approved by the Secretary of Defense. In no event may the amount by which such rates are increased under this section exceed $300 a month in the case of any individual.

"SUBCHAPTER V—GENERAL AND ADMINISTRATIVE PROVISIONS

"§ 1441. Expiration of periods during which entitlement may be used

"(a) Except as provided in subsection (b) and (c) of this section, the period during which an individual may use such individual's entitlement to educational assistance under this chapter expires at the end of the ten-year period beginning on the later of—

"(1) the date of such individual's last discharge or release from active duty; or

"(2) the last date on which such individual becomes entitled to any such assistance.

"(b) In the case of an individual who, subsequent to such individual's last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, the ten-year period described in subsection (a) of this section shall not run (1) while such individual is so detained, or (2) during any period immediately following such individual's release from such detention during which such individual is hospitalized.

"(c)(1) In the case of any individual—

"(A) who was prevented from pursuing such individual's chosen program of education prior to the expiration of the ten-year period described in subsection (a) of this section because of a physical or mental disability (not including a condition described in paragraph (2)(A) of this section) which was not the result of such individual's own willful misconduct; and

"(B) who applies for an extension of such ten-year period within one year after (i) the last day of such period, or (ii) the last day on which such individual was so prevented from pursuing such program, whichever is later,

such ten-year period shall not run with respect to such individual during the period of time that such individual was so prevented from pursuing such program and such ten-year period will again begin running on the first day following such individual's recovery from such disability on which it is reasonably feasible, as determined under regulations which the Administrator shall prescribe, for such individual to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"(2)(A) A condition referred to in paragraph (1)(A) of this subsection and in subparagraph (B) of this paragraph is an alcohol or drug dependence or abuse condition of an individual in a case in which it is determined, under regulations which the Administrator shall prescribe that—

"(i) such individual (I) has received recognized treatment for such condition, or (II) has participated in a program of rehabilitation for such condition; and

"(ii) such condition is sufficiently under control to enable such individual to pursue such individual's chosen program of education under this chapter.

"(B) In the case of any individual—

"(i) who was prevented from pursuing such individual's chosen program of education prior to the expiration of the ten-year period described in subsection (a) of this section because of a condition described in subparagraph (A) of this paragraph; and

"(ii) who applies for an extension of such ten-year period within one year after (I) the last date of the ten year period otherwise applicable under this section, (II) the termination of the last period of such treatment of such program of rehabilitation, or (III) the date on which final regulations prescribed pursuant to subparagraph (A) of this paragraph are published in the Federal Register, whichever is the latest,

such ten-year period shall not, subject to subparagraph (C) of this paragraph, run with respect to such individual during the period of time that such individual was so prevented from pursuing such program and such ten-year period will again begin running on the first day, following such condition becoming sufficiently under control to enable such individual to pursue such individuals chosen program of education under this chapter, on which it is reasonably feasible, as determined in accordance with such regulations, for such individual to initiate or resume pursuit of a program of education with educational assistance under this chapter.

"(C) An extension of the applicable ten-year period because of such condition shall be limited to the period of time the individual was receiving treatment or the period of time the individual was participating in a program of rehabilitation for such condition plus such additional length of time as the individual demonstrates, to the satisfaction of the Administrator, that the individual was prevented by such condition from initiating or completing such program of education, but in no event shall the extension be for more than four years.

"§ 1442. Suspension of educational assistance

"(a) The Administrator shall suspend the payment of educational assistance allowance under this chapter in the case of any individual who is assigned to a reserve component of the Armed Forces in connection with establishing entitlement to educational assistance under this chapter and with respect to whom a certification has been received from the Secretary concerned stating that such individual is failing to serve satisfactorily in such reserve component.

"(b) Unless the individual (except for the operation of subsection (a) of this section) is no longer entitled to such assistance, the payment of such assistance shall be reinstated upon receipt of certification from the Secretary concerned that such individual is serving satisfactorily as a member of such reserve component.

"§ 1443. Exclusion of certain service for purpose of earning entitlement; bar to duplication of benefits

"(a) For the purposes of this chapter, the term 'active duty' does not include any period during which an individual (1) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (2) served as a cadet or midshipman at one of the service academies, or (3) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(b) A period of service counted for purposes of repayment under section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), of an education loan may not also be counted for purposes of entitlement to educational assistance under this chapter.

"(c) An individual entitled to educational assistance under a program established by this chapter who is also eligible for educational assistance under a program under chapter 31, 32, 34, 35, or 36 of this title or under chapter 106 or 107 of title 10 may not receive assistance under both programs concurrently but shall elect (in such form and manner as the Administrator shall prescribe) under which program to receive educational assistance.

"§ 1444. Extension to permit completion of term

"(a) If an individual is enrolled under this chapter in an educational institution regularly operated on the quarter or semester system and the period during which such individual may use such individual's entitlement under this chapter would, under section 1441 of this title, expire during a quarter or semester, such period shall be extended to the termination of such quarter or semester.

"(b) If an individual is enrolled under this chapter in an educational institution not regularly operated on the quarter or semester system and the period during which such individual may use such individual's entitlement under this chapter would, under section 1441 of this title, expire after a major portion of the course is completed, such period shall be extended to the end of the course or for twelve weeks, whichever is the lesser period of extension.

"§ 1445. Program requirements

"Except as otherwise provided in this chapter, the provisions of section 1663, 1670, 1671, 1673, 1674, 1676, and 1683 of this title and the provisions of chapter 36 of this title, with the exception of sections 1777, 1780(c) and 1787, shall be applicable to the payment of educational assistance allowances under this chapter.

"§ 1446. Appropriations; administrative expenses; budget function

"(a) Payments of educational assistance allowances under this chapter shall be made from appropriations made to the Department of Defense (in the case of service in a military department) or the Department of Transportation (in the case of service in the Coast Guard) and transferred to the Administrator for such purpose.

"(b) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall also transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator in administering this chapter.

"(c) Transfers under subsections (a) and (b) of this section shall be made in advance, with necessary adjustments from time to time for overpayments and underpayments.

"(d) Appropriations and expenditures made to carry out this chapter shall be considered for budgetary purposes as appropriations and expenditures made for national defense functions.

"§ 1447. Reporting requirements

"(a) The Secretary of Defense and the Administrator, not later than February 1 of the year beginning one year after the effective date and annually thereafter, shall each submit to the Congress reports on the operation of the programs provided for in this chapter and chapter 30 of this title.

"(b) The Secretary shall include in each report submitted under this section—

"(1) information indicating (A) the extent to which the benefit levels provided under such chapters are adequate to achieve the purposes of inducing individuals to enter and remain active in the Armed Forces and to enter and remain in the Selected Reserve and of providing an adequate level of financial assistance to help meet the costs of pursuing a program of education, and (B) whether it is necessary, for the purposes of maintaining adequate levels of well-qualified active-duty personnel in the Armed Forces and well-qualified personnel in the Selected Reserve, to continue to offer the opportunity for educational assistance under such chapters to individuals who have not yet entered active-duty service; and

"(2) such recommendations for administrative and legislative changes as the Secretary considers appropriate.

"(c) The Administrator shall include in each report submitted under this section—

"(1) information (A) indicating the extent to which the benefit levels provided under such chapters are providing an adequate level of financial assistance to help meet the costs of pursuing a program of education, and (B) concerning the level of utilization of educational assistance and of expenditures under such chapters; and

"(2) such recommendations for administrative and legislative changes as the Administrator considers appropriate.

"CHAPTER 30—CAREER MEMBERS' CONTRIBUTORY EDUCATIONAL ASSISTANCE PROGRAM

"SUBCHAPTER I—DEFINITIONS

"Sec.

"1451. Purposes.
"1452. Definitions.

"SUBCHAPTER II—ELIGIBILITY; CONTRIBUTIONS; AND MATCHING FUND

"1461. Eligibility.
"1462. Contributions; matching fund.
"1463. Refunds of contributions.
"1464. Death of participant.
"1465. Discharge or release under conditions which bar the use of benefits.

"SUBCHAPTER III—ENTITLEMENT, TRANSFER, AND DURATION

"1471. Entitlement; payment.
"1472. Transfer of educational benefits.
"1473. Duration; limitations.

"SUBCHAPTER IV—ADMINISTRATION

"1481. Requirements.
"1482. Reports; accounts.
"1483. Administrative expenses; budget function.

"SUBCHAPTER I—DEFINITIONS

"§ 1451. Purposes

"The purposes of this chapter are—

"(1) to establish a contributory educational assistance program to enhance the ability of the Armed Forces to retain on active duty highly qualified men and women; and

"(2) to assist such individuals and their families in obtaining educations that they might not otherwise be able to afford.

"§ 1452. Definitions

"For the purposes of this chapter:

"(1) The term 'active duty' does not include any period during which an individual (A) was assigned full time by the Armed Forces to a civilian institution for a course of education which was substantially the same as established courses offered to civilians, (B) served as a cadet or midshipman at one of the service academies, or (C) served under the provisions of section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard, or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve.

"(2) The term 'eligible person' means any individual who is serving on active duty in the Armed Forces after completing ten years of such active duty.

"(3) The term 'Fund' means the Career Members' Education Account established pursuant to section 1462(a) of this title.

"(4) The term 'participant' means an eligible person who enrolls in the program and makes contributions to the Fund under section 1462(a) of this title.

"(5) The term 'program' means the educational benefits program established by this chapter.

"(6) The term 'program of education' has the same meaning provided in section 1652(b) of this title.

"SUBCHAPTER II—ELIGIBILITY; CONTRIBUTIONS; AND MATCHING FUND

"§ 1461. Eligibility

"(a)(1) An eligible person is entitled to enroll in the program at any time during such person's service on active duty. Except as provided in paragraph (2) of this subsection, when a person elects to enroll in the program, the person must participate for at least twelve consecutive months before such person may suspend participation in the program or disenroll from the program.

"(2) The provisions of paragraph (1) of this subsection which require at least twelve consecutive months of participation in the program before a participant may suspend participation or disenroll does not apply in the case of any participant who (A) suspends participation or disenrolls because of personal hardship, as defined in regulations issued jointly by the Administrator and the Secretary of Defense, or (B) is discharged or released from active duty.

"(b) A participant shall be permitted to suspend participation or disenroll from the program at the end of any twelve-consecutive-month period of participation. If participation is suspended, the participant shall be eligible to make additional contributions to the program under such terms and conditions as shall be prescribed in regulations issued jointly by the Administrator and the Secretary of Defense.

"(c)(1) Except as provided in paragraph (2) of this subsection, if a participant disenrolls from the program, the participant forfeits any entitlement to benefits under the program. A participant who disenrolls from the program is eligible for a refund of contributions as provided in section 1463 of this title.

"(2) A participant who has disenrolled may be permitted to reenroll in the program under such conditions as shall be prescribed in regulations issued jointly by the Administrator and the Secretary of Defense.

"§ 1462. Contributions; matching fund

"(a) Each eligible person enrolling in the program shall agree to have a monthly deduction made from such person's military pay. Such a monthly deduction shall be in any amount not less than $25 nor more than $100 except that the amount must be divisible by five. Any such amount so contributed by the participant and any amount contributed by the Secretary concerned pursuant to subsections (b) and (c) of this section shall be deposited in a deposit fund account which shall be established in the Treasury and shall be known as the 'Career Members' Education Account.' Contributions made by a participant shall be limited to a maximum of $6,000.

"(b) Except as provided in subsection (c) of this section, the Secretary concerned shall deposit in the Fund to the credit of a participant $2 for each $1 contributed by such participant under subsection (a) of this section. Deposits for the first twenty-four months of participation shall be made in the twenty-fifth month after the date on which the first contribution is made by such participant and periodically thereafter.

"(c) Pursuant to regulations which the Secretary of Defense may prescribe, the Secretary concerned may deposit in the Fund to the credit of a participant such amounts in addition to the matching funds deposited under subsection (b) of this section as the Secretary concerned considers necessary or appropriate to encourage persons to remain on active duty in the Armed Forces.

"§ 1463. Refunds of contributions

"(a) Contributions made to the program by a participant may be refunded only after the participant has disenrolled from the program or as provided in section 1464 of this title.

"(b)(1) If a participant disenrolls from the program before discharge or release from active duty, such participant's contributions shall be refunded not later than sixty days after the date on which the Administrator receives notice from the Secretary concerned of such participant's disenrollment.

"(2) If a participant disenrolls from the program after discharge or release from active duty, the participant's contributions

shall be refunded not later than sixty days after the date on which the Administrator receives such participant's application for a refund.

"§ 1464. Death of participant

"In the event of a participant's death, the amount of the unused contributions deposited in the Fund to the credit of such participant under section 1462 of this title shall be paid to the living person or persons first listed below:

"(1) The beneficiary or beneficiaries designated by such participant under the participant's Servicemen's Group Life Insurance policy.

"(2) The surviving spouse of the participant.

"(3) The surviving children of the participant, in equal shares.

"(4) The surviving parents of the participant, in equal shares.

If there is no such person living, such amount shall be paid to the participant's estate.

"§ 1465. Discharge or release under conditions which bar the use of benefits

"If a participant is discharged from active duty with other than an honorable discharge or released from active duty after service on active duty characterized by the Secretary concerned as other than honorable service, the participant is automatically disenrolled from the program and any contributions made by the participant under section 1462(a) of this title shall be refunded to the participant not later than sixty days after the date on which the Administrator receives notice from the Secretary concerned of such discharge or release.

"SUBCHAPTER III—ENTITLEMENT, TRANSFER, AND DURATION

"Section 1471. Entitlement; payment

"(a)(1) A participant shall be paid educational assistance in accordance with the provisions of this subchapter.

"(2) A participant shall be entitled to a maximum of thirty-six monthly educational assistance payments (or their equivalent in part-time payments) in addition to any amounts payable in the case of such participant under chapter 29, 31, 32, 34, 35, or 36 of this title.

"(b) Payment of educational assistance under this chapter shall not be made in the case of a participant who is serving on active duty until such participant has participated in the program for at least twenty-four months.

"(c)(1) The number of months of a participant's entitlement shall be the lesser of thirty-six or the number equal to the number of months in which the participant made contributions under section 1462(a) of this title.

"(2) The amount of educational assistance to which a participant is entitled under this section in any month is equal to the excess of—

"(A) the sum of all amounts deposited in the Fund to the credit of such participant under section 1462 of this title before such month, over

"(B) the total amount of such benefits paid out of the Fund under this chapter in the case of such participant before such month,

divided by the number of months of unused entitlement remaining in the case of such participant on the day before the date on which the payment of benefits for such month is made.

"(d) Payment of educational assistance under this chapter in the case of any participant may be made only for periods of time during which such participant or transferee under section 1472 of this title is actually enrolled in and pursuing an approved program of education.

"Section 1472. Transfer of educational benefits

"(a) A participant may transfer any portion of such participant's entitlement to educational assistance payments under section 1471 of this title to such participant's spouse or child (in this chapter referred to as a 'transferee'). A participant may revoke a transfer made under this subsection at any time.

"(b) Any transfer or revocation of entitlement under subsection (a) of this section shall be made in accordance with regulations prescribed by the Secretary of Defense.

"(c) Notwithstanding any other provision of this chapter, educational assistance may not be paid under this chapter to a person divorced from the participant on whose service the person's entitlement is based.

"§ 1473. Duration; limitations

"(a) Educational assistance under this chapter may not be paid to or transferred by a participant at any time more than ten years after the date of such participant's last discharge or release from active duty.

"(b) Educational assistance under this chapter may not be paid to a transferee at any time after the later of (1) the date ten years after the date on which benefits were transferred to the transferee, or (2) the date on which the transferee attains twenty-nine years of age.

"(c) In the event that a participant or transferee has not utilized any or all of such participant's entitlement by the end of the applicable period provided for under subsection (a) or (b) of this section, such participant is automatically disenrolled from the program and any contributions made by such participant remaining in the fund shall be refunded to the participant following notice to such participant and an application by such participant for such refund. If no application is received within one year from the date of such notice, it shall be presumed for the purposes of section 1322 of title 31 that the participant's whereabouts are unknown and the funds shall be transferred as directed in subsection (a) of such section.

"SUBCHAPTER IV—ADMINISTRATION

"§ 1481. Requirements

"The provisions of section 1663, 1670, 1671, 1673, 1674, 1676, and 1683 of this title and the provisions of chapter 36 of this title with the exception of sections 1777, 1780(c), and 1787, shall be applicable to the payment of educational assistance under this chapter. For the purpose of such provisions, transferees shall be considered to be eligible veterans.

"§ 1482. Reports; accounts

"(a) The Secretary of Defense shall submit to the Administrator a report each month showing the name, service number, and amount of the deduction made from the military pay of each participant enrolling in that month, any contribution made by the Secretary concerned under section 1462(c) of this title, and any change in each participant's enrollment or contribution. The report shall also include any additional information the Administrator and the Secretary of Defense consider necessary for the administration of the program.

"(b) The Administrator shall maintain accounts showing contributions made to the Fund by individual participants and by the Secretary concerned as well as disbursements made from the Fund in the form of payments or contributions withdrawn.

"§ 1483. Administrative expenses; budget function

"(a)(1) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator in administering this chapter.

"(2) Transfers under paragraph (1) of this subsection shall be made in advance, with necessary adjustments from time to time, for overpayments and underpayments.

"(b) Appropriations and expenditures made to carry out this chapter shall be considered for budgetary purposes as appropriations and expenditures made for national defense functions.".

(b) The tables of chapters at the beginning of such title and at the beginning of part III of such title are each amended by inserting before the item relating to chapter 31 the following new items:

"29. Peacetime Veterans' Educational Assistance Program 1401
"30. Career Members' Contributory Educational Assistance Program..... 1451".

COORDINATION WITH OTHER VETERANS' EDUCATION AND TRAINING PROGRAMS

SEC. 403. (a) Section 1508(f)(1) of title 38, United States Code, is amended—

(1) in subparagraph (A)—

(A) by inserting "29 or" before "34" the first place it appears; and

(B) by striking out "chapter 34" the second place it appears and inserting in lieu thereof "either chapter 29 or chapter 34"; and

(2) in subparagraph (B), by inserting "29 or" before "34".

(b) Section 1623 of such title is amended by adding at the end the following new subsection:

"(e) If a participant becomes entitled to educational assistance under chapter 29 of this title, the participant may elect to disenroll from the program under this chapter effective on the first day of the month in which the participant becomes entitled to such assistance.".

(c) The third sentence of section 1673(d) of such title is amended by inserting "29," after "chapter" the second time it appears.

(d)(1) Section 1781 of such title is amended—

(A) by inserting "29," after "chapter" the first time it appears;

(B) by striking out "36," and inserting in lieu thereof "36 of this title or chapter 106 or 107 of title 10,"; and

(C) by striking out the comma after "chapter 31".

(2) Section 1795(a) of such title is amended—

(A) in clause (4), by inserting "29," after "chapters"; and

(B) by inserting after clause (4) the following new clause:

"(5) chapters 106 and 107 of title 10;".

EDUCATIONAL LEAVE OF ABSENCE FOR ENLISTED MEMBERS OF THE ARMED FORCES

SEC. 404. (a) Chapter 40 of title 10, United States Code, relating to leave, is amended by adding at the end thereof the following new section:

"§ 708. Educational leave of absence

"(a) Under such regulations as the Secretary of Defense shall prescribe after consul-

tation with the Secretary of Transportation and subject to subsection (b), the Secretary concerned may grant to any eligible member (as defined in subsection (e)) a leave of absence for a period of not to exceed two years for the purpose of permitting such member to pursue a program of education.

"(b)(1) A member may not be granted a leave of absence under this section unless—

"(A) in the case of an enlisted member, the member agrees in writing to extend the member's current enlistment after completion (or other termination) of the program of education for which the leave of absence was granted for a period of two months for each month of the period of the leave of absence; and

"(B) in the case of an officer, the member agrees to serve on active duty after completion (or other termination) of the program of education for which the leave of absence was granted for a period (in addition to any other period of obligated service on active duty) of two months for each month of the period of the leave of absence.

"(2) A member may not be granted a leave of absence under this section until such member has completed any extension of enlistment or reenlistment, or any period of obligated service, incurred by reason of any previous leave of absence.

"(c)(1) While on a leave of absence under this section a member shall be paid basic pay but may not be paid basic allowance for quarters or basic allowance for subsistence or any other pay and allowances to which the member would otherwise be entitled for such period.

"(2) A period during which a member is on a leave of absence under this section shall be counted for the purposes of computing the amount of a member's basic pay, for the purpose of determining the member's eligibility for retired pay, and for the purpose of time in grade for promotion purposes, but may not be counted for the purpose of completion of the term of enlistment of the member (in the case of an enlisted member).

"(d)(1) In time of war, or of national emergency declared by the President or the Congress, the Secretary concerned may cancel any leave of absence granted under this section.

"(2) The Secretary concerned may cancel a leave of absence granted to a member under this section if the Secretary determines that the member is not satisfactorily pursuing the program of education for which the leave was granted.

"(e) In this section, 'eligible member' means a member of the armed forces on active duty who is eligible for basic educational assistance under chapter 29 of title 38 and who—

"(1) in the case of an enlisted member, has completed at least one term of enlistment and has reenlisted; and

"(2) in the case of an officer, has completed the officer's initial period of obligated service on active duty.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"708. Educational leave of absence.".

PRESEPARATION COUNSELING

SEC. 405. (a) Chapter 53 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1043. Preseparation counseling requirement

"Effective not later than two years after the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984, upon the discharge or release from active duty of a member of the armed forces, the Secretary concerned shall provide for individual counseling of that member. That counseling shall include a discussion of the educational assistance benefits to which the member is entitled because of the member's service in the armed forces and an explanation of the procedures for and advantages of affiliating with the Selected Reserve. A notation of the provision of such counseling, signed by the member, shall be placed in the service record of each member receiving such counseling.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"1043. Preseparation counseling requirement."

TERMINATION OF RIGHT TO ENROLL IN CHAPTER 32 PROGRAM

SEC. 406. Section 408(a) of the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94-502, 90 Stat. 2383, 2397) is amended—

(1) by (A) striking out "(1)", and

(2) striking out all after "Act) after" and inserting in lieu thereof "the effective date provided for in section 408(b) of the Omnibus Defense Authorization Act, 1984"."

REPEAL OF THE 1989 TERMINATION DATE CONTAINED IN CHAPTER 34 OF TITLE 38, UNITED STATES CODE

SEC. 407. (a) Section 1662 of title 38, United States Code, is amended by striking out subsection (e).

(b)(1) Chapter 34 of such title is amended by adding at the end the following new section:

"§ 1694. Appropriations; administrative expenses

"(a) Payments of educational assistance for the pursuit of a program of education or of apprenticeship or other on-job training under this chapter or chapter 36 of this title after December 31, 1989, shall be made from appropriaitons made to the Department of Defense, the Department of Health and Human Services, and the Department of Transportation, as appropriate, and transferred to the Administrator for such purposes.

"(b) The Secretary of Defense, the Secretary of Health and Human Services, and the Secretary of Transportation, as appropriate, shall also transfer to the Administrator such funds as may be necessary to cover all expenses incurred by the Administrator is administering this chapter after December 31, 1989.

"(c) Transfers under subsections (a) and (b) of this section shall be made in advance, with necessary adjustments from time to time for overpayments and underpayments.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1694. Appropriations; administrative expenses.".

EFFECTIVE DATES

SEC. 408. (a) The amendments made by sections 406 and 407 shall take effect on October 1, 1983.

(b)(1) Except as provided in paragraph (2), the amendments made by sections 402 through 405 shall take effect on October 1, 1987.

(2)(A) Subject to subparagraph (3) and subsection (c), such amendments shall take effect on a date prior to October 1, 1987, as determined by the President, upon the recommendation of the Secretary of Defense, in accordance with the provisions of subparagraph (B).

(B) In making a determination pursuant to subparagraph (A), the President—

(i) shall take into account (I) the projected costs of carrying out the programs of educational assistance for men and women in the Armed Forces that would be established under chapters 29 and 30 of title 38, United States Code (as added by section 402(a)), (II) the Armed Forces' recruitment and retention experiences in the preceding fiscal year and projected recruitment and retention performances for the fiscal year in which such determination is made and the next four fiscal years, and (III) other alternatives and their projected costs to enhance such recruitment and retention, and

(ii) shall determine a date for the establishment of such programs upon finding that the establishment of them on such date is, in terms of the factors specified in clause (i), necessary in the national interest of the United States in order to achieve the purposes of such chapters.

(C) Prior to making a recommendation under subparagraph (A), the Secretary of Defense shall consult with the Administrator of Veterans' Affairs and obtain and review the recommendations of the Secretaries of the military departments in terms of the considerations specified in subparagraph (B).

(3) The amendments made by sections 402 through 405 shall not take effect on the date determined pursuant to subparagraph (A) unless the President, not less than ninety days prior to such date, has submitted to the Committees on Armed Services, on Veterans' Affairs, and on Appropriations of the House of Representatives and the Senate written notice of, together with a report explaining the justification for, the determination.

(4) On each December 1 occurring in the years 1984, 1985, and 1986, the President shall decide whether to make a determination pursuant to paragraph (2), and shall, not later than thirty days thereafter, submit to such committees a report explaining the reasons for that decision.

FUNDING

SEC. 409. (a) No obligations to make outlays or payments under the amendment made by section 402(a) may be entered into unless the authority to enter into such obligations has been provided by an appropriation Act.

(b)(1) During the first fiscal year in which payments of educational assistance are to be made under chapter 29 of title 38, United States Code (as added by section 402(a)), such payments shall be made from funds in the Veterans' Administration readjustment benefits accounts to the extent that funds sufficient for making such payments are not available for transfer to the Administrator of Veterans' Affairs pursuant to section 1446(a) of such title.

(2) The Secretary of Defense and the Secretary of Transportation, as appropriate, shall transfer to the Administrator of Veterans' Affairs for deposit in such account funds sufficient to reimburse the Administrator for payments made from such account pursuant to paragraph (1).

NUNN (AND OTHERS) AMENDMENT NO. 1474

Mr. NUNN (for himself, Mr. JOHNSTON, Mr. RANDOLPH, Mr. LEAHY, and

Mr. CHILES) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . Notwithstanding any other provision of this Act or any other Act, all funds authorized to be appropriated for Project 82-D-109 of the Department of Energy are hereby repealed. No other funds authorized or appropriated by this or any other Act may be used for this project. There is hereby authorized to be appropriated $50 million for procurement, research and development of improved conventional munitions and submunitions.

PRESSLER AMENDMENT NO. 1475

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill S. 675, supra; as follows:

On page 27, line 1, delete "$1,808,900,000" and insert in lieu thereof "$1,824,700,000".

On page 26, line 25, delete "$1,126,400,000" and insert in lieu thereof "$1,135,000,000".

KENNEDY (AND HATFIELD) AMENDMENT NO. 1476

(Ordered to lie on the table.)

Mr. KENNEDY (for himself and Mr. HATFIELD) submitted an amendment intended to be proposed by them to the bill S. 675, supra; as follows:

At the end of the bill, add the following Section:

SEC. . It is the sense of the Senate that—

(a)(1) Since the greatest challenge facing the Earth is to prevent the occurrence of nuclear war by accident or design;

(2) Since the nuclear arms race is dangerously increasing the risk of a holocaust that would be humanity's final war; and

(3) Since a mutual and verifiable freeze followed by reductions in nuclear warheads, missiles, and other delivery systems is needed to halt the nuclear arms race and to reduce the risk of nuclear war.

(b)(1) As an immediate arms control objective, the United States and the Soviet Union should—

(A) pursue an immediate and complete halt to the nuclear arms race;

(B) decide when and how to achieve a mutual verifiable freeze on the testing, production, and further deployment of nuclear warheads, missiles, and other delivery systems; and

(C) give special attention to destabilizing weapons whose deployment would make such a freeze more difficult to achieve.

(2) Proceeding from the freeze, the United States and the Soviet Union should pursue major, mutual, and verifiable reductions in nuclear warheads, missiles, and other delivery systems, through annual percentages or equally effective means, in a manner that enhances stability.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Thursday, July 14, 1983, at 10 a.m., in SR-301, Russell Senate Office Building, to receive testimony on the nominations of Joan D. Aikens, of Pennsylvania, and John Warren McGarry, of Massachusetts, to the Federal Election Commission for terms expiring April 30, 1989. Both Mrs. Aikens and Mr. McGarry are currently members of the Commission.

The committee will also be receiving testimony on Senate Joint Resolution 103, a joint resolution to provide for the appointment of Jeannine Smith Clark as a citizen regent of the Board of Regents of the Smithsonian Institution.

For further information regarding this hearing, please contact Carole Blessington of the Rules Committee staff on extension 40278.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee's markup on pending legislation scheduled for July 14, 1983, has been rescheduled for July 18, 1983, beginning at 4 p.m. in room 428A Senate Russell Office Building. For further contact, please call Mike Haynes of the Committee staff at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 14, to hold a hearing on the nomination of Paul Volker, to be chairman of the Federal Reserve Board.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet in closed session Thursday, July 14, to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON NUCLEAR REGULATION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, July 14, to hold a hearing on licensing reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 14, to hear a discussion by Secretary Shultz on his recent trip.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE, POST OFFICE, AND GENERAL SERVICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcomittee on Civil Service, Post Office, and General Services of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, July 14, to hold a hearing on S. 958, the Merit Pay Reform Act of 1983.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Civil Service, Post Office, and General Services of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, July 14, to mark up S. 958, the Merit Pay Reform Act of 1983; and S. 1513, reauthorization for the National Historical Publication and Records Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 14, to hold a hearing on S. 1368, authorizing the Secretary of Agriculture to issue marketing orders relating to the handling of eggs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUPREME COURT'S DECISION IN THE BOB JONES CASE

● Mr. HELMS. Mr. President, much has been written and spoken about the Supreme Court's decision several weeks ago in Bob Jones University against United States. Among the most perceptive articles this Senator has seen are an editorial by Human Events and a column by Notre Dame Law Professor Charles E. Rice.

Both these articles ably point out the fundamental problem with the Bob Jones decision: the Supreme Court Justices have substituted their own personal opinions about what the law should be for the actual law as enacted by Congress. In short, the Justices have acted to create statutory law rather than to interpret it. With the Bob Jones case, the Supreme Court has again undermined the rule of law generally and set a dangerous precedent for religious liberty as traditionally exercised in the United States.

Mr. President, I ask that a column by Professor Charles E. Rice, entitled "Court Allows IRS to Set Social Policy," appearing in the July 14, 1983, edition of the Wanderer, and an editorial, entitled "Has High Court Undermined Religious Tax Exemptions?," appearing in the June 4, 1983, edition of Human Events, be printed in the RECORD at the conclusion of my remarks.

The articles follow:

[From the Wanderer, July 14, 1983]

COURT ALLOWS IRS TO SET SOCIAL POLICY

(By Charles E. Rice)

"Hard cases," as every law student should know, "make bad law." Consider, for example, the Supreme Court's recent ruling that Bob Jones University was not entitled to tax exemption because the school forbids interracial dating among its students. BJU has 5,000 students, from kindergarten through college and graduate school. Unlike the Goldsboro Christian Schools (the plaintiff in a companion case decided the same day with the same result), BJU enrolls students without regard to race, but it has a policy against the practice or advocacy of interracial dating.

The Internal Revenue Service ruled that BJU was not entitled to the tax exemption provided by Section 501(c)(3) of the Internal Revenue Code for groups "organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes. . . ."

As the Court described the IRS view, the organization has to be charitable in that "its activity is not contrary to settled public policy." BJU argued that the plain meaning of the word "or" in the statute is that as long as BJU's activity is "religious" (and, in fact, also "educational"), it did not also have to be charitable in the sense that a "charitable" group must "serve a public purpose and not be contrary to established public policy."

The Supreme Court, however, agreed with the IRS and held that, to qualify for tax exemption under Section 501(c)(3), the school, in the Court's words "must first fall within one of the categories specified by Congress, and in addition must serve a valid charitable purpose," which means that "the exempt entity confers a public benefit" and is not "contrary to a fundamental public policy." Racial discrimination in education, said the Court, "is contrary to public policy."

Specifically at issue was a 1970 ruling in which the IRS had reversed the position it had taken for several decades. According to the 1970 ruling, a school could not qualify for 501(c)(3) status if it practiced racial discrimination even if it were otherwise qualified. The court held that Congress, by not reversing this 1970 IRS ruling, had acquiesced in it and thus the IRS position had become the position of Congress itself. This was so even though the court cases that has upheld that 1970 IRS ruling had not involved the free exercise of religion claim raised by BJU.

Justice Rehnquist in dissent agreed that Congress could deny the exemption to a school that practiced racial discrimination and that such a Congressional determination would override BJU's reliance upon the free exercise of religion. Rehnquist, however, denied that Congress intended to acquiesce in the IRS ruling. A failure of Congress to reverse an administrative interpretation is generally a weak ground on which to conclude that Congress has endorsed that interpretation. Moreover, the religious issues raised by BJU had not been presented in the cases upholding the IRS ruling of 1970; therefore, even if Congress had acquiesced in those prior rulings, that would not imply Congressional disapproval of the religious claims that had not even been raised. And, as Justice Rehnquist pointed out, there were indications that Congress, far from acquiescing in the IRS change of policy, intended to reaffirm the prior policy under which racial discrimination would not of itself cause a school to lose its 501(c)(3) exemption.

The traditional exemption of religious activities from taxation is a reflection of the independence of the Church from State control. As Chief Justice John Marshall said in another context, "the power to tax involves the power to destroy" (*McCulloch* v. *Maryland*, 17 U.S. 316 (1819)). The Bob Jones ruling, however, accepts the notion that a tax exemption is a subsidy, a notion that was explicitly adopted by the Court in another case decided the day before Bob Jones, in which the Court said, "Both tax exemptions and tax-deductibility are a form of subsidy that is administered through the tax system. A tax exemption has much the same effect as a cash grant to the organization of the amount of tax it would have to pay on its income" *Regan* v. *Taxation with Representation of Washington*, 51 U.S.L.W. 4583). But if tax exemptions are a subsidy like cash grants, they are then subject to the principle that, "It is hardly lack of due process for the Government to regulate that which it subsidizes" (*Wickard* v. *filburn*, 317 U.S. 111, 131 (1942)).

The Bob Jones decision opens the door in the racial area to the imposition of affirmative action and quota requirements on religious schools and on churches themselves. For if the IRS has the power to forbid discrimination by such schools, subject only to specific overruling action by Congress, it also has the power to define what is discrimination. Nor will this power be diminished by the fact that the school is acting on a good faith religious belief.

BJU's free exercise of religion claim was rejected because "the Government has a fundamental, overriding interest in eradicating racial discrimination in education—discrimination that prevailed, with official approval, for the first 165 years of this Nation's history" (4601). But could not the same be said of sex discrimination, whether or not the ERA is ultimately adopted? If so, what happens to the "charitable" status of churches that refuse to ordain women or homosexuals?

The Court majority stated that "contemporary standards must be considered in determining whether given activities provide a public benefit and are entitled to the charitable exemption. . . . Charitable trust law also makes clear that the definition of 'charity' depends upon contemporary standards" (4598, fn. 20). As "contemporary standards" erode, could not the exemption be denied to a religious hospital that refused to perform abortions or sterilizations? The Court majority also said that if exemption were allowed for a school that practices racial discrimination, it could also be allowed for a school found to teach the art of picking pockets or terrorism. However, even if Fagin's School for Pickpockets were a bonafide religious institution, instruction in picking pockets would be independently punishable under the criminal law. The mere private refusal to allow interracial dating among one's students is not, as yet, independently punishable under the criminal law. Even if it were, the imperative of the free exercise of religion may simply mean that recourse should be had to the criminal law to deter such conduct rather than to the law of tax exemption.

In any event, the Bob Jones decision reverses the traditional and proper view that religious tax exemptions are a function of the independence of the Church from State domination. The collection of taxes is an exercise of dominion. Now, under Bob Jones, the liability of the Church to taxation is in effect a matter of official discretion. The tax exemption is a subsidy which may be withdrawn or conditioned as shifting public policy might dictate. It is fair to ask how long the churches, including the Catholic Church in the United States, will resist, for example, equality of treatment for homosexuals if tax exemption is conditioned upon it.

[From the Human Events, June 4, 1983]

HAS HIGH COURT UNDERMINED RELIGIOUS TAX EXEMPTIONS?

In a blatant display of "legislation by judiciary," the Supreme Court ruled May 24 in *Bob Jones University* v. *United States of America* that the Internal Revenue Service may deny tax benefits to private schools and religious orders that violate "a fundamental national public policy" such as the one against racial discrimination, even though Congress has never affirmatively authorized the IRS to take such action.

The Court's 8-to-1 decision was widely hailed in the liberal media as (1) a repudiation of the Reagan Administration's position that the denial of tax benefits to racially discriminatory schools was "without basis in law," and (2) a well-deserved slap in the face of the two schools involved in the case, Bob Jones University and Goldsboro Christian Schools.

Virtually ignored, however, were numerous implications of the ruling which range far beyond narrow considerations of race and threaten to do great harm.

Among its more damaging effects, last week's decision:

Represents a crippling blow to the constitutional separation of powers in general, and the legislative power of Congress in particular;

Clears the way for the lower courts to deny tax-exemption and tax-deductible contributions to thousands of private schools nationwide that have never practiced racial discrimination, simply because they fail to meet an arbitrary racial quota;

Greatly restricts the 1st Amendment's protections of religious freedom; and

Establishes a precedent which, if applied consistently, could lead to the elimination of tax-exemption and tax-deductible contributions for all churches and religious organizations, including all charities, schools, hospitals, and so forth that are in any way affiliated with religious bodies.

A key issue in the case was whether the IRS could lawfully decide without explicit statutory authority that schools deemed to have racially discriminatory policies can be denied tax exemption and tax-deductible contributions.

As enacted by Congress, Sec. 501(c)(3) of the Internal Revenue Code grants tax-exempt status to organizations "organized and operated exclusively for religious, charitable . . . or educational purposes. . . ." Not one sentence in the tax

code or its legislative history empowered the IRS to take racial discrimination into account in determining eligibility for such tax benefits.

Nevertheless, Chief Justice Warren Burger, writing for the majority, held that, in order for an institution to receive tax exemption, it must not only meet the requirements established by Congress in Sec. 501(c)(3). In addition, such an organization must meet "certain common law standards of charity, namely, that an institution seeking tax-exempt status must serve a public purpose and not be contrary to established public policy." And since "racial discrimination in education violates a most fundamental national public policy," wrote Burger, the IRS has been right in its practice since 1970 of denying tax exemption to schools which discriminate.

In his dissent, however, Justice William Rehnquist agreed with the Reagan Administration that it is the prerogative of Congress, and not the IRS or any other executive branch agency, to determine whether there should be a public policy against granting tax benefits to discriminatory institutions.

"The Court points out," said Rehnquist, "that there is a strong national policy in this country against racial discrimination. To the extent that the Court states that Congress in furtherance of this policy could deny tax-exempt status to educational institutions that promote racial discrimination, I readily agree. But, unlike the Court, I am convinced that Congress simply has failed to take this action and, as this Court has said over and over again, regardless of our view on the propriety of Congress's failure to legislate we are not constitutionally empowered to act for them.

"In approaching this statutory construction question, the Court quite adeptly avoids the statute it is construing. This I am sure is no accident, for there is nothing in the language of Sec. 501(c)(3) that supports the result obtained by the Court."

While newspapers like the Washington Post tended to dismiss Rehnquist's objection as mere nit-picking by "the court's most conservative member," the reality is quite different. For as William Bentley Ball, who represented Bob Jones University before the court and is generally conceded to be the nation's most prominent lawyer in cases dealing with religious liberty, told Human Events last week, "federal public policy" is by no means limited to policy respecting racial discrimination.

Based on the High Court's position, there will be nothing to stop the IRS from enforcing its interpretation of "public policy" on an endless range of issues, including age and sex discrimination, environmental policy, worker safety, and on and on.

Ball is not alone in pointing out the dangerous ramifications, once the IRS is empowered to enforce such a nebulous concept as "public policy." At the time the case was argued before the court last fall, for example, reporter Nick King of the liberal Boston Globe noted that liberal churches could get in trouble for supporting draft resisters.

"By the same argument," wrote King, "would Smith College, which denies entrance to men, also be vulnerable? What about the Catholic Church and Orthodox Judaism, both of which refuse to ordain women? Or even that bastion of American youth, the Little League, which discriminates on the basis of age?

These are complex questions which, to the extent they are the business of the government at all, the Founding Fathers wisely entrusted the people's elected representatives in Congress to decide. Now, however, the court has abruptly transferred this power to the unelected bureaucrats at the IRS, with potential consequences that are frightening to contemplate.

Not only will the IRS be able to choose on its own what "policies" to enforce, but there will be nothing to stop the agency from enforcing such policies in the most arbitary fashion. An example of just how far the IRS might go can be seen in its proposed regulations in 1978 and 1979 that would have held many private schools guilty of discrimination until proven innocent.

Those proposed rulings were so arbitrary that Congress, responding to an unprecedented public outcry, blocked the IRS from putting them into effect by passing the Ashbrook and Dornan amendments. More recently, however, the Ashbrook and Dornan amendments have been dropped.

In the wake of last week's Supreme Court decision, moreover, there is a good chance that the U.S. District Court in the Nation's Capital will order the IRS to impose precisely such quota-based regulations on private schools in Mississippi and possibly all across the nation. (In fact, the District Court handed down an order applying to the schools in Mississippi three years ago, but stayed the effects of the order pending the outcome of the Bob Jones case.)

Should the IRS, whether on its own or under court order, attempt once again to impose these regulations, it would be a disaster for thousands of private schools that are totally innocent of racial discrimination. These regulations arbitrarily presume any school founded during a period when public schools were being desegregated is discriminatory unless it meets a quota of minority enrollment. Such schools must then comply with a costly affirmative action program dictated by the government or lose their tax-exempt status and ability to receive tax-deductible contributions.

Since many of these schools operate on a financial shoestring, they can neither afford to comply with such unrealistic requirements, nor can they survive if they lose their tax-exempt status. In short, such regulations would force many innocent schools completely out of business.

Beyond its invitation to bureaucratic tryanny, moreover, the decision in the Bob Jones case has severely narrowed the protection granted to religious liberty under the 1st Amendment.

Significantly, Bob Jones University is open to members of all races, except that it enforces a ban on interracial dating or marriage among its students. The Supreme Court did not dispute that the latter restriction—which applies to students of all races—is based on a genuine religious belief. Nor did the High Court dispute the earlier finding of the U.S. District Court for South Carolina that BJU's "primary objective is in instructing, conveying and disseminating its fundamentalist religious beliefs," and that it "cannot be termed a sectarian school, for it composes its own religious order."

Nevertheless, the High Court held that the government's "overriding interest in eradicating racial discrimination in education . . . substantially outweighs whatever burden denial of tax benefits places on petitioners' exercise of their religious beliefs."

But since BJU is not primarily an educational organization but a religious institution comprising "its own religious order," this amounts to a claim by the government of a compelling interest in dictating the internal rules of religious bodies.

As Ball pointed out last week, "not one person has complained of discrimination at the hands of Bob Jones University, yet it has lost its tax exemption." By describing what is in reality a pervasively religious institution as an educational institution, said Ball, "the court has taken away its religious protection." He added that this was a major departure from past rulings of the court and that the effect is to reduce religious liberty from "a preferred freedom" to "a mere privilege, enjoyed by grace of government and completely subordinate to government policy.

Yet another dangerous aspect of the High Court's ruling was its suggestion that tax benefits amount to subsidies, since "the very fact of the exemption or deduction for the donor means that other taxpayers can be said to be indirect and vicarious 'donors'."

In the 1970 case of *Walz* v. *Tax Commission*, the Supreme Court had said that tax exemption is not a subsidy, "since the government does not transfer part of its revenue to churches but simply abstains from demanding that the church support the state."

Hence the court's suggestion that tax benefits do in effect constitute subsidies is a far-reaching change. One result will be to greatly expand government control of tax-exempt organizations. In addition, it could lead to an end to tax exemption for all churches, since the court has already interpreted the 1st Amendment as prohibiting subsidies for religious organizations.

Thus, while many Americans would disagree with Bob Jones' religious beliefs concerning interracial marriage and with its president's angry characterization of the Supreme Court last week as "eight evil old men and one vain and foolish woman," the principles at stake in this case were far broader. As Dean M. Kelley, who for more than two decades has served as executive for religious liberty of the liberal-left National Council of Churches, has written:

"Some people may feel a sense of satisfaction" when groups like Bob Jones University or the Mormons are "persuaded to abandon their 'antisocial' practices, but one may wonder whether it is not a rather limited concept of religious freedom which allows the government to intervene in the faith-inspired practices of a religious group—however benighted—for reasons less compelling than imminent actual threats to public health or safety. Whose religious obedience will the government deem 'antisocial' tomorrow?"●

NATIONAL THEATER OF THE DEAF

● Mr. WEICKER. Mr. President, on Sunday, July 24, 1983, the National Theater of the Deaf will dedicate its new home and base of operations, Hazel E. Stark Center in Chester, Conn. The acquisition and development of the the Hazel E. Stark Center was made possible through the generosity of Mr. Irving Stark and the Stark Foundation, Inc., of Connecticut. Other private and corporate gifts support the company's world tours and activities not covered by Department of Education contracts.

During its 16 years of operations and led by its artistic director, David Hays, this company of hearing and deaf actors has toured America 32 times and abroad 18 times, giving over 3,000 performances in universities, colleges, secondary and elementary schools, libraries, museums and art centers in all 50 States and 23 countries.

By presenting deaf actors in professional and glamorous legitimate theater performances, the troupe has forcibly demonstrated the exceptional capabilities of the deaf and virtually erased the stigma from sign language. The NTD's particular style, a synthesis of spoken English and sign language, makes its performances available to all, hearing and deaf alike. Through the power of its example the NTD has corrected the average person's misconception of the deaf, and enhanced the public's awareness of existing Government programs serving the deaf.

The National Theater of the Deaf, receiving basic support from the U.S. Department of Education, is an outstanding example of the partnership that can be created between the public and private sectors on behalf of disabled individuals. The theater has had a great impact on the social progress of America's deaf citizens and has been recognized for its artistic ability many times, most notably in 1977 when it received a Tony Award for theater excellence.

I salute the National Theater of the Deaf on the occasion of the Stark Center dedication and urge my colleagues to join me in recognizing the continuing excellence of this very special theater company.●

CONGRESS-BUNDESTAG YOUTH EXCHANGE

● Mr. HEINZ. Mr. President, several days ago Vice President BUSH represented all of us at a festive occasion in the German city of Krefeld on the Rhine River. The celebrations there commemorated the departure 300 years ago of the first group of German immigrants to come to America.

Since those first 13 families came to Philadelphia and founded Germantown, Pa., more than 7 million German immigrants followed them to our shores. Today, according to a 1979 Census Bureau report, over one-fourth of our population claims at least partial German ancestry.

The early German settlers of Pennsylvania were admired for their neat and prosperous farms and for their abilities as craftsmen. From Pennsylvania many went south and west, and their Conestoga wagons and Kentucky rifles helped settle the Great Plains and the West.

Not only did Germans help settle our country, they helped protect it as well. General von Steuben turned Washington's demoralized troops at Valley Forge into a disciplined fighting force. In this century also, German-Americans have provided us with military leadership. Generals Pershing and Eisenhower and Admiral Nimitz are but a few examples.

German Americans have also given us great educators, scientists, inventors, entertainers, athletes, painters, musicians, artists, architects, and philosophers—and millions of solid citizens: farmers, merchants, teachers and public servants, as well as soldiers, statesmen and space scientists.

For 300 years Germans have helped to build America. But we have also given something back. After the Second World War, we helped Germans back to their feet through the Marshall plan, and we helped lay the foundation of the Federal Republic and its free institutions. Through the Berlin airlift we threw a lifeline of freedom to a valiant people about to be overwhelmed by the tide of totalitarianism.

With our help, the people of the Federal Republic have achieved much since 1945. They have built a strong economy and strong democratic institutions. They have become a bulwark of freedom in the middle of a divided Europe.

As President Reagan told the Bundestag a year ago:

> You have built a free society with an abiding faith in human dignity—the crowning ideal of Western civilization. This will not be forgotten. You will be saluted and honored by this Republic's descendents over the centuries to come.

Today Germans and Americans share values as well as heritage. That is why Germany and the United States are twin redoubts in the NATO Alliance, an alliance dedicated to the defense of our common values and culture.

Because Germans and Americans are bound together by common heritage and interests, last October—with 30 of my colleagues in this body—I introduced Senate Joint Resolution 260. The Congress passed this resolution, which asks all Americans to join in celebrating the Tricentennial Year. It called on the President to issue a proclamation designating 1983 officially as the Tricentennial Year. Our resolution also established a Presidential Commission for the German-American Tricentennial to plan, encourage, develop and coordinate tricentennial activities.

I might add that the Commission is ably led by former U.S. Ambassador to the Federal Republic, Kenneth Rush, and by businessman Horst Denk, a naturalized German immigrant who made good in this country. Several former Members and Members of the Senate, including myself, serve on this Commission.

The Commission is busy preparing for the visit of German President Carstens, who will visit Philadelphia in October for official tricentennial observances marking the arrival of the Krefelders. He will also meet President Reagan and visit other American cities such as St. Louis, Dallas, Seattle, Los Angeles, Milwaukee, and New York. In addition to the events surrounding the Carstens visit, the Commission has identified over 700 events in 43 States plus the District of Columbia.

Earlier I named some German contributors to the building of America. I might have included German immigrant Levi Strauss, who invented blue jeans. A century later, American soldiers and tourists carried them back to Europe. Now they are a symbol of America, and they have been adopted by young people all over the world, including young Germans.

Young Germans are doing something else very American these days—expressing their opinions vocally and protesting against those policies they do not agree with. Americans and Germans are blessed to live in societies which recognize this basic freedom.

This does not necessarily mean the demonstrators are right, but they are asking some important questions. Both German and American youth are concerned with preserving our environment, halting the expansion of weaponry and securing peace. I am also deeply concerned with each of these goals.

But neither the problems nor proposed solutions are as simple as might appear on the surface. The critical disaffection of young people and their distrust of Government policies is a serious problem for those of us seeking practical solutions in both Germany and in the United States.

Tolerance and a willingness to listen are attributes as important for the youth of our two countries as for policymakers. The process of political education must be a two-way street. As U.S. Ambassador to the Federal Republic, Prof. Arthur Burns said not long ago, "A true love of learning is the best approach to international friendship." I ask that Ambassador Burns' most recent speech, "The Human Side of U.S.-German Relations," be placed in the RECORD at the conclusion of my remarks.

Having given this background, let me say that the most important provision of Senate Joint Resolution 260 attempts to promote this two-sided educational process. In that resolution we expressed our strong support of the concept of United States-German teenage exchange sponsored by the Members of the U.S. Congress and the West German Bundestag, and emphasizing home stays with families. Our action was significant because it holds out the hope that 535 young Americans and 520 young Germans can ex-

perience each others' life and values, and come to learn firsthand that indeed different nations and generations do share basic political and cultural principles. They will also come to respect and understand differences.

Our German counterparts reciprocated our action by passing a resolution of their own. Furthermore, the Bundestag has begun to appropriate funds for the Congress-Bundestag exchange. They are looking to us for a sign that we are serious enough to follow through with what we proposed last October.

Today I am announcing that I will offer a floor amendment to the U.S. Information Agency authorization earmarking funds for the Congress-Bundestag youth exchange program. We intend to follow up with the Appropriations Committee to see that this money actually becomes available for this worthy purpose.

It is only fitting that the Congress recognize the tricentennial year by enacting a program of substance such as this—a program which gives the opportunity to build in much-needed language training and possibly an orientation experience such as international visitors receive. With such a program we can begin to address the credibility gap which separates us from many young Germans, while at the same time increasing the pool of Americans who know the German language and who have experience in that vital country. As contemporary German studies have languished in the United States, enacting this program would be truly farsighted, as well as politically wise.

We must realize that spending for exchanges is just as much part of our national security effort as spending for new bombers. In fact, if we do not spend for exchanges, we are that much more likely to have to use those bombers in the future.

This program is an investment in the future—an indication that we take the German Bundestag seriously and that we will take every step to enhance the dialog between nations and generations. I urge all my colleagues to join with me in support of this important tricentennial program, just as they did on Senate Joint Resolution 260.

The speech requested to be printed in the RECORD is as follows:

THE HUMAN SIDE OF GERMAN-AMERICAN RELATIONS

(By Arthur F. Burns)

As the Ambassador of the United States in the Federal Republic of Germany, I have often spoken about the political, economic, and security relationships between our two countries. This evening I would like to address a more fundamental theme—the human relationship between your country and mine.

We are commemorating this year the 300th anniversary of the arrival in North America of the first permanent immigrants from Germany. The 13 Mennonite and Quaker families who in 1683 settled in Germantown, now a part of the City of Philadelphia, came in search of freedom—the freedom to pursue their religious beliefs and the freedom to seek economic betterment for themselves and their children. They found both. I dare say that a great majority of the forebears of the approximately 60 million Americans who today claim German ancestry came in search of these same objectives—personal freedom and economic opportunity.

Across the centuries, America has been identified with these basic human strivings. Our Declaration of Independence and our Constitution eloquently express these ideals, and they have served in all parts of the world as a beacon for people seeking a new life for themselves—a life that would enable them to speak or write freely, to worship God as they saw fit, and to pursue economic opportunities without being encumbered by rigid customs or authoritarian rule.

The human significance of the centuries-old stream of immigration to America—at first from Western Europe, later from Eastern and Southern Europe, still later from Latin America, Asia, and other parts of the world—can hardly be exaggerated. Americans may justly note with pride that their country has remained a land of hope and welcome for uprooted people—that it accepts even at present many more immigrants than does the rest of the world. Most of them still come in search of personal freedom and economic opportunity for themselves and their children.

The United States, in turn, has continued to benefit from the unceasing flow of immigrants to its shores. If they caused social problems at times, they also ultimately enriched our industrial, political, and cultural life. My country could not have developed the way it did, nor become the society that it is today, without the moral courage and the intellectual and technical skills that were continually being brought to us from the old world, and particularly from your country.

The names of many of the German immigrants to America are well known on both sides of the Atlantic; and if I mention some tonight, they serve only as examples of those who have energized American life and culture. There is—as the first of these—Franz Daniel Pastorius, the founder of Germantown, a prophetic figure who projected a clear vision of the kind of country that the United States was to become. In advocating the separation of church and state, tolerance of religious and ethnic diversity, and the abolition of slavery, he was well ahead of his time. Another was William Rittenhouse, a minister and papermaker from Muehlheim on the Ruhr, whose great grandson, David Rittenhouse, served as the first director of the United States Mint and achieved lasting fame as a mathematician, Astronomer, and inventor. Thomas Jefferson was moved to say of him: "he has not indeed made a world, but he has intimately approached nearer its maker than any man who has lived." There was the printer, journalist, and publisher—Christopher Saur, who was the first to print the Bible in a European language in America. A more famous immigrant was John Peter Zenger, who is still known in the United States as the "patron saint" of freedom of the press. And there was Hans Nikolaus Eisenhauer, an immigrant from Eiterbach, in what is now Southern Hesse, who arrived in America in the middle of the 18th century, achieved neither wealth nor fame, but became the ancestor of Dwight David Eisenhower—the 34th President of the United States.

And, if I may continue, there were also the heroes of the Revolutionary War—Johann de Kalb and Friedrich Wilhelm von Steuben; the political thinkers and reformers—Friedrich Hecker, Carl Schurz, John Altgeld, and Robert Wagner; the bridge builder—John Augustus Roebling; the organ builder—Henry Steinway; the businessmen—John Jacob Astor and Levi Strauss; the artists—Emanuel Leutze and Albert Bierstad; the political cartoonist—Thomas Nast; the musicians and composers—Leopold Damrosch, Arnold Schoenberg, Bruno Walter, Kurt Weil; the linguist—Maximilian Berlitz; the banker and philanthropist—Paul Moritz Warburg; the theologian—Paul Tillich; the architects—Ludwig Mies van der Rohe and Walter Gropius; the scientist—Albert Einstein; the writers—Thomas Mann and Hannah Arendt; and—to round out this illustrative list—your friend and mine, Henry Kissinger. Where would America be, or for that matter where would the world be, without the momentous contributions of these German immigrants:

These people, their children, and their children's children—the 60 million Americans who claim German antecedents—forged the chain that linked our two societies. These links had nothing to do with political treaties, security arrangements, or trade agreements. Indeed, they survived severe strains in the political relationship between our countries—even two terrible wars. Perhaps the best example of the strength and durability of these human ties is the speed and commitment with which the people of my country devoted themselves to assisting the German people after World War II.

It was primarily the interaction between our two peoples that brought democracy and physical reconstruction to the Federal Republic and established the partnership between our two societies that exists today. To be sure, the Marshall Plan was a critical instrument in rebuilding West Germany's shattered economy. The North Atlantic Treaty provided the essential guarantee of security against aggression. Other actions—such as the Berlin airlift—further showed the resolve of the United States to share in the protection of the young democracy that had risen from the ashes of World War II. But the driving force of all these salutary political developments was the human network created by the millions of Americans of German descent, by the numerous German refugees who reached our shores in the 1930s, by the hundreds of thousands of German prisoners of war who lived for years in the United States, by the tens of thousands of Americans and Germans who cooperated in rebuilding the democratic society which the Federal Republic is today, and by the legion of Fulbright scholars and exchange students. It was their interaction that formed the foundation of the partnership between our two countries—a partnership that has proved strong enough to withstand all sorts of temporary economic irritations and political differences.

These Americans and Germans who lived and worked together came to understand and appreciate one another. They knew or soon learned that they were bound together by shared values and convictions—by respect for human rights, by faith in democracy, by devotion to the rule of law. And they transmitted these insights to those of their

countrymen who had no direct involvement with people of the other nation. But by the late 1960s and early 1970s this creative generation of Germans and Americans gradually moved out of positions of leadership and influence. The network of human relationships that had so closely linked our societies thus became looser. The generation taking their places had no similar formative experiences, and as a result it had a less personal commitment to the German-American relationship.

In recent years the tight net of shared values between our two peoples has been sagging, in part because we are now less intimately involved with each other. At the same time, other developments began to cloud the optimistic mood, especially of young people, in our countries. Among these was the diminished lustre of the noble dream of a united Europe, the persisting hunger and despair in many of the less developed parts of the world, the Vietnam War in which the United States had unfortunately become entangled, the civil rights turmoil in my country, the enormous Soviet military build-up during the 1970s in the face of a proclaimed detente, the political adventures of the Soviets in Asia and Africa and their invasion of Afghanistan, the suppression of the newly achieved freedom of speech and assembly in Poland, the rampant inflation and rising unemployment in the Western world, and—not least important—the growing feeling in the Federal Republic that its "Wirtschaftswunder" had come to an end.

All these factors, while not directly involving the German-American relationship, have cast their shadow upon it. It is an inescapable fact that the relationship between our two peoples has become less close. The educational system, which could have partially replaced the loss of direct personal experience between Germans and Americans, has failed us. The new generation has not been well served by the slight attention of our schools to the teaching of history, ethics, and the principles of our Western civilization.

Human understanding is always imperfect. That is man's lot on earth. We know this from our daily lives. Parents do not always understand their children, or children their parents. So it is also between husbands and wives, between employers and their workmen, between landlords and tenants, between bankers and borrowers, between professors and students. But if misunderstandings exist within our families, schools, and workshops, they have much greater opportunity to arise—and even flourish—among nations, since differences of history and language conspire with limited direct contacts between peoples to breed misunderstanding and at times, unfortunately, even mistrust. Foreign service is no longer an entirely new career for me: I am now well into the second year of my ambassadorship to your country. But I must confess that I still continue to be astounded by the strange opinions that highly placed Europeans now and then express about the United States, and—I should add—vice versa. Is there any wonder, then, why many of the young people in your country and mine have so little understanding of one another's society?

I have spent many hours with young people in your country, as I previously did in mine. I admire their intelligence, their idealism, their horror of armaments, and their sympathy for the downtrodden. But I am also appalled by the ignorance that so many of them exhibit of the history even of their own country, to say nothing about their ignorance of the United States. And I am especially troubled by their apparent lack of appreciation of what it means to live in a democracy.

It is a puzzling and saddening feature of our times that many of our young people, perhaps even more so in your country than mine, seem unable to differentiate between the moral and political order of the West and the oppressive totalitarianism of the Soviet bloc. After all, the values of Western democracies are not abstract or elusive concepts. The liberty of the individual to speak, write, worship, and assemble with others; the equality of all individuals under the law; the protection of every citizen against arbitrary acts of government; the freedom to choose among economic, social, and cultural alternatives—these basic values of Western democracies are practical realities that every intelligent person should be able to grasp. They certainly are thoroughly understood and appreciated by those who live under Communist rule and are not able to enjoy them.

The reason that many young people in Europe and America take basic Western values for granted must be that they have never been without them. They do not seem to realize that their right to demonstrate for a nuclear freeze, their freedom to press publicly for unilateral disarmament, their right to march against what they consider to be wrong American policies in Central America—that these privileges are theirs under a democratic system that they themselves must help protect against those who would take them away, as they have been taken away from both the young and old in Poland, Czechoslovakia, Hungary, Afghanistan, and many other places. Young people of average intelligence ought to be able to see the difference between the impulses animating America and those governing the Soviet Union. They ought to be able to recognize that the invited presence of American troops in Europe has the express purpose of helping to protect the values of our Western civilization, whereas the Soviet armies that have willfully occupied Eastern Europe for 35 years are there to insure the suppression of the freedoms for which their citizens yearn to this day.

The reality and the attraction of our Western values, it appears to me, should be clear to anyone contemplating the lives of the unhappy people under Soviet domination who, whenever possible, have taken to voting with their feet because they cannot vote any other way. There are millions of individuals who have escaped from East Germany, Poland, Vietnam, Cambodia, Afghanistan, Cuba and other Communist countries. But is anyone aware of a flood—or ever of a trickle—of refugees migrating to any of these countries?

The misguided views of young people—and even of some who are not so young—are often attributed to the persistence and power of Soviet propaganda. I hear this repeatedly from my business friends. That explanation, however, is an escape from realities. The Soviets, to be sure, use every opportunity to defame our Western societies and to disguise the truth about their own. But their ability to do so with success derives fundamentally from the fact that both parents and teachers in out countries have failed to impart to children a sufficiently sound moral and historical education, so that they can appreciate the democratic institutions that they have been fortunate enough to inherit.

To be sure, the democratic systems that prevail in Western Europe and in the United States have their shortcomings and abuses. But what is noteworthy about a democracy is its capacity for improvement and renewal. Open criticism, evolution of institutions, and orderly change in the laws governing society are inherent elements of the democratic system. The Soviet system, in contrast, stifles through terror and repression any attempt of its citizens to change it significantly.

The young people of Western Europe must realize that if they wish to preserve their liberties, if they wish to enjoy the basic rights of a democratic society, they must feel part of that system, and they therefore must be prepared—if it ever becomes necessary—even to fight for it. As parents, teachers, and politicians, we have the responsibility on both sides of the Atlantic to make sure that the democratic values that bind us in the North Atlantic Alliance are understood and appreciated by those who follow in our footsteps.

How can we do that? I come from a background of teaching, and I naturally value the benefits of a good education. It is clear to me that we must do a far better job of educating our young people in ethics, history, languages, and politicial science. This requires, among other things, that we be more alert as parents and teachers to the inadequacies of our formal educational apparatus, particularly the gymnasia in your country and the high schools in mine. The textbooks used in both German and American schools are often obsolete, and for that reason alone tend to convey serious misinformation about our respective countries. Teachers of history and political science have a special obligation to be objective and up-to-date. They can be aided in fulfilling this responsibility by an educational system that encourages and rewards those teachers who diligently continue their own education.

I also have a background in international finance. It is for me a familiar territory of relative order and predictability. International politics and diplomacy, on the other hand, are a new discipline for me. I find it a universe inordinately filled with gossip, emotion, and even suspicion—a world in which perception of facts often obscure the facts themselves. This, I readily admit, is the situation in my country as it is in yours; and I recognize that an ambassador must do what he can to clear out this underbrush of emotion and faulty perception that at times disturbs the relationship between his government and the government to which he is accredited.

The achievement, however, of true understanding between any two governments depends fundamentally on the kind of relationship that exists between their peoples, rather than on foreign ministers or ambassadors. Governments in democratic countries are inevitably influenced by, and to a considerable degree they even echo, the thinking of their citizens. It is therefore highly important that improvements in our respective educational systems be supplemented by a vastly greater network of personal contacts between the peoples of our two countries. Bringing about better understanding of our respective institutions of work and play, of life in our homes and communities, and of the aspirations and fears of our people should be our mutual goal. I know of no other way of re-establishing the comaraderie and understanding that existed between Americans and Germans

after World War II—a camaraderie that forged the partnership between our governments in furthering peace and protecting freedom.

A dramatic expansion is now needed of programs under which Americans can study, teach, or work for some time in your country, while Germans become correspondingly involved in my country. To accomplish this, both our countries will have to devote larger resources—in manpower and in private and public financing—to human contacts and exchanges. I am told that the United States Government now spends about $115 million per year on its human exchanges with other nations, and that only a small part of that sum is devoted to West Germany. Private spending on exchange activities is much larger, but I am convinced that neither private nor public financing of this vital effort is nearly large enough. I would hope that five years from now the American Ambassador will be able to report to you that the moneys devoted by his country to exchange programs with other nations, and particularly with the Federal Republic of Germany, have increased at least tenfold. That is how essential I consider these exchanges to the freedom, security and prosperity of the Western world.

Let me now turn more specifically to the exchange activities between our two countries that I have in mind. At present, various academic exchanges under private auspices are being supplemented by an academic exchange program conducted jointly by the governments of the United States and the Federal Republic. This program had its origin many years ago when an American of vision, Senator J. William Fulbright of Arkansas, became concerned about an intellectual gap and proceeded to deal with it by sponsoring an educational exchange program between the United States and other countries. Its purpose was cogently described by the Senator when he wrote some years later: "Perhaps the greatest power of educational exchange is the power to convert nations into peoples and to translate ideologies into human aspirations. I do not think educational exchange is certain to produce affection between peoples, nor indeed is that one of its essential purposes; it is quite enough if it contributes to the feeling of a common humanity, to an emotional awareness that other countries are populated not by doctrines that we fear but by individual people—people with the same capacity for pleasure and pain, for cruelty and kindness as the people we were brought up with in our own countries."

Since its inception the Fulbright exchange program has enabled about 130,000 Americans and citizens of other countries to study, teach, or do research abroad, and thereby improve understanding between and among peoples of different countries. The highly successful American-German educational exchange program is a good example. At the outset it was entirely financed by the United States, but in time the German Government became so convinced of its utility that it now contributes nearly three-fourths of the total annual cost. This enlightened program deserves increased support from my government as well, and I am pleased to report that this view is widely shared in Washington today.

There is also a vital need for a greatly expanded youth exchange program. Looking to the quality of the future leadership of our societies, it is obviously important to foster sensible dialogue among young people at an early stage of their intellectual development. Attitudes in both our societies are often formed before youngsters reach the university level or embark on working careers. In view of that, it would be especially useful to provide larger opportunities for teenagers—say, those between 16 and 19—to spend some time in the partner country. I am thinking of stays that would be of sufficient duration to enable youngsters to go to school, live in a private home, and participate in the community life of the other land. A young person who has spent a school year or so in the partner country will have a real opportunity to learn to understand its society. That experience and knowledge will stay with him or her over a lifetime. I would hardly expect all young persons to become enamored of their partner country, but their doubts or criticisms will at least have been disciplined by some first-hand knowledge.

President Reagan recently announced an international youth initiative that focuses on this particular need with the vision and commitment that characterized Senator Fulbright's proposal back in 1946. The parliaments of both our countries—your Bundestag and the American Congress—have lost no time in endorsing the principle of expanding youth exchanges, and both our governments are already involved in translating their parliamentary resolutions into practice. For instance, a plan is being developed under which every member of the Bundestag and every member of the American Congress will have the opportunity to nominate a teenager from his or her electoral district to spend a school year in the partner country. This project, incidentally, would encourage our elected political leaders to become personally involved in exchange activities, and it would thus establish procedures that should benefit our two democracies in the next generations. Not only that. It has been observed time and again that exchange youngsters reinforce the bonds of friendship they had formed with their host families through their own parents, other relatives, and fellow students. We need precisely such a matrix of human contacts to rebuild the warm spirit of partnership that existed between our two peoples during the late 1940s and 1950s.

Still another exchange activity that can yield rich dividends of understanding would involve young Germans and Americans who have already embarked on their life's work in business or farming, as journalists or churchmen, as teachers or government officials or trade unionists. They too will eventually have a role, perhaps even a major role of leadership, in our respective societies, and some of them should have the opportunity to improve their perspective on life by working for a time in another country. In response to a wise suggestion by the German Government, I am glad to report that we in the United States have begun to explore ways of cooperating with your country by including working youth in the enlarged exchange activity between our peoples that is now being designed—and activity that should involve our homes, schools, universities, churches, trades, and professions. It is only by strengthening the human relationships between our peoples that we can sustain our shared values.

In concluding this discourse, allow me now to summarize my message to you. Effective political, economic, and security interaction between the United States and the Federal Republic of Germany rests on a foundation of human relationships between the people of your country and mine. Our citizens share a set of values that center on personal liberty, freedom of choice, and the rule of law—values that they have developed over a period of three centuries. These values must be understood and accepted by our citizenry if our political, economic, and security ties are to be preserved. In order to understand and appreciate these values, our citizens must understand each other and each others' societies. To accomplish this we need to improve our schools and increase exchanges among our young people. Our two countries are fully capable of providing the resources to increase youth exchanges manifold, thereby avoiding doing too little too late. We owe this to ourselves, and we owe this to those who will follow in our footsteps.

President Reagan recently remarked that the best way—in fact the only way—to international peace "is through understanding among nations and peoples." I dare say that much the same is true of the preservation of our Western civilization.●

A RHODE ISLAND PUBLIC SERVANT

● Mr. PELL. Mr. President, I would like to share with my colleagues the news of a Rhode Island public servant's retirement—a public servant who was active in the environmental protection field long before the public was aware of the problems caused by pollution.

Mr. Carleton A. Maine, now the assistant director for regulation in the Rhode Island Department of Environmental Management, has worked for more than 35 years to help fight water pollution.

He joined the Rhode Island Health Department in 1947 and soon became chief of the division of pollution control and water supply. He has continued to guide our State's multimillion dollar water pollution control program since that time.

Mr. Maine has earned a reputation throughout his years of public service as a man of intelligence, talent and, above all, integrity. He backed up his technical knowledge and wise judgment with a dedication to doing the job right.

I know that my staff, the staff of the Rhode Island Department of Environmental Management, and the citizens of Rhode Island will miss the continuing contributions of such a dedicated public servant. I know they join me in wishing him well in his retirement.

In this regard, I would like to share with my colleagues the news of his retirement as reported by the Providence Journal on July 12, 1983. I ask that this article be printed in the CONGRESSIONAL RECORD.

The article follows:

[From the Providence Journal, Tuesday, July 12, 1983]

DEM'S MAINE RETIRING AS WATER-CONTROL CHIEF

(By Robert C. Frederiksen)

PROVIDENCE.—Carleton A. Maine, who has guided Rhode Island's multimillion-dollar water pollution control program for 35 years, will retire July 22, the State Department of Environmental Management said yesterday.

Maine, 58, now assistant director for regulation, will be succeeded by Thomas E. Wright, chief of the Division of Air Pollution and Hazardous Waste Control, said DEM director Robert L. Bendick, Jr.

Bendick called Maine "one of the state's most dedicated and respected public servants," and said, "Over the years, he has played a critical role in maintaining and improving water quality in Rhode Island. He is an irreplaceable volume of technical knowledge and wise judgment, and will be missed."

A tall, pipe-smoking man with a warm manner and quiet humor, Maine joined the state Health Department in 1947 as a sanitary engineer after graduating from Rhode Island State College, now the University of Rhode Island.

He soon became chief of the Division of Water Pollution Control and Water Supply, with responsibility for overseeing the construction of state and local sewers and sewage-treatment plants.

Although happier with blueprints, Maine became well versed in dealing with the public, politicians and industry and in cutting through red tape that slowed and sometimes threatened to strangle necessary projects.

He also chafed under Health Department regulations that coded the names of polluters. He helped the Journal/Bulletin break the code, enabling the newspaper to win a suit that opened water pollution records and paved the way for opening air pollution records.

Maine's duties broadened after he transferred to DEM when it was created in 1977. In his $45,800 job, he supervised the Division of Land Resources, which handles wetland alteration permits, and the Division of Air Pollution and Hazardous Waste Control, as well as the Division of Water Pollution Control. He also serves on the New England Interstate Water Pollution Control Commission.

Maine has a reputation for rock-solid integrity, a quality that won the respect of others and the affection of his staff.

Engineers who swore at him over projects usually ended up swearing by him, a fact the Rhode Island Society of Professional Engineers recognized by giving him its Engineer of the Year award in 1980.

Bendick also paid tribute to Wright.

"We are fortunate to have a highly qualified engineer to fill the assistant director's position," he said. "Tom has proven technical ability, particularly in the area of toxic chemicals about which there is so much concern. He also is experienced in dealing with the public and industry."

Wright, 35, who holds a bachelor of science degree in chemical engineering from URI and a master's degree in environmental science from West Virginia University, joined the air pollution control division in 1970.

He was named chief of the division in 1978 and remained in that position when hazardous waste control was added to it in 1980.●

DONALD G. HENDERSON

● Mr. PELL. Mr. President, it was with a sense of genuine loss that I learned of the death on July 8 of Donald G. Henderson at the age of 61. Mr. Henderson was a member of the nonpartisan professional staff of the Committee on Foreign Relations from 1958 to 1977. He was Deputy Chief of Staff for the last 2 years of his service to the committee.

As a staff member of the committee, Don was responsible for European affairs, educational and cultural exchange programs, and international financial institutions. He also had staff responsibilities for the North Atlantic Assembly. He played a central staff role in a number of legislative activities. His work was of central importance, for example, in the development and passage of the Fulbright-Hays Act, which constitutes the basic underlaying legislation for various educational and cultural exchange programs.

Mr. President, I welcomed the assistance I received on various issues from Mr. Henderson. I found him to be warm and unassuming and dedicated to truth and accuracy in his work. He was able to bring beauty to his writing. I think it is quite correct to say he was admired and respected by his coworkers on the committee staff.

Mr. Henderson proved himself in academia, where he was both a Rhodes scholar and a Fulbright scholar. Earlier he had distinguished himself as a soldier. A first sergeant in the infantry, he landed with his unit on Omaha Beach and fought with his comrades until victory was achieved in Europe. Fittingly, Mr. Henderson's ashes were interred with military honors Monday, July 11, at Arlington National Cemetery.

Mr. President, I extend my condolences to Mrs. Henderson and to Don's children at this time of loss. I ask of the Senate that the obituary which appeared in the Washington Post be included in the RECORD.

The obituary follows:

[From the Washington Post, July 10, 1983]

D. G. HENDERSON, EX-DEPUTY CHIEF OF SENATE PANEL

Donald Graham Henderson, 61, who served on the staff of the Senate Foreign Relations Committee from 1958 to 1977 and was its deputy chief of staff for the last two of those years, died of cancer July 8 at Circle Terrace Hospital in Alexandria. He lived in Alexandria.

He began his government career in 1952 with the Central Intelligence Agency, where he worked on African and Western European affairs in its Office of National estimates. After joining the Senate committee, he also worked on European and African affairs, as well as international financial institutions, educational and cultural exchanges programs and NATO.

Mr. Henderson was born in London and reared in New York City. He received bachelor's and master's degrees from the University of North Carolina, where he was a member of Phi Beta Kappa. He also received bachelor's and master's degrees from Magdalen College, Oxford, where he was a Rhodes Scholar. He was a Fulbright Scholar at the University of Paris.

Survivors include his wife of 36 years, Alaine Marsh Henderson of Alexandria; a son, Geoffrey, of Washington, and two daughters, Joyce Henderson of Cairo, and Diana Henderson of New York City.●

TOBACCO PRICE SUPPORT FREEZE

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate a message from the House on H.R. 3392.

The PRESIDING OFFICER laid before the Senate the message from the House of Representatives announcing its action on an amendment of the Senate to H.R. 3392, as follows:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3392) entitled "An Act to amend the Agricultural Act of 1949", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended in the fourth sentence of subsection (e) by striking out "95 per centum" and inserting in lieu thereof "85 per centum".

SEC. 3. The Secretary of Agriculture shall review, under section 22 of the Agricutural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

Mr. BAKER. Mr. President, I move that the Senate insist on its amendment to H.R. 3392, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HELMS, Mr. DOLE, Mr. COCHRAN, Mr. HUDDLESTON, and Mr. LEAHY conferees on the part of the Senate.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I am told that there is one matter on today's calendar that has been cleared on both sides for action. I refer to Calendar No. 280, and I inquire of the minority leader if he is prepared to consider that matter by unanimous consent.

Mr. BYRD. Mr. President, that matter has been cleared on this side.

Mr. BAKER. I thank the minority leader.

INTERNATIONAL EFFORTS IN CHILD HEALTH

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Joint Resolution 111.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 111) expressing the sense of the Congress with respect to international efforts to further a revolution in child health.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments, as follows:

On page 2, line 11, strike "should", through and including "authority on line 12, and insert "be commended for taking steps";

On page 3, beginning on line 1, strike "to that end should direct", and insert "for directing";

Mr. PERCY. Mr. President, I am pleased to speak on behalf of the Foreign Relations Committee in urging the support of my colleagues for Senate Joint Resolution 111, which urges the cooperation of the U.S. Government in an international effort to implement a revolution in international child health care. The Foreign Relations Committee has reported out unanimously this resolution and I urge that the Senate do likewise.

Biomedical research has produced much more low-cost and widely useable vaccines and oral rehydration treatment for diarrhea. Developments in communications technology have vastly increased our capacity to reach people. Expansion of social institutions has increased the variety of health services we can deliver. These opportunities hold such exciting promise that many claim for them the same potential for dramatic improvements in child survival as the "green revolution" had in putting starvation and hunger on the defensive in much of the developing world.

Each year, more than 15 million infants and small children die painfully and needlessly from preventable diseases and malnutrition. Last December, the United Nations Children's Fund (UNICEF) published a report entitled "The State of the World's Children 1982-83," which describes a strategy for reducing the infant mortality rate. Developments in biomedical research and in social and community organization and communications, have together made it possible to cut the infant mortality rate by at least half within a decade.

By adopting the resolution, the U.S. Congress would be the first parliamentary body to endorse formally this innovative strategy which could save the lives of up to 20,000 of the 40,000 children who perish daily around the world from malnutrition and disease.

The resolution does not require the expenditure of any additional funds. It does call for an expression of will to use the resources previously made available by this Congress to support, promote, and implement the strategies outlined in UNICEF's report.

This health effort has been endorsed by numerous heads of major countries, including the President of the United States.

The Foreign Relations Committee reported this resolution by unanimous vote, and I urge the Senate to do likewise.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

The joint resolution, and the preamble, as amended, are as follows:

S.J. RES. 111

Whereas the report entitled "State of the World's Children, 1982-83" of the United Nations Children's Fund (hereafter in this joint resolution referred to as "UNICEF") offers unprecedented hope for a "revolution in child health" which could save the lives of up to twenty thousand of the forty thousand children who perish daily around the world from malnutrition and disease;

Whereas the techniques involved in this health revolution, including oral rehydration home treatment, low-cost vaccines which do not require refrigeration, promotion of breast-feeding, and use of child growth charts to detect malnutrition, are estimated to cost only a few dollars per child; [and]

Whereas this UNICEF report and the activities of UNICEF have been widely acclaimed by the Secretary General of the United Nations and the heads of the governments of such countries as the United Kingdom, France, Sweden, India, and Pakistan[: Now, therefore, be it]; and

Whereas the President of the United States on April 18, 1983, has issued a statement endorsing this health revolution for children and calling on the cooperation of United States Government agencies with international organizations and agencies associated in this effort: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that—

(1) the techniques articulated by UNICEF in its report entitled "The State of the World's Children, 1982-1983" represent an unprecedented low-cost opportunity to significantly reduce child mortality and morbidity throughout the world, and have the full support and encouragement of the Congress at a time of economic difficulty and constriction for all countries;

(2) the President [should take all necessary steps within his authority] *be commended for taking steps* to promote, encourage, and undertake activities to further the objectives of the child health revolution and [to that end should direct] *for directing* all appropriate United States Government agencies, including the Department of State, the Agency for International Development, and the Department of Health and Human Services, to support and cooperate with UNICEF, the World Health Organization, the United Nations Development Program, and other international financial and assistance agencies participating in fostering this child health revolution; and

(3) other public and private organizations involved in health, education, finance, labor, communications, and humanitarian assistance should cooperate with and support the efforts of the United States to further the objectives of the child health revolution.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR THURSDAY

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, I ask unanimous consent that today, after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders of not to exceed 15 minutes each: Senators COHEN, DANFORTH, and BINGAMAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the execution of the special orders any time remaining between that time and 11:30 a.m. be devoted to the transaction of routine morning business in which Senators may speak for not more than 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF CONSIDERATION OF S. 675, OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BAKER. Mr. President, I ask unanimous consent that at 11:30 a.m. today the Senate resume consideration of S. 675.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further business to transact. I believe the minority leader has already indicated he has nothing further to address to the Senate.

RECESS UNTIL 10 A.M.

Mr. BAKER. Mr. President, I, therefore, move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 10 a.m. today.

The motion was agreed to; and at 12:35 a.m., the Senate recessed until today, Thursday, July 14, 1983, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 13, 1983:

THE JUDICIARY

Kenneth W. Starr, of Virginia, to be U.S. circuit judge for the District of Columbia Circuit vice George E. MacKinnon, retired.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Clarence E. McKnight, Jr., xxx-... xxx-xx-x..., U.S. Army.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 13, 1983:

DEPARTMENT OF LABOR

John J. O'Donnell, of the District of Columbia, to be an Assistant Secretary of Labor.

NORTH ATLANTIC TREATY ORGANIZATION

David M. Abshire, of Virginia, to be U.S. Permanent Representative on the Council of the North Atlantic Treaty Organization, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF DEFENSE

Delbert L. Spurlock, Jr., of Virginia, to be an Assistant Secretary of the Army.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, Section 601:

To be lieutenant general

Maj. Gen. Edgar A. Chavarrie, xxx-xx-xx... xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Winston D. Powers, xxx-xx-xx... xxx-...FR, U.S. Air Force.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Richard K. Saxer, xxx-xx-xxxx xxx-...FR, U.S. Air Force.

IN THE ARMY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Julius W. Becton, Jr., xxx-xx-xxxx xxx-... (age 56), U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Charles W. Bagnal, xxx-xx-xxxx xxx-... U.S. Army.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Edward C. Waller III, xxx-xx-x... xxx-.../1310, U.S. Navy.

IN THE AIR FORCE

Air Force nominations beginning Charles P. Hatsell, and ending David E. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nominations beginning Glen W. Alexander, and ending Galen S. Woolley, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nominations beginning Louis W. Adams III, and ending Alfonso Villamizar, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nominations beginning John N. Rogerson, and ending Kevin P. Yakuboff, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nominations beginning Robert F. Ackerman, and ending Howard M. Richardson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nominations beginning Edward F. Augustyniak, Jr., and ending Robert G. Zerull, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

Air Force nomination of Erwin J. Rokke, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of June 20, 1983.

IN THE MARINE CORPS

Marine Corps nominations beginning Keith W. Daniel, and ending Timothy V. Shindelar, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 13, 1983.

IN THE NAVY

Navy nominations beginning David John Abbott, and ending William Leighton Davis, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of June 16, 1983.

EXTENSIONS OF REMARKS

MEMORIAL DAY—1983

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. QUILLEN. Mr. Speaker, like many of our colleagues, I was pleased recently to participate in special Memorial Day services in my home district. The speaker on that occasion, the Honorable John D. Goodin, city judge of Johnson City, Tenn., gave a very thought-provoking message to those gathered at the Mountain Home Veterans' Administration Medical Center. I have just recently obtained a copy of these remarks, and would like to share Judge Goodin's thoughts with our colleagues:

MEMORIAL DAY—1983

Thank you Congressman Quillen, ladies and gentlemen.

Over fifty years ago while watching baseball games in this very spot, it would never have occurred to me that I would be here some day addressing a group in one of our Nation's most solemn ceremonies. It is again with heavy and humble heart today that I occupy a place that has been filed by great and honored Americans.

I call your attention to the colors of the Military Order of the Purple Heart, Capt. A. K. Broyles, Jr. Chapter, displayed here today for the first time. This chapter was named after Capt. A. K. Broyles, Jr. who was the first Washington County casualty of the Viet Nam conflict.

Memorial Day, or as it is called in some areas, Decoration Day, honors all veterans, and today we especially honor those veterans of World War I, from which we have over one half million with an average age in the late eighties.

Many of us here were to survive by reason of the training of the survivors passed unto us. We salute each and all of you.

Memorial Day? It is just that—a day of remembrance and for so many of us, and nearly all of us gathered here our memories are painful ones. Among these nearly 7,000 graves, lay the remains of our friends, our relatives, not all of whom died in battle against our enemies, but all of who did serve our country in its hour of need.

A particular memory in sorrow is the burial here of a young DeMolay, who lived at this center, who I watched take an oath on the Holy Bible of Loyalty to God and Country, and to give his life in the defense of this country if called upon to protect it. He fulfilled that oath. And neither was he alone, or is he alone in memory. Each of us here today who saw combat are filled with bitter memories of suffering and death, and throughout our lives will have reminders we cannot control and we cannot wipe out of our memories.

There are those of us who will question forever—why?

What answer can we give, why must we have all these graves here, why must we have war?

We must consider that in the years from Civil War of brother against brother, or father against son, until this very day, our cities, our churches, our cemeteries, our schools, our monuments have not been damaged by foreign enemies who would attempt to take our liberties away from us.

With movies and especially TV, you do not have to be a combat veteran to see the destruction of war; but the memories of these veterans are more vivid of burning villages, church steeples, targets of enemy fire because these were favorite observation posts; of ancient cemeteries filled with shell holes, shattered gravesites and markers defiling what had been beautiful resting places as we have out here around us; every town or city, taken or retaken, marked by burned and demolished homes and buildings, and agonized and distraught people.

We must never forget in our grief, that the sacrifices made by our patriots have made it possible that our cities, our homes, our churches and our cemeteries are unmarked by foreign forces.

The human cost of war surpasses so far any material loss of any nation, anywhere as to be incomparable. But our civilian population has not suffered death and destruction.

There are those, the living veterans, who are really the living dead—men in this very station unable to do anything for themselves; men whose bodies are wasted away that they have no control and have no memory to carry on an intelligent conversation. As a patient, a service officer, and a volunteer I have seen strong and dedicated nurses weep at the loss of such as these, but unfortunately and sadly there are instances of neglect, and to those employees here today who may have a tendency to spend time in the day rooms—I charge you—you have a duty to see that all your patients' needs are met before you relax. There will always be times when there is not enough time to take care of everybody, but the dedicated find the time to take care of their helpless patients.

There are those here today whose loved ones are among 130,962 service people buried overseas in twenty-four cemeteries maintained by the American Battle Monuments Commission. Citizens of liberated countries regularly visit with flowers and in Belgium and Holland are known to pick out certain graves and treat them as their own. At Margratan in Holland near the German border, they are especially attentive. At a memorial service there several years ago a Dutch lady, observing my armored insignia, said "We shall never forget your liberating us" and began weeping. It helps to know that in some areas we are still remembered and appreciated.

You should know that on the walls of these cemeteries are the names of those lost or missing in action whose bodies were not recovered. Even this date, servicemen are being added to these, as they are discovered. Their names will go on these walls as they are found.

An Anonymous World War I vet has said: "God and the military we adore in times of danger, not before; The danger passed, and all things righted, God is forgotten and the veteran slighted."

We must not let our veterans become slighted, especially just for the reason they were a large number: We have ½ million from WWI, 12.4 million WWII, 5.8 million from Korea and more millions from the Viet Nam War. With over 300,000 Viet Nam vets discharged with wounds received in combat, many of these are suffering more from that war than those of other wars—their personal grief in fighting a war they were not allowed to win by political traitors who still refuse to admit their guilt; despised and spat upon by the likes of Jane Fonda and her ilk; fighting the still undetermined effects of Agent Orange. It has been suggested they have not received proper treatment, and are not receiving it now because they happened to serve in that messy conflict. I hope and pray these charges are untrue. God forbid that happening on this center or any other. They answered their call and are entitled to just as much respect and consideration as the rest of us.

Neither should we relax our interest, or forget our POWs and MIAs, for whom we must hold hope and not give up on. While each has a personal survivor who lives in that hope, bear with us of World War II, in which some 60,000 service people were unaccounted for.

We absolutely must not allow ourselves to forget that the will and courage to die, if necessary, for our country and what it stands for, must be instilled in our future generations, and that they must be reminded that every generation may be forced to make sacrifices to preserve our country.

President Reagan in proclaiming Memorial Day and its purposes of paying tribute to our fallen patriots said "In doing this we are reminded that neither peace nor liberty is guaranteed, and that our national ideals remain threatened by global conflict, economic crises, violence and aggression".

Strength is the only thing that some of our potential enemies recognize, and our financial sacrifice is a cheap price to pay to enable us to be able to go to bed at night, safe in the knowledge that no government secret agency will break our doors down in the middle of the night, remove us or members of our family to suffer mock trials or no trials at all, to receive sentences of death or living death—for having expressed opinions that were not prescribed by our government. Consider our freedoms that we have places to take our grievances, to our mayors, our governors, our Congressmen, our President, our Courts. Our speeches are uncensored. Be reminded that our police departments are protectors and not oppressors. That we travel freely anywhere without having to get permits to travel from one town to another, county or state, and so many other freedoms we casually accept and do not really appreciate some times.

We have proved our courage on many occasions and we must keep it as part of our pride in being a free America, of feeling the security we enjoy, and remaining alert so

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

that what has happened to other peoples cannot happen here.

I will not pretend to speak for those buried here whom we honor today, but I do believe that if those buried here and around the world could speak to us now, most would tell us to be proud of our country, to be proud of our flag and above all, be proud that in this country we can worship our God as we wish.

Ladies and gentlemen let us leave here with out heads a little bit higher because their sacrifices have enabled us to enjoy the blessings that God has given us as Americans.

Thank you very much.●

TIME TO CUT THE BUDGET

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. WEBER. Mr. Speaker, I would like to call to the attention of my colleagues an excellent editorial that appeared in recent edition of the Dallas Morning News. As we are all aware, this nation is facing major budget deficits that must be addressed by cuts in spending, both defense and nondefense, not increased taxes. I hope the following will prove interesting to my colleagues.

[From the Dallas Morning News, July 6, 1983]

CUT THE BUDGET

The July 1 tax cut is more than an economic landmark; it's a psychological one. At last we stop jabbering about whether to cancel, defer or cap the cut.

When congressmen decry "the $200 billion deficit," they will have to talk with unwonted sincerity about lowering that deficit through lowering spending. Which, as it happens, is exactly the right way to talk.

The tax cuts, through boosting investment and spending, will reduce the deficit but won't wipe it out. There is just one way of doing this: Cut spending.

Those who bewail the cruel "cuts" of the Reagan years don't reckon with the fact that average annual spending in Reagan's first two years grew $74 billion, against an average $64 billion during the whole Carter tenure. Nor was all this money poured down a gun barrel. As a percentage of the budget, defense under Carter was 24 percent in 1980-81, 25.8 percent under Reagan in 1982.

By now it's fairly well known that the so-called entitlement programs—whereby spending increases with every rise in joblessness or every drop in farm prices—are the main cause of the budget explosion. Such programs are politically painful to cut, which explains why they haven't been cut much, if any. It's easier for Congress to vote for reducing growth in defense spending on the unassailable premise that tanks don't vote.

What's wanted, no doubt, is some kind of deal. Entitlements must be cut. Defense spending is being cut, in terms of the growth needs projected by the Reagan administration. The administration might see advantage in embracing some, perhaps all, of the military cuts detailed in the new report of the President's Private Sector Survey on Cost Control.

More than 160 top business executives make up the commission, whose leader is the redoubtable J. Peter Grace. The Grace group says $92 billion could be saved from the military budget over the next three years by improving procurement practices (notorious for their uncompetitiveness), closing some unneeded bases, consolidating transport operations and tightening retirement benefits.

The proposals require careful study. But they allure. If military money can be saved through better management, rather than cancellation of needed weapons, well and good. The White House could say: See, we're not sparing even the Pentagon budget in our quest to control the deficit. Now, what about those entitlements?

Congress would have to approve four-fifths of the Grace group's proposals, some of which it has rejected in time past. On the other hand, Congress wants that deficit down—or so it keeps saying.

Hard, unpleasant choices all around. Better, however, to face them at last than to keep running from them.●

IN TRIBUTE

HON. BUDDY ROEMER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. ROEMER. Mr. Speaker, many of us were saddened by the recent death of Joe Delaney, a star football player from Haughton, La. I would like to take this opportunity to extend my deepest sympathies to his wife Carolyn, their three young daughters and the rest of his family.

An outstanding athlete at Haughton High School, Joe Delaney went on to become a star running back for Northwestern State University in Natchitoches, La. Drafted by the Kansas City Chiefs after college, he was named A.F.C. rookie of the year in 1981.

But Joe Delaney was more than just another football player. He always came home to Haughton, where he would spend hours of his time with the local children. On the day of his death, he had driven 100 miles to attend a "Kids Day" program in Monroe, La.

Mr. Speaker, Joe Delaney gave his life trying to save others in trouble. But he was that kind of man: Unselfish and always ready to help. Joe Delaney—and his special heroism—will be remembered for a long, long time.●

A TRIBUTE TO MARCUS E. McCONNELL, JR.

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. SHELBY. Mr. Speaker, I would like to take this opportunity to pay tribute to a fine outstanding individual who resides in Livingston, Ala., which is located in the Seventh Congressional District.

Marcus E. McConnell, Jr.'s life is a fascinating and wonderful story. His spirit and success should serve as an inspiration to all of us. Following is an article about Marcus which was written by Clarke Stallworth, news associate editor of the Birmingham News. I know my colleagues in the House of Representatives will get the same enjoyment that I received from this heartfelt story:

Marcus E. McConnell Jr., who can only see light and shadow, plans to keep practicing law "until the britchin' breaks."

"When I was growing up," laughs McConnell, "that's what they used to say: 'I'm going to keep plowin' until the britchin' breaks.' The britchin' is part of a mule's harness.

The 65-year-old blind laywer sits in his office a half block from the Sumter County Courthouse in Livingston, surrounded by law books. His waiting room is full of people waiting to see him.

As he sits behind his desk, smiling toward an unseen visitor, McConnell tells of a life which would have discouraged some people.

His fingers are gnarled from a deb' itating ailment, and he wears a hearing aid in his right ear.

He learned about the disease which partially crippled his fingers when he went to school in the first grade. There a fellow student asked him why his fingers were crooked.

He grew up on the McConnell farm near Livingston, and rode the cotton wagons into town to the gin. He got a pony when he was 6 years old, and helped his father round up the cattle and drive them to the depot for shipping.

"I went possum hunting at night with an old Negro, and listened to the stories told around the campfire," said McConnell. "And I walked down the street where the ladies were sitting on the porches, fanning and reading. They would stop me, and tell me stories."

When he went off to college, he had never buttoned his own shirts, because of his crippled fingers. So he bought a ladies' button hook, used to fasten shoes, and has used it to button his shirts ever since.

He went to the college at Livingston, then to Davidson College in North Carolina, and finally came back to the University of Alabama. In Tuscaloosa, he got a bachelor's degree and a law degree.

But is was in the middle of the Depression, and he returned to Livingston to run the family dairy. After a while, they called him the "educated milkman."

"When I was at the University, Mr. Drew McDonald, a man who had a law degree but taught school, had told me that he hoped I got more out of my law degree than he did. One stormy rainy afternoon. I was delivering milk to the Owl Cafe in Livingston and there he was. I said: Mr. Drew, you got more out of your law than I did. You're in a schoolhouse with a roof over you, and I'm out in the barn with the cows."

After a year, he left Livingston to work in Montgomery, as a legal aide in the Revenue Department, then was appointed a field director of the American Red Corss, serving in Louisiana, Alabama and Virginia.

In 1945, his father called him and said he could get the appointment as circuit solici-

tor (prosecutor) because the elected solicitor had gone into the service.

"My goodness, I'm not qualified," McConnell said the told his father. "But a friend convinced me to take it, after he told me I wouldn't convict any innocent people, and it wouldn't hurt if a few guilty people got away."

When the circuit solicitor returned after World War II, McConnell was made county prosecutor, and he practiced law on the side.

His father was county judge, and McConnell remembers one case where a black man was charged with possession of illegal whiskey. The question was: Did the jug belong to the man?

McConnell Jr. was prosecuting the case, and he asked the accused if the jug belonged to him. Very quiety, the black man said it did. Immediately, McConnell Sr.—who was almost deaf—declared him not guilty. He hadn't heard the man admit ownership of the jug.

"I thought I had tied it down," laughed McConnell, "then Daddy turned him loose."

He served as county prosecutor until 1970, when glaucoma cost him an eye, and went into private practice full time. He practiced in court until someone whispered something to him, and he couldn't hear the message.

Now he does title work, deeds, mortgages, and the like. He depends heavily on his assistant, Mary Gilmore Jones, "who is my right arm and my eyes."

Since 1975 another attorney, William Brewer has been practicing in the same building with McConnell. They help each other when the need arises, even though they are not partners.

McConnell and a younger sister—who also suffers from the same condition which warped his fingers—live on Washington Street, in the old McConnell home.

"Everybody gets discouraged sometimes," he said. "I'm sort of hemmed in. I have somebody to help me, and sometimes I'm deprived of some privacy by my disabilities. But I have met with this dern blindness, and I have held my own. But if I didn't have a strong Christian faith, I'd be in trouble."

Mr. Speaker, I would like to say at this time, that one of the finest introductions in my career came from Marcus when I was in Livingston, Ala., for a speaking engagement.

His command of the English language has long surpassed any form of a handicap he has had with his blindness. When Marcus communicates with others, his words of wisdom and knowledge are respected and listened to in conversation.

Livingston is very fortunate to have Marcus E. McConnell, Jr. as a citizen of its community. He has given so much of himself to help others who needed assistance.

Marcus is a fine person, dedicated citizen, respected in his profession, and—my friend. It is with the greatest honor and the highest of praises that I offer this tribute to Marcus E. McConnell, Jr.●

JEANETTE ARCHULETA

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. RICHARDSON. Mr. Speaker, there are some people who light up your life with the generous qualities of caring and concern they show for other people. They serve as an inspiration in your life—a reminder—maybe it is just to be a better person or to be a little more sensitive to your fellowman.

Mr. Speaker, Jeanette Archuleta of Santa Fe, N. Mex., was such a woman. It is with sadness in my heart that I learned of the tragic accident that took her life at the young age of 26.

Jeanette was a close friend and constituent. She was a devoted daughter to her mother, Cora, and her father, Dick. She was active in politics and civic affiars. She cared about the less fortunate.

Jeanette was politically and civically active in her community and was involved in many organizations and causes in New Mexico. Her willingness to help people and her concern for the needs of others made her a dear friend.

Mr. Speaker, Jeanette Archuleta will be deeply and sadly missed but her compassion will serve as an inspiration to all of us who came to know her.●

EDUCATION BLOCK GRANT SPELLS RAW DEAL FOR NEW YORK

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. BIAGGI. Mr. Speaker, a recently released report by the American Association of School Administrators conclusively proves those of us who opposed consolidation of education programs have been saying all along: Block grants are a bad deal.

In my own State of New York, the survey reported that the equity problem has been made even worse. Respondents for New York show a 66.1-percent cut in funding, now under the block grant but formerly as categorical programs. At the same time, a number of smaller States have doubled, or even more than tripled their education dollars. For example, Alaska experienced a 657-percent increase, Montana a 206-percent increase, and New Hampshire a 108-percent increase. These increases were for the most part accomplished at the expense of large, urban school districts which the AASA report notes are the biggest losers in this block grant scheme.

We have heard much about the math and science crisis facing our Nation's schools today. Earlier this year, I joined as a cosponsor of H.R. 1310, a bill which provided $400 million upgrade math and science instruction in our schools and provides increased incentives for teachers to enter into these professions. This legislation passed the House on March 2 and awaits action by the Senate. This bill must be viewed as the second step in helping to address some of the math and science problems which plague our schools. The first step was the passage of the education block grant which gave a bonanza of funds to a number of richer schools districts in order that they could purchase and upgrade high-tech equipment that would help them both teach students better and train teachers more effectively with new skills.

Sadly, this bonanza for rich school districts has created a major deficit for poorer school districts, such as those in New York City which serve greater numbers of students, 1 million alone in New York City public schools. The AASA report echoes this inequity problem by stating:

> This funding shift has caused serious equity problems since approximately 80 percent of America's students attend schools in 24 percent of the Nation's school districts, the vast majority of which are large urban school districts—the big losers under the block grant program. The small districts are gaining funds, but they serve relatively few students. There are approximately 16,000 school districts in the U.S. and half of them (8,665) serve 1,000 or fewer students. Congress must see to it that the large urban centers receive greater financial assistance. Equity must be provided.

As New York's senior member of the House Education and Labor Committee, I intend to actively work to reverse this discriminatory trend and reinstall a more equitable method of distributing block grant dollars—or even, appropriately, eliminate the block grant altogether and reinstitute our categorical programs that were lost in 1980 and that provided a host of innovative educational opportunities to students in poor school districts.●

THEY NEED OUR PRAYERS

HON. JAMES H. (JIMMY) QUILLEN

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. QUILLEN. Mr. Speaker, one of the last actions of the Supreme Court in this term was to affirm the right of legislative bodies to open deliberative sessions with prayer, as is our custom here in the Congress. The pastor of a church in my district, the Community Church at Bristol, recently addressed himself to the relationship between

God, public officials, and the prayers of the people, and I thought his words might be of interest to our colleagues.

The following are words from the sermon of Dr. Donald J. Giesmann:

Our text is I Timothy 2:1-2: "First of all, then, I urge that petitions, prayers, requests, and thanksgivings be offered to God for all people; for kings and all others who are in authority, that we may live a quiet and peaceful life with all reverence toward God and with proper conduct."

America's leaders need the prayer of America's churches. In I Timothy, Paul calls the church to prayer and thankgiving for those in authority. To live a life of example and peace in our beloved nation we are called to pray for our leaders—federal, state, and local.

In Jesus Christ, the Peacemaker, who united the Apostles—Simon the Zealot, who wanted to overthrow the establishment and Matthew, the tax collector, who was a part of the establishment, we have hope for today in the midst of increasing cynicism about our leaders.

This cynicism about "politicians" is not new but does appear to be intensifying. In the past, for example, William Howard Taft tells of a friend who was a dinner speaker who began his talk—"Mr. Chairman, ladies and gentleman for tonight's dinner I was assigned the topic—'The Christian in Polities', I did the research and discovered there ain't no such thing," and he sat down.

President Reagan speaking at a recent church convention shared a story that illustrates the feeling of many people. a minister and a politician arrived in Heaven together one day. St. Peter met them and showed them where they would be living. The minister received a single room with simple furnishings. The politician seeing this became quite concerned. St. Peter took him to a marvelous mansion with much land and many servants. The politician protested that there must be some mistake. To which St. Peter replied that there were thousands of ministers in Heaven but, "you're the first politician who ever made it".

I appreciate the thoughts of James Spainhower, a former State Treasurer of Missouri, who commented on how people are feeling about their leaders. Dr. Spainhower in his career has combined being both a pastor and a government official:

"God knows and cares about politicians too! He does not scowl; he smiles on politicians. He desires and needs their service to his children as much as he desires and needs the service of businessmen, farmers, homemakers, students, ministers, teachers, laborers, and all other persons, regardless of vocation. There are good persons and bad persons in all areas of life. When good things happen and moral deeds and godly acts occur in government, it is partly the result of politicians who are sensitive to the overreaching purposes of God for all mankind."

THE PAST

We look at the history of our nation and discover the wonderful achievements and examples of men and women of Christian character and faith. While we might not always agree with their particular policies, we can respect their examples of character and moral influence. From the earliest days of our nation we have seen the witness of Christians who loved this country. Francis Scott Key, the composer of our national anthem was an active Christian lawyer, former United States Attorney for Washington, and a founder of the American Sunday School Union. He wrote a hymn which is still sung in churches, "Lord, With Glowing Heart I'd Praise Thee". In the fourth stanza to our national anthem which is seldom sung we recognize Francis Scott Key's Christian hope during the War of 1812:

Oh thus be it ever, when freedom shall stand
Between their loved home and the war's desolation!
Blest with victory and peace, may the heav'n rescued land
Praise the Power that hath made and preserved us as a nation.
Then conquer we must, when our cause it is just,
And this be our motto "In God is our trust".
And the star-spangled banner in triumph shall wave
O'er the land of the free and the home of the brave!

These words have special meaning when we realize Francis Scott Key was a pacifist at heart who put aside his personal convictions much like Sergeant Alvin York did in World War One to serve in the military for the sake of the country's freedom.

Zachary Taylor of Virginia is another example. He refused to be inaugurated President on March 4, 1849 because it was a Sunday. He waited until Monday and for twenty-four hours a U.S. Senator was actually President.

Throughout our nation's history national, state, and local leaders from diverse backgrounds and different political parties have shared their Christian faith and political convictions in seeking to improve and help our country. Some contemporary examples of those who have combined their personal faith in Christ with public service include an internationally known attorney and Presbyterian elder, the late Leon Jaworski; U.S. Senator Mark Hatfield; the former Governor of Florida, Reubin Askew; a champion of the needs of the handicapped Senator Jennings Randolph of West Virginia, and so many others.

The late Leon Jawarski had a long and distinguished career as an attorney. Among his experiences were serving as a prosecutor at Nuremberg, President of the American Bar Association, and special Watergate prosecutor. Known for his honesty, fairness, and abilities, Mr. Jaworski was a Presbyterian elder in Houston with a warm faith in Jesus Christ. Shortly before his death he was working to prepare legal briefs on the freedom of assembly for Christian student groups. He was a content man and when given the opportunity to be appointed to the Supreme Court by President Johnson he indicated he would rather stay in Texas.

A few years ago at a national church seminar in Washington it was exciting for me to hear from a panel of three Congressmen; a liberal Democrat from the West, a moderate Democrat from Florida, and a conservative Republican from Virginia. They all shared their personal faith in Jesus Christ and how they meet weekly together for prayer and Bible study. They were close friends and yet "battled" each other on the floor of the House because their political views were often different. I was most impressed with their attitudes of kindness and humility and their desire to follow Christ.

That kind of unity for God and nation is symbolized well in the small chapel off of the rotunda of the Capitol in Washington. Under the Great Seal of the United States is the inscription "This Nation Under God". A window displays George Washington in prayer. Also written there is Psalm 119:105, "Thy Word is a lamp unto my feet, and a light unto my path."

THE NEED

The pressures upon our nation's leaders for their time, attention, and action are intense. Everyday decisions and votes in committees and on the floor are spotlighted by the media. The principles of honesty, justice, and fairness are tested by the pull of different interests, the pressures of re-election, and the contrast sometimes between local interests versus the national good. They need our prayers and we are called upon to pray as Christians.

As in business, our leaders are faced with conflicts of values and the struggle between opportunity for the common good and the potential for personal opportunism. When Woodrow Wilson was Governor of New Jersey, one of the Senators from New Jersey died suddenly giving Wilson the occasion to appoint a successor. An eager politician called shortly after hearing of the Senator's death asking to be appointed to the deceased's place. Wilson being a quick wit responded that it would be fine with him if it would be all right with the undertaker.

Abraham Lincoln in 1861 in his last words before leaving Springfield, Illinois on February 11 to go to Washington, expressed his need of prayer: "Unless the great God who assisted (Washington) shall be with me and aid me, I must fail; but if the same omniscient mind and mighty arm that directed and protected him shall guide and support me, I shall not fail—I shall succeed. Let us all pray that the God of our fathers may not forsake us now".

Dr. Richard Halverson, Chaplain of the United States Senate recently was asked what important lessons he has learned in his ministry in the Senate, he responded, ". . . the importance of intercession for people in public life. This work is mandated to the church by the Word of God".

One of America's outstanding family psychologists, Dr. James Dobson, of the University of Southern California School of Medicine, a prominent Christian layman, has been meeting with Congressmen and Washington officials to assist them in protecting their families from the hazards and pressures of public life. Congressional schedules are being changed and lives are being greatly helped. There is much loneliness and family conflict that can occur under all of the public pressure and because of the encouragement of churches many government officials are receiving support.

THE RESPONSE

What should be our response to the challenge to pray for our leaders?

First, let us resolve to pray for these federal, state and local leaders and their families. We all have needs and struggles, burdens and joys. Lets identify more and be supportive of our executive, legislative and judicial branches of government at all levels.

Second, rather than being so critical at times let us resolve to be more understanding of the complexities, the tensions and family needs of these officials.

Third, let us also show we care by our participation. Are you registered to vote? If you are, do you take the opportunity to? If you have possibilities of participating in the public life of your community please do so. Can Christians become involved in politics? Yes! Not only are they involved now but they have been throughout the history of our great nation.

Do you like to receive letters of encouragement from friends and family? Consider putting your prayers to work sometime by writing to government officials and letting them know you appreciate them and are praying for them. Perhaps you don't agree with a certain stand on an issue but you can care about them as persons with needs like your own.

Finally, Jesus said, "You are the salt of the earth", may we remember His words as an incentive to get involved.

We have a responsibility and the privilege in this land of freedom to show our Christian witness for justice, peace, caring for the poor, and showing compassion. The courageous people of Poland cause us to remember and to be thankful for our freedom.

In closing, let us pray the prayer that the late Dr. Peter Marshall, Chaplain of the Senate once prayed:

"Lord God of Heaven, who hath so lavishly blessed this land, make us, Thy people, to be humble. Keep us ever aware that the good things we enjoy have come from Thee, that Thou didst lend them to us.

"Impress upon our smugness the knowledge that we are not owners—but stewards; remind us, lest we become filled with conceit, that one day a reckoning will be required of us.

"Sanctify our love of country, that our boasting may be turned into humility and our pride into a ministry to men everywhere.

"Help us to make this God's own country by living like God's own people." Amen.●

MISSING GREEK-CYPRIOTS

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. KOLTER. Mr. Speaker, I rise on this occasion to voice my concern over the 1,619 Greek-Cypriots—including 8 U.S. citizens—still missing after the 1974 Turkish invasion of Cyprus. I would like to submit to the RECORD the following article from the Greek Accent magazine:

CYPRUS: THE MISSING PERSONS

NICOSIA—Niko Serghides has one burning ambition—to find out if his brother Joseph is alive or dead. But eight years after Joseph was arrested in the wake of the Turkish invasion of Cyprus, the fate of the former student at the University of Athens is still unknown.

Niko is not alone in his predicament. As secretary of the Committee of Relatives of Undeclared Prisoners and Missing Persons, he represents the families of 1,619 Greek-Cypriots, including eight U.S. citizens, who disappeared shortly after the Turks invaded and occupied one-third of this beautiful Mediterranean island in the summer of 1974. That is a fantastic number considering Cyprus' small population (then only about 550,000) and the duration of hostilities, which lasted only a few weeks. Cypriots point to the experience of the United States in Vietnam by comparison, where eight years of war resulted in 800 missing Americans.

Niko's brother was a reservist in the Cypriot National Guard, but many non-combatants were also seized by the Turks. "Several hundred civilians were among the missing," Mr. Serghides asserts. "There were 116 women and 24 children under the age of 16 arrested and still unaccounted for. There were also many old people. Seven of the eight Americans, for example, were pensioners who had returned to Cyprus to live out their last years.

"The majority were captured when their villages were occupied by Turkish forces, after the end of hostilities. That is what happened in Ashia, near Famagusta. On August 20th and 21st, 1974, a week after fighting had stopped, the entire male population of the village was arrested and transferred to unknown places. These people are still missing."

For Niko, the memory of his brother's disappearance is still fresh and painful. When he talks about Joseph, his voice chokes with suppressed emotion. With an obvious effort of will, the soft-spoken young man relates the story of Joseph's arrest.

"He was only 22," Mr. Serghides says. "He came home for the summer holiday from Athens, where he was studying at the university. There was a call-up of reservists and he went. I last saw him two or three days before he was captured. On August 15, 1974, he was taken prisoner in the Morphu-Kyrenia region. Joseph was seen, along with hundreds of other Greek-Cypriot prisoners, in the prison of Adana in Turkey by returning POWs. He, and many others who are still missing, was recognized in a BBC film shot at Adana that September."

Niko and his family have had no word of Joseph since then.

Andrew Kassapis, who was born in Highland Park, Mich., was taken from his parents house in Asha on August 20. Andrew, then 17, had just graduated from the American Academy in Nicosia. The family had lived in Cyprus for seven years and was preparing to return to the U.S. that autumn. The boy was arrested at gunpoint, along with his sister Irene's fiance, by Turkish-Cypriot civilians. The two were then turned over to Turkish army officials.

Andrew was one of 61 students named in a Turkish document in November 1974. The 61 were part of a group of 136 Greek-Cypriots due to be released that month. That was the last any body heard from him. His family has since returned to the United States where they have pursued their quest for information on the boy. The State Department, and the U.S. embassy in Nicosia, have taken up Andrew's case, as well as those of the seven other missing Americans, but have had little success so far. "Even if any information has been passed on to U.S. authorities," Mr. Serghides said, "They haven't told us anything."

Mario Fysentzides was a scholarship student in Montreal, Canada. He was home for the summer break when he was arrested. The Canadian government sought information on his whereabouts but Ankara refused to cooperate. Their reasoning was that since Mario was captured while fighting against Turkish forces, foreign governments had no right to intervene on his behalf.

Turkey's position is that there are no undeclared prisoners. Typical of their attitude is the statement made last year by Numan Hazar, Turkish consul in Washington: "There are no Greek (Cypriot) prisoners. All prisoners have been exchanged. The Greeks are using this as propaganda."

Yet respected international organizations such as the London-based Amnesty International have long shown concern for the fate of the missing Cypriots. Amnesty officials have for years been pushing for talks between Ankara and Nicosia on the missing persons issue because they feel many of them are still alive.

There is also independent evidence to indicate that most of the missing were still alive weeks, even months, after their capture. Lists of prisoners and Greek-Cypriots enclaved in the occupied zone were drawn up by the International Committee of the Red Cross (ICRC), Turkish military and occupation authorities and in the United Nations Force in Cyprus (UNFICYP). There are also photographs taken by foreign journalists (including Turkish correspondents) showing Greek-Cypriot POWs in detention centers both in the occupied part of Cyprus and in mainland Turkey; and numerous Greek-Cypriots have broadcast messages to their families, stating that they are prisoners and are being treated well, over the Turkish-Cypriot radio station Bayrak.

There is the case of Andreas Georgiou Petrassitis, then aged 22, from Famagusta. He was visited by a representative of the ICRC on August 23, 1974 at Saray police station in the Turkish sector of Nicosia. An attestation concerning him was filed by the ICRC Tracing Agency on September 20, 1974. He has never been released. Andreas Panayiotou, then 26, a former health inspector from Famagusta, was named in the official Turkish list of Greek-Cypriot prisoners. He was seen by a number of released POWs and his name was written into the records of the Turkish hospital in Nicosia. Others named in the Turkish POW list include Antonios Apostolou, then 23, of Larnaca, and Costas Athanassiou, then 24, if Aglantzia. Korellis Antonakis, then 30, of Kythrea, Nicolaou Paniccos, then 26, from Achna, and Skordis Christoforos, then 25, of Dhali, were among five Greek-Cypriot prisoners identified in a picture taken by Turkish war correspondent Ergun Konuksever. Sotiris Andreou, Costa Constantinou and Georghios Hadjikyriakou are among several who spoke over the Turkish-Cypriot radio station Bayrak. And Evgenios Theokharides, Stavros Constantinou and the American Andrew Kassapis are among 46 still missing persons from a list of 114 stranded students compiled by UNFICYP Headquarters in Nicosia.

Hundreds of similar cases could be cited. In all instances, the result is the same—these people have not been seen or heard from by their families for nine years. Despite Turkish protestations of Greek propaganda, the anguish of the relatives is very real.

That is why the families have organized the missing persons committee. "Our main purpose," says Mr. Serghides, "is to find out whether these people are alive or dead. From the very beginning, right after the end of hostilities, we tried to find a solution to this humanitarian problem. We asked for cooperation from the Turkish side, but unfortunately, they refused. They say they don't know anything about these people.

"In spite of these denials, we have succeeded in obtaining the release of eight missing persons on three occasions: in November 1974, August 1975, and September 1977."

The problem has been brought before the United Nations General Assembly four times—in 1975, 1977, 1978, and 1981—and before the Security Council. Resolutions were passed each time stressing the basic humanitarian need for families of missing persons to be informed of the fate of their loved ones. The Secretary General was also requested to seek a solution. In 1976 he tried to form an independent committee to

investigate, on a case by case basis, the fate of the missing persons. The ICRC agreed to name an investigatory body outside of the ICRC itself. The only conditions put by ICRC officials were freedom of movement throughout Cyprus, a demand that all relevant information be provided and an agreement in advance that both parties would accept the board's conclusions and recommendations as final. The committee never got off the ground.

In April 1981, a three-member panel was formed comprising representatives of the U.N. Secretary General and the Greek and Turkish communities on Cyprus. The committee's terms of reference were agreed on by all participants: The investigative work of the board would be confidential so that any results could not be used for propaganda purposes; no blame was to be fixed to either side if any of the missing were found; and if any were found to have been killed, the committee would only announce the simple fact of death. The panel was also to be allowed access to all parts of the island.

But the committee was only convened four times. The Turks, citing security, had second thoughts about admitting it to the occupied zone. The result was a deadlock, in spite of the countercharges Ankara and the Turkish-Cypriot leadership have made concerning missing Turks. In early 1975 ICRC lists showed 106 missing Turkish-Cypriots. The Cypriot government acted promptly and within a week, information on 97 of those people was supplied. Today, according to Cypriot government sources, there are only nine missing Turkish-Cypriots. But Rauf Denktash, the Turkish-Cypriot leaders, has recently claimed that as many as 800 Turks are still unaccounted for.

Mr. Serghides feels these figures are exaggerated and points out that there is a way to address Mr. Denktash's grievances on this score. "It is the position of our committee," he explained, "that if there are any Turkish-Cypriot missing and in such numbers as they claim, the best solution would be to allow the investigatory board to do its work in both parts of the island. In order to solve this problem, the cooperation of the Turks is absolutely necessary."

For the Cypriots, it's been a frustrating experience, particularly for the 200,000 refugees. One Cypriot government source pointed out that many refugee families have had a husband, father, brother, or some other member killed in the fighting only to suffer the added pain of having somebody else missing. "I don't understand the Turkish position on this," my informant said bitterly. "It is very irrational."

The only solution to the impasse, seen by many on the island, is international pressure. "We attach great importance to the help the international community can provide on this," Mr. Serghides says. "Unfortunately, we see this as the only way to get Turkey to negotiate on this issue."

But it has been nine years since these people were last seen and the question arises: What are the chances any of them will be left alive?

Says Mr. Serghides: "We are not sure about anything. That's why we ask. We don't exclude the possibility that they are dead by now. We just want to know."●

SKULDUGGERY

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. WINN. Mr. Speaker, I am inserting into the RECORD today a column by James J. Kilpatrick which emphasizes the seriousness of an issue that has received far too little attention as compared to the Carter briefing book. Seven Republican Members of this body, including myself, where the victims of material and unauthorized malicious alterations of our remarks in an official hearing record. Our independent investigation is uncovering leads that may point to even more widespread unauthorized alterations over many House committees. I urge the Ethics Committee to conduct their investigation expeditiously and thoroughly and get to the bottom of all of this. The Kilpatrick article follows:

[From the Washington Post, July 13, 1983]

SKULDUGGERY

(By James J. Kilpatrick)

A story is developing on Capitol Hill that might be amusing if it didn't contain so many disturbing elements. It involves skulduggery within the staff of one or more subcommittees of the House.

On July 21 and 22, 1982, five subcommittees from three different House committees got together for hearings on the Environmental Protection Agency. The hearings were known as "EPA Oversight: A One-Year Review." They were not friendly hearings.

In years past, at least a nominal spirit of bipartisanship had been in evidence at EPA hearings. This time, as Joseph A. Davis reported in Congressional Quarterly, Democrats came to the hearings smelling blood: they saw the EPA's record "as a choice target for campaign trail attacks."

The Democrats chose their witnesses accordingly. The minority Republicans complained bitterly that the majority had scheduled the hearings as a "witch hunt." They said they were not given adequate notice, but such Democratic leaders as Toby Moffett of Connecticut and James H. Scheuer of New York brushed the objection aside.

In accordance with congressional practice, the testimony was taken down by shorthand reporters, who then typed up a transcript. After editing, the transcript went to the printers, and in April 1983 the official hearing record was published.

Last month Republican Judd Gregg of New Hampshire happened to thumb through the printed document. He was thunderstruck.

At the hearing on July 21, his colleague Robert S. Walker of Pennsylvania had said, as the official reporter had transcribed it: "Many members of the other party know that I am willing to take part in reasonable hearings." The printed version read: "Many members of the other party know that I am not willing to take part in reasonable hearings."

John Hiler of Indiana had said: ". . . a great disservice to the witnesses . . . to have very, very few people on the majority who called this particular hearing." The printed, official record read: ". . . very, very few people on the minority side in attendance, even though they . . ."

At some point between the typewritten transcript and the printers, a long and defensive paragraph by Moffett had been inserted—words that he had never spoken at all.

Time after time, the printed record had been altered. Some of the changes might be explained in terms of mere editing, but when "majority" is changed to "minority," skulduggery is afoot.

The matter is important. Historians, teachers, judges and editors rely absolutely upon the printed records of congressional hearings. The EPA record was doctored. What else has been doctored?

Next question: who cares about this criminal act? The House voted unanimously on June 30 to authorize closed hearings on the matter in what is laughingly known as the Ethics Committee. Republicans had no choice; their plea for a select committee was rejected by the Democratic leadership. If the Ethics Committee identifies the dirty hands behind this business, and makes a definitive report by the end of the year, it will amaze everyone—and it particularly will amaze the Ethics Committee.●

RENEWED HOPE

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. DYSON. Mr. Speaker, the Congress has just returned from its Independence Day recess with a renewed hope for our great country and all that we stand for. On July the Fourth I saw evidence of that renewed hope. The Liebman-Berger Memorial Post No. 707 of the Jewish War Veterans, its ladies auxiliary, and the Wicomico Historical Society held an Independence Day Celebration in Salisbury, Md.

During the course of the ceremony, the coordinator, David S. Pines, introduced Mrs. Jean Litman Litow, the auxiliary president, who in turn presented some remarkable and talented young people. These young persons, Vashti Miles, Deedra Johnson, and Charles Collier, were winners of the Ladies Auxiliary Essay Contest on the topic "If I were President of the United States, I would . . ." I commend these authors for their inspiring work and include their winning essays below:

IF I WERE PRESIDENT OF THE UNITED STATES, I WOULD . . .

(By Vashti Miles)

If I were President of the United States, I would try to fulfill the many different and important duties of President to the best of my ability. I would attack such major issues as unemployment, inflation, the federal deficit, nuclear arms race, the nation's defense, and the general welfare of all the individuals who want to help make the world a better place to live.

As chief of state, I would conduct many ceremonial affairs. I would hope that this

would provide better relations with the American people. As chief executive, I would make sure that the federal laws are enforced. As commander in chief of the armed forces, I would be responsible for the national defense in peace or war. I would direct the United States foreign policy and play an important role in world affairs. As the leader of my chosen political party, I would help shape the party's stand on domestic and foreign issues. I would urge Congress to act on my legislative proposals that I feel are needed most.

To deal with the problem of unemployment, I would create work relief programs so that people who are able to work would be able to find a job. This would provide less money to welfare and more to people wanting to do better for themselves. If more people were working and doing activities with their time, the crime rate should decline quite rapidly.

I would try to improve foreign relations with neighboring countries. The fear of nuclear arms races and the attack of unfriendly countries would not get the extra attention so that programs inside the country could get more support and public opinions.

After better foreign relations, the nation's defense system could be held at a steady maximum, and the extra income could go to improving public education. It is very important that we provide our students with the best possible intelligence, because they are the future leaders of tomorrow.

All of the issues and points that I have commented on have been centered around one main idea, that the United States provide and try to help the general welfare of the people who inhabit our country, for they are the key to any legislation, justification, or renovation that happens inside or outside the United States of America.

IF I WERE PRESIDENT OF THE UNITED STATES, I WOULD . . .

(By Deedra Johnson)

If I were President of the United States I would change the system of the government. The first change I would make would be dealing with Defense Planning and spending. I feel that there is too much money being wasted on the building of new bombs. We alrealy have enough weapons to destroy the world. There are many other important issues that are far more worthy of the tax payers money.

Social Security is one of those things when a man works all of his life and when he receives his checks the government has already taken a small percent of his money for Social Security. I think it is only fair for that person to receive his money once he or she has retired. It is not right for the government to cut the Social Security for the upbuilding of new weapons. Another social committee that I would analyze very closely is welfare. I do not feel that it is fair to cut it out completely because there are really some families who need it. Then on the other hand there are some frauds who just use it as an extra means of income. There would be strict laws placed on those who receive it and had another source of income. Those who were able to work would or else they just would have to survive the best they could. It might seem cruel but they are able to work and don't want to they need to be on rock bottom.

In the line of helping people I would do something for the hospitals. All over this country hospitals are understaffed, underpaid and not fully equipped with the equipment they need to operate successfully. I would also have programs set up with money set aside for the employment of qualified staff members.

Another change that I woud make would be dealing with the Educational System. There are so many teachers teaching who really should not be. Teachers would be required to take a test nation wide dealing with their major. If they did not pass this test they would not teach. The educational system is bad enough. We should at least have qualified teachers. Also dealing with the school system there would be more money put aside for scholarships and grants for those who plan to go to college.

One important change that would be made is dealing with the Judicial System. I don't think it is fair for the present day government to execute criminals for the crimes that they have committed. How can the problem be solved of killing if the government has in a sense made it legal. There really isn't any way to completely rid the world of crime but if you put the criminals away. I would also make a change in the abortion laws. I don't think it is fair to take a child's life simply to make yours more comfortable. As the old saying goes if you play with matches, you will get burnt. How can it be legal when you are taking someone's life. Killing is killing, legal or not.

I know that the job of being president is one that requires a great deal of knowledge and understanding. If I were elected President I would try to up hold these objectives.

IF I WERE PRESIDENT OF THE UNITED STATES, I WOULD . . .

(By Charles Collier)

If I were President of the United States, I would endorse and direct all policies and administrative energies toward such reforms as human rights, economic reform, and the strengthening of cultural activities such as the arts. It is important to maintain a liberal idealism rather than a conservative point of view in government. This conservative idealism is, for the most part, a characteristic of the Republican Party of which the majority of the nation's bureaucracy is constituent to. This conservative policy focuses more on foreign policy, national defense, and foreign aid than is necessary for our nation. I shall attempt to iterate on this issue with examples of this administration's conduct on the matter of first, national security and defense, and second, on foreign aid specifically and foreign policy in general.

For instance, Germany in the last several years has been literally overrun by the American military presence ever since the Second World War. After the end of the war, the United States poured money, weapons, and personnel into newly formed West Germany starting with the European Containment Defense Policy formed by Harry Truman and the illustrious rebuilding plan for Europe, the Marshall Plan. Back then the occupation and buildup of Europe was beneficial and fine for everybody: It built up Europe from the ashes and ravages of war and it gave a great boost to the American economy, but as inexorably passes, this relationship between the United States and Germany grew tense. With the onset of ominous nuclear war based in the European Theatre between the United States and the Soviet Union, West Germany grew nervous, tense, then finally angry over imminent annihilation from nuclear armageddon by the American presence as well as the Russian. Since the current administration has come to office the tension between the United States and West Germany has deteriorated even more. Protests and riots in the streets, diplomatic disapproval and worldwide discredit toward the United States have been caused by these tensions. Our foreign policy is not causing dissent in West Germany alone. England has also been a site for anti-American protests; as well as Iran, France, Austria, and many others. Our foreign policy also creates tension with a nation that is of great concern to us. The increased tactical nuclear arms buildup in Western Europe is creating a dangerous strain in relations with the Soviet Union. If we are not careful, we could bring armageddon down upon ourselves. I would turn our country's energies and money away from these matters discussed above to our own internal affairs. I would hope that this action would ease tension between the nations of the world and ourselves.

Another issue is foreign aid. The United States is pumping out money to all manners of different countries. The only foreseeable point of this action is to improve the international image of the United States in the international view. Recently, however, this massive aid crusade is costing us much more than it gives. Instead of international respect the United States receives limited international ridicule. Our federal budget deficit is in the billions of dollars. I would turn all this wasted money inward for human rights such as unemployment, welfare and other human social services, economic reform, such as to lower interest rates and inflation, and strengthen national culture.●

DISTRICT 15'S FIGHT AGAINST DRUGS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. TOWNS. Mr. Speaker, I would like to draw the attention of my colleagues to an article appearing in the Outlook, a publication of the New York State Division of Substance Abuse Services. This article notes the drug prevention program now in effect in Brooklyn's Community School District 15.

The program, entitled "Alternatives 15," combines a comprehensive drug prevention curriculum with a typical classroom curriculum to produce a program which is both efficient and cost effective. The program, which is designed to be presented during grades three through nine, is prevention-oriented, focusing on such concerns as value-clarification, decisionmaking, and self-awareness. A drug education specialist educates both student and teacher about various drug substances, as well as, alcohol, and tobacco.

Because a high percentage of the residents of Community District 15 are of Hispanic origin the program is being conducted both in Spanish and English. All of the original curriculum has been translated into Spanish, making the drug educational program

of District 15 the only Spanish translation available in New York State.

The article not only commends the alternatives program, but also notes that the program has been recommended as a teacher training and curriculum development model by the New York State Division of Substance Abuse Services. As such, I am entering the article into the RECORD for the benefit of my colleagues.

The article follows:

BROOKLYN'S DISTRICT 15: A CURRICULUM APPROACH

(By Ginay Marks, Director, Brooklyn District 15 Drug Education Program)

It is a time when talk of budget cutbacks and decreased service has forced substance abuse programs to find ways of doing more with less. Community School District 15 in Brooklyn is meeting this challenge by using a self-perpetuating drug prevention model.

Alternatives 15 Drug Prevention Program—that is highly cost effective. The Alternatives 15 program employs a school-based curriculum model which simultaneously teaches and trains a network of classroom teachers in drug prevention strategies.

Classroom teachers recognize the need to deal with substance abuse issues, but they are often reluctant or unable to address the subject. Lack of experience or information, and the time constraints of the typical teaching day contribute to this problem. The Alternatives 15 staff realized that if its program was to be a success, then their curriculum would have to present relevant materials in a way that both reduced teacher apprehension and fit in with the typical classroom day. The Alternatives 15 curriculum does the job admirably.

The comprehensive drug prevention curriculum contains 40 lessons and activities focused on such areas as communication, self-awareness, values clarification, decision making, emotional awareness, peer relationships, family relationships, and fantasy. A section devoted to general substance abuse, alcohol, and tobacco, as well as a resource guide of commonly-abused substances, is also included.

The Alternatives curriculum is recommended for use in grades three through nine. A multitude of educational materials, utilizing a variety of learning experiences such as role-play, discussion groups and surveys, are included in the curriculum.

Alternatives 15 has implemented the curriculum, through series of 15 weekly lessons in various classroom settings presented by its drug educational specialists. The classroom teacher shares in the planning of the lesson and remains with the class to participate in the learning process. After 15 weeks the drug education specialist leaves and the teacher takes over.

In effect, the specialist has trained a classroom teacher who has taken part in the affective learning process and is supplied with materials and lessons written in a familiar format. The classroom teachers now possess the skills and tools to provide ongoing service to the students. The Alternatives staff moves on to educate another class and train another teacher. By moving from class to class and leaving behind a skilled "renewable human resource," the specialist literally multiplies in a cost efficient manner the number of people actively and directly involved in drug prevention.

Community School District 15 is located in a geographic area with a high percentage of Hispanic residents. Alternatives 15 recognizes that to provide a comprehensive community service it has to meet the needs of its large Hispanic population. With funding from the New York State Division of Substance Abuse Services. Alternatives has recently completed the translation of its original curriculum into Spanish and is presently organizing a timetable for teacher training. The Spanish translation of District 15's curriculum is the only comprehensive drug educational curriculum available in Spanish within New York State.

If professional acceptance is any measure of success, then District 15's Alternatives curriculum has been a highly successful undertaking.●

BETTY ACCOMMAZO, 1983 NATIONAL COWGIRL HALL OF FAME HONOREE

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. STUMP. Mr. Speaker, I am very proud to announce to my colleagues that Betty Accommazo of Laveen, Ariz., has been named the 1983 honoree to the National Cowgirl Hall of Fame and Western Heritage Center.

Having known Betty since growing up together in Tolleson, I cannot think of a better person to honor with such recognition. Betty's concern for her family, her community, and her State is reflected in the many activities she has undertaken during the last 30 years. Her leadership has been an asset to groups including the PTA, 4–H, Future Homemakers of America, the Laveen Community Council, the Phoenix Cotton Wives, and the Arizona Living Pioneer Group.

Betty was born and raised in Arizona, and has a deep love for the history of our State and the contributions of the early homesteaders. Since 1978, Betty has been writing and compiling histories on Arizona pioneers, and those provide an excellent reference for the individual contributions that have made Arizona what it is today.

I am proud to be among the many people throughout Arizona that are Betty's friends. She has set an example for all of us to follow, and her concern and leadership are reflected in the many successes of her family and her community projects.

The honor she has received is well deserved, and I have no doubt that we will continue to be the beneficiaries of her dedication and inspiration for many years to come.

Congratulations, Betty.●

THIRD YEAR TAX CUT NEEDED

HON. KEN KRAMER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. KRAMER. Mr. Speaker, the following article by Senator MATTINGLY of Georgia appeared recently in the American Conservative Union's publication called Battle Line. I found his explanation of the need for the third-year tax cut and indexing illuminating and well put. I would like to share this with my colleagues and submit the article in the RECORD.

[From Battle Line, Spring 1983]

LEAVE THE TAX CUT ALONE

(By Senator Mack Mattingly)

Repeal of the third-year of the tax cut in July 1983 will wipe out the remaining modest gains made by taxpayers since 1981. The mandate given to Ronald Reagan and a conservative Republican Senate majority in 1980 was a clear rejection of the tax, tax, tax and spend, spend, spend policies.

The Economic Recovery and Tax Act of 1981 (ERTA) was landmark legislation. Not only did it enact the largest tax cut in history, it provided for future indexation of taxes to the rate of inflation. This would end "bracket creep" which allowed government to pick the taxpayers' pockets in order to fatten its coffers without voting a tax increase. As inflation pushed more and more taxpayers into the higher brackets, they paid more in taxes without gaining a dime in new purchasing power.

A funny thing has happened to the 1981 tax cut. In less than two year, it has been whittled away until there is very little remaining. For all the talk of tax cuts and budget cuts, the average tax bill will have grown since the Reagan landslide. The third year of the cut is the segment that will most benefit the average working taxpayer. If it is cancelled, the average American worker will have lost ground since the 1980 election. That may seem incredible but it is absolutely true.

In 1982, Congress passed a huge $99-billion tax increase that cancelled many of the important changes passed the previous year. Later in 1982 Congress passed the nickel-a-gallon gasoline tax. Add those two changes with the Social Security tax increase and the still-occuring bracket creep, and you will quickly see where 88 percent of the fabled tax cut has gone.

At the moment, this country is recovering from a recession period that has stretched over four years. This recovery and the deficit problem has been hampered by the various tax increases passed in the last two years. Cancelling the third-year of the tax cut would have a devastating effect on the modest recovery.

A consistent and reliable fiscal policy will aid in the creation of jobs. Individual and business decisions are greatly affected by governmental actions. No one can plan for the future when they have no idea if the policy this year will be reversed in the following year.

Households making from $10,000 to $50,000 a year will get about 72 percent of the 1983 tax cut. These are the consumers who will keep the recovery going. Many have been putting off buying big-ticket

items such as automobiles for years. Now that interest rates are dropping, many are again dreaming of buying that new home. The average American consumer holds one of the keys to our unemployment rate. Once he returns to the marketplace, a healthy recovery is assured.

Cancelling the July tax cut could smother the recovery that is taking place now. It would especially cripple the small business sector, which is the best producer of new jobs in our country. Most owners of small businesses pay individual rather than corporate taxes. They already are paying more than the large corporations and an increase now could halt expansion of a sector that generates 43 percent of the GNP.

Thankfully, I am confident that conservatives can fight off the challenge to the tax cut and indexing. Thirty-four senators including myself have pledged to President Regan that if Congress does cancel the tax cut, we would support his veto. This is enough votes to sustain that veto and I believe we would have many other senators join the effort if it is necessary.

The American people have demonstrated, with the outcry over the unfair 10 percent withholding on interest and dividends, that when it comes to their pocketbook they are not shy about letting their elected representatives know their opinion. If Congress votes to take away the average worker's tax cut, the members will hear from the folks back home and the message will be simple: We want you to keep your promises.●

MALCOLM S. BROWN

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 12, 1983

● Mr. STRATTON. Mr. Speaker, I rise to express my shock and sorrow on learning yesterday of the untimely passing of one of the most gracious and most respected employees of the House of Representatives for almost 20 years, Malcolm S. Brown, the director and supervisor of the House barbershops.

For most of the 24 years I have had the honor to serve in this body, Mr. Brown was my barber. He was a brilliant, alert person, with a very pleasant and cooperative disposition. His wife also had served for many years on the staff of our former colleague, the distinguished Senator from New York, Mr. Javits.

Mr. Brown had retired from his House duties at the end of May, but unfortunately, because of his health problems, most of those weeks after retirement had to be spent in the hospital.

Mr. Speaker, I want to extend to the family of Malcolm S. Brown my deepest sympathy in their loss. They can, however, take justifiable pride in the long and distinguished career of their husband, brother, and father in the service of the U.S. Congress.●

LOCAL GOVERNMENT CAUCUS SUPPORTS H.R. 10

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. OBERSTAR. Mr. Speaker, I wish to commend the newly formed Local Government Caucus for their support of H.R. 10.

The caucus consists of Members of Congress who have held offices in local government prior to their election to this body. They bring to the Congress a strong sense of the urgent economic needs of their communities and the awareness of the significant role of the Economic Development Administration and have urged all Members to support H.R. 10.

The Honorable TOM LEWIS and BARBARA BOXER cochair the caucus and circulated a letter urging all Members of the House to support the bill. Many of the caucus members are cosponsors of H.R. 10. The letter signed by BARBARA BOXER, TOM LEWIS, and FRANK MCCLOSKEY attracted several additional cosponsors whose names do not appear on the latest printing of the bill. However, I am glad to add their names to the list of original cosponsors of H.R. 10.

The Members are: FRANK HORTON, TOM LUKEN, PARREN MITCHELL, WILLIAM RATCHFORD, GENE TAYLOR, and TED WEISS.●

FEDERAL/STATE PARTNERSHIP ON PRISON CONSTRUCTION NEEDED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. PORTER. Mr. Speaker, I would like to call my colleagues' attention to a recent op-ed piece in the Chicago Sun Times written by Sgt. Robert Angone, a Chicago police officer assigned to the bureau of field tactical services. In this article Sergeant Angone discusses the serious problem of prison overcrowding facing Illinois and other States across the country.

Unfortunately, as prison populations continue to grow, so do the costs associated with building and maintaining correctional facilities. States have tried alternatives to new construction, including renovating old facilities, but their capacity to handle the problem in most cases has been substantially exhausted.

Recognizing the financial constraints faced by the States, and the need to fund new prison facilities, Congressman HAROLD SAWYER and I introduced H.R. 2747, the Correctional Facilities Act of 1983. This bill creates a partnership between the Federal Government and the States by providing matching funds for the construction of new prison facilities.

I feel strongly that the Congress should address itself to the serious problem of prison overcrowding, and expedite consideration of legislative proposals such as H.R. 2747. We must recognize that prisons are and will continue to play a necessary role in our criminal justice system, and that by resolving the problem of prison overcrowding, we can work toward creating a healthy criminal justice system.

IT'S FOLLY TO FREE DANGEROUS CONVICTS JUST BECAUSE PRISONS ARE CROWDED

Michael P. Lane, director of the Illinois Department of Corrections has announced that because of massive overcrowding in our prison system, an early release program is being instituted.

Dangerous criminals who have committed violent crimes, as well as burglars, home invaders and thieves, are being sent back into society prematurely bacause the department says there is no room to keep them locked up.

To make space for criminals who have committed offenses against us, the back door must be swung open to release those who did it to us before.

This to me, and I am sure to law-enforcement officers throughout the state, does not make sense. These individuals were properly convicted and sentenced. They forfeited their right to live among us. They put themselves into the criminal justice system, and many of them have availed themselves of every device in it to prey on society many times over. We would be naive to believe the only crime they committed was the crime they were sentenced for.

The system contains many checks and balances to protect civil rights. But when a criminal is convicted and sentenced, he has forfeited those rights, and those of us who live within the law have the right to demand that justice be served to the fullest. What justice is there for the hapless victim? What justice is there for the law-enforcement agencies, the prosecutors, the witnesses and even the judges who impose stiff sentences to see violent behavior rewarded by early release?

The Department of Corrections has become a power unto itself. Do its officials have the legal right to disregard the mandate of a judge's sentence? Do they have the legal right to turn imprisoned felons loose on our society prematurely? In most cases the felons will be back in prison in a few months after repeating the criminal cycle with new victims, new police officers, new prosecutors, new witnesses, new judges and a new drain on our hard-earned tax dollars.

Incarceration is punishment first and foremost. If rehabilitation comes with it, fine—we can all appreciate it. But to take away the full punishment mandated is dangerous and unwarranted, and our society neither deserves nor should tolerate it.

To accommodate our exploding population, we are expanding our communities, building new housing, shopping malls and recreational facilities. And yet we neglect building adequate facilities for putting away those determined to prey on the law-abiding.

Are we afraid that building more prisons brands society as a failure? How long can we tolerate having criminals released early to "do it to us again"?

It tax dollars are the problem and local governments can't handle the financial burden, the federal government has an obligation to step in. There are plenty of abandoned military camps that could be utilized for minimum security incarceration. Convicts could be employed to benefit mankind—in road work, general maintenance, vehicle repair or in any other capacity useful to state, county or municipal governments.

The problem is not insurmountable, but it obviously has been shunted aside for much too long. Our population has grown at an enormous rate and the criminal population has grown with it. Like it or not, we must deal with the problem. It will not go away on its own.

Early release is an unaffordable copout. For the victims of incarcerated criminals, it is already too late; but the rest of us have a right to live our daily lives with some semblance of security.

In his famous pamphlet "Common Sense," Thomas Paine said: "Oh ye who love mankind, ye who are willing to fight not only the tyrant, but the tyranny, stand forth".

A criminal is a tyrant, and crime is tyranny. We have a problem, and we can no longer turn our backs on it. For government officials and law-biding taxpayers, it's time to stand forth.●

KUWAIT; A PEACEFUL PART OF THE MIDDLE EAST

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. RAHALL. Mr. Speaker, at a time when the news from the Middle East filled with violence, occupation, and tales of senseless tragedy, it is indeed a pleasure to hear of the good things about this beautiful and historic corner of the world. I would like at this point to insert into the RECORD an article by Hector Alcalde, a government affairs consultant, June 15, 1983. Mr. Alcalde's article about the country of Kuwait brings us a description of the Middle East, a peaceful part of the Middle East which we have not heard about for a long time.

[From the Independent Professional and Florida Business Journal, June 15, 1983]

KUWAIT DEDICATES ITS ENORMOUS WEALTH TO ITS PEOPLE

(By Hector Alcalde)

As one who has been involved in one capacity or another in American Government for over 27 years, I was most pleased to accept an invitation to visit the Country of Kuwait after a lengthy and most pleasant visit with their Ambassador to the United States.

Ambassador Shaykh Saud Nasir Al-Sabah, who is a member of one of the most highly respected families in the Middle East, suggested that I take a first hand look at what his country has done over a very short period of time to upgrade the standard of living of the people of this small Gulf State.

Like most other Americans who lack the interest or understanding of the Middle East, I must admit I had expected to find something altogether different to what I experienced after a one week visit, which by the way, was at my own expense.

I found in Kuwait a government that appears to be totally dedicated to serving their peoples' interest. I found a population that takes a great pride in what their small nation has achieved in a period of less than 20 years.

I was hosted by their Minister of Information, who extended me the opportunity to meet with top government officials, leaders in business, media, and educators. No question was left unanswered.

A guide was made available by the Ministry, who was fluent in English and educated in the United States, and who understood the purpose of my visit—to learn as much as I could about this country.

Kuwait is a country of approximately 1.4 million inhabitants with about 40 percent of that number being actual citizens. The City of Kuwait is a beautiful, clean, modern city, and considered to be one of the best planned cities in the Middle East. As a result of their fine leadership, and of course their great oil reserves, the residents of that city are provided the kind of services that most free nations would like to be able to offer their citizens. Consider the following.

In Kuwait all citizens have free health care services which is provided by over 2,700 doctors (one for every 582 persons) and a hospital bed availability of 6,500 beds—there are over 50 neighborhood health centers available throughout the country, and the nursing staff exceeds 8,500 (one for every 181 persons). Private health care is also available for those who wish it.

Education in the State of Kuwait is free from grades one through college, with education taking about 10 percent of the national budget. Over 11,000 students attend Kuwait University with 60 percent of that number being females—contrary to Western belief, women in that country are playing an important role in building their country. I found women in key positions at the major ministries.

Housing is where this country has done unprecedented things for its people. Where we in America consider home ownership the culmination of the American dream—interest rates in our country have recently robbed Americans of this opportunity.

The government of Kuwait provides all citizens the opportunity to own a home through interest free loans and other subsidies. A family pays between 2½ to 5 percent of its income on their homes. If over a period of 10 years it has paid in rent the government established cost of construction, a figure which is normally a fraction of the real cost, the loan is considered paid off and the individual gets title to the property. The government program for middle income Kuwaitis, where the government distributes plots of land at no cost, provides low interest loans for those who qualify.

There are 60 newspapers and magazines published in this small country, of which seven are dailies. And there is a free press, something that is obvious to anyone who cares to take a close look.

I had an opportunity to visit at length with the head of the Kuwait news agency who was as independent and informed as any Western publisher would ever hope to be.

Although the leadership of this country has managed to bring their people into the Twentieth Century in record time, they have managed to retain those traditions and values that have played a major role in their religious lives throughout the centuries. The old custom of the "diwania," the gathering places where men meet in the evenings to drink Arabic coffee and discuss the day's events is still part of the culture. Everything is discussed at a diwania from politics to the weather, and no one restrains from expressing their views; I know, as I was invited into an Arab home and experienced this first hand.

Concern was expressed to me by government and business leaders that the younger population was beginning to expect the many services that their government has made available to them. Their awareness of this fact led me to believe that they are quite capable of fine tuning these services should that need arise.

A recent OPEC report estimates oil reserves in Kuwait in excess of 67 billion barrels or 221 years of reserves, as compared with Saudi Arabia with 68 years of reserves.

Notwithstanding this fact, the government of Kuwait sets aside 10 percent of government revenues into a "reserve fund for future generations," a fund intended to benefit coming generations of Kuwaitis who miss out on the oil era. Our government could take example here. Kuwait also spends substantial amounts in their foreign aid program in an effort to help other poorer Arab countries in their area of the world. Their government commits itself to over one billion in foreign aid each year. For a nation of 1.4 million people, this could be considered a staggering amount.

The roads and highways are modern and well planned, but like most modern cities, air pollution will soon have to be dealt with.

Contrary to what I expected, the food was what you would expect in any major city, all tastes are accommodated. The major U.S. hotel chains are all represented: Holiday Inn, Marriott, Hyatt, Sheraton, etc., all with first class accommodations.

American products are everywhere, and American cars are plentiful, American films can be seen regularly on their two TV channels and American music is heard regularly on their six radio stations.

Kuwaitis send their children to U.S. schools and seem to possess a positive feeling about Americans, but they also readily express strong feelings of resentment toward our government's inability or unwillingness to maintain a balanced view vis-a-vis the Arab-Israel situation. Discussions with our Ambassador in Kuwait and others in Washington confirmed that Kuwait and indeed the entire Gulf Area is vital to the U.S. and our Western allies. It's quite apparent that it is time that we begin to take a more objective view of our relations with our Arab friends, for we are certainly not without friends in that part of the world, if Kuwait is any example.●

THE PROBLEMS OF CENTRAL AMERICA: A BUSINESSMAN'S VIEW

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LENT. Mr. Speaker, I rise to direct the attention of my colleagues

to a most informative report on current conditions in Central America which I have received from Mr. Robert R. McMillan, vice president of Avon Products, Inc. Following a recent business trip to Central America, Mr. McMillan summarized his impressions of the current situation, and offered some very valuable suggestions as to the future course the United States should follow in seeking to end the turmoil which has afflicted this critical region of our hemisphere.

I found Mr. McMillan's firsthand impressions of the current situation most perceptive. I am deeply impressed with his carefully reasoned, logical arguments for accelerated American aid to this area, and for his recommendations as to how that assistance should be provided.

Mr. Speaker, it is my firm conviction that the current debate over American assistance to Central American nations has been based far too much on emotional reaction to surface events, and far too little on thoughtful consideration of the very serious problems which have produced those events. Mr. McMillan's report is the product of a thoughtful analysis of these problems and offers valuable ideas on how to overcome them.

I commend Mr. McMillan's report to my colleagues for their thoughtful consideration. And I highly commend Mr. McMillan for offering his views to us. I believe they will be most helpful in determining our future course in assisting Central America.

Mr. Speaker, I ask that Mr. McMillan's report be reprinted in its entirety at this point in my remarks.

CENTRAL AMERICA AND THE UNITED STATES

(By Robert R. McMillan)

On a recent trip to Central America, my first stop was Guatemala City. Security precautions were evident everywhere throughout the city; but I had no idea how close to home the precautions would come. On the day after my arrival, my hosts took me for a luncheon in a middle class restaurant on the outskirts of Guatemala City. When we entered the restaurant, I noticed the carbine-toting military guard on duty. My host casually mentioned that the restaurant had been firebombed twice over the last two years. Then, while we were eating, several shots rang out, and another security guard appeared. After some scurring about, everything returned to normal—at least for that part of the world at this point in history.

The point of this story is not one of hand-wringing over the conditions in Central America, but a first-hand example of the nature of the threat millions of people in Guatemala, Honduras and El Salvador are facing each and every day. In fact, my Guatemalan hosts were quick to point out that they have been living under these conditions of harassment for close to twenty years.

With escalating debates in the Congress over Central American policies; with threats of war between Honduras and Nicaragua; and with complex economic, social and military challenges in El Salvador, there cannot be enough focus on Central America.

To say: "We have to avoid another Viet Nam" is too simplistic. Millions of people in Central America want to avoid another Viet Nam too. They do not want to be abandoned by the United States only to be overrun by the communistic power of Russia, Cuba, and Nicaragua. It is also too simplistic to say that there is a quick fix for our challenges in Central America. There is no quick fix. The issues are inter-locking and complex; but, the geography makes it less than two hours by jet from the southern United States and it is contiguous to Mexico—a land mass that borders California, Arizona, New Mexico and Texas.

With all of the media attention on that part of the world, our knowledge is appallingly shallow. However, as a result of my visit, it was also clear that one's personal point of view about Central America could soon be lost in confusing and conflicting facts. I did have a point of view prior to going to Central America; and that view was substantially reinforced by my visit. The United States must continue to support our friends in Central America—both because of the area's strategic importance and because our Nation's moral values mandate that continued support.

There are contrasts and blemishes in Central America; and there are many positives that go unreported. For example, while only 15 percent of the countryside has electricity, the cities are developing a much stronger middle class. Quality water is a problem. At the same time, Honduras has developed strong trade unions and cooperatives. Only a very small percentage of people in Central America want continued turmoil. Most want to be left alone to live and grow in peace. That does not seem to be realistic at this point in the furor.

I am very concerned, as an American, that the debate over Central America is not more bipartisan in its approach. There seems to be continuing knee-jerk cadence from some public opinion leaders who completely shut their eyes and ears to the struggle of millions in that region who only want to live in peace and freedom. They only examine the blemishes.

Several positive steps have already been advanced to support our friends in Central America, and those steps are deeply appreciated and widely supported throughout the area. One realistic friend in Honduras said that Central America today is all about "managing change." The change can only be managed through support from the United States. As a result of my trip, and discussions with government officials, Indians, business people and production line workers, I do believe in a combination of steps which I feel will strengthen freedom throughout Central America.

1. Economic assistance must be greatly accelerated. A "Marshall Plan" for Central America should be enacted as soon as possible. Highways, schools, hospitals and rural electrification are all vitally needed construction projects.

2. The Congress should enact, without delay, the Caribbean Basin Initiative of the President with emphasis on more open trade with the United States.

3. There should be an expansion of the Peace Corps in Central America with emphasis on health, education and nutrition.

4. Since no Army officers from Guatemala have been trained in the United States since 1977, I would urge that this policy be reviewed. Support for human rights could actually be a part of the training given within the United States.

5. There must be continued military support for El Salvador. With several thousand Russians and Cubans in Nicaragua, the Congressional debate should be focused on what the Russians and Cubans are doing—not on 55 military advisors in El Salvador.

No one I talked to in Central America wants the United States military forces committed to action. I do not believe anyone in our Government wants military action as that would be self-defeating over the long run. However, unless we are willing to make a commitment beyond the low level of economic and military assistance currently provided, we have the potential of losing Central America. Such a loss would undoubtedly contribute to the destabilization of Mexico.

"Staying the course" in Central America may be even more important than it has been to economic recovery at home.●

MR. CLIFTON CORDES

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mrs. BOXER. Mr. Speaker, I ask you today to honor Mr. Clifton Cordes, an 89-year-old retiree from 52 years of volunteer service as a member of the Marin-Sonoma Mosquito Abatement District Board of Trustees.

Along with his service to the board, including his role as district secretary beginning in 1930, Mr. Cordes also aided the community in a variety of other capacities throughout his life. Among other roles, he was a truck driver, a salesman, and the chief of police for Fairfax Police Department. Militarily, Mr. Cordes actively participated in both World War I and World War II.

Having lived nearly a century, Mr. Cordes has lived a most admirable life by devoting his time and energy to making others happy and safe. In honor of his service, the board of trustees named their newest facility "Cordes Hall" just before Mr. Cordes' retirement in December 1982.

Without a doubt, Mr. Cordes is a well-respected example of a person of great dignity. Mr. Speaker, I would like to commend the invaluable service Mr. Clifton Cordes has provided the State of California, and especially Marin and Sonoma Counties.●

EX-MAYOR OF ST. LOUIS ALFONSO JUAN CERVANTES, IN REMEMBRANCE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. CLAY. Mr. Speaker, I have a deep sense of sadness for a valued and esteemed friend and colleague, the ex-mayor of St. Louis, Alfonso Juan Cer-

vantes who died on Thursday, June 23, 1983.

The late Mr. Cervantes was the 39th mayor of the city of St. Louis and served as mayor from 1965–73. Prior to his serving as mayor, he served terms as an alderman and president of the board of aldermen. He was born in south St. Louis, and he was the great grandson of Spanish immigrants. He was educated in Catholic schools and attended St. Louis University.

Ex-Mayor Cervantes was an energetic spirit, had a relish for life and a fertile and restless mind committed to the well being of our beloved St. Louis. He personified, in his extraordinary life, St. Louis "On the move." St. Louis has been enriched immeasurably because of Mr. Cervantes' caring and strong commitment to the total citizenry of St. Louis.

He rendered, in a short span of time, a superior and enduring contribution of serviced to St. Louis. His grasp of difficult problems, ability to work with different groups, commitment to excellence and an unwavering commitment to a sense of community and order made him an American extraordinaire.

From the time Mr. Cervantes took office as mayor in 1965, he began promoting the idea of a major new downtown convention center, a project that he envisioned would provide many new jobs, and propel St. Louis into the lucrative—but competitive—national and regional convention business. This convention center is now a reality in St. Louis. Mr. Cervantes will be remembered as the mayor who helped bring to the city some lasting institutions such as this Cervantes Convention Center.

Some of Mr. Cervantes' accomplishments during his reign as Mayor include: Revival of the mounted police unit; establishment of the mayor's Office on Aging and the city's commission on civil rights; establishment of the St. Louis Ambassadors, an organization that promotes the city; and the move of the Spanish Pavilion from the 1964 World's Fair site in New York to St. Louis. It now forms the base of the Marriott's Pavilion Hotel next to Busch Stadium.

After leaving office, Mr. Cervantes did not leave the public eye. He led a redevelopment campaign for the Maryland Plaza area and was president of LaClede Cab Co. and of Cervantes & Associates, Inc., an insurance agency.

Mr. Speaker, our Nation, indeed, has lost an extraordinary stalwart in the struggle for the "more excellent way." He leaves for all citizens in the city of St. Louis an imperishable legacy that will serve as a beacon of hope and inspiration for all.

I know that all of my colleagues in the House join me in expressing sincere condolences to his wife, his daughter, his sons, his brother, sisters, and other family members. May they find strength and peace in the days ahead.●

TO HONOR ELVIRA D. PEREZ

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LEWIS of California. Mr. Speaker, on Saturday, July 23, the friends and relatives of Mrs. Elvira D. Perez will be honoring this very special lady at a retirement celebration. Unable to attend this gathering, I would like to take this opportunity to ask the Congress to join me along with her many admirers in expressing our deep appreciation and gratitude to this outstanding human being for her 29 years of dedicated service.

Vera, as she is known to her friends, was born in Tempe, Ariz., on September 20. She attended the Bonita Union High School in San Dimas/La Verne, Calif. Following high school, Vera enrolled in Mount San Antonio Junior College in Walnut, Calif., where she received an A.S. Degree in Business. In 1978 Vera received her bachelor of arts degree from the University of Redlands.

Some of her past activities include being a member of the Chino Chamber of Commerce, a certified Spanish interpreter with the California Interpreters Association, and vice president and secretary of the Soroptimist Club of Chino. Vera also participated in the Chino sister city program with San Juan Del Rio, Mexico, and with the National Association of Court Administrators.

With the Municipal Court Clerks Association of California, she served as the chairman of the inservice training committee, as a committee member of the inservice training manual and courtroom clerks manual, and as a board member from San Bernardino County.

From 1968 to 1973 Mrs. Perez served as the clerk of the Justice Court for the Chino Judicial District. Today we will honor her retirement from the position as clerk of the court and administrator for the Chino Division of the San Bernardino County Municipal Court. Vera has held this post since 1973 and done a magnificent job.

Mr. Speaker, I take great pride in commending to my colleagues, Mrs. Elvira D. Perez for her tireless hours of devotion not only to our judicial system, but also to the community of San Bernardino.●

A DOUBLE STANDARD

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LAGOMARSINO. Mr. Speaker, there seems to be a double standard at work here in Washington, at least as applied to the question of ethics. Whenever an ethical violation is alleged against the people who work for the President, as in the matter of the Carter briefing book, the press raises a hue and cry, and our friends on the majority side of the aisle start issuing demands and subpenas. But when a violation involving people who work for the majority is actually demonstrated, the matter is quickly buried—"covered up" I guess is another way of putting it—in committee, and barely a peep is heard from the media.

I refer, of course, to the blatant alteration of House committee transcripts—more than 100 were found in one set of hearings alone. Testimony of witnesses was distorted or omitted, and the testimony of Members of the House—Republican Members only—was altered so that it conveyed exactly the opposite meaning. As pointed out in an editorial recently in the Washington Post, this is more than a question of harmless or playful tricks by one party against the other. Not only does such tampering with official records do harm to the reputation of Members of the House or to witnesses who are its victims, this rewriting of legislative history seriously distorts the intent of Congress as read by the courts and by subsequent administrations. The damage, if undetected, could be far reaching and costly.

Yet the guilty parties in this case are liable to go unpunished and unremarked. The majority party has hastily referred the matter to an inhouse committee for secret hearings, with orders to report back at the end of the year. As for our vigilant friends in the national press, whose normal reaction to such a coverup in official circles is to call out the heavy artillery, hardly a word is heard. Where is the concern about secret government or suppression of records? Instead we are treated to titillating "reports" of mistresses and sexual highjinks among "friends" of the administration.

Mr. Speaker, I am in no way suggesting that those who lie, steal, or sexually cavort in private with young unmarried ladies should be held harmless for their actions. But I do think we should apply the same standards to both Republicans and Democrats. If someone stole documents from the White House, they should be found and punished, regardless of their political leanings. Even, I might go so far as to suggest, if they are reporters. But I think

we should also insist that those employees of Congress who deliberately and maliciously altered official documents ought also be held to the same high standards—and in the open, rather than behind closed doors. Or is this just another case of one party's coverup being another party's concern for due process?

Mr. Speaker, I call upon our friends and colleagues on the other side of the aisle to demonstrate their fairness and impartiality, and hold public hearings on this matter of altered transcripts. And I commend to their attention the attached editorial from the July 4 edition of the Washington Post:

. . . AND TAMPERING WITH IT

Speaking of preserving the record, a doozy of a scandal could be brewing on the Hill, and it has nothing to do with the briefing book for the presidential debate. We refer to the alteration of transcripts of House committee meetings in order to distort testimony and make Republican members appear less knowledgeable or effective. This is not your standard cleaning-up of the record to correct grammatical errors and improve style. Nor was it done by various speakers themselves to embelish their remarks or make themselves appear more articulate than they actually were at the time. If a member wants to change his reference to a colleague from "that old fool" to "the distinguished gentleman," that's acceptable by congressional standards. And somehow people have even been made to tolerate, though with a certain amount of despair, the addition by staff members of witty commentary to their legislator's dull remarks, followed by the descriptive "(laughter in the audience)." But the changes now causing well-deserved controversy are of a very different nature. They are unfunnily malicious, extensive—more than 100 were found in one set of hearings alone—and seriously damage the integrity of House proceedings.

Alterations have been discovered so far in two sets of committee hearings: a joint hearing by subcommittees of the Government Operations, Science and Technology and Energy and Commerce committees on the work of the Environmental Protection Agency, and a hearing by a Government Operations subcommittee on silver marketing. Among the errors found were the inclusion or removal of the word "not," the substitution of the word "minority" for "majority" and the complete omission of supporting documentation together with a congressman's request that such documents be made part of the record.

It appears that a calculated effort was made to embarrass Republican members and to reshape legislative history. This is important, as Rep. Claudine Schneider (R-R.I.) points out, not only because of the personal harm such distortions do to members but because a one-sided rewriting of an important legislative document seriously distorts the intent of Congress, misleads courts and falsifies material that can be used in political campaigns.

The House has referred this matter to the Committee on Standards of Official Conduct for investigation, but the Republicans don't think this forum is the best one. They want public hearings right from the start, and the ethics committee operates in secret—at least during preliminary stages of an investigation. Furthermore, the committee has jurisdiction only over House members and staff. Two of the subcommittees whose transcripts were altered have changed hands since the hearings took place. One chairman has died and another was defeated for reelection; presumably their staffs are no longer House employees. These objections were overridden by the House on a partisan vote.

The ethics committee now has until the end of the year to complete an investigation and report back to the House. That seems an awfully long time. Does the House really need six months to find out who has been doctoring its records in this reckless, dirty-trick way? Why aren't the Democrats who are running the place in more of a hurry?●

STATE OCCUPATIONAL SAFETY AND HEALTH PLANS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GUNDERSON. Mr. Chairman, it has been 13 years since the passage of the Occupational Safety and Health Act of 1970. Yet, in that period of time, no State has received final approval of its occupational safety and health plan.

Twenty-one of our States and two of our territories have an occupational safety and health plan for their workers. Such plans are encouraged by the Occupational Safety and Health Act of 1970.

In passing this important worker safety act in 1970, the Congress made it clear that this system was to be a Federal-State partnership for workplace safety. Every bill for occupational safety and health since the conception of this proposal in 1950 has included a strong Federal-State system to protect workers.

In testimony in 1980 and again in a half-dozen hearings in the Health and Safety Subcommittee this year, State officials have testified to their effective fight for workplace safety. These safety and health designees have been able to shape and enforce systems which are responsive to the variances in State economies and work forces. They have been able to meet the clear intent of the Congress that State occupational safety and health plans be at least as effective as Federal OSHA.

In fact, the testimony in the numerous hearings indicates that the States are more effective than the Federal OSHA system in fielding enforcement personnel and in using other devices such as voluntary programs and education to drive down the injury and illness rates of their workers. This State plan effectiveness is confirmed by a June 1983 Congressional Research study that shows State plan States with superior results in safety and health compared to the national average.

Due to a suit and its subsequent court order, no State has yet received final approval of its State plan. The court order claimed that Congress had intended State plan enforcement personnel levels to be "fully effective." Benchmarks for the States were set under the court order. These benchmarks call for States to increase their safety inspection forces by 48 percent and their health inspection forces by a whopping 439 percent.

Curiously, the term "fully effective" cannot be found anywhere in the act. An examination of the legislative history shows the clear and repeated intent of the Congress in hearings, debates, and reports that States simply be as effective as Federal OSHA.

The tragedy of frustrating the States seeking final determination for many years is that these States have proven themselves to be more effective than the Federal system, yet they have been unable to meet the benchmark levels. They simply cannot meet the costs which were never envisioned in the act. My own State of Wisconsin dropped its State plan for reasons of cost. If the 23 jurisdictions drop their State plans, OSHA has informed the Health and Safety Subcommittee that it would cost a minimum of $110 million for Federal enforcement in areas where the cost is now shared by the States. This represents a 50-percent increase in the Federal OSHA budget of $206 million.

State plan States now have 59.57 percent more safety inspectors and 11.42 percent more health inspectors than the Federal equivalent. State plan States now have 742 safety inspetors—compared to the Federal equivalent of 465—and 322 health inspectors—289 is the Federal equivalent.

Mr. Chairman, that is why I am offering a bill today in the form of a joint resolution. It does not open up the Occupational Safety and Health Act. This joint resolution simply confirms the clear intent of the Congress that States be at least equivalent to Federal enforcement personnel levels.

Passage of this joint resolution would give relief to the following States and territories: Alaska, Arizona, California, Hawaii, Indiana, Iowa, Kentucky, Maryland, Michigan, Minnesota, Nevada, New Mexico, North Carolina, Oregon, Puerto Rico, South Carolina, Tennessee, Utah, Vermont, Virgin Islands, Virginia, Washington, and Wyoming.

These States are doing a good job of meeting the intent of the act. CRS has confirmed their record of superior health and safety results. After 13 years it is time we reconfirmed the intention of the Congress by removing barriers to the full partnership of States in occupational safety and health.●

WASHINGTON TIMES HAILS GUAM AS NEXT "HONG KONG"

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. WON PAT. Mr. Speaker, I am pleased to bring to the attention of my colleagues this recent article, "Guam boasts potential as Asian business center," which appeared in the Washington times on July 7, 1983. The article quotes a recent study, which I inserted in the CONGRESSIONAL RECORD several weeks ago, by the Heritage Foundation's Asian Studies Center. It is gratifying to see Guam profiled in the national press, but the article is even more important because of the arguments which express a viable rationale for Guam to become a profitable and forceful business center for the United States in the Pacific.

In order for Guam to reach its potential, there will need to be considerable legislative and administrative changes. Changes that would allow U.S. entrepreneurs to penetrate the Asian market. In this era of trade protectionism I assert that Guam can, with our assistance, become the American equivalent of Hong Kong for banking and business. Our country prides itself on nurturing free enterprise and the pioneering spirit. Guam, as a U.S. territory, urges that the same standards apply to their development.

[From the Washington Times, July 7, 1983]

GUAM BOASTS POTENTIAL AS ASIAN BUSINESS CENTER

A dark shadow looms over the future of Hong Kong, the bulwark of capitalism nestling precariously on the coast of China.

The 1997 expiration of Britain's lease on the New Territories and Peking's refusal to accept the validity of either the lease or British sovereignty over the rest of Hong Kong, have made investors increasingly edgy and eroded the formerly solidy property market.

London has very little room for maneuvering. If China were to decide to move against Hong Kong, there would be no prospect of a Falklands-style liberation.

Other trading centers in Southeast Asia already are competing for Hong Kong's mantle as the safest and freest market in the area by offering tax incentives and easing residence requirements for investors.

The Philippines, Singapore and Thailand have passed measures to woo businessmen from the troubled crown colony. Hong Kong investors have funneled more than $30 million into Thailand since the beginning of the year.

Not in the running yet, but endowed with the assets that could make it Hong Kong's successor, is an island on the edge of Asia that flies the stars and stripes: the United States territory of Guam.

It occupies a pivotal position in the western Pacific, only three hours' flying time from Hong Kong, Tokyo, Seoul and Manila, and is secure.

While the long-term political future of Hong Kong, South Korea and the Republic of China may be in doubt, Guam enjoys the stability associated with the American flag, and the protection afforded by the U.S. Air Force and the 7th Fleet.

"All that Guam needs is a green light from Washington," said Stuart M. Butler, director of Domestic Policy Studies of the Heritage Foundation's Asian Studies Center. Butler added that U.S. regulations and taxes have turned what should be a "booming center of trade" into a costly dependency.

By ignoring Guam's potential as a key business center, successive administrations in Washington have denied this obvious forward base on American soil to U.S. companies seeking to penetrate the Asian market.

"The Reagan Administration particularly should appreciate the importance of fighting protectionism and Asian imports with aggressive open trade, rather than retreat behind tariff walls," Butler said.

There is some indication that Washington is at last beginning to appreciate the opportunity afforded by Guam. The Reagan administration has changed some of the rules which have stifled the island's entrepreneurs and prevented them from competing with other business centers.

But these steps have been modest.

"Still needed is a bold package of administrative and legislative changes to let Guam redesign its tax and regulatory system to fit the reality of Asia and become the next powerhouse," the Heritage scholar said.

Guam has been an important U.S. naval installation since 1898, and this American military presence has had significant implications for the island. Throughout this century, and particularly since World War II (during which Guan was occupied by the Japanese), military requirements have dominated the island's development. The federal government now owns one-third of the territory's 215 square miles, while 20 percent of Guam's 110,000 residents are U.S. military personnel or dependents.

In 1950, Guamanians became U.S. citizens and were allowed to form their own civilian government, even though the island remained under the direct control of the U.S. Navy. Guam now has a non-voting member of the U.S. House of Representatives and has elected its own governor since 1970.

The Guam tax system mirrors the U.S. code. The only difference is that residents and corporations file returns and pay taxes to the territory, which relieves them of obligation to the federal government. Guam receives an appropriation from the federal government for welfare and other programs enacted by the Congress.

The Reagan administration has taken important steps to change the business climate in Guam. In April 1982, the White House and the Interior Department's Office of Territorial and International Affairs (OTIA) hosted meetings in Washington where a group of Guamanian business leaders outlined the barriers to enterprise. OTIA then began working within the administration and on Capitol Hill to remove obstacles to development.

As a result, the Department of Labor has waived the Defense Base Act and the Adverse Effect Wage Rate as they apply to Guam. The latter has been replaced with a local wage council. These changes should help revive the collapsed Guamanian construction industry and give a much-needed boost to local contractors by putting them on an equal footing when competing for federal contracts.

There is the possibility that if the federal government acts quickly to remove current obstacles to the island's development, it could unlock Guam's considerable potential to transform the territory into a new hub of trade and a platform and showcase of American companies seeking to do business in the Orient.●

AG-SUPPLY INDUSTRY IN DILEMMA BECAUSE OF PIK PROGRAM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. FRENZEL. Mr. Speaker, I rise today to comment on the impending announcement by the Department of Agriculture on the details of the 1984 farm program. Those details are, it is my understanding, that any new farm program will include a continuation in some form of this year's payment-in-kind (PIK) program.

I would like to say, first, that I applaud this program, and believe that the USDA and Secretary of Agriculture John Block deserve a great deal of credit for their work in putting together, and implementing this production control program. Although it is not cheap and it is not the perfect solution to problems of high surpluses, and low prices, it would certainly seem to be the single best solution available at this time.

However, the PIK program was so hastily thought up that we all, in my opinion, failed to give complete consideration to the impact that this program would have on the farm supply segment of the agriculture economy.

As a result of the PIK program, American farmers will have an abundance of grain to work with, when they gain title to it this fall, but not necessarily a great deal of ready cash to buy equipment with. Also, with more land being idled, there is less need for farmers to upgrade their machinery. Farmers are buying less fertilizer, and weed and bug control products.

Mr. Speaker, I fear that in our attempt to aid the family farmer, we unwittingly intensified the already hard economic situation in the ag-supply industry.

A few of the larger agricultural-related industries, such as International Harvester, have been able to offer special lines of credit to their customers, with PIK grain being used as the collateral. However, while transactions such as this may help keep the larger companies solvent, the majority of the smaller agricultural suppliers do not have the means to rely on alternatives such as this, to see them through these hard times.

Therefore, Mr. Speaker, I am urging the Secretary, as he formulates the 1984 farm program, to remember this

facet of the agricultural economy, and try to provide the ag-supply industry of this country with some sort of protection from this otherwise successful Government program.

A brief but excellent statement on the dilemma of the ag-supply industry can be found in Mr. Al McQuinn's June 9 testimony before the Senate Small Business Committee, Subcommittee on the Family Farm. Mr. McQuinn is the chief executive officer of the Ag-Chem Equipment Co., Inc., and a resident of Minnesota's Third Congressional District.

Mr. McQuinn provides a good example of what the PIK program has done to the ag-supply economy and what its continuation, without proper safeguards, could further do.●

THE CHILD SUPPORT ENFORCEMENT ACT OF 1983

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. CAMPBELL. Mr. Speaker, I am introducing a bill today which focuses on one of the most serious problems affecting the economic well-being of children in our country, the alarming extent to which parents ignore or do not meet fully their child support obligations. Joining me in sponsoring this bill are Representatives MOORE, FRENZEL, and THOMAS from the Ways and Means Subcommittee on Public Assistance and Unemployment Compensation; Representatives CONABLE and DUNCAN, also members of the Committee on Ways and Means; Representatives MARRIOTT, COATS, and JOHNSON, who serve on the Select Committee on Children, Youth, and Families; and Representative SNOWE.

The enormity and severity of the child support problem have been chronicled extensively elsewhere, most recently in the just-released 1981 census study of child support and alimony. Therefore, I will mention only a few of the key points to demonstrate the proportions of the issue.

First of all, an unprecedented percentage of America's children are in need of child support. Every year, about 1.2 million children's parents divorce. In addition, about 700,000 children are born to unmarried mothers. Together, this makes nearly 2 million children each year, in addition to all the millions of children from preceding years, who are in need of financial support from absent parents. Remembering that fewer than 4 million children are born each year in this country helps to put those figures in perspective. The Census Bureau estimates that only half of all children born this year will spend their entire childhood living with both natural parents.

Second, family breakup and single parenthood carry severe economic consequences. In 1979, two-thirds of the children in families headed by women depended on welfare—aid to families with dependent children (AFDC). Most AFDC recipients—87 percent—are eligible because they lack sufficient support from absent parents. Even when the mother works outside the home, divorce sharply reduces the family income for herself and her family. One recent study of per capita income after divorces in California showed that the wife's income dropped by 73 percent on average while the husband's rose by 42 percent a year after the divorce. Several factors account for the economic decline after divorce. Women, for a variety of reasons, still earn on average only about 60 percent as much as men. They usually receive custody of the children, adding to their need for income in order to maintain a home, meet the basic needs of the children, and pay for child care so that they can work. Most important, in an astonishing percentage of instances single women with children do not get any or adequate financial assistance from the children's fathers.

It is this nonpayment of child support which this bill is intended to address. Some 40 percent of single parents even lack a support order entitling their children to help from the absent parent. Of the 60 percent with support orders, about 28 percent get no support assistance at all, a quarter receive some payment, while only 47 percent receive the full amount due in a particular year.

Nearly a decade ago, Congress was sufficiently alarmed by statistics far less extreme than those cited above that title IV-D of the Social Security Act was passed. Under this program, States must operate programs of child support enforcement which receive substantial Federal financial assistance. The results have been impressive. In 1982, nearly $1.8 billion in child support was paid through this program, about $800 million to States for families receiving AFDC and about $1 billion to non-AFDC families.

While there is no doubt but that this program has made a good start, it is also true that there is a long way to go and that the problem of nonsupport of children seems to be outpacing current support enforcement efforts. The effectiveness and efficiency of States varies substantially, with some collecting more than $4 in support of every $1 spent and other collecting less than $1 for every $1 spent. Some States serve all families in need of assistance while others focus their services almost exclusively on families receiving AFDC. Despite the efforts of the IV-D program and State and local officials, it still appears that full payment of child support obligations is the exception rather than the rule. Increases in child support collections are outpaced by the increasing numbers of children in need of support. The census report on 1981 child support payments indicates that the percentage of families receiving full payment actually declined from 49 to 47 percent between 1978 and 1981.

There probably have been more bills introduced in the House dealing with child support enforcement this year than in any other year. In fact, I will cosponsor the administration's bill, since I believe that definitive action must be taken on this important issue. Many of the bills suggest similar or complementary approaches. In response to this interest and concern, hearings have been scheduled this Thursday, July 14, 1983, by the Public Assistance Subcommittee on several bills, including this one.

My bill is aimed at the goals of getting absent parents to pay the full amount of child support owed, on time, and without excessive or onerous enforcement techniques, regardless of whether or not their children are receiving AFDC or not. At this point, I would like to insert into the RECORD a description of the bill:

DESCRIPTION OF THE BILL

STATEMENT OF PURPOSE

Section 1 adds an explicit statement of purpose to Title IV-D where none now exists, as follows: "The purpose of the program . . . is to assure that all children in the United States who are in need of assistance in securing financial support from their parents will receive such assistance regardless of the economic status of their parents and that parents prevent their children from becoming a burden on taxpayers by fulfilling, to the best of their ability, their financial obligations on behalf of their children.

While this statement of purpose seems almost unnecessary, in fact there has been considerable disagreement over the extent to which the IV-D program ought to assist non-AFDC families obtain child support, if at all. Not only have several states virtually ignored the non-AFDC population, but at the Federal level as well there has been a substantial emphasis on the AFDC caseload as well as a reluctance to see states attempt "universal" enforcement systems under which support paid by all absent parents is closely monitored. I am suggesting a statement of purpose which makes clear that assisting all children who have been unable to obtain support from absent parents is just as valid a function of the program as preventing the dependency of these children on tax dollars when their parents refuse to support them. I have a strong suspicion that these two goals are more closely related than studies thus far have been able to demonstrate and that when families are reasonably confident that support payments will be made in full and on time, they will be able to build economic, emotional, and social and educational strengths in the family that will help ward off dependency and breakdown later on.

FINANCIAL INCENTIVES FOR BALANCED AND EFFICIENT STATE PROGRAMS

Section 3 replaces the present law incentive payment which focuses exclusively on AFDC collections. Under the current scheme, States are permitted to keep a "bonus" equal to 12 percent of support they have collected on behalf of families on AFDC. The remaining 88 percent is then divided among State and Federal governments in proportion to the rate at which the Federal government matches State AFDC payments. This 12 percent incentive is expected to amount to about $120 million in Fiscal 1984.

I am proposing to replace the 12 percent AFDC incentive with a four-part incentive plan which is intended to encourage States to provide child support enforcement services to all families which request assistance, to work as hard on interstate cases where the child and absent parent reside in different States or localities as on so-called domestic cases, as well as to seek child support to offset AFDC expenses incurred when parents fail to support their children.

These incentives will be computed and paid quarterly beginning in Fiscal 1986 so that States and localities will have frequent measures of their progress and so that Federal incentive funds will arrive throughout the year as they are needed. A pass-through requirement will make sure that localities which do the bulk of the work and bear a large portion of the costs will receive their share of the incentive payments. Because the record-keeping systems required to compute eligibility for incentive payments do not exist in many states, a phase-in provision assures States that they will receive amounts equal to at least four-fifths, three-fifths and two-fifths respectively in Fiscal 1986, 1987 and 1988 of what they would have gotten under the existing 12 percent AFDC incentive.

The first of the four incentive payments urges States to try to develop as many "perfect cases" as possible. By this I mean that the total amount of support owed has been paid in full and on time in each of the 12 months in the first four of the last five calendar quarters. The reason for measuring achievement in terms of cases rather than in dollar amounts is to value cases with high support amounts equally with those ordering low amounts and not to give wealthier localities or States which might order higher support on average an advantage over less well to do areas. However, in order not to encourage "low-balling" of support orders so that more cases will qualify for the incentive, the bill provides that incentive payments will be reduced proportionately to the extent that the average amount collected per case is less than the AFDC amount that would be paid to a family of two in that State. An AFDC payment for two is used because the average AFDC family has a parent and two children; only the children are potentially owed child support. The average payment for all cases (whether paying or not) is used because it is realized that in some cases it will be appropriate to order low support amounts and that in other cases, such as those where the absent parent cannot be located, it is unrealistic to expect payments.

While ideally we would want all cases to be completely paid up on time, in reality this will be impossible. Not only are lapses and arrearages an inescapable fact—often due to unemployment as well as recalcitrance, disinterest or slack enforcement—but there are always new cases being filed. Many of these families do not yet have a support order; some may not have yet legally established paternity; and others cannot locate the absent parent. Also, States may open a new "case" each time a family begins a new episode of AFDC dependency rather than reopen the old file. Therefore, this incentive payment begins with a threshold of 30 percent of all cases in which the state undertook after June 30, 1984 to collect support. That is, the incentive will be paid only on "perfect" cases in excess of 30 percent of all cases. The incentive payment will be equal to 0.2 percent of the State's administrative costs for the quarter in question for each 1 percent of cases in excess of 30 percent. For example, if 40 percent of a State's cases were in the "perfect" category, its incentive payment would be equal to 0.2 percent times 10 percent, or 2 percent of its administrative costs. If the average support collected on all cases equalled only 90 percent of the AFDC payment for two, the State's incentive payment would be reduced proportionately—by 10 percent.

The second incentive is similar to the first. However, it rewards States for having a high percentage of cases making "adequate" payment. This is defined as paying at least 80 percent of the ordered amount anytime during the first four of the last five quarters. Under this incentive, only cases in excess of 70 percent of all the State's cases would count toward the incentive payment. For each percent of "adequate" cases over 70 percent, the State will receive 0.4 percent of its administrative costs. As in the first incentive, this payment will be reduced to the extent that average support collected on all cases is less than the AFDC payment for two. The reason for having this second system-wide incentive is to make sure that States, in their efforts to achieve "perfect" cases, do not concentrate only on cases which are already approaching perfect status and neglect other cases making sporadic, incomplete, or no payments.

The third incentive encourages states to pursue interstate cases. This incentive will be paid at the rate of 0.4 percent of administrative costs for each 1 percent in excess of half of all a State's interstate cases in which at least "adequate" payment is obtained (80% of ordered amount anytime during the first four of the last five quarters). Both States would receive the incentive—the State where the child resides as well as the State where the absent parent resides. This puts the case on a par with "domestic" cases as far as the incentive payment is concerned.

The fourth incentive payment is based on AFDC cases, and is measured in terms of how much of total State AFDC payments for single-parent families are recovered through child support collections for children receiving AFDC. Nationally, States average 6.6 percent AFDC "recovery" through child support enforcement. This incentive would pay States an incentive equal to 1 percent of support collected in AFDC cases for every 1 percent by which their recovery of AFDC payments exceeded 5 percent. This incentive would be paid regardless of whether the AFDC child lived in the State or elsewhere so that interstate cases can be pursued equally with in-state cases. Under this incentive, for example, if a State collected $50 million on behalf of children receiving AFDC and this equalled 10 percent of the State's $500 million AFDC expenditure for single-parent families, the State would get an incentive payment equal to 5 percent of the $50 million, or $2.5 million.

It is intended that where specific cases qualify under more than one of the four incentives, they be counted toward each. Therefore, an interstate AFDC case which paid in full and on time all year would count toward all four incentive payments.

Many States do not currently keep track of case-by-case statistics and cannot tell how many cases are fully paid, how many are in arrears, or the amount and duration of the arrearages. However, because child support enforcement must necessarily keep track annually of literally millions of financial transactions, it seems unrealistic not to develop an "accounts receivable" type of monitoring system for the future. Given the current lack of such information, I am the first to admit that the threshold levels and payment percentages set forth in my bill are educated guesses intended to aim high enough to enourage improvement and low enough to be within reach for well-managed, efficeint systems. Also, the incentives will measure only support which the States have undertaken to collect after June 30, 1984 so that any new information system will need to pick up data only from that point forward. I have offered this 4-part scheme to stimulate discussion and to focus reform, not as a final proposal. Therefore, I hope that people familiar with the operations and potential for child support collections will study these suggested incentive levels and share with me any refinements, improvements or substitutes which might better achieve the goals I have discussed.

IMPROVED ENFORCEMENT TECHNIQUES

The remainder of the bill sets forth a number of methods which have been shown to increase the payment of child support obligations at relatively low cost, minimal personnel, and high return.

COLLECTION OF PAST-DUE SUPPORT FROM FEDERAL TAX REFUNDS

Section 4 extends to non-AFDC cases the present law procedure whereby Federal income tax refunds are used to offset past child support obligations in AFDC cases. This simple and inexpensive process ($11 per case) has been extremely successful, accounting for $168 million in collections the first year it was used (1981) and more in 1982.

A State will be permitted to limit its non-AFDC offset activities to only the amount of past due support which accumulated after it undertook to seek support. However, a State or locality may opt to submit to the Federal government arrearages that accumulated before a case was filed.

Because the bill merely broadens present law to include non-AFDC cases, the procedures and safeguards that have been worked out during the first two years for AFDC cases will apply. This includes procedures for notifying obligors and permitting them to respond and indicate any errors in the alleged arrearage.

WITHHOLDING FROM WAGES

Section 5 requires States to implement a procedure for withholding child support amounts from the wages of absent parents. This has been found to be a reliable, effective and low-cost technique which efficiently brings cases into paying status and keeps them there. My bill allows States flexibility as to when they implement withholding. At the latest, they must make withholding when support becomes past due in amount equal to two months' payments or when the absent parent requests withholding. However, States could implement withholding im-

mediately, beginning with the first support payment as a means of preventing arrearages from ever occuring.

Because this withholding system will add to employers' paperwork burden, the bill permits employers to withhold fees, in addition to support, to cover any additional costs. Also, employers may send a single check to the appropriate State agency for distribution to the proper families.

States must impose fines on employers who dismiss or refuse to hire individuals because of withholding. Withholding must be used in interstate as well as domestic cases.

QUASI-JUDICIAL OR ADMINISTRATIVE PROCEDURES

Section 5 also requires the use of alternative procedures to the traditional and often lengthy and expensive judicial forums. States have found that administrative personnel can often get parties to agree on the establishment and enforcement of support obligations more quickly and at less public and private expense than in adversarial court proceedings. These alternative procedures must observe all due process requirements and provide for notice of actions to be taken, opportunity to be heard, and appeal to a court.

STATE TAX REFUND OFFSETS

Section 5 requires at the State level the same income tax refund offset proposed at the Federal level. This offset would be used in both AFDC and non-AFDC cases.

LIENS AGAINST REAL PROPERTY

Section 5 requires States to make greater use of their procedures for placing liens on real property for past due support owed by absent parents owning property in the state. In States where child support activities are handled at the local level, procedures must be implemented for using the lien procedure throughout the state. Liens are to be used in both interstate and domestic cases.

REPORTING PAST DUE SUPPORT TO CREDIT AGENCIES

Section 5 requires States to report periodically to consumer credit bureau organizations the amount of past due support owed by absent parents in both interstate and domestic cases. Child support obligations cannot be discharged in bankruptcy and stand in front of virtually all other debt an individual may incur. Therefore, creditors and credit reporting agencies are interested in knowing about child support arrearages. Absent parents will have to pay support arrearages in order to clear their credit ratings. Prior to reporting arrearage information, States must notify obligors and give them a chance to respond. The protections under the Fair Credit Reporting Act also protect absent parents in case of erroneous information.

The credit reporting, lien, and tax offset procedures are all intended to help collect support from non-wage earners who will not be affected by withholding. These individuals may be proprietors, farmers, independent contractors or otherwise self-employed. These are effective and relatively inexpensive techniques which are expected to bring these individuals into better compliance.

MEDICAL SUPPORT

Often the absent parent can provide employment-related health care or insurance for his children at little or no additional cost. Under section 5, States are to seek such support when the custodial parent has been unable to provide such health coverage.

The Secretary of HHS is permitted to waive any of these section 5 requirements if a State can demonstrate with factual, detailed data that a particular procedure would not improve the efficiency or effectiveness of its program. The effective date for these State procedures is October 1, 1984 or, if enabling legislation is required, until the close of the first State legislative session after January 1, 1985.

CENTRAL PAYMENT AND REGISTRY SYSTEMS

The incentive system proposed in section 3 as well as the demands of tracking the staggering number of transactions in millions of child support cases means that most States (and localities where child support enforcement is decentralized) will have to automate and upgrade their information management systems. At the very least, they need to know the amounts of support ordered to be paid to children residing in the State, the amounts ordered to be paid by parents residing in or employed in the State, the amounts collected or paid and the dates of payment, and the amounts past due and the duration of arrearages. Without this essential data, States will not be able to respond to increasing requests for support assistance or to measure their progress.

States may wish to use their information systems as clearinghouse mechanisms through which all or most child support payments are channelled and forwarded. Other States may prefer to use the central registry concept wherein payments are made directly to the custodian via withholding, bank transfers, credit cards or other means and the central registry is notified that the payment, withholding or transfer has been made. Either way the State has a record of the timing and amount of payments and a means for triggering enforcement activities when payments are incomplete or late.

Although most States have automated at least part of their child support effort, upgrading to handle clearinghouse or registry tasks will be a lengthy and expensive process. Therefore, the bill authorizes a fund of $20 million per year for 5 years to be available until spent. This money will be available to States on a project grant basis for between 80 to 90 percent of project costs.

QUARTERLY SYSTEM OF WAGE REPORTING

Section 7 amends Title III of the Social Security Act to require all unemployment compensation agencies to collect employment, wage, name and address information at least quarterly. The vast majority of States currently do this now, and problems of interstate fraudulent claims is forcing the remaining few to consider switching to this approach. The bill further provides that this employment and address information be shared with the child support agency in order to facilitate location of absent parents and ascertainment of their financial and employment status.●

ARIZONA STRIP WILDERNESS ACT OF 1983

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. STUMP. Mr. Speaker, today, I am introducing a bill which will assure the multiple use of almost 3 million acres of public land located in the northwestern corner of Arizona. I am joined in the introduction of this bill by my colleagues, Mr. UDALL, Mr. RUDD, Mr. MCCAIN, Mr. MCNULTY, Mr. MARRIOTT, Mr. HANSEN of Utah, Mr. NIELSON, Mr. SEIBERLING, and Mr. YOUNG of Alaska.

The Arizona strip is that portion of the State which lies north of the Grand Canyon to the Utah border, and lies west of the Colorado River extending to the Nevada border. It is a unique area of natural beauty in Arizona which attracts millions of visitors each year for recreation and sightseeing, is rich in uranium, as well as oil, gas and other minerals, and supports ranching and timber harvesting. Of the 6.5 million acres of land in the Arizona strip, 52 percent or 3.4 million acres is managed by the Bureau of Land Management or the Forest Service, and includes the Kaibab Indian Reservation. Excluding the Grand Canyon National Monument, the Grand Canyon National Park, the Kaibab National Forest, and the Lake Mead National Recreational Area, the Arizona strip encompasses approximately 2,700,010 acres of public domain.

The Arizona Strip Wilderness Act of 1983 represents the hard work and general consensus of the diverse groups who use and have a direct interest in the strip. While I do not generally advocate wilderness designation of public lands, I nonetheless am encouraged by the process by which this bill has come about and how the question of the multiple use of public lands has been addressed. The key and important factor in this agreement is that it expresses the needs and desires of the ranching, mining, local government, public land managers and environmental communities. It is indeed a creative and positive approach to the wilderness question, and is an example of business interests and environmental concerns working together. Such joint efforts deserve our strong support.

Almost 800,000 acres were included in Bureau of Land Management wilderness study areas in the Arizona strip. The bill I am introducing today will designate approximately 165,996 of those acres as well as 122,604 acres in the Paiute Primitive Area, Paria Primitive Area, and Vermillion Cliffs Natural Area as wilderness.

The remaining 620,000 acres or 79 percent of the BLM wilderness study areas will be released to multiple use. This action involves no loss in effort to maintain the long-term productivity of the range management of livestock and the return to multiple use allows the historical use of grazing, lumbering, and mining in the Arizona strip to remain intact.

In addition, the bill will designate approximately 106,300 acres of nation-

al forest land as wilderness. The designation of those acres represents 67 percent of the total Arizona strip USFS RARE II areas, thereby releasing 52,270 acres to multiple use.

As important, the bill also makes a finding of the fact, and a direction to the Federal agencies, that all of the lands in the Arizona strip not designated as wilderness by this act have been adequately studied for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act and are no longer subject to the requirement of section 603(c) of the Federal Land Policy and Management Act pertaining to management in a manner that does not impair suitability for preservation as wilderness.

I urge my colleagues to support this positive approach to the question of the multiple use of our Federal lands.●

JAMES J. KILPATRICK ON EDUCATION IN AMERICA

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. EDWARDS of Oklahoma. Mr. Speaker, with characteristic style, Columnist James J. Kilpatrick reviews America's educational crisis in the article reprinted below from a recent issue of Nation's Business magazine. I am happy to commend this fine article to the attention of my colleagues.

THE CRISIS IN OUR SCHOOLS

(By James J. Kilpatrick)

Let me speak for a moment about a word that regrettably is much loved by young editorial writers and wisely is shunned by those of us who have been a long time in the business. The word is "crisis." I cannot recall the last time I described any situation as a crisis, but I use the word with great deliberation here. I am talking about our public schools and our present peril.

This is how "crisis" is defined: It is "an unstable or crucial time or state of affairs whose outcome will make a decisive difference for better or worse." Last month the National Commission on Excellence in Education delivered its report to the President. "Our nation is at risk," said the commission, and it explained why: "The educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a nation and a people."

In unusually blunt language, the commission provided a bill of particulars. International comparisons of student achievement reveal that on 19 academic tests American students were never first or second; indeed, they were last seven times.

Some 23 million American adults are functionally illiterate "by the simplest tests of everyday reading, writing and comprehension." The average achievement of high school students on most standardized tests is now lower than it was 26 years ago, when Sputnik was launched. Business and military leaders complain that they are required to spend millions of dollars on remedial education in the basic skills.

What has caused this deterioration?

One explanation lies in the changing role of women in our society. The best and brightest young women once went into teaching because the schools offered one of the few employment opportunities open to them; this no longer is true.

Changing theories of education have made their lamentable contribution. The lure of television has drawn children away from books. School boards and state legislatures have yielded to pressure groups, with the result that the schools are burdened with driver education, sex education, drug education and a little of everything else.

At the secondary level, "we have a cafeteria-style curriculum in which the appetizers and desserts can easily be mistaken for the main courses."

In other industrialized nations, most notably in Japan, children go to school six days a week; their school year runs 210 to 220 days; the children start such tough courses as biology, chemistry and physics in the sixth grade, and all pupils are required to take them.

By contrast, our schools typically operate for only 175 to 180 days. Two thirds of our high school seniors report less than one hour of homework a night. Thirty-five states require only one year of math and only one year of science for a diploma.

Some of our school systems are blessed with first-rate teachers, but far too many teachers are poorly qualified for the subjects they teach. This is not necessarily their fault. To be state-certified, a teacher must complete a course of study heavily weighted with "methodology." Typically, 41 percent of the time of persons studying to be elementary school teachers is spent in education courses at the expense of courses in subjects to be taught.

"History is not king to idlers," says the commission's report—and that is exactly what our schools are producing. The question is, what do we propose to do about it? How do we stop the erosion? How do we reverse these rising tides of mediocrity?

If we are to lengthen the school year and if our schools are to attract and hold better teachers, more money will be required—but more money is not the only answer or even the first answer. The job will take leadership, and I can tell you where that leadership must be found: Out of sheer self-interest, if for no other reason, the business people of this country will have to provide it.

I know—because I often speak to the annual meetings of state and local chambers—that many chambers of commerce already are active in the field of public education, but my impression is that most chambers are not doing nearly enough.

It will take political clout, for one example, to overcome the National Education Association's opposition to merit pay along the lines proposed by Gov. Lamar Alexander in Tennessee. The educational establishment is certain to fiercely resist the changes that must be made in the certification of teachers. A restoration of learning is not a venture, like a new airport or an industrial park, that can be completed in a year or so. This will take time and persistence.

The stakes are high. If the United States is to retain the slim competitive edge we still have in some international markets, we must create a citizenry characterized by skilled intelligence. This is the crisis that confronts us. It has been too long neglected, and it must be neglected no longer.●

H.R. 100 IN LIGHT OF ARIZONA AGAINST NORRIS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. FLORIO. Mr. Speaker, on Monday of this week (RECORD H. 4900) I called upon the insurance industry to seize the opportunity presented by the Supreme Court's decision in Norris and return to negotiations with the supporters and sponsors of H.R. 100.

The language in the Court's opinion makes the case for such legislation. On the one hand the Court reiterates that sex-distinct rating tables are inconsistent with the principle of our civil rights laws. On the other hand, the Court prohibited only the use of such tables with regard to employment related insurance. The Court made it clear that Congress would have to deal with discrimination in insurance.

For the information of my colleagues, I submit a recent editorial and a column from the Washington Post. The editorial refers to the need for H.R. 100; and, the column highlights on the full benefits of the Court's decision might actually be denied without the passage of H.R. 100.

[From the Washington Post, July 8, 1983]

SEX AND YOUR PENSION PLAN

Employed women won an important victory in the Supreme Court this week when the justices ruled in Arizona v. Norris that Title VII of the Civil Rights Act prohibits an employer from offering a pension benefit plan that discriminates on the basis of sex. Although 90 percent of all workers are covered by plans that provide benefits without regard to sex—employees of the federal government and most large corporations fall into this category—some plans, in particular those provided by local governments and nonprofit organizations, pay a lower monthly benefit to women because women generally live longer than men and will therefore receive benefits for a longer period of time. This kind of employer plan will no longer be allowed.

While women's groups are justifiably jubilant about the decision, employers and insurance companies can make adjustments and live with the new rules too, because the decision is not retroactive. In recent testimony before the Senate Commerce Committee, insurance industry executives said that a decision exactly like the one the court has just made "would not be unreasonable." It is important that the court refused to apply the ruling to persons already retired or to contributions already made, because such a requirement would create enormous unfunded liabilities that could jeopardize the stability of many pension funds. Thus only benefits derived from contributions made after the date of the Supreme Court's judgment must be calculated without regard to the sex of the employee.

The Norris case does not settle all questions of sex-based insurance rates. In fact, the court emphasized that this decision on employment practices does not deal with

the larger issue of whether consideration of sex should be prohibited in all insurance contracts. Employers of fewer than 15 people, for example, are not covered by Title VII and are not affected by the decision. Group health and disability policies are priced according to the past experience of the group being covered, a practice that would not be changed by the decision. And policies purchased by individuals rather than employers—annuities, life insurance, automobile insurance and individual health policies, for example—may still vary in price according to sex if such distinctions can be actuarially justified.

Congress is now considering legislation that would outlaw sex differentials in all insurance. It is a sweeping, controversial measure that will be fought hard by the industry. But this week, the issue that had the broadest public support and was of primary importance to the women's movement was settled. The law requires that men and women receive not only equal pay, but equal pensions for equal work.

[From the Washington Post, July 11, 1983]

SUPREME COURT RULING ON WOMEN'S PENSIONS MAY BENEFIT MEN

(By Jane Bryant Quinn)

NEW YORK.—How greatly a woman's retirement income will be influenced by last week's Supreme Court decision on equal-pension payments is hard to guess. "It's an easy rule to evade," says Lloyd Kaye, of the William M. Mercer consulting firm.

The court handed women a win on the important principle of equal incomes in retirement. But it's a long way from the principle to the money. Some plans that do not now pay unisex benefits will make the switch; others will find ways of avoiding it.

First, some background on where women stand with pensions:

More than 90 percent of pension plans already pay women, on an individual basis, the same monthly benefits as men. If you're in such a plan, the new Supreme Court decision may have no effect on you.

Many company thrift plans and profit-sharing plans pay employes their benefits in a single lump sum or in fixed payments over five or 10 years. Men and women receive equal payments, so these plans don't appear to be affected.

Your plan will change, however, if the company lets you take your benefit in the form of a lifetime income, paid through an insurance company. Insurers stretch lump-sum retirement benefits over the expected life of the customer. Since women, on average, live longer than men, their money has to last longer—so each monthly payment will be a little smaller. Many teacher and public-employe plans provide these kinds of annuities, as do many thrift and profit-sharing plans.

The Supreme Court says that the plans will have to stop discriminating. But what will they do? The hoped-for solution is that they'll switch to equal-payment annuities, and many probably will. As an alternative solution, however, they can quit offering lifetime annuities altogether. Instead, all retirees—men and women—will be offered either a lump sum or a fixed pay-out over five to 10 years. Neither form of payment discriminates, so neither is illegal.

The state of Arizona—whose discriminatory pension plan prompted Nathalie Norris' lawsuit and the new Supreme Court decision—has already dropped its lifetime annuity. Many other plans are now expected to follow suit, which is why the ruling is so easy to evade.

Employes in these plans will not be denied access to a lifetime annuity, if that's what they want. But instead of having the pension plan arrange it for them, they'll have to arrange it themselves.

What will the employes do? They'll go to an insurance company—the only source of guaranteed lifetime annuities. And what will the insurance company do? It will sell women an annuity that pays them smaller monthly benefits than it pays to men.

The Supreme Court said only that employers cannot offer discriminatory pension plans, which are prohibited by the civil-rights act. But nothing in the court decision, or the law, stops insurance companies from selling discriminatory annuities outside of pension plans.

So from a practical point of view, women in some discriminatory plans may find their situation unchanged. If they want a lifetime annuity, they'll have to buy it themselves from an insurance company—and they'll still get the same reduced income as they got before. "They won't get equal payments unless Congress forbids insurance companies from charging men and women differently for annuities," Kaye says.

As it happens, Congress is considering just such a law, and the insurance industry is vigorously opposing it. If the law fails to pass, the right to an equal retirement income, for which Nathalie Norris fought so—dare I say it?—manfully, may come to nothing.

Well, almost nothing. One little-known fact about pension plans is that some of their payment options—like the joint-and-survivor option that covers spouses—give slightly higher payments to female workers, which is also illegal. To stop discriminating, companies might offer a little less to the women who choose these options, and a little more to men.

So the irony is this: The Supreme Court may force pension plans to raise certain payments to men. But the Congress may fail to pass the law that would raise annuity payments to women. If such is the outcome, the real winners from the Supreme Court's worthy blow for equal retirement incomes will be—you guessed it—men.●

KING CANUTE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. STARK. Mr. Speaker, the President wants more defense spending.

He does not want more taxes to pay for it.

So he has given us the biggest deficits in the Nation's history. Big deficits in an economic recovery cause inflation, but the President does not want inflation. Big deficits when the private sector is trying to borrow to finance the recovery also drive up interest rates. The President does not want higher interest rates, and he is telling the Federal Reserve not to let interest rates rise.

The President once played in a movie involving Knute Rockne. Now he is just playing the part of King Canute.●

THE ARGUMENT FOR ELIMINATING GENDER IN SETTING INSURANCE RATES

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Ms. MIKULSKI. Mr. Speaker, I do not believe that gender should be used as the primary criteria to assign risk, to set premiums, and to determine the benefits in insurance, therefore I am a cosponsor of H.R. 100, the Non-Discrimination in Insurance Act. Recently I came across a newspaper article which was in the Montgomery County Journal, a local newspaper in Maryland on June 29, 1983. I am submitting that article for the RECORD because it clearly and concisely sets forth the argument for eliminating gender in setting insurance rates.

The article follows:

[From the Montgomery Journal, June 29, 1983]

THE ARGUMENT FOR ELIMINATING GENDER IN SETTING INSURANCE RATES

(By Shelah Leader and Marie Helen McGlone) [1]

Recent efforts in the Maryland state legislature to enact a bill (H.B. 157) to forbid the use of gender in setting insurance rates, benefits and coverage were defeated by the insurance industry.

Efforts to pass identical legislation in the U.S. Congress (H.R. 100) have provoked an expensive and highly visible multi-million dollar campaign by the insurance industry to defeat the federal bill. The industry has put full-page ads in major newspapers, mounted heavy lobbying efforts in Congress, and inserted propaganda in premium notices to tell women that the non-discriminatory insurance bills will cost women money.

Who's paying for this campaign? All insurance consumers, but particularly women—via the extra money gleaned from us because of sex-based rates charged by the insurance industry. A typical woman pays as much as $16,000 more and gets much less than a man in her lifetime if she carries auto, disability, health, and life and annuity insurance (the basic types of insurance).

Is there really sex discrimination in insurance? Yes, indeed, and here are some examples.

DISABILITY INSURANCE

Women generally have greater difficulty getting disability coverage than men.

Homemakers need not apply. Disability insurance is generally not available for women who are homemakers, while it is available for men with identical risk factor's as women homemakers.

In addition, disability insurance is generally not available to part time workers, nearly two-thirds of whom are women.

In situations where women can "qualify" for disability insurance coverage, they pay higher premiums than men receiving identi-

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[1] Dr. Leader chairs the Insurance Task Force and Ms. McGlone is president of Montgomery County National Organization for Women.

cal or better coverage and are often subject to more restrictive terms and conditions.

HEALTH INSURANCE

In health insurance, women pay up to twice as much as men. Is that because women have babies? No. Most health insurance doesn't cover that major health expense in women's lives.

Those costs are extra because the insurance industry views pregnancy as a "voluntary" condition. (We can only speculate about what would happen if women stopped "Volunteering" to have babies!)

In the meantime, identifiably male conditions such as vasectomies, hair transplants and sports injuries are covered in typical insurance plans. The insurance industry doesn't see those as "voluntary."

So why are women's health insurance plans so expensive? Because the industry argues that women are simply expensive to insure. Yet government and private studies have shown that men have longer periods of disability than women, lose more work days than women due to disability and have longer hospital stays.

When maternity benefits are available, they are at extra cost, expensive and totally inadequate. Many major insurance carriers pay a maximum of $500 for a normal delivery—yet the total cost is often closer to $2,500.

Women, especially single parents, are systematically denied benefits for their dependents. Coordination of benefit provisions in many state insurance regulations calls for benefits to be paid on a mother's policy only if the father (whether married or divorced, present or unavailable) attests to the fact that he assumes no responsibility for the child.

LIFE INSURANCE AND ANNUITIES

Life insurance is supposedly based on "sound actuarial principles." Yet the industry doesn't even use female mortality figures or uniformly apply the same data. In setting premiums for women, they add three years to 1958 male mortality rates; then, to compute benefits, they use later figures which show women living seven years longer than men. Thus, by playing with the data, the industry increases women's premiums and reduces women's benefits.

Among other things, this means a critical loss of earnings or benefits for women when they are at their most vulnerable—in their old age. Keep in mind, too, that 86 percent of all men and women have the same life span, but these manipulations affect all women.

Insurers claim that women pay less than men for life insurance, but the smaller life insurance policies that most women can afford actually cost more per $1,000 coverage than the larger policies most men can afford and do purchase. Companies typically charge 25 percent more per $1,000 coverage on those smaller policies.

Women often pay higher premiums than men for additional life insurance options and options routinely available to men are often denied to women entirely.

To qualify for the option to forgo premium payments during disability, women must demonstate need whereas this benefit is automatically granted to men.

Under certain policies, a married woman can purchase no more coverage than the amount of coverage held by her husband, regardless or her own earning power.

AUTO INSURANCE

Women as a class pay too much for auto insurance under today's unfairly discriminatory sex-based rating approaches. The industry claims that women will have to pay more under the proposed non-discrimination legislation. Yet North Carolina, Michigan, Massachusetts and Hawaii have passed laws eliminating gender distinctions in auto rate setting. Women not only did not have to pay higher rates, but some families have realized significant saving in their premiums.

Indeed, according to a study by the National Insurance Consumer Organization (which was substantiated by the General Accounting Office for Congress), if insurance companies would use accurate risk factors such as mileage or accident records instead of gender distinctions, women's premiums would drop by about 25 percent. This study was based on the insurance industry's own data.

In fact, studies done by the Alliance of American Insurers and the California Insurance Department found that the best predictor of accident rates was not sex, but annual miles driven and years of experience in driving. After reviewing the industry's own data, the New Jersey Insurance Commissioner concluded that auto insurers are overcharging all of us and have no data to back up their rates.

The so-called "break" for women under age 25 is merely a lower surcharge. Young women, like young men, pay more than adults. After age 25, rates for women and men are the same, despite women's much lower accident rates at all ages (with average miles driven the true risk factor involved).

Young men are discriminated against, too. Any accident involving a car which a young male is authorized to drive has been listed as a "young male car accident" by many insurance companies. This has been true even if the young male was not driving the car and even if the accident was someone else's fault. Thus, the statistics cited by the industry for young males are grossly distorted.

PROPERTY INSURANCE

Women continue to be treated unequally in efforts to obtain business-related insurance. Women are often prevented from starting or expanding a business because they can't get the necessary insurance coverage.

Women sometimes have more difficulty than similarly-situated men in getting homeowner's insurance.

The insurance industry, which by the way is the only major business that is totally exempt from federal regulation, argues that discrimination on the basis of sex is both necessary and in women's best interests. Their arguments assume that the insurance companies are looking out for women's financial interests and that women who support the non-discrimination in insurance bills are out to hurt other women.

Sound familiar? This was the same logic used against ratification of the federal Equal Rights Amendment, which we saw the insurance industry fight against in state after state.

The industry backs up its claims to be helping women by resorting to scare tactics. They tell us that if they can't discriminate, then everyone's insurance rates will go up, especially women's, and that many companies and pension funds will be bankrupted.

Just as these same charges proved unfounded when the industry was forced to give up overtly race-based rates, neither charge is true today—though they get a lot of press. Here's the other side of the story.

Sex discrimination in insurance is not about life expectancy, or auto accident rates, or "sound actuarial principles." It's about money. The real reason why the industry is using millions of our premium dollars to fight enactment of non-discrimination in insurance laws is that discrimination is profitable—to them.

For women and their families, it's an economic hardship. In addition to charging women more, insurance companies limit women's access to certain types of insurance coverage and set rates, terms and conditions that are disadvantageous.

Adequate, affordable and equitable insurance is clearly essential to all women's economic security and especially for the growing number of women who support themselves and their families. It remains true that:

Nearly 10 million of America's families are single-parent families maintained by women.

Sixty-two percent of women 18 to 64 work outside the home.

Sixty-six percent of those women are widowed, divorced, unmarried or work outside the home to raise their family income to $15,000 per year.

A woman working outside the home full-time earns an average of 59 percent of a man's income.

What about the industry's claim of pending doom? We see no real cause for concern over the industry's alarms that it will be econonically threatened if insurance is gender-neutralized. This is an industry with combined assets and reserves of many billions of dollars. For life insurance alone, the 1980 total assets of U.S. insurance companies were $479 billion. A genuinely non-discriminatory system, while it would initially cost something, would touch no more than a negligible percentage of that amount and would certainly not bankrupt the system.

Certainly, the possibility that some marginal companies might fail is hardly a reason to continue discriminatory practices at the expense of women's economic well-being.

In the pension system, the industry says the non-discrimination bill will burden the pension funds with several billion dollars "added unfunded liabilities." Added to what? According to the International Foundation of Employee Benefit Plans 1981 textbook, the nation's pension obligations total $955 billion. The experts point out that the huge difference between current assets and obligations is secured by employer assets.

Are insurers really urging that sex discrimination in pensions be perpetuated into infinity because pension systems can't bear the estimated added one percent in "unfunded liability?" Or, is that just more "scare talk" designed to conserve prior "savings" made at the expense of women?

The facts show that the industry's claims for sex discrimination are not justifiable. Sex is neither a necessary nor a reliable predictor of insurance risks. More neutral and reliable factors for all types of insurance are well-known and already tested. Gender is something over which no one has control, unlike factors directly related to risk such as smoking, alcohol consumption, and average mileage driven in your auto.

In addition, sex discrimination is not "fair." It economically disadvantages women, who are already the majority of the poor in this country. Such discrimination is

repugnant in a nation based on democratic principles.

The non-discrimination in insurance bills before Congress are modeled after Titles VII and VIII of the 1964 Civil Rights Act and would establish a necessary national policy. Congress has already enacted laws that prohibit discrimination in voting, employment, education, housing and credit. Insurance must be next. We need it, now!●

ADMINISTRATION'S CHILD SUPPORT ENFORCEMENT LEGISLATION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. CONABLE. Mr. Speaker, I am pleased to introduce the administration's "Child Support Enforcement Amendments of 1983." Joining me as original sponsors of this legislation are Representatives CAMPBELL, FRENZEL, THOMAS, ROUKEMA, JOHNSON, FIEDLER, SNOWE, and MARTIN of Illinois.

This bill represents a major step by the administration to follow through on President Reagan's pledge in his state of the Union message last January when he expressed his intent to strengthen enforcement of child support laws to insure that single parents, most of whom are women, do not suffer unfair financial hardship. For women who are attempting to raise families alone, this is a top priority issue. The administration is to be commended for proposing this legislation which will encourage States to run effective child-support enforcement programs. Most significantly, the administration's bill specifically includes financial incentives for States to improve their ability to collect support for nonwelfare families rather than focusing primarily on support owed to AFDC recipients. It is important that families be able to get help in collecting child support before they are forced to turn to welfare dependency. The administration's bill represents a signal that it agrees with this concept.

The bill also includes a number of other important changes affecting States' child-support enforcement programs:

CHILD SUPPORT CLEARINGHOUSES

Under the bill, project grants would be available to States for the development and improvement of clearinghouses to aid in the enforcement of support, both within the State and among States. These information management systems would insure that data on support obligations and payments are readily available.

WAGE WITHHOLDING

States would require employers to withhold child support from the wages of absent parents. States could implement withholding as soon as support is ordered or could wait until an arrearage equal to 2 months payments has occurred. Employers could deduct fees to cover the cost of withholding. Withholding would also be used in interstate cases.

QUASI-JUDICIAL/ADMINISTRATIVE PROCEDURES

Procedures for using other than the traditional judicial forums would have to be developed to establish and enforce support obligations. The procedures would comport with all due process requirements and would provide for notice of actions to be taken, the opportunity to be heard, and appeal of the determinations.

STATE INCOME TAX OFFSETS

Procedures would be put into effect in the State to require withholding of past-due support payments from State income tax refunds. States may use this procedure only for AFDC cases or, at their option, for all children for whom collection services are provided under the State plan.

FEES FOR NON-AFDC FAMILIES

So that States can extend activities to more non-AFDC families than are currently being served, State plan requirements would be amended to require application fees of at least $25 in non-AFDC cases. States could, however, pay this application fee themselves if they did not wish to impose it on applicants. Collection charges would be imposed on absent parents to cover the costs of enforcing both current and past-due support. These charges would not reduce the amount of support collected on behalf of children.●

THE LEGISLATIVE VETO

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. HAMILTON. Mr. Speaker, I wish to insert my Washington Report of July 6, 1983, into the CONGRESSIONAL RECORD.

The Supreme Court of the United States recently declared unconstitutional a 50-year-old practice known as the legislative veto. As the name implies, the legislative veto permitted Congress to enact a law delegating authority to the President and then to veto or block his action under that law without enacting a separate law. A majority vote of one or two Houses of Congress, or of a committee, was enough to disapprove. The legislative veto was a useful, even ingenious way to settle differences between the legislature and the executive. It was one of the best tools Congress had to check the bureaucracy.

Supporters of the legislative veto argued that where Congress has the power to legislate, it has the power to delegate, and where it has the power to delegate, it has the power to delegate with conditions, provided that the President approves at the outset by signing the original bill containing the legislative veto. The Court, however, found this theory unconvincing. It argued that exercise of the legislative veto is a legislative act, and that under the Constitution all legislation must pass in both Houses of Congress, be presented to the President, and, if he disapproves, be repassed in both Houses of Congress by two-thirds majorities. The Court stated that this finely wrought and exhaustively considered procedure is necessary to preserve a basic feature of constitutional government, the separation of legislative and executive powers.

Congress is not rendered impotent by the decision. I do not agree with those who claim that Congress will now have no say in important policy decisions. It can still investigate, pass laws, demand data, and control the money. Still, the decision showed that Congress is very much a coordinate branch of Government in a system where the judiciary retains immense power. The Court struck down 200 acts of Congress in an afternoon.

I expect that many of the laws containing the legislative veto will be replaced by new laws enabling Congress to share authority with the executive in different, less formal ways. Not all the consequences need be bad ones. Without the legislative veto, Congress may be less willing to grant discretion to the President and more willing to restrict him, relying on the power of the purse where necessary. One area of certain concern will be Congress' control of regulatory agencies. In fact, Congress may come to play a more direct role in many matters. The decision could have the especially healthy effect of making Congress define its legislative objectives more precisely, of forcing it to say with specificity what it will and will not allow. Also, it could curb the ability of special interest groups to have their way with Congress when the executive acts against them.

There is little doubt in my mind that the legislative veto was the product of an overloaded congressional agenda. Congress tried to do so much in such a short period of time that the legislative veto became a way of avoiding, or at least postponing, decisions. By permitting disapproval of executive action after the fact, it prompted Congress to give too little guidance to the President. The legislative veto probably led Congress to draft legislation hurriedly, vaguely, even sloppily. As the President and Congress strive to reach new accommodations, it may be that the decision will seem less cosmic than it now seems.

I do have real doubts about the wisdom of the decision. Despite its broadness, it failed to make clear what happens to all the laws affected. For

example, is the authority of the President to sell arms abroad separable from the power of Congress to object to the sale? What about his power to commit our soldiers to combat overseas? Congress apparently will have to study each law for the answer. The two political branches now must begin to explore how to restructure their mutual relationship in the wake of the decision.

The legislative veto has been used with increasing frequency. More than half of the 200 stricken provisions were enacted in the last decade, and about one third were put into the statute books in the last 5 years. Initially, at least, there is bound to be some confusion, and the work of Congress, the way it conducts its affairs, will be altered significantly. The long-term impact of the decision is not evident. It could change forever the balance of power between Congress and the President by greatly increasing the latter's strength at the expense of the former's. The final results may be negative.

I suspect this sweeping decision may be the most important of the Burger Court. In the short term, at least, it fortifies the President's hand and closes off a major avenue of cooperation between Congress and the President. I would think the decision would make for a less flexible system of government. In assessing its effect on governmental flexibility, we should keep in mind that the legislative veto was employed liberally in a whole variety of areas other than arms sales and war powers. It was used to restrict the export of American technology, to force the President to spend money for certain programs, to overturn executive decisions on Federal pay, to stop sales of public lands, and to invalidate Presidential plans to reorganize government. The actual subject of the decision was Congress power to deport aliens.

I do not quarrel with the Court's view that the legislative veto did not fit neatly into the constitutional structure the Founding Fathers envisioned in the 18th century. Nonetheless, I wonder whether the Court should have permitted the practice in the 20th century because it had been hammered out over five decades by policymakers in the political branches of government as a way of coping with the complex problems that arose as they tried to make government work. The question for me is whether the practical demands of modern government should have superseded strict constitutional interpretation in this instance. The arguments are surely not all on one side, but had I been a Justice of the Court, my vote would have been for the former, in support of the legislative veto.●

WILL RURAL FAMILIES AND SENIOR CITIZENS SUFFER FROM AT&T BREAKUP?

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. SUNDQUIST. Mr. Speaker, speculation has been flying over the past several months regarding the expected results of the divestiture of American Telephone & Telegraph, Inc. Needless to say, I am deeply concerned about the widely ranging reports about the magnitude of possible rate increases for local telephone service after AT&T is restructured.

The situation deserves our immediate attention, and we should recognize the potential fallout that seems destined to come next year unless we take action. Outside the business community, the AT&T divestiture has received little grassroots attention—surely because of the highly complex and conflicting reports. But be assured that the American public will pay a phenomenal amount of attention next year when faced with the prospect of drastically increased local telephone rates. The public outpouring of sentiment on this issue, I suspect, will make the recent 10-percent withholding deluge seem tiny in comparison.

As you know, the telephone industry has subsidized the below-cost rates for local service with revenues generated by pricing other services—such as long distance, extension telephones and special equipment—above cost. Obviously, the competitive market will drive prices closer to real costs and this change will translate into substantially higher rates for local telephone service. These rate increases are likely to occur soon after January 1 next year unless we take steps to delay it.

My principal concern is that the real impact of the divestiture is unknown. Speculation on the local rate increases ranges from 100 to 300 percent over the current rates. Large businesses may indeed benefit from lower long-distance bills and lower expenses for telephone equipment, yet you can be sure that low- and fixed-income families, especially senior citizens, will suffer substantially. I know that the people in my district—largely a rural area with small businesses and many low-income families and elderly—are going to bear a severely disproportionate share of the burden.

I question whether we have sufficiently researched how the burden of this restructuring will be distributed. It would be irresponsible for us not to fully understand the implications of this action. Personally, I am going to have a tough time justifying to my constituents any increase in telephone bills when I am not at all sure that the Congress fully appreciates the changes itself.

There apparently is no magic wand the Congress can shake at this problem to make it disappear. This issue has been before the courts for years and it is unclear what—if any—legal avenues the Congress can take with regard to the AT&T divestiture. But the issue, clearly and certainly, merits further consideration.

I have written Attorney General Willian French Smith, requesting that the Justice Department delay implementation of deregulation until the Federal Communications Commission can thoroughly investigate the effect of the FCC decisions and restructuring of AT&T on telephone rates and service. In addition, I have cosponsored House Resolution 231, which directs the FCC to provide the House of Representatives with estimates of the economic impact of the changes. The resolution also requests that the House Subcommittee on Telecommunications begin considering legislation to insure affordability of basic phone service for all Americans, and directs the State regulatory agencies to review the rate increase requests pending before them.

It is my sincere hope that we will not rush blindly into one of the most significant economic changes of this century. We cannot lose sight of the needs and rights of all Americans as we move toward a competitive communications market.●

WHEN PEOPLE THINK FERTILIZER THEY THINK TVA

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. FLIPPO. Mr. Speaker, when most people think of TVA, they think of electricity and regional water resource development. But, more and more, when people think of TVA, they think fertilizer.

The world's leading fertilizer research center is located at Muscle Shoals, Ala. Ironically, the National Fertilizer Development Center is often known better abroad than at home.

I call your attention to an editorial in the June issue of Farm Chemical magazine by Gordon L. Berg, editor. Articles like this are getting the TVA fertilizer story to the people. I would like to include it in the RECORD.

A FERTILIZER PHENOMENON

Few people realize that 1983 is the 50th anniversary of one of the finest research organizations in the world. We're talking about the Tennessee Valley Authority.

Mention TVA and you'll never get the same reaction from anyone. There are many people around who remember the thrill of flicking a switch and watching those electric

lights go on for the first time! TVA lit up the lives of millions instantly.

Fertilizer people around the world owe much to TVA. This editor and others on our staff made it top priority to get to know such knowledgeable and engaging experts as Lewis Nelson right away. It was the beginning of our education on fertilizer technology—something you don't learn in college! They wrote all the texts and Muscle Shoals is the home of "Fertilizer University."

From Travis Hignett, "the man of few words" to Frank Achorn, the "spellbinder at the podium," they all have carried one message: "There's a better, more economical way."

A lot of people associate TVA with huge dams, power energy, construction, and complicated processes, but the fertilizer industry always thinks of TVA in terms of people. That's because no matter how dynamic their technical achievements—and they were legion—it's always the individual who stands above them all.

That's because they are teachers and demonstrators first and foremost! And they are always in a hurry—in a hurry to save energy, conserve our resources, and even make use of our waste.

Look at their accomplishments in just fertilizer economies! The nutrients in the 50 million tons of fertilizer that farmers use in a year is equal to that in 125 million tons of 1933-grade fertilizer. Today's fertilizer, of course, is of much better quality. It comes as granules that pour and spread evenly and as fluids and suspensions that are easily pumped and sprayed on fields.

When the writer was a kid back in 1933, there was really one main "fertilizer grade" in our farming area and that was handled with a pitchfork and manure spreader. It's hard to believe but there are still some people who think of fertilizer as manure—and their crops attest to that!

Thanks to TVA, such ignorance has been largely erased. Now farmers are able to take vacations as regularly as their city cousins. They leave it to their dealers and their "magnificent spreading machines" to apply their fertilizer—sometimes at the rate of 3 acres per minute! A far cry from when one man working all day would probably spread two tons and cover 20 acres with a low analysis grade!

In the deep South, farmers will recall that living was so hard back in 1933 that green beans constituted their entire dinner. That's it—green beans!

When TVA first came on the scene, no one had a clear idea of what all it could do for them because all they thought of was getting those electric lights! Then the achievements began to unfold. TVA had "a few other things in mind" for those poor farmers!

"They were using a low grade fertilizer and very little of it—probably 300 to 400 pounds to the acre, and that just wasn't doing much of a job," recalls one TVA veteran who grew up on one of those poor farms. "It was keeping us alive, but then we began to get experimental fertilizer from Muscle Shoals.

"It was really quite a sight in those days to watch farmers glancing out of the corner of their eyes," he recalled. "They really thought those 'slickers' were trying to put something over on them!"

A few years later, TVA's influence was first noticeable when people began painting their houses! TVA was the catalyst that began orienting people's thinking—in many ways!

Progress has been unbelievable in only a half century! Without TVA we have no idea where this nation's agriculture would be now. It's a fact that for each dollar TVA spends on fertilizer research and development, at least $20 or more is returned to agriculture.

TVA's National Fertilizer Development Center of Muscle Shoals, AL is the world's most complete fertilizer research and development facility. We couldn't begin to list all of TVA's new product and new process developments on this page.

The lesson we can learn from 50 years of TVA is that progress begets progress! We have the resources to continue to build agriculture without reverting to past methods. TVA's achievements have been astounding, but we don't think we have seen anything yet! Happy birthday, TVA!●

SENECA NATION OF INDIANS

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LUNDINE. Mr. Speaker, today, I join with my western New York colleague, Mr. KEMP, in introducing legislation to declare certain lands held by the Seneca Nation of Indians to be part of the Allegany Reservation in the State of New York. This legislation is technical in nature and noncontroversial.

The Seneca Nation of Indians acquired title to approximately 800 acres of land from the State of New York as the result of an agreement with the New York State Department of Transportation granting a highway easement across reservation property for the Southern Tier Expressway. This replacement land, which is immediately adjacent to the Seneca Nation Allegany Reservation in western New York, has been designated Indian reservation land for all purposes under New York law.

The legislation which my colleague, Mr. KEMP, and I are introducing today formally designates this replacement land part of the Allegany Reservation and gives it the status of tribal land for purposes of Federal law.●

IN SUPPORT OF H.R. 1419

HON. C. ROBIN BRITT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. BRITT. Mr. Speaker, it has been said that America's volunteer fire and rescue squads are today's equivalent of the Minutemen militias who served our country during the American Revolution. I couldn't agree more with that assessment.

Recently, I had the opportunity to meet with some of the volunteer fire and rescue squads in my district and witness first-hand their spirit of courage and absolute unselfishness. These men and women are giving up their time and risking their lives to save ours and to protect our property from destruction. It is indeed difficult to imagine a calling of a higher order.

In short, all of us owe a considerable debt to our country's fire and rescue squads and for that reason I have joined in cosponsoring H.R. 1419 designed to make it easier for volunteer fire and rescue squads to obtain surplus Federal property.

Mr. Speaker, there is no doubt that volunteer fire and rescue squads can use surplus Federal property in performing their duties. In my district surplus Federal property ranging from typewriters for use in the station to life-saving respirators are already being utilized. H.R. 1419 simply clears away some of the bureaucratic redtape to allow easier access to this surplus property.

Mr. Speaker, these are tight, budgetary times with record deficits looming over our economy. We need—we must—do everything we can to encourage a nationwide spirit of voluntarism to ease the financial constraints being felt by all levels of government.

Supporting our volunteer fire and rescue squads is an excellent place to start.●

WHAT FREE TRADE?

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. PEASE. Mr. Speaker, the domestic content bill (H.R. 1234) was recently reported from the House Energy and Commerce Committee and referred to the Ways and Means Committee. I am hopeful that the Trade Subcommittee on which I serve can soon begin hearings and markup of this legislation.

Hardly a day passes without lobbyists from the Reagan administration crisscrossing Capitol Hill to sound the alarm about the disastrous effects passage of the domestic content bill would have upon free trade. I have always felt that passage of this bill would do more than anything else to serve notice upon our foreign competitors that our country means business about ending unfair trade practices. Following is an excellent commentary that appeared in the Cleveland Plain Dealer of July 10 that substantiates this point.

DOMESTIC CONTENT BILL CAN'T HURT FREE TRADE

(By Geraldine Strozier)

Congress is once again considering domestic content legislation. And once again the bill's opponents are screaming that it will spell the death of free trade.

They're wrong. Free trade cannot die, because it lives only in the imagination of certain Americans.

In the classic sense, free trade doesn't exist in the United States, with its barriers to foreign sugar and motorcycles and its price supports for agricultural products. It doesn't exist among our trading partners with their own domestic content laws, tariffs on imports and limits on foreign investment.

And it most certainly does not exist in Japan.

Last year, that country sold 1,801,969 cars here while we sold just 3,562 of ours there. The reason is not that the Japanese don't want our cars. It is that the obstacles thrown in the path of U.S. imports make it almost impossible to sell our cars there.

We are also restricted in selling tobacco products, oranges, beef, and a list of products which add up to an $18.1 billion trade deficit with Japan.

For example, American cigarette companies until recently had to advertise their wares in English and are still allowed to sell in only 20,000 of Japan's 250,000 cigarette stores.

Americans are excluded from testifying when Japanese government agencies set safety standards for products, although Japanese manufacturers are allowed to testify freely here and to lobby vigorously—as indeed they have against the domestic content bill.

American cosmetic and drug companies do not have access to the Japanese list of approved ingredients. Last year, after strenuous negotiations, Japan agreed to let foreigners see 148 of the 2,500 approved items with the promise of few more additions soon. Its reasons for denying the list are unclear only to those with terminal naivete.

With respect to auto inspections, American law permits what is called self-certification—accepting a manufacturer's own safety tests and spot checking their accuracy later.

The Japanese insist on sending their own inspectors over here to witness our tests before any American cars are allowed into Japan. At times they have managed to take from two to six months after the introduction of each year's model to complete their work.

Once the cars get to Japan, they are driven individually to a test site so the Japanese can determine they are indeed the same model that was certified in the United States.

The 11 million Americans who are out of work are not in this situation simply because they have priced themselves out of the market. It is fair to say at least some of them could be employed making goods for the Japanese market if that country opened its doors as wide as America's stand.

Opponents of the domestic content bill may well be right that its passage will reduce competition in this country and drive up prices, forcing the rest of us to subsidize the auto workers and their employers.

But the best argument for the bill is not that it will put American auto workers back on the assembly line, but rather that it will be a clear message to the Japanese that we have run out of patience. If it works, far more than our auto workers stand to gain.

The Reagan administration has negotiated endlessly to get the Japanese to share their domestic market with us to the same extent we share ours. The $18.1 billion trade deficit hardly indicates much success.

Clearly the Japanese intend to stall us as long as we are willing to be stalled. Passage of the domestic content bill will tell them that if they wish to avoid similar legislation on other products, they will start to play fair with us.

We can no longer afford to practice what John J. Nevin, chairman of Firestone Tire & Rubber Co., calls "a Marshall Plan mentality that sees other nations as being so weak as to justify substantial American concessions in foreign trade."

In 1981, Japan passed the USSR as the second-richest country in the world.

Surely it is time to stop pretending it is a fragile flower. It is also time to stop pretending that America can afford to fight with one hand tied behind its back. We are engaged in a fierce struggle with competitors every bit as smart and capable as we are. The fight calls for both hands.

Besides, requiring companies selling more than 100,000 cars here to increase gradually the American component of their product is not going to invite retaliation and the collapse of international trade.

Protectionism already exists, and fear of American retaliation has not stopped it. Domestic content legislation would simply be America's way of saying that we intend to play by the same rules as everyone else.

In the second place, to suggest, as some have, that instead of opening plants here, foreign manufacturers might find it more desirable just to reduce their sales below 100,000, hardly seems likely. Why would Japan give up its most lucrative market? And where would it go instead? Most other countries have far tighter limits on foreign imports than we do.

Third, the bill is not intended to squeeze Japan out of the American market, nor is it intended to protect American manufacturers and workers from the folly of their ways.

As Rep. Donald J. Pease, D-13, of Oberlin, one of the bill's principal supporters, likes to point out, it would allow Japan to sell just as many cars as it wishes here, gobble up the entire market if it can, but with American workers.

That is not too much to ask in return for the profits we allow them to earn here.●

AGENT ORANGE—A HERO'S RESPONSE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. EDGAR. Mr. Speaker, on July 12, 1983, Mr. Sammy Lee Davis, a Vietnam veteran and recipient of the Congressional Medal of Honor, testified before the House Veterans' Affairs Committee at hearings designed to review the Government's response to the concern over the effects of veterans' exposure to agent orange in Southeast Asia. The hearing, which was called by the chairman of the Compensation, Pension and Insurance Subcommittee, Hon. DOUGLAS APPLEGATE, was another in a long series of investigative hearings conducted by our committee over the past 4 years designed to get to the bottom of this issue. In this regard, Mr. Davis' testimony yesterday was added to hundreds of pages of oral and written statements looking into every aspect of the potential adverse health effects of agency orange/dioxin exposure.

In the past, the committee has generally focused its attention on receiving the views of Government officials, scientists, and those experts actively involved in the ongoing study of exposure to toxic substances. However, Chairman APPLEGATE is to be congratulated in this instance for inviting an individual veteran to express his concerns. Certainly Mr. Davis' recognized heroic service during the war in Vietnam is reason enough for entry into any forum within the U.S. Congress. However, his articulate statement and personal expression of concern for his own health and that of his family should serve as a good example of the expressions of distress that all of us receive from thousands of Vietnam veterans throughout the United States.

As chairman of the House Veterans' Affairs Subcommittee on Hospitals and Health Care, I was privileged to participate in these hearings and would like my colleagues to share Mr. Davis' testimony. The subcommittee will meet later this month to consider legislation introduced by Representative TOM DASCHLE, H.R. 1961, designed to provide compensation for certain disabilities associated with exposure to dioxins contained in the herbicide agent orange. TOM DASCHLE is to be highly commended for being the driving force behind this legislation, as well as DOUG APPLEGATE and chairman for the full committee SONNY MONTGOMERY for giving this legislation a full hearing. I would hope that in time we can fully address the concerns expressed by Mr. Davis and those of his comrades who wait for their Government's response.

STATEMENT OF SAMMY LEE DAVIS

Gentlemen: I am a country boy, and I was raised with a country boy's love for this nation and belief in what my government was doing. In 1966, I joined hundreds of thousands of young men who voluntarily enlisted in the armed forces because we were convinced America needed us to serve her, a step I would take again today without hesitation. On a November night in 1967, good fortune and determination delivered me from a most difficult set of circumstances and I was awarded the honor I humbly display today. Throughout the darkest night of my life, although there was no one immediately present at my side, I never for a moment doubted that America herself was standing next to me. I come here today to join you, once again standing alongside America, seeking to serve her best interests.

Upon my discharge from the service in 1969, the state of my health began to lead me on a journey that, in many respects, is not unlike my travels through a jungle on the other side of the world. I have walked miles of hospital corridors while in pain: seeking the answers, fearing the worst, but pressing on because I believed it to be my duty to my family and myself. While there

was always another prescription, additional speculation and what I believe to be a sincere effort to find the cause, the supreme question—why—could never be answered. And the pain could never be stopped.

The pain continues, the fear of the worst grows. But in March of this year, I broke through the jungle into the light. One man, Dr. Bertram Carnow, was able to tell me what both he and I believe to be the cause of my suffering. While I have suspected for some time that Agent Orange, and the dioxin contained in it, may be responsible for the illnesses that have cost me nearly four years of time off in the nine years of my employment with the company I must now retire from, it was only Dr. Carnow who has been able to confirm that. I assure you that it is only my faith in Dr. Carnow, his confidence in his tests and ultimate diagnosis, not my suspicions, that are responsible for my belief in his opinion.

The diagnosis has given me both fright and relief. I know, and the doctor has confirmed, that I am not a healthy man. From my conversations with Dr. Carnow, I know that without the same good fortune that delivered me from the jungle 14 years ago, I may be called away very soon. I am 36 years old, gentlemen, and that terrifies me. But at the very least, the darkness of uncertainty has passed and I can rest with the fact that I know what to expect.

I did not travel the miles from West York, Illinois to the Capitol to accuse anyone or any organization of any wrongdoing, indifference or malpractice of medicine. None the less, certain questions exist in my mind and the minds of thousands of other Vietnam veterans. What can one doctor in Chicago do that the largest health care delivery system in the world cannot? What can one man examine, understand and diagnose that the largest health care delivery system in the world cannot? Can men who may not have years to wait for the completion of research be asked to stand by while there is a doctor who can answer their questions today? I submit, gentlemen, that we have a right to know, just as we did in Vietnam, why we may have to die.

I have come here today to lend what support I can to Congressman Daschle's legislation for two reasons. First, it will allow the Veterans' Administration to give immediate benefits to the men who are suffering, who cannot work and who can no longer feel the pride of making a contribution that they felt while they were in Vietnam. Secondly, in the long run, approval of this legislation by the Congress will be a definitive signal to the nation and the rest of the world that a problem does exist from exposure to Agent Orange and that the greatest deliberative body the world has ever known wants answers to the problem. Beyond compensation, it will be a call for intensified research in both the public and private sectors into the damage this chemical has caused, the means to halt the damage and the way to a cure.

A great American hero, Lou Gehrig of the New York Yankees, once told a capacity crowd in a baseball stadium that, in spite of the fact that he knew he was dying, he considered himself the luckiest man alive. Although I do not consider myself a hero, in light of the fact that Mr. Gehrig is no longer with us, I feel that I am now the luckiest man alive. I have been blessed with a beautiful, loving wife who, in turn, has blessed me with three beautiful, healthy children. I have also been given the rarest of opportunities in serving the greatest nation on the planet in a way few men are allowed to. I pray only that my family be allowed to grow and prosper in the same manner I was, and am left speechless when I consider the bounty that has befallen me.

Another man who was a hero, although perhaps only to me and the rest of his family, was my grandfather. When I returned from Vietnam, he gave me a newspaper clipping that I still carry with me today. The clipping is a rendition of the last two stanzas of Lt. John McCrae's poem "In Flanders' Fields". I would like to share some of the poem with the committee, because he told me it explained what serving in a war really meant.

To you from failing hands we throw
the torch; be it yours to hold high.
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders' fields.

I am an American, gentlemen, and therefore too proud and too bull-headed to beg you. But I humbly request that you do not break faith with those of us who answered the call that came from this very building. Think of the legacy you will leave for the next army you may have to raise to stand under our flag should you turn your backs on us. I can only ask you to do what is right.

Thank you for allowing me the honor of being here today.●

SPIRIT OF LIFE AWARD

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to pay tribute to Iris and Bernie Shapiro on the occasion of the City of Hope's 500 Club presenting them with its "Spirit of Life" Award.

The Shapiros have contributed to the transformation of the San Fernando Valley into the cosmopolitan center it is today. Bernie Shapiro has given time and energy to his community in a variety of efforts. He was an organizer of the West Coast Bank and was a founder of the Honor Lodge of B'nai B'rith which established the San Fernando Valley Boys Club. He is the founder of the El Caballaro Country Club.

Together, Iris and Bernie Shapiro have served on the board of directors of the boys club which has helped the youth of the San Fernando Valley for years. This is a record of public service of which we can all be proud.

The award the Shapiros are to receive from the 500 Club of the City of Hope is a most prestigious honor. It is only fitting that the City of Hope, which directs research into the causes, treatments, and cures for catastrophic disease, should honor this couple who have committed so much of their lives to realizing the goal of helping others.

Mr. Speaker, I am pleased to be able to congratulate Bernie and Iris Shapiro as they receive the "Spirit of Life" Award and I would like to offer them my personal best wishes in all their future endeavors.●

DEAR CONGRESS: TRANS AFRICA REPRESENTS SOVIETS, NOT BLACKS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. McDONALD. Mr. Speaker, as a member of the Armed Services Committee of the U.S. House of Representatives, the national security of the United States is high on the agenda of public responsibilities which occupy my attention. Within recent months increased Soviet-sponsored terrorism and aggression by Cuban military forces in Central America and other parts of the Caribbean area have diverted our national attention from similar Soviet-sponsored terrorism in the southern part of Africa.

Since the Soviet proxy forces of the MPLA seized control of Angola in 1975, that former Portuguese territory has become the staging area for further Soviet-empire expansionism in its "resource war" to cripple the U.S. industrial and defense industry base by gaining control of the strategic mineral resources in Zimbabwe, South Africa, and Namibia.

South-West Africa, generally referred to as Namibia, apparently is the Soviet choice of a gateway for further penetration into the area. We know that Namibia has the largest uranium mine in the world, and we are now learning that there may be as much oil and gas in Namibia as in all of Saudi Arabia. Militarily, South-West Africa/Namibia is an ideal target for Soviet-sponsored terrorism by the SWAPO (South-West Africa Peoples Organization), a typical Soviet proxy group of terrorists armed, equipped, financed, and trained by Soviet advisers at bases in the southern part of Angola. Namibia has very few natural barriers to the progress of armed vehicles with a population of only 1 million persons in an area almost twice the size of Texas. The 30,000 Cuban soldiers in Angola, together with the 8,000 guerrilla terrorists of SWAPO, traveling in Soviet armored equipment, accompanied by Soviet tanks, and given air cover by Soviet Mig-21 aircraft as an umbrella, offer a threat that is all too real. The danger is clear and present.

Unfortunately, some groups here in America are not very helpful when it comes to facing up to the problem of how best to defend and protect national interests of the United States against the aggression of the Soviet empire. The following article by Allan Brownfeld, which appeared on July 4, points up a problem area which should

be of concern to all of us who are interested in placing America's interests first.

[From the FPI News Service, July 4, 1983]

DEAR CONGRESS: TRANSAFRICA REPRESENTS SOVIETS, NOT BLACKS

(By Allan Brownfeld)

A self-styled black American lobbying group on Africa and the Caribbean, TransAfrica has been increasingly effective in promoting its causes on Capitol Hill.

Rep. Howard Wolpe, D-Mich., chairman of the House subcommittee on Africa, says of Randall Robinson, TransAfrica's executive director: "He is one of the most effective witnesses we have ever had. TransAfrica takes on the highly volatile issues but also the less glamorous but equally important subjects, such as economic development."

On June 5, TransAfrica held its annual dinner in Washington, D.C. The guest speaker was the Marxist prime minister of Grenada, Maurice Bishop. While anti-communist Grenadan exiles picketed in front of the hotel where the dinner took place, Bishop was warmly welcomed by TransAfrica leaders. Rep. John Conyers, D-Mich., who visited Grenada last March, said of Bishop: "What he has done is set a new tone for militancy on foreign policy issues dealing with Africa. This is a courageous stand by a new and dynamic leader."

TransAfrica says that it is opposed to apartheid in South Africa and has urged the United States to do everything possible to isolate that country. It has provided aid and assistance to Marxist terrorist groups—the African National Congress and the South West Africa People's Organization—in the region. Robinson says that, "This is probably the most anti-African administration since World War II."

The fact is, however, that TransAfrica is concerned with apartheid primarily as a vehicle to advance its own cause which, it seems clear, is the promotion of Castro's increasing influence in both Africa and the Caribbean. Its embrace of Bishop is typical. While TransAfrica demands "one man, one vote" in South Africa, it is unconcerned with the fact that no one votes in Grenada.

COUP AND TORTURE

In Grenada, all forms of public dissent are banned and there are at least 100 political prisoners. Bishop removed the duly elected government of Grenada through a coup followed, according to Grenadan exiles, by the torture and imprisonment of all who dared to disagree.

Chrysler Thomas, formerly a member of the duly elected Grenadan government, reports that shortly after the overthrow military equipment was imported at night and shipped to various parts of the island—including anti-aircraft missiles and tanks. Thomas was imprisoned for months. Today, there are 2,000 Cubans in Grenada, many of whom serve as government and military advisers. East Germans, Russians and Libyans are also on the scene.

TransAfrica's embrace of Bishop comes as no surprise. Randall Robinson makes his support for Cuban involvement in Africa clear, as well as his support for Marxist terrorist groups. In 1973, Robinson wrote "The Emancipation of Wakefield City," a novel about a black soldier who refuses orders to participate in a military action on the side of a fictional white regime in southern Africa. He now says that he would ask black American soldiers to disregard orders if they were sent into action on behalf of "suspect" governments.

On the board of directors of TransAfrica are such radicals as Courtland Cox and Carlton Goodlett. Cox once served as an adviser and confidante to Stokely Carmichael as well as a speaker for counterspy, the magazine which has published the name of CIA agents serving abroad. Goodlett is a member of the Presidium of the Soviet-controlled World Peace Council.

On June 5, 1982, at TransAfrica's annual Washington dinner, the keynote address was given by Michael Manley, the pro-Castro former prime minister of Jamaica. Manley criticized the Reagan administration for "revisiting the Cold War" and declared that, "The Cold War does not exist for its own sake, it is used as a manipulative device to keep the rest of us from concentration on our problems."

In the first issue of its quarterly journal, TransAfrica Forum (Spring 1982), Randall Robinson wrote that, ". . . the crisis of southern Africa is not caused at root by the Cuban forces helping Angola defend itself, or by the Soviet Union's assistance of the ANC or, for that matter, by the much discussed Marxism of SWAPO. He writes that the only issue is the "dangerous efforts of the white South African minority to sustain a loathesome system in the face of Africa's legitimate quest for self-determination."

Another article, by Gerald J. Bender of UCLA, argued that the issue of Cuban military forces in Angola should have no relationship to the issues of Nambian independence under SWAPO or actions against South Africa.

SUPPORTS CUBANS IN ANGOLA

Or the Cuban involvement in Angola—Robinson is totally supportive: "If the Cubans had not intervened, the government of Angola would have been toppled by the South Africans . . . The Cubans have provided a tremendous service to Angola, and they are appreciated in Africa for having done so. The only nation that really wants the Cubans to stay in Angola is South Africa, because it provides it with a pretext to refuse to come to terms on Namibia."

TransAfrica has also spoken out in behalf of the PLO on Aug. 9, 1982, according to the Palestine Congress of North America, which supports the PLO. "Through the auspices of PCNA, a telegram was sent to President Reagan demanding immediate sanctions against Israel . . ." Among those signing the telegram were Reps. John Conyers and George Crockett, D-Mich., the Rev. Jesse Jackson, and Dr. Ron Waters of TransAfrica.

Although it has no mandate to do so, TransAfrica continues to present itself as the representative of the views of black Americans. In fact, it is a spokesman not for black Americans, but for the Soviet and Cuban supported terrorist groups which week to transform both Africa and the Carribbean into areas which are neither free nor friends of the U.S. Race is simply a smokescreen behind which Randall Robinson and his colleagues pursue their radical cause. They have nothing but contempt for such black anti-communist patriots as Jonas Savimbi of UNITA—who is fighting the Soviet-Cuban imperialism which replaced Portuguese rule in Angola. Their embrace of Michael Manley and Maurice Bishop makes their position quite clear.

Given all of this, why does Rep. Wolpe—and others in the Congress—listen so carefully to what TransAfrica has to say? Perhaps they simply do not know the ideological content of TransAfrica's message. They should investigate more carefully the real intentions of those whose advice they take so seriously.●

CONGRESSWOMAN KENNELLY'S CHILD SUPPORT ENFORCEMENT REMARKS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GEJDENSON. Mr. Speaker, I would like to commend to my colleagues and to submit, for the RECORD, this testimony presented before the Senate Finance Committee by my distinguished friend and colleague from Connecticut, Congresswoman BARBARA B. KENNELLY. In her testimony, Mrs. KENNELLY eloquently explains the growing problem of child support enforcement and how we can best remedy this situation through passage of the Economic Equity Act.

TESTIMONY OF REPRESENTATIVE BARBARA B. KENNELLY

Mr. Chairman, thank you for the opportunity to appear before the Senate Finance Committee today. I know you have heard from many impressive witnesses and, as I have had the opportunity to read some of this afternoon's testimony already, I know you will receive equally valuable information today. In the interest of time, I will keep my remarks to a minimum and focus on the Child Support Enforcement Improvements section of the Economic Equity Act.

Before I begin, I want to inform you that the Public Assistance Subcommittee of Ways and Means, on which I serve, is planning hearings on the Child Support Enforcement section of the Economic Equity Act for sometime in July. I am happy to report that there is growing interest in the issue among members of the Committee. Already eight members of Ways and Means are cosponsors of this section as introduced in a separate bill, and I hope more will be coming on board shortly. With your help, the House and Senate will surely be able to work together and enact improvements in the child support enforcement program this year.

It is imperative that we do make improvements in child support enforcement. The level of compliance with court-orders to pay child support in this country is a disgrace. It is easier for parents to evade their responsibilities to their children than it is for them to evade their responsibilities for car payments. Only 35 percent of the women heading single parent families in 1978 were receiving child support payments. Fewer than 25 percent were receiving payments in full. Our goals in developing these child support enforcement improvements are to strengthen the program and to be sure it is working for all children entitled to child support payments. The IV-D program gives us a foundation to build on to see that child support payments are collected in full, and on time, nationwide, but we do not now have a program that is anywhere near as efficient or effective as we want it to be.

The Ford Motor Credit Company cannot stay in business on a 35 percent collection rate; and neither can most single parent

families stay off public assistance when an irresponsible former partner won't pay. If we really want to turn around the numbers on the cost of welfare than we must turn around the perception in this country that irresponsible parents can get away with not paying child support.

With more than one million divorces each year, and with only half the children born today expected to spend their entire childhood with both natural parents, it is no surprise this issue is receiving increased attention in the media and that groups are quickly forming to lobby for better State laws on child support enforcement. In Connecticut, the Parents for Enforcement of Court Ordered Support (PECOS) began only one year ago, but has grown already to 5 chapters with over 150 members. It has successfully pushed through the State legislature an improved wage assignment law that is now awaiting the Governor's signature. For the women who belong to groups like PECOS, we are not talking about a leisure time activity. These are single parents, working sometimes two or even three jobs. They don't have the luxury of time or money to do a lot of lobbying. When they come to talk to government officials in Washington or back in State capitols, they are there because they absolutely have to be. When these women talk about child support for their children they are talking about basic necessities, not the extras that you and I take for granted. The mean average collected by all families in 1978 was less than $2,000 a year.

When we look at this issue we cannot sweep under the carpet the fact that many of the women owed child support and their former husbands feel angry, bitter, or humiliated. Once you scratch the surface of the Child Support issue you realize you are digging into something highly charged and very sensitive. Because of this the sponsors of the Child Support Enforcement Improvements Act have aimed to include in the legislation measures that would defuse some of the conflict arising in the enforcement of child support orders, as well as improve the program's efficiency. That is why we have insisted that child support in the States be handled by quasi-judicial or administrative agencies. Not only will this mean proceedings are handled more expeditiously, there also will be less of the confrontational atmosphere that the courtroom inspires. Again, defusing emotion is one of the reasons why we have insisted upon the establishment of clearinghouses. When support payments are monitored accurately and impartially, there is less opportunity for recriminations between former partners.

No one today underestimates the emotional trauma experienced by a family at the time of divorce or separation. It is time for us also to become aware of the economic deprivation children of divorce too often suffer. I believe this comprehensive child support enforcement legislation will make a significant difference in the lives of these children and I urge the Committee to consider the bill favorably. Thank you again.●

THE VERSATILE OHIO RIVER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. HAMILTON. Mr. Speaker, I wish to insert my Washington report of July 13, 1983, into the CONGRESSIONAL RECORD.

Take a look at a map of the Ninth District and you notice first the torn bottom edge that is the Ohio River. The river's effect on our state is undeniable. Nine counties of the Ninth District border on the river, and I often think of how this wide, powerful flood of water has shaped our lives in southern Indiana. From its days as the great entrance highway to the state, it has influenced Hoosier history, economics, and politics. The ease of river transport caused the southern part of the state to be populated first. Yet, the Ohio may be the most unsung of rivers. I cannot separate a single poem or song about the Ohio from the many that spring to mind praising the Wabash, the Mississippi, or the Swanee.

The Ohio's 981-mile length is as freighted with lore as more celebrated waterways. Abraham Lincoln became a riverneer at age 16 and based his early opinions on his experiences flatboating from Troy to New Orleans. French explorers called the Ohio "La Belle Riviere", the beautiful river. English and American adventurers found in the river a convenient route West. At mile 360, the early navigators' progress downriver was blocked by treacherous rapids, the Falls of the Ohio, and frontier outposts that would become Louisville and Clarksville grew up there. Early in the 19th Century, three "chutes", dredged mostly with handtools, opened up a thoroughfare for westbound traffic. Strange as it may seem, the Ohio has been a "multiple-use" river for 150 years.

Those of us who live and work along the river find we must balance the requirements of industry and recreation, economics and ecology. Ongoing planning for the "multiple-use" Ohio must take into account a wide variety of matters.

Navigation: River transportation has now come back on the Ohio with an intricate system of locks and dams, towboats and barges, powerful diesel engines and sophisticated radars. The locks and dams provide a minimum water level of nine feet for the river's entire length, making the Ohio a reliable cargo route from Pennsylvania to Missouri. Some 80,000 people work aboard the inland waterways carrier fleet. Many more are employed at river terminals and in shipping-based industries like Jeffboat in Jeffersonville.

Commerce: More tonnage now travels the Ohio than the Panama Canal or the St. Lawrence Seaway. Coal makes up almost half of the freight shipped; the other half, which formerly consisted of gravel and sand, is now made up mostly of oil and gasoline, iron and steel products, and chemicals. Agricultural produce, chiefly grain and soybeans, makes up only a small percentage of the cargo carried by Ohio barges, but the low cost of shipping on the river allows midwestern farmers a greater return on their investment and keeps their produce competitive in world markets.

Industry: A skilled population, plentiful water, nearby coal reserves, and easy access to commercial centers attracted industry to the Ohio early in this century. Because of its unique assets, one of the loveliest pastoral river valleys in all the world is gradually, but quite inexorably, being changed into an industrial waterway. The local manufacture of electrical equipment, steel, machine tools, appliances, farm implements, and glass, to name but a few items, makes the Ohio a vital artery in the nation's industrial heartland.

Air Pollution: Heavy use of coal in plants along the river pollutes the valley's air with dangerous sulfates. A meterological phenomenon known as the "cascading effect" concentrates pollution as winds from the south and southwest push emissions up the valley. Widely dispersed plants and tall smokestacks, such as the Clifty Creek power plant's 662 footers, reduce pollution in the valley but neglect the problems caused when sulfates react with water in the upper atmosphere, creating acid rain. Acid rain is cited as a cause of serious water pollution in the Northeast, New England, and eastern Canada.

Water Pollution: Some 430 factories and municipalities use the Ohio for waste disposal, a worrisome practice for the 40 communities supplied with drinking water from the river. Regulators have found summertime coliform levels around large cities above the standards for whole body contact. Other pollutants are phenolics, which change the taste of drinking water, and mercury, which has also been found in concentrations above the standards. Nonetheless, the Ohio is one of our recent enviromental success stories. Levels of most waterborne pollutants are dramatically below those of a few years ago.

Recreation: Boating is the Ohio's primary recreational use. Pleasure craft abound in the waters around Pittsburgh, Cincinnati, Louisville, and Evansville. Regattas, such as the one held at Madison, are known throughout the country. Waterskiing, swimming, and fishing are popular pastimes as well, the last having shown recent improvement. Anglers try the Ohio for walleye, sauger, catfish, and bass. Restocking efforts in West Virginia and Kentucky, and pollution controls implemented all along the river, have allowed fish populations to rebound. As a result, the Ohio has become a most attractive area for sport fishing.

Soil Erosion: Each year, roads are undermined, farmland is lost, and homes are destroyed by the Ohio's relentless cutting away at its banks. Erosion occurs primarily on outside bends since current is the chief erosive force. The Ohio has no flood control dams. When it begins to flood, dams are opened fully and the river acts without restraint. Rapid changes in water level, and waves from boats and wind, cause damage as well. The Army Corps of Engineers helps some cities suffering erosion. It has tested many barriers, from car tires to vegetation. The Corps may design an erosion control program or raise barriers to prevent riverbank failure.

Those living and working on the river are only part of many thousands of people whose lives are affected by the Ohio. Everyone in the 14-state, 203,900 square-mile Ohio River Valley owes some part of his livelihood, or pastime, or way of life to this remarkable waterway.●

GUNDERSON CONGRESSIONAL RENEWAL LEGISLATION

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GUNDERSON. Mr. Speaker, as I announced earlier today in the House, I am introducing a series of bills and resolutions designed to make

positive changes in both the legislative branch and the legislative process.

In recent months, criticism of Congress has centered more on how we act than on the actions we take. And for the last 3 years, I have considered possible positive steps we could take as an institution to restore public trust in Government.

That analysis has led me to propose the following changes in the congressional elections process, the congressional budget process, and in the institution, itself.

IMPROVING THE INSTITUTION

I will be introducing two bills and a joint resolution designed to improve both the day-to-day functioning of Congress as well as the public perception of the legislative branch.

BIPARTISAN COMPENSATION COMMISSION

Perhaps the most publicized dilemma facing every Congress is what to do about congressional salaries. And the issue is usually muddied by attaching salary increases to essential legislation such as continuing resolutions or by considering creative salary enhancement such as special tax breaks or unlimited speaking royalties.

The facts are that, as long as Members of Congress retain veto power over their salaries, public distrust will remain. Accordingly, my first bill in this area will establish a six-member bipartisan commission appointed by the President and confirmed by the Senate to biannually set the level of congressional salaries. Present or past Members of Congress cannot be members of the commission and its decision would not be subject to congressional review or approval. It is my hope, of course, that this commission would treat congressional salaries in a manner similar to the salary treatment received by other Federal employees.

CITIZENS ETHICS COMMISSION

Any time a body investigates allegations of its own misconduct or the misconduct of its members and the allegations are proven false, charges of cover up result. This is particularly true when the investigations are undertaken in secret.

As such, I have introduced a bill to create an eight-member citizens ethics commission—two members appointed by the leaders of the majority and minority parties in both Houses—to replace the current Ethics Committee in each body. The new commission would conduct independent investigations of any allegations of misconduct on the part of Federal legislators or their staffs and make recommendations for the appropriate disposition of such allegations. The respective Houses would, of course, retain the power to take whatever action is necessary based on the commission's recommendations.

CONGRESSIONAL IMMUNITY

Since the adoption of the Constitution, Members of Congress have been blessed with a little-known—but widely publicized of late—immunity from civil arrest while going to or returning from a session of Congress. Given when the Constitution was drafted, that immunity can be understood in the context of the times; however, it was never intended to place Congressmen and Senators above the law.

Regrettably, there is some evidence that suggests it is being used today for just such purposes with respect to ordinary traffic violations. At the very least, the perception among the public is that this immunity is being misused by some. Accordingly, I have drafted a joint resolution to amend the Constitution to eliminate congressional immunity from civil arrest for traffic offenses.

IMPROVING THE BUDGET PROCESS

No other issue has received as much attention in the past 10 years as the ever-increasing size of the Federal deficit. And no single issue has similar economic consequences, for we stand to mortgage both our present economic recovery and future economic stability if we cannot bring spending in line with revenue.

Part of the problem is that we have no external constraint on the budget process and I am, therefore, again cosponsoring a constitutional amendment to require a balanced budget annually (H.J. Res. 243).

Another immediate problem that must be addressed is the way we have appropriated money in recent years. Specificially, we have more and more become a Government by continuing resolution. For example, last year only 7 out of 13 appropriations bills were actually passed by both Houses and signed into law by the President. All other programs were funded through a hastily conceived continuing resolution.

Similarly, passing appropriations bills which purposely provide insufficient funding for full-year programs results in the need for large supplemental appropriations bills annually. This practice has become more widespread in recent years.

For example, this year's Agricultural Appropriations bill funds the child nutrition program only through August 15, WIC through July 10, and food stamps through September 6 of the next fiscal year. The same strategy last year resulted in the need for supplemental appropriations of $1.055 billion this year for these programs.

Accordingly, I have introduced a bill to prohibit the future use of continuing resolutions and to prevent the practice of providing only part-year appropriatons for full-year programs.

IMPROVING THE ELECTIONS PROCESS

While election laws are generally the responsibility of the States, the Constitution allows for Federal role where Federal candidates are chosen. In my experience with State election laws, I have discovered that the greatest impediments to efficient, effective Federal elections are party registration, time limitations, and non-uniform Federal primaries.

STATE ELECTIONS PROCEDURES

Registration by party discourages those who either cannot or will not declare party affiliation from participating in the election process. Similarly, prohibiting registration any time but on the day of an election effectively disenfranchises new residents and transient voters.

The concurrent resolution I have introduced in this area would express the sense of Congress that States should end registration by party and should remove unreasonable time constraints on voter registration.

FEDERAL ELECTION CHANGES

To create greater uniformity in the selection of Federal legislators, to shorten Federal election campaigns, and to encourage greater participation in Federal issues, I have also introduced a bill that would establish a uniform September primary date for all Federal legislative offices. The bill would also permit two national advisory referendums to be included on the ballot in the November general election.

Obviously, this is but a summary of the six bills and resolutions that I am introducing. I intend to discuss most of these areas in greater detail during the upcoming months.

Clearly, the future of the American political system depends upon our ability to strengthen our legislative institutions and to increase public awareness and understanding of the problems and possibilities of our form of government. Thus, I sincerely hope my colleagues will take time to review the individual portions of my congressional renewal package and join me in cosponsoring its various components.●

THE WOMEN'S ECONOMIC PARITY ACT

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LEWIS of Florida. Mr. Speaker, I am introducing legislation to correct longstanding inequities in the pension and tax laws affecting American women. It is important that Congress enact specific legislation to change current law to insure parity and protection for women rather than rely on the discretion of Government bureau-

crats to effect changes in regulatory policy.

My bill, "The Women's Economic Parity Act" changes pension and tax laws to assure women equitable treatment and coverage under retirement plans. My bill acknowledges the economic worth of the homemaker and her community volunteer participation. My legislation draws from the strengths of several women's rights bills and modifies certain provisions to provide economic parity and justice for a greater number of women.

The Women's Economic Parity Act (WEPA) makes key changes in the Employment Retirement Insurance Security Act (ERISA) regarding joint and survivor benefits, divorced spouses, working aged women 21 to 24, and women on company-approved maternity leave. This bill allows homemakers to set up separate individual retirement accounts (IRA's), employers to take a tax credit for hiring a displaced homemaker, and individuals who perform substantial volunteer services to take a tax credit for child care expenses.

Under current law, pension plans do not provide for a joint and survivor benefit unless the plan participant chooses this option. Therefore, if a wife lost her husband when he was 53 years old—2 years short of retiring from a 32-year career with his company—and he had not signed up for survivor benefits, she would be left with nothing.

Under WEPA, joint and survivor benefits are automatic unless both the plan participant and the spouse consent in writing not to choose this option. This provision should improve current statistics which show that 85 percent of the elderly poor are elderly women living alone.

Currently, the law is unsettled in domestic relations cases to the extent to which State courts can alienate benefits under pension plans governed by ERISA. Furthermore, there are no clear-cut procedures outlined for pension plans to comply with a court order.

Under WEPA, the payment of benefits to a participant under an employee benefit plan is subject to the requirements of qualified domestic relations court orders. Procedures for making these adjustments are defined in WEPA to guarantee fairness to everyone who would be affected by the court order—the plan administrator, the plan participant, and the divorced spouse, and children.

Under current law, men and women cannot begin to count toward vesting in a pension plan governed by ERISA until age 22, and become vested in a pension plan until age 25.

By lowering the age limitation for both of these provisions to age 21, approximately 12 million more working men and women can become vested in pension and retirement plans. Studies show that the greatest number of women for any one age group in the labor force are women aged 21 to 24. This provision is designed to specifically give these individuals credit toward their retirement.

Under current law, pension plans do not have to provide credit for women who are absent from work due to maternity leave. This penalizes working women who take time from work to have children.

Under WEPA, women can continue to accrue 20 hours a week pension credit, for up to 3 months, while on company-approved maternity leave. In order for the accrued pension credit to count, women must either return to work for the same employer or offer to return to work but not be reemployed by the same employer.

As demonstrated by the number of legislative initiatives to change the current IRA law, nonworking and part-time employed spouses are presently penalized and cannot establish a separate IRA. A person must have earnings in the traditional sense—salary and wages—to establish an individual retirement account.

Under WEPA, women with earned or unearned income can establish a separate IRA and take up to the maximum $2,000 income tax deduction limit. We are all familiar with cases where a woman with several children has been divorced by her husband. She is in her thirties or forties and never before had to manage the family finances, nor has she ever had to work outside of the home since her husband had been sole supporter. Women in this situation have been labeled displaced homemakers. Estimates indicate there are over 3 million displaced homemakers in America. They have been forced to compound their traditional responsibilities of child-rearing with those of being the sole supporter as a result of losing family financial support through separation, divorce, abandonment, or death of their spouse.

My bill attempts to alleviate some of this traumatic adjustment by encouraging employers to hire displaced homemakers. Under WEPA, employers who hire a displaced homemaker will be permitted to take a tax credit for a percentage of her salary for up to 2 years. The maximum total credit allowed under this legislation is $4,500 for the 2-year period.

Finally, this legislation recognizes the valuable contribution women can make to their communities through volunteer work. By providing a tax credit for child care expenses for married women who perform substantial volunteer work, the distinction between the value of a paid job versus volunteer work is eliminated.

Mr. Speaker, I want to reemphasize that I believe it is important for Congress to act now to give women the economic parity, justice, and fairness long overdue them, and I encourage my colleagues to cosponsor this legislation.●

CHIEF STANLEY R. SARBARNECK

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. LIPINSKI. Mr. Speaker, after more than 50 years of providing dedicated service and protection to the people of Chicago and Bridgeview, Ill., Chief Stanley R. Sarbarneck of the Bridgeview Police Department, is retiring.

Chief Sarbarneck's past involvment in the welfare of our community is both extensive and impressive. He has been the chief of police of Bridgeview since 1971. He was a supervisor of training at the Chicago Police Academy, president of the Chicago Police Benevolent Association, and a professor of criminal justice at Moraine Valley College. Stanley is an executive member of the National Executive Law Enforcement Advisory Board and a member of the State of Illinois Athletic Board. He was also an honorary lieutenant colonel in the Alabama State Militia.

Stanley's expertise in the martial arts is well known. He is the director of the International Jujitsu Institute, former chairman of the AAU Judo Educational Committee and a holder of the black belt in judo and jujitsu.

Chief Sarbarneck has also been active in his own neighborhood. He served as president of the St. Stephen Church Holy Name Society and the St. Stephen Church Senior Men's Club.

All of us in the Fifth District are proud to have known and worked with Stanley. He is dedicated, hard working and honest, and has set an example of community service that we would all do well to follow. Chief Sarbarneck has shown people young and old of the value of hard work and integrity, and I offer Stanley my congratulations, best wishes and thanks for his years of service, both past and future.●

OPPOSITION TO H.R. 3502

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GORE. Mr. Speaker, I rise in opposition to H.R. 3502, legislation to extend the patent term for certain pharmaceutical products by up to 7 years. This bill represents an unwar-

ranted boost to the profits of an extremely successful industry at the expense of the public, particularly the poor and the elderly, and I urge my colleagues to oppose it.

Proponents of the legislation argue that pharmaceutical innovation is in a state of decline due to premarket regulatory review requirements. But the facts refute this contention. The pharmaceutical industry is among the most profitable of all major American manufacturing industries. While most sectors of the economy reeled during the recession of 1981-92, pharmaceutical profits increased dramatically. In 1981, profits increased 20 percent. In 1982, profits increased an additional 25 percent. If, as is asserted, there is a regulatory review "problem," it is not reflected in the industry's profits.

Nor is there any evidence of a decline in pharmaceutical innovation. Twenty-seven new drugs were approved for marketing in 1981; 28 were approved in 1982. The number of new drugs approved by the Food and Drug Administration (FDA) for marketing in 1981 and 1982 has been higher than in any year since 1962, when the efficacy testing requirements were added to the Federal Food, Drug and Cosmetic Act in landmark changes.

Industry expenditures for research and development have increased substantially over time, even after adjustment for inflation, according to a 1981 report prepared by the Office of Technology Assessment. This trend is expected to continue. The coming decades have been characterized by industry observers as a "golden era" for new drug development, based in part on the potential for dramatic advances in the application of genetic engineering.

Even if, in the face of the overwhelming evidence of the current prosperity of the pharmaceutical industry, it is believed that a stimulus to innovation is desirable, that stimulus already exists. The Economic Recovery Tax Act of 1981 provided a new 25 percent R&D tax credit for firms that increase R&D expenditures. In fact, the pharmaceutical industry is taking advantage of this new provision, according to the National Science Foundation (NSF). According to NSF, pharmaceutical R&D is growing at a 20-percent annual rate, spurred by the tax credit, reduced FDA approval time, and recent research breakthroughs and new marketing opportunities.

The R&D tax credit has an obvious advantage over patent term extension. It insures that additional revenue will be channeled into research and development. In contrast, drug companies have repeatedly refused to commit themselves to reinvesting even one dime of the additional profits that they will reap if patent term extension legislation is enacted. While the companies talk in general terms about the possibility of greater R&D expenditures, they will make no commitments. Their silence on this point is notable.

Moreover, even if the pharmaceutical companies reinvest the percentage of extra sales that they have historically reinvested, approximately 8.5 cents of every sales dollar, it is a poor investment for the public to spend $1 to get 8.5 cents of research. The existing R&D tax credit avoids this problem as well.

The final argument advanced by proponents of the legislation is the so-called equity claim. The argument that it is unfair for products subject to premarket regulatory review to lose market exclusivity that nonregulated products retain is based upon a fundamental misapprehension of the nature and purpose of the patent system. The patent system is not intended to and does not operate to grant an inventor any period of market exclusivity. Rather, the inventor is granted the right to exclude others from marketing the product for the statutory 17-year period.

This is an important distinction to bear in mind. It is based upon the recognition that no inventor enjoys 17 years of market exclusivity. Marketing considerations and other factors involved in refining an invention into a commercially viable form significantly limit the period of market exclusivity for all inventors, irrespective of whether the product is subject to premarket regulatory review.

In fact, it would be inequitable to give inventors of regulated products a period of patent-term extension for the regulatory review period when the product would not be marketed anyway because it is not in a commercially viable form. Inventors of nonregulated products do not have this regulatory umbrella that under the legislation would allow time to be recovered even when the product would not otherwise be marketed.

The drug companies have implicitly acknowledged another aspect of this fatal flaw in the premise of the legislation. The companies concede that most of the safety and efficacy testing that they conduct would be done even if there were no regulatory requirements, in order to protect themselves from product liability claims. Yet still they seek special treatment.

There is an additional reason why the time is not ripe for consideration of this legislation. The Congress does not yet have the factual information necessary to evaluate accurately the effect of the regulatory process on patent protection, or the effect of the companies' own internal decisionmaking process on patent protection. We have requested this information and hope it will be provided in the near future.

I ask that my colleagues carefully review the arguments on both sides of this bill. It is not a simple issue, but I believe the public interest is best served by rejection of this legislation. It will simply guarantee substantially higher profits for an industry that is already extraordinarily profitable. In a period in which health care costs are skyrocketing out of control, the public can ill afford such an additional burden.●

SALUTE TO LECH WALESA

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. BARNES. Mr. Speaker, on June 13, the Friendship Heights Village council, representing the Village of Friendship Heights in Montgomery County, passed a resolution declaring Lech Walesa an honorary citizen of the Village of Friendship Heights, and adopting the city of Gdansk as its big sister city. The Friendship Heights community, of approximately 5,000 people, honors each year on Independence Day, dedicated men and women who exemplify what independence means to us as Americans. The council has made a fine choice this year in bestowing this honor to Lech Walesa, and I wanted to share with my colleagues the following letter to Mr. Walesa from the council, as well as the text of their resolution:

FRIENDSHIP HEIGHTS VILLAGE COUNCIL,
Chevy Chase, Md., July 4, 1983.

DEAR MR. WALESA: It is my pleasure and privilege to inform you that on June 13th, 1983, a majority of our seven-person elected Village Council approved the enclosed resolution, making you an honorary citizen of Friendship Heights, Maryland. This vote was confirmed on June 28, 1983.

We represent a small community of approximately 5,000 people, who live in eight tall apartment buildings just two blocks from our capital, Washington, D.C.

There are many diplomats and foreign-born residents in our Village, but only a small number from Poland. However, we are reminded of a quotation from our American President Andrew Jackson, almost 150 years ago: "One man with courage makes a majority."

In that sense you symbolize for many the courage and hopes of people in many lands, representing solidarity with the ideals of our Independence Day, July 4th.

At the entrance to our Village Park lies inscribed in stone the words of a former United States Vice-President Hubert H. Humphrey:

"The greatest gift in life is the gift of friendship."

It is this gift which we offer to you and the people of Poland.

Sincerely,

ALFRED MULLER, M.D.,
Chairman, Friendship Heights Village Council.

RESOLUTION

Whereas the Friendship Heights Village Council traditionally honors dedicated men and women on Independence Day; and

Whereas the Friendship Heights Village Council wishes to foster the ideals stated in the American Declaration of Independence;

Now be it therefore hereby resolved:

That the Village of Friendship Heights adopt as its "big sister" the city of Gdansk, Poland; and

That the Village of Friendship Heights bestow honorary citizenship on Mr. Lech Walesa; and

That notification of this action be forwarded to the appropriate individuals through both the Department of State and the office of Maryland Congressman Michael Barnes.●

VOTER ENFORCEMENT REPORT OPERATION PUSH, SOUTHERN CRUSADE

HON. GUS SAVAGE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. SAVAGE. Mr. Speaker, in May of this year the Reverend Jesse Jackson, national president of Operation PUSH and a good friend of mine, spearheaded a long overdue effort in the South to increase black voter participation in local, State and national elections. Reverend Jackson also wanted to look into voting rights act enforcement and to highlight the practice of integrated voting but segregated slatemaking.

What Reverend Jackson and Operation PUSH have discovered to date is extremely disturbing. His report clearly documents that numerous barriers still exist to prevent blacks from voting and to keep blacks from becoming elected to public offices in Southern States.

At this time, I insert his voter enforcement report (which focuses primarily on the State of Mississippi) into the CONGRESSIONAL RECORD. I strongly urge all to read it, for the report makes it clear that fair-minded citizens should renew their resolve to eradicate all contrivances designed to keep blacks from participating fully in the electoral process.

VOTER ENFORCEMENT REPORT OPERATION PUSH SOUTHERN CRUSADE

(FOCUS) STATE OF MISSISSIPPI

Principles: Rev. Jesse L. Jackson, National President of Operation PUSH, William Bradford Reynolds, Assistant Attorney General for Civil Rights, U.S. Justice Department.

On May 15, in Norfolk, Virginia, Operation PUSH launched its Southern Crusade. The Southern Crusade has three fundamental focuses:

(1) Voter registration,

(2) Voting Rights Act enforcement, and

(3) Highlighting the practice of integrated voting, but segregated slate-making—accepting Black votes but slating White candidates.

A combination of these three factors is why, even though 53 percent of the Black population still resides in the South, there are no Black congresspersons in nine southern states—Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Louisiana, Arkansas and Mississippi.

In addition to Virginia, the Crusade has traveled to North Carolina, Alabama, Kentucky, Tennessee and Mississippi. While the primary goal is voter registration—and we understood that violations of the Voting Rights Act continued and the Act was not being enforced—we had no idea of the extent and the diversity of the violations. The voting rights violations and the non-enforcement of the 1965 Voting Rights Act explains the low political representation of Blacks in Mississippi and the South—as well as in the nation.

Thus, the more we focused on voter registration, the more we discovered voter impediments. The more we focused on motivating our constituency to register and vote, the clearer it became that we were confronted more with political oppression by other people than with political apathy among our own people.

After a six-day Crusade in Mississippi, June 4–9, it was clear that a crisis situation existed in Mississippi relative to protecting the rights of Black people to register and vote there.

As a result, we sought and received a meeting with William Bradford Reynolds on Friday, June 10. We took our initial findings to the Justice Department and asked them to accompany us on a two-day fact-finding tour of six counties in Mississippi. As a result, Reynolds, the head of the Civil Rights Division of the Justice Department, and five of his top associates, visited six counties in two days, June 14 and 15. In testimony from lawyers involved in Voting Rights violation cases and from basic Black people themselves, these Justice Department officials heard the massive number and diverse nature of voting rights violations in Mississippi.

What were our findings? In summary, our findings were: the old forms of voting rights denial (poll taxes, property taxes, literacy tests, grandfather clauses and violence) have been replaced by new forms of structural impediments designed to dilute, divide or otherwise inhibit or prohibit the election of Black elected officials. Thus Blacks in Mississippi are confronted with the original American revolutionary situation—taxation without representation.

The structural impediments included:

At-large elections.

Annexation schemes.

Gerrymandering.

Single-shot ballots (i.e., persons not allowed to vote only for the candidates of their choice, but forced to vote for all of the offices, or the entire ballot is thrown out).

New federally subsidized Black suburban housing developments located just outside of every city and town in the Mississippi Delta (there are no exceptions), which dilutes Black power in the cities, and then the county political districts cut through the Black housing developments which divides Black power at the county level.

The run-off or second primary phenomena, unique to nine southern states, which forces candidates to receive 50 percent-plus-one of the vote in a primary election or the runner-up can ask for a second election, which means that White losers join forces to defeat Black winners under such circumstances.

Counties which refuse to submit plans to the Justice Department for pre-clearance as demanded by Section 5 of the Voting Rights Act because they know they will be rejected, yet they conduct registration and elections in violation of the Act with no enforcement by the Justice Department.

Others submit plans but continue registration and elections prior to receiving pre-clearance from the Justice Department.

While still others use pre-clearance as a shield for affirmative registration efforts (e.g., in Savannah, Georgia, the registrar was located a block-and-a-half from an auditorium where PUSH was holding a voter registration rally of nearly 4,000 people and over 500 unregistered voters came forward to register, yet the registrar refused to come to the rally because of the need to allow 60 days to pre-clear the change with the Justice Department).

And, finally, many White elected officials are elected to cities where they are non-residents of the majority Black cities they govern.

In addition to these structural impediments, we found a host of impediments which denied access to Blacks' registering and voting.

These access impediments were also structural, as well as psychological and physical in nature. They included:

Dual registration (in Mississippi, a person must register twice to vote once, by registering both at the county seat and at the city hall—and citizens were not informed that they must register twice by local officials).

A denial of voter assistance where needed (Blacks have a 6.9 average educational level, while Whites have a 12.3 educational level).

Re-registration, where books are cleared and everyone must re-register (e.g., Canton).

Arbitrary actions by registrars.

Because of the dual registration people must travel great distances (e.g., a trip from Rome to Indianola, the county seat of Sunflower County, requires a 95-mile round-trip just to register to vote).

Inaccessibility of registrars (they do not bring the registration books to the Black community.

Economic intimidation, where plantation and factory owners force people to work overtime on election day.

Absentee ballots are sent late to voters.

Polling places are moved (e.g., in Quitman County, all of the precinct registration places were moved out of the Black community into the White community).

The stuffing of ballot boxes with paper ballots.

All persons running for County Supervisor must own $1,500 worth of real property.

Ghost voting (i.e., dead and out-of-town voters who vote in local elections).

Demanding of Blacks birth certificates and Social Security cards in order to register.

Poor voter administration (e.g., in Belzoni, 200 people were brought to the voter registration site and the registrar typed with one finger to slow down the registration process).

A man and his wife of 40 years registered at the same registration site but were sent to separate precincts to vote.

And in Yazoo City, 180 registered voters were sent letters and told to vote in districts than where they lived.

A lack of Black elected officials and poll watchers (election officials must be elected by running for the Election Commission in the general election, or be appointed by the

Democratic or Republican Party during primary elections).

And inadequate facilities, which are often small with no room for poll watchers or, if it rains, the people must stand outside and get wet.

In addition, there are psychological and physical impediments to voters as well.

Witnesses testified to voter registration and political activists being indicted (e.g. in Alabama and Mississippi).

One person told of a White person who impersonated a Justice Department official as a means of intimidating a local Black voter.

Even when federal marshalls are sent in they are sent in from adjacent Mississippi counties or other Southern states (i.e., often, people with the same psychological anti-Black mind-set).

Physical intimidation.

And various forms of challenging people's right to vote at the polls.

Thus, it is no surprise that in the most important county offices in Mississippi—tax collectors/assessors and circuit clerks (registrants of voters)—of the 82 tax collectors/assessors, only one is Black; and of the 82 circuit court clerks, only two are Black. Thus, of the 22 majority Black counties, only two—Claiborne and Jefferson—have a Black majority on the County Board of Supervisors. Also, the Blacker the county—where potential Black political power is greatest—there too is the greatest amount of intimidation of Blacks.

In addition, even though the entire state of Mississippi is 40 percent-plus Black, the following shows that a lack of adequate Black political representation still exists:

Office	Total	Black	Our share [1]
County superintendents of education	82	4	33
State senators	52	2	21
State representatives	122	15	49
Supreme court justices	9	0	3 or 4
County superintendents	410	27	164
Major Statewide positions	8	0	3
Public service commissioners	3	0	1
State highway commissioners	3	0	1
State economic development commissioners	15	0	6

[1] 40 percent.

In addition, in major Mississippi cities there are few or no Black City Council persons. For example, in Greenwood and Jackson, there are no Blacks on the city council. And, in Greenville and Meridian, there is only one Black on the city council.

Given the structural, access and intimidation factors described above (not apathy or ignorance), these results are understandable.

As a result, we recommended several strategies and remedies to make voter registration and voting accessible to all of the citizens of Mississippi:

I. POLITICAL

There must be legislation to end the practice of dual registration in Mississippi.

II. ADMINISTRATIVE

A. Mississippi must establish a system of deputy registrars.

B. Registration sites must be located close to where people live (e.g., post offices, schools, churches, community centers).

C. Mississippi must establish multiple-copy registration forms (i.e., register at one place and the duplicate or triplicate copies sent to the other places where they are needed, in order to eliminate the traveling involved in the dual registration process).

III. COMMUNICATIONS/JUSTICE DEPARTMENT ACTIONS

A. The Justice Department must establish a liaison person who can grant immediate relief within the law to specific situations (e.g., the Savannah, Georgia situation).

B. The Justice Department must thoroughly investigate the total situation in Mississippi and the South and develop a plan and timetable that addresses the crisis. Implement this plan fairly, but swiftly.

C. William Bradford Reynolds should set forth, in federal regulations, in a memo or in speeches (or all three) what the Justice Department's policies are relative to voting rights enforcement in order to set the proper climate for voter registration, as well as clarify procedures for those with grievances who need relief.

IV. LEGAL

A. PUSH, the NAACP Legal Defense Fund and the National Bar Association are filing a suit challenging many of the practices found in Mississippi. We urge the Justice Department to file its own suit or to join us in our suit to put an end to Voting Rights Act violations in Mississippi.

B. We need the Justice Department to use the administrative enforcement powers of the Voting Rights Act to eliminate the impediments and the violations of the Voting Rights Act.

V. DIRECT ACTION

If there is no relief forthcoming, we will have to "trouble the waters" again in Mississippi and put national focus on the plight of Blacks in Mississippi.

VI. MEDIA

We must challenge the news media to document and expose the crisis and the political plight of Blacks in Mississippi.

CONCLUSION

Lastly, what is needed to end the oppression in Mississippi?

A. The Democratic Party must stop perpetuating the structural and access impediments to voter registration and voting in Mississippi and throughout the South. The announced Democratic presidential candidates must not be allowed to focus merely on voter registration, they must be challenged to support strong enforcement of the Voting Rights Act.

B. The Republican Party must exercise the balance of power that is supposed to characterize the two-party system by holding the Democratic Party accountable.

C. The Justice Department, whether under Democratic or Republican control, must provide equal protection under the law for every American citizen.●

ON STRATEGIC PARITY

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GORE. Mr. Speaker, the debate in this House several weeks ago, on flight testing of the MX, was one of the most divisive in my experience. Presumably, the debate yet to come on MX authorization will be no less difficult.

Many of my collegues approach this issue with certainty in the absolute rightness of their convictions, be they for or against the missile.

Others of us—those who made the difference on the first vote, and who potentially make the difference on the next—have not had the luxury of absolute certainty; we cannot be sure that our choice will be vindicated.

In an issue marked by great moral ambiguity, we have acted according to the dictates of both reason and conscience. So too, though in a far higher degree, has Andrei Sakharov, whose comments on the arms race have been smuggled out from his place of exile, and printed in the West.

I believe that his credentials for assessing the motivations of his government, and for evaluating the risks and dilemmas of the nuclear age, are no less than those of the many experts on matters both moral and military who press their views here at home. Some would say, without being unkind, that perhaps Sakharov's credentials are far better.

Therefore, to my colleagues who are opposed to MX without qualification, I commend Sakharov's observation that American willingness to deploy this weapon may be indispensible as a means for gaining the respectful attention of Soviet leaders.

And to other colleagues, who cheer the weapon and, in their hearts, doubt that serious negotiations are likely to produce much, I commend Sakharov's view of the implications for mankind should we fail to bargain sincerely and sensibly.

I hope that those who believe in the existance of simple and pure solutions of whatever kind will read Sakharov, and recognize as compelling his view of a complex world in which progress is difficult and the way to it uncertain.

Those of us who see nuclear problems in these terms recognize that in such circumstances there are no sure bets: only calculated risks.

For me and for like-minded colleagues, Sakharov's words are a comfort and a guide. Therefore, I rise to ask for their publication in the CONGRESSIONAL RECORD.

ON STRATEGIC PARITY

(By Andrei D. Sakharov)

Andrei D. Sakharov, a physicist and winner of the 1975 Nobel Peace Prize, is in internal exile in Gorky, in the Soviet Union. The following is adapted from an open letter to an American scientist, Sidney Drell, published in full in the current issue of Foreign Affairs.

Dear Friend: What you write about the appalling dangers of nuclear war is very close to my heart and has disturbed me profoundly for many years now.

There is no doubt that the United States already possesses a large number of submarine-based missiles and charges carried by strategic bombers which are not vulnerable to the U.S.S.R. and, in addition, has silo-based missiles though they are smaller than the U.S.S.R.'s—all these in such amounts that, were those charges used against the

U.S.S.R., nothing, roughly speaking, would be left of it. You maintain that this has already created a reliable deterrent. Therefore, you consider the building of the MX missile unnecessary and you consider it acceptable (with certain reservations) to freeze the nuclear arsenals of the United States and the U.S.S.R. at their current numerical levels.

Your reasoning seems to me very strong and convincing. But I think that the concept presented fails to take into account all the complex realities of the opposition of two world systems and that there is the necessity for a more specific and comprehensive unbiased consideration than a simple orientation toward a "reliable deterrent" (i.e. the possibility of dealing a devastating retaliatory strike).

You consider it necessary to restore strategic parity in conventional arms. Now take the next logical step—while nuclear weapons exist it is also necessary to have strategic parity in relation to those variants of limited or regional nuclear warfare that a potential enemy could impose. It is necessary to examine in detail the various scenarios for both conventional and nuclear war and to analyze the various contingencies. It is not possible to analyze fully all these possibilities or to ensure security entirely. But I am attempting to warn of the opposite extreme—"closing one's eyes" and relying on one's potential enemy to be perfectly sensible.

I realize that in attempting not to lag behind a potential enemy in any way, we condemn ourselves to a tragic arms race. But the main danger is slipping into an all-out nuclear war. If the probability of such an outcome could be reduced at the cost of another 10 to 15 years of the arms race, then perhaps that price must be paid while, at the same time, diplomatic, economic, ideological, political, cultural and social efforts are made to prevent a war.

Of course it would be wiser to agree to reduce nuclear and conventional weapons and to eliminate nuclear weapons entirely. But is that possible in a world poisoned with fear and mistrust, a world where the West fears the U.S.S.R., the U.S.S.R. fears the West—and no verbal assurances and treaties can eliminate those dangers entirely?

I know that pacifist sentiments are very strong in the West. I deeply sympathize with people's yearning for peace. But, at the same time, I am certain that it is absolutely necessary to be mindful of specific political, military and strategic realities and to do so objectively without making any sort of allowances for either side. One should not proceed from an assumption of any special peace-loving nature in the socialist countries due to their supposed progressiveness or the horrors and losses they have experienced in war. Objective reality is much more complicated. People in the socialist and the Western countries have a passionate aspiration for peace: This is extremely important, but, I repeat, it alone does not exclude the possibility of a tragic outcome.

For talks [on nuclear disarmament] to be successful the West should have something that it can give up! The case of the "Euromissiles" once again demonstrates how difficult it is to negotiate from a position of weakness. No less important a problem is that of the powerful silo-based missiles. At present the U.S.S.R. has a great advantage in this area. Perhaps talks about the limitation and reduction of these most destructive missiles could become easier if the United States were to have MX missiles, albeit only potentially (indeed that would be best of all). But if the Soviets, in deed and not just in word, take significant verifiable measures for reducing their land-based missiles, then the West should not only abolish MX missiles but carry out other significant disarmament programs.

In conclusion I stress how important it is that the world realize the absolute inadmissibility of nuclear war, the collective suicide of mankind. It is impossible to win a nuclear war. What is necessary is to strive for complete nuclear disarmament based on strategic parity in conventional weapons. [But] as long as there are nuclear weapons in the world, there must be a strategic parity of nuclear forces so that neither side will venture to embark on a limited or regional nuclear war.●

THREE ASIAN INDIAN CYCLISTS TOUR WORLD

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. DYMALLY. Mr. Speaker, some years ago in the United States a black woman came to believe that she bore a personal responsibility for promoting accord among the peoples of this country. She set out on a journey that consumed her adult life. Some at the time might have called her work a quixotic gesture. Nevertheless, her action has captured the imagination and admiration of U.S. citizens for decades. She called herself Sojourner Truth.

In 1981, three young Asian Indian men decided that they could apply on a global scale what Sojourner Truth did in the United States. These three men, James Fernandez, Jose Cheruvathoor, and Stanley Meyn set out from Cochin, Kerala, India on August 15, 1981, to bring the message of peace and the concept of the Global Village to the world. In 22 months they have covered four continents and 22,000 miles spreading their message. Like Sojourner Truth, they have depended on the good will of those who hear their message to sustain them in their travels.

Aside from boats and planes which have transported them from one continent to another, the three men have relied on bicycles as their main mode of transportation. They spent the first 6 months and 7,000 miles of their trip bringing the message of peace to their countrymen. From India, they went on to Malaysia, Singapore, and Indonesia. Knowing the vastness of Australia, I find it almost beyond belief that Fernandez, Cheruvathoor, and Meyn bicycled across the whole continent, an odyssey of some 6 months and 6,000 miles.

I bring the work of these three young people to the attention of my colleagues because the three have most recently been traveling in the United States. They arrived here on October 29, 1982 and have traveled extensively in California. So far, they have also been to Nevada, Arizona, Texas, Missouri, Illinois, Indiana, Ohio, Michigan, West Virginia, Maryland, and, recently, Washington, D.C.

Their current plan is to travel through Pennsylvania, New Jersey, New York, Massachusetts, and then cross into Canada. Their future travels will take them to Europe and the Middle East, and, finally, home again to India.

Occasionally an unextraordinary activity carried to an extraordinary limit is sufficient to arouse the consciousness of thousands. Black people sitting at a lunch counter or attending school or simply walking together have, at various times, galvanized this Nation and led to far reaching civil rights reforms. Mahatma Gandhi went to the ocean to make salt. A Canadian cancer victim went on a marathon. All these were unextraordinary activities in themselves, but in each instance there was a sense in which the power of these acts was awesome. They were causes of change. I cannot say that three Asian Indians bicycling around the world talking about peace are going to bring about change. But in these days when we talk about the survivability of a nuclear holocaust capable of destroying all life more than twenty times over, a quixotic gesture of a more peaceful kind deserves our open armed embrace.●

EXTENSION OF THE CAPITAL GAINS EXCLUSION TO ALL HOMEOWNERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GILMAN. Mr. Speaker, today I am introducing a bill to allow all homeowners the opportunity to take advantage of a capital gains tax exclusion. This legislation provides a one-time exclusion of up to $125,000 capital gains tax from the profit on the sale of a principal residence. Currently, this benefit is available only to those persons 55 years or older.

Because of the exploding inflation of past years, many homeowners have had to pay taxes on "phantom" capital gains— on price increases due solely to the effects of inflation. As I have stated on prior occasions, I hope that the Congress will eventually establish a system of indexing capital gains so as to avoid these undesirable effects. Until that time, this bill will protect homeowners from unrealistic penalties on the sale of their single, most valuable investment, their home.

Mr. Speaker, this bill provides equal justice for all homeowners that are under, as well as over, age 55. It will free up for the housing market houses

now owned by those a few years under age 55, who would otherwise sell their house but are reluctant to do so in anticipation of the exclusion. Further, no person should receive less for their home than they paid for it due to inequitable taxes levied on it. The adoption of this legislation could result in lowering the cost of housing as more houses entered the market. Homeowners would not be obliged to hang onto "more" house than they need merely to take advantage of the capital gains exclusion. Other persons, be they divorced or unemployed, unable to bear the continuing burden of a house, should not be penalized further by having to receive less for their home, after taxes, than they initially paid for it along with subsequent investments in the property.

Mr. Speaker, as our economy continues to improve, this bill is timely in enabling homeowners to make their unwanted homes available to those previously unable to enter the housing market. I commend this bill to the attention of my colleagues for their support and I ask that its text be printed in full at this point in the RECORD:

H.R. 3548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the section heading and subsection (a) of section 121 of the Internal Revenue Code of 1954 (relating to onetime exclusion of gain from sale of principal residence by individual who has attained age 55) are amended to read as follows:

"SEC. 121. ONE-TIME EXCLUSION OF GAIN FROM SALE OF PRINCIPAL RESIDENCE.

"(a) GENERAL RULE.—At the election of the taxpayer, gross income does not include gain from the sale or exchange of property if, during the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more.".

(b)(1) Paragraph (1) of section 121(d) of such Code (relating to special rules) is amended by striking out "age, holding, and use" each place it appears and inserting in lieu thereof "holding and use".

(2) Paragraphs (2) and (3) of section 121(d) of such Code are each amended by striking out "subsection (a)(2)" each place it appears and inserting in lieu thereof "subsection (a)".

(3) The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 121 and inserting in lieu thereof the following:

"Sec. 121. One-time exclusion of gain from sale of principal residence.".

(4) Sections 1033(h)(3), 1034(1), 1038(e)(1)(A), 1250(d)(7)(B), and 6012(c) of such Code are each amended by striking out "by individual who has attained age 55".

(c) The amendments made by this Act shall apply to sales or exchanges after Dec. 30, 1982 in taxable years ending after such date.●

OSIP LOKSHIN, PRISONER OF CONSCIENCE

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. HUGHES. Mr. Speaker, I am pleased to rise today to express my support for and solidarity with Soviet Jews, Prisoners of Conscience, and, Refuseniks. Along with many of my colleagues, I will be taking part tomorrow in the Congressional Fast and Prayer Vigil for Soviet Jewry. I feel it is fitting, therefore, to rise today and once again call attention to the unconscionable violation by the Soviet Government of the human rights of its citizens.

In the past several years, emigration of Soviet Jews has declined precipitously, indeed almost stopped. In 1979, just 4 years ago, 51,320 exit visas were granted to Soviet Jews who wished to emigrate. In 1980, the number was cut by more than half, to 21,472. The steady decline continued: In 1981, 9,448 Soviet Jews were entitled to leave the country; last year, only 2,688 were released. And through April of this year, only 421 Soviet Jews were permitted to exit the country.

Samuil L. Zivs, deputy chairman of the Soviet Government's official Anti-Zionist Committee—which is being presented as the official organ of Soviet Jews—recently wrote that the tremendous decline in Jews emigrating from the Soviet Union is the result of a decrease in the number of Jews wishing to leave the country. This is a radical departure from the truth.

Colonel General David Dragunsky, chairman of the committee, has traced Soviet opposition to Zionism back to Lenin, a shocking aberration which is now being widely spread in the Soviet Union as fact. Clearly, the current situation for Soviet Jews is deplorable, and worsening.

As part of the Congressional Call to Conscience on Soviet Jewry, I would like to relate the situation of refusenik Osip Lokshin, who has been waiting to leave the Soviet Union for 4 years. Lokshin applied for an exit visa in September 1979. In August 1980, almost 1 year later, Lokshin was denied his request on the grounds that his invitation to immigrate to Israel had not come from a first degree relative. In response, he and long-term refusenik Vladimir Tsukerman staged a hunger strike coinciding with the opening of the Madrid Review Conference on the Helsinki Accords.

In October 1980, Lokshin was arrested while waiting in a telephone booth for a phone call from Israel. He was released with a warning not to receive phone calls from abroad. Lokshin's liberty did not last long, however. On May 30, 1981, Lokshin was again arrested, along with 50 other activists, for holding a march of protest.

Of the 50 arrested, only Lokshin and Vladimir Tsukerman were not released after a short detention. Lokshin and Tsukerman were accused of "circulation of fabrications known to be false which defame the Soviet state and social system." They were tried and convicted 4 months later, and sentenced to 3 years in labor camp.

Even if Osip Lokshin is released next year at the end of his sentence—which is by no means a certainly—he will still have spent 3 years at hard labor simply because he expressed a desire to emigrate from the Soviet Union, and opposed the iron-fisted Soviet regime.

In our deliberations on the issue of Soviet Jewry, let us not forget that behind the statistics on Jewish emigration from the Soviet Union are freedom-loving individuals like Osip Lokshin. In our words and deeds, let us recommit ourselves to the fight for human rights and freedom from oppression. Thank you.●

OUR CONTINUING MIA VIGIL

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 13, 1983

● Mr. GILMAN. Mr. Speaker, at the end of this week, the families of our Americans still missing in action and prisoners of war from the Southeast Asian conflict, will be gathering once again for their annual meeting in Washington, D.C.

Families of our missing in action have traveled thousands of miles every year to come to Washington to join other families whose loved ones have not been accounted for. Fortunately, time does not diminish their courageous vigil; in fact, for many, time strengthens their commitment to resolving this tragic and agonizing issue.

As chairman of the House Task Force on American Prisoners and Missing in Southeast Asia, a bipartisan congressional task force under the auspices of the House Subcommittee on Asian and Pacific Affairs, I am concerned that a commitment be forthcoming from every level of the Government having responsibility for this issue. President Reagan and Judge William Clark of the National Security Council addressed the families this past January on the occasion of the 10th anniversary of the Paris Peace Accords, pledging their commitment to the families and to the final resolution of this issue which continues to be a major foreign policy and humanitarian issue.

The House MIA task force is deeply committed to addressing and resolving

the most difficult aspects of the POW/MIA issue. In the past few months, we have met with representatives of the State Department, the Defense Intelligence Agency, the National League of Families and the National Security Council. We have also conferred with the Ambassador of Thailand, and will be meeting with Chinese diplomats to enlist their assistance in addressing this issue. Our task force will also be meeting with the French Ambassador in an effort to assess the impact and effect of the "French experience" in Vietnam, which continues today as the French Government is required to pay the Vietnamese thousands of dollars in return for remains lost 30 years ago.

Secretary of State George Shultz, at his recent ASEAN conference, gave the Southeast Asian nations a sound indication of our commitment on the issue. He urged other nations to join us in putting pressure on the Vietnamese to come forward with an accounting and with information on remains. The United States has credible information that at least 400 sets of remains are being held somewhere in Vietnam; and yet, the Vietnamese refuse to turn over those remains to our Nation so that a full accounting can be made.

We are encouraged by the public statements of our President, the National Security Adviser and the Secretary of State. This kind of public statements provide renewed vigor in our search for answers. But we must make certain that this kind of commitment trickles down to every level of our Federal bureaucracy working on the POW/MIA issue.

The record of the return of remains by the Vietnamese is poor, to say the least. The Vietnamese, who recently returned nine sets of remains to the United States this past spring, have given us a trickle at a time. There are still 2,491 Americans listed as being unaccounted for. With the return of only slightly more than 80 remains over the past decade, the Vietnamese can hardly be described as being humanitarian.

In recent months, we have been exploring initiatives with the Laotian Government to open up opportunities leading to joint crash site investigations and excavations. The League of Families was permitted access to some crash sites in September of last year. The Laotians had promised that a joint crash site examination program could be a reality within the near future.

However, the Laotian progress was apparently tempered by the forays into Laos by Americans who, without Government sanction, began searching for lost Americans. The Laotians have indicated that if we are to make progress on this sensitive and critical mission, we must not allow private initiatives to jeopardize any governmental progress.

In March 1983, the Asian and Pacific Affairs Subcommittee and the House task force held hearings on the issue of private forays into Laos. We questioned former Green Beret Col. "Bo" Gritz, as well as several Government officials, on the Government's involvement in any private rescue operation. The Asian and Pacific Subcommittee and the task force, after extensive questioning and review of the information presented to it, concluded that no government approval or support had been granted to "Bo" Gritz, or others who searched for live Americans in Laos.

I hope that Laos and our Nation will now be able to proceed with plans for joint crash site examinations and with improved cooperation on this critical issue.

The subject of refugee reports continues to be of prime concern to our task force and to the Defense Intelligence Agency. We have received hundreds of firsthand live sighting reports over the past year. The DIA has the responsibility of tracking these sources, interviewing them, polygraphing the sources and verifying the reports. This is a lengthy, but important component, in verifying the existence of any live Americans and bringing them home.

The POW/MIA battle for an accounting has extended for almost a decade. Despite our limited progress we must not allow our commitment and firmness of purpose to dwindle after we have come this far. According, I urge all Members of Congress to join with our House MIA Task Force in working to resolve this issue and in providing the families of our missing in action and prisoners of war the support and commitment they so rightly deserve.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, July 14, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 15

9:30 a.m.
Finance
Savings, Pensions, and Investment Policy Subcommittee
To hold hearings to examine trends in the projected life expectancy of U.S. citizens.
SD-215

Labor and Human Resources
To resume oversight hearings on activities of the Legal Services Corporation.
SD-430

10:00 a.m.
Environment and Public Works
To resume hearings on national infrastructure issues, and on proposals to develop long-term public works job opportunities, including S. 23, S. 532, and S. 1330.
SD-406

JULY 18

9:30 a.m.
Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1193, to treat certain heating of phosphate rock as mining for purposes of percentage depletion; S. 1237, to clarify the definition of goethermal energy; S. 1303, to make the ground water heat pump eligible for the residential energy and investment tax credits; and S. 1305, to extend the energy tax credit for investments in certain classes of energy property; to be followed by the Subcommittees on Energy and Agricultural Taxation and Taxation and Debt Management holding joint hearings on S. 1231, to exempt certain piggyback trailers and semitrailers from the excise tax on sales of heavy trucks and trailers.
SD-215

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
To resume hearings on S. 947, authorizing funds for fiscal years 1984 through 1988 for water resources construction projects of the U.S. Army Corps of Engineers, and to begin hearings on S. 669, authorizing funds for the construction of a project for navigation at the Bonneville lock and dam, Oregon and Washington, and S. 1554, providing for the recovery of a certain portion of Federal funds for the construction, operation, and maintenance of the national inland waterway system.
SD-406

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on the recent Supreme Court ruling to repeal the legislative veto.
SD-226

2:00 p.m.
Appropriations
Treasury, Postal Service, and General Government Subcommittee
Business meeting, to mark up proposed budget estimates for fiscal year 1984 for the Department of the Treasury, U.S. Postal Service, Executive Office of the President, and certain independent agencies.
S-126, Capitol

4:00 p.m.
Small Business
Business meeting, to consider pending calendar business.
SR-428A

JULY 19

8:30 a.m.
Small Business
To hold oversight hearings on the Small Business Administration's small business development center program.
SR-428A

9:30 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on S. 1152, to provide consumers with certain cost information relating to consumer leases, and to extend certain disclosure requirements to rental-purchase agreements.
SD-538

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 1400, to provide State and local law enforcement agencies tools to combat motor vehicle theft.
SR-253

Finance
To hold hearings on S. 1564, to deny certain tax incentives for property used by governments and other tax-exempt entities.
SD-215

Judiciary
Juvenile Justice Subcommittee
To hold hearings to examine certain policies relating to the confidentiality of juvenile records.
SD-226

Labor and Human Resources
To hold hearings to examine fire safety issues.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Select on Indian Affairs
To hold hearings on S. 1499, to provide for the settlement of certain claims of the Mashantucket Pequot Indians, and S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe.
SD-608

Joint Economic
To hold hearings to review the gross national product for the second quarter of 1983.
SD-628

10:30 a.m.
Judiciary
Separation of Powers Subcommittee
Business meeting, to mark up S. 462, to clarify certain provisions of the Hobbs Act relating to Federal jurisdiction over labor extortion matters.
SR-418

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To resume hearings on S. 1306, to restore the term of the patent grant for the period of time that nonpatent regulatory requirements prevent the marketing of a patented product.
SR-485

11:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings to review foreign policy implications relating to the export of Alaskan crude oil.
SD-419

Small Business
To continue oversight hearings on the Small Business Administration's small business development center program.
SR-428A

JULY 20

9:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of James B. Hyland, of Virginia, to be Inspector General, Department of Labor.
SD-430

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on S. 657, to ensure the proper treatment of laboratory animals.
SR-328A

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1538, to modify and improve the patent law.
SD-226

Labor and Human Resources
Business meeting, to resume markup of S. 564, to establish the U.S. Academy of Peace.
SD-430

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings to review the policies and administration of the District of Columbia Parole Board as they relate to the criminal justice system.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to resume markup of S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on Federal nonproliferation policy.
SD-562

Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on the recent Supreme Court ruling to repeal the legislative veto.
SD-106

Joint Economic
To hold hearings on structural changes and the future of the American economy.
SD-628

10:30 a.m.
Foreign Relations
To hold hearings on the nomination of Millicent Fenwick, of New Jersey, for the rank of Ambassador during the tenure of her service as United States Representative to the Food and Agriculture Organizations in Rome.
SD-419

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To continue hearings to review foreign policy implications relating to the export of Alaskan crude oil.
SD-419

Governmental Affairs
To hold hearings on the nominations of Bruce D. Beaudin, and A. Franklin Burgess, each to be an Associate Judge of the Superior Court of the District of Columbia, and Judith W. Rogers, to be an Associate Judge of the District of Columbia Court of Appeals.
SD-342

Judiciary
To hold hearings on pending nominations.
SD-226

JULY 21

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1146, to combat the use of aircraft in illegal drug trafficking.
SR-232A

Small Business
To hold oversight hearings on the Small Business Administration's program delivery.
SR-428A

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 1356, to authorize certain Federal agencies to contract with private law firms for the litigation of Federal Government debt.
SD-562

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on a Presidential commission report on excellence in education.
SD-430

Veterans' Affairs
Business meeting, to mark up S. 1388, to increase the rates of disability compensation for disabled veterans and to increase the rate of dependency and indemnity compensation for surviving spouses and children of veterans, and related proposals, including S. 859, S. 995, S. 1187, S. 1318, S. 1371, S. 1401, S. 1402, and S. 1403, and other pending calendar business.
SR-418

Select on Indian Affairs
To hold oversight hearings on certain activities of the Branch of Federal Acknowledgment within the Bureau of Indian Affairs.
SD-608

11:00 a.m.
Joint Economic
To resume hearings to review the gross national product for the second quarter of 1983.
SD-628

2:00 p.m.
Foreign Relations
To hold hearings on recent developments with respect to the U.S. Information Agency.
SD-419

JULY 22

9:30 a.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on the future of U.S. basic industries.
SD-215

Labor and Human Resources
To hold hearings to receive a task force report on the vaccine for pertussis.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

2:00 p.m.
Energy and Natural Resources
To resume oversight hearings on the geopolitics of strategic and critical minerals.
SD-366

Finance
Social Security and Income Maintenance Programs Subcommittee
To hold hearings on S. 960, to assist women in making career choices in the home or the labor force.
SD-215

JULY 25

9:30 a.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To resume hearings on the future of U.S. basic industries.
SD-215

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings on foreign industrial targeting policies.
SD-138

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 1132, to establish a maximum ceiling on the annual charge to be fixed by the Federal Energy Regulatory Commission for a licensee's use of a Government dam or other structures owned by the United States.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Alien Education Assistance Act.
SD-430

JULY 26

9:00 a.m.
Office of Technology Assessment
The Board to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (Public Law 96-448).
SR-253

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1173, proposed Federal Mine Safety and Health Amendments.
SR-485

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Aging Subcommittee
To hold hearings on proposed legislation authorizing funds for nutrition programs of the Older Americans Act.
SD-430

Select on Indian Affairs
To hold hearings on S. 1151, to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime, and H.J. Res. 158, to make a technical amendment to the Indian Land Consolidation Act (P.L. 97-459); to be followed by a business meeting, to mark up the aforementioned measures and S. 1499, to provide for the settlement of certain claims of the Mashantucket Pequot Indians, and S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe.
SD-608

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold oversight hearings on the acquisition of land, and acquisition and termination of grazing permits or licenses issued by the Bureau of Land Management at the White Sands missile range in New Mexico.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on a Presidential commission report on excellence in education.
SD-430

JULY 27

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings on the implementation of the Staggers Rail Act (Public Law 96-448).
SR-253

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on the management of the U.S. Synthetic Fuels Corporation.
SD-342

Judiciary
Juvenile Justice Subcommittee
To hold hearings on proposed Federal financial assistance to State and local law enforcement agencies.
SD-226

Labor and Human Resources
Business meeting to consider S. 1133, to authorize funds for fiscal year 1984, 1985, and 1986 for the Legal Services Corporation, and the nomination of James B. Hyland, of Virginia, to be Inspector General, Department of Labor.
SD-430

10:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold oversight hearings on the District of Columbia court system focusing on the prosecution of repeat offenders.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1520, to authorize redress payments to certain residents of the United States of Japanese-American, Aleut, or other ancestry who were interned, detained, or forcibly relocated by the U.S. Government during World War II.
SD-562

JULY 28

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the proposed Universal Telephone Service Preservation Act of 1983.
SR-253

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 5, to designate certain public lands in the State of California as wilderness, and H.R. 1437 and S. 1515, bills entitled the "California Wilderness Act of 1983".
SD-366

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 19 and S. 918, bills to revise current Federal pension

law with respect to the rights and benefits of working and nonworking women, and related measures.
SD-430

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To resume oversight hearings on government management of natural gas import issues.
SD-342

Select on Indian Affairs
To hold oversight hearings on Indian health issues.
SR-485

JULY 29

9:30 a.m.
Finance
International Trade Subcommittee
To hold hearings on the President's authority to waive the freedom of immigration provisions of the Trade Act of 1974 (Public Law 93-618).
SD-215

10:00 a.m.
Commerce, Science, and Transportation
To continue hearings on the proposed Universal Telephone Service Preservation Act of 1983.
SR-253

AUGUST 1

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, including S. 1600, S. 1579, S. 108, S. 1464, and S. 1549.
SD-215

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To continue hearings on miscellaneous tax bills, including S. 1600, S. 1579, S. 108, S. 1464, and S. 1549.
SD-215

AUGUST 2

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings to review the economic state of the inland waterway industry.
SR-253

Labor and Human Resources
To resume oversight hearings on the Department of Labor's law enforcement activities, focusing on the organized crime and racketeering section of the Department of Labor's Office of Inspector General's investigation of allegations involving the International Brotherhood of Boilermakers.
SD-430

AUGUST 3

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

9:30 a.m.
Labor and Human Resources
To resume hearings on health care cost issues.
SD-430

AUGUST 4

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 8

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on the historical perspective and societal implications.
SD-430

SEPTEMBER 15

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on causes and remedies.
SD-430

SEPTEMBER 20

10:00 a.m.
Foreign Relations
Business meeting, to consider certain arms reduction proposals, including Senate Resolution 57, Senate Joint Resolution 2, Senate Joint Resolution 29, Senate Resolution 159, Senate Joint Resolution 74, Senate Concurrent Resolution 46, Senate Resolution 107, and Senate Resolution 83.
SD-419

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the American Legion.
SR-325

CANCELLATIONS

JULY 19

10:00 a.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 752, to provide for certain measures to reduce the salinity of the Colorado River.
SD-366

Select on Intelligence
To resume hearings in closed session on S. 1324, to regulate public disclosure of Central Intelligence Agency information.
SR-232A

HOUSE OF REPRESENTATIVES—*Thursday, July 14, 1983*

The House met at 12 o'clock noon.

Rev. Dorothy M. Field, pastor, Kedron United Methodist Church, Morton, Pa., offered the following prayer:

Almighty and everlasting God, who, alone, is ruler over all Your creation:

We give You hearty thanks for Your gifts so graciously poured out upon us. Help us ever to remember that blessing calls forth not pride and privilege, but humility and responsibility.

Keep us mindful that faithfulness to You, O Lord, is measured by the degree of our care for Your good Earth, our concern for Your least ones, our commitment to the vision of Your Shalom.

Hasten that day, we pray, when justice shall roll down like waters and righteousness like an everflowing stream; when nation shall not lift up sword against nation, neither shall they learn war any more. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate disagrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 3392) entitled "An act to amend the Agricultural Act of 1949," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HELMS, Mr. DOLE, Mr. COCHRAN, Mr. HUDDLESTON, and Mr. LEAHY to be the conferees on the part of the Senate.

REV. DOROTHY M. FIELD

(Mr. EDGAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDGAR. Mr. Speaker, it gives me great pleasure to introduce a constituent of mine to the House of Representatives and a dear friend and a fellow pastor in the United Methodist Church, Rev. Dorothy Field, who gave the opening prayer.

Dorothy and I and also Congressman BILL GRAY from Philadelphia have one thing in common. We all graduated from the same theological school. We also have a number of other concerns and interests in common. Dorothy is pastor of the Kedron United Methodist Church in Morton, Pa., and a member of the Eastern Pennsylvania Conference of the United Methodist Church.

I was first a minister and then became a social activist. She was first a social activist and in the last 3 years, after raising four children, she became a minister.

Prior to this new commitment Dorothy was a teacher, the president of the Swarthmore, Pa., League of Women Voters, a chairperson of the Women's International League for Peace and Freedom, and is listed in "Who's Who in Religion."

I welcome her to the House of Representatives and I welcome the opportunity to present her to my colleagues here as she shared in the opening prayer, and I commend to my colleagues the words in that prayer to seek peace.

I am particularly proud of Dorothy as she is one of only a handful of women clergy to have opened the House proceedings with prayer.

But there is much about Dorothy to be proud. In addition to her outstanding contributions to Delaware County, Pa., that I have already mentioned, Dorothy directed the adult program for the city of Chester YWCA for 4 years. It was during this period that she decided to enter the Theological School of Drew University. While there she was awarded a scholarship for high scholarship and showing promise as a pastor and teacher.

Before her graduation in 1982, she was ordained a deacon in the United Methodist Church.

Dorothy was inducted into the Douglass Society for distinguished alumnae as an innovator in human rights activity, and is also a member of the most honored group of all: Those who have made this world a better place to live.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF THE SELECT COMMITTEE ON AGING

The SPEAKER laid before the House the following resignation as a member of the Select Committee on Aging:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 11, 1983.

Hon. THOMAS P. O'NEILL, Jr.,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. SPEAKER: I hereby submit my resignation from the House Special Committee on Aging, effective immediately, in order to accept a position on the Committee on House Administration.

Sincerely,

PAT ROBERTS.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to clauses 6 (f) and (i) of rule X, the Chair appoints the gentleman from Ohio (Mr. DEWINE) as a member of the Select Committee on Aging to fill the existing vacancy thereon.

CLARIFICATION ON TRANSCRIPT CHANGES IN SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF COMMITTEE ON THE JUDICIARY

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, yesterday, the gentleman from New Mexico raised an issue about changes between the transcript and the printed record of hearings held by my subcommittee. The gentleman was correct—a change was made, however the reason for the change and the fact that I simply edited my own words were not revealed nor made clear to this House.

During the period of time my subcommittee, the Subcommittee on Civil and Constitutional Rights of the House Committee on the Judiciary, was conducting oversight hearings on undercover activities of the Federal Bureau of Investigation, it came to the attention of my staff that internal investigations had been conducted by the Office of Professional Responsibility of the Department of Justice. We felt the results of this investigation were pertinent and important to know and understand.

The counsel and Director of that Office, Mr. Michael Shaheen, agreed to brief our staff on the condition that all of the information be treated as confidential and not be revealed publicly. The policy of that Office does not permit it to make public the details of its internal investigations. Relying on the word and reputation for

integrity of our committee staff, Mr. Shaheen agreed to the briefing.

At a hearing on November 23, 1982, one of the staff members who attended that briefing gave me information in writing to use at the public hearing. Unknown to me, this information violated the promise to keep the briefing material confidential. Not knowing, I used it. I was subsequently told what had occurred. I immediately called Mr. Shaheen to explain the circumstances and personally apologize. I, in addition, edited my own words in the transcript of the hearing to remove some of the details while leaving the substance intact. My view was then, and it is now, that having breached our word on confidentiality, we needed to contain the damage of my inadvertence. The staff person responsible for that breach of confidence and broken promise is no longer with the committee staff.

There is no resemblance to nor analogy to any unfortunate changes in transcripts which were made to alter the meaning of Members' or witnesses' words which we have heard so much about recently. There was no plot, no design, other than to uphold the word of the committee staff, my subcommittee, and this House.

It was, I believe, the right judgment then as it is now.

Now that the material has been unfortunately placed in the RECORD, I invite your careful scrutiny. You will find we simply tried to balance the integrity of the RECORD and the integrity of our promise.

PERSONAL EXPLANATION

(Mr. AUCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AUCOIN. Mr. Speaker, I was unavoidably absent yesterday during rollcall 248, the adoption of the rule on the Caribbean Basin Economic Recovery Act. I am opposed to the rule, and had I been present I would have voted "no."

Mr. Speaker, I ask unanimous consent that my statement appear in the permanent RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

EFFECT OF REAGANOMICS ON STATE BUDGETS

(Mr. KOLTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOLTER. Mr. Speaker, I rise today to address a problem which faces every State in the country, but which has reached drastic proportions in my home State of Pennsylvania. The Commonwealth of Pennsylvania has operated without the benefit of a State budget for the past 2 weeks. Hundreds of thousands of Pennsylvanians are not receiving State services. Certain State employees are going without their paychecks and the entire State is suffering from a lack of certainty about the future.

A great deal of attention is being paid by the media to the budget battle between the Governor and the State legislature. Some blame the Governor and some blame the legislature. But the fault lies here in Washington, at the White House. It is the irresponsible policies of President Reagan which have forced the majority of State governments to raise taxes and to cut vital State services. The President puffs himself up with pride when he talks about how he has cut taxes. He never mentions that 40 State governments have raised or are considering raising taxes. He never mentions that the States have had to cut important services in the fields of education, housing, health and welfare.

The President has built his public image on the backs of the State governments. His careless and deceptive policies have trickled down to State and municipal governments and the people they serve.

Mr. Speaker, I truly wonder if the people still think they are better off today than they were 3 years ago.

THE END OF AN ERA

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, on January 8, 1983, America's comfortable coexistence with its telephone was turned upside down. The consent decree signed between the Justice Department and AT&T enforced the divestiture of its 22 operating companies. It ended an era of the quiet, efficient monopoly of the free world's largest corporation.

In three bills that I have recently introduced I have sought to clarify this consent decree, to protect the consumer, to insure effective competition, and to guarantee that this incredibly complex telecommunications system continues to serve this Nation.

This legislation has been strongly criticized on the grounds that it is inappropriate Government intervention in the marketplace. That is an argument that none of us should buy.

Our telecommunications network is a creation of the legislative branch. The Communications Act of 1934, among others, created this great monopoly and the Federal Communications Commission to monitor it. It is both right and appropriate that the legislative branch also oversee the dismantling of this monopoly.

The AT&T divestiture will be the great consumer issue of 1983 and 1984. We must be prepared to discuss it in a reasonable and practical manner. Spurious complaints of the Congress having no jurisdiction have no place in this discussion.

SOUTHERN PACIFIC TRANSPORTATION CO. RAIL LINE ABANDONMENT

(Mr. BOSCO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOSCO. Mr. Speaker, I want to draw my colleagues' attention to a situation in my district that should be of interest to any Member who represents an area where rail service plays an important role in the local economy and the area's regional transportation system.

Earlier this year, the Southern Pacific Transportation Co. announced its plans to abandon a 170-mile stretch of the Northwestern Pacific Railroad, the north coast of California's only rail link with the rest of the State and the Nation. At the same time, SP imposed an immediate and permanent embargo on rail service on the affected portion of the line—a move clearly aimed at achieving a de facto abandonment and bypassing the Interstate Commerce Commission abandonment proceedings required by statute. The announcement precipitated a broad-based protest by affected communities, shippers, and local governments, and the staff of the ICC ultimately responded with a threat of legal action against SP unless the illegal embargo was lifted. The railroad bowed to the combined pressure and reopened the line last month, but concurrently filed notice of a $1,200 per railcar surcharge that would more than double the cost of the average shipment over the north-coast line.

Yesterday, the ICC's Suspension Board summarily rejected a protest filed by shippers, who had presented persuasive evidence that the maximum surcharge allowable under the Staggers Act of 1980 would be no more than $660 per rail car.

It is important to note that the proposed abandonment is one of the largest, if not the largest, since the passage of the Staggers Act in 1980. The level of the surcharge, too, is unprecedented. What SP attempted to achieve through its earlier embargo—a de facto abandonment—is almost certain to occur should this surcharge take effect. The inescapable conclusion is that the SP is unilaterally taking action to price itself out of the transportation market in my rural district. Yet the ICC's Suspension Board has not even seen fit to scrutinize the level

of the surcharge through the investigation process provided by statute.

The effect of this surcharge, if ratified by the full ICC, will be abandonment—without due process, and without consideration of the abandonment's consistency with the "public convenience and necessity," the test prescribed by law.

I have registered a formal protest with the Chairman and members of the ICC, urging the Commission to suspend the $1,200 surcharge and proceed with an investigation to determine the level of the surcharge allowable under Federal law.

This case may very well provide a blueprint for abandonment applications around the country, and I would urge any of my colleagues who may face a similar situation in their own districts sometime in the future to follow this matter closely.

THE LATE M. L. COLLINS, JR.

(Mr. ROEMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROEMER. Mr. Speaker, for 21 years M. L. Collins, Jr., served as editor and guiding force behind the Shreveport Sun, Louisiana's oldest black weekly newspaper. Throughout those years, Mr. Collins was a mighty voice for racial equality, justice, and understanding.

The Shreveport community lost that voice on Sunday when Mr. Collins died after a lengthy illness. Services are scheduled for today.

Mr. Collins became editor of the Sun in 1962 following the death of his father, who had founded the paper. He took over at a very difficult period in our Nation's history but he never hesitated to stand up for what was right. At the same time, he refused to become strident or bitter.

Another local newspaper said after his death:

> He resisted those who would turn racial relations into a dark and bloody ground of conflict and hatred. Instead, he chose reason and appeal to fairness as his rhetorical weapons.

Mr. Speaker, I join all those mourning the loss of this great man, a friend of mine, M. L. Collins, Jr., a man who made a difference.

FOOD STAMPS

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, earlier this week Secretary Block announced and notified the States of the imminent shortage of funds with respect to the food stamp program. As a consequence, of course, the States are responding by attempting to implement plans which would require drastic cuts and reductions in the food stamp program.

Mr. Speaker, this problem occurs because of the supplemental appropriation bill which was passed in late May by the House but was not acted on until late in June by the other body and, as a consequence of the differing actions of those two bodies, there are over 250 amendments in disagreement.

Mr. Speaker, today I and several of my colleagues have sent a letter to the chairmen of the Appropriations Committees of both the House and the other body and asked them to strip out the food stamp program so that it could be passed separately without delay.

Mr. Speaker, it is an open secret that the administration has opposed realistic funding for the food stamp program and I do not propose that we let other excuses lie in the way of the food stamp program that is so necessary for the needy and the unemployed in this country who are still experiencing problems as a consequence of the recession.

So I hope others will join with me in supporting the idea of taking the food stamp program out of the supplemental appropriation and sending it on its way.

ETHICS AND THE 1980 CAMPAIGN

(Mr. SOLOMON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SOLOMON. Mr. Speaker, my text today is taken from a book entitled "The Pursuit of the Presidency, 1980," written by reporters of the Washington Post.

This is what the Post reporters have to say about candidate Jimmy Carter as he reached the end of that campaign:

> • • • He was a beleagured and unpopular politician engaged in a desperate, clawing struggle for reelection • • • he was driven now to • • • flailing out, unfairly, at Ronald Reagan, as "racist" and a "warmonger" • • • (he was) distributing federal monies like a ward heeler in South Chicago • • • his rhetoric had become harsh and strident. He used hyperbole and distortion to discredit Reagan • • • He came under severe criticism for his tactics and for the "meanness" he displayed • • •

If certain Members of this House want to investigate the ethics of the 1980 campaign, perhaps they might look into some of these charges, especially the one involving the use of Federal funds for reelection purposes. And while they are at it, they might ask why millions of tax dollars were used by the Carter White House staff for the sole political purpose of getting Jimmy Carter reelected.

□ 1215

AMENDMENT TO ERA NEEDED TO PROTECT HYDE AMENDMENT

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, yesterday, the Subcommittee on Civil and Constitutional Rights began hearings on House Joint Resolution 1, the equal rights amendment.

Mr. Speaker, I regret that you were not able to stay long enough to answer questions following your testimony. The question which I had hoped to ask was whether you will support the amendment I intend to offer to prevent the ERA from being used to overturn the Federal and State Hyde amendments which prevent taxpayers' funds from being used to finance most abortions.

The adoption of my amendment is necessary since a lawsuit has already been filed in your home State of Massachusetts attempting to use the State ERA to force public financing of elective abortions. And, Civil Rights Commissioner Mary Frances Berry, speaking as an individual, yesterday appeared to say that she thought adoption of the Federal ERA would result in the restrictions of the Hyde amendment being overturned.

Mr. Speaker, your affirmative answer to my question will help remove one area of controversy surrounding the ERA and speed its passage. The country awaits your response.

THE UPCOMING DEMOCRATIC-REPUBLICAN BASEBALL GAME

(Mr. CONTE asked and was given premission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, before we go any further, I feel that I must set the record straight once and for all.

Amidst all the talk of purloined material, whispers about moles, innuendo concerning improper payoffs, rumors of favors, I want to state categorically—once and for all—that we Republicans do not have a copy of the Democrats' playbook for this year's congressional baseball game.

I will admit that we had a potential mole inside the Democratic organization, but he broke two ribs laughing at the material that the Democrats are planning to use in the game.

After watching MARTY RUSSO make several of his famous throws from third base over the first baseman's head into the ice cream stand in right field; witnessing the great French player/coach, BILL CHAPPELL get knee lock while settling into his catcher's position; and TOM DOWNEY get hit six

times in the forehead while trying to catch pop flies, my mole decided to come in from the cold. He told me that my faithful dog Primo could catch better than 90 percent of the Democratic team. I knew that beforehand, but what I did not know was that Primo could also hit better than 90 percent of the team.

So, Mr. Speaker, it does not look like much of a contest shaping up. Nevertheless, we will play the game in 2 weeks, on July 27 at 7 p.m., at Four Mile Run in Alexandria. It will be covered live on TV and the proceeds will go to Children's Hospital. We hope that all the congressional staff will come out and enjoy the pregame party which starts at 5 even though the game will be a wipeout of the Demos.

Let me make it clear once more, Mr. Speaker. We Republicans do not need any help. My boys are sharpening their spikes to get even for last year. To give you some idea of how good we are, we turned down coaching offers from columnist George Will who wanted to pitch batting practice and from Dave Stockman who said he would play left field.

CONGRESSIONAL FAST AND PRAYER VIGIL

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, I am proud to join my colleagues in the House of Representatives today in a congressional fast and prayer vigil for Soviet Jewry.

I am also saddened and angry, because despite the courage and perseverance of Jews in the Soviet Union and the work of my colleagues in the Congress and of private citizens in this Nation, the Soviet Union continues to deny emigration rights as well as other basic human rights to Soviet Jews.

The case of Aba and Ida Taratuta is representative of the situation of the 500,000 Soviet Jews who, like the Taratutas, have continually applied for and been denied exit visas and who have been harassed and dismissed from their jobs, simply because they have asked to leave the Soviet Union.

This year marks the 10th anniversary of the date when the Taratutas first filed for visas to Israel. Since filing that application for exit visas, the Taratutas have lost their jobs. Aba, a former professor of mathematics, now works as an attendant at a Leningrad bathhouse, while Ida, a translator of scientific journals, now gives private English lessons. The Taratuta family has become the subject of harassment by the Soviet authorities, and after a recent newspaper article accusing him of being an enemy of the state, Mr. Taratuta is under the threat of imprisonment. Despite the threats and harassment of Soviet authorities, the Taratutas continue to serve as leaders of the refusenik community in Leningrad.

It is the courage of the Taratutas and the hundreds of thousands of Soviet Jews who have been denied their right to emigrate that gives strength to those of us here today, who join in solidarity with the 500,000 Soviet Jews struggling to secure their basic human and emigration rights.

COMPREHENSIVE DRUG PENALTY ACT OF 1983

(Mr. HUGHES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUGHES. Mr. Speaker, on June 23, 1983, I chaired a hearing by the Subcommittee on Crime on the Comprehensive Drug Penalty Act of 1983 (H.R. 3299), a bill I introduced earlier and which is the net result of a thorough examination by the Subcommittee on Crime of the problems confronting the Federal law enforcement agencies in their attempts to take the profits out of drug dealing. At the present time, we are faced with the ridiculous situation where drug dealers have been able to accumulate huge fortunes as a result of their illegal activities and the sad truth is that the financial penalties for drug dealing are frequently seen by dealers as only a small cost of doing business. For example, under current law the maximum fine for many serious drug offenses is only $25,000. The Comprehensive Drug Penalty Act of 1983 will substantially reform these fines and bolster forfeiture procedures. H.R. 3299 would increase tenfold and more the fines for major drug trafficking offenses and empower the courts to impose an alternative fine of up to twice the gross profits of the criminal enterprise. The bill provides, for the first time, criminal forfeiture provisions for all felony drug cases.

Additionally, the measure would create a presumption that all property acquired by major traffickers during the period of the criminal enterprise are the fruits of drug-related crime, if no legitimate source for the property exists. The courts would also be granted greater power to forfeit the fruits of drug-related crime, including land and buildings, and authorizes them to restrain the transfer of property which might be subject to forfeiture pending the outcome of the trial.

Proceeds of these forfeitances would go into a $10 million per year revolving fund that would be used to finance further drug enforcement efforts.

In addition, this bill would increase the scope of property subject to Customs Service administrative forfeiture, which is a default judgment process, from $10,000 to $100,000 and facilitate other civil forfeiture procedures involving conveyances of contraband in default situations; set up a customs forfeiture fund; allow the United States to discontinue forfeitures on property in favor of similar proceedings by State and local agencies; and increase law enforcement authority of the U.S. Customs Service.

In this fashion not only will we increase efficiency and provide additional law enforcement funding, we will be making the punishment fit the enormity of the dollar volume involved in organized drug trafficking.

I urge your support for H.R. 3299.

CARIBBEAN BASIN ECONOMIC RECOVERY ACT

The SPEAKER. Pursuant to House Resolution 246 and rule XXVI, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2769.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 13, the gentleman from Illinois (Mr. ROSTENKOWSKI) had 10 minutes of general debate remaining, and the gentleman from New York (Mr. CONABLE) had 10 minutes of general debate remaining.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Chairman, I reserve my time.

Mr. CONABLE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, at the outset I would urge the Members here present to read the eloquent speech by the gentleman from Florida (Mr. GIBBONS) at the end of last night's debate.

It was an excellent summary and eloquently expressed the case for the Caribbean Basin Initiative.

Mr. GIBBONS has carried a major burden on this legislation and is entitled to a great deal of credit for its probable passage.

This is not for us a big deal, but it is very important to the people of the Caribbean, Mr. Chairman.

We have plowed this fallow ground enough and it is time now to let one small flower grow. No serious threat to our economy or our peoples' jobs can result and there is a good chance that the flower will prove eventually to be handsome, indeed.

The President wants this because he is aware that short-term policies, such as economic and military foreign aid, will not solve the problem without waste and disruption.

We should want this because it is so inexpensive, so riskless, because these people are such good friends and customers or ours, because the alternatives—political instability and boat people—are so bad, and because we are always critical of Caribbean short-term policies.

The people of the Caribbean want this initiative because they would prefer to stay home and work rather than come to the United States and work. But work they must, if they are not to accept the hopelessness of an endless cycle of poverty. This program offers them dignity rather than handouts, gun diplomacy, or authoritarian dependency. I regret we are not making a bigger step, Mr. Chairman, but when big steps are preferred, smaller steps are not bad. Let us get on with it. It is the least we can do.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I wish to compliment the chairman of the Ways and Means Committee plus the ranking minority member for bringing this bill to the floor, and I rise in strong support and urge the passage of the bill.

Mr. Chairman, this bill is designed to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region.

As all of you know, America is aggressively promoting the Caribbean Basin Initiative, which offers improved trade, aid, and investment in the Caribbean area. The Caribbean Basin Economic Recovery Act is an important element of the initiative. It is the first step toward resolving the serious economic difficulties in the region by providing trade and tax incentives. President Reagan frequently emphasizes the significance of this major foreign policy package. He has taken a personal interest in working for the successful implementation of this imaginative and aggressive approach to the region. Support of the President's efforts will also help to insure that vital U.S. interests in this neighboring area are protected.

A grave economic crisis now imperils many of the countries in the Caribbean and Central America. These small countries to our south are vulnerable to developments in the world economy. Recently, their oil and other imports have increased in price while their traditional exports have fallen. They are unable to earn enough foreign exchange to pay for the imports they need. The result is a rapid rise in unemployment. In addition, the inflation rates in those countries have skyrocketed. This regional economic aid package is desperately needed. It may save some of these feeble economies from total collapse. Economic stability for our neighbors to the south is essential to our long-term interests.

Let us not delude ourselves into thinking that the Caribbean region is not important to America's strategic interests and its long-term social and economic well-being.

The developing nations of this area are a source of critical natural resources for America; they border vital sea lanes as well as the Panama Canal. Over half of our total imports and exports pass through the Caribbean. In time of war, 50 percent of the supplies for U.S. forces in Europe would transit the area. The economic crises in these neighboring countries threaten political and social stability throughout the region. Economic uncertainty creates conditions which Cuba and others seek to exploit through terrorism and subversion. Moderate leaders in the area are already in jeopardy. New regimes could open military facilities to our enemies.

The nations of the Caribbean and Central America are the second most important source of immigration to the United States. Economic collapse and political instability will inevitably add to this pressure. Efforts to check illegal immigration are complex and costly. It is in our own national interest to resolve the longstanding economic miseries of this region right now.

H.R. 2769 provides trade opportunities and incentives for more investment, more production, and more jobs in the Caribbean area. Under this legislation, the United States offers one-way free trade to the beneficiary countries in the Caribbean. This arrangement provides the most favorable and secure long-term access possible to the largest U.S. market.

Many of the existing duties are in sectors of primary export potential for Caribbean countries. This one-way, duty-free entry to the United States is limited and does not pertain to petroleum, textiles, apparels, footwear, and a few other goods. A tax incentive for private sector development programs in the Caribbean has also been included.

It is also important to note that this bill respects the right of U.S. workers to be protected from injury which could result from the concessions on trade and tax.

The central effect of this legislation is that it will provide a badly needed stimulus to the Caribbean economies. Free and long-term access to the U.S. market is essential to maintaining and expanding the Caribbean as a market for U.S. products.

Although the Caribbean Initiative was formulated by this administration, it reflects the concerns and insights of its predecessors, both Democratic and Republican. The Recovery Act is the result of close consultation with governments in the region as well as the private sectors of recipient countries. Other donor nations, both in and out of the area, have joined us and agreed to sponsor multilateral action programs of their own.

I am convinced that the long-term impact of the program and this resolution will be positive. A prosperous Caribbean Basin means a better market for our own exports. It means lesser demands on U.S. resources for defense and assistance in the Caribbean and for social expenditures within the United States to help the displaced victims of social and economic unrest. I urge passage of the Caribbean Basin Economic Recovery Act.

Mr. CONABLE. I thank the gentleman.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we have come once again to a point where we must either show the greatness of this country and its understanding of international problems or crawl into a shell and ignore the needs of our friends in the Caribbean—a crucial part of the community of nations here in our own hemisphere.

I know there has been a great deal of discussion in the Hall, about the effect this bill might have on unemployment here at home.

But you simply cannot make a case that a country as large as this has to worry about the effect of those tiny nations on our economy. They are looking to us for hope and help. If we ignore the leaders of those nations, then I fear that those leaders and those nations have no place else to look for solution but to a form of government other than democracy.

We talk a lot about the uncertainty manifest in our overall policy in Central America. Without the passage of this legislation, we will demonstrate beyond doubt that there is a great deal of uncertainty as to how we view our friends and neighbors to the south.

A number of leaders have made CBI the measure of U.S. commitment in the area. If we fail those leaders at this point in time, we have truly failed democracy. The defeat of this Caribbean Basin Initiative would, without question in my mind, further weaken the democratic governments in those tiny nations in that area.

The Caribbean Basin Initiative seeks to create stability in this vital region not through military strength but through economic self-help, the help of a trading partner who brings those people to the level of peers rather than dependents who look to the United States for aid.

This measure creates, without question, a better foreign aid policy because it is not a handout but an effective economic tool to help nations work for their own survival.

We must also think about the effect CBI will have in promoting U.S. exports. One hundred and thirty thousand jobs in this country right now depend on CBI trade. There is the possibility that, should we not pass this legislation, we could very well lose many of our exports. I firmly believe that we must pass this bill to strengthen the Caribbean's ability to continue trading with us.

As I have already pointed out, CBI imports will not jeopardize any U.S. jobs. There is no question that CBI imports are insignificant. In fact, the imports granted duty-free status by this bill amount to just three-tenths of 1 percent of U.S. total imports.

Mr. Chairman, I want to assure my colleagues that the Committee on Ways and Means, through the oversight of Mr. GIBBONS of Florida, will continue its alert and effective surveillance of this program to see that there is no adverse effect on U.S. workers and no disruption to our own economic policies. The Labor Department and the International Trade Commission will report annually to this body on the effect of the legislation so that we can maintain such oversight.

I can see no way at this juncture that we in this Chamber can ignore our friends in those little tiny islands. They are looking to us for help. If we do not extend our helping hand to those countries, ladies and gentlemen, we have failed in our duties to this country.

I reserve the balance of my time.

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding. I rise in support of H.R. 2769, a major component of the Caribbean Basin Initiative. This measure is intended to foster better relations with our neighbors in this region, and is, I feel, long overdue. We have a third border with over two dozen small and developing nations in both Central America as well as the Caribbean. It is an area in our Western Hemisphere that is highly deserving of our serious consideration.

The Caribbean Basin Economic Recovery Act is a fiscally moderate, yet important, component of our foreign policy. It is estimated that revenue losses in fiscal year 1983 will be $16.5 million, and $70 million every year thereafter. The bill does, however, provide important new tax incentives and trade opportunities designed to assist in the economic development of the Caribbean Basin.

By adopting this measure, Congress will be assisting our neighboring nations in self-development. A more prosperous region will breed not only economic stability, but social and political stability as well. Strategically, this legislation aids both the participating country and the United States. Its provisions have been drafted after careful bipartisan consideration, and is deserving of the support of this body.

With the potential of benefiting 28 countries, H.R. 2769 gives the President authority to proclaim one-way, to the United States, duty-free trade for certain eligible articles. Unless these requirements are waived by the President for national security or economic reasons, beneficiaries must not be Communist countries, have expropriated or seized U.S. property, or have failed to recognize arbitral awards to U.S. citizens. Certain conditions which must be met and cannot be waived include: Giving preferential treatment which adversely affects U.S. commerce to products from a developed country other than the United States, the adoption of an extradition treaty with us, and the honoring of American copyrights.

Mr. Chairman, this legislation finally addresses the importance of our Caribbean neighbors as political allies and economic partners. It is based upon trade and tax incentives, and furthers the important goals of economic growth, self-help, and peaceful cooperation. Safeguards for Americans, whether they be business or labor, have been incorporated into H.R. 2769. It is my belief that this measure will only serve to enhance our relations with this region. Accordingly, I urge its swift passage by my colleagues.

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition to H.R. 2769, the Caribbean Basin Initiative. This bill is indeed an export initiative, for it would export American jobs and American capital to the Caribbean area. With 11 million unemployed Americans in this country today, the administration chooses to expend its economic energies on this bill, rather than on proposals to put our people back to work.

Mr. Chairman, I have heard that 130,000 American jobs depend upon our exports to the Caribbean. In America, over 112 million jobs depend upon American capital and a strong U.S. economy.

Now, while foreign competition is injuring U.S. industry the most, is not the time to permit privileged imports to enter our shores duty free.

What this country needs is protection from unfair foreign competition and increased investment in American companies to reduce the suffering of workers whose only mistake was to work for this country's backbone industries.

There is no question but that the Caribbean nations are suffering under this worldwide recession—we all are. The best way of helping these countries, however, is not to injure ourselves further. Many nations, not just those in the Caribbean, would benefit from a strong, healthy American economy. The best initiative we could have now is one to promote our own economy. Encouraging other nations to cling to our wounded economy serves no one's best interest.

The legislation we are now considering exacerbates these concerns by permitting duty-free treatment for goods that we in this country desperately need to export, not import. Among these items are glass and steel. The West Virginia district I represent is heavily dependent upon industries, including these two products. If you want to know how American firms in these areas are faring, just look at the unemployment statistics. West Virginia has the highest unemployment of any State in the Nation. This is no accident, but is in part the product of ill-conceived foreign trade policies that are based on inflexible ideology rather than economic reality.

We cannot afford to cling to free-trade rhetoric while over 100,000 steelworkers remain unemployed. We cannot afford to haggle over party politics while our steel plants operate at 50 percent capacity and steel imports capture almost 20 percent of our market. Time is running short: In the month of May alone, steel imports increased by more than 14 percent.

I therefore strongly oppose this bill, which will promote further hemorrhaging of our basic industries. I urge my colleagues to consider the plight of their own constituents and ask themselves whether now is the time to make ourselves more vulnerable by increasing our imports of goods and exporting American jobs.

● Mr. PURSELL. Mr. Chairman, I rise to urge the passage of the Caribbean Basin Economic Recovery Act. This legislation, formed by the Reagan administration, offers Central America and the Caribbean America's most respected and powerful force: Economic opportunity. I believe America's influence in this region should first be economic. The Caribbean Basin Initiative, in authorizing the President to extend small but important economic opportunities, is a beginning in the long process of helping our neighbors help themselves. I also believe the President is absolutely correct in stating that democracy, economic development, and security are three roads to the same place: Stability and peace in Central America. In approving this legislation, we can use America's economic strength and influence as weapons against poverty, social injustice, and political instability.

I believe America's role in Central America and the Caribbean is to promote stability and the establishment of representative government. The key to stability is economic growth and prosperity in an atmosphere where a strong, productive middle class is encouraged to participate in all aspects of life. The United States has a central role to play in this effort. America can assist the region by providing managerial and technical expertise. America can offer Central America not only the know-how of growing its own food, but also the know-how of converting raw materials into finished goods. And I believe passage of this legislation is the beginning of this process.

This initiative begins with the basics. It extends one-way free trade for products exported from the region to the United States. It offers U.S. businesses tax incentives for investments in the Caribbean. It expands on programs emphasizing private-sector development in this region. These initiatives are accompanied by modest amounts of economic assistance.

Mr. Speaker, I believe America has a role to play in the Caribbean and Central America. In the interests of these countries, as well as our own best interests, we cannot allow the exploitation of this region by Cuba and others. Passage of this legislation is the first step in needed U.S. efforts to foster self-reliance and economic growth in nations in the Caribbean and Central America.●

● Mr. WEISS. Mr. Chairman, I take this opportunity to express my support for H.R. 2769, the Caribbean Basin Economic Recovery Act.

The oil-shocks of 1973–74 and particularly of 1979, combined with reduced commodity prices on the world market due to the worldwide economic recession, have placed a heavy burden on the oil- and export-dependent economies of the Caribbean Basin. These problems have worsended to such a degree that by 1982, according to World Bank estimates, the balance-of-payments gap for the region amounted to $4 billion. Moreover political instability and civil war in countries such as El Salvador have encouraged decapitalization by native businesses. In El Salvador, for example, capital flight runs at half a billion dollars a year.

This bill, the Caribbean Basin Economic Recovery Act, is important for two reasons: It addresses the issue of economic instability among the Caribbean countries and territories and it sheds light on U.S. political views toward the region. First, the bill offers a step toward promoting economic stability, private investment, and potential political stability to the troubled countries of the Caribbean Basin. Second, it is an admission by the President, who first proposed this plan for a free trade zone between the United States and the Caribbean Basin in February 1982, that economic problems—high unemployment, declining standards of living, and a severe lack of foreign exchange—and not just Cuban subversion and the clandestine flow of arms through Nicaragua are responsible for political instability in the region.

Although this bill is a positive first step, it is by no means a panacea for the region's economic crisis. Nearly 90 percent of the Caribbean countries' exports already enter the United States duty-free. Of the remaining imports, only 7 percent of the region's current trade will be affected by the removal of tariffs authorized by this bill. According to Richard Feinberg of the Overseas Development Council, the free trade area created by H.R. 2769 will probably not increase regional export by more than 1 percent—or $108 million—in the first year. This figure is a far cry from the billions of dollars in foreign exchange that the region needed last year just to stay afloat.

This bill also raises problems concerning its potential impact on labor in this country. In our efforts to allay the economic crisis of our neighbors to the south, we should not hastily dismiss the serious economic and personal hardships of the 10 percent of our work force who are still unemployed. The Gephardt/Oberstar amendment—by requiring that eligible basin countries guarantee human rights and worker safety conditions and by adding to the list of products ineligible for duty-free treatment under H.R. 2769 in its present version—expresses the concerns of American labor.

While these provisions deserve careful consideration by the full House an initiative which I supported by voting to permit debate on the Gephardt/Oberstar amendment, I do not believe that exclusion of this amendment from H.R. 2769 justifies rejection of the free trade area and the trade incentives provided for in this bill.

In fact, the amount of trade generated by this bill will be limited. In 1982, U.S imports from the Caribbean Basin accounted for only 3.3 percent of total U.S. imports—$8.1 billion from a total of $244 billion—and of this total, 90 percent are already duty free. H.R. 2769 would provide duty-free status for only $800 million in imports, or only three-tenths of 1 percent of total U.S. imports. Moreover, the Caribbean is a net importer of U.S. goods—by almost $3 billion. Today, 130,000 American jobs are dependent on Caribbean Basin imports from the United States. An economically stable Caribbean can be expected to create even more jobs for American workers.

True, this bill is only a first step, and only a limited one at that, toward economic stability in the Caribbean Basin. Nonetheless, H.R. 2769 sends an important message to private businessmen and women, political leaders, and citizens of the 28 Caribbean Basin countries and territories—the United States will be sending not only its guns but also its capital to help promote economic and political stability. This message alone is essential for future progress in the region and undergirds my support for this bill.●

Mr. ROSTENKOWSKI. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 249]

Ackerman	Daniel	Hall, Sam
Akaka	Dannemeyer	Hamilton
Albosta	Daschle	Hammerschmidt
Alexander	Daub	Hance
Anderson	Davis	Hansen (UT)
Andrews (NC)	de la Garza	Harkin
Andrews (TX)	Dellums	Harrison
Annunzio	Derrick	Hartnett
Anthony	DeWine	Hatcher
Applegate	Dickinson	Hawkins
AuCoin	Dingell	Hefner
Barnard	Donnelly	Hertel
Bartlett	Dorgan	Hightower
Bateman	Dowdy	Hiler
Bates	Downey	Hillis
Bedell	Dreier	Holt
Bennett	Duncan	Hopkins
Bereuter	Durbin	Horton
Berman	Dymally	Howard
Bethune	Dyson	Hoyer
Bevill	Early	Hubbard
Biaggi	Eckart	Huckaby
Bilirakis	Edgar	Hughes
Billey	Edwards (AL)	Hunter
Boehlert	Edwards (CA)	Hutto
Boggs	Edwards (OK)	Hyde
Boland	Emerson	Jacobs
Boner	English	Jeffords
Bonior	Erdreich	Jenkins
Bonker	Erlenborn	Johnson
Borski	Evans (IA)	Jones (NC)
Bosco	Evans (IL)	Jones (OK)
Boucher	Ferraro	Jones (TN)
Boxer	Fiedler	Kaptur
Breaux	Fields	Kasich
Britt	Fish	Kastenmeier
Brooks	Flippo	Kazen
Broomfield	Florio	Kemp
Brown (CO)	Foglietta	Kennelly
Bryant	Foley	Kildee
Burton (CA)	Ford (TN)	Kindness
Burton (IN)	Forsythe	Kogovsek
Byron	Fowler	Kolter
Campbell	Franklin	Kostmayer
Carney	Frenzel	Kramer
Carper	Fuqua	LaFalce
Carr	Garcia	Lagomarsino
Chandler	Gaydos	Lantos
Chappell	Gejdenson	Latta
Chappie	Gekas	Leach
Cheney	Gephardt	Leath
Clarke	Gibbons	Lehman (CA)
Clinger	Gilman	Lehman (FL)
Coats	Gingrich	Lent
Coelho	Glickman	Levin
Coleman (MO)	Goodling	Levine
Coleman (TX)	Gore	Levitas
Collins	Gradison	Lewis (FL)
Conable	Gramm	Lipinski
Conte	Gray	Livingston
Cooper	Green	Lloyd
Corcoran	Gregg	Loeffler
Coughlin	Guarini	Long (LA)
Courter	Gunderson	Lott
Coyne	Hall (IN)	Lowery (CA)
Craig	Hall (OH)	Lowry (WA)
Crane, Philip	Hall, Ralph	Lujan

Luken	Pashayan	Smith (NE)
Lungren	Patman	Smith (NJ)
Mack	Patterson	Smith, Denny
MacKay	Paul	Smith, Robert
Madigan	Pease	Snowe
Markey	Penny	Snyder
Marlenee	Pepper	Solarz
Marriott	Perkins	Solomon
Martin (IL)	Petri	Spence
Martin (NC)	Pickle	Spratt
Martin (NY)	Porter	Staggers
Matsui	Price	Stenholm
Mavroules	Pursell	Stokes
Mazzoli	Quillen	Stratton
McCain	Rahall	Stump
McCandless	Ratchford	Sundquist
McCloskey	Ray	Swift
McCollum	Regula	Synar
McCurdy	Reid	Tallon
McDade	Richardson	Tauke
McEwen	Ridge	Tauzin
McGrath	Rinaldo	Taylor
McHugh	Ritter	Thomas (CA)
McKernan	Roberts	Thomas (GA)
McKinney	Robinson	Torres
McNulty	Roe	Torricelli
Mica	Roemer	Towns
Michel	Rogers	Traxler
Mikulski	Rose	Valentine
Miller (CA)	Rostenkowski	Vander Jagt
Mineta	Roth	Vandergriff
Minish	Roukema	Vento
Mitchell	Rowland	Volkmer
Moakley	Roybal	Vucanovich
Molinari	Rudd	Walgren
Mollohan	Russo	Walker
Moody	Sabo	Watkins
Moore	Savage	Weaver
Moorhead	Sawyer	Weber
Morrison (CT)	Schaefer	Weiss
Morrison (WA)	Schneider	Wheat
Murphy	Schroeder	Whitehurst
Murtha	Schulze	Whitley
Myers	Schumer	Whittaker
Natcher	Seiberling	Williams (OH)
Neal	Sensenbrenner	Wilson
Nelson	Shannon	Winn
Nichols	Sharp	Wirth
Nielson	Shaw	Wise
Nowak	Shelby	Wolf
O'Brien	Shumway	Wolpe
Oakar	Sikorski	Wortley
Oberstar	Siljander	Wright
Obey	Simon	Wyden
Olin	Sisisky	Wylie
Ortiz	Skeen	Yatron
Owens	Skelton	Young (AK)
Oxley	Slattery	Young (MO)
Panetta	Smith (FL)	Zablocki
Parris	Smith (IA)	Zschau

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The CHAIRMAN. Three hundred eighty-one Members have answered to their names, a quorum is present, and the Committee will resume its business.

The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise in strong support of the Caribbean Basin Economic Recovery Act. It is virtually the same bill which we passed by an overwhelming 260 to 142 last year. That bill, H.R. 7397, after receiving such tremendous support in the House was killed by inaction in the Senate.

President Reagan has taken a bold step in proposing this program to expand the economic opportunities and build strong trade relationships throughout our hemisphere. I urge support for the President's program to begin building a record of stable and growing trade with our closest neighbors and dear friends in the Caribbean and throughout Latin America.

The economic problems facing the nations which will benefit from this legislation are the same as our own: High unemployment, unstable currency, excessive government debt. The solutions are likewise the same. None of the nations of our region will solve their problems without sustained economic growth brought about by increased incentives to work, save and invest and a monetary system which provides sound, stable currencies and stable exchange rates. The CBI program is an important first step toward setting in place the preconditions for developing democracy and economic growth which is the best answer to communism in the world.

The program is modest. Ninety percent of all imports from the region are not affected by the legislation. Most of them already enjoy duty-free status under the generalized system of preferences. Others, such as leather, textiles, footwear, and petroleum, have been provided for separately. Thus, the intent of the legislation is to bring about expanded opportunities in new product areas rather than to bring about a change of existing product relationships.

Many have suggested that the trade and investment portions of the CBI will result in the export of jobs badly needed at home. Recent experience indicates the tremendous danger of this logic. As the austerity program of the International Monetary Fund has devastated the Mexican economy, trade with Mexico has declined rapidly. The retrenchment of Mexican output has meant a decline in imports from the United States, for in order to buy our goods, the Mexican worker must produce for trade. When that production is cut back, imports must necessarily fall. A vigorous trading and commercial market throughout the Caribbean Basin area can only help to build jobs for our workers and markets for their products. The Alliance for Progress, the good neighbor policy, the CBI are all steps in providing hope that democracy and justice and free enterprise can answer the siren song of socialism and communism.

Another aspect of the initiative before us is its focus on the individual. Expanding trade through a program which depends on the initiative and dedication of entrepreneurs, workers, and investors throughout the region—rather than on Government subsidies and wealth transfers—will result in the sustained and solid economic growth which will enable all of our neighbors, and ourselves, to prosper together.

I hope that our vote today will show an even larger majority than last year. We should send a strong signal to our friends in the region—and to those who would assault our democratic enterprise system—that we are prepared to stand beside our neighbors in defense of our common ideals with freedom, justice, and opportunity for all.

This is not a perfect bill, nor even a step toward perfection but it is critical in terms our evidencing our good faith and friendship for people who are looking to us for leadership.

Mr. CONABLE. Mr. Chairman, I yield the remainder of the minority's time to the gentleman from Illinois (Mr. MICHEL), the distinguished minority leader.

Mr. MICHEL. Mr. Chairman, there are three major reasons why we should vote for this bill:

The first is strategic. It is evident that the Caribbean Basin is important to the national security interests of United States of America.

Winston Churchill used to talk about "the soft underbelly of Europe." Look at a map—you will see that the Caribbean is our "soft underbelly." We have to help build the muscle necessary for these nations to avoid economic or political ruin.

If the Caribbean is allowed to become a staging ground for Communist adventurism, we will truly have a disaster on our hands.

The nations of this vital area of our hemisphere must be helped to gain or keep political freedom and become economically strong. American strategic interests can be served and democratic values can flourish only in an environment of security and prosperity.

Second, this bill is economically advantageous for the United States as well as for the Caribbean nations. As someone who comes from a district which depends heavily on exports, in manufacturing and agriculture, I know that a good export market builds jobs for Americans.

It is estimated that roughly 130,000 American jobs are dependent on Caribbean trade right now. That figure can grow. Expanding American export trade to the Caribbean can become a significant part of our Nation's economic growth in the near future.

This bill, with its ability to help to make the Caribbean nations into better markets for our goods, while at the same time helping to improve the Caribbean economy, is a sound investment in growth.

It is a sound investment in the future of people who work in communities like Peoria, Decatur, and Pekin and farm the land around those communities.

Finally—and perhaps most important—this bill has geopolitical overtones that need to be emphasized.

At this moment, the eyes of the entire world are directed toward our Nation's relationships with our closest hemispheric neighbors.

Everything we do—and things we fail to do—is examined around the world as evidence of our will to carry out a successful foreign policy in our hemisphere.

To turn our backs on the Caribbean nations today, therefore, would be an act of geopolitical folly. It would, in effect, tell the world that we are so confused that we cannot see and act upon facts that are right under our nose.

This bill, therefore, symbolizes our willingness to help our friends everywhere and to act in our own best interest.

Others, more learned than I, have told you about the exemptions from duty-free treatment contained in the bill. They have discussed in scholarly detail, the "rule-of-origin" features that have satisfied those previously critical of the bill.

I leave that to the experts.

All I want to leave you with is the idea that this bill is something more than the sum of its parts. Yes it is a dollars-and-cents proposition, good for us and good for our neighbors. But it is also an announcement to the world that the United States of America means to keep its promises to friendly neighbors. This, perhaps, may well be the most important fact of this bill from an historic viewpoint

I therefore urge all our colleagues to join in this bipartisan effort to have our nation do something beneficial in the Caribbean now so we will not be forced to do something painful later.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. COLEMAN).

Mr. COLEMAN of Texas. Mr. Chairman, I rise in support of the pending legislation and I request unanimous consent to revise and extend my remarks.

I rise in strong support of H.R. 2769, the Caribbean Basin Economic Recovery Act. This trade and tax package is sorely needed in that region of the Western Hemisphere to revitalize their ailing economies.

The Caribbean and Latin America are currently suffering from the effects of austerity programs—programs imposed as a result of balance-of-payments difficulties. The high price of petroleum imports, upon which they are dependent, and the declining prices received for their nonpetroleum exports have adversely impacted their economies thereby adding to outstanding foreign debts. We can ill-afford to run the risk of an economic collapse in the Caribbean or Central America.

The Caribbean Basin Economic Recovery Act makes good economic and foreign policy sense. Economic assistance in tandem with incentives for investment is a better policy than providing military assistance to an already explosive region. The economic assistance, enacted in the 97th Congess, has provided temporary relief for the Caribbean economies. The trade and tax incentives that we are voting on today provide an incentive for investment in the region. There will be no question on the part of the businessmen or producers as to a future market for their products. The 28 beneficiary countries will have an assured, duty-free market for specified exports. With an assured market, producers will begin capital expansion and there will be an increased demand for equipment to construct plants and factories. In essence, we are making a long-term investment in additional U.S. employment while assisting their structural debt problems.

In terms of foreign policy, we are voting today to strengthen the national security of the United States and the Western Hemisphere. Weak economies are a fertile ground for the spread of oppressive regimes. By bolstering the economies in the Caribbean Basin and Central America, we can substantially strengthen the political systems that are allied with our own goals—that is, the pursuit of democracy, human rights, and the freedom of all people in the Western Hemisphere.

Thank you Mr. Chairman.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Chairman, I rise in enthusiastic support of this legislation which is absolutely necessary.

The present course of action of the White House in the Caribbean Basin has been less than positive. This administration has emphasized military, not economic solutions. Despite the present level of economic assistance going to the region, the thrust of their policy has not been on development.

H.R. 2769, despite its flaws, is an act of good faith by the United States toward the economically distressed nations of the region. The relative economic progress and growth made during the sixties and seventies has been erased by the falling prices of agricultural products, and the rising cost of oil. In addition, the lack of diversity in the economies of most of these countries has left them without a great deal of hope, and without alternatives. They need a boost. Hopefully, H.R. 2769 will provide some incentive and relief.

If there is recovery in the basin, this will in turn provide stronger markets for U.S. goods and services, compensating for any immediate difficulties this legislation may cause U.S. workers.

Further, U.S. imports from the region in 1982 were $8.1 billion or 33 percent of our total imports. While this will probably increase if H.R. 2769 passes, it will not be enough of an increase to sound a full scale alarm on behalf of labor; 90 percent of the products coming from the region would not be affected anyway. They are already either duty free or not provided for in this bill.

It is not my intention to freely praise this legislation. It is, as I said, flawed. Especially since no new amendments were allowed, my support, therefore must be qualified. I am, instead, voting for this bill as a symbolic stand against the administration's policy of increased militarization of the Caribbean Basin. I want the nations of the region to know that they are not forgotten by Congress; that they are being supported; that this bill is only a first step.

I am not convinced that H.R. 2769 is the answer to development problems of the region. But I hope that any ill effects it may cause organized labor in this country will be offset by positive results for Caribbean Basin nations. These nations need our help. I believe it is to our benefit that we at least send a signal that we are trying.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio (Mr. APPLEGATE).

Mr. APPLEGATE. Mr. Chairman, I rise in strong opposition to H.R. 2769, the Caribbean Basin Economic Recovery Act, and do so on the basis that I believe this bill to be absolutely ludicrous in light of the current economic conditions in the United States as compounded by the high rate of unemployment that still exists. Frankly, this bill is a kick in the pants to the American taxpayer and the American worker.

There are few days that pass that I do not receive letters or telephone calls from constituents who oppose any more of their hard-earned tax dollars being sent to foreign countries for their development and that of their industries, especially in light of the very obvious need that our own basic domestic industries have for development and diversification. One need only view the steel industry, the auto industry, the pottery industry, or any number of other industries to see the devastation they are having to endure and the assistance that is needed for their survival. Yet, this body is now considering sending these necessary dollars to other countries when there is dire need for them here at home.

At the risk of being redundant, I must voice agreement with my colleagues who have stated that charity begins at home. In spite of the purported recovery in our national economy, there remains today many areas of the country that have as much as twice the national rate of unemployment plus more. My own district in southeastern Ohio has been devastated by the ongoing recession. We are still looking at an unemployment rate

of nearly 20 percent district wide, and frankly, there are not many signs on the horizon that would lead one to believe that this rate will drop any time soon. However, if my area or others were to receive some of the same help that we are proposing to send to the Caribbean Basin, I am sure we could reduce unemployment and reestablish the high degree of productivity that the northeast and midwest areas of the country were once noted for.

Mr. Chairman, with over 13 million Americans out of work and business failures at an all time high, I hope that the membership of this House will consider the ramifications of this bill and join with me in voting against it.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield the remaining time on the majority side to the gentleman from Texas (Mr. WRIGHT), the distinguished majority leader.

The CHAIRMAN. The gentleman from Texas (Mr. WRIGHT), the distinguised majority leader, is recognized for 6 minutes.

Mr. WRIGHT. Mr. Chairman, the vote we shall take in a very few minutes is probably one of the most important votes we are likely to cast this year. I implore my colleagues on the Democratic side: If ever you have found occasion to rise above partisanship or to rise even above some commitment you may thoughtlessly have made, please do so on this occasion.

There is far too much at stake for us to allow anything to interfere with our fulfilling the pledge that has been made in behalf of the United States by the President of the United States to our closest neighbors in the world. There is no other region on Earth which is as vital to the security of the United States as Latin America and, specifically, the Caribbean Basin.

It lies across the very windpipe of our Nation's strength. Through its waters must come the petroleum which is the lifeblood of our commerce. Its nations buy more from us, and thereby create more jobs in the United States producing manufactured goods for sale abroad, than any other group of nations anywhere. And yet, tragically, we have left Latin America very low in our perceived scale of priorities. That fact is not lost upon our neighbors in Latin America. Often, we have given the impression of taking our closest neighbors for granted.

There exists throughout the region an intermittent sense of neglect and an unspoken yearning to be good friends with the United States. As I have traveled through the countries of Latin America over a period of years, I have discovered that there are three American Presidents who are revered. One is Abraham Lincoln, who was a friend, contemporary and correspondent with President Benito Juarez of Mexico, and who emancipated the slaves. Another is Franklin Roosevelt, who proclaimed the doctrine of the good neighbor. And the third is John Fitzgerald Kennedy, who pioneered the concept the right of the entire region to have an Alliance for Progress and work together. With that brief, bold experiment, we raised high hopes, but too quickly abandoned it. We wearied too soon of the effort, and in so doing, we left a legacy of disillusionment.

Now, if we abandon this latest promise of a Caribbean Basin plan that has been made so solemnly to this region in behalf of all of us by the President and by our State Department, we shall undermine and embarrass not only the President, not only the State Department, but the very credibility of the United States in anything we want to do in the future throughout Latin America. We also would undermine friendly leaders recently elected on the pledge of closer economic and political ties to the United States—leaders like Edward Seaga of Jamaica.

Do not expect people down there to understand the nuances of the division of powers in the United States. Do not expect them to be sympathetic with the notion that there is a President of one party and a Congress of another which might for that reason dishonor his commitment. All they know is that they have been promised by the United States that we are going to launch a new program as sincere friends of theirs, that we are going to trade with them and allow them to sell certain of their goods on our markets, while they buy $6 billion worth of our goods every year.

The limit to the amount of our goods that they can purchase is only how many jobs they can generate in their own countries and thus allow their people the purchasing power to continue to be our best customers, which indeed they are.

When we have stood for positive things, we have won friends and respect in Latin America. When, in the early 1960's, a Peruvian military junta took over the government of that country, then President Kennedy said, "We are withdrawing our diplomatic recognition, and will restore it when you have a peaceful election and restore a peaceful government." They did, and he did. And we were respected.

When President Roosevelt withdrew troops from certain Latin American countries and enunciated the Good Neighbor policy, we won friends.

When we began the Alliance for Progress, we said in effect: "We are going to work with you, not just as a handout, but as a hand up to help you to develop those institutions that will demonstrate to your own people that they can have a better life, that they can have jobs and a realistic hope to earn enough to buy a little piece of land or a small home." For many whose progenitors had known only generations of landlessness, this represented the biggest hope that they might have. And we insisted that these things could come through the processes of political liberty, without sacrificing their freedoms. In so doing, we raised high hopes throughout the hemisphere.

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The people of Latin America want to be free. They do not want to give up their political liberties. But what they need most of all is bread, and jobs, and economic opportunity. This initiative holds out that hope.

Let me assure you, we are not going to win Latin America by guns alone. We will win it by ideals and ideas; and we will win it by being true to our ideals an our ideas. We will win it by keeping our word. We will win it by setting an example. Above all, we will win it by being consistant and persistent.

That is all we are asking to do here today. It does not really cost us anything. It will not cost the United States any jobs. We have 130,000 jobs right now that are dependent upon our exporting to Latin America. We are a net exporter to that country by some $3 billion, when you count everything except the petroleum that they provide for us in our need.

So when you look at it from any standpoint—politically, economically, morally, socially—surely you have to conclude that these are the friends that are most vital to our future. Without their friendship, we would be in serious trouble. And friendship is a two-way street. It is not the kind of a thing whereby we can dictate to them the terms of their internal solutions. But we can influence them into a better road if we show them that we are willing to be the good neighbor, and in as much as they purchase so much of our goods, that we are willing to purchase some of theirs.

So I implore you to join together and give to these, our closest neighbors, a demonstration that they do mean something to us; that the roads of friendship go both ways; and that when we have an opportunity to do something so simple and so cheap and costless to us, really, as this, but so important to them, that we do not neglect that opportunity.

The CHAIRMAN. All time for general debate having expired, pursuant to the rule, the bill is considered as having been read under the 5-minute rule. No amendments are in order except the amendments recommended by the Committee on Ways and Means now printed in the bill, which shall be considered en bloc and shall not be subject to amendment.

The text of the bill, H.R. 2769, is as follows:

H.R. 2769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Caribbean Basin Economic Recovery Act".

TITLE I—DUTY-FREE TREATMENT

SEC. 101. AUTHORITY TO GRANT DUTY-FREE TREATMENT.

The President may proclaim duty-free treatment for all eligible articles from any beneficiary country in accordance with the provisions of this title.

SEC. 102. BENEFICIARY COUNTRY.

(a)(1) For purposes of this title—

(A) The term "beneficiary country" means any country listed in subsection (b) with respect to which there is in effect a proclamation by the President designating such country as a beneficiary country for purposes of this title. Before the President designates any country as a beneficiary country for purposes of this title, he shall notify the House of Representatives and the Senate of his intention to make such designation, together with the considerations entering into such decision.

(B) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(C) The term "TSUS" means Tariff Schedules of the United States (19 U.S.C. 1202).

(2) If the President has designated any country as a beneficiary country for purposes of this title, he shall not terminate such designation (either by issuing a proclamation for that purpose or by issuing a proclamation which has the effect of terminating such designation) unless, at least sixty days before such termination, he has notified the House of Representatives and the Senate and has notified such country of his intention to terminate such designation, together with the considerations entering into such decision.

(b) In designating countries as "beneficiary countries" under this title, the President shall consider only the following countries and territories or successor political entities:

Anguilla	Nicaragua
Antigua and Barbuda	Panama
Bahamas, The	Saint Lucia
Barbados	Saint Vincent and the Grenadines
Belize	Surinam
Costa Rica	Trinidad and Tobago
Cuba	Cayman Islands
Dominica	Montserrat
Dominican Republic	Netherlands Antilles
El Salvador	Saint Christopher-Nevis
Grenada	Turks and Caicos Islands
Guatemala	Virgin Islands, British
Guyana	
Haiti	
Honduras	
Jamaica	

In addition, the President shall not designate any country a beneficiary country under this title—

(1) if such country is a Communist country;

(2) if such country—

(A) has nationalized, expropriated or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify an existing contract or agreement with a United States citizen or a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property, unless the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good-faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association, over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

promptly furnishes a copy of such determination to the Senate and House of Representatives;

(3) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership or association which is 50 per centum or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute;

(4) if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated or that action will be taken to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(5) if a government-owned entity in such country engages in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(6) unless such country is a signatory to a treaty, convention, protocol, or other agreement regarding the extradition of United States citizens.

Paragraphs (1), (2), and (3) shall not prevent the designation of any country as a beneficiary country under this Act if the President determines that such designation will be in the national economic or security interest of the United States and reports such determination to the Congress with his reasons therefor.

(c) In determining whether to designate any country a beneficiary country under this title, the President shall take into account—

(1) an expression by such country of its desire to be so designated;

(2) the economic conditions in such country, the living standards of its inhabitants, and any other economic factors which he deems appropriate;

(3) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country;

(4) the degree to which such country follows the accepted rules of international trade provided for under the General Agreement on Tariffs and Trade, as well as applicable trade agreements approved under section 2(a) of the Trade Agreements Act of 1979;

(5) the degree to which such country uses export subsidies or imposes export performance requirements or local content requirements which distort international trade;

(6) the degree to which the trade policies of such country as they relate to other beneficiary countries are contributing to the revitalization of the region;

(7) the degree to which such country is undertaking self-help measures to promote its own economic development;

(8) the degree to which workers in such country are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively;

(9) the extent to which such country prohibits its nationals from engaging in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(10) the extent to which such country is prepared to cooperate with the United States in the administration of the provisions of this title.

(d) General headnote 3(a) of the TSUS (relating to products of the insular possessions) is amended by adding at the end thereof the following paragraph:

"(iv) subject to the provisions in section 103 of the Caribbean Basin Economic Recovery Act, articles which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such articles when they are imported from a beneficiary country under such Act.".

(e) The President shall, after complying with the requirements of subsection (a)(2), withdraw or suspend the designation of any country as a beneficiary country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary country under subsection (b).

SEC. 103. ELIGIBLE ARTICLES.

(a)(1) Unless otherwise excluded from eligibility by this title, the duty-free treatment provided under this title shall apply to any article which is the growth, product, or manufacture of a beneficiary country if—

(A) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(B) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered.

For purposes of determining the percentage referred to in subparagraph (B), the term "beneficiary country" includes the Com-

monwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 per centum of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B).

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this title, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country; but no article or material of a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(A) simple combining or packaging operations, or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(3) As used in this subsection, the phrase "direct costs of processing operations" includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth, production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

(b) The duty-free treatment provided under this title shall not apply to—

(1) textile and apparel articles which are subject to textile agreements;

(2) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated at the time of the effective date of this title as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

(3) tuna, prepared or preserved in any manner, in airtight containers; or

(4) petroleum, or any product derived from petroleum, provided for in part 10 of schedule 4 of the TSUS.

(c)(1) As used in this subsection—

(A) The term "sugar and beef products" means—

(i) sugars, sirups, and molasses provided for in items 155.20 and 155.30 of the TSUS, and

(ii) articles of beef or veal, however provided for in subpart B of part 2 of schedule 1 of the TSUS.

(B) The term "Plan" means a stable food production plan that consists of measures and proposals designed to ensure that the present level of food production in, and the nutritional level of the population of, a beneficiary country will not be adversely affected by changes in land use and land ownership that will result if increased production of sugar and beef products is undertaken in response to the duty-free treatment extended under this title to such products. A Plan must specify such facts regarding, and such proposed actions by, a beneficiary country as the President deems necessary for purposes of carrying out this subsection, including but not limited to—

(i) the current levels of food production and nutritional health of the population;

(ii) current levels of production and export of sugar and beef products;

(iii) expected increases in production and export of sugar and beef products as a result of the duty-free access to the United States market provided under this title;

(iv) measures to be taken to ensure that the expanded production of those products because of such duty-free access will not occur at the expense of staple food production; and

(v) proposals for a system to monitor the impact of such duty-free access on staple food production and land use and land ownership patterns.

(2) Duty-free treatment extended under this title to sugar and beef products that are the product of a beneficiary country shall be suspended by the President under this subsection if—

(A) the beneficiary country, within the ninety-day period beginning on the date of its designation as such a country under section 102, does not submit a Plan to the President for evaluation;

(B) on the basis of his evaluation, the President determines that the Plan of a beneficiary country does not meet the criteria set forth in paragraph (1)(B); or

(C) as a result of the monitoring of the operation of the Plan under paragraph (5), the President determines that a beneficiary country is not making a good faith effort to implement its Plan, or that the measures and proposals in the Plan, although being implemented, are not achieving their purposes.

(3) Before the President suspends duty-free treatment by reason of paragraph (2)(A), (B), or (C) to the sugar and beef products of a beneficiary country, he must offer to enter into consultation with the beneficiary country for purposes of formulating appropriate remedial action which may be taken by that country to avoid such suspension. If the beneficiary country thereafter enters into consultation within a reasonable time and undertakes to formulate remedial action in good faith, the President shall withhold the suspension of duty-free treatment on the condition that the remedial action agreed upon be appropriately implemented by that country.

(4) The President shall monitor on a biennial basis the operation of the Plans implemented by beneficiary countries, and shall submit a written report to Congress by March 15 following the close of each biennium, that—

(A) specifies the extent to which each Plan, and remedial actions, if any, agreed upon under paragraph (4), have been implemented; and

(B) evaluates the results of such implementation.

(5) The President shall terminate any suspension of duty-free treatment imposed under this subsection if he determines that the beneficiary country has taken appropriate action to remedy the factors on which the suspension was based.

(d) For such period as there is in effect a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to protect a price-support program for sugar beets and sugarcane, the importation and duty-free treatment of sugars, syrups, and molasses classified under items 155.20 and 155.30 of the TSUS shall be governed in the following manner:

(1)(A) For all beneficiary countries, except those subject to subparagagph (B) and paragraph (2), duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.), at the time of the effective date of this title; except that the President upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the value limitation provided for in section 504(c)(1) of the Trade Act of 1974 on the duty-free treatment afforded to beneficiary countries under this section if he finds that such adjustment will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions.

(B) As an alternative to subparagraph (A), the President may at the request of a beneficiary country not subject to paragraph (2) and upon the recommendation of the Secretary of Agriculture, elect to permit sugar, sirups, and molasses from that country to enter duty-free during a calendar year subject to quantitative limitations to be established by the President on the quantity of sugar, sirups, and molasses entered from that country.

(2) For the following countries whose exports of sugar, sirups, and molasses in 1981 were not eligible for duty-free treatment because of the operation of section 504(c) of the Trade Act of 1974, the quantity of sugar, sirups, and molasses which may be entered in any calendar year shall be limited to no more than the quantity specified below:

Metric tons:

Dominican Republic	780,000
Guatemala	210,000
Panama	160,000

Such sugar, sirups, and molasses shall be admitted free of duty, except as provided for in paragraph (3).

(3) The President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the quantitative limitations imposed under paragraph (1)(B) or (2) if he determines such action will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions. The President, upon the recommendation of the Secretary of Agriculture, may suspend the duty free treatment for all or part of the quantity of sugar, sirups, and molasses permitted to be entered by paragraphs (1)(B) and (2) if such action is necessary to protect the price-support program for sugar beets and sugar cane.

(4) Any quantitative limitation imposed on a beneficiary country under paragraph (1)(B) or (2) shall apply only to the extent that such limitation permits a lesser quantity of sugar, sirups, and molasses to be entered from that country than the quantity that would be permitted to be entered under any other provision of law.

(e)(1) The President may by proclamation suspend the duty-free treatment provided by this title with respect to any eligible arti-

cle and may proclaim a duty rate for such article if such action is proclaimed pursuant to section 203 of the Trade Act of 1974 or section 232 of the Trade Expansion Act of 1962. Any proclamation issued pursuant to section 203 of the Trade Act of 1974 that is in effect when duty-free treatment pursuant to section 101 of this title is proclaimed shall remain in effect until modified or terminated.

(2) In any report by the International Trade Commission to the President under section 201(d)(1) of the Trade Act of 1974 regarding any article for which duty-free treatment has been proclaimed by the President pursuant to this title, the Commission shall state whether and to what extent its findings and recommendations apply to such article when imported from beneficiary countries. With respect to any article which is subject to import relief in effect at the time duty-free treatment is proclaimed pursuant to section 101 of this title, the President may reduce or terminate the application of such import relief to imports from beneficiary countries prior to its otherwise scheduled date pursuant to the criteria and procedures of subsections (h) and (i) of section 203 of the Trade Act of 1974.

(3) For purposes of subsections (a) and (c) of section 203 of the Trade Act of 1974, the suspension of the duty-free treatment provided by this title shall be treated as an increase in duty.

(4) No proclamation which provides solely for a suspension referred to in paragraph (3) of this subsection with respect to any article shall be made under subsection (a) and (c) of section 203 of the Trade Act of 1974 unless the United States International Trade Commission, in addition to making an affirmative determination with respect to such article under section 201(b) of the Trade Act of 1974, determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the duty-free treatment provided by this title.

(f)(1) If a petition is filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974 regarding a perishable product and alleging injury from imports from beneficiary countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted pursuant to paragraph (3) of this subsection with respect to such article.

(2) Within fourteen days after the filing of a petition under paragraph (1) of this subsection—

(A) if the Secretary of Agriculture has reason to believe that a perishable product from a beneficiary country is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, he shall advise the President and recommend that the President take emergency action; or

(B) the Secretary of Agriculture shall publish a notice of his determination not to recommend the imposition of emergency action and so advise the petitioner.

(3) Within seven days after the President receives a recommendation from the Secretary of Agriculture to take emergency action pursuant to paragraph (2) of this subsection, he shall issue a proclamation withdrawing the duty-free treatment provided by this title or publish a notice of his determination not to take emergency action.

(4) The emergency action provided by paragraph (3) of this subsection shall cease to apply—

(A) upon the proclamation of import relief pursuant to section 202(a)(1) of the Trade Act of 1974,

(B) on the day the President makes a determination pursuant to section 203(b)(2) not to impose import relief,

(C) in the event of a report of the United States International Trade Commission containing a negative finding, on the day the Commission's report is submitted to the President, or

(D) whenever the President determines that because of changed circumstances such relief is no longer warranted.

(5) For purposes of this subsection, the term "perishable product" means—

(A) live plants provided for in subpart A of part 6 of schedule 1 of the TSUS;

(B) fresh or chilled vegetables provided for in items 135.10 through 138.42 of the TSUS;

(C) fresh mushrooms provided for in item 144.10 of the TSUS;

(D) fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21 and 149.50 of the TSUS; and

(E) fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of the TSUS.

(g) No proclamation issued pursuant to this title shall affect fees imposed pursuant to section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

SEC. 104. MEASURES FOR PUERTO RICO AND UNITED STATES INSULAR POSSESSIONS.

(a) Effective with respect to articles entered on or after the effective date of this Act, general headnote 3(a) of the TSUS is amended—

(1) by amending clause (i)—

(A) by striking out "50 percent" and inserting in lieu thereof "70 percent", and

(B) by inserting after "total value", "(or more than 50 percent of their total value with respect to articles described in section 103(b) of the Caribbean Basin Economic Recovery Act)"; and

(2) by amending clause (ii) by striking out "50 percent" and inserting in lieu thereof "70 percent".

(b) Item 813.31 of the TSUS is amended by striking out "4 liters" and inserting in lieu thereof "5 liters", and by inserting after "United States.", "and not more than 4 liters of which shall have been produced elsewhere than in such insular possessions,".

(c) If the sum of the amounts of taxes covered into the treasuries of Puerto Rico or the United States Virgin Islands pursuant to section 7652(c) of the Internal Revenue Code of 1954 is reduced below the amount that would have been covered over if the imported rum had been produced in Puerto Rico or the United States Virgin Islands, then the President shall consider compensation measures and, in this regard, may withdraw the duty-free treatment on rum provided by this title. The President shall submit a report to the Congress on the measures he takes.

(d) Section 1112 of the Trade Agreements Act of 1979 (19 U.S.C. 2582) is repealed.

(e) No action pursuant to this title may affect any tariff duty imposed by the Legislature of Puerto Rico pursuant to section 319 of the Tariff Act of 1930 (19 U.S.C. 1319) on coffee imported into Puerto Rico.

(f) For purposes of chapter 1 of title II of the Trade Act of 1974, the term "industry" shall include producers located in the United States insular possessions.

(g) Any discharge from a point source in the United States Virgin Islands in existence on the date of the enactment of this subsection which discharge is attributable to the manufacture of rum (as defined in paragraphs (3) of section 7652(c) of the Internal Revenue Code of 1954) shall not be subject to the requirements of section 301 (other than toxic pollutant discharges), section 306 or section 403 of the Federal Water Pollution Control Act if—

(1) such discharge occurs at least one thousand five hundred feet into the territorial sea from the line of ordinary low water from that portion of the coast which is in direct contact with the sea, and

(2) the Governor of the United States Virgin Islands determines that such discharge will not interfere with the attainment or maintenance of that water quality which shall assure protection of public water supplies, and the protection and propagation of a balanced population of shellfish, fish, and wildlife, and allow recreational activities, in and on the water and will not result in the discharge of pollutants in quantities which may reasonably be anticipated to pose an unacceptable risk to human health or the environment because of bioaccumulation, persistency in the environment, acute toxicity, chronic toxicity (including carcinogenicity, mutagenicity, or teratogenicity), or synergistic propensities.

SEC. 105. INTERNATIONAL TRADE COMMISSION REPORTS ON IMPACT OF THIS ACT.

(a) The United States International Trade Commission (hereinafter in this section referred to as the "Commission") shall prepare, and submit to the Congress and to the President, a report regarding the economic impact of this Act on United States industries and consumers during—

(1) the twenty-four-month period beginning with the date of enactment of this Act; and

(2) each calendar year occurring thereafter until duty-free treatment under this title is terminated under section 106(b).

For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States shall be considered to be United States industries.

(b)(1) Each report required under subsection (a) shall include, but not be limited to, an assessment by the Commission regarding—

(A) the actual effect, during the period covered by the report, of this Act on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and

(B) the probable future effect which this Act will have on the United States economy generally, as well as on such domestic industries, before the provisions of this Act terminate.

(2) In preparing the assessments required under paragraph (1), the Commission shall, to the extent practicable—

(A) analyze the production, trade, and consumption of United States products affected by this Act, taking into consideration employment, profit levels, and use of productive facilities with respect to the domes-

tic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production; and

(B) describe the nature and extent of any significant change in employment, profit levels, and use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned, which it believes are attributable to this Act.

(c)(1) Each report required under subsection (a) shall be submitted to the Congress and to the President before the close of the nine-month period beginning on the day after the last day of the period covered by the report.

(2) The Commission shall provide opportunity for the submission by the public, either orally or in writing, or both, of information relating to matters that will be addressed in the reports.

SEC. 106. FEASIBILITY STUDY REGARDING A CARIBBEAN TRADE INSTITUTE.

(a) The Secretary of State shall prepare a study regarding the feasibility of establishing a Caribbean Trade Institute in Harlem, New York City, supported by a combination of Federal and private funds.

(b) The study shall include, but not be limited to, an assessment of the extent to which, and the means by which, a Caribbean Trade Institute could—

(1) facilitate cooperation between public and private entities interested in engaging in or furthering Caribbean trade;

(2) serve as a catalyst for greater cultural exchange between the United States and Caribbean nations; and

(3) facilitate expansion of job opportunities both in the United States and the Caribbean Basin.

The study shall also include suggestions regarding the organization and staffing of such an institute.

(c) The study required by this section shall be submitted to the Congress within six months after the date of the enactment of this Act.

SEC. 107. EFFECTIVE DATE OF TITLE AND TERMINATION OF DUTY-FREE TREATMENT.

(a) EFFECTIVE DATE.—This title shall take effect on the date of the enactment of this Act.

(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this title shall remain in effect after September 30, 1995.

TITLE II—TAX PROVISIONS

SEC. 201. PAYMENT OF EXCISE TAXES COLLECTED ON RUM TO PUERTO RICO AND THE UNITED STATES VIRGIN ISLANDS.

(a) IN GENERAL.—Section 7652 of the Internal Revenue Code of 1954 (relating to shipments to the United States) is amended by inserting after subsection (b) the following new subsection:

"(c) SHIPMENTS OF RUM TO THE UNITED STATES.—

"(1) EXCISE TAXES ON RUM COVERED INTO TREASURIES OF PUERTO RICO AND VIRGIN ISLANDS.—All taxes collected under section 5001(a)(1) on rum imported into the United States (less the estimated amount necessary for payment of refunds and drawbacks) shall be covered into the treasuries of Puerto Rico and the Virgin Islands.

"(2) SECRETARY PRESCRIBES FORMULA.—The Secretary shall, from time to time, prescribe by regulation a formula for the division of such tax collections between Puerto Rico and the Virgin Islands and the timing and methods for transferring such tax collections.

"(3) RUM DEFINED.—For purposes of this subsection, the term 'rum' means any article classified under item 169.13 or 169.14 of the Tariff Schedules of the United States (19 U.S.C. 1202).

"(4) COORDINATION WITH SUBSECTIONS (a) AND (b).—Paragraph (1) shall not apply with respect to any rum subject to tax under subsection (a) or (b).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles imported into the United States after June 30, 1983.

SEC. 202. TREATMENT OF CARIBBEAN CONVENTIONS, ETC.

(a) GENERAL RULE.—Subsection (h) of section 274 of the Internal Revenue Code of 1954 (relating to attendance at conventions, etc.) is amended by adding at the end thereof the following new paragraph:

"(5) TREATMENT OF CONVENTIONS IN CERTAIN CARIBBEAN COUNTRIES.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'North American area' includes, with respect to any convention, seminar, or similar meeting, any beneficiary country if (as of the time such meeting begins)—

"(i) there is in effect a bilateral or multilateral agreement between such country and the United States providing for the exchange of information between the United States and such country, and

"(ii) there is not in effect a finding by the Secretary that the tax laws of such country discriminate against conventions held in the United States.

"(B) BENEFICIARY COUNTRY.—For purposes of this paragraph, the term 'beneficiary country' has the meaning given to such term by section 102(a)(1)(A) of the Caribbean Basin Economic Recovery Act; except that such term shall include Bermuda.

"(C) AUTHORITY TO CONCLUDE EXCHANGE OF INFORMATION AGREEMENTS.—The Secretary is authorized to negotiate and conclude an agreement for the exchange of information with any beneficiary country. An exchange of information agreement shall provide for the exchange of such information (not limited to information concerning nationals or residents of the United States or the beneficiary country) as may be necessary or appropriate to carry out and enforce the tax laws of the United States and the beneficiary country (whether criminal or civil proceedings), including information which may otherwise be subject to nondisclosure provisions of the local law of the beneficiary country such as provisions respecting bank secrecy and bearer shares. The exchange of information agreement shall be terminable by either country on reasonable notice and shall provide that information received by either country will be disclosed only to persons or authorities (including courts and administrative bodies) involved in the administration or oversight of, or in the determination of appeals in respect of, taxes of the United States or the beneficiary country and will be used by such persons or authorities only for such purposes.

"(D) COORDINATION WITH SECTION 6103.—Any exchange of information agreement negotiated under subparagraph (C) shall be treated as an income tax convention for purposes of section 6103(k)(4).

"(E) FINDINGS PUBLISHED IN THE FEDERAL REGISTER.—Any finding by the Secretary under subparagraph (A)(ii) (and any termination thereof) shall be published in the Federal Register."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to conventions, seminars, or other meetings beginning after June 30, 1983.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: Page 4, strike out lines, 5 through 12, inclusive, and insert the following:

(B) has taken steps to repudiate or nullify—

(i) any existing contract or agreement with, or

(ii) any patent, trademark, or other intellectual property of,

a United States citizen or a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

Page 8, after line 15, insert the following:

(9) the extent to which such country provides under its law adequate and effective means for foreign nationals to secure, exercise, and enforce exclusive rights in intellectual property, including patent, trademark, and copyright rights;

Page 8, line 21, strike out "(9)" and insert "(10)".

Page 9, line 1, strike out "(10)" and insert "(11)".

Page 23, strike out line 23 and all that follows thereafter down through line 23 on page 24.

Page 27, between lines 2 and 10 insert the following:

SEC. 106. IMPACT STUDY BY SECRETARY OF LABOR.

The Secretary of Labor, in consultation with other appropriate Federal agencies, shall undertake a continuing review and analysis of the impact which the implementation of the provisions of this title have with respect to United States labor; and shall make an annual written report to Congress on the results of such review and analysis.

Redesignate the succeeding sections of title I of the bill appropriately.

Page 32, after line 15, insert:

SEC. 203. REPORT WITH RESPECT TO USE OF CARIBBEAN BASIN TAX HAVENS.

The Secretary of the Treasury shall, not later than 90 days after the date of the enactment of this Act, report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

(1) the level at which Caribbean Basin tax havens are being used to evade or avoid Federal taxes, and the effect on Federal revenues of such use.

(2) any information he may have on the relationship of such use to drug trafficking and other criminal activities, and

(3) current anti-tax haven enforcement activities of the Department of the Treasury.

Mr. ROSTENKOWSKI (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The committee amendments were agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2769) to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region, pursuant to the House Resolution 246, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the committee amendments en bloc.

The committee amendments en bloc were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. ROGERS. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ROGERS moves to recommit the bill, H.R. 2769, to the Committee on Ways and Means.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ECKART. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 289, noes 129, not voting 15, as follows:

[Roll No. 250]

AYES—289

Addabbo	Aspin	Bennett
Alexander	Barnard	Bereuter
Andrews (NC)	Barnes	Berman
Andrews (TX)	Bartlett	Bethune
Annunzio	Bateman	Biaggi
Anthony	Bedell	Billrakis
Archer	Bellenson	Bliley
Boehlert	Hightower	Pepper
Boggs	Hiler	Petri
Boland	Hillis	Pickle
Bonior	Holt	Porter
Bonker	Hoyer	Price
Bosco	Huckaby	Pursell
Boucher	Hughes	Quillen
Breaux	Hunter	Rangel
Britt	Hutto	Ratchford
Brooks	Hyde	Ray
Broomfield	Jacobs	Regula
Brown (CA)	Jeffords	Reid
Brown (CO)	Jenkins	Richardson
Bryant	Johnson	Ridge
Burton (IN)	Jones (OK)	Rinaldo
Byron	Kasich	Ritter
Campbell	Kazen	Roberts
Carney	Kemp	Robinson
Carper	Kennelly	Roe
Chandler	Kindness	Roemer
Chappell	Kostmayer	Rostenkowski
Chappie	Kramer	Roth
Cheney	LaFalce	Roukema
Clarke	Lagomarsino	Rowland
Clinger	Latta	Rudd
Coats	Leach	Russo
Coelho	Leath	Sabo
Coleman (MO)	Lehman (CA)	Sawyer
Coleman (TX)	Lehman (FL)	Schaefer
Conable	Lent	Schneider
Conte	Levin	Schulze
Corcoran	Levine	Schumer
Coughlin	Levitas	Seiberling
Courter	Lewis (CA)	Sensenbrenner
Coyne	Lipinski	Sharp
Craig	Livingston	Shaw
Crane, Philip	Loeffler	Shumway
D'Amours	Long (LA)	Shuster
Daniel	Long (MD)	Siljander
Dannemeyer	Lott	Simon
Daub	Lowery (CA)	Sisisky
de la Garza	Lowry (WA)	Skeen
DeWine	Lujan	Smith (FL)
Dickinson	Lungren	Smith (IA)
Dorgan	Mack	Smith (NE)
Downey	MacKay	Smith (NJ)
Dreier	Madigan	Smith, Denny
Dwyer	Markey	Smith, Robert
Dymally	Marlenee	Snowe
Edwards (AL)	Marriott	Solarz
Edwards (OK)	Martin (NC)	Solomon
English	Martin (NY)	Spence
Erlenborn	Martinez	Spratt
Evans (IA)	Mazzoli	Stark
Fascell	McCain	Stenholm
Ferraro	McCandless	Stratton
Fiedler	McCloskey	Stump
Fields	McCollum	Sundquist
Fish	McCurdy	Swift
Florio	McDade	Synar
Foley	McDonald	Tallon
Ford (TN)	McGrath	Tauke
Forsythe	McKernan	Tauzin
Fowler	McKinney	Thomas (CA)
Franklin	McNulty	Thomas (GA)
Frenzel	Mica	Torres
Fuqua	Michel	Towns
Garcia	Moakley	Udall
Gejdenson	Molinari	Vander Jagt
Gekas	Montgomery	Vucanovich
Gibbons	Moody	Watkins
Gilman	Moore	Waxman
Gingrich	Moorhead	Weber
Glickman	Morrison (WA)	Weiss
Goodling	Mrazek	Whitehurst
Gradison	Myers	Whittaker
Gramm	Neal	Williams (MT)
Green	Nelson	Wilson
Gregg	Nichols	Winn
Guarini	Nielson	Wirth
Gunderson	O'Brien	Wolf
Hall, Ralph	Olin	Wolpe
Hall, Sam	Ortiz	Wortley
Hamilton	Ottinger	Wright
Hammerschmidt	Owens	Young (AK)
Hance	Oxley	Young (FL)
Hansen (ID)	Parris	Zablocki
Hansen (UT)	Pashayan	Zschau
Hartnett	Patman	
Hatcher	Pease	

NOES—129

Ackerman	Anderson	Bates
Akaka	Applegate	Bevill
Albosta	AuCoin	Boner
Borski	Harrison	Panetta
Boxer	Hawkins	Patterson
Burton (CA)	Hefner	Paul
Carr	Hertel	Penny
Clay	Hopkins	Perkins
Collins	Horton	Rahall
Cooper	Howard	Rogers
Crockett	Hubbard	Rose
Daschle	Jones (NC)	Roybal
Davis	Jones (TN)	Savage
Dellums	Kaptur	Scheuer
Derrick	Kastenmeier	Schroeder
Dingell	Kildee	Shannon
Dixon	Kogovsek	Shelby
Donnelly	Kolter	Sikorski
Dowdy	Lantos	Skelton
Duncan	Lewis (FL)	Slattery
Durbin	Lloyd	Snyder
Dyson	Luken	Staggers
Early	Lundine	Stokes
Eckart	Martin (IL)	Taylor
Edgar	Matsui	Torricelli
Edwards (CA)	Mavroules	Traxler
Emerson	McEwen	Valentine
Erdreich	McHugh	Vandergriff
Evans (IL)	Mikulski	Vento
Feighan	Miller (CA)	Volkmer
Flippo	Miller (OH)	Walgren
Foglietta	Mineta	Walker
Ford (MI)	Minish	Weaver
Frank	Mitchell	Wheat
Frost	Mollohan	Whitley
Gaydos	Morrison (CT)	Whitten
Gephardt	Murphy	Williams (OH)
Gonzalez	Murtha	Wise
Gore	Natcher	Wyden
Gray	Nowak	Wylie
Hall (IN)	Oakar	Yates
Hall (OH)	Oberstar	Yatron
Harkin	Obey	Young (MO)

NOT VOTING—15

Badham	Fazio	Pritchard
Broyhill	Heftel	Rodino
Conyers	Ireland	St Germain
Crane, Daniel	Leland	Stangeland
Dicks	Packard	Studds

□ 1315

The Clerk announced the following pairs:

On this vote:

Mr. Badham for, with Mr. Heftel against.

Mr. SCHEUER changed his vote from "aye" to "no."

Mr. REID and BRITT changed their votes from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 2769, just passed.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

REPEAL OF WITHHOLDING OF TAX FROM INTEREST AND DIVIDENDS

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2973) to repeal the withholding of tax from interest and dividends, with a

Senate amendment thereto, concur in the Senate amendment with an amendment, and request a conference with the Senate thereon.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the proposed amendment.

The Clerk read the House amendment to the Senate amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE I—REPEAL OF WITHHOLDING FROM INTEREST AND DIVIDENDS

SEC. 101. REPEAL OF WITHHOLDING FROM INTEREST AND DIVIDENDS.

(a) REPEAL.—Subtitle A of title III of the Tax Equity and Fiscal Responsibility Act of 1982 (relating to withholding of tax from interest and dividends) is hereby repealed.

(b) CONFORMING PROVISION.—Except as provided in section 102 of this Act, the Internal Revenue Code of 1954 shall be applied and administered as if such subtitle A (and the amendments made by such subtitle A) had not been enacted.

SEC. 102. ADJUSTMENTS TO ESTIMATED TAX PAYMENTS.

(a) GENERAL RULE.—For purposes of determining the amount of any addition to tax under section 6654 of the Internal Revenue Code of 1954 with respect to any installment required to be paid before July 1, 1983, the amount of the credit allowed by section 31 of such Code for any taxable year which includes any portion of the period beginning July 1, 1983, and ending December 31, 1983, shall be increased by an amount equal to 10 per centum of the aggregate amount of payments—

(1) which are received or accrued during the portion of such taxable year after June 30, 1983, and before January 1, 1984, and

(2) which (but for the repeal made by section 101 of this Act) would have been subject to withholding under subchapter B of chapter 24 of such Code (determined without regard to the exemption for exempt individuals).

(b) REFERENCES TO REPEALED PROVISIONS.—References in sections 3402(s) and 6049 of such Code to provisions repealed by section 101 of this Act shall be treated as references to such provisions before their repeal.

TITLE II—CARIBBEAN BASIN INITIATIVE

SEC. 201. SHORT TITLE.

This title may be cited as the "Caribbean Basin Economic Recovery Act".

Subtitle A—Duty-Free Treatment

SEC. 211. AUTHORITY TO GRANT DUTY-FREE TREATMENT.

The President may proclaim duty-free treatment for all eligible articles from any beneficiary country in accordance with the provisions of this subtitle.

SEC. 212. BENEFICIARY COUNTRY.

(a)(1) For purposes of this subtitle—

(A) The term "beneficiary country" means any country listed in subsection (b) with respect to which there is in effect a proclamation by the President designating such country as a beneficiary country for purposes of this title. Before the President designates any country as a beneficiary country for purposes of this title, he shall notify the House of Representatives and the Senate of his intention to make such designation, together with the considerations entering into such decision.

(B) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(C) The term "TSUS" means Tariff Schedules of the United States (19 U.S.C. 1202).

(2) If the President has designated any country as a beneficiary country for purposes of this subtitle, he shall not terminate such designation (either by issuing a proclamation for that purpose or by issuing a proclamation which has the effect of terminating such designation) unless, at least sixty days before such termination, he has notified the House of Representatives and the Senate and has notified such country of his intention to terminate such designation, together with the considerations entering into such decision.

(b) In designating countries as "beneficiary countries" under this subtitle, the President shall consider only the following countries and territories or successor political entities:

Anguilla	Nicaragua
Antigua and Barbuda	Panama
Bahamas, The	Saint Lucia
Barbados	Saint Vincent and the Grenadines
Belize	Surinam
Costa Rica	Trinidad and Tobago
Cuba	Cayman Islands
Dominica	Montserrat
Dominican Republic	Netherlands Antilles
El Salvador	Saint Christopher-Nevis
Grenada	Turks and Caicos Islands
Guatemala	Virgin Islands, British
Guyana	
Haiti	
Honduras	
Jamaica	

In addition, the President shall not designate any country a beneficiary country under this subtitle

(1) if such country is a Communist country;

(2) if such country—

(A) has nationalized, expropriated or otherwise seized ownership or control of property owned by a United States citizen or by a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens,

(B) has taken steps to repudiate or nullify—

(i) any existing contract or agreement with, or

(ii) any patent, trademark, or other intellectual property of,

a United States citizen or a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of property so owned, or

(C) has imposed or enforced taxes or other exactions, restrictive maintenance or operational conditions, or other measures with respect to property so owned, the effect of which is to nationalize, expropriate, or otherwise seize ownership or control of such property, unless the President determines that—

(i) prompt, adequate, and effective compensation has been or is being made to such citizen, corporation, partnership, or association,

(ii) good-faith negotiations to provide prompt, adequate, and effective compensation under the applicable provisions of international law are in progress, or such country is otherwise taking steps to discharge its obligations under international law with respect to such citizen, corporation, partnership, or association, or

(iii) a dispute involving such citizen, corporation, partnership, or association, over compensation for such a seizure has been submitted to arbitration under the provisions of the Convention for the Settlement of Investment Disputes, or in another mutually agreed upon forum, and

promptly furnishes a copy of such determination to the Senate and House of Representatives;

(3) if such country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of United States citizens or a corporation, partnership, or association which is 50 per centum or more beneficially owned by United States citizens, which have been made by arbitrators appointed for each case or by permanent arbitral bodies to which the parties involved have submitted their dispute;

(4) if such country affords preferential treatment to the products of a developed country, other than the United States, which has, or is likely to have, a significant adverse effect on United States commerce, unless the President has received assurances satisfactory to him that such preferential treatment will be eliminated or that action will be taken to assure that there will be no such significant adverse effect, and he reports those assurances to the Congress;

(5) if a government-owned entity in such country engages in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(6) unless such country is a signatory to a treaty, convention, protocol, or other agreement regarding the extradition of United States citizens.

Paragraphs (1), (2), and (3) shall not prevent the designation of any country as a beneficiary country under this subtitle if the President determines that such designation will be in the national economic or security interest of the United States and reports such determination to the Congress with his reasons therefor.

(c) In determining whether to designate any country a beneficiary country under this subtitle, the President shall take into account—

(1) an expression by such country of its desire to be so designated;

(2) the economic conditions in such country, the living standards of its inhabitants, and any other economic factors which he deems appropriate;

(3) the extent to which such country has assured the United States it will provide equitable and reasonable access to the markets and basic commodity resources of such country;

(4) the degree to which such country follows the accepted rules of international trade provided for under the General Agreement on Tariffs and Trade, as well as applicable trade agreements approved under section 2(a) of the Trade Agreements Act of 1979;

(5) the degree to which such country uses export subsidies or imposes export performance requirements or local content requirements which distort international trade;

(6) the degree to which the trade policies of such country as they relate to other ben-

eficiary countries are contributing to the revitalization of the region;

(7) the degree to which such country is undertaking self-help measures to promote its own economic development;

(8) the degree to which workers in such country are afforded reasonable workplace conditions and enjoy the right to organize and bargain collectively;

(9) the extent to which such country provides under its law adequate and effective means for foreign nationals to secure, exercise, and enforce exclusive rights in intellectual property, including patient, trademark, and copyright rights;

(10) the extent to which such country prohibits its nationals from engaging in the broadcast of copyrighted material, including films or television material, belonging to United States copyright owners without their express consent; and

(11) the extent to which such country is prepared to cooperate with the United States in the administration of the provisions of this title.

(d) General headnote 3(a) of the TSUS (relating to products of the insular possessions) is amended by adding at the end thereof the following paragraph:

"(iv) Subject to the provisions in section 213 of the Caribbean Basin Economic Recovery Act, articles which are imported from insular possessions of the United States shall receive duty treatment no less favorable than the treatment afforded such articles when they are imported from a beneficiary country under such Act.".

(e) The President shall, after complying with the requirements of subsection (a)(2), withdraw or suspend the designation of any country as a beneficiary country if, after such designation, he determines that as the result of changed circumstances such country would be barred from designation as a beneficiary country under subsection (b).

SEC. 213. ELIGIBLE ARTICLES.

(a)(1) Unless otherwise excluded from eligibility by this subtitle, the duty-free treatment provided under this subtitle shall apply to any article which is the growth, product, or manufacture of a beneficiary country if—

(A) that article is imported directly from a beneficiary country into the customs territory of the United States; and

(B) the sum of (i) the cost or value of the materials produced in a beneficiary country or two or more beneficiary countries, plus (ii) the direct costs of processing operations performed in a beneficiary country or countries is not less than 35 per centum of the appraised value of such article at the time it is entered.

For purposes of determining the percentage referred to in subparagraph (B), the term "beneficiary country" includes the Commonwealth of Puerto Rico and the United States Virgin Islands. If the cost or value of materials produced in the customs territory of the United States (other than the Commonwealth of Puerto Rico) is included with respect to an article to which this paragraph applies, an amount not to exceed 15 per centum of the appraised value of the article at the time it is entered that is attributable to such United States cost or value may be applied toward determining the percentage referred to in subparagraph (B).

(2) The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out this subsection including, but not limited to, regulations providing that, in order to be eligible for duty-free treatment under this subtitle, an article must be wholly the growth, product, or manufacture of a beneficiary country, or must be a new or different article of commerce which has been grown, produced, or manufactured in the beneficiary country; but no article or material or a beneficiary country shall be eligible for such treatment by virtue of having merely undergone—

(A) simple combining or packaging operations, or

(B) mere dilution with water or mere dilution with another substance that does not materially alter the characteristics of the article.

(3) As used in this subsection, the phrase "direct costs of processing operations" includes, but is not limited to—

(A) all actual labor costs involved in the growth, production, manufacture, or assembly of the specific merchandise, including fringe benefits, on-the-job training and the cost of engineering, supervisory, quality control, and similar personnel; and

(B) dies, molds, tooling, and depreciation on machinery and equipment which are allocable to the specific merchandise.

Such phrase does not include costs which are not directly attributable to the merchandise concerned or are not costs of manufacturing the product, such as (i) profit, and (ii) general expenses of doing business which are either not allocable to the specific merchandise or are not related to the growth; production, manufacture, or assembly of the merchandise, such as administrative salaries, casualty and liability insurance, advertising, and salesmen's salaries, commissions or expenses.

(b) The duty-free treatment provided under this subtitle shall not apply to—

(1) textile and apparel articles which are subject to textile agreements;

(2) footwear, handbags, luggage, flat goods, work gloves, and leather wearing apparel not designated at the time of the effective date of this subtitle as eligible articles for the purpose of the generalized system of preferences under title V of the Trade Act of 1974;

(3) tuna, prepared or preserved in any manner, in airtight containers; or

(4) petroleum, or any product derived from petroleum, provided for in part 10 of schedule 4 of the TSUS.

(c)(1) As used in this subsection—

(A) The term "sugar and beef products" means—

(i) sugars, sirups, and molasses provided for in items 155.20 and 155.30 of the TSUS, and

(ii) articles of beef or veal, however provided for in subpart B of part 2 of schedule 1 of the TSUS.

(B) The term "Plan" means a stable food production plan that consists of measures and proposals designed to ensure that the present level of food production in, and the nutritional level of the population of, a beneficiary country will not be adversely affected by changes in land use and land ownership that will result if increased production of sugar and beef products is undertaken in response to the duty-free treatment extended under this subtitle to such products. A Plan must specify such facts regarding, and such proposed actions by, a beneficiary country as the President deems necessary for purposes of carrying out this subsection, including but not limited to—

(i) the current levels of food production and nutritional health of the population;

(ii) current levels of production and export of sugar and beef products;

(iii) expected increases in production and export of sugar and beef products as a result of the duty-free access to the United States market provided under this subtitle;

(iv) measures to be taken to ensure that the expanded production of those products because of such duty-free access will not occur at the expense of staple food production; and

(v) proposals for a system to monitor the impact of such duty-free access on staple food production and land use and land ownership patterns.

(2) Duty-free treatment extended under this subtitle to sugar and beef products that are the product of a beneficiary country shall be suspended by the President under this subsection if—

(A) the beneficiary country, within the ninety-day period beginning on the date of its designation as such a country under section 212, does not submit a Plan to the President for evaluation;

(B) on the basis of his evaluation, the President determines that the Plan of a beneficiary country does not met the criteria set forth in paragraph (1)(B); or

(C) as a result of the monitoring of the operation of the Plan under paragraph (5), the President determines that a beneficiary country is not making a good faith effort to implement its Plan, or that the measures and proposals in the Plan, although being implemented, are not achieving their purposes.

(3) Before the President suspends duty-free treatment by reason of paragraph (2)(A), (B), or (C) to the sugar and beef products of a beneficiary country, he must offer to enter into consultation with the beneficiary country for purposes of formulating appropriate remedial action which may be taken by that country to avoid such suspension. If the beneficiary country thereafter enters into consultation within a reasonable time and undertakes to formulate remedial action in good faith, the President shall withhold the suspension of duty-free treatment on the condition that the remedial action agreed upon be appropriately implemented by that country.

(4) The President shall monitor on a biennial basis the operation of the Plans implemented by beneficiary countries, and shall submit a written report to Congress by March 15 following the close of each biennium, that—

(A) specifies the extent to which each Plan, and remedial actions, if any, agreed upon under paragraph (4), have been implemented; and

(B) evaluates the results of such implementation.

(5) The President shall terminate any suspension of duty-free treatment imposed under this subsection if he determines that the beneficiary country has taken appropriate action to remedy the factors on which the suspension was based.

(d) For such period as there is in effect a proclamation issued by the President pursuant to the authority vested in him by section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to protect a price-support program for sugar beets and sugarcane, the importation and duty-free treatment of sugars, syrups, and molasses classified under items 155.20 and 155.30 of the TSUS shall be governed in the following manner:

(1)(A) For all beneficiary countries, except those subject to subparagraph (B) and paragraph (2), duty-free treatment shall be provided in the same manner as it is provided pursuant to title V of the Trade Act of 1974

(19 U.S.C. 2461 et seq.) at the time of the effective date of this title; except that the President upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the value limitation provided for in section 504(c)(1) of the Trade Act of 1974 on the duty-free treatment afforded to beneficiary countries under this section if he finds that such adjustment will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions.

(B) As an alternative to subparagraph (A), the President may at the request of a beneficiary country not subject to paragraph (2) and upon the recommendation of the Secretary of Agriculture, elect to permit sugar, sirups, and molasses from that country to enter duty-free during a calendar year subject to quantitative limitations to be established by the President on the quantity of sugar, sirups, and molasses entered from that country.

(2) For the following countries whose exports of sugar, sirups, and molasses in 1981 were not eligible for duty-free treatment because of the operation of section 504(c) of the Trade Act of 1974, the quantity of sugar, sirups, and molasses which may be entered in any calendar year shall be limited to no more than the quantity specified below:

Metric tons:

Dominican Republic	780,000
Guatemala	210,000
Panama	160,000

Such sugar, sirups, and molasses shall be admitted free of duty, except as provided for in paragraph (3).

(3) The President, upon the recommendation of the Secretary of Agriculture, may suspend or adjust upward the quantitative limitations imposed under paragraph (1)(B) or (2) if he determines such action will not interfere with the price support program for sugar beets and sugarcane and is appropriate in light of market conditions. The President, upon the recommendation of the Secretary of Agriculture, may suspend the duty free treatment for all or part of the quantity of sugar, sirups, and molasses permitted to be entered by paragraphs (1)(B) and (2) if such action is necessary to protect the price-support program for sugar beets and sugar cane.

(4) Any quantitative limitation imposed on a beneficiary country under paragraph (1)(B) or (2) shall apply only to the extent that such limitation permits a lesser quantity of sugar, sirups, and molasses to be entered from that country than the quantity that would be permitted to be entered under any other provision of law.

(e)(1) The President may by proclamation suspend the duty-free treatment provided by this subtitle with respect to any eligible article and may proclaim a duty rate for such article if such action is proclaimed pursuant to section 203 of the Trade Act of 1974 or section 232 of the Trade Expansion Act of 1962. Any proclamation issued pursuant to section 203 of the Trade Act of 1974 that is in effect when duty-free treatment pursuant to section 211 of this subtitle is proclaimed shall remain in effect until modified or terminated.

(2) In any report by the International Trade Commission to the President under section 201(d)(1) of the Trade Act of 1974 regarding any article for which duty-free treatment has been proclaimed by the President pursuant to this subtitle, the Commission shall state whether and to what extent its findings and recommendations apply to such article when imported from beneficiary countries. With respect to any article which is subject to import relief in effect at the time duty-free treatment is proclaimed pursuant to section 211 of this subtitle, the President may reduce or terminate the application of such import relief to imports from beneficiary countries prior to its otherwise scheduled date pursuant to the criteria and procedures of subsections (h) and (i) of section 203 of the Trade Act of 1974.

(3) For purposes of subsections (a) and (c) of section 203 of the Trade Act of 1974, the suspension of the duty-free treatment provided by this subtitle shall be treated as an increase in duty.

(4) No proclamation which provides solely for a suspension referred to in paragraph (3) of this subsection with respect to any article shall be made under subsection (a) and (c) of section 203 of the Trade Act of 1974 unless the United States International Trade Commission, in addition to making an affirmative determination with respect to such article under section 201(b) of the Trade Act of 1974, determines in the course of its investigation under section 201(b) that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from the duty-free treatment provided by this subtitle.

(f)(1) If a petition is filed with the International Trade Commission pursuant to the provisions of section 201 of the Trade Act of 1974 regarding a perishable product and alleging injury from imports from beneficiary countries, then the petition may also be filed with the Secretary of Agriculture with a request that emergency relief be granted pursuant to paragraph (3) of this subsection with respect to such article.

(2) Within fourteen days after the filing of a petition under paragraph (1) of this subsection—

(A) if the Secretary of Agriculture has reason to believe that a perishable product from a beneficiary country is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product and that emergency action is warranted, he shall advise the President and recommended that the President take emergency action; or

(B) the Secretary of Agriculture shall publish a notice of his determination not to recommend the imposition of emergency action and so advise the petitioner.

(3) Within seven days after the President receives a recommendation from the Secretary of Agriculture to take emergency action pursuant to paragraph (2) of this subsection, he shall issue a proclamation withdrawing the duty-free treatment provided by this subtitle or publish a notice of his determination not to take emergency action.

(4) The emergency action provided by paragraph (3) of this subsection shall cease to apply—

(A) upon the proclamation of import relief pursuant to section 202(a)(1) of the Trade Act of 1974,

(B) on the day the President makes a determination pursuant to section 203(b)(2) not to impose import relief,

(C) in the event of a report of the United States International Trade Commission containing a negative finding, on the day the Commission's report is submitted to the President, or

(D) whenever the President determines that because of changed circumstances such relief is no longer warranted.

(5) For purposes of this subsection, the term "perishable product" means—

(A) live plants provided for in subpart A of part 6 of schedule 1 of the TSUS;

(B) fresh or chilled vegetables provided for in items 135.10 through 138.42 of the TSUS;

(C) fresh mushrooms provided for in item 144.10 of the TSUS;

(D) fresh fruit provided for in items 146.10, 146.20, 146.30, 146.50 through 146.62, 146.90, 146.91, 147.03 through 147.33, 147.50 through 149.21 and 149.50 of the TSUS; and

(E) fresh cut flowers provided for in items 192.17, 192.18, and 192.21 of the TSUS.

(g) No proclamation issued pursuant to this subtitle shall affect fees imposed pursuant to section 22 of the Agricultural Adjustment Act (7 U.S.C. 624).

SEC. 214. MEASURES FOR PUERTO RICO AND UNITED STATES INSULAR POSSESSIONS.

(a) Effective with respect to articles entered on or after the effective date of this subtitle, general headnote 3(a) of the TSUS is amended—

(1) by amending clause (i)—

(A) by striking out "50 percent" and inserting in lieu thereof "70 percent", and

(B) by inserting after "total value", "(or more than 50 percent of their total value with respect to articles described in section 213(b) of the Caribbean Basin Economic Recovery Act)"; and

(2) by amending clause (ii) by striking out "50 percent" and inserting in lieu thereof "70 percent".

(b) Item 813.31 of the TSUS is amended by striking out "4 liters" and inserting in lieu thereof "5 liters", and by inserting after "United States.", "and not more than 4 liters of which shall have been produced elsewhere than in such insular possessions,".

(c) If the sum of the amounts of taxes covered into the treasuries of Puerto Rico or the United States Virgin Islands pursuant to section 7652(c) of the Internal Revenue Code of 1954 is reduced below the amount that would have been covered over if the imported rum had been produced in Puerto Rico or the United States Virgin Islands, then the President shall consider compensation measures and, in this regard, may withdraw the duty-free treatment on rum provided by this subtitle. The President shall submit a report to the Congress on the measures he takes.

(d) Section 1112 of the Trade Agreements Act of 1979 (19 U.S.C. 2582) is repealed.

(e) No action pursuant to this subtitle may affect any tariff duty imposed by the Legislature of Puerto Rico pursuant to section 319 of the Tariff Act of 1930 (19 U.S.C. 1319) on coffee imported into Puerto Rico.

(f) For purposes of chapter 1 of title II of the Trade Act of 1974, the term "industry" shall include producers located in the United States insular possessions.

SEC. 215. INTERNATIONAL TRADE COMMISSION REPORTS ON IMPACT OF THIS ACT.

(a) The United States International Trade Commission (hereinafter in this section referred to as the "Commission") shall prepare, and submit to the Congress and the President, a report regarding the economic impact of this subtitle on United States industries and consumers during—

(1) the twenty-four-month period beginning with the date of enactment of this subtitle; and

(2) each calendar year occurring thereafter until duty-free treatment under this subtitle is terminated under section 216(b).

For purposes of this section, industries in the Commonwealth of Puerto Rico and the insular possessions of the United States shall be considered to be United States industries.

(b)(1) Each report required under subsection (a) shall include, but not be limited to, an assessment by the Commission regarding—

(A) the actual effect, during the period covered by the report, of this subtitle on the United States economy generally as well as on those specific domestic industries which produce articles that are like, or directly competitive with, articles being imported into the United States from beneficiary countries; and

(B) the probable future effect which this subtitle will have on the United States economy generally, as well as on such domestic industries, before the provisions of this subtitle terminate.

(2) In preparing the assessments required under paragraph (1) the Commission shall, to the extent practicable—

(A) analyze the production, trade, and consumption of United States products affected by this subtitle, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production; and

(B) describe the nature and extent of any significant change in employment, profit levels, and use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned, which it believes are attributable to this subtitle.

(c)(1) Each report required under subsection (a) shall be submitted to the Congress and to the President before the close of the nine-month period beginning on the day after the last day of the period covered by the report.

(2) The Commission shall provide opportunity for the submission by the public, either orally or in writing, or both, of information relating to matters that will be addressed in the reports.

SEC. 216. IMPACT STUDY BY SECRETARY OF LABOR.

The Secretary of Labor, in consultation with other appropriate Federal agencies, shall undertake a continuing review and analysis of the impact which the implementation of the provisions of this subtitle have with respect to United States labor; and shall make an annual written report to Congress on the results of such review and analysis.

SEC. 217. FEASIBILITY STUDY REGARDING A CARIBBEAN TRADE INSTITUTE.

(a) The Secretary of State shall prepare a study regarding the feasibility of establishing a Caribbean Trade Institute in Harlem, New York City, supported by a combination of Federal and private funds.

(b) The study shall include, but not be limited to, an assessment of the extent to which, and the means by which, a Caribbean Trade Institute could—

(1) facilitate cooperation between public and private entities interested in engaging in or furthering Caribbean trade;

(2) serve as a catalyst for greater cultural exchange between the United States and Caribbean nations; and

(3) facilitate expansion of job opportunities both in the United States and the Caribbean Basin.

The study shall also include suggestions regarding the organization and staffing of such an institute.

(c) The study required by this section shall be submitted to the Congress within six months after the date of the enactment of this Act.

SEC. 218. EFFECTIVE DATE OF TITLE AND TERMINATION OF DUTY-FREE TREATMENT.

(a) EFFECTIVE DATE.—This subtitle shall take effect on the date of the enactment of this Act.

(b) TERMINATION OF DUTY-FREE TREATMENT.—No duty-free treatment extended to beneficiary countries under this subtitle shall remain in effect after September 30, 1995.

Subtitle B—Tax Provisions

SEC. 221. PAYMENT OF EXCISE TAXES COLLECTED ON RUM TO PUERTO RICO AND THE UNITED STATES VIRGIN ISLANDS.

(a) IN GENERAL.—Section 7652 of the Internal Revenue Code of 1954 (relating to shipments to the United States) is amended by inserting after subsection (b) the following new subsection:

"(c) SHIPMENTS OF RUM TO THE UNITED STATES.—

"(1) EXCISE TAXES ON RUM COVERED INTO TREASURIES OF PUERTO RICO AND VIRGIN ISLANDS.—All taxes collected under section 5001(a)(1) on rum imported into the United States (less the estimated amount necessary for payment of refunds and drawbacks) shall be covered into the treasuries of Puerto Rico and the Virgin Islands.

"(2) SECRETARY PRESCRIBES FORMULA.—The Secretary shall, from time to time, prescribe by regulation a formula for the division of such tax collections between Puerto Rico and the Virgin Islands and the timing and methods for transferring such tax collections.

"(3) RUM DEFINED.—For purposes of this subsection, the term 'rum' means any article classified under item 169.13 or 169.14 of the Tariff Schedules of the United States (19 U.S.C. 1202).

"(4) COORDINATION WITH SUBSECTIONS (a) AND (b).—Paragraph (1) shall not apply with respect to any rum subject to tax under subsection (a) or (b).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to articles imported into the United States after June 30, 1983.

SEC. 222 TREATMENT OF CARIBBEAN CONVENTIONS, ETC.

(a) GENERAL RULE.—Subsection (h) of section 274 of the Internal Revenue Code of 1954 (relating to attendance at conventions, etc.) is amended by adding at the end thereof the following new paragraph:

"(6) TREATMENT OF CONVENTIONS IN CERTAIN CARIBBEAN COUNTRIES.—

"(A) IN GENERAL.—For purposes of this subsection, the term 'North American area' includes, with respect to any convention, seminar, or similar meeting, any beneficiary country if (as of the time such meeting begins)—

"(i) there is in effect a bilateral or multilateral agreement between such country and the United States providing for the exchange of information between the United States and such country, and

"(ii) there is not in effect a finding by the Secretary that the tax laws of such country discriminate against conventions held in the United States.

"(B) BENEFICIARY COUNTRY.—For purposes of this paragraph, the term 'beneficiary country' has the meaning given to such term by section 102(a)(1)(A) of the Caribbean Basin Economic Recovery Act; except that such term shall include Bermuda.

"(C) AUTHORITY TO CONCLUDE EXCHANGE OF INFORMATION AGREEMENTS.—The Secretary is authorized to negotiate and conclude an agreement for the exchange of information with any beneficiary country. An exchange of information agreement shall provide for the exchange of such information (not limited to information concerning nationals or residents of the United States or the beneficiary country) as may be necessary or appropriate to carry out and enforce the tax laws of the United States and the beneficiary country (whether criminal or civil proceedings), including information which may otherwise be subject to nondisclosure provisions of the local law of the beneficiary country such as provisions respecting bank secrecy and bearer shares. The exchange of information agreement shall be terminable by either country on reasonable notice and shall provide that information received by either country will be disclosed only to persons or authorities (including courts and administrative bodies) involved in the administration or oversight of, or in the determination of appeals in respect of, taxes of the United States or the beneficiary country and will be used by such persons or authorities only for such purposes.

"(D) COORDINATION WITH SECTION 6103.—Any exchange of information agreement negotiated under subparagraph (C) shall be treated as an income tax convention for purposes of section 6103(k)(4).

"(E) FINDINGS PUBLISHED IN THE FEDERAL REGISTER.—Any finding by the Secretary under subparagraph (A)(ii) (and any termination thereof) shall be published in the Federal Register."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to conventions, seminars, or other meetings beginning after June 30, 1983.

SEC. 223. REPORT WITH RESPECT TO USE OF CARIBBEAN BASIN TAX HAVENS.

The Secretary of the Treasury shall, not later than ninety days after the date of the enactment of this Act, report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on—

(1) the level at which Caribbean Basin tax havens are being used to evade or avoid Federal taxes, and the effect on Federal revenues of such use,

(2) any information he may have on the relationship of such use to drug trafficking and other criminal activities, and

(3) current antitax haven enforcement activities of the Department of the Treasury.

Mr. ROSTENKOWSKI (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Illinois?

Mr. CONABLE. Mr. Speaker, reserving the right to object to the gentleman's original request, I do so for the purpose of getting an explanation of the procedure that is being followed here.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Speaker, this request is to go to conference. It would simply allow for including the House version of the bill, the substance of H.R. 2769, which was just approved by the House. In earlier action, the Senate had attached its version of the CBI bill to the House-passed withholding bill.

My request would simply place both versions of CBI in the same conference as the withholding repeal. My request makes no other change in the House bill. All other differences between the House bill and the Senate amendment remain the same and will, of course, be left in the conference to be resolved.

Mr. CONABLE. Mr. Speaker, I thank the gentleman from Illinois (Mr. ROSTENKOWSKI) for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Illinois?

There was no objection.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 2973

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, CONABLE, DUNCAN, and ARCHER.

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2760, AMENDMENT TO INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. BONIOR of Michigan. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 261 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 261

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII and rule XXIX, declare the House resolved into a secret session of the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2760) to amend the Intelligence Authorization Act for Fiscal Year 1983 to prohibit United States support for military or paramilitary operations in Nicaragua and to authorize assistance, to be openly provided to governments of countries in Central America, to interdict the supply of military equipment from Nicaragua and Cuba to individuals, groups, organizations, or movements seeking to overthrow governments of countries in Central America, the first reading of the bill shall be dispensed with, and all points of order against the consideration of the bill for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. Pending the Speaker's declaration, he is authorized to declare a recess of the House in order to make appropriate arrangements for a secret session. General debate in the secret session of the Committee of the Whole shall first continue not to exceed two hours, equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, to make confidential communications relevant to the bill to the Members of the House and shall then continue not to exceed two hours, to be confined to the bill, one hour to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence, and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. At the conclusion of such time the secret session of the Committee of the Whole shall terminate, the Committee of the Whole shall rise, and the Speaker is authorized to declare a recess of the House to make appropriate arrangements for the reconvening of the House in open session. All proceedings in the secret session shall be kept secret unless otherwise ordered by the House on the recommendations of the Permanent Select Committee on Intelligence and the Committee on Foreign Affairs. At any time after the House has reconvened in open session, the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 2760. After general debate in open session, which shall be confined to the bill and shall continue not to exceed two hours, one hour to be equally divided and controlled by the chairman and ranking minority member of the Permanent Select Committee on Intelligence and one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the bill, as modified by the amendments recommended by the Committee on Foreign Affairs now printed in the bill, which shall be considered to have been adopted in the House and in the Committee of the Whole, as an original bill for the purpose of amendment under the five-minute rule. No amendment to the bill, as so modified, shall be in order except: (1) germane amendments printed in the Congressional Record by July 15, 1983; (2) an amendment offered by Representative Wright of Texas, and (3) an amendment offered by Representative Michel of Illinois. At the expiration of twelve hours of consideration of the bill under the five-minute rule, no further amendments shall be in order and the question shall occur on any pending amendment or amendments. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, and debate on any motion to recommit with instructions shall continue not to exceed thirty minutes, equally divided and controlled by the proponent of the motion and a Member opposed thereto.

□ 1330

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BONIOR) is recognized for 1 hour.

Mr. BONIOR of Michigan. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Missouri (Mr. TAYLOR), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 261 provides for the consideration of H.R. 2760, an amendment to the Intelligence Authorization Act of 1983. The Committee on Rules reported House Resolution 247 on June 29, which originally provided for the consideration of H.R. 2760. In reporting that resolution (H. Res. 247) the Committee on Rules acted in accordance with a request made by both the chairman of the Committee on Foreign Affairs and the chairman of the Permanent Select Committee on Intelligence, on the chairmen's understanding that the House would begin floor consideration of H.R. 2760 on the 13th of July. The chairmen requested, and House Resolution 247 provided, that only amendments printed in the CONGRESSIONAL RECORD by July 11 of this year would be in order, with the exception of amendments offered by the majority and minority leaders, which need not be printed.

Subsequent to the action of the Committee on Rules in reporting House Resolution 247, including this provision, floor consideration of the bill itself, H.R. 2760, was rescheduled for July 19. So in order for us to provide for the timely printing of amendments in the CONGRESSIONAL RECORD, the Committee on Rules has complied with Chairman BOLAND's request to revise House Resolution 247 to make in order any amendment printed in the CONGRESSONAL RECORD by the 15th of July. With the exception of this revision, House Resolution 261 contains precisely the same provisions as House Resolution 247. Therefore, in order to proceed to the consideration of the bill itself, H.R. 2760, in an orderly and expeditious manner, House Resolution 261 provides for a modified open rule. The rule allows, as was just read, amendments recommended by the Committee on Foreign Affairs to be considered as adopted in the House and in the Committee of the Whole and provides that the bill, as modified, be considered as original text for the purpose of amendment. The rule makes in order only those amendments printed in the CONGRESSIONAL RECORD by the 15th of July, with the exception of an amendment, if offered, by Representative WRIGHT of Texas or

an amendment, if offered, by Representative MICHEL of Illinois, which do not have to be preprinted in the CONGRESSIONAL RECORD.

The rule also allows 12 hours for consideration of amendments so made in order. Amendments shall be considered under the 5-minute rule. Due to the highly sensitive nature of the bill, H.R. 2760, and because the bill focuses on covert operations in Nicaragua, and because there is every reason to believe currently classified information will have to be presented in order to facilitate frank and open discussion, Chairman BOLAND requested that time be allotted for discussion of the matter in a secret session.

Consequently, the rule provides that the Speaker may, pursuant to clause 1 (B) of rule XXIII, and rule XXIX of the House of Representatives, declare the House resolved into a secret session of the Committee of the Whole House on the State of the Union for the consideration of the major bill, which is H.R. 2760.

The rule provides for a 4-hour secret session. The first 2 hours of the secret session shall be reserved for the purposes of a confidential briefing by the Permanent Select Committee on Intelligence, which has conducted continuous oversight of the covert operations in Central America for the past 18 months. Time in the first block of 2 hours is to be equally divided, as was mentioned, by the chairman and the ranking minority member of the Permanent Select Committee on Intelligence.

The second block of 2 hours within the 4-hour secret session shall be used for debate purposes to discuss those portions of the bill and amendments offered to the bill which could entail classified matters.

One hour shall be equally divided and controlled by the Permanent Select Committee on Intelligence and the other hour shall be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs. At the termination of the 4 hours, the secret session of the Committee of the Whole shall terminate. The Speaker is authorized to declare a recess of the House to make the appropriate arrangements for the secret session prior to that session and, of course, the Speaker is also authorized to declare a recess at the conclusion of the secret session to restore the Chamber.

At the termination of the secret session, the rule provides for 2 hours of general debate of the bill in open session to be followed by 12 hours for the consideration of amendments under the 5-minute rule.

The rule also allows for one motion to recommit, or if a motion to recommit with instructions is offered, the rule allows 30 minutes for debate on that motion, with the time equally divided and controlled by the proponent of the motion and a Member opposed.

In order to provide this House with the opportunity to consider H.R. 2760 in a very timely fashion, it was necessary for the Committee on Rules to waive section 402(a) of the Congressional Budget Act against consideration of the bill. Under this section, bills authorizing the enactment of new budget authority for a fiscal year must be reported in the House on or before the 15th of May preceding the beginning of such fiscal year.

House Resolution 261 provides for the consideration of H.R. 2760, and amendment to the Intelligence Authorization Act of 1983 which would prohibit the use of funds to support military or paramilitary operations in Nicaragua. The bill authorizes open assistance to countries in Central America which are making efforts to interdict the flow of arms and other military equipment being transported through their territories from Nicaragua and Cuba to other destinations in the region.

H.R. 2760 also authorized $30 million in fiscal year 1983 and $50 million in fiscal year 1984, in addition to military funds previously requested for Central America, to assist countries so inclined, to successfully interdict the flow of military equipment from Nicaragua and Cuba.

Mr. Speaker, I believe this is a good and eminently fair rule. It is a rather complex rule, but we believe it is a fair rule which provides full debate of the issues while preserving the integrity and the confidentiality of classified U.S. intelligence information.

The rule provides adequate time for general debate and for the consideration of amendments. In order to facilitate discussion of the full range of viewpoints and opinions, the rule makes in order any germane amendment or amendment which otherwise does not violate the rules of the House and which is printed in the CONGRESSONAL RECORD by the 15th of this month.

Chairmen BOLAND and ZABLOCKI were eager to accommodate the need for expression on both sides of the aisle regarding this extremely important bill. I believe this rule facilitates honest and thorough debate and I urge its adoption.

Mr. TAYLOR. Mr. Speaker, I thank the gentleman for yielding. I yield myself such time as I may consume.

Mr. Speaker, House Resolution 261 is a modified rule under which the House will conduct a secret session to receive classified information concerning the specifics of our Government's involvement in assisting rebels in Nicaragua, and to then consider a bill that would supplant the President's foreign policy ability to deal effectively with Communist influence in Central America.

The rule waives section 402(a) of the Budget Act against the consideration of H.R. 2760, a bill which prohibits U.S. support for military or paramilitary operations in Nicaragua

Without this waiver, the bill would be subject to a point of order because it is an authorization that was not reported in compliance with the Budget Act. In this situation, the two committees involved, the Permanent Select Committee on Intelligence and the Committee on Foreign Affairs, desire to have the legislation apply to the current fiscal year but they did not report the bill prior to May 15 of last year.

The rule provides for a rare secret session of the Committee of the Whole House, with the first 2 hours to be devoted to a confidential briefing from the Committee on Intelligence, and the second 2 hours for debate on the bill.

Mr. Speaker, this rule presents a highly unusual situation to the House. This will be the first time that the Committee on Intelligence has recommended legislation to end a so-called covert operation by American agencies. The bill made in order by this rule would cut off our financial aid and logistical support for several thousand freedom fighters in Nicaragua.

The rule provides that after completion of the secret session, which is presently scheduled for next week, there will be 2 hours of general debate on open session.

The most striking limitation contained in this rule, and one which all Members should be aware of, is the requirement that amendments be printed in the CONGRESSIONAL RECORD by this Friday, July 15.

This provision is recommended by the Committee on Rules at the request of both opponents and proponents of the legislation, but I do think all Members need to know today that they had better have their amendments prepared and filed by Friday if they want to preserve their rights.

The publication requirement does not extend to two specific amendments. These are amendments to be offered by the gentleman from Texas, the majority leader (Mr. WRIGHT), and the gentleman from Illinois, the minority leader (Mr. MICHEL).

Mr. Speaker, the rule allows 12 hours of time for the consideration of amendments under the 5-minute rule. When the 12 hours is concluded, the previous question will occur on the then pending amendment or amendments.

This provision of the rule will not be suitable to some Members, because it does not guarantee that all amendments will, in fact, be considered.

Here again, I urge all Members who decide to file amendments to be sure that they are present on the floor

when the bill is considered, so that they may participate fully.

I would also point out that during the time set aside for amendments, the normal legislative process will apply and amendments to amendments are not precluded.

Lastly, the rule provides for one motion to recommit. If that recommittal motion is offered with instructions, there will be 30 minutes of debate time under this rule. Under the rules of the House, debate on motions to recommit is limited to 10 minutes, so this provision allows for some extra time.

Mr. Speaker, this rule sets the stage for what will be a very important foreign policy debate. The bill made in order by this rule is strongly opposed by the administration because it severely restricts the President's ability to conduct an effective foreign policy in Central America.

The Committee on Rules has recommended a rule that will permit the House to manage the legislative conflict between the supporters of the bill and its opponents.

The members of the two committees involved are in strong disagreement over how the United States should deal with Communist-supplied weapons and Communist-influenced revolution in Central America.

The Committee on Rules is recommending this rule in hope that we will not have parliamentary chaos on the floor when the bill is considered.

□ 1340

Mr. Speaker, at this time, if I might, I would like to ask a question of my colleague, the distinguished gentleman from Michigan (Mr. BONIOR).

Is it the gentleman's understanding that after the adoption of this rule a unanimous-consent request will be made to extend the deadline for the filing of amendments in the RECORD?

Mr. BONIOR of Michigan. Will the gentleman yield?

Mr. TAYLOR. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. That is my understanding, yes.

Mr. TAYLOR. Would the gentleman explain the reason for this procedure?

Mr. BONIOR of Michigan. If the gentleman will yield, as I explained earlier in my explanation of this rule, the Rules Committee did go back into session to file another rule, the rule which we are considering, because the scheduling of the bill, H.R. 2760, the intelligence bill, had been delayed, and to facilitate the filing of amendments in a timely manner. We agreed then that we would go back into committee and report this particular rule out which extended the time from July 11 to July 15 for the amendments to be offered.

Another delay has occurred with respect to bringing this bill up, so it will be necessary for those who want to offer amendments to be granted additional time for filing into the CONGRESSIONAL RECORD those amendments which they would like to have debated in the Committee of the Whole.

It is my understanding that the gentleman from Massachusetts will be asking unanimous-consent and the committee agrees and I agree that we should go along with unanimous-consent requests to extend that period from July 15 to July 21.

Mr. TAYLOR. From the 15th until when?

Mr. BONIOR of Michigan. The 21st.

Mr. TAYLOR. Until July 21?

Mr. BONIOR of Michigan. The gentleman is correct, July 21.

Mr. TAYLOR. The 15th through the 21st of July.

Mr. Speaker, at this time I yield as much time as he may consume to my colleague from Missouri (Mr. COLEMAN).

Mr. COLEMAN of Missouri. I appreciate the gentleman yielding.

Let me propound a question to the gentleman from Michigan.

The sequence of events would be after the gentleman from Massachusetts (Mr. BOLAND) asks for unanimous consent, a person who sits in the secret session, who learns new information or wants to create an amendment based upon that information would be able to timely file his amendment and still have that opportunity for that amendment to be heard under the sequence of events the gentleman is suggesting would occur under the rule; is that correct?

Mr. BONIOR of Michigan. Will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Michigan.

Mr. BONIOR of Michigan. The gentleman is correct. It is my understanding that the secret session under the whip schedule and the leadership schedule will occur on the 20th of this month and the gentleman would have until the 21st.

Mr. COLEMAN of Missouri. Then we would have the secret session on the 20th, and the gentleman from Massachusetts (Mr. BOLAND) would say you had until the 21st to file amendments?

So that sequence of events will occur?

I think that it is important that the schedule not be changed and that we live by this calendar because of the sequence of events.

Mr. BONIOR of Michigan. I stand corrected. The secret session is on the 19th, so you have 2 additional days.

Mr. COLEMAN of Missouri. I think it is important the schedule be maintained so that the sequence of events would occur with the secret session coming first and then you would still have the opportunity to file amendments based on information in the secret session and still have that opportunity?

The gentleman from Massachusetts (Mr. BOLAND) nods his approval, and I understand that that is what we are agreeing to under this rule.

Mr. BONIOR of Michigan. That is my understanding.

Mr. COLEMAN of Missouri. I thank the gentleman.

Mr. BONIOR of Michigan. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I would like to commend the excellent work of the chairmen of the Intelligence and Foreign Affairs Committees. I support their efforts and will do everything I can to help enact the Boland-Zablocki bill.

I would emphasize the importance of the secret session that has been announced and hope that every Member will attend. I think it is particularly important because of the complexity of the issues that are presented by the Boland-Zablocki bill.

The CIA is apparently trying at this very moment to intensify its covert operations in Nicaragua. I repeat: the administration seems poised to step up a dangerous new phase of military escalation in Central America.

They talk of negotiations. I have been a part of some of those negotiations and I will not violate any confidences. They talk of bipartisanship. The President came before a joint session of the Congress and asked for a bipartisan solution to the problems in Central America. They talk about conciliation. But at this moment they plan more covert action and seem headed for military escalation.

I fear the administration is not extending an olive branch but a fig leaf cloaking a bayonet.

I fear we are seeing the ominous signs of a policy of simple-minded deception of the Congress and the American people where words of diplomacy mask the actions of cloaks and daggers.

The House should enact the Boland-Zablocki bill and send it to the other body in order to put pressure on the Republican leadership to respond to the initiative that has taken place in the House. We should halt covert action in Nicaragua. We should save President Reagan from some of his more reckless advisers and head off further military escalation that would surely increase bloodshed in the Central American region.

As a matter of fundamental principle the covert action program is unbecoming to this great Nation. It is unworthy of a people with our values in America. It is unworkable and counterproductive in practice, and it is unsupported by our allies and our friends abroad. It is undeserving of the sup-

port of the U.S. Congress or the American people.

Mr. Speaker, at this time I include in the RECORD an article entitled "Nicaragua's Imperiled Revolution" (Foreign Affairs, summer 1983) by Arturo J. Cruz, who was until November 1981 Nicaragua's Ambassador to the United States:

NICARAGUA'S IMPERILED REVOLUTION

(By Arturo J. Cruz)

Nicaragua's Revolution is, in my judgment, in danger of dying in its infancy.

I joined the Revolutionary Government with appreciation and pride. I served it with a loyalty founded on the conviction that the Revolution would be good, first and foremost, for Nicaragua. My experience has disillusioned me: dogmatism and adventurism seen to have wiped out the democratic and pluralistic ideals which, in 1979, united all Nicaraguan advocates of freedom. My lamentation and criticism is that these ideals have been shattered and the moral defenses of the Revolution have well-nigh vanished. It was because of my profound dissent from the conduct of that government and the direction of the revolutionary process, as well as the realization of my own inability to influence them, that I subsequencly chose to return to private life.

Now, as a Nicaraguan citizen, I reiterate my belief that the Revolution should be the most important landmark in our nation's history. Moreover, I confess that I am unable to understand how the Revolutionary Government, which in July 1979 enjoyed the almost unanimous support of the Nicaraguan people and the respect and admiration of other peoples and governments throughout the world, has suffered, in less than four years, a tremendous erosion in international solidarity and has become isolated from its neighbors and important sectors of the nation. The insurgency it faces is the more painful insofar as it is launched both by the true enemies of the Revolution and by many of its own children, who wish to rescue it from the present course which they cosider an error.

Moreover, it has to be admitted that the lamentable condition in which the Revolution finds itself is not solely due to the fact that Washington has reached the limit of its tolerance, or to the ideological opposition of the reactionary sectors of Nicaragua. There is also an element of self-destruction in the present conduct of the Revolution. Certain Sandinista revolutionary leaders' rejection of pragmatism is puzzling. The allegiance to an internationalist ideology, which they seem to profess—perhaps unwittingly—at the expense of the basic interests of the nation-state of Nicaragua, is unacceptable. The deaths from both sides in this nightmarish conflict must cease.

Elucidating these delicate and sensitive questions is a taxing endeavor. The polarized debate over Nicaragua, particularly in the context of the Central American crisis, quite frequently focuses on one of two arguments. Some say that it is a clear case of rebellion against injustice; others see it as a reflection of the East-West confrontation and thereby as affecting the security of the United States. Very few approach the analysis from the premise that there may be a combination of both factors. In order to accurately explain my views, I must rely on my personal experiences not only with the Sandinista Revolution and its leaders—several of whom I personally hold in high regard—but also with representatives of other groups or organizations within the original broad alliance, with most of whom I still have a good rapport.

I have never belonged in the sanctum sanctorum of the Sandinistas, let alone been privy to their innermost secrets. However, I have dealt rather closely with their leadership. In a way, I have been a participant and an observer from a unique vantage point. Based on that experience, I can say that had the Revolutionary Government sought to achieve domestic peace with greater determination, and pursued, perhaps with more sincerity, a truly nationalist foreign policy, the Revolution might not be as seriously threatened as it is today.

I do not wish to sound as if, from a position of comfort and safety abroad—far from the tragedy—I am pontificating about the responsibilities of the revolutionary leaders, who, in Nicaragua, must deal with insurgency, acute economic problems and international confrontations. I merely wish to single out those areas where I think the Revolution hs gone wrong. I do so with the same candor I employed during the time I served the Revolutionary Government.

It may not be naive that many Nicaraguans continue to hope that the United States will soon vigorously implement a policy of accommodation with the Revolution in my country. Likewise, not a few Nicaraguans pray to God Almighty that the Sandinistas—who are courageous in war and show real concern for the destitute—may see the wisdom of admitting the government's errors and, more important, that they may have the will to redress them in order to save the Revolution for the sake of Nicaragua.

One day in 1977, in a room in the Madison Hotel in Washington, D.C., I listened with immense delight as three compatriots told me that the Frente Sandinista de Liberación, Nacional (FSLN) would soon be ready to meet Somoza's armed forces (the Guardia Nacional) in full combat, defeat them and establish a democratic Revolutionary Government in Nicaragua. I was then asked to join a group for political support to the embryonic Sandinista movement, which later became known as "Los Doce" (The Twelve). Due to the understandable personal limitations imposed by my career as an officer in an international institution, sometimes my contribution, of necessity, was somewhat marginal.

Not even in my wildest dreams had I thought such a long shot would succeed. I had many reasons to admire the Sandinistas: they had displayed tenacity, valor and a selfless willingness to sacrifice their own lives in order to free the Nicaraguan people from the asphyxia of a dictatorship too long in power. I realized that among these young men and women there was an abundance of heroes that my generation had lacked. Of course, there had been martyrs before, but heroes in the struggle against Somoza had been rare. There were two distinguished exceptions. One was the anti-Somoza leader, Fernando Chamorro-Rappacioli, who in 1960 led a daring attack against the garrisons of the towns of Jinotepe and Diriamba, holding them a whole night againt overwhelming odds. The other was Pedro Joaquín Chamorro-Cardenal, the editor of *La Prensa*, who courageously preached freedom and social justice.

The turning point in the Revolution was Pedro Joaquín Chamorro-Cardenal's assassination in early 1978. Nicaraguans from all walks of life were incensed, and world opinion demanded an end to the Somoza dynasty. Thereafter, Somoza's days in power were numbered. Nicaragua was ripe for upheaval. A revolutionary ferment pervaded the coutry—notably among the young, including children of affluent families—and a new social order was warranted.

It was no secret that the hard core of the Sandinistas was Marxist. However, the non-Marxists in this alliance of political parties, labor unions, businessmen, students and professionals were comforted by the pluralistic spirit which then prevailed. Nearly everyone felt confident that the Marxist vanguard was going to promote a social democracy. Theirs was not blind faith. As a matter of fact, there was a clear demand for assurance that the following elements should be present in the anticipated revolutionry system:

The creation of non-political armed forces.

Democratic elections to be held at a reasonable time after victory.

The promotion of pluralism and the preservation of legitimate private property.

Self-determination under the objective conditions influencing a nation-state placed by Divine Providence in the Western Hemisphere.

Furthermore, three events, shortly before victory, buttressed this confidence:

The appointment of two highly-respected individuals to the five-member Junta: Violeta Barrios de Chamorro, widow of the martyred journalist, and Alfonso Robelo, a businessman and political leader.

The approval by the Junta of a government plan which was supposed to become the basis for achieving political pluralism, a mixed economy and external nonalignment.

The Organization of American States' (OAS) decision to expel Somoza so that a provisional government might undertake the task of establishing democracy and pluralism. The Junta committed itself to those goals.

III

On July 19, 1979, a delirious people greeted the Junta in Managua: "Habia llegado un nuevo amanecer"—the days of happiness had arrived.

I was offered, and accepted, the presidency of the Central Bank. Although I was already 55 years old, my opposition to the Somoza dynasty had precluded my working in the public sector. The Central Bank had managed to preserve itself as an island of professionalism and honesty. It resisted, almost to the bitter end and under trying circumstances, the political pressures which were rampant in the previous regime. My predecessors, Francisco Laínez, Gustavo Guerrero and Roberto Incer, had the foresight to train abroad—including studies in "Ivy League" universities—a large number of professionals who constituted the best cadres in the civil service of Nicaragua. I was reassured by the fact that many of them stayed with us. Unfortunately, the primitive "anti-bourgeois" rhetoric which was soon to appear and the stress of forced participation in neighborhood committees "for the defense of the Revolution" was too much for some of my new colleagues. As a result, they became part of the first waves of brain-drain. What a mortal blow to any prospect for reactivating the national economy!

The new government found a chaotic economic situation. However, foreign aid came to the rescue of the fledgling Revolution, in substantial amounts and with great speed. To offset the lack of hard currency during

the first week (we found only $3.5 million in the treasury), the United States provided an $8.5-million grant, and the president of the Inter-American Development Bank, Antonio Ortiz Mena, obtained for us a $20-million bridging loan from the Venezuelans. Other balance-of-payment support followed shortly thereafter, including an International Monetary Fund compensatory loan. Multilateral and bilateral aid was flexible, e.g., conditions to be set prior to disbursement of funds were eased.

The United States favored the approval of loans to our country in international development institutions. In addition, existing Agency for International Development loan agreements were adapted to the new requirements. U.S. Ambassador Lawrence Pezzullo and his aides, Thomas O'Donnell and Lawrence Harrison, worked in earnest to provide the government with emergency supplies of food and medicine. A $75-million loan was likewise approved; unfortunately, due to restrictions attached by the U.S. Congress, it was never totally disbursed, thus furnishing the radicals with fuel for anti-Yankee speeches and for taunting the non-Marxists.

With all the financial and technical cooperation being received from the Western world and, on a more limited scale, the Socialist bloc, a rapid return to normalcy should have been achieved. But weeks went by and we could not see the same spirit that was shown by the people of Managua in December of 1972, when, just two days after an earthquake had obliterated the city, one could see signs amid the rubble announcing that shops were again operating.

We did everything possible to encourage businessmen and farmers by making credit available on soft terms. Notwithstanding, production did not fully recover and the private sector made no new investments. It was becoming clear that it would be hard to implement socialism in Nicaragua.

The government nationalized the banking system and exports of the main commodities. (Shortly afterward, a new government in El Salvador did almost exactly the same.) These mesures were predicated on the fact that it was necessary to reassure depositors, preserve Nicaragua's international credit, guarantee a more effective collection of foreign-exchange revenues and taxes, and provide higher prices to producers.

The most serious problem was—and continues to be—the absence of investment by the private sector. This has been the main stumbling block since the inception of the Revolution. Thus far, it is estimated that only about half of the investment required for a sustained growth of the gross domestic product is being obtained—and almost entirely from the public sector.

It soon became obvious that the paralysis of the economy was basically due to the private sector's fears about an uncertain future. So far, the radicals in the Revolution have closed their eyes to one reality, i.e., that no economic model will be viable if there is not a political system acceptable to the mainstream of the nation. They stubbornly insist on imposing a system that is viscerally rejected by most Nicaraguans. They delude themselves by watching their own propaganda films of students picking cotton. Meanwhile, as a result of arbitrary expropriation and other abuses, the best cotton planters (who are as sophisticated as their U.S. counterparts) have fled the country. It is for this reason that, after four seasons, production has failed to reach the level of a normal 500,000-bale crop.

On the other hand, in the early stages of the Revolution the Sandinistas launched some programs worthy of praise and targeted at improving the living conditions of the Nicaraguan people. Among these were a literacy campaign and a public health service reform designed to benefit the entire country. However, the new leaders seem to overlook the simple fact that social programs must be financed out of public revenue. Frankly, we virtually emptied the well of fiscal revenue with the establishment of the so-called People's Property Area (PPA). This is a holding composed of properties formerly owned by Somoza and his closest followers. An additional large number of farms and factories owned by other citizens—which have been de facto occupied, nationalized or expropriated—have similarly been incorporated into the holding. Therefore, the much ballyhooed 60-percent private/40-percent public ownership of property is no longer accurate. The PPA is a guzzler of resources. It is neither a good credit risk nor a reliable taxpayer. The government refuses to recognize that what is really significant for the state is the control of surplus. Instead, it is obsessed with state ownership of means of production. The consequences of such policies are increases in the money in circulation, arrears in public loan portfolios, and fiscal and balance-of-payment deficits. Nicaragua is condemned to be an international begger.

IV

The latter part of 1979 became a period of jockeying in a contest to define the ideological content of the Revolution. It also was a time of "sloganeering." The slogan chanted most frequently and loudly was "Vencimos en la Insurrección, Venceremos en la Alfabetización" . . . etc. ("We were triumphant in the insurrection . . . we shall triumph in any other undertaking.") This slogan epitomizes a macho attitude which appears to be the hallmark of Sandinista rhetoric. The pundits, radical ideologues of the party, would consider defeatist the mere thought that our limitations should lead Nicaragua to take a more pragmatic attitude, accepting compromise as a means, rather than hindrance, to reaching the Revolution's objectives.

Nevertheless, I would be unfair and ungrateful if I failed to publicly recognize the Sandinistas' gestures of political goodwill and generosity toward non-Sandinistas, one of which was my own appointment to various official positions.[1] It is indeed significant that "San Antonio," the largest Central American sugar plantation, continues, as of this writing, under the ownership and management of scions of the wealthiest Nicaraguan families. "San Antonio" is a model enterprise.[2] In contrast, the frequent and arbitrary seizure of farms, houses and factories, for example of "Jabonería Prego," Nicaragua's most important soap-manufacturing company, is a gross injustice. Its owners paid salaries above the levels required by law, had no debts and invested their profits in the country. The expropriation, so far without compensation, of medium-sized properties that are often the products of the arduous work of self-made men, is even more regrettable.

It is thus distressing to observe how totalitarian trends are gaining the upper hand in the process of defining Nicaragua's Revolution. In the pursuit of a thorough emasculation of the "establishment," the radical zealots are prone to exhibit iconoclastic contempt for highly respected people and institutions. As a result, the moral authority of the Revolution has been impaired.

One error was the unwarranted vilification of Fernando Aguero, former president of the Conservative Party of Nicaragua and head of state, and Eduardo Montealegre, founder and president of Banco Nicaraguense, which headed a financial conglomerate. This has not gone unnoticed in Nicaragua. Under the circumstances prevailing in Somoza's Nicaragua, an opposition like Aguero could not have avoided participating in the political arena; nor could an independent banker such as Montealegre eschew formal relations with the government. Ironically, they were treated as rigorously as if they had been collaborationists, when in fact each in his own field strongly opposed Somoza.

The Sandinistas have also sparked public indignation by their rough treatment of the highly respected president of the Nicaraguan Red Cross, Ismael Reyes.

The harassment of Archbishop Miguel Obando y Bravo is yet another example of the boorish behavior which is costing the Revolution a political fortune. After all, the Archbishop is Nicaragua's most charismatic personality, beloved and respected by his people. Moreover, the Popular Church, sponsored by the Sandinistas in order to mortify the traditional Church, is more fiction than reality, designed to appeal to the staunch supporters of the Revolution, especially those abroad, who want to see the Sandinista Revolution through Pollyanna's eyes.

And there are no words to describe the shabby treatment of the Pope.

Censoring La Prensa—falsely calling its editors CIA stooges—is not only a violation of the freedom of the press, but a folly which jeopardizes any popular legitimacy of the Revolution.

It should not be forgotten that "dissidence" by non-Marxist revolutionary individuals or groups is the opposite of "counter-revolutionary" sentiment. It does not represent a challenge to Sandinista power, but rather an appeal to moderation. No one rejects the Sandinistas' preeminence, and this is not simply because of their military power. They earned their moral authority during the war of liberation.

As was to be expected, though nonetheless regrettable, extreme leftist radicals consider dissent as treason. Therefore, the dissenting views of the former guerrilla chieftain, Edén Pastora, provoked chagrin and wrath on their part—and, by symbiosis, these feelings are shared by the extreme right. With the announcement in Costa Rica of his dissident stand, on April 15, 1982, "Cero," as he is popularly known, released the dissidents from their "straitjackets." They can now march with him, a man viewed by many Nicaraguans as a true Sandinista hero. They may be called "traitors" by fanatics, but the Nicaraguan people know the truth. Pastora has the power to greatly increase the number of dissidents.

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[1] One of the three members of the current Junta is a conservative. Likewise, the Cabinet, Supreme Court of Justice and Council of State include non-Sandinistas.

[2] The most important sugar operation in the region, with extensive sugar cane plantations, it is controlled by the Nicaragua Sugar-Estates Corporation. Among its principal stockholders are members of such prominent families as Pellas and Benard. Management has a distinguished record for efficient production and a genuine social concern for the well-being of its workings.

It is truly a pity, tragic by any standards, that Nicaragua's Revolutionary Government may waste an opportunity to build a unique, model revolution, not just a replay of any other. I have heard people say that the reason revolutions in Latin America choose socialism is that it conforms to our cultural preference for authoritarianism. However, I strongly believe that my country does not have an indigenous vocation for tyranny. On the contrary, it has every right to aspire to a revolution as originally proposed by the Sandinistas, from which they are currently deviating and to which they should return. Any people, however backward, aspiring to justice and freedom, cannot accept absolutism as synonymous with revolution.

Likewise, those who have the good fortune to live in democratic countries, but prescribe socialism without freedom for developing nations, might, unintentionally, be adopting postures as patronizing as those who are nostalgic for paternalistic exploitation. The greatest disservice to Nicaragua's Revolution has been the "blank-check" solidarity given to its leaders through thick and thin—and regardless of their faults—by some governments and groups abroad. I am not suggesting that foreign aid be stopped. On the contrary, it must be continued. Nonetheless, I think that those sympathetic governments, if they are true friends of the Revolution, should use their leverage to bolster freedom and justice in Nicaragua. Otherwise, they may be fanning the fire for the self-destruction of Nicaragua's Revolution. Unconditional support, whether for reasons of idealism or partisanship, risks taking my country on a round trip; from the past to the past. As a matter of fact, Ernesto Cardenal, a renowned Nicaraguan poet and currently Minister of Culture, in one of his poems, scores the United States for its chutzpah: having first intervened in the international affairs of Nicaragua to put Somoza in power, the United States then used the principle of "non-intervention" as a pretext for keeping him in power in spite of his dictatorial rule.[3] Today, faced by the new reality of a Marxist dictatorship, some supporters of the FSLN seem to react with a similar double standard.

V

In April of 1980, after nine months in government, I was confronted with a difficult decision. I had already become deeply disturbed by the indiscriminate and speedy radicalization of the Revolution amid a great deal of confusion and sudden changes. As I confided to one of the revolutionary commanders, I was learning the meaning of "vertiginous speed"; in fact, I felt dizzy. More seriously, I was frustrated by revolutionary "purification," which was eliminating not only the weeds but sometimes the roses as well. I was approached to fill one of the vacancies on the five-member Junta created by the resignations of Violeta Barrios de Chamorro and Alfonso Robelo. Mrs. Chamorro is a lady of great moral stamina; Alfonso Robelo an excellent administrator. Although they had borne the brunt of participating in a troubled alliance, they had now reached the limits of their patience, as a result of the unexpected increase, above and beyond the number originally stipulated, in Sandinista representatives on the Council of State.

After a painful process of soul-searching—which included weighing opinions across the spectrum—I joined the Junta a few months before the celebration of the first anniversary of the Revolution. I remained in that position somewhat less than a year.

During that period, I observed a push for the "Sandinisation" of almost everything in the land. It seemed as if the Sandinistas, in their paranoia, were driven by an urge to assert their authority, their primacy, and this, in turn, provoked an overreaction among the non-Sandinistas. Sensing their rejection, these groups would occasionally test the Sandinistas' tolerance, to the point of quasi-provocation. This unfortunate situation had several negative effects. In the first place, it discredited broad alliances, making them appear to be mere tactical devices used by the Marxists to attain power. Consequently, the struggles of other revolutionary movements in the region were rendered more arduous. Internally, it meant that the unification of the Nicaraguan nation would be more difficult—and perhaps even impossible.

At that time, our foreign policy began to show how senseless our goals were. Instead of dedicating all our energy to building the ideal society for which our people had hoped, we were chasing chimeras abroad. It was a game with a high cost, bringing us to where we are today: we have exchanged the well-being of Nicaragua for a seat on the Security Council of the United Nations. Declaring ourselves nonaligned, we were, in fact, leaning to the Socialist bloc. Our actions belied our lip-service to nonalignment; it was difficult to explain our position vis-a-vis the Soviet invasion of Afghanistan. No less astonishing was our silence about the heroic struggle of Solidarity in Poland. Political analysts detected the contradictions, the most bewildering of which was that we did not seek the establishment of relations with the largest Socialist nation on earth—the People's Republic of China. Furthermore, the Taiwanese ambassador, envoy of a government which had been openly pro-Somoza, was among the first to present his credentials. It seemed that, acting as a loyal pawn, we were applying an old principle of political conduct—"My friend's enemy is my enemy; and my enemy's enemy is my friend." Were you about to change our status from "hacienda" to satellite?

I reached the conclusion that, given my position as a member of the Junta, the dissent which I manifested publicly on various occasions was not in harmony with the unity—I do not mean unanimity—which should exist in the executive branch of government. I considered it my duty to resign.

VI

Upon my resignation from the Junta, I accepted with enthusiasm my appointment—which I specifically requested be limited in duration—as Ambassador to the United States. Before departing for Washington, I was assured by the National Directorate of the FSLN that they were moved by a genuine desire to reach an honorable settlement with the United States. I now faced the overriding question of how to reconcile Washington's understandable concern for U.S. national security with Nicaragua's inalienable right to self-determination. I have always felt that, for negotiations to be successful, it is essential that both sides have good intentions. It should not be a game of each side trying to outsmart the other.

During my first days in my new post, I received the impression that the United States would not tolerate a leftist military victory in El Salvador. In addition, some remarks by the U.S. Ambassador to Nicaragua, Lawrence Pezzullo, hammered persistently on my mind Ambassador Pezzullo, I venture to say, had developed sincere feelings of sympathy for my country. It was one day in the spring of 1981—some time after the failure of the Salvadoran guerrillas' January "final offensive"—when he pleaded, amicably and candidly, that the government in Managua refrain from aiding insurrection in the neighboring nations. The Ambassador stressed that this was important for Nicaragua's own well-being.

In August of 1981, the Assistant Secretary of State for Inter-American Affairs, Thomas Enders, met with my superiors in Managua, at the highest level. His message was clear: in exchange for non-exportation of insurrection and a reduction in Nicaragua's armed forces, the United States pledged to support Nicaragua through mutual regional security arrangements as well as continuing economic aid. His government did not intend to interfere in our internal affairs. However, "you should realize that if you behave in a totalitarian fashion, your neighbors might see you as potential aggressors." My perception was that, despite its peremptory nature, the U.S. position vis-a-vis Nicaragua was defined by Mr. Enders with frankness, but also with respect for Nicaragua's right to choose its own destiny. He indicated that there was a fork in the road: one way leading to friendship between the United States and Nicaragua; the other to separation between the two countries. Maybe, he said, Nicaragua had already advanced along this second route. However, it was not too late to discuss an understanding.

When the conversations concluded, I had the feeling that the U.S. proposal had not been received by the Sandinistas as an imperialist diktat. However, nothing positive developed; Managua and Washington remained at loggerheads; tensions increased.

In the meantime, the frequent shutdowns of La Prensa and the imprisonment of business leaders for criticizing the government undermined me personally. At such a delicate time, when a head-on collision with the United States was imminent, I realized that, in view of the fact that I dissented from my government regarding its domestic policies and disagreed with its foreign policy, I could not continue being an effective envoy. I therefore left the government permanently.

In retrospect, I see that, as a Nicaraguan citizen, in spite of my loyalty to and admiration for the Sandinistas, I was never able to accept—without a popular referendum to sanction their pretensions—the belief that an offense to their governments is an offense to our fatherland; that the actions of their political party are the actions of our people.

VII

At this point in time, the conclusions that can be drawn regarding Nicaragua's revolutionary process are the following:

The Sandinista leaders as guerrillas were authentic classics—daring, shrewd, flawless. They conquered power.

They have not proved successful statesmen and are overwhelmed by the responsibilities of government, which they render more complex by their own dogmatism.

After 45 months of Sandinista rule, the nation is in a calamitous state. The people are divided by hatred and resentment; the economy is in a shambles and war rages, threatening to reach the level of intensity that existed when Somoza was put at bay.

[3] He wrote about U.S. support to Somoza: "Lo subió la intervención y lo mantiene la no intervención."

I am dedicated to my profession and do not consider myself as having a vocation for politics. However, like most of my compatriots, I remain keenly interested in my country's future. I am sympathetic to Eden Pastora and the other leaders of the Alianza Revolucionaria democratica (ARDE) because they profess to seek the democratic rescue of the Revolution. It is my understanding that Pastora has made proposals for a dialogue; and, since April 1982, he has indicated that he favors a policy of persuasion. Unable to effect a dialogue with the Sandinista leadership, Pastora finally has resorted to the use of force but claims he would still be open to a peaceful solution.

I follow, with disenchantment, the continuing and traumatic erosion of the Revolution. As its former followers become increasingly discontented with the regime, the United States is hardening its position. Disillusioned, key men in the Revolution are leaving the government. The departure, for instance, of Alfredo César, who served the government with distinction and had the full support of the FSLN in the renegotiation of the foreign debt and in other delicate assignments, such as minister-president of the Central Bank of Nicaragua, is a setback for the Revolution.

Counterrevolutionary forces, backed by the United States, are bolder in their attacks against the Revolution.

The confrontation with the United States has reached its outer limits. Washington has admitted its involvement in Nicaragua, even qualifying its intentions toward the Revolutionary Government—"We do not seek its overthrow. * * * Our purpose * * * is to prevent the flow of arms to El Salvador. * * *" Indeed, the President recently outlined his Central American policy before a joint session of Congress, referring to Central America's problems as directly affecting the security and well-being of the American people. Moreover, he stressed the strategic importance of the isthmus, and has labeled the Sandinistas' government "a new dictatorship." However, I respectfully express my confidence that subsequent remarks attributed to the President by the press do not amend his statement that U.S. support of insurgent forces is not intended to overthrow the Sandinistas.

Embarrassingly for the Sandinistas, the Brazilian authorities caught red-handed four Libyan airplanes loaded with weapons and ammunition destined for Nicaragua, which the Libyans had declared contained "medicines." How tragic it is that my country's government gambles with the security (and safety) of its people—misguided by its delusions of grandeur, seeing itself, foolishly, as an important piece on the chessboard of world politics.

Pablo Antonio Cuadra, an exemplary and erudite citizen, in one of his forceful editorials in *La Prensa*, reminded the Sandinistas that, if indeed they love Nicaragua, they should start by being prudent in order to protect it from any harm and avoid exposing it to danger.

The Frente Democratico Nicaraguense (FDN), Whose "contras" are successfully carrying out guerrilla activities deep inside Nicaraguan territory, and which—they boast—is "backed by the mightiest nation in the world," represents a moral defeat for the Revolution. It is indeed humiliating to those who really care for the Revolution that some FDN members who were civic cadavers have been resuscitated politically and vindicated morally by the excesses of the Revolution. Other members are citizens who have been victims of oppression—like the Miskito Indians and small farmers—or those who simply wish to see a different political system in our country. An even more significant indication of the despair experienced by a wide range of citizens is that the national directorate of the organization is composed of people with good credentials, such as Adolfo Calero, Marco, Zeledón, Alfonso Callejas and Lucía Salazar.[4] The fact remains, however, that most of those persons in positions of military authority within the FDN are ex-members of the National Guard, who unconditionally supported Somoza until the end, against the will of the Nicaraguan people.

In the event of a complete FDN victory, however remote the possibility, this national directorate would bear the difficult responsibility of controlling events so as to prevent the reinitiation of the vicious cycle of extreme right-wing oppression and exploitation, followed by insurrection and, finally, the return to power of extreme leftist absolutism; and, more important, to prevent acts of revenge.

Carrying perhaps an even greater responsibility, those who sustain the forces inimical to the Sandinistas must not ignore the fact that idealistic young boys and girls constitute the Revolution's rank and file. Therefore, those who aid insurrection in my country—whose disenchantment with the Revolution's course and concern for the security of their own country I do not dispute—should be aware of the risk they take of bearing a historical responsibility for contributing, albeit indirectly and unintentionally, to a possible mass execution of the flower of our youth. A line of distinction should be drawn, now more than ever, between "contras" and armed dissidents.

Backing the "contras" indiscriminately could prove self-defeating to the United States. It weakens the moderating forces and strengthens the role of the extremists in Nicaragua. I do not pretend to ignore the disposition of these Sandinista radicals to totalitarianism. But neither do I wish to advocate selective U.S. support for Nicaraguan insurrectionary elements. Nonetheless, no one should ignore the strength of Edén Pastora's will, clearly shown after less than four years of FSLN dictatorship, to rebel. (During 45 years of the Somozas' rule, neither the National Guard as an institution, nor the Somocistas as a political party, ever showed a genuine will to resist their tyranny.) More important, Pastora's insurgency does not seek the destruction of the Revolution, but rather its redemption from Sovietizing influence—for which, I believe, our people are deeply yearning.

It is ironic that Nicaragua may have missed an opportunity to liberate its political destiny from eternal dependency on the United States. We could still achieve our self-determination if only the revolutionary leadership would choose a new path for the Revolution—one of less notoriety, where we could bury the grudges of the past, live in the present with realism and move into the future with optimism. Unfortunately, we have again become entangled with the United States, in great measure by our own doing. As in the past, Washington might once again become the arbiter of our destiny.

President Reagan has asked Congress for a bipartisan U.S. policy toward Central America. I hope this can be accomplished so that the United States may deal with our crisis in a more objective way. Perhaps a more uniform human rights policy can be applied to Central America as a whole. In my judgment, a bipartisan policy would facilitate a consensus between Congress and the Executive, which is necessary to deal with this issue, so vital to the United States and to Central America. Such a consensus could lead to a better understanding by the United States and its allies of how to assist Central Americans in the achievement of permanent peace. Likewise, a human rights policy applied with equal rigor to both leftist and right-wing regimes would enhance U.S. credibilty.

The present crisis is a monster with two heads. One of them is underdevelopment and social injustice. To deal with it, social reforms and financial assistance are required. However, this will be a futile effort if the other head—violence—is not also severed. Consequently, and as President Reagan indicated, negotiations to remove all foreign military advisers and troops from the region are most desirable. However, in order to ensure success in this search for peace, efforts to attain a settlement in the region, such as those being undertaken by the Contadora group, composed of Mexico, Venezuela, Colombia and Panama, and the proposal for a dialogue put forth by Ambassador Sol Linowitz and Galo Plaza, former secretary general of the OAS, should be promoted. Outside support of insurrection in El Salvador as well as in Nicaragua must be halted.

Even if rescuing the Revolution may now appear an unattainable goal, the fact is that the Revolution ought to be irreversible. Therefore, the United States, while preserving its security from any threat, should understand that the Nicaraguan Revolution, while in a state of sickness, is still worthy of an effort to heal it.

It is my honest opinion that Edén Pastora is today one of our most valuable political assets and that we can call upon him to uproot the contradictions and vices hindering the process of social, political and economic transformation in Nicaragua which justice and decency demand. "Cero" has an important role to play in our history. In his last proclamation, on April 15th of this year, "Cero" reiterated his commitment to peace and explained his decision to launch an armed struggle against his former comrades as his answer to a call from the people to defend the national honor and expel from our soil the new intervention—the "internationalists" who virtually occupy Nicaragua today. In addition, Pastora swears to uphold freedom and democracy. He reaffirms his conviction that rescuing the original revolutionary project is the only way to attain these goals. A warrior like "Cero" who vows to put an end to despotic militarism deserves respect.

The United States has already shown its resolve to oppose Nicaragua's exporting of Marxist revolution through Central America. Its most effective and least confrontational weapons are economic measures. The recent reduction in Nicaragua's sugar quota is Washington's warning of what might follow, e.g., suspension of purchases of beef, coffee, shrimp and other products, and of sales of critical equipment. Even if the Socialist bloc were willing and, above all, able

[4] Jorge Salazar, her late husband, was an outstanding, fine and courageous man who helped the FSLN to overthrow Somoza and worked with great devotion to organize unions of small producers; he was a gallant defender of democratic principles. His assassination by state forces, in circumstances never clarified, casts an ugly shadow on the Revolution.

to replace the United States as the main trading partner, it could do so only under such poor conditions that Nicaragua would achieve at best a pyrrhic victory. On the other hand, if Managua were ready to give the United States acceptable assurances for a solid settlement, Washington should restore its economic relations with Nicaragua, on a basis of mutual respect.

An initial reconciliation between the FSLN and ARDE, as proposed by Edén Pastora and his allies, remains a valid option: commitment to pluralism, a mixed economy and normal relations with the Soviet bloc. Subsequently, this reconciliation should include all Nicaraguans—which is essential to ending the diaspora or exile of thousands, freeing those in prison, and redressing injustices. * * *

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I want to add my voice to the gentleman's position and statement. I hope the Congress and the Nation will listen, too, because he is right.

Mr. BONIOR of Michigan. Mr. Speaker, I yield 2 mintues to my colleague from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. I asked for the time for the purpose of asking some questions, though I want to say the Rules Committee has done admirably well under the circumstances.

However, I am very much concerned. I have been in Congress now about 22 years and only one time do I recall, as my memory best serves me, have we had one secret session, and I was disturbed then about it, and I am very much now.

□ 1350

And I feel that after that one lonely secret session: There was no reason for it. There was nothing that transpired that we could not have all the windows and all the doors open and let all our citizens participate with us. What I am afraid of in this case is that what the gentleman from Arkansas has so realistically painted for us will be aided and abetted by the fact that we will be constrained through a secret session.

Now, my question is, because I do not remember the proceedings of that one that I did attend:

Is it, under the rules, possible to have substantive action or decisions taken during the time that we are in secret session?

Mr. BONIOR of Michigan. No. If you mean by "substantive," can we adopt amendment? No. We can debate amendments. We will be discussing classified information in the secret session and then we will devote lots of time to the debate of that information and amendments that might be offered in the open session but there will be no votes in the secret session.

Mr. GONZALEZ. So that the secret session is more or less for adducing information?

Mr. BONIOR of Michigan. That is my understanding.

Mr. GONZALEZ. And discussing it, but not taking any definite or definitive position on any particular course of action to be taken in open session subsequently?

Mr. BONIOR of Michigan. It is to be used to make decisions in open session but my understanding is that there will be not votes of substantive nature with respect to amendments in the secret session.

Mr. GONZALEZ. I thank the gentleman.

Mr. TAYLOR. Mr. Speaker, I would simply say that this is a very, very important bill. It is one that deals with the national security of our country and the administration's ability to act in its best interest. I hope that we will have full participation and attendance when this very important session, as authorized by this rule, is held, because I think that it is important to the security of this Nation that strict attention be given to the debate that will ensue.

I have no further requests for time and I yield back the balance of my time.

Mr. BONIOR of Michigan. Mr. Speaker, let me simply say first of all, I commend the House on the action it took prior to our discussion of this rule with respect to the Caribbean Basin Initiative. For those of us on our side of the aisle who have argued that the polices of this administration, the military policies of this administration are going in the wrong direction, I think to have an economic policy despite the fact that it has some shortcomings, speaks in a positive way about what this Congress can do. I am pleased that we reaffirmed that positive action by the vote that we just had on the CBI.

Second, let me commend my colleague from Massachusetts and my colleague from Wisconsin, Messrs. BOLAND and ZABLOCKI, for their leadership on this issue. I would encourage, as I am sure they would encourage, all Members to take part in the secret session so that they can avail themselves of the information that will be presented, so we can make intelligent and hopefully wise decisions when we come into open session and vote on these very important amendments and of course on the bill itself.

With that, Mr. Speaker, I yield back the balance of my time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

House Resolution 247 was laid on the table.

PERMISSION TO CONSIDER GERMANE AMENDMENTS TO H.R. 2760, AMENDMENT TO THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that during the consideration of the bill, H.R. 2760, in the Committee of the Whole, it shall be in order to consider germane amendments printed in the CONGRESSIONAL RECORD by July 21, 1983.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROBINSON. Reserving the right to object, Mr. Speaker, and I shall not object, I simply would like to give the gentleman from Massachusetts the opportunity to confirm the opinion that was voiced by the Rules Committee in terms of the reasoning behind the extension of time.

Mr. BOLAND. Yes, I confirm the arguments and reasons that were given by Mr. BONIOR of Michigan and by the gentleman on the minority side with reference to the extension of time for any germane amendment.

Mr. ROBINSON. I thank the gentleman very much.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 2350, HEALTH RESEARCH EXTENSION ACT OF 1983

Mr. HALL of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 208 and ask for its immediate consideration.

The Clerk read the resolution as follows.

H. RES. 208

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2350) to amend the Public Health Service Act to revise and extend the authorities under that Act relating to the National Institutes of Health and the National Research Institutes, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with the provisions of section 303(a)(4) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered for amendment under the five-minute rule, and each section of the bill shall be considered as having been read. All points of order against the amendment rec-

ommended by the Committee on Energy and Commerce now printed on page 149, line 20 through page 157, line 25 of the bill for failure to comply with the provisions of section 303(a)(4) of the Congressional Budget Act of 1974 (Public Law 93-344) are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. HALL) is recognized for 1 hour.

Mr. HALL of Ohio. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Ohio (Mr. LATTA) for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 208 is an open rule providing for the consideration of H.R. 2350, the Health Research Extension Act of 1983.

The rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce.

In order to expedite consideration of the bill, the rule states that each section of the bill shall be considered as having been read. House Resolution 208 further provides for one motion to recommit.

It should be noted that the rule waives a point of order against the bill under section 303(a)(4) of the Congressional Budget Act. The rule further waives a point of order under section 303(a)(4) of the Budget Act against the Energy and Commerce Committee amendment now printed on page 149, line 20 through page 157, line 25 of the bill.

Section 303(a)(4) of the Budget Act prohibits the consideration of any measure which would provide new entitlement authority for a fiscal year before the adoption of the first concurrent resolution on the budget for such fiscal year. When the Rules Committee granted a rule on this legislation on May 24, final action had not been completed on House Concurrent Resolution 91, the budget resolution for fiscal 1984. However, agreement on the conference version of House Concurrent Resolution 91 was obtained in both bodies on June 23.

Mr. Speaker, H.R. 2350 extends the authorizations for the National Cancer Institute, the National Heart, Lung and Blood Institute, the Medical Library Assistance Act, and various other programs in the National Institutes of Health for fiscal years 1984 through 1986. In addition, the bill establishes a National Institute of Arthritis and Musculoskeletal Diseases.

I would like to call my colleagues' attention to section 467 of the bill, which provides for the creation of a national network of bioengineering centers. These centers would receive grants from the National Institutes of Health to conduct research on the use of electrical stimulation and computers as a means for overcoming paralysis.

This section was added to the bill at my request by the gentleman from California (Mr. WAXMAN). I wish to commend him for his work and leadership in this regard as chairman of the Subcommittee on Health and the Environment.

One of the Nation's leading institutions in this field is Wright State University, which serves Dayton, Ohio, in my district. Many of my colleagues may be familiar with the research efforts of Dr. Jerrold Petrofsky, the director of the university's biomedical engineering laboratory. His achievements in physical therapy associated with the computer stimulation of paralyzed muscles have received international attention. I applaud the research work of Dr. Petrofsky, as well as the investigation in this field sponsored by numerous other institutions throughout the country.

Today, there are more than 200,000 paraplegics in the United States. The National Institutes of Health estimates that each year spinal cord injuries will result in the paralysis of more than 10,000 new victims.

In recent years, there has been a growth in Federal support for research in the rehabilitation and treatment of these paralysis victims. This support must continue. Each achievement in bioengineering research should serve as an incentive for additional effort. The authorizations anticipated in H.R. 2350 for bioengineering centers will go a long way in making this expanded research possible.

Mr. Speaker, I am not aware of any opposition to this open rule on H.R. 2350, and I urge my colleagues to adopt it.

□ 1400

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there was not much controversy about this open rule in the Rules Committee, but there were serious questions raised about some of the provisions in this bill.

At the time of the Rules Committee meeting the administration provided a statement of policy strongly opposing this bill unless it is amended to:

First, reduce the excessive authorization levels to the amounts requested by the President.

Second, delete the provisions establishing a new National Institute of Arthritis and Musculoskeletal Diseases.

Third, delete the requirement that the entire NIH budget be submitted directly to the President by NIH, thus bypassing regular Department of Health and Human Services budget review; and

Fourth, delete the many new and restrictive requirements placed on NIH.

Mr. Speaker, at the time that the Rules Committee met on this rule, there was submitted to the Rules Committee a statement by the ranking minority member of the Committee on Energy and Commerce, Mr. BROYHILL.

In that statement, it is pointed out that this bill includes a wide variety of line-item authorizations and set-asides, including disease centers, grants for specific research and two new national commissions. These authorizations represent a reallocation of research dollars mandated by Congress rather than by scientific peer review. Dollars to fund these new activities would have to be taken from existing programs and monies already committed to research. This legislation would significantly destroy the NIH process of awarding research dollars based on scientific excellence and merit.

Mr. Speaker, there is another problem area in this bill which I questioned in the Rules Committee. Several provisions of H.R. 2350 mandate certain management practices that should not be locked in by Federal statute. These decisions are better left to the NIH director or institute directors. Some of the more troublesome examples include: First, establishment of a weekend pay differential for NIH nursing staff, a costly increase, not examined by NIH management; and second, creation of assistant directors for prevention and detailed prevention plans within each institute, which amounts to a duplication of current administrative activities. The inflexible detail and excessive specificity in the language of this bill will likely lead to future administrative problems for NIH.

Mr. Speaker, this bill needs close scrutiny and various amendments. Hopefully, the House will not overlook these needs when it considers the bill.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no request for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 388, nays 15, not voting 30, as follows:

[Roll No. 251]

YEAS—388

Ackerman	Dowdy	Kaptur
Addabbo	Downey	Kasich
Akaka	Duncan	Kastenmeier
Albosta	Durbin	Kazen
Alexander	Dwyer	Kemp
Anderson	Dymally	Kennelly
Andrews (NC)	Dyson	Kildee
Andrews (TX)	Early	Kindness
Annunzio	Eckart	Kogovsek
Anthony	Edgar	Kolter
Applegate	Edwards (AL)	Kostmayer
Archer	Edwards (CA)	Kramer
Aspin	Edwards (OK)	LaFalce
AuCoin	Emerson	Lagomarsino
Barnard	English	Lantos
Barnes	Erdreich	Latta
Bartlett	Erlenborn	Leach
Bateman	Evans (IA)	Leath
Bates	Evans (IL)	Lehman (CA)
Bedell	Fascell	Lehman (FL)
Bellenson	Feighan	Levin
Bennett	Ferraro	Levine
Bereuter	Fiedler	Levitas
Berman	Fish	Lewis (CA)
Bethune	Flippo	Lewis (FL)
Bevill	Florio	Lipinski
Biaggi	Foglietta	Livingston
Billrakis	Foley	Lloyd
Billey	Ford (MI)	Loeffler
Boehlert	Ford (TN)	Long (LA)
Boggs	Forsythe	Long (MD)
Boland	Fowler	Lott
Boner	Frank	Lowery (CA)
Bonior	Franklin	Lowry (WA)
Bonker	Frenzel	Lujan
Borski	Frost	Luken
Bosco	Fuqua	Lundine
Boucher	Garcia	MacKay
Boxer	Gaydos	Madigan
Breaux	Gejdenson	Markey
Britt	Gekas	Marlenee
Brooks	Gephardt	Marriott
Broomfield	Gibbons	Martin (IL)
Brown (CA)	Gilman	Martin (NY)
Brown (CO)	Gingrich	Martinez
Bryant	Glickman	Matsui
Burton (CA)	Gonzalez	Mavroules
Byron	Goodling	Mazzoli
Carney	Gore	McCain
Carper	Gradison	McCandless
Carr	Gray	McCloskey
Chandler	Gregg	McCollum
Chappell	Guarini	McCurdy
Chappie	Gunderson	McDade
Cheney	Hall (OH)	McEwen
Clarke	Hall, Ralph	McGrath
Clay	Hall, Sam	McHugh
Clinger	Hamilton	McKernan
Coats	Hance	McKinney
Coelho	Hansen (ID)	McNulty
Coleman (TX)	Hansen (UT)	Mica
Collins	Harkin	Mikulski
Conable	Harrison	Miller (CA)
Conte	Hartnett	Miller (OH)
Cooper	Hatcher	Mineta
Corcoran	Hawkins	Minish
Coughlin	Hefner	Moakley
Courter	Hertel	Molinari
Coyne	Hightower	Mollohan
Craig	Hiler	Montgomery
Crane, Philip	Holt	Moody
Crockett	Hopkins	Moore
D'Amours	Horton	Moorhead
Daniel	Howard	Morrison (CT)
Daschle	Hoyer	Morrison (WA)
Daub	Hubbard	Mrazek
Davis	Huckaby	Murphy
de la Garza	Hughes	Murtha
Dellums	Hunter	Myers
Derrick	Hutto	Natcher
DeWine	Hyde	Neal
Dickinson	Jeffords	Nelson
Dingell	Jenkins	Nichols
Dixon	Johnson	Nowak
Donnelly	Jones (OK)	Oakar
Dorgan	Jones (TN)	Oberstar
Obey	Sawyer	Tauzin
Olin	Schaefer	Taylor
Ortiz	Scheuer	Thomas (CA)
Ottinger	Schneider	Thomas (GA)
Owens	Schroeder	Torres
Oxley	Schulze	Torricelli
Panetta	Schumer	Towns
Parris	Seiberling	Traxler
Pashayan	Sensenbrenner	Udall
Patman	Shannon	Valentine
Patterson	Sharp	Vandergriff
Pease	Shaw	Vander Jagt
Penny	Shelby	Vento
Pepper	Shumway	Volkmer
Perkins	Shuster	Vucanovich
Petri	Sikorski	Walgren
Pickle	Siljander	Watkins
Porter	Simon	Waxman
Price	Sisisky	Weaver
Pursell	Skeen	Weiss
Quillen	Skelton	Wheat
Rahall	Slattery	Whitehurst
Rangel	Smith (FL)	Whitley
Ratchford	Smith (IA)	Whittaker
Ray	Smith (NE)	Whitten
Regula	Smith (NJ)	Williams (MT)
Reid	Smith, Robert	Williams (OH)
Richardson	Snowe	Winn
Ridge	Snyder	Wirth
Roberts	Solarz	Wise
Robinson	Solomon	Wolf
Roe	Spence	Wolpe
Roemer	Spratt	Wortley
Rogers	Staggers	Wright
Rose	Stangeland	Wyden
Rostenkowski	Stark	Yates
Roth	Stenholm	Yatron
Roukema	Stokes	Young (AK)
Rowland	Stratton	Young (FL)
Roybal	Sundquist	Young (MO)
Rudd	Swift	Zablocki
Russo	Synar	Zschau
Sabo	Tallon	
Savage	Tauke	

NAYS—15

Burton (IN)	Hall (IN)	Paul
Dannemeyer	Lungren	Smith, Denny
Dreier	Mack	Stump
Fields	McDonald	Walker
Gramm	Nielson	Weber

NOT VOTING—30

Badham	Heftel	O'Brien
Broyhill	Hillis	Packard
Campbell	Ireland	Pritchard
Coleman (MO)	Jacobs	Rinaldo
Conyers	Jones (NC)	Ritter
Crane, Daniel	Leland	Rodino
Dicks	Lent	St Germain
Fazio	Martin (NC)	Studds
Green	Michel	Wilson
Hammerschmidt	Mitchell	Wylie

□ 1420

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

TRADITION OF PUBLIC SERVICE AMONG HISPANIC AMERICANS

(Mr. ROYBAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROYBAL. Mr. Speaker, Hispanic Americans have a long tradition of public service and, whenever given the opportunity, have played important roles in helping to maintain and to better the quality of life for all Americans.

There is no better example of selfless dedication to public service than that given by two Hispanic-American agents of the Bureau of Alcohol, Tobacco and Firearms, Ariel Rios and Eddie Benitez.

On July 8, 1983, Special Agent Benitez was shot down in Miami, Fla., while attempting to arrest a gun and explosives runner with a history of violence. Benitez died in a Miami hospital yesterday.

Only last December Special Agent Ariel Rios of the Bureau of Alcohol, Tobacco and Firearms, also working undercover in Miami, was shot and killed in an arrest situation involving narcotics dealers. His partner ATF Agent Alex D'Atri was critically wounded in the same incident.

The Bureau of Alcohol, Tobacco and Firearms is in the forefront of the fight against violent criminals throughout this country. Special agents of this elite law enforcement agency work under the most hazardous conditions, with little public recognition.

I am very proud of all of the brave special agents of the Bureau of Alcohol, Tobacco and Firearms, and particularly pleased with the tremendous contribution that Hispanic Americans, such as Eddie Benitez and Ariel Rios, have made to that agency's efforts. At this point I include the following:

JULY 8, 1983.

Fm: ATF HQS (Criminal Enforcement)
MSG taken telephonically by HQS communications.

To: All stations.

Subj: Status of Special Agent Benitez.

At approximately 1:30 p.m. on July 8, 1983 Special Agent Eddie Benitez, 27, a 3 year ATF veteran and former metro/Dade Police Officer was shot and critically wounded in a north west Miami parking lot.

SA Benitez, alone with back up agents was attempting to effect the arrest of a subject who had previously sold illicit firearms and explosives to undercover agents in violation of the GCA and the ECA.

SA Benitez suffered a head wound and was transported to Jackson Memorial Hospital where he underwent surgery.

He remains in extremely critical condition.

The suspect taken into custody at the scene was not injured.

The incident is being investigated jointly by ATF and the city of Miami Police Department.

We will make every effort to keep you appraised of Special Agent Benitez' condition and ask that you refrain from contacting the Miami office directly.

ENERGY CONSERVATION DAYLIGHT SAVING ACT OF 1983

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to House Resolution 201, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 1398.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1398) to promote energy conservation by providing for daylight saving time on an expanded basis, and for other purposes, with Mr. MURTHA, Chairman pro tempore, in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee rose on Monday, June 27, 1983, all time for general debate had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Conservation Daylight Saving Act of 1983".

SEC. 2. The Congress hereby finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

SEC. 3. (a) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of March".

(b) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

SEC. 4. Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service. Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics. Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

SEC. 5. This Act shall take effect on the date of the enactment of this Act, except that if the date of enactment occurs in any calendar year after March 1, this Act shall take effect on the first day of the following calendar year.

Mr. OTTINGER (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 4, strike out lines 8 through 11 and insert:

SEC. 5. This Act shall take effect sixty days after the date of the enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this Act shall take effect on the first day of the following calendar year.

Mr. OTTINGER Mr. Chairman, I move to strike the last word.

Mr. Chairman, the committee amendment is technical in nature and deals with the effective date of the bill. It is designed to insure that at least 60 days' notice of the earlier starting time for daylight saving time is provided.

Under the amendment, if the bill is enacted this year, it will become effective in 1984; if it is enacted in 1984, it will become effective in 1985.

The amendment was supported unanimously in committee and I urge its adoption.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. COATS

Mr. COATS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COATS: Page 3, after line 7, insert the following new subsection:

(b) Section 3(a) of the Uniform Time Act of 1966(15 U.S.C. 260a(a)) is amended by adding at the end thereof the following: "In addition, any State or part thereof not exempted from the provisions of this subsection providing for the advancement of time may (to the same extent provided in paragraphs (1) and (2)) be exempted by such State from the amendment made by section 3(a) of the Energy Conservation Daylight Saving Act of 1983. In the case of any State (or part thereof) exempted from such amendment, 'last Sunday of April' shall be substituted for 'first Sunday of March" in applying the first sentence of this subsection.".

Page 3, line 8, redesignate subsection (b) as subsection (c).

Mr. COATS. Mr. Chairman, this amendment is one that was offered in the last session of Congress and is a very straightforward amendment.

What the amendment does is permit States, if they so choose, to exempt themselves from the proposed extra 2 months of daylight saving time.

Why is this amendment needed? Many would argue here that no additional extension should be made at all, and they cite reasons that the energy savings that the proponents claim are not substantiated or proven; that there will be an adverse effect on farmers and people from rural areas; and most importantly, that there will be a serious safety problem that will exist in schoolchildren waiting for buses or traveling to school in darkness and in bad weather conditions in March or April.

Finally, many oppose because the bill, as it is currently drafted, fails to recognize the vast differences in time zones, and the fact that in a single time zone it can be light in one part of the time zone and dark in another, warm in one part of the time zone and cold in another part.

□ 1430

When it is light in New York City, it is not light in Buffalo, Cleveland, or Detroit, and when it is warm in Mobile, Ala., on March 15, it is not warm in Chicago or Minneapolis. There is a vast difference in both temperature and light in the early morning within time zones.

Even if Members do not agree that their districts are subject to any of these limitations and feel the extra 2 months will be beneficial, they will be able to achieve those two months of daylight saving time. This amendment does not prohibit those States that want to have the extra 2 months to have them. What it does is allow those States that feel that, for various reasons, it is not conducive or beneficial for the State citizenry to exempt themselves for the additional 2 months.

The amendment addresses the fatal flaw in the bill as it currently exists. The fatal flaw is that the States are given the choice of all or nothing. They either now have to accept all the 8 months of daylight saving time or exempt out completely. If this amendment is not adopted, many States—and we will hear testimony from some of them later on—will be simply forced to make the choice to exempt themselves entirely out of daylight saving time, thus removing any energy savings that might be achieved—and

again we dispute those figures—and creating the kind of situation that no one wants.

It is important to understand the disparity that exists within the time zones. There is on a maximum basis a 92-minute difference between the time the Sun rises in the easternmost part of the time zone and the time that it rises in the westernmost part of the largest time zone. That is 92 minutes. When the Sun rises in Boston, it does not rise in Grand Rapids, Mich. When the Sun rises in Nashville, it does not rise in Lubbock, Tex. When the Sun rises in Denver, it does not rise in Boise, Idaho. There is a significant difference. So while we have the Sun available for schoolchildren waiting on a country road or a city road for a bus or traveling to school in some cities of this country, we have darkness in other cities.

The temperature extremes show even more of a variation that we are dealing with here. It might be warm in Miami on March 15, but it certainly is not warm in Detroit, Cleveland, or Buffalo. It might be warm in Mobile, in the central time zone, but it is not warm in Minneapolis, which is also in the central time zone. It might be warm in Phoenix, in the mountain time zone, but it is not warm in Helena, Cheyenne, Salt Lake, or Boise.

It may be easy for a parent to say goodby to a child if that child is walking out the door in Miami to go to school in the morning, but it is not easy for a parent to say goodby to a child if that child is walking out the door in Harlan, Ky., on the western side of a mountain, because it is still dark, with temperatures in the freezing range in early March. It is not easy for a parent to say goodby to a child in west Texas, North Dakota, Minnesota, Montana, or in many, many of the northern cities in western parts of time zones. Sixty-five percent of the people in this country live in the western part of a time zone. There is a 92-minute variation. The temperatures that exist in some of the cities in some of the western parts of the time zones and in the northern latitudes on March 15 and even in April are temperatures that are conducive to traffic and safety problems.

In Indianapolis, on March 15, the average daily minimum temperature is 30°; in Minneapolis, 20°; in Madison, Wis., 21°; in Fargo, N. Dak., 14°; in Detroit, 26°; in Buffalo, 26°; in Salt Lake, 30°; and in Pittsburgh, 29°.

The CHAIRMAN. The time of the gentleman from Indiana (Mr. COATS) has expired.

(By unanimous consent, Mr. COATS was allowed to proceed for 5 additional minutes.)

Mr. COATS. Mr. Chairman, to continue with the average minimum temperatures, in Boise, Idaho, it is 30°, and even in New York City it is 33°. Those are the temperatures that produce freezing rain; those are the temperatures that produce icy roads; those are the temperatures that, combined with darkness, cause problems. And we all know that the minimum temperature is reached just before sunrise, and that is the time the children leave the house and go to school.

So I think if we look at it strictly from a safety standpoint, we are considering something here that lends itself to support for this amendment.

I want to stress that we are not denying New York City or Miami or southern California the ability to take advantage of the extra 2 months of daylight saving time. This amendment does not do that. It simply allows those States that so desire to exempt themselves from those 2 months without having to exempt themselves for the entire 8-month period.

There is an effect on our farmers; there is an effect on our rural people. We will hear from the other side on that subject.

The energy savings are doubtful. As for recreation time in California and Florida, that is fine. If they want the extra time to play golf in March, fine. But I submit that we do not play a lot of golf in Detroit, Buffalo, Cleveland, Minneapolis, or Cheyenne in March. We do not need that extra hour for the recreation time, and I think it is a very poor trade-off to trade an hour of convenience and recreation time in March and April in the warm climates for the situation whereby we have our children exposed to darkness and icy roads and bad weather conditions in March and April in the northern latitudes in the western parts of the time zones.

This amendment allows those States that are adversely affected to make the choice themselves. I ask the Members, do they want to make the choice for the mothers of their States in their districts as to whether those kids go to school in the dark and go to school in adverse conditions, or do they think that is something that is better left to the State legislatures in the States that are affected? I do not want to make that choice, and I do not think that other Members would like their constituents to know that they have not given their State, that may be affected adversely by this bill, the opportunity to make that choice for itself.

A vote for the Coats amendment will save the time or give extra time to those States that feel it is in their best interest, but it will also allow those States that feel it is not in their best interest the opportunity to make that decision themselves and serve what they consider the best interests of their people. A vote for the Coats amendment is a sensible vote. It preserves daylight saving time for those who want it, and it allows States to choose for those that do not.

In the remaining time that I have, I just want the Members to take a look at the map that is next to me. We will note the difference or the disparity between the time zones. We have a situation where Boston is not the same as Grand Rapids, Mich. We have a situation where Nashville is not the same as west Texas. We have different latitudes, we have people subject to mountainous conditions, and we have northern latitudes with freezing rain, snow, sleet, cold, and ice in the wintertime.

Mr. Chairman, it is a situation to which I think we ought to be sensitive, and this amendment does that without destroying the intent of daylight saving time.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. COATS. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, as I understand the gentleman's amendment, it allows the option of a State to exempt the entire State from the operation of the extended daylight saving time; is that a correct understanding of the gentleman's amendment?

Mr. COATS. Mr. Chairman, the gentleman is correct. It allows the State the option to exempt itself from the additional 2 months. If they do not have that option, as the bill is now constituted, that State only has the option of either accepting all the 8 months of daylight saving or none of it. So our fear is that some States, faced with that choice, will simply say that they are going to have to opt out of daylight saving altogether, and if there are any energy savings, they are going to be limited if even one State removes itself from that choice.

Mr. ROGERS. Mr. Chairman, if the gentleman will yield further for a question, Is it the intent of the gentleman's amendment that a State can opt out of this 2 months' extension by operation of the State legislature, or whatever? What is the gentleman's intent in that respect?

Mr. COATS. Mr. Chairman, the law that currently exists has a procedure whereby States can opt out, and that same procedure will be used under this amendment. This simply allows those States to use the procedure which is already existing in the law, which is the State legislature's decision to opt out of it for the extra 2 months.

Mr. ROGERS. Mr. Chairman, I want to commend the gentleman from Indiana (Mr. COATS) for offering this amendment that allows States the option to control the lives of their own citizens. I think it is something, as the gentleman has indicated, that presents a fatal flaw in this bill, and I appreciate the gentleman's giving us the

chance to correct this fatal flaw in the bill.

Mr. COATS. Mr. Chairman, I thank the gentleman for his comments, and I yield back the balance of my time.

Mr. OTTINGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I appreciate the intent of the gentleman from Indiana (Mr. COATS). We attempted to give States all the reasonable flexibility that we could under the legislation by permitting these States to opt out if they want to, and in fact the State represented by the gentleman from Indiana has made that choice. So whether this amendment passes or whether the bill passes or not, in Indiana the situation will be exactly the same. We also permitted those States which are divided by a time zone on either side of that division the option of deciding to opt out of daylight savings.

□ 1440

The difficulty with the gentleman's amendment is that it would allow a State to opt out just for these 2 months and that would create such a crazy patchwork of different time zones across the country that it would create severe disruption of interstate commerce.

The exact same amendment was offered on the floor last year and was defeated. It was defeated in the committee this year.

The Reagan administration, which supports this legislation, opposes the amendment. In fact, the Uniform Time Act of 1966 was designed for just the purpose that was intended by that name, to try to create some uniformity in our time zones across the country. This was deemed essential for the free flow of interstate commerce.

The act did, however, recognize the rights of States, as I indicated, by permitting a whole State to opt out, as is the case with Indiana, or where a divided State is involved for either half that State to opt out.

This amendment, however, would go much further by permitting States to choose to observe daylight saving time from zero, 6 or 8 months. This would create a patchwork of times in the States. It would cause havoc for the railroads, the truckers, the airlines, the network broadcasters would have to in some cases perform the impossible job of adjusting timetables to meet the convenience of the localities.

It would, in effect, return us to the past when there was confusion in time, as it was observed from State to State.

Recently I received a letter from the Department of Transportation's general counsel, Jim Burnley, stating the administration's opposition to the Coats amendment. I would like to read from that letter:

As originally enacted, the Uniform Time Act of 1966 permitted any State to exempt itself from the observance of DST established in that Act. However, any such exemption had to be a total exemption. The choice permitted to the States was DST in accordance with the Act or not at all. Even though Congress has amended the Act, this requirement that any exemption be for the entire year has never been relaxed, because partial exemptions could recreate the chaotic situation which led to enactment of the current law.

In 1966, when the Uniform Time Act was enacted, although 90 million people were observing DST from the last Sunday in April to the last Sunday in October, enough were observing some other period of DST to have an adverse effect on interstate and foreign commerce. Various beginning and ending dates created considerable confusion and expense, as transportation and communication schedules were constantly revised to reflect the difference in local choice. The solution which Congress devised was to establish one beginning date and one ending date for DST each year. This has proven highly successful. Airline schedules on this continent, for example, need be changed on a large scale only twice each year, at the changeover dates to and from DST.

Were H.R. 1398 to become law with this amendment attached, the number of DST beginning dates each year would double, reintroducing the lack of uniformity which Congress sought to correct in 1966. It would also require many businesses to incur additional and unnecessary expense just when the country is showing strong signs of economic recovery. For these reasons, we oppose adoption of the amendment.

That is the letter from the administration, from the Department of Transportation.

It is for these reasons that I strongly oppose the amendment of the gentleman from Indiana.

Let me say a few words about some of the problems that he has raised with the bill as a whole, for which he gives as reasons why this 2-month exemption is needed.

The one of most significance and the one that I am most concerned about is the problem that he raises with respect to safety of schoolchildren. We were very concerned about that. In 1974 and 1975 when we had year-round daylight saving time, the Department of Transportation did a study.

The CHAIRMAN pro tempore. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. OTTINGER was allowed to proceed for 5 additional minutes.)

Mr. OTTINGER. The results of that study showed that there were no additional child fatalities during March and April, than there were during the other months of the year, but not during March and April.

When the Bureau of Standards did its audit in which it disagreed with some aspects of the Department of Transportation study, it specifically confirmed that there were no additional child fatalities during this time.

When we had year-round daylight saving time, there were a number of school districts in areas such as that described by the gentleman from Indiana that were in the western part of the State and therefore particularly dark, that chose to have the school timeclock changed. They did that for the convenience of the people in that particular school area.

I would suggest that that is a far better solution for the few schools that may be involved than it is to subject the whole country to inconvenience in terms of disruptive time changes for the benefit of those relatively few school districts. Where it appears to be a problem, the school can change the time of the school a lot easier than to have the whole country or parts of the country change to different times.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I am glad to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I would like to make a clarification if I can, because several Members have mentioned to me today that the bill before us actually moving to the 8 months does not change States that were exempted or had some changes under the 6 months; is that correct?

Mr. OTTINGER. That is correct.

Mr. MONTGOMERY. Well, actually then, we really do not need this amendment to protect those States who would like to stay like they are.

Mr. OTTINGER. No; a State that was exempt under this new bill would continue to be exempt from daylight saving, including the 2 additional months.

Mr. MONTGOMERY. One of the problems that I believe this amendment was offered a year ago when the gentleman and I both sponsored this type of legislation, it was pointed out especially by the airlines the problems of the different zones of traveling.

Also, it was pointed out by the different networks of television and radio of the different changes that we would have across the country in communications.

Mr. OTTINGER. That is the problem. I would be delighted to give the additional flexibility, what it does is that it ends up highly disruptive to all the transportation systems of the country, the railroads, the truckers and the airlines, highly disruptive to the networks, the broadcasters, television and radio, and a great many other businesses where time is of the essence. What you do is add additional time zones throughout the country which is very hard to accommodate. It is for that reason that the administration and I oppose this amendment, but we gave the States the maximum flexibility that we could, consistent with sensible interstate commerce regulations, so we allowed States to opt out. If they have opted out, as the

gentleman has indicated, they continue to be out, and where a State is split by a time zone, they can opt out from either one of the halves of the State that is divided by the time zone. And I think that gives them a great flexibility.

Mr. MONTGOMERY. Mr. Chairman, I thank the gentleman. That certainly clears it up for me.

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I am glad to yield to my friend, the gentleman from South Dakota.

Mr. DASCHLE. Mr. Chairman, I thank the gentleman for yielding.

I would like to clarify this. We can debate which is safer all we want to. The gentleman has a Department of Transportation study and those of us who oppose the extension have a Bureau of Standards study; but that Bureau of Standards study I think needs to be considered. That Bureau of Standards study indicated that there was a higher incidence of traffic deaths for January and February. Certainly the weather in most rural areas, especially most northern areas, is much more like January and February and March than it is like April, especially in the earlier weeks.

Mr. OTTINGER. But we have the actual experience—I take back my time. We had the actual experience during March and April and the Bureau of Standards confirmed that there were no additional fatalities to children during March and April. That is the only time that we are talking about.

I will read from the Bureau of Standards testimony:

A closer analysis of the four separate months, January, February, March and April, showed the difference between 1973 and 1974 was not statistically significant for the months of March and April, but was for January and February.

So the gentleman is correct with respect to January and February.

Now, the other thing I would like to point out is that where you have a situation in the western part of the time zone where this may cause a particular problem, what actually happened during this time was that a number of school districts did change their school hours and they can accommodate that problem much more readily than disrupting the whole country with a multiplicity of time zones.

The CHAIRMAN pro tempore. The time of the gentleman from New York has again expired.

□ 1450

(On request of Mr. COATS and by unanimous consent Mr. OTTINGER was allowed to proceed for 2 additional minutes.)

Mr. COATS. Will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Indiana.

Mr. COATS. The gentleman made some points that I think need to be discussed.

The patchwork quilt did exist before the 1966 uniform time because before that time various jurisdictions, less than the State jurisdiction, could either opt in or opt out, or choose or not choose to have daylight saving time. So you had the situation where one village or one town chose to go in and another town did not and you would travel from jurisdiction to jurisdiction and that did play havoc on radio and airline schedules

But with the implementation of the 1966 act we eliminated that patchwork and simply went on a State-by-State basis. The amendment here preserves the ability of States to opt out as currently exists in the law.

Second, in terms of the energy study, reference has been made to the review and technical evaluation of the DOT study prepared by the National Bureau of Standards. I would like to quote a couple of conclusions from that study.

It says:

In particular, careful analysis of the data bases used by DOT in studying fatal accidents and electricity production reveals several respects in which these data are faulty.

The data available did not include information about many factors other than daylight savings time that would influence electricity usage and traffic fatalities, for example, meteorological factors.

Quoting further:

Applying the analyses used by DOT to the corrected data base, the National Bureau of Standards finds no conclusive evidence for decreased production of electrical energy during Daylight Saving Time.

As to school-aged children and fatal accidents, I quote:

There was a statistically significant increase of school-age children fatalities in the morning during the four-month period January-April 1974 as compared to the same period of non-daylight saving time in 1973.

Information needed to analyze the effects of daylight saving time on total motor vehicle fatalities is incomplete in many cases,

as compiled by the DOT.

Mr. OTTINGER. What the gentleman has read, as you know, is incomplete. The Bureau of Standards specifically did find that there was no statistically significant increase in accidents during March and April.

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. OTTINGER) has again expired.

(By unanimous consent Mr. OTTINGER was allowed to proceed for 2 additional minutes.)

Mr. COATS. If the gentleman would yield further, I think it is just common sense that if children have to go to school in the dark in northern latitudes in the morning during March and April there is going to be a higher risk attendant to that than would exist under the current situation. It is not the same as September and October.

Mr. OTTINGER. That may be the gentleman's commonsense but that was not the experience. In fact, as the gentleman knows, you have exactly the same darkness situation—I understand you may not have the same coldness situation—but the same darkness situation under existing daylight saving time in September and October.

Mr. COATS. Will the gentleman yield?

Mr. OTTINGER. Let me just finish that point.

As I have indicated before, any school district, because you are going to have these differences no matter what scheme is adopted, any school district that feels this is a particular problem in its area can change its time schedule of the school and in fact that is what they did during year-round daylight saving time, and that ought to solve that problem.

You cannot have a system that works perfectly everywhere. One has to have an accommodation and the accommodation we have reached is to allow the States, or States that are divided, to opt out, as the gentleman's State has.

According to the networks and the transportation systems that is all the difference that can readily be accommodated without disrupting interstate commerce.

So I think the bill as we have put it forward does represent a good compromise giving the States reasonable latitude and the additional latitude that the gentleman seeks is just too disruptive of interstate commerce to permit.

I would now again yield to the gentleman if he so desires.

Mr. COATS. I thank the gentleman.

The gentleman made a point that I think is a critical distinction. While he said that the darkness is the same on both ends of the summer solstice, there is a difference in temperature. I highlighted some of those differences in temperature.

It is that difference in temperature that makes the difference. On March 15 in Miami, while the daily minimum temperature which occurs just before sunrise is 67°, in Detroit it is 26°. While in Mobile, Ala., it is 50°, in Minneapolis it is 20°. While in Phoenix it is 46°, in Salt Lake City it is 30°.

It is that difference in degrees, in what the gentleman referred to as coldness, that is the critical distinction, and that is why the States ought to have the opportunity to opt out.

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. OTTINGER) has again expired.

(By unanimous consent Mr. OTTINGER was allowed to proceed for 1 additional minute.)

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman.

Mr. DASCHLE. The gentleman talks about flexibility. I think we have to clarify this.

If the States wanted to avail themselves, if they wanted to get out from under this requirement now that they extend for 2 months, they would have to get out of it entirely. They do not have the flexibility.

There are a lot of States like South Dakota that might be willing to say 6 months is enough, and I think the majority of the people in South Dakota would say, "Look, if we are going to have to have 12 months at a time, and we want to split it, then let us do that." But to extend if for 2 more months and to require it to be so extended I think is not giving any States that flexibility.

So I think it is a very misleading statement to say that they have flexibility. It is either 8 months or nothing at all. What flexibility is there there?

The gentleman then talks about patchwork. If you want to talk about patchwork, let us see every school district run on time periods and let us get the schoolbuses out in every State in the upper Midwest.

Mr. OTTINGER. But that is no problem to commerce because it does not involve radio stations or airline schedules, and so forth.

Mr. MOORHEAD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment offered by my friend and colleague, the gentleman from Indiana.

By allowing States to opt out of the first 7 weeks of daylight saving time (d.s.t.), this amendment would destroy essential national uniformity which Congress provided by enacting the Uniform Time Act of 1966. This act has served to prevent exactly the situation which the gentleman's amendment would permit; that is, the amendment would permit a situation where different States and parts of States observe varying periods of d.s.t.

With varying beginning dates for d.s.t., every business which operates on an interstate schedule would have to decipher a crazy quilt of time variances throughout the Nation. Airlines, railroads, buslines, delivery services, communications networks, and many other enterprises would have to cope with massive scheduling and rescheduling dilemmas.

This was the situation in 1966, and it became such a significant burden on interstate commerce that Congress enacted the Uniform Time Act. This act provided for one beginning date and one ending date for d.s.t. A State could opt out of d.s.t. entirely if it chose, but it could not vary the length of its d.s.t. observance. Such uniformity was found to be crucial to interstate commerce.

This amendment, however, would destroy this uniformity. That is why this same amendment was defeated by the House in the last Congress.

This amendment to H.R. 1398 is strongly opposed by the Reagan administration. In a recent letter to the chairman of the Subcommittee on Energy Conservation and Power concerning this amendment, the Department of Transportation stated:

> Were H.R. 1398 to become law with this amendment attached, the number of d.s.t. beginning dates each year would double, reintroducing the lack of uniformity which Congress sought to correct in 1966. It would also require many businesses to incur additional and unnecessary expense just when the country is showing strong signs of economic recovery. For these reasons, we oppose adoption of the amendment.

Mr. Chairman, I believe that the States should have the right to choose whether or not they wish to observe d.s.t. H.R. 1398 already permits this. This amendment, however, could create a jumble of varying periods of d.s.t. observance that would, according to the administration, interfere with interstate commerce and the future of the Reagan recovery. I urge my colleagues to oppose this amendment.

Thank you.

I would urge also that those from the farm States that are concerned with the farmers having to get up earlier or with their schedules being changed, the cows are going to get up at the same time in the morning and they are going to milk the cows exactly at the same natural time that they always have. The time on the clock is not going to make any difference to the farmers.

I came from a farm family and I know the ritual that applies in these families. It requires people to live according to the laws of nature and not the laws of the clock. So they are going to make adjustments to any daylight saving time or any other time that we adopt.

If it is too early for church they will change the church time; if it is too early for school, they will change the school time; and if it is too early for business, they will make adjustments there, also.

Mr. NIELSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I will be happy to yield.

Mr. NIELSON of Utah. Both the chairman, the gentleman from New York (Mr. OTTINGER) and the ranking minority member have mentioned many quotes on what the problems are. I quote from volume 2 of the Department of Transportation report which has been quoted several times today:

> A major argument voiced against year-round daylight saving time was that it made the mornings darker, thereby exposing school children waiting for buses in the dark to an increased hazard. In an attempt to reduce this danger 44 percent of the school districts in the U.S. shifted school starting hours to later times; 47 percent of the students in the U.S. were affected by these shifts in hours.

□ 1500

This shifting of school starting times created a new safety problem. Working mothers who had previously sent their children off to school before leaving for work suddenly found that their children were leaving for school after they had left for work, thus leaving children unsupervised in the house.

When emergency daylight saving time was amended to eliminate January, February, March, and April, only two school districts which found it necessary to change the time because it was lighter in March and April were able to cope with it after they were taken off daylight saving time.

If you put back March and April, I assert that you will have the same crazy patchwork that you are objecting to among the school districts and you will have unattended children at home and new safety problems there.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. MOORHEAD was allowed to proceed for 1 additional minute.)

Mr. MOORHEAD. I think there is no question but what if daylight saving time is in effect, if children were to get home an hour later at night they would be supervised much longer by their parents then they would be otherwise, because there is no question if they are in school and their school lasts an hour later and they come home and the parents come home at the same time there are going to be more hours that they will be supervised by their natural parents which certainly is a benefit in keeping with the uniform daylight saving time for the Nation.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Iowa.

Mr. TAUKE. If this amendment should fail, I will make additional comments relating to the problems that dairy farmers and others face with this particular piece of legislation. But I think the gentleman from California misrepresents the point. The gentleman is right that dairy farmers and others will continue to arise with the Sun; but the difficulty is dairy farmers recent having to operate by one timeframe while the rest of society is operating by another timeframe, especially if they happen to be in a position where they hold a job in a factory in the city.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request of Mr. TAUKE and by unanimous consent, Mr. MOORHEAD was allowed to proceed for 1 additional minute.)

Mr. TAUKE. Mr. Chairman, will the gentleman yield to me?

Mr. MOORHEAD. I yield to the gentleman.

Mr. TAUKE. I thank the gentleman for yielding.

Especially if they happen to be in a position where they hold a job in a factory or operate elsewhere in the community. It seems to me that that is the fundamental problem with this piece of legislation. The legislation is offered on the assertion or the assumption, or both, that it will result in additional energy savings. But if even one State opts out for the 8-month period, you lose all the energy savings which serve as the basis for this legislation in the first place.

Now, it may be true that the farmers will arise with the Sun, but it also is true that that is going to spark additional opposition to daylight saving time generally and that is going to make it much more difficult for many States to participate in the program at all, much less the additional 2 months.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(On request for Mr. TAUKE and by unanimous consent, Mr. MOORHEAD was allowed to proceed for 1 additional minute.)

Mr. TAUKE. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD. I yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Chairman, I thank the gentleman for yielding.

So as a result, if this amendment fails, my concern is that we are going to have one or two additional States or three additional States where the opposition to daylight saving time will grow and the whole rationale for that amendment, out of the Energy Conservation Subcommittee, which is energy conservation, would be lost.

That is why adoption of the Coats amendment is essential if you are going to achieve the energy savings that are alleged to be the basis for this piece of legislation.

Mr. MOORHEAD. Mr. Chairman, reclaiming my time, I think daylight saving time is popular enough with the people across this country so that it is not likely any States, if any, only one or two small ones, would ever opt out.

Mr. NIELSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Utah.

Mr. NIELSON of Utah. I thank the gentleman for yielding.

Mr. Chairman, I know of at least four States who have told me that they will opt out if you do not pass this amendment.

Mr. MONTGOMERY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have great respect for the gentleman who offered this amendment but I think if it is adopted it will cause a lot of confusion around the country.

As has been explained by the chairman and also the gentleman from California, we do not need this amendment, the States that are protected now, would still be protected under the bill.

I think this is a reasonable approach to our situation, to extend daylight saving time by 2 months. I support this bill. I might say to my colleagues that I come from a farming area and for the life of me I really cannot see why the farmer would oppose this piece of legislation. Some have argued here today that cattle would be affected by the change.

I know something about cattle, having had a few cattle, and I have never had a cow come to me and be opposed to daylight saving time.

When I do, then certainly I will change my position. But I do know a lot of people who work by the clock, who punch the clock, who work from 8 to 5, or from 8 to 6 o'clock at night.

I have an automobile mechanic in my district who over the Fourth of July told me that he did not write a lot of letters, but he said, "I like this daylight saving time. I live 10 miles from my work. When I clean up my tools it is about 5:30 and daylight saving time gives me the opportunity to get home in daylight. I have a small farm, with a few head of cattle. I have a garden to work in the daylight. "This means a lot to me," he said, "and I certainly hope that we can keep daylight saving time."

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, I would like to express my appreciation for the help the gentleman from Mississippi gave the last time this legislation was up, and on this legislation. I think his arguments are very cogent, his help is invaluable and I just express my appreciation to the gentleman.

Mr. MONTGOMERY. We are not hearing from the people who are really affected by daylight saving time, the person who works by the clock. I certainly think he or she should be considered.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield further?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. OTTINGER. There were two polls taken in successive years on this question. Each time it came out that the people of this country are more than 2 to 1 in favor of extending daylight saving time to March and April. This is something the people clearly want and that is why we are up here offering it.

Mr. KAZEN. Mr. Chairman, will the gentleman yield to me?

Mr. MONTGOMERY. I yield to the gentleman.

Mr. KAZEN. I thank the gentleman for yielding.

Mr. Chairman, how will this amendment change the situation for the gentleman's (Mr. MONTGOMERY) mechanic? I ask the gentleman from Mississippi that question. We are talking about this amendment at this point.

Mr. MONTGOMERY. I am supporting the bill but opposing the amendment. The amendment will give us the disadvantage to have different time zones in different States.

Mr. KAZEN. Mr. Chairman, is the gentleman opposed to States rights?

Mr. MONTGOMERY. My mechanic is not going to go anywhere, he is going to stay home, he is not going to fly the airlines. But it will affect others who fly the airlines and also watch television and listen to the radio.

Mr. KAZEN. I wondered how this affected the work of the gentleman's mechanic.

Mr. MONTGOMERY. I was talking about the mechanic, giving him the opportunity under the bill to have 2 more months of daylight savings time.

Mr. KAZEN. But under the amendment he would still have that; would he not?

Mr. MONTGOMERY. That is correct. I am not arguing that point at all.

I am arguing for the bill.

Mr. KAZEN. I thought the gentleman was opposed to the amendment.

Mr. MONTGOMERY. I am opposed to the amendment. I think it would offer a lot of confusion, but that does not affect my automobile mechanic, you are right.

Mr. COATS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the author of the amendment.

Mr. COATS. I thank the gentleman, my friend, for yielding.

Mr. Chairman, were the matter simply weighing the convenience of the farmer versus the convenience of airline schedules or railroad schedules, the gentleman might have a balance. But what we are doing here is weighing the convenience and the safety of schoolchildren in the morning, in northern areas.

Now I know the gentleman is fortunate to come from a nice area where it is sunny and warm all year long. But up in the north and in the upper latitudes we are faced with this problem of a combination of darkness and weather.

That is a critical point here, which I think is not weighing with farmers, although it is an inconvenience, it is an inconvenience perhaps to the railroads and we can measure those. But when you weigh that convenience of railroad schedules versus safety of children we move into another plane here. And I think that is the critical argument.

Mr. MONTGOMERY. Mr. Chairman, I appreciate the gentleman's comments. But I do disagree.

Mr. Chairman, I yield back the balance of my time.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, as you can hear from the chorus from several of my colleagues in regard to wanting a vote, not too many people in this body really take this bill too seriously. It is late on a Thursday and I know a lot of folks want to go home. But I would urge my colleagues to take a closer look at this bill before automatically voting yes or no, regardless of what the Members think it does for their districts.

I would commend to the attention of my colleagues the "Dear Colleague" sent by my good friend and colleague from South Dakota with regard to all of the allegations by the proponents of this bill as to saving energy, saving lives, safety of schoolchildren. We even had one allegation about the fact that it is going to improve the crime situation. But the other side of that coin is that that crime study only was for the District of Columbia which certainly has unique crime problems.

□ 1510

The thing that I want my colleagues to check is to go back to their office, and get out the Farmer's Almanac and dust it off and turn to page 54. And on page 54 my colleagues will see that the Farmer's Almanac lists the time that the Sun rises and the Sun sets for every day of the entire year and if one will look on page 54, one will find that we use Boston standard time. It should come as good news for the Speaker of this House to realize the entire Nation goes on Boston standard time.

But then Members should move to page 76, and you will find the chart whereby you can adjust for your own time in your own district. And I did that. And I found out that on the High Plains that the Sun would normally rise at 7:15, but under daylight saving time, if this amendment passes, on March 1, that the Sun will rise at 8:15, and in some cases even at 8:30.

Now, what do my colleagues suppose is going to happen all throughout the High Plains, or for that matter all around the country, especially up north, when you get an hour of extra darkness in the morning? You are going to have every businessman and every businesswoman and every school youngster and every farmer and, yes, even an airline pilot, if he has to get up at that time of the morning, saying, "What on earth am I doing getting up or opening my place of business in the dark?"

And they are going to write me letters and they are going to write every member of this Congress letters saying, "Why am I getting up and going to work in the dark?"

And I am going to write them back and I am going to say, "Because the folks allegedly in New York and in Boston and in Philadelphia, they want that extra time in the evening." What extra time? If this bill passes the Sun will set at 6:34 p.m. instead of 5:34 in Boston. And in the case of New York, the Sun is going to set at 6:47 instead of 5:47. May I ask what is it that you folks want to do during that hour that is forcing my folks to get up in the dark? What is it that you want to do?

I can tell my colleagues more important is what is going to happen in your districts when your folks get up in that extra hour in the darkness.

Let us take the Washington area, right here in this city. In Washington, the Sun rises on March 1 at 6:40. With this bill, if it passes without the Coats amendment, why then the Sun will be rising at 7:40.

Now this morning at 7:15 I came to work to get to a breakfast, dodging the potholes on the Wilson Bridge, and it was daylight, at least I could see them. If this bill passes, at 7:40 it is going to be dark. You will not even listen to Captain Dan, or whoever it is you listen to on the radio to get your traffic report. And that is going to happen in every city, all up and down this United States.

This is not just a matter of hardship in the rural areas. Yes, it will create hardship. It is a matter that is going to affect everybody all over the country. It is a Mexican standoff in regards to all the claims and the allegations in regard to what the bill will do or will not do.

So check it out in the Farmer's Almanac for your own district.

Let me ask the author of the amendment again: All these Members are worried about a crazy quilt kind of time schedule. What happens if in fact the State, through all of this hardship and all of this blood pressure, the State legislature decides to opt out of the entire thing? What kind of a crazy quilt will we have then?

Mr. COATS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Indiana.

Mr. COATS. I thank the gentleman for yielding.

Well I would submit we will have a crazier quilt then will exist if we go with this amendment.

The gentleman from Utah, the former Speaker of the House, has indicated that he is almost certain that that State would opt out. Others have come to me and said, "Look, we barely tolerate the 6 months of daylight saving time now. We do not like it. It affects us adversely. But if you go the extra 2 months, particularly in March and April, why, we are just going to opt out." The pressure on the legislature is going to be tremendous. How many school districts are going to have to start adjusting schedules, buses that are used for parochial schools and then public schools and the schedules that are changed before the pressure on the legislature gets to the point where they are demanding to opt out of the whole thing. Then we have destroyed all the benefits of daylight savings.

The CHAIRMAN pro tempore. The time of the gentleman from Kansas (Mr. ROBERTS) has expired.

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas?

Mr. OTTINGER. Mr. Chairman, reserving the right to object, I point out that if we are going to have a full debate of this matter, I have yielded to other Members to get a real colloquy going and I would hope the gentleman would do the same.

Mr. ROBERTS. If the gentleman will yield, I would be happy to yield to the gentleman from New York if I may have the additional 2 minutes.

Mr. OTTINGER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kansas (Mr. ROBERTS)?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Kansas is recognized for 2 minutes.

Mr. ROBERTS. Mr. Chairman, I would make one more comment and then I will be happy to yield to my colleague from New York, who evidently wants to get that suntan that he has now during that first day of March when that extra hour comes along.

If my colleagues think this is a crazy quilt now, it will be ever crazier if, in fact, this bill passes. And I would say to my good friend, and colleagues, that my time is not his time, and if the gentleman's bill passes, I am not too sure that the gentleman's time is ever his time.

I yield to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, this is not a question of sections of the country. I would like to point out that the principal sponsor of this legislation in the Senate is SLADE GORTON from the State of Washington.

With respect to the Farmer's Almanac, which the gentleman quoted from so liberally, I would like to point out that on page 5 of our report it indicates that additional views for the RECORD were provided by Yankee Inc., publisher of Farmer's Almanac, in support of the legislation.

Mr. ROBERTS. I appreciate the gentleman's Yankee contribution.

Again, I would just point out that the Coats amendment makes a great deal of sense on a serious basis because if we do not have the Coats amendment, I can tell the gentleman the Kansas Legislature will move immediately at least in an effort to exempt themselves from daylight savings time completely.

Mr. DORGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. STANGELAND. Mr. Chairman, will the gentleman yield?

Mr. DORGAN. I yield to the gentleman from Minnesota.

Mr. STANGELAND. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Coats amendment giving the States the option to exempt themselves from the additional 2 months of daylight saving time.

I feel that this is the only fair approach to dealing with the urban versus rural differences among the States in determining the need for extended daylight saving time. Each State should have the option of determining whether or not they wish to participate in the extra 2 months according to its needs. The "no option" provisions of this bill imposed on the States would force some States to accept the increased dangers of early morning darkness and late sunset during the months of March and April in order to participate in the less objectionable daylight saving time during summer months.

H.R. 1398 if passed would result in added burdens and hazards for much of the Nation's population, and I believe the States should be afforded the right to determine their own needs.

Unfortunately, this bill places an undue burden on States with rural populations, like Minnesota. The bill as it is presently written is objectionable to the American farmer. The lost hours cannot be made up at the end of the day, as every farmer knows. There are certain farm chores that must be done in the early part of the day which cannot be done in the evening. Farm chores and farm animals just cannot adjust to an act of Congress.

As I have said to you before, the greatest threat which exists in this daylight saving time extension is to our schoolchildren. I am afraid you are going to make going to school a more dangerous venture for our children. In rural northern areas, the weather in early morning is snowy and icy, making the roads more dangerous for everyone. Rural schoolchildren will be walking along the roads and standing waiting for their buses in darkness, which is a very real safety hazard which must be considered.

I believe this legislation is ill advised, and I urge my colleagues to join me in opposing H.R. 1398. I believe the energy conservation which can result from extended daylight saving time is negligible. You do not save daylight. The Sun rises in the morning and sets in the evening which creates a certain period of daylight hours. No law can lengthern the day or shorten it. We must take rural America into consideration in this bill, and our schoolchildren, and at the very least give the States that 2 month option if we are going to pass this legislation at all.

Although this is an ill-advised piece of legislation, the amendment by Mr. COATS does relieve the burden of the all or nothing proposition and I urge you to support the amendment to give the States the right and responsibility to provide for the best interest of their own citizens according to their urban versus rural needs.

Mr. DORGAN. Mr. Chairman, this is a difficult issue and controversial issue and I know that some folks grin and smile a little bit when they talk about the daylight saving time issue. The fact is a lot of people care very deeply about the subject of daylight saving time.

First of all, let us make it clear, nobody is saving any daylight at all. What we are doing is adjusting the clock to match when people are awake. Some people sleep later than others and some people have different schedules than others, and daylight saving time is an attempt to adjust the clock to more closely match the daylight hours and fit it in into the behavior of some people.

Unfortunately, doing that across the country on a national basis, probably benefits some and also injuries some others.

Now I do not have any serious problem if there is someone from New York, for example, who would like to go for a stroll in the lazy evening in early March in Central Park. That is fine if they would like some of the rays of the Sun to be shining as they take that stroll.

If you are from Mississippi and you have that shining evening Sun coming through and you are sitting on the porch eating grits, that is fine, too. We think whatever they do is fine.

But if they want to do that in a way that imposes upon North Dakota the requirement that a farmer that does the chores to fix their breakfast, do so in a March blizzard, then I say, no; that does not make much sense. That is not fine, but unfair.

In other words, we are talking about equal sacrifice here. And I think the previous speakers have made some good points. Let me reinforce the opponents of this bill by talking about daylight hours. On March 10 in Bismarck, N. Dak., the Sun comes up at 7:06. In Baton Rouge, La., the Sun comes up at 6:21. A substantial difference.

In Williston, N. Dak. on March 10, the Sun comes up at 7:19; in Waco, Tex., at 6:46. A substantial difference again.

I guess the point I am trying to make is that there is a substantial difference in the needs and the interests of different regions of the country. And I do not speak for all North Dakotians on this issue. There is not a uniform judgment in North Dakota about this issue. But I do know this, that if you move into early March with daylight saving time, you are going to ask the people who go out and do chores in the morning, the farmers of America, who milk the cows, who raise the hogs, who basically provide the ingredients for your breakfast, to go out and do those chores when it is colder and when it is darker. And what you are also going to say the children of those rural people should go up the lane to find that school bus when it is colder and when it is darker.

And I think the statistics that have been used previously show that the studies that have been cited in support of daylight saving time are not very valid. Clearly there are going to be some safety difficulties by moving to a daylight saving time in early March and asking rural children to go get school buses when it is cold and dark. Clearly that is going to cause safety problems. I do not think there is much question about that.

The National Bureau of Standards analyzed the DOT study and its experts pointed out that 65 percent of the population reside in the western regions of the time zones. That is a problem, I think. The National Bureau of Standards found no conclusive evidence for decreased production of electrical energy during daylight saving time. The National Bureau of Standards said there was a statistically significant increase of school-age children fatalities in the morning during the 4-month period, January through April 1974, as compared to the same period of the previous year.

I guess the important point here is: Do we want to enforce a national

standard, a daylight saving time standard, that imposes a shift of that clock in early March on all of this country. Those of us who come from the northern part of the country understand there is a big difference between a March blizzard and an Indian summer in late October.

□ 1520

There is a substantial difference in regional climates, and what you are saying is that you do not want to recognize those differences. For that reason, I believe that the amendment that the gentleman from Indiana has offered is a good amendment, and I intend to support it.

I am opposed to the whole bill, but I think this amendment would at least improve the bill. Those folks who decide that we should have these national approaches, I suppose they get up in the morning and try to analyze how they can save energy and how they can do all that. I suppose, too, they have their glass of frozen orange juice, which is not milk. It is picked and it is squeezed. And you do not have to do that in the morning. You can do that any time of the day, any time of the week. And then when they get the rest of their breakfast, assuming they have a full meal, they will get their milk and their eggs and their bacon. And, you see, the milk comes from doing chores. It is not from a carton in New York City. It comes from a cow someplace. Somebody went out to do chores. What they are saying is that those people who went out to milk the cows, to care for the hogs, to produce food for the breakfast, should not have that extra hour of daylight.

The CHAIRMAN pro tempore. The time of the gentleman from North Dakota (Mr. DORGAN) has expired.

(By unanimous consent, Mr. DORGAN was allowed to proceed for 1 additional minute.)

Mr. DORGAN. What these folks are saying, I think, is they do not want to waste an hour of daylight while they lay in bed in the morning, but they do not want the hour of daylight to be given to the people who are up in the morning, out producing their breakfast. Somehow, that does not make much sense to me.

I think it is a serious issue, as a matter of fact, and the gentleman from Kansas raised some very sound points. I do not think we ought to enforce national standards in this way, and there is a substantial difference in March in North Dakota and October in North Dakota. There is a substantial difference in early March in North Dakota and early March in Louisiana. I think we ought to recognize that, and I think we ought to defeat this bill. This bill does not make a bit of sense. I hope the Members of the House who listen to this debate will cast a "no" vote on this bill.

Mr. ROGERS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the gentleman's amendment and ask that our colleagues support this amendment to give the rest of the country outside of New York City a chance to control their own lives.

What does 2 additional months of daylight saving time do? I will tell you what it does not do. It does not save energy, as has been described by some proponents of this bill.

The basis for those energy savings claims is an 8-year-old Department of Transportation study that claimed a 1-percent savings in energy due to the 1974–75 experiment with daylight saving time. But the National Bureau of Standards reviewed that study and found fault with the data that was contained in it. The National Bureau of Standards questioned the energy savings claimed as a result of daylight time in the Department of Transportation study. After correcting the data base and making allowances for mathematical errors, the prediction of a 1-percent energy savings is simply not supported by the evidence.

Actually, families that must rise early in the morning in darkness due to this 2-month extension would be using more gas and electricity in those early morning dark hours. So the arguments in favor of this bill as a great energy saver are shaky at the very best.

What 2 additional months of daylight saving time does do, it hurts the rural people of this country. Daylight saving time does not simply inconvenience rural folks and farmers; it creates havoc with their work schedules and disrupts their entire lifestyles.

Many of today's activities must be accomplished during those morning hours, feeding animals, setting up equipment, milking cows, and the like. By eliminating an hour of daylight in the morning, this legislation adversely affects these work habits of America's farmers. Also, less daylight means more danger, whether you are on the highway or on the farm or whatever it may be. It means missed opportunities for participation in such things as church activities and civic affairs.

Also, problems arise if the worker works a second job in the town or the city to support his family, as many are forced to do these days. How does he get there, do his chores and get to work on time with daylight time extended back into those dark early winter months?

The effect on schoolchildren, yes, let us talk about this for a minute. You may say this is scare tactics. Well, be that as it may, it is, because I happen to represent an area that would be on the western side of the eastern time zone, on the opposte side of that time zone from New York City, where in the mountains and in the hills, on the icy roads in those early March days, those children are being forced to be picked up on the ice and snow on those curvy roads in darkness, Mr. Chairman, if this bill passes.

The Coats amendment would simply allow States or parts of States to choose not to participate in the extra 2 months of daylight saving time if this bill should pass. And given the tremendous burdens that this bill places on rural and mountain folks, this amendment is the only fair answer to the bill if the bill should pass.

The opponents of the Coats amendment argue that if the States do not like the 2-month extension, they can simply opt out of the entire daylight saving time program. Ironically, these same people argue that the 2-month extension of daylight saving time is desirable because it saves energy, but with the havoc the additional 2 months of daylight time plays on our rural areas.

It is conceivable to me that one or more States will choose to opt out of the entire program if that is their only alternative other than accepting the whole thing. If this happens, if one or more States opt out, the energy savings claimed by the bill would certainly be lost. If States have no other choice but to make an all-or-nothing decision and if some States choose to opt out, this would also play havoc with the interstate transportation and communication industry. These are problems that supporters of the 2-month extension have wanted to avoid from the start.

The CHAIRMAN pro tempore. The time of the gentleman from Kentucky (Mr. ROGERS) has expired.

(By unanimous consent, Mr. ROGERS was allowed to proceed for 1 additional minute.)

Mr. ROGERS. So it makes sense to give States where the 2-month extension might hurt folks a reasonable alternative between taking the additional 2-month extension and foregoing the entire daylight saving time program altogether.

The amendment offered by the gentleman from Indiana would do this. It would allow States to forego just the 2-month extension of daylight time if that State determines in its own decisionmaking process that the additional 2 months of daylight time is not in the best interest of its citizens.

Are we going to say here today, by passing this bill without some amendments such as the Coats amendment, are we going to say to the people of the States, "You have no choice in the habits of your lives"? If we do not allow some escape valve like the Coats amendment, that is exactly what we are telling the people of all of the

country, that the State legislatures have nothing to do, they have no way to affect the decision on the work habits and social habits of their own lives.

Mr. DOWNEY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have heard some very serious talk here this afternoon about the safety of schoolchildren and the important concerns of our farmers who feed us in the Northeast. Those of us who do not live in New York City are very concerned about this question. I have heard from my friends from North Dakota and South Dakota about this issue. He makes the point about orange juice in the morning. I would simply remind the gentleman that orange juice is not just for breakfast anymore, we drink it all throughout the day. It is grown in the South, I am to understand, and, while the gentlemen from North Dakota and South Dakota make an important point, I would point out that there are fewer marvelous people in the great States of North Dakota and South Dakota than there are in some of our other States. I am told that there are more steers in the State of South Dakota than there are people, but I do not know if that is true.

But I speak today for the 30 million slow-pitch softball players in our country. No one is here representing them, and I think it is time that their message is heard.

□ 1530

There are many people in our country who want to start early practices in these very cold months of March and April. You have all played softball. Have you ever suffered the pain and agony of missing a fly ball in twilight in those early months, a fly ball that goes for a double and you have lost the game, or if you have been in a tennis match and the big serve has gone by you because the light was not quite right, or you missed that putt?

These are important and weighty matters, and I have not heard a person speak about them.

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from South Dakota.

Mr. DASCHLE. I sympathize, but have you ever missed the bucket early in the morning and tried to compensate for that?

Mr. DOWNEY of New York. No; I can honestly say to the gentleman that I have not, and that is something that concerns me.

Mr. DASCHLE. If the gentleman will yield further, until that happens, there is just no agony like that of missing the bucket early in the morning and we need to take that into account.

Mr. DOWNEY of New York. I am prepared to concede that is an important point to the thousands of people who do that, but it is not incompatible with the needs of many of the people, and I do not make light of this, who want these early practice sessions, who require these early periods of preparation. We cannot make light of this subject.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I yield to the gentleman from Florida, whose State provides us with a vast amount of orange juice that I drink in the morning and the afternoon.

Mr. SHAW. I thank the gentleman for yielding.

Mr. Chairman, I rise to thank the gentleman for his comments with regard to the oranges which are produced in our own home State of Florida which is, of course, the Sunshine State.

The State of Florida is going to rejoice with the passage of this legislation, and I am confident that even with the passage of this amendment that we would not opt out of daylight saving. However, we in Florida are a compassionate people, and for those who are geographically less fortunate, I intend to support the Coats amendment as I do see that there are geographical problems with regard to the various time districts.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. DOWNEY of New York. I would be happy to yield to one of the House's great athletes and softball player, my friend, the gentleman from Kansas.

Mr. ROBERTS. I thank my colleague and I thank him for his tribute.

My colleague has one of the best jump shots, day or night, that I have ever seen in the House of Representatives.

What time do your slow pitch softball leagues start up there in New York?

Mr. DOWNEY of New York. Hopefully, with the passage of this amendment, the practices will begin in early April.

Mr. ROBERTS. In early April? You are not going to start them on the 1st of March?

Mr. DOWNEY of New York. Well, one never knows. On Long Island they are very excited about softball. They may even start sooner than that. Has the gentleman ever been to New York?

Mr. ROBERTS. Yes, on several occasions, but I left as fast as I could.

Mr. DOWNEY of New York. I am sorry to hear that. If not in New York, then in some of our other States, the State of Mississippi and the State of Louisiana, these practices begin at other times.

Mr. ROBERTS. If the gentleman would permit me one more question, there is only an hour difference here.

Mr. DASCHLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I appreciate the comments made by the eloquent Congressman from New York.

I think the bill is a turkey, and I think we need to vote it down, but if we are going to vote for anything, I think the Coats amendment certainly offers some improvement. But before I address the actual amendment, I think we need to clarify a couple of things.

I do not think this necessarily has to be an urban versus rural issue; in fact, it is important that we emphasize that there are people in urban areas who are just as concerned about the extension of this as there are in rural areas. We try to, and I think the gentleman from Kansas clearly and probably as ably as anyone could, articulated the problems from a rural perspective, but I think we also have to recognize there are some very serious misgivings from an urban perspective as well.

There is also another misunderstanding, and that is if we oppose this bill, for some reason we are opposing daylight saving time. That is not the case at all. The real question is: Do we want daylight saving time for another 2 months? Most of us would say that in fairness, if we are going to have balance in the calendar year that 6 months ought to be enough, 6 months of daylight time and 6 months of standard time. What could be more fair than that?

That really, I think, is the issue before us. Do we want to make two-thirds of the year daylight saving time? I think the overwhelming view of people in this country is no. But it might even be yes if, indeed, we might show that there is some real gain. In fact, there is none. There is no real gain in what we are proposing in this legislation.

We were told that there is an energy gain. The National Bureau of Standards says "No." We were told that we can save lives. The National Bureau of Standards says "No." We were told that they were going to provide some kind of uniformity here that we do not have now. The National Bureau of Standards and others have said "No." There is no more uniformity here.

There is another question here. There are, I am told, some 2,300 radio stations whose operation is actually imperiled by this who may not be able to provide the information early in the morning because they are daylight to dusk in their operation and certainly cannot work in rural areas or in urban areas to provide the kind of services upon which we have come to depend.

So as we look at each and every one of the proposals made by supporters

of this legislation, the bottom line is that there is no real gain. The bottom line is that we already have fairness, 6 months of standard time, 6 months of daylight time. There is nothing that we can do to improve upon that situation, and for that reason I think we need to defeat the bill, but certainly if we are not going to do that, at least give the States the option, the right to opt in or opt out.

So I support the Coats amendment and I certainly hope that the majority of this House will do the same.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding.

Mr. Chairman, I would just like to point out that the Bureau of Standards did not say no to any of those things, as the gentleman knows. He says they were not able to prove conclusively with respect to the energy savings because there are other factors involved, and the same with the other findings. They did not say no. In point of fact, for instance, crime, which I think is a very important part of this bill, the District of Columbia did find that there was a 10- to 13-percent saving in violent crime during those 2 months. That is a whale of a big saving and I think makes a real difference.

Mr. DASCHLE. Mr. Chairman, if I could regain my time, I would say that no, they did not. I will not quote them precisely as saying no in the word "no"; but every bit of information they provided us would lead to that conclusion, that indeed they do not support the proposals or the recommendations made by the Department of Transportation with regard to this bill.

Mr. DORGAN. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from North Dakota.

Mr. DORGAN. I thank the gentleman for yielding.

Mr. Chairman, just to close a point that was made by the gentleman from New York, who left very quickly, he pointed out there are more people living in New York than live in North Dakota and South Dakota. Let us admit that. There are more people living in New York than in North Dakota and South Dakota, and we want it to remain so.

Mr. DASCHLE. I thank the gentleman for his enlightening remarks.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent, because we have been on this amendment for better than an hour now, that all debate on this amendment and any amendments thereto end at quarter of 4 p.m.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HARTNETT. Mr. Speaker, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. OTTINGER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto——

Mr. COATS. Mr. Chairman, reserving the right to object, we only have one or two more speakers on our side. I do not think there are any more speakers on that side on this amendment.

Mr. OTTINGER. It is self-generating. I understood the gentleman to say before that there was only one more speaker.

Mr. COATS. There must be some merit to the amendment. But as far as I know, there are only one or two Members who have indicated a desire to speak and then we will be ready for a vote.

Mr. OTTINGER. I would just like to point out that there are Members who want to get planes home. We have had a thorough discussion of this amendment and I would hope we could hold it down.

Would the gentleman agree to ending debate at 10 of 4?

Mr. COATS. Further reserving the right to object, Mr. Chairman, I just implore the gentleman. I only have indications from one or two Members who want to speak on this. I understand Members have planes, and so forth, to catch. I might point out that Mr. NIELSON of Utah here has an amendment.

The CHAIRMAN pro tempore. Does the gentleman withdraw his motion?

Mr. OTTINGER. I did not make a motion, because that would absorb more time than a unanimous-consent request.

Mr. COATS. Mr. Chairman, we will make every effort to expedite our side over here.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Indiana.

Mr. Chairman, I will be very brief.

One, the State of Virginia will not opt out. We will stay in, and I support the bill.

But in doing that, I support the Coats amendment. There has been a lot of talk, and it has been very humorous, about cows and different people and who will get up and who will not get up. To me, there are two main reasons, but the main reason for supporting the Coats amendment is:

One, as the father of five children, I know that when my children go out in March in northern Virginia, when we still have snowstorms and ice storms, it is very dangerous. I think that for that reason alone, with great deference to the Members from the agricultural States, for the safety of our children and the safety of the children in these States, we should support the Coats amendment.

The second reason is that we talk about children and this alternative work schedule. If the parents have to leave earlier in the morning, the children will be alone in the morning at their homes, and that is not good.

And the last reason, Mr. Chairman, and I will close the debate, I think great deference should be given to Congressmen from their congressional districts with regard to their particular problems.

□ 1540

We should all remember that when we stand in the well of this House and argue for our own congressional districts, sometimes we do it with great frustration because the other Members do not understand our problems. I do not understand what it is to live on a dairy farm in North Dakota or Indiana or someplace like that, but I think we should accord respect and understanding on these amendments.

Mr. Chairman, I think for those reasons, for safety and showing our respect for other Members in their congressional districts, we should support the Coats amendment.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the people in my congressional district have asked me to speak in opposition to this bill which is before us today. They like things the way they are. I would have to say that the farmers in my district would like not to have this change of 2 months made by moving the starting date back for daylight saving time from April to the first week in March, and I am more for the farmers in my district than I am for the slow-pitch ballplayers in New York.

In addition to that, Ohio is in the western half of the eastern time zone, so it is of dubious advantage to us to have this daylight saving time bill passed.

The Members have heard this before, but I want to stress it again. If this legislation were enacted into law, young children in Ohio would be forced to walk to school or wait for buses in darker, colder weather and under less safe conditions, and I think concern for the safety of our schoolchildren is reason enough to defeat the legislation, in addition to the opposition of the farmers in my district and the fact that we are in the western half of the eastern time zone, and it would be of dubious advantage to us.

So, Mr. Chairman, I oppose the bill, and I yield back the balance of my time.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, just so all the Members of this body will know that not everybody from New York State is in favor of this bill, let me say that I represent one of the largest areas of New York State of any of the 39 congressional districts. On one end of my district is the Catskill Mountains, on the other end is the Adirondack Mountains, and the whole district is nothing but hills and dales and mountains.

I can tell the Members that if we move daylight saving time up in April, during the month of April, and extend it during the month of November, that means that the schoolchildren in my district are going to be riding on icy roads that they ordinarily would not be riding on, and we would be jeopardizing their lives. That is one point.

The other point is that my district is one of the largest dairy producing districts in America, and in that district the schoolkids have to get up and do their chores, and now we are going to extend this.

I heard one of the Members say, "Well, they can change the hours of the school." Well, we do not like to be affected like that, and all the rest of New York State, outside of Westchester County and New York City, is not only opposed to the bill but believes it ought to be defeated today.

Mr. Chairman, I do not even know how I am going to vote on the amendment because as far as the amendment is concerned, the New York State Legislature is controlled by New York City, and consequently they would not opt out anyway. So I do not know how to vote on the amendment, but I certainly hope that we can defeat the bill when it comes to a vote.

Mr. HARTNETT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we have heard a lot of levity here this afternoon. That is mostly what the debate has been about.

One might ask, in the rural areas, who is going to wake up the rooster? Who is going to wake up the farmer? Who is going to make the orange juice? Who is going to fry the eggs?

One might also ask whether, if we really want to save energy, Daddy Sugar or Uncle Sam or the Federal Government has a way to do that, too. We could have a temperature-saving thermometer, and on days in Washington, D.C., when we have heat waves like today, we can just say that from March to November we will set the thermometer back 20°, and instead of basking in the 97° temperature on the outside, it would be a balmy 77° such as we might find in Florida. That would be saying that we here in Washington have the answers to all the problems for all the country, all the diverse States that make up this Union.

The issue that we are debating now is the amendment offered by the gentleman from Indiana (Mr. COATS), and that has nothing to do with daylight savings time. The amendment offered by the gentleman from Indiana has a little something to do with what people from my part of the country have for 100 and some odd years called States rights. We have thought, and still think, in some parts of this country that the various legislatures in the respective States might just—just might—in some instances know what is best for their people.

All my colleague, the gentleman from Indiana (Mr. COATS), is asking is that in this one instance, which has nothing to do with human rights or civil rights—and it has nothing to do with voting rights—we recognize that it has to do with whether the various legislatures in their various States know what is best for their people in regard to their agrarian interests, their industrial interests, or their educational interests. Or, once again, are we, the self-appointed righteous leaders of this country assembled in this hallowed Hall, the great decisionmakers and the ones who know what is best for everybody from the Atlantic to the Pacific in our great Nation?

So the issue we are debating right now, I would say to the gentleman from the land of the midnight Sun, is not daylight savings time. That comes after this amendment is either passed or defeated.

The issue we are debating on this amendment is: Do the Governors of North Dakota and South Dakota—and, by the way, commenting on North Dakota, they say there are more steers in North Dakota than people; and there is a lot of bull in New York, too, and we should remember that—do the Governors of the respective States and their legislatures in session assembled have the right to decide what is best in the interest of farmers, children, industrial workers, and others? I do not think there is any question, Mr. Chairman, that that is probably proper in this instance.

So the gentleman from Indiana has not offered an amendment that has anything to do with daylight saving time. It goes to the very core of the foundation of this republic. Do the States or do their elected representatives have the right to decide what is best for their people when we are not dealing with the rights of anybody else, human rights, civil rights, voting rights, or any other kind of rights?

I submit to the Members that they do, and it is only fair that we allow the various States to decide among themselves or by themselves whether or not they want to subject their people in their locales to an additional hour of darkness or sunlight, whatever the case may be.

So, Mr. Chairman, I strongly urge that those Members who really think it is only fair that we put some government back in our Governors and our State legislatures pass the amendment offered by the gentleman from Indiana (Mr. COATS) and give the States an opportunity to opt out of these two additional months of daylight saving time.

Mr. DOWNEY of New York. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentleman from New York.

Mr. DOWNEY of New York. Mr. Chairman, the gentleman has just given us a remarkable dissertation on States rights.

Could the gentleman tell me how he voted on the rent control portion of the housing bill? Does he remember that?

Mr. HARTNETT. I left my "aye" card home yesterday, so I probably voted "no" on most things that came up yesterday, I would say to the gentleman.

Mr. DOWNEY of New York. I would hope that the gentleman would be consistent on States rights.

Mr. HARTNETT. I probably voted the States rights way.

Mr. Chairman, I yield back whatever time I might have left.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Indiana. This amendment would allow States the option to exempt themselves from the proposed 2-month extension of daylight saving time.

While I do not believe that this amendment will make this bill a good bill, it will make it a better bill. I think it would be best if we just stuck with the current 6 months of daylight saving time. But if we must extend it, let us give States the authority to opt out if they find it would best suit their needs.

I also think it ideal to have uniform time all across the United States. I do not mean we should eliminate the time zones, but that all States should be on daylight time or not on daylight time. However, if this bill passes many States might find it is in the best interests of its citizens not to participate in daylight time at all. This situation, where some States observe daylight time and others do not, would be disruptive to commerce and the daily lives of many Americans.

That is why Congress should not make this an all or nothing proposition for the States. Surely the States ought to be given the option. Mr. Chairman, I have said this before and it is so important that it bears repeat-

ing, that schoolchildren who would be forced to go to school in the dark under a 2-month extension would be put in danger by this bill. Let us allow the States to determine for themselves that they wish to allow this to happen.

● Mr. ACKERMAN. Mr. Chairman, I rise in opposition to H.R. 1398, a bill mandating 2 extra months of daylight saving time. If enacted, this measure would cause unnecessary hardship to a large number of my constituents, Orthodox Jews who rise early each morning to say Shacharis—morning prayers—before leaving for work.

For example, on the first Monday in March, next year, the Sun will rise at 6:34 a.m. Under daylight saving time, however, sunrise would be at 7:37. Because of a Jewish law dictating that Shacharis be recited no earlier than approximately one-half hour before sunrise, prayers could not begin until after 7 a.m. In New York City, of course, as in many other areas, the daily commute to a job can be an hour or more. Thus, this bill would force a great many congregants to choose between following the dictates of their conscience and arriving for work on time.

Another group that would be harmed by this measure is our Nation's schoolchildren, particularly those living in Northern States. It is impossible to justify a law that would force our most vulnerable and defenseless citizens to venture daily into dark, cold, and hazardous conditions.

Although proponents of this bill contend that energy savings and a reduction in traffic fatalities would be benefits of its passage, a 1976 study by the highly respected National Bureau of Standards found no conclusive evidence to support either of these claims.

The proposed daylight saving time extension is damned both by its illusionary benefits and its very real drawbacks. H.R. 1398 is contrary to the interests of not only Orthodox Jews and schoolchildren, but indeed all Americans, and I strongly urge its defeat.●

Mr. WALGREN. Mr. Chairman, since 1979 I have supported legislation to return the Nation to daylight time in March, instead of late April, both to save energy, reduce crime—and to give people a little more sunlight in the spring.

In my view, it is really a question of simple logic. We go on standard time in late October, 2 months before the shortest day of the year. Yet we stay on this winter time until late April, 4 months after the shortest day.

I simply think it is time to put the kitchen clock in sync with the astronomical clock by returning the country to daylight time in early March.

Last year the House of Representatives approved a bill to begin daylight saving time on the first Sunday in March, but the bill died because of inaction by the Senate. This year both the House Energy and Commerce Committee and the Senate Commerce, Science, and Transportation Committee have moved quickly on legislation to advance daylight time.

All the evidence shows that daylight in the early evening hours saves 100,000 barrels of oil a day in electricity and reduces crime and improves traffic safety.

On top of these benefits, the real question is whether people would rather have an hour of daylight between 6 and 7 in the morning or between 7 and 8 at night. I think once spring arrives most people would prefer the light when they get home from work.

In mid-March the Sun rises in Pittsburgh around 6:30 a.m. and sets around 6:30 p.m. By April 1 the sunrise is at 6 a.m. and by mid-April the Sun comes up at 5:40 a.m.

That is a lot of wasted sunlight when we are asleep or in the shower that could be better used when we are home from work.

And since we in Pittsburgh are at the western edge of the time zone, we sometimes forget how much earlier the Sun rises for people in New York or Boston. By April 1 Boston's sunrise is at 5:30 a.m.—and today, April 20, the Sun rose in Boston at 4:56 a.m.

Daylight saving time is as American as Ben Franklin.

It was Ben Franklin who back in 1784 first suggested daylight saving time. Dr. Franklin argued that people could save $20 million in candles with a little extra daylight in the evening. That point has not changed in 200 years.

I urge my colleagues to support this extension of daylight saving time.

● Mr. WEBER. Mr. Chairman, I would like to call the attention of my colleagues to a bill being considered by the House, H.R. 1398, the Energy Conservation Daylight Saving Act of 1983. Although supporters of this bill claim that it will save energy and lives, the actual results of this bill will place undue hardships on Americans who live and work in our rural areas and on families with small schoolchildren.

For the farmer, the extension of daylight time from 6 to 8 months means doing chores in darkness or attempting to squeeze their work into less hours. Considering the pressures that farmers are already facing, it is thoughtless for us to force them to change their daily schedule.

Increasing the morning darkness in the months of March and April will also place the lives of our schoolchildren in jeopardy, forcing them to walk to school in the dark or to wait for school buses on dimly lit roads. This is especially important to people who live in the northern area of the country, where dangerous weather conditions during these months increases the risk of traffic accidents.

Supporters of H.R. 1398 contend that this bill will result in energy savings of 1 percent and a 0.7 percent reduction in traffic fatalities, these facts based on a 1975 study of daylight saving time by the Department of Transportation. However, the National Bureau of Standards, in a followup study in 1976, found no conclusive evidence that extending daylight saving time will produce these results.

In light of these questionable claims of energy savings and reduced traffic fatalities, I would urge my colleagues to oppose H.R. 1398 or any extension of the present daylight saving time period.

Thank you, Mr. Chairman.●

● Mr. PORTER. Mr. Chairman, Representative RICHARD OTTINGER's daylight saving bill, H.R. 1398, deserves the consideration of all our colleagues. This bill would add 2 months of extended daylight hours by beginning daylight saving time on the first Sunday in March, instead of the last Sunday in April, and would end it on the last Sunday in October.

There are many good reasons to support this bill, and in fact I introduced a similar measure in the 97th Congress. First, this legislation will help the country conserve energy. Studies indicate that we could save 100,000 barrels of oil per day. Second, the National Highway Traffic Safety Administration has predicted that fewer traffic fatalities will result if people spend a higher portion of their waking hours in daylight. Also, an extended daylight saving period is expected to produce a decrease in crime. I believe these reasons make obvious the need for this bill, and I urge all my colleagues to support it.●

● Mr. PATTERSON. Mr. Chairman, I rise in support of H.R. 1398, a bill to extend daylight saving time from the current 6-month period to an 8-month period from March to October. The enactment of this legislation would be a simple and effective way to save approximately 100,000 barrels of oil per day, as well as to reduce crime and traffic fatalities, and to provide more time for recreation and shopping.

Because most violent crimes are committed after dark, increased daylight hours could reduce such crime by 10 to 13 percent, according to the Law Enforcement Assistance Administration. Because increased daylight would facilitate driving for those persons who suffer from night blindness, the Department of Transportation estimates a reduction of 0.7 percent in traffic fatalities. And because artificial lighting, both inside and outside, could be reduced due to an extension of sunlight, electric energy could be conserved and everyone's utility bills would positively reflect this change.

The logic is simple; the benefits are dramatic.

When questioned, the public has consistently shown a preference for an 8-month daylight savings period. National public opinion polls show a 2-to-1 margin in favor of this proposal and in my own district, California's 38th Congressional District, I have heard only positive remarks about a possible extension of daylight saving time.

In 1973 and 1974, we temporarily extended daylight saving time in response to the oil crisis we faced at that time. Although this action was taken in response to an emergency situation, the American public obviously enjoyed the windfall daylight. In fact, the 1973 imposition of extended daylight saving time may have been the only benefit resulting from the oil embargo.

The oil embargo and energy crisis of the early seventies is nothing but an unpleasant memory for many of us now, but our national need to conserve energy is now accepted as a fact of life. I believe that a permanent extension of daylight saving time from 6 to 8 months is a simple but important step that we can take to increase conservation, reduce crime, improve traffic safety and spur economic recovery. This legislation is supported by a clear majority of the American people and I urge my colleagues to heed the electorate's desire and support the passage of H.R. 1398.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Indiana (Mr. COATS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. COATS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 187, not voting 25, as follows:

[Roll No. 252]

AYES—221

Albosta	Carney	English
Andrews (TX)	Carper	Erdreich
Anthony	Carr	Evans (IA)
Applegate	Chappell	Evans (IL)
Archer	Chappie	Feighan
Aspin	Cheney	Fiedler
AuCoin	Clinger	Fields
Bartlett	Coats	Flippo
Bedell	Coleman (MO)	Frank
Bennett	Coleman (TX)	Franklin
Bereuter	Cooper	Fuqua
Bethune	Craig	Gaydos
Bevill	Crane, Philip	Gingrich
Bilirakis	Daschle	Gonzalez
Billey	Daub	Goodling
Boehlert	Davis	Gradison
Boggs	de la Garza	Gramm
Boner	Derrick	Gunderson
Bosco	DeWine	Hall (IN)
Breaux	Dickinson	Hall, Ralph
Brooks	Dorgan	Hall, Sam
Broomfield	Duncan	Hamilton
Brown (CO)	Durbin	Hammerschmidt
Burton (IN)	Dyson	Hance
Byron	Edwards (OK)	Hansen (ID)
Campbell	Emerson	Hansen (UT)
Harkin	McDade	Skelton
Harrison	McDonald	Slattery
Hartnett	McEwen	Smith (IA)
Hatcher	McGrath	Smith (NE)
Hefner	McNulty	Smith (NJ)
Hightower	Michel	Smith, Denny
Hiler	Mollohan	Smith, Robert
Hillis	Morrison (WA)	Snyder
Holt	Myers	Solarz
Hopkins	Natcher	Solomon
Hubbard	Neal	Spence
Huckaby	Nichols	Spratt
Hunter	Nielson	Staggers
Hyde	O'Brien	Stangeland
Ireland	Olin	Stenholm
Jacobs	Ortiz	Stump
Jeffords	Oxley	Sundquist
Johnson	Panetta	Tallon
Kasich	Parris	Tauke
Kazen	Pashayan	Tauzin
Kemp	Patman	Taylor
Kindness	Paul	Thomas (GA)
Kogovsek	Penny	Traxler
Kolter	Pepper	Valentine
Kramer	Perkins	Vander Jagt
Latta	Petri	Vandergriff
Leach	Pursell	Volkmer
Leath	Quillen	Vucanovich
Lehman (CA)	Rahall	Walgren
Lent	Reid	Walker
Levin	Richardson	Watkins
Levitas	Roberts	Weaver
Lewis (CA)	Robinson	Weber
Lewis (FL)	Roemer	Whittaker
Livingston	Rogers	Whitten
Lloyd	Roth	Wilson
Loeffler	Rowland	Winn
Long (LA)	Rudd	Wirth
Lott	Sawyer	Wise
Lundine	Schaefer	Wolf
Mack	Sensenbrenner	Wolpe
MacKay	Sharp	Wortley
Madigan	Shaw	Wright
Marlenee	Shumway	Yatron
Martin (NY)	Shuster	Young (AK)
McCain	Sikorski	Young (MO)
McCloskey	Siljander	Zschau
McCurdy	Skeen	

NOES—187

Ackerman	Edgar	Lagomarsino
Akaka	Edwards (AL)	Lantos
Anderson	Edwards (CA)	Lehman (FL)
Andrews (NC)	Erlenborn	Lipinski
Annunzio	Fascell	Long (MD)
Barnes	Ferraro	Lowery (CA)
Bateman	Fish	Lowry (WA)
Bates	Florio	Luken
Beilenson	Foglietta	Lungren
Berman	Foley	Markey
Biaggi	Ford (MI)	Marriott
Boland	Ford (TN)	Martin (IL)
Bonior	Forsythe	Martin (NC)
Bonker	Fowler	Martinez
Borski	Frenzel	Matsui
Boucher	Frost	Mavroules
Boxer	Garcia	Mazzoli
Britt	Gejdenson	McCandless
Bryant	Gekas	McCollum
Burton (CA)	Gibbons	McHugh
Chandler	Gilman	McKernan
Clarke	Glickman	McKinney
Clay	Gore	Mica
Coelho	Gray	Mikulski
Collins	Green	Miller (CA)
Conable	Gregg	Miller (OH)
Conte	Guarini	Mineta
Corcoran	Hall (OH)	Minish
Coughlin	Hawkins	Mitchell
Courter	Hertel	Moakley
Coyne	Horton	Molinari
Crockett	Howard	Montgomery
D'Amours	Hoyer	Moody
Daniel	Hughes	Moore
Dannemeyer	Hutto	Moorhead
Dellums	Jenkins	Morrison (CT)
Dingell	Jones (NC)	Mrazek
Dixon	Jones (OK)	Murphy
Donnelly	Jones (TN)	Murtha
Dowdy	Kaptur	Nelson
Downey	Kastenmeier	Nowak
Dreier	Kennelly	Oakar
Dwyer	Kildee	Oberstar
Dymally	Kostmayer	Ottinger
Eckart	LaFalce	Owens
Patterson	Savage	Torres
Pease	Scheuer	Torricelli
Pickle	Schneider	Towns
Porter	Schroeder	Udall
Price	Schumer	Vento
Rangel	Seiberling	Waxman
Ratchford	Shannon	Weiss
Ray	Shelby	Wheat
Regula	Simon	Whitehurst
Ridge	Sisisky	Whitley
Rinaldo	Smith (FL)	Williams (MT)
Ritter	Snowe	Wyden
Roe	Stark	Wylie
Rostenkowski	Stokes	Yates
Roukema	Stratton	Young (FL)
Roybal	Swift	Zablocki
Russo	Synar	
Sabo	Thomas (CA)	

NOT VOTING—25

Addabbo	Early	Pritchard
Alexander	Fazio	Rodino
Badham	Gephardt	Rose
Barnard	Heftel	Schulze
Brown (CA)	Leland	St Germain
Broyhill	Levine	Studds
Conyers	Lujan	Williams (OH)
Crane, Daniel	Obey	
Dicks	Packard	

□ 1600

Mr. COYNE and Mr. BIAGGI changed their votes from "aye" to "no."

Messrs. ANDREWS of Texas, WEAVER, PASHAYAN, MACKAY, WIRTH, BENNETT, and MOLLOHAN changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1610

The CHAIRMAN pro tempore. Are there further amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURTHA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 1398) to promote energy conservation by providing for daylight saving time on an expanded basis, and for other purposes, pursuant to House Resolution 201, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 211, not voting 23, as follows:

[Roll No. 253]

AYES—199

Alexander	Frank	Moody
Anderson	Frenzel	Moore
Andrews (TX)	Garcia	Moorhead
Annunzio	Gejdenson	Morrison (WA)
Archer	Gibbons	Mrazek
Aspin	Gilman	Murphy
AuCoin	Gray	Neal
Barnes	Green	Nelson
Bartlett	Gregg	Nowak
Bates	Guarini	O'Brien
Bellenson	Hall (OH)	Ottinger
Bennett	Hawkins	Owens
Berman	Howard	Parris
Biaggi	Hoyer	Patterson
Bilirakis	Huckaby	Paul
Bliley	Hughes	Pepper
Boggs	Hunter	Porter
Boland	Hutto	Price
Boner	Jacobs	Rangel
Bonior	Jeffords	Reid
Bonker	Johnson	Richardson
Borski	Jones (OK)	Rinaldo
Boxer	Kaptur	Roe
Breaux	Kastenmeier	Roukema
Brooks	Kennelly	Roybal
Broomfield	Kildee	Russo
Brown (CO)	Kogovsek	Sabo
Bryant	Kostmayer	Savage
Burton (CA)	Kramer	Sawyer
Carney	LaFalce	Schaefer
Carper	Lagomarsino	Schumer
Clay	Lantos	Seiberling
Collins	Lehman (CA)	Sensenbrenner
Conable	Lehman (FL)	Shannon
Conte	Lent	Shaw
Cooper	Levin	Shelby
Corcoran	Levitas	Shumway
Coughlin	Lewis (CA)	Simon
Courter	Lewis (FL)	Smith (FL)
Coyne	Lipinski	Smith (NJ)
Crane, Philip	Livingston	Smith, Denny
Crockett	Long (MD)	Stark
D'Amours	Lowery (CA)	Stokes
Dannemeyer	Lowry (WA)	Stratton
Dellums	Luken	Studds
Derrick	Lungren	Swift
Dickinson	Mack	Synar
Dingell	MacKay	Thomas (CA)
Dixon	Markey	Torres
Donnelly	Marriott	Torricelli
Dowdy	Martinez	Towns
Downey	Mavroules	Vander Jagt
Dreier	Mazzoli	Vento
Dwyer	McCandless	Walgren
Dymally	McCloskey	Waxman
Edgar	McCollum	Weaver
Edwards (CA)	McGrath	Weiss
Erdreich	McHugh	Wheat
Erlenborn	Mica	Wirth
Fascell	Michel	Wolf
Ferraro	Miller (CA)	Wyden
Fiedler	Mineta	Yates
Fish	Minish	Young (FL)
Florio	Mitchell	Zablocki
Foglietta	Moakley	Zschau
Foley	Molinari	
Ford (MI)	Montgomery	

NOES—211

Ackerman	Burton (IN)	Craig
Akaka	Byron	Daniel
Albosta	Campbell	Daschle
Andrews (NC)	Carr	Daub
Anthony	Chandler	Davis
Applegate	Chappell	de la Garza
Bateman	Chappie	DeWine
Bedell	Cheney	Dorgan
Bereuter	Clarke	Duncan
Bevill	Clinger	Durbin
Boehlert	Coats	Dyson
Bosco	Coelho	Eckart
Boucher	Coleman (MO)	Edwards (AL)
Britt	Coleman (TX)	Edwards (OK)
Emerson	Lloyd	Rudd
English	Loeffler	Scheuer
Evans (IA)	Long (LA)	Schneider
Evans (IL)	Lott	Schroeder
Feighan	Lundine	Sharp
Fields	Madigan	Shuster
Flippo	Marlenee	Sikorski
Ford (TN)	Martin (IL)	Siljander
Forsythe	Martin (NC)	Sisisky
Fowler	Martin (NY)	Skeen
Franklin	Matsui	Skelton
Frost	McCain	Slattery
Fuqua	McCurdy	Smith (IA)
Gaydos	McDade	Smith (NE)
Gekas	McDonald	Smith, Robert
Gingrich	McEwen	Snowe
Glickman	McKernan	Snyder
Gonzalez	McKinney	Solarz
Goodling	McNulty	Solomon
Gore	Mikulski	Spence
Gradison	Miller (OH)	Spratt
Gramm	Mollohan	Staggers
Gunderson	Morrison (CT)	Stangeland
Hall (IN)	Murtha	Stenholm
Hall, Ralph	Myers	Stump
Hall, Sam	Natcher	Sundquist
Hamilton	Nichols	Tallon
Hammerschmidt	Nielson	Tauke
Hance	Oakar	Tauzin
Hansen (ID)	Oberstar	Taylor
Hansen (UT)	Obey	Thomas (GA)
Harkin	Olin	Traxler
Harrison	Ortiz	Udall
Hartnett	Oxley	Valentine
Hatcher	Panetta	Vandergriff
Hefner	Pashayan	Volkmer
Hertel	Patman	Vucanovich
Hightower	Pease	Walker
Hiler	Penny	Watkins
Hillis	Perkins	Weber
Holt	Petri	Whitehurst
Hopkins	Pickle	Whitley
Horton	Pursell	Whittaker
Hubbard	Quillen	Whitten
Hyde	Rahall	Williams (MT)
Ireland	Ratchford	Wilson
Jenkins	Ray	Winn
Jones (NC)	Regula	Wise
Jones (TN)	Ridge	Wolpe
Kasich	Ritter	Wortley
Kazen	Roberts	Wright
Kemp	Robinson	Wylie
Kindness	Roemer	Yatron
Kolter	Rogers	Young (AK)
Latta	Rostenkowski	Young (MO)
Leach	Roth	
Leath	Rowland	

NOT VOTING—23

Addabbo	Dicks	Packard
Badham	Early	Pritchard
Barnard	Fazio	Rodino
Bethune	Gephardt	Rose
Brown (CA)	Heftel	Schulze
Broyhill	Leland	St Germain
Conyers	Levine	Williams (OH)
Crane, Daniel	Lujan	

□ 1620

The Clerk announced the following pairs:

On this vote:

Mr. Addabbo for, with Mr. Broyhill against.

Mr. Badham for, with Mr. Schulze against.

Mr. SIKORSKI and Mr. MORRISON of Connecticut changed their votes from "aye" to "no."

So the bill was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OTTINGER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1630

LEGISLATIVE PROGRAM

(Mr. KEMP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KEMP. Mr. Speaker, I have requested this time for the purpose of asking the distinguished whip of the majority party his understanding of the schedule for the balance of the week and for next week.

Mr. FOLEY. Mr. Speaker, will the distinguished chairman of the Republican Conference yield to me?

Mr. KEMP. I will be glad to yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, we have concluded the business for today. It will be my intention at the appropriate time to ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Monday next.

There will be no session tomorrow.

On Monday the House will meet at noon and will consider the Consent Calendar and three bills under suspension, postponing all votes that may be ordered until Tuesday, July 19. The three bills to be considered under suspension are:

H.R. 3385, the cotton producers equity bill; H.R. 24, Green Mountain National Forest (New York); and H.R. 1341, Mono Lake National Monument (California).

On Tuesday, July 19, the House will meet at noon and will consider the Private Calendar and any suspensions which may additionally be ordered. No suspensions are now scheduled.

Recorded votes on suspensions debated on Monday, July 18, on which votes have been postponed, will be taken on Tuesday.

Mr. KEMP. Mr. Speaker, may I just inquire of the gentleman at this point, would those votes occur prior to or subsequent to the 4-hour debate on amending the Intelligence Act of 1983?

Mr. FOLEY. We intend to have those votes, if ordered, taken as the first order of business.

Mr. KEMP. I think all Members should be aware of the fact that Tuesday the votes will come prior to the closing of our session for the Intelligence Act.

Mr. FOLEY. I am glad the gentleman from New York has raised that point, and I think it is worthy of emphasis. The first item of business on Tuesday will be to vote on any votes ordered on Monday. It will be the first

item of business. Members who assume that that item of business will come at the end of the day will be incorrect. It will come at the first part of Tuesday.

Then the House will consider H.R. 2760, to amend the Intelligence Act of 1981. There will be 4 hours of closed session. The rule has already been adopted.

Also the House will continue consideration of H.R. 2969, Defense Department authorizations for fiscal year 1984.

I might say at this point it is the intention to proceed immediately on the resumption of consideration of the Defense Authorization Act to title III, concluding the other titles subsequently.

For Wednesday and the balance of the week, the House will meet at noon on Wednesday, subject to a unanimous-consent request which I will make, and the House will meet at 10 a.m. for the balance of the week, to consider H.R. 2969, Defense Department authorizations for fiscal year 1984, completing consideration; H.R. 3021, health insurance for the unemployed, a modified rule with 2 hours of general debate; and H.R. 2957, International Recovery and Financial Stability Act, an open rule with 2 hours of debate, this being the International Monetary Fund legislation.

The House will adjourn by 3 p.m. on Friday. Adjournment times on other days will be announced daily. And, obviously, conference reports may be brought up at any time, and any further program will be announced later.

Mr. KEMP. Is it the gentleman's understanding that we will be in session on Friday with recorded votes, or no?

Mr. FOLEY. We have not yet made a decision on a Friday session for next week.

Mr. KEMP. I appreciate the gentleman's clarification of the schedule for next week.

Mr. Speaker, may I just say, briefly, that I just returned from the Soviet Union on a trip in part with the gentleman from Washington, the distinguished whip of the majority party, and Mr. CHENEY of Wyoming, of our side, and I want to personally thank the gentleman from Washingon (Mr. FOLEY) for not only his efforts on behalf of those of us who traveled with the delegation, but let me say, on behalf of the Members of the minority party, how grateful we are not only for the treatment that was accorded us, but for the tremendous job of leadership that the gentleman from Washington not only undertook on behalf of his own party but, more importantly, on behalf of his country. The gentleman did a great service, Mr. Speaker, to this body in all of the meetings with the Supreme Soviet and the presidium. I was particularly impressed with his bipartisan and patriotic efforts, as well as his articulate manner of supporting this country's foreign policy. It is really in the highest stead of this body and it not only does the gentleman a great honor but I think on his behalf we all share in the reflected efforts that he made on behalf of this country while he was in the Soviet Union. I thank the gentleman.

Mr. FOLEY. Mr. Speaker, I thank the gentleman very much for his remarks.

Mr. Speaker, we had a very fine delegation, and I was honored to be associated with it.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House convenes on Wednesday next it convene at 12 o'clock noon.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

ADJOURNMENT TO MONDAY, JULY 18, 1983

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 12 o'clock noon on Monday.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AGRICULTURAL ACT OF 1949 AMENDMENT

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3392) to amend the Agricultural Act of 1949, with a House amendment to the Senate amendment thereto, and to recede from the House amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment, as follows:

In lieu of the language contained in the Senate amendment, insert the following:

Page 1, after line 11, insert the following:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by—

(1) in the second sentence of subsection (c), striking out "5 per centum" and inserting in lieu thereof "10 per centum"; and

(2) in the fourth sentence of subsection (e), striking out "95 per centum" and inserting in lieu thereof "90 per centum".

SEC. 3. The Secretary of Agriculture shall review, pursuant to section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agricultural Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

Mr. DE LA GARZA (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There is no objection.

Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

(Mr. HARRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HARRISON. Mr. Speaker, on Tuesday last, I was necessarily absent from the House, by virtue of developments in my district. I would like to state that, had I been present for rollcall No. 238 and rollcall No. 239, being Walker amendments to the National Development Investment Act, I would have voted no. Had I been present on final passage, that is to say rollcall No. 240, I would have voted aye.

Had I been present for rollcall No. 241, an amendment by the gentleman from Ohio (Mr. WYLIE) to the Housing and Urban-Rural Recovery Act of 1983, I would have voted no.

Mr. Speaker, my absence was occasioned by the fact that the long awaited report on the Centralia mine fire was released on Tuesday last, and I was obliged to be in my district to meet with the people of that beleaguered town.

Mr. Speaker, I include in the RECORD at this point the executive summary of the "Engineering Analysis and Evaluation of the Centralia Mine Fire," together with figures 3 and 4, being tabular attachments to that report.

CONTRACT NO. J5130057—EXECUTIVE SUMMARY, ENGINEERING ANALYSIS AND EVALUATION OF THE CENTRALIA MINE FIRE

(Office of Surface Mining, Department of the Interior, Washington, D.C.)

(Prepared by GAI Consultants, Inc., Monroeville, Pa.)

EXECUTIVE SUMMARY

The report, "Engineering Analysis and Evaluation of the Centralia Mine Fire", presents the results of GAI's study of the Centralia mine fire. The work was carried out during the period December, 1982 through June, 1983.

Project activities consisted of the following tasks:

A. A review of existing data and background information on the fire, including previously attempted control measures.

Historical perspectives on the fire are presented in Chapter 1 of the report, as are chronologies of fire-related events and observed temperature/thermal conditions at Centralia over the twenty years since the fire was discovered.

B. A review of the geology, mining and hydrology in the Centralia area.

An examination of the complex interrelationships between mining, geologic structure and current mine pool elevations is presented in Chapter 2. This examination led to the identification of the boundaries that would be expected to prohibit spread of the fire and the resulting region to which the mine fire could conceivably spread if left unimpeded over the long term.

C. An evaluation of the physical character of the overburden and the identification of thermal effects.

Physical evidence is presented in Chapter 3 concerning the composition and integrity of the rock strata above and between individual mine workings in relation to ventilation, transmission and potential fire control options, as determined from eight coreholes drilled from ground surface to the base of the Buck Mountain Seam in the vicinity of Centralia and Byrnesville. Thermal laboratory tests (differential scanning calorimetry, thermal gravimetric analysis, volatile matter and BTU) conducted on rock cuttings and rock core provided evidence that certain of the coal seams above and including the Buck Mountain Seam had probably burned or are burning.

D. A ventilation study of the mine workings in which the fire is actively burning and an analysis of the apparent progression of the fire with time.

A study of borehole temperature data collected between 1967 and 1983, airborne thermal infrared imagery collected between 1971 and 1982 and sulfur hexafluoride (SF_6) tests conducted in 1983 permitted an indication of the centers of activity of the mine fire, how the fire had migrated during the period of observation and the intensity with which the fire has been burning in recent months. The results of the airborne thermal imagery study are presented in Chapter 4. An evaluation of the state of the mine fire based on an analysis of temperature, gas and air flow data is presented in Chapter 5.

E. A review of proven and experimental methods for containing and extinguishing underground mine fires and the formulation of possible courses of action that might be considered for dealing with the fire.

Discussions have been conducted with vendors, government specialists and other knowledgeable individuals in the public and private sectors concerning potential fire control methods. A variety of possible courses of action for dealing with the Centralia mine fire have been formulated and evaluated in view of geologic, mining and hydrologic conditions associated with the Centralia mine fire area. Plans for dealing with the mine fire are discussed in Chapter 6.

The basic findings of the study are presented below:

1. The fire affected area as of mid-1983 occupies approximately 195 acres. This is denoted as the "conditioned temperature area—June, 1983."

2. The Centralia mine fire is not a single, sharply defined entity that is advancing through the coal field on a broad, uniform front. Instead, the fire is composed of a group of somewhat ill-defined, irregularly shaped zones of combustion adjoined by zones of conditioned coal. At least four high temperature zones currently exist within the study area: the Northwest Zone near and vertically beneath Centralia, the Southwest Zone south of Centralia and northeast of Byrnesville, the Southeast Zone east of Byrnesville in the vicinity of Big Mine Run and the Northeast Zone east of Centralia and north of Big Mine Run. These zones have been identified in the Buck Mountain Seam.

3. From a near term standpoint, only the Northwest and Southwest Zones appear to impact citizens.

4. The Northwest Zone has been relatively stable in position during the 1982–83 monitoring period. However, over the past twenty years, it has migrated westward toward Centralia and continued movement in that direction can be anticipated. During the 1982–83 monitoring period, the Southwest Zone has moved towards and is now near the village of Byrnesville.

5. Laboratory thermal tests (differential scanning calorimetry, thermal gravimetric analysis, volatile matter and BTU), along with physical indications on rock core samples secured from borings drilled through the base of the Buck Mountain Coal—five on the north flank of the Locust Mountain Anticline and three on the south flank—provide evidence that, at least locally, the mine fire now or in the past has probably occupied mine workings in the Skidmore, Seven-Foot and Buck Mountain Leader Seams on the north flank of the anticline. Borehole temperature data tend to support this evidence. Over the long term, the fire might conceivably spread to stratigraphically higher coal seams if it has not already done so. The current areal extent of the fire in any seam but the Buck Mountain cannot be determined from available information. The recognition that the fire can potentially occupy mine workings in the upper seams warrants consideration in any attempt at containing or extinguishing the mine fire.

6. In seams above the Buck Mountain Coal, the fire could conceivably burn beneath the northern portion of Centralia.

7. A study of the complex interrelationships of geology, mining and hydrology has led to the recognition that over the long term, if left uncontrolled, the fire could conceivably spread over an area of approximately 3,700 acres.

8. The communities of Centralia, Byrnesville and Germantown are situated within the 3,700 acre area.

9. The communities of Ashland, Big Mine Run, Girardville, Connerton, Lost Creek and Raven Run are in near proximity but outside the 3,700 acre area.

In the anthracite region abandoned mine fires are extremely difficult to control because of: (1) multiple-seam mining, (2) steep dip of the coal bearing strata and other complicating geological phenomena, (3) cross-seam rock tunnels and drainage galleries, (4) relatively close spacing between mined seams, and (5) highly fractured rock strata. All of these factors are present at the Centralia mine fire site. In addition, virtually unlimited quantities of air are available to the fire, coming through mine entries, drainage tunnel outlets, strip pits, subsidence-induced fractures in overburden, and very extensive underground mine workings.

The effectiveness of any of the methods employed to control or extinguish mine fires depends on the geology, mining, hydrology and ventilation of the individual mine. To extinguish a fire, the fuel must be removed or the oxygen supply or temperature must be reduced below that which is required to maintain combustion.

The most commonly employed techniques developed to combat mine fires in inactive underground workings include: excavation, inundation, flushing, surface sealing, and barriers (stoppings) constructed in mine workings.

Each of these techniques have been used at one time or another in the anthracite coal fields with varying degrees of success. Excavation and flushing have been unsuccessfully employed in the past to combat the Centralia mine fire.

In addition to the commonly employed methods of mine fire control, techniques for combatting fires that have been suggested but never implemented, at least in a physical setting comparable to the Centralia mine fire, have been categorized as "experimental." Inclusion of a method in this category does not necessarily preclude its use at Centralia. It does, however, eliminate the method from consideration at this time as one having a certainty of success at controlling or extinguishing the fire. Test demonstrations could possibly result in one or more of the methods being regarded as proven fire control measures. These include inert gas injection, chemical injection, quenching, burnout control, and incremental flooding/backfilling.

Several courses of action that might be considered for dealing with the Centralia mine fire have been formulated—the nature of the action being dependent upon whether or not it is considered necessary that existing communities be maintained in their present locations and whether or not it is considered necessary to protect the coal resources apart from the communities. Socio-economic decisions demanded by these issues are beyond the purview of the present study. However, courses of action that accommodate each of the two issues are examined in the report from a technical and cost perspective.

Several items of significance have been recognized in formulating possible approaches to dealing with the Centralia mine fire:

1. The potential costs of implementing the fire control measures necessary to maintain a community in its present location are almost always very great.

2. No single course of action is necessarily appropriate for all locations within the area to which the mine fire might conceivably spread.

3. The potential disruption to a community due to noise, vibrations, dirt, closed streets, etc., resulting from the implementation of the fire control measures could be

profound and could continue for a period of several years.

4. The success of the fire control measures is not necessarily assured.

In view of these factors, the relocation of households and businesses in reponse to local conditions brought about by the fire would appear to be a course of action worthy of consideration.

One method of dealing with the Centralia mine fire is to permit the fire to burn unrestrained. The length of time the fire would burn is difficult to assess. It might be for a century or more.

The actual cost of purchasing property to permit relocation of the residents of Byrnesville and Centralia is estimated to be approximately $20 million. Additional costs for the relocation of businesses, churches and other entities could increase the total cost to the neighborhood of $50 million. This figure does not include the value of lost coal reserves, the cost of relocating Route 61 or socio-economic losses to surrounding communities.

Rather that permitting the fire to continue unabated if the residents of affected communities are relocated, a possible benefit could be derived by designating the area a mine fire control laboratory, where pilot projects could be conducted to identify technologies for controlling, extinguishing or profitably utilizing underground mine fires.

An attempt to eliminate the fire by excavating (total excavation) would encompass the temperature conditioned coal and the fire, as well as a 100 to 500 foot wide zone surrounding this area to account for potential spread of the fire prior to completion of the excavation. The estimated total yardage to be excavated based on current conditions is 93.4 million cubic yards. High temperature material encountered must be quenched by water spray. The excavated material would be used as backfill. A perimeter excavation would first be made to contain the fire. Excavation would then progress toward the interior. Fifty-three structures in Byrnesville, and Centralia lie within the proposed excavation area and an additional 47 lie within the adjoining safety zone.

Specific courses of action that might be considered if socio-economic considerations indicate that a community be kept in place are presented in Figure 3, with estimated costs. A preferred course of action for each community is presented below. Other courses of action are discussed in Section 6.6.2 of Chapter 6.

PREFERRED COURSE OF ACTION IF BYRNESVILLE IS TO BE KEPT IN PLACE

Byrnesville residents continue to occupy their homes.

Bulk fill with cement grout or other suitable noncombustible material all mine workings beneath Byrnesville (Buck Mountain, Buck Mountain Leader, and Skidmore Seams). The plan area is approximately 11 acres.

Maintain and repair as necessary the existing road access to Byrnesville.

Comments:

1. If Isolation Trench C (Figure 4), is constructed to the west of Byrnesville to prevent the southwest migration of the Centralia mine fire towards Germantown, it will be necessary to construct a new, temporary access road to Byrnesville and restore Route 61 upon completion of the trenching operation, which would be expected to take several years.

2. Some uncertainty exists as to the thoroughness with which the abandoned mine workings can be bulk filled and the effectiveness of the completed product in diverting the approaching fire, given the relatively broken character of the rock strata above the mine workings.

3. If the Centralia mine fire occupies the mine workings directly beneath Byrnesville before this action can be implemented, then it may complicate this option.

PREFERRED COURSE OF ACTION IF CENTRALIA IS TO BE KEPT IN PLACE

Construct Isolation Trench A (Figure 4) to mine pool through mine workings in all seams and north to the Buck Mountain crop line.

Permanently relocate homes and buildings situated within the proposed trench limits and adjoining safety zone to appropriate areas west of the trench.

The Centralia mine fire has already encroached on Centralia and thirty homes have been moved as of mid-1983. A reasonably safe alignment for Trench A, based on technical fire control reasons, would appear to be 200 to 300 (or more) feet west of the fire affected area. However, this alignment places the trench virtually in the heart of Centralia, which negates much of the benefit to be derived from fire control. Placement of the trench closer to the fire to minimize the number of structures that would have to be removed for the trench—a near-fire distance of 100 feet being about the closest that might reasonably be considered could greatly increase the difficulty in controlling the fire during trench excavation. It also greatly increases the risk that the fire could pass beneath the trench during construction, even if inert gas techniques or other mitigative measures were employed. In addition, noise, vibration and dirt associated with the construction process could be significant. Furthermore, the estimated cost of Trench A, although less than total excavation, is still significant, and the prospect still exists that an unidentified fire may now reside in the mine workings beneath Centralia to the west of the trench alignment or may occur there in the not too distant future due to spontaneous combustion. Even though the Trench A option is considered to be relatively superior to other possible technical options if Centralia is to be kept in place, there are sufficient negative aspects of the plan to warrant consideration of relocation of the community.

PREFERRED COURSE OF ACTION IF GERMANTOWN IS TO BE KEPT IN PLACE

Alternate A—If Isolation Trench C and Auxiliary Trench C (Figure 4) are not constructed west of Byrnesville, then:

Germantown residents continue to occupy their homes.

Monitor gases and temperatures in all mine workings beneath the town and monitor gases in homes.

Evacuate residents and relocate households when and if conditions warrant.

Comment—The time at which the Centralia mine fire might reach Germantown, if at all, cannot be estimated with certainty.

Alternate B—If Isolation Trench C and Auxiliary Trench C are constructed west of Byrnesville, then:

Germantown is isolated from the Centralia mine fire and no further action is required to protect the town.

Alternate A is considerably more cost effective than construction of Isolation Trench C and Auxiliary Trench C, if the sole objective is to maintain Germantown in place. If, however, protection of the coal reserves west of Byrnesville is also an objective (as discussed in Section 6.6.3 of the report), then construction of Isolation Trench C and Auxiliary Trench C might be justified and Germantown would be protected from the Centralia mine fire as a matter of course.

LIMITING POTENTIAL SPREAD OF THE FIRE

If protection of coal reserves is to be a prime consideration in fire control, then isolation trenches excavated to mine pool through mine workings in all seams could potentially be utilized to exclude the Centralia mine fire from major sectors of the prospective 3,700 acre natural burnout area. Figure 4 summarizes the dimensions of each trench, its estimated cost and the area protected from potential spread of the fire.

CLOSURE

In the selection process, it is of pre-eminent importance to appreciate that the potential cost of implementing a fire control measure is generally great, and could well exceed the cost of household relocation. It must also be appreciated that no single course of action is necessarily appropriate for all localities, that disruptions associated with the implementation of fire control measures may well continue for a period of several years and that success of the fire control measures is not necessarily assured.

Socio-economic considerations should be part of the selection of appropriate courses of action.

FIGURE 3.—POSSIBLE COURSES OF ACTION

Possible courses of action	Construct isolation trench	Bulk fill mine workings beneath community	Monitor gases and temperature in mine workings and homes	Relocate structures when and if conditions dictate	Attempt to extinguish fire [1]	Estimated cost (in millions) [2]
Byrnesville:						
● Preferred: B.1		●				2.9 [6] roads.
○ Others:						
B.2a			○	○		0–1.7 [6] monitoring.
B.2b		○ [3]	○	○		1.7–4.6 [6] monitoring.
B.2c					○	([1]).
Centralia:						
● Preferred: C.1		● [4]	●	● [4]		62 [6] monitoring [6] roads.

FIGURE 3.—POSSIBLE COURSES OF ACTION—Continued

Possible courses of action	Construct isolation trench	Bulk fill mine workings beneath community	Monitor gases and temperature in mine workings and homes	Relocate structures when and if conditions dictate	Attempt to extinguish fire [1]	Estimated cost (in millions) [2]
○ Others:						
C.2a	○[5]			○	○	82[6] road.
C.2b		○				32.
C.2c	○[6]			○[6]		33[6] road.[3]
C.2d					○	([1]).
Germantown:						
● Preferred: G.1[7] Alt. A			●	●		0.9[6] monitoring.
○ Others:						
G.2a		○				1.2.
G.2b					○	([1]).

[1] Techniques such as incremental flooding backfilling inert gas injection or others could be employed to attempt extinguishment of the fire. All are experimental. Probability of success is uncertain. Estimated costs for extinguishment are undefined. Approximate costs of demonstration projects are discussed in chapter 6.
[2] Multiyear projects include inflation factor of 10 percent.
[3] G 1 alternate A is based on the assumption that isolation trench C and the tunnel cutoff are not constructed. If they are constructed, then Germantown is isolated from the fire and no further action is required. (G 1 alternate B; refer to chapter 6).
[4] Trench A; Homes and buildings within the prospective trench limits and safety zone are relocated (80 structures).
[5] Approach involves local complete excavation of the fire in proximity to central 1A and continuing a trench to existing mine pool and cropline.
[6] Trench A; Trench is excavated only to the Buck Mountain seam. Homes and buildings within the prospective trench limits and safety zone are relocated (78 structures).
[7] Bulk filling in Buck Mountain seam initially; other seams bulk filled when and if conditions dictate.

Note.—Possible courses of action indicated for a given community are not necessarily of equal effectiveness from a technical viewpoint. Comparisons based on cost alone are not meaningful.

FIGURE 4.—LIMITING POTENTIAL SPREAD OF THE FIRE

	Length [feet]	Estimated depth [feet]	Volume [million cubic yards]	Potential area isolated from the fire [acres]	Comment	Estimated cost [dollars in millions][1]
Trench A	3,900	0 to 450	8.6	685	Would potentially isolate the western two thirds of Centralia from the fire. Would require relocation of 80 structures in Centralia	62
Trench B	3,000	0 to 420	5.1	1,700	Area isolated in combination with trench D	30
Trench C	4,100	0 to 365	1.4	680	Would potentially isolate Germantown from the fire	10
Trench D	2,700	0 to 50	0.3		Constructed in association with trench B	1.5
Total excavation	5,000	0 to 400	93.4	3,300	Would require the relocation of 70 structures in Centralia and 24 structures in Byrnesville.	663

[1] Costs include excavation, backfilling, monitoring drilling, relocation of affected structures. Costs do not include road reconstruction, utility relocations, engineering or undeveloped land acquisition (if any).

□ 1640

RETIREMENT OF GEN. ROBERT H. BARROW, COMMANDANT OF THE MARINE CORPS

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 60 minutes.

Mr. PATMAN. Mr. Speaker, recently the military services have lost one of their finest leaders. Gen. Robert H. Barrow, Commandant of the Marine Corps, retired June 30, after 41 years of distinguished and valorous service to our Nation.

General Barrow enlisted in the Marine Corps in March of 1942 and served as an assistant drill instructor. He rose through the ranks, receiving a commission in 1943, and he spent the remainder of World War II fighting behind Japanese lines with a Chinese guerrilla force. He also remained in China for a year after the war ended.

During the Korean conflict, he was instrumental in the Inchon-Seoul offensive and later commanded a rifle company in the Chosen Reservoir Campaign. From 1964 to 1967, he was plans officer for the Fleet Marine Force, Pacific, and he later commanded an infantry regiment which fought at Khe Sanh and the A Shau Valley in Vietnam. In all, General Barrow served seven tours of duty in the Far East.

He was commanding general for 3 years at the Marine Corps Base in Okinawa, and then was commanding general at the Marine Corps Recruit Depot, Parris Island, S.C. He served as Deputy Chief of Staff for Manpower at Marine Headquarters before becoming Commanding General of the Fleet Marine Force, Atlantic, at Norfolk, Va.

General Barrow was the Assistant Commandant of the Marine Corps from July of 1978 until he became Commandant a year later.

His decorations include the Navy Cross, the Army Distinguished Service Cross, the Silver Star, three Legions of Merit, two Bronze Stars, and the Joint Service Commendation Medal.

During World War II, I had the privilege of serving in the Marine Corps. Until his retirement, General Barrow was the only member of the then-constituted Joint Chiefs to have served in that war.

I have been following his career with interest for many years now, and have greatly enjoyed the opportunity to talk with him from time to time. We will miss his wisdom and the great wealth of experience which he brought to the many high-level positions he held. I know we all wish him the best as he returns to his beloved Rosale Plantation in St. Francisville, La., and assumes other important responsibilities for his country.

Mr. BROOKS. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the distinguished chairman of the Committee on Government Operations, the gentleman from Texas.

Mr. BROOKS. I thank the gentleman for yielding.

Mr. Speaker, as a retired marine, I am honored to pay well-deserved tribute today to Gen. Robert H. Barrow, on his retirement as the Commandant of the Marine Corps.

I have had the pleasure to know General Barrow for a number of years. His retirement, which marks the end of a distinguished career spanning four decades, also marks the end of an era. The General is very likely the last World War II veteran to serve on the Joint Chiefs of Staff.

General Barrow began his service to his country in 1943 when he was first commissioned. He served during the latter part of World War II with a Chinese guerrilla force which operated extensively in enemy-occupied territory in central China. This tour was followed by notable service during the Korean conflict, the Vietnam war, and in Okinawa, where he served as commanding general for 3 years.

In the United States, his record of service is no less impressive. He served as commanding general of the Marine Corps Recruit Depot in South Caroli-

na and was subsequently assigned as the Deputy Chief of Staff for Manpower, Headquarters Marine Corps in 1975. The general assumed the post of Assistant Commandant in 1978. One year later, he was promoted to Commandant of the Marine Corps.

Robert Barrow has combined a vast knowledge of global military affairs with a fierce spirit of patriotism during his tenure as Commandant. In an increasingly complex and skeptical world, his expertise has proved essential.

I am certain that the general's wife and five children are extremely and justly proud of his outstanding career and of his dedication to freedom. I know I speak not only for my colleagues in the House, but for those in the Marines when I say that the general's presence will be sorely missed. His kind of personal leadership and courage are what have made the U.S. Marine Corps a most significant factor in a strong and free America.

Mr. PATMAN. I thank the chairman.

Mr. Speaker, I yield to our distinguished colleague, the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. I thank the gentleman for yielding and for taking this special order and for giving us all a chance to comment about the public career of Gen. Robert H. Barrow.

Those of us who think the Marine Corps is a little special think that Bob Barrow was a very special marine. I probably have known him as long as anyone in this room because he was a part of the 28th Reserve Officer's class that went through Quantico in which I also had my introduction to the Marine Corps.

He was an experienced and tremendously effective member of the Marine Corps from the moment he joined that class. I am not sure, but I have the impression that he had been a drill instructor before that. He was ramrod straight, was a man who had quick and easy acquaintance with all the members of the group, and who was always at the top of his class both in military bearing and in his understanding of tactics, weaponry, and so forth.

The gentleman from Texas has laid out his career in great detail and there is no need to prolong that except to say that he had the highest awards the Navy and the Army can give, and was commended for valor in many ways in the course of his career. In short, he was a marine's marine, a man who was looked up to by the rank and file in the Marine Corps, rather than viewed as one of those political military officers who got on with his superiors and, therefore, advanced for reasons other than his abilities as a fighting man.

□ 1650

Bob Barrow was also a man who remembered his friends. His associations were widespread in the corps and outside the corps, and it was always easy to draw a very cheerful reminiscence from him or a greeting even if he was busy. He was a man, in short, both august in his appearance and personable in his behavior. As a man, he showed, in short, strength in character and personality which inspired confidence among the people who were associated with him, and I believe the Members of this body always felt that his testimony before congressional committees was direct and honest and without equivocation. He also showed a type of understanding that made such testimony particularly illuminating to the military needs of the moment.

I am particularly proud to have been a close friend of Bob Barrow. B and C are alphabetically contiguous, and we did serve together in the Marine Corps schools. His first acquaintance with the Marine Corps' schools was back in those dark days of early 1943. As such, I view him as an old friend, and I salute him on his retirement. He and his wife, Patty, and such of their children as are able to visit from time to time at his home in Louisiana will, I think, have a very, very joyful and protracted retirement.

I know that he will be under great pressure to go back into public life because, as he inspired confidence in the Marines, so he will inspire confidence in everybody who comes in contact with him in whatever human activity he engages in. So he will be looked to for advice and for the strength and the understanding which have characterized his whole public career.

I am proud to have been associated with such a marine. Even though we did not serve together in later years in the Marine Corps, since I became a civilian and he stayed in the service, nonetheless my acquaintance with him has led me to believe that in every way he has been exemplary of absolutely the best of the American military service.

Mr. MARTIN of New York. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to my colleague, the gentleman from New York.

Mr. MARTIN of New York. Mr. Speaker, I thank the gentleman from Texas for yielding, and I salute him on his participation in this special order honoring a great, great military man, a friend of all of us here in the Congress and a friend of all Americans.

Mr. Speaker, when our constituents send us to Washington, we appreciate that, and we also appreciate the great experience it gives us in being here in association with the wide variety of people we are able to meet as we hopefully grow in our abilities to serve our people.

I recall particularly—it was probably in March 1981, when I first arrived here—that I had an invitation to be at the Commandant's house for breakfast one morning, and while I was very pleased to be invited, I was satisfied that it was an invitation that had been extended to all Members of the House. So I was very, very nervous when I arrived and found that there were only four of us who were invitees—Members from both sides of the aisle, the gentleman from Texas, myself, the gentleman from Kansas (Mr. ROBERTS), and the gentleman from New York (Mr. MOLINARI), who were from the Marines. We had an opportunity at that breakfast to discuss candidly the Marine Corps and his aspirations for the future of the Marine Corps.

I want to say unequivocally that since I have been in this town there has been no one that I have been involved with, there has been no one that I have been more privileged to call a friend, and there has been no one with whom I have been more impressed than General Barrow. He has served his country well for four decades, serving in World War II, in Korea, and in the Vietnam war, and he is the kind of person that, frankly, I do not think we can allow the protracted retirement that my colleague and friend, the gentleman from New York (Mr. CONABLE), spoke about earlier. I was very pleased when I was attending the change of command, when another great American, Gen. P. X. Kelley, took over the command of the U.S. Marine Corps, to hear the President of the United States suggest that he hoped Bob Barrow would not be in retirement long since this country needed him certainly in an advisory capacity.

I could go on and on about my respect and the high regard and esteem in which I hold this great American, but there are so many Members who want to participate in this special order for this great American that I am going to let it go at that. Suffice it to say that not only are we former marines proud of the contribution that he has made, we know full well that all the time he was Commandant of the Marine Corps he full well understood that the object of that entire Marine Corps and every force that could be brought to bear was to support the individual marine in the field. And that is what it is all about in the Marine Corps. Bob Barrow worked very hard to insure that that individual marine which the entire organization was there to support was the best qualified, the best trained, and the best disciplined military person on the face of the Earth. I think he will always be remembered for that as marines meet for the next two centuries at least to come.

Mr. Speaker, I again thank the gentleman from Texas (Mr. PATMAN) for giving us the opportunity to speak about this great American.

Mr. MURPHY. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Pennsylvania.

Mr. MURPHY. Mr. Speaker, I thank the gentleman from Texas for yielding.

I am pleased to join with the gentleman and my other fellow marines in commending and wishing Godspeed and good health to our Commandant, a man whom I affectionately refer to as "Ramrod," who has truly exemplified the spirit and quality of the U.S. Marine Corps. He has served our country with distinction, honor, and integrity.

Mr. Speaker, Gen. Robert H. Barrow, who was the last World War II marine veteran to serve on the Joint Chiefs of Staff recently retired. I know my colleagues in the House join with me in extending our appreciation and gratitude for his dedicated service to this country in a very important and vital position.

A well-known military saying is "The Marines have landed, and the situation is well in hand." This saying speaks for itself in terms of General Barrow's performance. He is a man of utmost integrity, with confidence in his convictions, and the courage to stand by them.

General Barrow served on the Joint Chiefs of Staff with distinction. But I would expect no less from this man. He brought a long and varied military career into the position. He served during the latter part of World War II with a Chinese guerrilla force which operated extensively in enemy occupied territory in Central China. During the Vietnam war he served as infantry regiment commander whose regiment participated in numerous combat actions. General Barrow has served on seven tours of duty in the Far East.

He was commanding general for 3 years at the Marine Corps Base, Okinawa, and then served as commanding general, Marine Corps Recruit Depot, Parris Island, S.C., for 32 months. He was assigned as Deputy Chief of Staff for Manpower, Headquarters Marine Corps, in July 1975, and served in that capacity until October 1976 when he became commanding general, Fleet Marine Force, Atlantic, Norfolk, Va.

General Barrow was the Assistant Commandant of the Marine Corps from July 1978 until he assumed his final command on July 1, 1979. His official retirement date was June 30, 1983.

General Barrow's personal U.S. decorations include the Navy Cross, the Army Distinguished Service Cross, the Silver Star, three Legions of Merit, two Bronze Stars and the Joint Service Commendation Medal.

His outstanding leadership combined with his wartime experience enabled him to make the day-to-day decisions crucial to the safety and well-being of our country in his position as a member of the Joint Chiefs of Staff.

I am proud of General Barrow's accomplishments, not only because he is a fellow marine, but he has also provided an example to all Americans to be equally strong and determined to remain always faithful to the United States of America.

I offer my congratulations on a job well done to Gen. Robert H. Barrow and extend best wishes on his future endeavors. He has served his country well, and we shall miss his knowledge and leadership capabilities.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, as a former marine, I would like to take just a moment to point out a couple of things that made Gen. Robert Barrow the distinguished marine that he is, was, and will be in his heart even in retirement.

Mr. Speaker, as a former U.S. marine and admirer of the great service General Robert H. Barrow has rendered to the corps. I thank the two gentlemen, Mr. PATMAN of Texas and Mr. MARTIN of New York, for calling a special order today honoring this great American.

General Barrow was commissioned in May 1943 and in the ensuing years has served seven tours of duty in the Far East commencing as an operative with a Chinese guerrilla force in central China during World War II and had been awarded the Navy Cross, the Army Distinguished Service Cross, the Silver Star and several other decorations. It is hard to capture in a few words the career of this outstanding marine: Best be done with a few well chosen words from his citations:

The Siver Star—for "conspicuous gallantry and intrepidity in action against enemy aggressor forces in Korea." The citation goes on to say that "by his daring initiative, outstanding leadership, and unwavering devotion to duty in the face of grave personal risk, Captain Barrow upheld the highest traditions of the U.S. Naval Service.

Just 2 months later, then Captain Barrow was cited and eventually awarded the Navy Cross for action near Koto-Ri, Korea, in December 1950. "By his gallant and forceful leadership, great personal valor and fortitude maintained in the face of overwhelming odds, Captain Barrow aided immeasurably in insuring the safe passage of the 1st Marine Division through the hazardous pass, and his inspiring devotion to duty throughout reflects the highest credit upon himself and the U.S. Naval Service."

Cited Distinguished Service Cross for extraordinary heroism in conflict with armed hostile forces.

General Barrow has consistently performed in the manner described in these citations througout his career. Those words from the citations speak more eloquently of this man's service to his Nation than anything I could say.

General Barrow has demonstrated his devotion, his courage, and his leadership throughout the past 40 years. He brought to the post of Commandant a respect for the people in the corps that is as intense as his devotion to duty.

The Marine Corps League, to which I introduced General Barrow a year ago, has at the bottom of its stationary, the phase, "once a marine, always marine." I describe General Barrow thusly with utmost respect and admiration, as the House of Representatives honor his retirement from the corps in this special order I wish him, his family total success and happiness in retirement.

□ 1700

Mr. PATMAN. Mr. Speaker, I thank the gentleman.

I yield to the gentleman from Kansas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Speaker, I appreciate the opportunity to take part in this special order to pay tribute to one of our Nation's truly outstanding military leaders, Robert H. Barrow, our former Commandant of the U.S. Marine Corps.

I also want to take this opportunity to thank my colleagues DAVE MARTIN of New York and BILL PATMAN of Texas for holding this special order and I want to associate myself with their remarks.

This occasion is special for me. As a former marine, I naturally have a strong interest in the continued well being and future of the corps. And, as Member of Congress, I naturally have a keen interest in the readiness of our fighting forces and the vital role the corps plays in maintaining our national defense. But, aside from that, I had the pleasure and privilege of serving with Bob Barrow during his service within the Marine Corps Education Center when then Lieutenant Colonel Barrow was assisting in the writing of a manual on guerrilla warfare.

The record shows that after receiving his commission in May of 1943, Bob Barrow served during the latter part of World War II with a Chinese guerrilla force and operated extensively in enemy occupied territory in central China. Drawing on this experience, he contributed valuable insight, and practical suggestions to the manual and to Marine Corps tactics.

We company grade officers who helped on this priority project had an opportunity to come to know Bob Barrow on a personal basis. The consensus was that not only was Bob a natural leader by example and by his record in battle, but here was a man who combined a keen intellect with commonsense.

I can well remember long conversations regarding his personal philosophy concerning the role of the individual marine. In this respect, Bob Barrow inculcated in many a junior officer the strong conviction that we had an obligation and responsibility to follow orders, but that we also had an obligation to do what we knew was inherently right—that the mission had to make sense. It was this kind of leadership that General Barrow provided the corps during his service as Commanding General of the Parris Island Recruit Depot and during some very tough times for our corps.

And, if my colleagues will permit me one more personal observation, I also had the dubious distinction of going through one of our corp's newly refined physical fitness tests back during those Quantico days and my so-called partner was none other than our Commandant Bob Barrow. Someone in the chain of command decided pushups and pullups and the obstacle course would give way to a test that involved carrying a fellow marine 100 yards under combat conditions. The marine I carried to alleged safety was Bob Barrow and I can personally testify he is a big man in all respects of the word.

Mr. Speaker, in the Good Book within Ezekiel, verses 22 through 30 the Prophet says:

> And I sought for a man among them who would build up the wall and stand in the breach before me for the land, that I should not destroy it.

Summed up, that call was for a man who would stand. Great changes have taken place within our Nation and within our military services during these recent years. I would surmise that even greater changes will take place in the future. But no change should justify the abandonment of the safe and sure principles of God and this country which have brought us safely this far. In the face of great change we must have leadership with the firm point of view that we operate from certain unchanging foundations. Such leadership has been provided to our corps and our Nation by Robert H. Barrow.

When the corps was being tossed about in a sea of doubt and uncertainty, we were looking for a man who would stand for the right, tell the truth; a man who would have courage without shouting it, know his message and tell it, his business and attend to it, to be able to say "no" with emphasis and "yes" when in the right. In Bob Barrow, our corps got such a man.

It was a privilege to serve with Bob Barrow, a personal pleasure to know him and it is an honor to pay tribute today to a truly outstanding American and a great Commandant of our corps.

Mr. PATMAN. Mr. Speaker, I thank the gentleman for his comments.

Let me say that this special order is being held with the great support of the gentleman and with the great support and encouragement of our colleague, the gentleman from New York (Mr. MARTIN). They and I got together and decided that this would be just one small way that we could evidence our high respect and regard for General Barrow and give Members of the Congress the opportunity to express their feelings on the floor of the House.

Mr. Speaker, I yield to the gentleman from California (Mr. MCCANDLESS).

Mr. MCCANDLESS. Mr. Speaker, I rise today to recognize an outstanding marine, Gen. Robert H. Barrow, who recently retired as Commandant of the U.S. Marine Corps.

His service to this country, through World War II, the Korean conflict, and then in Vietnam, exhibited such outstanding leadership ability that it was formally recognized by his steady and swift progression to the rank of Commandant.

The young people of this Nation would do well to look to the example of General Barrow. He took to heart the words of Abraham Lincoln, who in 1860 had men and women like General Barrow in mind when he said: "Let us have faith that right makes might, and in that faith let us to the end dare to do our duty as we understand it." As a former marine, I was proud to serve with General Barrow, and with gratitude and respect, I salute him today.

Mr. PATMAN. Mr. Speaker, I thank the gentleman.

I yield now to the gentleman from Colorado (Mr. SCHAEFER).

Mr. SCHAEFER. Mr. Speaker, I thank the gentleman for yielding for just one short moment.

Mr. Speaker, today I am proud to join my colleagues in honoring a man who has contributed significantly to the honor and the prestige of the U.S. Marine Corps, that is the recently retired Commandant, Gen. Robert H. Barrow.

On June 30, General Barrow retired after 4 years at his most recent post. As a former marine, I am well aware of the many hardships that just 2 years of service can but forth. General Barrow has devoted 40 years to the service of his country, having been commissioned in May of 1943.

General Barrow has received the Navy Cross, the Army Distinguished Service Cross, the Silver Star, three Legions of Merit, two Bronze Stars, and the Joint Service Commendation Medal.

I had the opportunity to attend the changing of the Commandants approximately 2 weeks ago. I wish that all Members of this body would have seen that.

General Barrow, I wish to thank you for your tireless service to our country and very best wishes to you in the years ahead. We look forward to other ways in which you can serve us.

I thank the gentleman for yielding.

Mr. PATMAN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, on his behalf, I have submitted for the RECORD the remarks of Mr. MURTHA of Pennsylvania, whose office hand-delivered those remarks to me today. He is catching a plane this afternoon and was unable to be here for this special order.

Mr. Speaker, I now yield to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding.

I want to commend him and the other gentlemen and join with him to bring this special order about.

I was unaware of it, unfortunately. I happened to see the gentleman on my closed circuit television screen and I rushed over here, because I thought the gentleman has sought to commend one of the outstanding Americans of our time.

I was personally never in the Marine Corps. I did serve in the Navy for approximately 2 years, about the same time or shortly after General Barrow was the commanding officer of the Tulane ROTC unit, the Marine ROTC unit at my old alma mater, a little over 20 years ago.

I can say that ever since that time, every one with whom I have spoken who has had mutual acquaintance or knowledge of General Barrow has nothing but the highest things to say about him.

You know, he was born in Louisiana—as a matter of fact, in St. Francisville, La.—and every citizen of the State of Louisiana has remained forever proud of General Barrow throughout his illustrious career. We are extremely proud of him. We are looking forward to receiving him back among our midst in the State of Louisiana. I understand that upon his retirement, if he has not already moved back, he will be moving back shortly to his old home in St. Francisville. We look forward to getting him back.

I have had the privilege of knowing General Barrow for the last 3 years. Frankly, I think, although for whatever political reasons he was not made the head of the Joint Chiefs of Staff, he certainly would have made as fine a commanding officer of the Joint Chiefs of Staff as we could have had.

In fact, he served admirably as one of the Chiefs.

I have seen him in the performance of his duties. I have seen him in his performance as a human being. He has been an outstanding general. He has been an outstanding marine. He has been an outstanding soldier and, indeed, he has been throughout his lifetime, with his lovely wife, both of them outstanding human beings.

I also understand that he is a pretty good banjo player. I have never heard him do that, but I have had the pleasure of being with him and knowing that he is a Dixieland jazz aficionado. He is a man of many talents, a man proud of his American heritage, and a man for whom, as I said earlier, every American can stand tall and proud that he is one of us.

I thank the gentleman for yielding to me.

□ 1710

Mr. PATMAN. I thank the gentleman for his contribution.

● Mr. MURTHA. Mr. Speaker, it is with a sense of real gratitude that I rise to compliment Gen. Robert H. Barrow, former Commandant of the U.S. Marine Corps. Many of my colleagues know that as a marine myself, I bring a special feeling to the corps, and General Barrow exemplified the spirit and dedication that the corps stands for.

Bob Barrow's 4 years as Commandant resulted in a legacy of the highest quality in the history of that fighting institution. Those of us who worked with the general think of Bob Barrow as the ideal American patriot. The many decorations he has received indicate his bravery in combat and the many meritorious awards indicate his administrative and leadership ability.

In talking with the men who have served with him, you come away with a clear picture of what an extraordinary individual Bob Barrow is. He has accepted his responsibility to the Nation with enthusiasm and dedication. His tour of duty will long set the ideal standards for any head of service to emulate.

I am glad to join in expressing our gratitude to him for service to the corps and country. I congratulate him on his 40 years of dedicated service to this great country and wish him well and Godspeed in his future endeavors.●

Mr. PATMAN. Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order of today—the life, character, and public service of Gen. Robert H. Barrow, upon the occasion of his retirement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ALTERNATIVE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER), is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, it is interesting to note that the major financial and economic leaders have recognized the importance of fiscal responsibility in the world today. Former Under Secretary of the Treasury for Monetary Affairs, Anthony Solomon, who served during the Carter administration, has declared that the U.S. budgetary deficit is the biggest single international issue in the world today. And reports from the Williamsburg Summit make it clear that world leaders concur that our current projected deficits pose a severe threat not only to our own recovery but to the very economic well-being of the entire free world.

We are faced with high interest rates which are the result of Federal deficits eating into credit markets. These rates would fall if the deficits were reduced. It becomes clear and more than just rhetoric that a balanced budget is at stake, and it becomes all the more imperative to take necessary steps to decrease the size of our deficit.

The Members of the House may recall that over the course of the past several weeks this Member from California has taken the well in these special orders for the purpose of explaining to my colleagues just how we in this House can go about significantly and substantially cutting spending. The deficit projected for the current fiscal year is anywhere between $180 billion and $200 billion, and for the fiscal year starting in 1984—October 1, 1983, really, for fiscal year 1984—the deficit is projected to be of a similar amount.

I mention this because it does not have to be this way.

In March of this year the House considered the first concurrent budget resolution, which projected a deficit of some $174.45 billion for fiscal year 1984. At the time when this concurrent budget resolution was considered, this Member from California went before the Rules Committee of the House and asked the Rules Committee to make in order a rule which would permit consideration on the floor of the House of an alternative budget for the Federal Government that would reflect a reduction in the amount of the deficit and getting on to the goal of achieving a balanced budget by reducing spending rather than increasing taxes.

This Member from California presented such an alternative budget to the Rules Committee for an indication that this request was sincere and responsible and that the work product that this Member produced is one that he felt the Members of the House should have an opportunity to vote upon, because time after time when I have had the privilege of going and speaking in various parts of the country on behalf of one candidate or another, I have sensed from those groups that are present in such a townhall meeting, or what have you, that there is an earnest desire upon the people of this country, no matter what their political persuasion—Independent, Democrat, or Republican—for this institution, the Government of the United States, specifically the House of Representatives, to get its fiscal house in order and to stop this madness of fiscal policy which is currently going on in this country.

It is unbelievable at times to reflect on the fact that this Nation and its political leaders would deliberately take this Nation on the road of a $200 billion deficit, but that is precisely where we are and where we are going.

It is in this spirit that this alternative was presented to the Rules Committee.

The organization of the House and the Rules Committee, as we all know, is controlled by the Democrats since they have a majority in the House of 267 to 167 Republicans. Sixty-two percent of the Members of the House are Democrats; 38 percent are Republicans. On the Rules Committee they have a majority of 2 to 1.

So what did this 2-to-1 Democrat majority on the Rules Committee do with respect to this request of the Member from California? It merely said, Members of the House, we will not permit the House to consider the alternative budget providing for spending reductions of $97 billion from what was adopted and considered by the House.

Why? They did not give a reason, but I can only speculate as to the reason. The Rules Committee and the Democrats who control this House do not want to be in the position of having their Members forced to vote here in the House of Representatives, on the board up there, as to their being for or against a proposal of reducing spending by any amount, let alone $97 billion.

That is why we were not permitted the ability to even have this proposal of an alternative budget considered in the House of Representatives in March of this year. The rule did not permit it. The deck was stacked against consideration of this alternative budget.

It is for this reason that I have over the course of the past several weeks, and I will so long as it takes in the immediate future, to read a few pages from this proposed alternative budget, to indicate to my colleagues that the cuts that are proposed in this alternative are not draconian; they are not irresponsible. They do not make budget cuts of this magnitude on the backs of the poor and the deprived in our society. But they do it in a very responsible way.

We can control spending in this institution. The only thing we must have, and that is the beginning premise of any effort to control spending in this House, is the will to do it. Without that beginning premise of the will to do it, we cannot control it at all, and the fact of the matter is that we are out of control today.

Today, I want to talk about the category No. 350, specifically agriculture, and to indicate to my colleagues where we can make spending reductions in that program. These spending reductions that I will enumerate total some $2.7 billion from what was adopted by the House in March.

I mention this because I think Members would like to hear about how you go about cutting $2.7 billion from this category 350, agriculture, which is one of the 21 categories contained in our budget resolution.

Farm income stabilization, this is 351, Department of Agriculture, Agricultural Stabilization and Conservation service, salaries and expenses: Reduce the level proposed by the President—Cap out years at $55 million.

Dairy and beekeeper indemnity program—Terminate subsidy program.

Farmers Home Administration, Agricultural Credit Insurance Fund—Reduce funding to level proposed by the President. Cap out years at $800 million. Prioritize loans emphasizing family farms.

Commodity Credit Corporation, National Wool Act—Terminate wool and mohair subsidies since original reason for program—national security—no longer exists.

Price support and related programs—Reduce the level proposed by the President incorporating payment-in-kind program.

Reduce dairy supports 15 percent, a reduction in 3-year increments of 5 percent, as proposed by the CBO.

Other independent agencies: Farm Credit Administration—Terminate in accordance with the President's proposal.

Category 352, Agricultural research and services, Department of Agriculture, departmental administration, advisory committees—Terminate these nonessential support activities.

Office of Governmental and Public Affairs—Terminate this unnecessary activity new in 1981.

□ 1720

Then, with those items under agriculture which could be reduced as a consideration and a part of this alternative budget, Agricultural Research Service, buildings and facilities, delete funding in accordance with the President's proposal; Extension Service, terminate activities which have become largely nonrural and nonessential; fund 1984 obligations only; Cooperative State Research Service, reducing funding to level proposed by the President, cap outyears at $250 million; Animal and Plant Health Inspection Service, reduce funding to level proposed by the President, cap outyears at $250 million; World Agricultural Outlook Board, terminate this activity which provides redundant research; Agricultural Marketing Service, reducing fund to level proposed by the President, cap outyears at $30 million; continuing on with those categories of spending reductions that we could achieve in Agriculture, Packers and Stockyards Administration, terminate this activity which is redundant with the Agricultural Marketing Service; Office of Transportation, terminate this unnecessary activity.

□ 1730

Agriculture Cooperative Service, terminate this nonessential service which exists to provide research for cooperatives.

Human Nutrition Information Service, terminate this nonessential activity since services can be provided by the Agricultural Research Service.

Category 370—commerce and housing credit. The items which I will read total a reduction in spending for 1984 of $800 million.

Category 371—mortgage credit and thrift insurance, Department of Agriculture, Farmers Home Administration, rural housing insurance fund, restrict level of new loans, current outstanding loans amount to $24 billion. Cap outyears at $2 billion.

Compensation for construction defects—Delete funding in accordance with President's proposal.

Category 372—Postal Service, other independent agencies, Postal Service. Reduce funding to the level proposed by the President. Cap outyears at $400 million.

Category 376—other advancement of commerce, Department of Commerce, International Trade Administration, operations and administration. Reduce funding to the level proposed by the President. Cap outyears at $150 million.

U.S. Travel and Tourism Administration. Terminate this unnecessary activity.

National Oceanic and Atmospheric Administration, foreign fishing observer fund. Delete funding, offset costs through collections.

Department of Housing and Urban Affairs, housing programs, interstate land sales. Terminate this unnecessary activity, especially since there is unwarranted intrastate regulation.

Other independent agencies, Federal Trade Commission, salaries and expenses. Reduce funding to level proposed by the President. Cap outyears at $60 million.

General Services Administration, Consumer Information Center. Terminate this nonessential activity.

Small Business Administration, business loan and advancement fund. Reduce funding to level proposed by the President. Cap outyears at $200 million.

And then category 400, transportation. In this category the items that this Member from California will enumerate indicate where we could save $1.5 billion in fiscal year 1984.

Category 401—ground transportation, Department of Transportation, Federal Highway Administration, Federal aid highway trust fund. Reduce funding to President's proposed limit of $12.6 billion in obligations for 1984.

Motor carrier safety. Reduce funding to level proposed by the President. Cap outyears at $10 million.

Territorial highways. Terminate program in accordance with President's proposal.

Highway safety research and development. Delete funding. Administer activities at State levels.

Highway related safety grants. Delete funding. Administer activities at State levels.

National Highway Traffic Safety Administration, highway traffic safety grants. Fund 1984 obligations and cap outyears at $100 million.

Federal Railroad Administration, administration research and special projects. Reduce funding to level proposed by the President. Cap outyears at $70 million.

Grants to National Railroad Passenger Corp. Reduce funding to level proposed by the President. Cap outyears at $700 million.

Alaska railroad revolving fund. Delete funding in accordance with President's proposal.

Urban Mass Transportation Administration, urban mass transportation fund. Reduce funding to level proposed by the President. Cap outyears at $3.5 billion.

Mass transportation capital fund. Rescind funding, repeal 1-cent gasoline tax allocation.

Category 402—air transportation, Department of Transportation.

Federal Aviation Administration, facilities, engineering and development. Delete funding in accordance with President's proposal.

Airport and airway trust fund, operations. Reduce funding to level pro-

posed by the President. Cap outyears at $1.1 billion.

Other independent agencies.

Civil Aeronautics Board. Payments to air carriers. Terminate the subsidy.

Category 403—water transportation, Department of Transportation.

Maritime Administration, research and development. Reduce funding to level proposed by the President. Cap outyears at $15 million.

Coast Guard, national recreational boating safety and facilities improvement fund. Delete funding. Offset costs with user fees.

These conclude the items under category 350, 370, and 400. On succeeding days I shall, if time permits, take special orders to enumerate those other categories of where, if we have the will, the desire to cut spending and bring runaway spending under control, we can do it in the House of Representatives.

It is my hope that when we take up, pursuant to existing law, the second concurrent budget resolution in September of this year, that the Rules Committee will make an alternative budget of this type or one similar to it in order so that we in the House of Representatives may have an opportunity to vote up or down on whether we want to balance the budget of this country, or at least go in that direction significantly, in this instance by cutting spending by $97 billion. Only then will our constituents have the opportunity to determine if we are representing their interests as taxpayers or whether we are paying too much attention to the special interests, who come around these halls and are crowded right now outside this doorway, figuring out who they can influence with respect to continuing the flow of money of taxpayers of this country into their pockets.

I yield back the balance of my time.

REPORT ON RESOLUTION IN THE MATTER OF REPRESENTATIVE GERRY E. STUDDS

Mr. STOKES, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 98-295) on the resolution (H. Res. 265) in the matter of Representative GERRY E. STUDDS, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION IN THE MATTER OF REPRESENTATIVE DANIEL B. CRANE

Mr. STOKES, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 98-296) on the resolution (H. Res. 266) in the matter of Representative DANIEL B. CRANE, which was referred to the House Calendar and ordered to be printed.

REPORT ON INQUIRY UNDER HOUSE RESOLUTION 12, 98TH CONGRESS, 1ST SESSION

Mr. STOKES, from the Committee on Standards of Official Conduct, submitted a privileged report (Rept. No. 98-297) on the inquiry under House Resolution 12, 98th Congress, 1st session, which was referred to the House Calendar and ordered to be printed.

PERSONAL STATEMENT OF REPRESENTATIVE GERRY E. STUDDS

(Mr. STUDDS asked and was given permission to address the House for 1 minute.)

Mr. STUDDS. Mr. Speaker, all Members of Congress must cope with the challenge of initiating and maintaining a career in public office without destroying entirely the ability to lead a meaningful and emotionally fulfilling private life. It is not a simple task for any of us to meet adequately the obligations of either public or private life, let alone both. But these challenges are made substantially more complex when one is, as am I, both an elected public official and gay.

The staff of the Committee on Standards of Official Conduct has spent more than 1 year, and hundreds of thousands of dollars on an investigation, the results of which were announced earlier today. The allegations which have been directed against me center on a brief relationship which began and ended 10 years ago. I do not seek to contest the existence of that relationship, which without question reflected a very serious error in judgment on my part.

I do not believe, however, that a relationship which was mutual and voluntary; without coercion; without any preferential treatment, express or implied; without harassment of any kind; which was private; and which occurred 10 years ago constitutes "improper sexual conduct" within the meaning of House Resolution 518, and as defined by the Committee on Standards of Official Conduct itself, in its report of last December.

The procedures used in this instance by the Committee on Standards of Official Conduct presented me with the most difficult choice I have had to make in my life. I have the right, under the Rules of the House, to insist on a full and public series of hearings concerning the allegations against me. The only other option presented to me by the committee was to accept without contest a reprimand by the full House. If I had chosen the first option, to insist on a series of full public hearings, I would, I believe, have been able to demonstrate beyond a doubt that:

First, the staff of the Committee on Standards of Official Conduct exceeded the investigatory charge it was granted by the House pursuant to House Resolution 518;

Second, the private consensual relationship discussed in the committee's allegations did not meet the committee's own definition of "improper sexual conduct," and

Third, the investigative conduct of the committee staff, in general, raises fundamental questions with respect to the right to privacy and procedural fairness.

These were, for me, extraordinarily strong reasons to insist on public hearings with respect to the allegations. My own personal instincts have virtually compelled me to contest the committee's recommendation.

But I have foremost in my mind the need to protect, to the extent it is still possible given the committee's action, the privacy of other individuals affected by these allegations. Those individuals have a right to personal privacy that would be inevitably and irremediably shattered if I were to insist on public hearings. It is apparent to me, after prolonged personal reflection, that the preservation of that right to privacy is more important than proving in public the validity of the points I have made.

Another consideration contributing to my decision is that I have an obligation to my constituents to perform to the best of my ability as a Member of Congress on issues of enormous importance and complexity. The demands on my time and energy, which a public fight on the issues raised by the committee's actions and procedures would require, would make it more difficult for me to do the job which I have elected to do.

Accordingly, I will not contest procedurally the course of action recommended by the Committee on Standards of Official Conduct.

In so doing, however, I repeat that in my judgment, the mutually voluntary, private relationship between adults, which occurred 10 years ago, should not—by any conceivable standard of fairness, rationality, rule or law—warrant the attention or action of the House of Representatives of the United States.

REPORT ON TRIP TO SOVIET UNION

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 30 minutes.

Mr. KEMP. Mr. Speaker, last week I had the opportunity to travel to the Soviet Union with Mr. FOLEY of Washington and a delegation of some 17 other Members of Congress.

Of the many official meetings I attended, I was particularly impressed, Mr. Speaker, with the remarks on

human rights made before the Supreme Soviet by the gentleman from California (Mr. WAXMAN). It was courageous of him to make a statement in such a forthright and candid way about the concern that I think, Mr. Speaker, all of us as Democrats and Republicans and liberals and conservatives in the U.S. Congress share about the treatment of Jews, Christians, and dissidents in the Soviet Union.

Mr. WAXMAN made a statement that made me proud of being a Member of this body, Mr. Speaker. He spoke on behalf of all of us, as Americans, partisanship forgotten, united in our common dedication to individual rights.

So, I would like to introduce into the RECORD following my brief remarks the statement of Mr. WAXMAN of California before the Presidium of the Supreme Soviet last Tuesday, which not only electrified the Representatives from the U.S. Congress, but I think it also rather shocked the members of the Supreme Soviet. I want to publicly acknowledge Mr. WAXMAN's leadership on the issue of human rights and thank the gentleman from California for his forceful appeal.

REMARKS BY CONGRESSMAN HENRY A. WAXMAN ON HUMAN RIGHTS IN THE SOVIET UNION TO MEMBERS OF THE SUPREME SOVIET OF THE U.S.S.R. IN THE KREMLIN ON JULY 5, 1983

We meet here today to discuss various issues of concern to the people of our countries and, indeed, of the world. Arms control is a central concern to all of us here. Yet all of my colleagues share another concern: that governments live up to solemn international commitments, freely undertaken, to respect the human rights of their citizens.

We meet here today to discuss issues of mutual concern. Yet, we cannot gloss over those issues about which we disagree. Americans are convinced that the issue of how a government treats its citizens is a legitimate—indeed integral—part of the international agenda.

Modern technology has brought us the atomic bomb—and the danger of nuclear catastrophe. Modern technology has also brought us instant communication with the result that people everywhere are informed about people around the world. Indeed, this awareness is a central fact of modern life: we all inhabit a global village threatened with total destruction. No political leader can ignore either aspect of these fundamental facts.

Instant communication also makes people everywhere aware of contradictions between words and deeds. No society is perfect. No government or party can claim that all its citizens agree on every point of public policy. It is difficult for an informed public to have faith in negotiations with a country which flouts solemn agreements in one area, such as human rights, while professing the urgent need for new agreements in another area, such as arms control. In fact, I believe that governments which violate the internationally guaranteed rights of their citizens risk loss of international credibility.

This loss of international credibility has many ramifications: not only the loss of public confidence, but also difficulties, complications and delays in the diplomatic arena. In fact, such a loss of credibility extends to all areas of bilateral relations and begins to poison the very foundation of the relationship between our countries.

I want to turn to an examination of an international agreement which spans many vital issues. Indeed, it can be seen as a code of conduct for relations between states and between governments and governed: the 1975 Final Act of the Conference on Security and Cooperation in Europe. This international agreement does not have the status of a treaty; rather, it is a solemn statement of political intent. It is precisely in relation to this document that the question of credibility is so crucial, particularly since the Helsinki Final Act refers to the positive role to be played by private individuals as well as govenmental institutions.

What events occurred which heightened public concern about human rights violations of the Helsinki Accords in your country? Since the start of the Madrid CSCE Meeting in September 1980, your government has arrested over 500 people in the U.S.S.R. who peacefully advocated Helsinki-guaranteed rights. These arrests have burdened the work of the long-protracted Madrid Meeting and have exacerbated efforts to negotiate a balanced and substantive document.

All too often when representatives of my country speak of public concern for human rights issues in your country, we are told that we are merely concerned with the fates of a few misfits. To this I say if a government can easily take reprisals against its own citizens who speak critically, then no citizen is safe.

Furthermore, it is precisely vis-a-vis individuals that governments must and do prove themselves. Therefore, I will refer to some individuals in your country whose problems we consider to be representative of similar problems faced by thousands of other people.

ANDREI SAKHAROV

First, however, I would like to refer to a man who has been called the conscience of mankind: Andrei Sakharov. Although he was never formally accused of any offense, on January 22, 1980, Sakharov was summarily banished to the closed city of Gorky where he lives under virtual house arrest. Today, partly as a result of a hunger strike undertaken by him and his wife, Elena Bonner, to gain emigration rights for a relative, Sakharov and Bonner urgently need to be hospitalized in the Academy of Sciences hospital in Moscow. How can a government which ostracizes and ignores the basic human needs of a famous man such as Sakharov expect to gain international credibility for its treatment of ordinary men and women?

HELSINKI MONITORS

Another issue of particular concern to Americans who are committed to the noble humanitarian aims of the Helsinki Final Act is the systematic campaign of repression undertaken by your government against Soviet citizens who merely sought to call public attention to certain shortcomings in Soviet observance of the human rights provisions of the Helsinki Final Act. Today, 53 members of these citizens' groups are imprisoned in Soviet prisons, labor camps and psychiatric hospitals. None of these people ever advocated violence. Instead, they compiled reasonable documents about human rights problems in their own country. If your government found fault with these documents, why not dispute their facts? By locking up such people—and by abusing them further while imprisoned—your government showed the world it cannot tolerate individuals who publicly advocate the humanitarian aims of the Helsinki Final Act.

My country continues to be concerned with the fates of 53 imprisoned Helsinki Monitors, including Russian physicist Yuri Orlov and Jewish mathematician Anatoly Shcharansky of the Moscow Helsinki Group; poet Mykola Rudenko of the Ukrainian Helsinki Group: Viktoras Petkus of the Lithuanian Helsinki Group; physicist Robert Nazaryan of the Armenian Helsinki Group; and Merab Kostava of the Georgian Helsinki Group. Americans cannot understand why young Ukrainian Monitor, Olha Heyko, now faces a possible 12-year imprisonment term, nor why pregnant Irina Grivnina of the Psychiatric Working Group is under official pressure to perform manual labor in exile, or why aged Ukrainian Monitor Oksana Meshko is exiled to the rigors of remote Siberia.

EMIGRATION

Despite international legal commitments, your government does not permit free emigration from the Soviet Union. In fact, the only recognized legal basis for leaving the U.S.S.R. is for the purposes of family reunification. The emigration process is lengthy, cumbersome, and fraught with uncertainty and potential penalties. In a distortion of the Helsinki spirit, since 1979 the Soviet government now defines family for emigration purposes as only father, mother, son or daughter.

Tragically, in some cases, even reunification of nuclear families is not deemed sufficient cause to permit emigration from the U.S.S.R. I have in mind here, among all too many other examples, the issue of U.S.-Soviet binational marriages. One U.S. husband, Professor Woodford McClellan, has not seen his Russian wife, Irina, since 1974. Last year, one group of Soviet citizens was driven to a series of life-threatening hunger strikes to protest prolonged Soviet-imposed separation from their husbands and wives in the West. While we are gratified that two of these Soviet spouses were allowed to join their families in the United States, two other Soviet husbands, Sergei Petrov and Yuri Balovlenko, are still being denied emigration permission. Unfortunately, this list of divided nuclear families could be extended. Another case comes to mind: a mother, Francesca Yanson, who is ill with cancer, has been trying in vain for three years to see her son in the United States. Recently, several members of this Delegation met a young man by the name of Igar Tufeld who has appealed to us to intervene with you for his parents, Mr. and Mrs. Valdimir Tufeld, who are both quite ill. How can the Soviet government ignore these basic human needs of its citizens and still hope to be trusted in the world?

Not only does your government restrict potential emigrants to divided nuclear families, but, in practice, only the members of three ethnic minorities in the Soviet Union—Jews, Germans and Armenians—have been permitted to leave the Soviet Union in significant numbers. Even here, however, recent statistics point to a sharp cutback in the numbers of Soviet Jews, Germans and Armenians being permitted to emigrate from the U.S.S.R. While 51,000 Jews left the Soviet Union in 1979, last year only 3,000 were allowed to leave. If the present trend continues, this year only 1,200

will emigrate. Even more ominous for the future emigration prospects of Soviet Jewry, your government recently formed an official Anti-Zionist Committee which announced on June 6, 1983 that the process of family reunification for Soviet Jews was "essentially completed."

American organizations estimate that 300,000 Soviet Jews would like to emigrate from the Soviet Union: one such man is Gregory Gimpelson of Leningrad who has applied for emigration since 1977. Denied permission to work as a scientist, nevertheless he is denied emigration for alleged access to secrets in a scientific job he left in 1973. Another family, the Michelson family of Florida and Moscow, have not seen each other in 38 years. Despite many appeals on behalf of this family, Galina Glosman Michelson of Moscow, and her daughter's family, continue to be denied emigration permission. The Essas family of Moscow has been trying to emigrate to Israel since 1973 to join their aged parents. And I raise with you on a personal level the case of a cousin of mine, David Gregoriovitch Vaksman in Kishinev, the city from which my grandparents fled Tzarist persecution and where this young man lives under Soviet oppression. Such needless human suffering flies in the face of your government's humanitarian pronouncements. We have a list of names of people that put a lie to your statement that there are few Jews who want to leave. We know of them because their relations in Israel and in the United States have appealed to us for help. Some of us will try to call or visit these refuseniks while we are here. Those that I have personally talked to tell me that they are desperate. And I tell them they are not forgotten by those who will stand with them in conscience.

In addition to these tragic stories, other Soviet families are adversely affected by Soviet emigration practices: the Jurgutis family of Lithuania has been separated from their father in Chicago since 1974; the Russian Evsyukov family, who live near Moscow, suffer numerous persecutions, including a term in labor camp, for their desire to emigrate.

RELIGIOUS BELIEVERS

Of course, Americans were heartened by the news that, after a 23-year effort, the Pentecostal Vashchenko family were allowed to leave the U.S.S.R. on June 27—the fifth anniversary of their taking refuge in the U.S. Embassy in Moscow. I hope that their fellow Siberian Pentecostals, the Chmykhailov family, will soon follow.

But what impelled these two Pentecostal families—and an estimated 30,000 other Soviet Christians—to struggle so hard and so long to leave the Soviet Union? After all, the Soviet Constitution asserts the separation of church and state. Nevertheless, the Soviet government attempts to maintain total control over organized religion in the Soviet Union. All religious communities—Christian, Jewish or Moslem—must agree to onerous state control over all aspects of their activities. Any religious community which does not agree to such legal restrictions is relegated to outlaw status. Indeed, there are thousands of Soviet Christians, including, for example, 175 reform Baptists, who are imprisoned in the Soviet Union for refusing to obey such laws.

Yet here again contradictions in the policy of your government emerge: some religious communities, even if they agree to abide by Soviet laws, are refused legal status because their religious belief itself is deemed by your government to be illegal. Here I have in mind the tragic fate of the Ukrainian Catholic Church and of the Jehovah's Witnesses in the Soviet Union. Adherents to these religions are subjected to particular persecution. Ukrainian Catholic activist, Iosyp Terelya, founder of the Initiative Group for the Rights of Believers and the Church—who has already spent over a decade in prison—was rearrested in December 1982.

Other religious activists in the U.S.S.R. have also suffered similar fates at the hands of your government: Russian Orthodox priest, Father Gleb Yakunin of the Christian Committee has been denied contact with his family after he was sentenced in August 1980 to a 10-year term; Lithuanian Catholic priest, Father Alfonsas Svarinskas of the Catholic Committee, was also sentenced to a 10-year term.

ETHNIC AND CULTURAL RIGHTS

Americans, like Soviets, live in a country with a rich and varied cultural history. We understand that it is not always easy to accommodate the diverse aspirations of ethnic minorities. Although problems remain, in recent years my country has made great strides in improving the status of such American ethnic groups as Blacks and Native Americans.

In your country, however, there are disturbing signs of regression from Helsinki obligations in your treatment of legitimate rights of ethnic minorities: these are anti-Semitic articles in your official press; there is an escalation in pressures to Russify the languages and Sovietize the cultures of the non-Russian half of your population; and there is evidence of discrimination against religious believers and Jews in higher education. There are even cases of imprisoning of Soviet citizens who seek to improve the status of their ethnic groups: a Soviet Jew, Feliks Kochubievsky, who wanted to form a Soviet-Israeli Friendship Society, was given a prison term for "anti-Soviet slander." Mustafa Dzhemilev, a leader of the Muslim Crimean Tatar struggle from Central Asian exile to return to their historic homeland in Crimea, has spent most of his adult life in camps and exile. Russian writers, such as Georgy Vladimov, are forced into exile for refusing to submit to official pressures to increase Communist orthodoxy in Russian literature. Soviet scientists are denied permission to attend international scientific conferences—as happened last week with Professor Khatchaturyan and his wife who were supposed to address an international physics conference in Greece. Other Soviet scientists, such as Jewish mathematician Viktor Brailovsky, who organized an unofficial Moscow seminar for other scientists refused emigration permission, are imprisoned.

UNOFFICIAL PEACE GROUPS

Although your government encourages citizens' disarmament initiatives in the West, Soviet officials have imprisoned eight members of two unofficial peace groups: four signatories of an October 1981 appeal that the Baltic states of Lithuania, Estonia and Latvia be included in an official Soviet proposal to create a Baltic nuclear-free zone, and four members of the Group to Establish Trust between the U.S. and the U.S.S.R.

CONCLUSION

I hope that your government will take my comments in the spirit in which they are intended: if trust between our countries is to be established, we must be more attentive to all of the matters of concern to each other. As far as human rights are concerned, they are not only important to us, but are inextricably linked with the other items on the agenda between our two countries.

Mr. KEMP. I would also like to commend to my colleagues' attention the following remarks by Mr. WIRTH before the Supreme Soviet:

I welcome this opportunity to resume the contacts and the conversations in which I took part 4 years ago here in Moscow as your guest and in Colorado as your host. We did not finish any of the discussion we held in 1979. We were interrupted—overtaken by events. I am glad that we can begin again.

Many of the hopes that were strong four years ago—hopes for progress in all aspects of U.S.-Soviet relations—have similarly been overtaken by events. Our business in reviving these meetings is not to resurrect those hopes but to find, instead, a realistic basis for a relationship without illusions.

One of the wisest Americans, Benjamin Franklin, remarked that "He that lives upon hope will die fasting." We will profit most, I believe, from renewing the exchange of views between members of the Supreme Soviet and of the House of Representatives if we put false hopes aside at the start and concentrate our attention on the genuine concerns—you might say, the "objective realities"—which we hold in common.

Economic and commercial questions are ones of mutual interest. I am pleased that we will have the opportunity to address them together, but I hold no misconception about our ability to resolve our many differences on these matters quickly or easily. Trade between the United States and the Soviet Union does not occur in a vacuum. It mirrors and affects the political climate in which both nations live. Our activity as buyers or sellers can contribute to better relations in other fields but it cannot, alone, transform those relations for the better.

To accomplish that change—and the companion growth of the mutually beneficial trade—requires a political determination based on a shared understanding of shared goals and agreed means of reaching them. We are far from achieving such an understanding.

We have, however, an opportunity in these meetings to explore each other's views extensively and to see what progress may be possible. We might take as a starting point the observation of another wise American, the humorist James Thurber. "It is better," he said, "to know some of the questions than all of the answers." In that spirit I propose that we begin our discussion by putting questions to one another and, through the method that Socrates used, discovering if we agree on any answers.

I do not want the questions I have to come as a surprise. Permit me, therefore, to give you a summary of the main ones and an explanation of my reasons for asking them. I would like to hear your views, for example, on the likely political and economic shape of the world in the year 2000. I would hope to elicit not just predictions, although candid ones would be most welcome, but, more importantly, ideas for ways to shape the direction of events. What are your worst fears and your suggestions for preventing their realization? What are your best-grounded hopes and how do you propose to achieve them? What do you see as common enterprises for America and the Soviet Union, for Western democrats and Eastern socialists? Where do you anticipate the most dangerous conflicts arising? What,

in your view, are the most productive areas of international cooperation?

From these general considerations about the near future, from hearing your answers to these questions and from giving our own, I would turn our discussion to the present. The central question if we find some common strategic interests, is a tactical one: how do we move from the current impasse in our relations to a more constructive footing? What issues deserve priority? Which of our many disagreements are the most difficult and enduring? Which are the problems most easily resolved or—at least—reduced in gravity?

Finally, we should be able to direct our discussion to the specific matters of economic and commercial development that are our assigned topic. We are interested in knowing more about your own economic prospects; in discussing the remarkable transition now reshaping the American economy; in analyzing questions of agricultural trade, technology transfer, financing, the working conditions of businessmen in our respective countries, access to information, to buyers and to sellers; and in surveying the issues of cooperation within international financial and development institutions.

Those questions—in outline—constitute the agenda and the approach to it which the American side will pursue. Our interests go from the future to the present to the specific. And since that is not the most common path to take, I ask you to let me explain why it has been chosen and why I think it can be profitable.

I start from a fundamental premise: economic dealings between the United States and the Soviet Union are inevitably a function of our political relationship. to pretend otherwise is a waste of time. We have not had and will not have smooth and expanding commercial ties in an atmosphere of tension and mutual suspicion. Agreements reached on trade and financial questions will not be implemented—indeed will not survive—in the midst of disagreement on issues of vital political interest to one side or the other.

I know that in 1922 Lenin held otherwise. I am aware of his view then that "the most urgent, daily practical and obvious interests of all the capitalistic powers have demanded the development, consolidation and expansion of trade with Russia. And since interests exist, we can argue, quarrel, break off relations on some issues . . . in the end, basic economic necessity will force its way."

Although the behavior of some Western nations has borne out that analysis, the pattern has not held for the United States. On the contrary, our trade with the Soviet Union has been a matter not of economic necessity but of political will. We seek to advance our own security by promoting a stable international order based on respect for law, for principles of individual dignity and freedom, and for the rights of other nations to shape their destinies without outside interference. We are far from perfect in adhering to these ideals but we are consistent in holding them up as standards by which we judge our own government and the policies it sets. Those nations which share our values are our natural partners in all kinds of endeavor, including economic cooperation and trade. Those nations which reject or oppose our primary concerns are the ones with which we are least likely to do extensive business—either political or commercial.

In the fifty years of formal diplomatic relations between the United States and the Soviet Union, there have been only two periods—both brief—of intense cooperation. One, of course, was our wartime alliance against a common enemy. The other came in the last decade and was premised on a common desire for restraint in what was correctly perceived as a frightening, life-threatening competition. It did not last because the commitment to restraint was either insincere or misunderstood. Without restoring a genuine accord that prevents either side from pursuing unilateral advantage at the expense of the other, we will not restore the political basis which is essential to economic cooperation.

My colleagues and I would not have made this trip if we did not believe there was a possibility of reducing tensions and reestablishing mutual restraint on a more realistic and enduring basis. We believe that American and Soviet security interests overlap in certain areas, that they do not necessarily conflict everywhere on earth. But there remains between our countries a profound clash of purpose in international affairs, a lasting difference in our views of what constitutes a stable, just and productive international order. The purpose of the broad questions I wish to examine is the search for ways to moderate that opposition in the interests of survival.

Trade expansion can play a subsidiary role in that process, but the search for common ground must concentrate elsewhere first. We believe there is an overriding mutual interest in limiting the arms race, both nuclear and conventional. We long ago passed the point where the addition of destructive power of either side contributed to genuine security. Instead, it is clear that each new or improved weapon we build adds to our unease, subtracts from our strength and multiplies our distrust of one another. It is time to call a halt and reverse direction. On this point we believe both sides can agree.

Our rivalry in wasteful, military expenditures, of course, is both the consequence and in part the cause of the lack of restraint in our political competition. It is in this field that we must look most intensively for a new, workable definition of common security. It is not enough to say that we share an interest in avoiding direct conflict.

We are at odds now, directly and indirectly, over the future of Southeast Asia and Southern Africa, of the Middle East and Central America, of Afghanistan and Poland. We have a choice. We can either let those tensions fester and escalate or we can actively seek to reduce both the level of tension and outside involvement in such quarrels. In many of them, Americans believe that Soviet policy is deliberately provocative, that you are stimulating disorder in a world that is already turbulent and menacing. We will not resist change that promotes greater social justice, but we will oppose upheaval that has no other goal than throwing an entire region and its chances for orderly development into turmoil.

The United States and the Soviet Union need not—in fact, cannot—act together to police conflict, but we can act separately to diminish the spread of conflict, to promote negotiated solutions, to keep our distance from areas of vital interest to each other. Such mutual restraint does not require collusion to manage the affairs of others. It does require respect for certain basic principles of international development, and on those principles, it should be possible to agree.

Finally, Americans make a direct connection between their security as a nation and the security of individuals in their relations with their rulers. We are advocates of human rights because we hold that governments which show the greatest respect for their own citizens are more certain to show the greatest respect to other governments and their people. A world in which authority is restrained in its treatment of the powerless is a world that is safer for all nations and all individuals.

On this issue American and Soviet history and outlook are far apart. But you mistake our interest in the principles of human rights and in their application if you interpret them either as a matter of political expediency or as a camouflage for subversive intent towards your system. Our insistence on this concern goes back to a time before there was either a United States of America of a Soviet Union.

Indeed, in the Library of the University of Tartu in Estonia, you can find the fragment of letter from Benjamin Franklin, written while he was in Paris and our Revolutionary War had not yet brought victory. More than two centuries ago he wrote that "Establishing the Liberties of America will not only make the people happy, but will have some effect in diminishing the misery of those who, in the other parts of the world, groan under despotism. . . ." Franklin's hope is still our vision. We will continue to pursue it. We will cooperate most closely with those who share it.

Because these political considerations are not important to Americans, I have laid them out as a prelude to what I hope will be productive discussions on economic matters. The connection between the two fields is unavoidable. It can also be constructive. But we must begin with basic realities—the search for a joint definition of political security interests—if we are to progress toward any consistent practice of trade and economic cooperation.

I look forward to less formal discussions and to the new opportunity before us of putting our relations on a sound and durable basis. Let us acknowledge our differences with candor and with courtesy. Let us search, beyond those differences, for the realistic and vital areas of accord on which we may be able to build a future of restraint and reduced tension.

TRADE BILL ON BEHALF OF THE BAHAIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● Mr. STARK. Mr. Speaker, the ferocity and the terrorization that the Bahais face in Iran must cease. Two weeks ago in Iran, two prominent Bahais, Jahangir Hidayati and Ahmad Bashiri were kidnaped and their whereabouts are still unknown. Three weeks ago a Bahai named Sahayl Hashmand was executed and 130 Bahais from Ival were harassed to the point that they had to run to the forest to find sanctuary. One month ago, 16 Bahais from Shiraz, Iran (10 of whom were females, including 3 teenagers) were executed because they would not recant their religious faith.

However, this Bahai bloodbath and terrorization is more than 1 month

old. Since 1979, the Iranian Government has executed 150 Bahais, hundreds of Bahais have been jailed unjustly, dismissed from public and private employment, have had their schools closed, homes, businesses, crops and animals destroyed, and their bank accounts confiscated.

Less than 2 weeks ago memorial services were held throughout the country commemorating the execution of the Bab, the forerunner of the Bahai faith. I would like to include in the RECORD my remarks made at one of these services:

Today's memorial service is not just for Sahayl Hashmand who was executed last week, or for the 130 Bahai people of Ival, or even for the Bab, it is for all of the Iranian Bahais, living and dead, who have been persecuted by the Iranians. These Bahais have been deprived of many of the joys that this life has to offer, and have been forced to live a life full of fear and pain.

This peaceful living people has faced the tyranny of the Iranian Moslems for over 100 years. It seems that these tyrants have turned their backs from the Koran which says, "If it had been your Lord's will, they would all have believed, all who are on Earth! Will you then compel mankind, against their will to believe?"

It is written in my holy book of Proverbs that "The wicked man is driven away in his wickedness." We must all pray that the day in which the Iranian government ceases its wicked actions comes soon. I believe that every humane person would join me when I quote from St. Matthew and say, "Blessed are they which are persecuted for righteousness' sake, for theirs is the kingdom of heaven."

The strong-willed Bahai people, who will not recant their religious faith, are a people to be admired by the whole world. The Bahai people, as it is written in Corinthians II, have been "persecuted, but not forsaken, cast down, but not destroyed."

Our prayers are with you.

Many Bahais have tried to leave Iran, but usually fail in their endeavor because of the impassable stumbling blocks placed before them. As fellow human beings, it is our duty to help answer the cry for help of this oppressed people.

I have introduced a bill, H.R. 2778, which will show our serious commitment to this cause. The bill states that no article which is the growth or product of Iran may be imported into the United States until the President determines, and certifies to the Congress, that the Government of Iran has ceased its persecution of the Bahais in Iran.

Of our imports from Iran, oil accounts for approximately 97 percent. The United States buys only 1 percent of its oil from Iran. And, oil of the same or higher grade can be purchased from several other countries at comparable prices with no time delays.

From their point of view, Iran sells 2 to 3 percent of its oil to the United States. Losing our business now would have an impact on the Iranian economy. Iran would have less money to fund its present war with Iraq and would have to look for a new buyer during an oil glut. That could be difficult.

The United States should go on record as a country who condemns the pogrom of the Bahai people. I therefore urge all Members to join in working for early passage of this bill. The faster we act, the more Bahai lives we may be able to save.●

MORE THAN JUST ANOTHER LITTLE LEAGUER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to take this opportunity to pay tribute to one of our Nation's most dedicated and hard-working baseball players, Greg Schwartz of Santa Cruz, Calif. During this year's season Greg batted .332, boasted a .412 on-base percentage, and made only two fielding errors all season. Yet Greg is not a major leaguer with a multimillion-dollar contract; he is an 11-year-old boy with one hand.

Greg serves as an inspiration to all of us who believe in the strength of the human spirit. He has shown that any physical handicap, no matter how severe, can be overcome with determination and perseverance. With the help of his loving mother Betsy, Greg began playing baseball at age 3. Equipped only with a driving desire to do the best he could all the time, he developed into one of the finest baseball players in the Capitola-Soquel Little League. Along the way, he came to terms with his handicap and now exhibits a will to succeed not only in sports, but in school and as a human being.

Mr. Speaker, on behalf of all of us who are inspired by the courage of Greg Schwartz, I would like to insert in the RECORD a copy of a story in the Santa Cruz Sentinel of July 7, 1983, describing this remarkable boy. He is truly "more than just another Little Leaguer."

The article follows:

[From the Santa Cruz (Calif.) Sentinel, July 7, 1983]

MORE THAN JUST ANOTHER LITTLE LEAGUER—ONE-HANDED BOY HANDLES HANDICAP

(By Alan Arakelian)

SOQUEL.—This is a story about an 11-year-old boy with just one hand—yet one of a boy who possesses a powerful desire to excel in baseball. A story of a boy who doesn't quit, has worked hard to overcome his handicap and says he only wants "to be like everybody else."

The boy's name is Greg Schwartz and he plays for the Reds in the Capitola-Soquel Little League. He not only plays at the major league level, he plays well. This season, he batted a respectable .332 and boasted a .412 on-base percentage. Maybe more significant he made only two errors all season playing first base.

But, says Reds manager Dave Tunno, what separates Schwartz from other boys with more natural talent is attitude—a driving desire to do the best he can all the time.

The red-headed, freckle-faced Schwartz is not like everybody else. Indeed, he's better than many, even though he was born without a left hand.

"Not only is he as good (as non-handicapped players), but he's better than some who have no physical problems," said Tunno of Schwartz, whose team lost to the Santa Cruz National Giants, 5–4, in the first round of District 39 Area 1 Tournament of Champions competition Wednesday at San Lorenzo Valley High. "In my mind, some of them don't have the most important ingredient—will."

Schwartz is an intelligent, polite, easy-going kid. He doesn't think the fact he's playing baseball is anything out of the ordinary. "I don't think it's that amazing," said Schwartz, quietly.

He struck out only eight times all season, hit four doubles and one triple, knocked in 16 runs and scored 14. At the start of the season, Schwartz batted ninth (last) in the lineup—now he's sixth. "I thought I'd get a few hits," said Schwartz, "but not as many as I've gotten."

Schwartz is no stranger to baseball. He's been playing the game competitively for three of the last four years in Santa Cruz County. Schwartz's sports-oriented mother, Betsy, began throwing and hitting the ball around with her son when he was three or so. She had done the same with her two other sons, Chris, 18, and Eric, 13.

"I did it for all my sons," said Betsy. "I taught him (Greg) how to throw and bat when he was 3 years old."

The handicap had nothing to do with Betsy starting her son early in baseball, but she says, "I knew it might be a little harder for him." And, she said, "I've never treated any of my kids differently."

Greg, however, has always seemed the most determined of the brothers, their mother says. "Greg had more determination, so I always played baseball with him, because I knew he loved to do it so much," she said. "I like sports very much myself, so I always included my sons in sports. The thing I always remember about Gregory is how much he loves baseball.

"He was the one of the three kids who wanted to play more ball than anyone else," she said. "He has much more determination and much more drive than the other two boys."

"I think he's really a determined young man," said Tunno, who has been a youth league coach since 1950. "He's got the best attitude of any kid I've ever seen."

He has to have, just to play. As a batter, Schwartz, a right-hander, places his left wrist below the right hand on the bat, and tries to stabilize the bat into the ball, he said. "I just use it to guide the bat, to help me swing," said Schwartz. At first base, when he fields a ground ball and tries to throw, it's difficult. First, he must quickly flip the glove off the right hand, tuck the glove between his chest and under his left arm, get the ball out and throw.

Schwartz isn't defensive when talking about his handicap. He is used to talking about it, he says, "because everybody asks me about it."

His mother says Greg is a "stable person, at ease about his handicap. He is so well ad-

justed," said Betsy. "He's just a real good kid.

"He doesn't think of it as a handicap at all," she said. "There's nothing he can't do—he's done everything at the same age as other kids with two hands"—including learning to tie his shoes, which he accomplished by the time he was 5. He learned by himself one day while he was sitting in the corner—as a punishment—at home.

"Some people already don't notice Greg's handicap," said Tunno. "Our team doesn't notice it. All we know is that it's Greg up there at bat."

Greg is not just shoe-tying smart, he's school smart, too. For the last two years in fifth and sixth grade, he was on the honor roll five out of six times.

"He's very serious," said Betsy. "He's pretty quiet. He's very honest and responsible. He's very organized and detailed, and very reliable."

Schwartz is somewhat worldly. Greg's parents were divorced when the family was living in Ecuador (Greg's father, Mike Schwartz, works for the State Department). Betsy, Eric and Greg came back to the United States and settled in Santa Cruz when Greg was 4. Greg's father is currently living in Mauritania in the northwest part of Africa. Greg, who can speak Spanish (but not fluently, he says), plans to visit his father with Eric at Christmas. If they like it there, they will stay there for a year, said Greg. Two years ago, he lived for a year with his father in Honduras.

Schwartz, who is also a goalie in soccer, played in T-Ball in the Live Oak Little League three seasons ago. He then went to Honduras for a year before coming back to the county and playing Capitola-Soquel AAA ball. According to Betsy, there were several league coaches who wanted to draft Greg up to the majors last season. But, for the first time in Greg's life, Betsy intervened, and felt he was not ready for the jump—because of her son's handicap.

"It's the first time I ever asserted myself over it (the handicap)," said Betsy. "I really felt it was time I should step in." She was not sure Greg was ready to handle the better caliber of pitching, since he was really just learning to hit fast pitching. Plus, he was unable to make all of his team's practices because of a Sentinel newspaper route (which he has since quit, so he can devote more time to baseball).

She did not want him to get in over his head—and then possibly fail. It would ruin his confidence and self-esteem, she thought. "I knew he would take it too seriously, that he would put a lot of pressure on himself," said Betsy. "I knew if he didn't do well that he would not feel good about himself. I didn't want to take that chance of anything bad happening."

Looking back, Greg believes his mother made the right decision. "I wanted to hit the ball before the end of the year," said Greg. "I was hitting the ball, but not that many times. I was either striking out or grounding out."

Greg failed to get a hit in the first four games of this season. Then Tunno worked with him one day, got him to use his body more and use better footwork. "he's compensated for it (the handicap)," said Tunno. The next game, Greg began to hit, going 4-for-5 at the plate. "That's the kind of kid Greg is," said Tunno.

Schwartz has not stopped hitting all season.

"I didn't think I'd be doing as well," said Schwartz of the jump to the majors, "because I thought they'd be pitching too fast. But, I'm doing pretty good."

When Schwartz was at the AAA level, Tunno watched him. "This year, I made a definite point to get him," said Tunno. "There was no doubt in my mind the 1,000-percent effort he gave all the time was going to be an asset to our team. I knew his desire would rub off on the other kids around him.

"Greg is an inspiring young man," said Tunno. "After you see him dive a few times for a ball and come off the ground and make the throw to put an individual out, there is no handicap.

"Greg hits the best pitching in the league," said Tunno. "I don't find it amazing anymore, because I know him."

"In just about anything he does, he wants to do his best . . . especially in sports," said Betsy. "He just gives his most."

Tunno believes Schwartz has the arm to be a better-than-average pitcher. He's been tempted to try Schwartz at pitcher. But, he holds back, for safety reasons. "I couldn't send him out there," said Tunno. "If Greg was to throw (pitch), he wouldn't have a glove on. It would be too dangerous."

Before the Reds' lone regular-season setback this season, Tunno and the players forgot to pray because of some confusion. "We say a prayer before every game," said Schwartz, smiling. "And the one game we didn't—we got whipped (12-0 by the Angels)."

In all, Schwartz' mother is not surprised by her son's accomplishments in baseball.

"No, I'm not surprised—I'm happy," she said.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PACKARD (at the request of Mr. MICHEL), for today and the balance of the week, on account of official business.

Mr. LEVINE of California (at the request of Mr. WRIGHT), after 3:45 p.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. AUCOIN) to revise and extend their remarks and include extraneous material:)

Mr. MILLER of California, for 60 minutes, on July 19.

(The following Members (at the request of Mr. SHAW) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 30 minutes, today.

Mr. MCCANDLESS, for 3 minutes, today.

(The following Members (at the request of Mr. HARRISON) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 60 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Mr. STUDDS, for 60 minutes, today.

Mr. MAVROULES, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. FRANK, for 60 minutes, today.

Mr. KOSTMAYER, for 60 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ALEXANDER, for 60 minutes, on July 18 through July 22 and July 25 through July 29.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. NEAL, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,569.75.

Mrs. SMITH of Nebraska, asked and was given permission to revise and extend her remarks prior to the vote on the Coats amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. SHAW) and to include extraneous matter:)

Ms. FIEDLER.
Mr. BEREUTER.
Mr. MOLINARI.
Mr. KEMP in two instances.
Mr. SHUMWAY.
Mr. COURTER in two instances.
Mr. SUNDQUIST.
Mr. LENT.
Mr. MARTIN of North Carolina.
Mr. MOORHEAD.
Mr. PHILIP M. CRANE.
Mr. KASICH.
Mr. CONTE.
Mr. GINGRICH in three instances.
Mr. MICHEL.
Mr. DREIER of California.
Mr. WEBER.
Mr. CAMPBELL in two instances.
Mr. FORSYTHE.
Mr. GEKAS.
Mr. BILIRAKIS.
Mr. PAUL.
Mr. MILLER of Ohio in three instances.
Mr. PARRIS.
Mr. RITTER.
Mr. ROTH.
Mr. MCGRATH.

(The following Members (at the request of Mr. HARRISON) and to include extraneous matter:)

Mr. BEDELL.
Mr. MAVROULES.
Mr. COELHO.
Mr. SIMON in two instances.
Mr. CLAY.
Mr. LEVINE of California.
Mr. SMITH of Florida in six instances.
Mr. MARKEY.
Mr. MINISH.
Mr. BONER of Tennessee.
Mr. GORE in two instances.

Mr. TALLON.
Mr. CLARKE.
Mr. BENNETT in four instances.
Mr. SHELBY.
Mr. VALENTINE.
Mr. MCDONALD in two instances.
Mr. BARNES.
Mr. SKELTON.
Mr. BROWN of California.
Mr. FLORIO.
Mr. ROYBAL.
Mr. PEPPER.
Mr. OTTINGER.
Mr. LAFALCE.
Mr. WEISS.
Mr. MOAKLEY.
Mr. ERDREICH.
Mr. FASCELL
Mr. WYDEN.
Mr. MURPHY.

ADJOURNMENT

Mr. O'NEILL. Mr. Speaker, I move that the House do now adjourn. This is the first time I have had that honor.

The motion was agreed to; accordingly (at 5 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, July 18, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1537. A letter from the Secretary of Agriculture, transmitting notice of a proposed new records system pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1538. A letter from the Secretary of the Interior, transmitting notification of a change in the date for the South Atlantic oil and gas lease offering (information on sale previously submitted on June 22, 1983, EC1417), pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

1539. A letter from the Chief Justice of the United States, transmitting a report on the proceedings of the Judicial Conference of the United States, held in Washington, D.C., on March 16 and 17, 1983, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

1540. A letter from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting the 1982 annual report on fishery allocations, permits, and foreign import barriers, pursuant to section 201(f) of the Fishery Conservation and Management Act of 1976, as amended; to the Committee on Merchant Marine and Fisheries.

1541. A letter from the Director, Office of Personnel Management, transmitting the final version of the airway science curriculum demonstration project plan (proposed plan, Ex. Com. No. 679), pursuant to 5 U.S.C. 4703(b)(6); to the Committee on Post Office and Civil Service.

1542. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting the 1982 annual report for fiscal year 1982, pursuant to 38 U.S.C. 214; to the Committee on Veterans' Affairs.

1543. A letter from the Comptroller General of the United States, transmitting a report on the actions necessary to enhance the effectiveness of the Federal magistrates system (GGD-83-46, July 8, 1983); jointly, to the Committees on Government Operations and the Judiciary.

1544. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to raise the authorized pay level of the Treasurer of the United States to Executive Level IV; jointly, to the Committees on Ways and Means; Banking, Finance and Urban Affairs; and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DE LA GARZA: Committee on Agriculture. H.R. 24. A bill to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest; with an amendment (Rept. No. 98-293). Referred to the Committee of the Whole House on the State of the Union.

Mr. PERKINS: Committee on Education and Labor. H.R. 3323. A bill to authorize appropriations for grants to the Washington Workshop Foundation; with amendments (Rept. No. 98-294). Referred to the Committee of the Whole House on the State of the Union.

Mr. STOKES: Committee on Standards of Official Conduct. House Resolution 265. Resolution in the matter of Representative Gerry E. Studds (Rept. No. 98-295). Referred to the House Calendar.

Mr. STOKES: Committee on Standards of Official Conduct. House Resolution 266. Resolution in the matter of Representative Daniel B. Crane (Rept. No. 98-296). Referred to the House Calendar.

Mr. STOKES: Committee on Standards of Official Conduct. Report on the inquiry under House Resolution 12 (Rept. No. 98-297). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEDELL (for himself, Mr. DE LA GARZA, Mr. MADIGAN, Mr. FOLEY, Mr. HARKIN, Mr. SMITH of Iowa, Mr. JONES of Tennessee, Mr. VOLKMER, Mr. DORGAN, Mr. DURBIN, Mr. DASCHLE, Mr. OLIN, Mr. PENNY, Mr. ENGLISH, Mr. WATKINS, Mr. WEAVER, Mr. HANCE, Mr. GORE, Mr. EMERSON, Mr. HIGHTOWER, Mr. WOLPE, Mr. COLEMAN of Missouri, Mr. ALEXANDER, Mr. LEACH of Iowa, Mr. TAYLOR, Mr. EVANS of Iowa, Mr. STENHOLM, Mr. WHITLEY, Mr. GLICKMAN, Mr. NEAL, Mr. GEPHARDT, Mr. SLATTERY, Mr. MCCURDY, Mr. ROSE, Mr. HUCKABY, Mr. WILLIAMS of Montana, Mr. SKELTON, Mr. SHARP, Mrs. SMITH of Nebraska, and Mr. EVANS of Illinois):
H.R. 3564. A bill to require the Secretary of Agriculture to make an earlier announcement of the 1984 crop feed grain program; to the Committee on Agriculture.

By Mr. BIAGGI:
H.R. 3565. A bill to amend the Food Stamp Act of 1977 to exclude from the financial resources of households certain funds set aside for burial expenses of elderly and disabled members and their spouses; to the Committee on Agriculture.

By Mr. BONKER:
H.R. 3566. A bill to authorize the Secretary of the Army to construct a project to provide flood control on the Chegalis River, Wash., to the Committee on Public Works and Transportation.

By Mr. CLARKE:
H.R. 3567. A bill for the relief of Swain County, N.C.; to the Committee on the Judiciary.

By Mr. COEHLO:
H.R. 3568. A bill to amend the Agricultural Adjustment Act as amended and reenacted by the Agricultural Marketing Agreement Act of 1937, to authorize the development of marketing orders for eggs; to the Committee on Agriculture.

By Mr. GORE:
H.R. 3569. A bill to amend the Communications Act of 1934 to insure the availability of basic telephone service at reasonable rates; to the Committee on Energy and Commerce.

By Mr. HUGHES (for himself and Mr. SAWYER):
H.R. 3570. A bill to amend title 18 of the United States Code to provide penalties for the counterfeiting of access devices, and for other purposes; to the Committee on the Judiciary.

By Mrs. JOHNSON:
H.R. 3571. A bill to make reconstruction of a portion of the Mianus River bridge in the vicinity of Greenwich, Conn., eligible for emergency relief under section 125 of title 23, United States Code; to the Committee on Public Works and Transportation.

By Mrs. JOHNSON (for herself and Mr. GEJDENSON):
H.R. 3572. A bill to amend section 103(e)(4) of title 23, United States Code, to extend the deadline for withdrawal of interstate routes and approval of substitute projects in certain cases; to the Committee on Public Works and Transportation.

By Ms. KAPTUR (for herself, Mr. PEASE, Mr. MURPHY, Mr. WALGREN, Mr. ROE, Mr. FORD of Michigan, Mr. SIMON, Mr. APPLEGATE, Mr. WOLPE, Mr. BONIOR of Michigan, Mr. KOSTMAYER, Mr. LAFALCE, Mr. MINISH, Mr. SEIBERLING, Mr. OWENS, Mr. SOLARZ, Mr. MITCHELL, Mr. ECKART, Mr. EDGAR, Mr. HARRISON, Mr. DINGELL, Mr. CONYERS, Mr. ALBOSTA, Mr. STOKES, Mr. KINDNESS, Mr. KILDEE, Mr. DELLUMS, Mr. LEVIN of Michigan, Mr. FOGLIETTA, Mr. LUKEN, Mr. ERDREICH, Mr. DONNELLY, Mr. WHEAT, and Mr. SIKORSKI):
H.R. 3573. A bill to extend the Federal Supplemental Compensation Act of 1982 for an additional 6 months, and for other purposes; to the Committee on Ways and Means.

By Mrs. KENNELLY:
H.R. 3574. A bill to amend part A of title IV of the Social Security Act to eliminate the present restrictions (added in 1981) on the payment of aid to families with dependent children in cases involving pregnant women; to the Committee on Ways and Means.

By Mr. LEVIN of Michigan (for himself and Mr. VANDER JAGT):
H.R. 3575. A bill to amend the Federal-State Extended Unemployment Compensa-

tion Act of 1970 and the Federal Supplemental Compensation Act of 1982 to provide alternative State triggers; to the Committee on Ways and Means.

By Mr. LUKEN:

H.R. 3576. A bill to designate a Federal building in Cincinnati, Ohio, as the "John Weld Peck Federal Building"; to the Committee on Public Works and Transportation.

By Mr. MOORHEAD:

H.R. 3577. A bill to protect patent owners from importation into the United States of unpatented goods made overseas by use of patented processes; to the Committee on the Judiciary.

By Mr. OBEY (for himself, Mr. PETRI, Mr. MOODY, Mr. SENSENBRENNER, Mr. KASTENMEIER, Mr. GUNDERSON, Mr. ASPIN, and Mr. ZABLOCKI):

H.R. 3578. A bill to establish the wilderness areas in Wisconsin; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. RANGEL:

H.R. 3579. A bill to establish a National Rebuilding and Development Bank and to provide for a long-range program to assist in assuring decent neighborhoods for all citizens; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SIMON:

H.R. 3580. A bill to amend title 5 of the United States Code to provide for prompt payment of basic pay payable to Federal employees; to the Committee on Post Office and Civil Service.

By Mr. THOMAS of California (for himself and Mr. MATSUI):

H.R. 3581. A bill to amend section 503 of the Trade Act of 1974 to limit eligibility of agricultural products and byproducts under the generalized system of preferences; to the Committee on Ways and Means.

By Mr. WHITLEY:

H.R. 3582. A bill to amend the Internal Revenue Code of 1954 to increase the amount allowable as a charitable deduction for maintaining certain students in the taxpayer's home; to the Committee on Ways and Means.

By Mr. MAVROULES:

H.J. Res. 320. Joint resolution to amend the Social Security Act to delay the imposition of certain requirements on public hospitals until the expiration of their current fiscal years; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. BATEMAN (for himself, Mrs. HOLT, Mr. FISH, Mr. ADDABBO, Mr. AKAKA, Mr. ALEXANDER, Mr. ANDERSON, Mr. ANDREWS of North Carolina, Mr. ANDREWS of Texas, Mr. BADHAM, Mr. BARNES, Mr. BARTLETT, Mr. BENNETT, Mr. BEVILL, Mr. BEILENSON, Mr. BETHUNE, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BLILEY, Mr. BOEHLERT, Mrs. BOGGS, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BOUCHER, Mrs. BOXER, Mr. BREAUX, Mr. BRITT, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. BROYHILL, Mr. BURTON of Indiana, Mr. CARNEY, Mr. CARPER, Mr. CHANDLER, Mr. CHAPPELL, Mr. CHENEY, Mr. CLINGER, Mr. CONABLE, Mr. CONTE, Mr. CORRADA, Mr. COURTER, Mr. CRAIG, Mr. D'AMOURS, Mr. DANNEMEYER, Mr. DANIEL, Mr. DASCHLE, Mr. DAUB, Mr. DAVIS, Mr. DEWINE, Mr. DICKINSON, Mr. DIXON, Mr. DONNELLY, Mr. DYSON, Mr. EDWARDS of Alabama, Mr. ERLENBORN, Mr. FASCELL, Mr. FAZIO, Mr. FEIGHAN, Mr. FIELDS, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FRENZEL, Mr. FRANKLIN, Mr. FUQUA, Mr. GEKAS, Mr. GONZALEZ, Mr. GORE, Mr. GRAMM, Mr. GREEN, Mr. GREGG, Mr. HANSEN of Idaho, Mr. HARRISON, Mr. HARTNETT, Mr. HATCHER, Mr. HAWKINS, Mr. HEFNER, Mr. HERTEL of Michigan, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. HUTTO, Mr. HYDE, Mr. JEFFORDS, Mrs. JOHNSON, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. KASICH, Mr. KAZEN, Mr. KEMP, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LATTA, Mr. LEACH of Iowa, Mr. LEATH of Texas, Mr. LELAND, Mr. LENT, Mr. LEVINE of California, Mr. LEWIS of California, Mr. LEWIS of Florida, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LONG of Maryland, Mr. LOTT, Mr. LOWERY of California, Mr. LUNGREN, Mr. MACK, Mr. MARTIN of New York, Mr. MARTIN of North Carolina, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MCCAIN, Mr. MCCANDLESS, Mr. MCCURDY, Mr. MCDADE, Mr. MCEWEN, Mr. MCGRATH, Mr. MCKERNAN, Mr. MICA, Mr. MICHEL, Ms. MIKULSKI, Mr. MILLER of Ohio, Mr. MINETA, Mr. MOAKLEY, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MURPHY, Mr. MYERS, Mr. NATCHER, Mr. NIELSON of Utah, Mr. NICHOLS, Mr. OBERSTAR, Mr. O'BRIEN, Mr. OLIN, Mr. ORTIZ, Mr. OTTINGER, Mr. OWENS, Mr. PACKARD, Mr. PANETTA, Mr. PARRIS, Mr. PATTERSON, Mr. PEPPER, Mr. PETRI, Mr. PRICE, Mr. PRITCHARD, Mr. QUILLEN, Mr. RANGEL, Mr. RATCHFORD, Mr. REID, Mr. RINALDO, Mr. RITTER, Mr. ROBERTS, Mr. ROBINSON, Mr. RODINO, Mr. ROE, Mr. ROEMER, Mr. RUDD, Mr. RUSSO, Mr. SAWYER, Mr. SCHAEFER, Mrs. SCHNEIDER, Mr. SENSENBRENNER, Mr. SHELBY, Mr. SCHEUER, Mr. SHUMWAY, Mr. SILJANDER, Mr. SIMON, Mr. SISISKY, Mr. SKEEN, Mr. SKELTON, Mr. SMITH of Florida, Mr. ROBERT F. SMITH, Mr. SNYDER, Mr. SOLARZ, Mr. SOLOMON, Mr. SPENCE, Mr. SPRATT, Mr. ST GERMAIN, Mr. STANGELAND, Mr. STOKES, Mr. STRATTON, Mr. STUMP, Mr. SUNDQUIST, Mr. SUNIA, Mr. TALLON, Mr. TAUKE, Mr. TAUZIN, Mr. THOMAS of Georgia, Mr. TOWNS, Mr. TRAXLER, Mr. UDALL, Mr. VANDER JAGT, Mr. VANDERGRIFF, Mr. VENTO, Mrs. VUCANOVICH, Mr. WALKER, Mr. WAXMAN, Mr. WEBER, Mr. WEISS, Mr. WHEAT, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WINN, Mr. WOLF, Mr. WON PAT, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, Mr. WYLIE, Mr. YATES, Mr. YATRON, Mr. YOUNG of Alaska, Mr. ZABLOCKI, Mr. ZSCHAU, and Mr. DE LA GARZA):

H.J. Res. 321 Joint Resolution to proclaim a day of national celebration of the 200th anniversary of the signing of the Treaty of Paris; to the Committee on Post Office and Civil Service.

By Mr. BARNES (for himself and Mr. ALEXANDER):

H. Con. Res. 144. Concurrent resolution declaring the support of the Congress for efforts by Latin American nations to establish a framework for dialog and negotiation in order to resolve conflicts and to create an atmosphere of peace and mutual respect among the nations of Central America; to the Committee on Foreign Affairs.

By Mr. STOKES:

H. Res. 267. Resolution providing amounts from the contingent fund of the House for further expenses of investigations and studies by the Committee on Standards of Official Conduct in the 1st session of the 98th Congress; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

[Omitted from the Record of July 13, 1983]

213. By the SPEAKER: Memorial of the Legislature of the State of California, relative to child nutrition; to the Committee on Education and Labor.

214. Also, memorial of the Legislature of the State of California, relative to Qantas Airways, Ltd.; to the Commitee on Education and Labor.

215. Also, memorial of the Legislature of the State of California, relative to law enforcement assistance; to the Committee on the Judiciary.

216. Also, memorial of the Legislature of the State of Maine, relative to the National Oceans Policies Commission Act of 1983; to the Committee on Merchant Marine and Fisheries.

217. Also, memorial of the Legislature of the State of Oklahoma, relative to the dedication of a portion of Interstate 40 to Tom Steed; to the Committee on Public Works and Transportation.

218. Also, memorial of the House of Representatives of the State of Illinois, relative to the Academy of Peace and Conflict Resolution Act; jointly, to the Committees on Foreign Affairs and Education and Labor.

219. Also, memorial of the Legislature of the State of California, relative to Baltic Freedom Day; jointly, to the Committees on Foreign Affairs and Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. MCKINNEY introduced a bill (H.R. 3583) for the relief of Bernard E. Teichgraeber; estate of Barbara G. Teichgraeber, deceased, Bernard E. Teichgraeber and Richard F. Teichgraeber, executors; Bernard E. Teichgraeber and estate of Barbara G. Teichgraeber, Bernard E. Teichgraeber and Richard F. Teichgraeber, executors; and Richard F. Teichgraeber and Winifred Teichgraeber; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 24: Mr. CONYERS, Mr. CLINGER, Mr. EDGAR, and Mr. FAZIO.

H.R. 433: Mr. MCGRATH.

H.R. 622: Mr. EDGAR, Mr. TALLON, and Mr. MILLER of California.

H.R. 765: Mr. MOLLOHAN, Mr. LEWIS of California, Mr. MCCAIN, Mr. VANDER JAGT, Mr. LEWIS of Florida, Mrs. SCHNEIDER, Mr. DUNCAN, Mr. LOTT, Mr. WHITEHURST, Mr. MCGRATH, Mr. ROTH, Mr. MCCOLLUM, Mr. DUNCAN, Mr. HANSEN of Idaho, Mr. WEISS,

Mr. WEBER, Mr. PARRIS, Mr. VANDERGRIFF, and Mr. WEAVER.

H.R. 965: Mr. LIVINGSTON.

H.R. 1199: Mr. REID and Mr. GEJDENSON.

H.R. 1315: Mr. HARTNETT, Mr. HIGHTOWER, Mr. MCCURDY, and Mr. MARLENEE.

H.R. 1415: Mr. NICHOLS.

H.R. 1491: Mr. BILIRAKIS.

H.R. 1730: Mr. BLILEY.

H.R. 1755: Mr. GAYDOS, Mr. COYNE, Mr. SIKORSKI, and Mr. OLIN.

H.R. 1800: Mr. MICHEL, Mr. GEKAS, Mr. DEWINE, Mr. HALL of Ohio, Mr. FORD of Tennessee, Mr. NATCHER, Mr. SHARP, Mr. KAZEN, Mr. HOYER, Mr. BETHUNE, Mr. PURSELL, Mr. BREAUX, Mr. BATEMAN, Mr. PASHAYAN, Mr. HAMMERSCHMIDT, Mr. CHAPPIE, Mr. EVANS of Iowa, Mr. KOLTER, Mr. DIXON, Mr. BROOMFIELD, Mr. GUNDERSON, Mr. MOORHEAD, Mr. LUJAN, Mr. EDWARDS of Oklahoma, Mr. OXLEY, Mr. PORTER, Mr. LEWIS of Florida, Mr. OWENS, Mr. ANDREWS of Texas, Mr. COATS, Mr. BURTON of Indiana, Mr. SLATTERY, Mr. SUNIA, Mr. MAVROULES, Mr. EDWARDS of Alabama, Mr. LAGOMARSINO, Mr. BRITT, Mr. REGULA, Mr. HUTTO, Mr. GOODLING, Ms. FIEDLER, and Mr. SKELTON.

H.R. 1914: Mr. OBERSTAR, Mr. RANGEL, Mr. CONYERS, Mr. MOORHEAD, Mr. SCHUMER, Mr. MITCHELL, Mr. WALGREN, Mr. BEDELL, Mr. BERMAN, Mr. FASCELL, Mr. EDGAR, Mr. RATCHFORD, Mr. TORRICELLI, Mr. OTTINGER, Mr. ACKERMAN, Mr. STUDDS, Mr. PATTERSON, and Mr. DYSON.

H.R. 1918: Mr. SISISKY and Mr. REID.

H.R. 2036: Mr. MITCHELL, Mr. FRANK, Mr. WON PAT, Mr. BARNES, Mr. DWYER of New Jersey, Mr. TOWNS, Mr. EVANS of Illinois, Mr. SOLARZ, Mr. LEVIN of Michigan, Mr. BERMAN, Mr. HARRISON, and Mr. EDGAR.

H.R. 2053: Mr. MCGRATH.

H.R. 2126: Mrs. BURTON of California, Ms. FIEDLER, and Mr. WHEAT.

H.R. 2127: Mrs. BURTON of California and Mr. WHEAT.

H.R. 2225: Mr. REID, Mr. MARTIN of New York, Mr. CHAPPIE, Mr. KAZEN, Mr. NICHOLS, Mr. PAUL, Mr. SAWYER, Mr. CRAIG, and Mr. MOLINARI.

H.R. 2250: Mr. BONIOR of Michigan, Mr. FASCELL, Mr. LIPINSKI, Mr. HERTEL of Michigan, Mr. CORRADA, Mr. WISE, Mr. GUARINI, Mr. HARKIN, Mr. BEVILL, Mr. SCHEUER, Mr. FEIGHAN, Mr. MITCHELL, and Mr. KASICH.

H.R. 2351: Mr. LEVINE of California.

H.R. 2374: Mr. WHEAT, Mr. SHANNON, and Mr. SWIFT.

H.R. 2385: Mr. HARTNETT, Mr. TALLON, Mr. SHUMWAY, Mr. MCCURDY, Mr. WATKINS, Mrs. SCHNEIDER, Mr. GUNDERSON, Mr. RINALDO, and Mr. LONG of Maryland.

H.R. 2746: Mr. WEISS, Mr. BIAGGI, and Mrs. COLLINS.

H.R. 2749: Mr. SOLARZ.

H.R. 2778: Mr. YATRON, Mr. MARKEY, Mr. LEVINE of California, Mr. BONIOR of Michigan, Mr. KOSTMAYER, Mr. MINETA, Mr. HYDE, and Mr. OTTINGER.

H.R. 2817: Mr. KOLTER and Mr. GEKAS.

H.R. 2818: Mr. FRENZEL.

H.R. 2847: Mr. WISE and Mr. WALGREN.

H.R. 2927: Mr. MCKINNEY, Mr. MILLER of Ohio, and Mr. OXLEY.

H.R. 2928: Mrs. MARTIN of Illinois.

H.R. 3026: Mr. FRANK, Mr. GEKAS, Mr. MARRIOTT, Mr. LOWERY of California, Mr. HYDE, and Mr. RITTER.

H.R. 3042: Mr. SUNIA, Mr. BARTLETT, Mr. FORSYTHE, and Mr. TALLON.

H.R. 3105: Mr. SIMON and Mr. BRYANT.

H.R. 3106: Mr. MORRISON of Washington and Mr. WYDEN.

H.R. 3200: Mr. CONYERS, Mr. GUARINI, Mr. PEASE, Mr. TALLON, Mr. LEVINE of California, and Mr. EDGAR.

H.R. 3240: Mr. SPRATT, Mr. MADIGAN, Mr. BRITT, Mr. WYDEN, Mr. FRENZEL, Mr. SABO, Mr. BERMAN, Mr. FORSYTHE, Mr. NATCHER, Mr. UDALL, Mr. FORD of Michigan, Mr. DWYER of New Jersey, Mr. BETHUNE, Mrs. SCHNEIDER, Mr. GUARINI, Mr. CARPER, Mr. LEVIN of Michigan, Mr. NOWAK, and Mr. HATCHER.

H.R. 3292: Mr. WHITEHURST.

H.R. 3298: Mr. MCNULTY, Mr. HYDE, Mr. TOWNS, and Mr. FAZIO.

H.R. 3342: Mr. PHILIP M. CRANE, Mr. CLINGER, Mr. LUKEN, Mr. WISE, and Mr. MATSUI.

H.R. 3348: Mr. SEIBERLING, Mr. LIPINSKI, Mr. GILMAN, Mr. NATCHER, Mrs. SCHNEIDER, Mr. MONTGOMERY, Mr. WEISS, Mr. WON PAT, Mr. JEFFORDS, Mr. KEMP, Ms. OAKAR, Mr. GREEN, Mr. CARR, Mr. SUNIA, Mr. RANGEL, Mr. SOLARZ, Mr. WOLPE, Mr. WIRTH, Mr. NEAL, Mr. WALGREN, Mr. KINDNESS, Mr. CORRADA, Mr. FORD of Michigan, Mr. WATKINS, Mr. WEAVER, Mr. LEVIN of Michigan, Mr. CHAPPELL, Mr. DASCHLE, Mr. BRYANT, Mr. HUTTO, Mr. ROWLAND, Mr. RODINO, Mr. BATEMAN, Mr. MADIGAN, Mr. HOWARD, Mr. UDALL, Mr. FLIPPO, Mr. HARRISON, Mr. DAUB, Mr. LOWRY of Washington, Mr. KAZEN, Mr. BONIOR of Michigan, Mr. LONG of Maryland, Mr. FOGLIETTA, Mr. KOLTER, Mr. ALEXANDER, Mr. SCHEUER, Mr. WILLIAMS of Ohio, Mr. FOLEY, Mr. ORTIZ, Mr. GRAY, Mr. MAVROULES, Mr. OTTINGER, Mr. PORTER, Mr. SAVAGE, Mr. DERRICK, Mrs. HALL of Indiana, Mr. MOAKLEY, Mr. DONNELLY, Mr. MACKAY, Mr. SKELTON, Mr. SLATTERY, Mrs. BOGGS, Mr. MICA, Mr. HANCE, Mr. SYNAR, Mr. KASTENMEIER, and Mr. GEKAS.

H.R. 3420: Mr. SKELTON and Mrs. BOGGS.

H.R. 3500: Mr. CROCKETT, Mr. FAUNTROY, Mr. BONIOR of Michigan, Mr. MCNULTY, Mr. WOLPE, Mr. FEIGHAN, Mr. DWYER of New Jersey, Mr. MOAKLEY, Mr. BEDELL, Mr. DE LUGO, Mr. MCHUGH, Mr. RATCHFORD, Mr. GARCIA, Mr. MARKEY, Mr. EDGAR, Mr. STARK, Mr. FORD of Tennessee, Mr. KASTENMEIER, Mr. LEACH of Iowa, Mr. WEAVER, Mr. RICHARDSON, Mr. MURPHY, Mrs. SCHNEIDER, Mr. LEHMAN of Florida, Mr. MARTINEZ, Mr. CONYERS, Mr. WALGREN, Mrs. SCHROEDER, Mr. EDWARDS of California, Mr. FORSYTHE, Mr. MCKINNEY, Mr. LOWRY of Washington, Mr. SMITH of Iowa, Mr. LAFALCE, Mr. PANETTA, Mr. LEVINE of California, and Mr. WIRTH.

H.R. 3561: Mr. EDWARDS of California.

H.J. Res. 20: Mr. MCKERNAN, Mr. HANSEN of Idaho, Mr. BENNETT, Mr. PETRI, Mr. MONTGOMERY, Mr. HOPKINS, Mr. BATEMAN, Mr. WORTLEY, Mr. O'BRIEN, Mr. CHAPPIE, Mr. HARRISON, Mr. VANDERGRIFF, Mr. YOUNG of Alaska, Mr. LEVINE of California, Mr. HORTON, Mr. SAM B. HALL JR., Mr. BARNES, Mr. DAUB, and Mr. BOSCO.

H.J. Res. 87: Mr. DELLUMS.

H.J. Res. 103: Mr. BEDELL.

H.J. Res. 176: Mr. GRAY, Mr. HANSEN of Idaho, Mr. HUTTO, Mr. JONES of North Carolina, Mr. KASICH, Mr. KOLTER, Mr. LATTA, Mr. LENT, Mr. RODINO, Mr. SCHUMER, Mr. STANGELAND, Mr. SNYDER, Mr. FAUNTROY, and Mr. KINDNESS.

H.J. Res. 227: Mr. COOPER, Mr. MCNULTY, and Mr. ROTH.

H.J. Res. 228: Mr. OBERSTAR, Mr. HALL of Ohio, Mr. LOTT, Mr. PICKLE, Mr. CORCORAN, Mr. LANTOS, Mr. MCCLOSKEY, Mrs. VUCANOVICH, Ms. OAKAR, Mr. ROBINSON, Mr. HAMILTON, Mr. ZABLOCKI, Mr. DANIEL B. CRANE, Mr. NELSON of Florida, Mr. JENKINS, Mr. RAY, Mr. PENNY, Mr. DE LUGO, Mr. YOUNG of Alaska, Mr. ROBERT F. SMITH, Mr. BETHUNE, Mr. ASPIN, Mr. PRICE, and Mr. CAMPBELL.

H.J. Res. 243: Mr. COUGHLIN, Mr. COURTER, Mr. PHILIP M. CRANE, Mr. GEKAS, Mr. GUNDERSON, Mr. JONES of Tennessee, Mr. LEACH of Iowa, Mr. NEAL, Mr. RAY, Mr. SILJANDER, Mr. VANDER JAGT, and Mr. ZSCHAU.

H.J. Res. 246: Mr. KEMP, Mr. TALLON, Mr. SUNIA, Mr. FORSYTHE, Mr. ROE, Mr. ACKERMAN, Mr. FAZIO, Mr. GEKAS, Mr. FRENZEL, Mr. HORTON, Mr. RATCHFORD, and Mr. SIMON.

H.J. Res. 263: Mr. FAUNTROY, Mr. BONKER, Mr. BATEMAN, Mr. MARTINEZ, Mr. TRAXLER, Mr. SAVAGE, Mrs. LLOYD, Mr. SEIBERLING, Mr. LELAND, Mr. LEACH of Iowa, Mr. WON PAT, Mr. CORCORAN, Mr. KASTENMEIER, Ms. MIKULSKI, Mr. GUARINI, Mr. YOUNG of Missouri, Mr. SHANNON, Mr. OBERSTAR, Mr. RODINO, Mr. QUILLEN, Mr. WALGREN, Mr. DYMALLY, Mr. SAWYER, Mr. MAZZOLI, Mr. FAZIO, Mr. DONNELLY, Mr. TOWNS, Mr. VANDERGRIFF, Mr. CARPER, and Mr. KILDEE.

H.J. Res. 273: Mr. BENNETT, Mr. HYDE, Mr. WIRTH, Mr. BARNES, and Mr. NELSON of Florida.

H.J. Res. 289: Mr. MARTINEZ, Mr. FORSYTHE, Mr. CONYERS, Mr. FORD of Tennessee, Mr. DORGAN, Mr. DE LUGO, Mr. MAZZOLI, Mr. SIMON, Mr. SOLARZ, Mr. DWYER of New Jersey, Mr. FRANK, Mr. DELLUMS, Mr. TOWNS, Mr. ROE, Mr. BEILENSON, Mr. PRITCHARD, Mr. FAUNTROY, Mr. BERMAN, Mr. LAFALCE, Mr. HORTON, Mr. VENTO, Mr. CONABLE, Mr. LEVIN of Michigan, Mr. GREEN, Mr. STUDDS, Mr. EVANS of Illinois, Mr. MARKEY, Mr. BEREUTER, Mr. O'BRIEN, Mr. FRENZEL, Mr. WAXMAN, Mr. HATCHER, Mr. LEVINE of California, Ms. KAPTUR, Mr. LEHMAN of Florida, Ms. MIKULSKI, Mrs. MARTIN of Illinois, and Mr. ROE.

H.J. Res. 296: Mr. APPLEGATE and Mrs. HALL of Indiana.

H. Con. Res. 107: Mr. MCEWEN, Mr. FASCELL, Mr. HORTON, Mr. HUGHES, Mr. CROCKETT, and Mr. VENTO.

H. Res. 190: Mr. CONABLE, Mr. SHANNON, Mr. DYSON, Mr. CARR, and Mr. TAUZIN.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

162. By the SPEAKER: Petition of the City Council, Oak Park, Mich., relative to the Cable Telecommunications Act of 1983; to the Committee on Energy and Commerce.

163. Also, petition of the city Council, North Lauderdale, Fla., relative to American servicemen missing in action in Vietnam; to the Committee on Foreign Affairs.

164. Also, petition of the National Federation of Professional Organizations, Alexandria, Va., relative to the preservation of Federal employee benefits; to the Committee on Post Office and Civil Service.

165. Also, petition of the National Association of Attorneys General, Washington, D.C., relative to State funding for coastal impacts and aid in support of oil and gas production; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2760

By Mr. COLEMAN of Missouri:

—Page 2, beginning in line 6, strike out "PROHIBITION ON COVERT ASSISTANCE FOR OPEATIONS IN NICARAGUA;";

Page 2, strike out line 10 and all that follows through the end of line 8 on page 3; and

Page 3, line 10, strike "802" and in lieu thereof insert "801".

—Page 4, at the end of line 24, immediately after "submit" insert "a classified or";

Page 5, at line 1, strike out "Speaker of the House of Representatives and to the chairman of the appropriations committees of the Senate." and in lieu thereof substitute "Permanent Select Committee on Intelligence of the House of Representatives and to the Select Committee on Intelligence of the Senate.".

By Mr. LAGOMARSINO:

—Page 8, line 8, after "(98th Congress)", insert the following: ": *Provided, however,* That should the President certify to the Congress before that date that he is actively and in good faith seeking an agreement with other interested, friendly governments for the creation of a multinational peacekeeping force to assist Central American countries to effectively protect themselves from Nicaraguan supported, direct or indirect, military or paramilitary intervention, then this section shall take effect when the President further certifies to the Congress that such a multinational peacekeeping force has been deployed.".

—Page 5, line 9, after "equipment" insert ", lethal or non-lethal, or military or paramilitary personnel, including training and logistic support personnel,".

By Mr. MARTIN of North Carolina:

—Page 2, beginning in line 6, strike out "PROHIBITION" and all that follows through the semicolon in line 8;

Page 2, strike out line 10 and all that follows through the end of line 8 on page 3; and

Page 3, line 10, strike out "802" and insert in lieu thereof "801".

—Page 3, strike out lines 1 through 8 and insert in lieu thereof the following:

"(b) This section shall take effect 45 days, or such time as the Secretary of State may prescribe, not to exceed 90 days, after the enactment of this Act, if a mutual agreement has been entered into that the government of Nicaragua has ceased all activities to provide arms, training, command and control facilities, or logistical support to military or paramilitary operations in or against any country in Central America and after Nicaragua's compliance with such agreement is verified. This section shall become inoperative if it is verified that Nicaragua has in fact resumed such prohibited activities.".

—Page 3, strike out lines 1 through 8, and insert in lieu thereof the following:

"(b) This section shall not take effect unless and until the President has certified to the Congress that no foreign government is engaging in the activities or in activities similar to those set forth in subsection (a) in the Central American region.".

By Mr. ROTH:

—Page 2, strike out line 6 and all that follows through line 10 on page 5 and insert in lieu thereof the following:

"TITLE VIII—COVERT ASSISTANCE FOR ANTI-SANDINISTA GROUPS IN NICARAGUA

"POLITICAL SETTLEMENT, HUMAN RIGHTS, AND REFORM IN NICARAGUA

"SEC. 801. (a) Not later than 60 days after the date of enactment of this section, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a detailed report fully describing plans formulated by the Government of Nicaragua for addressing the objectives described in subsection (b) of this section, including the specific milestones of progress established as part of those plans. The report shall also include the President's assessment of the strengths and weaknesses of such plans in meeting the objectives described in subsection (b).

"(b) The plans of the Government of Nicaragua which are to be described in the President's report pursuant to subsection (a) are plans, including specific milestones of progress, designed to achieve the following objectives in Nicaragua:

"(1) Active preparation by the Government of Nicaragua for and engagement (commencing within 90 days after the date of enactment of this section) in a dialogue, in good faith and without preconditions, with all major parties to the conflict in Nicaragua for the purpose of achieving an equitable political solution to the conflict, two elements of which would be (A) free and fair elections, at a time to be determined in the negotiations, and (B) provisions to assure the physical security of all participating political groups before, during, and after elections.

"(2) Establishment of effective control by the Government of Nicaragua over the military, security, and police forces and the paramilitary groups of the country so as to end the involvement of members of such forces and groups in indiscriminate violence as well as secret detention, abduction, torture, and murder.

"(3) Establishment by the Government of Nicaragua of an effective judicial system which operates under equitable laws and effective procedures, promotes respect for human rights, protects participants in the judicial system from intimidation, an retains the confidence of the people.

"(4) Establishment by the Government of Nicaragua of political and social processes that contribute to the strengthening and growth of democratic institutions and the peaceful resolution of confliict.

"(5) Protection of the human rights of all persons in Nicaragua and ensuring the alleviation of suffering resulting from the devastation of war through the provision of medical services and the basic necessities of life.

"(6) Bringing to trial and disciplining those responsible for the offenses described in paragraph (2), including those directly or indirectly responsible for disappearances of persons in Nicaragua.

"(7) Completion of a successful land reform program, including the payment of fair compensation to previous landowners, the prompt issuance of provisional and definitive land titles, the furnishing of necessary credits, administrative support, technical assistance and services to beneficiaries, the safeguarding against illegal evictions, and the providing for the restoration of those who have been illegally evicted.

"(8) Involvement of the Organization of American States or, as appropriate, other international organizations or countries interested in facilitating the discussions described in paragraph (1) of this subsection and the resultant processes and settlement.

"(c) If, at the end of the 90-day period beginning on the date of enactment of this section, the Government of Nicaragua either is actively engaged in the dialogue, in good faith and without preconditions, described in paragraph (1) of subsection (b) or has been unable to enter into such a dialogue because of the refusal of the major opposition groups to participate in such a dialogue, the President shall not increase covert assistance for anti-Sandinista groups in Nicaragua.

"(d) On March 30, 1984, and on August 31, 1984, the President shall submit to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate a detailed progress report on the steps taken by the Government of Nicaragua to carry out the plans described in the report submitted to the Congress pursuant to subsection (a), on the effectiveness of those steps in achieving the objectives described in subsection (b), and on any modifications that have been made in those plans by the Government of Nicaragua. Each report pursuant to this paragraph shall specifically discuss whether the Government of Nicaragua either is actively engaged in the dialogue described in paragraph (1) of subsection (b) or has been unable to enter into such a dialogue because of the refusal of the major opposition groups to participate in such a dialogue.

"(e) New covert assistance may not be provided to anti-Sandinista groups in Nicaragua and existing covert assistance for anti-Sandinista groups in Nicaragua shall be suspended if, within 30 calendar days after receiving a report required by subsection (a) or (d) of this section, the Congress adopts a joint resolution of approval with respect to that report, stating in substance that the Congress finds that the plans reported by the President adequately address the objectives described in subsection (b) and that the Government of Nicaragua is making adequate progress toward those objectives in accordance with the milestones established by such plans.".

By Mr. SILJANDER:

—Page 3, beginning on line 4, strike subsection (b) of section 801 and insert in lieu thereof the following:

"(b) this section shall take effect immediately after the President certifies that the government of Nicaragua and the government of El Salvador have agreed to internationally supervised elections in which all parties will be allowed to participate.".

—Page 3, beginning on line 4, strike subsection (b) of section 801 and insert in lieu thereof the following:

"(b) this section shall take effect immediately after the President certifies that the government of Nicaragua has agreed to internationally supervised elections in which all parties will be allowed to participate.".

By Mr. WALKER:

—Page 3, beginning on line 4, strike subsection (b) of section 801 and insert in lieu thereof the following:

"(b) this section shall take effect immediately after the President certifies that the government of Nicaragua has agreed to internationally supervised elections in which all parties will be allowed to participate.".

By Mr. YOUNG of Florida:

—(1) Page 3, lines 4-8—delete all after "effect." Line 4, add after the word "effect"

the following: "After a verifiable agreement is reached and the government of Nicaragua ceases activities to provide arms, training, command and control facilities or logistical support to military or paramilitary operations in or against any government in Central America.".

—(2) Page 3, line 4-8—delete all after "effect." Line 4 add after the word "effect" the following: "After a verifiable agreement is reached and the government of Nicaragua ceases activities to provide arms, training, command and control facilities or logistical support to military or paramilitary operations in or against any government in Central America.".

Strike section 801(a).

Page 3, line 23—strike subsection (b) and insert in lieu thereof:

"(b) The President is directed to pursue a peaceful solution to the violence in Central America. These efforts should include attempts at bilateral and multilateral discussions with the government of Nicaragua to end the support given to insurgent groups in Central America. Any bilateral agreement to end hostilities in the region should be agreed to by all countries in the region and provide a regional procedure to verify the cessation of all forms of support for insurgencies in any country in the region. Nothing in this bill shall be construed to limit the President's authority to obligate or expend funds for any activity in Central America which is subject to the provision of section 662 of the Foreign Assistance Act of 1961 and section 501 of the National Security Act of 1947.".

Page 3—strike line 9 and insert in lieu thereof: "AUTHORIZATION OF PEACE INITIATIVE FUND".

—(3) Page 2, strike out line 10 and all that follows through line 8 on page 3 and insert in lieu thereof the following:

"COVERT ASSISTANCE FOR MILITARY OPERATIONS IN NICARAGUA

"SEC. 801. (a) None of the funds appropriated for fiscal year 1983 or 1984 for the Central Intelligence Agency or any other department, agency, or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

"(b) The defunding contained in subsection (a) shall take effect when the Government of National Reconstruction of Nicaragua—

"(1) ceases to ship military equipment to, or otherwise support, antigovernment forces in any country in Central America;

"(2) agrees to effective multilateral verification of compliance with paragraph (1); and

"(3) agrees to resolve the conflicts in Central America based on the principles affirmed in the Final Act of the San Jose Conference of October 1982 and the commitments made by the Government of National Reconstruction of Nicaragua to the Organization of American States in July 1979."

—(4) Page 2, strike out line 10 and all that follows through line 8 on page 3 and insert in lieu thereof the following:

"PROHIBITION ON COVERT ASSISTANCE FOR ANY MILITARY OPERATIONS IN NICARAGUA

"SEC. 802. (a) None of the funds appropriated for fiscal year 1983 or 1984 for the Central Intelligence Agency or any other department, agency, or entity of the United States involved in intelligence activities may be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

"(b) The prohibition contained in subsection (a) shall take effect upon the entry into force of an agreement by the Government of National Reconstruction of Nicaragua with the governments of the other countries in the region:

"(1) that the Government of National Reconstruction of Nicaragua will not support, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement, or individual.

"(2) that provides for effective multilateral verification of compliance with paragraph (1); and

"(3) to resolve the conflicts in Central America based on the principles affirmed in the Final Act of the San Jose Conference of October 1982 and the commitments made by the Government of National Reconstruction of Nicaragua to the Organization of American States in July 1979.".

Page 3, line 10, strike out "802" and insert in lieu thereof "803."

Page 5, after line 10, insert the following:

"SEC. 2. (a) The Congress finds that—

"(1) Central America is of vital importance to the interests and long-term security of the United States;

"(2) the social and economic crisis facing Central America arise in large part from long histories of poverty, social injustice, and lack of economic opportunity;

"(3) military solutions alone are inadequate to deal with the challenge the United States faces in Central America, and efforts to resist Communist insurgency will be unsuccessful unless the serious social and economic injustices and human rights abuses of the region are addressed;

"(4) respected leadership from all sectors of American society and from all regions should be drawn on to study and advise on the making of United States policy toward Central America; and

"(5) an effective United States policy for Central America requires the understanding and support of the American people.

"(b) Therefore, it is the sense of the Congress that the President should convene a national bipartisan commission to address the serious long-term problems of security, poverty, and democratic development in Central America, and to help build the necessary national consensus on a comprehensive United States policy for the region. Such commission should—

"(1) be composed of distinguished leaders of government, business, labor, education, and the Hispanic and religious communities;

"(2) consult with governmental and other leaders of Central America, invite their views, and receive their recommendations on the policies which would best assist them in their long-range security needs and economic development; and

"(3) report its findings and recommendations to the President and the Congress one hundred and eighty days after the date of enactment of this Act.".

—(5) Page 2: strike lines 12 through 21, and

Page 3: strike lines 1 through 8, and insert in lieu thereof:

"SEC. 801. (a) Except as otherwise provided in subsection (b) and (c) of this section, funds appropriated for fiscal year 1984 for the Central Intelligence Agency or any other department, agency, or entity of the United States involved in intelligence activities may not be obligated or expended for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua by any nation, group, organization, movement or individual.

"(b) The provisions of subsection (a) of this section shall not take effect until the President reports to the Congress—

"(1) that the government of Nicaragua (A) has ceased and desisted from any activity, including the importation of offensive arms, the shipment of arms to insurgent forces in other countries, and the provision of training, command and control facilities or logistical support to such forces, which threatens the independence or integrity of El Salvador or any other nation in the region or which otherwise contravenes the Charters of the United Nations or the Organization of American States, and (B) has agreed with the nations of the region to reciprocal and verifiable agreements on the withdrawal of all foreign military advisers and trainers, renunciation of the importation of heavy offensive weapons, and the end of support for insurgencies in the territory of neighboring countries;

"(c) The President may withdraw the report described in subsection (b) of this section by notification to the Congress that Nicaragua has materially breached any of the conditions set forth in subsection (b). In the event of such a notification, the provisions of subsection (a) of this section shall be suspended until the President reports that the breach has been corrected and that the Government of Nicaragua is again in full compliance with the conditions set forth in subsection (b).".

—(6) Page 3, line 4: strike subsection (b) of section 801 and insert in lieu thereof the following:

"(b) This section shall take effect 45 days, or such time as the Secretary of State may prescribe, not to exceed 90 days, after the enactment of this Act, if a mutual agreement has been entered into that the government of Nicaragua has ceased all activities to provide arms, training, command and control facilities, or logistical support to military or paramilitary operations in or against any country in Central America and after Nicaragua's compliance with such agreement is verified. This section shall become inoperative if it is verified that Nicaragua has in fact resumed such prohibited activities.".

H.R. 2957

By Mr. MCNULTY:

—At line 9, page 28, insert:

SEC. 308. (a) Section 4 (b) of the Bretton Woods Agreement Act (22 U.S.C. 286b) is amended—

(1) by amending subparagraph (5) to read as follows:

"(5) (A) The Council shall transmit to the President and to the Congress an annual report with respect to the participation of the United States in the Fund.

"(B) Beginning ninety days after the date of enactment of this Act, and at intervals of ninety days thereafter for the next three years, the Council shall prepare and transmit to the President and to the Congress a report listing all applications which have been filed during the preceding ninety days with the Fund for assistance which would establish or enhance the capacity of any

country to produce a commodity for export, if—

"(i) such commodity is in surplus on world markets or is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and

"(ii) such assistance will cause substantial injury to the United States producers of the same, similar or competing commodity."

(2) by inserting a new subparagraph (8) to read as follows:

"(8) The general policy objectives for the guidance of representatives of the United States on the Fund shall take into account the effect that country adjustment programs have upon individual industry sectors and international commodity markets—

"(i) to minimize and projected adverse impacts; and

"(ii) to avoid wherever possible government subsidization of production and exports of international commodities without regard to economic conditions in the markets for such commodities.".

By Mr. STARK:

—Page 28, after line 8, insert the following:

COMPLIANCE WITH NUCLEAR TEST BAN TREATY

SEC. 308. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"COMPLIANCE WITH NUCLEAR TEST BAN TREATY

"SEC. 46. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to vote against providing any financial assistance to any country which is not a party to the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (done at Moscow, August 5, 1963).".

H.R. 2969

By Mr. PARRIS:

—Strike out sections 1011 and 1012 (page 42, line 19 through page 43, line 16) and redesignate the following section accordingly.

SENATE—*Thursday, July 14, 1983*

(Legislative day of Monday, July 11, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Father in Heaven, the week following recess is always difficult, as we adjust back to a demanding schedule after having had some rest, relaxation, travel, and family time. Compounding this is the very complex issue of national defense about which there are as many views, positions, and agendas, as there are people. Give to each Senator and his staff wisdom and energy to withstand these pressures. Give to the leadership extraordinary wisdom, patience, and endurance. Manifest Thyself to us, Father, in truth and power. Lead the Senate to a righteous resolution of this critical issue. In the name of the Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER (Mr. JEPSEN). Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, at this point, I do not know whether we can finish this bill today or not. I have urged, cajoled, berated, pled, exhorted—I wish I could think of other words—as hard as I know how to impress Senators with the need of finishing this bill this week, and I still hope for that. But today is Thursday, and I am tired. We were in late last night, we are going to be in late tonight, we are going to be in session tomorrow, and we may be in session on Saturday.

No one should suffer under the illusion if we do not finish the bill we are going to quit Thursday night, because we are not.

Mr. President, I do not like to say these things, but I do not like to have people—I am not speaking of the minority leader, he knows that—tell me they are not going to let me finish this week. The Senate can obviously do what it wants to do, and will. Making the Senate do something it does not want to do is like pushing a wet noodle. It just will not work, and sometimes it will not work at all. They will not come over and offer amendments, and I stand here and scream into my microphone to an empty Chamber, except for the minority leader, who understands my plight.

But, Mr. President, with those laments this morning, I want to remind the Senate that we have to finish this bill not because there is some absolute and immutable reason why we have to pass the defense authorization bill this week but rather because before we go out for the August recess we have to do this and a whole basketful of appropriations bills, plus revenue-sharing reauthorization, plus agricultural targeting, plus Radio Marti, plus maybe some other things that ought to be done before we go out for the statutory August break.

It is probably no secret to the Senate to say that I consulted with the minority leader first and then with the Speaker of the House about the possibility of going out for the August break on the 29th of July instead of the 5th of August. My weary and aching bones yearn for that, and I will bet I have a lot of friends in that condition. But, Mr. President, we are not going to make it at the rate we are going because it simply will not fit. So anybody who has heard the rumor that we are going to get out on the 29th of July—and I mentioned that in my caucus and I have heard it rebound from other sources and not within my caucus—let me just say right now for the record that it does not look good and that I think we had better plan on the 5th of August.

Unless there is a national crisis of major proportions it would be my intention to ask the Senate to adjourn then because people have to make their plans. But, Mr. President, if we are not finished with these appropriations bills and with the must items, a list of which I supplied to the minority leader, I do not have the temerity to suggest that Congress adjourn on the 29th of July.

I am full of good news this morning, Mr. President, and I apologize to the Senate for these things. But I feel it is necessary.

HABITUAL HATRED—UNSOUND POLICY

Mr. BAKER. Mr. President, this morning I am pleased to call to my colleagues attention an article written by my good friend from Maryland, the distinguished senior Senator, Senator MATHIAS.

Appearing in the most recent edition of Foreign Affairs, the article, entitled, "Habitual Hatred—Unsound Policy," is a serious thought-provoking analysis and reexamination of the way we structure and approach our relationship with the Soviet Union. As usual, Senator MATHIAS goes well beyond what may be considered the conventional wisdom in suggesting methods to broaden the relationship with the Soviets.

I believe this article raises important questions and proposals worthy of serious consideration, and I congratulate the distinguished senior Senator from Maryland on this achievement. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HABITUAL HATRED—UNSOUND POLICY

(By Charles McC. Mathias, Jr.

Lord Carrington used this year's Alastair Buchan Memorial Lecture to make a timely and well-reasoned appeal to the West to take a new approach t' East-West relations. He reminded us that:

"The West must be true to its own values. It is the Leninist tradition which is one of conflict and not cooperation.

"Our own tradition must be for the peaceful resolution of potential conflict through energetic dialogue. The notion that we should face the Russians down in a silent war of nerves, broken only by bursts of megaphone diplomacy, is based on a misconception of our own values, of Soviet behavior, and of the anxious aspirations of our own peoples."

Americans should pay particular attention to Lord Carrington's sensible advice—for American interests are particularly poorly served, and even endangered, by practices which limit our dealings with the Soviets to the most difficult aspects of our common superpower roles. If you think no spoon is long enough to permit us to sup with the Devil, you should read no further. The premise of this essay is that we must share our planet with a dangerous and despised adversary for the foreseeable future.

That being so, we should seek, at a minimum, to develop some functioning rules for our co-tenancy. To arrive at such an arrangement and to keep it working, we need

to explore and maintain the widest variety of contacts, the broadest and most diffuse forms of engagement. Instead of restricting our discussions to the gravest and least tractable problems of arms control, we should be pushing our way down paths of less resistance, looking continually for limited openings, marginal advances, small opportunities to create a measure of understanding and shared interest.

II

It will be weary work. It should not be undertaken with the hope of spinning a restraining net around the Soviet Union. That exercise, attempted a decade ago, failed because it took too little account of the competing forces which shape American foreign policy, and because it assumed that significant areas of Soviet policy at home and abroad could be affected by what we had to offer or withhold in areas of less significance. The policy patronized a nation which wants, almost more than anything else, to be treated by America as an equal. We assumed that Soviet leaders could be made to respond—as we ourselves would not—both to bribes and threats. The idea was unsound. The practice was unconvincing.

A better approach, less illusory in its promise and more manageable in its application, must begin by defining our goals in terms of our ability to attain them, not just in terms of their desirability. From the start we have to rule out policies premised on the imminent collapse of the Soviet empire. Survival in power seems to be the highest good the Kremlin leadership sets itself; much as we may want to see that wish frustrated, and soon, we invite only confrontation if we make the extinction of our adversary our overriding ambition. There may be subtle ways to play on the grave strains within the communist system, and we should not neglect opportunities to do so. But we should expect no more than partial progress on that front, and should not ask either our people or our allies to commit vast energies to an effort certain to be painfully slow and likely to be inconclusive.

At the other extreme we would be foolish to revive either the notion of superpower condominium—never officially admitted but nonetheless feared by others on occasion—or the dream of superpower convergence, a more popular but equally naive reverie. We have far too many profound conflicts of interest with the U.S.S.R. to suppose that we can bury our disagreements in a joint stewardship of the globe. And beyond the unnatural acts such a pairing would require, we have only to consider the reactions of lesser but still sovereign powers to understand that the idea would not fly in Peoria, or Peking, or Paris.

The other myth has more appeal but no more substance. Yes, we and the Soviets are all human beings, parents, lovers, fellow travelers on "Spaceship Earth." And we have technocrats, bureaucrats and, to a degree, Socrates in common. But the separation of geography, history, culture, political values and socioeconomic systems is vast. We have not yet bridged similar disparities with Mexico. We should not set ourselves the impossible dream of discovering and developing common traits and attitudes in a far more distant and disagreeable climate.

How then do we get through this inevitable marriage of inconvenience? Since annulment can come only through mutual annihilation, we have to face the facts presented above and see if, based on a realistic appreciation of both the dangers we face and the limits under which we operate, we cannot keep to the path John Kennedy described 20 years ago, the search to "help make the world safe for diversity." He said then what we should never forget: "We can seek a relaxation of tensions without relaxing our guard. . . . [W]e are willing and able to engage in peaceful competition with any people on earth."

To sustain that competition, we need to be clear in our view of our rival and precise in the formulation of our priorities. Only policies which serve America's long-term interests will command the long-term support of Americans. To be effective in a race that has no defined finish line, we must be as persistent as our rival and, hence, as united by the consent of our people as the Soviets are by compulsion. In the pages that follow I offer an assessment of the Soviet Union recognizable, I hope, to most Americans. And based on the assessment I recommend a renewed effort to engage the Soviet government and—to the extent we can reach it—Soviet society in a protracted but pacific competition based on mutual interests.

III

The official Reagan Administration view of the Soviet Union, precisely and repeatedly stated by the President, has one consistent characteristic: moral conviction. In the course of the 1980 campaign, Mr. Reagan told a Wall Street Journal reporter, "[T]he Soviet Union underlies all the unrest that is going on. If they weren't engaged in this game of dominoes, there wouldn't be any hot spots in the world." Almost three years later, in a speech this March to the National Association of Evangelicals, the President urged prayer "for the salvation of all those who live in a totalitarian darkness" but added that until salvation came:

"[L]et us be aware that while they preach the supremacy of the state, declare its omnipotence over individual man, and predict its eventual domination of all peoples of the earth—they are the focus of evil in the modern world. . . .

"So in your discussions of the nuclear freeze proposals, I urge you to beware the temptation of pride—the temptation blithely to declare yourselves above it all and label both sides equally at fault, to ignore the facts of history and the aggressive impulses of an evil empire, to simply call the arms race a giant misunderstanding and thereby remove yourselves from the struggle between right and wrong, good and evil. . . .

"I believe we shall rise to this challenge; I believe that Communism is another sad, bizarre chapter in human history whose last pages even now are being written. I believe this because the source of our strength in the quest for human freedom is not material but spiritual, and, because it knows no limitation, it must terrify and ultimately triumph over those who would enslave their fellow man."

On April 1, 1983, President Reagan told the Los Angeles World Affairs Council:

"We live in a world in which total war would mean catastrophe. We also live in a world torn by a great moral struggle—between democracy and its enemies, between the spirit of freedom and those who fear freedom. In the last 15 years and more the Soviet Union has engaged in a relentless military buildup, overtaking and surpassing the United States in major categories of military power, acquiring what can only be considered an offensive military capability. All the moral values which this country cherishes—freedom; democracy; the right of peoples and nations to determine their own destiny, to speak and write and live and worship as they choose—all these basic rights are fundamentally challenged by a powerful adversary which does not wish these values to survive. . . .

"Today, not only the peace but also the chances for real arms control depend on restoring the military balance. We know that the ideology of the Soviet leaders does not permit them to leave any western weakness unprobed, any vacuum of power unfilled. It would seem that to them negotiation is only another form of struggle. . . .

"Generosity in negotiation has never been a trademark of theirs; it runs counter to the basic militancy of Marxist-Leninist ideology. . . ."

Such rhetoric is recurrent. At his first White House press conference the President declared that Lenin had established "that the only morality they [Soviets] recognize is what will further their cause—meaning they reserve unto themselves the right to commit any crime, to lie, to cheat, in order to attain that, and that is moral, not immoral. . . ." In the March 8 speech to the Evangelicals, Mr. Reagan specified that "their cause . . . is world revolution." And in Westminster Hall, during a June 8, 1982, address, he spoke of "totalitarian forces in the world who seek subversion and conflict around the globe to further their barbarous assault on the human spirit."

There is too much genuine fervor in these black-and-white depictions of our adversary to permit the suspicion that the President employs them simply to inflame passion and solidify domestic support. His language—even assertions such as the one on October 16, 1981, that the Soviets "have already got their people on a starvation diet of sawdust"—reflects a coherent analysis of Soviet purposes, strengths and weaknesses which is, however, too narrow to translate into any coherent policy beyond sustained confrontation. While President Reagan has managed on several occasions to state American aims in words meant to dilute the threat of conflict,[1] he is both consistent and insistent in describing the Soviet challenge and ways to meet it in two dimensions: moral and military.

America needs to use a wider lens in order to see the Soviet Union whole. Along with Moscow's "aggressive impulses" we must consider its defensive reflexes, its security obsessions, its self-preservative instincts and the less-than-uniform record of its expan-

[1] In May 1982, for instance, he said, "I am optimistic we can build a more constructive relationship with the Soviet Union. . . . I have always believed that problems can be solved when people talk to each other instead of about each other. . . ." In London, a month later, he told British parliamentarians, "At the same time, we invite the Soviet Union to consider with us how the competition of ideas and values—which it is committed to support—can be conducted on a peaceful and reciprocal basis." After the speech to the Evangelicals, he told Henry Brandon of the *Sunday Times* of London that "what I was pointing to out there . . . is not the inevitability of war, but a recognition and a willingness to face up to what these differences are in our views and between us to be realistic about it." Then on April 1, in Los Angeles, he said: "To the leaders of the Soviet Union, I say: Join us on the path to a more peaceful, secure world. Let us vie in the realm of ideas, on the field of peaceful competition. Let history record that we tested our theories through human experience, not that we destroyed ourselves in the name of vindicating our way of life. And let us practice restraint in our international conduct, so that the present climate of mistrust can some day give way to mutual confidence and a secure peace."

sionist conducts. The Kremlin's "evil empire" is also a diverse one, subject to internal strains, economically stagnant, technologically backward and—in Poland and Afghanistan—beleaguered. The Soviet Union today is still recognizable as the land Nikolai Nekrasov apostrophized more than a century ago:

Wretched and abundant,
Oppressed and powerful,
Weak and mighty,
Mother Russia!

Just as we would not show or recognize America in a monochrome portrait, we should not insist on painting the U.S.S.R. in a single color. It is a nation of 270 million people, but it is also a society in which the death rate per thousand persons rose from 6.9 in 1964 to 10.3 in 1980, where male longevity is dropping, and where the incidence of typhoid is 29 times as high as in the United States. The Soviet Union possesses vast economic potential, but whereas it was the world's second largest economy in 1980, it has slipped now to third place, behind Japan, and ranks sixth in the world by a measure of gross national product per capita that puts the wealth of an average Soviet citizen at less than half that of a Frenchman, and only twice that of a Brazilian. It is a naval power without a warm-water port, a political colossus which must station occupying forces on the territory of its nearest allies, and a revolutionary force which abhors the tiniest pressure for uncontrolled change at home. It is, in short, a welter of contradictions.

Those stresses are significant without being—except in some now unforeseeable internal cataclysm—fatal. They work in ways we do not understand to shape the policy universe of the Kremlin leadership and they impose both real choices on those leaders and concrete limits on the choices themselves. What remains fixed in that universe is not the early Utopian goal of world revolution, nor the target Khrushchev set in 1960 of besting the West in economic achievement, but a narrower, less inspiring and still all-consuming priority: the retention of control by the leaders over the people, by the Soviet Union over Eastern Europe and by the Soviet Communist Party over Communist parties it has nurtured in other lands. While the aim can be stated in three parts, its achievement appears to depend more and more on a single instrument: military power, applied directly by the Red Army or indirectly through Cuban proxies, East European surrogates or, under attenuated supervision, terrorist groups.

Thus, what makes the Soviet Union a danger to John Kennedy's hope of a "world safe for diversity," or, in President Reagan's terms, to "all the moral values which this country cherishes," is the Kremlin's conservatism and the armed might which is simultaneously its one reliable support and its most effective expression. The issue for Western policymakers is not the inherent evil of such a system, nor a mythical "master plan" that must be countered. The threat comes not from Soviet dynamism but from the kind of reactionary outlook which gave momentum to Czar Alexander I in constructing and maintaining the Holy Alliance after Napoleon's defeat. We should not fear the giant we face so much as the deformities which cripple all but his sword-bearing arm.

This disproportionate influence of military men and military considerations is the thinly concealed reality of Soviet politics. In Poland even the fig leaf has vanished. In both nations, however, the uneasy occupants of the throne of bayonets face problems to which regimentation and martial discipline provide only stop-gap answers. To retain control—over ambitious rivals in the first place, over a sullenly acquiescent populace in the second—the Soviet leaders must also project a certain degree of dynamism, enough to suppress doubts within the elite, above all, about the inevitability of Soviet progress. Unable to achieve such advances in economic development at home, the Kremlin has been limited to demonstrating and thus reconfirming its power abroad. Soviets do not necessarily pursue that path by preference. Rather, their course has become increasingly a product of restricted choice.

To some extent Western policy is responsible for narrowing Soviet options. The achievement of military parity with the United States more than a decade ago opened vistas of political equality as well, and Moscow's rulers looked to Washington to confer on them the status and legitimacy—in addition to economic stimulus—that would be convincing proof of their success and right to hold power. That bargain was struck first with General de Gaulle and Willy Brandt and, in 1972, with Richard Nixon. By the time it was reconfirmed at the August 1975 signing of the Helsinki Accords, however, the deal was already unraveling. It is worth looking back over the erosion of détente to see why the dike failed and the tide of East-West relations swept away from cooperation.

IV

The record of events is familiar. The "Great Grain Robbery" of 1972 made Americans question the supposed benefits of expanded U.S.-Soviet trade. Moscow's conduct in relation to the Yom Kippur War of 1973 aroused not just a high level of temporary tension but a deep suspicion of Soviet selectivity in the practice of international restraint. The expulsion of Aleksandr Solzhenitsyn in February 1974 displayed the unchanged face of intolerance in a society Westerners had hoped was mellowing. The Jackson-Vanik and Stevenson amendments adopted at the end of that year confirmed a Soviet view of America's subversive intent.

There followed the 1975 Soviet airlift of Cuban troops into Angola, North Vietnam's triumph in Saigon and expansion into Kampuchea, the Soviet shift to the side of Ethiopia against Somalia, Cuban aid to the radical faction of the Sandinista Revolution in Nicaragua, the invasion of Afghanistan, and the suppression of Solidarity by the imposition of martial law in Poland. Paralleling and sometimes reponding to such developments, the United States showed itself unable to move rapidly from the Vladivostok understandings of 1974 to a SALT II treaty intensified its courtship of China, cut grain shipments twice (in 1975 and 1980), stepped up the decibel level of its human rights concerns in 1977 to a pitch the Kremlin found intolerable, invited Moscow back into the Middle East peace process and then withdrew the invitation, mounted the boycott of the Olympics to damage Soviet prestige in 1980, curtailed cultural, commercial and consular relations and, under President Reagan, sought not only to conduct a battle of epithets against the Soviet Union but also to strong-arm West Europeans into economic warfare against the oppressors of Poland.

To list the incidents in this spiral is not to analyze the reasons why the bargain of the early 1970s failed nor even to argue that it was an impossible agreement to maintain. The chronicle shows only that détente collapsed, not that failure was inevitable. What it does suggest however, is that the arrangement did not work because both parties brought to it unreasonable expectations. Soviets assumed that the United States was prepared to accept not just the legitimacy of Communist rule where it already was entrenched but the right to perpetuate that regime unmolested at home and to project its interests as a superpower abroad. Americans appeared to think, instead, that they were obtaining both the leverage to modify internal Soviet behavior, albeit gradually, and Soviet willingness to impose self-restraint in the conduct of foreign affairs. The Kremlin interpreted the deal as a ratification of past Soviet achievements and a *nihil obstat* to their extension. We preferred to read the implied contract as a promise of Soviet evolution toward moderation in all things.

One expectation was held in common. Both Americans and Soviets thought that the injection of Western industrial know-how and capital goods into the Soviet economy would stimulate greater efficiency and modernization of management and attitudes as well as production. Technology, it was believed, would generate not just economic change but sociopolitical reform. No horse could pull such a heavy cart; especially not from behind. The rigidities of Soviet economic planning and practice were too great and too resistant. The manpower, infrastructural and resource deficiencies of the U.S.S.R. could not be overcome or bypassed by improvements in communication or quality control. And the United States, which had helped Stalin's forced-pace industrialization in the 1930s, would not, for political reasons, make the long-term commitments on which Brezhnev's negotiators insisted.

The failure of these hopes, both the conflicting and the shared ones, has left the relationship in a shambles. To the extent that we continue to interact, we have been forced to purse a single subject—arms control—that is simultaneously the most vital and the most difficult. In a poisoned political atmosphere we have narrowed what might be an extensive range of contacts to a set of limited negotiations more likely to stimulate paranoia and propaganda than progress. To the deformed Soviet giant we speak only of the shackles we would like to place on its one sound limb. And by addressing a militaristic society only on the strongest ground it occupies, we limit the influence we can have, the alternatives we can pursue.

Without question, arms control is a crucial pursuit. With little question, it is also an area in which the United States and the Soviet Union can formulate their separate interests in a compatible fashion based on their mutual concern to avoid Armageddon. Nevertheless, it is far from being the only potentially productive item on the superpower agenda, and it is at least possible that by exploring other subjects, even marginal ones, we can reduce some of the tension at the center. We would not automatically smooth the way toward stability in our vast nuclear arsenals, but we could make the tough talk about destructive power somewhat easier by setting it within a framework of a broader and possibly more constructive engagement.

V

Such an effort to open and widen our contacts with Moscow has to proceed from a calculation of the American interests it could serve. It cannot be based on the as-

sumptions we found faulty in the first exercise of trying to build better relations. And it must take account of an awkward political fact: the particular barriers we would have to lower are largely ones we raised ourselves, especially in 1980 after the Soviet invasion of Afghanistan. Thus, the first gestures would have to be unilateral American ones, an uncomfortable prospect. To make such actions palatable, we would require not just prearranged Soviet responses in kind but a solid conceptual rationale for reversing course.

The initial price is high. It cannot be discounted by investing in vague hopes of improved mutual understanding. While that is a benefit to seek, even eventually to realize, it is no better ground for a new beginning than was the old illusion that the Soviet appetite for cultural, scientific and commercial exchanges was so large that we could condition their continuation on good Soviet behavior either in emigration or in Africa. Instead, we should try to develop such joint activities for the value they hold for the United States, and be prepared to suspend or drop them when the cost is excessive or the return too low.

The basic test for an agreement to pass is that of America's interest. Are we better served by having a consulate in Kiev than by having no window on the Ukraine? Is our presence in the second largest Soviet republic worth the price: establishing a Soviet consulate in New York, where hundreds of Soviets already work at the United Nations? I would answer in the affirmative to both questions and try to revive the arrangement that was aborted in 1980.

As for the 12 bilateral science and technology exchange accords which date from the Nixon era, there is greater controversy. In the late 1970s, especially, they came under two kinds of attack: the charge that Soviets were using these channels to sweep up American scientific secrets without imparting significant knowledge of their own; and the more demonstrable accusation that trips to American universities and laboratories were doled out only to loyal *apparatchiks*, making us partners in a system that reinforced Party control over Soviet science and diminished real freedom.

To the first complaint, the Americans who had been hosts to Soviet visitors or had been visitors themselves told a National Academy of Sciences review panel in 1977 that the United States "gains a lot scientifically" through the exchange (60 percent), that there should be more joint research (84 percent) and that Soviet visitors included "experts" who "suggested new research procedures, introduced new ideas" and "imparted new knowledge" (80 percent). Assessing the scientists' experiences, the panel concluded that "although American science is, on the whole, stronger than Soviet science, there is still a genuine scientific gain for the United States in having such exchanges. . . . And even in those fields where it is clear that the United States teaches more than it learns, it is important for Americans to know what the Soviets are doing."

On the political issue, Loren Graham of the Massachusetts Institute of Technology noted in 1979, "The exchange programs are presently helping us to learn about repressive conditions in Soviet scholarship and we are able to make more informed decisions about the proper response. . . . If joint programs no longer existed, what would irritated American scientists have to walk out on?"[2]

Of the agreements in operation when Professor Graham wrote, three—an overall protocol on science and technology exchanges, and programs for cooperation in space and in energy research—have lapsed without renewal. Two more, on atomic energy and transportation, are up for renewal this year, and in the remainder—exchanges of graduate students and professors, cooperation between the two academies of science, and activities dealing with the environment, with medicine and public health, with agriculture, with housing and with world oceans—there are estimated to be only about one-fourth the number of participants there were before 1979. In addition, a long-standing cultural exchange agreement broke down before 1979, although the concert performance by pianist Emil Gilels in New York this spring suggests a Soviet interest in reviving the traffic without, it is hoped, attempting to extract an American pledge to return would-be defectors to Soviet authorities.

Each of the original scholarly exchanges should be examined on its merits. The space accord, which gave us the 1975 Apollo-Soyuz flight—occasionally referred to at the time as the "grain deal in the sky"—probably holds little attraction now, but a number of the others were of benefit once and could be again. American and Soviet scientists were cooperating in cancer research before there was a formal blessing for their work. As the work itself remains important, the blessing should be renewed.

More broadly, we should acknowledge that we need contacts with a widening range of Soviets simply for the insights we can gain through them into their system and the course it is taking. We need such social and political intelligence, far beyond what our diplomats can gather on their restricted rounds, because we need to understand the U.S.S.R. well enough to deal with it steadily. At issue is our self-interest. An unusual reading of our self-interest in giving the Soviets wide exposure to American thinking came from an American mathematician who warns that a decline in Soviet capability in mathematics would threaten U.S. security far more than any exchange program in mathematics. Such a decline, he argues, could leave the Soviet Union unable to appreciate the catastrophic potential of the weapons we and they are able to develop. Nor should we underestimate the subliminal effect exposure to our vast network of superhighways may have on Soviet visitors used to the potholes, pitfalls and perils of the two-lane road linking Moscow with Leningrad. And, as Lord Carrington mentioned in his lecture, "it is worth recalling the impact on [Khrushchev] of the sight of an American grain field."

Mutual understanding, leading to the erosion of Soviet rigidity through the contagion of exposure to freedom, is a distant dream reachable, if at all, by very small steps. "[A]fter 30 years of almost constant interaction," former Senator J. W. Fulbright remarked in 1979, "we have still not made up our minds about what the Russians are really like." We cannot reduce that uncertainty by maintaining an aloof and disapproving distance. We may help ourselves, most of all, by expanding our opportunities to learn more of both the frustrations and pleasures of dealing with Soviets in limited, cooperative ventures.

VI

We can also help ourselves in obvious, economic terms by selling more produce and products to the Soviet Union. Our national interest in such trade, however, cannot be measured simply in the jobs it sustains or the hard currency it moves from Soviet control to our own. Just as there was a strategic justification for restraining commerce throughout the cold war period, there must be a policy rationale for managing its expansion as a means of dissipating confrontation.

Again, old illusions must be discarded. Buckwheat and blue jeans may make communists plumper or prettier, but they will not subvert—indeed, they may reinforce—Party control over Soviet consumers. Nor is dependence on Western imports likely to reach such proportions that threats to stop the flow can be expected to make Moscow reverse its international course or significantly modify its domestic conduct.

While imports now account for roughly 15 percent of Soviet GNP, two-thirds of that volume comes from its socialist allies or from developing nations unlikely to forego sales on a point of political principle. Only for its purchases of food must Moscow rely heavily on a relatively few Western suppliers, but we know from our own 1980 grain embargo exercise that neither American farmers nor Canadian, Argentinian, Australian and European producers are prepared to withhold their supplies from the Soviet market in a period of world grain surplus. And as long as we sell foodstuffs to the invaders of Afghanistan, we lack the moral and political authority to command our allies not to ship bootlaces for military shoes or compressors for natural gas pipelines.

Nonetheless, the profit motive cannot be our only guide to setting U.S.-Soviet trade policy. Such commerce is not politically neutral either in real or symbolic terms, and if we are to incur some costs from trade expansion, we must be clear as well about the political advantages we expect it to bring.

The most immediate benefits would come in our relations with our allies. By moving closer to their outlook, we would diminish a major irritant, narrow an opening the Soviets have been adept at exploiting, and further the chances of implementing an effective common policy of credit and technology controls on Western exports. The discussions before and at the Williamsburg Summit give at most incomplete evidence of such progress. As long as international credit is generally tight, it is easier for all of us to hold East bloc borrowing on a short rein. But we clearly need closer consultation in this area on a permanent basis, so that the "foreign policy criteria" we have unsuccessfully tried to impose on technology transfer can be incorporated in a different fashion into bargaining with the Soviets simultaneously on economic and political issues.

Within the Coordinating Committee (COCOM) of the Western allies there needs to be an American admission that some goods are more strategic than others. We are now asking COCOM to police such a broad range of high technology that we cannot expect it to act effectively. An alli-

[2] The U.S. scientists' assessments, the Academy of Sciences study conclusions and Professor Graham's views all appear in his paper, "A Balance Sheet in Science and Technology," delivered in May 1979 to a conference sponsored by the International Research and Exchanges Board and published in its booklet, *A Balance Sheet for East-West Exchange*, IREX Occasional Papers, Vol. 1, 1980.

ance agreement to bar export licenses for militarily significant machinery and know-how is in our common interest, but to make it work, we must define military significance in a way that facilitates enforcement rather than invites contempt.

Only over the long term can we expect a stable, growing trade with the Soviets to produce political plusses in the bilateral relationship. Having anticipated too much a decade ago, we should now realize that there are limits to the political price we can extract either from a single deal or continuing commerce. We cannot, however, be certain of the leverage available unless we engage in trade and attempt, in the process, to exert whatever pressure the traffic will bear. Nor, without coordinating an active trade policy with our partners, can we hope to extract the best mix of political and economic terms. For our part, we must begin by questioning the wisdom, in terms of U.S. interests, of continuing to withhold Most Favored Nation status from the Soviet Union when we grant it to almost every country in the world, including several where both free expression and free emigration are denied.

Over a long period of years, trade can open some now-closed doors and minds in the Soviet Union. In the meantime, in commerce as much as in diplomacy, science, scholarship and culture, we should maintain as wide and continuous an effort at broadening our contacts as our own self-interest justifies. To contain Soviet power more positively, we should not isolate ourselves from Soviet society but should seek, instead, to engage it in the most varied ways on the widest of fronts.

VII

Those of us who periodically on his birthday have to read George Washington's Farewell Address to an empty Senate chamber perhaps have more occasion than most to reflect on his broad vision. His counsel in that address is sound policy for all times:

"The nation which indulges toward another an habitual hatred or an habitual fondness is in some degree a slave. It is a slave to its animosity or to its affection, either of which is sufficient to lead it astray from its duty and its interest. Antipathy in one nation against another disposes each more readily to offer insult and injury, to lay hold of slight causes of umbrage, and to be haughty and intractable when accidental or trifling occasions of dispute occur."

We should be the servants only of the priorities we set for ourselves. Our goal in dealing with the Soviets is to deter conflict, oppose threats to our freedom and our allies, and wait, as patiently as our adversary, for decay within the U.S.S.R. to slow and alter its character and conduct. On the margins, through an expansion of constructive engagements, we may find paths of less resistance along which we can hurry history a bit. The balance to pursue is the one spelled out by Bertrand Russell: "[R]esistance, if it is to be effective in preventing the spread of evil, should be combined with the greatest degree of understanding and the smallest degree of force that is compatible with the survival of the good things we wish to preserve."

In the past—indeed in the present—we have relied too exclusively on force. We would advance our prospects better by seeking, first of all, to understand our opponent and second, where possible, to conclude durable understandings with him.

Mr. BAKER. Mr. President, I want to reserve 1 minute of my time remaining under the standing order, and I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I yield to the minority leader.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

S. 1620—TO INCREASE THE NUMBER OF WEEKS OF FEDERAL SUPPLEMENTAL COMPENSATION

COMPASSION DEMANDS THAT WE ACT

Mr. BYRD. Mr. President, we read and hear on a daily basis now that the recession is over and that the economic indicators are beginning the climb back from the depths to which they fell since the recession began in July 1981. To the extent that these reports are accurate, we can all be grateful and relieved.

However, we must not lose sight of the fact that recovery will be a very long time coming—if it ever arrives—for many millions of Americans who were the unwilling draftees in the Reagan trickledown economic campaign. I am talking about the Americans who lost their jobs and then, in many cases, lost their possessions, including their family homes.

Unemployment, while it has been falling for the past 4 months, is still at a terribly high level on a nationwide basis. The Labor Department reported last Friday that the national total unemployment rate in June was 10 percent.

In a way, I can understand why that figure may not be as shocking to many persons as it should be and as it would have been as recently as 2 years ago. In that 2-year period, we have seen national unemployment skyrocket to 10.8 percent—the highest rate in 40 years; the highest rate since the end of the Great Depression. I believe the 4 or 5 months we spent with such catastrophic levels of unemployment may have jaded some of us. A 10-percent unemployment rate, in comparison, before one stops to consider it carefully, sounds almost healthy.

Mr. President, I am here today to remind my colleagues and the Nation that 10-percent unemployment—11 million people—far from being healthy, is a national disgrace, regardless of how high unemployment was previously. No Member of this body should rest while we have over 11 million persons in the American work force idle; while 5.7 million are working part time because they cannot find full-time work; and while 1.7 million are still so discouraged as a result of their unsuccessful search for work that they have dropped out of the labor force altogether and are not counted among the officially unemployed.

And the picture is even bleaker in some of the States that have been harder hit by the recession than the Nation as a whole. In April, the last month for which the U.S. Labor Department has compiled comprehensive figures, my State of West Virginia had a 19-percent unemployment rate. The capital city of Charleston, bouyed by the stability of State government's presence, nevertheless had an unemployment rate of 13.7 percent, and the two other reporting West Virginia metropolitan areas had even higher rates. Michigan had a 15.5-percent unemployment rate. Ohio had a 12.8-percent rate. All told, 22 States and the District of Columbia had rates over 10 percent.

I and a number of my colleagues repeatedly have described in this Chamber over the past 2 years the plight of the unemployed. I need not do that again today. We all know what happens when a worker loses his or her job and exhausts the family's savings.

Fortunately, unemployment insurance is available as a partial cushion. Although it should have been enacted much earlier, as a result of the efforts of a number of concerned Members of this and our sister body, we finally achieved enactment of a supplemental benefits program providing unemployment assistance beyond the 39 weeks of combined regular and extended benefits normally available—up to a current maximum of 53 weeks in States with highest unemployment.

In a recession of historically average length and severity, such a duration of benefits might have been minimally sufficient. But the recent recession has been far harsher and longer than average cyclical economic downturns. As a result, those who have been laid off are remaining unemployed for longer periods of time. Since May of last year, the duration of joblessness rose from a median of 8.6 weeks to 12.3 weeks in May of this year. One year ago, 15.7 percent of the unemployed had been idle for longer than 26 weeks. In May of this year, 25.3 percent of the unemployed had not worked in more than 26 weeks. In May of this year, 1.55 million workers had been unemployed for a full 12 months or longer—and this does not count the structurally unemployed who have not worked in recent years.

Yet another distressing measure is the "cumulative weeks of current national unemployment"—the product of multiplying the number of unemployed by the average time that they have been without work. While the national unemployment rate is falling, the "cumulative weeks of current national unemployment" still is increas-

ing. It rose from 215.2 million in April to 228.3 million in May.

The "cumulative weeks of current national unemployment" in 1980, the last year of the Carter administration, was approximately 90 million. Today, it is nearly 230 million, over 250 percent of what it was in 1980.

All these statistics manifest themselves in one very plain, very harsh way. Many hundreds of thousands of people—thousands in my own State alone—are unable to find employment, despite their best efforts, for so long that they exhaust even the supplemental benefits the Congress has provided. They then face destitution for themselves and their families.

At a time when we all are hopeful the corner has been turned toward national economic recovery, we must not forget those who are the victims and remain the victims of this sad episode in our Nation's economic history. We can and we must afford additional weeks of benefits for the long-term unemployed, to tide them over until most of them, too, again can be gainfully employed.

Mr. President, I am today introducing a bill designed to offer some additional assistance to these people. It is not grandiose. It is not a budget buster. It does not entail massive new eligibility for Government benefits.

My bill is very simple. It simply offers 6 more weeks of benefits to the unemployed in every State who are unable to find work during the current duration of unemployment benefits. It is a small step, but it is a vital step for those who already have been battered by unemployment and without this addition will be completely crushed by it.

I urge my colleagues on both sides of the aisle to cosponsor this bill, and I hope the Finance Committee which has purview over this program can move speedily to consider it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 1620

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 602(e)(2)(A)(i) of the Federal Supplemental Compensation Act of 1982 is amended by striking out "55 per centum" and inserting in lieu thereof "77 percent".

(b) The table appearing in section 602(e)(2)(A)(ii) of such Act is amended by striking out the figures "14", "12", "10", and "8" appearing in the column "The applicable limit is:" and inserting in lieu thereof the figures "20", "18", "16", and "14", respectively.

(c) Section 602(e)(2) of such Act is amended by striking out subparagraphs (C), (D), and (E) thereof.

SEC. 2. (a) The amendments made by this Act shall apply to Federal supplemental compensation payable for weeks beginning after the date of the enactment of this Act.

(b) In the case of any eligible individual—

(1) to whom any Federal supplemental compensation was payable for any week beginning before the date of the enactment of this Act, and

(2) who exhausted his rights to such compensation (by reason of the payment of all the amount in his Federal supplemental compensation account) before the first week beginning on or after the date of the enactment of this Act,

such individual's eligibility for additional weeks of compensation by reason of the amendments made by this Act shall not be limited or terminated by reason of any event, or failure to meet any requirement of law relating to eligibility for unemployment compensation, occurring after the date of such exhaustion of rights and before the date of the enactment of this Act (and the period after such exhaustion and before the date of the enactment of this Act, shall not be counted for purposes of determining the expiration of the two years following the end of his benefit year for purposes of section 602(b) of the Federal Supplemental Compensation Act of 1982).

(c) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 602 of the Federal Supplemental Compensation Act of 1982 a modification of such agreement designed to provide for the payment of Federal supplemental compensation under such Act in accordance with the amendments made by this Act. Notwithstanding any other provision of law, if any State fails or refuses, within the 3-week period beginning on the date the Secretary of Labor proposed such a modification to such State, to enter into such a modification of such agreement, the Secretary of Labor shall terminate such agreement effective with the end of the last week which ends on or before such 3-week period.

Mr. BYRD. I yield the remainder of my time to the majority leader.

Mr. BAKER. Mr. President, I thank the minority leader. I have no need for additional time. I yield it back.

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine (Mr. COHEN) is recognized for not to exceed 15 minutes. The Senator from Maine.

S. 1618—PREVENTIVE HEALTH CARE INCENTIVE ACT

Mr. COHEN. Mr. President, today I am introducing the preventive health care incentive legislation to encourage health promotion programs in the workplace.

One of the most serious and complex problems facing our society is the rapidly escalating cost of our health care system. As Americans, we can be proud of significant advances in medical technology, providing the best health care available in the world. With technological breakthroughs, however, have come health care costs that account for 10 percent of our gross national product—now reaching crisis proportions.

I am concerned, however, that with all the resources devoted to health care, the taxpayers are not getting the most for their tax dollars. A 1979 Surgeon General's report on health promotion and disease prevention entitled "Healthy People" notes some disappointing facts. The investment in health care has not had the impact on life expectancy that we might have hoped for, and the Surgeon General noted that more emphasis must be given to preventive health care.

What I am hoping for, Mr. President, is the degree of success in meeting the preventive health care challenge that was realized by the first public health revolution of this century. In 1900, the leading causes of death were infectious diseases such as influenza, pneumonia, diphtheria, and tuberculosis. Mass immunization and effective sanitation measures have practically erased these diseases as threats to the public health. In fact, only 1 percent of people who die before age 75 in the United States today die from infectious diseases.

Today's challenges lie in trying to reduce the 75 percent of Americans that die from heart disease, stroke, and cancer. And, although the degenerative diseases differ from their infectious predecessors in having more complex causes, many are preventable. The Surgeon General's report cites smoking as the single most important preventable cause of death. Others include alcohol misuse, environmental hazards, poor nutrition, obesity, and lack of exercise.

Dr. David A. Hamburg, former president of the National Academy of Science's Institute of Medicine, characterizes the problem in the following manner:

> We have missed valuable opportunities to reduce our burden of illness by underinvesting in programs for disease prevention and health promotion. Over the last decade, it has become increasingly clear that cardiovascular disease, cancer, stroke, and accidents—which together account for nearly 75 percent of deaths annually—are intimately linked to a variety of health-damaging behaviours ranging from smoking to drunk-driving to sedentary lifestyles.
>
> Yet, policy has not matched understanding; while support for disease prevention is growing, it is minuscule compared with the support given to high technology care.

Mr. President, the legislation I am introducing today attempts to modify the priorities within the health care budget to provide additional incentives for health promotion programs. I commend the work of private groups such as the American Cancer Society and the American Heart Association, which have provided extensive assistance in educating Americans in health risks. Yet I think the proper response to private efforts already underway is

to expand the role of the Federal Government in the health promotion area.

Specifically, the bill would provide a tax credit to businesses that have preventive health programs in the workplace. In order to be eligible for the credit, a program would have to meet certain definitional requirements. Twenty-five percent of all employees would have to participate regularly in the programs which provide education, screening, or participation in weight control, proper diet, exercise, smoking cessation, abstinence from excessive alcoholic consumption, and stress control.

Another qualification included in this legislation is that the program must be available equally to all employees and must not discriminate in favor of executive officers, shareholders, or the highest paid employees.

In order to be eligible for this tax credit, the program would have to be certified by the Secretary of the Treasury after consultation with the Secretary of Health and Human Services. I believe that using insurance companies to identify programs that would result in lower health insurance premiums for the members constitutes an excellent certification standard. I would urge the Secretary to consider this in establishing a certification system.

The tax credit allowed under my legislation is modest in proportion: 10 percent of the direct costs incurred by employers not to exceed $50 per employee. I feel that this amount strikes the appropriate balance between the need for an additional incentive for promoting preventive health programs in the workplace and the need for budget restraint.

Mr. President, I guess it was just about 10 years ago in 1973, when I was a Member of the House of Representatives, that I introduced, as I recall, my first piece of legislation providing for tax credits and deductions for people who conserve energy. I will never forget the response as I stood on the floor and made my maiden speech. I was told by one Member at that time that it was the most ludicrous idea he had heard in his 25 years of service in the House of Representatives.

My response, of course, was that this particular individual had seen fit to give tax incentives for oil companies to discover energy, it seemed only fitting, at a time of shortage, that we might give tax incentives to people who start conserving it.

It was at least 5 years later, after the introduction of that particular bill, that the concept of a conservation ethic really took hold in this country. It is my hope that providing this initiative and establishing a tax incentive for businesses to provide a kind of health program for their employees will take on a so-called wellness ethic.

The concept of wellness is spreading all the way from Maine to California, where companies are now trying to institute programs because they know it is good for the company if they have fewer accidents, if they have fewer absentees, if they have fewer problems with their employees, and if they have a better employee attendance record in the workplace, and the employees also have benefited from these programs.

What I hope to do, once again, Mr. President, is to stimulate a concept in this country of providing a wellness ethic where we start taking care of our bodies long before we ever have to go into the hospitals so that we never have to go into the hospitals.

It is my judgment that we will never come to grips with the health care delivery system in this country by simply trying to cap the amount of money that hospitals can spend, because they will either do one of two things: They will ration the people who come in, limiting it to people who can afford to pay; or they will reduce the quality of health care. And that simply is intolerable in this country.

So one way to reduce the pressure on ever-escalating health care costs is to reduce the amount of people who have to turn to hospital care. I believe by taking better care of ourselves by better exercise, diet, and health habits, we will reduce that kind of pressure on the health care delivery system.

Mr. President, I am hopeful that this legislation will help health cost containment, as well as improve the basic health of Americans, and I urge my colleagues to support the bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S. 1618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Preventive Health Care Incentive Act".

SEC. 2. ALLOWANCE OF A CREDIT FOR EMPLOYEE PREVENTIVE HEALTH CARE PROGRAMS PROVIDED BY AN EMPLOYER.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting after 44H the following new section:

"SEC. 44I. EMPLOYEE PREVENTIVE HEALTH CARE PROGRAMS PROVIDED BY EMPLOYER.

"(a) IN GENERAL.—In the case of an employer (as defined in section 3401(d)) who provides a qualified preventive health care program to his employees, there shall be allowed as a credit against the tax imposed by this chapter for a taxable year an amount equal to 10 percent of the expenses paid or incurred by such employer during such taxable year in providing such program to his employees.

"(b) LIMITATIONS.—

"(1) IN GENERAL.—The credit allowed by subsection (a) shall not exceed $50 times the average number of full-time employees regularly participating in a qualified preventive health care program during the taxable year.

"(2) CAPITAL EXPENSES.—No amount paid or incurred by the employer which is chargeable to capital account shall be taken into account under subsection (a).

"(3) LOST EMPLOYEE HOURS.—No amount paid or incurred by the employer for employee hours lost due to employee participation in a qualified preventive health care program shall be taken into account under subsection (a).

"(4) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(5) DENIAL OF DOUBLE BENEFIT.—No deduction or credit shall be allowed under this chapter with respect to any amount for which a credit is allowed under this section.

"(c) DEFINITIONS AND SPECIAL RULES.—

"(1) QUALIFIED PREVENTIVE HEALTH CARE PROGRAM.—

"(A) IN GENERAL.—The term 'qualified preventive health care program' means any program—

"(i) which is administered by or for the employer,

"(ii) in which there is regular participation of at least 25 percent of the full-time employees of the employer,

"(iii) which does not discriminate in favor of employees who are officers, shareholders, or highly compensated employees,

"(iv) which is recognized under generally accepted medical and health care principles—

"(I) to contribute to or foster improved health, and

"(II) to result in the diminution of demands for diagnostic and therapeutic medical services, and

"(v) which is approved by the Secretary (after consultation with the Secretary of Health and Human Services).

"(B) SPECIFIC PROGRAM CHARACTERISTICS.—

"(i) IN GENERAL.—The term 'qualified preventive health care program' shall include—

"(I) any educational program which describes or encourages behavioral practices demonstrated to result in the achievement of improved health,

"(II) any screening or referral program designed to identify participants with potential or existing health problems which could be reduced or eliminated by early attention and to refer such participants to appropriate third parties for consultation or treatment, and

"(III) any program which directly involves participants in specified behavioral practices demonstrated to achieve improved health.

"(ii) BEHAVIORAL PRACTICES.—For purposes of clause (i), the term 'behavioral practices' includes—

"(I) proper nutrition,

"(II) weight control,

"(III) exercise,

"(IV) abstinence from smoking, and

"(V) abstinence from excessive consumption of alcohol or drugs.

"(2) REGULAR PARTICIPATION.—The term 'regular participation' means a level of participation required by an approved qualified preventive health care program.

"(3) ALLOCATION OF CREDIT.—

"(A) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(B) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44H the following new item:

"Sec. 441. Employee preventive health care programs provided by employer.".

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44H" and inserting in lieu thereof "44H, and 44T".

SEC. 3. STUDY OF EFFECTIVENESS OF PREVENTIVE HEALTH CARE PROGRAMS.

(a) STUDY.—The President's Council on Physical Fitness and Sports shall study the effectivenss of the preventive health care programs established by employers in improving the health of participating employees.

(b) REPORT.—The Council shall, before January 1, 1986, report the results of the study made pursuant to subsection (a) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1983.

RECOGNITION OF SENATOR DANFORTH

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. DANFORTH) is recognized for not to exceed 15 minutes.

TRADE REORGANIZATION

Mr. DANFORTH. Mr. President, any statement in support of trade reorganization invariably begins with strongly worded pronouncements about the importance of trade to the U.S. economy or with a discourse on America's trade problems. I do not take issue with either of these sentiments. I do, however, take issue with the conclusion that a Department of Trade and Industry (DITI) will improve our position in international trade.

As chairman of the Subcommittee on International Trade, and as a member of the Governmental Affairs and Commerce Committees, I have had ample opportunity to reflect on the administration's trade reorganization proposal. My conclusion is that I cannot and will not support it.

The current trade structure of our Government is by no means perfect. I am convinced, however, that the DITI proposal will only make it worse.

Proponents of the reorganization proposal argue that trade must be a priority for the United States. They maintain that a cabinet-level Department of Trade would increase the status of trade in our Government and would send a signal at home and abroad about the importance of trade.

International trade should indeed be a priority for the United States. I challenge DITI proponents to explain how replacing a key White House agency—headed by an Ambassador of cabinet rank—with a regular cabinet department will accomplish this goal.

And unless there is status in numbers, it is hard to explain why an agency that concentrates solely on trade is to be replaced with one that is expected to cover trade, tourism, patents and trademarks, and economic analysis.

If substantive changes in U.S. trade policy are the objective of trade reorganization proponents, I would again maintain that DITI is not the answer.

Not only will the reorganization take several years of implement, but the process itself is bound to divert attention and energy from substantive trade problems. At a time when we face record trade deficits, rearranging boxes on an organization chart seems a distraction.

Even if reorganization could be accomplished overnight, it would have little, if any, substantive impact on the trade deficit or on U.S. trade policy. Those who hope for substantive results from this reorganization should question what, if any, impact DITI would have had on the Soviet grain embargo or the pipeline sanctions, on European Community agricultural export subsidies, on Japanese auto exports, on Mexican and Brazilian performance requirements, or, for that matter, on the value of the dollar.

If trade is to have the priority it deserves, no amount of bureaucratic reshuffling will accomplish it. The high priority stamp can only be conferred by the President or the Congress. Only the President can confer a sense of status on makers of trade policy. Only the Congress can correct deficiencies in our trade laws. Only the reduction of the Federal deficit can bring down the value of the dollar.

Proponents of the reorganization proposal argue that trade policy should be made and implemented under a single roof. They maintain that too many agencies are involved in trade, and then go on to argue that the merger of the two-headed monster—Commerce and the U.S. Trade Representative—can rationalize the process.

Such an approach is impractical. More than two decades ago the Congress recognized that virtually all Government agencies have, and will continue to have, a legitimate interest in the formulation of U.S. trade policy. And so, in the Trade Expansion Act of 1962, Congress created the White House post of Special Representative for Trade Negotiations and determined that he would chair an interagency committee to make and negotiate U.S. trade policy.

The report of the Committee on Finance at that time specifically stated that:

It was the purpose of the committee to provide that the interests of agriculture, industry, labor, and American consumers should be adequately represented in the Inter-Agency Trade Organization. The committee felt that the Chairman, if he was chosen from one of the departments, would represent more the views of that department than the overall broader perspective represented by the Special Representative.

The role of the USTR as formulator of U.S. trade policy and negotiator of trade agreements was reaffirmed by the President and the Congress in 1979.

While the DITI proposal may well combine the trade policymaking and implementation functions of the USTR and the Department of Commerce, it ignores the trade roles of any number of other agencies. DITI may well attempt to formulate trade policy for the entire U.S. economy, but USDA would still implement its own trade programs, the Customs Service would still be tied to the Department of the Treasury, the Department of Labor would still be responsible for trade adjustment assistance, the Department of Defense would still have an export control function, and the Departments of State and Treasury would still dominate summitry, and key U.S. positions at the OECD and the IMF, and so on. The Secretary of Trade might have a role to play with regard to the Export-Import Bank and OPIC, but would not control either, and the International Trade Commission would retain its independent status.

The monster has at least seven heads. Eliminating the one that is supposed to guide the others is hard to justify as an effective management practice.

Since the entire U.S. Government cannot be folded into a Department of Trade, the alternative is to rely on leadership and policy coordination from the top. The reorganization plan itself acknowledges this by providing for "a small White House staff to handle trade issue coordination." If this is not to mean the recreation of the USTR, then one must assume that proponents of the plan believe that turf fights never occur between the NSC and the Department of State.

Far more disturbing than the proposal's inability to combine trade policy and implementation is the plan's implication for those trade interests not represented by the present Department of Commerce. Of particular concern must be the interests of agriculture and labor.

Congress intended the USTR to play the role of honest broker—brokering between the often divergent—but no less legitimate—concerns of its constituent agencies in the interagency trade committee,

A DITI with the leading role in trade policy formulation may well opt for policies that satisfy only its immediate constituency—industry. Labor's interests may or may not receive adequate consideration. Agricultural interests, in particular, could suffer from being a second-class citizen should DITI become a clotheshorse for protectionism. The same could be said of the growing U.S. service sector.

Those who maintain that a DITI could weigh varied trade interests inhouse or through the interagency committee it would dominate, could well see industry lose the probusiness advocacy role the Department of Commerce should now play in interagency debates.

It is hard to imagine a Department of Trade leading the negotiations for a long term grain agreement with the Soviets or acting on trade complaints filed by agricultural interests with the same degree of concern as a USTR.

Some proponents of the reorganization proposal argue that a Department of Trade and Industry would enable the United States to coordinate our domestic economic policies with our trade policy. Other proponents argue that such a Department could coordinate our international economic policies with our trade policy.

Whether the objective is enhanced competitiveness or more favorable exchange rates, DITI is clearly not the answer.

DITI would be in no position to determine U.S. industrial policy or international economic policy—any more than Commerce or the USTR are able to under the current structure. The reorganization plan offers no new tools, no new authority, for either purpose. Moreover, if we ever get serious about enhancing the competitiveness of U.S. industry in the world market, surely a White House coordinating agency like the USTR would be better placed to influence Treasury decisions on tax or exchange rate policy or Justice antitrust policy than the Cabinet's newest equal among equals—the Department of Trade.

A new department that is at best the sum of its parts is no solution. And while we may no longer have to put up with two agencies negotiating with Nippon Telegraph and Telephone, or two United States-Japan bilateral groups for industrial policy, or two sets of steel negotiations with Europe, or a congressionally mandated Trade Policy Committee that overlaps a Cabinet Council on Commerce and Trade, the new Department of Trade and its new interagency group would still find many of its activities overlapping with the Cabinet Council on Economic Policy (CCEP) and the Senior Intergovernmental Group on International Economic Policy (SIG/IEP). Not much of an improvement when you consider that all of this duplication could be eliminated without any legislation whatsoever.

In closing, I should like to debunk some of the myths that appear to be growing up around the trade reorganization proposal.

First, this is not a question of personalities. The country will have to live with this Government's trade structure long after the present incumbents vacate their posts.

Second, the rest of the world is not blessed with unified departments of trade and industry. The example most often cited—that of MITI in Japan—neglects the fact that responsibility for negotiating trade agreements is that of Japan's Foreign Ministry. Japanese tariff decisions remain within the purview of their Ministry of Finance—and along with them, trade issues affecting tobacco and alcoholic beverages—and the Ministry of Agriculture would no sooner allow MITI to dominate agricultural trade policy than would NTT allow MITI to gain control of the Japanese telecommunications system. Moreover, as Japan has had to cope with growing trade problems abroad, it is the Office of the Prime Minister that has taken on an ever-increasing role in trade.

Third, the notion that bigger is better for the purpose of building up a cadre of career trade professionals ignores the advantages of the status quo over a DITI. At present, the USTR is a small, elite, and responsive agency made up of some 130 career professionals and a handful of political appointees. Those who have held leadership positions at the USTR maintain that the agency's effectiveness can be attributed in large measure to the constant and direct contact between its professionals and those at the very top. A cabinet department made up of the USTR and the suggested components of the Department of Commerce would have, at a minimum, 7,500 to 8,500 employees. By any definition that is a bureaucracy. Regardless of the provisions made for the advancement of career professionals, such a bureaucracy would, by definition, be dominated by four or five layers of political appointees. The USTR and his deputies have daily contact with the Assistant USTR's and their respective staffs—all career positions. A Secretary of Trade and his Deputies would have to fight their way through layers of Under Secretaries, Assistant Secretaries, Deputy Assistant Secretaries, and even possibly Office Directors before coming into contact with a professional who had years of trade expertise.

Finally, I must again take issue with the basic assumption underlying the call for trade reorganization—namely, that structural change brings with it substantive change. One need look no further than the Departments of Energy and Education to find examples of governmental restructuring with little, if any, visible impact on substance.

Mr. President, I intend to oppose the creation of the Department of Trade and Industry.

RECOGNITION OF SENATOR BINGAMAN

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico (Mr. BINGAMAN) is recognized for not to exceed 15 minutes.

Mr. BINGAMAN. I thank the Chair.

THE IMPORTANCE OF DEFENSE DEPARTMENT SUPPORT OF BASIC RESEARCH

Mr. BINGAMAN. Mr. President, this week the Senate is debating the fiscal year 1984 defense authorization bill. Great attention is being paid to a host of important issues affecting our national security such as whether this bill reflects the proper balance between our conventional and our strategic forces.

Today, I would like to talk about an issue which will not receive such attention this week, just as it received little attention during the Armed Services Committee's deliberations. That issue is the Defense Department's support of basic scientific research, a seemingly minor $850 million item buried in the almost $200 billion authorization bill which we are considering.

I believe this funding is crucial to our national security, however broadly or narrowly one wishes to define that concept. In the narrow sense, our national security is tied to the quality and quantity of our current arsenal. Basic research carried out 10, 20, or 30 years ago underlies the technology incorporated in all of our modern weaponry. In the broader sense, our national security is based on our economy's vitality and competitiveness in international markets. Basic research once again provides the foundation of our economy's strength.

Since the end of World War II, our scientific and technological enterprise has kept us one step ahead of the rest of the world, and helped keep us out of any major confrontation with our

principal adversary, the Soviet Union. The Defense Department's farsighted support of basic research after World War II, especially in the 1950's and early 1960's, played an essential role in giving us that edge. But, from 1967 to 1975, we cut Defense Department support of basic research almost in half in real terms, and despite the fact that the last 8 years have seen a sustained climb in real support, we are still some $250 million under the fiscal year 1965 level in constant fiscal year 1984 dollars.

I believe we simply must give this research effort a higher priority in our budgeting. Congress and the administration must make a commitment to reaching and then surpassing that 1965 level, some $1.1 billion in today's dollars, as soon as possible. By doing so, we will help breathe new life into our scientific enterprise. This is especially true for our universities, which are today still suffering from the damage done during the Vietnam war period.

Let me take a few minutes to recall the highlights of the history of the Defense Department's support of basic research. Prior to World War II, the military departments carried out almost no basic research and very little development. During the war, a massive effort was made to redress that shortcoming and out of it flowed a variety of new technologies, from synthetic rubber and radar to the first electronic computer and the atom bomb. Our universities were at the center of that effort. For example, the ENIAC computer was developed at the University of Pennsylvania with funding from the Army Ballistics Research Laboratory. This development attracted the attention of yet another university scientist, John Von Neumann, then working on the Manhattan project in my home State of New Mexico, whose ideas later revolutionized the field of computer science.

To recapture the view from that period, let me briefly read a few excerpts from the classic report prepared for President Truman by Vannevar Bush, Director of the Office of Scientific Research and Development, in July 1945—"Science—The Endless Frontier." Dr. Bush wrote:

> In this war it has become clear beyond all doubt that scientific research is absolutely essential to national security.* * *
>
> Basic research is performed without thought of practical ends * * * (It) leads to new knowledge. It provides scientific capital. It creates the fund from which the practical applications of knowledge must be drawn.* * *
>
> A nation which depends upon others for its new basic scientific knowledge will be slow in its industrial progress and weak in its competitive position in world trade.* * *
>
> If colleges, universities, and research institutes are to meet the rapidly increasing demands of industry and Government for new scientific knowledge, their basic research should be strengthened by use of public funds.

It was the Navy Department which was the first to rise to this challenge. The Office of Naval Research was created by Congress in 1946 "to plan, foster, and encourage scientific research in recognition of its paramount importance * * * (to) national security." The Army Research Office, the Air Force Office of Scientific Research, and the Defense Advanced Research Projects Agency followed in 1951, 1952, and 1958 respectively.

Under their leadership, basic research was fostered both in the Nation's growing universities and in the military services' in-house laboratories, such as the Naval Research Laboratory in Washington. The physical sciences and engineering departments at our leading universities—MIT, Cal Tech, Stanford, Harvard, Columbia, Berkeley were literally built using defense funding. A whole generation of graduate students received assistantships funded out of DOD research contracts, and went on to make major contributions to both the military and civilian sectors of our economy.

This investment paid for itself many times over as the fruits of the basic research funded by DOD were incorporated into our weapons systems and into our society at large. Computer science and computer languages, microelectronics, superconductivity, integrated circuits, new vaccines and antimalarial drugs, lasers and masers, new materials and alloys, corrosion control, and cryogenics are but a few of the areas in which breakthroughs occurred as a result of DOD support.

In the last 15 years, Nobel Prizes have been awarded to about 20 Americans who received DOD support while they were carrying out their prize-winning research. Most of the prizes were in physics and chemistry, but two awards were in economics, one was in physiology, and one in medicine. This testifies to the breadth and scientific excellence of the research funded by DOD in the period through the mid-1960's.

The Vietnam war brought this close relationship between the Defense Department and our universities to an end. Basic research funds suffered as deferable items had to be cut to make way for the immediate needs in pursuing the war. The first funds to be cut were for the universities, since flexibility was limited by civil service rules in the in-house labs. These cuts were made all the easier to carry out in light of the push by antiwar protestors to get DOD off the campuses. They were made easier still in light of the Mansfield amendment to the fiscal year 1970 DOD authorization bill, which told DOD that it could only fund research projects with a "direct and apparent relationship to a specific military function or operation." The following year this language was toned down to requiring only a "potential relationship to a military function or operation," but the damage was done.

Rutgers University President Edward Bloustein has called DOD research on the campuses "the unlisted, unknown casualty of the Vietnam war." By 1975, when overall DOD support of basic research was about half of its 1967 level in constant dollars, Defense Department support of university research had been cut almost two-thirds. Other Federal agencies were not able to make up these cuts. The result was severe damage to many universities' physical sciences and engineering departments. Today's problems of obsolescent instrumentation in university laboratories and the inability to attract American graduate students and to retain junior faculty derive from this period. The cross-fertilization between our civilian and military research communities, which had earlier been so important to transfering defense research results to civilian applications, was seriously diminished.

Under Secretary Harold Brown, who came to the Defense Department from the presidency of Cal Tech and who had served under Secretary Robert McNamara as the Pentagon's Director of Research and Engineering, the Defense Department made a successful effort to reverse the trends. Basic research funding increased 5 percent annually in real terms from fiscal years 1977 to 1980, outpacing the growth in DOD funding as a whole. The fraction of these funds going to universities grew sharply. But there still was a long way to go to reestablish the pre-Vietnam war relationship.

Over the last 3 years, real growth in basic research funding has continued at a 5-percent annual rate. At the same time, the overall DOD research budget has increased well over 10 percent annually. Clearly basic research was not given priority in the allocation of DOD's appropriations. Blame must be shared both by the administration and by the Congress. Last year the administration did propose a 14-percent real increase in DOD basic research funding, only to see that growth halved to 7 percent by the Congress. In this year's budget submission, the Defense Department requested a 24-percent real increase for overall research and development, but only a 4-percent increase for basic research. Out of the almost $30 billion requested for R&D, less than 3 percent was to be spent on basic research, the lowest fraction in at least the last 25 years.

And yet, there is no lack of evidence about the continuing desperate need for these basic research funds. In fiscal year 1983 DOD initiated a program to help tackle the problem of obsolete university research instrumen-

tation. It was funded at $30 million and will be continued for 5 years at that level with no allowance for inflation. DOD in fact, has received 2,700 proposals in fiscal year 1983 requesting $650 million. Only 207 of these could be funded.

Many other small DOD research programs are equally deserving of additional funds. The joint services electronics program (JSEP), which goes back to 1945, and under which basic research in electronics is carried out in a dozen universities, is certainly deserving of additional support. It has produced four Nobel laureates, the most recent being Prof. Nicolaas Bloembergen of Harvard who shared the 1981 Physics prize for his work on lasers. Several other Nobel laureates were associated with the program during their careers but not while carrying out their Nobel Prize-winning research. But instead, of a well-deserved increase in funding this $9.6 million program will receive the same funding in 1984 as in 1983, a drop in real terms.

The $850 million which we will be authorizing for DOD basic research in 1984 is, indeed, difficult to get a handle on. It is made up of a large number of small programs like JSEP, each without the strong constituency that grows up around a major weapons system. It also promises no immediate benefits, and thus it must appear to each of the budget scrubbers who inhabit both the administration and the Congress as an ideal place to take a small cut.

In the Armed Services Committee, almost without noticing it, three separate subcommittees cut a total of $58.4 million of the basic research funding in their markups, which would have resulted in minus 3 percent real growth. Luckily, these cuts were reversed in the full committee at my initiative. We must see to it that no cuts are made in these critical programs in the appropriations process to follow.

But we need to do more. This should not be a marginal program. We need to rapidly increase the Defense Department's basic research funding in the coming years. We need to take a long-term view of our national security. An additional $200 to $250 million annually for defense basic research, which would bring us back up to the early 1960's level, will pay handsome dividends 20 years from now. It would fund thousands of additional graduate students in the scientific and engineering disciplines and put modern instrumentation back into our university laboratories. This is the seed corn for our future harvests of scientific knowledge. If we do not achieve this funding goal, we may well find ourselves surprised by scientific breakthroughs elsewhere in the world. If we are to remain second to none as a nation, both in military might and economic strength, we must pay the price for a scientific establishment second to none. The Defense Department, especially in light of its growing role in the Federal budget compared to the domestic agencies, must assume a growing share of the responsibility for the long-term health of that establishment by increasing its support for basic research.

President Eisenhower in his first state of the Union message pointed to a fundamental dilemma we face in choosing the right level of defense spending. He said:

> Our problem is to achieve adequate military strength within the limits of endurable strain upon our economy. To amass military power without regard to our economic capacity would be to defend ourselves against one kind of disaster by inviting another.

Those words are as true today as they were 30 years ago.

DOD's basic research budget is unique in not forcing us to face that dilemma. In helping us to achieve adequate military strength, basic research simultaneously insures our economy's vitality. It is the area within the DOD budget with the greatest potential for the broadest applications to our society's problems. We should keep this in mind when we face the choice of where to place our priorities. I hope that we can sustain a rapid rate of real growth in this program in the coming years even as we moderate the overall defense buildup to the 5-percent annual growth rate foreseen in the budget resolution.

I, for one, will continue to make this case to the Defense Department and to the Senate in the future.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BINGAMAN. Yes, I will.

Mr. BYRD. I compliment the Senator on his speech. I have not had an opportunity to follow it completely, but I am going to do so.

The Senator has raised an important issue, that of the Defense Department's support of basic scientific research. The Senator is correct in saying that funding of basic scientific research is crucial to our national security. This is the one big edge that we have over the Soviets, the technological edge. We need to emphasize that and reemphasize it and support funding for scientific research if we are to maintain that technological edge.

The Senator referred to Mr. Eisenhower. I was in the House during the Eisenhower administration. I was in the House when the Soviets demonstrated that they were proceeding in the field of space technology by putting up Sputnik, and it created quite a ripple throughout the world. Then we started down the road of catching up, spending money for elaborate laboratories for research. We were at that point much like we are today. We were high on basketball players and pretty low on mathematics and science teachers and science and mathematics courses. Today there are three or four times fewer persons preparing today to go into teaching careers dealing with math and science than there were in 1970, so we have slipped again. Many high schools in this country do not require students before graduating to take certain courses that are very vital and basic to our country's future security and the research the Senator talks about has to begin at the high school levels.

So I would like to add that little point. I think there is a growing awareness that our schools are falling down; their curriculums, in too many instances, are soft curriculums. Not enough emphasis is being placed upon those courses that will lead to the kind of basic research in later years that the Senator has stressed here.

His speech is a very thoughtful analysis of a serious problem in the allocation of funding for our national defense. I know that the Congress galvanized itself into action immediately following Sputnik and huge amounts of moneys were appropriated to build laboratories, as I said, and to provide equipment and stimulate interest on the campuses throughout the country. The late President Jack Kennedy followed through on this, and it worked. It was America which first placed a man on the Moon and brought him home safely again.

So we need to be galvanized into action somehow, and it has to go beyond the Defense Department. It reaches down into the very roots of our communities where our children are being schooled and are being cheated because they are not being required to take basic courses that in later years will not only bring home the bread and butter but will keep America first in our technological endeavors. I meant to be on the floor earlier, but I was delayed by a meeting.

In looking through the Senator's speech, I can see that he has presented a thorough and thoughtful analysis of this problem, the problem of allocating funds for our national defense so as to increase support of basic scientific research.

In the past, as he has pointed out, this has kept our military second to none and has advanced our economy.

It is difficult to get an attendance of Senators at this time of day, with committee meetings going on all over the place and Senators having too many committees and subcommittees to attend, many of which are meeting simultaneously. I am sure, however, they will read this speech with interest.

In addition to the fine speech he has just delivered, the Senator already has made a fine service contribution in the Committee on Armed Services; and I

am sure that we are all indebted to the Senator for keeping the military funding as strong as it is in the legislation with which we are dealing today. I compliment the Senator.

I am very pleased that in his last lines he says that he, for one, will continue to make his case to the Defense Department and to the Senate in the future.

He has added to the growing debate on this issue. He has put his finger on probably what is the most important aspect of our national security, and that is the need for basic research, and the funding for basic research. We must provide money for basic scientific research which in the future will allow the United States to maintain its technological lead. This is important not only from the standpoint of defense but also from the standpoint of the economy.

I thank the Senator for yielding.

Mr. BINGAMAN. I thank the minority leader for his fine comments in support of this position. I appreciate the help he has provided to me in my first few months in the Senate, in this matter and other matters in which I have taken an interest.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, not to extend beyond 11:30 a.m., with statements therein limited to 3 minutes each.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PRESSLER). Without objection, it is so ordered.

THE CHALLENGE OF MEXICO

Mr. JACKSON. Mr. President, in this morning's Washington Post, Richard Cohen describes in graphic detail the challenges facing the impoverished masses in Mexico. For some time now, I have been emphasizing that the focus of our security concerns in Central America needs to be the stability of Mexico. Mexico represents some 79 percent of the land mass and some 76 percent of the population of the Central American isthmus. Mr. Cohen's article profiles the material conditions of life of just one of Mexico City's slum inhabitants. It is a shocking picture. It underscores the fact that the root causes of political upheaval in the region are the incredible economic deprivations and social injustices. And I believe it gives added testimony to the need for the U.S. Commission for Central American Policy that both Senator MATHIAS and I have called for in Senate Resolution 158. I urge my colleagues to join us in that resolution if they have not done so and to give Mr. Cohen's article a close reading. I ask unanimous consent that the article be printed in the RECORD.

[From the Washington Post, July 14, 1983]

TIME BOMB

(By Richard Cohen)

MEXICO CITY.—Carlos Poo's house is located on an unpaved street that is not on the map. You reach it by driving past mounds of garbage where the poor scavenge for tin cans but also—if there is any—for food, until you can go no farther.

There, Carlos lives in two rooms, one of them a kitchen, with his wife, their eight kids and an abandoned child named Alexander whom they took in. Alexander is either 7 or 8—no one knows for sure.

Carlos' house is one of 11 that shares an outside spigot for water. His roof is falling in, but at least he has one. There is electricity, but no phone, a closet for a commode, two beds in the living room, a trench nearby for waste water, a television tc show him that some of the world lives better and crucifixes galore on the wall to help sustain Carlos' belief that someday he will, too.

Twelve hours every night Carlos drives a cab. At the end of his tour, a man named Santos takes the cab, a Dodge Dart, and drives it for another 12. Santos lives better than Carlos does, but not much. He has six children, one of them retarded, the youngest and last of them, a girl, aged 2. Santos' wife hemorrhaged during that birth and died.

You may think that you are being introduced to two of Mexico's foremost hardship cases. Far from it. Santos and Carlos, partners in the business of driving someone else's cab, are typical. There are 16 million people in Mexico City, and 5 million of them live in some of mankind's worst slums.

Some of them have always lived there, but some are new arrivals—pushed into poverty by this country's recent economic collapse. Santos, for instance, is being forced by rising rents out of the neighborhood where he has lived for 30 years and fears that he, too, may have to live in one of the slums.

Welcome to the home office of the Ultimate Threat. If the Ultimate Threat is not the bomb that will come from the sky, but the bomb that is ticking in the Third World, then this—and not necessarily El Salvador or Nicaragua—is what we should be worrying about.

If President Reagan is right, if the threat is "foot people" and not boat people, then the so-called Lost Cities of Mexico—immense, fetid shantytowns rich in only dust and despair—will be the port of embarkation.

Here, the roads are cratered and unpaved. Here, the houses go up on someone else's land literally overnight. They are made of brick and stone and rock. They are made of corrugated steel and wood from crates and, if need be, paper. They have no water and maybe some electricity but the one thing they have—always and in great abundance—is children. The children, dirty, sometimes naked, always in rags, are everywhere.

There are kids running. There are kids skipping. Kids push wheelbarrows and carry pails of water. Kids deliver milk and they kick soccer balls. They walk in groups and alone. They ride bikes and they are carried on the hips of women. They are petted and they are hugged and they are slapped and they are hit. They either wear shoes or they don't; they either wear clothes or they don't. They will either come and share what we have, or they will not, but why they do not is beyond me.

For the moment, though, the poor have come here. They have come from other parts of Mexico, seeking jobs, and as incredible as it seems, a better way of life.

What they find is an endless commute on a broken-down bus to the city itself, air that is hardly fit to breathe, traffic that makes midtown Manhattan seem wide open, and pitiful living conditions. More than half the families live in a single room. More than half of them have more than six children.

That is more or less the life of Carlos Poo. Sitting at a table in the one room that is not a kitchen, old at 47, children climbing all over him, he tried to smile, he tried to keep awake, and I tried to imagine how someday, maybe, someone will talk about him in terms of East and West, us and them, Marxism and all the rest.

They will not understand that whatever fuels him will not be ideology, but something more basic—another room, enough food and a night's rest.

EVANGELICALS BACK NUCLEAR FREEZE

Mr. PROXMIRE. Mr. President, to this Senator the most encouraging development with respect to the nuclear arms race over the past year or so has been the growing public support for a nuclear freeze. Recently I called the attention of this body to the fact that after discussions and debate in detail, a poll of 8,000 respondents to inquiries by the Foreign Policy Association showed a whopping 74 percent in favor of the nuclear freeze. On July 7, the New York Times reported that a Gallup poll showed that even among a group regarded as among the most politically conservative, there is strong support for the nuclear freeze. The poll showed that a decisive 60 percent of those evangelicals questioned said they favored the nuclear freeze. Evangelicals were identified as including a belief in Biblical literalism, a conversion experience, and a commitment to evangelism. The Times estimates that there are more than 40 million evangelicals in the country.

This response was particularly impressive in view of the fact that 38 percent of the responding evangelicals believed that the Soviet Union held nuclear superiority, a belief incidentally which this Senator believes is contrary to the facts.

Incidentally, in the overall poll, a solid 75 percent approved of the mutual freeze, 15 percent higher than among the evangelicals. But the 60 percent support for the freeze by evangelicals is specially impressive as President Reagan addressed the annual meeting of the evangelicals in Orlando, Fla., on March 8 and urged opposition to the freeze.

Mr. President when we add this latest evidence of the sentiments of what is probably the most conservative of the large religious groups in this country to the overwhelming evidence of referenda conducted in many States last year, it is clear that the people of this country strongly favor our negotiating a mutual, verifiable halt to the testing, production, or deployment of nuclear weapons by the Soviet Union and the United States.

I ask unanimous consent that the article by Kenneth A. Briggs in the Thursday, July 7, New York Times, headlined "Poll Finds Evangelicals Back Nuclear Freeze," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 7, 1983]

POLL FINDS EVANGELICALS BACK NUCLEAR FREEZE

(By Kenneth A. Briggs)

A survey of evangelical Christians shows that more than half of them support the idea of an immediate verifiable freeze on the testing, production and deployment of nuclear weapons by the United States and the Soviet Union.

According to a Gallup survey conducted for the National Association of Evangelicals, the nation's largest evangelical organization, 60 percent of the evangelicals questioned supported such a freeze. There are more than 40 million evangelicals in the United States.

Evangelicals' opinions were recorded in a larger poll of 1,540 adults. Seventeen percent of the total survey, or 358 respondents, were identified as evangelicals under the survey's tests, which included belief in Biblical literalism, a conversion experience and a commitment to evangelism. The margin of error in a group the size of the evangelical sample is 7 percentage points.

Evangelical attitudes were generally shown to be similar to those of the entire sample. For example, 38 percent of evangelicals said they believed the Soviet Union held nuclear superiority over the United States, while 36 percent of all respondents said the same.

Forty-one percent of the evangelicals said they approved of President Reagan's handling of the nuclear arms issue, against 43 percent of the overall survey. The evangelicals were somewhat less likely than all respondents to disapprove by a percentage margin of 26 to 34.

Fifteen percent of the evangelicals and 22 percent of the larger sample said the United States should undertake a freeze even if the Soviet Union refused while 67 percent of evangelicals and 68 percent of the general survey were opposed.

With regard to the concept of a mutual freeze, endorsement in the overall poll was 75 percent, 15 percentage points higher than among the evangelicals. But analysts of evangelical trends regarded the substantial support for the freeze concept somewhat surprising considering the conservative nature of evangelicals.

"Evangelicals are showing that they are very concerned about the arms race," said Richard Cizik, a legislative researcher for the Washington office of the National Association of Evangelicals, "though their support for the freeze seems somewhat qualified." Mr. Cizik said he hoped the poll would correct widespread "misunderstandings" of evangelicals as sharply at odds with other Americans on the arms race.

On March 8, President Reagan spoke to the annual meeting of the National Association of Evangelicals in Orlando, Fla., using the occasion to denounce the Soviet Union and urge opposition to the idea of a nuclear freeze. The rousing ovation given the President was interpreted by some analysts as indicating overwhelming opposition to the concept by evangelicals.

The in-person interviews were conducted throughout the nation from May 13 to 16.

AMNESTY INTERNATIONAL AND CAMBODIA

Mr. PROXMIRE. Mr. President, there are frequent reports in the press about tragedies around the world which show the need for ratification of the Genocide Convention.

Let me tell you of one such article which recently appeared in the Atlanta Constitution. It reported on the 3-day annual meeting of the U.S. chapter of Amnesty International. One feature of the meeting was an exhibit entitled "Cambodia Witness," which tells the grim story of a Cambodia brutalized by the reign of Pol Pot from 1975 to 1979.

Between 1.5 million and 2 million Cambodians were killed by this regime through systematic purges, massacres, and random executions. The Cambodian Government under the Khmer Rouge denied their citizens the basic human right to exist.

The 52-photograph exhibit features pictures of shrines sacked by the Government, human skulls stacked to the ceiling of an abandoned warehouse, and mass burial pits on the edge of a jungle.

Arn Chorn, a 17-year-old Cambodian refugee, addressed the meeting. Chorn had seen his father killed by Khmer Rouge soliders and lived for several years in one of the Pol Pot regime's prison camps.

For Chorn, the photographs bring back brutal memories. He said, "I have seen these things. Sure. At the labor camp, Wat Ak, they kill 9, 10 people every day. They make us watch."

It is often difficult for those living in the comfortable security of America to imagine that atrocities of this magnitude have occurred so recently. But we must remember that the Cambodian Government under the Khmer Rouge was not and still is not the only government that terrorizes its people.

Former President Jimmy Carter attended the Amnesty International meeting and expressed disbelief over the failure of the U.S. Senate to ratify the Genocide Convention. He said, "Our country still has not joined the substantial majority of countries which has condemned the mass murder of people by governments."

We must affirm our commitment to the prevention of human rights violations by ratifying the Genocide Convention immediately. While such an action will not prevent all massacres in the future, it may help to prevent some.

Mr. President, the United States is a leading advocate of human rights and cannot ignore the importance of the Genocide Convention. It is crucial that we make every possible effort to prevent future instances where acts are committed with the intent to destroy a national, ethnical, or religious group. I strongly urge my colleagues to join this international effort by ratifying the Genocide Convention.

CONGRATULATIONS TO SENATOR JACKSON ON BEING NAMED "ENERGY STATESMAN OF THE DECADE"

Mr. BRADLEY. Mr. President, I would like to call attention to the honor recently bestowed upon our colleague, the senior Senator from Washington and the ranking minority member of the Energy Committee, as he was recently named "Energy Statesman of the Decade" by the Americans for Energy Independence (AFEI). At the awards ceremony, Senator JACKSON's foresight was described by Dr. Hans Bethe, Nobel Prize winner and chairman of AFEI:

> Years before our present crises confronted us, he sponsored a national policy that might have prevented it. Years ago he warned that the increasing dependence of the West on oil from Arab countries could lead to blackmail and could jeopardize the U.S. economy.

In his acceptance speech, Senator JACKSON outlined several important components of a responsible energy policy. He emphasized the importance of rapidly filling the strategic petroleum reserve at the congressionally mandated fill rate of 300,000 barrels per day. Just last week, however, the President decided that he would fill the reserve at a lower level. The administration should heed Senator JACKSON's warning. Oil prices are headed down and significant national security as well as Federal budgetary benefits could be realized by an accelerated SPR fill.

Senator JACKSON also called for renewed attention to contingency planning for an oil supply interruption. Again, the administration would be well advised to consider in advance how it will supplement market forces with financial assistance to State Governors and individuals to enable them to cope with higher market prices. Waiting for the disruption to occur before putting such a plan in place almost guarantees a return to oil price controls and allocations.

These warning signals are the important components of Senator JACKSON's energy prescription. The AFEI honored this energy statesman last week;

the Senate should do so today; and the administration should heed his advice.

I ask unanimous consent that the full text of Senator JACKSON's acceptance speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR HENRY M. JACKSON

I am grateful for the honor done me tonight by Americans for Energy Independence.

This award is especially meaningful because during the seven years since AFEI started, you have earned a reputation for taking a pragmatic and constructive approach to energy issues. You have demonstrated that a genuine coalition—representing broadly diverse interests—can be forged on complex and controversial issues.

AFEI is making a valuable contribution in keeping national attention focused on the urgent need to manage and direct our nation's energy future. We welcome AFEI's presence and counsel on Capitol Hill—in conferences, seminars, hearings and in private sessions. Yours is an organization with a mission that truly serves the public interest.

There are others in town who do not share our view. They might even assume we're having a victory celebration here tonight. They seem to think the energy crisis is over—I suppose they even think we won.

For a while, it is true, great progress was being made on the energy front. Over the last decade, a bipartisan effort in Congress led to some 25 major laws. Together they formed a strong national energy policy.

The centerpiece is the Energy Security Act of 1980. It charted a new course for America—a guide to energy independence. We committed ourselves to an ambitious program to produce, save and develop energy.

Now the program lies dormant—a victim of Administration neglect, a temporary glut of oil, and most important, a world-wide recession.

In fact, the energy problems that confronted us in the 1970s are not gone. They are not resolved. They are merely postponed. We can face up to them now or later.

For the foreseeable future, even if all our efforts with conventional sources, synfuels, renewables and conservation were going at full steam, we would still need to import petroleum. We will continue to rely on imports from abroad—especially the Middle East. And the threats to Middle East oil remain. They are real and they are substantial. The stability of leaders and institutions in this region are as fragile as ever. The potential for disruptive terrorism is enormous. The Soviet presence—and their opportunities for expanding influence—are ignored at our peril.

Today's oil "glut" could be tomorrow's shortfall by an overnight Persian Gulf coup. And the orderly and reasonable functioning of markets could be overwhelmed by the sudden panic of the unprepared.

Economic recession, now plaguing much of the world, is the principal cause of the sharp drop in energy demand and prices. It's not due to any free-market magic.

You don't need oil to run a factory when the factory's shut down. And you don't buy gasoline to drive to work—if you're out of work. It's that simple.

Nothing else has changed. As soon as economic recovery begins, demand for petroleum will increase.

In short, there is a close link between U.S. economic, energy and national security problems. Access to oil imports rests in no small part on the strength and credibility of our defenses. Our economic strength, particularly our ability to control inflation, depends in large measure on our ability to hold down the price of oil.

The economic threat to developing nations is even greater. A substantial amount of the $600 billion or so Third World debt to the West is due to high energy costs. These debts, and the ability to repay them, threaten the entire international financial system.

Linkage between energy, economics and national security is inescapable. And it will be a dominant part of national policy in the 1980s and beyond.

Other industrial nations are making concerted efforts to achieve greater energy security. They are forging partnerships—of industry, labor and government—to set priorities and deploy resources to meet established goals. We must do the same and more. We must lead the way.

Government has to be a partner and play a critical leadership role. Individual energy companies cannot plan national energy policy for the 1990s and beyond. They cannot, by themselves, engage in long-range, multi-billion dollar research when the payoff for those efforts is years and years away. They cannot build high-risk, first generation plants for new technology without government participation.

Most industry leaders opposed a government synthetic fuels program back in 1975 and even later as unnecessary. They said industry could and would do the job. Now, almost a decade later, only two projects are going forward—Union Oil's oil shale and American Natural Resources' coal gasification—and both with government participation. Most everyone else has bailed out.

The objective of U.S. energy policy should be reduction of oil imports to the point where they are marginal to our energy needs. We must have aggressive development of domestic alternatives—whether fossil fuels, nuclear or new forms of energy. We cannot afford to ignore any promising alternative, especially that of using what energy we do have more efficiently.

The Administration is fortunate. An ironic benefit of the recession is that it has bought time for us to gain ground on our energy problems. The decline in energy demand gives us the time we need to implement energy programs. We should speed up the effort—not abandon it.

There are important steps the Administration can take to stem the tide and put our energy policy back on course.

The President should maintain and expand the programs begun three years ago. Taking a leaf from the President's own notebook, I would suggest he "stay the course" on energy policy.

First, the President should give a high priority and a new commitment to energy. He should fully abandon any plan to abolish the Department of Energy. Five years ago, a bipartisan majority in Congress voted to organize energy programs into DOE. It was necessary then, and is more so now—to effectively manage, direct and plan the nation's energy programs now and in the future.

It was a tragedy that the DOE got caught in an ideological crossfire during the election campaign two years ago. The critics' argument boiled down to the point that we must eliminate DOE to reduce burdensome government regulations. The fact is less than one percent of DOE's budget goes for administering regulations—and that includes FERC which would not be eliminated in any event.

Everyone in Congress knows the proposal to dismantle DOE is going nowhere. But a Presidential voice of confidence is needed to restore credibility to the agency. Our friends and allies—as well as our adversaries—need to know America is keeping its commitment to meeting its own energy problems.

Energy Secretary designate—Don Hodel—needs that statement of resolve in order to recruit and keep good people on his team—people secure in the knowledge they are being hired for an important national mission, not to pack boxes during DOE's demise.

Second, the President should move swiftly to fill the Strategic Petroleum Reserve at the rate set by Congress—300,000 barrels per day. Right now the rate is well under 200,000 barrels per day and the Administration is planning to fill at a rate no more than 220,000 barrels per day next year. The money is available, supplies are good and the price is relatively cheap.

Third, the President should assign a high priority to contingency planning in the event of a major oil supply interruption—something I believe is a matter of when, not if. Already, Congress has forced contingency planning upon the Administration, but we were unable to convince them of the need for even minimal standby authority to deal with oil shortages.

It is not too late to gain some advantage if we act now. As Shakespeare said:

"There is a tide in the affairs of men
Which taken at the flood leads on to fortune;
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures."

Fourth, the Congress and the Administration should work together to get a synthetic fuels program underway. The Synthetic Fuels Corporation should announce its intention to proceed with government-owned company operated projects—GOCO's—if private enterprise does not come forward with worthwhile proposals.

Fifth, Congress should move quickly—this year—to pass a nuclear waste bill.

Sixth, Congress and the Administration should work together to restore nuclear power to its proper role; to make coal more environmentally acceptable; to make solar, other renewable energy sources and conservation more economic; and to develop oil and gas without destroying our environment.

These actions will determine whether we will be able to set our own economic destiny, or have it dictated by others.

We must move with a new sense of urgency to build an energy future that once again spurs economic growth.

If we are to be successful we must approach the task in the spirit of compromise, not confrontation, and with a willingness to rely on reason, not ideology. It will take bipartisan effort by the Congress and the Executive; the Federal Government and the States and localities; industry and consumers; developers and preservationists; and other producing and consuming nations.

All must be willing to work together to identify areas of agreement and disagreement, make their arguments, and work to develop acceptable solutions.

If we do, we can revive the economy, maintain a healthy environment, and achieve energy independence.

NATIONAL BAR ASSOCIATION'S THIRD ANNUAL GROUP ADMISSION CEREMONY

Mr. BRADLEY. Mr. President, I wish to take this opportunity to congratulate all of the members of the National Bar Association who were admitted to the Bar of the Supreme Court on Monday, May 23, 1983. These new members were admitted during the bar association's third annual group admission ceremony which was sponsored by the women lawyers division. I would especially like to recognize Dolores Pegram Wilson, a vice president of the National Bar Association and a resident of Freehold Township in Monmouth County, N.J., who was bestowed the honor of presenting the group admission to the Supreme Court. In fact, it was Ms. Wilson who established the ceremony in 1981 during her tenure as president of the Women Lawyers Division of the National Bar Association.

Attorneys representing the bars of eight States and the District of Columbia participated in this year's ceremony and included the following: Tom L. Larkin of Alabama; Peter Anthony Greenlee, Ella Pearl Harris, William H. Harris, Jr., Cecilie Annette Vaughters and N. Denise Wilson-Taylor of Washington, D.C.; Malcolm S. Robinson of Illinois; Pinkie Carolyn Wilkerson of Louisiana; Harvey Leroy Kennedy and Harold Lillard Kennedy III of North Carolina; Patricia Bowen Atkins of New Jersey; Linda Nanline Awkard of New York; Julia Tondaleah Brown and Kimberly Jo Robinson of Oklahoma, and Senfronia Thompson of Texas.

The reception which followed the ceremony was attended by Chief Justice Warren E. Burger, Justice Lewis F. Powell, Justice Sandra Day O'Connor, Alexander Stevas, Clerk of the Supreme Court, as well as the families and friends of the admittees. The reception hosts included Jacquelyn Rucker Davis, president of the women lawyers division, Lenore Cameron, chairperson of the admission ceremony, and officers and representatives of the National Bar Association.

REAL AMERICAN HEROES ESSAY CONTEST

Mr. BRADLEY. Mr. President, I rise today to call the attention of my colleagues to the accomplishments of Kerri Martin, age 11, of Freehold, N.J. Kerri was recently named the northeastern regional winner in the GI Joe Real American Heroes Essay Contest.

Over 4,500 students across the country participated in this contest, and Kerri's essay was chosen as the top entry from New Jersey. Kerri then went on to receive national recognition as the northeastern regional winner. I am delighted to have the opportunity to insert this essay into the CONGRESSIONAL RECORD. Kerri's essay has simply yet eloquently captured the essence of American heroism. I am proud to join with the people of New Jersey in congratulating Kerri on her outstanding accomplishments.

KERRI MARTIN, STATE ESSAY WINNER

I believe a real American hero is a person who admires the best qualities in others and puts them into his own life. The creativeness of Edison, the dedication of Salk, and the honesty of Lincoln are important to me. I also admire the strength of our fathers who work for us and the love of our mothers who care for us. Each of us respects different heroes. We must look to their finest traits and make them our own. No one hero made America great. We should each strive with our best effort to be our own hero.

THE MANATEE

Mr. BRADLEY. Mr. President, as we wrestle with the difficult choices involved in allocating America's vast resources among competing claimants, we are occasionally reminded that there is also a nonhuman constituency out there that is worthy of our concern and attention. I was recently reminded of this by an article in the New York Times on the plight of the manatee or sea cow.

A manatee is a seafaring mammal that has inhabited our planet for at least 50 million years. Its closest living relative is the elephant. Like other higher mammals, manatees breed quite late, appear to mate for life and have a long gestation and nursing period.

While these features might have endowed the manatee with a superior intelligence and gentle disposition, they have also reduced its chances for survival in today's world. According to the New York Times, the defenseless manatee is:

Being destroyed primarily by the propellers of power boats, the lines and traps of fishermen, malicious attacks by people and perhaps even the herbicides used to clear Florida waterways and aquatic weeds that are the manatees' primary food.

The claims of our own species must be paramount and it would be indeed vain to indulge in sentimentality over the fate of lesser creatures like the manatee. Yet surely in the grand scheme of things, there is not only room for concern about the fate of such animals—rather our very humanity compels us to care.

In this regard, I am reminded of Samuel Taylor Coleridge's famous poem, "The Rime of the Ancient Mariner." In that poem, a mariner wantonly shot an albatross that had followed his ship for many a mile and that his fellow sailors believed had brought good luck for their venture. This act brought the wrath of God and Nature upon the mariner and his crew, condemning them to a nighmare life-in-death journey for the mariner's crime against the natural order. Ultimately the mariner is redeemed through his understanding that:

He prayeth well who loveth well
Both man and bird and beast.
He prayeth best who loveth best
All things both great and small
For the Dear God who loveth us
He made and loveth all.

I recommend the article to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPTIVE BREEDING MAY BE LAST HOPE OF "SEA COW"

(By Jane E. Brody)

Manatees, the seafaring mammals once thought to be mermaids, may soon go the way of dinosaurs and woolly mammoths unless their only enemies—human beings—become their active protectors.

In Florida, where the manatee's plight has attracted considerable scientific, if not public, attention, annual mortality among these gentle "sea cows" now greatly overwhelms their reproductive ability to replace their losses. Last year at least 123 manatees died there but only 60 to 80 were born to the population of about 1,000 animals, the only survivors in North America.

Some experts believe breeding manatees in captive colonies, where births do exceed deaths, may be the animal's only hope for salvation. Ruth Francis, a veterinary student at the University of Florida in Gainesville who once trained killer whales at the Miami Seaquarium, said, "The manatees are reproducing in captivity better than we'd ever thought possible." Until 1975, when Romeo and Juliet produced Lorelei at the Miami facility, it was thought manatees would not breed in captivity at all.

But even here, breeding efforts are hampered by the meager knowledge of the habits, biology and chemistry of a creature that has inhabited the earth for at least 50 million years. Recent studies call into question many of the "facts" long thought to be known about the manatee, especially with regard to its dietary habits and reproductive characteristics. For example, hormonal studies by university and seaquarium scientists showed that the females are not ready to breed until the age of 7 or 8 (twice as old as previously believed) and that the gestation period is closer to two years than the 13 months stated in the literature, according to Dr. Paul T. Cardeilhac, a reproductive biologist at the University of Florida.

IMPROVING ABILITY TO REPRODUCE

"The calves nurse for at least a year and sometimes two, so it takes about four or five years for an animal to have a second calf," Dr. Cardeilhac explained. "If we could lower it to two years, we could increase the manatee's reproductive efficiency by two-fold and use captive animals to help offset the negative reproductive balance in the wild."

Dr. Cardeilhac, who has succeeded in producing alligators through artificial insemination, hopes eventually to use the technique with manatees to help prevent inbreeding of captive populations and to reduce the number of males needed in captivity. The manatee appears to mate for life,

meaning that currently a male is needed for each breeding female.

Reproductive success in the captive colonies followed an improvement in the animals' diet, which once consisted almost solely of iceberg lettuce. Even on lettuce, the cost of feeding two manatees is about $1,700 a month. Captive animals are now given a variety of vegetation as well as vitamin and mineral supplements.

The manatee's closest living relative is the elephant. Having evolved from land mammals, it still bears vestiges of terrestrial origins in the form of toenails at the ends of its flippers.

SIMILARITIES TO ELEPHANT

According to Dr. Thomas M. Dick, a Florida veterinarian and naturalist who has done many dives in search of the manatee, its dental structure and sexual behavior closely resemble that of the elephant. But in place of legs, the manatee has flippers in front and a tail, or fluke, at the rear which it uses to swim. The manatee can live for long periods in fresh or salt water.

To look at the bulldoglike face and torpedo-shaped body of the manatee, it is hard to imagine that even a sea-crazed sailor would mistake it for a mermaid. The animals have tiny pig-like eyes, bristling snouts and grow to 10 to 12 feet and up to 2,000 pounds. Yet, these shy gentle mammals were given the family name of Sirenia (sirenias is Spanish for mermaid) to reflect their seductive powers for men who for months at a time knew no other female than the one on the bow of the ship.

FACING MODERN DANGERS

There are now only four species left of the once populous family of sirens. The largest of them, Steller's sea cow, was obliterated by hungry seal hunters just 27 years after its discovery in the Bering Sea in 1741. The species living in Florida is the West Indian manatee. There is also an Amazonian manatee, a West African manatee and a close relative, the dugong, which inhabits Indo-Pacific areas. They have long been overexploited for such things as meat, oil and hide.

Today, the defenseless West Indian manatee is being destroyed primarily by the propellers of power boats, the lines and traps of fishermen, malicious attacks by people and perhaps even the herbicides used to clear Florida waterways of the aquatic weeds that are the manatee's primary food.

According to Ruth Francis, manatees are "in the way" of people trying to turn Florida's entire coastline into a residential and resort paradise.

Yet, Dr. Cardeilhac believes co-existence might be possible if more people were aware of the manatee's fragility and respected its turf. Such simple measures as keeping power boats out of areas where manatees congregate in winter could greatly reduce manatee deaths, he said in an interview. Equipping boats with propeller guards would also help.

Among the factors contributing to the manatee's high mortality rate is that the ponderous animals move too slowly to escape approaching power boats. They also rest, sleep and breathe at the surface. And they are very curious and may actually be drawn to boats and places where encounters with people and their equipment may lead to injury and death.

CONGRATULATIONS TO NASA

Mr. HEFLIN. Mr. President, as the Senate concluded its work prior to the July 4 recess, NASA was taking the final step in saving a very important and costly communications satellite. NASA's recent effort is typical of the success stories we and the general public come to expect of them. Perhaps because of this tendency we might overlook the importance of this accomplishment.

While the successful development and operation of the space shuttle deserves the international acclaim it receives, we should remember that one of the critical systems necessary to an effective shuttle system and space program is the communications network. In this regard NASA developed the tracking and data relay satellite system. The first satellite for this system was launched in April. As the press duly noted, a booster malfunction placed the satellite in the wrong orbit. At one point, NASA feared they had lost the $100 million satellite altogether.

Through a cooperative and determined effort, NASA with the help of the Air Force and the TRW Co. saved the satellite. On June 29 NASA was able to place it in its proper geosynchronous orbit. The loss of the satellite would have dealt a blow to our national security capability, our space science efforts and our Landsat remote sensing program. Secondary repercussions would have been numerous. What could have been a major technological disaster was turned into a great victory for the NASA team and the Nation.

I would like to call attention to this fine effort. Mr. James Beggs, NASA's Administrator, along with Mr. Robert E. Smylie and Mr. Robert O. Aller and the many support personnel in NASA, the Air Force and TRW deserve our congratulations for a job well done. This accomplishment ranks among the most significant achievements in NASA's 25-year history.

Mr. President, I ask unanimous consent that a recent article on the satellite rescue appearing in Aviation Week and Space Technology be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Aviation Week & Space Technology, July 4, 1983]

CONTROLLERS EASE TDRS INTO PROPER ORBIT

(By Bruce A. Smith)

LOS ANGELES.—First National Aeronautics and Space Administration/TRW/Space Communications Co. Tracking and Data Relay Satellite (TDRS-A) reached geosynchronous orbit June 29 after several weeks of carefully easing the spacecraft from an unplanned lower orbit to its proper geostationary position.

The satellite, first of four in the planned Tracking and Data Relay Satellite System (TDRSS), was launched from the space shuttle Challenger in a low Earth orbit Apr. 5, to be carried into geosynchronous orbit a short time later by an Air Force/Boeing inertial upper stage booster. However, a malfunction in the booster left the satellite spinning in a 21,950 × 12,600-mi. elliptical orbit (AW&ST) Apr. 11, p. 19).

STABILIZATION ACHIEVED

Ground controllers succeeded in separating TDRS-A from the IUS and stabilizing the spacecraft in its elliptical orbit, but then were faced with the task of moving the satellite to a 22,300-mi. circular geosynchronous orbit without the help of a booster. This was accomplished over the past several weeks using the satellite's onboard attitude control thrusters to push the satellite slowly to the higher orbit.

The task was completed last week on the 39th burn of the thrusters, which lasted 5 min. 48 sec. and put the TDRS in the required geosynchronous position above the Earth. The spacecraft weighed about 5,000 lb. at the start of repositioning, while the thrusters used to move it to the higher orbit generate about 1 lb. of thrust each. A TRW executive described the repositioning task as "equivalent to moving an aircraft carrier with an outboard motor."

The movement to higher orbit required the use of about 817 lb. of hydrazine fuel, leaving the TDRS with about 501 lb. of fuel for attitude and station-keeping functions over the projected 10-year life of the satellite. Program officials estimated that only about 200 lb. of hydrazine would be needed over this period, leaving a comfortable margin in spite of the orbit correction. The excess hydrazine on board the satellite was the result of an earlier change in its intended mission, which left it with considerably more fuel than necessary for the current TDRSS mission.

The original schedule for TDRS-A provided for 30 days of spacecraft testing and 60 days of systems testing before the satellite became operational. That schedule is being accelerated, however, so that the TDRS will be available for tests with the eighth space shuttle mission and for operational use with the ninth mission.

It will also begin operations with the Landsat Earth resources satellite in the next several weeks.

Initial checkout of the TDRS with its ground control station at White Sands, N.M., was scheduled to begin last week.

TRW officials said they plan to change the surface coating of the protective covers on the thrusters on the future TDRSS satellites to a black outer coating instead of the present gold finish to increase the amount of heat radiated to space from the thrusters. The change is designed to make the thrusters operate at colder temperatures in the event that other Tracking and Data Relay Satellite spacecraft undergo extensive orbital maneuvering in the future.

The second TDRSS satellite is to be placed in storage at TRW until its launch on the space shuttle. TRW officials said NASA has indicated that launch of the second spacecraft will not occur before March, 1984.

The satellite will be taken out of storage for tests in about six months, and modifications to the surface coating of the thruster protective covers will be made then, officials said. The modification will not require major disassembly of the spacecraft.

TRW officials last week were conducting a study to determine if the storage period would affect any of the systems or equipment on the spacecraft in terms of design lifetime once the satellite is launched. Typi-

cally, project officials delay final assembly of components that are sensitive to storage life—such as battery systems—if it is anticipated that a satellite will be placed in storage for long periods of time.

In the case of the second TDRS vehicle, however, the satellite is essentially complete and ready for shipment. Production operations are continuing for the third spacecraft, which could be launched during July, 1984.

UNUSUAL WEAR

Project officials said the efficiency of thruster operation as of last week had remained very high, despite a very unusual wear pattern. "We are operating now with a set of thrusters that have had nearly 900 lb. of fuel run through them in a period of 60 days," William Harper, deputy program manager for TDRSS at TRW, said. "That kind of utilization normally would occur over a 10-year period.

"Because we have had to increase the orbital energy of this orbit, we have ended up using the same two thrusters all the time for thrust, and the same set of thrusters for attitude control during the thrusting event, so we have had a very unusual wear pattern," he said. "About the only measure on orbit that we have of wear and tear is in efficiency of operation, and efficiency of operations has remained remarkably high.

"We have analyzed all of the data associated with the thrusters, and we have been extremely pleased with their performance," Harper added.

Activities scheduled after reaching orbit included gyro drift rate calibrations and turning on payload equipment such as the forward and return processors, low noise preamplifiers and traveling wave tube amplifiers.

First user is expected to be Landsat during a period of about four days between the last week of July and the first week of August. The spacecraft also is scheduled to provide service for the eighth space shuttle mission on an experimental basis, during which shuttle voice communications may be processed through TDRS-A during about half of the shuttle orbit.

SYSTEM CHECKOUT

The shuttle experiment will be conducted with only about 30 days of satellite checkout and no system checkout, although the engineering simulation test laboratory at Johnson Space Center will be operated with TDRS after the Landsat demonstration. The test laboratory is capable of simulating space shuttle communications equipment.

The laboratory will be used again following shuttle Mission 8 and prior to Mission 9, when TDRS-A is scheduled to support Spacelab. Following the Spacelab mission, TDRS-A is scheduled to undergo 60 days of testing.

Normally, tests designated to demonstrate that the satellite fulfills its requirements would be run and the spacecraft then would be turned over to NASA for 100% user service and any further NASA testing.

However, NASA has asked that the spacecraft provide service on about a 25% minimum basis.

JUDGING POLISH MOVES

Mr. KASTEN. Mr. President, once again, the American press is euphoric over the possibility that a Communist country is about to liberalize its regime. The Pope's visit to Poland, we are told, has prepared the way for the lifting of martial law next week, or in September, or sometime anyway. But before we jump for joy about restoring normal relations with Poland, we ought to remember a little recent history.

In August 1968, the press was also euphoric about the situation in Czechoslovakia only days before Soviet airborne troops seized the Prague airport and armored columns rolled across the frontier to crush "Prague Spring." And in December 1981, the press assured us again that Solidarity had ended Poland's days as a doctrinaire Communist regime. But this time Soviet troops were not necessary to restore socialist order, as Polish soldiers and police crushed Solidarity on their own.

We should not be surprised, then, if martial law is not lifted soon. But even if martial law is lifted, what will it really mean? As Timothy Garton Ash pointed out in the New York Times of July 12:

The end of martial law on July 22, or in September, will return Poland to the normality of a police state.

Mr. Ash's article provides a little counterweight to the uncritical, even naive optimism that characterizes much of our press in its treatment of Communist countries.

I commend this article to the attention of all my colleagues, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 12, 1983]

JUDGING POLISH MOVES

(By Timothy Garton Ash)

OXFORD, ENGLAND.—Before the Reagan Administration hurries to restore "normal" economic relations with Poland, we should ask ourselves what are the real criteria for judging progress or regress under the Government of Gen. Wojciech Jaruzelski. Are there any realistic signposts for what is somewhat misleadingly called "lifting sanctions"—meaning the restoration of economic privileges, credits, trade and straight aid for the crippled Polish economy, and full international recognition for the Polish People's Republic?

The Polish authorities have been complaining loudly about the damage caused by Western sanctions. Deputy Prime Minister Janusz Obodowski said in a press conference before the Pope's visit that sanctions have cost Poland about $12 billion since December 1981. An Obodowski aide tried to explain to me how they arrived at this huge figure—nearly half the foreign debt. "Loss of most-favored-nation status, worth circa $90 million in 1982," he started confidently, "loss of fishing rights, circa $130 million, end of LOT flights to New York, circa $20 million. . . ." With $11.7 billion still to go, he trailed off into embarrassed muttering about maize and broiler chickens.

Economically, sanctions have not hurt half so much as the regime pretends they have—even when you include indirect effects such as lost production from plants dependent on Western imports. Western governments' refusal to negotiate the rescheduling of official debt was in practice a short-term benefit to Poland, which simply paid no interest in 1982.

Does this mean sanctions have been wholly ineffective, as many West European commentators maintain? It does not. The Polish Government's patent eagerness to see them lifted testifies to the contrary. Internationally, they have branded the Jaruzelski regime with the mark of Cain. And just for this reason they have been supported (insofar as one can judge under a system in which there can be no true public opinion) by the majority of Poles. In the darkness of the "state of war," the Polish people were grateful for them as beacons of solidarity—no more, no less.

But as I traveled around Poland, with and after the Pope, talking to people from all walks of life, I did detect a shift in attitude, part of a general sense that the Pope's pilgrimage might be a chance for new beginnings.

"The vital thing," one opposition intellectual said, "is for the West to distinguish between symbolic and real concessions." The lifting of martial law, he went on, would be an essentially symbolic concession. A senior Government minister unintentionally gave me the same message: "What is martial law? At the outset there were 35 special provisions and suspended civil rights. Now there are just five! Look around you, it hardly exists."

The end of martial law, on July 22 or in September, will return Poland to the "normality" of a police state. Elastic paragraphs that can be stretched to cover almost any activity have quietly been added to the criminal code. Provision for a "state of emergency" will be inserted into the Constitution. The police will still be a law unto themselves. Western obsession with the single gesture of lifting martial law is thus misguided.

A real concession, however, would be the release of political prisoners. This does not just mean an amnesty for the 147 people who the authorities say are still imprisoned for martial-law offenses. Like the Roman Catholic Church, the West must look also to the many people who have been convicted under the criminal code or detained for months pending trial. They include seven Solidarity leaders and five members of the former Workers' Defense Committee, known as KOR, whom the authorities would like to make scapegoats for all of Solidarity. "Our law does not punish for views," General Jaruzelski told the Pope, but these people are in prison for their views. If General Jaruzelski has the strength to practice what he preaches and release all these prisoners of conscience on July 22, then I believe the majority of Poles would welcome an encouraging response from the Western nations.

This would not be to "give up" on Solidarity. Weak though General Jaruzelski's Government is, it cannot be forced—not by the Solidarity underground nor the West nor the Pope nor the Black Madonna in all her glory—to restore Solidarity as it existed in 1980–81, a nationwide organization headed by Lech Walesa. But, as the Pope's visit triumphantly demonstrated, Solidarity survives as symbol, myth and precedent—as a set of values and ideals, a vast web of local initiatives and self-help.

Underground leaders of the outlawed movement now talk of a "long march through the institutions." In 1982, labor union law theoretically provided for workers

to form and register plurality trade unions in the factories, beginning at end of next year. Zbigniew Bujak, the Warsaw underground Solidarity leader, observed in a recent interview that this could be the moment for the underground to come overground since "trade union pluralism is one of the fundamental aims of Solidarity." But will the Government keep the promise of its own law?

Similarly, the West should watch to see if workers' self-management bodies, currently suspended in all important factories, recover some of the teeth that they acquired by law in the autumn of 1981—an achievement of Solidarity. When martial law is lifted, the 1981 Censorship Act (another achievement of Solidarity) should, in theory, come back into force. But the Government is preparing a new press law to "complement" it. Will censorship in practice be restored to its former tyranny?

Experience suggests that the West's economic power cannot be used directly to force Soviet-bloc regimes to concede more freedom, self-determination and pluralism to their citizens. But Western economic power can sometimes be used in indirect ways to encourage or facilitate moves in that direction.

Two weeks ago, General Jaruzelski agreed in principle to an extraordinary scheme by which some $2 billion from Western sources would be channeled into Poland's private agriculture through an independent foundation under church control. That is how badly he needs food to calm rebellious workers. Meanwhile, a number of Western-built plants in Poland stand idle for want of spare parts or raw materials, and the Jaruzelski Government badly wants to see those plants working again.

Like the Pope and the Poles, we should never lose sight of the ultimate goal: that Poland should once again be free, that the Poles should one day enjoy "the fullness of civil rights." But in working pragmatically toward that goal, we should take our lead from the Polish people—and we should not be more papal than the Pope.

RECOGNITION OF WISCONSIN VOLUNTEERS

Mr. KASTEN. Mr. President, I bring to the attention of my colleagues an outstanding group of volunteers in the State of Wisconsin.

Like most other States, Wisconsin is experiencing some very hard times. Hit by the recession, it appears that our recovery may be slower than that of the rest of the Nation. As a result, we have an increased need for social services at a time when the Government is holding the reins on spending.

Rising to meet this challenge, over 1,000 volunteers in Waupaca County, Wis., have contributed their time to help the elderly and disabled. Last year these individuals unselfishly gave over 30,000 hours of service to help those less fortunate than themselves. That translates into over $100,000 worth of services at the minimum wage level.

I particularly commend Anita Dobratz, volunteer coordinator of the Waupaca County Commission on Aging. Her dedication has been largely responsible for the success of the volunteer operation.

When Anita was hired 3 years ago to formulate a volunteer program for the commission on aging, there were less than 400 volunteers helping at Waupaca County's elderly nutrition sites. Today there are almost 1,200 volunteers participating in numerous volunteer activities. Under her direction, the volunteer effort has blossomed and become an integral part of the community services network.

Currently, there are 600 volunteers working at elderly nutrition sites throughout the county. In addition, 387 volunteers deliver meals to the homebound. All of these services, including transportation and expenses, are donated.

The commission on aging now has 63 volunteers trained by the county health service to be trained as blood pressure screeners. Certainly, projects like this add up to savings for the government.

In addition to these cost-effective services, the homebound elderly and disabled in Waupaca County now have the availability of special services when they are ill. One "sunshine chairman" volunteer in each community monitors the well-being of the infirmed, providing telephone reassurance calls, some home services, and assistance with homework and daily tasks. The homebound elderly receive cards from the volunteers during periods of illness and at Christmastime. Thirty-four additional friendly visitor volunteers provide needed comfort and companionship for the homebound elderly.

Another particularly successful project has matched up teen volunteers with the elderly and handicapped who need someone to answer mail, clean or perhaps help them get out for a walk. The result has been personally rewarding experiences for both the teen volunteers and the senior citizens they serve.

Debbie Stein, a 12-year-old volunteer from Manawa, has enriched her experiences and the lives of many elderly citizens in her community by participating in the friendly visitor program. At the same time, Julius Peterson of Iola, the oldest volunteer at 94, keeps himself active in the community by helping with the food service at his nutrition site. Elmer Sill, a retired salesman from Waupaca, remained busy sharing over 600 hours last year in the aging volunteer program and in service to the Wisconsin Veterans Home.

Unfortunately, Mr. President, space prevents me from naming all of the individuals who have devoted their time for the well-being of others in their communities. That makes them no less important. These people provide an inspiration for all of us and they deserve recognition and support from Congress.

Volunteerism is the very base of our free system and it will continue to be important as we work our way to economic recovery. By recognizing those individuals who have reached out to help others, we can foster this spirit of helping one another and encourage others to follow in their footsteps.

ORDER FOR SENATE TO CONVENE AT 11 A.M SATURDAY, JULY 16, 1983

Mr. BAKER. Mr. President, earlier today I announced that if we did not finish today we would be in tomorrow and perhaps in on Saturday.

I have done a little canvassing since that time, and I remain optimistic that we can finish the bill today and if not today, tomorrow. In all candor, I must say I do not think those chances are any better than 50-50.

Mr. President, I ask unanimous consent that when the Senate completes its business on Friday it stand in recess until the hour of 11 a.m. on Saturday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I do not quarrel with the order that the majority leader has entered. He told me in advance that it was something he was going to have to do.

What I wish to do is ask the majority leader if it should be determined that there is not going to be a Saturday session, and I say "if" because I have been in the same position at times having to schedule a Saturday session and then deciding later not to have it, when does he feel that it would be the earliest that he could let our respective colleagues know?

Mr. BAKER. Mr. President, it is always a problem when you schedule a Saturday session and do not do it.

Let me first reply to the minority leader by saying that I fully intend to follow through with that and to ask the Senate to be in session on Saturday. It is not meant to be a device or a trick. It is serious, and I expect we will be in on Saturday unless we can finish. If we can finish this bill tonight or Friday it is not my intention to ask us to be in on Saturday. But, as I say, I see less than a 50-50 percent prospect for that.

If it appears we can get a time certain for passage this evening or tomorrow, then, of course, I will vitiate that order.

Mr. BYRD. Does the Senator mean an order for final passage, get an order today or tomorrow for final passage, one day next week? Is that what the Senator is saying?

Mr. BAKER. No. As I have said so many times I feel it is urgently important that we finish this bill this week.

What I meant was a time for final passage late this evening or sometime tomorrow.

Mr. TOWER. May I intervene in this discussion, if the distinguished majority leader will yield? Actually we have only two really big controversial issues remaining. I do not say only two amendments but only two big controversial issues, and those are the B-1 multiyear funding issue and the MX issue. Both of these matters have been debated and debated and debated, and I think probably the attitudes of Senators toward these issues are pretty well set.

So it occurs to me we could finish tonight. We are taking up the B-1 multiyear funding this morning. We will take it up before noon, and I think we can dispose of it early afternoon.

That leaves the MX as the next big burning issue. There is no reason in the world why we could not go through a sequence of amendments that I think are intended to be offered on the MX this afternoon and dispose of them. I think once having done that the remaining amendments, which are not inconsequential but less interesting, let me say, I think they can be dealt with in a timely and expeditious fashion.

Mr. BAKER. I can assure both the distinguished minority leader and the manager of the bill on this side if there is any change in that plan, that I do not foresee at this time, I will announce it at the earliest possible moment. But at this time I think Senators should assume, and assume on a high level of probability, that we will be in Saturday. The only way I see to avoid that is if we can finish the bill this week prior to convening on Saturday, and I hope we can.

Mr. BYRD. Mr. President, the majority leader has people on his side who have scheduled engagements on Saturday. I have people on my side who have scheduled engagements on Saturday. It presents no problem to me. I will be here with the majority leader. But if we are going to have a Saturday session are we going to have votes?

Mr. BAKER. Yes; I would fully expect votes on Saturday.

Mr. BYRD. Very well. I will be glad to exchange the whip list with the majority leader if he wishes.

Mr. BAKER. Mr. President, I thank the minority leader and I reciprocate the offer.

Saturdays are difficult days, and I will be glad to do that.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The period for the transaction of routine morning business has expired.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The PRESIDING OFFICER. The clerk will state the pending business.

The legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

Mr. BAKER. Mr. President, I shall take but a moment.

I continue to hope we can finish this bill tonight. I remimd Senators that early today, I got an order authorizing the Senate to be in on Saturday. This is not an idle gesture. I fully expect the Senate to be in on Saturday.

I should also report to the Senate that I just talked to the Speaker of the House of Representatives and he and I have agreed that, based on the situation as we see it at this time, the ambition to adjourn early for the August recess is probably not going to be fulfilled. Senators should not plan on an early recess for August but, instead, on August 5.

Mr. TOWER. Mr. President, Senator NUNN is on the floor and prepared to introduce his amendment, which I think is pretty straightforward and easily understood. It is my hope that we can get to a vote on this issue in an hour to an hour and a half. Senators should be on notice that a roll call vote could occur that early. There is not much, I think, that we are going to say on this side and, should Senator NUNN be recognized, we can get on with his amendment.

The PRESIDING OFFICER. The Senator from Georgia.

AMENDMENT NO. 1477

(Purpose: To make adjustments in the authorizations for procurement)

Mr. NUNN. Mr. President, I send an amendment to the desk in behalf of myself, Senator HATCH, Senator JOHNSTON, Senator BINGAMAN, and Senator KENNEDY, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia (Mr. NUNN), for himself and Mr. HATCH, Mr. JOHNSTON, Mr. BINGAMAN, and Mr. KENNEDY, proposes an amendment numbered 1477.

On page 16, beginning with line 24, strike out all through page 21, line 14, and insert in lieu thereof the following:

For aircraft, $3,351,900,000.

For missiles, $3,039,900,000.

For weapons and tracked combat vehicles, $4,757,916,000.

For ammunition, $2,144,589,000.

For other procurement, $4,758,178,000.

For Army National Guard equipment, $190,000,000.

(b) The Secretary of the Army shall continue to evaluate the feasibility of establishing a second production source for the M-1 tank engine and submit the results of his evaluation to the appropriate committees of the Congress at least 30 days before any funds are obligated under a second source contract for such engine.

AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 102. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft, weapons (including missiles and torpedoes), shipbuilding and conversion, and for other procurement for the Navy, as follows:

For aircraft, $10,557,400,000.

For weapons (including missiles and torpedoes), $3,769,400,000.

For shipbuilding and conversion, $11,600,000.

For other procurement, $4,375,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of $1,808,149,000.

(c) None of the funds appropriated pursuant to an authorization of appropriations in this or any prior Act may be used to equip any Naval Air Reserve unit with F/A-18 aircraft.

(d) None of the funds appropriated pursuant to any authorization of appropriations contained in this or any other Act may be obligated or expended for the purchase of the 5-inch semiactive laser guided projectile until the Navy has caused to be published, after the date of the enactment of this Act, a notice of the proposed procurement of such projectile, as provided in Section a (e) of the Small Business Act (15 U.S.C. 637 (e)), reflection up-to-date information on such projectile. Such notice shall give reasonable opportunity, but in no event less than 90 days, for response before the award of any contract is made for procurement of such projectile.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft and missiles, and for other procurement for the Air Force, as follows:

For aircraft, $20,481,690,000.

For missiles, $8,095,334,000.

For other procurement, $7,150,902,000.

For Air National Guard equipment, $25,000,000.

(b) Of the funds authorized to be appropriated in this section for aircraft for the Air Force, the sum of $112,100,000 is available only for contribution by the United States as its share of the cost for fiscal year 1984 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 104. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for

procurement by the Defense agencies in the amount of $969,091,000.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE PRODUCTION ACT PURCHASES

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1984 for purchases of, or commitments to purchase, metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) in the amount of $150,000,000.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 106. Effective on October 1, 1983, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended by striking out "fiscal year 1983" both places it appears and inserting in lieu thereof "fiscal year 1984".

SECURE COMMUNICATIONS EQUIPMENT AND A SPECIAL CLASSIFIED PROGRAM

SEC. 107. The Secretary of Defense is authorized to procure secure telephone communication systems, including equipment and related items, during fiscal year 1984 for the Department of Defense and other Government agencies and entities to support a national program to provide secure telephone service. Of the funds authorized to be appropriated pursuant to this title, not more than $60,000,000 may be used to provide secure telephone equipment and related items to the Department of Defense and other Government agencies and entities in support of such a national program. Equipment provided to Government agencies and entities outside the Department of Defense under the authority of this section, and such related services as may be necessary, may be furnished by the Secretary of Defense with or without reimbursement. In addition, of the funds authorized to be appropriated pursuant to this title, not more than $220,000,000 is authorized for a special classified program.

AUTHORIZATION OF MULTIYEAR CONTRACTS FOR THE B-1B AIRCRAFT; PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 108. (a) Notwithstanding any other provision of law, procurement of the LSD-41 class amphibious ship program may be carried out under a multiyear procurement contract in accordance with section 2306(h) of title 10, United States Code.

(b) The Department of Defense is denied the authority to execute multiyear procurement contracts, as proposed in the Department's fiscal year 1984 budget request, for procurement of any of the following:

(1) AH-64 helicopter engines.

(2) F-18 aircraft engines.

(3) B-1B aircraft.

Mr. NUNN. Mr. President, I think the Senator from Texas has a copy of the amendment, and the Senator from Washington.

The amendment makes two changes in the B-1 program. The first change is to deny multiyear procurement which permits the reduction in the funds requested for advance procurement in this bill we are now debating. This action mirrors the recommendation of the Strategic and Theater Nuclear Forces Subcommittee headed by Senators WARNER and JACKSON. That subcommittee originally found the commitment to multiyear funding ill-advised.

The subcommittee was concerned I think justifiably so, about the internal rate of return, on investment and the impact that out year program changes might have on the savings ultimately to be realized. The Air Force has testified, and the subcommittee verified, that the subcommittee recommendation to complete multiyear procurement would result in total costs to the program of $800 million in fiscal year 1981 constant dollars.

Second, the amendment adopts the subcommittee recommendation to follow an alternative procurement approach—"alternative" meaning an alternative to what is now in this bill and an alternative to what the Department of Defense has recommended.

The present B-1B production program in this bill as it now stands has been structured in what the subcommittee considered an accelerated and risky production rate profile. I agree with the subcommittee on this conclusion. This profile calls for one B-1B aircraft with fiscal year 1982 funds, 7 in fiscal year 1983, 10 in fiscal year 1984, 34 in fiscal year 1985, and 48 in fiscal year 1986. There would be no B-1B's in fiscal year 1987 under current planning.

The current multiyear program calls for the acceleration of the production rate to 4 aircraft per month—that is, 48 per year—in fiscal year 1986. It would reach its peak in fiscal year 1988. To do this requires an up-front investment of $450 million to reach a production rate which will operate for only 1 year.

In other words, there are two parts to this amendment. One relates to multiyear procurement in the budget, which costs $438.7 million, and the other component part relates to an up-front investment of $450 million for the purpose of accelerating the production rate to reach a peak and to top out in fiscal year 1986 at 48 per year.

The subcommittee recommended a revised approach. That subcommittee approach is not in this bill because the full committee overturned that. The subcommittee approach would have kept the production rate at 3 per month and peaked out at 36 per year. The revised rate that the subcommittee recommended—and this is exactly what our amendment recommends—in other words, the amendment mirrors the subcommittee original recommendation. The revised rate, if this amendment passes, would be 1 B-1B in 1982, 7 in 1983, 10 in 1984, 31 in 1985, 36 in 1986, and 15 in 1987.

In my view, the subcommittee prescribed a wise course, the peak rate would be sustained for 2 years as opposed to 1 and would permit a gradual tapering off of B-1B production to 15 in 1987 as opposed to complete program termination 1 year after reaching peak rate production.

The important element here, Mr. President, goes far beyond the money involved, although the money is important. The most important element, to me, is whether we really are going to give an objective look at the advanced technical bomber; that is, the so-called Stealth bomber. That look will come in the same timeframe we are talking about here for the 1986 and 1987 fiscal year B-1B production, so we have to keep our eye on the ball. That is, critical decisions will be made during that same timeframe.

It would be my contention, and I hope the majority of my colleagues would agree, that the alternative we provide here would provide a better transition to this advanced technology bomber.

If the advanced technology bomber continues to develop as expected, it would provide a viable production alternative under the amendment approach in a much smoother fashion.

In other words, if you get right down to it, I have to ask my colleagues, and I hope everyone will consider this before they vote, do we really believe that we are going to reach a production rate as called for in this bill of 48 B-1B's in 1986, employing—and I am giving a ball park figure here; I will not hold these numbers to be precise—50,000 to 60,000 people, then all of a sudden, decide we are going to gear up an advanced technical bomber line, stop the B-1B production line, and go to zero the next year?

That is what the amendment would correct, and that is what the bill would do. We would provide a smooth transition and an objective environment for the decision on the advanced technical bomber. It is my strong belief and contention that the multiyear funding profile and the accelerated production rate contained in the committee bill and the Department of Defense recommendation prejudices in advance any kind of objective look at the B-1 bomber—not because of the advanced technical bomber itself but because the production line on the B-1 will be so hot, so geared up, and involve so many people—50,000 to 60,000—that going from 48 to zero in 1 year at the same time we are trying to decide on the advanced technical bomber would be virtually politically impossible.

I do not think that is a coincidence, Mr. President. I think that is exactly what is intended by this approach. So I think we are dealing here not with a question of killing the B-1 with this amendment. It would not kill the B-1.

As this chart shows, the only thing this amendment would do to the B-1 program is delay the final delivery of the last aircraft by 1 year. We shall still get all 100 aircraft, we shall still

get them in almost the same timeframe, but we shall make a signficant difference in the environmental atmosphere and political atmosphere at the period of time which is critical for decisionmaking on the advanced technical bomber.

This was the logic of the subcommittee headed by Senator WARNER and Senator JACKSON, and this is the logic of the amendment.

To implement the rate adjustment which I have just described the subcommittee recommended $350 million in long lead funding be deferred and $100 million in tooling needed for a four-per-month rate be denied. This is precisely what Nunn-Hatch-Johnston does. This change to the B-1B program—and I want to be up front on this, I want everyone to understand it—will add $700 million in constant fiscal year 1981 dollars. This is the figure that the subcommittee came up with. This is the verified figure. It was based on Air Force testimony. I understand in recent days since this amendment came up that number is understandably going up, as always happens in this kind of atmosphere. But that is the number that I will be dealing with because that is the number verified by the Strategic Subcommittee.

This amendment also denies the multiyear B-1B funding and the high peak rate on exactly the same logic as the subcommittee decided. Multiyear procurement of the B-1 in my view is ill advised and the 48 per year in the last year does not permit an orderly transition to the advanced technology bomber.

I want to make it plain that I am not opposed to the multiyear procurement concept in general. I think in many cases it makes a great deal of sense as a procurement efficiency. I applaud the Department of Defense for moving in that direction, and I will discuss that a little bit later. But let me interject right here another very important point.

If the case is being made that we are going into the multiyear procurement of the B-1B for the purpose of saving $1.4 or $5 billion, then I submit that is not a valid case because in the same defense budget sent over by the same President, the same Secretary of Defense, there were 4 or 5 multiyear funding profiles for other programs. The total savings, had we adopted the other programs under a multiyear profile, would have exceeded by $400 million the savings on the B-1B. I will get into that in more detail in a few minutes. In other words, with one exception—that is a helicopter—the committee went the multiyear route on only one system. That was the B-1B. There were two systems total, the helicopter plus the B-1B. We rejected multiyear funding on several other systems, the cumulative total of which would have exceeded the savings that we are making by this route on the B-1B.

Just a moment on something that I am sure the opponents of this amendment will emphasize over and over again, and I think it is a valid point; everyone should consider it in their deliberations. I do not in any way diminish the importance of this point. The total cost this amendment will add to the $20.5 billion B-1B program is $1.5 billion.

Now, that figure, and I will be using it constantly during this debate, is based on Air Force testimony before the Warner-Jackson subcommittee and is based on the subcommittee's own verification of that amount. Since that time, I understand the Air Force has come up with more savings, and I again say that that is not only understandable but anticipated as soon as the news of this amendment starts floating around, but I am using the $1.5 billion figure which is the Warner-Jackson subcommittee figure.

What we will do by this amendment is to add that $1.5 billion making the total B-1B program go from $20.5 billion over its life to $22 billion. As I will explain later, though, the net reduction to the overall defense budget—that is the Air Force budget. It is going to go up by $1.5 billion if all these numbers are correct, and they are based on Air Force testimony. The overall defense budget, if this amendment is adopted, however, is going to go down by a net of $1 billion. Why? Because in order to get the money for the B-1B, the committee cut numerous other programs, and by cutting those other programs we cut the production rate. By cutting the production rate, as the Senator from Texas (Mr. TOWER) had said many times and the Senator from Arizona (Mr. GOLDWATER) emphasized, by cutting the production rate on these systems we have in effect added money to the total cost of the defense budget and that would yield between $2.5 billion and $3 billion.

Mr. TOWER. Will the Senator yield for a question?

Mr. NUNN. Let me present these figures and I will be very glad to yield for a question.

Items that we will add back that cumulate these savings are listed on this chart: Six Navy A-6 fighters. The committee closed down the production line on that system and recommended that we open it back up in about 3 years. And, of course, that closing down and opening back up is a considerable cost and, by the way, is not a part of the Navy recommendation or the Defense Department recommendation. The other item we add back is a long lead for the Navy fleet oiler. We add back the multiyear procurement concept and profile for marine assault ships. Then we add back three Air Force F-15 fighters, 120 Army M-1 tanks, 16 Army attack helicopters; that is, the AAH-64, and 238 Patriot missiles.

Now, each one of these programs was in the President's budget. These are not add-ons by the Congress. These are not programs that we pulled out of the hat. Everyone of these was in the budget and each one of them was cut because of budget reasons by the Armed Services Committee.

I would be glad to yield.

Mr. TOWER. Will the Senator yield for a question?

Mr. NUNN. Yes.

Mr. TOWER. On the $2.5 billion, $3 billion savings, is that calculated on the basis of 1984 production rates as authorized, or as would be authorized by this bill or does it contemplate an increase in subsequent years in those production rates?

Mr. NUNN. It is based on the 1984 production rates.

Mr. TOWER. In other words, constant 1984 production rates? No increase in 1985, no increase in 1986, constant 1984?

Mr. NUNN. These production rates are based on the production rates that the Department of Defense, the individual services and the committee believe will be the consequence of reduction based on the cuts that have already been made. And the Senator has said very clearly and the committee report says very clearly that once you make these production rate cuts, you have a very, very difficult time adding them back the next year so it is based on the flow of wisdom that I have heard over and over again from my chairman.

Mr. TOWER. Yes, but the fact is that the $1.5 billion savings can be validated. The $2.5 billion or $3 billion that the Senator has there is based on the assumption that Congress will authorize increased production rates in 1985 and 1986. Now, the Senator knows and I know that the defense budget cutters will be back again next year and will be forcing us to limit these production rates.

I hope the Senator is right and this Senator will support adequate funding to increase those production rates. But I have no confidence this Senator and those who believe as he does will prevail because we did not prevail this year. The Senator from Georgia did not prevail in his attempt to get a 6-percent real increase, and I supported him and supported him vigorously. I broke 10 arms in the well of the Senate on that particular matter.

So we know what may happen to that savings. It could evaporate by virtue of the failure of the Congress in subsequent years to increase those production rates to achieve the kind of savings that the Senator is talking about. What I would like to do is put all this stuff in the bill including B-1 multiyear. Now, if the Senator wants

to save money, that is the way to do it. Why not incorporate all of this into the bill and save $4.5 billion?

Mr. NUNN. That is a wonderful idea——

Mr. TOWER. How is that?

Mr. NUNN. That is a wonderful idea if——

Mr. TOWER. We just add on another $888 million to the billion and we save some $4.5 billion at the outside and $3 billion on the inside, or $4 billion on the inside. Does that sound like a meritorious argument?

Mr. NUNN. I like that argument. If the Senator from Texas had twisted one more arm on the Jackson-Nunn amendment on the budget resolution, we could do that.

Mr. TOWER. I could not find the Vice President. [Laughter.]

Mr. NUNN. The point is not whether we can do that now. We have to play with the cards they have dealt. That is what the committee and the Defense Department and Congress will have to grasp. We are not talking about a world where we have all the money we want in defense. We are not talking about a 10-percent growth rate. We are talking about hard decisions and choices between systems.

We are saying that by putting this $888.7 million in the B-1B program and by overloading the budget with strategic nuclear programs—but that is the subject of another debate—by doing that, we are cutting the heart out of the conventional program. We are cutting a huge amount out of Army procurement and a great deal out of the Marine Corps, and we are adding more to the cost on the defense budget. We are really saving the Air Force the component in the defense budget of $1.5 billion, but to do it we are costing the overall defense budget between $2.5 billion and $3 billion in savings.

I might add that the Senator from Texas realizes the same thing could happen on the B-1B. This multiyear in the production rate does not fund the whole 100, as I understand it.

Mr. TOWER. The multiyear is 92 aircraft.

Mr. NUNN. Congress could change that program. Penalties would be involved.

The argument of the Senator from Texas is based on congressional action we cannot anticipate, and we have the same kind of estimates on B-1B procurements.

Mr. TOWER. Penalties would be involved if you do that, for a program the congressional support for which was strongly validated on this floor yesterday, by a vote of 68 to 30.

Mr. NUNN. The Senator is correct on that. I think the Senate has strongly validated that but has also strongly validated the unanimous vote on the advanced technical bomber. Senator BYRD had an amendment, which the committee accepted, which assures that we are going to put funds in that program.

This is a legitimate, good debate. but the point is that we are creating a profile on purchasing the B-1B that is going to bias the case against the advanced technical bomber to the point that I contend that politically it is very unlikely that if we go to this multiprofile, we will have the bomber.

Maybe we will reach a decision in 1986 or 1987—and this is the subject of another debate—that we do not want it because technically it will not do everything we think. If we are going to produce strategic bombers, that does not get us to the point where, in order to fund the advanced technical bomber at the critical stage in 1986 or 1987, we have to go from 48 to zero in 1 year.

We all know what that does in terms of jobs. Jobs all over the country are involved in the situation—50,000 to 60,000 jobs.

OFFSETTING REDUCTIONS

While this amendment does add certain costs to the B-1 baseline program, these costs are significantly offset by savings from procuring the conventional add-backs at the budget requested rates.

If the SASC cuts stand, it will cost an additional $2.5 to $3 billion to procure the helicopters, tanks, ships and missiles our amendment plans to add-back.

These are the programs.

SYSTEM BY SYSTEM EFFECT

(ALL SAVINGS IN FISCAL YEAR 1981 CONSTANT DOLLARS)

1. LSD-41 AMPHIBIOUS ASSAULT SHIP

This amendment adds back $92 million for multiyear procurement for four additional LSD-41 amphibious assault ships which are crucial to strategic mobility. The Navy estimated that this will save $192 million in fiscal year 1981 constant dollars. The Armed Services Committee report states:

The Committee recognized that denial of the multi-year procurement request may result in higher costs for the LSD-41 program, however, congressionally mandated budget restraints do not permit the opportunity to pursue economic efficiencies.

I might add that these are my words, except in the case of the B-1B, because we did pursue it very vigorously there.

2. 16 AH-64 ARMY ATTACK HELICOPTERS AND ADVANCE PROCUREMENT

This amendment adds back $121 million for 16 AH-64 Army attack helicopters and advanced procurement for next year's planned budget rate. The Army estimates that without this action an additional $343 million will be added to this program. This is the same program that our committee was so critical of last year for cost growth. Our committee report this year states:

The Committee recognizes that this reduction (16 aircraft) may adversely affect the total program cost. Nevertheless, Congressionally mandated budget reduction compels this action.

Again, my words, except for the B-1B.

In fact, the committee's action will cause the unit cost to increase over $1 million per helicopter.

3. 238 PATRIOT MISSILES AND 3 FIRE UNITS

This amendment adds back $233 million for the 238 Patriot air defense missiles the committee cut. The committee cut will increase the total program by over $450 million and will cause the unit cost to increase by over $6 million per unit. The committee report states:

The Committee has supported the Patriot program in the past and feels that it is essential for the air threat that will exist in future conflicts. However, in view of funding constraints the Committee elects to hold the Patriot production line at the same level as approved for fiscal year 1983.

Again, an economy made, except in the case of the B-1B.

4. 120 M-1 TANKS

This amendment provides $120 million to add back 120 M-1 tanks cut by the committee. The impact to the program of this cut is almost $1 billion and the unit cost per tank will increase by over $200,000. The committee report states:

The Committee staunchly supports the M-1 as the finest armored vehicle in the world. However, as a result of Congressionally mandated budget limits the Committee has reduced the Army's M-1 tank buy.

The committee report states:

The Committee questions the Army's ability to procure at a rate of 720 per year because of resource constraints.

5. 3 F-15S

This amendment provides $83.7 million for 3 F-15 fighters. They are currently at a rate of 39 from fiscal year 1983 and the committee has provided long lead for a rate of 39 next year. Although the budget request was for 48, it makes sense to me to stabilize the rate at 39, so we are not going back to the 48 in the budget request with this amendment. We are going from 36, as the committee, I understand, has in this bill, to 39. Moving from 48 in the committee bill, in F-15 procurement, down to 36 adds $3 million to the unit cost. Our add-back does not go all the way back. It goes back to 39, so we save $1 million per unit. We do not save $3 million, and we do not make that claim.

There would be a total saving by adopting this amendment of more than $300 million.

I might also add that the committee rejected the Air Force proposal for multiyear procurement of the F-15 which was estimated to save $675 million. We do not add that back, either. There are not enough funds here to do that, but that was rejected on mul-

tiyear. This amendment does not restore the multiyear in that respect.

6. A–6S

This amendment provides for $100 million to add-back 6 A–6 attack aircraft. The Navy estimates this provision of our amendment will save money because the committee has recommended termination of the line. The cost to terminate the line are estimated by the Navy to be $195 million, and since the committee recommends a restart of the line, the Navy has estimated restart at $300 million

All these figures are from the services in the Department of Defense. I do not certify the accuracy, any more than I certify the accuracy of the B–1B cost. I get these funding profiles from the same source.

Very little of this funding would produce new aircraft—that is, the cost of the production line start up and shut down. The Navy fully intends to keep this line going and is seriously considering upgraded versions. This action would cost, by cutting down this line, some 5,000 jobs I understand in New York alone. I think it is penny-wise and pound-foolish, particularly when the committee says we are going to start back up the line.

The fleet oiler is the next item. This amendment provides $30 million for long-lead for a Navy fleet oiler. The Navy requested three, and the committee approved two, again strictly due to budget constraints. Oilers are not very sexy ships, but they are vital to sustain our surface conventional Navy. They are needed to replace oilers that were built at the end of World War II. Pushing this program out into the future adds major costs on the order of $230 million to the total, and of course, we correct what the committee did in that respect.

Mr. President, we have focused so far in this debate on the B–1B multiyear procurement, the Air Force estimate of savings for that, and the alternatives that we have provided in our amendment.

As I alluded to a few minutes ago, I think it is important for all of us to recognize that the Department of Defense did not just request multiyear procurement on the B–1B. They requested multiyear procurement for 16 other weapons systems with an estimated undiscounted savings of $2.8 billion on an investment of $947 billion.

Mr. President, except for the CH–47 helicopter, and that is a saving of $47 million, and that is in the bill, on a multiyear basis, except for that, though, the B–1B was the only one of these programs approved. The committee denied multiyear funding in all the other programs. That was foregoing savings, according to the Department of Defense, of $1.552 billion. In other words, we turned down multiyear procurement on items that totaled more savings than the B–1B will save on multiyear procurement.

So there has to be a reason beyond the savings in this particular program.

Specific denial of some of these programs is listed in section 108(b) of the committee bill.

The return on investment from outyear savings for the B–1 is 40 percent. In the LSD–41 amphibious ship multiyear request, the return on an investment of $92 million is estimated by DOD to be 213 percent. Of course, it was not approved in the committee bill. It will be approved if we adopt this amendment. Why was this? Why did the committee not take this action? The committee report says:

> The committee has consistently supported procurement of LSD–41's as a vital program in an effort to augment inadequate amphibious lift capabilities. The committee is not convinced, however, that budget constraints will permit procurement of LSD–41's at the rate envisioned in the 3-year, 5-ship, multiyear procurement program. The committee, therefore, recommends denial of the multiyear procurement request. The committee recognizes that denial of the multiyear procurement request may result in higher costs for the LSD–41 program in fiscal years 1985 and 1986; however, congressionally-mandated budget constraints do not permit the opportunity to pursue possible economic efficiencies.

Again, my words, not the committee's, except in the case of the B–1B. All of these savings that we could have had were turned down except one helicopter program and the B–1B. The Navy testified that $92 million for LSD–41, multiyear procurement would save $246 million from a 5-ship LSD–41 program. The SASC action requires an additional $151.4 million in fiscal year 1985 and $187.1 in fiscal year 1986 to execute a traditional annual procurement for this program.

Mr. President, the LSD–41 multiyear procurement is the Marine Corps and one of the Navy's highest priorities and produces a higher rate of return on investment of any of the multiyear procurement candidates.

This fact on economic grounds and the well-known and documented shortage of amphibious assault shipping, which is critical to the U.S. worldwide rapid strategic mobility, is the reason we have chosen in this amendment to add back the $92 million to give the Department of Defense the opportunity to recognize this 213 percent return and save $246 million in this program.

These are the highlights, Mr. President, that I wish to point out at this time. I know we have some time constraints here, even though we are not on a limited time.

I just leave my colleagues at this point in the debate with the question why was the B–1B picked with its $1.2 billion in savings when the other programs would have saved $1.6 billion on multiyear, particularly since the subcommittee was unanimous, under the great leadership of Senator WARNER and Senator JACKSON, in saying that we were creating a profile on procurement of the B–1B that was not an advisable profile, it was an ill-advised profile, and that is the key question here. The numbers, the dollars are important, but the key question that I leave at this juncture is why the B–1B profile is being created in a way that will in all likelihood predetermine the decision in a negative way on the advanced technical bomber no matter what the technical tests may show and the flight test information may reveal.

So I leave that question for my friendly adversary to answer.

Mr. TOWER. Mr. President, let me respond to the question. It may be a rhetorical question, but let me simply comment at least in part that the reason that the B–1 is singled out is because of legislation sponsored by Senator NUNN some 2½ years ago when he introduced an amendment in the Chamber which mandated a formal cost accountability on the B–1 program, and in his discussion of the issue Senator NUNN voiced his concern that DOD hold the line at a total program cost of $20.5 billion and that 100 aircraft could be purchased for that price.

I might quote Senator NUNN further. He said:

> If Congress can insure DOD will hold the line on B–1 cost to the current estimate and procure the planned 100 fleet size, a stronger case is made in support of the B–1. This amendment will help insure that this case can be made.

And due to the fine work of Senator NUNN mandating this the program is on cost, on time, and on budget.

But now Senator NUNN 2½ years later wants to undo the splendid work that he did 2½ years ago.

Mr. President, I wish to go ahead and make a statement here and then I will hope that my distinguished colleague will respond.

Mr. NUNN. Mr. President, will the Senator allow just a brief thank you on that point?

Mr. TOWER. I wish to applaud the Senator's fine legislative work.

Mr. NUNN. I thank my friend from Texas. Let me just say when I proposed that it was with great concern about the cost of the B–1 program. I think they have done a good job managing the cost of this program.

I wish to add that I think Secretary Weinberger is to be commended and the Air Force has been managing this program very well.

No one told me at the time, though, that we were going to have $2.5 to $3 billion costs in the other parts of the defense budget in order to protect that $20.5 billion program for the U.S. Air Force.

I would think that the taxpayers——

Mr. TOWER. No one told either one of us we were going to march down the hill after 2 years after adequately front-end funding Defense so that we could get up to an efficient production rate.

Now let me hasten to say I believe that everything the Senator got on his list is a validated military requirement. There is no question about that.

I also note the irony of the fact that some of the prime budget cutters in the Senate are being held harmless in that their programs are being fully funded.

I think that is splendid.

Mr. NUNN. I thought the Senator would pick that up.

The point I wish to make is I think the taxpayers of the country are not concerned about how much we save in the Air Force budget, if by doing that we add another $1 billion or $1½ billion to the overall defense budget. The Air Force may look at it with periscope vision. I do not think that the taxpayers are. I think they are asking what the total savings are and by making this multiyear procurement effort on the B-1B we are costing the other all defense budget $2½ billion to $3 billion.

That is the bottom line. I think we should keep that fine efficiency, called the Nunn efficiency on the B-1B. I think we should go to $22 billion and have them hold the line at that level instead of the $20.5 billion.

I do appreciate the Senator's acknowledgment that that amendment, though, has held the B-1B program under cost and on schedule.

Mr. TOWER. Yes. I just do not want the Senator from Georgia to undo the splendid work he did 2½ years ago.

Mr. President, the amendment offered by my distinguished colleague from Georgia would delete $888.7 million for the B-1B program and apply these funds to a variety of conventional procurement programs.

While I am sympathetic to my colleague's desire to restore some of the program reductions the Armed Services Committee was obliged to make in view of congressionally mandated budget constraints, over my prostrate body, I might add, the committee's actions reflect the best efforts to prioritize under very difficult circumstances.

The administration is pursuing a carefully constructed two-bomber program. This program is structured to achieve the lowest cost and earliest operational capability of the B-1B and a smooth transition to the ATB program.

A letter from the Secretary of Defense and the Secretary of the Air Force, dated July 13, 1983, indicates that both programs are proceeding according to plan.

The Senate has consistently supported the B-1B and most recently reaffirmed that support only yesterday by an overwhelming vote of 68 to 30. You do not get many of that kind around here. There is hardly any system in the inventory that can get a 68 to 30 vote in favor, and this amendment, which would deny the request to initiate multiyear procurement and establish a maximum production rate of three aircraft per month, would have a most unfortunate and detrimental impact on the B-1B program.

(Mr. MATTINGLY assumed the chair.)

Mr. TOWER. It would not only add between $2.2 billion and $3 billion to the total program costs but it would result in another stretchout in this important program.

Now, bear in mind this program has already had more than its share of stretchouts.

I would note again in December 1981 the distinguished Senator from Georgia sponsored an amendment that required the President to certify total program costs of the B-1B of $20.5 billion.

Now, this amendment, which I supported, by the way, was designed to insure the costs associated with procurement of 100 B-1B's would be held to the minimum.

Today we face an amendment that would result in a breach, Mr. President, of this presidentially certified $20.5 billion program cost.

So for the very reasons articulated by my distinguished friend from Georgia in 1981 I feel the amendment today would be a very great mistake.

If we are to produce the B-1B consistent with the Senate's action of yesterday it is vitally important that we hold to the current carefully structured two-bomber program. In this way we can achieve the procurement of 100 B-1B's in a timely fashion, allowing us to move directly and smoothly into the advanced technology bomber program, which we all support.

Any action that adversely affects the current B-1B program will add to its cost and delay its full operational capability. Either action is likely to have a detrimental impact on the ATB program and/or other important programs. It is imperative that we support the two-bomber program as currently structured, and for this reason I would urge my colleagues to oppose this amendment.

I might note that if we thought the $2.1 billion that was validated by OMB in cost-purchase inflation savings, if they think that was funny money, they had better take a pretty close and careful look at that $2.5 billion to $3 billion in savings on these conventional programs. That is based on assumptions that cannot be validated.

Mr. GLENN. Mr. President, I would like to ask the sponsor of the amendment for clarification here.

Do I understand the savings are on a 5-year basis; is that correct?

Mr. NUNN. That is right.

Mr. GLENN. Over 5 years?

Mr. NUNN. And the cut over here is a 1-year cut.

Mr. GLENN. Is that a 5-year cut?

Mr. NUNN. Both of them are under the same ground rules.

Mr. GLENN. It would be $888 million, and a cut would be required in each of the 5 years to match the savings to reach the amount of cut?

Mr. NUNN. No; the $888 million are savings over the budget.

Mr. GLENN. That 1-year increased production, that gives us a savings at the bottom, and what would be the other 4 years of savings then that you are projecting here, as I read it?

Mr. NUNN. What it does is it affects your production rate not only this year but in the outyears. It is based on the military assumption about the production rates from the cuts made this year.

Mr. GLENN. Those are not increases?

Mr. NUNN. They are not increases over the President's budget. You have to use the President's budget as a baseline here because we do not have an outyear budget for the Army or Navy or the Air Force. So we are using the President's budget baseline profile, and we are stating what this year's cut will do over future years. That is how it is computed just as the B-1B is computed on the basis of savings in the 5-year multiprocurement programs.

These are all figures coming from the Army, Navy, and Air Force.

Mr. JOHNSTON. We would actually question the $1.5 billion savings figure—that is accepting everything that the Air Force has said. What they have said in order to make that kind of savings, they calculate $888 million in savings for multiyear contracting and that is conditioned upon letting that contract on June 1, 1983, for economic ordered quantities.

If you slip that to October 1, 1983, according to the Air Force that is the economic ordered quantity contract, then the undiscounted savings go down to $400 million.

Then if you discount the savings, and by discounting I mean what we are doing is borrowing the money to pay for it now, so if you paid really the cost of the borrowing it would be something like on multiyear contracting, like $200 million in savings.

Mr. GLENN. Could I ask the distinguished Senator from Virginia, who chairs the subcommittee, is that his understanding of this also and would he comment on what the subcommittee did on this.

Mr. WARNER. Mr. President, in response to all of my colleagues there are substantial discrepancies here in these figures. The subcommittee re-

duced the B-1 program by $888 million, which was composed of two principal parts: $400 million-plus as a consequence of canceling the multiyear procurement, and $400 million-plus as a consequence of stretching this program for an additional production life of 1 year.

You will recall, my distinguished colleague from Georgia, that we achieved that latter $400 million by capping off the peaking of the 48, I believe, per year and dropping it to some 36 is my recollection of the aircraft production, and in that way stretching it into another fiscal year, and we thus gained the $888 million.

The problem, I respectfully submit to my colleagues, is the representation that there is a $1.5 billion in savings. My understanding is that that figure is a derivative of staff discussions. I am unable to find any testimony in the subcommittee files to substantiate that figure.

Indeed, I bring to the attention of my distinguished colleague from Georgia a letter which is reminiscent of our debate last night, where the Chief of Staff of the Air Force, upon learning of the proposal of the Senator from Georgia advises the Senator from Georgia that his estimate, that is the Department of the Air Force's estimate, of the program cost advantage would be as high as $2.2 billion to $3 billion.

Mr. President, I ask unanimous consent to have this letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
OFFICE OF THE CHIEF OF STAFF,
U.S. AIR FORCE,
Washington, D.C., July 13, 1983.

Hon. SAM NUNN,
U.S. Senate,
Washington, D.C.

Dear Senator Nunn: I understand that during debate of the FY 1984 Defense Authorization Act you may introduce an amendment that trades B-1B monies to fund some of the F-15 program, as well as other conventional programs cut by the Senate Armed Services committee. I am personally concerned over this potential offsetting move because of its impact on the B-1B program.

The Air Force position is very clearly in full support of the President's Strategic Modernization Program, which includes the B-1B as a vital element. In fact, the B-1B program continues to be successfully executed, and is smoothly progressing ahead of schedule and below its expected cost. The B-1B will provide a near term capability to deter any potential aggressors, and assist in correcting the strategic imbalance vis-a-vis the Soviets during the critical 1980s.

As you know, a key element of the B-1B program is the approval of multiyear procurement. The Senate Armed Services Committee considered reducing the B-1B FY 1984 budget request by $888.7M, including denial of multiyear procurement and a reduced aircraft production rate. Their approval of our request avoided what would have been a one year program slip and a cost increase of $2.2B to $3B (FY81 $) to the B-1B program. A funding impact of this magnitude would have broken the disciplined $20.5B (FY81 $) baseline and risked putting the entire program in jeopardy.

Our FY 1984 budget contains a careful balance between long-term improvements and the rapid deployment of near-term capabilities. I urge you to support our position so that we can achieve the goals so necessary to maintain our nation's security. Every best wish.

Sincerely,

CHARLES A. GABRIEL,
General, UFAF,
Chief of Staff.

Mr. WARNER. So in my long response to my distinguished friend from Ohio, I take issue with the $1.5 billion and indeed the Chief of Staff of the Air Force, speaking for the Air Force, states the cost disadvantage of a proposal such as advanced by my colleague from Georgia, would be in the nature of $2.3 billion to $3 billion.

Mr. GLENN. I thank the distinguished Senator for his comments very much.

There is one area in which the Senator from Georgia and I agree completely, and that is the necessity for improving our conventional military capability. I think too many people overlook the fact that our conventional military shortcomings are papered over perhaps by our reliance or overreliance on nuclear weapons, important though they may be.

The Soviet advantage in tanks, artillery, and infantry in Western Europe for instance was not met by NATO advances in similar forces. Instead we depended more on nuclear weapons to offset that Soviet edge, and the reliance on nuclear response to a conventional threat placed the whole world on a knife edge, if you want to use that term for it.

We did it essentially to save money, for conventional forces are a heavy expense on the treasury of any country.

So I agree very much with the distinguished Senator from Georgia. We must upgrade our conventional forces so that we can defend our freedom and security while we step away from a potential nuclear holocaust. That is why I supported the amendment of the Senator from Georgia last evening or yesterday afternoon that curtailed production of tactical nuclear shells so that we could apply some of the money to some other things.

But it is also why I have supported the B-1 bomber ever since I came to the Senate in 1974. I have supported the B-1 today because we need a way to project conventional, straight, old military bombing power, military power, far from our shores on a very short notice.

Ideally, we should not have to rely on uncertain foreign basing agreements with governments that may be here today and gone tomorrow, or at least our agreements will have expired just when we need them. And to this list of requirements, we ought to add the necessity to be able to cope with advancing air defense technologies that are improving at quantum rates. I might add that these air defense capabilities are becoming the properties of many nations other than the Soviet Union and the Warsaw bloc.

But the problem is to say if we do need a conventional bombing force, do we go to B-1, the old B-52, upgrade it, or do we put our reliance on Stealth into the future? And that is basically our choice.

The B-52, the newest one, is about 20 years old now. We have had to go through a long upgrading program and still wind up with a B-52. It will be a 40- or 45-year-old plane by the time it has served out its service life. Do we go with the B-1 or do we rely completely on the Stealth?

This Chamber is not the place to bring out some of the difficulties or the problems with the Stealth that still remain which lead me to say that we still need the B-1 and cannot place full reliance on the Stealth at this time. I am all for continuing research on the Stealth, but I certainly am not willing to place this country's security all on the Stealth technology and the development of a new type aircraft which is such a drastic departure from existing technology.

The most casual look at a world map shows critical geography that could spell the difference between victory or defeat in a future conflict. To name just a few: The Straits of Malacca, the Kola Peninsula, the Strait of Hormuz, Greenland, Iceland, United Kingdom Gap. These critical choke points must be secured within a matter of hours of any outbreak of hostilities. The B-1, and the B-1 alone at this point, offers us the range, speed, and payload capability to do this better than any other weapon in the air or in the sea.

The B-1's range—far in excess of a B-52—frees our aerial refueling tankers to support shorter range tactical aircraft and transports.

A single B-1 can drop more conventional ordnance than five of the most heavily laden fighters which would also require multiple inflight refueling and the old B-52's would also have to have increased tanker capacity. In many cases, the B-1's conventional payload is almost double that of the older B-52's.

I will not read off the figures here, but I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISONS ARE OF A B–1B AND A B–52H, BOTH FLYING THE EXACT SAME MISSION PROFILE

	Aircraft capacity	
	B–1B	B–52H
Weapon type:		
MK 82 500 lb. bomb	128	58
MK 84 2,000 lb. bomb	38	18
GBU–15 2,600 lb. glide bomb	20	14

Source.—USAF data.

Mr. GLENN. Mr. President, I have heard the argument on this floor that a plane as capable as the B–1 is not needed for conventional missions, that its mission has to be a penetration of Soviet air defenses. I just do not agree with that. I think if we get to the point where we are trying to penetrate Moscow we have probably already put our eggs in the basket of other exchanges by cruise missiles or ICBM's or SLBM's, or whatever.

In a nuclear war, American SLBM's and ICBM's will destroy much of the Soviet air defense systems before bomber forces enter Russian airspace.

On the other hand, in a conventional situation, these air defense networks are pretty much intact. Early warning radars can pass information to SAM sites, antiaircraft artillery, and to fighter interceptors. Getting older planes like the B–52 through could be very, very tough. Just in the last days of the Vietnam war we lost 17 B–52's to the type SAM missiles that were in use back in those days.

We will need a long-range bomber that can reach distant points from American bases—a bomber that does not have to rely on a large tanker fleet—a bomber that has the small radar cross section, penetration speed at low altitudes, and maneuverability to cope with high-tech air defenses.

The B–1 can do all this. It is a conventional force weapon that reduces the chances of nuclear war. It is a recallable weapon that is survivable and which does not create instability. It is not a threat to arms control or arms reduction negotiations.

So I agree very much with the Senator from Georgia that we need to approve our conventional forces and that is to me why we need, in fact, the B–1.

Supporters of the amendment claim that it is a good amendment for three basic reasons.

First, that it saves money by cutting $888 million out of the fiscal 1984 defense bill.

Second, that contradictory estimates indicate the cost of the B–1 program is not stable.

And, third, opponents say that the B–1B design is not stable.

They are dead wrong on all three counts.

This amendment will increase costs of the B–1 program. I repeat, this amendment will increase the cost of the B–1 program.

B–1 costs are far more stable than any major program in recent years.

The B–1 design is more stable than design changes between models in our successful B–52 program.

Taking away multiyear procurement funds and/or stretching out the B–1 program will cut costs of the bomber in fiscal year 1984. But it also will run up the per unit cost of each B–1B over the life of the program. In the long run, it could cost as much as three or four times what we save in fiscal year 1984 if we lose the benefits of the most efficient procurement and production rates.

Just how much this amendment could add to the B–1 program is not known with certainty. But the lowest estimate is over $1 billion.

What is certain is that if you vote for this amendment, you are voting for a congressional action that will deliberately and knowingly create a cost overrun.

Other arguments would have us believe that there are recent estimates of B–1 costs that prove the $20.5 billion estimate certified by the President on January 18, 1982, is far too low and that the cost of the B–1 has risen.

This is flat not true.

Mr. President, I have followed this program very, very closely. I have personally had briefings on the B–1B program almost every month to reassure myself that the program was not over budget or behind schedule. I have repeatedly warned the manufacturer that rising per-unit costs could jeopardize congressional support for the B–1. Stringent controls have been instituted by the Air Force and the manufacturer in their management process and they are justifiably proud of the fact that they are ahead of schedule and under budget. It is not on schedule and on budget, as the distinguished floor manager of the bill, Senator TOWER, said a little while ago. It is actually better than what he said. They are ahead of schedule and under budget. And on a major weapons system managed by the Pentagon, that is something new and different in our time—ahead of schedule and under budget.

If we raise the cost of this, we are doing it by congressional fiat, by Senate fiat, that we are the ones raising per unit costs of a major weapons systems, and I do not want to see that happen.

But let me dispose of the allegations raised by my colleague.

First, the Air Force Systems Command figure of $29 billion is a figure that combines the B–1B costs with all the earlier costs of the B–1A program that was canceled by President Carter.

In other words, the Air Force has not admitted to any B–1B cost increases—the B–1B program cost remains at $20.5 billion in fiscal year 1981 dollars. Of course, those who oppose the B–1 choose the higher figure and neglect to tell us how the difference came about.

Now, the Air Force independent cost analysis (ICA) and DOD cost analysis improvement group (CAIG) estimates were developed before the B–1 design was frozen. The ICA and CAIG are old estimates, made over 2 years ago.

There are a number of basic reasons why the ICA and CAIG estimates were too high even when they were made.

For instance, they ignored 1,800 hours of flight testing on the B–1A. They made worst case estimates of the manufacturing risks involved. They goldplated the B–1 by adding the cost of the expensive equipment that the Air Force had no intention of putting on the airplane, and does not have. They assumed engineering changes that the Air Force is not going to make.

Those were all assumptions added to the inflated cost estimate.

The ICA and CAIG estimates are years old. They are of no real use to anyone except historians and those people today who are desperate to kill off the B–1 program altogether.

If we want to improve the quality of debates on the floor, why not look at the actual performance, not old estimates? How is work on the B–1 proceeding in terms of real costs and real schedules today, now?

They are ahead of schedule and under budget. If we go the route proposed by this amendment, we in the Congress will be the ones upping the per unit cost and putting the program over budget and behind on new schedules that will make operational dates be set back.

So I do not agree with the flimsy argument that we are not going to have an effect on the per unit cost of this airplane.

As far as the stability of the B–1 design is concerned, my colleague has made much of the fact that 20 percent of the B–1B is different from the B–1A.

Well, I think they make too much of this. The B–1B is an airplane that will be much more capable than the B–1A. This increase has been made with some judicious engineering and conservative changes. But in terms of design risk, there was a greater difference between the old B–52F model and the G model than there is between the B–1A model and the B model we are considering today. Let me say that in the critical areas of difference between the B–1A and B–1B model series, there is virtually no risk. We are not dealing with a new design. The cost has every chance of remaining stable unless we here today deliberately and knowingly create a cost overrun by voting for the amendment before us.

To summarize again, Mr. President, I agree completely with the Senator from Georgia on the need for an increase in conventional weaponry. I think we ought to go ahead as fast as we can with the lowest per unit cost.

That is the schedule set forth not for the B-1. I want to see us have a more efficient production rate on all the other things we need here, too. But I do not want to see us rob the only major weapons program in the defense inventory right now that has put forward the controls, has exercised the controls, and which is running ahead of schedule and under budget.

I will repeat for the benefit of the distinguished Senator from Texas. I took exception to his statement a little while ago that this program is on budget and on schedule. It is not. It is ahead of schedule and under budget. That is something new in these days.

Mr. TOWER. I heard the Senator on the box in the cloakroom. He is absolutely right.

Mr. GLENN. I wanted to make certain he heard me.

Mr. HART. Will the Senator yield for a question?

Mr. GLENN. I yield.

Mr. HART. The Members of the Senate have great respect for the expertise of the Senator from Ohio on many issues in the area of defense and more particularly in the field of aircraft. The Senator from Ohio made a very important statement when he said the mission of this aircraft is really not to penetrate the Soviet air defenses and have strategic bombing capacities.

Mr. GLENN. If the Senator will yield, it has always been my impression that the most important mission this aircraft can do will be conventional bombing. I have always looked at the primary mission as conventional with the penetration of Moscow as being of secondary importance.

Mr. HART. That is precisely my point. I think the Senator from Georgia may want to correct me here or verify my impression. I would like to have his attention.

It was my impression throughout the 1970's, from 1975 when I joined the committee, up until, I would say, a year or two ago, that the fundamental argument for the B-1 airplane was as a manned penetrating bomber to the Soviet Union. Sometime in the recent past, in the last 12 to 24 months, I would say, the Air Force has suddenly or not so suddenly begun to talk about this bomber as a tactical bomber, air-launched cruise missile carrier, and so forth.

Does the Senator from Ohio agree with that?

Throughout the 1970's, at least, and perhaps into the early 1980's the Air Force was arguing the B-1 was a manned strategic penetrating bomber.

Mr. GLENN. I do not disagree with that. I think that was the view put forward a lot of times by the Pentagon, by the planners, who were talking about the Triad at that time. I have never been quite as wed to the triads, quantads, triads, do-dads. I think the automatic decision of three being a magic number was ridiculous.

I agree with the Senator that the Pentagon put forward that necessity for the penetration of Moscow as the reason for the B-1, but I always looked at it as having a primary role as being conventional with the other as sort of a free asset here, the penetration to Moscow.

Mr. HART. The second question, then, is, given the technical background and experience of the Senator from Ohio, if he was designing a 1980's tactical bomber or air-launched missile airplane, is this the airplane he would design? This airplane was designed as a manned penetrating bomber. Now its mission has changed. My question is, Would he design this aircraft to carry out those missions at this cost?

Mr. GLENN. Well, I would respond that this is not a single purpose airplane. It is not one just to carry cruise missiles, nor are they putting it forward as that kind of an airplane. It has a conventional capability, nuclear deliverability capability, and also is capable of carrying cruise missiles. So it is a multipurpose airplane.

Mr. HART. But is this airplane, the engines, the general overall engineering design of an aircraft that has the multiple missions of conventional tactical bombing and air-launched missile potential?

Mr. GLENN. I do not think you can answer that question. You have to know a lot of other things. You have to know the range of the missile. Will it be a short range on the cruise missile? Do you need an aircraft that will race in for the last few miles and then get back out, or can you stand out a thousand miles and launch a cruise missile, which can just as easily be launched from a B-52 as from a B-1?

Mr. HART. I thank the Senator.

Mr. JOHNSTON. Mr. President, I yield to the Senator from Florida.

Mr. CHILES. I thank the distinguished Senator from Louisiana. I do not want to impinge on his time.

I just wanted to make a couple of remarks. I have been a consistent supporter of the B-1 program. I really do not see a vote for this amendment as being against the B-1 program. It seems to me that when we look at this budget, we know that it is underfunded even half of the extent reported by the GAO, and we know as we get into the years of 1985 and 1986 we are going to have a definite budget crunch.

It seems to me like we are just making that crunch that much more severe if we lock in this multiyear funding.

I just think that would be an imprudent thing to do.

I oppose the commitment to the multiyear funding because I do not think we can blindly commit to fiscal year 1985 and 1986 procurement levels, which are just not going to be fully affordable.

I believe the chances are very good that DOD and the Congress are going to be forced for financial reasons to buy fewer B-1B's in 1986 than the 48 currently projected, and to extend that procurement into the next year. Prudent planning suggests that we not plan to procure 48 of these sophisticated bombers in 1986 and none the year after.

None of us look forward to making these difficult choices, but the outyears are fast upon us and the decision we make today disapproving multiyear funding will be an important and necessary step toward tackling these problems.

I have urged my colleagues in the past to support this important strategic program. I continue to do so. But I today urge support for this amendment which I think is an essential part of an affordable acquisition program.

I thank the Senator for yielding.

Mr. JOHNSTON. Mr. President, I yield 2 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. JACKSON. Mr. President, I support this amendment. The adjustments to the B-1B program proposed here are exactly those recommended by the Strategic and Theater Nuclear Subcommittee of the Armed Services Committee. I recognize that this amendment will have the effect of adding $1.5 billion to the President's certified cost of $20.5 billion for 100 B-1B's. However, I would also point out that this restructuring of the program will not change the IOC of the B-1B nor will it result in any adjustment to the final force level of 100 aircraft.

I am convinced it is more important to fund the conventional programs identified in this amendment than to provide what is, I believe, an imprudently high production rate for the B-1B. Funding 48 B-1B's in fiscal year 1986 and none in fiscal year 1987, as called for in the current program, could present the Congress and the administration with a dilemma in fiscal year 1987. If the ATB experiences a delay due to technical or other problems arising in the next 3 years, the pressure to extend the B-1B production another year might be insurmountable. A decision to procure 48 more B-1B's in fiscal year 1987 for a total of 148 B-1B's would raise the issue of whether or not there is sufficient need for additional strategic

bombers to order an economic quantity of ATB's. However, if the lower B-1B production rate proposed in this amendment were adopted, only an additional 21 aircraft could be procured in fiscal year 1987. This would result in a total force of 121 B-1B's and still preserve the option for an economic buy of ATB's.

Mr. President, I believe the $888 million we are discussing here can contribute significantly to our National Security by funding the conventional programs identified in this amendment. Each of these programs is identified in the committee's report as being cut because of severe budget constraints, by the OMB not because there is any lack of requirement for the funding.

However, Mr. President, it is primarily because I believe that this restructured B-1B program will provide for a smoother transition into the ATB and provide a far greater assurance of the timely introduction of the ATB into our strategic forces that I support this amendment. I urge my colleagues to do the same.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. JACKSON. Yes.

Mr. JOHNSTON. Mr. President, do I have the floor?

The PRESIDING OFFICER. The Senator from Louisiana has the floor and will yield for a question.

Mr. JOHNSTON. Mr. President, I yield for that purpose.

Mr. WARNER. Mr. President, may I ask the distinguished Senator from Washington to refer back to his statement where he used the figure $1.5 billion?

Mr. JACKSON. Yes.

Mr. WARNER. Would he kindly repeat how he phrased the use of that figure?

Mr. JACKSON. What I am saying is that we are all in agreement that there will be an effect here of adding $1.5 billion to the President's certified cost of the $20.5 billion for 100 B-1B's.

Mr. WARNER. That is the very point.

Mr. JACKSON. I realize that number may change, as a lot of numbers around here are changing. In fact, by the time we get through with this bill, we may have to revise the numbers all over again. If inflationary forces continue at the current rate and maybe if the stock market takes a big drop between now and next week, there may be further corroboration of this trend.

Mr. WARNER. Mr. President, I respect my distinguished colleague's views of the stock market and so forth. Let us get to the $1.5 billion.

Mr. JACKSON. It is there.

Mr. WARNER. Now, Mr. President, I am not so sure it is there. That is the ghost that is in the Chamber today. I cannot find any substantial fact to add credibility to it. The only credible figure I have is presented in a letter of July 13, yesterday, from the Chief of Staff of the Air Force to our distinguished colleague from Georgia, which refutes the $1.5 billion and says the figure is actually $2.2 billion to $3 billion in terms of addition to the program as a consequence of the amendment of the Senator from Georgia. So, if our colleagues are seizing upon just a $1.5 billion add-on to the $20.5 billion program cost, I dispute that. In my judgment, it is going to be far higher and more likely to be $2.2 billion to $3 billion, as represented by the Chief of Staff of the Air Force as late as yesterday.

So, from the standpoint of our debate today, we should be using figures which are substantiated.

Mr. NUNN. Mr. President, may I say to my friend and colleague, one of the great advantages of being on the side of the Air Force is you get the most recent information. When you are not on the same side as the Air Force, you do not get the most recent information. Our most reliable source is the subcommittee of the Senator from Virginia. Knowing the Senator from Virginia and the care with which he conducts that subcommittee and the great staffing he has—and one of his key staff people is right here—we put a great deal of credibility in the subcommittee figures. That is where the $1.5 billion comes in.

I do not want to interrupt my colleague any longer, Mr. President, but I think our source is almost unimpeachable, the Senator from Virginia's own subcommittee.

Mr. WARNER. Mr. President, if the Senator would allow me to respond to the distinguished Senator from Virginia.

Mr. JOHNSTON. Yes, Mr. President.

Mr. WARNER. I appreciate the credibility he attaches to my subcommittee, but I cannot find any documentation to support the $1.5 billion. What I have is the latest representation of the Department of the Department of Defense which should know best; namely, the Department of the Air Force, that it is more likely $2.2 billion to $3 billion.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana has the floor.

Mr. TOWER. Will the Senator yield to me to expand on that?

Mr. JOHNSTON. Mr. President, I have yielded to five different Senators and I have not been able to get the floor yet and I would like to join in on this very point.

The $1.5 billion did indeed come from the subcommittee of the Senator from Virginia. We dispute that. The GAO disputes that. That $1.5 billion is made up of the so-called economic order quantities.

Mr. STENNIS. Mr. President, may we have quiet here? There are two or three speakers on the floor speaking at the same time. I cannot hear the man who has the floor and I am sitting right next to him.

Mr. JOHNSTON. Mr. President, the so-called $1.5 billion in savings is supposedly made up of $800 million in economic order quantities, which is supposed to be saved, but another $700 million from advancing the rate at which these planes are put on the assembly line. According to the Air Force, the $800 million was an Air Force figure—may we have order, Mr. President?

The Air Force figure was furnished by the Air Force to the Appropriations Committee when this matter was before the Appropriations Committee. It was based upon economic order quantities begun in 1983 to June 1. As a matter of fact, if economic order quantities were not made by June 1, 1983, GAO says that savings will be much less. If I may quote to the distinguished Senator from Virginia a letter dated June 16, 1983, from the GAO Chairman ADDABBO in the House, they say as follows:

> Since the Congress had not approved the Air Force's request to begin EOQ procurement starting April 1983, the Air Force revised its savings estimate. Air Force officials have stated that if EOQ purchases were to begin by June 1, 1983, and mulityear contracting was approved for the program as planned, savings of $600 million (about $300 million discounted), in lieu of $800 million, could be achieved. Further, savings will continue to erode as EOQ approval is delayed beyond June 1, 1983.

Let me repeat what they are saying, and I shall put this in the RECORD.

Already, the $800 million cannot be achieved—so says the Air Force—because they did not make the April 1983 date. If you begin by June 1, 1983, which obviously is impossible, then you make a $600 million saving, which is $300 million discounted.

Now, the $300 million discount is necessary, says the GAO, because, in effect, you are borrowing money to order equipment earlier and, therefore, you have to pay the interest in the meantime. So we are not talking about $800 million, we are talking about $600 million undiscounted if you begin by June 1. If you begin by October 1, GAO says $400 million saving, which, if discounted, would be about $200 million saving. So there is most of the savings of the $1.5 billion. So, what we are talking about is savings substantially less than $1 billion, according to the GAO.

Mr. President, I ask unanimous consent that a copy of the letter to Chairman ADDABBO and Chairman STEVENS, dated June 16, 1983, and signed by Frank C. Conahan, Director of the GAO, be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., June 16, 1983.

Hon. JOSEPH P. ADDABBO,
Chairman, Subcommittee on Defense, Committee on Appropriations, House of Representatives

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate

Subject: Analysis of the Department of Defense's Request for Multiyear Contract Authority for the B-1B Weapon System (GAO/PLRD-83-86).

This is our first report in response to your requests for our analysis of projects proposed by the Defense Department for multiyear contracting. As requested, this report concentrates on the results of our analysis of Defense's request for multiyear procurement authority for the B-1B weapon system and the impact of economic order quantity buying. Other proposed mulityear projects will be considered during our analysis of Defense's fiscal year 1984 budget request.

As you requested, we did not obtain formal comments from Defense officials on this report. We have, however, discussed the issues raised herein with Air Force program office personnel responsible for the B-1B program. We briefed your staff on several occasions as our work progressed and assisted them in preparing for hearings held by your Subcommittee.

OBJECTIVES, SCOPE AND METHODOLOGY

Our work was directed at assessing whether Defense's fiscal year 1983 supplemental request and its fiscal year 1984 budget request to initiate multiyear contracts under the B-1B program met the legislative criteria for benefit to the government (savings), degree of cost confidence (reliable estimates) and stability of design. We discussed each of the foregoing areas with Air Force program office officials and reviewed underlying supporting documentation that was made available. Information supporting cost savings and contract costs was limited to budgetary data and program office estimates. Although the B-1B Program Office has received contractor proposals, analysis and negotiations are incomplete.

The program office provided some summary information concerning the proposals but refused to make the proposals or analysis of the proposals available prior to completion of negotiations. The Program Office believes that release of the proposals and analysis would be harmful to the negotiation process. Access to both the proposals and the Air Force's analysis of the proposals is essential to a conclusive assessment of the proposed multiyear contracts.

Our audit was performed in accordance with generally accepted government auditing standards.

APPROPRIATENESS OF THE B-1B PROGRAM FOR MULTIYEAR CONTRACTING

Sufficient data was not available to us during our review to enable us to reach firm conclusions on the appropriateness of the B-1B program for multiyear contracting. We have some observations, however, which should assist the Committee in assessing the extent to which the legislative criteria have been met in the areas of reliable estimates of costs and savings and the stability of design.

The B-1B program cost baseline of $20.5 billion assumes a $800-million savings through multiyear contracting. The Air Force currently estimates the savings at $600 million (which would be about $300 million if the savings are discounted) and believes these savings will continue to diminish if economic order quantity (EOQ) purchasing is not expeditiously authorized.

The B-1B multiyear justification is based on budgetary data rather than firm contractor proposals analyzed by the Air Force. As a result, there is not a firm basis for confidence in the budgeted contract cost or savings estimates at this time. Not until the Air Force completes its analysis of proposals from all four contractors on a multiyear and annual contract basis will there be clear answers on these issues.

The Air Force believes the B-1B weapon system has a stable design. The first B-1B aircraft, however, has not been completed and extensive operational testing remains to be done. We, therefore, are not in a position to affirm or reject the Air Force's belief that the design is stable.

Estimate savings

On November 4, 1981, the Deputy Secretary of Defense directed the Air Force to proceed with a vigorous multiyear contracting program in order to achieve an estimated $800 million (1981 dollars) savings as compared to annual contracting. The B-1B program cost estimate and program plan provided for use of multiyear contracts covering fiscal years 1984, 1985 and 1986 (production lots III-V, respectively).

We [1] and independent cost analysts in the Office of the Secretary of Defense questioned the projected savings because of the use of an unreliable estimating methodology. In addition, an Air Force and contractor study made during the summer of 1982 indicated that $734 million savings (1981 dollars) was achievable but only if Economic Order Quantity (EOQ) purchases began in fiscal year 1983. The Air Force projected that savings would begin to decrease around April 1983, and that half of the savings would be lost if authority for EOQ contracting is delayed until fiscal year 1984. Therefore, the Air Force concluded that the contractors should be authorized to begin EOQ procurement by April 1, 1983, or as soon thereafter as possible.

In December 1982 the Air Force received multiyear and comparative annual contract proposals from three of the four associate B-1B contractors. Only a multiyear proposal was received from the associate contractor providing the engines. Air Force officials advised us that the proposals, which were predicated on an April 1, 1983, start for EOQ, supported an estimated $800 million savings (1981 dollars). To initiate the EOQ procurement, the Air Force planned to issue contractual authority with "not-to-exceed" ceilings which would limit the Governments liability to $195 million (then year dollars) if the contracts were terminated. The Air Force requested specific authority from the Congress for this action, in March 1983.

Since the Congress has not approved the Air Force's request to begin EOQ procurement starting April 1983, the Air Force revised its savings estimate. Air Force officials have stated that if EOQ purchases were to begin by June 1, 1983, and multiyear contracting was approved for the program as planned, savings of $600 million (about $300 million discounted),[2] in lieu of $800 million, could be achieved. Further, savings will continue to erode as EOQ approval is delayed beyond June 1, 1983.

EOQ procurement.—A large part of multiyear contract savings for the B-1B program are expected to be achieved by acquisition of subcontracted items and materials on a more economical or EOQ basis.

As planned by the Air Force, the associate contractors would be authorized to enter into multiyear subcontracts with suppliers for the purpose of achieving better prices through the purchase of larger quantities rather than only buying enough to protect the contract delivery schedule. The items involved are not specifically identified or priced in the prime contracts and are funded only for the amount needed to cover termination liability. That is, the EOQ contracts specify a "not-to-exceed" amount which represents the maximum government liability if the contract were terminated. The proposed funding for termination liability of EOQ contracting follows:

[Then year dollars in millions]

Fiscal year:	*Amount*
1983	$195.0
1984	507.9
1985	205.3

The final prices for EOQ items will be included in the negotiated prices for fiscal year 1983, 1984, and 1985 aircraft. There is no practicable way to determine the savings to be realized by EOQ buying when the initial funds are committed. This determination must wait until the multiyear contract price is negotiated and would require a special study. The theoretical advantages of EOQ buying are evident and it is that concept upon which multiyear procurement is largely based. Disadvantages are also evident. If a program is not stable, if the total end item quantities are not acquired, if they are not acquired on about the same schedule as planned, or if the design changes make EOQ items obsolete the expected savings not only erode but costs can increase.

Confidence in cost estimates

Public Law 97-86 requires a reasonable assurance that cost avoidance estimates and contract cost estimates are realistic. The House Appropriations Committee in its fiscal year 1983 report stated:

"The Department's estimated savings for fiscal year 1983 were based primarily on soft budgetary data. The Committee believes that the resolution of this problem most likely will require a 2-step process. To achieve this objective, the Department is directed to solicit proposals on both a multiyear and an annual contract basis, with the ultimate decision reserved until the firm proposals are analyzed. It is important that annual proposals must include options that would cover the quantities and time frame set forth in the MYP proposal * * *."

The B-1B multiyear justification is based on budgetary data rather than firm contractor proposals analyzed by the Air Force. As a result, there is not a firm basis for confidence in the budgeted contract cost or savings estimates at this time.

The Air Force is currently analyzing only the Lot III (fiscal year 1984) annual proposals for three of the contractors. One contractor (engine) did not submit proposals on an annual basis, so the Air Force is analyzing the multiyear proposal for that contractor. The multiyear proposals received by the Air Force covered Production Lots III, IV, and V (92 aircraft) except for the airframe contractor. The airframe contractor pro-

[1] "The B-1 Bomber Program—A New Start" (GAO/MASAD-83-21, April 13, 1983).

[2] Air Force estimated savings would be $600 million if EOQ not awarded by June 1, 1983, and $400 million if not awarded by October 1, 1983.

posed an annual buy for Lot III (10 aircraft under the fiscal year 1984 buy) and a fiscal year 1985, multiyear buy for Lots IV and V (34 aircraft in fiscal year 1985 and 48 aircraft in fiscal year 1986). Analysis of the multiyear proposals, except for the engines, will not be started until after congressional approval of multiyear procurement which the Air Force interprets as the date the pending fiscal year 1983 supplemental request is approved.

The Air Force does not plan to negotiate the 82 airframe multiyear contract until fiscal year 1985, one year later than for the engine, offensive avionics and defensive avionics. Since the airframe represents the major cost portion of the program, the analysis of annual and multiyear proposals for that effort would be essential to establishing overall confidence in both multiyear contract savings and cost projections for the total B-1B program.

The Air Force advised us that combined target prices in the contractor multiyear proposals are $3 billion (31 percent) over Air Force budgeted amounts for the multiyear contracts. Air Force officials stated they are confident they can negotiate the proposed contract prices down to the budgeted target price by various techniques which include eliminating or reducing certain work. They said their experience on B-1 related contracts showed negotiation reductions ranging from 8 percent to 48 percent of target price.

Negotiating a reduction of 31 percent of target price may be a difficult goal to achieve. The average reduction for fullscale development on Lot I and II production contracts was about 22 percent of proposed target prices. Also, there could be a loss in negotiation leverage caused by negotiating the major 2-year multiyear contract for 82 airframes a year after the Government is locked into the three multiyear contracts for the engines, defensive avionics and offensive avionics for 92 aircraft. Further, $507.9 million will have been committed to economic order quantity purchasing including $161.8 million for the proposed airframe multiyear contract as well as $1 billion committed to initiate long lead time purchasing for the fiscal year 1985 and 1986 airframes. Additionally, eliminating or reducing certain work from multiyear contracts in order to reduce up front costs raises some risk that the Air Force may only be deferring costs or increasing life cycle costs (maintenance, etc.).

The Air Force plans to award multiyear contracts for engines, offensive avionics, and defensive avionics beginning in fiscal year 1984, but not begin multiyear procurement on the airframe (which represents over half of the remaining procurement program), until fiscal year 1985. As previously discussed this delay would put the Congress in the position of making a substantial dollar commitment to a 100 aircraft multiyear contract program before confidence in either the projected $600 million [3] multiyear cost savings or the total program baseline costs of $20.5 billion is established.

Design stability

Public Law 97-86 requires a multiyear candidate to have a stable design with technical risks that are not excessive. The Office of the Secretary of Defense expanded this criteria to state:

"Stable Configuration. The item should be technically mature, have completed RDT&E (including development testing or its equivalent) with relatively few changes in item design anticipated and underlying technology should be stable * * *."

In our opinion stable design, technical maturity, and completion of research, development, test, and evaluation generally describe systems that have previously been produced for delivery to the active forces. We expressed this view in testimony before the House Committee on Appropriations, Subcommittee on Defense on June 16, 1981.

The Air Force believes the B-1B is a design stable aircraft because of the experience and testing in the B-1A program and because the offensive avionics systems are based on subsystems in the B-52 and F-16 aircraft. Air Force officials also stated that only items known to be stable will be included in EOQ multiyear contracts thereby reducing the risk of changing design.

The first B-1B aircraft, however, has not been completed and extensive operational testing remains to be done. As noted in our April 13, 1983 report, full-scale development effort is planned into fiscal year 1987 and about half of the research development, test and evaluations effort required on the program is to take place during fiscal year 1984 through 1987. Further, avionics flight testing will not start until July 1984 with planned integrated flight testing not to begin until early 1985.

Since operational testing is only beginning there is no basis to specifically identify potential design problems or assess their impact on the program. We, therefore, are not in a position to affirm or reject the Air Force belief that the risk of design change is acceptable.

MATTERS FOR CONSIDERATION

While the Air Force has estimated substantial savings available from multiyear procurement and insists the design of the aircraft and major subsystems are stable, the inherent uncertainty of using budgetary data to estimate savings and contract cost and the absence of meaningful production experience raise questions about this position.

When the Committee is satisfied that the Air Force has provided sufficient information to demonstrate confidence in the design stability of all B-1B systems, and determines that the B-1B program is an acceptable candidate for multiyear contracting, it may want to consider quickly approving EOQ for fiscal year 1983 because the Air Force states that delay is jeopardizing claimed savings. We believe, however, that approval of fiscal year 1983 EOQ authority and the fiscal year 1984 budget request for multiyear contracting authority should carry certain conditions. We suggest the Committee require the Air Force to:

Make a detailed analysis of both multiyear and annual proposals for all associate contractors based on a fiscal year 1984 start before any multiyear contracts can be awarded;

Provide a detailed assessment that demonstrates the extent to which the negotiated multiyear target prices plus work already on contract and work not yet on contract compares with the $20.5 billion program baseline.

In addition, if the Committee wants our assessment of savings and total program cost based on negotiated multiyear contract prices prior to final congressional approval it should consider requiring the Air Force to provide all proposals and analyses for GAO review when the initial negotiation objectives under either multiyear and/or annual contract basis are established. Timely access to this data would be essential for us to be responsive to the Committee needs. Such access would require that adequate assurance be given to the Air Force that the confidentiality of the materials is maintained until price agreements are reached.

We appreciate the assistance you provided in our attempt to obtain access to essential Air Force data. We are continuing to perform requested work on other multiyear programs proposed by defense.

Copies are also being sent to the Secretary of Defense and other interested parties.

Sincerely yours,

FRANK C. CONAHAN,
Director.

[3] Present value discounting would reduce the real savings to less than $300 million.

Mr. JOHNSTON. Mr. President, that saving is less than 1 percent. What are we talking about in this amendment? We are not talking about a cancellation of the B-1. To be sure, reasonable minds can differ as to whether or not the B-1 ought to be continued in light of the great progress that is being made with Stealth technology. That, of course, is a secret program. Many Senators have had the briefings on the Stealth program. We had one as late as yesterday. In my own view, we should not proceed with B-1 at this point beyond further testing and evaluation, and we should await that.

This amendment does not present that argument, as valid as some of us think it is. This amendment is in support of the two bomber programs—a B-1 and later in support of a Stealth program. We do not take one single bomber away from the program. We still have a 100-bomber program.

What is involved, Mr. President, is a more economical and a more practical schedule of building these bombers. Under this amendment, the bombers would be put under contract as follows: In 1982, 1 bomber; 1983, 7 bombers; in 1984, 10 bombers. Now, up to that point the budget request—that is, the position of the Armed Services Committee—and the position of the Nunn-Johnston amendment would be exactly the same. The difference comes in 1985. Under the budget request or under the position of the Armed Services Committee, you would have 34 bombers in 1985 whereas we would have 31, and the big difference comes in 1986, where they would have 48 bombers under construction where we would have only 36. In 1987, the budget request would have zero and our amendment would have 15.

The real hidden agenda, Mr. President, and it is not so hidden any more, was revealed in an article in the Washington Post earlier this week in which it was said that the contractor and the Air Force really want to build 200 bombers, not 100 but 200. Indeed, the position of the Armed Services Committee would pretty well lock us into that because if you have 48 bombers in 1 year, 1986, with 60,000 employees and that is to go to zero in the next

year, a zero in bombers and a zero in employees, it creates a pressure and a schedule of irresistible momentum.

How much more practical, Mr. President, is it to go from 10 to 31 to 36 to 15 bombers between 1984 and 1987, keeping a stable employment, avoiding the huge surge in employees which scaling from 34 to 48 bombers in 1 year would give you. You would have to train all of those employees for those 12 additional bombers all for 1 year's work and then the following year fire those employees if you are going to terminate the program at 100 bombers.

What we are saying, Mr. President, is that this amendment gives us the opportunity to have, we hope, a two bomber program—to have, as the Armed Services Committee has publicly stated that it wants, a two-bomber program; that it has confidence that Stealth technology will work but that we need the B-1 bomber in the meantime, but no one has thus far stated on the floor of the Senate that we want to prejudice the so-called Stealth program, the ATB program. Indeed, the position of the Armed Services Committee would not only prejudice but I believe preclude a serious consideration of the Stealth program.

Let me mention one other thing when it comes to budgetary matters, Mr. President. We are only now beginning to see the crunch that is going to come to defense as we saw what the Armed Services Committee did in its cut with conventional forces which we have restored in this amendment.

The proportion of the defense budget which goes for procurement is rising at a very rapid rate. In a letter to the Congressional Budget Office, I asked what percentage of the budget went for procurement. A letter I just received, which I will put into the RECORD, dated July 11, 1983, states that in 1979, 24 percent in budgetary authority went for procurement of weapons systems. In 1984, 34 percent of the defense budgetary authority goes to procurement. By 1988, it will be 39 percent. As far as outlays are concerned, in 1984, it was 35 percent for procurement; by 1988, 43 percent.

Now, is there a corresponding drop in what we call readiness in order to make up that huge increase from 24 to 39 percent in budget authority over a period of 9 years and from 35 to 43 percent in outlays over a period of just 4 years? There has to be either a huge increase in the defense budget or there must be a corresponding cut in readiness.

I think this Senate knows that readiness is not a declining priority in the military forces; it is an increasing priority in the military forces. Indeed, this very same letter from the Congressional Budget Office analyzed some six systems comprising 12 percent of the budget with respect to operating and support costs and indicated that those six systems were up from 45 to 70 percent in readiness costs. They analyzed another 12 percent for operating and support costs and they stated that it seems likely to increase as modernization increases. An additional 16-percent modernization of weapons "seems likely to increase" and the remaining 60 percent "seems less likely to increase because of modernization though it may grow for other reasons."

Included in that other 60 percent is personnel. I think the Senate is acutely aware that personnel costs in the military are not going down. So just how are you going to finance an increase in procurement as a percent of the defense budget, an increase from 24 percent in 1979 to 39 percent in 1988 or, again, how are you going to sustain an increase in outlays up to 43 percent?

Mr. President, I ask unanimous consent that my letter to Alice Rivlin, Director of the Congressional Budget Office, dated July 1, 1983, posing these various questions, and her reply on July 11, 1983, be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 1, 1983.

Dr. ALICE RIVLIN,
Director, Congressional Budget Office, Washington, D.C.

DEAR DR. RIVLIN: I noted with interest your testimony of June 21, 1983 before the Appropriations Committee, Subcommittee on Defense. I applaud you on the continued excellence of the service you and your staff provide to the Congress.

I am concerned that the current emphasis on procurement by the Department of Defense may result in the inadequate allocation of resources for operations in current and future years. Your study of the Army indicates such a trend. It is distressing to hear that, while the Appropriations and Armed Services Committees are attempting to meet the constraints of the First Concurrent Budget Resolution as wisely as possible, the Army "still lacks the techniques to project comprehensive estimates of future operating and support costs for a modernized Army".

To further my understanding of the situation, I would greatly appreciate it if your staff could respond to the following inquiries:

1. You state that the combat units operating the six systems studied account for 12 percent of the total operating and support budget. Approximately how much of the remaining 88 percent is tied to other systems being modernized? On the other hand, what percentage of the operating and support budget will not be largely affected by the modernization program?

2. Depot maintenance costs, as you discuss, could be higher than projected because of outdated estimates. At what point in a program's progress are engineering estimates for depot maintenance usually developed? When were the engineering estimates for the FVS developed? What other major systems are using unrevised estimates?

3. Based on the average 5.5 percent real growth in the national defense budget for 1984-1986, you have estimated that O&M,A would increase an average of 3 percent annually. What assumptions were used for this estimate? How much are Army Procurement accounts expected to increase during the same period?

In a letter to the Honorable Ted Stevens, Chairman of the Appropriations Committee, Subcommittee on Defense, dated September 13, 1982, you set forth some extremely useful information on the procurement accounts and their relationship to the total national defense budget. Specifically, you stated:

"* * * Under the program proposed last February, defense budget authority would grow from $263 billion in 1983 to $408 billion by 1987. Even after adjustment for inflation, this would amount to a real increase of 13 percent in 1983 and an average of about 7 percent in each year from 1983 to 1987. Outlays would also grow sharply, with real growth averaging 8 percent a year in 1983 to 1987.

"* * * About 34 percent of the 1983 request for budget authority would be devoted to procurement, and the fraction rises to 38 percent by 1987.

"* * * Under the Administration's program, outlays from prior-year budget authority would increase steadily from about 30 percent of the defense budget in 1982 to about 40 percent in 1987."

Since some of the developments of the past several months have affected these data, I would like to have it updated as possible. Besides the reductions of the First Concurrent Budget Resolution, the Administration's adjustments for changes in the MX basing mode and decreased fuel costs as well as adjusted inflation indices would appear to affect the allocations of the total defense budget. Realizing that no specific actions have yet been taken on individual appropriations, I would greatly appreciate receiving an interim update of the above information which reflects the actions of the Armed Services Committee's recommendations, the actions of the Congress on the First Concurrent Budget Resolution, and any adjustments by the Administration to their budget request.

Since the Senate will begin debating the fiscal year 1984 Defense Authorization Bill on July 11, 1983, it would be very useful to have as much information by that date as possible. If your staff has any questions, please have them contact Jeanne Karstens at 224-5824. Thank you again for all of your excellent assistance. I look forward to hearing from you.

With kindest regards, I am

Sincerely,

J. BENNETT JOHNSTON,
U.S. Senator.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, D.C., July 11, 1983.

Hon. J. BENNETT JOHNSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JOHNSTON: I appreciate your recent letter expressing interest in my testimony on Army operating costs and asking follow-up questions. My staff has answered each question with as much detail as possible, consistent with available information and the need to provide an early response. The attachment to this letter provides the answers.

I hope that this information is helpful. If you have further questions, please contact me or have your staff contact Mr. Robert Hale (226-2917).

Sincerely,

ALICE M. RIVLIN,
Director.

Enclosure.

ANSWERS TO FOLLOW-UP QUESTIONS RELATING TO TESTIMONY ON ARMY OPERATING AND SUPPORT COSTS

The following paragraphs provide answers to questions posed by Senator Johnston regarding testimony by the Congressional Budget Office (CBO) on Army operating and support costs. The answers are presented in the same order as Senator Johnston's questions.

1. CBO testimony indicated that the Army is modernizing its force with more than 180 new systems, many of which are substantially more sophisticated than today's versions. CBO's analysis emphasized six of these systems, representing the primary new combat systems that the Army is fielding and the ones for which detailed data were available. The analysis suggests that their operating and support costs will exceed those of antecedent versions by at least 45 to 70 percent in constant dollars. These six systems account for 12 percent of the total Army operating and support budget; the total operating and support budget should equal about $36 billion in 1984.

You asked CBO's assessment of the likelihood that modernization would cause increases in the other 88 percent. Unfortunately, the Army has no firm estimates of likely increases in the rest of the budget, as CBO's testimony indicated. But CBO has characterized the rest of the operating and support budget in terms of the likelihood of increases.

In addition to the 12 percent for the six new systems, another 12 percent of operating and support costs seems likely to increase as modernization progresses. This 12 percent consists of costs for other weapons systems, including selected costs in the operation and maintenance appropriation (specifically, the so-called P_2 mission and P_7 maintenance accounts) and costs for replenishment spares. These costs are directly related to new systems and so are likely to go up as the Army modernizes.

Another 16 percent of the operating and support budget may be related to modernization of weapons and could well increase. This 16 percent includes costs in the operation and maintenance appropriation for training and central supply, as well as costs for ammunition used in training. New and more complex weapons could well make training and supply efforts more time-consuming, and hence increase their costs.

The remaining 60 percent of the operating and support budget seems less likely to increase because of weapons modernization, though it may grow for other reasons. This 60 percent consists of most of the military personnel appropriation, which is not likely to increase because modernization does not appear to be adding substantially to numbers of military personnel. Also included in the 60 percent is the remainder of the operation and maintenance appropriation, including funds for base operations, administration, and medical costs. These funds are less likely to increase due to modernization, because the funds are related primarily to numbers of personnel.

2. You suggested that outdated cost estimates for depot maintenance were leading to underestimates of costs and asked the frequency with which estimates were updated, particularly for the Bradley Fighting Vehicle.

Initial engineering estimates for depot maintenance are usually developed along with the first life-cycle cost estimates for a system. This occurs at the first stage of a program's life. This estimate is usually updated annually as a new Baseline Cost Estimate (BCE) is prepared. Changes in a system based on design changes or engineering change proposals (ECPs) affect the depot maintenance estimates for a system.

Engineering estimates for the Bradley Fighting Vehicle were developed in support of the Army's Mechanized Infantry Fighting Vehicle (MICV) program in 1972. Changes in the MICV program that led to what is now known as the Bradley Fighting Vehicle included the addition of the TOW anti-tank missile system, the two-man stabilized turret, and the integrated sight unit. These changes all resulted in increases to the original engineering estimates for depot maintenance. The most recent depot maintenance estimate for the Bradley Fighting Vehicle was made late last year.

Not until a system is near maturity—and the Army has actual experience operating it—is a detailed Depot Maintenance Work Requirement (DMWR) completed for all of the major subsystems. Although the Bradley is now in its fourth year of production, an approved DMWR is not yet available for all of its major subsystems.

As this discussion suggests, the problem with depot maintenance costs is not a failure to update the estimates regularly but rather an inability to forecast requirements fully until the Army has actual experience operating the system. The Army has not had as much experience with the Bradley Fighting Vehicle as with the M1 tank and thus must base cost estimates mostly on engineering estimates. Yet the progression of M1 cost estimates—whose latest estimate is three times the cost of earlier engineering estimates—suggests that, when the Army has more experience operating the Bradley, its costs could be substantially higher than those anticipated by the engineers.

3. You asked the assumptions that CBO used to derive estimates of planned growth in the Army's budget for the operation and maintenance (O&M) appropriation. If the Congress slowed growth in the Army's overall budget authority to an average of about 5 percent a year between 1984 and 1988, and if—as CBO assumed—each appropriation was reduced proportionally to achieve this lower overall average growth, then O&M would grow at an average of less than 3 percent a year, compared to an average of about 5 percent a year under current plans.

You also asked for estimates of growth in procurement. These data are not publicly available. Indeed, the estimates of planned O&M growth are based on informal information, since details on growth by appropriation and service are not routinely supplied to the Congress. It is fair to assume, however, that the rate of growth in Army procurement would be substantially higher than that for O&M.

4. You asked for an update of our analysis of the DoD budget. The following three paragraphs supply the updates we have available.

Under the program proposed by the President in January 1983, budget authority for national defense would grow from $280.5 billion in 1984 to $432.7 billion by 1988. Even after adjustment for inflation, this would amount to a real increase of about 10 percent in 1984 and an average of about 7 percent in each year between 1984 and 1988. Outlays would also grow sharply, with real growth averaging about 7 percent a year in 1984 to 1988.

The First Concurrent Resolution on the Budget for fiscal year 1984, and other Congressional actions, have reduced these numbers. Budget authority would rise from $268.6 billion in 1984 to $329.0 billion in 1986, the last year covered by the resolution. Outlays would increase from $240.0 billion in 1984 to $295.0 billion in 1986.

CBO has not updated the percentage estimates mentioned in your question. We do not believe, however, that the percentages are likely to differ substantially from the estimated made for the January 1983 budget program, especially in years beyond 1984. This is true because the Congressional actions most likely to affect the percentages—the authorization bills proposed by the House and Senate Armed Services Committees—provide detailed changes only for the budget year and so cannot readily be used to make estimates in later years. The January 1983 estimates show that 34 percent of the 1984 request for budget authority would be devoted to procurement; the fraction would rise to 39 percent by 1988. Outlays from prior-year budget authority would increase steadily from about 35 percent of the defense budget in 1984 to about 43 percent by 1988. (For further detail, please see pages 53-88 of CBO's An Analysis of the President's Budgetary Proposals for Fiscal Year 1984, February 1983.)

(Mr. PRESSLER assumed the chair.)

Mr. JOHNSTON. Mr. President, again the point is that we have the irresistible force meeting the immovable object. The irresistible force is the huge momentum in weapons procurement cost increases, and the immovable object is the size of the Federal deficit and the increasing reluctance and resistance of this Congress to increase defense spending cost.

Now, if we cannot sustain that big increase from 24 percent to 39 percent, the percent that makes up weapons procurement in the defense budget, just what happens?

Well, it means, I guess, Mr. President, that something gets squeezed out. We are seeing the first evidence of the squeeze. Conventional forces are beginning to get squeezed out. Unless we adopt this amendment, Mr. President, in my view what surely will be squeezed out is the advanced technology bomber.

What we are doing is we are mortgaging our future in order to buy 1960's technologies, that is, the B-1B, and precluding the ability to buy 1980's technology which is the ATB or the so-called Stealth. We made the decision yesterday.

Mr. President, we ought to have the B-1B, and that decision is not here being relitigated or reargued. Indeed, this amendment accepts that decision. It accepts the B-1. It accepts the schedule of 10 B-1's in 1984, 31 B-1's in 1985, 36 B-1's in 1986, and 15 B-1's

in 1987. That is what our amendment provides. That is a workable delivery schedule that does not involve huge surges in employees rapidly trained in order to work only 1 year.

The committee proposal, on the other hand, does provide that: for 60,000 employees employed 1 year and zero employed the next year; to go from 10 bombers 1 year to 34 the next, to 48 the next—a huge surge in the rate at which these are being built.

Mr. President, it is as inevitable as the night follows the day that we are setting the scene for a huge budget crunch unless we contract for these bombers at a more reasonable and even pace. This surge contracting will turn out to be very, very wasteful. Not only very wasteful, Mr. President, but also, it will preclude our decision later to go to an advanced technology bomber. That is what the Senate has decided: We want the B-1 now, but we want to preserve our decision for the advanced technology at a later time.

It is also important to point out, as did the GAO, that the usual tests for so-called multiyear contracting have not been met with the B-1. The first and most important element of multiyear contracting is stability of costs.

The President, of course, has certified $20.5 billion of cost on this program in 1981 dollars. Senators should not let it escape their attention that it is 1981 dollars. Remember, it was in 1981 that we had a 14-percent increase in the price index, so we do not pick up that 14 percent. I do not recall the figure in 1982; it was very substantial. Do not let that part escape.

The cost analysis improvement group of the U.S. Air Force analyzed the same costs and said not $20.5 billion but $26.8 billion, again in 1981 dollars. Or, if you want to put it in 1983 dollars, it is $29 billion. So there is no stability in cost.

The Congressional Budget Office analyzed the same figures used by the cost analysis improvement group, the so-called CAIG study of the Air Force, using CBO assumptions with the CAIG figures from the Office of the Secretary of Defense, and concluded that the program is not $24.5 billion but $41 billion.

I do not know what the cost is, but I call tell you that it is a rapidly moving target, moving just as fast as the B-1 flies, perhaps supersonic, the way the cost estimates have changed on this bomber.

Second, in order to use multiyear contracting, the rules require that you have stability of design. It is admitted that there is not stability of design in this program. There has never been a B-1B that has flown. There has never been a B-1B made. There has been plenty of B-1A's that have flown, but no B-1B. The B-1A and the B-1B are drastically different. They have different missions. They have different abilities. The B-1 was designed to fly high, at supersonic mach 2.2. As Soviet radar capabilities increased, the mission changed radically. Rather than have a high penetrating bomber, it has to have the ability to go in on the deck. Rather than 2.2 mach, they are going to penetrate at about 0.85 mach.

So they had to change first the airframe, and there is a 20-percent difference in the airframe of the B-1A and the B-1B. There is a 40-percent difference in the defensive system architecture, a 30-percent difference in the offensive radar, and a vast difference in the capabilities of the plane.

So you took a plane that was already in existence. You took a Ferrari automobile, took the engine out of it, and put in a Chevrolet Nova engine, and it works. I am sure it will be able to fly. But it was not really designed for what it is supposed to do. Indeed, the stability of the design is not yet fixed.

That is what they mean when they talk about multiyear contracting. You get a fixed cost, where you have confidence in it, and a fixed design, where you have confidence in it. The first flight testing of this airplane will not be until March 1985.

It is interesting, Mr. President, that when the first flight of this plane is tested, it will be after the 50th plane is in production, if we proceed with multiyear contracting. We are still doing research and development testing and evaluation. We have a $1.6 billion schedule for the budget on that, and that proceeds through 1987.

So, Mr. President, we do not have the stability in design or in cost.

The Air Force officials testified before the House committee that the proposals from the B-1 contractors exceeded the cost parameters in the two estimates that have been received. They exceeded those costs by 55.7 percent and by 44.8 percent. This is way out of the ball park.

Usually, the first estimates come in higher and they negotiate them down. But experience has shown that the negotiating range from first estimates received by contractors to finally negotiated price are negotiated down 10 percent to 30 percent. However, an average of about 50 percent overruns from the cost estimates already received hardly inspires confidence that this plane is going to come in anywhere close to the estimates of cost that have been indicated.

So, Mr. President, it is a very simple matter. Under our amendment, we keep the B-1. We build it on a workable schedule. We do not lose one job. We do not lose one airplane. Indeed, we save a great deal of money, I believe, on the B-1 itself. Clearly, we save $2.5 billion to $3 billion on other conventional items that are badly needed by the Air Force.

If you want to lock the Senate and Congress and this Nation into a one-bomber force, B-1, preclude the ability to build a Stealth, if the technology seems as promising as I believe it is and is moving as fast as I believe it is—if you want to make that choice now and preclude the choice of an ATB at a later time, then vote against this amendment.

But if you want the choice for the Stealth bomber later, if you want to preserve the option for that choice, then you should go for this amendment because this amendment has a schedule of building those airplanes and preserves that choice that I think we need for the ATB.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I yield to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I have always been content to let someone else pass on the technical part of this involved weaponry and particularly in this kind of a field, but I have, as a member of the Armed Services Committee, kept up with these major developments and I feel as if now we are down to the point here with these two bombers where we are riding for a fall perhaps if we tie ourselves down irrevocably to this B-1 with this special kind of a contract.

I have not heard any kind of criticism or deficiency or anything brought up about the Stealth bomber. I lean always toward putting the money on the lead horse, the new one, the new invention, the most modern, and I just hate to see us tire ourselves out now with the hope here of saving some money so as to be where we could not change our mind or could not vary without paying a price and buy ourselves out of a contract which I think would be prematurely made.

I think we have had excellent explanations of this situation by both sides.

This is an old subject matter, and I sat here and listened to the part of the explanation of the Senator from Louisiana, and it has been handled splendidly. I am proud of the way that the Armed Services Committee has members who can present these matters.

But I think we better go along now more the conventional way, keep both going for the time being, and I do not see how we can just assume now that we can afford these two full-fledged bombers. We are going the other direction on this matter of getting the budget straightened out anyway. We voted a new entitlement program here a few days ago, and I do not criticize anyone. I voted against it. There was a lot of worth in it. But we have to change directions about the entitlements.

There was a very respectable vote here last night, a formidable vote in favor of another entitlement program running 4 or 5 years ahead of time if it had passed.

So I wish to put this word of caution. I fought for the B-1. I am not against it as such. I fought for it in its old days and tried to stave off the interruption of it.

But now we are living in a different world of weaponry and a different world of finance and a different world of failure to really carry out our fiscal affairs.

So I hope that we can leave these matters open, pass this amendment, and let things ride for another year and then make a judgment as to what the facts are then.

I thank the Senator for yielding to me.

Mr. NICKLES. Mr. President, less than 2 years ago the Senate approved the President's request to build 100 B-1 aircraft. I am sure that the Members of this body recall the several hours of heated debate on this subject—particularly about the cost estimates for the 100 aircraft. Opponents of the B-1B vehemently argued that the Department of Defense estimates of $20.5 billion in fiscal year 1981 dollars were absolutely wrong. They countered that the Defense Department working groups estimated the costs at $25 billion and the Congressional Budget Office estimate was $39 billion.

At that time, the senior Senator from Georgia submitted an amendment to the fiscal year 1982 defense appropriations bill—an amendment I might add which was readily accepted by both sides of the aisle—which fenced fiscal year 1982 B-1 funds until the President himself certified the program cost of $20.5 billion for 100 aircraft.

The President certified this provision—and I quote from Public Law 97-114—"that it is feasible to accomplish this program for the purchase of 100 B-1B aircraft at a total program cost of not to exceed $20.5 billion in constant fiscal year 1981 dollars." The President stipulated that funds must be appropriated as requested since changes would cause problems, especially cost increases.

Where are we today? It is well recognized that the B-1B is perhaps one of the best managed programs within DOD, well ahead of schedule and actually under cost. Why? Certainly one factor has been the direct interest taken by the Secretary of Defense and certainly another is that the Congress has so far funded the program as the President requested.

Mr. President, I am most concerned that this amendment now before us proposes to destroy all that. I support what the senior Senator from Georgia did 2 years ago to hold the Department of Defense and the defense contractors to their word.

Is multiyear procurement the issue? I find this difficult to understand. Multiyear procurement and its $800 million savings was an announced part of the $20.5 billion program certified by the President. If MYP is wrong, why was not it so identified in 1981 and the program adjusted then instead of now? I fail to understand why some Members of the Senate feel Congress should renege on its commitment and drive this program into an overrun (presently estimated to be easily over $1 billion) and I particularly fail to understand how this action can be rationally justified under the guise of "cost savings."

Mr. President, 2 years ago we debated the rationale for the B-1B program at length. We aired all the pros and cons and two-thirds of the Senate voted to proceed with this long overdue bomber. We also agreed to have the President certify to the baseline cost. In so doing, we in effect agreed to the terms of the program, including the production rate and multiyear procurement.

Over the past 2 years Congress has insured that DOD held the line on costs and the 100 aircraft. Now it is up to Congress to in turn hold the line by meeting the funding program on which these estimates were based. I can find no rational reason to propose at this time a change to these rules—particularly a change which will cost the taxpayers more money. I cannot help but think that this is a first step in undermining the B-1B program with the hope that the directly resulting overruns will weaken the public congressional support for the B-1 and the further hope of eventual cancellation.

In conclusion, I believe if this amendment passes, the so-called "savings" in fiscal year 1984 will cost the American taxpayers much more in fiscal years 1985 and 1986 far outweighing any temporary benefits to be gained. Who will be the losers? The taxpayers, certainly, and so will the Air Force crews who presently train and face the possibility of battle in those antiquated B-52's. I urge my colleagues to reject this amendment.

Mr. LEAHY. Mr. President, I rise to support the amendment offered by Senator NUNN and others to deny multiyear procurement funding for the B-1B bomber, and to stretch out the planned production rate of the B-1B by an additional year. I cast my vote reluctantly because I do not wish to do anything which can be construed as a vote for the B-1B in whatever way, shape or form. The B-1B is, in my opinion, one of the most wasteful and useless weapons programs this country has entered upon. It will be obsolete before it is operational.

Nevertheless, I will vote for this amendment because I understand its purpose is to protect the advanced technology bomber program, or Stealth bomber. Senator NUNN rightly points out that if the Congress locks in multiyear procurement of the B-1B now, it will be politically difficult to maintain service and congressional interest in adequately funding development of the Stealth bomber. His amendment, by denying multiyear procurement funding for the B-1B, will also give the Congress the opportunity to examine again in future authorizations and appropriations bills the issue of whether we must continue with this outrageously wasteful and unnecessary program.

I also support the aim of my friend from Georgia to transfer more than $800 million from the B-1B program to a number of needed conventional forces programs. Senator NUNN is a leader in the badly needed effort to strenghten our conventional forces, which have suffered from a long preoccupation with big ticket nuclear delivery systems. This is an effort I strongly support.

Mr. KENNEDY. Mr. President, I rise in support of this amendment that has been offered by my colleagues, Senator NUNN and Senator JOHNSTON, to delete $888 million for multiyear procurement of the B-1 bomber and use these funds to improve our conventional force posture.

Mr. President, having participated in the Senate Armed Services authorization process this year for the first time, I must say I am impressed with the manner in which the committee members worked together to make the necessary sacrifices to come within the budget resolution target. One of the sacrifices deemed necessary was to cut multiyear fundings, as well as the accelerated production rate, of the B-1 bomber. Until the end of the armed services markup, which entailed significant cuts in conventional weapon systems and readiness items, each subcommittee had been compelled to take a share of the budget cuts. Although I thought that the tactical warfare and preparedness accounts had taken a disproportionate amount of these cuts, I was prepared to vote the bill out of Congress.

But then the Office of Management and Budget came forth with reestimates of inflation at the last minute which conveniently accommodated multiyear funding of the B-1. At that point I argued that if, indeed, there were more money available, then we should decide whether to allocate that money to procurement of other defense systems, to readiness, or to reductions in a massive Federal deficit.

Mr. President, that is the essence of the amendment before the Senate today—it is the product of a more ra-

tional allocation of the savings from the inflation reestimates, the majority of which initially went to the B-1 bomber.

Given the uncertainties about the future military requirements of our strategic bomber force, if we do proceed with the B-1, we should eliminate all multiyear procurement of the new aircraft. The B-1 bomber meets few, if any, of the congressionally mandated criteria for multiyear funding. According to the recent GAO report on multiyear programs, ". . . the operational testing that remains to be done on the B-1 bomber could ultimately require some design change." The instability of the design of the system could very well reduce or even eliminate multiyear savings in the future.

According to the GAO, the B-1 bomber fails to meet four of the five criteria used to evaluate multiyear contracts, including degree of cost-confidence, funding stability, design stability, and, more importantly, projected savings. Indeed, the GAO report casts considerable doubt on whether the Air Force could achieve the savings it originally estimated it could attain from multiyear contracting.

For the reasons cited in the GAO report, the Strategic and Theater Nuclear Forces Subcommittee initially cut multiyear funding for the B-1. No matter how much money might be saved from the recent inflation reestimates, the B-1's failure to meet our criteria for multiyear funding leaves the burden of proof on those who want the B-1, it seems, at any cost.

We have far more pressing requirements in our defense than an expenditure this year of nearly $1 billion for multiyear procurement of the B-1. Senators NUNN and JOHNSTON have done an excellent job in identifying critical elements in our conventional force posture which could be improved with this money, and I urge my colleagues to support this amendment.

Mr. LEVIN. Mr. President, I rise in support of the amendment of my colleague from Georgia and others to divert $888.7 million from the B-1B bomber program to finance much higher priority procurement in Army, Navy, and Air Force conventional forces programs.

This amendment would, in part, restore the imbalance in the committee bill between overinvesting our scarce resources for strategic nuclear programs and underinvestment for the conventional forces.

It also would deny multiyear procurement authority to the B-1B program and establish a more prudent, slightly slower production rate for this bomber. Both of these actions are necessary to insure that the American taxpayers are obtaining the most national security for their defense dollars and to preserve congressional flexibility to alter the B-1B program in the future.

Mr. President, as everyone in this Chamber knows, I oppose procurement for the B-1B bomber. I do so because I think that this Nation cannot afford a two-bomber program and that we should procure as fast as possible the much more survivable, and therefore more capable, advanced technology bomber.

However, the Senate has spoken several times on this matter, so I think we must make the best of a questionble procurement program by minimizing its damage to other, higher priority programs, as well as by altering its production profile to a more affordable and more prudent rate. That is what this amendment proposes to do.

Substantial evidence exists that the B-1B bomber program is not yet ready for multiyear procurement, and that it does not even meet the Defense Department's own criteria for eligibility for multiyear contracting.

The Department's own independent Cost Analysis Improvement Group, the CAIG, outlined these criteria in conducting its examination of the B-1B program.

These policy criteria state there should be a reasonable assurance that cost estimates for both contract costs and anticipated cost-avoidance are realistic, that the aircraft should be technically mature, and have completed RDT&E (including development testing or equivalent). The CAIG concluded that the $800 million multiyear procurement savings in fiscal year 1981 constant dollars should not be included in the cost estimates for the B-1 program.

Air Force officials testified to Congress on April 26, 1983, that the B-1B airframe is only 80 percent common with the B-1A prototype; the B-1B defensive system architecture is only about 60 percent common with the B-1A design; and the B-1B offensive radar system is only 70 percent common with the newly developed F-16 radar system. The first B-1B bomber is not scheduled to begin development flight testing until March 1985. From fiscal year 1984 until fiscal year 1987, the Air Force will budget about $1.6 billion for B-1B RDT&E.

Air Force officials further testified that cost proposals recently received from B-1B contractors were in excess of Air Force budgeted amounts for B-1B target prices, but they were confident of negotiating these proposals down to the Air Force baseline costs. Experience in this program has shown that the Air Force is able to negotiate B-1B price proposals downward by 10 to 30 percent.

Air Force testimony indicated that one of four B-1B associate contractors submitted a firm proposal that is 55.7 and 44.8 percent higher than Air Force budgeted amounts on an annual and multiyear basis, respectively, and for the ceiling prices, the proposal was 83 and 82 percent higher than the Air Force budgeted amounts. The witness also testified that at least one more of the four proposals is higher than the budgeted amount. Therefore, it is highly questionable whether the Air Force can reduce these proposed prices downward to the budgeted amounts because the range of proposed prices in the one proposal is at least 15 percent and 52 percent higher than the percentages negotiated downward by the Air Force in earlier B-1B contracts.

Therefore on cost and technical maturity grounds, the B-1B fails to meet the Pentagon's own multyear contracting eligibility criteria.

In addition, testimony before our committee clearly establishes that the current accelerated production rate for the B-1B is fraught with risk.

This profile calls for one aircraft to be produced using fiscal year 1982 funds, 7 in fiscal year 1983, 10 in fiscal year 1984, 34 in fiscal year 1985, and 48 in fiscal year 1986. There would be no B-1B aircraft procured in fiscal year 1987 under current planning. Thus, the currently structured program calls for ramping-up of the B-1B production rate to the ultimate level of 4 aircraft per month/48 aircraft per year beginning in fiscal year 1984. As a result, significant sums are to be invested to provide a production rate which will be sustained for 1 year only.

In the face of present budgetary pressures and those anticipated in coming fiscal years, an alternative procurement approach would be preferable. Consequently, the B-1B production-rate ramp-up should be constrained to three aircraft per month/36 aircraft per year.

Such a production profile would have several advantages over the present approach: this rate can be sustained for 2 years—vice one under the current production program—and permit a gradual tapering-off of B-1B production program (vice complete program termination one year after reaching rate production).

A smoother transition to the advanced technology bomber (ATB) would thus be afforded, less trauma would be caused to the industrial base and B-1 work-force.

The Army in particular has been hurt to pay for the multiyear for the B-1B.

The committee bill sends the Army "advancing to the rear" by failing to provide it adequate resources. Knowledgeable observers agree that the Army has the furthest to go to modernize and that it is beginning from the furthest point behind the threat. While the AF and Navy modernized during the 1970's—the Air Force with

its new generation fighters, the F-15, F-16 and A-10; the Navy with new ships and the F-14 and A-6 aircraft—the Army "paid the price" for Vietnam and did not have the money to introduce new systems.

Now that the Army is finally in a position to introduce several new and needed systems, the committee is proposing to undercut this program by again robbing the Army budget to pay for additions to the other services. We again are robbing the poorer to pay the richer. There is ample evidence this occurred in the past few years, despite the rhetoric of the administration's campaign platform that the Army's "critical and long-delayed modernization programs must be restored to economical production rates and must be speeded into the field."

For example, the Army's share of the total defense budget has declined in the past year, and every fraction of a percentage point means hundreds of millions of dollars.

In addition, the GAO has determined that, despite the huge increases in defense spending between fiscal year 1980 and fiscal year 1983, most of it went to the Air Force and the Navy:

In procurement, the Navy received the largest amount of funding each year and the largest increase over that period; (Of totals added: Navy—$20.4 billion; AF—$15.6 billion; Army—$9.3 billion; thus Navy got more than twice as much as Army; AF got more than 1½ times as much);

In R&D, AF received greatest amount of funds annually and largest increase over the period; (Of totals added: AF—$5.7 billion; Navy—$1.4 billion; Army—$1.1 billion; thus AF got more than five times as much as Army; Navy got almost 30 percent more.)

In the last 15 years, between fiscal year 1970 and fiscal year 1984, the Army received the lowest real growth of each of the services, many more times than the Air Force and Navy—almost three times more often than the Navy and twice as often as the Air Force. (Army—8 years; Navy—3; AF—4). In 13 of the last 15 years, the Army has received the lowest or second lowest real growth rate each year.

Our committee proposes to do more of the same in fiscal year 1984. Only one major Navy weapons systems is targeted for a large reduction—the A-6E. Only one major AF system is to be reduced significantly—the F-15, and that is compensated for by additional funding elsewhere in the AF budget. Yet the Army forces which will spell the difference between victory and defeat because they will be the ones to take and hold the territory in NATO Europe, Southwest Asia and the Far East—are facing severe reductions in several of major procurement and R&D programs. Such proposals are a prime example of the practices so roundly criticized just 7 months ago by Chairman TOWER, who declared that the country has been "derelict" in modernizing the Army's field forces. He stated:

> One of the problems has been that people think in strategic and force projection terms and haven't thought quite so much about the necessity of keeping our Army modernized. (Army Magazine interview, November, 1982)

The committee bill reduces the Army's programs in the Tactical Warfare Subcommittee—the major subcommittee dealing with that service—much more than it reduced programs for both the Air Force and the Navy.

The most serious example of these misplaced priorities are in the reductions to the M-1 tank program from the request for 720 in fiscal year 1984 to 600; the cut in the Patriot missile system; and the reduction in the AH-64 advanced attack helicopter.

This amendment restores those programs, Mr. President, as well as funds the long-lead for a needed fleet oiler, an unglamorous Navy ship essential to support our forward deployed carrier battle groups.

Let us just look at one example, the M-1 tank.

Restoration of the M-1 tank program is important, Mr. President, because a cut as the committee proposes would add more than $1 billion to the total program costs of the M-1 and would delay fielding at least one-and-one-half divisions of tanks by almost 4 years.

The Army already is behind schedule in deploying the M-1 tank due to past changes in the program. Now that the quality of the M-1 has been demonstrated—in terms of vastly superior firepower, survivability, armor and mobility—further delays make no military sense.

The M-1 is the Army's top priority modernization program, Mr. President. That has been stated repeatedly in testimony before our committee and in a recent letter to me by the present Army Chief of Staff just before he assumed that position. When he was Vice Chief of Staff, Gen. John Wickham declared that the M-1 "is the centerpiece of the Army's equipment modernization effort."

I ask unanimous consent that General Wickham's letter and the testimony before our committee be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF STAFF,
Washington, D.C., May 3, 1983.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: This letter is in response to your request for the Army's position on the importance of the M1 Abrams tank program.

The M1 is the centerpiece of the Army's equipment modernization effort. It graphically represents our commitment to improve the combat effectiveness of the Army and I fully support its continued high-rate production.

During the program to budget process the Army and OSD reviewed the prospect of procuring 840 M1 tanks during FY 1984. However, due to competing priorities only 720 M1s were included in the President's budget. A minimum buy of 720 M1s in FY 1984 is essential to keep the Army's modernization plans on schedule.

I appreciate your continued support of Army programs. Please let me know if I can be of further assistance.

Most sincerely,

JOHN A. WICKHAM, Jr.,
General, U.S. Army,
Vice Chief of Staff.

Mr. LEVIN. Mr. President, we should pass this amendment and restore these funds to the M-1 program, as well as to the Patriot air defense missile system, the Army's top air defense priority, the other Army programs and the other conventional forces programs in this amendment.

Mr. TOWER. Mr. President, the Nunn amendment will have the effect of breaking down the cost discipline among hundreds of contractors, subcontractors, and suppliers, the cost discipline that has contributed significantly to developing the only major weapons program that so far is ahead of schedule and below costs.

The cost impact of the Nunn amendment is unknown. While initial, informal Armed Services Committee analysis estimated the cost increase at $1.5 billion, the official Air Force estimate runs twice that high.

Mr. President, I move to table the amendment of the Senator from Georgia.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 3 minutes to the distinguished Senator from New Mexico.

The PRESIDING OFFICER. There is a motion to table pending. It is not debatable.

Mr. TOWER. Mr. President, I ask unanimous consent that I may temporarily withdraw the motion to table with the understanding that I do not lose my right to the floor in yielding to the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I rise to support my good friends from Georgia and Louisiana in their amendment. They are addressing in this amendment and in the amendment they offered yesterday what may be the central point in this year's and future years' defense debates. Are we going to adequately support our conventional forces or are we going to let the nuclear buildup erode those forces and make conventional deterrence unfeasible at the very time use of nuclear weapons to offset conventional weakness becomes less and less creditable?

If we look at our strategic and theater nuclear forces modernization, we all must be concerned about the bills coming due in the future. MX and Midgetman, B-1 and Stealth, Trident I, and Trident II, GLCM and Pershing II, ALCM-B, and ALCM-C, and improved command, control and communications are all being pursued. Can we afford this much redundancy? I personally would have liked to see deeper cuts in these programs and greater additions to our conventional forces. I think we are going to face some very tough choices next year since we apparently will not eliminate any of these programs this year.

But those choices are going to be acerbated by a commitment now to multiyear procurement on the B-1 and a ramp-up to 48 planes in 1986 followed by zero in 1987. We should not tie our hands to what is an inherently implausible scenario. If we really only want to buy 100 of those aircraft, the production plan Senators NUNN and JOHNSTON envisage is the way to go. If we go with the current plan, I would be willing to place a rather large wager that we will be asked to buy more than 100 of these aircraft in the budgets for fiscal year 1987 and beyond, money not now envisaged for strategic programs, which will cut further into conventional modernization.

I might conclude by recalling an incident that occurred during the Joint Chiefs testimony on MX before the Armed Services Committee. Senator NUNN asked them whether they had calculated if all of our strategic modernization programs would fit under a defense budget growing 5 percent a year in real terms in the next decade. Their answer was that they had not considered growth rates this low. To his credit, General Meyer, then the Army Chief of Staff, did express concern that our conventional forces could be adversely affected by pursuing all of these strategic programs.

I honestly believe that 5 percent real growth is the highest level of defense spending this country will see in the next decade. We are going to have to make choices among strategic systems and choices about strategic versus conventional modernization. If we do not do it today, we will do it in the future and the choices will be more costly. Let us make a small step today in favor of conventional modernization, building on our action yesterday on the 155 millimeter neutron artillery shell.

Mr. President, I lend my support to the amendment that the Senator from Georgia and the Senator from Louisiana have offered here.

The two points that I think need to be reemphasized and have already been pointed out are, first of all, that we cannot afford all of the strategic systems that the Pentagon would ask us to buy.

We have here requests for the MX missile, the Midgetman, the B-1, the Stealth, Trident I, Trident II, GLCM and Pershing II, ALCM-B and ALCM-C, and improved command, control and communications.

All of these are things that we are being asked to fund and clearly I believe the senior Senator from Mississippi was correct in his statement that we need to keep our flexibility in funding these and not get committed to long-term plans on them.

The second point which I believe is a strong one is that the plan for production that exists in the bill as it now stands would be for us to build 48 of these B-1 bombers in 1986 and then drop back to zero production the next year.

I have not been here in the Senate long, but I have watched enough of the deliverations of this body to think that that is not a realistic proposal. We have to have some kind of scaled-down end production or else we in fact will wind up producing a great deal more than the 100 B-1 bombers that this Senate have voted to produce.

Therefore, I urge the Senate to support this amendment and not go with multiyear funding of the B-1 bomber.

Thank you, Mr. President.

Mr. TOWER. Mr. President, I reiterate my motion to table and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, will the Senator withhold for just one moment?

Mr. BAKER. Yes; I withhold.

Mr. HATCH. Mr. President, I have cosponsored this amendment with my distinguished colleague from Georgia because of my concern that the strategic balance is bad enough for the United States but the conventional balance is worse. The purpose of the amendment is to accelerate the production of a number of vital weapons systems that are relevant to NATO's central front, to the defense of Korea and Japan, and to the Southwest Asia contingencies that have occupied us in the last few years. We need more Apache helicopters and Patriot air defense missiles and we need them sooner. By deferring production of 12 B-1B bombers for 1 year, this amendment provides $888 million for these important conventional defense programs while the total number of B-1B's will remain the same—all 100 will be delivered by fiscal year 1988 just 1 year later than the Armed Services Committee has provided.

Mr. President, some fear that our amendment will undermine support for the B-1B program because we are adding to the cost of the program by $1½ billion. This will increase the cost of the complete B-1B program by 7 percent, but such an increase can hardly serve as an excuse for Senators next year to oppose the B-1B. In fact, Mr. President, the attractiveness of this amendment is that many more programs in the conventional areas will receive multiyear procurement that will result in savings of almost $3 billion and earlier availability of these weapons for our obligations in Europe, Asia, and the Middle East. On balance, we are saving the taxpayers money, helping our conventional commitments, while only delaying slightly the arrival on line of 12 B-1B bombers.

My own interest in this amendment comes from my concern that this Nation has broad foreign policy commitments and a reputation for strength in this turbulent world. Everyone knows that the strategic nuclear balance has deteriorated in recent years and that the MX missile and cruise missile and our bomber programs are necessary to correct that strategic imbalance, especially the MX with its capabilities against Soviet land-based missiles that threaten our forces. But the strategic balance is not the issue here today.

Mr. President, what has received less attention in the media is the problem of short-warning attack in Europe and the sad fact that the conventional balances in Korea, in Europe, and in the Middle East are far worse than the strategic nuclear balance. We as a Nation run a great risk that by focusing too narrowly on improving the strategic balance—and we are talking today about a 1-year delay in just 12 bombers which make up a small percentage of the warheads and delivery vehicles of our nuclear retaliatory forces—while we allow the conventional balance to become even worse.

Mr. President, the programs we are strengthening all have wide support in the Senate. The M-1 tank will increase by 120, the Apache helicopter will increase by 16, the F-15 will increase by 3, the A-6 fighters will increase by 6, and we are adding 238 additional Patriot missiles so vital to NATO as Senator LUGAR and I learned at NATO Headquarters last month during our visit there.

So I urge my colleagues who wish the multiyear procurement for the B-1B to remember that the total number remains the same, not one B-1B job will be lost from the work force, the work force in fact will be extended by 1 year, and by Senator NUNN's calculations as many as 25,000 jobs nationwide will be saved by the conventional programs we are adding.

Mr. TOWER. Regular order, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Georgia. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The VICE PRESIDENT assumed the chair.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER (Mr. PRESSLER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 56, nays 41, as follows:

[Rollcall Vote No. 190 Leg.]

YEAS—56

Abdnor	Glenn	Quayle
Andrews	Gorton	Randolph
Armstrong	Hawkins	Roth
Baker	Hecht	Rudman
Bentsen	Heinz	Sasser
Boren	Helms	Simpson
Boschwitz	Humphrey	Specter
Cochran	Jepsen	Stafford
Cohen	Kassebaum	Stevens
D'Amato	Kasten	Symms
DeConcini	Laxalt	Thurmond
Denton	Lugar	Tower
Dixon	Mattingly	Trible
Dole	McClure	Wallop
Domenici	Metzenbaum	Warner
Durenberger	Murkowski	Weicker
East	Nickles	Wilson
Exon	Packwood	Zorinsky
Garn	Percy	

NAYS—41

Baucus	Hart	Matsunaga
Biden	Hatch	Melcher
Bingaman	Hatfield	Mitchell
Bradley	Heflin	Moynihan
Bumpers	Huddleston	Nunn
Burdick	Inouye	Pell
Byrd	Jackson	Pressler
Chafee	Johnston	Proxmire
Chiles	Kennedy	Pryor
Danforth	Lautenberg	Riegle
Dodd	Leahy	Sarbanes
Eagleton	Levin	Stennis
Ford	Long	Tsongas
Grassley	Mathias	

NOT VOTING—3

Cranston Goldwater Hollings

So the motion to lay on the table amendment No. 1477 was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, the distinguished Senator from Arkansas is on the floor and so is the distinguished Senator from Delaware to offer an amendment, which I think we are inclined to accept, but on which they would like to have a rollcall vote, I understand. Senators should be on notice that the rollcall vote could occur anywhere from 30 minutes to 1 hour from now. Is that safe to say?

Mr. PRYOR. Mr. President, I think the distinguished chairman is absolutely safe in saying that, with one exception. Our chief cosponsor, Senator ROTH of Delaware, I understand, has to leave for the White House at approximately 2:30 p.m. I am wondering if we might not consider an accommodation for the Senator from Delaware?

Mr. TOWER. Why not cross that bridge when we get to it? It could be we would vote before then.

Mr. PRYOR. That is possible.

Mr. TOWER. Mr. President, I yield to the distinguished Senator from Utah. He was unable to be here to make a statement earlier.

Mr. HATCH. I thank the distinguished Senator from Texas.

Mr. President, I do not mean to take very much time, and I shall not. I do want to say that I think that last vote was a very significant vote. I compliment the distinguished Senator from Georgia and the distinguished Senator from Louisiana for the arguments they made on the floor.

Everyone knows that the strategic nuclear balance has deteriorated in recent years and that the MX missile and the cruise missile and our bomber programs are necessary to correct the strategic balance, especially the MX with its capabilities against Soviet land-based missiles that threaten our forces. But the reason I voted for this last amendment is that I think the strategic balance is not the issue here today. What has received less attention in the media, Mr. President, is the problem of short warning attack in Europe and the sad fact that the conventional balances in Korea, Europe, and the Middle East are far worse than the strategic nuclear balance.

We as a nation run a great risk that by focusing too narrowly on improving the strategic balance—and of course, we are talking today about a 1-year delay, and 12 bombers which would make up a small percentage of the warheads in the delivery vehicles of our nuclear deterrent forces while we allow the conventional balance to become even worse.

As I see that vote, Mr. President, even though the position I supported lost, it did send a message to the Pentagon that we are concerned about both balances. We are concerned about NATO and these other areas and I am sure many of those who voted against that amendment are equally concerned. Some of us are going to continue to work to try to strengthen the conventional balance. To that extent, again, I commend the distinguished Senator from Georgia for his leadership in that area.

Mr. BYRD. Mr. President, I wish to ask the distinguished Senator from Arkansas when he will proceed with his amendment and about the time——

Mr. PRYOR. I am prepared at this time to proceed, Mr. President. I thought we were getting ready to proceed a few moments ago.

Mr. BYRD. I thank the Senator.

AMENDMENT NO. 1478

(Purpose: To establish a Director of Operational Testing and Evaluation in the Department of Defense, and for other purposes)

Mr. PRYOR. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DENTON). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR), for himself and Mr. ROTH, Mr. LEVIN, Mr. ARMSTRONG, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. BUMPERS, Mr. HART, Mr. PROXMIRE, Mr. SARBANES, Mr. SASSER, Mr. DIXON, Mr. BINGAMAN, Mr. DURENBERGER, Mr. CRANSTON, Mr. HEFLIN, Mr. HOLLINGS, Mr. PRESSLER, Mr. GRASSLEY, Mr. PELL, Mr. ANDREWS, Mr. MITCHELL, Mr. BRADLEY, Mr. LEAHY, Mr. RIEGLE, Mr. GORTON, Mr. DECONCINI, Mr. RANDOLPH, Mr. NUNN and Mr. TSONGAS proposes an amendment numbered 1478.

Mr. PRYOR. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

DEPARTMENT OF DEFENSE DIRECTOR OF OPERATIONAL TESTING AND EVALUATION

SEC. . (a)(1)(A) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

"§ 136a. Director of Operational Testing and Evaluation: appointment; powers and duties

"(a) There is a Director of Operational Testing and Evaluation of the Department of Defense, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Director performs all duties relating to operational testing and evaluation in the Department of Defense including—

"(1) being the principal adviser to the Secretary of Defense on operational testing and evaluation in the Department of Defense;

"(2) prescribing the administrative organization in each of the military departments for planning and conducting operational testing and evaluation;

"(3) prescribing policies and procedures for the conduct of operational testing and evaluation in the Department of Defense;

"(4) monitoring, reviewing, and providing guidance for all operational testing and evaluation in the Department of Defense;

"(5) determining in advance the adequacy of the plans and the available funds for operational testing and evaluation to be conducted in connection with each major development program and each potential major development program in the Department of Defense;

"(6) coordinating operational testing and evaluation conducted jointly by more than one military department;

"(7) analyzing the results of the operational testing and evaluation conducted for each major development program and each potential major development program in the Department of Defense and reporting to the Secretary of Defense on (A) whether the testing and evaluation performed was adequate, and (B) whether the testing and evaluation results confirm that the items or components actually tested were effective and suitable for combat; and

"(8) reviewing and making recommendations to the Secretary of Defense on all budgetary and financial matters relating to operational testing facilities and equipment, in the Department of Defense.

"(c) The Director shall report directly, without intervening review or approval, to the Secretary of Defense. The Director and his staff are independent of all research and development offices or organizations in the Department of Defense.

"(d) The Director shall have access to all records and data in the department of Defense, including the records and data of each military department, that the Director considers necessary to review in order to carry out his duties under this section.

"(e) The Director may require that such observers as he designates be present during the preparation for and the conduct of the testing part of any operational testing and evaluation conducted in the Department of Defense.

"(f) The Secretary of a military department shall report to the Director all results of all operational testing and evaluation conducted by the military department and of all studies conducted by the military department in connection with operational testing and evaluation in the military department.

"(g) The Director shall respond to requests from the Congress for information relating to operational testing and evaluation in the Department of Defense.

"(h) No funds may be obligated or expended by the Secretary of a military department to conduct any operational testing and evaluation if such operational testing and evaluation is not approved in advance by the Secretary of Defense, in consultation with the Director, or is not conducted within the scope, or in accordance with the conditions, specified by the Secretary of Defense in approving the operational testing and evaluation.

"(i) For the purposes of this section 'operational testing and evaluation' means the field testing, under realistic combat conditions, of any item of, or key component of, weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users and the evaluation of the results of such testing.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 136 the following new item:

"136a. Director of Operational Testing and Evaluations; appointment; power and duties.".

(2) The President shall include in the budget transmitted to the Congress pursuant to section 1105 of title 31, United States Code, a separate request for new budget authority for, and an estimate of the outlays by, the Director of Operational Testing and Evaluation of the Department of Defense in carrying out the duties and responsibility set forth in section 136a of title 10, United States Code (as added by paragraph (1)).

(3) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Director of Operational Testing and Evaluation, Department of Defense.".

(b)(1) The Comptroller General of the United States shall have access to all records and data in the Department of Defense, including the records and data of each military department, relating to operational testing and evaluation in the Department of Defense.

(2) The Secretary of Defense shall cooperate with the Comptroller General of the United States in carrying out paragraph (1).

(3) For the purposes of this section, the term "operational testing and evaluation" has the same meaning as provided in section 136a(i) of title 10, United States Code (as added by subsection (a)(1)(A) of this section).

(c) The provisions of this section shall be effective November 1, 1983.

Mr. PRYOR. Mr. President, I introduce this amendment today to the defense authorization bill in behalf of myself and the distinguished Senator from Delaware (Mr. ROTH) who is our chief cosponsor. I commend Senator ROTH for his very fine work on this matter and the hearings he has recently held on this issue and for the active leadership role he has played in getting this issue to the floor of the Senate at this time.

I offer it also in behalf of Senator KASSEBAUM, Mr. President. She is the chairperson of the Military Reform Caucus and she has done an outstanding job in working for this bill and helping to perfect the language and helping to insure that an independent Office of Operational Testing be created within the Pentagon itself.

In addition to Senator ROTH and Senator KASSEBAUM, I am pleased to announce these sponsors of this legislation: Senators ARMSTRONG, KENNEDY, NUNN, BUMPERS, HART, PROXMIRE, SARBANES, SASSER, DIXON, BINGAMAN, DURENBERGER, CRANSTON, HEFLIN, HOLLINGS, PRESSLER, GRASSLEY, PELL, ANDREWS, MITCHELL, BRADLEY, MELCHER, GORTON, DECONCINI, RANDOLPH, LEAHY, TSONGAS, and Senator LEVIN. Senator LEVIN was one of our original cosponsors.

Mr. President, I am proud today to propose an amendment to create in the Department of Defense an independent Office of Operational Testing. Over a year ago, I proposed creation of this office as an amendment to the defense authorization bill for fiscal year 1983.

At that time the distinguished chairman of the Armed Services Committee urged me to withdraw this amendment and to seek hearings in the Governmental Affairs Committee. I did so, and hearings were held on June 23 of this year. Those hearings and events over the last year reinforced, Mr. President, the need for this legislation—cost overruns, greater budget pressures, increased concern about the effectiveness of weapons systems and the critical need for setting national security priorities.

The independent Office of Operational Testing created by this amendment would be responsible for monitoring and passing judgment—independent judgment—on new weapons long before they reach the production stage and get to our members of the armed services in the field. It will provide to the Pentagon, to the Congress, and, most importantly, to the American people new guarantees that expensive sophisticated weapons will not be sent into the battlefield prematurely. It will enable Congress, Mr. President, also to look at weapons problems before, during, and not after the fact. We think that this is critical to holding not only costs down but insuring that when weapons are actually to be produced they are ready for production.

In our rush to secure the latest, most sophisticated weaponry, we are sending guns, tanks, ships, planes, and other essentials to troops in the field before we know the weapons will work under battlefield conditions.

The losers, Mr. President, are the troops, expected to defend their lives with undependable weapons and the American taxpayers who must foot the bill for production of billion-dollar weapons systems that do not work or that malfunction.

Because operational testing is tied so closely to the Pentagon's research and development arm, we have a situation where the developers and promoters of weapons also play a very direct role in passing judgment on their performance.

In other words, we are in the same situation in testing our weapons systems today as if we were asking students to grade their own final exam papers. Certainly there is an inherent conflict of interest.

Last month, Deputy Secretary of Defense Paul Thayer told a gathering of military contractors that they could cut from 10 to 30 percent of their costs if they made weapons and equipment right the first time. I quote Mr. Thayer:

Every time there is a story about hardware that doesn't make the grade, our credibility is eroded.

The need for adequate testing has further been underscored recently by David Packard, chairman of the Hewlett-Packard Co. and Deputy Secretary of Defense under President Nixon. He noted that many of the problems today were similarly encountered in the Pentagon back in 1969. He added that high quality weapons will be a possibility only when the producing company has a strong personal commitment to excellence. And high on his list of priorities is a commitment to operational testing.

At the June 23 hearing of the Senate Governmental Affairs Committee, which Senator ROTH chaired, the General Accounting Office presented testimony that made a number of interesting and pertinent points. For example, and I quote from the General Accounting Office testimony:

We have long been concerned that decisonmakers have not adequately considered test results because of the enormous pressures to proceed with production regardless of the risks or the maturity of the system. These pressures include the national priority of the program, the threat, the long lead times, and the influence by special interest groups.

And again, further testimony from the General Accounting Office:

We are concerned that the importance of test and evaluation in the decisionmaking process may be jeopardized because of recent DOD initiatives in its acquisition improvement program. Only initiative No. 12—to provide adequate front end funding for test hardware—addresses test and evaluation.

And finally from the General Accounting Office once again:

S. 1170 echoes the theme of better operational test and evaluation and we fully support and endorse the thrust behind this bill.

Mr. President, let me also quote testimony given by the Inspector General's Office in the Defense Department given that same day before Senator ROTH's committee on June 23. I quote:

Our audits showed that operational testing was unduly constrained in four principal ways. They are:

1. Test schedules were compressed primarily because of deficiencies noted during the development stage.

2. Test articles furnished the test agency were not often representative of the production article.

3. Adequate test facilities and test equipment were often not made available to provide a realistic environment for the operational tests.

4. The use of contractor maintenance personnel and contractor provided logistic support systems often detracted from a realistic assessment of the test article's suitability for military use.

Mr. President, at this time I have not completed my statement, but to accommodate the distinguished chairman of the Governmental Affairs Committee, the Senator from Delaware, I am wondering if he might not like to proceed with his opening statement. Then, Mr. President, I would like to regain the floor to make a few short concluding paragraphs.

Mr. ROTH. I thank the distinguished Senator from Arkansas for his thoughtfulness. Due to a prior commitment, I have to be at the White House at 3 p.m., so I appreciate this opportunity to make my statement at this time.

First, let me pay my respects for the leadership role that Senator PRYOR has taken on this most important matter. As he indicated in his opening remarks, he first began actively to pursue this matter well over a year ago, and at the request of the distinguished chairman of the Armed Services Committee it was proposed that we hold hearings.

I was glad to hold these hearings and with Senator PRYOR become a principal sponsor of this legislation. It seems to me that an independent office for operational testing is an idea whose time has come. The chairman of the Armed Services Committee has already indicated that he will accept this amendment, and I am hopeful that we will get almost if not unanimous endorsement of the concept.

Mr. President, what our amendment would authorize is the establishment of an independent office of operational test and evaluation in the Department of Defense. The agency would be a part of the Office of the Secretary of Defense and would be headed by a civilian director who would be appointed by the President and confirmed by the Senate. This operational test office, which will be independent from other Pentagon agencies and officials responsible for developing and procuring weapon systems, can help strengthen one of the most critical and badly neglected aspects of the weapons acquisition process, operational test and evaluation.

As is well known, the papers have been full of articles where the concept of approach to military procurement has too often been buy now, band-aid later.

We think that by today's vote the Senate is setting up an independent weapons testing office within the Pentagon which ends 13 years of indifference toward weapons that do not work properly. As early as 1970, under Melvin Laird, then Secretary of Defense, a blue ribbon defense panel recommended the approach Senator PRYOR and I are advocating today. I regret to say that until today nothing has really been accomplished.

What we want with this legislation is very simple. We want adequate testing of our new high tech weapons to make sure—I want to emphasize to make sure—that they are safe enough to be operated by our young GI's on the combat field. We want weapons tested under combat conditions or as near to it as we can get.

Right now that is not being done. We think an independent weapons testing office is part of the answer. To continue doing what has been done too often in military procurement would be like an automobile manufacturer producing a car even though it is not sure whether it will operate selling it and then saying to the buyer, "Don't worry; we will come down later and fix it if necessary." It is absolutely important, critically important, that we have an independent check point to insure that military weapon systems that are being procured will operate as intended.

The problem today is that the same people who are responsible for developing and producing the item are also responsible for the operational tests. These people, the military and civilians in the Pentagon as well as the contractors, are anxious to get on with the job. That is not necessarily bad, because it is important that we expedite such procurements. But the go-go spirit becomes so tremendous that, unfortunately, many weapons and many systems are not adequately tested to insure that they will operate as planned.

The way to correct that, we believe, is to create an independent agency, an independent office, that will report directly to the Secretary of Defense and not through the people who are responsible for development and production.

I point out that according to a recent GAO study, we have at least $33 billion in new weapons out there which, according to this study, are inadequately or improperly tested. How can we ask ourselves to go out there with these kinds of weapons?

As I say, we have to end the "buy it now, Band-Aid it later" approach to weapons purchases.

Right now, there is a built-in conflict of interest because the testing director reports to the man in charge of procurement. If this testing director recommends against the purchase of a weapon, can we really expect him to oppose a superior whose primary job is to develop and procure new weapons to get on with the job? I think not.

Our measure gives the testing director an equal voice in deciding whether to purchase an expensive new weapon.

Since 1981, not one weapons system has been delayed or eliminated because of operational testing problems. All we are saying is this: If we are going to spend 38 percent of our defense budget on new weapons, let us make sure the weapons work properly before we sign the order form.

Mr. President, as I have said, this amendment would authorize the establishment of an independent Office of Operational Test and Evaluation in

the Department of Defense. The agency would be a part of the Office of the Secretary of Defense and would be headed by a civilian director who would be appointed by the President and confirmed by the Senate. This operational testing office, which will be independent from Pentagon agencies and officials responsible for developing and procuring weapon systems, can help stengthen one of the most critical and badly neglected aspects of the weapons acquisition process, operational test and evaluation.

Mr. President, I am deeply concerned that in the area of operational test and evaluation we have, for far too long, been riding an anchor. Operational test and evaluation is supposed to be conducted to determine whether or not a weapon system will work under conditions as similar as possible to those which would occur on the battlefield, using average GI's, airmen or sailors to operate the weapons being tested. When adequate operational testing has been completed, we should be able to answer the question "Will it work as planned in combat and will it be useful and safe for our troops in the field?" In my view, the current condition of operational testing programs in the Pentagon offers little assurance that we can answer that question with a substantial degree of confidence.

The basic problem, it seems to me, is a lack of strong commitment and concern with effective operational testing at the top levels in the Department of Defense. My committee recently held an oversight hearing on the Defense Department's operational testing procedures. At the hearing, the General Accounting Office released a report which was, frankly, very disturbing, highlighting many of the weaknesses in DOD's operational testing programs. The report concludes that effective testing of weapons systems is not occuring because:

> Top management, in many cases, lacks the commitment necessary to ensure the timely development of test resources.

As a result, the 10 weapon systems reviewed by GAO in its study which together will cost $32 billion to buy, will be fielded with unknown and even dangerous defects.

The lack of real and sustained concern with operational testing on the part of high level officials in the Defense Department has lead to a slow starvation of testing programs through restrictions in necessary test resources and funds. This problem has been compounded by often ineffective and weak testing organizations in the services and in the Office of the Secretary of Defense. Instead of being a strong and noticeable thorn in the hide of the "procurement juggernaut," the Director of Defense Test and Evaluation seems to be little more than a speck of dust in its eye.

As an example, my Governmental Affairs Committee reviewed during its hearing, the decisions made by the Secretary of Defense on major weapon systems since 1981. In every case, despite serious problems with systems like the Maverick missile, no program has been put on hold or stopped because it was not operationally ready for production. No matter how bad the test results nor how inadequate the testing, the decision has been made to buy it now and Band-Aid it later.

Ineffective operational testing has lead to weapons failures and costly retrofitting, as the GAO has pointed out in numerous reports, and this catalog of calamities has if anything lately become a more serious concern. The DOD procurement budget has grown by over 60 percent in the last 3 years, after factoring out inflation, and it is expected to expand from 30 percent of all military spending to about 38 percent over the next 5 years. We are buying the most sophisticated weapon systems in our history and the proponents of these systems say they will be the finest we have ever bought. The tragedy is we may never know for sure until it is too late because we have failed to adequately test these weapons under realistic, combat-like conditions.

I am also very concerned, as the GAO pointed out in our hearing, that DOD may not be giving Congress complete and accurate information on test results. If this is the case, Congress may be buying a pig in a poke with many weapon systems whose inadequacies and limits are not fully revealed.

Mr. President, I would like to point out here that it is not just the GAO which is highlighting the ineffectiveness of the Pentagon's operational test and evaluation procedures. The DOD Inspector General also testified before my committee and after reviewing four Air Force weapon systems, concluded that:

> Decisions were made on the procurement of . . . systems costing $9.5 billion without demonstrated evidence that these systems would function effectively in a wartime environment.

Included among those four weapons were the Maverick and the Harm missiles.

Russell Murray, a distinguished former Assistant Secretary of Defense for Program Analysis and Evaluation also expressed grave misgivings about the current state of testing for operational capabilities. To quote Mr. Murray:

> I believe the reluctance to put "teeth" in our operational testing is seriously impeding our national defense. We have wasted billions of dollars on inferior weapons.

Finally, then Defense Secretary Melvin Laird convened a blue ribbon defense panel in 1970 to review many aspects of the structure and effectiveness of the Defense Department. The panel did review operational test and evaluation and after hundreds of interviews it concluded:

> The operational test and evaluation picture at OSD (Office of the Secretary of Defense) and the JCS (Joint Chiefs of Staff) is dismal and there is little indication that it will improve. This is particularly unfortunate, for without such leadership the quality and extent of operational test throughout the DOD cannot help but suffer.

The blue ribbon panel included many well known and respected business leaders and academics including Economist George Stigler, Lane Kirkland, and now Supreme Court Justice Lewis F. Powell. While there have been some improvements in operational testing in DOD since then, the overall picture has remained dismal.

Mr. President, we currently have acquisition machinery designed to buy weapons for the defense of our country which has a critical part missing, effective operational testing. Inadequate testing is being conducted on our weapons with the result that we are fielding systems that may not work effectively and, even worse, may endanger the lives of our servicemen. In real terms, we are spending billions of dollars more on weapons today than we have for many years but because of the serious flaws in the operational testing system, even those billions may not be enough. We may have to spend billions more to fix the weapons we have already bought to make them work in the field as they should.

The protection the American people are depending on and deserve may not be there when needed not because we have failed to fund needed military programs but instead because we have funded weapons programs which have not been thoroughly tested and proven. I support a strong defense and I fervently hope none of our weapons will ever have to be fired. But if they are needed, they had better not be duds.

Given the serious problems my committee discovered in operational testing and the strong evidence that weapons are approved for production despite serious evidence of deficiencies revealed through testing, I believe the Secretary needs to have the advice of an independent and authoritative official at the highest levels whose only responsibility is to insure effective and useful operational testing.

We need legislation to insure that such an official exists not only now but in the future. The sad fact is that efforts have been made for over 13 years to create such an official and in every case, the opposition within the Department has overwhelmed these efforts. While Dr. DeLauer's initiative is welcome, administrative efforts will not be enough to overcome those pushing for new weapons at almost all costs. Even the GAO report discussed

at our committee's hearings which found serious deficiencies in the electronic warfare testing programs of the Department of Defense brought a response from the Pentagon that "DOD believes that its testing program and test resources are adequate."

We need legislation to insure that the commitment to improved operational testing remains real and does not evaporate after the attention of Congress turns elsewhere.

I believe at least a start to solving our operational testing inadequacies lies in insuring that a strong, independent voice for operational test and evaluation exists to advise the Secretary of Defense on the problems with weapon systems uncovered through testing. Our amendment will provide for such a voice. While this proposal cannot, on its own, stop the strong currents which push a weapon to production in spite of its inadequacies, I believe it can at least insure more attention to the results of testing and the resource needs of the testing agencies. I encourage all Members to support this amendment.

Mr. President, at this time I am happy to yield to the distinguished Senator from Arkansas, who has played a strong leadership role in the enactment of this legislation.

Mr. PRYOR. Mr. President, I thank the distinguished chairman of the Governmental Affairs Committee, my friend Senator ROTH.

Mr. President, I ask unanimous consent that the name of the Senator from Ohio (Mr. METZENBAUM) be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, in concluding my opening statement, I want to say that we have lived with failures in weapons performance for 40 years, beginning with repeatedly misfired torpedoes during World War II. They continued through the M-16 rifle and the Maverick missile. Even back in 1970, as part of the report provided by President Nixon's blue ribbon panel, the point was made by Dr. George Stigler, who won the Nobel Prize earlier this year:

> Operational testing is almost non-existent in the weapons acquisition process. The recommendation of the Report that systematic operational testing be introduced deserves highest priority.

That was 13 years ago, and the need for adequate operational testing has never been greater than in 1983. In spite of this need, there are several factors working against it:

For one thing, there have been insufficient resources, in both dollars and personnel.

In addition, weapons testing is rarely talked about or discussed. Other issues, such as exotic weapons and mainline budgets, tend to get the lion's share of attention—especially congressional attention.

Another reason testing has not received proper notice is because many feel that the testing of weapons causes unnecessary delays that only make for further costs. This shortsighted response, however, fails to look at the big picture. It is always quicker and cheaper to make things work right the first time.

This amendment addresses many of the problems that exist today in the area of testing. Basically, it would accomplish the following:

Establish one new position in the Defense Department—a Director of Operational Testing and Evaluation—appointed by the President and confirmed by the Senate.

Second, it would assign all appropriate responsibilities to this office.

Third, provide for direct reporting to the Secretary of Defense and direct response to requests from Congress.

Forth, provide a separate budget for the Director's office.

And finally—and this is a key point—it would assure access by the General Accounting Office to records and other pertinent information relating to operational tests.

This new office would assure us that the vital process of testing would continue to be a priority for future military spending and operations. At the same time, there would be a lasting accountability for the military weapons designed and produced by all branches of the military. And there would be ongoing attention by congressional committees who want to assure the American people that we are producing weapons that work and that are cost-effective.

I want to close, Mr. President, with a quotation from someone who read about this weapons testing bill and wanted to make a brief comment on it. His letter is on lined tablet paper, not elaborate stationery. It is printed by hand, not typed, and it does not have a list of people who received carbon copies. But it is eloquent in its simplicity.

The writer says he is very pleased with the idea of an independent weapons evaluation office in the Pentagon. And he ends with this comment:

> Please keep up the pressure for your proposal. There's more at stake than money. The poor G.I. driving the M-1 tank didn't design it, test it, or buy it. But if it doesn't work the way it should when it should, he is the one that gets strung out—NOT the one with the clipboard.

Mr. President, I urge passage of this amendment.

Once again, I deeply appreciate not only the support of Senator ROTH of Delaware, the chairman of the Governmental Affairs Committee, but also the support of Senator KASSEBAUM from Kansas who is the chairperson of the Military Reform Caucus and has done absolutely wonderful work on this legislation.

Mr. President, at this time I think Senator KASSEBAUM has a statement and I am glad to yield the floor at this time reserving the right to close the debate later.

Mr. TOWER. Mr. President, will my distinguished friend from Kansas yield to permit me to make a brief statement?

Mrs. KASSEBAUM. Mr. President, I am happy to yield to the Senator from Texas.

Mr. TOWER. Mr. President, my initial inclination was to oppose this amendment because the Armed Services Committee is about to undertake what may be the most comprehensive review of any executive department ever undertaken. I should not say just review but inquiry.

I announced this in a press conference about 2 or 3 weeks ago that we would begin our hearings on July 26 looking into every aspect of DOD organization and procedure with an eye to extensive institutional reform.

I expect that comprehensive legislation will flow from those hearings, and they are hearings that I think are enthusiastically endorsed by every member of the Armed Services Committee. It will be an oversight effort in depth. It may very well be that we would incorporate in any legislation that might flow from those hearings the very proposal that has been advanced here today.

We cannot say with certainty because we do not want to prejudge what our findings might be and what the requirements are, but it would occur to me that we will probably trend in this direction.

But the reason I was inclined to oppose it is that I did not want to prejudge the issue. We are going into this open-mindedly. But in that there is a date in here as to taking effect that will occur after our hearings, it occurs to me that this amendment should be accepted and I urge acceptance and urge my colleagues to ignore my "Dear Colleague" letter which might have pled to the contrary.

Mrs. KASSEBAUM. Mr. President, I commend at this point the initiative of the Senator from Delaware (Mr. ROTH) and the Senator from Arkansas (Mr. PRYOR), who have really stepped forward in a very courageous way to take a step which I think has led to an evaluation which could change procedural operations that have been in place for decades.

I think it is an important small step, and I commend that Senator from Texas (Mr. TOWER) as chairman of the Armed Services Committee for holding such a comprehensive hearing on the overall Department of Defense and reforms that might indeed better procedures there.

As he once said in the Chamber during an earlier debate, what is needed is vision, as we look at the needs, the strengths of our defense system, and I think this is a beginning that is very important.

Thank you, Mr. President.

Mr. PRYOR. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Russell Murray II, former Assistant Secretary of Defense for Program Analysis and Evaluation, who presented excellent testimony on this issue at the Governmental Affairs hearing on June 23.

There being no objection, the statement was ordered printed in the RECORD, as follows:

STATEMENT OF RUSSELL MURRAY II

INTRODUCTION

Mr. Chairman, members of this distinguished committee: it gives me great pleasure to appear before you on the subject of the adequacy of operational testing procedures in general, and on S. 1170, the Operational Testing and Evaluation Act of 1983, in particular. As you may recall from my testimony of October 1981, this is an area in which I have a deep interest. I fully support this proposed legislation.

Our weapons acquisition process is plagued by many well-known and widely publicized problems—cost overruns, low reliability, "gold plating", uneconomical production rates, too little competition, micromanagement, and others. To one degree or another, these are all serious problems. But in my opinion, none of them—perhaps not all of them together—is as serious as our lack of rigorous and forthright operational testing to make sure that our new weapons will live up to expectations if we have to fight a war with them.

I believe that our reluctance to put "teeth" into our operational testing is seriously impeding our national defense. We have wasted billions of dollars on inferior weapons. We have nourished an attitude of contempt on the part of weapon system promoters, whose glittering promises at the start of a development we literally encourage by our reluctance to put them to the test at its conclusion. The troubles we have had with modern weapons have led some of us to despair over high technology and to question whether it is a curse instead of a blessing, when the real curse is our failure to test the products of our technology. But worst of all is that we have too often saddled our fighting men with flawed equipment, deluded ourselves as to our own combat capability, and weakened rather than strengthened our defenses.

THE HISTORY OF OPERATIONAL TESTING IN THE DOD

The history of operational testing in the Department of Defense is a sorry one. As this Committee is well aware, the highly respected Blue Ribbon Panel commissioned by Secretary of Defense Laird reported in 1970 that the Department of Defense was grossly deficient in operational—as opposed to developmental—testing.

Developmental tests are conducted by highly trained scientists, technicians, and specialists under tightly controlled, laboratory-like conditions to find out whether a new weapon meets its technical specifications. On the other hand, the operational tests that the Panel referred to are conducted in the field by run-of-the-mill Servicemen under conditions simulating wartime as closely as possible to find out if the weapon—even if it does meet its contractual specifications—will really be useful in combat.

The Blue Ribbon Panel recommended that the DOD "Establish an Operational Testing and Evaluation Group, with civilian leadership, within the Office of the Secretary of Defense, reporting directly to the Deputy Secretary of Defense."

Shortly thereafter, under the leadership of General Starbird, a distinguished and widely respected retired general officer, such an office was created with a "dotted line" reporting relationship to the Deputy Secretary. But from the first day, the office was associated (supposedly only for housekeeping and administrative purposes) with the Director of Defense Research and Engineering (DDR&E)—the very official whose "products" this office was to test and pass judgment on.

With the passage of time, the head of the organization changed, the "dotted line" to the Deputy Secretary on the organization chart atrophied, the supposedly arm's-length housekeeping and administrative relationship grew into complete control by DDR&E, and operational testing was once again subordinated to and effectively lost within developmental testing.

The conflict of interest in having the DDR&E control operational testing—and thus in effect "grading his own final exams"—was as obvious to the incoming Democratic administration in 1977 as it had been to the Republicans' Blue Ribbon Panel 8 years earlier. The Carter transition team had therefore contemplated transferring the responsibility for operational testing from the DDR&E (or, more accurately, from his newly created successor, the Undersecretary of Defense for Research and Engineering, or USDR&E) to another new position: the Undersecretary for Evaluation, to whom the Comptroller and the Assistant Secretary for Program Analysis and Evaluation (PA&E) would also report.

For reasons I do not know, the proposal to create an Undersecretary for Evaluation was abandoned (to the considerable relief of the Comptroller, I presume, and the Assistant Secretary for PA&E, I can assure you). But that left the problem of what to do about OT&E. In April, 1977, the Secretary of Defense asked me whether I, as Assistant Secretary for Program Analysis and Evaluation (PA&E), would be willing to take on the responsibility, and I said I would. The official transfer took place seven months later on December 1, 1977, but the battle had only just begun.

The testing organization in USDR&E that had grown out of the Blue Ribbon Panel's recommendations amounted at that time to roughly 40 people—a number that had seemed to me probably adequate to manage OT&E. But after I had agreed to take over operational testing for the Secretary of Defense, the USDR&E said that some of the 40 people I had counted on would have to stay with him, since they were actually assigned to developmental (rather than operational) testing, and others were managing test ranges; still others were about to be lost to reductions in force.

To help resolve the issue of who of the original 40 or so should come to PA&E, a special Panel of the Defense Science Board was commissioned. After much deliberation, instead of recommending who should come to PA&E to work on operational testing, the Panel decided to recommend that the decision itself should be overturned, that the responsibility for operational testing should stay with the USDR&E, and that nobody should be transferred to PA&E. That recommendation was eventually denied, but by the time the dust had settled 6 or 8 months later, of the 40-odd I had expected, I ended up with only 8 professionals and 3 secretaries to oversee all the operational testing in the Department of Defense.

In addition to the issue of personnel, a long debate ensued over the PA&E charter for operational testing. The position of the USDR&E was that, as the acquisition executive, he should be responsible for all testing, developmental and operational, and that the ASD(PA&E)'s responsibility for operational testing should come not from the Secretary of Defense, but only by delegation from the USDR&E. In addition, the USDR&E's Director of Defense Test and Evaluation should serve as OSD's single point of contact with the Services on all test and evaluation matters, and would submit the test and evaluation report to the Secretary of Defense at each DSARC milestone, though PA&E would be allowed to append a section on operational tests.

That seemed to me to vitiate the whole purpose of divorcing operational testing from USDR&E. To my relief, the directive that was finally approved after months of debate laid out the responsibilities and authorities—the ASD(PA&E)'s for operational testing, and the USDR&E's for developmental testing—in exactly parallel form.

However, the charter did me little good with such a tiny staff. By that time, the Deputy Secretary of Defense had been given the task of resolving the whole operational testing issue. Therefore, to assure enough of a staff to carry out the new charter, I asked him in May of 1978 for people to handle operational testing in PA&E. I explained my request as follows:

"We simply do not have certain kinds of expertise that we must have, and there is more OT&E monitoring to be done than the staff can possibly handle . . .

"As to expertise, we have some talent now in fields such as strategic offensive, strategic defensive, space systems, tactical air-to-ground operations, rotary wing aircraft, ground-based air defense, C^3I, and some kinds of electronic warefare systems. But we simple must add expertise in ASW, in surface and anti-air warfare, in armor and anti-armor, in artillery, in mobility, in fighter and AEW operations, and in submarine warfare. We need expertise in reliability, maintainability, and availability, in statistics, in experimental design, and in operations analysis. And we need, in filling those holes, to find people who will bring with them expertise in computer software, in ballistics and applied mechanics, propulsion, aerodynamics, in simulation techniques, and in sensor technologies.

"As to the amount of OT&E monitoring to be done, I have attached a list of the major projects that we know about thus far. How long this list should be involves a lot of judgment . . . I cannot claim that the list is rigorous, merely that it gives some flavor for the length of the agenda . . ."

The list comprised 127 programs, 77 of which were on the DSARC schedule, plus 16 multi-Service test and evaluation programs.

Two months later in July of 1978, the Deputy Secretary decided to allow me extra spaces for operational testing, raising the total from 11 to 14. My response was that if he could not see his way to more than that, I would reluctantly recommend that he

transfer OT&E back to the USDR&E. With such a small staff spread so thinly over so many operational tests, I was becoming increasingly concerned that it was only a matter of time before I inadvertantly recommended production of some faulty weapon, or delay of one that was actually perfectly adequate. Three months later, a year and half after I agreed to take on the responsibility for operational testing, the Deputy Secretary finally decided to reverse the original decision and return the responsibility to the USDR&E, where it had started, and where it remains to this day.

LESSONS FROM EXPERIENCE

I can only guess why that brave experiment failed. Though it was a bitter disappointment to me, I recount it here not by way of criticism. Indeed, I myself may have been responsible at least in part by virtue of too little persuasive power, or perhaps too much trust and too little bureaucratic skill. But whatever the cause for the sorry outcome, I recount the tale so that this committee can be aware of two important lessons that I learned about operational testing in the Department of Defense.

The first lesson was that a charter, such as the one I eventually obtained, or even legislation, such as S.1170, may be able to assure independence but it cannot assure operational testing if the staff is too small—as mine was—to carry out the responsibility. If it is to do its job competently, the office must have enough people to keep abreast of the Department's many developmental programs, and enough breadth of expertise to cover the many types of weapons in all the fields of military and naval warfare.

I am not sure how many people that would take. A lot depends on the breadth of their talents and their tastes for working long hours. But I am absolutely sure that it is more than the 8 professionals I had or the 11 I was offered. Perhaps the 23 I asked for would have been enough, but only time would have told.

Since this is a critically important issue, and one that spelled the end to my attempt to assure independent operational testing in the Defense Department, I urge this committee not only to report favorably on S.1170, but to keep a watchful eye on both the size and the aggregate expertise of the operational testing staff.

The second lesson was that the pressures against truly independent operational testing are formidable. This committee is well aware of the powerful constituencies that develop in parallel with the development of a new weapon. They include the people and organizations in the research and engineering community (both military and civilian) that commit themselves and their reputations to the new weapons, and the industrial firms whose profitability depends on its production, not to mention the employees whose jobs depend on it—a constituency that is difficult for any politician to ignore.

To illustrate the attitude of at least some in the research and engineering community, I'd like to cite a report published on March 15, 1978 at the height of the debate over the then-recent transfer of operational testing to PA&E. The report is by a Defense Science Board Task Force commissioned to study the acquisition cycle. Nineteen of its 26 members were from the technical community—employees of TRW, Martin Marietta, Hughes, Lockheed, Boeing, Xerox, MITRE, the Army's DCS/RDA, the Navy's NavMat, and the Air Force's Systems Command. The chairman of the Task Force was the man who is now in charge of operational testing in the Department of Defense, Undersecretary of Defense and Research and Engineering Richard D. DeLauer.

The citation opens with an allegation that those of us who look to operational testing as a way of making sure that our weapons will work if we ever have to use them are, in fact, just a bunch of under-cover budget-cutters: "The inventors of OT&E are saying, in effect, 'The development process some way or other comes up with products that the user doesn't like. We can save a lot of money if we can find out which they are and then not put them into production.' "

The report goes on to say that: "Supporters of OT&E react [to pressures for producing weapon systems even if they fail their operational tests] by attempting to make OT&E even more independent, such as by attaching it to Systems Analysis [the former name for PA&E], or, for all anyone knows, perhaps by deciding it should be under the GAO . . . OT&E supporters are swimming upstream."

While that by no means demonstrates that the entire research and engineering community is hostile to independent operational testing, I think it does indicate that the prospect has in the past made at least some of its members anxious.

I therefore urge the Committee to prepare itself for strong opposition to S. 1170. The largest constituency in favor of independent operational testing is the men in field who would have to use the new hardware. But unfortunately they tend to be of modest rank, to be far from Washington (in more than one sense), and to have a small voice in Pentagon debates.

SOME ARGUMENTS AGAINST INDEPENDENT OT&E

A number of arguments against independent operational testing have been used in the past and no doubt will be used again in opposition to S. 1170. Among them are the claims:

That independent operational testing would add to the already excessive length of the acquisition cycle and further delay the fielding of new weapon systems;

That it would increase the already alarming costs of weapon development;

That it would forego the economies in time and money that result from combined operational and developmental tests.

And that it isn't necessary because the Director of Defense Test and Evaluation, even though he may work for the USDR&E, is already independent.

I would like to address each of these arguments very briefly.

With regard to delaying new weapons, the criterion should not be how quickly we can field any new weapon, but rather how quickly we can field a new weapon *that works.* The only weapons that would be significantly delayed would be the ones that operational testing shows to be unsuitable for combat, and I cannot believe that any of us would advocate saddling our fighting forces with any of those. In fact, the most likely effect of operational testing is not to delay, but to accelerate the development process. Trying to fix a faulty weapon after it's in the field—if it can still be fixed—is a far slower process than fixing the design before it goes into production. Delay is not a valid argument against independent OT&E.

With regard to cost, it is quite true that operational testing costs money, though only a tiny fraction of the cost of the weapons themselves. But every time that operational testing discloses a fault in a new weapon that can be fixed before (instead of after) the production line begins to roll, the saving can easily swamp the relatively trivial cost of testing. Cost is not a valid argument against independent OT&E.

With regard to the economies of combined operational and developmental tests, there's no reason why the independence of the OT&E organization need make combined testing impossible when it might be desirable. But in the vast majority of cases, combining the two is likely to result in poor operational testing, or poor development testing, or both. It's hard to run a proper developmental test when you're trying to determine operational suitability with ordinary Servicemen out in the field in conditions designed to resemble the choas of war. And it's just as hard to run a proper operational test with highly trained specialists in a carefully orchestrated and programmed series of events designed to test contractual commitments. The desirability of combined operational and developmental testing is not a valid argument against independent OT&E.

With regard to the Director of Defense Test and Evaluation already being independent, even though he works for the USDR&E, the argument is simply not credible. Who would accept a judgment from a corporation's comptroller—instead of an independent firm of auditors—that its annual report fairly describes the condition of the company? Who would have an inspector general report to the organizations he inspects? To have the Director of Defense Test and Evaluation report to the Undersecretary of Defense for Research and Engineering is to deliberately organize for conflicts of interest.

CONCEPT OF OPERATION

I believe that there should be an independent Director of Operational Testing and Evaluation as proposed in S. 1170. I believe that he is needed to assure that the tests that need to be made are indeed made—not only at the completion of a development, but often at its very inception to determine basic feasibility. He is needed to assure that the tests are properly designed; that the highest standards of integrity are maintained in their conduct and report; that testing standards and criteria are uniform for all the Services; and that adequate funding is available for the tests themselves and for the ranges and instrumentation on which they rely. And he is needed to coordinate tests involving more than a single Service.

But as much as anything else, a Director of Operational Testing and Evaluation is needed to defend the integrity and independence of the Services' own test agencies—OTEA in the Army, OpTevFor in the Navy, and AFTEC in the Air Force. For it is these agencies that must ultimately conduct the actual tests. I do not believe that a centralized testing agency would be feasible. But the Services' own testing agencies need a "friend in court" with direct access to the Secretary of Defense to help them withstand pressures on their integrity, to help them with funding, and to add stature to operational testing.

CONCLUSION

No legislation, S. 1170 or any other, can force good operational testing on an unwilling executive branch. But it can at least set up an environment in which good operational testing can flourish, given half a chance. Passage of the Act would be evidence of strong Congressional interest in the subject, thus increasing the pressure for good operational testing. It would also give the Direc-

tor of Operational Testing and Evaluation a forum that could be useful.

And in the last analysis, setting up such an office would be unlikely to do harm, but could do an immense amount of good. Most important of all, it could improve our combat capability. It could help us to realize the full potential of high technology instead of shrinking from it. And it could introduce some badly needed law and order in the acquisition process, starting with the shiny brochures and rosy promises. I urge the adoption of S. 1170.

Mr. PRYOR. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated July 2 from the National Taxpayers Union, endorsing this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL TAXPAYERS UNION,
Washington, D.C., July 12, 1983.

Hon. DAVID PRYOR,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR PRYOR: The National Taxpayers Union, representing 120,000 taxpayers nationwide interested in reducing government taxes and spending, fully supports your bill, S. 1170, which would create an independent office of operational testing within the Department of Defense.

Given the enormous cost of weapons systems, and their importance to the security of the American people, an inadequate weapons testing program could, at best, be seen as a waste of taxpayer dollars and, at worst, criminal and irresponsible.

Yet such a situation indeed exists, as important weapons systems are often not thoroughly tested before being placed in the hands of U.S. soldiers and on the front lines of our nation's defense.

America's national defense must be a strong defense, fully able to protect U.S. vital interests. Yet it must be a cost-effective defense—waste not only saps the strength of America's ability to defend itself, it also weakens the economic strength of the American taxpayer.

Not only does the bill provide for a complete review of operational testing of weapons systems—thus helping ensure a weapon's effectiveness—it could also save defense dollars by revealing which weapons should not be bought.

Estimates of possible savings are difficult, yet they are potentially large. Recently, in widely-quoted remarks, Deputy Secretary of Defense Paul Thayer chided military contractors, telling them that they could reduce their costs by 10 to 30 percent if they made weapons systems right the first time. Given that the United States plans to spend $94 billion purchasing arms in 1984, even a reduction of 10 percent in costs could save the taxpayer $9.4 billion. In an era of staggering budget deficits such savings are not be to taken lightly.

Estimation of the increased effectiveness of better-tested weapons systems are also hard to make; here the lessons of the past serve us best. The lessons learned from the many failures of American torpedos in the early days of World War II and the M-16 rifle during the Vietnam war should not be relearned.

Ultimately, the responsibility of purchasing effective weapons belongs with the Congress. Passage of S. 1170 cannot substitute for congressional oversight. An independent operational testing office could prove to be a very useful tool to judge new weapons. I hope the Congress will approve S. 1170 and use this tool, even if it means cancellation of politically popular weapons system.

Sincerely,

DAVID KEATING,
Executive Vice President.

Mr. PRYOR. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial that appeared this morning in the New York Times, endorsing this amendment.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEN WEAPONS FLUNK

The Defense Department is gearing up for its biggest peacetime spending program, but its ability to buy the right weapons at the right cost looks as uncertain as ever. The General Accounting Office now documents the troubling history of a big weapons project, the Navy's plan to spend $40 billion to buy 1,377 new F-18 warplanes.

There has been a 400 percent cost overrun in the program since 1975. About half that is due to wrong estimates of inflation, half to design changes and their inflationary costs. Since F-18 production began in 1979, costs have been $310 million greater than budgeted. But instead of asking Congress openly for more money, the G.A.O. study found, the Navy concealed the overruns by a "series of budgetary and funding manipulations."

Far more serious has been the Navy's manipulation of the plane's mission. The F-18 was imposed on the Navy by the Defense Department in 1970. It was meant to be a low-cost, low-weight, uncomplicated fighter—characteristics making it different from the F-14 it was to replace. But the resentful Navy procurement bureaucracy, wanting to keep the F-14, worked hard to change the design.

It loaded the new plane with high-tech gadgetry, increasing its weight and cost. It turned it into a bomber as well as fighter, with the idea of replacing carrier-based A-7 bombers as well. Yet when the first models were given to the Navy's independent testing squadron last November, the pilots found the F-18 unsuitable as a bomber. They also found severe, but treatable, problems with it as a fighter.

As a bomber, the F-18's large size and weight give it roughly half the range of the A-7. That means $3 billion aircraft carriers would have to sail 200 miles or more closer to danger for the new planes to strike at their targets.

Although the F-18 flunked realistic tests, it got ordered into production anyway. The Navy says it will compensate for the loss of range by putting extra tanker planes aboard the carriers. But the General Accounting Office notes that it hasn't asked for extra tankers in future budgets.

What kind of procurement process is it that designs weapons inferior to those they replace, and buys them even when they flunk their tests, investing $40 billion in its mistake? One treatment for the malady, though not a complete cure, is to insist that weapons be independently tested, by an office able to get action taken on the results.

Senators David Pryor of Arkansas and William Roth of Delaware propose an independent testing office in the Pentagon, whose director would oversee the services' weapons tests and insure that program officers test for weaknesses as well as strengths.

Richard DeLauer, the Pentagon's chief developer of new weapons, says the plan is not needed; he'll do everything the test director would do. Evidently Mr. DeLauer now recognizes the problem but not the way to solve it. Failing students should not grade their own papers. The test director should be genuinely independent of the weapon developers.

Mr. BINGAMAN. Mr. President, I am pleased to have the chance to speak in favor of the amendment offered by the Senators from Arkansas and Delaware. They and others have already made the key points in favor of the amendment. Let me just for a moment share with you my perspective on this matter as the most junior member of the Armed Services Committee.

I must say that during the hearings process on the defense procurement budget, I have experienced a great deal of frustration in not knowing what the true story is on the capability of some of the weapons that we are being asked to spend vast sums of money on. We really do not get good answers to questions about the effectiveness, reliability, durability, and maintainability of the weapons we are purchasing or planning to purchase. We need better information so that we can make informed decisions.

One example which concerns me, and which was the subject of discussion by the committee, is the Divad, the division air defense gun. The Congress in previous years has already committed to buy 146 of them at a cost of about $1 billion. And this bill will authorize another 130 at a cost of $671 million. Yet, the operational testing has not been completed on the weapon and it evidently will not be completed by the time that the decision to obligate the funds for the additional 130 weapons is made next May. The test results that we do have have raised questions about the lethality, reliability, and maintainability of the system.

The Army has simply stated that they have high confidence that these problems and deficiencies will be corrected in the production models and that all the risk of not fixing these deficiencies will fall on Ford Aerospace, the contractor. I hope that will be the case.

We clearly do need a new air defense gun in our Army, and I am strongly supportive of strengthening our conventional forces. But the net result here is that we are buying nearly 300 of these air defense guns without having the test results that I think should be available to us. I might note that the Armed Services Committee did express concern in its report about the continuing reports of system difficulties on Divad. It has requested the Secretary of the Army to submit a

report to the Congress next spring prior to exercising his option on the 130 guns, telling us about the initial testing results on the production models of Divad, and assessing whether Divad will meet contract specifications on performance, reliability, and maintainability.

Now, Divad is not a unique case. The GAO has identified numerous cases of inadequate testing. And Under Secretary DeLauer has now acknowledged that there are many problems with DOD operational testing and that he will take literally all the actions envisaged in this bill except that he does not want an independent Director of Operational Testing.

I really believe that this is the heart of the matter. We should not leave the fox in the chicken coop, whatever promises he makes. The person in charge of research, development, and acquisition of our weapons should also be in charge of reporting how well he is doing. The Secretary of Defense and the Congress need checks and balances within the Defense Department.

We are not creating a massive new organization within the Defense Department with this amendment. We are merely raising the stature of one individual, much as the Congress did last year in creating an independent Inspector General. The additional resources the new independent Director of Operational Testing will need have already been promised by Under Secretary DeLauer to the current subordinate Director.

The proponents of this amendment are not calling for a massive change in law with potentially great costs associated with it and which all key committees have not had a chance to study, as was the case last evening when we were discussing the GI bill amendment. The operational testing amendment has been carefully studied and discussed by the Governmental Affairs Committee and by the Military Reform Caucus. It deserves our support now. Let us get the fox out of the chicken coop.

Mr. SASSER. Mr. President, I rise in support of the amendment offered here today by Senators ROTH and PRYOR calling for the establishment in the Department of Defense of an Independent Office of Operational Testing and Evaluation.

This measure, which embodies S. 1170, has already been the product of intense scrutiny within the Governmental Affairs Committee; in this connection I want to commend the efforts of the committee's chairman, Senator ROTH, for the work the committee has done in the area of weapons acquisition policy. This amendment is a reflection on the committee's work and its commitment to eliminating waste and mismanagement in the Pentagon.

Deputy DOD Secretary Paul Thayer recently told a meeting of defense contractors that the Department's procurement budget could be reduced from 10 to 30 percent annually—this is between $9 and $28 billion a year—if contractors would build weapons right the first time. This is but one of the latest in a series of widely publicized observations and reports which underscore the fact that we are not equipping our Armed Forces with weapons and materiel that meet the specifications necessary to achieve their intended purposes effectively. Yes, billions, possibly scores of billions of dollars are being spent each year on weapons without assurances that we are going to get what we pay for—weapons that work. Anything less than this is a waste of money.

The problems regarding operational testing of the weapons presently being developed are not new, and have been clearly spotlighted by experts for a number of years. In 1970, a Presidentially appointed blue ribbon panel addressed operational testing problems within the Pentagon and came up with recommendations similar to the components of this amendment under consideration. But the problem with operational testing—testing weapons under realistic conditions by those personnel who will actually be using them in combat situations—remains far less than it could be.

This grievous and persistent situation has been pointed out in many reports issued by the General Accounting Office. Despite all good intentions and statements to improve matters the Pentagon has failed to do enough to alleviate and solve the problems. As the Operational Testing Office is presently established, with apparent conflicts of interest with many Pentagon officials in charge of both developing and testing weapons, it has come time for congressional action to bring about a change in this area of weapons acquisition policy. In hearings last month before the Governmental Affairs Committee, witness after witness testified to the pressing need for the changes which this amendment would bring about. We heard from one expert that adequate testing is the exception rather than the rule. Department of Defense officials stated that while its tests are not complete in far too many numbers of cases, they believe that their procedures are adequate. To me, and the 15 cosponsors of S. 1170, the facts are very much in dispute. Operational testing is inadequate and incomplete.

This situation is clearly unacceptable.

Secretary of Defense Weinberger said last month that under his direction, the Pentagon had launched a campaign to reform the way the Pentagon does business, focusing on the elimination of inefficiency in the defense marketplace, tightening up defense contracting practices, and making changes in the management of our weapons programs. I am surprised that the Secretarty has not thought the area of operational testing is in need of an overhaul, especially in light of the fact that the President has called for defense spending of over $2 trillion by the end of fiscal 1988, with approximately $675 billion to be spent in the area of procurement. Spending for weapons and military supplies during the current year is expected to reach $80 billion or $200 million a day, and according to some experts we may be spending billions more on top of these vast amounts because of faulty cost estimates and cost overruns.

But it is not only from the Secretary of Defense or the Deputy Secretary of Defense that we are hearing about ways to bring down the ever-increasing costs of weapons development and procurement. Recently Rear Adm. Frank Collins stated that the cost of some weapons could be reduced by up to 50 percent if the contractors improved their workmanship.

Similarly, the President's private sector survey on cost control identified some $92 billion which could be saved if its recommendations were acted upon. In pointing toward a more efficient defense organization, its report noted that some 40 percent of these savings have to do with the area of weapons procurement.

Mr. President, it is imperative that we do all possible to insure that we get what we need to meet our national security obligations while at the same time we get our defense purchases at the most economical rate possible. What we need is obvious—weapons systems that work well—effectively and reliably—under hostile conditions in the hands of those who would be depending on them in combat.

I am pleased to be an original cosponsor of this legislation which would remove the present Operational Testing Office from the Office of the Under Secretary of Defense for Research and Development and create the Office of Operational Testing, with a Director who would be nominated by the President and confirmed by the Senate. With the formation of this new independent body I believe that the area of operational testing would improve substantially. This new office would have increased resources, and its Director would play an active role in setting the budget requirements for adequate testing.

Mr. President, I do not believe that the passage of this amendment, and the creation of this independent Office for Operational Testing, will solve everything but I do believe strongly that the current situation would improve tremendously.

I believe that better testing will bring about these two important objectives—better weapons at better

prices. Inferior weapons we do not need. A new independent Operational Testing Office will be a major step toward stopping the billions of dollars spent and wasted on weapons which may fail the ultimate and crucial test to which they may someday be put. I stand firmly behind this amendment and urge its immediate adoption.

Mr. KENNEDY. Mr. President, as an original cosponsor, I should like to join Senator PRYOR and Senator ROTH in urging the Senate to adopt this important legislation. The inadequate testing of our expensive and vital military weapon systems has been recognized as a serious problem since 1970 when a panel appointed by President Nixon made recommendations similar to the provisions of this bill. The Department of Defense has since acknowledged this problem, but has yet to make significant progress toward its resolution. It is time for legislative action.

There is an inherent organizational flaw in a department that maintains its testing and research, and development functions under the same roof. Unavoidable conflicts of interest are interfering with adequate and comprehensive operational testing of our weapons systems. This condition becomes particularly acute when the Pentagon strives to decrease the acquisition time of its weapons programs.

A separate and independent Office of Operational Testing as provided for in this bill would solve this conflict of interest problem. Responsive to the Pentagon and Congress, the office would have a free hand to thoroughly assess the combat readiness of military programs and to do so before they are produced.

The vital need for this legislation is well illustrated by the fact that nontested and non-combat-ready weapons are deployed frequently.

Particularly in this age when the complexity of high-technology weaponry makes it difficult to operate and maintain, Congress must take strict measures to insure that weapons will perform adequately in battlefield situations.

Mr. President, I urge my colleagues to support this important and timely piece of legislation.

Mr. LEAHY. Mr. President, I am pleased to cosponsor the amendment offered by Senators PRYOR, ROTH, and others to establish an independent Office of Testing and Evaluation under the Secretary of Defense. The aim of this amendment is to bring greater objectivity, independence, and rigor into the development and operational testing of new weapons programs.

The American taxpayer is being asked every year to reach into his pocket and pay for a staggering military establishment. Everyone accepts that the country must have the means to defend itself, and we all pay, with varying degrees of enthusiasm or reluctance. But, in return the American taxpayer has a right to expect that weapons will be designed, tested, and fielded which will work. That simple expectation is not being realized under the current situation. The fact is that the services are receiving too many weapons which do not function properly, which require costly alterations and maintenance, and which, if they fail in combat, will cause the deaths of our men and women in uniform.

Waste, fraud, abuse, cost overruns, weapons failures; these are terms which have unfortunately become very familiar, especially when it comes time to vote on defense spending. Something meaningful must be done to get more and better defense from the tax dollar. Creation of this Office of Testing and Evaluation will, I hope, will be a significant step in breaking the cozy relationship which exists between weapons developers, program managers, and those who conduct the tests and evaluations. Getting the testing and evaluation function out from under the thumb of the research and development bureaucracy, and putting it directly under the Secretary of Defense will greatly increase the chances that more objective and realistic testing of weapons systems will be done. Directly funding this office will also strengthen its independence from the rest of the Defense Department and services hierarchy. Freed from control by the program managers, more operational testing under combat conditions should result. That will be a great improvement over the elaborately staged and contrived testing which often occurs now.

Mr. President, there is support in the country and the Congress for prudent, affordable, economically sustainable increases in defense spending. But there are also limits to the people's patience with waste, mismanagement, fraud, and exploitation of their tax dollars. Hardly a week goes by that we do not read of some defect, failure, or problem in an enormously expensive, highly sophisticated weapon, or see some report detailing the vast waste and overspending which goes on in the Defense Department. If we are going to support an adequate Defense Establishment, we have got to provide better management, from top to bottom.

This independent Office of Testing and Evaluation is a step in the right direction, and I urge my colleagues to join in supporting it.

Mr. GRASSLEY. Mr. President, the one thing I have learned in my dealings with the Pentagon is "where there is smoke, there is surely fire."

There are Pentagon personnel who are experts in hiding budget numbers, experts on hiding cost overruns, and experts on hiding testing data.

Hardly a day passes by without another horror story surfacing about a weapon system that does not work, or about testing data which has been doctored.

The same is true about the costs of those weapons.

As a member of the Senate Budget Committee, it is my responsibility to determine if the decisions we are making each year in that committee are sound. There are two fundamental questions to be answered: "What are we buying, and how much does it cost?"

These are two sides to the same coin. Unfortunately, Mr. President, the Budget Committee, and the Congress, have little if any information for answering these questions.

Because of this information gap, the Congress should and must do whatever it can to know with much more certainty what we are buying and how much it will cost.

We are getting little cooperation on this matter from the Defense Department. Yet these are the two most fundamental questions we can ask. They are questions no different from those asked by any consumer, entrepreneur, investor or business manager before he invests his hard work and money.

Consumers do not purchase items whose quality is not known. They do not buy cars or washing machines before knowing if they work, or what they will cost. They buy goods which work, and which are priced competitively.

Their decisions are based on prior knowledge, which is the basis of all intelligent decisionmaking.

But the taxpayer of this country buys defense without knowing beforehand what it will cost or if it will work.

The taxpayer never has a chance to ask what he is getting for his tax dollars, or how much it costs. He runs up against a bureaucracy that gives him no answers and no choices. His tax dollars are an unprotected, high-risk investment, at the complete discretion and speculation of a centralized power.

What the taxpayer needs is protection against such risk. If the rigor of the free market will not come to bear on the defense acquisition process, than let the discipline of Government checks and balances provide the desired results.

The answer is to make the defense procurement process more competitive, not less competitive; to make it more adaptable and enterprising, not more centralized and bureaucratic; to make it less inwardly focused, less monopolistic.

In the case of weapons testing, the real issue is the effectiveness of weapons systems, not bureaucratic prejudices. The present testing system behaves as a monopoly. It is rigid and in-

flexible. It allows faulty and ineffective weapons to be bought.

To purchase effective weapons, we must subject all weapons to the rigors of the market economy. A good testing operation is adaptable, disciplined and thorough. It tests weapons before production takes place. And it encourages competition.

The Pryor-Roth testing amendment is a necessary first step toward effective weapons procurement. It would end the monoply currently exercised by one office in DOD over the research, development, engineering and testing of equipment.

An independent testing component such as that proposed in this amendment would produce a check and balance, produce a healthy competition, and insure that our weapons will safeguard America and provide our troops with the best possible equipment.

Opponents of this concept claim it would create a new organization. The fact is there would be no new organization. It would simply take an existing one and provide it with independence.

It would allow the head of operational testing to report directly to the Secretary of Defense, without bureaucractic pressures to distort the results.

No new people would be hired, and no new layer of bureaucracy would be added. It is designed to provide a check-and-balance on the vast bureaucracy that is the Department of Defense.

Opponents of this measure also claim that independent testing would lengthen the time of fielding a weapon.

Independent testing may take longer than the present system, but where testing is concerned, time is not the essence. Effectiveness is the essence.

Independent testing would prevent some weapons from ever getting to the field: specifically, those weapons that will do more damage to our own soldiers, sailors and airmen than to a potential enemy.

If opponents of this measure are concerned about time, then the rapidity of development that is common in the market economy should be introduced into the DOD bureaucracy.

Mr. President, the Congress must establish checks and balances to make sure that activity on the other side of the Potomac does not remain from full view or close scrutiny and begins to operate more effectively. The Congress must satisfy itself and the people of this country that we are buying effective weapons at efficient prices. If we fail to do this, then we are failing to live up to our responsibility as stewards of the people and watchdogs of the Federal bureaucracy.

Mr. President, I believe the Pryor-Roth testing bill is one necessary check on the vast centralized powers of the Defense Department. It is an important step in helping the Congress determine whether or not the money we spend on defense is being spent effectively. I urge my colleagues to support this bill and hope its passage will begin a trend of much-needed checks and balances to our defense acquisition process.

Mr. TSONGAS. Mr. President, I rise in support of this bill introduced by my colleague from Arkansas.

I find the circumstances very distressing when Congress must necessarily pass, or threaten to pass, legislation that in effect amounts to micromanagement of the Department of Defense. Now, in peacetime, we can simply call the Pentagon's weapons operational testing and procurement practices merely gross, costly, mismanagement. In wartime, with Americans being killed on battlefields because their weapons failed to operate, we would call it gross, costly, criminal negligence. By that time it is too late for effective, corrective legislative action.

On July 12 the Senate passed an amendment introduced by Senator DOLE. That amendment only calls for a report to Congress from the Secretary of Defense in every case where he intends to obligate funds to commence or carry out full-scale production of a weapon system which has not yet successfully completed operational testing.

The Dole amendment is a good idea; however, it is not a solution to the problem. It amounts to putting a coat of paint on a building that is infested by termites. It may look good but, when put to use, will collapse.

What the Dole amendment does not address is the institutional practices in the Pentagon that permits the so-called operational testing and reporting by the very people who have the most interest in seeing the weapon go into full-scale production—the R&D people.

We continue to see outside reports that weapons, both old and new, are not reliable or effective and that their costs are constantly expanding. I believe it is time to take important steps to address this most serious situation. What will I tell the parents of soldiers killed in combat because their weapons failed to work? Will I say that it is OK because the Pentagon said his weapon was procured with "maximum efficiency and cost reduction." We do not need more buzz words, we need reliable assessments that say it is the right weapon for the job and the weapon works under combat conditions as it was designed to.

Under this legislation, operational testing and evaluation would be given the priority and resources necessary to insure that weapons systems undergo thorough examination and review. In doing so, the testing function would be elevated in the defense hierarchy to allow forces who have to use the weapons in combat a louder voice in production decisions. Most importantly, we believe this legislation could help restore the confidence of our fighting men and our constituents.

The mere threat of passage of this legislation has prompted response from Pentagon officials. Richard D. DeLauer, the Under Secretary of Defense for Research and Engineering, has reacted by lobbying hard against the legislation and, in attempt to dampen criticism, promised to strengthen the testing program without congressional mandate. Typically, without providing numbers, Mr. DeLauer promised more staff and more funds for the testing office, independent reports from the office to Congress, and a vote for the testing chief on the council that advises the secretary on weapons purchases. Then he added that weapon testing and purchasing must be coordinated within the same agency for "maximum efficiency and cost reduction." That is precisely the reason this legislation is imperative. Purchasing and testing must be separated.

Deputy Secretary of Defense, Paul Thayer, has acknowledged that the Pentagon suffered from "waste and abuse" and other mismanagement. In addition, he has said "Yes, there is waste and abuse in the Department of Defense, and I guess there always will be."

Clearly, the Department of Defense is not entirely to blame for our present predicament. Congress must ultimately be held responsible, for it is we who are charged with the authorization of programs, appropriation of funds, and oversight. When established, this new weapons operational testing agency will report directly not only to the Secretary of Defense, but also to Congress. These reports will not be altered by program managers who have a vested career interest in seeing their projects go into full-scale production. Should the amendment not prove strong enough to overcome Pentagon bureaucratic inertia within a reasonable test period, I would then propose that operational testing be removed from jurisdiction of the Pentagon altogether.

Mr. President, I would urge my colleagues to support this amendment to improve the testing of the weapons on which the lives of our Armed Forces—and our national security—ultimately depend.

Mr. President, I ask unanimous consent that I be listed as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I support the amendment by Senator PRYOR and the military reform caucus.

As my colleagues know, I was a founder of the caucus, and I remain a strong supporter. I am no longer an active member, because I do not want to entangle the caucus in any perceived relationship with a Presidential campaign. But I remain a military reformer, and I agree fully with what the caucus is attempting to accomplish.

This amendment is a vitally necessary reform if we want a military that can will in combat. Weapons that do not work are very, very expensive:

They are expensive in dollars. Today, a fighter plane may cost $30 million, a tank $2 million, a ship several hundred million dollars. Partly because each is so expensive, we buy very few types, and we tend to buy a lot of a single type. We will be asked to buy over 1,300 F-18 fighter planes, over 7,000 M-1 tanks, and possible as many as 60 DDG-51 class destroyers.

Because of this, if a specific plane, tank, or ship is poorly designed, if it is designed so that it will not work in combat, we can waste billions and billions of dollars. If, as the Navy's own operational tests suggest, the attack version of the F-18 is a badly flawed design, we could waste between $10 and $20 billion, just on that one weapon system.

They are expensive in lives. Weapons that do not work will kill our own troops. The soldier whose antitank weapon does not work is likely to be killed by the tank he shoots at and fails to destroy. The fighter pilot whose airplane maneuvers poorly or does not give him good visibility or runs out of gas quickly will pay for these flaws with his life. The sailor on a ship whose antimissile defenses do not work against real missiles will pay with his life—as British sailors recently paid with theirs in the Falklands.

History is full of tragic tales of weapons that let their soldiers down. The British wrote in admiration of the Italian antitank gunners in North Africa who kept serving their guns—guns that could not penetrate the British tanks, until those tanks rolled over them.

General Gavin wrote of the tragic funerals of his paratroopers on Sicily who were killed trying to stop German Tiger tanks with bazookas—bazookas that bounced off the tanks' armor. He notes that we had plenty of opportunity to test those bazookas against German tanks captured in North Africa—but we did not make the tests, so his soldiers died.

They are expensive in defeat. Argentine pilots took heavy losses attacking British ships in the Falklands, but they pressed their attacks home with skill and courage, and many of their bombs hit British ships. But many of the bombs failed to go off. Had all the bombs that hit exploded, the Argentines might well have won the war. As it was, the sacrifices of the pilots went for nothing, and Argentina went down to humilitating defeat.

Today, we spend billions of dollars to give our troops weapons, but we don't do enough to make sure the weapons work. Too often, the same people who develop the weapons also test them. Everyone in the Pentagon knows that no program manager who endangers the future or funding of his own program gets promoted. So the tests are often designed to make the weapons look good, rather than to find out if they really work.

In other cases, we do give the weapons realistic tests, but when the results are unfavorable, we ignore them and buy the weapons anyway. The A-18 is a recent case. The aircraft failed its operational test. Reportedly, the pilots from the operational test and evaluation unit went in to see the CNO personally and told him that if we buy the A-18, we will weaken naval aviation. The Navy decided to buy it, anyway.

If we want to help our soldiers win on the battlefield, no single action will do more than this amendment. And let there be no mistake: We need the amendment and the institutional changes it will provide, not just bland reassurances from the Defense Department that it will do a better job. The only way to overcome the bureaucratic pressures within the Pentagon that now block objective weapons testing is to change the structure. If we create the position called for by the amendment, a high ranking position for a chief weapons tester who has real independence, we can make some genuine progress toward weapons that work. But as long as weapons testing is buried under layers of bureaucracy, it will continue to get short shrift.

Mr. President, this is one of the most important measures we will consider on this bill. It goes to the very heart of what a defense bill is all about—creating a military that can win in combat if it is challenged. Unless the billions of dollars we spend for weapons are spent for weapons that work, we are buying weakness and defeat, and we are betraying our soldiers, sailors, airmen, and marines. I strongly urge my colleagues to support the amendment.

Mr. BRADLEY. Mr. President, as a cosponsor, I rise in strong support of the amendment to establish an independent Office of Operational Testing and Evaluation in the Defense Department.

New weapons systems ought to be tested thoroughly to insure that they meet the needs they were funded to meet and that they can perform under realistic conditions. Too frequently, this hasn't been the case. And instead of scrapping a project or forcing it back to the drawing boards, the purpose is redefined to fit the performance.

The tests now run by the Defense Department are not realistic; they have not kept pace with technological improvements in Soviet weapons. For example, the Air Force and Navy now test their missiles against dummy aerial targets that are slower and less maneuverable than modern Soviet jets. Similarly, the Air Force is buying a $3.6 billion system to enable the B-52 to penetrate Soviet air defense and guide its cruise missiles to its target; however, the new systems have not been tested against realistic simulations of Soviet radar. Another example: The Navy's Aegis air defense cruiser, designed to protect naval battle groups against missile attack, cannot be tested against sea-skimming supersonic cruise missiles because the Navy has no target that can simulate such sea-skimming missiles.

Mr. President, we must remedy this situation. The establishment of an independent test and evaluation agency within the Department of Defense would represent a significant first step. Its Director would be subject to Senate confirmation and have the authority to manage all weapons testing and report directly to the Secretary of Defense. Operational testing and evaluation would be given priority and resources necessary to insure that weapons systems undergo thorough examination and review. The testing function would be elevated in the defense hierarchy to allow combat users of new weapons systems to have more input in production decisions. This should result in more reliable weapons.

To address the related, but separate, cost problem, another step must be taken: We must introduce more competition into military procurement producers. Real competition among Pentagon suppliers is too commonly missing. As a result of the lack of competition and the lack of supervision, costs have escalated and quality has declined.

The amendment to establish an independent testing agency will not by itself remedy the cost escalation problem; tough and continuing competition for defense contracts must be emphasized to reduce costs. However, the independent test agency will at least increase the chances that the weapons will work, once they are built.

Both our commitment to national security and our commitment to the soldiers and sailors of this Nation require no less.

I urge my colleagues to support this amendment.

Mr. ANDREWS. Mr. President, we have all seen the recent articles: "Buy Arms Now, Test Them Later," Defense aide says. "GAO Report Says Pentagon Buying Untried Arms." "GAO

Finds Arms Tests Slipshod." "Admiral Says Shoddy Work Adds 50 Percent to Some Arms Costs." And on and on.

I am a cosponsor of this amendment offered today by my distinguished colleagues Senators PRYOR and ROTH because there is no question in my mind about the need to strengthen the operational testing conducted on weapons and other military systems. Further, I am sick and tired of the bad news about systems like the $26,000 Hummer battlefield vehicle or the $1.7 billion Copperhead laser-guided antitank weapons reaching Congress through the press rather than through the legitimate channels at the Pentagon. The presss should not be the tool used to get the facts to us and the American people about system breakdowns that fall short of the mark in operational tests.

As a member of the Defense Appropriations Subcommittee, I am called on to make decisions about weapons and equipment in a $200 billion-plus budget, and I cannot get the right information. Development testing is supposed to determine whether a new system meets its technical specifications. Any design problems inherent in the system should be found in development. Operational testing is supposed to tell us whether the system—even if it does meet its specifications—will really work in combat. What we are finding out is that many of these systems are often not thoroughly tested before being placed in the hands of U.S. troops and on the front lines of our Nation's defense. It is the operational tests that are supposed to protect our troops from exotic-weapons nightmares.

After the full-scale engineering decision—and many of you know that few weapons are ever canceled once full-scale engineering development is approved—operational testing should be one of the major factors in any production decision. But when we move out of the ideal world of the chain-of-command, we find that the system does not work as it is supposed to. The system is still promoting expensive and ineffective weapons at the expense of our soldiers. We are finding out that much of this operational testing is a myth and we are being undermined by those at the Pentagon whose main concern is in producing and fielding weapons, despite evidence of serious deficiencies or imperfections in system performance. What we end up with, of course, are systems that do not work on the battlefield that are sent to weapon wonderland with thousands of other half-baked losers and our taxpayers have been bilked billions of dollars.

The purpose of this amendment is not to create another bureaucracy; it is simply to separate and elevate operational testing from developmental testing in the Department of Defense. It will establish an independent, authoritative office to insure that objective and thorough testing information is a primary part of the decision to procure new weapons. This office will not only help insure a weapon's effectiveness—it will also keep money in our taxpayers' pockets by revealing which weapons should not be bought in the first place. I urge all Senators to support this amendment offered by Senators PRYOR and ROTH. It is long overdue.

Mr. MITCHELL. Mr. President, I rise in support of Senator PRYOR's amendment of which I am a cosponsor.

The Pryor amendment addresses a very serious problem. It is that the bulk of weapons systems testing which occurs prior to purchasing is conducted by the very same people who are involved in the development of the systems.

The testing procedure now in place is not working. Costly flaws are not being detected. Production schedules are being underestimated. Large cost overruns on new systems are more often the rule than the exception.

Inadequate testing has many victims. The taxpayers must pay the unforeseen additional costs. The soldiers, sailors, or airmen who provide for our defense must fend for themselves when the weapons and support equipment on which they depend fail to operate. The Nation ultimately is the victim because its security is jeopardized when important systems, bought with scarce dollars, cannot accomplish their missions.

This amendment would change the current testing procedure, operational evaluations no longer would be in the hands of those who are responsible for developing the weapons. Instead, the operational evaluations would be conducted by a wholly independent office, the conclusions of which would go directly, without clearance or alteration, to the Secretary of Defense.

The need for such an independent office has been recognized for a long time. In fact, a blue ribbon panel appointed by President Nixon concluded 12 years ago that operational testing should be taken away from the "researchers" and "developers" in the Department of Defense and turned over to those who have no stake in the future of the equipment being tested.

The Operational Testing Office would be directed by a high-level Presidential appointee who would be confirmed by the Senate. The Office would be budgeted separately so that Congress could insure that the Director possesses the resources he requires to fulfill his mandate. In addition, the legislation provides that this office and the legislative branch's General Accounting Office (GAO) could work cooperatively.

Almost on a daily basis, the public is alerted to yet another expensive weapons system which does not work or which underperforms. The time has come to make some organizational changes to prevent more systems from being added to this list. I hope that the administration will reconsider its initial concerns about this amendment and will consider embracing it as a valuable military reform. It will save money. It will enhance our national security, and it will save lives.

Mr. President, I urge my colleagues to support the Pryor amendment.

Mr. LEVIN addressed the Chair.

Mr. TOWER. Mr. President, if the Senator will yield for a moment, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. TOWER. It is my understanding the sponsors do want the yeas and nays on this amendment.

Mr. PRYOR. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. I thank my colleague.

Mr. LEVIN. Mr. President, first of all, I commend my colleagues from Arkansas and Delaware for the leadership that they have taken on a very critical item.

This amendment will improve the Defense Department's weapon development and deployment processes. It is a long overdue reform in our procurement process, and I commend them on it. We owe this amendment to our military personnel and we owe this amendment to our taxpayers.

Mr. President, I also commend the Senator from Texas, the chairman of the Armed Services Committee, for the hearings which he has scheduled in late July and beyond on the whole question of the structure of the Defense Department and the manner in which he has solicited all Members of this body for recommendations, for subjects to be taken up at those hearings and witnesses.

I think he has just done a very commendable job in making sure that those hearings get to some of the structural problems which a number of people have found in the Defense Department. I commend my chairman on that.

Passage of this amendment could significantly improve our national security by increasing the prospects that the billions we spend annually for new weapons actually result in the fielding of systems which work as they are intended.

Our amendment addresses a well-documented deficiency in the procedures for testing weapons under realistic combat conditions before they are deployed with our troops. Too often in

the past, inadequately-tested weapons which fail to meet combat requirements have been fielded, and we have had to waste precious lives and defense dollars to rectify these mistakes.

This amendment would established a new position at the Defense Department—a Director of Operational Testing and Evaluation, who would be appointed by the President and confirmed by the Senate. This individual would report directly to the Secretary of Defense and to Congress. His office would not be under the administrative control of the Pentagon's top weapons acquisition and development officials, as is presently the case.

In this way, the perceived or real conflicts of interest inherent in our armament weapons development programs—in which those responsible for designing and procuring the systems have ultimate responsibility for overseeing their operational testing—could be minimized.

I am well aware that an office already exists within the research, engineering and acquisition branch of the Pentagon which is supposed to fulfill the independent functions our legislation embodies, Mr. President.

Unfortunately, the level of independence intended for that existing office has yet to be achieved. In saying this, I do not imply that the individuals who have occupied that office, civilian or military, have been guilty of conflicts of interest. I am sure they tried to accomplish their operational testing responsibilities with the best of intentions.

But I think there is ample evidence that, for whatever causes, there is a serious problem with the present system for evaluating the effectiveness and suitability of the weapons upon which we rely for our national security.

This amendment embodies a solution which many experts both inside and outside of Government have recommended. One might argue about whether our proposal is the most effective way to implement that recommendation. No amendment is perfect in that regard, and we would expect to hear improvements suggested during the hearing process.

But there can be no debate that Congress should more rigorously examine this operational testing problem and should take more aggressive action to correct it.

It is to encourage this action, and to provide Congress with what I believe is a useful beginning point in this process, that I am cosponsoring this amendment today.

During discussions on this issue during last year's debate on the fiscal 1983 Defense Authorization Act, my colleague from Arkansas was promised a hearing on it before the Governmental Affairs Committee. That hearing was held recently.

In addition to demonstrating Congress concern with this particular problem, those hearings have highlighted to the American people the sensitivity Congress must exhibit to the need to insure that our defense dollars are spent as wisely, and as cost-effectively, as possible. This demonstration is an absolute must during this period when our defense budgets are expanding so greatly.

Those hearings also highlighted that Congress should wait no longer to act in this area, and that problems caused by the lack of adequate, independent operational testing of weapons systems run so deep as to undermine the entire acqusition process and threaten our national security.

The Defense Department belatedly has begun to acknowledge these problems. Letters have recently been written promising more vigorous testing.

It is too late for vague promises, Mr. President, and the American taxpayers deserve action to improve the testing operation as soon as possible. Too many tax dollars already have been wasted developing and fielding ineffective weapons systems.

Critics of this amendment will argue that it is unneeded or that it would both delay the weapons development process and add another layer of expensive bureaucracy to the Defense Department.

Much evidence exists as to the need for this amendment, including a 1980 report by the highly respected, defense think tank in California, the Rand Corp.

As to the charge of adding a new bureaucratic layer to the Pentagon, nothing in this amendment would require that. We envision that this new office would be small, and that its staffing and operations could be accomplished through transfers of existing personnel and mainly from existing funds. The key ingredient to better operational testing is the independence of the testing authority, not the creation of a new bureaucracy.

Congress has the responsibility to insure that we spend our scarce defense dollars as wisely as possible, Mr. President. This amendment enables us to fulfill that responsibility. I urge its adoption.

Mr. PRYOR. Mr. President, might I inquire of the distinguished chairman of the committee or of the distinguished Senator from Delaware or the Senator from Kansas if there are other speakers who wish to speak for or against this proposal on the other side?

Mr. TOWER. Mr. President, I know of none, and I think to accommodate some Senators, one in particular, we might go ahead to a vote.

Mr. PRYOR. I have no other speakers, I say to my friend from Texas, on this side of the aisle.

Once again, I thank the distinguished chairman for his concern in this matter. We will be looking at those hearings and I am very hopeful that we will see a very strong vote on this amendment to indicate to the committee and other Members of Congress our desire and our intention of implementing an office of operational testing in the Pentagon.

Mr. President, I yield back the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arkansas.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The acting assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) is necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN) and the Senator from South Carolina (Mr. HOLLINGS), are necessarily absent.

The PRESIDING OFFICER (Mr. COHEN). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 91, nays 5, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—91

Abdnor	Gorton	Moynihan
Andrews	Grassley	Murkowski
Armstrong	Hart	Nickles
Baker	Hatch	Nunn
Baucus	Hatfield	Packwood
Bentsen	Hawkins	Pell
Biden	Hecht	Percy
Bingaman	Heflin	Pressler
Boren	Heinz	Proxmire
Boschwitz	Helms	Pryor
Bradley	Huddleston	Quayle
Bumpers	Humphrey	Randolph
Burdick	Inouye	Riegle
Byrd	Jackson	Roth
Chiles	Jepsen	Rudman
Cochran	Johnston	Sarbanes
Cohen	Kassebaum	Sasser
D'Amato	Kasten	Simpson
Danforth	Kennedy	Specter
DeConcini	Lautenberg	Stafford
Denton	Laxalt	Stennis
Dixon	Leahy	Thurmond
Dodd	Levin	Tower
Dole	Long	Trible
Domenici	Lugar	Tsongas
Durenberger	Mathias	Warner
Eagleton	Matsunaga	Weicker
East	Mattingly	Wilson
Exon	Melcher	Zorinsky
Ford	Metzenbaum	
Garn	Mitchell	

NAYS—5

Chafee	Stevens	Wallop
McClure	Symms	

NOT VOTING—4

Cranston	Goldwater
Glenn	Hollings

So Mr. PRYOR's amendment (No. 1478) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Indiana (Mr. LUGAR) is recognized.

AMENDMENT NO. 1479

Mr. LUGAR. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. LUGAR), for himself and Mr. Quayle, proposes an amendment numbered 1479.

On page 26, line 16, add the following: "of which $4,600,000 shall be available only for physical fitness center purposes.".

Mr. LUGAR. Mr. President, this amendment provides that $4.6 million of the funds authorized by this bill for Army operations and maintenance be earmarked for the support of the Army fitness training program at Fort Benjamin Harrison, the Army fitness center.

Most Senators will recall from their own experience with basic training that physical fitness is a continuing preoccupation of the armed services. Nonetheless, it is an area in which, by general agreement, we have not achieved all that we might. Upgrading physical training is one of the simplest, least expensive, and most cost effective methods of improving troop effectiveness, and it has been consistently recognized as such not only by the Department of Defense in numerous statements of objectives in recent years but by independent observers as well. It would be unfortunate if, in the course of a debate understandably dominated by multibillion-dollar procurement decisions and by profoundly important strategic choices, the Senate permitted a small but significant personnel initiative to fall by the way. Fort Benjamin Harrison was last year designated as the Army fitness center. Due to the foresight of the Congress some years past, that designation required no new investment in facilities; Fort Harrison is equipped with a new base physical fitness center sufficiently equipped to accommodate the training requirements of the programs in question. The funds dictated by this amendment, $4.6 million, are principally for travel pay and per diems for trainees assigned to Fort Harrison for two programs: The master fitness trainer program, which is designed to place in every battalion an officer or senior NCO trained to advise or supervise improved physical training programs, and a smaller training program for Army physical activities specialists, who currently are so designated but are untrained, on the theory that anyone knows how to run an effective sports program. A small portion, $475,000, is for the support of 20 civilian instructors for these programs.

This amendment adds no new moneys to this bill. The $4.6 million to support the fitness center had been a part of the Army's 1984 budget request, and these funds are included in the House bill. However, in the course of its efforts to adjust to the requirements of the budget resolution, the committee report strikes these funds. This would kill the program. Upon inquiry by my colleague from Indiana, Senator QUAYLE, and myself, both the Army and the committee have expressed great regret at this eventuality. More to the point, perhaps, they have expressed as well their confidence that, for a program of this obvious merit, the sum of $4.6 million might be found among the approximately $17.5 billion ($17,460,900) authorized for Army O&M. Accordingly, Senator QUAYLE and I do not request additional funds for this purpose. We ask simply the Senate's endorsement of the proposition that a commitment of less than $5 million of already authorized funds, an amount equal to a fifth of the cost of an F-15, be invested in this promising initiative. I urge Senators' support for this amendment.

Mr. President, as I said, this amendment earmarks $4.6 million for physical fitness training of 1,100 Army personnel who will come to Fort Benjamin Harrison in Indiana from each unit of the Army to receive training as part of the U.S. Army physical fitness plans. I ask unanimous consent that there be printed in the RECORD a letter to the Hon. JOHN TOWER, chairman of the Senate Armed Services Committee, from Lt. Gen. Ernest D. Peixotto, Comptroller of the Army.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY, OFFICE OF THE COMPTROLLER OF THE ARMY,
Washington, D.C., July 14, 1983.

Hon. JOHN TOWER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter requests restoration of $4.6M in the Army FY 84 Budget for the Army Physical Fitness Program, recently cut in total by the Senate Armed Services Committee.

The Army Physical Fitness Program is more than a surface approach to physical conditioning. As described on page 21 of The Posture of the Army, FY 84, the Program seeks to change lifestyle attitudes of soldiers and their families. It educates all grades, private through general, in diet and nutrition, stress management, exercise, elimination of substance abuse (including smoking and alcohol), sports, and a sports medicine approach to bodily capabilities. As The Secretary of the Army often states "The readiness of the U.S. Army begins with the physical fitness of the individual soldiers, the NCOs, and the officers who lead them."

The Program more than complies with a DOD Directive directing all Services to develop proactive programs. This Directive resulted from a Presidentially directed study on Military Services Physical Fitness, which determined an unacceptable level of fitness, Service-wide.

To correct this, we established the Soldier Physical Fitness Center, Ft. Harrison, Indiana, and The Army Physical Fitness Research Institute, Army War College, Carlisle, Pennsylvania. The Center develops fitness doctrine, educates soldiers and leaders, and works closely with civilian fitness professionals. One of their accomplishments is the Individual's Handbook on Physical Fitness (copy attached), recently distributed to members of Congress, and endorsed by the President. The Research Institute conducts applied research to assist the Center's efforts, namely in stress management, age 40 and over fitness, and is currently the coordinator for a Military Fitness Symposium in support of the 1984 Summer Olympics. This Symposium will draw representatives from all Services and military allies, worldwide.

This $4.6M restoration request operates the Fitness Center and Research Institute, including salaries for 21 civilians currently hired. Loss of this amount terminates these organizations, resulting in fragmented fitness efforts, heretofore criticized by the DOD Study.

The Program is personally backed by The Secretary of the Army, who hosts quarterly meetings with the senior leadership of the Army to develop new concepts and ideas on fitness. The Program offers the only medical screening and physical readiness testing concept in the government for ages 40 to 60.

We believe in a positive health lifestyle, and are convinced that given time, savings in health care costs will be realized through development of healthier soldiers and their families. Material which further describes our program is enclosed.

Your support is appreciated.

Sincerely yours,

ERNEST D. PEIXOTTO,
Lieutenant General, GS
Comptroller of the Army.

Mr. LUGAR. Mr. President, the purpose for my rising to ask restoration of these funds is that the Army has made a concerted attempt to involve all personnel, all men and women soldiers of all ages in a program of physical fitness commencing with screening tests, identification of specific problems, then prescribed courses of fitness in which every soldier gains not only self-respect but in appearance. I have witnessed at Fort Benjamin Harrison an entire battalion—in fact, I participated in a 5-mile run with personnel of all ages on that fort's grounds. The purpose of that type of conditioning performed every day, and the idea of the Secretary of the Army is that this would be a worldwide program, is to bring the people into a state of readiness which has really not been the case in the Army or, I suggest, in the armed services generally.

I suspect that this type of comprehensive plan will prove to be a master stroke in making certain this type of training can occur worldwide simultaneously. The cost is relatively minimal for that extensive a program for the benefits that are involved. I am hopeful that the amendment might be accepted by both sides.

I am joined in my enthusiasm for this program by the junior Senator from Indiana (Mr. QUAYLE), who is a cosponsor of the amendment, a strong advocate of the program, and has likewise personally witnessed the good that is occurring at Fort Benjamin Harrison in this regard.

Mr. QUAYLE. Mr. President, I just want to add my support for the amendment. The Army has put a high priority on physical fitness for its soldiers, as witnessed in their fiscal year 1984 posture statement, pages 21 and 22. I realize that this is a small request, Mr. President, but it is an important request and I believe that the amendment should be accepted. I certainly do not intend to ask for any rollcall vote, if it is not requested by the other side of the aisle.

I repeat my commitment to the program. It is a good program and, as the senior Senator from Indiana has pointed out, the Army has confirmed its commitment and the high priority it has in the letter which has been printed in the RECORD.

Mr. LEVIN. Mr. President, first, I commend my friends from Indiana for noting the failure of this item to be included in the budget. I assure them and the Senate that, to my recollection, the only reason this was left out at markup was the absence of budget justification for it from the Army at that time. At that time, I emphasize. It is very clear there is adequate budget justification for it. It is very clear it is justified and it is needed. It was just the absence of it from the Army statement at the time of markup that this was left out. I think it is important that it be reinstated in the budget. I certainly support the amendment.

Mr. QUAYLE. Mr. President, I underscore what the Senator from Michigan has said. He is absolutely correct. The information was not available to him and the chairman of the committee and the staff at that particular time. Accordingly, I want the RECORD to report that he is 100 percent accurate.

Mr. HUMPHREY. Mr. President, this amendment affects the operation and maintenance account. I shall not object to it, although I do wish that the Army had forwarded information on where they intend to make up the $4.7 million. Obviously, it is going to come out of the O&M account somewhere. We are completely, shamefully, dangerously, short of funds for operating and maintenance expenses. I do not very much like to be reducing that account without being specific about where that reduction is going to be made. However, Mr. President, I shall not object.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on this amendment? If not, the question is on agreeing to the amendment of the Senator from Indiana.

The amendment (No. 1479) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

Mr. QUAYLE. Will the Senator withhold for a second?

Mr. LEVIN. I would be happy to.

Mr. QUAYLE. I have a couple technical amendments.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

AMENDMENT NO. 1480

(Purpose: To make technical conforming amendments in section 1016 of the bill, relating to the United States Court of Military Appeals, to make the provisions of that section conform with the intent of the Committee)

Mr. QUAYLE. Mr. President, on behalf of the chairman of the committee, I send to the desk some technical and conforming amendments.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE), on behalf of Mr. TOWER, proposes an amendment numbered 1480.

Mr. QUAYLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 145, line 1, strike out "8836" and insert in lieu thereof "8336"; and

On page 146, line 23, strike out "member" and insert in lieu thereof "Member".

Mr. QUAYLE. Mr. President, this concerns a couple typographical errors. I ask that the amendment be adopted.

Mr. HART. Mr. President, reserving the right to object, what is the nature of the typographical errors and what do they relate to?

Mr. QUAYLE. The capitalization of the word "Member" and a section number of the United States Code.

Mr. HART. I thank the Senator.

The amendment (No. 1480) was agreed to.

Mr. HELMS. Mr. President, will the Senator yield to me for just one moment?

Mr. LEVIN. I would be happy to.

Mr. HELMS. Mr. President, in order that we have no confusion——

The PRESIDING OFFICER. The Senator will suspend until we have order in the Chamber.

The Senator from North Carolina is recognized.

Mr. HELMS. In order that we have no confusion about the order of these amendments which are going to be handled relatively quickly, I wonder if I could ascertain from the manager of the bill what his wishes are. I have one, as he knows.

Mr. QUAYLE. Will the Senator yield?

Mr. HELMS. Yes.

Mr. QUAYLE. It is my intention and hope to take up some of noncontroversial amendments. I know that the Senator from North Carolina has one. I know the President pro tempore has a couple of amendments. And then we can get on perhaps with the amendment of the Senator from Michigan.

Mr. HELMS. Let me say to the Senator that it matters not to me what the order is, but I just want to have some idea of what it is. The Senator has just stated it, and I thank him.

The PRESIDING OFFICER. Does the Senator from North Carolina have an amendment?

AMENDMENT NO. 1481

(Purpose: To express the sense of the Congress with respect to commemoration of the Mutual Defense Treaty between the United States and the Republic of Korea)

Mr. HELMS. Mr. President, I have an amendment at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an amendment numbered 1481.

Mr. HELMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

COMMEMORATION OF THE MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

SEC. . (a)(1) The Congress finds that—

(A) this year is the thirtieth anniversary of the signing of the Mutual Defense Treaty between the United States and the Republic of Korea;

(B) for a period of thirty years the Korean people have faithfully fulfilled their commitments to the defense of Korea as provided in the Mutual Defense Treaty; and

(C) the Mutual Defense Treaty between the United States and Korea has significantly contributed to the maintenance of peace and stability on the Korean peninsula and in East Asia.

(2) The Congress recognizes that the Mutual Defense Treaty between the United States and the Republic of Korea obligates both nations to participate in a system of collective security "pending the development of a more comprehensive and effective system of regional security in the Pacific Area".

(b) It is the sense of the Congress that—

(1) the thirtieth anniversary of the signing of the Mutual Defense Treaty between the United States and the Republic of Korea should be commemorated and observed with appropriate programs and activities which celebrate and reaffirm the long-standing commitments of the people of both nations to mutual security and the preservation of peace on the Korean peninsula and in East Asia; and

(2) it is in the best interest of both the United States and the Republic of Korea to take such action, in an appropriate forum and with private and official participation, as is necessary and appropriate to discuss, promote, and expand cooperation between both nations and to perpetuate the mutual security and the preservation of peace on the Korean peninsula and in East Asia.

Mr. HELMS. Mr. President, the pending amendment is in the nature of a sense-of-the-Congress resolution commemorating the 30th anniversary of the United States-Korean Mutual Defense Treaty. As the distinguished occupant of the chair knows, the treaty was signed in Washington on October 1, 1953, and has served as a bulwark of peace and stability in Asia ever since. This resolution has a broad, bipartisan support with more than half the Senate already on record as cosponsors.

Mr. President, I ask unanimous consent that a list of the 50 cosponsors be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COSPONSORS

Senators Abdnor, Armstrong, Boren, Boschwitz, Cochran, Cohen, D'Amato, DeConcini, Denton, Dole, Domenici, East, Ford, Garn, Glenn, Goldwater, Gorton, Grassley, Hatch, Hawkins, Hecht, Heinz, Helms, Huddleston, Humphrey, Inouye, Jepsen, Kasten, Laxalt, Lugar, Mattingly, McClure, Moynihan, Murkowski, Nickles, Pell, Percy, Pressler, Quayle, Randolph, Rudman, Stafford, Stennis, Symms, Thurmond, Trible, Wallop, Warner, Wilson, and Zorinsky.

Mr. HELMS. Historically, this broad support for our ally, the Republic of Korea, has always existed across the political spectrum, and across the political parties. The security of Asia is something that is not a partisan issue, and I am gratified that so many distinguished Members of this body have been willing to subscribe to this gesture of friendship and support for the Republic of Korea. Korea, unfortunately, is a divided country. It presents a situation that is at once volatile, yet reassuring. It is volatile because the atmosphere of tension which the Communists insist upon maintaining could be the springboard to a major international problem involving the People's Republic of China, the Soviet Union, and the United States. Yet it is reassuring because our presence and our commitments to the Republic of Korea have provided the stability to assure a long and continuous spurt of economic growth.

Under President Chun Doo Hwan, Korea has been able to upgrade the material well-being of its people, to strengthen its defenses, and to build up a balanced trade relationship with the United States and the free world. I salute President Chun, as well as his able Foreign Minister, Lee Bum Suk, who visited the United States only a few weeks ago. I also wish to compliment the expert representation of the Korean Ambassador, Lew Byong Hion, with whom, as chairman of the Agriculture Committee, I have worked closely on agricultural and security problems.

Let us turn, then, to consider the treaty whose 30th anniversary will be celebrated this year.

Mr. President, on October 1, 1983, the people of the United States and the people of Korea will celebrate the 30th anniversary of the signing of the mutual defense treaty between the two nations. This is a significant anniversary for both peoples because it celebrates a remarkable partnership between two nations—a partnership which has been successful because it has been mutual both in participation and in benefits. But it is all the more remarkable because of the great disparity between the two nations when it began. Korea's record of development as a modern economy and an equal trading partner with the United States goes hand in hand with her unwavering friendship and loyalty. The stability provided by the 30-year-old mutual defense treaty has enabled Korea to become an economic power despite the hostile presence of Communist armies across the 38th parallel, only a few minutes from Seoul.

The treaty date itself is significant because it also marks the entrance into the second century of relations with Korea. On May 13, 1934, an American diplomat reported to the Secretary of State that opening of Japanese-American trade ties might lead to trade with Korea. In 1845, a resolution was introduced into the U.S. House of Representatives calling for an American mission to open Japan and Korea to trade; but at that time Korea was too far away from the imaginations of Americans, and the resolution failed to pass. But it was just a little more than 100 years ago, in 1882, that a Treaty of Peace, Amity, Commerce, and Navigation was signed by Commodore R. W. Shufeldt, USN, and Korean commissioners in Seoul, providing for diplomatic and consular representation, safe conduct for U.S. vessels and citizens in Korea, and rights and limitations of the conduct of each country's citizens in the other.

In the ensuing seven decades before the 1953 Mutual Defense Treaty was signed, the United States twice came to the rescue of the Korean people on a grand scale. In World War II, the United States overthrew Japanese control of the Korean peninsula, ending 38 years of Japanese colonial domination, and leading to the formation of the Republic of Korea in 1948. The second time, of course, was during the Korean war itself, when the United States provided the leadership and the largest contingents of the U.N. Command, a war which resulted in 33,626 killed in action, 20,617 noncombatant dead, and 103,284 wounded. It was this experience that led to the negotiation of the 1953 treaty, providing for the maintenance of separate and joint means "to deter armed attack" in the Pacific region against Korean territory, and providing for the stationing of U.S. military forces in Korea. The resolution of ratification was passed by the U.S. Senate on January 26, 1954, and the treaty entered into force on November 17, 1954.

In its report on the treaty, the Senate Committee on Foreign Relations noted that:

The primary purpose of this treaty is to deter further aggression in the Pacific area by a clear warning to potential aggressors that the United States and the Republic of Korea will regard an armed attack on the territory of either party as dangerous to their peace and security and that they will act to meet this danger in accordance with their constitutional processes.

This purpose has been fulfilled throughout its history. It has kept the peace, and it has kept the peace only because of its effect on would-be aggressors, but because of the wisdom of its provisions in maintaining a viable relationship with the United States.

The committee explained the rationale of the treaty as follows:

The treaty grew out of the Korean armistice negotiations and the legitimate concern on the part of the Republic of Korea for its security in the period following the armistice. In an exchange of letters last May and June with President Rhee, President Eisenhower stated that he was "prepared promptly, after the conclusion and acceptance of an armistice, to negotiate" with the South Korean Government a mutual defense treaty similar to those with the other Pacific nations, Japan, the Philippines, Australia, and New Zealand.

The strength of the treaty lies in its realistic acceptance of two key elements. As the committee said in 1954:

The first is one which has already been noted, namely its description of the territorial area to which the treaty applies. The provision gave rise to a searching discussion in the committee, where concern was expressed over the possibility that the United States might be called upon to give aid in the event the Korean Republic should seek to extend its dominion over North Korea either by an unprovoked attack on that area or by some other means not regarded as lawful by the United States. It seemed desirable to underline the fact that the United States must reserve for itself the right to determine whether territory not now under the administrative control of Korea has lawfully been brought under such control . . . The apprehensions voiced on this point led to a proposal by Senator George of an inter-

pretative clause which would make clear just how far the obligations of the United States extended, to insure that the treaty could not be invoked to command the support of the United States for anything other than an armed external attack upon territory over which the United States recognized that the Government of Korea had lawfully acquired administrative control.

The apprehensions of the committee, occuring against the background of the sacrifices of American citizens in the Korean war, were understandable; but nothing which has taken place in the past 30 years has in the remotest degree raised those apprehensions again. The loyalty of Korea as an ally has been unimpeachable, and its exact understanding of our mutual relationship has given rise to a firm and friendly relationship with the American people which might not otherwise have occurred. The support of U.S. citizens for Korea has continued very high in poll after poll, despite the vicissitudes of world affairs in the past three decades.

The second element of strength in the treaty is the safeguarding of the constitutional processes of both nations. As the committee noted:

The second element . . . is its replacement of the specific commitment language used in the North Atlantic Treaty, by what Secretary Dulles has called the "Monroe Doctrine" principle. Thus each party, in article III, recognizes that the armed attack referred to therein would be dangerous to its own peace and safety. The action to be taken would then be determined in accordance with its constitutional process. By contrast, the North Atlantic Treaty formula makes an attack upon one tantamount to an attack upon all, so that such an attack, which might not take place against the United States itself, is nevertheless so regarded. Because of the constitutional issues which the approach suggests, for example, whether an attack upon another member gives the President the same inherent right to act as an attack upon United States territory, the language of President Monroe was regarded by Secretary Dulles as preferable when he negotiated the Philippine and Australia-New Zealand Pacts, and is reproduced in the Korean Treaty.

In short, the phraseology of article III of the Korean Pact permits the United States to take any action we deem appropriate by our constitutional processes, and gives adequate assurance of support to the other country which may be the victim of an attack. It has the additional advantage of never having been challenged throughout our history, from the constitutional standpoint, as altering the balance of power between the President and Congress.

Indeed, it was this aspect of balance between the executive branch and the legislative branch which was later to be the very element which rallied American popular support behind Korea during a very tense period of danger. The fact that the treaty was so carefully drawn appealed to the American sense of fairness and rallied strong bipartisan support in Congress when the executive branch apparently miscalculated the will of the people. No doubt there had been some in 1953 who regretted the lack of NATO-style language of automatic commitment. But Korea—and the Western bloc of nations—is stronger today because of the farsighted construction of the treaty's provisions.

It did not take long for the effect of the treaty to be tested. On April 26, 1954, the Political Conference on Korea, provided for in the Armistice Agreement of July 27, 1953, convened in Geneva. But the Communist side soon let it be known that it had no intention of agreeing to the two key issues; namely, the authority of the U.N. command throughout all Korea, and the question of free elections. By June 15, the United States and 15 other nations unilaterally withdrew from the conference, declaring that, in the light of the Communist intransigence, continuation of the conference would serve no useful purpose. The North Koreans and their Chinese allies were not about to allow a democratic solution to take place. The Chinese "volunteer army" stayed in place on North Korean territory and a Communist arms buildup continued.

By 1957, the U.N. Command in Korea announced that in view of flagrant violations of the armistice agreement relating to limitations on increases in military strength it no longer considered itself bound by the armistice in this regard. It was clear that the United States, under terms of the Mutual Defense Treaty, was prepared to maintain the military balance even if the Communists continued the buildup. In February of 1958, the Chinese announced that all Chinese forces would be withdrawn from Korea by the end of 1958. In July, the United States stated that the governments of the U.N. Command were "prepared to withdraw their forces from Korea when the conditions for a lasting settlement laid down by the General Assembly were fulfilled." The statement went to say that to withdraw their forces otherwise would removed a necessary guaranty against further Communist aggression.

The Chinese countered that all foreign troops should be withdrawn from Korea—a proposal that put the aggressors on the same level as the defenders of freedom. On October 27, the U.N. Command rejected these proposals, stating that even if all Chinese forces were to be withdrawn from Korea, it would still represent only a long-awaited partial compliance with the February 1, 1951 General Assembly resolution declaring that the Chinese were aggressors in Korea, and calling upon them to cease their aggression. On November 10, the Chinese declared that they had withdrawn all their troops from Korea, a fact that was soon confirmed by our intelligence. The Mutual Defense Treaty had met its first test: The aggressors were deterred.

The Communist side was forced to regroup. On July 6, 1961, North Korea and the U.S.S.R. signed a mutual defense treaty providing that each party would assist the other in event of attack by a "state or coalition of states." Five days later, an almost identical treaty was signed with the People's Republic of China. Yet free Korea was not intimidated.

As the Vietnam war heated up, the Republic of Korea began sending its military personnel to help the effort of its ally, the United States. In 1964 an ROK mobile army surgical hospital was deployed to Vietnam at the request of the South Vietnamese Government. By February 1965, 2,000 other military personnel had been sent. By mid-1965, an agreement had been worked out between the United States and Korea that there would be no U.S. or ROK force reductions in Korea without prior consultation between the two parties, and that the United States would provide support for the modernization of the ROK forces in Vietnam. By the end of the year, ROK combat troops were fighting in Vietnam. All in all, a total of more than 40,000 ROK military personnel went to Vietnam to fight along side United States and South Vietnamese troops there. Korea had demonstrated that the spirit of the Mutual Defense Treaty was indeed mutual.

In October 1965, President Lyndon B. Johnson visited Korea, and reiterated American support for the ROK; but on the last day of his visit the first of a series of several hundred incidents took place which resulted in U.S. casualties. Over the next 3 years, U.S. forces lost 38 killed, 123 wounded and 3 missing in such actions. At the same time, 1,472 incidents took place in which 566 North Korean agents and infiltrators were killed and 52 were captured by U.S. and ROK forces. The threat from the north was still real.

On January 23, 1968, the U.S.S. *Pueblo* was seized by the North Korean Navy and its crew imprisoned. By March, the United States announced that it had sent more than 200 combat jet aircraft, 12,000 airmen, and 10,000 tons of supplies to Korea to reverse the balance of air power. This brought U.S. personnel in Korea to a level of 62,000 men. The *Pueblo* crew was released in December. By 1971, however, the situation had stabilized enough so that the United States was able to withdraw 20,000 men, while at the same time announcing with Korea a force modernization program for the ROK forces that would total $1.5 billion.

On July 18, 1973, Secretary of State William P. Rogers stated on a trip to Seoul that U.S. troops would remain in Korea until it was clear that their

removal would not destabilize the balance of military power between the two Koreas. In September, Deputy Secretary of Defense William P. Clements, Jr., stated that there were no plans for withdrawal or reduction of U.S. troops in Korea from current force levels, pointing out that an increased North Korean military capability had actually increased the threat to South Korean security. In November, Secretary of State Henry A. Kissinger, on a trip to Seoul, reiterated the continued U.S. commitment to Korea. When, 2 weeks later, North Korea claimed possession of the waters surrounding five islands in the Yellow Sea held by South Korea under terms of the armistice, the U.N. Command was quick to deny the claim. The Republic of Korea placed its armed forces on full alert, but proposed a nonaggression pact with North Korea. On January 22, Secretary Kissinger affirmed American support for the South Korean claim to the five disputed islands in the Yellow Sea. The North Koreans quietly let the issue die; it was clear that the treaty meant what it said.

Meanwhile, however, the United States was undergoing the agony of Vietnam. There was a widespread belief, particularly in media commentary, that the United States was turning inward upon itself, and was no longer interested in Asian Commitments. The 40,000 U.S. troops in Korea began to be looked upon by some as an anachronism. Korean troop withdrawal became an issue in the 1976 Presidential campaign. In May 1977, President Carter announced that U.S. ground troops in Korea would be phased out over a period of 4 or 5 years. The President said that his decision was based upon the Republic of Korea's improvement in economic strength and self-confidence, and upon the United States' improving relations with the Soviet Union and the People's Republic of China. The unspoken implication was that North Korea's allies would restrain their client in the interests of improved relations with the United States.

Contrary to the expectations of the administration, the withdrawal plan created consternation not only in the Republic of Korea and in Japan, but in the Congress as well. Some of the most distinguished Members of both the House and the Senate felt that the plan was too hasty and based upon faulty assumptions. Moreover, they felt that valuable opportunities had been lost in the manner in which the plan was implemented. The late Senator Hubert Humphrey and our distinguished colleague JOHN GLENN jointly wrote a report for the Committee on Foreign Relations which was sharply critical of the plan. For example, they said:

During consideration of the withdrawal alternatives, the Administration apparently rejected the idea of using possible troop withdrawals as a bargaining chip in bilateral or multilateral negotiations to reduce tensions on the peninsula. In rejecting these possibilities, the Administration may have lost an important opportunity. Similarly, apparently no high-level efforts were made to gain even tacit non-beligerence pledges from China and the Soviet Union until Secretary of State Vance's August visit to Peking. There the subject was reportedly discussed for half an hour [deleted]. The deterministic way the Administration approached the withdrawal decision in large measure precluded using the withdrawals leverage to gain concessions.

Moreover, the plan was based upon erroneous strategic assumptions. It was assumed that there was a fundamental balance between North and South Korea, and that North Korea's allies would see to it that this balance would not be destroyed. Yet, Writing in January 1978, Senators HUMPHREY and GLENN stated:

The military balance between the North and South Korean forces, has shifted from rough parity in 1970 to a definite advantage for the North in 1977. The principal advantages for the North today lie in ground weapons—tanks, artillery, mortars—quantity of fighter aircraft and quantity of naval combat vessels. The resulting firepower advantage, however, is at least partially offset by South Korea's favorable terrain for defense and the presense of U.S. forces. The military balance can be restored over time through U.S. military sales to South Korea and increased South Korean domestic defense production, but when this may be achieved is unpredictable.

North Korean ground forces are in an offensive posture along the DMZ, either to take advantage of a military opportunity or to use these dispositions as a bargaining chip in any force reduction negotiations. With a firepower advantage and forward positioning, North Korea has the option of a surprise attack. If surprise were attained, South Korean defenses would be in serious jeopardy and the possibilities of a breakthrough to Seoul would be increased.

U.S. commanders do not have great confidence in the extraordinary security precautions taken by North Korea. The ability of Peking and Moscow to restrain Pyongyang is reduced because North Korea has sufficient military supplies to fight a short war. The offensive posture, self-sufficiency and firepower advantage of North Korean ground forces are the most destabilizing factors on the Korean Peninsula.

The opposition to the withdrawal policy was bipartisan and widespread; it was a classic confrontation between the legislative and the executive branches. One result of the Humphrey-Glenn report was language in the fiscal year 1978 Foreign Relations Authorization Act stating that U.S. policy in regard to Korean troop withdrawal should be decided both by the President and Congress, and that implementation of troop withdrawal should be "carried out in regular consultation with Congress."

In January 1979 new intelligence estimates showed that the imbalance between North and South Korea was even greater than Senators HUMPHREY and GLENN had feared. Unclassified reports of these estimates indicated that North Korean ground forces numbered between 600,000 and 700,000 men, instead of the 440,000 which had been previously accepted by the administration. In short, North Korea had over 40 combat divisions, rather than the prior estimate of 29. North Korea's offensive weaponry was estimated at 2,600 tanks, including 300 T-62 tanks, 1,000 armored personnel carriers, 1,500 to 2,000 multiple rocket launchers, 9,000 mortars, and 3,500 to 4,000 field artillery weapons. The lead in tanks was 3-to-1, in mortars 2-to-1, and nearly 2-to-1 in field artillery pieces.

When these facts circulated in Congress, the result was that the International Security Assistance Act for fiscal year 1979 contained even more specific language, requiring the President to send Congress a detailed report on the effects of the withdrawal on the situation inside Korea and in the northeast Asian region 120 days before each phase of the troop withdrawal.

This attitude of Congress was backed up by the attitude of popular opinion in the United States. In July 1977, a CBS-New York Times poll showed that 52 percent of those surveyed favored keeping U.S. troops in Korea, while only 32 percent favored withdrawal. A year later, a Potomac Associates poll showed 55 percent in favor of retention of the troops.

In July 1979 Zbigniew Brzezinski, the President's National Security adviser, read a statement to the press announcing that the plans to withdraw the troops had been suspended.

Today, very little has improved with regard to the threat from North Korea. The ROK has 600,000 men under arms, with the assistance of 40,000 U.S. troops. ROK spends about 6 percent of its gross national product on defense and defense-related items—one-third of its national budget. Yet North Korea spends about 20 percent of its GNP on military resources, and its mobilization is near total. The United States gives Korea no military aid or developmental aid, although this year the administration has asked for $230 million in foreign military sales credits—that is, loans for the purchase of American-made defense material. In return, Korea is purchasing $900 million in military products from the United States every year. But the total trade between Korea and the United States was $12 billion in 1982—50 times what it was only 20 years ago. And in 1986, that total trade is expected to reach $20 billion.

IV

The policy of the United States toward Korea was summed up by Sec-

retary of State George Shultz when he visited Seoul last February. He said that the central theme of his visit was "the reaffirmation of our mutual commitment to the security and stability of the Korean Peninsula and of the Northeast Asian region." He spoke of the tremendous burden borne by the Korean peoples:

> The hostile confrontation between two parts of a divided nation which has characterized Korean life for decades is undeniably a tragedy. It requires an enormous diversion of resources away from peaceful purposes—resources that could be used to provide better lives for all the Korean people.

Even so, we should acknowledge that in the Republic of Korea the per capita income has increased from $89 in 1962 to $1,700 per capita in 1982. This must be one of the most astonishing rates of sustained growth in modern economic history. But this growth could not have been possible, despite the hard work of the Korean people, without the mutual partnership of the Koreans and the Americans, without the mutual sharing, and the mutual giving. What is truly astonishing is not just the rate of success, but the degree of mutuality in the relationship. This mutuality is symbolized by the 30th anniversary of the Mutual Defense Treaty—the treaty that made it all possible.

Mr. D'AMATO. Mr. President, I rise today to join the distinguished senior Senator from North Carolina as a cosponsor of a Senate resolution which commemorates the 30th anniversary of the Mutual Defense Treaty Between the United States and Korea. The United States-Korean relationship, shaped in the post-World War II period and by the Korean war, has continued its growth and development over these past 30 years and today endures as one of deep mutual respect and cooperation.

The Republic of Korea has been faced by enormous burdens imposed by the heavy defense requirements necessitated by the active hostile environment on its border. Nevertheless, Korea has made remarkable progress. In the economic arena, Korea has gone from one of the world's poorest countries at its founding in 1948 to the fourth largest U.S. trade partner in agricultural products, and ninth largest in overall trade with the United States. In that period, Korea's per capita gross national product rose from less than $100 to nearly $1,700, and it is now the second richest nation in Asia. Last year alone, United States-Korean trade amounted to more than $11 billion, and, since 1980, has not required any U.S. financial aid. This dramatic economic growth and development is especially remarkable in that Korea lacks natural resources and must rely on imported sources of energy and industrial raw materials.

The Republic of Korea has also made progress in the field of human rights. The country has slowly but steadily moved toward a more truly democratic political system, with the release of substantial numbers of political prisoners and the liberalization of laws limiting political activity. These actions have contributed significantly to the greater stabilization and national maturity of the country.

The Republic of Korea has shown itself to be a true friend of the United States, as well as a partner in mutual defense and trade relationships. It is particularly appropriate that we recognize the 30th anniversary of the formal relationship for mutual defense with Korea, and that we work with that country to promote continued cooperation in all areas of mutual concern and benefit. I urge my colleagues to join in support of this resolution.

Mr. WARNER. Mr. President, having served in Korea and modestly contributed in the struggle that assured the freedom of the Republic of Korea, I wholeheartedly support this resolution commemorating the 30th anniversary of the Mutual Defense Treaty Between the United States and Korea.

Nearly 6 million Americans joined in fighting for this freedom and establishing the relationship that now exists between our country and Korea; 100,000 Americans were wounded and 54,000 gave their lives.

These great sacrifices were not in vain. The citizens of the Republic of Korea have enjoyed and lived under freedom for 30 years. At the same time, they have remained a staunch ally in the region. Our mutual defense treaty has been a crucial factor in maintaining the peace, freedom, and stability in East Asia.

By commemorating the 30th anniversary of this treaty, we further underscore its value and importance to that area of the world. The success of this agreement serves as an outstanding example of the benefits accruing to free peoples when they join for the common good.

I urge my distinguished colleagues to support this resolution.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. QUAYLE. I congratulate the Senator from North Carolina for this amendment. I am allowed, on behalf of the chairman of the Armed Services Committee, the senior Senator from Texas, to enthusiastically support what the Senator is doing in this resolution. I believe that everyone is aware of the Senator's fine interests in foreign affairs and the work that he has done on the Foreign Relations Committee and also his commitment to national security. I think it is certainly appropriate that we at this particular time take a little of the Senate's time to commemorate the 30th anniversary of the signing of the United States-Korean Mutual Defense Treaty. I think it is a very good thought, it is one that is obviously supported by this body, and I certainly as one Senator thank the Senator from North Carolina for his contribution on this and other matters.

Mr. HELMS. I thank the Senator for his generous comments.

Mr. JACKSON. Mr. President, I have looked at the resolution. I commend the distinguished senior Senator from North Carolina.

The only question I would raise is that it might be better and more effective if it were passed as a separate resolution by the Senate. This way it goes into the regular authorization bill.

Mr. HELMS. I thank the Senator for his comments.

Mr. JACKSON. I am ready to yield back my time.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question now occurs on the amendment of the Senator from North Carolina.

The amendment (No. 1481) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. I thank the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask the clerk to report it.

Mr. LEVIN. Mr. President, parliamentary inquiry. Do I still have the floor? I am happy to yield to my friend. I am interested, do I still have the floor?

The PRESIDING OFFICER. The Senator from Michigan does not have the floor.

Mr. LEVIN. My amendment is not pending?

The PRESIDING OFFICER. Is not pending.

The Senator from South Carolina is recognized.

AMENDMENT NO. 1482

(Purpose: To authorize the Secretary of the Army to convey certain real property in the State of Alabama to the Alabama Space Science Exhibit Commission of the State of Alabama)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND), on behalf of Mr. DENTON and

Mr. HEFLIN, proposes an amendment numbered 1482.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Amendment intended to be proposed by Mr. Denton and Mr. Heflin.

On page 224, between lines 4 and 5, insert the following:

LAND CONVEYANCE, ALABAMA SPACE SCIENCE EXHIBIT COMMISSION

SEC. 280. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the Alabama Space Science Exhibit Commission (hereinafter in this section referred to as the "Commission"), an agency of the State of Alabama, all right, title, and interest of the United States in and to two tracts of land, consisting of sixty-one acres (more or less), located on the northwestern boundary of Redstone Arsenal, Alabama.

(b)(1) The conveyance authorized under subsection (a) shall be subject to the condition that the real property conveyed shall be used by the Commission (A) to display suitable public exhibits of United States weaponry and allied subjects, public exhibits of the activities of the National Aeronautics and Space Administration, and space-oriented public exhibits of other departments, agencies, and instrumentalities of the United States Government, (B) to carry out educational and recreational activities related to the purposes described in clause (A), or (C) for purposes described in both clauses (A) and (B). The use of a portion of such real property for construction of a proposed interstate highway, and such access roads as necessary, and any use of such real property in accordance with existing easements and rights-of-way shall not be considered a use which is inconsistent with the purposes described in clause (A) or (B).

(2) If the property conveyed pursuant to subsection (a) is not used for one or more of the purposes described in paragraph (1), all right, title, and interest in and to such property shall revert to the United States which shall have the right of immediate entry thereon.

(3) The Secretary shall reserve to the United States a drainage and utility easement for use in connection with Redstone Arsenal.

(c) The exact acreage and legal description of the property to be conveyed under subsection (a) and of the easement to be reserved under subsection (b)(3) shall be determined by surveys approved by the Secretary of the Army. The cost of any such survey shall be borne by the Commission.

(d) The Secretary may require such additional terms and conditions in connection with the conveyance authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. DENTON. Mr. President, I am pleased to join with the senior Senator from Alabama to introduce an amendment to convey 61 acres of excess land on the Redstone Arsenal to the Alabama Space Science Exhibit Commission. The land will allow the Alabama Space and Rocket Center to maintain the access necessary to move large exhibits through the arsenal onto the space center property. In addition, the transfer will facilitate the construction of I-565 without costly and time-consuming changes in the design and location of the planned highway.

I believe the land will make possible the continued development of the space and rocket center, which has become one of the premier space and science exhibit centers in the country. This summer, record numbers of citizens from across the Nation will visit the center. The center is not only a resource for Alabama but for our entire Nation.

I understand that the distinguished chairman of the Senate Armed Services Committee (Mr. TOWER) has agreed to the amendment.

I urge the adoption of the amendment.

Mr. HEFLIN. Mr. President, my amendment would simply transfer 61 acres of excess Army property, located at Redstone Arsenal in Huntsville, Ala., to the Alabama Space Science Exhibit Commission. This transfer consists of two parcels of land, a 50-acre plot and an 11-acre plot.

The transfer of this land will allow the Alabama Space and Rocket Center to expand and maintain the access necessary to move large exhibits from the arsenal onto the space center property. The center and the Department of Army are in complete agreement with this transfer which has been under discussion for some time.

The House approved the transfer of the 50-acre plot in its 1984 military construction bill. However, the 11-acre plot was not included in the House bill because this land had not yet been excessed by the Army. It is my understanding that this 11-acre parcel of land has now been excessed and the Army has no objections with going forward with this transfer.

A close relationship has existed for many years between the center and Army. The history of the Army's rocket and missile activity is very adequately told at the Alabama Space and Rocket Center and is seen and heard by thousands of citizens from all parts of the Nation each day.

Mr. President, it is indeed a pleasure to offer this amendment.

I ask unanimous consent that the attached description of the additional 11 acres be printed in the RECORD. The 50-acres described in the House bill, plus this 11 acres, will constitute the 61 acres about which I have spoken.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF PARCEL B FOR TRANSFER BY THE U.S. ARMY TO STATE OF ALABAMA SPACE SCIENCE EXHIBIT COMMISSION

A certain parcel of land, hereafter referred to as Parcel B, situated in the northeast quarter of the northeast quarter of Section 8, Township 4 South, Range 1 West of the Huntsville Meridian in Madison County, Alabama, more fully described as follows:

Beginning at the northeast corner of Section 9, T4S, R1W;

Thence N 88°54'58" W along the north boundary of Section 9 and 8 a distance of 5844.86 feet to a true point of beginning;

Thence N 88°54'58" W along Section 9 for a distance of 1290.77 feet; being the northeast corner of the property of the Alabama Space Exhibit Commission (ASSEC);

Thence S 01°47'41" E a distance of 80.01 feet to a set iron pin on the south margin of Bob Wallace Ave.;

Thence S 01°47'41" E a distance of 279.83 feet along said east boundary to a set iron pin;

Thence S 81°47'41" E a distance of 1000 feet to a set iron pin;

Thence N 31°12'18" E a distance of 466.43 to a set iron pin on the south margin of Bob Wallace Avenue;

Thence N 31°12'18" E a distance of 90 feet to the Section line 9 and point of true beginning, and containing 11.22 acres more or less.

Parcel 5 is subject to an existing gas line easement 20 feet wide located according to the deed to the City of Huntsville, dated October 20, 1958, on file at the City of Huntsville Gas Department.

Mr. THURMOND. Mr. President, I support the amendment offered by the Senators from Alabama. This amendment is similar to a provision in the House-passed military construction authorization bill and provides for the transfer of certain excess lands at Redstone Arsenal to be used as a military museum.

The amendment has been carefully drawn to protect the rights of the U.S. Government and to insure that the land may only be used for a military museum that will be available to the general public. I applaud the Senators from Alabama for their efforts in this amendment and urge the managers of the bill to accept it.

The PRESIDING OFFICER. Is there further discussion on the amendment?

Mr. QUAYLE. Mr. President, while we are waiting, I want to get an understanding of where we are going. I understand the Senator from South Carolina has one other amendment after this?

Mr. THURMOND. I have another amendment I would like to take up now, and later in the afternoon I may have a couple of others.

Mr. QUAYLE. Will the Senator tell us what the second amendment is?

Mr. THURMOND. The next amendment we have concerns small business set-asides.

Mr. QUAYLE. Can the Senator inform us, has this been cleared on both sides?

Mr. THURMOND. It has been cleared on both sides.

Mr. QUAYLE. Does the Senator from New Hampshire have an amendment that has been cleared on both sides?

Mr. HUMPHREY. I believe that is the case. It has been cleared on our side.

Mr. QUAYLE. I am being signaled by our friends and colleagues from the other side that that is not the case. I am sure they will like it after they read it and have it explained. The Senator may want to do that in the debate or may want to do it before.

I know that the Senator from Michigan has an amendment. Has that amendment been cleared on both sides?

Mr. LEVIN. My amendment is apparently one for which the chairman of the committee would like to be on the floor. I am perfectly prepared to proceed with the amendment at any time. I am also happy to accommodate the chairman if he wants us to wait until his return.

Mr. QUAYLE. The chairman probably will not return until 4 p.m. or a little after. I believe I know what the amendment is, and the chairman does want to be on the floor.

If the Senator from Michigan wants to make that accommodation, perhaps after the Thurmond amendment we can go to the Humphrey amendment; and if anyone else wants to offer an amendment that has been cleared, we are prepared to do that.

Mr. LEVIN. If no one else is ready when Senator THURMOND and Senator HUMPHREY have finished, will the Senator from Indiana put in a quorum call?

Mr. QUAYLE. I probably will. My desire will be—if I can get in touch with the chairman of the committee—to go ahead with the amendment of the Senator from Michigan until the chairman comes to the floor. That is my intent, but it is subject to the approval of the chairman of the committee.

Mr. LEVIN. If the Senator will check that out, I will appreciate it. If we are going to wait until the chairman returns, I can leave here for a half hour.

Mr. QUAYLE. Does the Senator from Washington have any objection to the amendment of the Senator from South Carolina?

Mr. JACKSON. Mr. President, I have no objection to the amendment offered by the senior Senator from South Carolina in behalf, I believe, of Senator DENTON and Senator HEFLIN.

Is that correct?

Mr. THURMOND. That is correct.

Does the majority have any objection?

Mr. QUAYLE. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment (No. 1482) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1483

(Purpose: To modify the provisions of section 272 relating to small business set-aside for architectural and engineering services and construction design)

Mr. THURMOND. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) proposes an amendment numbered 1483.

Mr. THURMOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 214, beginning with line 10, strike out all down through line 24 and insert in lieu thereof the following:

SEC. 272. (a) The Secretary of Defense shall conduct a comprehensive review of current policies and practices of the Department of Defense with regard to the award of contracts for architectural and engineering services and construction design for military construction projects. The Secretary shall conduct such review with a view to determining whether current policies and practices of the Department of Defense result in a reasonable distribution of contracts to firms of all sizes throughout the architect-engineer community.

(b) Upon the completion of such review, the Secretary shall modify current policies, to the extent necessary, to insure—

(1) that small business concerns (as defined in section 3 of the Small Business Act) are assured of a reasonable share of such design contracts, and

(2) that large architect-engineer firms are not precluded from competing for such design contracts when the estimated amount of such contracts is greater than a reasonable threshold amount prescribed by the Secretary.

(c) The Secretary shall submit a written report on the result of the review required by subsection (a) and on the changes made to current policies and practices required by subsection (b) to the appropriate committees of the Congress not later than March 1, 1984.

(d) For the purposes of this section:

(1) The term "reasonable share" means an appropriate percentage share of all contracts referred to in subsection (a) as determined by the Secretary of Defense after consultation with the Small Business Administration and representatives of the architect-engineer community.

(2) The term "reasonable threshold" means an appropriate estimated contract dollar amount determined by the Secretary of Defense after consultation with the Small Business Administration and representatives of the architect-engineer community.

Mr. THURMOND. Mr. President, the Department of Defense is the largest Federal employer of private architect-engineer firms to accomplish the construction design of military construction projects. For the past 2 years the Armed Services Committee has been concerned about two aspects of the Department's policies and procedures with regard to the award of architect-engineer contracts.

First, there is the concern that the Department's policies and procedures are biased against the truly small architect-engineer firms. Today, there are some 30,000 architect-engineer firms in the United States and the average size firm employs 10 to 12 people. However, under Defense Department rules, an architect-engineer firm with 200 employees is considered a "small business." In fact, only about 200 firms of the 30,000 total firms have more than 200 employees. All firms of up to about 200 employees are permitted to compete for all set-aside contracts. As a consequence, the truly small, local firms have very little chance to compete successfully for Defense Department design work.

Second, under the Defense Department "rule of two" all architect-engineer contracts are set-aside for small business if two or more small architect-engineer firms are qualified to do the work. Since by definition a small architect-engineer firm can have up to 200 employees, there is very little Defense design work that is not set-aside for competition only among small firms. The impact of this "Rule of two" is to virtually eliminate the top 200 design firms from being able to compete for Defense design contracts.

The committee expressed its concern on this issue to the Defense Department more than 1 year ago in its report on the fiscal year 1983 Military Construction Authorization Act. During hearings on the fiscal year 1984 military construction authorization bill, I was distressed to learn that the Department had made no progress in trying to come to grips with these issues. Therefore, when the subcommittee marked up this bill, I recommended a legislative provision designed to remedy, to some extent, the concerns that I have outlined above. That provision is section 272 in the bill now before the Senate.

Since the subcommittee acted, the Defense Department has revised its policies and practices with regard to the award of architect-engineer contracts and has essentially imposed by regulation the requirements included by the subcommittee in its markup on the fiscal year 1984 bill.

Therefore, I am offering an amendment to replace section 272 in the bill as reported by the committee. At this point in time I see no reason to mandate provisions that the Department itself has included in revised regulations. My substitute amendment would simply require a formal review of the

Defense Department's policies and procedures. A report on that review is to be submitted by the Secretary of Defense to the appropriate committees of Congress which will demonstrate that the Department intends to protect the interest of the truly small, local architect-engineer firms and to guarantee that the largest architect-engineer firms are not precluded from competing for Defense design contracts.

Mr. President, this amendment is not controversial and I urge its immediate adoption.

Mr. JACKSON. Mr. President, I have no objection to the amendment.

Mr. QUAYLE. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment (No. 1483) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, I think we are ready to proceed with an amendment by the Senator from New Hampshire (Mr. HUMPHREY).

I can inform my good friend from Michigan that the communication I have from the chairman of the committee is that he would like to take up the Levin amendment at 5 p.m. or shortly thereafter. That is the word I have. If the Senator would like me to negotiate that, I would be more than happy to do that.

I want the Senator to know that we will take up the Levin amendment, which deals with the add-back for conventional weapons capability, approximately at 5 p.m. or as shortly thereafter as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

AMENDMENT NO. 1484

(Purpose: To direct the Secretary of Defense to submit a report to the Congress regarding problems of cost overruns and shortages of spare parts)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an amendment numbered 1484.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

REPORT ON COST OVERRUNS AND SHORTAGES OF SPARE PARTS

SEC. . (a) The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives, at the same time the President submits the proposed budget to the Congress for fiscal year 1985, a detailed written report on the management ability of each military department to monitor, control, and correct the problems associated with all categories of spare parts for military equipment. The Secretary shall include in such report—

(1) an analysis by the Secretary of cost overruns on spare parts and shortages of spare parts; and

(2) the actions, if any, each military department is taking to solve the cost overruns and shortage problems associated with spare parts.

(b) The Secretary shall submit an interim report on the subject of the report required under subsection (a) to the committees referred to in such subsection not later than September 15, 1983.

(c)(1) The Secretary of Defense shall formulate and put into effect at the earliest practicable date policies and procedures for the long term solution of problems related to cost overruns on and shortages of spare parts for military equipment. The Secretary shall submit a written report to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives not later than March 31, 1984, describing the policies and procedures developed and being carried out to solve such problems.

(2) The Secretary shall implement immediately such interim controls as may be practicable to minimize the effect on military preparedness of cost overruns and shortages related to spare parts and include a description of such actions in the report required under paragraph (1).

Mr. HUMPHREY. Mr. President, in the last few days, members—particularly members of the Armed Services Committee—have been alarmed and disgusted and outraged to read the reports in the press about gouging by defense contractors for spare parts. I will read a few headlines:

The Washington Post of this week: "Auditors report Pentagon spending too much on parts."

The Washington Times of January 12: "Air Force officials reported lax in contract increases of 500 percent."

If these reports are correct—and apparently they are—then certain defense suppliers are guilty of what should be criminal behavior, if it is not, and certain Defense officials are guilty of negligence, if not downright stupidity.

Mr. President, at a time when we are critically short of operations and maintenance funds, at a time when we are critically and dangerously short of spare parts, we need to be doing all we can to insure that we get maximum value per dollar spent.

Therefore, my amendment is directed to that purpose. It will require the Secretary of Defense to provide two reports to the chairmen of the Armed Services Committee and the Appropriations Committee in both Houses of Congress.

The first report will analyze the problems the Department is encountering in cost overruns and shortages in the area of spare parts. That report is due when the administration submits its requests for fiscal year 1985 with an interim report required by September 15 of this year.

The second report due March 31 of the next year will require the Secretary to submit a description of the new policies and procedures implemented to preclude the Department from overpaying for spare parts and preclude defense suppliers from overcharging.

Mr. President, this amendment has been agreed to I believe by both sides, and I urge its adoption.

Mr. QUAYLE. Mr. President, it certainly is agreeable with this side of the aisle.

I compliment the Senator from New Hampshire on this amendment dealing with spare parts. As he already pointed out, there was some recent publicity on parts that used to cost a few cents that now are many dollars. The article went on and documented that parts which used to cost a couple dollars now cost 5, 6, even 10 times that.

I know that the Senator, being chairman of the Readiness Subcommittee, having spare parts being a big part of that budget, is interested in trying to keep the cost down.

So I enthusiastically endorse that and also point out that according to some testimony we had during hearings chaired by the Senator who is now in the chair and also the Senator who is handling the minority side now, we focused on this spare parts issue, and I am sure the Senator from New Hampshire realizes it, that 90 percent of the spare parts are sole source—90 percent are sole source.

I know my good friends from Michigan and Maine were there at the hearings and also are now being joined by the Senator from New Hampshire.

I enthusiastically support what we are trying to do, which is perhaps to just get a breeze of competition into this spare parts industry as far as defense is concerned. I do not think 10 percent is a breeze. I do not think 10 percent is much of anything and is very negligible as far as having any kind of an impact.

So I hope that this amendment does some good in that direction because it certainly is a direction in which we should be heading and one that I certainly support personally and on behalf of the committee.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. QUAYLE. I yield.

Mr. HUMPHREY. Mr. President, I intend to go beyond that. I had my staff working on a series of hearings in

the fall going in great detail into this business of procurement of spare parts. I do not have much confidence, frankly, that the reports called for in this amendment are going to have a decisive effect, but I believe it is a first step, a necessary first step.

I state to the Senator, because I know he shares my interest in this matter, that I do not intend to stop with this first step.

Mr. QUAYLE. I wish the Senator well in his endeavors to get competition and to hold down and get what I think should be more reasonably priced items, particularly in the area of spare parts. That goes for the whole budget as well, whether defense or nondefense.

Mr. LEVIN. Mr. President, first let me commend my friend from New Hampshire for his amendment. He serves as chairman of the Readiness Subcommittee, as my friend from Indiana pointed out, and I am privileged to serve on that committee with him as ranking minority member and happy to be with him in that endeavor. He does a good job, I think just a terrific job of chairing that subcommittee.

First, let me just say that he believes as deeply as anyone in the Senate that if we waste a dollar in buying anything in the Defense Department that is a dollar which we are not going to be able to spend for some other needed project in the defense budget, and there are many needed projects in the defense budget.

I say that as someone who feels that the budget proposal that came in to us was too high, but that does not mean there is not a tremendous number of unmet needs in that budget. I have some problems with priorities in that budget. But I have no problem with the concept that we have to improve our readiness in many areas, and the chairman of our subcommittee, the sponsor of this amendment and author of it, is certainly in the forefront of that effort to get our money's worth in procurement.

I commend him on this amendment.

The occupant of the chair, my good friend from Maine, has worked on so many of these efforts to get competition in the Defense Department. We know what the odds are to produce some reform in that machine that seems to just roll on with great momentum and inertia, and it is tough to change the ways of procurement in the Pentagon, but it is important to the Pentagon as well as the Treasury that we have some reform and change in the way that we purchase goods and services, and, in this case the amendment of my friend from New Hampshire, spare parts.

So, I commend him on it. I am glad that he is going to be scheduling hearings in this area.

While I have the floor, I also wish to again remind my colleagues of the critical contribution that the occupant of the chair, our friend from Maine, has made in this area of bringing competition to the defense budget and to all parts of the budget. The most recent effort of our friend from Maine, the Presiding Officer, is a comprehensive procurement bill that is Governmentwide. It is not limited to the Pentagon. But this issue does cut across all procurement throughout the Government.

There is no problem on our side with this amendment, and I commend the author of it.

Mr. HUMPHREY. I thank my colleague from Michigan.

● Mr. GRASSLEY. Mr. President, I would like to applaud the intentions of the Senator from New Hampshire to hold hearings on the causes of obscene cost overruns for spare parts.

The spare parts issue has been extremely visible because of the dramatic discrepancies between cost and value paid by the Department of Defense.

Most recently, a draft report on aircraft engine spares was completed by the DOD Inspector General's Office. The report showed cost increases of thousands of spare parts of over 500 percent over a 3-year period. This is the first comprehensive report done on DOD's spares procurement practices. It criticizes pointedly the purchasing habits of both the Air Force and the Navy.

Although this was the first comprehensive DOD report on spares, there have been others prior to this. I have reviewed several reports done by the Air Force, all of which have shown a very serious problem.

Although these reports have criticized Air Force purchasing practices, the frequency and extent of these reports indicates to me that the Air Force is trying to get a handle on the problem. The first step to solving any problem is to acknowledge that it is there. I commend the Secretary of the Air Force, Verne Orr, on his efforts in declaring war on mismanagement and inefficiency in the Defense Department.

Until now, the focus of the spare parts problem has been on aircraft engine spares. But even more of a problem is the increases in electronics parts. A DOD audit completed on May 9 shows soaring costs for Navy electronics spares much higher on average than those of aircraft parts. I would like to include for the RECORD an article on this subject from a recent issue of the Chicago Tribune.

Mr. President, with newer and more sophisticated equipment being developed, the spares problem can only get much worse. It is imperative that the problems causing these gross price increased be unveiled and remedied immediately. Again, I commend the interest and resolve of the Senator from New Hampshire on this matter, and hope that the Congress will quickly address itself to solving the problem.

The article follows:

[From the Chicago Tribune, July 11, 1983]

MILLIONS FOUND WASTED IN BUYING MILITARY SPARE PARTS

WASHINGTON [UPI].—The Navy paid Sperry Corp. $100 or more last year for several simple aircraft simulator parts available for four or five cents in the government's supply system, defense auditors found.

More recently, the Naval Air Systems Command in St. Louis bought four parts for FA-18 aircraft Radar Test Stations from McDonnell Douglas Corp., paying $417,000 more than the price listed for the same items in the federal supply system, it was reported.

Auditors for the Pentagon's inspector general's office, estimating overpayments on military spare parts are costing taxpayers millions of dollars a year, say waste persists despite an audit last February that disclosed Navy laxity in ensuring the government is getting the best possible buy.

The latest audit, completed May 9 and made available to United Press International, said most price lists provided by contractors "were still not being screened, or were only marginally screened" to see if the items could be purchased cheaper elsewhere.

Navy Procurement officers complained to the auditors that they lack the personnel needed to compare parts numbers and price lists.

A House Armed Services investigations and oversight subcommittee chaired by Rep. Bill Nichols [D., Ala.] plans to ask the auditors to describe their latest findings Wednesday at a hearing on the soaring cost of military spare parts.

The inspector general's office is intensifying its focus on the problem, with several audits and at least one possible criminal investigation under way both in the Navy and other branches of military.

The initial inquiries have stemmed from the Navy's use of Basic Ordering Agreements with giant defense contractors, arrangements that allow the contractors to procure for the government spare or maintenance parts for the weapons and other equipment they produce.

Under the agreements, contractors are required to furnish procurement offices such as the air systems command or the Navy Training Equipment Center in Orlando, Fla., with lists of parts an estimated price and the government's stock number.

"Stated another way," said the May 9 inspector general's audit, "the Navy pays the contractor to tell the Navy whether the item is available through the government's supply system."

The audit said that after receiving one such parts list from Sperry, the Orlando training center bought 483 items from the Reston, Va.-based defense contractor.

Sperry was paid $80,204 for the parts, including the nickel-or-less items that cost taxpayers up to $110 apiece, although 348 of the parts were available from the Federal Supply System for $3,658, the auditors found.

The audit said additional savings also may have been achieved by getting items not in the federal supply system "directly from the source manufacturer, whose prices are normally lower than those of the prime con-

tractor." It noted that Sperry, which is permitted a 40 percent profit on spare parts purchase elsewhere, manufactured only 5 of the 483 items.

Responding to the Navy's assertion it lacked personnel to compare prices, auditors noted cross-checking the Sperry list with federal supply numbers "would have taken about two to three days for one to two individual."

The earlier Naval Audit Service review of the Orlando center, completed Feb. 8, first raised eyebrows about the spare parts problem, exposing payment of $511 for a 60-cent lamp. It quoted Navy personnel as estimating the potential waste for such procurements to exceed $1 million a year.●

Mr. HUMPHREY. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment (No. 1484) was agreed to.

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, I think I can inform the Senate that we are going to take up the Levin amendment around 5 p.m. I do not believe there is anything else that is pending right now. If there is, I hope that Senators might want to come to the Chamber who have a few floor amendments.

I know it is still the intent of the chairman of the Armed Services Committee and the managers of the bill to move this bill as expeditiously as possible.

With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BRIEFING ON CENTRAL AMERICA

Mr. GRASSLEY. Mr. President, I remind all my colleagues that in S-407 at 4 p.m. Robert McFarlane, Deputy National Security Adviser to the President, and our newly confirmed Secretary of State for Latin American Affairs, Tony Motley, will be there to give us a classified briefing on the situation in Central America.

All Senators are invited as it is for Senators only.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

AMENDMENT NO. 1485

(Purpose: An amendment to S. 675 to repeal certain sections of the Military Selective Service Act that restrict the access of draft nonregistrants to Federal educational assistance)

Mr. DURENBERGER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Minnesota (Mr. DURENBERGER) for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. HATFIELD, and Mr. CRANSTON proposes an amendment No. 1485.

At the appropriate place in the bill insert the following:

REPEAL OF SECTION 12F OF THE MILITARY SELECTIVE SERVICE ACT

SEC. . Section 12f of the Military Selective Service Act (50 U.S.C. App. 462(f)) is repealed.

Mr. DURENBERGER. Mr. President, I am joined in this amendment by Senators CHAFEE, KENNEDY, HATFIELD, and CRANSTON.

Mr. President, the amendment I am offering is really very straightforward. I am seeking to repeal an amendment which we in the Senate adopted by voice vote after a few minutes of discussion in May of 1982. My real concern is that the action we took, although very well motivated, has carried with it a number of unanticipated problems. Had we had a debate in 1982, we might have been able to anticipate and plan around these problems. But we did not. So I am hoping to stimulate that overdue debate today, and in doing so to get us to repeal an action that I believe was ill considered.

The issue, is the so-called Solomon amendment. This amendment, which was attached to the fiscal year 1983 defense authorizations bill, directly links registration for Selective Service with eligibility for title IV, Education Assistance. It sounds simple enough, but it is fraught with problems.

A debate about legislation is ultimately a debate about what Congress does. It is a debate about practical policy as much as about principle. Legislation should bear some reasonable hope of success. It should have some reasonable link between what it requires and what it aims to do. It must have some hope for successful implementation. It must, of course, conform to the constitutional and legal principles which characterize our political system. In all these respects, I think the Solomon amendment is deficient, and I believe it should be repealed.

The adoption of the Solomon amendment reflected the Senate's grave concern with our national security. At bottom, of course, our military policy is shaped by the willingness of the American people to meet an emergency if it should ever develop. That is why registration with the Selective Service is so important an element of our national security. Registration underwrites our reliance on a peacetime volunteer military; it does not move us any closer to a peacetime draft, but it does give us the potential to mobilize quickly in the event of a national emergency. It deprives no one of his rights, for the act of registration does not carry with it a willingness to serve if one is a conscientious objector.

I support registration for Selective Service. When we debated the resumption of registration at such great length in June 1980, I expressed my belief that it was needed—not as some kind of political symbol, but as a tangible element of our security. I voted for registration. I believe it is a minimal duty which people should reasonably be expected to perform, and I am delighted and proud that my sons have registered as each has turned 18. In fact, my son Mike has recently enlisted in the Marine Corps, recognizing as all of us here do that each of us owes something to this country.

So the issue is not whether we should preserve and enforce our policy of registration. We should. We have every right to be concerned if that policy is not being carried out.

It was that kind of concern, of course, which led to the Solomon amendment. Many people understandably feel that if a young man is unwilling to assume so painless but so vital a duty as registration, we should not share with him our limited resources in the form of student aid. By linking student aid to registration, it is thought, we can both encourage a basic duty and discourage or even penalize flagrant law breaking.

What, then, is the issue? Simply put, it is that the Solomon amendment is a bad way to enforce a good law.

Let us look at the exact language of the Solomon amendment. It states that anybody required to register who fails to do so "in accordance with any proclamation issued" shall be ineligible for any title IV assistance. It further states that applicants for aid shall file with their schools a statement of compliance when they submit their aid applications. Finally, it states that the Secretary of Education and the Director of Selective Service shall prescribe methods to verify that the statements of compliance are valid. All of this is to take place after July 1—a few days ago.

In thinking about this law, a few points emerge. The Solomon amendment is fundamentally aimed at three goals. First, of course, it is designed to help enforce the Selective Service law.

In fact, the Justice Department and Selective Service System view the Solomon amendment as a helpful boost in the enforcement area. Second. it is aimed at helping to administer our education policy. As the Solicitor General has argued in his brief concerning this law, the Solomon amendment was designed in part to help Congress rationally and equitably allocate scarce dollars for education assistance. In the colorful phrase used by the Solicitor General, the amendment is designed to prevent "raids on the Federal treasury." Finally, of course, the Solomon amendment was designed to create some form of equity—to assert that we will not give taxpayer dollars to people who have nothing but contempt for the law.

The question we have to ask ourselves as legislators is whether or not these aims are worthwhile, and if so, whether or not the Solomon amendment is a reasonable and successful way to pursue them. Let us take the goals one by one.

In terms of enforcement of the Selective Service law, the fact is that further mechanisms to enforce the law do not really appear needed. Selective Service registration is a major success. People are obeying the law.

Each of us in the Senate recently received a letter, dated June 9, from Director Turnage of the Selective Service. Enclosed with the letter was the latest semiannual report from Selective Service. Let me remind Senators of what Director Turnage said, and here I quote the second paragraph of his letter:

> Peacetime registration is a success. As of the end of this reporting period, the compliance rate for the primary draft-eligible age group (ages 20-23) is 98.1 percent. The overall compliance rate, for all age groups, is now 96 percent. These compliance statistics show peacetime registration to compare favorably with any Federal compliance program.

So despite the image of hordes of people willfully failing to obey the law, the fact is that our young men are doing their duty in overwhelming numbers. Compliance rates vary among age groups, of course. The younger people are, the greater the rate by which they fail to register. For instance, people who are turning 18 this year are registering at a rate of only 87 percent. But this has always been the pattern. Why? Because people forget. But when they remember, they register. What this means is that, over time, the lag in registration takes care of itself. Director Turnage made this point, and the figures bear it out. Each year, people who failed to register earlier do so, bringing overall rates up. Among people born in 1961, for instance, fully 99.2 percent have registered—but not all of them did so on their 18th birthdays.

So if there is a problem, it is not one of mass and willful disobedience. It is simply a problem—as Senator HATFIELD predicted during our debate—that inevitably, "somebody doesn't get the word." But when they do, they register.

In short, the problem simply is not big. That in itself should make us wonder whether we need to bolster the Selective Service System and the Justice Department. But just as important, let us remember that there are plenty of means by which to enforce the law and deter disobedience. The Selective Service Act provides for penalties of up to 5 years in jail and up to $10,000 in fines. When people break the law and do so deliberately, they should be prosecuted. If convicted, they should be sentenced. That will both enforce the law and deter criminal action.

We have the ability to do the job, in other words. The real problem does not lie in a lack of means. It lies in an apparent lack of will by the Justice Department. I do not know why our principal law enforcement agency is not enforcing the law, but the fact is it is not. Selective Service estimates that there is currently a total of 414,000 young men who have not registered since 1980. Keep in mind, of course, that 10.3 million young men have registered. Recently, Selective Service provided the Justice Department with 70,000 names of nonregistrants. This supplemented an existing list of more than 5,000 names. The Justice Department has plenty of cases to prosecute. But thus far, it has sought only 15 indictments. If there is a problem in enforcement, let us recognize that it does not lie in the law. It lies in the agency which has failed to enforce that law. We do not really need a new law like the Solomon amendment. The problem is confined, and remedies are available. So I think that the Solomon amendment fails a major test in terms of the goal of enforcement—it's redundant and unnecessary.

What of the second apparent goal behind the Solomon amendment—a rational education policy, as cited by the Solicitor General?

Well, let us recognize at the outset that this goal, at least in part, is camouflage. I do not recall any lengthy discussion in this chamber about improving our education policy, partly because we did not have a lengthy discussion about anything when we adopted the Solomon amendment. But the bulk of the comments made by the few Senators who spoke concerned an understandable impatience with those who willfully disobey a law which underwrites our national security. The debate concerned justice and security, but it did not concern education.

But let us assume, for the sake of argument, that it was a goal of the Solomon amendment to better regulate the Federal policies concerning education. Will the amendment have that actual effect? I believe that the Solomon amendment will create, and has already created, a financial drain on higher education—8,500 colleges, universities, and trade schools, simply in terms of administering education or processing aid applications. The evidence bears this out.

In other words, it is bad education policy, not good education policy.

We must remember that the implementation of the Solomon amendment—which has been in effect since the first day of this month—has been put through a series of stops and starts. The net effect has been to compound the already immense difficulties posed by the law.

The Solomon amendment was adopted as law in August 1982. In mid-January 1983, the Education Department published draft regulations and offered a 30-day comment period. Those regulations were a mess—and they were ultimately modified after extensive comment. Among other things, the regulations required that each university, college, trade school, or other institution which qualifies for title IV programs set up a process to verify, with documentary evidence, that students who had submitted aid applications were registered. Each university, in other words, was to hire the people necessary to examine legal documents, and then inform the Government—and private lending institutions—that a given student had clearly obeyed the law. After considerable discussion of the huge administrative logjam this would create, the Department of Education ultimately agreed to delay this verification provision until 1985. This, of course, only begs the question. It bought some time, but the Department of Education, its bureaucracies, its regulations, its examiners, its auditors, and its quadruplicate forms will be back right after the next election.

Just as the universities were getting ready to adjust to the regulations, a lawsuit—which had been filed in the Federal District Court in St. Paul in late 1982—was decided in favor of people challenging the Solomon amendment. A preliminary injunction against enforcement—against the rules being worked out, in other words—was handed down on March 9. The injunction was made permanent and nationwide on June 16, and the Department of Education and Selective Service were ordered to destroy any forms collected. On June 24, Justice Blackmun stayed the injunction temporarily, and on June 29, the Supreme Court granted a stay until it hears an appeal sometime this fall.

What this convoluted history means is that the universities have been given a mere 32 days—from June 29 until August 1, under a grace period—to set up procedures for processing new aid applications, finding previous

applicants, and obtaining certifications of compliance. At the University of Minnesota, President C. Peter McGrath has estimated that startup costs alone for such things as computer reprograming will cost $10,000. Just as bad—or worse—private lending institutions will be reluctant to release checks for guaranteed student loans until certification is complete. This means that hundreds of thousands of certification forms will hit the universities, the banks, and the Government on August 1. The inevitable result will be major delays in loans and other tuition assistance for everybody—women, vetarans, ROTC students, people too young or old to register, those who have obeyed the law, and the few who are not in compliance with the law.

So to solve a problem that does not really exist, we have created a monstrous administrative nightmare that will create far more difficulties than I think it is worth. Let us remember that close to 5 million people, regardless of their draft status, apply for and receive nearly $7 billion in tuition assistance or guarantees each year.

Charts which I have prepared make it clear that, in all likelihood, the number of males who are both students and title IV applicants is 2.3 million. Of these, roughly 1.5 million fall into the age range required to register. And of these, given compliance rates for each year, no more than 96,000 are likely offenders of the law.

Before I leave my colleagues with that high number, let me say that General Turnage, Director of Selective Service, stated this year that he estimates the number not to be 96,000, but simply 45,000 at the most.

This means that in order to track down 96,000 offenders—only 23 percent of the total number of offenders—we are prepared to disrupt the aid applications of 4.8 million people at 8,500 colleges, universities, and trade schools, looking for that elusive 45,000. Or, on an average, something like 5½ so-called evaders or people who fail to register per college or university. So to find the 1 or 2 percent of aid applicants who cheat, we make life miserable for the 98 or 99 percent who do not. To me. Mr. President, that is not good education policy.

Mr. President, let me note one final point about the relationship between the Solomon amendment and our education policy. The connection between the two is tenuous at best. We are not really looking at education policy; we are looking at national security policy. Only if we construe the Solomon amendment as some kind of crusade to clean up the campuses can we call it a tool to rationally administer our tuition assistance programs.

If that is the case—if we want to stop "Treasury raids" in the phrase of the Solicitor General—why stop at selective service laws? Why not cut off aid to those who fail to prove that they never drank a beer at a football game in violation of State law? How about those who cannot prove they never disobeyed a campus traffic regulation? Why not deny veterans' educational assistance to anybody who cannot prove he never goldbricked while in the service?

In fact, if we want to enshrine this principle, we could carry it to areas other than education. Why not cut off FHA mortgage benefits to anybody who cannot prove total and faithful payment of taxes due on interest and dividend earnings? After all, the Federal budget is clearly a vital national interest, and we cannot be confident that everybody obeys the law. Why not cut off Federal farm assistance to anybody who cannot prove that he or she never made bootleg whiskey from corn?

I could carry this on forever, Mr. President, but I think my point should be clear by now. It is specious to claim that the Solomon amendment is an attempt to help foster a sound education policy. It has nothing to do with education policy. It certainly affects Federal education policy. Some 42 colleges located in 21 States and in Puerto Rico and Guam have contacted Congressman BOB EDGAR and me to express deep concern over the problems created by the Solomon amendment—problems ranging from the administrative mess I have outlined to some deep issues concerning the role of colleges as educational rather than law enforcement institutions. As the University of Minnesota noted in an amicus brief filed with the Federal district court:

> The purpose of financial aid is to enable those who might otherwise not be able to afford it to obtain an education. The financial aid statutes have no common purpose with the draft registration laws and should be enforced separately and independently.

To summarize thus far, the Solomon amendment is bad policy in terms of two of its goals. It deals with a problem which is not large and which is more than adequately dealt with by the law in any event. Second, its only relationship to education is through its creation of administrative problems for universities and the likely friction it will impose on the loan application process. The chief victims will be student aid applicants, 98 percent of whom are not disobeying the law—and the vast majority of whom do not have to comply with registration in the first place because they are overage or women.

As practical policy—readily implementable, and bearing some logical connection between ends and means—the Solomon amendment fails in its entirety. But the problems are not simply practical. They touch on some profound civil liberties and constitutional issues as well. This is particularly apparent when we analyze the third goal of the Solomon amendment—to deny assistance to those who would thumb their nose at the law.

Mr. President, let me reiterate. I have no tolerance for those who willfully disobey the law but lack the courage to challenge the law in the courts and accept the consequences. People who hide out and evade the law should be tracked down by the judicial apparatus, prosecuted, and—if convicted—punished in accord with their offenses.

I know it is frustrating to think that a tiny minority of people can disobey a major law, get away scot-free, and obtain tuition assistance with our tax dollars to add insult to injury. But to set up the Solomon amendment as we did is not, in my opinion, a constitutionally permissible way to deal with this. There is no question that Congress can add a civil impairmant to a judicial penalty after conviction. Convicted felons, for instance, face many impairments, such as, loss of the franchise. But we did not do that with the Solomon amendment. Instead, we imposed a denial of aid prior to a conviction, and we shifted the burden of proof on the individual and away from the Government. This raises three broad issues.

First, I believe that this action constitutes a bill of attainder, in direct violation of article I, section 9 of the Constitution.

A bill of attainder is any law that legislatively determines guilt and inflicts punishment on an identifiable individual or group without the protection of a judicial trial. The constitutional protection against this is crucial. We cannot trifle with it. That is why the courts have typically interpreted this issue liberally.

As interpreted in many cases, a bill of attainder is defined by three elements: an identifiable group, a punishment, and the absence of a trial.

Let us look at what the Solomon amendment has done. First, it has created an identifiable group. The Solicitor General argues that it is aimed at general behavior, not at a specific group, and that anyone can escape the provisions of the Solomon amendment simply by registering. That argument is appealing, but it does not really bear up under close examination.

Remember that the Solomon amendment pertains to compliance with the Presidential proclamation. That proclamation requires that registration occur within 30 days of a person's 18th birthday. Late registration, therefore, puts a person permanently at variance with the terms of the proclamation. Technically, therefore, it is impossible for a person who registers late to do so in conformity with the proclamation. This means—again technically—that such a person could be denied aid.

I realize that our intention was to encourage registration, even if late, and that the administrative regulations set forth to implement the Solomon amendment allow a later registrant to apply for aid. But those are administrative regulations, and they can change. The statute creates an identifiable class, and it was clearly aimed in part at cutting off access to benefits to that class. To argue that this kind of technicality can be avoided simply by registering is not really an answer, at least in terms of the legal issues. As Judge Donald Alsop noted in his decision last March, "To say that plaintiffs can escape the section's prohibition by simply registering is to say that an allegedly unconstitutional law becomes valid by its mere enforcement."

So, as much as the law may have been intended to govern present and future behavior, it reaches also to past behavior. That is not surprising, given some of the sentiments expressed in the House debate concerning denying aid to law breakers. But when the statute reaches to past behavior, it identifies a single group. It therefore meets the first element of a bill of attainder.

But does it meet the second element? Is it a "punishment" to deny assistance? After all, education is not a constitutionally guaranteed right, nor it title IV assistance. So why say that a threat to deny assistance is somehow punitive?

The Supreme Court has recently recognized the special value of education in our society. In the case of *Pyler* v. *Doe* (U.S. , 102 S. Ct. 2382) which was decided last year, the Court found that while education is not a "right" it is far more than simply a social welfare benefit. So it is less than a right, but more than a privilege. Education bears directly on a person's ability to earn a living. To impair the pursuit of an education is to impose a major disability on someone.

More important, however, a large number of cases pertaining to bills of attainder have held that "punishment" is not defined simply by things like jail sentences or fines. In a number of loyalty oath cases shortly after the Civil War, the Court found that it was a punishment to deny someone the right to practice law or enter the priesthood or pursue other professions for failure to prove allegiance to the Union during the Civil War. Those cases seem to parallel the implications of the Solomon amendment: Each is characterized by an affirmation or certification on the part of an individual concerning past behavior, and each imposes a "punishment" short of confinement or other criminal sanction.

I know that people may have different views on whether title IV assistance is a right or a benefit. But I think Senators will agree that an impairment of education is a serious matter. That is why it was linked to disobedience of the law. If the prohibition did not constitute a heavy burden, the Solomon amendment would be only meaningless words. It is precisely because we look upon education and education assistance as weighty matters that the Solomon amendment gains its teeth. If the Solomon amendment does not, in fact, involve "punishment" in the ordinary meaning of the word, then one must wonder why it was passed in the first place.

Interestingly, the Solicitor General's brief to the Supreme Court did not seem really to touch on this point. Rather than trying to make the case that a denial of title IV assistance is not punitive, the Solicitor General resorted to the argument that we need this statute. As he stated on pages 11 and 12 of his brief, "The government cannot rely solely on criminal prosecution to enforce this requirement any more than it can rely solely on criminal prosecution to enforce any other Federal laws."

Leaving aside the fact that the Justice Department has not relied on criminal prosecution at all—15 indictments is not indicative of an overburdended office—and leaving aside the fact that it would apparently prefer to pass the buck to colleges, the fact is that a statement about the alleged necessity for this amendment does not address whether the provisions are punitive. They are. The second element of a bill of attainder is therefore met.

As to the third point—absence of a judicial trial—that much is self-evident.

So to summarize, there is a strong probability that the Solomon amendment constitutes a bill of attainder. I certainly believe that it does. So does a respected Federal jurist, Judge Donald Alsop of the Federal District Court in Minnesota.

But my concern goes beyond the bill of attainder issue. The Solomon amendment raises some disturbing questions about the fifth amendment to our Constitution.

As Senators know, it is the glory of our Constitution that our legal system is accusatorial rather than inquisitorial. People cannot be compelled to offer evidence against themselves. They cannot be put in the situation of having to choose among self-incrimination, perjury or contempt.

In my opinion, the Solomon amendment verges on that. First, let us note that the amendment explicitly shifts the burden of proof from the Government to the individual. That point has been directly recognized in the text of the Department of Education draft regulations, and in the Selective Service semiannual report as well. It is an established fact. The whole mechanism of the Solomon amendment relies on individuals asserting—and, in 1985, showing documentary proof—that they have obeyed the law.

Right from the outset, therefore, we should be suspicious of the Solomon amendment. But a requirement for assertion by an individual need not contravene the fifth amendment. The question is whether we are dealing with the elements of compulsion and self-incrimination.

Let us remember from the start that the fifth amendment safeguards are not limited simply to judicial proceedings. As the Supreme Court noted (*Murphy* v. *Waterfront Commission*, 378 U.S. at 94) in 1964, the privileges of the fifth amendment can be claimed "in any proceeding, be it criminal or civil, administrative or judicial, investigatory or adjudicatory." So it is no answer to say that the Solomon amendment avoids fifth amendment problems simply because it does not deal with a criminal trial.

Perhaps more important, however, the Court has ruled that the fifth amendment covers answers and information which, although not directly related to a criminal proceeding, could be used as one link in a chain of evidence.

At the moment, it is not the practice of the Selective Service, the Education Department or the Justice Department to use information obtained from title IV applications to prosecute people. But, as Judge Alsop noted in his opinion at page 24, "It takes no great stretch of the imagination to discern how plaintiffs' identification of themselves as nonregistrants could incriminate them or provide a significant link in a chain of evidence tending to establish their guilt."

Now the likely answer to this point is that nobody is forcing nonregistrants to fill out a title IV application form, so no information—whether directly or indirectly incriminating—is being extracted in violation of the fifth amendment.

That point is valid so far as it goes. The trouble is that it does not go far enough. The situation into which the Solomon amendment forces people is a choice between providing evidence or being denied the chance even to apply for assistance. It is that situation which makes the operation of the Solomon amendment coercive. It involves compulsion as the lever to force a Hobson's choice self-incrimination and perjury and loss of education!

Can we say that it is really compulsion to use tuition assistance as a lever? I think so. The fifth amendment does not deal simply with jail sentences as compulsion. It has been interpreted by the Supreme Court to cover things short of that—things like jobs or offices. Remembering the strong link between education and employment, I do not think it stretches the fifth amendment to suggest that a

threat to deny education assistance involves the threat of duress. So long as exercise of the fifth amendment privilege is costly, a violation potentially occurs. To be given the choice between self-incrimination and ineligibility for aid is a costly choice indeed.

Finally, Mr. President, I would like to close by noting that in seeking the goal of denying aid to those who flout the law, we raise some questions about discriminatory effect.

From the outset, we ought to understand that there are far more people refusing to obey the draft law than simply students on campus who need aid. Selective Service states that the total number of nonregistrants is 414,000. By my estimates, only about one-fourth of these are likely to be students in need of aid. So by singling out a subset of people for special attention—by imposing an added burden on a group chosen only for the sake of convenience—we are by definition discriminating. Discrimination involves choice without compelling reason. That is what is involved here.

Consider the case of a student from a well-to-do family who disobeys the law. He will not need to apply for assistance, so he won't feel the effect of the Solomon amendment, nor will he have any greater incentive to obey the law. Only if the Justice Department does its job will such a person face any prospect of a real incentive to obey the law. The same thing, of course, applies to anybody who is not a student at all.

Robert Misenko, the director of student financial aid at the University of Minnesota has stated in an affidavit that title IV assistance is generally made available to students with a family income less than $35,000 annually. So it is not the wealthy whom we are seeking to register. It is only those who are in school and who need aid.

To enforce the law, Mr. President, we need a Justice Department willing to return indictments. If we resort to other means such as the Solomon amendment, we both fail to achieve our goal and we act in a discriminatory manner.

I have spoken at length about this issue, Mr. President, because I believe it is important. I have done so also because the absence of any debate in this body last year meant that none of the issues were fully addressed.

As I said at the outset, any action can carry with it unintended consequences. I think the Solomon amendment is a good example. I understand the motivation behind it—to help enforce a law which is both a major duty and a relatively painless one as well. I understand the concerns expressed by many people who supported and continue to support the Solomon amendment. I am making the case, however, that this is a bad law in the service of a good policy, and that it should be repealed.

I thank my colleagues for their patience and their attention to this issue.

Mr. President, I ask unanimous consent that the following items be printed in the RECORD following this statement: two charts which I have prepared concerning tuition assistance and Selective Service registration; a letter from Thomas K. Turnage, Director of the Selective Service System; an article from the New York Times of June 30 concerning the number of nonregistrants reported to the Justice Department for action; and a letter from C. Peter McGrath, president of the University of Minnesota.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHART I.—STUDENTS AND TITLE IV ASSISTANCE, 1982 [1]

Age	Males on campus	Females	Male aid applicants [2]	Female aid applicants [2]
18 to 19	1,546,000	1,730,000	618,400	692,000
20 to 21	1,239,000	1,305,000	495,600	522,000
22 to 24	1,144,000	842,000	457,000	336,800
25 to 29	909,000	808,000	363,000	323,200
30 to 34	533,000	677,000	213,000	270,800
35 plus	453,000	940,000	181,200	376,000
Total	5,824,000	6,302,000	2,328,400	2,520,800

[1] Source: Department of Education; Census Bureau; Congressional Research Service.
[2] Based on Congressional Research Service estimate that two out of five students are title IV aid applicants.

CONCLUSIONS

1. Male students in the age range required to register total 3,929,000.

2. Male aid applicants in the age range required to register total 1,570,400. All aid applicants total 4,849,200, and they use $6.64 billion in loans and guarantees. Guaranteed loans, which annually come to $3.07 billion, involve some 3.5 million students at 7,726 institutions.

CHART II.—STUDENTS, REGISTRATION COMPLIANCE, AND TITLE IV [1]

Age	Total males in registration pool [2]	Total males on campus [3]		Total nonregistrants [2]	Offenders on campus [4]		Likely aid applicants [4]	
		Amount	Percent		Amount	Percent	Amount	Percent
18 to 19	2,282,000	1,730,000	76	259,000	196,322	76	78,529	40
20 to 21	4,049,000	1,305,000	32	99,000	31,878	32	12,751	40
22 to 24	3,986,000	842,000	21	56,000	11,816	21	4,726	40
Total	10,317,000	3,929,000	414,000	240,016		96,006		

[1] Figures from Selective Service, Department of Edcucation, Census Bureau.
[2] Figures from Selective Service semiannual report, March 31, 1983.
[3] Figures from chart I.
[4] Estimates derived as percentages of each corresponding population.

CONCLUSIONS

1. Only 23 percent of the 414,000 known offenders are likely to be both found on campus and applying for Title IV assistance.

2. If these 96,000 people attend all 8500 campuses in the U.S., there are an average of only 11 offenders per campus.

3. These 96,000 people represent less than two percent of the total 4,849,200 students who annually use Title IV assistance.

SELECTIVE SERVICE SYSTEM,
Washington, D.C., June 9, 1983.

Hon. DAVID DURENBERGER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DURENBERGER: I am pleased to submit this report on the Selective Service System for the period October 1, 1982 through March 31, 1983. Within this reporting period, more than 1.1 million men have complied with the law and registered. This brings the total of registered men to 9.9 million as of March 31, 1983.

Peacetime registration is a success. As of the end of this reporting period, the compliance rate for the primary draft-eligible age group (ages 20–23) is 98.1 percent. The overall compliance rate, for all age groups, is now 96 percent. These compliance statistics show peacetime registration to compare favorably with any federal compliance program. The Agency has successfully moved from a deep standby status toward full mission capability in case of a national emergency.

During each new month, approximately 158,000 young men turn 18 years of age. As Selective Service reaches out to those young men, encouraging them to register, our goals are national preparedness and equity for the public should the Congress see a need for mobilization. We will continue to meet these goals by maintaining the current high rate of compliance.

In forwarding this report to you, the dedicated people who comprise the Selective Service staff join me in expressing sincere appreciation and respect for the continued support Congress has given peacetime registration in order to insure the safety and security of the American people.

Sincerely,

THOMAS K. TURNAGE,
Director.

[From the New York Times, June 30, 1983]

SELECTIVE SERVICE CITING 70,000 FOR NOT REGISTERING

(By Richard Halloran)

WASHINGTON, June 29.—The Selective Service System plans to send the Justice Department the names of 70,000 young men for possible prosecution for failing to regis-

ter for potential military conscription, Selective Service officials said today.

The list, to be sent this week, would be the largest batch of names sent by Selective Service to the Justice Department for prosecution since active enforcing of the registration law began a year ago.

In the spring, Selective Service sent 5,154 names to the Justice Department to add to an initial 499 sent a year ago. Selective Service officials said 263,000 young men born in the years 1960–64 had failed to register. Another 146,000 born in 1965 have so far failed to register as required this year, they said.

Also today, the Supreme Court, by setting aside a lower court ruling pending an appeal, permitted the Government to temporarily continue to require male college students who apply for Federal financial aid to disclose their draft registration status.

15 INDICTMENTS IN A YEAR

Meanwhile, opponents of draft registration asserted at a news conference that they had brought prosecutions for failing to register almost to a halt, noting that only 15 young men had been indicted in a year.

"We have generated a climate in which prosecution of nonregistrants has come to a virtual standstill," said Barry Lynn, president of Draft Action. "I do not expect that we will ever see the peacetime draft returned to the United States."

The Government has no authority to resume a draft. It can only require young men to register as they reach their 18th birthday. It would take an act of Congress to reinstate the draft.

Selective service officials said the 70,000 young men would be notified by mail that they might be prosecuted and would be given "a last chance" to register at a post office.

HOW THE LIST WAS DRAWN UP

The list was compiled by comparing draft registrants with young men registered for Social Security and with lists of licensed drivers obtained from state governments. The list of those said to have failed to register was then sent to the Internal Revenue Service to obtain latest home addresses. Other lists of the remaining 193,000 will be compiled and sent to the Justice Department later, officials said.

Selective Service officials said 98.7 percent of the young American males born in 1960–63 had registered and that 92.1 percent of those born in 1964 had. A total of 10.3 million have now registered, the officials said.

But they added that only 80 percent of those required to register this year had done so thus far. Selective Service officials said, however, that those young men who failed to register would not be subject to prosecution as trends have shown that many will "drift in" and register over the next two years.

The Supreme Court's action set aside a ruling earlier this month by Federal District Judge Donald D. Alsop in St. Paul, that it would be a violation of the constitution protection against self-incrimination to force young men to disclose draft registration status.

A spokesman for the American Civil Liberties Union said today that antidraft organizations would ask Congress to forbid such disclosure. He also said the Supreme Court ruling would cause confusion in universities that have processed applications for Federal financial aid without asking for information on draft registration.

At his news conference, Mr. Lynn, who is stepping down as head of the Draft Action group, said many of those who had resisted registering had been motivated by conscience. "The prosecution of large numbers of religiously motivated persons would be an uncomfortable embarrassment for a nation" that takes pride in religious freedom, he said.

He added that there "is the very real sense on the part of many people, including Federal judges, that no one in this Administration, except perhaps the Selective Service director, thinks this program is very important.

Mr. Lynn said, "The level of resistance to registration has been a very serious factor in the continuing reluctance of even this Administration to move Americans into a combat role in Central America.

A spokesman for the Justice Department disagreed with the contention that the Reagan Administration has lost interest in enforcing registration for a draft, saying that "no order has gone out to cool it." The spokesman said United States Attorneys had been instructed to assign senior prosecutors with experience and to give draft cases priority.

He said relatively few indictments had been obtained so far because lawyers had sought to persuade nonregistrants to register, because of computer problems, and because some young men had been hard to find.

[From the New York News, June 29, 1983]

THESE BUOY SCOUTS EARN NAVY $ALUTE

BELLEVUE, WASH. (AP)—The novice Boy Scouts on their first overnight hike were convinced the strange buoy that they stumbled on at the beach was a Russian spy device.

Months later it turned out they were right and they've been made honorary members of the U.S. Navy.

The 11-year-olds of Troop 321 from Chehalis were on their first hike in their first month as scouts last September when they came upon the orange-and-white striped buoy on the Washington coast.

The buoy was 4 feet in diameter. On one side, 6 inches high, were the orange letters "USSR"; on the other side were the Russian equivalents, "CCCP."

Scout leader Mark Carrington says Navy officials now have confirmed the buoy apparently was set adrift off the Strait of Juan de Fuca to identify sound patterns made by the U.S. Navy's Trident submarines.

On Friday, Defense Secretary Caspar Weinberger mentioned the buoy in a widely reported speech.

Carrington read Weinberger's statement in a Bellevue newspaper. "There's no doubt he was talking about our buoy," he said. Navy officials in Seattle confirmed it.

The 12 scouts and four adults were hiking from LaPush to Cape Alava on the Washington coast when they discovered the buoy stranded on the beach about 1½ miles south of Sand Point.

It had three metal propellers, no anchor cable and two metal stubs where antennas probably had protruded.

Later, a Navy captain called from Washington, D.C., and said that the buoy's sole purpose was spying.

"He said what we found was of national security importance," Carrington said. "He said we would be made honorary members of the Navy and be given a $200 award."

UNIVERSITY OF MINNESOTA,
Minneapolis, Minn., July 6, 1983.

Hon. DAVID DURENBERGER,
U.S. Senator,
Washington, D.C.

DEAR SENATOR DURENBERGER: The purpose of this letter is quite simple: To urge you to continue your efforts to delete the so-called Solomon Amendment from the Department of Defense Authorization Act. The provision, as you know, has taken effect July 1, 1983, and while one might hope that next fall the U.S. Supreme Court will strike down that portion of the Defense Authorization Act, this possible outcome is still in the future.

The tying of federal financial aid to draft registration raises three sorts of problems or questions. First, it places a severe burden upon financially hard-pressed universities and colleges to develop, implement, and monitor compliance mechanisms. At the present time, even determining the extent of those costs is an expensive undertaking. We have few guidelines from the Department of Education and no experience in such an undertaking. However, at a minimum, the University of Minnesota will spend in excess of $10,000 in start-up funds to develop computer programs, data entry systems, and notification procedures. On our Twin Cities Campus alone, some 20,000 students will have to be contacted, and this does not include notifying the hundreds, if not thousands of department employees who oversee work/study students. The imposition of such a burden is ironic, especially in light of the administration's call for a reduction in federal paperwork and for less federal intervention in education.

Second, the Amendment is simply unnecessary. Ninety-five percent of the affected class already complies with the draft registration laws and for those who fail to comply, there are severe penalties of up to five years imprisonment and $50,000 in fines. As you know, the Department of Justice has undertaken a vigorous program of notifying—as a prelude to prosecution—eligible males who have not registered. I have no disagreement that those who violate draft registration laws should be prosecuted; I do disagree with the notion that universities and colleges are appropriate vehicles for enforcing criminal statutes. It is bad, and unnecessary, policy and a potentially dangerous precedent.

Third, the tying of federal financial aid to draft registration raises serious constitutional questions. Equal protection is involved, for this law has a disproportionate impact upon males and minority groups, and even then, only upon those who are economically disadvantaged. The Fifth Amendment is also involved, for students are forced to choose between waiving their right against self-incrimination or foregoing financial assistance. The law further raises bill of attainder questions; as Federal District Judge Alsop pointed out, it "legislatively determines the guilt of this ascertainable group" because it "assumes that all students who fail to submit the required statement possess a guilty intent to avoid registration requirements." None of these serious questions have been yet faced by the United States Supreme Court, which will likely hear them during its Fall 1983 term.

In summary, the Solomon Amendment raises serious financial, practical, and constitutional questions, questions that affect over 3000 of this nation's institutions of higher learning and a major portion of its 12 million college and university students. I

appreciate your consistent and principled opposition to this provision, and urge you to continue to work for the elimination of this burdensome requirement.

Cordially,

C. PETER MAGRATH,
President.

Mr. DURENBERGER. Mr. President, at this point I am pleased to yield to my colleague from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

AMENDMENT NO. 1486

(Purpose: To delay the effective date for the denial of Federal educational assistance to students who have failed to comply with registration requirements under Public Law 97-252 from July 1, 1983, to July 1, 1984)

Mr. STAFFORD. Mr. President, I have an amendment at the desk in the nature of a substitute for the Durenberger amendment. I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD), for himself, Mr. HATFIELD and Mr. PELL, proposes an amendment numbered 1486:

In lieu of the matter proposed to be inserted, insert the following:

POSTPONEMENT OF PROVISIONS RELATING TO THE FAILURE TO REGISTER AND THE DENIAL OF FEDERAL EDUCATIONAL ASSISTANCE.

SEC. . Section 1113(b) of Public Law 97-252 is amended by striking out "for periods of instruction beginning after June 30, 1983" and inserting in lieu thereof "for periods of instruction beginning after June 30, 1984".

Mr. STAFFORD. Mr. President, I ask unanimous consent that the distinguished Senator from New York (Mr. MOYNIHAN) may be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I offer a substitute to the Durenberger amendment. I appreciate the intent of the Senator from Minnesota in seeking repeal of the Hayakawa-Solomon amendment, which restricts Federal student aid for those who have not complied with selective service registration. Indeed, we share many of the same concerns as to the propriety and equity of the Hayakawa-Solomon amendment.

Mr. President, I believe that the prudent course of action to take in this matter is to delay implementation of the Hayakawa-Solomon amendment, and that is what our substitute would do—postpone implementation of the amendment until July 1, 1984. Postponement is appropriate for several reasons. First is the matter of timing, and the potential disruption in the delivery of student aid for all students, not merely those few who have not complied with the law.

On March 9 of this year, the U.S. District Court in Minnesota, finding the Hayakawa-Solomon amendment unconstitutional, issued an injunction against the implementation of the amendment. Based upon that injunction, the Department of Education informed the colleges and universities responsible for enforcement of the amendment that they should not begin to collect the statements of registration compliance which would have been required of all applicants for Federal student aid. On June 24, however, the Supreme Court issued, without comment, a stay of the Minnesota district court's injunction. Based upon the stay, the Department of Education informed schools on July 6 that the Hayakawa-Solomon amendment was now to be enforced, effective August 1.

This reversal has caused massive confusion, at the worst possible time, for students, schools, and lenders. Under the regulations now in effect, schools must have their student aid applicants sign a statement of registration compliance. As we all know, many students are extremely difficult to reach during the summer months. The problem is particularly difficult with respect to the guaranteed student loan program, since the schools, once they have received the statement from the students, must inform the prospective lenders that these students are or are not in compliance. I am informed that more than 90 percent of student loan applications are already completed, and that the disbursement of some 3 million guaranteed student loans may be held up due to this procedure. These are not the loans of draft evaders—these are the loans of the overwhelming majority of law-abiding students who have complied with the Selective Service Act.

Mr. President, let me emphasize this latter point. Earlier this year, in testimony before the House Subcommittee on Postsecondary Education, the Director of Selective Service, General Turnage, estimated that 95 percent of the young men in this country eligible for selective service had registered. He suggested that perhaps 45,000 men applying for Federal student aid, less than 1 percent of all aid recipients, would be affected by the Hayakawa-Solomon amendment. However, the registration of all student aid applicants would have to be verified. The 99 percent of prospective aid recipients who have complied, or are not required to comply, will be penalized, and may be unable to get Federal aid in sufficent time to enable them to attend college. All this in order to catch the perhaps 1 percent who have not complied with the selective service laws. That, Mr. President, is a lot of babies to throw out with the bath water.

There are already substantial penalties, as my good friend from Minnesota has pointed out—in the form of fines and possible jail terms—for nonregistration. It is the responsibility of the Justice Department to enforce the law, and it should do so as long as registration is the law.

Mr. President, the Hayakawa-Solomon amendment is also inherently inequitable. Only those low and middle-income students who need Federal student aid in order to participate in higher education are affected by it. Wealthier male students, who can afford to attend college without benefit of Federal assistance, although certainly subject to selective service registration, are not subject to this method of enforcement.

Finally, Mr. President, this is an issue which will ultimately be resolved in the courts, as I believe it should be. The Supreme Court will take up this matter in its next term, beginning in October, and I believe that we can expect a decision from the Court before it recesses next July. The district court in Minnesota has already found the Hayakawa-Solomon amendment to be unconstitutional, principally on the grounds that it violates the fifth amendment privilege against self-incrimination.

It would be wrong, Mr. President, if we did not postpone the implementation of the amendment in order to give the Court full opportunity to adjudicate this matter. If we allow implementation to proceed now, and the opinion of the district court is upheld, then we would be subjecting a whole class of some 4.5 million aid recipients to a patently unconstitutional law which will affect their ability to attend college this fall. This would be a most unfortunate course of events.

Therefore, Mr. President, I hope that my colleagues will support the Stafford substitute for the Durenberger amendment.

Mr. MOYNIHAN. Mr. President, I will speak just a moment to express my support for the amendment in the second degree of the distinguished senior Senator from Vermont, to accord with him in all the arguments he has made.

There is a clear matter of due process and elemental good sense about postponement of a matter which is, in the first place, sub judice, such that we do not know whether we have a law here or not, constitutional law.

Second, owing to legal decisions and the postponement thereof, it was only 1 week ago that the Department of Education issued regulations for the processing and certification of loan applications.

The grace period during which this can be done without the certification with respect to draft registration expires in 3 weeks, in the middle of the normal summer vacation of colleges and universities. The students are scattered and cannot be reached. The likelihood in that case—since no bank

may extend financial assistance, a loan, without certification—is that they will not be made.

The Senator from Minnesota is exactly right: Those who most need these loans, in the sense that they meet the income criteria which we have more recently imposed on them, are the ones who, in a sense, will be discriminatorily affected. There is nothing more sane that this body could do, at the very least, than to postpone the matter until we know the views of the court.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. We do not have order in the Senate. The Senate will be in order. The Senator is entitled to be heard, under the rules of this body, and there is a cumulative undercurrent that prevents that from occurring.

The Chair will appreciate it if people will desist from that, so that the distinguished Senator may proceed with his analysis.

Mr. MOYNIHAN. I thank the distinguished Presiding Officer.

Mr. President, a measure of this order has been requested by the American Council on Education, the Association of American Universities, the National Association of College & University Business Offices, the National Association of Independent Colleges & Universities, and the National Association of State Universities & Land Grant Colleges.

I think it is fair to say that there is not a Member of the Senate in whose State will not be found the institutions that have associated themselves with this request, and I hope we can accommodate them.

I also congratulate the Senator from Minnesota on a thoughtful and persuasive argument. It may not be as far as the Senate wishes to go today, but none of us who have heard him will soon forget what he has said.

Mr. JEPSEN. Mr. President, I oppose any and all amendments to repeal or delay implementation of the law that requires young men to register for the draft in order to receive Federal student aid. I believe that this link between draft registration and financial aid is justified and should be implemented on schedule.

I advise the distinguished Senator from New York, who has left the Chamber, that the grace period would end at the end of July. I am informed that just yesterday, Secretary Bell decided to grant an additional 30-day grace period until September 1, 1983. Schools will now have some 45 days from now to collect registration statements from students.

I further advise the distinguished Senators who support this amendment that, as a former assistant registrar at Arizona State University, I am somewhat familiar with records and recordkeeping at universities. With the modern technology we now have, it would probably take between 15 and 45 minutes at any university to mimeograph a little slip, include a box to be checked, and have the letter sent out to their home addresses and have them returned.

Forty-five days is ample time. I am sure that if the student were not at home and he were getting student aid, his parents would find some way to contact him quickly and suggest that he take 1 second of his time, do something for his country and mark an X in that box and send it back to the university.

Mr. President, in 1982, the Senate approved by voice vote the concept of linking the obligation of draft registration, on the one hand, with the benefit of Federal student aid, on the other. After a lengthy debate, the House overwhelmingly approved by a vote of 303 to 95 a similar provision offered by Congressman SOLOMON of New York.

After Congress adopted the so-called Solomon amendment last summer, the Department of Education and the Selective Service System worked closely with colleges, universities, and lending institutions to ease the implementation of the new requirement for the coming school year. The administrative burden initially feared by educational institutions has been substantially lessened by changes to the implementing regulations.

In particular, the Education Department has now agreed to delay for 2 school years the requirement that applicants for student aid provide positive proof that they have registered. For the coming school year, all that students must do to satisfy the law is to check a box on their aid application forms indicating that they have indeed registered. It takes all of a fraction of a second on a form that is already in existence to get the student aid. Neither the student, nor his college, or university is required to verify this simple certification.

In addition, in the wake of the Supreme Court's recent decision to allow implementation of the Solomon amendment to proceed, the Department of Education has allowed schools a 30-day grace period in which to collect registration statements from students already awarded financial aid. The Education Department has just now agreed to a request by the National Association of Student Financial Aid Administrators for an additional 30-day grace period until September 1. Once again, the Education Department has bent over backwards to respond to the concerns of educational and lending institutions.

The administrative procedure that I have outlined can hardly be characterized as burdensome. Instead, it appears relatively straightforward when compared to the stringent requirements levied on colleges and universities in order to enforce other social policies. The efforts of the Department of Education to accommodate the concerns of educational and lending institutions convince me that the law can now be implemented without disrupting financial aid programs in any manner, shape, or form whatsoever.

Mr. President, beyond the purely practical reasons for proceeding with implementation of the Solomon amendment are the more substantive reasons for retaining this important law. Linking draft registration with Federal financial aid offers an effective method to encourage compliance with the registration requirement. The prospect of losing financial assistance will be more effective in convincing young men to register than the threat of criminal action by an overburdened Justice Department. most individuals who fail to register on time do so out of ignorance, forgetfulness, or just plain laziness. These young men will be prodded into finally satisfying the requirement to register when they attempt to apply for college assistance.

And I certainly do agree with the philosophy as reflected in a statement by Thomas Turnage, the Director of Selective Service, when he said:

> I remain philosophically opposed to repeal the Solomon amendment as a repeal would reward students who violate the registration law by making them eligible to receive taxpayer dollars in the form of Federal student financial assistance.

The final reason I would cite in defense of the Solomon amendment is the fundamental principle that individuals who choose to ignore their legal obligations to society should not be allowed to benefit from its largess. Federal financial aid is part of that largess. It is a special benefit that is neither owed nor earned by students. They cannot expect to take advantage of society's generous offer of financial assistance without incurring an obligation to obey the law.

Mr. President, the administration has made it clear that it believes the Solomon amendment is a useful and justifiable tool for encouraging compliance with the draft registration requirement. The Deputy Secretary of Defense and the Director of the Selective Service System recently wrote the chairman of the Armed Services Committee to express their support for the Solomon amendment. In addition, the Secretary of Education has written that the law "is not an excessive or onerous requirement.* * * Consequently, I want to reiterate, in the strongest possible manner, our opposition to any effort to repeal" the Solomon amendment.

Mr. President, I ask unanimous consent that the three letters, the letters

from the Deputy Secretary of Defense, the Secretary of the Department of Education, and the Director of Selective Service, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JEPSEN. Mr. President, I urge my colleagues to reaffirm the action taken by Congress last year by voting against any amendment to repeal or delay implementation of this important law.

EXHIBIT 1

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., July 13, 1983.

Hon. JOHN G. TOWER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I understand an amendment may be offered to the DoD Authorization Bill now pending on the Senate floor which would unlink Selective Service registration and federal studeı t loan/grant programs. I am writing to urge you not to adopt any such amendment. I fully support the current law linking student aid to registration.

Draft registration is currently at a new high, 98.5 percent among those draft eligible. I firmly believe linking student aid to registration has been a very positive factor in these improved registration compliance rates.

More fundamentally, our underlying premise in a democracy must be equity—linking student aid to registration makes registration more equitable. If a mobilization draft is required, a non-registrant reduces the size of the registrant pool, increasing the probability that a registrant who obeyed the law could be drafted. Thus noncompliance would cause some men to be drafted because others failed to register.

The Congress carefully considered the issues involved in this situation in recently enacting the requirement for registration as a condition of receiving federally funded student loans or grants. The steadily improving compliance rates indicate that Congress's action was a wise one. I am aware of no new circumstances that suggest it should be changed after so short a time.

Again, for the sake of equity, as well as to assist Selective Service in continuing their high registration compliance rates, I hope you and your Committee will continue your support of the law and not consider my proposal to repeal it.

Sincerely,

PAUL THAYER.

DEPARTMENT OF EDUCATION
Washington, D.C., July 13, 1983.

Hon. JOHN G. TOWER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to reiterate the Administration's support of the Solomon Amendment and its opposition to the proposal to repeal that amendment.

It is our view that the provision requiring students applying for Federal financial aid to be appropriately registered as required by law is not an excessive or onerous requirement. In principle, it certainly seems that if students are willing and able to receive benefits of public funds to assist them in attending college, they should also be willing to comply with the laws of the land which relate to the defense of the Nation which provides those benefits.

Consequently, I want to reiterate, in the strongest possible manner, our opposition to any effort to repeal the provision requriing young men to register prior to the receipt of student financial aid to attend college.

Sincerely,

T. H. BELL,
Secretary

THE DIRECTOR OF SELECTIVE SERVICE,
Washington, D.C., July 12, 1983.

Hon. JOHN TOWER,
Chairman, Senate Armed Services Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am pleased to have the opportunity to reaffirm my support for the Solomon amendment and to reconfirm my continued opposition to any measures that would repeal or delay implementation of the Solomon amendment.

I have testified before the Congress that I believe the Solomon amendment, which was passed overwhelmingly by the Congress and promptly signed by the President, encourages registration and thereby improves equity by assisting Selective Service in achieving and maintaining a compliance rate of at least 98 percent among the potential draft-eligible population. I remain philosophically opposed to repeal of the Solomon amendment as a repeal would reward students who violate the registration law by making them eligible to receive taxpayer dollars in the form of Federal student financial assistance.

As you are aware, no one has been drafted for more than a decade. Registration is not a burdensome process for an 18 year old man, but it is an important element of national preparedness. Those young men who refuse to meet their citizenship responsibility to register do not deserve to be rewarded with Federal student financial assistance.

Sincerely,

THOMAS K. TURNAGE.

Mr. JEPSEN. Mr. President, I now yield to the distinguished Senator from New Hampshire.

Mr. RUDMAN. Mr. President, I see the Senator form Massachusetts on his feet for some purpose, and I am very happy to yield to him for a few moments if that is his desire.

Mr. KENNEDY. I appreciate it.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. I thank the Senator from New Hamsphire. I wanted to address the amendment that has been proposed by the Senator from Minnesota for a few minutes. I thank the Senator form New Hampshire for his understanding.

Mr. President, I am pleased to be a sponsor of this important amendment. I am convinced that Congress made a mistake last year when it chose to enact a provision denying Federal aid to students who fail to provide proof of draft registration.

The issue here is not support or opposition to draft registration. The issue is: How do we enforce the requirement for draft registration under the law?

Do we really need to make the colleges and universities in our Nation adjuncts to the criminal justice system? Do we really need additional sanctions on top of those already imposed by law? I firmly believe that the answer to both of these questions is a resounding "no."

Our criminal justice system is adequate to enforce this requirement where it needs enforcement. Post-secondary institutions of education need not become a national police network to enforce this requirement.

Existing sanctions for violating this law are sufficient. Offenders are liable to imprisonment of up to 5 years and a fine of up to $10,000.

As Senator DURENBERGER has noted, additional sanctions are simply gratuitous overkill.

Moreover, this sanction will not be applied equally to all students. Obviously, wealthy students need not be concerned about the denial of Federal student aid. Thus only lower and middle-income students will be liable to the punishment of denial of student aid. Frankly, this is not a fair manner of enforcement.

Philosophically, this provision runs against the grain of our criminal justice system. It is elementary that the accused is innocent until proven guilty. This provision reverses that presumption: Forcing the accused to prove his innocence. Compliance with this provision is running at 95 to 96 percent annually. There is no need to subvert a basic tenet of our system of justice to punish this small number of individuals.

There is a very sound and practical reason for supporting the amendment. The current law places an excessive paperwork burden on colleges and universities. Already, these institutions are suffering heavily from the squeeze in overhead costs.

Finally, given the recent reports submitted by distinguished groups about the declining quality of American education, I do not think that this is the time to burden our colleges with an additional responsibility irrelevant to their role of education. The National Commission on Excellence in Education concluded that the multitude of noneducation demands placed on our schools and colleges exacts and educational cost as well as a financial one. This provision needlessly exacerbates the problem and should be repealed.

Mr. President, there are sound practical, legal, philosophical, and educational reasons for repealing this provision.

Mr. President, I urge my colleagues to adopt the amendment of the Senator from Minnesota and if we have to take an initial step in that direction by supporting the amendment of the Senator from Vermont and the Senator from New York I think that that would certainly be an improvement over the current situation.

So I commend the Senator from Minnesota for bringing this matter to the attention of the Senate and for offering us really the best amendment on the merits, and I applaud the efforts of the Senators from Vermont and New York for showing us a practical way to achieve that outcome.

The PRESIDING OFFICER (Mrs. HAWKINS). The Senator from New Hampshire is recognized.

Mr. RUDMAN. Madam President, I rise in opposition to the amendment offered by the Senator from Minnesota and in favor of retaining the existing law which requires that students who must register for the draft shall have done so in order to be eligible for Federal student assistance.

We now also have a second degree amendment in the nature of a substitute offered by the Senator from Vermont and the Senator from New York which approaches this from a totally different point of view.

I reserve a few moments at the end of my statement to address that amendment.

Madam President, the rationale for requiring that students shall have complied with the draft registration law as a condition of eligibility for Federal student assistance, a provision commonly known as the Solomon amendment, is so clear that I fail to understand the strident opposition that has developed to it in some parts of our society.

First, it has the clear benefit of reminding many young men that they have a legal obligation to register. It provides them with some motivation to make the necessary trip to their local post office and actually register.

Of the 600,000 or so men who have failed to register today, I venture to say that the vast majority have not done so because they either were unaware of the requirement, forgot about it, or could not be bothered to deal with it. When informed that they have to register to be able to get student assistance, these young men will generally and promptly do so.

The second purpose served by the requirement is an educational one. It is a reminder that to enjoy the benefits of this free society one is expected to obey the law and fulfill those minimal obligations that this society imposes.

Federal student assistance is a privilege and a benefit. It is not a right. Benefits and responsibilities inevitably, in our society, go hand in hand. No student should be expect to enjoy these benefits if he is not prepared to fulfill the minimal demands which our society imposes.

I might note, parenthetically, that many of the taxpayers whose taxes are helping to pay for today's student assistance programs were never able to avail themselves of a similar benefit and never had the opportunity to attend college in this country.

Further, many of those same taxpayers, and we all know them personally, were called upon in the past for actual military service, and to make sacrifices a great deal greater than the simple act of going down to their local post office and filling out a form, a trip which might take half an hour of their valuable time.

While the arguments in favor of the Solomon amendment are straightforward and clear, I think it is important to make a record here in the Senate today and to address the many criticisms that have been raised against it. Two of them are quite serious, namely that the amendment violates the third clause of article I, section 9 of the Constitution which prohibits bills of attainder, and further violates the fifth amendment of the Constitution as it regards privileges against self-incrimination. These two arguments have formed the basis of the so far unsuccessful judicial attacks on the amendment.

Bills of attainder are laws which legislatively determine guilt and inflict punishment, and they are clearly prohibited by the U.S. Constitution. Opponents of the existing statute argue that it is aimed at the past act of nonregistration and inflicts a punishment, the denial of Federal student assistance, for that past act. Both of these premises are very much incorrect.

First, it rests on the assumption that Federal student assistance is a right rather than a privilege, an assumption that is plainly unfounded. Incidentally, the acceptance of that assumption would imply that Congress cannot repeal the student aid statutes tomorrow without some constitutional disability.

What the Solomon amendment actually does is condition the receipt of certain Federal funds on the compliance with a certain Federal statute, a power Congress clearly has and which we use almost daily.

Second, it is inaccurate to characterize the Solomon amendment as a provision aimed at punishing a past act. Rather its purpose is to insure current compliance. A student aid applicant can make himself whole, so to speak, by the simple act of registering.

The argument that the Solomon amendment violates the fifth amendment of the Constitution also rests on the implicit assumption that Federal student assistance is a right or a necessity, which, as I think I have previously indicated, is clearly invalid. Absent that assumption, the choice to apply for federally subsidized student aid is clearly voluntary. And, if it is voluntary, there is no compulsion and there can be no self-incrimination.

I recognize that these two arguments form the basis of the Minnesota Federal District Court decision to hold the Solomon amendment unconstitutional and issue an injunction. Having reviewed that decision, as well as the preliminary injunction issued by that judge in March, I would only note that the judge's presentation of the U.S. Government's arguments are more compelling than his own conclusions. To be blunt, I have never seen in my years in the practice of law in State and Federal courts a clearer indication of judge-shopping than the manner by which this case was filed in Minnesota. The inherent weakness of that judge's decision is clearly indicated by the fact that the U.S. Supreme Court unanimously, and without bothering to issue a per curiam or brief opinion, lifted the injunction within 13 days.

The remaining criticisms of the Solomon amendment can be disposed of rather quickly. I have heard it argued that the provision discriminates on the basis of sex since only men have to register. However, the Solomon amendment and accompanying regulations require that all students show proof of compliance with the draft registration statute. The fact that only men have to actually register may make the registration statute discriminatory but not the Solomon amendment. I shall not address the merits of the decision to distinguish between the sexes in requiring registration. I can only tell the Senate, as we all know, it was approved by both Houses of the Congress, signed into law by the President and it was upheld by the U.S. Supreme Court. So much for that argument.

It is also argued that the Solomon amendment unfairly discriminates against those who require Federal financial assistance, specifically poor and middle-income students. To that I can only say it is a fact of life, unfair or not, that those who desire the taxpayer's money frequently have to meet conditions that those who are willing or able to do without frequently do not have to meet. This is true whether the recipient is a business, a college, a university, a nonprofit organization or an individual. The old saying that "he who pays the piper calls the tune" is perfectly applicable in this instance.

Some have argued, to quote from a letter I recently received from the American Association of University Professors, that the provision imposes a "test that is unrelated to the academic requirements of any American higher education institution." Well, so do affirmative action and antidiscrimination requirements, which are supported by many of the same groups who oppose the Solomon amendment, and those are much more burdensome than the requirement now at issue.

Finally, it is argued that the amendment imposes a tremendous burden on institutions of higher education, par-

ticularly its implementation in the current year in light of the late date on which the injunction was lifted. I disagree, and this is why I disagree with the amendment offered by the Senators from Vermont and New York. First, I do not think it is a significant burden, having been involved in the administration of a small college over a 10-year period and understanding how most colleges handle their admissions, their payments, and their paperwork.

I think in light of the revised regulations and the grace period the Department of Education provided until September 1, even understanding that some students are on vacation and some students are not at home, it seems to me there will be a way to work things out without any great burden compared to the burden that many in this society carry every day. The institutions only need insure the students fill out one simple form, a form that is much simpler than those the students must fill out regularly to establish eligibility for aid. They only have to include that form in the student's existing file. They do not have to establish the accuracy of the student's certification. They do not have any other responsibility.

Compared to work that already is done to establish the student's eligibility for aid and his satisfactory academic progress, this burden is truly de minimis. Admittedly there is some additional work that must be done one time to obtain the necessary certification from students whose aid was approved before the injunction was lifted, but many students provided the necessary certification on a voluntary basis already and the amount of followup work should not be too great.

I should also note that all the national organizations which represent colleges and universities were warning their members that the injunction could be lifted with little warning, that they might have to implement the Solomon amendment with little notice, and that they should be prepared for that possibility. While I received a number of complaints from colleges in my State regarding the burden imposed by the Department's original regulations, the Department revised those to meet the objections and I have received no complaints since that time.

In conclusion, the arguments against existing law and for the amendment by the Senator from Minnesota are simply not compelling. The need for retaining the existing law, both as a means of encouraging registration and maintaining the principle that those who benefit from society should fulfill society's minimal obligations, is clear. On that basis I urge the rejection of the pending amendment.

Let me simply add one final point. As we talk to our colleagues that travel to the Soviet Union, travel to the People's Republic of China, travel to Cuba, there is one overwhelming story that comes back to me, and that is the dedication of the youth of those countries, misdirected or not, to their national purpose and to the views of their government.

We are not asking students to adopt the views of this Government. We are not even asking them to adopt our national purpose. We are asking young people in America to go down to the post office and sign a simple piece of paper so, in the event of an enormous national emergency, this country might be prepared to defend its freedom.

Madam President, that is no burden at all.

Mr. MOYNIHAN. Madam President, will the Senator yield for a question?

Mr. RUDMAN. I am pleased to yield to the Senator from New York.

Mr. MOYNIHAN. Did I hear the distinguished Senator from New Hampshire say that traveling in Fidel Castro's Cuba and the People's Republic of China, he was overwhelmed by the loyalty of the youth to the regimes thereof?

Mr. RUDMAN. I simply repeated the observations of our colleagues that the evidence from those three countries seemed to be—and I am not an expert on the subject, as well may be the Senator from New York—that the young people of those countries do follow the national will and the national policies in those countries. I do not think there is too much argument as to our Caribbean neighbor.

Mr. MOYNIHAN. Would the Senator say the same for the Soviet Union, Poland, Hungary, or Czechoslovakia?

Mr. RUDMAN. I think the Senator from New York is misinterpreting my statement. I have simply said that, to the extent the national will is expressed by policies in those countries, there is ample evidence that the young people of those countries follow those policies which their leaders say are in their national interests involving their own defense and integrity. That is what I am saying.

Mr. MOYNIHAN. I thank the Senator.

If I could make a comment, President Mao was famous for the proposition that power comes out of the barrel of a gun. He may have well have impressed that fact upon a large number of young Chinese, but it seems to me not the principle on which our country was founded.

But, in any event, over so many years we have heard so much about the superior will and commitment of the members of youth groups in Communist and various other countries. It turns out not to be the case when you get them outside their country where they can tell you in person. But that is an observation without any necessary relevance to our debate.

Mr. MATTINGLY addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. I thank the Chair.

Madam President, on May 12, 1982, I came to the floor of the Senate in the afternoon to offer an amendment for myself and Senator Hayakawa. Now, it is easier to say Solomon than it is to say Mattingly and Hayakawa, because it was in July when Mr. SOLOMON put that amendment in on the House side and it became known as the Solomon amendment.

But I wish to refresh our memories just a little bit with regard to comments that were made at that time. I said:

> Under our form of government, we seek to safeguard our individual and collective rights, privileges and liberties by the proper exercise of our responsibilities toward society and those members of it who equally seek to insure our liberties.
>
> There are two elements essential to the preservation of liberty in our country. One is a strong national defense, and the other is the education of our citizens. These two go hand in hand in a democracy and insure our democratic principles.

I went on to say, after President Carter had made draft registration a national purpose, that "Registration is the law and the law should be obeyed."

I also said:

> If a young man decides he will ignore this law, he should not be eligible for financial assistance from the Federal Government. An educated citizenry is as essential to the preservation of liberty and law as is a strong national defense. Now, there are those who through no fault of their own must come to the Federal Government for help in securing a postsecondary education. For these students, adequate Federal financial aid programs must be available.
>
> We cannot afford to have an elite in this country who feel they are above the law. The defense of our country is a responsibility of all citizens.
>
> Those who are ready and willing to accept dollars from the taxpayers of our Nation must at the very minimum be ready to obey the laws of this country. I feel it is the duty and responsibility of all to serve their country. For those who have legitimate religious problems with bearing arms, there is a long history of alternative service in the military. This cannot be used as an excuse to violate the law.

At that time, Senator Hayakawa made a fine statement. He said:

> America has done so much for so many in the area of education. It is a real travesty when those who will not register can turn around and apply for grants, loans, and all types of education benefits. Never has this philosophy of willingness to serve your country been more eloquently stated than when President Kennedy in his inaugural address to the Nation stated "* * * and so, my fellow Americans, ask not what your country can do for you; ask what you can do for your country * * *" Today, Mr. Presi-

dent, I put this same question before this body. Shall we allow nonregistrants to ask this country to provide for their educational needs when they have no intention of fulfilling their national obligation? The answer is clearly, no.

Madam President, I have read the letter sent by the distinguished Senator from Minnesota (Mr. DURENBERGER).

In his Dear Colleague letter to all of us, he quoted about this interim period for students, that there was this kind of confusion. There is not any confusion caused by those who abide by the law.

He went on to say that:

Informed sources in the education profession have estimated that it will cost between $2.5 and $3.5 million simply to inform students whose aid applications are already in that they must come back and certify that they have registered by August 1.

Well, that really should have been done in the beginning.

He also said it would strike particularly hard at small private colleges. I might add, Madam President, the small private colleges probably should not be concerned about Government subsidies.

In his letter, he went on to say that a respected Federal jurist in his State had agreed. I answer that statement by saying that a higher court has now disagreed with that.

The burden it imposes on law-abiding people far outweighs any possible benefit in terms of stimulating registration.

That is not the point. With freedom in this country comes responsibility, and registering for the draft is one responsibility.

The Secretary of Education and everybody has made it easy. There is not any dilemma that the students have to go through now because, beginning August 1, following this 30-day grace period, students must simply certify with their signature, merely by signing, that they have registered for the draft in order to be eligible for student loans. So there is really no big deal.

I wish the Senator from Massachusetts was here because I would like to read a statement made by the President of Boston University, Mr. John Silber, a statement he made with reference to draft registration. I will quote a couple of short paragraphs from his statement. He said:

Finally, it is hard to take seriously the charge that the Mattingly-Hayakawa-Solomon amendment improperly turns colleges and universities into law enforcement agencies and imposes intolerable bureaucratic burdens upon them. The colleges and universities are already engaged in enforcing laws on subjects as diverse as affirmative action and alcoholic beverages. Requiring proof of registration before providing financial aid is no more complicated or burdensome than requiring proof of age before providing a beer.

Universities have an obligation to teach young Americans that they cannot accept benefits from society without at the same time accepting the responsibilities that go with them. No one who refuses to obey the laws of the society that nurtures and protects him should expect to receive all the privileges extended to law-abiding citizens. No society has a duty to provide benefits to those who disregard the laws that are necessary to preserve society.

I ask unanimous consent that this statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY JOHN R. SILBER, PRESIDENT, BOSTON UNIVERSITY

Last fall the Congress and the President enacted legislation denying federal financial aid to any student who does not demonstrate that he has registered for the draft. Current discussion of this policy largely concerns legal questions and has almost entirely missed the important moral and educational issues implicit in the question.

To begin with, financial aid is a special benefit. It is not something students are owed or have earned. It is a contribution made by society through government and voluntary institutions to help individuals achieve self-fulfillment. Society and its institutions are obligated to insist that such contributions be made to individuals who recognize their obligation, in turn, to sustain society and the institutions that sustain them.

The student who wishes to assert his right to financial aid must accept his obligation to contribute to the society on which his own self-fulfillment depends.

A second principle is the rule of law. If citizens are not obligated to obey the law and may break it with impunity, then there is no rule of law. Since the rule of law is essential to civilized society, it follows that no one has any legal right to violate the law. When one speaks of a right to violate the law he must mean a restricted moral right. The exercise of any right to violate a particular law must be done, moreover, so as to preserve, even at the time of the law's violation, the rule of law itself.

The legal questions are easily dealt with. It is incorrect to argue that one violates the Fifth Amendment protection against self-incrimination by restricting financial aid to those who respect the law. A university does not ask anyone whether he has violated the registration act. Funds are withheld only from those who fail to state that he has registered. This is no more a case of self-incrimination than is a bartender's asking to see a driver's license. Birth certificate for drivers license, e.g.

It is also incorrect to say that a denial of financial aid to men who have refused to register is discriminatory against women. Aid is denied only to those who are required to register and who do not present evidence of having done so. Since women are not required to register, they do not lose their eligibility for aid, and receive it along with the men who present evidence of registration. Those who wish to force women to register must make their appeal to the Congress and not the campus.

It is especially misleading to say that requiring proof of registering discriminates against the poor. At Boston University, where the situation is typical, financial aid is provided to about 70 percent of the students. This includes not only the poor, but the middle classes. Some financial aid goes even to children in families earning as much as $75,000 a year. The children of the downright rich will not receive equal treatment under the graduated income tax. Those who oppose the denial of financial aid will hardly oppose the graduated income tax on the ground that it denies equal protection of the laws.

Finally, it is hard to take seriously the charge that the Mattingly, Hayakawa, Solomon Amendment improperly turns colleges and universities into law enforcement agencies and imposes intolerable bureaucratic burdens upon them. The colleges and universities are already engaged in enforcing laws on subjects as diverse as affirmative action and alcoholic beverages. Requiring proof of draft registration before providing financial aid is no more complicated or burdensome than requiring proof of age before providing a beer.

At Boston University we are, or course, concerned about the federal law in this regard. It is regrettable, I think, such distinguished universities as Harvard, Yale, and Dartmouth are considering circumventing the law by supporting, from their own funds, students who have lost eligibility through non-registration. The legality of subverting the intent of Congress is open to serious question, especially in light of the fact that the general funds of most colleges and universities have substantial components from federal sources other than those explicitly appropriated for financial aid.

At Boston University we have gone further by deciding to deny financial aid from whatever sources to those who have not registered for the draft. If we fail to educate our students to the fundamental moral truths that they have no right to a free ride; that they must respect the rule of law, we will betray our public trust. Educators should educate.

Boston University has no interest in punishing anyone, nor is Boston University a law enforcement agency. We are an educational institution and the point we are making is an educational point.

Universities have an obligation to teach young Americans that they cannot accept benefits from society without at the same time accepting the responsibilities that go with them. No one who refuses to obey the laws of the society that nurtures and protects him should expect to receive all the privileges extended to law-abiding citizens. No society has a duty to provide benefits to those who disregard the law that are necessary to preserve society.

Mr. MATTINGLY. Madam President, the highest court in the land has put aside the injunction of the judge in Minnesota. The law is now in effect. The law must be obeyed.

The law was passed over 1 year ago. There has been ample opportunity for all schools to familiarize themselves with its provisions and adopt enforcement mechanisms. Any complication or confusion resulting from the recent series of court rulings can easily be remedied by the Department of Education under the authority it now has to issue, revise, amend, and adjust the regulations that have been issued that are now in effect. In fact, as my colleagues well know, they have already granted the 1 month extension.

But, the basic issue involved is not how to administer the paperwork required to implement the law; the basic

issue is whether or not the Congress will absolve a group of citizens from the legitimate responsibilities that accompany the rights and privileges in a free society.

Last year, as I said, both Houses overwhelmingly stated their belief that certain educational assistance funded by taxpayers' dollars should be denied to those who have chosen not to obey registration requirements. Nothing has occurred in this last year that necessitates or requires a change in that clearly articulated position.

Colleges and universities are not being required to act as law enforcement agencies. In fact, schools already, as I said before, enforce a host of rules and regulations.

The amendment does not discriminate against the poor. Education assistance is provided to students across the economic spectrum.

The Mattingly-Solomon amendment does not force self-incrimination. In fact, there is no pronouncement of guilt or innocence under its provisions. It is no more intrusive than the laws that require proof of age prior to obtaining a driver's license.

It does not discriminate against women. The amendment applies equally to all who must register for the draft.

It imposes no unfair burdens on law-abiding people.

Finally, if the Congress is going to listen to an amendment like this, if it is going to spend its time on this issue, that time would be a whole lot better spent determining how to expand, not reduce, the denial of Federal assistance to those who do not comply with registration requirements.

Thank you, Madam President.

Mr. JEPSEN. Madam President, it has been alluded to here by several of the proponents of this amendment that the universities and the association of academic folks, are opposed to this because of cost. The Senator from Massachusetts evidently has not checked with the president of Boston University. I would like to quote Dr. John Silber, president of Boston University, from a recent television interview, when he was asked about his position on the registration of students. He said:

> Well, it is not exactly the way you are introducing to say that a student who does not register for the draft should not attend college. My point is somewhat more restrictive than that.
>
> I would say that a young person, a young man, who refuses to register for the draft should not expect to be subsidized for his college education. I think the university would be doing him a serious misservice and would be failing in its educational mission. It is our obligation to teach young people that no one can expect to live in a society, to be nurtured by a society, to find his fulfillment through what that society provides, and believe that he does not owe that society anything in return.

In a further comment, the president of Boston University stated, with regard to the requirement and how troublesome it would be:

> The Solomon amendment was the one passed by Congress. It limits the availability of Federal Title IV funds to those who have registered for the draft. Boston University's position is not tied to the Solomon amendment. We simply will expect as one of the criteria for eligibility that a student present evidence that he has registered, the same way as if he wants to buy a beer. At Boston University he has to present an ID that says he is at least 20 years of age. So this is another criterion of eligibility along with his family financial aid form.

Finally, Madam President, the same university president, said, when he was asked about the cost:

> It costs us nothing. If the condition of receiving financial aid is to have evidence of having registered, the cost of coming up with that evidence is a cost borne by the students. All he has to do is pull a slip of paper out of his pocket and show it. It is not very expensive for him. It is totally without cost for the university.

Madam President, we have Members in this body who have served their country admirably. We have one Member who, for 7 years and 7 months, spent time fighting rats and being beaten and tortured daily as a prisoner of war. We have another Member of this body who laid on his back for 3 years because of wounds in combat—3 years.

What we are suggesting here in the national interest is that someone who receives tax dollars in the form of financial aid, take one-tenth of 1 second to put a checkmark in a box.

● Mr. HATFIELD. Mr. President, under section 1113 of the Department of Defense Authorization Act of 1983, Public Law 97-252 signed into law on September 8, 1982, students who fail to register for the draft cannot receive Federal student financial assistance. The Solomon amendment also states that students who are required to register for the draft must file a compliance statement with institutions certifying that they are registered. The institutions may be required to provide the Secretary of Education with lists of the names of all persons who have filed compliance statements.

This measure raises many serious constitutional law and public policy questions. The following represents the constitutional problems of this measure:

First. This law represents a bill of attainder, a constitutional guarantee which denies legislatures the right to punish individuals and identifiable groups without a trial.

Alexander Hamilton put it best when he said:

> If the legislature may banish at discretion all those whom particular circumstances render obnoxious, without a hearing or a trial, no man can be safe or know when he may be the innocent victim of a prevailing faction. The name of liberty applied to such a government would be a mockery of common sense.

This measure is aimed at a clearly identifiable group, nonregistrants for the draft, and seeks to punish them without a trial.

It assumes the guilt of all draft-age male students and penalizes them conditionally. If they fail to submit the required "statement of compliance" they are denied financial aid, and therefore the higher education for which they would otherwise qualify.

Applicants who cannot submit the required oath are punished automatically, inescapably and without the protection of a trial by jury in which the Government would have to prove guilt beyond a reasonable doubt.

Second. This violates first amendment privileges against self-incrimination by penalizing students who assert the privilege to decline to file a statement of compliance and by forcing those who do file statements of compliance to incriminate themselves if they have not registered.

Third. This violates the equal protection clause of the Constitution by discriminating against middle-class and poor students who need Federal loans to attend college.

Senator DAVID DURENBERGER stated during the Senate debate that:

> We [are] punishing middle-class lawbreakers more than we punish those who are wealthy enough to pay their own way through college, and more than those who do not attend college at all.

Fourth. This discriminates on the basis of race, since there will be disproportionate impact on minority students who are especially reliant on Federal aid in obtaining a post-secondary education.

Fifth. This discriminates on the basis of sex, since it affects only males. According to Justice O'Conner, any statute that classifies individuals on the basis of gender must have an exceedingly persuasive justification (Mississippi University for Women against Hogan, 1982). There is no justification for differentiating between men and women when it comes to determining their eligibility for student financial aid.

In addition to those constitutional arguments, there are many public policy issues which need to be discussed:

First. The amendment causes schools to be unduly entangled in the administration, policing, and enforcement of draft registration and Federal criminal laws.

This will require institutions to accept and file compliance statements and to maintain lists of students who sign such statements, an extremely burdensome process.

It also puts the institutions in a position of enforcing a Federal law, since they are the only ones that know who

applies for and receives Federal student assistance at the institution.

Second. According to a GAO report, the Selective Service recordkeeping is very inaccurate. At any one time, as many as 150,000 legitimately registered young men would be listed as nonregistrants because of errors made by the Selective Service. Therefore, it would be impossible to verify if such a person were registered. In essence, a student could sign a compliance statement in good faith, only to have a check of his draft status indicate that he had not registered.●

● Mr. HART. Mr. President, I wish to thank my distinguished colleague from Minnesota (Senator DURENBERGER) for bringing the issue of student financial aid eligibility and draft registration compliance back to the Senate floor. I strongly support the repeal of the so-called Solomon amendment, and urge this body to correct an earlier mistake and support Senator DURENBERGER's efforts.

Moreover, draft registration is not the issue before us today. Rather, an ill-conceived, unnecessary, and possibly unconstitutional law is in question.

The Senate passed the Solomon amendment by a voice vote last session, with little forethought or debate. But thanks to the perseverance of my colleague from Minnesota, we now have an opportunity to reflect upon debate and understand the consequences of this measure. I call on my colleagues to use this second opportunity to repeal the Solomon amendment.

The reasons for repeal are both numerous and convincing. First, this law is unnecessary. Draft registration is the law of the land and should be enforced. But selective service laws already contain severe penalties for individuals who fail to register. And as my colleague from Minnesota has pointed out, more than 98 percent of those born between 1960 and 1963 have registered.

Second, the Solomon amendment is discriminatory. It singles out only male college students, and then only those who receive Federal financial assistance.

Third, the punishment imposed by this law is unrelated to the offense it is intended to correct. This is especially dangerous because it sets a precedent for cutting off student aid or other forms of Federal assistance for acts that are unrelated to performance in college. If you fail to go to class or pass your exams, assistance should be reviewed. But one should not lose educational benefits for failure to comply with unrelated laws such as tax or traffic laws.

Fourth, the Solomon amendment raises profound constitutional questions. A Federal district court judge found the amendment likely to be unconstitutional and a final ruling to the same effect from the Supreme Court is still possible. In the meantime, one cannot ignore the possible infringements this law may impose on the student's rights against self-incrimination.

The possibility this law may be a bill of attainder also has yet to be sufficiently addressed.

Fifth, this law turns our colleges and banks into police. In effect, what the Solomon amendment does is shift a law enforcement function from the Department of Justice to colleges and universities.

Finally, this law pulls America's colleges and universities into the debate on the desirability of the draft itself. This is unnecessary, and goes against the intended purpose of the law which is to stimulate draft registration compliance.

For all of these reasons, Mr. President, I support the repeal of this law. The last time the Senate acted on this issue, it gave the matter only cursory attention. The passage of time has shown there are many problems with this law which were not apparent to some at its conception.

I urge the Senate to support Senator DURENBERGER's amendment and repeal the Solomon amendment.●

Mr. DURENBERGER addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Madam President, I intend to speak very briefy and conclude with a recommendation that the substitute amendment be supported.

In my brevity, Madam President, I shall touch on just a couple of comments that have been made in opposition to my amendment.

The Senator from New Hampshire (Mr. RUDMAN) indicated that the vast majority of young people who have not registered have done so because they either are unaware or forgot. I agree with that. All the statistics point to that fact. He pointed out that the good thing, an ideal reminder, to get people to register is to put the certification process on the aid application form. I suggest two problems with that.

First, the burden of that form is not just on the 45,000 people who were unaware, or forgot, or deliberately did not register before they applied for these funds. That burden is on the 4,849,000 men and women who apply every single year for title IV student aid. The difficulty, and the reason I am, as a minimum, supporting the motion by the Senator from Vermont is that the problem of going back to those 4,849 million people between now and September 1 is insurmountable. It is not as simple as 10 seconds pushing a button on a computer at the University of Iowa.

The second point I want to make is that the best way to keep people from not registering is to prosecute the ones you know have not registered. There are 75,000 young men who should register whose names, addresses, phone numbers, and whatever else they need have been turned over to the Department of Justice, but only 15 out of these 75,000 have been indicted.

So, we are simply dealing with the essence of the Solomon amendment. Unfortunately, as Senator MATTINGLY noted, I did not mention that he is the author of the amendment. I am glad it is not called the Solomon amendment, because we would not want to attribute the wisdom of a Solomon to this amendment. It is the Mattingly amendment—with all due respect to my colleague from Georgia.

I heard him say those who accept the dollars from taxpayers must conform to the laws. I heard that the fact of life is that those who depend on taxpayer dollars may be required to meet, in effect, a different standard of compliance with the laws of our society. I heard that from the Senator from Iowa.

I heard the Senator from Georgia say small private colleges should not worry about Federal subsidies. That is to be sure, because they all get tax-free contributions from people to keep going, the same way upper income people put their kids through college—on interest deductions, gas and oil depletion allowances, all those shelters from income taxes that middle-income Americans are paying.

It is not simply a question of whether we have a title IV grant to provide for education or some other form. The point is that a lot of Americans are affected in one way or another by their need to depend on other Americans for health, education, and welfare.

Madam President, this theme keeps running through everything. The letter that we have from our colleague from Georgia and from GERALD B. SOLOMON, Member of Congress, says "Why offer aid to a youth who is not willing to accept the minimum requirements of citizenship?"

That is hard to argue with. The chairman of my Finance Committee in Minnesota called me on the phone today and said, "I heard on the radio that you want to give money to people who are avoiding the draft." It is hard to argue with that theory. But why not carry that theory out to the rest of the so-called privileges and benefits of our society—shelter, food, clothing, you name it. There are poor, middle, and upper-income accesses to all of these so-called privileges—all of them. We have somehow decided with the Solomon-Mattingly amendment that it is OK for the folks who get the interest deductions and the folks who get the FHA loans, or the 21 billion dol-

lars' worth of farm price supports—you name it. We are not going to condition any of that support on their compliance with anything even as serious as taking the life of another person in this country, as an example.

I wonder if the president of Boston University would be willing to add a certification on the grant-in-aid form at BU where a kid will check off, "I have never possessed marihuana. I have never possessed marihuana on the campus of Boston University. I have never consumed alcoholic beverages while under age and misrepresenting my age"—et cetera, et cetera.

I do not want to belabor the point, Madam President. I would say that I prefer to see the Solomon amendment repealed outright because I think it is a bad law, aimed at a good objective, and because it raises some very extensive constitutional issues.

I say to my colleague from Georgia, the Supreme Court has not decided these issues on their merits. It will. For that reason, I feel that the position taken by the Senator from Vermont is an appropriate position.

I have to end with just one comment. He is not here, so I cannot ask him the question, but I believe the Senator from New Hampshire, when he spoke, referred to an example of judge-shopping in this particular case. I am not going to ask my colleague from Minnesota to affirm this fact. But if you were shopping for a judge who might come to the conclusion in our particular district, this is the last of the judges in that group that you would shop for. That is the only way I can get on record what might have been taken as an aspersion either on the character or the impartiality of a person who is a very good trial lawyer, a very good member of my political party, a very good member of his community, and a very good Federal judge appointed by President Nixon.

Madam President, I thank all of my colleagues for their comments. This was the debate that we hoped to provoke by bringing up this amendment. I have great respect for those on both sides of this issue because it is a most difficult issue. I intend to support the substitute motion by Senator STAFFORD and I thank him and Senator MOYNIHAN and others—Senator KENNEDY—who have spoken in support of that amendment.

Mr. STAFFORD. Madam President, a very brief word and I shall conclude. I want to make it clear that the Senator from Vermont supports the regulations of the Department of Education and the Senator from Vermont has supported the legislation requiring registration for the draft. Nothing in the substitute that I have offered to the Durenberger amendment challenges either the regulations or the Hayakawa-Solomon amendment.

What I do want to make clear is that due to the decision in the Minnesota court and then an intermediate decision in the U.S. Supreme Court eliminating an injunction of the Minnesota court, which, in effect, held that the regulations would not be enforced, 3 million students who will be relying upon their guaranteed student loans to attend college in this comming academic year beginning in September are in a very unfortunate position. It is in an effort to get those students, 99 percent of whom are in compliance with the registration laws, out of that box that I have offered the substitute amendment.

A little earlier, relying on the Minnesota decision, the Secretary of Education had informed the lending institutions and the academic institutions of this country that the regulations would not be enforced. Then, in the light of the Supreme Court lifting of the injunction of the Minnesota court, the Secretary, on July 6, announced that the regulations would be enforced on August 1, which allow 3 weeks to find 3 million youngsters, allow them to get to their institutions of higher learning, pick up certificates that they are in compliance, and get to the lending institutions to borrow the money under guaranteed student loans for next year.

The problem is, how do you round up 3 million students who are scattered for summer work and vacations all over the United States and, in some cases, other parts of the continent?

The Stafford amendment delaying implementation of Hayakawa-Solomon for 1 year takes care of the situation, but I repeat, it does not bring into question the regulations with respect to registration of the Department of Education. It allows time for the Supreme Court to make a decision. I hope that if the manager of the bill is going to move to table, he will move to table the Stafford amendment first so that that can be tested. I hope that the substitute for the Durenberger amendment can be adopted in this body because it will allow 3 million youngsters to proceed in an orderly fashion with college next fall. It will allow the Supreme Court to decide the constitutionality of the basic Hayakawa-Solomon Act. That seems to me to be the way this ought to be done.

Finally, if this does not occur and the Stafford amendment is not adopted, then I would say to my colleagues I have offered you a way to get this done. If you reject it, I say it is up to you to explain to the students in your States why they were not able to get their guaranteed student loans.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Madam President, I move to table the amendment in the nature of a substitute offered by the Senator from Vermont.

Mr. STAFFORD. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 29, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—66

Abdnor	Gorton	Nunn
Andrews	Grassley	Packwood
Armstrong	Hatch	Pressler
Baker	Hawkins	Proxmire
Bentsen	Hecht	Pryor
Boren	Heflin	Quayle
Boschwitz	Helms	Randolph
Bumpers	Huddleston	Riegle
Burdick	Humphrey	Roth
Byrd	Jackson	Rudman
Chiles	Jepsen	Sasser
Cochran	Johnston	Simpson
Cohen	Kassebaum	Stennis
D'Amato	Kasten	Stevens
DeConcini	Laxalt	Symms
Denton	Long	Thurmond
Dixon	Lugar	Tower
Dole	Mattingly	Trible
Domenici	McClure	Wallop
East	Melcher	Warner
Exon	Murkowski	Wilson
Garn	Nickles	Zorinsky

NAYS—29

Baucus	Hart	Metzenbaum
Biden	Hatfield	Mitchell
Bingaman	Heinz	Moynihan
Bradley	Inouye	Pell
Chafee	Kennedy	Sarbanes
Danforth	Lautenberg	Specter
Dodd	Leahy	Stafford
Durenberger	Levin	Tsongas
Eagleton	Mathias	Weicker
Ford	Matsunaga	

NOT VOTING—5

Cranston	Goldwater	Percy
Glenn	Hollings	

So the motion to table Mr. STAFFORD's amendment (No. 1486) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REPEALING WITHHOLDING OF TAX FROM INTEREST AND DIVIDENDS

Mr. BAKER. Mr. President, if the managers of the bill before us will permit me to take up one other item, there is a House message on H.R. 2973 which is at the desk.

I ask the Chair to lay before the Senate that message, an act to repeal the withholding of tax from interest and dividends.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate a message from the House on H.R. 2973, which the clerk will state by title.

The bill clerk read as follows:

A bill (H.R. 2973), to repeal the withholding of tax from interest and dividends.

Mr. BAKER. Mr. President, I move that the Senate disagree to the amendment of the House to the amendment of the Senate and agree to the conference requested by the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to; and the Presiding Officer (Mr. WARNER) appointed Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, Mr. MATSUNAGA, and Mr. BENTSEN conferees on the part of the Senate.

Mr. BAKER. I thank the Senator.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate continued with the consideration of S. 675.

SENATE SCHEDULE

Mr. BYRD. Mr. President, I seek recognition at this point to ask the majority leader what the program will be for the rest of the day and the rest of the week.

Mr. BAKER. Mr. President, I thank the Senator.

Mr. BYRD. May we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I recall so vividly how tired I was this morning after a very late evening yesterday.

I have consulted with the distinguished manager of the bill on this side about his preference and that of the minority manager for the schedule today. I believe I am correct in saying they would like to go to about 10 o'clock tonight, which is about a 2½-hour improvement over what we did last night.

Mr. TOWER. Perhaps a wee mite later.

Mr. BAKER. Just a wee mite later.

Mr. TOWER. Say 12.

Mr. BAKER. There is already an order for the Senate to convene in the morning at 10. I hope we can finish this bill tomorrow, Mr. President, but I am looking at a list of amendments we know of at this time, and it looks like 17 of them, and we will be hard put to finish that tonight and tomorrow. That includes, of course, the MX amendment of amendments, as the case may be. There may be more than 17, but those are the ones we know about.

Mr. President, I hope we can get one of the MX amendments up today and let the Senate start working on that issue.

In answer to the question of the minority leader, we will be in until late tonight, at least until 10 p.m. We will be in at 10 a.m. tomorrow. We will work all day tomorrow. There will be votes tomorrow. There is an order for the Senate to convene at 11 a.m. Saturday. I fully expect the Senate will be in on Saturday, and votes will occur on Saturday unless we finish this bill ahead of time.

In addition to that, Mr. President, there have been two appropriation bills now reported from that committee, Milcon and transportation. The papers will be available in the morning on those bills, and I hope we may be able to take up those measures before we get to DOD in the morning, just for a few minutes. I am told by the chairman of the Appropriations Committee that we might be able to do both those bills in the space of about 30 minutes if we can, and we ought to do that.

Mr. TOWER. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. TOWER. The authorization for Milcon is contained in this bill, and I would be very, very reluctant to take up the military construction appropriations bill until we take up the authorization bill. If it were not possible to do that, I would be forced to offer amendments to make the appropriations bill conform to what is in the authorization bill.

Mr. BAKER. Once again it is a conversation I should have had privately.

In any event, Mr. President, I hope we can do at least one of those appropriations bills, and maybe we can negotiate an agreement with the jurisdictional committee, the authorizing committee, to do both of them in the morning. But I will not press that point.

Mr. President, that is the best I can do at the moment. I urge Senators to recall, on another matter, this morning I reported that after my colloquy with the minority leader I reeceived a call from the Speaker of the House. Speaker O'NEILL indicated to me that he did not think we could get out on the 29th of July as far their schedule is concerned. I agree with that, especially since we are going to be all week on this bill, and, therefore, Senators should be on notice that any rumors they have heard about our getting an extra week in July are now out. We will plan to go out on the 5th day of August.

Mr. BYRD. Mr. President, anent the appropriations bill relating to the Department of Transportation, I am going to speak to my colleagues early tomorrow to see if there is any objection to waiving the 3-day rule on that bill. I have no objection, and I am alerting, I would say, certainly a majority of my colleagues on this side of the fact that we are going to take it up, and we will have it on the cloakroom line. But I think the chances are pretty good, probably better than prety good, that we will waive the 3-day rule on that bill.

The chairman of the subcommittee has inquired also. So early in the morning I will be in touch with the leader and with the chairman of the subcommittee and our ranking member as well.

While the majority leader is expounding on the subject, could he tell us what he has in store for Monday vote wise?

Mr. BAKER. Mr. President, I do not have any calendar with me but, as I recall, the next item after the Department of Defense authorization bill is the agricultural target price bill which I had announced earlier. That also will be a controversial item, but it will be my expectation that if we finish this bill by Monday, we will be on target prices, and I urge Senators to consider there may be votes on Monday on that measure.

I expect the Senate to come in at noon on Monday, and while I have the opportunity, if the minority leader does not mind, Mr. President, I will get an order for that.

ORDER FOR RECESS OR ADJOURNMENT UNTIL MONDAY NEXT

Mr. President, I ask unanimous consent that when the Senate completes its business on Saturday or Friday, as the case may be, that it stand in recess until the hour 12 noon on Monday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, I may change that later to make it adjournment instead of recess. But for the moment I will leave it in that form.

Mr. BYRD. Mr. President, I do not think the majority leader has indicated what may be the case vote wise on Monday in the event this bill which is before the Senate at this time is not completed by Saturday.

Mr. BAKER. Mr. President, if this bill is not finished, I can assure Members we will be going forced draft to finish it at the earliest possible moment, and that there will be votes.

Mr. President, I fervently hope we can finish this bill tomorrow and avoid

a Saturday session and avoid that problem, the Monday question. But certainly if we have not we will be in and we will be voting heavily I would expect on Monday. In that event I will try to change the hour for convening perhaps to 10 o'clock. But I have confidence that we will finish it before Monday.

Mr. BYRD. In the event, Mr. President, that we do finish this bill—and I am not very sanguine at the moment about finishing it this week or tomorrow or Saturday—what would be the majority leader's advice with respect to rollcall votes on Monday on the other matter? I am not trying to press him too much.

Mr. BAKER. Mr. President, I know a good bargain when I see one, and I will say to my friend the minority leader that if we finish this bill tomorrow I will lay down the target price bill and we will debate it, but I would not anticipate any votes on Monday. That is more than I had planned to say, but I find it irresistible.

Mr. BYRD. One further thing, Mr. President. I think I suggested to the majority leader earlier today that we exchange attendance checks for Saturday.

Mr. BAKER. I will happy to do that.

Mr. BYRD. This will be helpful, perhaps, to him as to whether or not to go Saturday. I know I would find it helpful to me.

Mr. BAKER. I appreciate the offer, as I indicated this morning, and I will, indeed, do that.

Let me say to the minority leader and to our colleagues on both sides of the aisle, however, that is not a referendum on whether or not we are going to be in on Saturday, because we are going to be in on Saturday if we do not finish this bill.

Mr. BYRD. Well, that is making it pretty solid. I do not think that leaves much room for maneuverability. But if the whip check should so show that we only have 37 Senators in toto here——

Mr. BAKER. Then we would have a very busy Sergeant at Arms.

Mr. BYRD. And the first thing on Monday would be a mandatory quorum call.

Mr. BAKER. It would be, indeed, if we did not get a quorum.

But we are getting into matters that, if we do not hush up, we are going to scare ourselves. [Laughter.]

I would rather put it the other way. I would like to see us get onto MX tonight. I would like to work through that issue and any other of these 16 amendments that we have listed and finish this bill by about 3 o'clock tomorrow afternoon. If we do that, I am going to vitiate the order for Saturday and on Monday I am going to lay down, or try to lay down, the target pricing bill on agriculture. I have already said more than I planned to say about no votes on Monday, but I will stick by that, too.

Mr. BYRD. Mr. President, I thank the majority leader. I do not intend to compound his difficulties any further at this point.

Mr. BAKER. I thank the Senator.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I would like to yield to the Senator from New York, who I understand will offer an amendment and say very little on it. I yield to him with the understanding that I may reclaim the floor once he has completed.

I yield to the Senator from Colorado.

Mr. HART. I was seeking a discussion with the majority leader on the MX amendments.

Mr. TOWER. By all means. That is a discussion that probably should be held. I yield to the majority leader.

Mr. HART. Mr. President, I call the attention of our colleagues to the fact that it is now 6:30 on Thursday evening. By report, there are 16 amendments having nothing to do with perhaps the most important item in this bill; namely, the authorization for the production and deployment of the MX missile. I do not know what those amendments are and I do not know how long they will take.

There are several amendments, serious amendments, different amendments, on the MX issue. Those will require, I think, some substantive discussion, perhaps not interminable but substantive. The authors of those amendments will, I think, request that and, in my judgment, at least, rightly so.

I say all of that to say, to the degree that I speak for anyone else, that I indicated to the distinguished chairman of the committee that there were those who were prepared to bring up amendments related to the MX issue this evening. But just bringing that amendment up does not particularly get into the substance of the MX debate, if there are 16 other amendments that have to do with something else.

I think there are those who are involved in the effort to qualify or perhaps halt the MX who are prepared to offer amendments, but I think it is going to be extremely difficult, with 16 other amendments, to conclude this bill tomorrow; I really do.

Mr. BAKER. Mr. President, I say to my friend from Colorado that I do not know how much energy there is in these 16 amendments. Taking a look at them right now, my guess is you can do them pretty fast.

But the thing I remain concerned about, and have been concerned about since we first got on this bill, is that it will be so late before we get to the MX amendments and the debate will be so long it will go on and on and on into next week. I am not trying to hurry this thing unduly. A week is certainly not an undue show of haste.

But I do urge the Senator, no matter how many MX amendments there are, to offer one today and tonight and to do it tomorrow and to do it Saturday, because we have to get down to the business at hand, and the MX debate is the last big issue we have, I believe.

I think we can finish this thing tomorrow or Saturday, but we are not going to finish it until the Senator will go ahead and offer his MX amendments.

Mr. HART. Mr. President, if I may respond, my recollection of the last 3 days is that there has been 15 or 20 minutes spent in quorum calls. It is not as if the Senate has been fooling around. There has been business on the floor. People have been offering amendments. I think sponsors of the MX-related amendments are prepared to offer them at any time.

Mr. BAKER. I think they ought to do so right now. The rumor runs around the Cloakroom and the press gallery and all around that the effort is to delay this thing until next week and that the MX amendments are not going to be offered so that they can postpone the final consideration of this bill until after the House acts. Well, that may be the way it goes. I cannot make the Senate do anything it does not want to do, but I can try my best to see that we address these issues.

Mr. President, I have no desire to file a cloture motion at this time—there is not a single MX amendment that has been offered—but unless some are offered tonight or tomorrow, it is my full intention to file a cloture motion and to try to bring this thing to a head. I may do that tonight, but I certainly am not going to do it in advance of the time that the Senator from Colorado has an opportunity to offer an MX amendment or two or three or whatever he may wish.

Mr. LEVIN. Mr. President, will the majority leader yield on that point?

Mr. BAKER. Yes.

Mr. LEVIN. I have a so-called MX-related amendment, not directly on MX, but indirectly it is. I was here, as the majority leader knows, ready to offer that at about 4 o'clock. As a matter of fact, it was at the desk, then I set it aside so that we could accommodate the schedule of my chairman. I happily did so. But I think that is probably on the list as an MX-related amendment. I was perfectly willing to go forward with my amendment. It was my understanding that I was supposed to be recognized at 5 o'clock to proceed with it.

Mr. BAKER. Very well, Mr. President, I am going to yield the floor so

somebody can offer an MX amendment.

Mr. TOWER. Mr. President, the fact is that we have not yet disposed of the Durenberger amendment. It is my understanding the Senator from New York wants to offer an amendment to that. I yield to him for that purpose, with the understanding that I may reclaim the floor after he has offered his amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the distinguished chairman.

AMENDMENT NO. 1487

(Purpose: To extend the grace period for the implementation of the regulations relating to the denial of Federal educational assistance to students who have failed to register under Public Law 97-252 from July 31, 1983, through September 30, 1983)

Mr. MOYNIHAN. Mr. President, I send to the desk an amendment in the nature of a substitute and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 1487 to amendment numbered 1485.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

EXTENSION OF THE GRACE PERIOD FOR THE ENFORCEMENT FOR THE PROVISIONS RELATING TO THE FAILURE TO REGISTER AND THE DENIAL OF FEDERAL EDUCATIONAL ASSISTANCE

Sec. . The provision of the notice regarding the implementation of regulations entitled "Student Assistance General Provisions; Registration With Selective Service" (48 Federal Register No. 130, July 6, 1983), relating to the schedule under which an institution of higher education may certify first and then inform the student of the requirement that the student file a Statement of Registration Compliance for the period prior to July 31, 1983, is extended from July 31, 1983, through September 30, 1983.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that Mr. STAFFORD be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, if I could have the attention of the Senate for 4 minutes, I hope I might persuade you that this matter is a sensible, sane, administrative measure for which every college and most college students and university students within your States will be grateful for your approval.

We are not asking for any decisions, any judgment of any kind, on the merits of the measure which requires draft registration as a condition of student loans. Not at all.

We are asking for a 2-month extension of the grace period in this matter to October 1. Please understand the condition in which the college students left their campuses in June, namely that the law had been declared to be unconstitutional. That is all they knew. The Department of Education was prepared to say, "Well, that is it."

Then, on June 29, 2 days before it was to take effect, the Supreme Court stayed an injunction issued by the U.S. District Court for Minnesota. Whereupon, the Department of Education began to move about and say, "What to do?" A week ago they published regulations to fully implement the law on the 1st of August.

This amendment would have give full effect to the law on the 1st of October. The National Association of Student Financial Administraters pleads with us to give them an additional 8 weeks to adjust the regulation so that they can abide by the law.

Let me explain to you, Mr. President, why this is needed. Universities and colleges want the students back on campus so they can tell them what the law is, what they have to do. Then, until October 1, students could get their loan moneys without having filed a certification in advance.

After October 1, however, that certification must be filed and if it is not filed, the loan is in default. My amendment simply lets the colleges and universities of the country comply with the law. They have a right to look at us and say, "Gentlemen, ladies, if you cannot pass laws which are constitutional, or your courts cannot decide whether they are constitutional or not, please do not disrupt the American system of higher education and do not deprive people who otherwise need to take advantage of other laws you have passed for purposes of higher education."

I conclude, Mr. President, by saying that a vote to extend the grace period to October 1 in no way implies a disapproval of the law. To the contrary, it gives to the colleges, universities and junior colleges an opportunity to comply with the law.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, this amendment is unnecessary.

Mr. NUNN. Mr. President, there has been a request for the yeas and nays.

Mr. TOWER. Mr. President, I move to table the amendment offered by the Senator from Minnesota (Mr. DURENBERGER).

Mr. MOYNIHAN. May I ask the Senator if he is referring to the underlying amendment?

Mr. TOWER. The underlying amendment. I think it is time to dispose of this issue, Mr. President. I move to table the amendment of the Senator from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER) and the Senator from Illinois (Mr. PERCY) are necessarily absent.

Mr. BYRD. I announce that the Senator from Florida (Mr. CHILES), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

I further announce that, if present and voting, the Senator from Florida (Mr. CHILES) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 71, nays 23, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—71

Abdnor	Garn	Nickles
Andrews	Gorton	Nunn
Armstrong	Grassley	Packwood
Baker	Hatch	Pell
Baucus	Hawkins	Pressler
Bentsen	Hecht	Proxmire
Biden	Heflin	Quayle
Boren	Heinz	Randolph
Boschwitz	Helms	Riegle
Bumpers	Huddleston	Roth
Burdick	Humphrey	Rudman
Byrd	Jackson	Sasser
Cochran	Jepsen	Simpson
Cohen	Johnston	Stennis
D'Amato	Kassebaum	Stevens
DeConcini	Kasten	Symms
Denton	Lautenberg	Thurmond
Dixon	Laxalt	Tower
Dole	Long	Trible
Domenici	Lugar	Wallop
Eagleton	Mattingly	Warner
East	McClure	Wilson
Exon	Melcher	Zorinsky
Ford	Murkowski	

NAYS—23

Bingaman	Inouye	Moynihan
Bradley	Kennedy	Pryor
Chafee	Leahy	Sarbanes
Danforth	Levin	Specter
Dodd	Mathias	Stafford
Durenberger	Matsunaga	Tsongas
Hart	Metzenbaum	Weicker
Hatfield	Mitchell	

NOT VOTING—6

Chiles	Glenn	Hollings
Cranston	Goldwater	Percy

So the motion to lay on the table amendment No. 1485 was agreed to.

Mr. TOWER. Mr. President, the Senator from Michigan, Mr. LEVIN, has been waiting patiently. He was ready to go at 4 p.m. Let me explain that I was not on the floor at the time and I had given an undertaking to the Senator from Minnesota that as far as I was concerned he should be recognized to bring up his amendment at that time. That is why I suggested 5 o'clock to the Senator from Michigan and I thank him for his patience. Let me inquire of the Senator from Michigan, who is about to offer an amendment, if he can give us an estimate on time because I think some of our colleagues had other matters to attend to around the Capitol premises, and wanted to have some reasonable idea, ball park idea of when we expect to vote.

Mr. LEVIN. Mr. President, my best guess would be it would be 45 minutes to an hour on this side.

Mr. TOWER. I would probably not take more than 10 to 15 minutes on this side, so I think Senators should be alerted that they could expect a vote as early as an hour from now or it could be later but it could be as early as an hour.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

AMENDMENT NO. 1488

Mr. LEVIN. Mr. President, the amendment at the desk is filed on behalf of myself, Senators NUNN, BUMPERS, HART, HOLLINGS, DODD, and EXON. This amendment would restore 47 cuts in combat readiness——

The PRESIDING OFFICER. Would the Senator allow the clerk to report?

The acting assistant legislative clerk read as follows:

The Senator from Michigan, for himself, Mr. NUNN, Mr. BUMPERS, Mr. HART, Mr. HOLLINGS, Mr. DODD, AND Mr. EXON proposes an amendment numbered 1488.

Mr. BYRD. Will the Senator from Michigan yield?

Mr. LEVIN. I am happy to yield.

Mr. BYRD. Did he intend to call up his amendment at that point?

Mr. LEVIN. It was not my intention to call it up directly, but if the Chair has so ruled, I would be happy to abide by that. I do not know why it was necessary. I did not know that that was necessary, but if the Chair——

Mr. BYRD. It was not. That is why I am asking.

Mr. TOWER. It is not necessary if the Senator does not want to call it up.

Mr. LEVIN. I thank my friend from West Virginia.

Mr. TOWER. Will the Senator from Michigan yield for one moment for a motion?

Mr. LEVIN. Sure. I am happy to yield.

Mr. TOWER. Mr. President, I move that the vote by which the Durenberger amendment was tabled be reconsidered.

Mr. BYRD. Mr. President, that would require unanimous consent, because there is another matter before the Senate now.

Mr. TOWER. I ask unanimous consent that I may offer such a motion.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Minnesota was tabled.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Michigan has the floor.

The Chair extends his apologies to the Senator from Michigan for directing that the amendment be stated.

Mr. LEVIN. Mr. President, I ask unanimous consent that the name of the Senator from Delaware (Mr. BIDEN) be added as a cosponsor of this amendment.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. LEVIN. Mr. President, this amendment will restore 47 cuts in combat readiness which the committee made in the armed services budget. These cuts were made in all services, and the amendment would restore $2.7 billion in budget authority and $582 million in outlays.

These areas of defense are part of the unglamorous, too often neglected foundation which is critical to support combat readiness and our abilities to fight a conventional conflict. They have little constituency and too few advocates. They get cut in the crunch, and they have been cut again.

Let me give a list of some of these cuts that were made in this budget request that came from the DOD:

Hospital repairs were cut, combat feeding and clothing, aircraft spares, a fleet oiler, airlift replenishment spares, aircraft modifications, ground support equipment, a mine countermeasures ship, mobility equipment for the Rapid Deployment Force, combat medical material research and communications—electronic equipment spares and repair parts. Flying hours, depot maintenance, and Army maintenance support also was inadequately funded.

These are just a few of the items which were cut or underfunded in order to make room for the MX missile, for the B-1 bomber, and others. We will be getting into the MX missile tonight, but in this amendment we will see some of the readiness cuts that were made, some of the conventional capabilities that were cut by the committee, in order to make room for the MX missile.

Anybody who voted against the B-1 bomber and anybody who is going to vote against the MX missile can easily vote for this amendment if they are concerned about the overall dollar costs of this bill, because the amount involved in this amendment is significantly less, large as it is, than the amount we have in here for budget authority and outlays for the MX missile, is significantly less than the amount we have in here for the B-1 bomber.

Most of the funding increases I propose will restore cuts that the committee made in this bill in the administration's budget request, and they will restore us to levels approved by our committee's subcommittees during our initial budget deliberations. Most were reluctantly eliminated from the bill to comply with the congressional budget resolution targets.

The Senate Armed Services Committee bill before us represents an overemphasis on procurement of strategic nuclear systems at the expense of much more basic and needed conventional forces and military readiness programs.

Let me quote a recent interview with Gen. Bernard Rogers, who became the NATO Supreme Commander in Europe in June of 1979, about the problem which is highlighted by this bill. This interview was printed in the New York Times of July 10, 1983. General Rogers said this:

The young soldiers we have in Western Europe are good troops. What concerns me most is that we have failed to provide sufficient sustaining capacity—ammunition stocks, pre-positioned material to replace losses of equipment on the battlefield such as tanks and howitzers, to keep them fighting for a sufficient length of time. Under current conditions, if attacked conventionally we will have to request the release of theater nuclear weapons fairly quickly because of that lack of sustainability.

General Rogers said further—and this is as eloquent as anybody can say it: "We have mortgaged our defense to the nuclear response."

Some of that mortgage is reflected, I am afraid, in the priorities which were selected by the committee—funding the MX, eliminating the readiness items, the conventional capabilities, 47 of them, which this amendment seeks to restore.

Army hospital repairs is a small item. This is needed to provide troop medical care. The committee cut $7 million in budget authority, $5.6 million in outlays. My amendment would restore that.

The carrier onboard delivery aircraft for Navy were cut by $20 million in budget authority and $2.5 million in outlays. This is needed modernization of logistic support aircraft for forward

deployed aircraft carriers. The program was cut even though we are 39 percent short of our objective in this aircraft.

We cut Harpoon missiles. This amendment would restore 30 of those. We are 41 percent short of our objective for Harpoon missiles.

We cut Phoenix missiles, and this amendment would restore that cut. We are 50 percent short of our objective on Phoenix missiles.

This amendment would restore the aircraft spares that were cut.

One mine countermeasures ship was cut, even though we are 64 percent short of our objective for mine countermeasures ships.

This amendment would restore the cut of one fleet oiler for the Navy. The vessels are easy to cut, the mine countermeasures ship and the oiler. They do not have a great constituency around here. But we are 81 percent short of our objective when it comes to fleet oilers.

This amendment would restore the M-1 tank to a 720-per-year rate. The Army has said that the M-1 tank is its No. 1 objective. Yet, that was cut to make room for the programs with all the constituency here, the MX and the B-1.

The Patriot air defense missile system was cut. Sixteen advanced attack helicopters in fiscal year 1984 and advanced procurement for fiscal year 1985 was reduced. Hellfire antitank procurement was cut.

Aircraft spares and aircraft modifications for the Army were cut.

Common ground equipment and other support equipment were cut. Medical material was cut. Combat feeding, clothing, and equipment were cut. Tactical aircraft spares were cut. Airlift replenishment spares were cut.

We underfunded Army maintenance support by $80 million. We underfunded depot maintenance by $148 million. We underfunded Navy flying hours by $39 million. Those cuts and those underfundings plus others, a total of 47, would be restored by this amendment.

Mr. President, opponents of this amendment may argue that the bill now before us adequately funds combat readiness, that in the past 3 years our readiness accounts have grown greatly, and that all areas of the budget had to be reduced to comply with the congressional budget ceiling.

I agree that reductions are necessary to stay within the budget resolution, but I disagree that they should have been made in these readiness areas and I disagree that the readiness funding increases of the past few years were sufficient to permit such reductions now.

I do not think that a bill which funds MX missiles and B-1 bombers, at the expense of readiness items, represents adequate readiness funding. I would fund my increases from either of those programs, and let me emphasize here if anyone either voted against the B-1 or intends to vote against the MX, there is much more money than necessary just in that cut or those cuts to fund all of these restorations many, many times over.

Before Congress and the administration pat themselves on the back for funding readiness in the recent past, let me underscore some disturbing facts as we consider this amendment and the rest of this authorization. Here are these facts.

Despite the 20 percent real growth in the operations and maintenance accounts in the past 4 years, fiscal year 1980 to fiscal year 1983, the procurement accounts grew more than three times as much after inflation, 88 percent, and the research and development accounts grew about twice as much after inflation, 40 percent, according to the General Accounting Office.

To those who would argue against this amendment by saying that part of the procurement budget buys readiness and sustainability items such as spares, repair parts, support equipment and ammunition, I point out that funding for most of these components actually has declined as a percentage of the overall procurement budget by 18 percent from fiscal year 1982 to fiscal year 1983. Despite huge funding increases for nuclear weapons procurement from fiscal year 1982 to fiscal year 1983, GAO has discovered that funding for Army spares grew only by 2 percent during that period and funding for Air Force spares and repair parts actually declined by 15 percent in real terms.

The GAO, in a recent staff study, highlights that the Air Force also will experience a 24.8-percent real decline in munitions funding between fiscal year 1982 and fiscal year 1983.

Real growth in Army munitions for the same period will be only three-tenths of 1 percent, GAO found. It is no wonder our soldiers only fire their antitank weapons in training but a few times each year, and that the tank training ammunition stocks fall well below annual requirements.

GAO found that growth from fiscal year 1982 to fiscal year 1983 in Army and Navy spare parts and support equipment results less from a continuation of steady budget increases in these categories than from being "primarily the result of a one-time investment in prepositioned ammunition."

Any doubts that the nuts and bolts of combat readiness are being sacrificed on the altar of new weapons systems such as the MX are dispelled by this GAO conclusion that "a recent look at the operations and maintenance funding for fiscal years 1982 and 1983 indicates that the Air Force may have reduced readiness funding in favor of major new weapons, notably aircraft and strategic missiles."

Training ammunition remains seriously underfunded in the Army, and, as the Pentagon only recently admitted but was known to us who had traveled to fleet headquarters in Norfolk, Va., the Navy only has five shipsets of ammunition for its 12 deployable carriers. This means that during a crisis or war, when most of our carriers would be on battle stations, many would have deficient weapons stores. This budget makes some improvements in the ammunition stockage situation, but much more remains to be done. This bill cuts Harpoon missile procurement by some $20 million, and while it funds much of the administration's request in the tactical missiles categories, the Senate should note that this year's request is several thousand missiles below last year's projections for this year for the Army, Navy and Air Force. Ammunition procurement again has taken a back seat to aircraft and ships in the procurement priorities.

My amendment would restore the $20 million for Harpoon missiles, our major medium range antiship missile, $81 million for Phoenix missiles to defend aircraft carriers against Soviet Backfire bombers, for the Navy, and $20 million for the Army to buy Hellfire antitank missiles.

On my trip to Norfolk and nearby Oceana Naval Station, I saw first-hand the Navy's critical shortage of aircraft common ground support equipment. The increased backlog in depot maintenance for certain combat aircraft also was highlighted, and in this sorry situation, the Navy is not the only victim.

The fiscal year 1983 depot maintenance backlog shared by all the services is the largest since fiscal year 1980, and the projected backlog for fiscal year 1984 is $248 million.

These financial backlogs exist despite the administration's promises last year that they would be eliminated in fiscal year 1983. Now the Defense Department cannot even tell us when exactly it expects to eliminate these funding shortfalls, and the Army witnesses testified that this backlog exists in their current plans through fiscal year 1989—for the next 6 years that backlog and those backlogs are going to have to apparently be with us.

Depot maintenance backlogs contribute significantly to reduced material and combat readiness for our vehicles, aircraft, and ships.

This amendment adds $148 million to help reduce the depot maintenance backlogs all the services and $35 million for common ground equipment for the Navy and Army.

The future looks even bleaker than the present, Mr. President, unless Congress alters the course that we are on.

The GAO reports that the Defense Department consistently has underestimated the operations and maintenance funding needed in its 5-year defense programs. For fiscal year 1984 to fiscal year 1988 the O&M accounts could be underestimated by as much as 25 percent, GAO indicates. According to the Congressional Budget Office, the Army may have underestimated its O&M requirements to support newly fielded systems.

The Army also is suffering from insufficient funds in its maintenance support program. This unglamorous area of the O&M accounts provides resources for engineering support, updating equipment training, technical assistance for troops in the field and developing and updating depot maintenance work requirements. The Army's unfunded requirements in this area total almost $300 million.

This amendment would add $80 million in fiscal year 1984 to prevent further growth in the Army's unfunded requirements above the fiscal year 1983 level. That still means the Army would lack more than $200 million to meet its basic maintenance support needs in fiscal year 1984.

I am afraid that in the 5-year defense plan drafted by the administration for fiscal year 1983 to fiscal year 1987, the plan we now are implementing, the percentage of the total defense budget allocated to O&M will continue to decline, while the percentages allocated to procurement will continue to grow. GAO estimates that, between fiscal year 1980 and fiscal year 1987, O&M funding as a percentage of DOD's budget will fall by 25 percent, while the percentage for procurement will soar by 58 percent.

There is no question that we have to balance near-term readiness and sustainability needs with long-term modernization requirements. This bill before us does not do this, which is the reason for this amendment.

In addition, cuts in this bill for military personnel, operations, maintenance, and readiness, yield outlay savings only for 1 or 2 years—for fiscal year 1984, and fiscal year 1985. They do not solve the problems we know we will face in the future to support an adequate defense posture as well as make the reductions demanded in the congressional budget resolution to help constrain the staggering deficits which threaten economic recovery.

We should face up to the need for these reductions now, by cutting superfluous, and in the case of the MX, dangerous procurement which represents large budget outlays now and even larger outlays in the future, or we are going to be forced to continue robbing readiness again and again.

We are again traveling down the path which led to the readiness and manpower problems of the late 1970's and 1980. Instead of learning from our past mistakes during the middle 1970's, when we underfunded readiness and forced annual pay absorptions to further rob O&M accounts, we are repeating those past sins. This Senate has heard me say this with ever-increasing urgency for the past 3 years. Maybe it is tired of hearing these words from me, so I shall turn to the former Commander of all U.S. Forces in the Pacific/Indian Ocean regions, who testified about his concerns for adequate readiness funding.

Earlier this year, before his retirement from the Navy, Adm. Robert Long told our Committee:

I am concerned that O&M funding may not be maintained at sufficient levels to insure adequate steaming and flying hours; to conduct exercises to maintain high levels of combat readiness; and to fund spare parts replacement programs. I have continually stressed the importance of adequate O&M funding and have communicated this to the Joint Chiefs of Staff. It is imperative that proper attention be given to sustaining the force, which includes reducing depot maintenance backlogs, funding spare parts programs, and funding war reserve items in the areas of equipment, repair parts and clothing. Integral to these O&M shortfalls are deficiences in support of new weapons systems introduced to the forces. We are strained now in achieving quality support for current weapons, and modernization of those systems currently in inventory. We must continue to balance budget priorities to insure adequate O&M support for both new weapon systems and those in the inventory.

He continued:

We are concerned about the backlogs in depot maintenance activities, and in the shortfalls evident in spare parts programs in each service. Anything that diverts funding from correcting these problems is of major concern to my component services . . . .

Let me just repeat that conclusion:

Anything that diverts funding from correcting these problems is of major concern to my component services—

Said Admiral Long, and that is what General Rogers is telling us, too, if we will listen to his words: That we are robbing conventional capabilities to pay for strategic systems; that we are mortgaging our conventional strength.

The only way I believe we can address these concerns is by restoring these cuts to combat-readiness accounts and to our conventional forces programs.

Mr. President, the question we have before us is one of priorities. My friend, the chairman of the Armed Services Committee, has pointed out, and I am confident will point out in the future, that if we had a larger increase in the defense budget, these kinds of cuts would not be necessary and there would not be any need for a Levin amendment, cosponsored by Senators BUMPERS, HART, HOLLINGS, EXON, NUNN, DODD, and BIDEN, to restore these items.

But, Mr. President, even if there were a 10-percent real increase in the defense budget, we would still have major shortfalls in readiness items. The items might be different in the amendment, but there would be an amendment because what we are dealing with here is the question of priorities, whether or not when we have shortfalls in conventional capability and readiness, and we have those shortfalls even if there were a 10-percent real growth in the defense budget, given those shortfalls in our conventional capability, whether or not we are better off spending the $4.5 billion in budget authority for the MX and the $1.4 billion in outlays for the MX or spending that money on truly needed conventional and readiness items.

I believe these cuts, this decision, on the part so far of the Armed Services Committee—I hope not of the Senate—could some day haunt us. If we are ever in the position where we need conventional military strength, in Europe, in the Persian Gulf, or elsewhere, and if it is insufficient spares and readiness and lack of coventional capabilities, the lack of aircraft spares, of medical material, feeding and clothing, hospital repairs, spare parts, ground support equipment, when those are the shortages, which make us less able to respond to a threat, we are then some day going to look at the useless MX and say to ourselves, "My gosh, how could we ever have cheated readiness in order to build a system which nobody can ever use?"

Mr. President, in concluding my opening comments, I again want to suggest to my colleagues that particularly for those who voted against the B-1, or who intend to vote against the MX, that such a vote would indeed make available three, and sometimes four, time as much funding as is necessary to restore these 47 items. The total of these 47 items is $2.7 billion in budget authority and $582 million in outlays.

The figures for the MX were about double that in budget authority and about three times that in outlays, and the figures for the B-1 were about three times that in budget authority and about five times that in outlays.

Mr. President, I yield the floor.

Mr. HART. Mr. President, will the Senator from Michigan yield to me for an observation?

Mr. LEVIN. I would be happy to.

Mr. HART. I want to congratulate the Senator from Michigan both on his amendment and on, I think, the very accurate statements he has made about the condition of our conventional forces.

One of those ironies that occasionally happen around here, as the Senator

was speaking, I noticed in the cloakroom one of the networks was covering a report of the House Armed Services Appropriations Committee that documents the very case he was making, that some of our senior commanders are complaining about the lack of spare parts; they are complaining about the lack of sufficient conventional equipment, ammunition, training manuals for Cobra helicopters, a list that goes on and on, that shows for all the tens of billions of dollars that we have spent and continue to spend in our NATO defenses how unready we are for sustained conventional operations.

Several days ago the Senator from Colorado, in commenting on the MX, talked about how nuclear forces have begun to compete with conventional forces. What General Rogers was concerned about, what senior commanders are concerned about, what military commanders are concerned about is that our insufficiency in conventional forces, the thinness of those forces, the sustainability of those forces could lead us very quickly to the use of nuclear weapons.

But what is it that is causing that thinness in sustainability? It is, in fact, the cost of the nuclear weapons themselves.

So we have before us now as a Nation a chicken-and-egg situation in which we are asked to build more and expensive strategic forces, and I agree with the Senator from Michigan that at least one of those items, probably two—the MX at least and the B-1—are unnecessary, tens of billions of dollars being robbed from the conventional forces that need more investment.

We are in a situation where we are increasingly reliant on our nuclear forces, and one of the reasons is because the nuclear forces cost so much and we are building nuclear forces that are not necessary.

I said several days ago the debate on this defense bill broadly defined was one of the most important of our time. I think the MX is at the center of that debate for the very reasons the Senator from Michigan has outlined. It is impossible to talk about conventional forces, their modernization, their needs, their cost, the question of preparedness and readiness and operability and maintainability outside the context of the costs of the systems like the MX. They are competing for dollars.

The Senator from Colorado has warned repeatedly that even under the unprecedented military buildup put forward by the Reagan administration in peacetime, we are underfunding some very important defense accounts. One is personnel and the other is readiness. We are underfunding readiness and personnel in order to afford unnecessary nuclear systems.

So, Mr. President, the day where we could talk about—have some amendments for conventional weapons, and then dispose of those and have amendments or debates on nuclear or strategic weapons, is past.

Even under a $2 trillion, 4-year military buildup, there is not enough money for everything. Dollars, even in the increasing expansion of the Defense Department budget, are competing with each other. So I think it is time that Members of the U.S. Senate began to be serious about the question of security in national defense. I think this debate we are currently engaged in is not just the most critical debate this Congress will have to face this year; I think it is likely to be the most critical debate any Congress in this decade will have to face.

I think it is too bad that that debate has not been serious to date. Serious amendments have been offered. There has been little response in the case of many of them. The proponents of the amendments seek to raise serious national security issues. They make their case, and their motions and their amendments are tabled. That is not serious debate in the U.S. Senate about national defense. That is pro forma, knocking down any serious effort to raise serious problems. Somebody is going to pay for that in the future. I hope it is not Members of this body today.

The philosophy and the policy on national defense and national security contained in this bill set the tone and the direction that this country will follow, not just this year but for years to come, in the areas of weapons systems development, arms control, and establishing our priorities for spending on military and domestic programs.

When it comes to questions of defense, I yield to no man or woman in the Chamber in my commitment to a strong and viable national defense. I have served on the Armed Services and Intelligence Committees. I have been involved in the formation of the Military Reform Caucus. All those experiences have reinforced my commitment to an even stronger defense for this country.

But just using that term "strong defense" does not solve the problem. It has just been a slogan for spending more money. And we have clearly gotten to the point where just spending more money is not going to solve this country's problems.

Sooner or later this institution is going to have to come to grips with the definition of a strong defense and how we acquire it, and ask ourselves some tough questions. I regret deeply that has not happened in this debate thus far over this bill. I intend to do everything I can to see if we cannot generate that serious debate.

But a strong defense must also be rational. It must make sense. It must meet our military needs on strategic and tactical levels. A good defense program must be a part of our overall national strategy for survival; national security is not the same as military security.

National security also means protecting our most important assets, and those are our people. The responsibility, of course, includes deterring foreign aggression—we agree to that—but it also means creating a domestic environment where children are protected from the sorrow of pain and poverty and disease and ignorance and fear. And we are not meeting that obligation in America of the 1980's.

A strong defense also requires public consensus. I see that consensus eroding today. I do not see it being strengthened. And that erosion is not caused by those of us who offer amendments to take weapons systems that are unnecessary out of this bill or to do what the Senator from Michigan is trying to do, too—add money in for conventional force modernization.

The consensus is weakened when people do not understnd the logic, the internal consistency of a defense budget. And the more they hear about spending $2 trillion on MX missiles and B-1 bombers that they fundamentally do not believe in, and hear about NATO forces in Europe—they are not properly equipped even under this massive buildup—the less they believe in the process that offers them this national defense. And that is what is behind the consensus if we are ever to have one.

An adequate budget always requires some sacrifice. But in times of $200 billion deficits, it is particulary important that we eliminate unnecessary military expenditures. We need those dollars for other important programs of defense—and for defense against illness and hunger, defense against unemployment, and defense against neglect of our fellow citizens.

As we consider our military defense budget in the coming days of debate—and there will be days of debate—let us keep this in mind: We are spending precious resources on very expensive programs. So let us make sure they work and they actually carry out and achieve what it is we are told they are designed to do. We need a military defense which can deter nuclear conflict, because no nuclear conflict is winnable. We need conventional weapons which deter conflict, but also which work in combat. We do not have enough of those.

There are many parts of this year's defense authorization bill which do not meet the criteria for a sound defense.

These include binary chemical weapons, the B-1 bomber, and antisatellite weapons designed to expand international conflicts into space. There are

also a number of individual weapons systems which do not contribute to our defense needs, but do drain limited dollars away from other pressing programs.

There is one weapons system which stands out in my mind as the most dangerous, most vulnerable, most wasteful, most destabilizing, and most threatening weapons system in the procurement program proposed by the Reagan administration. It is the heavily MIRV'd, first-strike MX missile.

That is important, Mr. President, in the context of this amendment because, as the Senator from Michigan accurately stated, if we are to afford conventional force modernization programs, which his amendment so clearly outlines are needed, we have to get the money from somewhere, and I believe the money ought to come from the MX missile program. That weapon has no place in the American defense budget today or tomorrow. Today I have submitted, together with my distinguished colleague from Oregon, Senator HATFIELD, an amendment deleting all funds related to research and development, construction, procurement, or deployment of the MX missile.

The weapons system in question, the MX, has a long history before this body. Beginning almost a decade ago, the Senate of the United States began approving funds to develop a new land-based ICBM that could survive a nuclear attack by the Soviet Union. That—survivability—has been the primary goal of the MX since 1972. The absence of survivability has been the rationale for our rejection of other proposals. The criteria has been whether the missile system in question, when deployed, could survive a nuclear attack and, by doing so, act as a deterrent to a first strike.

In the years that the Senate has studied this question we have been presented with 30 options. In 1976, under President Ford, the Senate was asked to consider the feasibility of burying MX missiles in trenches. And the proposal was rejected because the Senate did not believe the criteria of survivability had been met, and the Senate was right.

In 1979, President Carter put forward a plan to begin full-scale deployment of the MX using the so-called racetrack basing mode. And even that proposal was based on a whole variety of options related and nonrelated to the so-called final racetrack proposal. The Senate asked the executive branch to propose other alternatives to basing the MX. But the criteria has always remained the same: Would the missile survive a nuclear attack, act as a deterrent, and provide for strategic stability? Survivability, deterrence—stability. That has always been the test.

In October 1981, President Reagan rejected the proposals of the previous administrations and proposed that we deploy 40 MX missiles in existing silos while continuing research for a long-term basing solution.

In response, the Congress, in its wisdom, appropriated close to $2 billion to advance MX research and development, particularly on the basing mode. The Congress has not denied the Pentagon the funds necessary to resolve the issue of where to put the missile so that it could survive a nuclear attack.

The Senate also adopted, as my colleagues remember, the Cohen-Nunn proviso restricting the use of these MX funds for superhardening existing silos. We did not then believe that this basing mode met the minimum criteria of survivability, deterrence, and the enhancement of strategic stability.

In the intervening years, Congress continued to review proposals for where and how to base this missile. The test has always been the same. The criteria has not changed. Congress has been, if anything, patient.

In 1982, President Reagan again requested Congress to begin procurement of the MX missiles in an interim basing mode. Nine missiles were to be procured and the President requested continued support for further research and development to select a long-term basing mode. For the second time in as many years, Congress told the President it was unwilling to go forward with an interim basing mode that put the MX missiles in hardened existing Minuteman silos.

The reasons were clear. The missiles, all agreed, would not survive a nuclear attack. The missiles would not deter. The missiles would not enhance the strategic stability necessary to begin serious arms reduction talks. The missiles failed the minimum standard set by the Congress. Indeed, this was the minimum standard acceptance to any strategic thinker.

The President then came forth with a new proposal for basing the MX. Dense pack. As proposed by the President, 100 MX missiles would be deployed at Warren AFB in Wyoming, in superhardened silos, at a cost of $26.4 billion.

As we all remember, the dense pack proposal went the way of every other proposal put forth. Doubts about the theory of fratricide and the survivability of the MX were not adequately answered. Again, the minimum criteria of survivability was not met. Again, the Congress supported the executive branch with R&D funding to find a long-term basing mode. And, again the Congress held firm: The basic fundamental 10- to 12-year criterion must be met, survivability.

If this is all beginning to sound repetitious, it is because it is repetitious.

The President has used his considerable charm and a series of vague promises to gain congressional approval for a basing mode for the MX.

We have before us, finally, his final proposal, after wandering through a variety of nuclear deserts for long-term basing of the MX missile. Lo and behold, where is it? Fixed silos—fixed silos that up until a recent period represented the window of vulnerability.

The President endorsed the Scowcroft Commission report in April of this year, and we have heard no more about the window of vulnerability. The President's proposal to put the MX missile in the Minuteman silos was a very new proposal. No one in the 9-year history on this issue had ever seriously proposed it before. Underscore "seriously."

But this very new proposal was wrapped up in a blue ribbon provided by the Scowcroft Commission.

The President proposed, as recommended by the Scowcroft Commission, that 100 MX missiles be placed in existing Minuteman silos. These silos are not be be hardened. We are told that they cannot be hardened yet because the Air Force does not know how to harden them. That will require more research and it will be several years before the existing silos can be hardened in any degrees.

Nevertheless, Congress approved the actual obligation of $560 million appropriated in 1983 for flight testing of the MX and development of this basing mode.

There are many things that can be said at this point in the debate about the MX missile. The most important thing is this: It is not too late to correct a mistake. It is not too late to stop the production, testing, and deployment of this dangerous, destabilizing, and wholly undesirable weapon deployed in fixed, vulnerable silos.

The issue before the Senate, as it has been for 11 years, is whether the MX can survive, deter, and maintain strategic stability. That is the criteria and that is the question. The answer is a clear no.

Concerning the survivability of the MX in the proposed basing mode, fixed silos, Secretary of Defense Caspar Weinberger said that there is little likelihood that the missile could survive a first strike by the Soviet Union.

His words on October 5, 1981:

> I don't think they [Minuteman silos] can be hardened enough on a permanent basis to warrant putting [MX missiles] in fixed and known silos. I think they can be hardened enough to give strength for a few years.

Under Secretary of Defense for Research and Engineering, Dr. Richard DeLauer, does not believe that the MX, even in hardened silos will survive.

He said:

The reason that I did not relate interim basing [of the MX missile in Minuteman silos] to the survivability problem is that the resulting survivability will be no better than it is now.

The Chairman of the Joint Chiefs of Staff, Gen. John W. Vessey, Jr., does not believe that the MX meets the minimum capability of survivability. In testimony before the Senate Armed Services Committee, in April, General Vessey could only say:

If we rode out the attack, probably 30 percent would survive today.

That is a very important quote, I must say. "If we rode out the attack, probably 30 percent would survive today."

The U.S. Air Force, in its report entitled "MX Permanent Basing" (draft), September 15, 1982, discounts the possibility that the deployment of the MX missile in existing Minuteman silos meets the minimum criteria of survivability.

The summary of this report on basing MX in Minuteman silos concludes:

The use of current Minuteman silos has obvious advantages in environmental and programmatic areas since existing land and facilities would be used. This option would be least costly and cause the least schedule risk. However, it does not provide the required prelaunch survivability to withstand a Soviet first strike and promote strategic stability. It is also not resilient to future threats.

Let me repeat:

It does not provide the required prelaunch survivability to withstand a Soviet first strike and promote strategic stability.

The Congressional Budget Office has also studied the issue of whether the MX can survive and gives the MX these odds: 10 percent in 1990, and less than 5 percent in 1996, would be expected to survive and be available for retaliation in the nuclear scenario considered most likely.

So what are we to make of this proposal? The Secretary of Defense says it will not work. The Under Secretary for Research and Engineering does not believe that the MX can survive. The Chairman of the Joint Chiefs of Staff remains doubtful. The Air Force by its own admission is dubious—"dubious" would be kind—about the survivability of the MX under the proposed basing mode. CBO has given the MX a 1-percent chance. The MX fails to meet the first test which Congress, the Defense Department and those charged with insuring our national security demand of it—survivability.

Let us move to the second criterion—deterrence.

Does the MX in the present basing mode deter a Soviet attack? Will these MIRV'd missiles sitting in unhardened silos act to prevent a first strike? Do they meet the criteria?

The answer is a categorical "No." Indeed, these missiles invite attack. We are being asked to place our most lethal hard-target killer missiles in the most vulnerable part of our nuclear triad. It is a policy that makes no sense. It is a policy of temptation. It invites rather than deters enemy attack. It fosters suspicion, it does not allay fears. No more cogent argument could be made about the inherent danger of such a proposed MX basing mode than that of Adm. Noel Gayler, former Director of the National Security Agency, during his recent testimony of the Scowcroft Commission report:

The MX exemplifies in purest form the futility and danger of nuclear arms developments which add instability to instability and counterforce to counterforce or attempt to gain a decisive technical advantage over the Soviet Union. MX meets perfectly the definition of a destabilizing weapons system:

Its combination of large number of warheads, high accuracy, and considerable yields puts the adversary's fixed targets—missile silos and command centers—at risk. The enemy's obvious and only answer is to fire out on warning, or worse yet, to fire first in the belief, however inaccurate, that he is about to be attacked.

Its vulnerability makes it seem equally imperative for us to fire on suspicion of attack—"use it or lose it." Its combination of threat and vulnerability gives credence to the Soviet suspicion that it is not a deterrent weapon at all but a weapon designed for a first strike. . . .

The Scowcroft Commission itself recognized the instability created by increasing our reliance on more accurate and heavily armed MIRV'd ICBM's. The Commission recommended the changeover to a relatively small, mobile, single-warhead missile. This type of missile is more compatible with arms control than heavily MIRV'd missiles like the MX. It is more conducive to a stable balance of nuclear weapons because it is less vulnerable to attack and does not possess first-strike capabilities.

A nation that is about to launch a first strike does not go to the expense and trouble of putting its weapons in mobile configuration.

Having reached this commendable conclusion, however, the Scowcroft Commission averted its eyes from the obvious and logical end—scrapping the MX. Denying its own logic and the record of testimony by scores of administration witnesses, including Secretary of Defense Weinberger, the Commission proposed the MX be based in existing Minuteman silos.

The Commission's conclusion—placing a potential first-strike weapon with the greatest "hard target kill" capacity in the American arsenal in relatively vulnerable Minuteman silos—will not add deterrence to our strategic force. This basing mode requires the United States to move to a new and much more dangerous threshold—a launch-on-warning strategy.

Now, having looked at survivability and deterrence, let us move to the third criterion—strategic stability.

The President says the fundamental U.S. goal in negotiations is to "enhance security and stability by reducing overall force levels while permitting modernization of U.S. forces necessary for a credible deterrent."

The MX does not contribute to stability. It is a first-strike weapon which invites a Soviet first strike when it is based in relatively vulnerable existing minuteman silos. Nor does it contribute to our security in any appreciable way. With over 12,000 nuclear warheads targeted on the U.S.S.R., we have more than sufficient forces to deal a death blow many times over.

The MX is not required for the modernization of the U.S. deterrent. Modernization of U.S. forces can be achieved by upgrading existing Minuteman III's and by continuing our planned bomber and submarine force modernization in anticipation of the development of a small mobile missile. Programs for this course of modernization are provided for in this Authorization Act. We do not need to engage in massive overkill programs to achieve our goals. This should be true on any occasion. It is even more evident now when we face the most massive deficit in our history—over $200 billion a year and the increase by 50 percent of the historic national debt in the last 2 years and the next 2 years—the highest unemployment rate in decades and the greatest need for the aid to the poor, the elderly, and minorities, not to say to meet the goals put forth in the amendment by the Senator from Michigan for genuinely modernizing our conventional forces.

The President said he agreed "essentially" with the Scowcroft Commission's approach to arms control—whatever "essentially" means. Unfortunately, he does not agree with the key recommendation, namely, that we move away from heavily MIRV'd missiles like the MX toward a small, single-warhead missile. That type of missile—and not the MX—is compatible with the arms control goals the President claims he supports. He hints but he does not commit. He suggests but he is never firm. A murky vagueness surrounds his every promise.

The MX missile is an inherently destabilizing weapon. Its deployment will lead to a substantial escalation of the arms race. It is a missile that reduces our national security. It meets all the specifications and designs of a first-strike weapon. It invites a preemptive Soviet attack in a time of extreme crisis. It is a missile that is unsafe in any silo.

It is a weapon that will not keep the peace regardless of its name.

The President's proposal to deploy the MX missile system is unwise, un-

necessary, and of dubious strategic value. It is based on assumptions that make a mockery of sound strategic thinking and timing.

It fails to meet any aspect of the long established congressional criteria of survivability, of defense, and of stability.

I want a strong defense as much as any Senator; indeed, as much as any citizen of the United States. Every Member of this Chamber believes that we must have one.

The issue is not whether we have a strong defense; the issue is does the MX contribute to it. But based in existing silos, the MX missile is worse than no defense at all. It cannot survive. It cannot deter. The Secretary of Defense and the President himself say it cannot even be used as a bargaining chip; indeed, that they do not intend to use it as a bargaining chip.

The MX is a missile that invites a first strike. The President made some vague promises for a build-down proposal, still not spelled out. If we give him the MX, his proposal becomes a buildup, not a build down. It is a fabricated defense whose installation is both costly and provocative.

Many years ago, George Orwell, wrote:

> In our time, political speech and writing are largely the defense of the indefensible. Things like the continuance of British rule in India, the Russian purges and deportations, the dropping of the atomic bombs on Japan can indeed be defended, but only in arguments which are too brutal for most people to face, and which do not square with the professed aims of political parties. Thus political language has to consist largely of euphemism, question-begging and sheer cloudy language.

The authorization of funds to produce, procure and deploy the MX can only be defended with Orwellian language. We are debating the 1984 Defense Authorization Act. That does not require us to use the Orwellian 1984 style "newspeak" or twisted logic in the debate.

The President has declared that the deployment of the MX is vital to our national security. The opposite is more to the truth. Our national security will not be increased by deploying a weapons system which has first-strike capability and which tempts a first-strike strategy on the other side. Our national security is not improved by deploying a missile whose survival depends, in fact, on moving to a "launch on warning" strategy because its basing mode is too vulnerable to withstand attack.

If the deployment of the MX means we must go to a launch-on-warning scenerio, then we cannot claim as the President seeks to do, that we have "closed the window of vulnerability." Instead, we will be doing nothing more than lowering the nuclear shield.

Periodically, a nation reaches turning points—critical decisions which can alter the course of the future. These events can move upon us with such stealth that it is sometimes hard to recognize them for their real meaning.

In 1964, did Congress realize, in approving the Gulf of Tonkin resolution, that it was assigning its sons to an ignoble war? Did our predecessors know that they were turning a corner of history—a corner many would come to regret?

There were certainly other benchmarks in the long Vietnam war—did our country take the critical step when it sent its 51st advisor to Vietnam?

If we could merely step back to a clearer vantage point, we would undoubtedly see these turning points for their historic worth.

I believe we are at such a point today. I believe that this decision whether to build the MX missile will be seen as the nuclear watershed. It is still up to us to decide whether the watershed will mean relief from the dangers and fears of a nuclear trigger—or whether it will plunge us inexorably into a nuclear trap. A trap with no escape.

Mr. President, I think the U.S. Senate, the Congress of the United States, indeed this Nation, stands at one of those rare moments. If we allow this missile to be built, we have made a fearful, deadly decision. We have crossed the threshold into the fragile world of first-strike nuclear policy, where the fate of populations is balanced on launch-on-warning decisions, increasing margins of errors. If we say no to this missile and no to this missile in silos, there is another scenario before us. It is a scenario of true deterrence, true stability, true survivability, not merely for the MX missile but indeed for all mankind.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PRESSLER). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I think that we can come to a vote on this matter very shortly. I do not know if there are any additional speakers. I intend to be very brief. Let me inquire of the distinguished Senator from Michigan if he knows of anyone on his side who wants to speak.

Mr. LEVIN. We are trying to check that out right now and we will know in 5 minutes if any Senator will wish to speak. I should like a few more moments before we are done to wind up.

Mr. TOWER. I will say a word or two then while the Senator from Michigan is trying to rally his troops.

Mr. President, the suggestion has been made that the committee has underfunded conventional systems and overfunded strategic systems. Let me say that everything that is in the amendment of the Senator from Michigan as far as I can discover is a validated military requirement. I think there is no debate about it, certainly no debate on my part. I would not argue the issue. But inherent in the amendment of the Senator from Michigan is the suggestion that perhaps we should fund all of our conventional requirements. Then, if there is anything left over, spend that for our strategic systems. I point out for the benefit of my colleagues that strategic expenditures in our defense budget are only about 14 to 15 percent of the total budget.

Now, that is not a very large percentage when you consider that it is the nuclear umbrella of the United States that has probably prevented war in Western Europe to this point, given the enormous conventional numerical superiority at least of the Soviet Union.

These are validated military requirements, and we do not like the idea that we could not fund all of these requirements. But the fact that we could not was not imposed on us through overfunding strategic systems. We reduced spending for strategic systems, too. It was forced on us because a budget ceiling was placed on the defense authorization bill that was not based on the requirements which are driven by the threat of the security and vital interests of the United States of America. It was based purely on budgetary considerations.

I find it very interesting that many of those who advocated drastic reductions in the President's recommended defense budget are now carping because they feel some conventional systems have not been adequately funded.

Well, let us understand why. If a majority of this Senate would like to revisit the budget resolution and raise defense spending to about 7 percent in real terms, we could fund these programs that are indeed needed. Or if we could even revive the amendment offered by the Senator from Washington (Mr. JACKSON) and the Senator from Georgia (Mr. NUNN) for a 6 percent real increase, we could probably fund most of what has been offered by the Senator from Michigan and be under the budget ceiling. But we are operating under budget constraints, and we should not be comparing apples and oranges in the defense bill. It is a balanced bill. We have to have a strategic deterrent. We have to have an improved conventional capability. We have to move toward maritime superiority in my view because we are so dependent on the sealanes for our liveli-

hood in this country. But the Congress has imposed a ceiling on defense spending, not based on what our requirements actually are but based on arbitrary budget considerations.

In my view, that was wrong. The Senator from Texas did not vote for this cap that we now have on defense spending.

Mr. President, let us not underestimate the value of our strategic forces given the enormous conventional capability of the Soviet Union, given the Soviet Union's current force projection capability. It is our strategic nuclear capability that maintains the high threshold of risk involved for the Soviets and any potential attack on the United States and our friends.

I dislike suggesting that this amendment should be defeated but I must. It is a budget buster—$2.7 billion. It would take us, I think, about $1.9 billion or thereabouts over the ceiling established by the budget resolution which we are trying to live with, which was imposed on us by some of the very advocates of adding funding to these conventional systems.

Reluctantly, I must suggest to my colleagues that this amendment, therefore, must be defeated, if the authorization process is to have any credibility, if the Armed Services Committee is going to have any relevance in terms of the establishment of national security policy.

Mr. President, at this point I inquire again of the Senator from Michigan if he knows of any other speakers on his side.

Mr. LEVIN. I thank the Senator from Texas. I know of no other speakers. I need just a few more minutes to close.

Mr. President, I am glad to hear the chairman of our committee, the distinguished Senator from Texas, acknowledge that these are indeed validated requirements. They were indeed cut from the request of the administration.

What we have cut are hospital repairs, combat feeding and clothing, medical materiel, aircraft spares, a fleet oiler, airlift replenishment spares, aircraft modifications—on and on.

We have left in this budget the MX missile. We have left in the B-1 bomber. For those who either have voted for or will vote against either, there is more than enough money as a result of that vote to pay for these add-ons and these restorations many, many times over.

Mr. President, what we are doing is exactly what General Rogers was warning us against in his interview of July 10, when he said in the New York Times:

> The young soldiers we have in Western Europe are good troops. What concerns me most is that we have failed to provide sufficient sustaining capacity—ammunition stocks, pre-positiond material to replace losses of equipment on the battlefield such as tanks and howitzers, to keep them fighting for a sufficient length of time. Under current conditions, if attacked conventionally we will have to request the release of theater nuclear weapons fairly quickly because of that lack of sustainability.

General Rogers said: "We have mortgaged our defense to the nuclear response." That mortgage is in the form of this bill. If we do not want to avoid a situation where we are more likely to respond to a threat with nuclear weapons because of the shortfalls in readiness and sustainability in our conventional forces, we will continue on our present path. But if we want to stop this trend toward overreliance on nuclear weaponry, we will restore these readiness items, these 47 readiness items in conventional weaponry.

There is plenty of strategic nuclear capability left in this budget, Mr. President. There is money in here for air-launched cruise missiles, for advanced cruise missiles, for stealth bombers, for B-52 modifications, for Trident II's and Trident I's, for sea-launched cruise missiles, and on and on.

There are one or two systems which are soaking up billions of dollars that are needed for these readiness accounts and these conventional systems which I propose to fund.

I hope that the Senate will tonight change course and tonight say that this time, when our economy requires that we limit our defense increase to 5 percent, we are not going to make the cuts that are necessary to get down to the 5-percent level from readiness, from sustainability, from conventional weapons capabilities. I hope we are not going to cut it from hospitals and from combat feeding and from the kind of ships we need to counteract mines. I hope we are not going to cut it out of the fleet oiler we need.

We have shortfalls in Harpoon missiles of 41 percent; Phoenix missiles of 50 percent. Mine countermeasure ships are 64 percent short of the objective; fleet oilers, 81 percent short of the objective; the Hellfire missile is 77 percent short of the objective.

I conclude as I began: For those who voted to cut the B-1 or for those who will vote to cut the MX, they are able to vote for this amendment without damaging the spending goal that has been set by the first concurrent budget resolution. There also may be others who will consider voting for this amendment and finding in other parts of the budget, during the appropriations process, the places to make cuts so that we can reach the point in readiness and sustainability and conventional weaponry where we do not have to rely on the nuclear response.

Mr. President, I ask to have printed in the RECORD a table containing a detailed list of the readiness areas to which I propose restoring or adding funds, as well as additional justification for these actions.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LEVIN ET AL., AMENDMENT TO RESTORE COMBAT READINESS AND CONVENTIONAL FORCES PROGRAMS TO S. 675

[In millions of dollars]

	Budget authority	Outlay	Remarks
Operations and maintenance:			
Army supply, maintenance, transportation activities	+8.6	+6.9	Needed to maintain adequate supply functions to support troops.
Army tactical wheeled vehicle upgrade	+15.0	+12.0	Army truck fleet aging; needed to avoid costly, total fleet replacement.
Army hospital repairs	+7.0	+5.6	Needed to provide adequate troop medical care.
Naval Facilities Engineering Command	+15.0	+12.0	Prevent further decline in function for maintenance and management of Navy facilities.
Naval Electronic Systems Command	+25.0	+20.0	Supports better development of advanced electronic systems to improve Navy combat capabilities.
Air Force morale, welfare, and recreation activities	+25.0	+20.0	Important "quality of life" program for service personnel and their families.
Air Force weather service	+8.0	+6.4	Prevents underfunding of meteorological support for Air Force combat forces.
Navy procurement:			
C-2 carrier onboard delivery aircraft (2)	+20.0	+2.6	Needed modernization of logistics support aircraft for forward deployed carriers.
SH-2 lamps I ASW Helo (6)	71.7	+9.32	Navy extremely short of this useful ASW helicopter vs. expanding Soviet submarine threat.
Harpoon missile (30)	+20.0	+2.6	
Phoenix missile (50+ advance procurement)	+81.0	+10.5	Needed combat sustainability, training weapons. Navy has severe shortages and must transfer assets among ships to insure forward-deployed fleet has weapons. Harpoon is Navy's primary antiship missile; Phoenix is primary aircraft carrier defense weapon vs. Soviet Backfire bombers.
Fleet hospital/medical support equipment	+18.1	+2.6	False economy—maintains adequate fleet medical care.
Aircraft spares	+29.4	+3.8	
Communications/electronic equipment spares/repair parts	+40.0	+5.2	Needed, unglamorous combat readiness improvements.
Other procurement	+44.7	+5.8	
Common ground equipment	+15.0	+2.0	Ground support equipment extremely short at naval air stations—Inhibits generation of combat aircraft sorties and flightline repairs.
Mobility equipment for RDF	+12.0	+1.6	Basic RDF loading/unloading equipment underfunded.
Sonobuoys (multiyear procurement)	+49.6	+6.4	Improved sonobuoys needed to maintain Navy ASW advantages over Soviets.
Aircraft mods	+30.0	+3.9	Aircraft modifications needed to counter Soviet force improvements since aircraft initially deployed.

LEVIN ET AL., AMENDMENT TO RESTORE COMBAT READINESS AND CONVENTIONAL FORCES PROGRAMS TO S. 675—Continued

[In millions of dollars]

	Budget authority	Outlay	Remarks
Navy shipbuilding:			
1 mine countermeasure ship	+80.0	+4.0	Long-neglected capability. Prevent further delays in modernizing ancient mine warfare fleet now mainly in reserve status.
1 fleet oiler	+159.5	+6.4	Delays replacement of very old, needed support ships.
Navy research and development:			
Antisubmarine warfare surveillance	+5.5	+3.2	Design and development of advance components to maintain Navy's ASW advantages.
Mines and mine support	+15.0	+8.7	Unglamorous, most neglected naval warfare capability, yet mines are very cost-effective weapons platform.
Army procurement:			
Restore M–1 tank to 720/year rate	+250.2	+31.0	Delays deployment of several divisions of tanks by about 4 years, as well as achievement of 7058 inventory objective by same period. Adds $1.2 billion to Army's No. 1 priority program; delays needed improvement in armor, survivability mobility, and firepower for U.S. armor forces to counter qualitative Soviet tank advances and quantitative advantages.
Patriot missile restoration	+233.6	+30.4	Delays needed air defense improvements; Army's top priority air defense program; need to counter vastly improved air to ground, deep interdiction capabilities of Soviet tactical combat aircraft.
AH–64 advanced attack helicopter (16 plus advance procurement)	+121.0	+15.7	Delays close air support, antitank improvements to counter Soviet armor improvements.
Field artillery ammunition support vehicle (FAASV)	+30.0	+4.0	Needed to increase production of vehicle to protect artillery crews and increase combat efficiency and survivability.
Hellfire missile procurement	+20.0	+2.6	Tactical antitank missile; Army inventory deficient.
Aircraft spares	+75.0	+9.6	Needed, unglamorous combat readiness improvements.
Aircraft mods	+40.0	+5.2	
Common ground equipment	+20.0	+2.6	
Other support equipment	+150.0	+19.5	
Army research and development:			
Education and training tactical programs	+12.3	+7.1	Improve training and training devices to insure military personnel perform combat functions proficiently in the field.
Testing support	+22.0	+12.8	Needed support for adequate weapons tests, a much neglected area in past, and for close-to-combat troop exercises.
Range facilities	+37.4	+21.7	
Combat medical material	+5.0	+2.9	False economy; protects troops in field through improvements in medical care.
155mm self-propelled howitzer improvement program	+10.0	+5.8	False economy; supports evolutionary upgrade of system in lieu of costly development of new artillery piece.
Command and control	+20.5	+11.9	Unglamorous, usually underfunded budget category.
Combat feeding, clothing, and equipment	+2.0	+1.2	Bare necessities for troops in the field.
AF procurement:			
Tactical aircraft mods	+25.0	+3.3	All needed, unglamorous combat readiness improvements: Modifications needed to keep present aircraft capable against Soviet improvements. Spares/repair parts needed to support adequate combat aircraft sortie generation. Airlift replenishment spares and C–130 mods needed to maintain long-range and short-range transport capabilities for personnel and equipment to support timely reinforcement of forward-deployed forces.
Tactical aircraft spares/repair	+39.0	+5.1	
Other procurement	+94.2	+12.3	
Airlift replenishment spares	+101.0	+13.0	
Airlift C–130 mods	+37.1	+4.8	
Underfunded preparedness accounts: Depot maintenance underfunded—all services.	+148	+118.4	All essential, unglamorous readiness items imp. to training and combat sustainability. Depot maintenance backlog for Navy more than doubles from fiscal year 1983 to fiscal year 1984.
Army maintenance support underfunded	+80	+64.0	Army maintenance support program is underfunded by almost $300 million in fiscal year 1984.
Navy flying hours underfunded	+30	+24.0	Navy flying hours have declined steadily since fiscal year 1981 and now are almost 20 percent below required monthly per crew level.
Total	2,709.9	582.3	

Mr. HART. Mr. President, will the Senator yield?

Mr. LEVIN. I yield.

Mr. HART. Mr. President, the Senator from Texas, the floor manager, is a serious and sincere individual. When he says that the validated requirements for conventional forces are not funded because of the budget cutters, however, I must disagree with him very strongly.

This defense budget has substantial real growth in it. We are running $200 billion deficits. Obviously, those who believe that spending more money is going to get a strong defense would buy everything, particularly those who believe in the MX and the B–1 and the conventional forces. We do not have money for all those things.

Legislating, particularly legislating on authorizing and appropriations bills, is a process of priorities, making choices. The conventional forces squeezed out of this budget are not squeezed out for the budget cutters. They are squeezed out for the MX missile, period. We are down to our choices. There is real growth in this defense budget. It is never going to be, under extremely difficult circumstances, what some people would like it to be.

It is wrong to state that we are not funding these items because people put caps on the defense budget. There are children in this society, unemployed in this society, farmers in this society, students, elderly people, and a lot of other people who are not getting what they want, either. They made some choices in the last couple of years. They are making their sacrifice.

Those who set the priorities of this defense budget said MX over conventional forces, and that was a priority decision, and that decision is going to come back to haunt us.

Mr. TOWER. Mr. President, the fact is that this is a country that is strong enough, wealthy enough, and resourceful enough to afford adequate expenditure for national security. In fact, the security of the United States of America is the first priority of our National Government. The first priority of any national government is to provide for the security of its people, and dollars spent for national security are dollars that benefit all Americans.

Let us understand what has been driving the deficits. It has not been defense. In the decade of the 1970's, defense spending declined in real terms by 8 percent, while nondefense spending increased 97 percent. So let us identify the culprit that has driven the deficit. It has not been defense.

For free men who have the resources to say they cannot afford to defend themselves, it places freedom and liberty in very great jeopardy indeed.

Mr. President, the amendment proposed by the Senator from Michigan does not contain any offset for the $2.7 billion by which he proposes to increase the budget.

He simply assumes that perhaps we will take it out of MX. We have already disposed of B–1 so that one is not around any longer.

But I submit again the money spent on our strategic deterrent is absolutely vital to the freedom of the West, not only freedom from the possibility of attack but freedom from the possibility of political and economic blackmail.

Mr. President, I move to table the amendment offered by the Senator from Michigan.

Mr. LEVIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Michigan.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), the Senator From Wyoming (Mr. WALLOP), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from South

Carolina (Mr. HOLLINGS), are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 60, nays 34, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—60

Abdnor	Grassley	Murkowski
Andrews	Hatch	Nickles
Armstrong	Hatfield	Packwood
Baker	Hawkins	Pressler
Bentsen	Hecht	Proxmire
Boschwitz	Heflin	Quayle
Burdick	Heinz	Roth
Chafee	Helms	Rudman
Cochran	Humphrey	Simpson
Cohen	Jackson	Specter
D'Amato	Jepsen	Stafford
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dixon	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tower
Durenberger	Mathias	Trible
East	Mattingly	Warner
Garn	McClure	Wilson
Gorton	Melcher	Zorinsky

NAYS—34

Baucus	Ford	Mitchell
Biden	Glenn	Moynihan
Bingaman	Hart	Nunn
Boren	Huddleston	Pell
Bradley	Inouye	Pryor
Bumpers	Johnston	Randolph
Byrd	Kennedy	Riegle
Chiles	Lautenberg	Sarbanes
DeConcini	Leahy	Sasser
Dodd	Levin	Tsongas
Eagleton	Matsunaga	
Exon	Metzenbaum	

NOT VOTING—6

Cranston	Hollings	Wallop
Goldwater	Percy	Weicker

So the motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I see that the Senator from Virginia (Mr. TRIBLE) is on the floor to offer an amendment relative to title III of the Defense Production Act. I suggest that he be recognized for the purpose of offering that amendment.

Mr. BYRD. Mr. President, I certainly do not want to have any quarrel with my good friend, who is managing the bill and doing a good job of it. I can understand how he wants to move along. But I would caution against suggesting that the Chair recognize any particular Senator, and I say that in a good spirit.

Mr. TOWER. I understand that. I think probably I misspoke myself. I will express the fervent hope that at some point in the very near future, like the next few seconds, that Mr. TRIBLE might catch the eye of the Chair so that he can offer his amendment. [Laughter.]

Mr. TRIBLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

AMENDMENT NO. 1489

(Purpose: To strike section 105)

Mr. TRIBLE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia (Mr. TRIBLE), for himself, Mr. GARN, and Mr. PROXMIRE, proposes an amendment numbered 1489.

On page 19, strike out lines 13 through 20.

Mr. TRIBLE. Mr. President, this amendment which I am offering along with the chairman of the Senate Banking Committee, Senator GARN, and the ranking minority member, Senator PROXMIRE, would strike section 105 of the defense authorization bill.

Section 105 authorizes appropriations of $150 million for purchases of materiels by the Defense Department pursuant to Section 303 of the Defense Production Act of 1950.

Mr. President, the Defense Production Act lies entirely within the jurisdiction of the Banking Committee. Earlier this year, the Armed Services was notified of this, yet despite the clear jurisdictional authority of the Banking Committee, the Armed Services Committee proceeded to authorize budget authority pursuant to the DPA.

This authorization was apparently an attempt by the Department of Defense to bypass the appropriate authorizing committee. As a matter of principle the Senate should not permit this to happen.

If we permit this authorization, we will in effect allow executive departments to pick and choose among committees to avoid the customary oversight which is required to insure proper congressional control of spending programs.

Moreover, the $150 million authorization proposed in the legislation could well be used to develop a substantial and potentially expensive program of price supports for industrial commodities. At a minimum, this should be the subject of hearings in the Senate. However, because it lacks jurisdiction, the Armed Services Committee has held no hearings.

The Banking Committee has asked the General Accounting Office to report on DOD's proposed use of the Defense Production Act authorities. This report will be available in a matter of weeks. In addition, hearings will be held on this subject as part of the Banking Committee's routine reauthorization of DPA authorities. I am committed to a thorough consideration of the Defense Department request, and would welcome the participation of my colleagues in this process.

I want to assure the Senate, that I am committed to fair and searching examination of this request, and will give all interested parties the opportunity to be heard.

Mr. President, the issue in this case is clear. A vote for this amendment is a vote to preserve the integrity of the committee system, and I urge my colleagues to join me in support of this amendment.

Mr. President, I have discussed this amendment with the chairman of the Armed Services Committee and the ranking Democratic member of that committee. They acknowledge jurisdiction lies properly with the Banking Committee and have indicated their willingness to accept the amendment.

I yield to the distinguished chairman of the Banking Committee.

Mr. GARN. Mr. President, the Senator from Virginia, Senator TRIBLE, is chairman of the subcommittee that has jurisdiction.

I offer my thanks to the distinguished chairman of the Armed Services Committee for recognizing that this section is definitely under the jurisdiction of the Banking Committee.

Senator TRIBLE has held hearings on the act already. We expect to report out this bill from the Banking Committee after the August recess, so it has nothing to do with the substance. It is a jurisdictional matter which everyone agrees is within the jurisdiction of the Banking Committee.

I thank the chairman of the Armed Services Committee.

Mr. PROXMIRE. Mr. President, I am greatly disturbed by and concerned about the part of this Defense Authorization Act that permits the purchase of minerals and metals under the Defense Production Act of 1950. For that reason, I am cosponsoring with Senators GARN and TRIBLE an amendment that would delete the entire $150 million authorized in this bill for such purchases.

Let me tell you why I oppose such purchases in the form proposed by this legislation. For several years now, we who serve on the Banking, Housing, and Urban Affairs Committee, and who have jurisdiction over the Defense Production Act, have been told of the allegedly precarious state of our domestic stockpiles of critical materials, such as copper, lead, nickel, and zinc. We have heard a great deal of discussion about whether we have enough of these materials to last us through a 1-year war, a 2-year war, or perhaps even a 5-year war. At our hearings, by the way, most witnesses agreed that we now have at least 2-3 years supply of most strategic materials.

We have also been told about the unstable political conditions in some

nations in southern Africa that are now the primary suppliers to the world market. These world supplies, we are told, are uncertain in time of crisis.

The cure we have been given to this alleged shortage or crisis has come chiefly, and not surprisingly, from the U.S. domestic mining industry. The answer, they have told us time and time again, is to erect an expensive system of Federal subsidies to domestic mining interests to produce, at high cost, material available at much lower prices on the open world market.

In the end, the Banking Committee has always resisted these entreaties from the mining industry for what amounts to a form of corporate welfare. But now, under the guise of the defense authorization bill, the Armed Services Committee has taken up their cause. To do it, they have violated the traditional lines of jurisdiction between the committees of the Senate and handed the mining companies a real plum—$150 million of subsidized production which, in its report, the Armed Services Committee says should be focused on the development of "domestic sources of strategic minerals."

And this is just a start. Under this same title III of the Defense Production Act, the administration has informed us that it will request $300 million in fiscal year 1985, and $500 million each year thereafter.

Mr. President, in 1981, when the Banking Committee was asked to grant just such a subsidy, I wrote to David Stockman, Director of the Office of Management and Budget. The debate then concerned proposed subsidies to industry for four commodities—cobalt, titanium, guayule rubber, and bauxite-clay. I questioned him about such costly subsidies to narrow economic interests that are disguised as national security planning. On January 8, 1982, Mr. Stockman replied to me, in part:

> We do not plan to make use of Title III authorities to subsidize domestic industry. Instead, the Administration intends to rely on the marketplace to improve the competitiveness of our industries and help reduce our dependence on foreign sources of critical materials * * * Please be assured that any budget initiative that proposes use of title III authorities will receive our closest scrutiny.

That was Mr. Stockman's position last year and I understand it still is OMB's position on such subsidies. But now look what the Armed Services Committee has done. It has actually earmarked $150 million for precisely the kind of subsidies that Mr. Stockman and the OMB tell us they do not want.

Now, just how good an idea are these subsidies taken on their own? Let me talk about just one metal—cobalt—as an example of what holds true for many of these materials. Cobalt is a strategic metal that is used to produce jet engines and is thus vital to our national defense. But most of the cobalt in the world is mined in Zaire, which is often characterized as a politically unstable source of supply. No cobalt has been mined in the United States since 1972, and the poor quality cobalt ore mined here requires much expensive refining.

For this reason, domestic miners tell us they cannot possibly produce cobalt at the world market price, which today hovers around $5 a pound. To rebuild the domestic U.S. cobalt industry from the ground up and produce cobalt here again will cost at least $20 a pound. The mining companies expect the taxpayers to pick up the difference between the world price and their costs. That amounts to an incredible subsidy of $15 a pound, a subsidy equal to 300 percent of the open world market price.

Why, I ask the mining companies and the Armed Services Committee, must taxpayers pay $50 million, $100 million, $150 million, or even larger future subsidies to two or three mining companies when cobalt is freely available on the world market at a quarter of the price?

Why should we foot the bill for these companies when cobalt now exists in huge inventories large enough to satisfy world demand for the next 2 to 3 years without any further production at all?

The sole reason for this proposed subsidy, we are told, is fear about the security and continued availability of supplies from abroad in time of crisis. Just how real is that concern?

Supporters of these subsidies point to the high prices the United States paid for cobalt in 1978, during an invasion in Zaire's Shaba province. Then, the U.S. Government had to pay upwards of $40–$50 a pound for cobalt it needed to refill depleted stockpiles. But how genuine was that crisis?

On June 20, 1983, Robert Dunn, senior vice president of AMAX, Inc., one of the world's largest mineral companies, testified before the Senate Energy and Natural Resources Committee that the 1978 crisis was really no crisis at all. He told the committee that the high prices in 1978 followed a long period of mismanagement of the U.S. strategic cobalt stockpile in the 1960's, when cobalt was regularly sold off by the Government to U.S. private industry.

In 1977, the Federal Emergency Management Agency revised its stockpile goals for cobalt sharply upward and the U.S. Government stopped selling cobalt to domestic users. Suddenly, rather than selling 6 million pounds a year on the domestic market, there was no domestic source of cobalt at all.

"In assessing market availability," Mr. Dunn told the committee, "it is known that refined production actually increased in the invasion year. Zaire's production increase amounted to some 7 million pounds in 1978, while Western World production increased by 8 million pounds. Other than the emotional factor, the Shaba Province invasion had no impact on the cobalt shortage. We maintain that the abrupt cessation of U.S. Government stockpile sales precipitated the cobalt shortage. Instead of a foreign conspiracy as claimed by many, we would describe the cause of the problem with a quote from Pogo: 'We have met the enemy and he is us.' "

Consumption of cobalt by U.S. industry peaked in 1978. Since then, it has begun a slow but steady decline. To completely replenish the Nation's cobalt stockpile at levels now prescribed by FEMA from the work market would cost an estimated $240 million. But to subsidize an industry that would produce cobalt domestically for a decade or so would require a taxpayer subsidy of more than $700 million by 1990, and even more after that.

Clearly, this is not the time to set up a largely speculative mining venture at taxpayer expense. If we need larger strategic stockpiles of metals like cobalt, then let FEMA come and argue that before the Congress.

The Senate Banking Committee has asked the General Accounting Office to report to us later this summer on the Department of Defense's proposed use of title III authorities under the Defense Production Act. Following that study, the Banking Committee will hold hearings on this proposal for what amounts to a system of substantial, long-term subsidies, and price support. The Armed Services Committee, by the way, has not conducted one hearing on the impact of this program.

Mr. President, this request from the Armed Services Committee for massive subsidies to a few companies is simply the wrong way to go, brought up in the wrong piece of legislation, and before the wrong committee of the Senate. I join with my colleagues, Senator GARN and Senator TRIBLE, in urging the adoption of this amendment and the deletion of moneys from this bill for this project.

Mr. TOWER. Mr. President, S. 675 contains $150 million for purchase guarantees associated with high priority, classified projects to strengthen the defense industrial base. These commitments to purchase are authorized under title III of the Defense Production Act.

Because of the special financial issues surrounding the Defense Production Act, jurisdiction over DPA belongs to the Banking Committee. Nevertheless, Mr. President, the administration included title III purchases in

the procurement portion of the defense authorization bill.

Aware of the jurisdiction problem, the committee nevertheless included DPA title III purchases in our bill as a show of support for administration initiatives in this area, and as a demonstration of our continuing interest in a strong defense industrial base.

Mr. President, I am now prepared to accept the amendment of the Senator from Virginia which deletes the $150 million from S. 675 and, in effect, passes the control of this matter to the Banking Committee. I do this with the understanding that the Banking Committee, of which I am a member, will give thoughtful consideration to the special defense production problems we are trying to address through this funding. I hope that this funding—which incidentally is scored in the national defense function—will quickly return. I can assure fellow members of the Banking Committee that the Armed Services Committee will follow this issue with great interest in the coming months.

Mr. President, I am prepared to accept this amendment on behalf of the committee. I recognize the jurisdictional difference here. As a matter of fact, I was a member of the Joint Committee on Defense Production for a long time and have been involved in legislative matters pertaining to the Defense Production Act as a member of the Banking Committee.

We did go ahead and include it for purposes of getting all of our military expenditures in one bill. I discussed the matter with the Senator from Utah and told him that we would be prepared to drop it like a hot potato any time that he might suggest, and that is what we are doing now.

Mr. JACKSON. Mr. President, I am sorry that the authorization for an important program is being held up only for jurisdictional reasons. The $150 million authorization recommended by the committee would have been used for purchase commitments under title III of the Defense Production Act to maintain or expand domestic industrial capacity for materials essential to our national security.

The Armed Services Committee carefully considered the fiscal year 1984 authorization request from the Defense Department for $200 million for this program. This request was accompanied by a classified list of projects which the Department hoped to initiate with these funds. Based on a review of this list, the Armed Services Committee concluded that the program was indeed an important one. In the face of the budget constraints facing the committee, however, we recommended a reduction of $50 million to the authorization request.

Mr. President, a number of us worked together last year to provide $50 million in the fiscal year 1983 continuing resolution to reinstitute projects under title III of the Defense Production Act. We believe it is important to continue this program in fiscal year 1984. I hope the Banking Committee will make every effort to act expeditiously on the fiscal year 1984 authorization request for projects under title III of the Defense Production Act so that the matter can be brought before the Senate before fiscal year 1984 begins.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, will the chairman of the Armed Services Committee or the author of the amendment be good enough to advise us what the budgetary impact of this amendment is?

Mr. TOWER. The budgetary impact is to drop $150 million out of this bill, but it would reappear in a free-standing bill that will come out of the Banking Committee. It does not add anything. It actually drops it out of this bill, but it will reappear in a subsequent authorization bill.

Mr. METZENBAUM. I thank the Senator.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks of my distinguished colleague.

My colleague from Virginia is aware, of course, that the administration's fiscal year 1984 budget request included $200 million for the DPA, and that the Armed Services Committee approved $150 million of that request as part of its action on the bill before us now. Our committee took the action it did because of our belief in the importance of the DPA in the development of domestic sources of strategic minerals, and also because of the administration's desire to have a specific amount stated in the authorization bill. The DPA contains a general authorization for funding of its program, and I intend to have the matter reviewed prior to the DPA's return to the floor for consideration in September.

Mr. McCLURE. Mr. President, an adequate and secure supply of minerals is essential for our economic well-being and national defense.

One of the main functions of title III is to encourage domestic development of strategic and critical minerals. Recent hearings before the Senate Energy and Natural Resources Committee pointed out that America is currently more than 50 percent dependent on foreign sources for 23 of 40 critical minerals essential to the U.S. economy and national security procurement and production.

Demand for most minerals will continue to grow, but demand for high technology minerals (cobalt)—often those of higher import dependency—will grow faster than the demand for basic industrial minerals (iron, copper).

For example, the United States presently imports 95 percent of its cobalt supply, 76 percent of which comes from two African countries, Zaire and Zambia. Internal instability and the possibility of military conflict with their neighbors make these two countries a highly insecure source of cobalt for the United States. As recently as 1978, an invasion of the cobalt mining areas of Shaba Province in Zaire resulted in a curtailment of mineral output and a rationing of the available cobalt supply. During this period, the producer price increased from $5 to $25 a pound with the spot price reaching $50.

Recently rehabilitated mines in Idaho and Missouri and a potential new mine in California could produce from 8 to 10 million pounds of cobalt per year by 1986. This would meet approximately 60 percent of total domestic demand and 100 percent of superalloy demand. Additional cobalt deposits now being discovered in Idaho and other States could result in U.S. self-sufficiency in this critical metal.

The administration has recognized the importance of title III to U.S. security and has recommended $200 million for 1984 funding. It is my understanding that they intend to increase this over the next few years.

There has been some talk of congressional oversight of individual programs recommended by the Defense Department under title III. Since it would be to Idaho's benefit to use some of these funds for production of cobalt, I can personally see the benefits of such congressional veto power. However, in the best interest of the country in general, I believe that politics should be left out of the decision process in the case of title III programs. This would only weaken if not destroy the objectivity and effectiveness of the projects selected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Virginia (Mr. TRIBLE).

The amendment (No. 1489) was agreed to.

Mr. GARN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, it is my understanding that the Senator from Ohio (Mr. METZENBAUM) is prepared to offer an amendment and one that I believe will be controversial. So I might advise Senators of that fact.

Mr. METZENBAUM. Mr. President, indeed the Senator from Ohio was involved in connection with the preparation of this amendment. The amendment properly falls within the jurisdiction of my friend, the distinguished Senator from Maine, Senator COHEN. I, therefore, yield the floor to him in order that he may offer the amendment on behalf of myself, Senator LEVIN, and Senator COHEN.

Mr. TOWER. Mr. President, I will simply make the observation that Senator COHEN is on the floor and prepared to offer an amendment.

Mr. BYRD. Mr. President, I will have to say the same thing to my good friend, Mr. METZENBAUM, that I said to Mr. TOWER. We cannot yield to another Senator for him to do thus and so. It is up to the other Senator to get recognition in his own right.

Mr. METZENBAUM. I am very well aware of that; except when nobody objects, we get by with it.

Mr. BYRD. I just do not want to go too far without Senators remembering that there can be an objection.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 1490

(Purpose: To make technical corrections in section 1001 relating to long-term lease and charter of aircraft and naval vessels)

Mr. COHEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. COHEN), for himself, Mr. METZENBAUM, Mr. LEVIN, and Mr. DOLE, proposes an amendment numbered 1490.

Mr. COHEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 121, beginning with line 8, strike out all down through line 8 on page 123 and insert in lieu thereof the following:

SEC. 1001.(a)(1) Section 138(a) of title 10, United States Code, is amended—

(A) by striking out "or" at the end of clause (8);

(B) by inserting "or" at the end of clause (9); and

(C) by adding after clause (9) the following new clause:

"(10) the long-term lease or charter of any aircraft or naval vessel or the lease or charter of any aircraft or naval vessel the terms of which provide for a substantial termination liability on the part of the United States;".

(2) Section 138 (f) of such title is amended—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following new paragraph (2):

"(2) In subsection (a) (10):

"(A) The term 'long-term lease or charter' means—

"(1) a lease, charter, service contract, or conditional sale agreement the term of which is for a period of five years or longer, or the initial term of which is for a period of less than five years, but contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is five years or longer. Such term includes the extension or renewal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of five years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of five years or longer; or

"(ii) in the case of any agreement under which the lessor first places the property in service under the agreement or the property has been in service for less than one year, and there is allowable to the lessor or charterer an investment tax credit or depreciation for the property leased, chartered or otherwise provided under the agreement under section 168 of the Internal Revenue Code of 1954, as amended, (unless the lessor or charterer has elected depreciation on a straightline method for such property),

a lease, charter, service contract, or conditional sale agreement the term of which is for a period of three years or longer, or the initial term of which is for a period of less than three years, but contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is three years or longer. Such term includes the extension or renewal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of three years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of three years or longer.

"(B) 'Substantial termination liability' means an agreement by the United States to pay an amount that is equal to more than 15 percent of the value of the aircraft or vessel under lease or charter as calculated on the basis of the present value of the termination liability of the United States under such charter or lease, as determined under regulations prescribed by the Secretary of Defense.".

(3) The amendments made by paragraphs (1) and (2) shall not apply in the case of any lease or charter agreement entered into by the Department of Defense before the date of the enactment of this Act.

(b)(1) Any request made to the Congress for the authorization of funds for the department of Defense for the long-term lease or charter of aircraft or naval vessels or any request for the authorization of funds for such department for a lease or charter of aircraft or naval vessels which provides for a substantial termination liability on the part of the United States shall be accompanied by an analysis, submitted by the Secretary of Defense, of the cost to the United States, including lost tax revenues, of any such lease or charter arrangement compared with the cost of direct procurement of the aircraft or naval vessels by the United States.

(2) Any such analysis shall be reviewed and evaluated by the Director of the Office of Management and Budget and the Secretary of the Treasury within 30 days after the date on which the request and analysis are submitted to the Congress. The Director and Secretary shall conduct such review and evaluation on the basis of the guidelines issued pursuant to subsection (c) and shall report to the Congress in writing on the results of their review and evaluation at the earliest practicable date, but in no event more than 45 days after the date on which the request and analysis are submitted to the Congress.

(3) When a request is made to the Congress for the authorization of funds for the Department of Defense for the long-term lease or charter of aircraft or naval vessels, the Secretary of Defense shall indicate in the request what portion of the requested funds is attributable to capital-hire and shall reflect such portion in the appropriate procurement account in the request.

(4) As used in this subsection, the terms "long-term lease or charter" and "substantial termination liability" shall have the same meanings given such terms, respectively, in subparagraphs (A) and (B) of section 138(f)(2) of title 10, United States Code, as amended by subsection (a)(2) of this section.

(c) The Director of the Office of Management and Budget and the Secretary of the Treasury shall issue jointly guidelines for determining under what circumstances the Department of Defense may utilize lease or charter arrangements for aircraft and naval vessels rather than directly procuring such aircraft and vessels. Such guidelines shall be issued not later than 90 days after the date of enactment of this Act.

(d) None of the funds appropriated pursuant to an authorization contained in this Act may be used to indemnify any person under the terms of any contract entered into with the United States on or after June 14, 1983, for any amount paid or due by any person to the United States for any liability arising under the Internal Revenue Code of 1954, as amended, or to pay any attorney fees in connection with such contract unless such contract was awarded before June 14, 1983.

(e)(1) At the same time that the President submits the budget request for the Department of Defense to the Congress for fiscal year 1985, the Secretary of Defense shall submit a written report to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives concerning leases or charters described in paragraph (2).

(2) Such report shall include a list of all leases, charters, service contracts, or conditional sales, the term of which is for a period of one year or longer, for major items of defense equipment, including aircraft and naval vessels, which are to be funded either directly or indirectly by any portion of the funds contained in such budget request. Such report shall also include an estimate of the funding level and the source of funding for each such lease, charter, service contract, or conditional sale.

(f) No funds available to the Department of Defense may be used to enter into any contract the term of which is for three years or more, inclusive of any option for contract extension or renewal, for any vessels, aircraft, or vehicles, through a lease, charter, or similar agreement, that imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 percent of the original purchase value of the vessel, aircraft, or vehicle involved for which the Congress has not specifically provided budget authority for the obligation of 10 percent of such termination liability.

(g) Nothing in this section shall impede or affect the ability of the Navy to proceed to acquire the use of thirteen T-AKX class Maritime Prepositioning Ships and the use of five new T-5 class tankers in accordance with the long-term charter arrangements negotiated by the Navy before the date of the enactment of this Act.

Mr. COHEN. Mr. President, I rise to offer an amendment on behalf of myself and Senators METZENBAUM, LEVIN, and DOLE relating to the long-term lease of aircraft and naval vessels. The Subcommittee on Sea Power and Force Projection, which I chair, of the Senate Committee on Armed Services has extensively studied the use of long-term leases of aircraft and naval vessels by the Department of Defense.

The subcommittee was concerned about the absence of adequate congressional oversight of these leasing arrangements. We were also concerned about the impact of these leases on the operation and maintenance account which has traditionally been the source of funding for these leases.

Based upon its study of this issue, the subcommittee recommended a provision in S. 675 that substantially tightens congressional control over long-term leases by the Department of Defense. This provision is section 1001 on pages 121-123 of the bill.

The amendment offered by me and Senators METZENBAUM, LEVIN, and DOLE which is a complete substitute for section 1001, makes certain technical changes to the original provision and also makes other improvements to the provision.

Mr. President, I would like to take just a few moments to outline these changes. First, I want to commend the Senator from Ohio for his active interest in this subject matter, as well as the interest of the Senator from Michigan, Senator LEVIN. Both Senators have been actively involved in this issue, which was raised prior to this time in the supplemental appropriations bill. This is a continuation of that expression of concern.

I would like to take just about 5 minutes to outline the changes which I think are fairly significant.

Our amendment provides for specific authorization of leases of aircraft and naval vessels the term of which is for 3 years or more for tax-advantaged leases and 5 years or more for non-tax-advantaged leases or for which the termination liability is more than 15 percent of the value of the aircraft or vessel.

Basically, we are trying to get at the problem dealing with long-term leases by defining those long-term leases, anything involving 5 years or more, where it is not a tax advantage, or those that do involve tax advantages to the lessor it is 3 years or more.

To continue:

The submission of an analysis by the Secretary of Defense of the full costs of the United States, including lost tax revenues, of any lease request;

Review and evaluation of this DOD cost analysis by the Office of Management and Budget and the Department of the Treasury;

Promulgation by OMB and Treasury of guidelines for lease-versus-buy decisions by departments and agencies;

A prohibition on the use of funds in this bill to indemnify any lessor or contractor for any liability arising under the Internal Revenue Code; and

Submission of a report by the Secretary of Defense on all leases of major items of defense equipment which are for a period of 1 year or longer.

These requirements provide for extensive congressional control of long-term leases of aircraft and naval vessels by the Department of Defense. Furthermore, they will provide for standard guidance to agencies on lease-versus-buy decisions and will insure that the total costs to the U.S. Government are fully considered, by both the executive branch and the Congress, in making lease decisions.

Mr. President, I would like to draw to the attention of my colleagues a report on long-term leases issued by the U.S. General Accounting Office on June 28, 1983. While I do not agree with all of the analyses in this GAO report, I am pleased to note that the action taken in this amendment is fully consistent with the recommendations of this report.

This amendment also contains another provision that needs to be highlighted. Much of the debate on long-term leases has focused on the 13 maritime pre-positioning ships—known as TAKX's—and 5 T-5 Tankers to be chartered by the Department of the Navy. The TAKX program will provide forward deployed, floating depots of equipment and supplies to support three brigade-size Marine air ground task forces. The T-5 tankers which are point-to-point, noncombatant, clean petroleum carriers will replace five aging T-5 tankers in the current inventory.

The lease contracts for these two sets of ships were signed by the Navy during September 1982. These lease contracts are clearly in the national interest. The urgency of the requirement for the TAKX's was such that only a lease program provided the opportunity for the timely acquisition of these assets without major disruption of the Navy's shipbuilding program.

However, even if one were to question the wisdom of these lease contracts for TAKX's and T-5 tankers, the basic fact is that the Navy is committed to these contracts which are well underway in implementation. Given this circumstance, it is far better to proceed with these contracts than to attempt to undo them and suffer substantial termination expenses.

For this reason, this amendment includes a provision that makes clear that action is not being taken that would impede or affect the ability of the Navy to acquire 13 TAKX's and 5 T-5 tankers through the long-term charter arrangements negotiated by the Navy.

Mr. President, I know of no objection to this amendment.

Mr. President, I believe this is consistent with the agreement which has been reached with the Senator from Ohio, the Senator from Michigan, and the Senator from Kansas.

I yield back my remaining time.

Mr. METZENBAUM. Mr. President, I am pleased to be a cosponsor of this amendment. Frankly, Mr. President, this amendment is the end result of extensive, and I mean extensive, negotiations with the staff of the Armed Services Committee over a period of several days, the distinguished chairman of the Subcommittee on Seapower, and the distinguished Senator from Michigan.

Both of those Senators were most responsive to the concerns I raised on the first day of debate in connection with the budget waiver. That issue pertained to the matter of the military leasing program.

I wish to express to the Senator from Maine and to the Senator from Michigan my appreciation for their assistance in working out this constructive compromise.

There are at least eight leasing programs in the defense authorization bill. Why do these programs trouble me?

First, long-term leases are always more expensive than outright purchases. The committee report itself states that,

As a general rule, long-term charter of assets will be more expensive in undiscounted terms to the U.S. Government over the total program than acquisition through procurement.

The Joint Tax Committee announces that Pentagon leasing found that,

Economic reasoning leads to the conclusion that the Government's capital cost is greater when it leases on a long-term basis than when it buys.

And the Treasury Department has concluded that,

To the extent that a lease arrangement simply involves substituting private financing for public financing, it is more costly than a direct purchase.

Let us take a look at the program itself and how it has worked. Take, for example, the Navy's leasing of 13 TAKX cargo ships for 25 years. The Joint Tax Committee has found that the Government will pay an extra $270 million in discounted terms by leasing rather than purchasing.

A study by Coopers & Lybrand, commissioned by the Navy, concluded that

the Government's cost of leasing would exceed the cost of purchasing.

Mr. President, that did not deter the Navy. No, indeed. The Navy went right out and put together one of the best tax shelters on the market. We all know the old line that you can go out and buy a piece of the rock. Well, now you can go out and buy a piece of the Navy.

What do you get if you buy into one of these deals? You get investment tax credits, you get accelerated depreciation deductions, and should the IRS rule against any of these tax benefits, have no fear, the Navy contract guarantees the tax benefits. If the IRS rules against the investor, the Navy will pay the extra tax bill, the lawyer fees and the court costs.

That is a pretty sweet deal for everyone except the taxpayers of this country.

Our amendment prohibits use in the future of any such indemnification during fiscal year 1984. The indemnification provision is similar to my amendment on this subject which was adopted by the Senate during consideration of the supplemental appropriations bill. I wish to note, Mr. President, that the amendment will not affect existing contracts. It remains my opinion, however, that those indemnity clauses are invalid.

I want to make it clear that nothing in this amendment should or can be construed as validating those provisions.

Mr. President, I previously complimented Senators COHEN and LEVIN for their cooperation in this matter.

I only wish I could say the same about the Secretary of Defense.

Last February Caspar Weinberger appeared before the Senate Budget Committee. At that time I expressed my dismay over the "sweetheart" leasing deals that had already been completed. And I asked him to hold off on future leasing activity. Not only did he refuse to give me such a commitment, he stated: "We do not have immediate plans to do any other leasing."

Now low and behold, I open up the defense authorization bill and I find that the Department of Defense is, in fact, engaging in other leasing activities which are bum deals for the American taxpayer.

Thank you, Cap Weinberger, formerly known as Cap the Knife, now Cap the man who gives away millions of dollars of the taxpayers' money.

Take, for example, the Air Force C-140B replacement program. The C-140B is a medium-sized corporate jet used to shuttle diplomats and high-ranking officials in the United States and Europe. The Air Force wishes to replace the current fleet, so the Air Force signed contracts last month to lease three planes for $15.9 million for 1 year. At the end of the year, the Air Force must either exercise its option to purchase the planes for $54.8 million or pay a termination penalty of $5 million.

And what would it cost if the Air Force simply went out and purchased the planes today? I have just said they are going to pay $15.9 million to lease them for 1 year and if they do not purchase the planes for $54.8 million at the end of the year, then they have to pay a penalty of $5 million.

It is an amazing fact of life that what this contract provides is that it will cost the same $54.8 million that the Air Force will have to pay next year for year-old planes, for planes that it has leased for a period of 1 year for $15.9 million. In the process, the taxpayers are out of pocket $15.9 million in lease payments.

Mr. President, that is insane. It is bad business and it is irresponsible.

Let us take another example—the Navy program to lease DC-9's.

When my staff asked the Department of the Navy for an explanation of their plans to lease DC-9's, the Navy admitted that, from the point of view of cost, it would be a better deal to procure the planes instead of leasing them. So why has the Navy already leased four DC-9's? And why does it plan to lease four to six more?

Let me give you one very good reason:

By leasing the DC-9's, the Navy is able to use its operations and maintenance account to acquire these aircraft. And that acquisition comes at the direct expense of readiness.

And what of the Navy's leasing of 15 aircraft to train pilots?

Do not bother looking in the authorization bill. It will not be found. That is because the Navy says that it is not a lease. Rather, it is a "service contract," which is also funded out of the operations and maintenance account. And at what cost to the American taxpayer? It is my understanding that the program cost will be at least 16 percent above the cost of outright procurement.

Mr. President, it is for these reasons as well as many others that I am pleased that we are able to join together in offering this amendment that will require the Department of Defense to properly account for its long-term leases. And it will prohibit tax benefits from being guaranteed. I think that it makes substantial progress in uncovering the "hidden procurement" budget that now exists in the O&M account.

I again thank My colleagues from Maine and Michigan for their cooperation.

Mr. President, I am about to ask for a rollcall vote on this amendment. I am well aware of the fact that I, myself, have oftentimes said, "Why did that Senator ask for a rollcall vote when the manager of the bill was prepared to accept the amendment?" I shall explain that to my colleagues, because I do not wish to place them under any undue burden or to tie up the Senate for an additional 15 minutes.

It is my opinion that on the subject of leasing by the Department of Defense, we shall be coming back to the floor of the U.S. Senate time and time again because, notwithstanding the efforts of the Senator from Maine and the Senator from Kansas and the Senator from Michigan and the Senator from Ohio, the Department of Defense will find another way to get around that which we are attempting to tell them they should not be doing. They will come up with a new formulation. Therefore, I believe that the issue of leasing will come back to the floor of the Senate time and time again.

I want to be able to point out to my colleagues in future months and years that, on this night, they voted specifically to put a halt to this process except under the procedures outlined and provided for in the amendment which we offer. It is therefore, under those circumstances, Mr. President, that I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I commend all the Senators who have spoken on this issue. I am pleased to cosponsor the amendment of the distinguished Senators from Michigan, Ohio, and Maine. It will make the needed reforms in the Defense Department procurement process. More important to the chairman of the Committee on Finance, there is a limitation put on tax indemnity clauses in Defense Department leases.

I think this limitation, which applies to all efforts by lessors to the Navy, the Air Force, and the Army, to avoid the risk that tax benefits will not be available paves the way for consideration by the Finance Committee and the Senate of substantive limitations on tax benefits available under these leases.

That is the indemnification clause and that has been taken care of.

ABUSES

We have learned this spring of all-too-generous leases entered into by the Navy, under which taxpayers make exaggerated claims for tax benefits, and the Navy guarantees that those benefits are realized. Even if the benefits claimed under the tax law are not available, the private contracts assure the private parties of these special benefits. This amendment has been worked out over a long period of time, as the Senator from Ohio indi-

cated. I believe it will shut the door on these sweetheart deals

THE SUBSTANTIVE TAX LAW

On Tuesday, the Finance Committee will hold hearings on the proper tax treatment of these leases.

I hope we will act favorably in the committee to impose a number of limitations. In fact, there are a number of other areas that must be addressed.

I commend the Senator from Maine, the Senator from Michigan, the Senator from Ohio, and the Senator from Minnesota (Mr. DURENBERGER) who is also interested in this and who is on the floor. There are a number of others. This problem must be addressed. We are told if we do it—the Budget Committee told us we would have to come up with about $73 billion in revenues if the Senate adopted that resolution. This provision right here might take care of about $72 billion of that $73 billion package. So it is a matter of significance and it will, I think, put the Pentagon back in the business of defense and leave the merchandising of tax shelters to others. We are hopeful that we can close this glaring loophole at the earliest possible time.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, let me briefly commend my friends from Maine, Ohio, and Kansas for this amendment. In the subcommittee we made some progress on long-term leasing. We were able, first of all, to make sure that the costs of these long-term leases appear where they belong, in the procurement accounts and not in the readiness accounts. One of the ways we have been robbing readiness, I am afraid, in our defense budget is by putting the costs of long-term leases in these accounts when they are closer to purchases than they are to operation and maintenance. We made some real progress in the subcommittee, and I again thank my friend from Maine for his chairmanship of that subcommittee and for making this possible. Our friend from Ohio has on the floor continued this process. The reforms that have been outlined tonight that have been added in this amendment I think are significant additional reforms. They will help us close the tax loopholes, help us put the costs of long-term leasing where they belong, help us understand those costs as we approve those leases, and help us make sure that when we have these long-term leases in fact we know about it and have approved them very specifically and not let them go through unbeknownst as to what they are.

I particularly commend our friend from Ohio for raising this matter to this level. I think the fact that he has kept this issue before us is a critical reason why we are able to agree on this amendment. I think we have reached a very important milestone in the history of reforming some of the abuses of long-term leasing.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment. The clerk will call the roll.

The acting assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from North Carolina (Mr. EAST), the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—93

Abdnor	Gorton	Mitchell
Andrews	Grassley	Moynihan
Armstrong	Hart	Murkowski
Baker	Hatch	Nickles
Baucus	Hatfield	Nunn
Bentsen	Hawkins	Packwood
Biden	Hecht	Pell
Bingaman	Heflin	Pressler
Boren	Heinz	Proxmire
Boschwitz	Helms	Pryor
Bradley	Huddleston	Quayle
Bumpers	Humphrey	Randolph
Burdick	Inouye	Riegle
Byrd	Jackson	Roth
Chiles	Jepsen	Rudman
Cochran	Johnston	Sarbanes
Cohen	Kassebaum	Sasser
D'Amato	Kasten	Simpson
Danforth	Kennedy	Specter
DeConcini	Lautenberg	Stafford
Denton	Laxalt	Stennis
Dixon	Leahy	Stevens
Dodd	Levin	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tower
Durenberger	Mathias	Trible
Eagleton	Matsunaga	Tsongas
Exon	Mattingly	Wallop
Ford	McClure	Warner
Garn	Melcher	Wilson
Glenn	Metzenbaum	Zorinsky

NOT VOTING—7

Chafee	Goldwater	Weicker
Cranston	Hollings	
East	Percy	

So Mr. COHEN'S amendment (No. 1490) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER Mr. President, we are moving along very smartly here, and I think we can see third reading approaching. It is not approaching very rapidly, but it is approaching.

We have a few amendments here, most of which are noncontroversial, that I think can be disposed of in reasonably short order.

It is my understanding from the Senator from Colorado that he and Senator MOYNIHAN may be prepared to offer an MX amendment in about 30 minutes or so.

We can in that period of time I think dispose of three or four amendments that are on my list, and the list of amendments that I now have reads as follows:

An amendment on the L reactor which I will offer, an amendment on the procurement of DC-10 for Exim Bank that Senator GARN will offer, an amendment on DOD dependent school and that Senator STAFFORD will offer, a colloquy on underfunding defense between Senator GRASSLEY and Senator BOSCHWITZ, funds for the National Guard by Senator PRESSLER, one on polygraphs by Senator CHAFEE, one on drug enforcement policy by Senator MATTINGLY, one on BMB systems by Senator DENTON, one on space-based lasers by Senator WALLOP, one on the matter of Assistant Secretary of Defense for Reserve Affairs by Mr. JEPSEN, and a nuclear freeze resolution to be offered by Senator KENNEDY and Senator HATFIELD, an amendment on sea-launched cruise missiles to be offered by Senator MATHIAS, and a sense of the Senate on small business to be offered by Senator GLENN which we will ask him to present to us shortly.

And then MX is it.

As I see it, MX and related subjects and the nuclear freeze resolution are the only two major controversial matters that we have to address ourselves to.

So I hope that we can get one of these controversial amendments up in the next few minutes.

Mr. BAKER. Mr. President, I thank the chairman of the committee for his report, but I must say that it is a mixed blessing.

It is clear to me now that my first wish, hope, and ambition that we finish this bill Thursday night is now beyond the pale.

It is also clear to me that we are going to be straining very hard if we can finish this bill tomorrow and frankly I doubt that we can. I would like to finish it tomorrow, but I doubt it.

We have an order for Saturday, Mr. President, to come in at 11 a.m. If there is no objection, I wish to change that to 10 a.m. on Saturday morning, but let me finish what I have in mind.

I think we might as well just settle down and understand that it is going to take a while to finish this thing. I regret that but it is true. We do not have any alternative except just to put our head down and finish, to plow through it no matter how long that may take.

It is certain that there will be a session on Friday and virtually certain there will be one on Saturday.

Therefore, Mr. President, I wish to suggest that we conclude the deliberations of the Senate tonight about 10:30 p.m., whether or not we have a vote going on or whatnot. I think just plain concern for our reservoir of strength and patience suggests that we should stop tonight about 10:30 p.m. We will be in tomorrow at 10 a.m., and it would be my intention tomorrow then to suggest that the Senate stop at 6 p.m. That will be two hard, late evenings, and I see no great reason to stay late on Friday night and then to come in on Saturday morning.

ORDER TO CONVENE AT 10 A.M., SATURDAY, JULY 16, 1983

Mr. BAKER. Mr. President, I ask unanimous consent that instead of the 11 a.m. on Saturday morning that the time for convening of the Senate will be changed to 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 1491

(Purpose: To place certain requirements on the restart of the L-Reactor at the Savannah River Plant, Aiken, S.C.)

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 1491.

Mr. TOWER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of title III add the following new section:

L-REACTION AND WATER QUALITY

SEC. 333. (a) Prior to the restart of the L-Reactor at the Savannah River Plant, Aiken, South Carolina, the Secretary of Energy shall implement such mitigating measures as are determined to be necessary to reduce the thermal impacts of heated water discharged from such reactor to levels not exceeding those permitted under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(b) If the President determines that implementation of the mitigating measures described in subsection (a) prior to the restart of the L-Reactor at the Savannah River Plant would jeopardize the national security interests of the United States by unreasonably delaying the restart of such reactor, then, as provided in the Memorandum of Understanding between the Department of Energy and the State of South Carolina, dated April 27, 1983, the Secretary of Energy may seek and the State of South Carolina may issue for such reactor a National Pollutant Discharge Elimination System permit accompanied by a schedule which requires compliance with the Federal Water Pollution Control Act at the earliest practical date, but not later than December 31, 1987.

(c) At least 5 legislative days before the President issues any determination permitted by subsection (b), he shall confer in writing with the appropriate committees of Congress and the Congressional delegation and the Governors from the States of South Carolina and Georgia his intention to make such determination and he shall provide to such committees, delegations and Governors the justification for making such determination.

(d) The Secretary of Energy shall submit to the appropriate committees of Congress, to include the Senate Committee on Environment and Public Works and the House Committee on Public Works, not later than October 1, 1983, his plan for implementing the requirements of this section.

(e) The Department of Energy shall be subject to all Federal and State environmental statutes and regulations in regard to all activities conducted at the Savannah River Plant, except as provided in subsection (b).

Mr. TOWER. Mr. President, I offer this amendment—may we have order, please—at the request of the administration.

The PRESIDING OFFICER. The Senate will be in order.

Mr. TOWER. Mr. President, I offer this amendment at the request of the administration. It requires the Department of Energy to mitigate the thermal impacts associated with cooling water discharges from the restart of the L-Reactor at the Savannah River Plant in Aiken, S.C. I have cleared this amendment with the minority floor manager, and the Senate Environmental and Public Works Committee, and the Senators from the States of Georgia and South Carolina that are directly affected by the L-Reactor.

The amendment requires, prior to restart of the L-Reactor at the Savannah River Plant, mitigation of thermal impacts from cooling water discharged from the reactor in compliance with the water quality standards of the Federal Water Pollution Control Act.

However, if the President determines that mitigation in advance of restart would jeopardize national security through unreasonable delay, then the Secretary of Energy may seek—and the State of South Carolina is authorized to issue—a discharge permit for L-Reactor which will permit restart before mitigation is achieved. The permit will be accompanied by a schedule requiring compliance with applicable water pollution control standards as soon as practical but no later than December 31, 1987.

Mr. President, the legislative history should be clear on this point of a Presidential determination. For the next several months, as decisions are made in reaction to this section, the Secretary of Energy is expected to consult regularly with the appropriate Federal and State officials, including congressional committees. If circumstances warrant a determination authorized by subsection (B), the President must advise the appropriate congressional leaders, including the affected committees, and the officials of the States of South Carolina and Georgia in advance, I emphasize the words in advance, of issuing his final determination that mitigation measures cannot be implemented prior to restart for reasons of national security and he must provide the justification for that determination. That determination will be arrived at by the President, through the National Security Council mechanism, involving all affected Federal agencies.

Mr. President, I believe that this amendment offers the best achievable balance between local environmental concerns and national defense requirements. The Department of Energy has been working to restart the L-Reactor as soon as possible to meet the pressing need for additional nuclear materials required in approved plans to modernize existing weapons as well as to build new ones. The Department assured me of their desire to comply with applicable environmental laws. In fact, they will study compliance alternatives during completion of the expedited environmental impact statement recently mandated by the 1984 Energy and Water Development Appropriations Act, and this amendment does not affect that provision. Under this amendment, mitigation of the thermal impacts would be required at the earliest date achievable while the production of the special nuclear materials critical to this Nation's defense will be insured.

Mr. President, I ask unanimous consent that the memorandum of understanding and the letter sent to me by Assistant Secretary for Defense Programs, Mr. Herman E. Roser, be placed in the CONGRESSIONAL RECORD. I urge support for this amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, D.C., July 13, 1983.

Hon. JOHN G. TOWER,
U.S. Senate, Washington, D.C.

DEAR SENATOR TOWER: The Department of Energy (DOE) is continuing work necessary to restart the L Reactor at the Savannah River Plant as soon as possible to meet the pressing need for additional production of nuclear materials to support approved plans for modernization of weapons already in the stockpile as well as for building new weapons. This is in response to the President's November 1982 directive to DOE to "restart the L Reactor as soon as possible, but no later than October 1983." The need for the materials on this schedule was reaffirmed by the National Security Council on June 24, 1983.

As you know, a provision in the Energy and Water Development Appropriations Act for Fiscal Year 1984, will, when enacted, require DOE to prepare, on an expedited basis, an Environmental Impact Statement (EIS) for the restart of L Reactor. The provision requires the DOE to issue a Record of Decision, based upon the completed EIS,

"not sooner than December 1, 1983, and not later than January 1, 1984."

Under this provision of the Act, DOE could restart L Reactor shortly after the Record of Decision provided that the State of South Carolina issues a National Pollutant Discharge Elimination System Permit under the Federal Water Pollution Control Act. While the DOE is committed to mitigate the thermal impacts of operating L Reactor, until the EIS and the thermal study provided for in the Memorandum of Understanding entered into between the Department of Energy and the State of South Carolina dated April 27, 1983, are completed, it is impossible to determine what mitigating steps will be taken and how long they will take to implement.

Legislation is needed to permit the State of South Carolina to issue, for L Reactor, a schedule of compliance as part of the NPDES permit which would allow mitigating measures, which cannot reasonably be installed prior to restart, to be installed on a schedule which would allow for negotiations between the State and DOE concerning the specific mitigating measures to be taken and the time necessary to put those measures in place.

DOE would propose to mitigate thermal impacts to levels not exceeding those permitted under the FWPCA prior to the restart of L Reactor unless the Secretary determines that the delay in the restart of L Reactor necessary to mitigate the thermal impacts would jeopardize the national security interests of the United States. If the Secretary makes this decision, the State of South Carolina would be authorized to issue an NPDES permit containing a compliance schedule requiring compliance with the FWPCA at the earliest practical date, but not later than December 31, 1987.

Further, DOE would submit to the appropriate committees of the Congress, not later than October 1, 1983, a plan describing (1) those mitigating measures that will be in place prior to the restart of L Reactor and, (2) to the extent the mitigating measures in place prior to the restart of L Reactor will not reduce the thermal impacts to levels not exceeding those permitted under the FWPCA, the process the DOE intends to follow in determining what and when additional mitigating measures will be installed.

S. 675, the Omnibus Defense Authorization Act, 1984, currently being considered on the Senate floor, is the appropriate legislation for consideration of the proposal outlined above. Your assistance in submitting an amendment to S. 675 including these concepts would be very much appreciated and in the interests of national security.

We are very grateful for your continued support of our national security activities. If you have any questions, please call me.

Sincerely,

HERMAN E. ROSER,
Assistant Secretary for Defense Programs.

DEPARTMENT OF ENERGY,
Washington, D.C., April 28, 1983.

Hon. TRAVIS MEDLOCK,
Attorney General, State of South Carolina, Columbia, S.C.

DEAR GENERAL MEDLOCK: Attached is a signed copy of the Memorandum of Understanding. We appreciate your interest and efforts to resolve the issues regarding restart of the L-Reactor at the Savannah River Plant.

Sincerely,

DONALD PAUL HODEL.

MEMORANDUM OF UNDERSTANDING

The following points have been agreed to in principle by DOE and the State of South Carolina.

(1) DOE will conduct a comprehensive study of alternatives to substantially mitigate thermal impacts of all operations at SRP. The study will make recommendations to substantially mitigate thermal impacts on the Savannah River, its tributary streams and wetlands.

In addition to alternatives listed in the EA, DOE will consider: Cogeneration, Low Head Hydro, Operations of a fish hatchery: Separate or in combination. Others as developed in the study process.

The study will involve appropriate South Carolina agencies in accordance with their statutory responsibilities and other U.S. government agencies or departments to consider both on- and off-site impacts. Representatives from organizations such as Friends of the Earth, Sierra Club, Environmental Policy Institute, League of Women Voters, etc., will also be invited to participate in a public comment and hearing process. Georgia agencies and public groups will be invited to participate as to potential considerations regarding the Savannah River thermal aspects.

Based on the thermal study, DOE commits to support the mitigative actions recommended. To this end, DOE also commits to submit and actively support appropriate legislation to accomplish the mitigative actions recommended.

After appropriate legislation is passed, DOE will commit to a compliance schedule with the State under the NPDES permit process. If the alternative recommended is currently in the EA, the schedule for compliance will be the schedule listed in the EA. If a new alternative is chosen, a compliance schedule will be established and mutually agreed upon.

Noncompliance by DOE would allow the State to take appropriate actions as established by law under NPDES.

(2) DOE will not seek a presidential exemption from the NPDES permitting requirements with respect to the commitments made in (1) above.

(3) DOE, with DHEC concurrence, will conduct a comprehensive epidemiological study of the human health effects of all operations at SRP. Public participation in a comment and hearing process will be provided. Other appropriate South Carolina agencies will assist in accordance with their statutory responsibilities. Government agencies, such as NIH, may be requested to participate. If the study indicates that mitigative actions should be undertaken, DOE commits to take appropriate mitigative action. If appropriate, a mutually agreed upon implementation schedule will be established.

(4) DOE will continue an expanded program of monitoring and study of groundwater impacts of all operations at SRP. Appropriate South Carolina agencies in accordance with their statutory responsibilities will be involved in on-site and off-site monitoring of groundwater impacts. DOE commits to take appropriate mitigative action regarding groundwater impacts both on-site and off-site. A mutually agreed upon compliance schedule will be established.

(5) DOE will provide the State with data showing compliance with EPA radionuclide standards on a continuing basis.

(6) Within the limits of classification, DOE will provide to the State a history of independent studies, reactor safety improvements, and planned improvements, focusing particularly on safety measures taken since TMI. A schedule for implementation of additional safety measures now planned will be provided.

(7) Within the limits of classification, DOE will provide to the State a descriptive discussion paper regarding differences in SRP and commercial power reactors and the reasons why containment is not a feasible nor necessary retrofit on existing production reactors at SRP.

(8) DOE will commit to operate the L-Reactor within the limits specified by DOE in the EA and at the February 9, 1983 hearings before the Senate Armed Services Committee unless such limits exceed any existing or future EPA requirements, in which case the EPA requirements will control. Appropriate South Carolina agencies will be involved in monitoring L-Reactor operation for compliance with these standards. In the event L-Reactor operation exceeds these limits, DOE commits to modify L-Reactor operation, including stopping of operations.

(9) Not withstanding any other provisions of this agreement, DOE agrees to comply with all applicable State and federal environmental statutes and regulations relating to toxic and hazardous wastes at SRP.

(10) In consideration of the above, South Carolina will propose for issuance an NPDES permit which will include the L-Reactor operation and allow discharge into Steel Creek for two years. Further extension or modification of the NPDES permit will be based on the thermal study and the recommendations resulting from it and compliance with the provisions under (1) above.

(11) The State will enter into a consent decree with DOE terminating the State's participation in the current NEPA lawsuit.

DONALD P. HODEL,
Secretary of Energy,
U.S. Department of Energy.
T. TRAVIS MEDLOCK,
Attorney General,
State of South Carolina.

April 27, 1983.

Mr. TOWER. The distinguished Senator from Washington, the ranking minority member, I believe, is prepared to accept this amendment.

Mr. JACKSON. The distinguished chairman is correct. We have reviewed the matter and we support the amendment.

Mr. THURMOND. Mr. President, I rise to support the amendment offered by the distinguished Senator from Texas. The amendment requires, prior to restart of the L-reactor at the Savannah River plant, mitigation of thermal impacts from cooling water discharged from the reactor in compliance with the water quality standards of the Federal Water Pollution Control Act.

However, if the President determines that mitigation in advance of restart would jeopardize national security through unreasonable delay, then the Secretary of Energy may seek—and the State of South Carolina is authorized to issue—a discharge permit for L-reactor which will permit restart before mitigation is achieved. The permit will be accompanied by a schedule requiring compliance with applicable water pollution control

standards as soon as practical, but no later than December 31, 1987.

This amendment should be acceptable to those who have raised environmental concerns about L-reactor hot water discharges into Steel Creek, which eventually flows into the Savannah River. It clearly commits DOE to mitigation of thermal impacts and requires that mitigation be undertaken prior to restart, if that can be done without jeopardizing national security.

The terms of this amendment support the concepts provided in the memorandum of understanding between the Secretary of Energy and the attorney general of South Carolina dated April 27, 1983. My office has been in contact with attorneys for the State and they indicate that the State attorney general supports this amendment. In short, this amendment represents a simple, reasoned solution to this important issue and I therefore urge Senate support.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. HOLLINGS. Mr. President, today Senator TOWER is introducing, on behalf of the administration, an amendment regarding the Federal Water Pollution Control Act and the L-reactor at the Savannah River Plant, South Carolina. I would like to comment on that amendment.

The amendment has been written because the Energy Department faces a problem. DOE wants to restart the L-reactor soon, but present Federal regulations require that its cooling water system meet certain thermal requirements before the facility reopens. However, the reactor does not now meet those requirements. So the Department wants to give South Carolina the legal flexibility to grant "delayed compliance" on these thermal standards if State regulators believe this is a reasonable action to take, but only if the President determines that undertaking mitigation before restart will delay the reactor to the point of jeopardizing the national security.

I am not pleased that the situation has come to this. If DOE had read the Federal regulations sooner, and taken the necessary water quality steps earlier, we would not now be faced with the question of whether to exempt the Department from a major environmental requirement. And we would not now be setting the bad precedent of case-by-case exemptions from such environmental standards.

Still, we are in the present situation, and this amendment at least has several worthwhile features. It directs the Secretary of Energy to meet the thermal requirements before the L-reactor recommences, unless the President makes this national security determination. This is a reasonable way to handle a bad situation. Moreover, regulatory decisions remain in State hands. And the mitigating measures that the Secretary is to implement will be determined not just by the Secretary but also by the full range of decisionmaking procedures that deal with the L-reactor, including the environmental impact statement that will soon be required by law and the environmental studies that DOE itself plans to begin soon.

I want to make several additional points, however. To begin with, it should be completely possible for the Department of Energy to undertake mitigating measures to reduce cooling water temperatures, and thus comply with existing water quality regulations, before the plant is definitively needed for national seucrity purposes. Take, for instance, cooling towers: One alternative for reducing the heat of L-reactor's 180-degree cooling water—I understand from one of the country's top builders of such towers that they could be built at the L-reactor in 7 to 8 months, and at a cost considerably below DOE's original estimates. Since the proposed environmental impact statement will be completed by January 1 of next year, and final testing will take some weeks longer, building towers might not delay the project longer than it already will be. Moreover, the reactor is not likely to be needed before next spring in any case, given that major strategic weapons programs have recently been either cut or delayed.

Next, I have proposed to Senator TOWER—and he has graciously accepted—two clarifications in the amendment. First, we have added a subsection to the amendment to require the President, before he makes any determination to postpone mitigation, to confer in writing with the appropriate congressional committees and with the congressional delegations and Governors of South Carolina and Georgia, and he is to justify this determination. Second, new subsection (e) says that the Department of Energy shall be subject to all Federal and State environmental statutes and regulations in regard to the activities conducted at the Savannah River Plant, except as provided in the subsection allowing the Presidential determination. This language simply makes clear that the Savannah River Plant is subject, as it already is, to such basic environmental statutes as the Federal Water Pollution Control Act, the National Environmental Policy Act, and the Resource Conservation and Recovery Act. It is also subject to applicable South Carolina statutes.

This second change is intended only to make certain that all reasonable environmental requirements are met at the Savannah River Plant, particularly given the serious environmental problems that already exist at the site. I do not intend it to be used overbroadly so that unnecessary requirements must be met which may interfere with the operation of the plant. Cleaning up the problem already there and maintaining a clean environment at the plant site should, however, in no way interfere with SRP's operation.

If there is a danger of this language subjecting DOE to frivolous requirements, Senator TOWER, Senator THURMOND, and I have agreed to review it, in conjunction with State officials, to take care of whatever reasonable changes may be necessary in conference.

I want to thank the distinguished chairman of the Armed Services Committee for agreeing to these two clarifications.

Mr. TOWER. I am pleased to accept these two changes. I am sure that the administration would have conferred with Congress and the two Governors in any case, and that they acknowledge that they are subject to Federal and State environmental statutes. But these changes in the amendment make these matters crystal clear.

Mr. HOLLINGS. I thank the Senator from Texas, and once again want to thank him and Senator JACKSON for the role they have played in this complex L-reactor matter.

Mr. President, given that my two changes have been accepted, I will support this amendment.

Finally, Mr. President, I want to comment on the way DOD handled this amendment. My staff was notified about the amendment on Wednesday at 11:30 a.m. We were also informed that DOD was pushing to have the amendment considered as early as 3 p.m. yesterday. That is an unreasonably short period of time to analyze an amendment with far-reaching consequences. I am personally tired of DOE not taking reasonable steps to consult with me and with other officials, and I want to tell the Department that my patience with their procedures is at an end. I also want to thank the Armed Services Committee, which graciously postponed consideration of this amendment until I had a full opportunity to examine it and negotiate improvements.●

● Mr. STAFFORD. Mr. President, the Committee on Environment and Public Works is presently working on revisions to the Clean Water Act. We have ordered legislation reported from the committee and expect to see floor consideration of the measure within this session. Consequently, I am deeply concerned that the Committee on Armed Services is finding it necessary to adopt an amendment to the Department of Defense authorization which impinges on my committee's jurisdiction in that very area.

The amendment offered by Senator TOWER would provide a special exception for the L-Reactor at the Savan-

nah River Plant, Aiken, S.C., from the normal national pollutant discharge elimination system established under section 402 of the Clean Water Act. I recognize that national security is the major concern of the distinguished Senator from Texas. However, I hope that this is not a false alarm which has been raised for expediency. I appreciate the Senator's recognition that this special exception should not be seen as establishing a policy with regard to future decisions concerning compliance with the Clean Water Act. Also, in this singular instance the Committee on Environment and Public Works will continue to be involved in insuring ultimate compliance with the act through review of the mitigation plan.

It is imperative that the Secretary of Energy and the President act responsibly in this matter and that any permit which may be issued as a result of this provision will provide the necessary mitigation of thermal and toxic substances associated with the operation of the plant.

I am confident that all participants in this process will act in good faith. Consequently, the procedures and goals specified in this amendment will insure that appropriate mitigation is achieved.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

So Mr. TOWER's amendment (No. 1491) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, Senator STEVENS wanted to be here to offer an amendment, but he is not here.

I observe the distinguished Senator from Ohio (Mr. GLENN) is here on the floor, and I am informed he is prepared to offer an amendment.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 1492

(Purpose: To state that it is the sense of the Congress that the design, development, and testing of small, mobile, single warhead ICBMs be pursued as a matter of the highest national priority)

Mr. GLENN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The acting assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) proposes an amendment numbered 1492.

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

It is the sense of the Congress that the design, development, and testing of small, mobile, single warhead ICBM's be pursued as a matter of the highest national priority. To achieve this objective, the administration should proceed without delay to engineering design of a small, single warhead ICBM capable of mobile deployment. Key elements of such a program which should be pursued immediately include missile design, guidance accuracy, hardened mobile transporter design, mobile basing and survivable communication, command and control (C^3). Program emphasis should be consistent with past top national priorities such as Polaris, Minuteman, and Apollo, and program management structure should also reflect such priority. The Department of Defense should set forth funding and production schedules consistent with the earliest possible initial operational capability (IOC), at or prior to 1992, in its submission to Congress to authorize appropriations for fiscal year 1985.

Mr. GLENN. Mr. President, as you know, the recent Scowcroft Commission called for deploying 100 MX missiles in existing Minuteman silos, while beginning a leisurely development of a future small ICBM. The Armed Services Committee has accepted this recommendation and included some $2 billion in budget authority for the MX and $604 million for follow-on technologies, including a small ICBM.

Now, as everyone in this Chamber knows, I have opposed the MX and advocated a small, mobile ICBM for more than 3 years. In fact, I led the fight on the Senate floor some 3 years before that, 3 years ago, and nothing in the Commission's report, for all its sincerity and professionalism or the committee's report, makes a credible argument for changing that view. An MX missile that cannot survive is not worth having. It contributes nothing to our real defense, and its effects on arms control can only be bad. But I am not here tonight to focus on my opposition to the MX.

Instead, I wish to offer an amendment that puts the Congress, puts the Senate firmly on record that it believes the design, development, and testing of small, mobile, single warhead ICBM's should be pursued as a matter of the highest national priority.

But I am troubled by the possibility that the prospects for a small, mobile ICBM—which offers such attractive alternatives in terms of survivability crisis stability, and future arms control efforts may get lost in the debate over MX.

If we are to make a small mobile ICBM a national priority, the administration should proceed without delay to engineering design of such a missile. We should give our immediate attention to missile design, guidance accuracy, hardened mobile transporter design, mobile basing and survivable communication, command and control. Program emphasis should be consistent with past top national priorities such as Polaris, Minuteman, and Apollo, and program management structure should also reflect such priority.

Unfortunately, the Air Force, while planning on one level for a mobile ICBM, has not actually made a firm commitment to building a mobile. The idea of putting the small missile in a very hard hole, or in a dense pack array, still has advocates. Indicative of the attitude, the small mobile's money is lumped together with R&D money for superhardening and CSB experiments, under the heading of MX "follow-on technologies."

I urge my colleagues to support my amendment and send the Air Force a very clear, very simple message: We want a small mobile ICBM as soon as possible.

Mr. President, I would follow those remarks by stating, too, if we think why the SS-20 bothers us so much in the Soviet Union, a large part of that concern is not just that they have a certain number of missiles that are targeted on Western Europe—and I might add that even with a single warhead can be targeted as ICBM's on the United States—but it is because if war starts we do not know where to shoot. It is a mobile. The thing can be in a different location than it was just a few minutes before, so it gives the Soviet the maximum deterrent capability from their standpoint, at the cheapest cost.

The same thing with the Pershing in Europe. The Pershing is feared desperately by the Soviets for that same reason, it is a mobile. If war starts, they do not know where it is going to be, and it has a guaranteed retaliatory response capability.

In our Nation here there never has been any argument on any of the trips I have made to the Pentagon that we would get greater deterrence with a mobile.

Mr. President, in the committee report I ask that on page 116 of the Omnibus Defense Authorization Act report by the Senate Armed Services Committee, that the table entitled "Peacekeeper" be printed in the RECORD because in that it spells out the amount of money that I referred to just a moment ago, that deep basing still has some $40 million connected

with it. We have small missile which does have $279 million, but it is my understanding that small missile can be used, according to the studies the Pentagon is making, in a number of different ways. It could well be put back into a hardened silo. It could be put back into one of the existing silos and designed for that.

But I think those closest to the program over there to whom I have talked or had contact with feel that if we are to have, truly have, a small mobile, then design of the transporter and the missile itself must proceed together. That is the way we get the most efficient production and the most effective deterrent from the mobile missile, not by designing what might become a sort of universal transporter for a number of different missiles, and in going that route which leaves us once again with a choice of, perhaps, basing modes which has been the biggest difficulty faced by the MX during all these years.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PEACEKEEPER (MX)

(Dollars in millions)

	Fiscal year 1984 request, (submitted January 1983)	Fiscal year 1984 revised request	Recommendation	Change from original request
RDT&E:				
Missile	1,482			
Basing	1,896			
Subtotal	3,378	2,034	2,034	−1,344
Follow-on technologies (adds):				
Silo hardness		(210)		
Hard mobile		(75)		
Small missile		(279)		
Deep basing		(40)		
Subtotal		604	604	+604
Total RDT&E		2,638	2,638	−740
Procurement [1]	2,868	2,536		−332
MILCON [2]	450	50	50	−400

[1] Includes $97.8 million for initial spares.
[2] Authorized in separate title.

Mr. GLENN. So, Mr. President, by supporting this amendment, what we are doing is sending the Pentagon a very clear message. It is a message that I think the Armed Services Committee supported. While not stating such directly, they support it in their amounts of money they approved for the different functions here, and this would take any doubt away as to what we intend. We want a small mobile, it is a national priority, it gives us the greatest deterrence at the cheapest cost, and that is the purpose of this amendment.

Mr. TOWER. Is there anything in the amendment to suggest that it is not the sense of the Congress that the MX is a priority? I know the Senator from Ohio is opposed to the MX, but it may be that a majority of the Senate will support the MX, in which case, if there is any implication here that there is disapproval of the MX, that would not be consistent.

Mr. GLENN. Mr. President, as the chairman says, he is well aware of my views on the MX. This would not, in any way, affect the MX. This would take the money that is in there now for the design of a small missile and would make certain that it is used for a mobile and not just designing a small, single-shot missile that could possibly go back into an existing silo or even be used in hardened sites again, in effect, with competition with the MX.

That is the purpose, to make certain that we go to a small mobile, and that is the idea of the design. This would not affect the MX in any way.

Mr. WARNER. Will the Senator yield?

Mr. GLENN. Yes; I yield to the Senator from Virginia.

Mr. WARNER. Mr. President, first I wish to commend the Senator. I certainly join him in the thrust of this sense-of-the-Senate resolution.

I would, however, ask for a clarification, I am reading from line 5: "Single warhead ICBM capable of mobile deployment."

Further down on line 8, the amendment says: "hardened mobile transporter design."

During the course of the hearings of the Armed Services Subcommittee on Strategic and Theater Nuclear Forces, we went into the various alternatives with some intensity. At this time, the concept of the small missile is such that it could lend itself to a variety of basing modes, one of which would be the hardened mobile transporter, but there may well be other basing modes.

My question to the Senator is whether or not he intends to limit it to just the one basing mode.

Mr. GLENN. Mr. President, will the Senator repeat the question?

Mr. WARNER. Yes. On line 8 where the Senator uses the phrase, "hardened mobile transporter design," I hope it is not the intention of this phrase to limit the Department of Defense in the examination of a variety of basing modes for this small missile. In the various concepts that we have studied in the Armed Services Committee, it is the intention of the Department of Defense to look at a series of alternatives. Indeed, they may have one or more basing modes in the actual operational system.

Mr. GLENN. Mr. President, I will answer the Senator from Virginia in the following way. This is not in any way meant to limit it just to that. What I am afraid of is just the opposite occurring, designing a new small missile that is only suitable for silos.

I have no objection if this can be designed as a mobile, true mobile, transporter, with it being on Federal lands 99 percent of the time and only would come out of those Federal lands in a crisis period, or whatever. I want to see it designed that way.

But if the design can also include one that can be used in other ways, even airdrop or airlaunch or silos or whatever, that is fine. We are getting double duty for our dollar spent if we go that route.

But the one thing that I think is most important and the clear message I want to send with this is that we expect them to get on with the design for a truly mobile missile, along with this transporter, so we have that available.

Mr. WARNER. I share the sentiments of the distinguished Senator from Ohio.

I further observe that before the Senate Armed Services Subcommittee on Strategic and Theater Nuclear Forces on a number of occasions, the senior members of the civilian and

military departments of the Air Force did make a firm commitment to going ahead and, of course, we committed ourselves to support the Scowcroft Commission.

I ask the Senator if I may be listed as a cosponsor.

Mr. GLENN. I thank the distinguished Senator from Virginia very much. One of the concerns I had with the Scowcroft Commission, when they went to a smaller missile, they did not just specifically come out and say the mobile. They left it very vague. I think this takes away any doubt.

Mr. JACKSON. Will the Senator yield?

Mr. GLENN. Certainly.

Mr. JACKSON. Mr. President, I commend the distinguished Senator from Ohio for the tremendous amount of time and effort that he has dedicated to this concept of a smaller, single warhead, mobile missile. The distinguished Senator from Ohio was first during the long discussions that we have had over the past several years as to a follow-on substitute for the Minuteman ICBM. I personally appreciate his expertise in this field. He is to be commended.

Mr. TOWER. Mr. President, I wish to endorse what the distinguished Senator from Washington has said and add my commendation to the distinguished Senator from Ohio, who has made a great contribution to all of our deliberations on strategic weaponry and strategic policy. The Senator has demonstrated a superb knowledge and understanding of the subject and makes a great contribution here tonight, consistent with the tradition he has already established for himself, in the resolution that he has offered.

Mr. President, I am prepared to accept the resolution.

Mr. GLENN. Mr. President, I thank the distinguished Senator from Texas and also the distinguished Senator from Washington.

Mr. President, I ask unanimous consent that the Senator from Virginia (Mr. WARNER), the Senator from Maine (Mr. COHEN), the Senator from Texas (Mr. BENTSEN), the distinguished minority leader, the Senator from West Virginia (Mr. BYRD), the Senator from New York (Mr. MOYNIHAN), and the Senator from Tennessee (Mr. SASSER), be added as cosponsors to this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, if there is no further discussion, I am prepared for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. GLENN).

The amendment (No. 1492) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I observe now that the Senator from Alaska (Mr. STEVENS) is on the floor to offer an amendment on the DC-10's that we had expected to be offered a little earlier.

AMENDMENT NO. 1493

(Purpose: To modify Section 1002 to authorize Air Force acquisition of Eximbank aircraft, subject to appropriations)

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an amendment numbered 1493.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 123, line 12, strike "shall" and insert "is authorized to".

Beginning on page 123, line 19, strike "there shall be transferred" and insert "the Secretary is authorized to transfer not to exceed $125,000,000".

Beginning on line 20, strike "from the Air Force Treasury account numbered 57M3500 the sum of $100,000,000" and insert ", subject to the enactment of appropriations for this purpose".

Mr. STEVENS. Mr. President, this amendment is designed to clear up the financial trail to the DC-10 aircraft now in possession of the Export-Import Bank. Section 1002 of the defense authorization bill mandates the transfer of these aircraft to the Air Force and further directs the transfer of the Export-Import Bank of $100 million from the so-called M account of the Air Force to cover the acquisition cost.

This arrangement troubled the Appropriations Committee because of the nature of the M account. As chairman of the Defense Appropriations Subcommittee, I asked for a General Accounting Office opinion on propriety of using M account moneys in the fashion suggested by the Air Force. The GAO confirmed that moneys deposited in the M account are appropriations that have lapsed but are retained to cover outstanding obligations. In other words, funds in the M account are already obligated and are not available to cover new obligations. This simply is not the proper way to do business, Mr. President.

Mr. President, I ask that the letter from GAO in this regard be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., July 11, 1983.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: By letter of June 8, 1983, you asked about the legality and potential implications of draft legislation authorizing the transfer of $125 million from the Air Force "M" account for Military Personnel Costs (57M3500) to the United States Export-Import Bank (Bank) in exchange for five DC-10 aircraft and associated spare parts. The legislation is intended for inclusion in a forthcoming defense appropriation or authorization bill. We were informed by your staff that you are concerned that the transfer would be improper since "M" account balances may only be used to liquidate obligations properly incurred against any of the appropriations from which "M" accounts are derived, and, in any event, the transfer would not represent a "free" transfer of funds to the Bank without budget impact, as apparently intended. For the reasons given below, we agree with your concerns and recommend that the draft legislation not be enacted.

Your staff informs us that the Bank acquired the DC-10 aircraft as a result of a default by Laker Airlines. As the Air Force needs the aircraft and has a large balance in "M" account 57M3500,[1] the proponents of the legislation decided that it would be in the interests both of the Air Force and the Bank to transfer $125 million from the "M" account to the Bank in exchange for the aircraft. This exchange appears to have been considered to be a "free" transaction for the Government, that is, the "M" account balance was understood as representing previously appropriated monies that are presently available for expenditure. This was apparently thought to be so notwithstanding that funds had previously never been authorized or appropriated for the aircraft. The draft legislation reads as follows:

"By 30 September 1983, the Export-Import Bank of the United States shall transfer to the Department of the Air Force five DC-10 aircraft and associated spare parts in the possession of the Export-Import Bank as a result of a default of a borrower from the Export-Import Bank, *provided that $125,000,000 shall be transferred from Air Force account 57M3500 to U.S. Treasury account number 4984 for the Export-Import Bank.* Further, in the event the Air Force determines that the current Presidential Aircraft (Air Force 1 and 2) require replacement, any such replacement will be done only after full consideration of all potential candidate aircraft." (Emphasis added.)

The procedures for accounting for appropriations after they have expired are set forth in 31 U.S.C. §§1551-57 (formerly 31 U.S.C. §§701-08.[2] Once an appropriation ex-

[1] As we understand it, the balance is far in excess of $125 million.

[2] For your information we enclose a copy of AFMD-81-39, B-201110, March 16, 1981, concerning the use of "M" accounts and Related Merged Surplus Authority in the Department of Defense.

pires it is no longer available for obligation. Nevertheless, the obligated balances of annual and multiple-year appropriations remain available to liquidate obligations properly incurred prior to expiration. In this regard, obligated balances retain their fiscal year identity for 2 full fiscal years following the expiration date of an appropriation. On September 30 of the second full fiscal year after expiration, any remaining obligated but unexpended balance is transferred to a consolidated successor account where it is merged with the obligated balances of all other appropriation accounts of the same department or agency for the same general purpose. 31 U.S.C. §1552(a)(1). This successor account is known as the "M" account. Funds in an "M" account are available indefinitely to liquidate obligations properly incurred against any of the appropriations from which the account is derived. *Id.* §1553(a). If as a result of adjustments or deobligations of obligational authority in the "M" account the amount therein exceeds the amount necessary to liquidate actual obligations, the law requires the withdrawal of this excess and its reversion to the general fund of the Treasury. *Id.* §1554.

Applying the above principles to the draft legislation, it is clear that the proposed transfer of $125 million from the Air Force "M" account for Military Personnel Costs to the Export-Import Bank in exchange for the five DC-10s would not be in accord with existing statutory requirements. As indicated, the "M" account balance does not represent monies or appropriations presently available for obligation or expenditure in a new transaction. It is merely the obligated balance of appropriations that have expired, and may only be used to liquidate obligations which have already been charged to the expired appropriations for Military Personnel Costs. To conclude otherwise would conflict with the congressional limitations on purpose and period of availability that were placed on the expired appropriations when they were originally enacted. It follows that as part of an "M" account balance the $125 million is not presently available money or obligational authority that can be transferred to the Bank for the aircraft.[3]

Additionally, and perhaps more importantly, the proposed legislation would fail to effect the intended "free" transfer of funds from the Air Force to the Bank. As there are no monies in the "M" account that can be used for "purchase" of the aircraft, the legislation would have to be construed as an appropriation and transfer of $125 million of obligational authority considered to be excess to the needs of the Air Force to the Bank for fiscal year 1983. In this regard, we have said that an act of Congress providing legal authority to use excess obligational authority appearing in an "M" account before it is withdrawn creates new budget authority for the fiscal year for which is authorized. The same is true of amounts withdrawn to the merged surplus of expired unobligated balances. AFMD-81-39 at 2. Under the draft legislation, the Government would be expending $125 million in new budget authority for the aircraft, a result, as we understand it, directly at variance with the "free" transfer intended.

[3] To the extent that the $125 million represents excess obligational authority unnecessary to liquidate obligations, in accordance with 31 U.S.C. § 1554, it should be withdrawn from the "M" account and should revert to the general fund of the Treasury.

In sum, for the reasons given, we recommend that the legislation, as well as any similar proposals intending to use "M" account or merged surplus balances as appropriations available for new obligations, not be enacted.

We hope we have been of assistance.

Sincerely yours,

MILTON J. SOCOLAR,
(For Comptroller General
of the United States).

Mr. STEVENS. Mr. President, my amendment does two basic things. It modifies section 1002 to make it a straight cut authorization for the transfer of the aircraft to the Air Force, subject to congressional appropriation of the required funding. Second, it increases the proposed purchase price from $100 million to $125 million, which more closely approximates the Eximbank investment.

Let me state before I close my remarks that my sponsorship of this amendment does not necessarily imply any commitment to support the appropriation authorized in the proposed section 1002.

The committee will give it full consideration.

I note for the RECORD that the distinguished Senator from Utah (Mr. GARN) had intended to offer a similar amendment which would achieve about the same purpose. He has been gracious enough not to offer it in view of the desire of my subcommittee to make this record as far as the appropriations process is concerned.

I have discussed this with the managers of the bill. I am hopeful that the distinguished Senator from Texas and the Senator from Washington will accede to the request which will authorize the amount of money that is necessary to cover the acquisition cost if the moneys are appropriated.

Mr. COHEN. Mr. President, as chairman of the Subcommittee on Power and Force Projects, I have studied this particular matter at issue with the Export-Import Bank. Under the current bill, there was a figure of $100 million assigned to this. But in looking at it and with further analysis, the fair market value in our judgment does approximate $125 million. Accordingly, we would be prepared to accept the amendment.

Mr. President, S. 675 directs the transfer of five DC-10-30 aircraft or aircraft of equivalent value from the Export-Import Bank to the Department of the Air Force. The Air Force is to provide reimbursement, totaling $100 million, to the Export-Import Bank from Air Force funds that have expired for new obligation purposes or are about to expire.

These five DC-10-30 aircraft are in the possession of the Export-Import Bank as the result of the bankruptcy declaration by Laker Airways of the United Kingdom in February 1982. Laker Airways thereby defaulted on a $147 million outstanding loan to the Export-Import Bank. Since taking title to these aircraft, Exim has been trying to sell these aircraft in the commercial market.

The Air Force has existing requirements for aircraft with the capabilities of DC-10-30's including intelligence-collection fleet augmentation, permanent replacement of aircraft in the 89th Special Airlift Mission Wing, airborne command posts, or interim training aircraft for KC-10A aircraft crews.

The transfer of the aircraft is not at issue.

At issue is the amount of reimbursement to the Export-Import Bank. S. 675 currently provides for a reimbursement of $100 million, which is the current book value of the aircraft in Exim's financial statements.

The Export-Import Bank would like a reimbursement of $150 million to offset the unrepaid principal of the defaulted loans.

The Department of the Air Force and the Office of Management and Budget have recommended a reimbursement of $125 million, their best estimate of a fair market value.

It has been the policy when transferring assets between Government agencies to do so at fair market value. To be consistent with this practice, I am prepared to support a reimbursement level of $125 million and therefore am prepared to recommend that the amendment offered by the Senator from Alaska be accepted.

Mr. TOWER. Mr. President, with the endorsement of Senator COHEN, we are willing to accept the amendment.

Mr. JACKSON. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1493) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, if the Senator from Alaska has a matter of some brevity or a technical matter, I would be happy to yield to him.

Mr. STEVENS. I thank the distinguished Senator from New York.

Mr. President, I would urge that——

Mr. MOYNIHAN. Mr. President, I have not yielded. I simply made an inquiry of the Senator from Alaska.

Mr. STEVENS. I appreciate the comment of the Senator from New York. I will make an inquiry of the

Senator from Texas as to what is the next order of business.

Mr. MOYNIHAN. Mr. President——

Mr. STEVENS. I just asked my friend to address a question to the chairman.

Mr. MOYNIHAN. I am more than happy to yield for that purpose.

Mr. STEVENS. What is the next order of business? I had two statements to make for the record, one to clarify the matter of funding on the civil air reserve fleet and the outlays constraints that the Appropriations Committee will face in regard to this. Are we going to have more amendments tonight?

Mr. TOWER. Yes; at my urging, the distinguished Senator from New York has appeared on the floor to offer what I think will be a significant amendment that will command the attention of the Senate for a good portion of the evening.

Mr. STEVENS. Very well. If my friend will yield further, I want to make certain that the chairman realizes that we do have a record to make on those two items. I ask that I be notified when I may proceed.

Mr. MOYNIHAN. Perhaps my friend would like to proceed with his matter.

Mr. STEVENS. If the Senator has an amendment, I urge him to proceed.

AMENDMENT NO. 1494

(Purpose: To terminate the MX program in favor of a system of small, single-warhead ICBMs)

Mr. MOYNIHAN. Mr. President, I intend to offer an amendment concerning those provisions of the pending legislation regarding the deployment of the MX missile as it is now described. That amendment will state three simple points.

First, "that notwithstanding any other provision of this act, no funds authorized to be appropriated under this act shall be obligated or expended for the deployment of an MX missile."

Second, that—"It is the sense of the Congress that efforts to modernize the land-based strategic force should be focused on a small, single-warhead intercontinental ballastic missile that is either mobile or able to be deployed in a mobile fashion."

And, last, that "the President shall submit a written report to Congress by March 1, 1984, detailing the prospects for operational deployment of a small, single warhead intercontinental ballastic missile in sufficient strength by December 1, 1986."

Mr. President, it will be immediately evident that what I propose, and what I think many other Members of this body will agree with, is very much consistent with the spirit of the report of the Commission established in January of this year by the President. The President's Commission on Strategic Forces is known for its distinguished Chairman, Lt. Gen. Brent Scowcroft, U.S. Air Force, retired, who was, of course, once the National Security Adviser to the President of the United States. The Commission, which included our good friend and former colleague, Senator Brady, of New Jersey, consisted of the most distinguished strategic thinkers, and policymakers, of our time.

Mr. President, this Commission dealt with a problem that has troubled this Congress and the armed services for a good many years. In the early years of the last decade it began to be clear that the land-based missiles of the United States, all but a small number being the Minuteman missiles in various modes, had begun to be vulnerable to a first-strike attack by adversaries, and, of course, specifically the Soviet Union.

That was not the initial purpose of the MX, but it became its dynamic, driving—you might say its propellant—this increased perception of vulnerability.

Mr. TOWER. Will the Senator yield for a question?

Mr. MOYNIHAN. I yield.

Mr. TOWER. Can we have a copy of his amendment that he will offer?

Mr. MOYNIHAN. I do have a copy. I shall be happy to find it and ask a page to provide it to the Senator from Texas. I do not now send it to the desk.

Mr. TOWER. I understand.

Mr. MOYNIHAN. Mr. President, the sense of the vulnerability of the missiles grew and was demonstrated in the course of the 1970's by what has been described as a "technological creep," as successive Soviet land-based missiles improved their accuracy such that a time came when it was clear that with a preemptive strike they could destroy the whole or the great proportion—no one ever can speak of 100 percent—80 to 90 percent of the American land-based missiles, that one part of the triad three-part system we had developed.

And so it became a matter of American strategy to develop a missile that was not vulnerable to that preemptive strike—that did, in fact, accord with the fundamental principle of deterrence, which has been the American strategic doctrine since the issues first arose.

What is deterrence? It is elemental. It is that we are not a nation which would ever, on the level of an intercontinental, global war strike first. We should, however, at all times, have the capacity to strike back effectively.

The Scowcroft Commission, if I may use that term, makes very clear it means to sustain this doctrine as it has been sustained through every President from the time the issue had first arisen.

I would quote the Commission's report of April 6, 1983:

> Deterrence is central to the calm persistence we must demonstrate in order to reduce these risks. American strategic forces exist to deter attack on the United States or its allies, and the coercion that would be possible if the public or decision makers believed that the Soviets might be able to launch a successful attack. Such a policy of deterrence, like the security policy of the West, itself, is essentially defensive in nature.

Mr. President, we set out, you might say, from the silos of the Minuteman fields in search of a basic mode that would allow us to have a land-based missile of great, great force and consequently great size—in this case 195,000 pounds—which would even so be secure from a preemptive strike and available for a deterrent response.

Mr. President, in the history of nations, there can hardly be conceived so large an irony as the thought that, after 11 years' wandering in the desert, searching for an acceptable working deployment mode that was available in order to avoid the vulnerability of the existing Minuteman silos, we should find ourselves returning to those very silos which—because they had become vulnerable—required that we go in search of an alternative deployment mode.

Mr. President, I see the distinguished majority leader is on his feet. I hope it is not with a great weariness at my remarks; I have only commenced.

Mr. BAKER. Mr. President, I have never shown any weariness at the remarks of the Senator from New York. I find them compelling and fascinating. I have a question. The Senator has not yet offered his amendment; is that correct?

Mr. MOYNIHAN. I have not done so, Mr. President.

Mr. BAKER. May I suggest to the distinguished manager of the bill and the author of the amendment that perhaps it may be laid down and that we continue to debate the amendment tonight until 10:30? I had previously announced that we would run until about 10:30 this evening. The amendment will be pending tomorrow and that would put me in a position to announce that there will be no more rollcall votes tonight.

Would the Senator be agreeable to that?

Mr. MOYNIHAN. Mr. President, I would be agreeable to that if I could ask unanimous consent that there not be a motion to table until at least—the majority leader wants us to come in at 10 tomorrow?

Mr. BAKER. Yes, at 10.

Mr. MOYNIHAN. If I could ask that no motion be made to table before noon tomorrow, Mr. President.

Mr. TOWER. May I respond to the Senator by asking, why not just say when I think everybody has been afforded a reasonable time to debate? I have generally checked to see whether there are any more speakers before I

offer any motion to table. Why do I not just give the Senator assurance that there will certainly be reasonable time for debate tomorrow?

Mr. MOYNIHAN. Mr. President, such an assurance, from the senior Senator from Texas, is more than sufficient for this Senator.

Mr. TOWER. We might run out of speakers and everybody agrees it is time to vote.

Mr. MOYNIHAN. We might, Mr. President.

Mr. TOWER. I would certainly give my personal word to the Senator.

Mr. MOYNIHAN. That is entirely acceptable.

Mr. BAKER. Would the Senator consider offering his amendment?

Mr. MOYNIHAN. I do so. I have only the one copy, which is on the desk of the Senator from Texas. If I could get it, I shall send it.

Mr. TOWER. There is the Senator's original.

Mr. MOYNIHAN. Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 1494.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out Sections 109 and 275, and renumber the remaining sections accordingly.

At the end of the bill, add the following new section:

Sec. . (a) Notwithstanding any other provision of this Act, no funds authorized to be appropriated under this Act shall be obligated or expended for the deployment of an MX missile.

(b) It is the sense of the Congress that efforts to modernize the land-based strategic force should be focused on a small, single-warhead inter-continental ballistic missile that is either mobile or able to be deployed in deceptive fashion.

(c) The President shall submit a written report to Congress by March 1, 1984 detailing the prospects for operational deployment of a small, single-warhead intercontinental ballistic missile in sufficient strength by December 1, 1986.

Mr. BAKER. Mr. President, would the distinguished Senator yield to me?

Mr. MOYNIHAN. Yes, Mr. President, if I may yield with the understanding that I not lose my right to the floor.

Mr. BAKER. Yes, Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I wish to announce now that, pursuant to the arrangement just agreed to between the Senator from New York and the Senator from Texas, the manager of the bill, that no tabling motion will be made before tomorrow after there has been a reasonable time for debate. There will be no more record votes tonight.

Mr. MOYNIHAN. I thank the distinguished majority leader.

Mr. BAKER. I thank the distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, the essence of the debate is the point I would like to make tonight and again tomorrow. That is this: One of the great failings of a civilization is the failure to recognize when one era has passed and another begun. It is particularly a failing that is ascribed to the military, who are said the world over to prepare themselves to fight the last war. We happily have never known a war of nuclear weapons on both sides and happily, we may never know. But there is such a thing as the strategic concepts of one generation and those with which they are succeeded.

Mr. HART. Mr. President, may we have order?

Mr. MOYNIHAN. I thank my friend from Colorado.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MOYNIHAN. Mr. President, if there were one defining characteristic of Soviet strategic doctrine and weaponry in the 1950's and 1960's and 1970's, and of the United States in considerable measure, it was that of the largest land-based intercontinental ballistic missile. This was the flagship, if we may use an image from the navies of the past, of the missile age. It served its time but, with ever more persuasive evidence, we learn that its time has passed.

Mr. President, I ask this body, such as remains of it tonight, to consider the fundamental logic in strategic terms of what we know to be the present strategic plans of the Soviet Union. This is not classified information, Mr. President, although it is not perhaps widely understood in its implications.

In the past year, the Soviets have deployed two new missiles. One we refer to as the SS-24. For a while, we were calling it the SS-24 for "experimental." We know it to be, in effect, as it has seemed to be, operationally deployed now.

The other we referred to as PL-5, PL for Plesetsk, the Soviet missile range from which it is being launched and now tested.

What is the distinguishing characteristic of these two missiles?

First, they are both solid fuel, solid fuel being a condition for what they are second, which is mobile. They are either specifically designed as we think the PL-5 to be, a mobile missile, or clearly capable of being such. They have no intention of putting any more of their strategic weaponry in fixed sites to be targeted by the increasing capacity of technology to bring missile warheads within 100 meters, 50 meters, 10 meters, zero, ground zero.

Mobile missiles represent the new generation of strategic balances. And it was accordingly to mobile missiles that the Scowcroft Commission directed our attention. But by reason of the internal dynamics of the Commission or what you will, they even so made the extraordinary proposal that while we were producing a small, single warhead mobile missile, which was the primary recommendation of the Commission, we would also take this massive ICBM, this 195,000-pound, 10-warhead MIRV'd missile, 1,000 nuclear warheads, and put them in already targeted, and unimproved, silos.

Mr. President, there is only one conceivable use in warfare that could be described for such a deployment, and that is for a first use—a use, that is, before the silos have been destroyed by warheads already now even this moment dedicated to them, which fact of their vulnerability led us in the first place to search for an alternative.

Mr. President, I should like at this point, if I may, to ask unanimous consent that there be included in the RECORD a list of 34 alternative basing modes which were considered by the Department of Defense over the course of the decade since the Department of Defense first proposed that the United States develop a basing system other than the Minuteman silos.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ICBM BASING OPTIONS CONSIDERED BY DEPARTMENT OF DEFENSE (1972-82)

1. Launch Under Attack (LUA).
2. Orbital Based.
3. Shallow Underwater Missile (SUM).
4. Hydra.
5. Off-Shore Recoverable Capsule, Anchored (ORCA).
6. Ship—Inland.
7. Ship—Ocean.
8. Sea sitter.
9. Wide Body Jet (WBJ).
10. Short Takeoff and Landing (STOL).
11. Vertical Takeoff and Landing (VTOL).
12. Dirigible.
13. Midgetman.
14. Hard Rock Silo.
15. Hard Tunnel.
16. South Side Basing.
17. Sandy Silo.
18. Commercial Rail.
19. Dedicated Rail.
20. Off-Road Mobile.
21. Ground Effect Machine (GEM).
22. Road Mobile (Minuteman).
23. Road Mobile (New Missile).
24. Covered Trench.
25. Hybrid Trench.
26. Dash to Shelter.
27. Mobile Front End.
28. POOL.
29. Minuteman/MPS.
30. MX/MPS.
31. Continuous Airborne Aircraft.
32. Deep Underground Basing.

33. Ballistic Missile Defense (BMD).
34. Dense Pack.

Mr. MOYNIHAN. For those who are interested in these things, they list hard rock silo, hybrid trench, short takeoff and landing, POOL, dash to shelter, mobile front end, and they go on like that. But where do we go? Back to where we came from.

Now, there is a fundamental illogic, an almost antic irresponsibility in such a measure. We would be saying to the Soviets: We have produced the most powerful missile yet known to our Army and most possibly the most powerful to the world, and we would deploy it in a mode which could only be used first.

Mr. President, the advent of MIRV's, the multiple independently targeted reentry vehicles, certainly was a shock to the strategic balance in the world. It made so many more warheads available for the existing number of ongoing production lines of the missiles themselves. Yet never has the United States moved to assume a first-strike position. Indeed the MX program was launched precisely in order to save us from evolving into a first-strike posture, which, as I say, is what we have with vulnerable missiles. Now, to deploy a new generation of missiles in those same silos, there would be no responsible alternative for the Soviets but to assume we would not have done it with any purpose in mind other than for a first strike. It is not enough to tell the Soviet Union that committees have dynamics which are mysterious even to the Members that can produce this outcome—that there are commitments made, that there are careers involved—that it might be the world at issue, but there is a need to get agreement before the evening is out, before the next meeting with the President is scheduled.

But that is what we have done. We have produced a missile which in Secretary Shultz' phrase—it may not be his originally but certainly he has used it—you "use it or lose it."

Mr. President, we should not doubt that the Soviets train their forces against the prospect of a preemptive strike by the United States. They themselves have a cascade of strategic logic. It is that of a preemptive strike first, alternately a retaliatory launch, a warning in the event of another strike coming from the opposite side, and finally that of retaliation. They practice this. They practice a global, nuclear duel that will unfold in 30 minutes. Thirty minutes of trigger time.

That is what we would be doing. We would be putting the world on 30 minutes' notice. I do not want to get into elaborations about the role Canadian geese might play and the workings of the various radars that would send the technical information that individuals would have to make decisions about, but 30 minutes' notice will be the maximum we will be able to expect for a nuclear exchange.

Now the Scowcroft Commission, clearly seeing the technological future, and knowing the nature of America's deterrent position that we have had since it first was enunciated under President Eisenhower, said move to single warhead mobile missiles. It is the fact that they cannot be located, and cannot in one great mass be in substantial part destroyed, that gives them their nature as a deterrent weapon. Mobile missiles will increasingly be the standard by which deterence is measured.

The Soviets themselves are doing it. There are no more SS-17's, there are no more SS-19's in their production lines. They are going to SS-24's, to the PL-5's. They know that mobility is the way of the strategic future. We in the United States have declared it to be, and yet we risk the world in a 5- or 6- or 7-year interim deployment of weapons which, because of the location, can only be thought of and only be treated as a first strike weapon.

We will with the deployment of the MX have abandoned a strategy which was conceived in America. The world did not know how to use nuclear weapons and their various delivery systems until they were developed. For the first third of the nuclear age it was American strategists who thought about the subject because they were the only ones whose strategy included nuclear weapons. It was American strategists—I think in particular of Albert Wholstetter, but he was only one of the many distinguished men of his generation—who first articulated the logic of the second strike, who said that the way you can deter war is to make certain that war cannot be successful. Therefore, be clear that there will always be a second strike and never deploy your missiles such that you could clearly only use them in a first strike, because that puts the world on a hair trigger.

Yet, that is what we would be doing in this authorization, which authorizes deployment of such a system.

Mr. President, my time is coming to an end for the evening, but I should like to end with this thought: There is a line in the Scowcroft Commission report which suggests that there is something about the American national will that might be tested if we do not do this one thing.

Nonsense. One of the most powerful weapons of destruction ever conceived of mankind will be the D-5 missile soon to be deployed on the Trident submarine. Is there anybody in this Chamber who would argue that it ought not to be done? No. Why? Because it is a deterrent weapon and ours is a deterrent policy and praise God, please God, it shall remain our policy.

I see that my friend from Colorado is on the floor. I yield to him.

Mr. HART. I thank the Senator for yielding.

He has put his finger on the essence of this debate. He has stated the case very, very clearly. I thank him for his statement and join with him. I think we ought to continue this discussion tomorrow when, hopefully, more people might be listening.

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. MOYNIHAN. Mr. President, I believe that my time has expired, under the gracious arrangement of the majority leader.

Mr. BAKER. I thank the Senator from New York and the Senator from Colorado. It does permit us to try to take the Senate out pretty much as announced today.

We will continue this tomorrow, and the amendment will be pending when we return to the consideration of this measure.

I thank all Senators.

ALTUS AIR FORCE BASE

Mr. NICKLES. Mr. President, I appreciate this opportunity to join my colleague from Oklahoma, Mr. BOREN, in expressing our concern in the action of the Armed Services Committee in not authorizing the construction of the consolidated operations/maintenance facility at Altus Air Force Base in Oklahoma in the fiscal year 1984 military construction authorization.

The present intolerable situation at Altus consists of several substandard, termite-infested wooden buildings that house the Strategic Air Command tenant unit. These facilities have exceeded thier expected life span and impact greatly on the efficient management of this mission.

The proposed facility will consolidate the maintenance complex and the tanker squadron command. Authorizing the required square footage for proper training and planning functions should be accomplished immediately in order to provide this vitally important support for our SAC tanker squadron.

I support my good friend, the senior Senator from Oklahoma, in requesting that the Senate recede to the House during the conference on this legislation.

Mr. President, I thank my colleagues, Mr. BOREN and Mr. THURMOND—the most capable chairman of the Military Construction Subcommittee, for their efforts on behalf of the U.S. Air Force and the base in Altus, Okla., in which we take great pride.

MILITARY CONSTRUCTION—ALTUS AIR FORCE BASE

Mr. BOREN. Mr. President, a portion of this authorization bill deals with military construction. I am very grateful to the Military Construction Subcommittee of the Armed Services

Committee and its distinguished chairman, Senator THURMOND, for the assistance and many courtesies they have shown to me in the past.

There is one project that had been proposed for Altus Air Force Base in Oklahoma which is contained in the House bill but did not find its way into the Senate authorization bill. Because it will be in conference, I want to bring this project to the attention of my friend and ask him to consider its merits when the conference meets.

The project to which I refer, Mr. President, is a consolidated operations/maintenance facility designed to replace substandard facilities now being used by the tenant SAC Unit at Altus.

The current facilities occupied by the 11th Air Refueling Squadron and the 340th Air Refueling Group Deputy Commander for Maintenance Complex consist of three substandard wood frame buildings, one of which was constructed in 1953, and the other two in 1956.

These buildings have poor energy efficiency, lack proper sound baffling, and are termite infested. Continued maintenance and/or upgrading is not cost effective.

I ask my good friend to be aware of this project in conference and to give it every consideration in his deliberations.

Mr. THURMOND. I thank the distinguished Senators from Oklahoma and can assure them that we will give this project close and fair consideration.

As they know, the constraints of the budget have caused us to delay or cut many worthwhile projects and these constraints did not arise until after the House had acted. Altus has received good consideration in the past and indeed, has two other projects authorized in this legislation. One is an airlift training center for $16.5 million and the other is an unaccompanied enlisted personnel housing facility for $1.7 million.

I know of the Senators' long and active interest in the welfare of Altus Air Force Base and other military installations in Oklahoma, and I assure them again that we will do our best on their behalf when the conference meets.

MILITARY CONSTRUCTION FORT RILEY, KANS.

Mrs. KASSEBAUM. Mr. President, in title II of S. 675 I noticed an item regarding military construction projects at Fort Riley, Kans., that is of concern to me and which I would like to discuss with the chairman of the Military Construction Subcommittee of the Armed Services Committee. Specifically, I am referring to three barracks at a cost of $19.2 million, an electrical substation costing $1.4 million and a water treatment upgrade at $6.5 million, all of which were not authorized by the Armed Services Committee. The Department of the Army informs me that its request for one of these three barracks was withdrawn; however, I am very concerned that the need for the other two is quite strong at Fort Riley and that barracks facilities there will be inadequate if the rejection of these two barracks remains in place.

My review of the situation at Fort Riley informs me that there is a well-documented requirement for 1,356 barracks spaces for enlisted soldiers, that an additional 400 soldiers in pay grade E-1 to E-6 are required by barracks shortages to live off base, that 3,641 barracks spaces are considered substandard and that the present lay out of barracks makes no allowance for unit integrity. Finally, future plans for modernization programs at Fort Riley would be considerably disrupted should these barracks spaces not be authorized.

In both its military construction authorization and appropriations bills, the House of Representatives funded the two barracks in question. I would certainly hope that the distinguished chairman of the Senate Armed Services Military Construction Subcommittee would listen closely to the House's arguments on these barracks and the other projects at Fort Riley and give those arguments his favorable consideration when S. 675 goes to conference.

Mr. THURMOND. I appreciate the comments of the junior Senator from Kansas, and I understand her concern. The subcommittee made the reductions referred to by the Senator from Kansas because the Army's justification data was flawed. However, we have been made aware of the corrected data which you have described. I am sure that the Senator from Kansas understands the fiscal constraints that the Armed Services Committee had to work under in considering this bill. However, I pledge to her that I will, indeed, take another look at this matter and that I will keep fully in mind the importance that Fort Riley serves to the interests of the Army and of the national defense. The All Volunteer Army's success depends in large part on the adequacy of the living conditions that we can provide to our enlisted men and officers, and Fort Riley is no exception. I will keep her cogent arguments very much in mind when we meet with our House colleagues to consider how to resolve the differences between our bills.

I thank the Senator for her comments and appreciate her concern.

Mrs. KASSEBAUM. I also thank the senior Senator from South Carolina; I am sure he will do his best.

WIPP

Mr. BINGAMAN. Mr. President, I would like to ask the distinguished senior Senator from Washington a few questions on the waste isolation pilot plant in New Mexico, for which this bill authorizes appropriations of $109,700,000. In light of this large expenditure, I think it is important to make completely clear for future Congresses what the intent of the Senate is at this time. Many of my constituents have expressed concerns about the mission of the WIPP project. They fear that WIPP will be used as a permanent repository not only for transuranic waste, but for defense high level wastes as well. It is my understanding that it is the intent of the Senate that WIPP will be used on a permanent basis only for defense transuranic wastes. Is that correct?

Mr. JACKSON. That is correct. The committee's reoprt on S. 675 clearly states that WIPP is "intended to demonstrate the safe disposal of defense transuranic waste. The WIPP facilities will be capable of routine operations to receive, inspect, package, and emplace these wastes in a geologic disposal environment. This research and development facility will be sized to handle quantities typical of defense transuranic wastes inventories and anticipated generation rates. Emplacement of these wastes in WIPP could begin in 1989." Thus, it is clear that the only wastes intended to be emplaced at WIPP on a permanent basis will be defense transuranic wastes. We are taking every measure to establish this intention, throughout the legislative history of the project's authorization, so that any Congress in the future, looking back at our efforts, will understand how we defined the purposes of this project.

Mr. BINGAMAN. And I believe that the characteristics of the defense transuranic wastes that will be placed permanently at WIPP, specifically their maximum surface dose rate, have been defined precisely in the final environmental impact statement prepared by the Department of Energy for the WIPP project.

Mr. JACKSON. Yes, that is correct. There should be no question about the intent of the Senate with regard to the characteristics of defense transuranic wastes to be placed permanently at WIPP.

Mr. BINGAMAN. It also is my understanding that WIPP is authorized currently to host high-level defense waste experiments for 30 years. My constituents and I would like to be assured that any high-level waste used in these experiments will not remain indefinitely and will be able to be retrieved easily from the site.

Mr. JACKSON. That is clearly the intention of the Senate. Valuable experiments on high-level wastes can be carried out at WIPP but these experiments are to be conducted in such a way that the high-level defense waste used can be easily retrieved from the site. The amount of high-level waste

at the site at any one time during this 30-year period is planned to be only 40 equivalent canisters of defense high-level waste as envisioned in the final environmental impact statement.

Mr. BINGAMAN. I thank my distinguished colleague for his clarification of these issues so important to constituents in my State.

CERAMIC TECHNOLOGY

● Mr. BOSCHWITZ. Mr. President, I would like to call to the attention of the floor manager, the distinguished chairman of the Senate Committee on Armed Services, a promising new technology involving ceramic rotary valves for combustion engines. The House Armed Services Committee highlighted this technology in its report on their fiscal year 1984 defense procurement authorization bill and has earmarked $500,000 for this new technology from funding allocated to an R&D program called the Army development and employment activity. I would urge the chairman to give this matter his attention in conference and support the House in allocating funding for this effort—in fact, I would hope that additional funding could be allocated.

Mr. TOWER. I appreciate the Senator from Minnesota bringing this matter to my attention. I can assure him that I will look into the subject and be prepared to address the issue when we get to conference. I cannot give assurances with regard to funding levels that the conference might agree to, but if the technology is as promising as the Senator contends, I'm sure we will agree to some appropriate level of funding.

Mr. BOSCHWITZ. As always, the distinguished chairman is most gracious in his remarks. I thank him for those considerations.●

● Mr. DANFORTH. Mr. President, my colleague, Senator EAGLETON, and I were prepared to offer an amendment to the Department of Defense authorization bill to provide authority for increased Federal support for basic science research by universities engaged in defense-related work. This amendment would have provided the necessary authorization to implement the expanded program of Defense Department support for university basic research outlined in title III of S. 1537, the University Research Capacity Restoration Act of 1983.

Several weeks ago, Senator EAGLETON and I introduced S. 1537, along with Senators BRADLEY, CHAFEE, KENNEDY, MOYNIHAN, and PELL. Since then, Senator COHEN has joined us as a cosponsor of this bipartisan initiative to increase Federal support and revitalize the basic science research capacity and advanced education programs of our Nation's universities.

This legislative initiative was prompted by our growing concern about the ability of our Nation's research universities and land-grant colleges to continue to provide the new knowledge we need and to educate the future generations of scientists, engineers, biomedical researchers, and skilled managers essential to the long-term vitality, security, and general well-being of the Nation.

Working with the Association of American Universities, the AAU, we drew up in S. 1537, a comprehensive 5-year plan that restores and strengthens our university research capacity. This legislation focuses on the basic research needs of institutions involved in the programs of the six Federal agencies and departments that provide 95 percent of the Federal support for university basic science and engineering research: The National Institutes of Health; the National Aeronautics and Space Administration; the National Science Foundation; and the Departments of Agriculture, Energy, and Defense.

Mr. President, we regard S. 1537 as a blueprint for increased and sustained Federal investment in our Nation's university research capacity over the next 5 years. Our intent with respect to the various components of this legislation is to seek the objectives outlined in the titles of the bill through amendments to the appropriate authorization and appropriations bills—including the Department of Defense authorization bill.

With respect to the Department of Defense, our aim is to increase the Department's investment in basic science research grants and to expand support for university research facilities and instrumentation, as well as for graduate fellowships and faculty development awards. We seek these objectives because we believe that the research capacity of our universities is eroding and that the implications for our National security are grave.

This same view was expressed last year by the Senate Armed Services Committee in its report on the fiscal 1983 Department of Defense authorization. Addressing the deterioration of the university research base, the committee states:

> The committee is concerned that our leading research universities are suffering from a severe erosion in their capacity to conduct competitive research and advanced education programs in such key fields as science and engineering. Manifestations of such erosion may be found in the fact that many laboratories and much research equipment is seriously outdated. Moverover, insufficient numbers of talented students and researchers are being attracted to careers in fields of science and engineering essential to the Nation's future security. In short, the university research base in the United States is being dramatically weakened with grave implications for the national security.

Mr. President, as a consequence, the Armed Services Committee has supported expansion of the Department's basic science research programs, and continues to do so. It is our understanding that the committee's recommended authorization for research and development in the pending legislation would increase funding. It provides for real growth and makes approximately $850 million available for defense basic research in fiscal 1984.

More, however, needs to be done. Our plan, set forth in title III of S. 1537, would provide for an increase in basic research funding of at least $200 million above the $850 million level set by the committee in S. 675, and it would provide for use of these funds to increase support of university basic science research.

Of this $200 million, we believe that at least $55 million is needed for the fundamental university research programs of the armed services. Despite recent efforts by the Department of Defense to strengthen the core research programs of the armed services, these programs continue to be strained and to operate—in terms of fiscal 1972 dollars—at only 68 percent of the fiscal 1965 level. This additional funding is needed to strengthen the Department of Defense investment in basic, investigator-initiated research programs at our universities and to strengthen the balance in the programs of the services between fundamental research activities and the newer, more targeted research initiatives that have been undertaken recently.

Mr. President, $75 million of the $200 million in additional basic science research funding would be made available on a matching basis for a new university laboratory rehabilitation program. Presently, the Department of Defense lacks a program to assist in the modernization of the university research facilities in which defense-relatred research programs are conducted. Many of these engineering and science laboratories are in need of modernization and replacement, and this new program would begin the task of modernizing the university laboratories in which Department of Defense competitive research programs are carried out.

The remainder of the $200 million increase in funding for DOD basic research would go to the Department's university research equipment program and to support of graduate fellowship and faculty award programs. With specific regard to university research equipment, $60 million would be provided to increase funding for the Department's present university research equipment program from its current level of $30 million to $90 million. In its first year, this new Department of Defense program has demonstrated clearly that there is a substantial backlog of equipment needs that presently hampers university researchers. In the initial competition for funds, the Department received

more than 2,500 requests totaling approximately $750 million, and fewer than 1 proposal in 12 was funded. Our plan would provide increased funding to be awarded by competition to those institutions with the demonstrated capacity to conduct excellent fundamental research in areas of interest to the Department.

As for graduate fellowships, we would also seek to expand the Department of Defense's existing graduate fellowship program and extend it to all three services. In fiscal 1983, the Office of Naval research (ONR) started a new, small graduate fellowship program designed to attract talented undergraduates into advanced study in selected fields of interest to the Department. This year, the program will award 3-year, portable, merit-based fellowships to approximately 50 graduate students. However, the Army and Air Force lack a comparable program, and our initiative would increase the total number of graduate awards and extend the program to all three services.

In addition, our university research initiative would divide the Federal funds provided for this graduate fellowship program to make funds available to institutions that carry out Department of Defense basic research, as well as to individual graduate students. These funds would go to university departments to attract additional graduate students into fields of interest to the Department. Together, the portable individual awards and the institutional awards would provide a balanced graduate fellowship program for the Department of Defense.

Finally, as part of the initiative outlined in S. 1537, we seek to establish a new Department of Defense program of faculty awards for young researchers who are undertaking new teaching careers. This program would make awards to young university faculty engaged in defense-related research. The administration already has proposed such a program for the National Science Foundation, and our goal is to establish a comparable program for the Department of Defense.

Mr. President, we believe that these new programs and additional funding are essential to revitalize and strengthen the Department of Defense basic science research programs at our Nation's universities. We remain committed to these goals, but we do not believe that it is appropriate to go forward with an amendment to authorize such increased support at this time, when we are already so far along in the authorization and appropriation processes for fiscal 1984. We regard this effort as part of a long-term project, and in the months ahead we hope to work closely with Chairman TOWER and the members of the Senate Armed Services Committee to seek implementation of our program in fiscal 1985.

We undertake this effort with the view that the future effectiveness of our national defense requires a position of sustained leadership in basic science, engineering, and technological development and that the Nation's capacity to educate and train its most able citizens must be sustained and protected to guarantee that leadership. We hope that Chairman TOWER, the other members of the Armed Services Committee, and all our colleagues will join us in this bipartisan effort to strengthen the basic science capacity and advanced education programs of our Nation's universities.●

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a very brief period for the transaction of routine morning business, not to extend past 10:40 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHRYSLER'S BACK IN THE BLACK

Mr. LEVIN. Mr. President, I want to commend the Chrysler Corp.'s decision to repay the remaining $800 million of federally guaranteed debt by September 30—7 years ahead of schedule. It is a further welcome sign that Chrysler is truly on the road to recovery.

Chrysler's success was made possible by passage of the Chrysler Loan Guarantee Act of 1979, which allowed the company to borrow up to $1.2 billion backed by Federal guarantees. At the time, it was scoffed at as a doomed waste of the taxpayer's money. In fact, this assistance has not cost the Federal Government a thing, but has returned $33 million in fees paid by the company to the Treasury.

Moreover, the act saved 68,000 jobs that would have otherwise been lost if Chrysler had gone bankrupt. This would have been a devastating blow to Michigan and many other States which have suffered tremendous unemployment during the past several years under the severe recession that has gripped Michigan and the country.

Chrysler's repayment of the $800 million, in addition to $400 million repaid last month, provides a further basis for the company's continued growth and its presence in both the domestic and world auto industry. This can only be good news for additional growth in employment in some of the areas of our Nation hardest hit by the recession.

Mr. President, I also want to commend Lee Iacocca, chairman of the board of Chrysler. He has managed Chrysler through not only the most grim period in the company's history but one of the most difficult recessions for the entire auto industry. With the help of his leadership and the Chrysler employees and survivors, Chrysler has survived as a viable and competitive automobile producer.

Again, I want to commend Chrysler and its employees for its hard won success. I ask that Lee Iacocca's fine speech to the National Press Club yesterday be entered into the RECORD following my remarks.

One of the most significant portions of a speech with many highlights is the description of the need for a coherent jobs and economic development policy, often called an industrial policy.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS BY L. A. IACOCCA

Thank you Mary (Mary Kay Quinlin), distinguished guests, ladies and gentlemen.

This is the political season or so I've heard, which means it's the season for people to come to this podium to make promises and ask for your support.

I did that two years ago—two years ago next week as a matter of fact at this Press Club. And for the last four years I have been on the stump asking the support of just about anyone who would listen to me.

But today, we are going to turn it around. We are here to celebrate a little and say thank you.

When I was here two years ago, it was a historic occasion for us at Chrysler. We had actually turned a modest profit ($10 million) in the preceding quarter—our first profit in three years. It was no big deal but it was a beginning: a glimmer that maybe we could make it, that maybe Chrysler had a future after all.

And you might recall we showed you the first of some exciting new products: The industry's first production convertible—one of the reasons I could stand up here and tell you we were in the ballgame to stay (you might be interested in knowing Ted Kennedy, John Glenn and Chuck Percy all immediately bought one, establishing it quickly as the first by-partisan convertible)!

Since then our momentum has picked up month after month. In this business good news always starts with good products and on that point our record is solid.

We converted our cars to front-wheel-drive, about doubled the miles per gallon from 14 to 28, and improved the quality so much we could afford to offer the best warranty in the business. So our sales are up, our market share is up, our resale values are up, we are attracting strong new dealers, we are No. 2 in Canada now, and we haven't had a recall worth mentioning in so long it scares me just to talk about it—and that's about as commercial as I am going to get today!

Once we started building the best cars in America again, we started making money. We made a profit for all of 1982 followed by a record profit in the first quarter of this year. This spring we even sold 26 million shares of new stock (would you believe at 16¾ in about three hours, and just three weeks ago we paid off $400 million, or one-third of our government-guaranteed loans—seven years ahead of schedule.

All this makes it possible for us today to talk about our own declaration of independence—financial independence. We are about to re-establish Chrysler as a successful private corporation that pays its own way.

So today, I would like to complete the circle. I am proud to announce an even greater milestone on Chrysler's comeback. This is a day that makes the last three miserable years all seem worthwhile.

Today I am here to tell you that we are going to pay off the last $800 million in government-guaranteed loans, taking the outstanding debt down to—Zero.

The actual mortgage burning won't take place today because the law requires 60 days for the paperwork and red tape. Otherwise I'd give someone a check right now, right here.

This isn't an everyday occurrence here in Washington, but as John Houseman might say, We at Chrysler borrow money the old-fashioned-way: we pay it back!

All the loans, all $1.2 billion, are being paid back seven years early. Why? Because this will save Chrysler $56 million in net interest payments each year for the next seven years or a total of $392 million.

And more importantly, because we believe this action should tell the financial community, but especially the American car buyer, that we are here to stay and have the strength to compete with anybody in the world. But probably even more important than that, I think it shows the system can work if everybody pulls together.

Bear in mind the $1.2 billion we are paying off was part of a one-and-a-half-billion-dollar loan guarantee. So we only drew down 80 percent of it. And bear in mind that the guarantee was to be paid off by 1990, (if ever) so we are paying it back in three years instead of ten years. In addition, we already have paid the government $34 million in fees and a little over $100 million to lawyers, bankers and consultants merely to administer the act during the past three years. So, it didn't come cheap.

I might add here, we still have a couple of tough issues facing us and that is the subject of warrants and what constitutes a fair and reasonable profit to the government for a three-year guaranteed loan. Since as of today there is no longer a loan guarantee act, and therefore, no risk to the government, I am hopeful that we can reach an agreement that is fair to everyone.

But make no mistake about it, as expensive as it was, the government guarantee was the catalyst that made it all happen. It certainly got all the publicity.

What is often forgotten is the $2.2 billion that everybody else put up to keep the company together. And, of course, these were the union workers and the white collar workers who took pay cuts; the states that loaned us money; and the banks; and the suppliers; and the dealers. All the guys who really had something at stake. So, our whole program was based on equality of sacrifice, because everybody offered up something—something important.

And that's why we have invited representatives from each of these groups to be here today as part of this historic event (and that's why I am glad the Press Club took me off the hook and set up the head table).

First, we couldn't have made it without concessions from the members of the United Automobile Workers—then under the leadership of Doug Fraser and now under new UAW President, Owen Bieber. (Doug, as you may have heard, is also a member of our Board of Directors). So Doug and Owen, we thank you.

Next our salary and management employees saw their numbers cut in half (40,000 to 20,000) and those who stayed took cuts in pay and benefits. Gerry Greenwald, our Vice Chairman, and Hal Sperlich, President of North American Operations, are representing those employees and I want to say thank you to them too.

Next, our suppliers—all 11,000 of them. They rolled back prices, they bankrolled us by letting us pay them very slowly and even bought $75 million in debentures to provide us with capital. I'd like to thank all of them and I will through Pete Love, Chairman of the Board of National Steel, who is representing them here today.

Next our dealers. They really sacrificed—over 2,100 of them went out of business and the ones who survived lost lots of money for a couple years running. But about 4,000 of them are left—stronger than ever. And today our two National Dealer Council Chairmen are here, Will Perkins of Colorado representing the Chrysler/Plymouth Dealers and Gene Beltz of Indiana representing the Dodge Dealers. Thank you.

Next, and this will be a first for me, I want to say thank you to my friendly bankers. They helped save us during our darkest days, then supported our recapitalization program earlier this year. John McGillicuddy, Chairman of Manufacturers Hanover has been our lead banker through it all and he is here today representing 434 other bankers and insurance companies around the world. The rates were a little high, John, but your faith in us was even higher; and we thank you.

Then there were the state and local governments that helped us with loans and helped support our employees that were laid off. First, the Governor of our home state, Governor Blanchard of Michigan who as a Member of Congress sponsored the Chrysler legislation in the House. And Governor Pierre duPont of Delaware who came through with the very first "no-strings-attached" loan (represented by Lt. Governor Mike Castle). Thank you, Governors.

And then there is that unique institution, the Chrysler Guarantee Loan Board. During the Carter years, they wanted to see us every week. In the Reagan administration, they never wanted to see us at all; of course, in the early days, we didn't want to see them. Now I'm trying to find them so that I can pay them back. Well anyway, I want to thank G. William Miller and Elmer Staats from the original Board, and Secretary of the Treasury Donald Regan, Chairman of the current Board, all of whom are here today, for their help during these past (3) years.

Then there is one more big group: All those people who had to stand up on the floor, and vote, and then convince the voters back home that they had done the right thing. After a year of debate, we won 53 to 44 in the Senate and 271 to 136 in the House (a two to one margin)—mainly due to the impassioned plea made by Speaker Tip O'Neill on the House floor to save 600,000 jobs. So I would first like to recognize and thank the Speaker and also other key House members here today: Stewart McKinney John LaFalce, Bud Hillis, and Joe Minish.

In the Senate we were fortunate to have the bi-partisan leadership of Senators Don Riegle of Michigan and Dick Lugar of Indiana. Thank you, Senators.

And last, but maybe they should have been first, I want to thank the first one million people who bought our first million "K" cars—the Reliant and Aries. Sure we needed the cash, but their faith in us meant even more. They were buying a good car from a company that they felt was not so good. And that simply told us that a lot of people were rooting for us.

So today is such a great occasion, my inclination is to just stop now and hold a party. But if we did so, we would miss the most important point—for all the American people and the government, itself, have the right to ask: Did you learn anything from all of this? You bet we did! We learned that people working together can make anything happen!

There are some ideologues in government (and in the press) who are still against the whole idea—they say results don't really matter when it conflicts with their principles. They say our case was unique. Well, it was. But not for the reason they think. It was unique because we did it during four years of a hellish depression in the auto industry. Some even say it was a fluke, and shouldn't be a precedent for anything. What they are saying is they are not interested in hearing about anything for theoretical economics.

We just got everyone working together. We cooperated; we fought for each other; we sacrificed equally—in a way maybe it was social democracy at its best. And we had help from all levels of government—Capitol Hill, the White House, the State House and City Hall. And my question is simply this—What is so wrong with that?

What else can we say about it? It was bipartisan in terms of Democrats and Republicans and in terms of labor and management. We all knew there were a lot of jobs at stake. As Tip O'Neill said in the midst of heated debate, "I have always fought hard to save 100 jobs so it's a little crazy to argue when more than a half a million families are waiting to hear our verdict." And maybe, that's the real reason we all went through so much pain together. In human terms, there was a lot riding on us.

So what was it that we created? I'll tell you what it was, and pardon me for using this term with so many Republicans in the room. I guess you would say it was an ad hoc industrial policy. Better still, let's call it a jobs and economic development policy, because the reality if we already have an industrial policy even though it's a hodgepodge based on congressional actions or administrative orders during the last 50 years. Some of these actions were taken with broad public support, some by narrow interest groups.

Let's take federal loan guarantees, for example.

When we charged up Capitol Hill to get ours—$1.5 billion—of which we used $1.2 billion—we found out there were already $409 billion—that's right, count them, $409 billion—in federal loans and loan guarantees on the books (or should I say off the books). (Because this is all off-balance sheet accounting that never shows in the deficits). By the way, that number has now climbed to over $500 billion, that's half a trillion!

And who has all those loans? Look around the room boys and girls—big business is on the list. And small businesses of every description. And farmers. And college students; probably some of your sons and daughters.

Now add in all the subsidies, tax credits, loopholes, incentives and grants, and regulations, and you can see that U.S. industrial policy is being made every day, in lots of places, by lots of people. So the question

isn't: Should we have a national industrial policy? We already have one, make no mistake about it. The question is: Should we have a rational industrial policy? After all, somebody has to coordinate monetary, fiscal, tax, trade, energy and regulatory policy—or they all go off in different directions.

Take the steel industry, where U.S. Steel is right now setting industrial policy. While protected by trigger prices, it paid four-point-three billion dollars for an oil company, instead of investing in modern basic oxygen furnaces to be competitive.

Then, while leading the lobbying in Washington against imports of cheap, subsidized foreign steel, it cut a deal with British Steel for—guess what?—cheap, government-subsidized foreign slab steel that would double imports from Europe.

It looks like the company is closing down American furnaces and becoming merely a finisher and fabricator. Well, what happens to the smaller steel companies? Will some of them be forced to shut down their furnaces too—and switch to imports?

Right or wrong, U.S. Steel is setting industrial policy in the steel business for the next 50 years.

And General Motors and Toyota are about to set industrial policy, (not to mention anti-trust policy). With 25 percent of the world market and 50 percent of the U.S. market, they want to set up shop in an abandoned GM plant in California.

GM will put up $20 million, Toyota will contribute petty cash and get to sell an extra 200,000 cars in this country wearing the Chevrolet label. Most of the parts for the new cars will come from Japan, and the Chevette that's assembled in Delaware with 95 percent of its parts made in the U.S., probably will die.

Shouldn't the government at least ask what they are up to? Even the unions are asking the right questions. But in both industries, steel and autos, once you have asked your government for even some modest form of protection, the quid pro quo is an obligation to talk about excessive wage demands or exorbitant pricing or investments or tax breaks.

To start with, it seems the use of the Washington buzz word "industrial policy" is all wrong. So maybe we should call it "a policy to stay competitive in world markets" or something, and bring together the steel and automobile companies, their suppliers, labor, and the general public and get an answer to the gut question: Does the United States really need a steel or automobile industry and what form should they take?

If the answer is yes we do—then solutions to the real problems of the industry could include tax credits and guaranteed loans for productivity improvements and modernization for those companies that choose to participate, and then maybe even commit to wages and prices that are indexed to productivity and real GNP growth, not inflation. And all the people involved could work out their plan for getting it done.

That's what we did at Chrysler and it worked. It was equality of sacrifice—and not just a simple bail-out.

The ideologues in Washington, and there are many, couldn't accept that something truly worked. It's that simple—if it clashes with their principles, they don't care to look at it even if it works. In other words, results are meaningless.

Well fine. Some people may hear inner voices that tell them that what Chrysler did is some kind of sin or worse. I say it is simply a great example of how government, labor and management can work together to save and create something of real value.

I guess my attitude is the same as Abraham Lincoln's when somebody told him U. S. Grant got drunk a lot—"Find out what kind of whiskey he drinks, and send it to my other generals."

I happen to think we can do a better job than we have in deciding what kind of economy we want to have. Maybe even what kind of a country we want to have.

But in the end, the lesson we have really learned is that we have got to compete. There is just no place to hide for business, for labor, or for government.

You know as Americans, we seem to have a rather peculiar trait, we run better and faster scared! Adversity brings us together. When we had to, because there was a gun at our heads, we learned to work together. Now that things are looking better, the key question is, can we keep on working together to attack the gut problems of this country.

For our union and the workers they represent, that means we have got to continue to get quality and productivity and we just can't handle demands that exceed our ability to produce and be competitive in a world market.

To those of you in government, I say we cannot handle a 20% undervalued yen and a legal but unfair Japanese tax policy—that together adds up to a $2000 per car advantage. I know some of you in government are working on these problems and I believe you should because otherwise there won't be any industry left in this country to work on.

And while you are doing all of that, management sure has no place to hide. We can't go back to the old ways of getting fat and letting all kinds of costs creep back in. Simply stated, only by competing hard and fair will we be able to make it.

So, it's not done yet, not by a long shot. This was kind of a pleasant and personally gratifying pit stop along the road but we have a lot of miles to go before we sleep. We have got to straighten out the warrants issue. I don't want to get into that here, but we will do what's fair and I am sure the government will too.

The UAW and its members want to share in our success and we expect to sit down with them shortly and talk it out.

And the suppliers, after many lean years, are going to want to dicker a little—they have already started.

I guess that's the price of success. In some ways, it's easier when you are broke; everybody is a little more patient. But, it's fair this way. You give me a little transfusion when I am bleeding to death and I try to pay you back a little when I get back on my feet. You could say it's the American way!

As long as we learn from the disease and the illness. Well, I learned and I hope all of you did. I learned that a little sacrifice shared equally goes a long way.

I learned than we can compete, even in the darkest days, with anybody.

I learned that when adversarial positions melt under pressure, good things happen.

I even learned that an ad hoc industrial policy is better than no policy at all, particularly when much of the rest of the world has a policy, good or bad.

Teamwork is an old, sometimes tired cliche, until you win! Then, you marvel at it and say, "Why did I ever try to do it any other way."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed in the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bills:

On July 12, 1983:

S. 680. An act entitled the "Gladys Noon Spellman Dedication"; and

S. 925. An act to make certain technical corrections in the Atlantic Salmon Convention Act of 1982.

On July 13, 1983:

S. 273. An act to amend section 8(a) of the Small Business Act.

MESSAGES FROM THE HOUSE

At 3:11 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3069) making supplemental appropriations for the fiscal year ending September 30, 1983, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. WHITTEN, Mr. BOLAND, Mr. NATCHER, Mr. SMITH of Iowa, Mr. ADDABBO, Mr. LONG of Maryland, Mr. YATES, Mr. ROYBAL, Mr. BEVILL, Mr. LEHMAN of Florida, Mr. DIXON, Mr. FAZIO, Mr. HEFNER, Mr. CONTE, Mr. MCDADE, Mr. EDWARDS of Alabama, Mr. MYERS, Mr. MILLER of Ohio, Mr. COUGHLIN, and Mr. KEMP as managers of the conference on the part of the House.

The message also announced that the House insists upon its amendment to the amendment of the Senate to the bill (H.R. 2973) to repeal the withholding of tax from interest and dividends; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. PICKLE, Mr. RANGEL, Mr. STARK, Mr. CONABLE, Mr. DUNCAN, and Mr. ARCHER as managers of the conference on the part of the House.

At 5:39 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announces that the House recedes from its disagreement to the amendment of the Senate to the bill (H.R. 3392) to amend the Agricultural Act of 1949, and agrees thereto, with an amendment, in which it requests the concurrence of the Senate.

ENROLLED BILL PRESENTED

The Secretary reported that on today, July 14, 1983, he had presented to the President of the United States the following enrolled bill:

S. 929. An act to amend the act of July 2, 1940, as amended, pertaining to appropriations for the Canal Zone Biological Area.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations, report entitled "Allocation of Budget Totals, Committee on Appropriations" (Rept. No. 98-178).

By Mr. ANDREWS, from the Committee on Approproiations, with amendments:

H.R. 3329: A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes (Rept. No. 98-179).

By Mr. MATTINGLY, from the Committee on Appropriations, with amendments:

H.R. 3263: A bill making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1984, and for other purposes (Rept. No. 98-180).

By Mr. HATCH, from the Committee on Labor and Human Resources, with amendments and an amendment to the title:

S. 242: A bill to provide additional authorizations for labor intensive programs, to provide additional provisions for the dislocated workers program under title III of the Jobs Training Partnership Act, to promote employment and training for recipients of federally financed unemployment benefits, to provide procurement targeting in labor surplus areas, and for othe purposes (Rept. 98-181).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1129: A bill to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, and for other purposes (Rept. No. 98-182).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 19: A joint resolution to authorize and request the President to designate the period August 26, 1983, through August 30, 1983, as "National Psychology Days."

S.J. Res. 56: A joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month".

S.J. Res. 77: A joint resolution designating "National Animal Agriculture Week".

S.J. Res. 85: A joint resolution to designate September 21, 1983, as "National Historically Black Colleges Day".

S.J. Res. 98: A joint resolution to designate October 2 through October 9, 1983, as "National Housing Week".

S.J. Res. 102: A joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week."

S.J. Res. 119: A joint resolution to designate the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week".

S.J. Res. 126: A joint resolution to designate the week of July 17, 1983, through July 23, 1983, as "National Corn Week".

S.J. Res. 127: A joint resolution designating the week of May 27, 1984 as "National Tourism Week".

H.J. Res. 258: A joint resolution designating August 3, 1983 as "National Paralyzed Veterans Recognition Day".

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Pasco M. Bowman II of Missouri, to be U.S. circuit judge for the eighth circuit;

Peter C. Dorsey of Connecticut, to the U.S. district judge for the district of Connecticut;

Stephen N. Limbaugh of Missouri, to be U.S. district judge for the eastern and western districts of Missouri; and

Stephen S. Trott of California, to be an Assistant Attorney General.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN:

S. 1618. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide preventive health care programs for employees; to the Committee on Finance.

By Mr. BENTSEN:

S. 1619. A bill to provide public capital investment financing and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BYRD:

S. 1620. A bill to increase the number of weeks of Federal Supplemental Compensation; to the Committee on Finance.

By Mr. HUMPHREY:

S. 1621. A bill to amend the Federal Aviation Act of 1958 to require commercial passenger carrying aircraft to be equipped with smoke detectors and automatic fire extinguisher in all aircraft lavatories and galley areas; to the Committee on Commerce, Science, and Transportation.

By Mr. HEINZ:

S. 1622. A bill to amend title XVIII of the Social Security Act to provide for procedures and payment limitations with respect to the furnishing of cardiac pacemakers in order to achieve cost savings for the medicare program, improve the quality of patient care, and insure against fraud and abuse, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. SARBANES, Mr. SASSER, Mr. TSONGAS, Mr. RIEGLE, Mr. LUGAR, Mr. BENTSEN, Mr. LEVIN, Mr. LEAHY, Mr. TOWER, Mrs. KASSEBAUM, Mr. TRIBLE, Mr. KENNEDY, and Mr. BIDEN):

S. 1623. A bill to establish a National Commission on Neurofibromatosis; to the Committee on Labor and Human Resources.

By Mr. TRIBLE: (for himself and Mr. STEVENS):

S. 1624. A bill to promote increased ocean transportation of bulk commodities in the foreign commerce of the United States in U.S.-flag ships, to strengthen the defense industrial base, and for other purposes; to the Committee on Commerce, Science, and Transportation, by unanimous consent with instructions that if and when reported, the bill be referred to the Committee on Finance for the consideration of title III.

By Mr. PRESSLER (for himself, Mr. TSONGAS, Mr. PERCY, Mr. PELL, Mr. MATHIAS, and Mr. CRANSTON):

S.J. Res. 129. A joint resolution calling upon the President to seek a mutual and verifiable ban on weapons in space and on weapons designed to attack objects in space; to the Committee on Foreign Relations.

By Mr. STENNIS:

S.J. Res. 130. A joint resolution to provide for the designation of April 9, 1984 as "National P.O.W./M.I.A. Recognition Day"; to the Committee on the Judiciary.

By Mr. DOLE (for himself, Mr. HOLLINGS, Mr. BURDICK, Mr. KENNEDY, Mr. STEVENS, Mr. HELMS, Mr. LUGAR, Mr. ARMSTRONG, Mr. COCHRAN, Mr. DOMENICI, Mr. NUNN, Mr. DURENBERGER, Mr. SARBANES, Mrs. HAWKINS, Mr. HEINZ, Mr. BOREN, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. ANDREWS, Mr. WEICKER, Mr. JEPSEN, Mr. LAXALT, Mr. ROTH, Mr. MATSUNAGA, Mr. BUMPERS, Mr. GORTON, Mr. PERCY, Mr. WILSON, Mr. SYMMS, Mr. DIXON, Mrs. KASSEBAUM, Mr. PRESSLER, and Mr. TSONGAS):

S.J. Res. 131. A joint resolution designating "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolution and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for Mr. PACKWOOD (for himself and Mr. HOLLINGS)):

S. Res. 174. A resolution to re-affirm support for the International Whaling Commission moratorium on commercial whaling; submitted and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN:

S. 1618. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for employers who provide preventive health care programs for employees; to the Committee on Finance.

(The remarks of Mr. COHEN and the text of the legislation appear earlier in today's RECORD.)

By Mr. BENTSEN:

S. 1619. A bill to provide public capital investment financing and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

PUBLIC WORKS INVESTMENT INCENTIVE ACT OF 1983

● Mr. BENTSEN. Mr. President, amid all the calls for an industrial policy and the controversy that surrounds them, I believe it would be possible to establish a consensus on one point at least: America's infrastructure needs rebuilding. Even in a period of scarce resources there is broad agreement that we should be doing more to shore up the foundations of our industrial might.

America cannot prosper during the 21st century unless the American people have potable water to drink; unless our system of waterways, locks, and dams enables us to move goods to market; unless our young people have quality schools to attend; unless our airports and mass transit systems can handle the rapidly increasing demands being placed upon them. We have recently taken dramatic action to upgrade our interstate road network and bridges with the nickel-a-gallon gasoline tax.

Mr. President, I think my colleagues will concur that the rest of America's infrastructure is in similar need of attention, and that is why I am proposing this legislation.

While we can all agree on the importance of upgrading our infrastructure, there is obvious disagreement on how to administer and finance such a program. The current condition of public works and specific investment requirements vary dramatically from community to community, State to State, and region to region. Some areas are in need of a one-time infusion of catch-up capital to make good on decades of under investment. Other areas are having difficulty staying even with rapid rates of growth.

Clearly, the priorities for spending on basic facilities can best be established by State and local governments; my legislations recognizes and accepts that fact.

The Congressional Budget Office has estimated that we should be spending $53 billion a year for the rest of this decade to maintain and improve America's basic facilities. That is a great deal of money by any standard. The only way we can even hope to approach that mark is for the Federal Government to facilitate the acquisition of low-cost financing and provide the impetus for State and local governments to initiate infrastructure projects.

The legislation I am proposing provides $10 billion a year, beginning in fiscal year 1984 and running through fiscal year 1993. These funds would be used to leverage State and local dollars for basic services development.

Five billion dollars of the total would be used as a direct interest rate subsidy of 50 percent for qualified State and local projects, and the other $5 billion would be used as seed money on a 40 percent Federal and 60 percent State matching basis for funding projects. These two methods of financing could generate as much as $80 billion in infrastructure investment in the first year.

There are two points I wish to stress, Mr. President, about the funding provided in this legislation. First, the Federal share should not increase the deficit and therefore should not come from general revenues. Second, we must provide incentives to fund only projects that make good sense. To accomplish that objective, my legislation requires that the full cost of a building or repair should be recovered over the useful life of the project. In most instances this would be accomplished through the imposition of user fees or by other means as determined by the State and local governments. Federal dollars would be committed for a minimum of 10 years and payback would be to a self-perpetuating fund maintained by the States. That fund would help assure continued investment in the years ahead.

Mr. President, I believe this legislation can help correct decades of neglect of America's basic facilities without adding to the budget deficit. I urge its prompt consideration by the Senate and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

TITLE I

SEC. 191. This Act may be cited as the "Public Works Investment Incentive Act of 1983".

SEC. 102. The Congress finds that—

(1) the need to maintain, repair, and build certain public works capital investments are required for property and economic growth and therefore the general welfare;

(2) the condition of the Nation's infrastructure varies dramatically from state to state and region to region which requires that assistance embrace new capital construction as well as repair and rehabilitation;

(3) priorities for infrastructure spending are best established by state and local governments, not the Federal government;

(4) the role of the Federal government should be to facilitate state and local governments in acquiring low cost financing with minimal Federal investment; and

(5) to help perpetuate infrastructure investment and assure funding of worthwhile projects, the full cost of construction and/or repair and rehabilitation should be recovered over the useful life of the project.

SEC. 103. (a) For the purposes of this Act—

(1) the term "Commission" means the National Infrastructure Commission established by section 107 of this Act;

(2) the term "State Infrastructure Bank" means an institution which is established to finance public capital investment project in accordance with this Act;

(3) the term "public capital investment project" means the physical structures and facilities developed for water supply, waste disposal, recreation, hospitals, schools, port facilities, waterways, dam/reservoirs, airports, mass transit, off-system bridges, and similar projects;

(4) the term "user charge" means a fee paid by the user of a public capital investment for the use of the facility;

(5) the term "Secretary" means the Secretary of the Treasury; and

(6) the term "State" means any State of the United States, the District of Columbia, and Puerto Rico.

SEC. 104. (a) The Secretary, upon application by a State and a finding by the Commission in accordance with subsection (b) of this section, is authorized to allocate in accordance with the formula established by section 106 of this Act to the State an apportionment of funds appropriated for the establishment of a State Infrastructure Bank.

(b) The Commission shall review each application in order to determine that—

(1) the State has established a public corporate body known as a State Infrastructure Bank, constituted as an instrumentality of the State;

(2) such Bank has the power to make and contract to make loans to governmental units and provide interest subsidies on bond issues for qualified state and local projects; and

(3) the bank requires repayment of loans or subsidies from user charges to the State Infrastructure Bank over the useful life of the project or 30 years, whichever is less.

(c)(1) There is hereby authorized to be appropriated $10,000,000,000 per fiscal year for each of the fiscal years ending September 30, 1984 through September 30, 1993.

(2) Any sums appropriated pursuant to this section shall be available through September 30, 1995, for apportionment pursuant to section 106 of this Act and for payment of Federal capital contributions. Such apportionments may only be used for establishment, expansion, and maintenance of a State Infrastructure Bank.

(d)(1) Once approved for a grant under this Act, a State shall receive subsequent annual grants from appropriations based on its apportionment provided the Commission after period audits finds that the State is maintaining its Bank as originally proposed.

(2) Whenever the Commission finds that a State has failed to properly maintain its program substantially as originally proposed, the Secretary shall withdraw grant approval until such State has submitted a new application as such is approved as required by subsection (a) of this section.

SEC. 105. (a) State Infrastructure Banks established under state law shall be required to be established for the purposes of making loans to state and local governments and providing interest subsidies for bond issues of state and local governments.

(b) The funds granted for the establishment of a State Bank shall be divided as follows—

(1) fifty percentum for use to leverage state and local funds by loans of up to forty percentum of the cost of a public capital investment project; and

(2) fifty percentum for providing direct interest subsidies of up to fifty percentum of the market interest rate for public capital investment projects.

(c)(1) Loans made by State Infrastructure Banks shall be made at or below market rates, and may be made interest free.

(2) Any interest accruing from such loan shall be credited to the Bank and shall be available for future loans.

(d) Loans or subsidies for the cost of projects plus interest shall be repaid to the State Infrastructure Banks over the useful life of the project or 30 years, whichever is less. User fees or other funds, as determined by the state or local governments, would be used for the required payment.

(e) A public capital investment project may seek funding from a State Infrastructure Banking for either a forty percentum project loan or a fifty percentum interest subsidy, but not both.

SEC. 106. Sums appropriated under this Act shall be apportioned to the States on the basis of the following formula—

One-third in proportion to the aggregate change in population from 1950 to 1980, one-third in proportion to the aggregate change in population from 1970 to 1980, and one-third based on the percentage of the national population which resided in each State in 1980; provided that no State shall receive less than one-half of one percentum of sums appropriated.

SEC. 107. (a) There is hereby established a National Infrastructure Commission which shall be an instrumentality of the United States.

(b)(1) The Commission shall be governed by a Board of Directors composed of the Secretary of Commerce, Chairman, a Representative of the National Governors Association, a Representative of the U.S. Conference of Mayors, a Representative of the National League of Cities, and a Representative of the National Association of Counties. The Commission may issue such rules and regulations as may be necessary for the effective business operation of the Commission.

(2) The tenure of any member of the Commission shall be that as determined by the organization which made the appointment as provided by this section.

(c) The functions of the Commission shall be to assure—

(1) that infrastructure banks follow acceptable accounting principles and procedures;

(2) proper operation of banks by conducting annual audits;

(3) that funding provided to such banks will be used exclusively for infrastructure investment; and

(4) that project loans or subsidies are repaid with or without interest as provided for by this Act.

(d) The Commission is authorized to provide technical assistance, information, and educational activities necessary or requested by State or local governments to gain access to money markets, low interest loans, and other financial data.

(e) The Commission shall determine annually that all State Infrastructure Banks are meeting the requirements of this Act. The Commission shall notify the Secretary of any Bank which fails to meet the provisions of this Act. The Secretary shall take such action as required by section 108 of this Act.

(f)(1) The Board of Directors is authorized to employ an Executive Director and such staff as it deems necessary for its operation. There is hereby authorized to be appropriated such sums as may be necessary for the expenses of the Commission and its staff.

(2) The Executive Director shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

SEC. 108. (a) The Commission shall develop and transmit to the Congress an annual report of its activities and containing an assessment of the status of municipal finance conditions utilizing existing secondary data to display—

(1) a summary of municipal bond sales (classified by general obligation and revenue bonds and short and long term) and other municipal financing activities for State and local transportation, environmental, water supply, water quality, water resources, and other areas;

(2) a summary of the amount and types of direct Federal assistance to States and localities for transportation, environmental, water supply, water quality, water resources, resource recovery, and other areas; and

(3) an assessment of the achievements and deficiencies in total public investments.

(b) The annual report submitted under subsection (a) shall also include, to the extent possible through existing data sources, a presentation of capital investments and spending by Federal, State, and local governments for the prior year of the annual report. The capital investments presentation shall identify by State, expenditures classified by type of public infrastructure investments.●

By Mr. BYRD:

S. 1620. A bill to increase the number of weeks of Federal Supplemental Compensation; to the Committee on Finance.

(The remarks of Mr. BYRD and the text of the legislation appear earlier in today's RECORD.)

By Mr. HUMPHREY:

S. 1621. A bill to amend the Federal Aviation Act of 1958 to require commercial passenger carrying aircraft to be equipped with smoke detectors and automatic fire extinguishers in all aircraft lavatories and galley areas; to the Committee on Commerce, Science, and Transportation.

COMMERCIAL AIRCRAFT FIRE SAFETY ACT OF 1984

● Mr. HUMPHREY. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1621

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commercial Aircraft Fire Safety Act of 1984".

SEC. 2. Title III of the Federal Aviation Act of 1958 is amended by adding at the end thereof the following new section:

"FIRE EQUIPMENT ON PASSENGER CARRYING AIRCRAFT

"SEC. 318. The Administrator shall, not later than one hundred and eighty days after the date of enactment of this section, issue final regulations requiring that each civil aircraft of the United States, having a passenger capacity of more than thirty seats, which is engaged in air commerce, and used in the air transportation of persons for compensation or hire, shall be equipped with smoke detectors in all lavatories and with automatic fire extinguishing systems in all lavatories and all areas aboard the aircraft where food is prepared.".

SEC. 3. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the center heading:

TITLE III—ORGANIZATION OF AGENCY AND POWERS AND DUTIES OF ADMINISTRATOR

is amended by adding at the end thereof—

SEC. 318. Fire equipment on passenger-carrying aircraft.".●

By Mr. HEINZ:

S. 1622. A bill to amend title XVIII of the Social Security Act to provide for procedures and payment limitations with respect to the furnishing of cardiac pacemakers in order to achieve cost savings for the medicare program, improve the quality of patient care, and insure against fraud and abuse, and for other purposes; to the Committee on Finance.

MEDICARE PACEMAKER PAYMENT REFORM AND PATIENT PROTECTION ACT

Mr. HEINZ. Mr. President, I am pleased to introduce today the "Pacemaker Patient Protection Act." This legislation is designed to achieve major medicare cost savings, while at the same time improving the quality of medical care available to medicare beneficiaries.

Last year, the Senate Special Committee on Aging, which I am privileged to chair, completed a year-long investigation which culminated in committee hearings, and in the committee's issuance of a 207 page information paper titled "Fraud Waste and Abuse in the Medicare Pacemaker Industry." These carefully documented the shocking fact that hundreds of millions of medicare dollars are being wasted in pacemaker-related procedures, as a result of illegal kickbacks and rebates, overutilization, and unwarranted price markups. This waste directly and adversely affects the quality of medical care available to medicare patients.

The committee's investigation has in turn prompted 35 Federal Bureau of Investigation field offices and 2 Federal grand juries to undertake investigations and prosecution of those who have participated in illegal kickbacks, rebates, and other illegal practices within this industry. The hearings and report also prompted the Health Care Finance Administration to issue new medicare guidelines governing the appropriate indications for pacemaker implantations which will substantially reduce overutilization of this procedure.

It is now time to turn our attention to what is perhaps the more basic problem, that is, the excessive reimbursement available under the medicare pacemaker program and the consequent negative impact on the care received by pacemaker patients. That, Mr. President, is what my bill is designed to do.

The bill will, in the first year following it's enactment, save the medicare

program approximately $200 million of the $2 billion a year paid for the implantation of cardiac pacemakers and associated procedures; it will reduce the amount of out of pocket expenses paid by medicare beneficiaries, and it will through these means and through the development of a national pacemaker registry improve the quality of care available to medicare patients.

As Chairman of the Senate Special committee on Aging, I am acutely aware that medicare faces a fiscal crisis of staggering proportions unless we act quickly to rid the program of fraud, waste, and abuse. The reforms necessary to preserve medicare's integrity and fiscal survival will be difficult. They must be made with the precision of a surgeon's scalpel rather than the damaging and indiscriminate use of a meat ax. The bill I am introducing today, built on the extensive investigative and oversight work of the Aging Committee, is an example of the scalpel.

I hope this measure will recieve favorable consideration in a timely fashion so that we can minimize the need to resort to less sensitive budget reductions approaches. A companion measure on the House side will be introduced by Representative WYDEN. For these reasons, I urge my colleagues to join me in support of this bill.

Mr. President, I ask unanimous consent that a copy of the Pacemaker Patient Protection Act, and an explanation of the bill's provisions be included at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows;

S. 1622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Pacemaker Payment Reform and Patient Protection Act".

PAYMENTS TO HOSPITALS FOR CARDIAC PACEMAKERS

SEC. 2. (a) Section 1886 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h)(1) The amount of the payment to be made under part A to any hospital for any cost reporting period, after the application of the provisions of this section other than this subsection, shall be reduced by an amount equal to the sum of—

"(A) the number of cardiac pacemaker device implantations (other than replacements) performed in such cost reporting period by such hospital for which payment is being made under part A, multiplied by an amount equal to 15 percent of the average cost of a cardiac pacemaker device (as determined under paragraph (2)); and

"(B) the number of cardiac pacemaker device implantations involving replacement of such a device performed in such cost reporting period by such hospital for which payment is being made under part A, multiplied by an amount equal to 30 percent of the average cost of a cardiac pacemaker device (as determined under paragraph (2)).

"(2) For purposes of this subsection, the average cost of a cardiac pacemaker device shall be the national average cost to hospitals under this title of such a device, as estimated by the Secretary for the cost reporting period on the basis of the most recent data available. The Secretary shall update such amount not less often than annually.".

(b) Section 1866(a)(1) of such Act is amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H), and inserting in lieu thereof ", and" and by adding at the end thereof the following new subparagraphs:

"(I) to require that all physicians performing cardiac pacemaker or pacemaker lead implantations in such provider's facilities agree to (i) accept assignment under section 1842(b)(3)(B)(ii) with respect to physicians' services furnished in connection with all such implantations performed in such facilities (including preoperative and postoperative services, other than routine monitoring), and (ii) report to the provider the reason for any such implantation or replacement of such a device or lead, including a description of any failure of such a device or lead to perform correctly, and

"(J) to submit such information to the cardiac pacemaker and lead registry established by the Secretary under subsection (g) as the Secretary may require, to keep any explanted cardiac pacemaker device or lead for which payment was made or requested under this title for such time as the Secretary may require, and to submit any such device or lead for testing if requested by the Secretary under subsection (g)(2).".

(c) The amendments made by this section shall apply with respect to implantations of cardiac pacemaker devices or leads occurring on or after October 1, 1983.

PAYMENTS TO PHYSICIANS FOR CARDIAC PACEMAKER IMPLANTATIONS AND MONITORING

SEC. 3. (a) Section 1842(b)(3) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The amount of any charges relating to the implantation of a cardiac pacemaker device or pacemaker lead which shall be considered reasonable shall be subject to limitations established by the Secretary, under which a single charge shall include all physicians' services furnished in connection with such implantation (including preoperative and postoperative services, other than routine monitoring), and under which such single charge, and the reasonable charge for any subsequent routine transtelephonic monitoring, shall reflect the relative ease of the implantation or monitoring, based on current technology and procedures, and shall, in the case of such routine transtelephonic monitoring, be at least 25 percent lower than the reasonable charge level for such monitoring in effect for the 12-month period ending June 30, 1983.".

(b) Section 1833(a)(1) of such Act is amended by striking out "and" at the end of clause (F), and by adding at the end thereof the following: "(H) with respect to physicians' services for the implantation of a cardiac pacemaker device or pacemaker lead (other than routine monitoring), furnished by a physician who has an agreement in effect with the Secretary by which the physician agrees to accept an assignment described in section 1842(b)(3)(B)(ii) with respect to payment for all physicians' services furnished in connection with the implantation of such devices or leads (including preoperative and postoperative services, other than routine monitoring), the amounts paid shall be the reasonable charge for such services, and".

(c) Section 1833(b)(3) of such Act is amended by inserting "or (H)," after "subsection (a)(1)(G)".

(d) Section 1862(a) of such Act is amended—

(1) by striking out "or" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(15) where such expenses are for routine monitoring of a cardiac pacemaker device or pacemaker lead, in excess of six such monitorings in the case of transtelephonic monitoring, or in excess of four such monitorings in the case of monitorings made at a physician's office or other clinical setting, in any 12-month period (except where an unusual medical condition requires additional monitoring, as determined by the Secretary).".

(e) The amendments made by this section shall apply with respect to implantations of cardiac pacemaker devices or leads occurring on or after October 1, 1983, and to monitoring occurring in any 12-month period beginning on or after such date.

ESTABLISHMENT OF PACEMAKER REGISTRY

SEC. 4. Section 1866 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, through the Administrator of the Food and Drug Administration, provide for a registry of all cardiac pacemaker devices and pacemaker leads for which payment was made under this title. Such registry shall include the manufacturer, model, serial number, and manufacturer's price of each such device or lead, the name of the recipient of such device or lead, the date and location of the implantation or removal of the device or lead, the name of the physician involved in implanting or removing such device or lead, the name of the hospital or other provider billing for such procedure, any express or implied warranties associated with such device or lead under contract or State law, and such other information as the Secretary deems to be appropriate. Such registry shall be for the purposes of assisting the Secretary in determining when payments may properly be made under this title, determining when inspection by the Food and Drug Administration may be necessary under paragraph (2), and carrying out studies with respect to the use of such devices and leads. In carrying out any such study, the Secretary may not reveal any specific information which identifies any pacemaker device or lead recipient by name (or which would otherwise identify a specific recipient). Any person or organization may provide information to the registry with respect to cardiac pacemaker devices and leads other than those for which payment is made under this title.

"(2) In any case where the Secretary has reason to believe, based upon information in the pacemaker registry or otherwise available to him, that replacement of a cardiac pacemaker device or lead for which payment is or may be requested under this title is related to the malfunction of a device or lead, the Secretary may require that personnel of the Food and Drug Administration test such device, or be present at the testing of such device by the manufacturer, to determine whether such device was functioning properly.".

REPORT ON DRG TYPE REIMBURSEMENT FOR PHYSICIANS' SERVICES RELATED TO CARDIAC PACEMAKER DEVICE IMPLANTATION

SEC. 5. Section 603(a)(2)(B) of the Social Security Amendments of 1983 is amended by inserting before the period at the end thereof the following: ", including specifically any such recommendations with respect to services furnished in connection with the implantation of cardiac pacemaker devices or leads.".

PACEMAKER PATIENT PROTECTION PROVISIONS

Explanation

The proposal has five primary provisions. Current law, the proposed changes, their rationale and estimated cost-savings are detailed below. To achieve maximum and immediate savings the bill language proposed for the following five provisions addresses current and future DRG reimbursed hospitals as well as hospitals currently reimbursed under the older cost related system.

PROVISION I: NEW IMPLANTATIONS

Current law

Under current law the prospective reimbursement system for hospitals provides for the payment of cardiac pacemaker implantations under four DRG categories. Two of these DRG's are for first-time implantations of pacemakers, and the other two are for the reimplantation of pacemaker devices. In both instances, the price of the pacemaker device is included in the DRG rate.

Proposal

Reduce reimbursement for the new cardiac pacemakers by 15 percent.

Rationale

Medicare has been historically negatively price sensitive which, in many instances, has encouraged the purchase of more expensive pacemaker devices than are medically necessary.

Other government health programs such as the VA and GSA routinely purchase pacemaker devices for approximately 17 percent less than the current Medicare rate.

The HHS Inspector General has recommended such a change in reimbursement policy based upon his investigative audit findings.

Cost savings

$50.4 million in fiscal year 1984.

PROVISION II: REPLACEMENT IMPLANTATIONS

Current law

Current law provides two categories for reimbursement of replacement cardiac pacemakers. No provision exists which encourages or requires the accrual of warranty benefits to the program.

Proposal

Reduce reimbursement for cardiac pacemakers used in reimplantations by 30 percent.

Rationale

The rationals for this Proposal are the same as for Proposal I with the following additions:

Approximately 30 percent of all pacemaker operations in any given year involve replacement of an existing device.

Although most manufacturers offer replacement credits or warranties in association with their devices, these have not accrued to the benefit of the Medicare program.

It is conservatively estimated that savings equal to 15 percent of a new device could be achieved if warranty benefits were collected.

Because the savings which can be achieved on new devices can also be achieved on devices used in reimplants, and because explanted devices are frequently subject to warranties a combined savings of 30 percent is possible.

Cost savings

$36 million in fiscal year 1984.

PROPOSAL III: REIMBURSEMENT FOR SURGICAL FEES

Current law

Medicare pays pacemaker implant surgical fees based on the lowest of the following amounts: (1) the actual charge billed, (2) the individual physician's customary charge for the specific procedure or service, and (3) the prevailing charge for the specific procedure or service in that locality. This "customary, prevailing and reasonable" charge system ("fee screens") is used to determine the amount of reimbursement for each procedure performed by each individual physician.

Proposal

Reduce surgical fees by 25 percent and eliminate coinsurance.

Rationale

Current Medicare reimbursement rates for surgical fees associated with pacemaker implantations are based upon medical techniques which are no longer utilized.

At one time implantations were more time-consuming and dangerous requiring that the patient's chest wall be opened and heart exposed.

Current practices take advantage of new technology which does not require the open chest procedure and may only require 15 to 20 minutes for the implant to be completed.

By eliminating the coinsurance provision for this procedure, the physician has a simplified and more reliable reimbursement mechanism.

Cost savings

$33 million in fiscal year 1984.

PROVISION IV: FOLLOW-UP MONITORING

Current law

Under current law the long-term monitoring of pacemakers is also reimbursed under Part B. Monitoring is done either transtelephonically (from the patients homes to the doctors office by telephone) or by the patient going to the physicians office or clinic. Medicare reimbursement policies for monitoring are somewhat complicated. However, in general, current provisions permit approximately 12 transtelephonic monitoring sessions and from 4 to 8 office visits per patient per year.

Proposal

A 50 percent reduction in the monitoring frequency combined with a 25 percent reduction in reimbursement levels for transtelephonic monitoring.

Rationale

Current Medicare reimbursement policy as it affects monitoring is excessive in both frequency and reimbursement amounts.

New circuit designs, new battery configurations and overall increases in product reliability and longevity make frequent monitoring unnecessary and excessive.

Current policy does not take into account the relative ease of transtelephonic monitoring sessions which now routinely last less than 5 minutes and are performed by medical technicians.

The bill provides a safe-guard for more frequent monitoring where special medical necessity dictates.

Cost savings

$108 million in fiscal year 1984.

PROVISION V: NATIONAL PACEMAKER REGISTRY

Current law

No provision exists which mandates that a national pacemaker registry be maintained. The FDA has conducted a successful pilot study to test the feasibility of a national pacemaker registry.

Proposal

To establish a national pacemaker registry under the auspices of the FDA.

Rationale

FDA has completed a successful pilot pacemaker registry program.

A registry would help track the performance of pacemaker devices and their associated cardiac leads so that premature failures can be discovered in a timely fashion and appropriate protective steps taken, such as notification to physicians and consumers.

The registry will be used by pacemaker professionals as a source of research data for a veriety of studies which can imporve the quality of care offered Medicare patients.

The registry will achieve some cost savings by allowing a more accurate warranty monitoring system, which will partly offset the estimated $1 million annual cost of maintaining the registry.

Cost savings

None.

By Mr. DOLE (for himself, Mr. SARBANES, Mr. SASSER, Mr. TSONGAS, Mr. RIEGLE, Mr. LUGAR, Mr. BENTSEN, Mr. LEVIN, Mr. LEAHY, Mr. TOWER, Mrs. KASSEBAUM, Mr. TRIBLE, Mr. KENNEDY and Mr. BIDEN):

S. 1623. A bill to establish a National Commission on Neurofibromatosis; to the Committee on Labor and Human Resources.

NATIONAL COMMISSION ON NEUROFIBROMATOSIS ACT

Mr. DOLE. Mr. President, today, along with my colleagues, I am introducing legislation to estabish a National Commission on Neurofibromatosis.

NEUROFIBROMATOSIS

Neurofibromatosis—NF—is a devastating and debilitating genetic disorder of the nervous system. At present, NF remains an incurable, potentially fatal, and little understood disorder. It is also surprisingly common. It is estimated that approximately 100,000 Americans of both sexes and national orgins are afflicted with the progressive genetic disorder. This statistic, coupled with the fact that NF affects 1 in 3,000 births, places NF among the most common hereditary disorders affecting the nervous system. The Senator from Kansas finds this a harsh reality.

Mr. President, the symptoms of NF usually appear in childhood or adolescence, although it is possible to have the disorder remain asymptomatic until later in life. NF patients may develop any of the following problems: small and large benign skin tumors, severe curvature of the spine, enlarge-

ment and deformation of bones, tumors on the auditory nerves causing deafness, tumors on the optic nerves resulting in blindness, and tumors of the brain and spinal cord, which may result in paralysis, epilepsy, retardation, or death. In approximately 3 to 5 percent of the cases, the tumors became cancerous. Furthermore, abnormal bone growth can increase head size, twist the face into a distorted mask or produce a grossly misshapen hand or foot. Perhaps the cruelest feature of the disorder is that its progress is totally unpredictable; even those with the mildest form may suddenly suffer life-threatening complications.

NF is caused by a single dominant gene that is either inherited or—in about half the cases—produced by a spontaneous genetic mutation. In either instance, there is a 50-percent probability that an effected person will pass the condition on to each of his or her offspring. A very disturbing aspect of the hereditary nature of NF is that the disorder cannot be diagnosed prenatally causing many victims to make a firm decision not to have children.

There is no cure for NF and, at present, surgical treatments can only control some symptoms. Occasionally, surgery may be performed on spinal disorders or nerve and brain tumors. Many times, however, the risks involved with this complicated surgery outweigh the benefits.

NATIONAL COMMISSION

Mr. President, despite the prevalence of the disorder, NF is possibly the most overlooked serious disorder of our time. Recently, attention has been focused on NF as a result of the theatrical and motion picture productions of "The Elephant Man," the true story of John Merrick's shocking struggle with the most severe case of NF ever recorded. Attention alone, however, will not solve the problem. The best hope for NF victims lies in research. Consequently, the Senator from Kansas believes that the establishment of a national commission will be the greatest catalyst toward the coordination and focusing of our research efforts.

Mr. President, the legislation we are introducing today, would establish an independent commission consisting of 12 members, organized, operating, and reporting within a 24-month period. This Commission is to formulate a comprehensive plan for research and education on NF and the needed services for people with NF and their families.

The National Institutes of Health and other institutions across the country are currently conducting clinical studies aimed at better diagnosis and newer treatment methods. But without knowing the why of NF, treatment is now, at best, symptomatic. Mr. President, the research being conducted around the world offers hope for the future. The Senator from Kansas believes, however, that coordination and funding for this research is severely lacking.

The time has come for the establishment of a commission committed to coordinating the work done so far and to plan for needed future research. Indeed, there is a great need to formulate a national policy for combating this devastating disorder. Through a national commission we can better target limited resources, promote patient education and professional awareness, and provide a diverse perspective on the treatment of NF. Without more aggressive research, those afflicted with NF will remain trapped inside bodies that do not work and are not beautiful. I encourage my colleagues to support this legislation.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "National Commission on Neurofibromatosis Act".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) Neurofibromatosis (also known as Von Recklinghausen's Disease) is a genetic disorder of the nervous system. Fifty percent of all cases of neurofibromatosis are inherited from one of the victims' parents. The other 50 percent are a result of a spontaneous change or mutation of a gene. The cause of this mutation is unknown.

(2) While the exact incidence of neurofibromatosis is unknown, it is estimated that the disorder affects one in every three thousand persons.

(3) Neurofibromatosis occurs equally in both sexes and in all racial and ethnic groups. It often imposes severe economic, social, and emotional hardships on individuals and on the families of individuals affected by the disorder.

(4) Neurofibromatosis is one of the world's most serious genetic disorders.

(5) Characteristic signs of neurofibromatosis may be present at birth. Manifestations usually appear in early childhood or adolescence, but can occur later, particularly at times of increased hormonal activity.

(6) There is a critical shortage of specialized programs and properly trained professionals in the United States for neurofibromatosis research, treatment, care, education, and rehabilitation.

(7) The training of health and educational professionals in the treatment of neurofibromatosis deserves the highest national priority.

(8) The people of the United States have an inadequate understanding of the nature of the personal, medical, social, and economic impact of neurofibromatosis.

(9) There is a great potential for making advances in the treatment of neurofibromatosis and other genetic disorders through the National Institutes of Health and other research centers.

ESTABLISHMENT

SEC. 3. The Secretary of Health and Human Services (hereinafter in this Act referred to as the "Secretary"), in consultation with the Director of the National Institutes of Health, shall within sixty days after the date of the enactment of this Act establish a National Commission on Neurofibromatosis (hereinafter in this Act referred to as the "Commission").

DUTIES OF COMMISSION

SEC. 4. (a) The Commission shall assess the nature and extent of public and private research into neurofibromatosis and shall develop a plan to identify the research needed to develop an effective treatment and a cure for neurofibromatosis. In formulating such plan the Commission shall consider the incidence of neurofibromatosis, its epidemiology, its economic and social consequences, and the most effective application of scientific and health care resources.

(b) The plan developed under subsection (a) shall provide for—

(1) research into the epidemiology, etiology, prevention, and control of neurofibromatosis which shall include studies involving the disorder's social, environment, nutritional, biological, and genetic determinants and influences;

(2) research into the development, evaluation, and application of techniques and drugs used in, and approaches to, the treatment and prevention of neurofibromatosis and its consequences;

(3) the education and training of scientists, clinicians, educators, and allied health personnel in the fields and specialties requisite to the conduct of programs concerning neurofibromatosis; and

(4) development of a system for collection analysis, and dissemination of all data useful in the prevention, diagnosis, and treatment of neurofibromatosis.

MEMBERSHIP

SEC. 5. (a) Commission shall be composed of twelve members as follows:

(1) The Secretary of Health and Human Services (or his delegate).

(2) The Director of the National Institute of Neurological and Communicative Disorders and Stroke (or his delegate).

(3) The Director of the National Cancer Institute (or his delegate).

(4) Director of the National Institute of General Medical Sciences.

(5) Director of the National Institute of Child Health and Human Development.

(6) The Secretary of Education (or his delegate).

(7) Three individuals appointed by the Secretary of Health and Human Services who are not officers or employees of the Federal Government, who are scientists or health professionals representing the various behavioral, biomedical, and educational specialities concerned with the research, treatment, and remediation of neurofibromatosis.

(8) Three individuals appointed by the Secretary of Health and Human Services from the general public with personal experience with neurofibromatosis.

A vacancy in the Commission shall be filled in the same manner as the original appointment was made.

(b) If any member of the Commission who was appointed to the Commission by virtue of such individual's office leaves that office, or if any member of the Commission who

was appointed from individuals who are not officers or employees of the Federal Government become an officer or employee of the Federal Government, such individual may continue as a member of the Commission for not longer than the thirty-day period beginning on the date such individual leaves that office or becomes such an officer or employee, as the case may be.

(c) Members shall be appointed for the life of the Commission.

(d)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive the daily equivalent of the maximum annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission who are full-time officers or employees of the Federal Government shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(e) The Chairman of the Commission shall be elected by the members of the Commission.

(f) The Commission shall first meet on a date specified by the Secretary, not later than thirty days after the Commission is established, and thereafter shall meet at the call of the Chairman or a majority of its members, but on at least three occasions during the life of the Commission.

DIRECTOR AND STAFF OF COMMISSION

SEC. 6. (a) The Commission shall have an Executive Director who shall be appointed by the Commission and paid at a rate not to exceed the rate of basic pay payable for level 5 of the Executive Schedule.

(b) With the approval of the Commission, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers appropriate.

(c) The Executive Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Commission, the Executive Director may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed $200 per day.

(e) Upon request of the Commission, the head of any Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act.

(f) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

POWERS OF COMMISSION

SEC. 7. (a) The Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission considers appropriate. The Commission may administer oaths or affirmation to witnesses appearing before it.

(b) Any member or agent of the Commission may, if so authorized by the Commission, take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

REPORT

SEC. 8. The Commission may transmit to the President and to each House of the Congress such interim reports as it considers appropriate and shall transmit a final report to the President and to each House of the Congress not later than twenty-four months after the date the Commission is duly organized. The final report shall contain a detailed statement of the findings and conclusions of the Commission, together with its recommendations for such legislation and administrative actions as it considers appropriate.

TERMINATION

SEC. 9. The Commission shall cease to exist three months after the submission of the final report under section 8.

By Mr. TRIBLE (for himself and Mr. STEVENS):

S. 1624. A bill to promote increased ocean transportation of bulk commodities in the foreign commerce of the United States in U.S.-flag ships, to strengthen the defense industrial base, and for other purposes; by unanimous consent, referred to the Committee on Commerce, Science, and Transportation and, if and when reported by said committee, referred to the Committee on Finance for the consideration of title III of the bill.

MERCHANT MARINE REVITALIZATION ACT OF 1983

Mr. TRIBLE. Mr. President, today along with my colleague from Alaska, Senator STEVENS, I am introducing legislation intended to revitalize our merchant marine. In an earlier statement, I outlined the difficulties we face if we lack an adequate merchant marine. As the size of our merchant marine has declined, the need of the Nation for merchant ships for sealift has grown.

Today, the ability of the United States to meet surge and sustaining requirements in the event of the outbreak of hostilities is marginally inadequate. This Navy assessment of sealift includes the ships dedicated to the Military Sealift Command, the National Defense Reserve Fleet and the Ready Reserve Fleet. The current decline will lead to further deterioration in our ability to transport men and materiel.

Along with the decline of the U.S. merchant fleet we have witnessed a decline of the industrial base for construction and repair of naval and merchant vessels. Recent Navy studies suggest that the shipyard base is now only marginally adequate to meet the demands that would be imposed in case of war. And this vital component of our defense industrial base faces a rapid decline in private sector commercial work. In fact, no construction of an American ship will begin in 1983.

Navy construction and overhaul work cannot support the number and type of facilities our Nation requires. In fact, should current conditions persist, repair, and construction capabilities in our shipyard base will be inadequate to meet mobilization demands.

The recognition that the merchant marine is vital to America's defense efforts has long been embodied in our law. The Merchant Marine Act of 1936 seeks to achieve a merchant marine capable of serving as a naval and military auxiliary in a national emergency. Yet the curves of ships, shipyards and skilled manpower are on a disastrous downward slope.

Unless we act now, the world's largest trader in ocean born commerce will face the prospect of relying entirely on foreign vessels for its carriage, with minimal capability for ship construction and repair.

The bill I am introducing represents the innovative approach that today's problems demand. It would require all exporters and importers of bulk commodities in the foreign commerce of the United States to ship 5 percent of their cargoes on U.S.-flag, U.S.-built vessels. This requirement would increase by 1 percent each year until 20 percent of all U.S. bulk cargoes are carried on American ships. The innovative feature of this bill is that it requires American ship operators and shipyards to reduce their costs by 20 percent in real terms.

These cost reductions would be achievable because passage of this legislation will permit American shipyards to begin series construction of several vessels.

Such a stable workload would permit shipyards to dedicate specific facilities, work force and management to a bulk ship construction program. In addition, the one-time front-end costs of design, engineering, and facilities preparation will be spread over the cost of several ships, rather than concentrated on one, as we see done today. More than half of total ship construction costs are due to materiel and equipment; with series construction, significant savings can be accomplished through quantity discounts in this area. Also, a reliable, stable, long-time workload will increase shipyard labor productivity, and prevent costly fluctuations in the work force, as well as create the necessary stability for increased capital improvement in shipyard facilities.

Since today's state-of-the-art ships require far smaller crews than the vessels now in our fleet, operating costs will be greatly reduced as well. Representatives of maritime labor unions have pledged these reductions in vessel manning scales, and proposed other initiatives, to reduce vessel oper-

ating costs by at least 20 percent in real terms.

Passage of this bill will result in real economic benefits for the United States. It is projected that this bill will result in the construction of 158 120,000-ton bulk vessels by 1998. This will result in tens of thousands of jobs in America's shipyards and support industries, as well as thousands of jobs on board American ships. These employment opportunities will disproportionally benefit minority workers who have long borne the brunt of recession. Approximately 28 percent of the American shipyard work force and 17.5 percent of the shipboard work force are minorities.

Title II of the bill would permit the Secretary of Transportation to enter into an agreement with a shipyard under which the shipyard could deposit income generated under any shipbuilding or ship repair contract in tax-deferred account to be used later for shipyard improvements.

It extends a financing advantage to shipyards which, since 1936, has been allowed to ship operators. This is the option of setting aside profits earned by ships in a fund for the purchase of new replacement vessels. This financial mechanism has enabled ship operators to purchase ships which would otherwise have been unaffordable, thus insuring the continued productivity and efficiency of their fleets.

Similarly, shipyards will be able to defer tax on certain income which is later used in building new shipyard facilities or improving older property and capital equipment. Thus, this provision will stimulate improvement which will benefit directly both commercial and Navy shipbuilding and ship repair. It is a small investment which will produce a great return for the U.S. economy and our defense capabilities.

Finally, title III of the legislation would provide a tax credit to offset a percentage of the costs of those who ship under the cargo reservation provisions of the bill.

Inevitably, the building of an adequate merchant marine will entail additional costs, but we must make every effort to insure that costs are distributed as equitably as possible.

Shipyards, ship operators, and maritime employees will be forced to find ways to economize in order to reduce the cost of American shipping and ship construction by 20 percent.

Shippers will bear part of the burden in the form of marginally increased transportation costs. But it would be inequitable to force them to bear the entire cost of increased shipping.

Therefore, to insure fairness, it is appropriate that the Federal Government bear a portion of the cost, particularly in light of the significant contributions made by this program to our national security.

Since enactment of the Merchant Marine Act of 1936, the Federal Government has directly subsidized the operation, and until quite recently, the construction of American merchant vessels. Under the provisions of this legislation the Federal Government would continue its support of the merchant marine, not through direct subsidies, but through tax incentives.

I want to express my gratitude to the Senator from Alaska for joining me in this effort. He is acutely aware of the need for a revitalized merchant marine and his willingness to cosponsor this legislation indicates his commitment to achieve a thoughtful, balanced and innovative maritime policy.

For too long the administration and many Members of Congress have failed to appreciate the importance of American-flag merchant marine. We are indeed fortunate that the chairman of the Subcommittee on Merchant Marine is an exception.

Mr. President, there is no doubt we need an innovative approach to maritime promotion. Our Nation's security requires it. The legislation I am introducing today will revitalize our merchant marine, strengthen our defense shipbuilding base, and put thousands of Americans back to work.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Merchant Marine Revitalization Act of 1983."

TITLE I

SEC. 101. SHORT TITLE.

This title may be cited as the "Competitive Shipping and Shipbuilding Act of 1983."

SEC. 102. FINDINGS, PURPOSES, AND POLICY.

(a) The Congress finds and declares the following:

(1) The United States is totally dependent upon foreign-flag bulk shipping services in that United States-flag vessels now carry less than 4 per centum of its bulk import and export cargoes in international trade.

(2) Virtually all bulk imports of the United States are critical to American industrial production or to the maintenance of adequate energy supplies.

(3) Bulk exports of the United States contribute substantially to the United States balance of trade, provide major sources of employment in the United States, and contribute to the food supply and other essential requirements on a worldwide basis.

(4) The United States cannot afford to rely heavily upon foreign sources to provide the transportation services needed to maintain the flow of essential bulk imports and exports if it is to ensure its economic and political independence.

(5) The United States is continuing to lose the major portion of revenues generated by the carriage of its bulk imports and exports in international trade.

(b) It is therefore declared to be the purpose and policy of the Congress in this title—

(1) to take immediate and positive steps to promote the orderly and rapid growth of the bulk cargo carrying capability of the United States merchant marine in order to transport at least 20 per centum of our bulk imports and exports in United States-flag ships within fifteen years;

(2) to assist and cooperate with the importers and exporters of bulk commodities so that they will be able to ship their goods in United States-flag ships in a commercially practicable manner; and

(3) to encourage the construction in United States shipyards of new, efficient, and environmentally safe bulk cargo carrying merchant vessels.

SEC. 103. DEFINITIONS.

As used in this title—

(a) The term "United States-flag ship" means a bulk cargo carrying vessel that meets each of the following conditions:

(A) The vessel was built in the United States;

(B) The vessel is documented under the Vessel Documentation Act (94 Stat. 3453);

(C) Each member of the crew of the vessel is a United States citizen; and

(D) Not more than 50 per centum of the main propulsion machinery, other machinery, articles and components of the vessel, which are not an integral part of the hull or superstructure, are of foreign manufacture. This percentage shall be computed on the basis of cost, determined separately for each item of machinery or equipment.

(b) The term "bulk cargo" means cargo transported in bulk without mark or count by a vessel engaged in the foreign commerce of the United States.

(c) The term "Secretary" means the Secretary of Transportation.

SEC. 104. CARRIAGE OF BULK CARGOES ON UNITED STATES-FLAG SHIPS.

(a) In the calendar year following the year of enactment of this title, each importer or exporter of bulk cargoes shall transport at least 5 per centum of these bulk cargoes in United States-flag ships. In each calendar year thereafter the percentage of bulk cargoes required to be transported in United States-flag ships shall increase by 1 per centum until the percentage of the bulk cargoes required to be transported in United States-flag ships during each calendar year is at least 20 per centum.

(b) The requirements imposed in subsection (a) of this section are obligations of the importer and exporter of bulk cargoes, and may not be avoided by the terms of sale of those bulk cargoes.

(c) Each importer and exporter subject to the requirements of this title shall, upon acceptable documentation, be granted credit on a ton-for-ton basis, for the employment of United States-flag ships in the transportation of bulk cargoes between foreign ports, against the volume of bulk cargoes which otherwise would be required to be transported in United States-flag ships pursuant to this title.

(d) Beginning in the first calendar year after enactment, the Secretary may relieve any importer, exporter, shipper, or receiver, from the requirements of this title, upon application, to the extent he determines necessary, upon a finding that United States-flag ships are not available or are not available within guideline rates pursuant to section

105. In determining the extent of relief to be granted in terms of aggregate tonnage of bulk cargoes, numbers of vessels, and duration of relief, the Secretary shall take into account the timeliness of the application for waiver, the vessels on order, under construction, coming off-hire and such other factors as he deems appropriate. In no event shall relief be granted for a period beyond the calendar year in which application is made. No relief may be granted under this subsection if the Secretary determines that cargo is being diverted to avoid compliance with this title.

(e) For the purposes of this title, any percentage of bulk cargo shall be measured by the aggregate tonnage of all bulk cargoes shipped on account of an importer or exporter in the foreign commerce of the United States.

SEC. 105. ESTABLISHMENT OF GUIDELINE RATES.

(a) The Secretary shall establish and publish guideline rates for the carriage of bulk cargoes subject to this title. In establishing the guideline rates, the Secretary must assure that the rate takes into account the following objectives:

(1) the development and maintenance of a modern, efficient United States-flag bulk cargo fleet;

(2) the availability of a United States-flag bulk cargo fleet to meet United States strategic requirements in time of international crisis;

(3) the maintenance of international markets for United States bulk exports and the development of new market opportunities; and

(4) the continued access by American industry to essential bulk imports.

(b)(1) In order to establish the guideline rates, the Secretary shall estimate the current cost, including reasonable profit, of operating various classes of United States-flag ships in the foreign bulk trades of the United States and the current cost, including reasonable profit, of constructing various classes of United States-flag ships in United States shipyards.

(2) These current cost estimates shall be promulgated within six months after enactment of this title. Thereafter these estimated costs shall be revised annually to reflect the annual gross national product deflator, as determined by the Bureau of Labor Statistics, and any other factors the Secretary deems appropriate.

(3) In the second year following the commencement of the required percentage of United States-flag ship transportation, as set forth in section 104, United States-flag ship operating costs and United States shipyard construction costs, such construction costs based upon a ten-ship series in a United States shipyard, must each reflect cost reductions of a least 20 per centum below the Secretary's initial estimated costs, as set forth in subsection (b)(1).

(4) In the second year and in each succeeding year following commencement of required United States-flag ship transportation, as set forth in section 104, the Secretary shall employ these cost estimates, as adjusted pursuant to subsection (b)(2), as the primary basis for establishing guideline rates as required by this section.

(c)(1) Guideline rates shall be separately established for voyage, time, and bareboat charter, by class of vessel, by commodity and trade, as necessary, and shall be based upon recognized international charter market indices, adjusted to reflect the secretary's estimated costs, pursuant to subsection (b). In the absence of such recognized indices the Secretary shall utilize the best available information. The Secretary shall promulgate by regulation the indices or other information he will rely upon and the methodology and criteria he shall employ in adjusting such indices to achieve the purposes of the title.

(2) These guideline rates shall be reviewed and adjusted periodically, as circumstances require, but not less frequently than annually.

(3) These rates, as established by the Secretary, may not reflect cost greater than the adjusted costs as set forth in subsection (b).

(4) Guidelines rates shall be the maximum rates which may be charged for the charter of United States-flag ships for the transportation of those bulk cargoes that are required to be transported under this title.

(d) In the first calendar year following enactment of this title, the Secretary, in consultation with the advisory committee established in subsection (e), shall establish and publish interim guideline rates. These interim rates shall be based upon a fair and reasonable rate for the transportation of bulk cargoes on existing United States-flag bulk cargo carrying vessels; the specific charters, voyages, bulk commodities, and trades concerned; the objectives of this title; and any other factors the Secretary deems appropriate. These interim rates shall be the maximum rates which may be charged for the charter of United States-flag ships until guideline rates have been established and published pursuant to subsections (b) and (c).

(e) The Secretary shall appoint and consult on a regular basis with an advisory committee, composed of importers exporters, charter brokers, United States-flag ship operators, shipbuilders, labor unions, and management and labor organizations, to advise and assist him in the establishment and review of United States-flag ship operating cost and United States shipyard construction costs, guideline rates, and regulations. The advisory committee may be divided into panels as the Secretary deems appropriate. Members shall be appointed for terms of three years and may be reappointed to succeeding terms. Members shall serve without compensation.

SEC. 106. REPORTING OF AMOUNT SHIPPED ON UNITED STATES-FLAG SHIPS.

(a) Each person, corporation, partnership, or other business entity that imports or exports bulk cargoes in the foreign commerce of the United States, and whose volume of business exceeds $1 million annually (in imports or exports or any combination thereof) shall submit to the Secretary, on or before January 31 of each year, a sworn statement certifying that the percentages of its imports and exports carried on United States-flag ships in the preceding year were at least the percentage required to be transported in United States-flag ships under section 104 of this title. The Secretary shall prescribe by regulation the documentation required to be submitted with the sworn statement in order to verify its accuracy.

(b) Each importer, exporter, shipper, or receiver, who fails to use United States-flag ships to transport the required percentage of imports or exports required by this title, and who has not applied for and received timely relief pursuant to section 104(d), shall use exclusively United States-flag ships for the transportation of bulk cargoes until the percentage deficiency has been recouped. Any such failure shall not constitute grounds for Secretarial relief from the requirements of this title.

SEC. 107. CIVIL PENALTY PROVISION.

(a) It is unlawful for any importer or exporter to violate any provision of this title or any regulation issued pursuant to this title. Any person who is found by the Secretary, after notice and an opportunity for a hearing in accordance with section 554 of title 5, United States Code (5 U.S.C. 554), to have violated this title, or any regulation issued under it, shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $100,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of the civil penalty shall be assessed by the Secretary by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the act committed and, with respect to the violator, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(b) Any person against whom a civil penalty is assessed under subsection (a) may obtain review thereof in the appropriate district court of the United States by filing notice of appeal in the court within thirty days from the date of the order and by simultaneously sending a copy of the notice by certified mail to the Secretary. The Secretary shall promptly file in the court a certified copy of the record upon which the violation was founded or the penalty imposed, as provided in section 2112 of title 28, United States Code (28 U.S.C. 2112). The findings and order of the Secretary shall be set aside by the court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code (5 U.S.C. 706(2)).

(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

SEC. 108. REGULATIONS.

SEC. 8. The Secretary of Transportation may issue such regulations as are necessary to carry out this title.

TITLE II

SEC. 301. SHORT TITLE.

This title may be cited as the "Shipyard Facilities Capital Construction Fund Act of 1983".

SEC. 302. CAPITAL CONSTRUCTION FUNDS FOR SHIPYARD CONSTRUCTION AND REPAIR FACILITIES.

Section 607 of the Merchant Marine Act of 1936 (46 U.S.C. 1177) is amended—

(1) in subsection (a) by amending such subsection to read as follows:

"(a)(1) Any citizen of the United States owning or leasing one or more eligible vessels (as defined in subsection (k)(1)), or one or more eligible shipyard facilities (as defined in subsection (k)(10)), may enter into an agreement with the Secretary under, and as provided in, this section to establish a capital construction fund (hereinafter in this section referred to as the 'fund') with respect to any or all of such vessels or facilities. Any agreement entered into under this section—

"(A) shall be for the purpose of providing—

"(i) replacement vessels, additional vessels, or reconstructed vessels, built in the United States and documented under the laws of the United States for operation in the United States foreign, Great lakes, or domestic trade, or in the fisheries of the United States; or

"(ii) for the construction, reconstruction, or repair of a shipyard facility; and

"(B) shall provide for the deposit in the fund of the amounts agreed upon as necessary or appropriate to provide for qualified withdrawals under subsection (f).

"(2) The deposits in the fund, and all withdrawals from the fund, whether qualified or nonqualified, shall be subject to such conditions and requirements as the Secretary may by regulation prescribe or are set forth in such agreement; except that the Secretary may not require any person to deposit in the fund for any taxable year more than 50 percent of that portion of such person's taxable income for such year, as computed in the manner provided in subsection (b)(1)(A) which is attributable to the operation of any agreement vessel or agreement shipyard facility.";

(2) in subsection (b) by amending such subsection to read as follows:

"(b)(1) The amount deposited under subsection (a) of this section in the fund for any taxable year shall not exceed the sum of—

"(A) that portion of the taxable income of the owner or lessee for such year (computed as provided in chapter 1 of the Internal Revenue Code of 1954 but without regard to the carryback of any net operating loss or net capital loss and without regard to this section) which is attributable to the operation of the agreement vessels in the foreign or domestic commerce of the United States or in the fisheries of the United States or the operation of any agreement shipyard facility in the construction, reconstruction, or repair of any vessel;

"(B) the amount allowable as a deduction under section 167 of the Internal Revenue Code of 1954 for such year with respect to the agreement vessels or any agreement shipyard facility;

"(C) if the transaction is not taken into account for purposes of subparagraph (A), the net proceeds (as defined in joint regulations) from (i) the sale or other disposition of any agreement vessel or any agreement shipyard facility; (ii) insurance or indemnity attributable to any agreement vessel or any agreement shipyard facility; and

"(D) the receipts from the investment or reinvestment of amounts held in such fund.

"(2) In the case of a lessee, the maximum amount which may be deposited with respect to an agreement vessel or an agreement shipyard facility by reason of paragraph (1)(B) for any period shall be reduced by any amount which, under an agreement entered into under this section, the owner is required or permitted to deposit for such period with respect to such vessel or facility by reason of paragraph (1)(B).

"(3) For purposes of paragraph (1), the term 'agreement vessel' includes barges and containers which are part of the complement of such vessel and which are provided for in the agreement";

(3) in subsection (f) by amending the first sentence to read as follows:

"(f)(1) A qualified withdrawal from the fund is one made in accordance with the terms of the agreement but only if it is for—

"(A) the acquisition, construction, or reconstruction of a qualified vessel or qualified shipyard facility;

"(B) the acquisition, construction, or reconstruction of barges and containers which are part of the complement of a qualified vessel;

"(C) the payment of the principal on indebtedness incurred in connection with the acquisition, constructor, or reconstruction of a qualified vessel or a barge or container which is part of the complement of a qualified vessel; or

"(D) the payment of the principal or indebtedness incurred in connection with the acquisition, construction, reconstruction, or repair of any qualified shipyard facility.";

(4) in subsection (g) by amending paragraphs (2), (3), and (4) to read as follows:

"(2) If any portion of a qualified withdrawal for a vessel, barge, container, or shipyard facility is made out of the ordinary income account, the basis of such vessel, barge, container, or shipyard facility shall be reduced by an amount equal to such portion.

"(3) If any portion of a qualified withdrawal for a vessel, barge, container, or shipyard facility is made out of the capital gain account, the basis of such vessel, barge, container, or shipyard facility shall be reduced by an amount equal to—

"(A) five-eighths of such portion, in the case of a corporation (other than an electing small business corporation, as defined in section 1371 of the Internal Revenue Code of 1954), or

"(B) one-half of such portion, in the case of any other person.

"(4) If any portion of a qualified withdrawal to pay the principal on any indebtedness is made out of the ordinary income account or the capital gain account, then an amount equal to the aggregate reduction which would be required by paragraphs (2) and (3) if this were a qualified withdrawal for a purpose described in such paragraphs shall be applied, in the order provided in joint regulations to reduce the basis of vessels, barges, and containers or any shipyard facility owned by the person maintaining the fund. Any amount of a withdrawal remaining after the application of the preceding sentence shall be treated as a nonqualified withdrawal."; and

(5) in subsection (k) by adding at the end thereof the following new paragraphs:

"(10) The term 'eligible shipyard facility' means any facility for the construction, reconstruction, repair, or maintenance of any vessel, or any section 1231(b) property used therein, which is located in the United States.

"(11) The term 'qualified shipyard facility' means any shipyard facility which the person maintaining the fund agrees with the Secretary shall be constructed, reconstructed, repaired, and operated in the United States.

"(12) The term 'agreement shipyard facility' means any eligible shipyard facility or qualified shipyard facility which is subject to an agreement entered into under this section.".

TITLE III

SECTION 201. SHORT TITLE.

This title may be cited as the "United States-Flag Ship Use Incentive Tax Act".

SEC. 202. CREDIT FOR INCREASED SHIPPING COSTS WHERE IMPORTERS AND EXPORTERS USE UNITED STATES-FLAG SHIPS.

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting before section 45 the following new section:

"SEC. 44I. CREDIT FOR QUALIFIED INCREASED SHIPPING COSTS.

"(a) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified increased shipping costs of the taxpayer for the taxable year.

"(b) LIMITATIONS BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed by subsection (a) for a taxable year shall not exceed the tax imposed by this chapter for such taxable year, reduced by the sum of the credits allowable under any section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(2) CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitation provided under paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be a qualified increased shipping costs credit carryover to each of the 3 taxable years following the unused credit year, and shall be added to the amount allowable as a credit by subsection (a) for such years. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 3 taxable years to which (by reason of this paragraph) such credit may be carried, and then to each of the other taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any succeeding taxable year shall not exceed the amount by which the limitation provided under paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under subsection (a) for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(c) DEFINITIONS.—

"(1) QUALIFIED INCREASED SHIPPING COSTS.—The term 'qualified increased shipping costs' means with respect to each classification of bulk cargo the excess, if any, of—

"(A) the amount of gross shipping costs attributable to transporting such bulk cargo on United States-flag ships during the taxable year, over

"(B) an amount which is the product of such costs multiplied by the average rate differential for the calendar year in which such taxable year begins.

(2) AVERAGE RATE DIFFERENTIAL.—

"(A) IN GENERAL.—The term 'average rate differential' means with respect to each classification of bulk cargo the percentage determined by the Secretary (after consultation with the Secretary of Transportation) by dividing—

"(i) the average cost attributable to transporting such cargo on foreign-flag ships, by

"(ii) the average costs attributable to transporting such cargo on United States-flag ships.

"(B) DATE OF DETERMINATION.—The average rate differential for each classification of bulk cargo determined by the Secretary under subparagraph (A) shall be published in the Federal Register not later than March 31 of each calendar year for the previous calendar year.

"(3) BULK CARGO.—

"(A) IN GENERAL.—The term 'bulk cargo' means cargo transported in bulk without mark or count by a vessel engaged in the foreign commerce of the United States.

"(B) CLASSIFICATIONS OF CARGO.—The Secretary (after consultation with the Secretary of Transportation) shall classify bulk cargoes by commodity, by class of vessel, and by any other factor deemed appropriate.

"(4) UNITED STATES-FLAG SHIP.—The term 'United States-flag ship' has the same meaning given that term by section 103(a) of the Competitive Shipping and Shipbuilding Act of 1983.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION OF CONTRIBUTIONS.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the qualified increase shipping costs giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such trade or business shall be its proportionate share of the qualified increased shipping costs giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(2) ALLOCATIONS.—

"(A) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(B) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.".

(b) TECHNICAL AMENDMENTS RELATED TO CARRYOVER OF CREDITS.—

(1) Subparagraph (B) of section 55(c)(3) of such Code (relating to carryover and carryback of certain credits) is amended—

(A) by striking out "or 44F" in clause (i) and inserting in lieu thereof "44F, or 44I", and

(B) by inserting "44I(b)(1)," after "44F(g)(1)," in clause (ii).

(2) Subsection (c) of section 381 of such Code (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(31) CREDIT UNDER SECTION 44I.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44I, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44I in respect of the distributor or transferor corporation.".

(3)(A) Section 383 of such Code (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, research credits, employee stock ownership credits, foreign taxes, and capital losses), as in effect for taxable years beginning with and after the first taxable year to which the amendments made by the Tax Reform Act of 1976 apply, is amended—

(i) by inserting "to any unused credit of the corporation under section 44I(b)(2)," after "44G(b)(2),", and

(ii) by inserting "increased shipping costs credits," after "employee stock ownership credits," in the section heading.

(B) Section 383 of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(i) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44I(b)(2)," after "44G(b)(2),", and

(ii) by inserting "increased shipping costs credits," after "employee stock ownership credits," in the section heading.

(C) The table of sections for part V of subchapter C of chapter 1 of such Code is amended by inserting "increased shipping costs credits," after "employee stock ownership credits," in the item relating to section 383.

(c) OTHER TECHNICAL AND CLERICAL AMENDMENTS.—

(1) Subsection (b) of section 6096 of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44H" and inserting in lieu thereof "44H, and 44T".

(2) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44H the following new item:

"Sec. 44I. Credit for qualified increased shipping costs.".

SEC. 203. EFFECTIVE DATE.

The provisions of this title shall apply to taxable years beginning after the enactment of this title.

By Mr. PRESSLER (for himself, Mr. TSONGAS, Mr. PELL, Mr. PERCY, and Mr. MATHIAS):

S.J. Res. 129. Joint resolution calling upon the President to seek a mutual and verifiable ban on weapons in space and on weapons designed to attack objects in space; to the Committee on Foreign Relations.

SPACE WEAPONS AGREEMENT

Mr. PRESSLER. Mr. President, I rise today to introduce a Senate joint resolution on behalf of myself, Senator TSONGAS, Senator PERCY, Senator PELL, Senator MATHIAS and Senator CRANSTON, calling on the President to seek a mutual and verifiable ban on weapons in space and on weapons designed to attack objects in space.

This resolution is the successor to Senate Resolution 43 which I offered in January and reflects an assessment made by Senators on the Foreign Relations Committee in the wake of testimony received in three hearings on space arms control issues.

Let me note, that we have been active in this area well before President Reagan's March 23 address made the public aware of some potential future developments in the deployment of space weapons. I offered my first resolution on this issue in May 1981, and have chaired hearings on this question beginning in September 1982.

This lengthy review had led me and other Senators on the Foreign Relations Committee to conclude that we are well on the way toward a space weapons race, without having given full consideration to the high costs and grave risks that it is likely to present in the long term.

As Senators may know, the Soviet Union has an active antisatellite (Asat) weapon that threatens U.S. satellites. In turn, the United States has moved toward the testing phase of an Asat, which will be deployed later in the decade.

These developments are not in our interests. Currently, the United States uses satellites for science, commerce, and for vital security missions. In the military area, space systems provide early warning of strategic attack, allow us to keep track of military developments behind the Iron Curtain, allow rapid and secure command and control over U.S. forces overseas, and they are vital for monitoring compliance with arms control agreements.

In these areas, the United States is far more dependent on a threat-free space environment than is the Soviet Union. This is both a product of our geographic location and of the closed nature of the Soviet Union. A space arms race can only undermine our ability to preserve the peace using space systems.

In testimony received by the committee, it became clear that the risks of a space arms race are enormous and the costs to the American taxpayer astronomical. Some of the concepts for space weaponry, now under consideration, will cost $500 billion to build and another $50 billion to maintain each year. Space offers no cheap solution to our security dilemma. Moreover, there are many serious doubts that even the most expensive and elaborate space system can provide the solution that some people hope is possible. A space-based ballistic missile defense network that is extremely effective, much more effective than anything now believed possible, would still suffer from a leakage of warheads. For instance, a defense that is 95 percent effective would still allow the Soviets to attack up to 200 cities in the United States.

It is also becoming obvious to me and to others that once we join the space weapons competition, it may be impossible to turn back this arms race, given the severe verification problem.

Nor can we hope to create limits on the types of weapons that may be space-based or space-directed, once a space weapons race begins. There is no clear firebreak between the types of Asat's now being deployed and the futuristic missile defenses that some envisage today. Once we deploy Asat's, it is all but certain that the Soviets would reply by deploying a more powerful system, and we would counter in kind. But as we improve Asat capabilities, we will soon produce Asat's that have limited capabilities against ballistic missiles. Given sufficient time, the limited capabilities against missiles will also improve. Before we know it, and in the absence of a clear Presidential decision, the full range of star wars weapons will be part of our military posture.

It is for this reason that I believe the time to stop this space weapons race is before it gets off the ground. This window of opportunity for avoiding a space weapons race is quickly closing. At a minimum, this Nation must make a careful assessment of the long-term consequences of a space weapons race and whether arms control might better serve our interests. I believe that arms control must, at a minimum, be given a serious try. The costs and the risks are too great, and only through a serious negotiating effort can we hope to avert a dangerous arms competition.

This competition would create instability. It would compromise our ability to finance programs to correct deficiencies in our existing force structure. And, it would add to the uncertainties faced by our defense planning in designing an effective defense.

The resolution that I am offering today on behalf of myself and my colleagues on the Foreign Relations Committee, deals with this dilemma by urging the President to give the arms control option a serious try. Only then can we determine whether Soviet propaganda on space arms control can be transformed into seriousness and sincerity at the negotiating table. Should talks fail, we will have lost nothing for we would retain our space weapons options in full.

This resolution has strong bipartisan backing on the Foreign Relations Committee. It will be considered at a mark up scheduled during the committee's business meeting on Tuesday, July 19, 1983, at 11 a.m.

I ask unanimous consent that this Senate joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 129

Whereas the United States depends upon satellites for preserving the peace through command and control of United States forces worldwide and through early warning of strategic attack, among other functions;

Whereas satellites are vital for verification of arms control agreements;

Whereas the United States and other nations rely increasingly on space-based systems for weather forecasting, communications, natural resource exploration and other important commercial activities;

Whereas the maximum utilization of space technology for commerce and science is assured only under peaceful conditions;

Whereas the safety of such important missions including those performed by the Space Shuttle would be compromised by the threat posed by anti-satellite weapons;

Whereas an uncontrolled space arms race would undermine strategic stability and divert resources needed to maintain strong and balanced defenses; and

Whereas the present pace of military developments, including weapons tests will soon reduce the prospects of avoiding the weaponization of outer space: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President should seek agreement with the Soviet Union to—

(1) Declare an immediate, mutual and verifiable moratorium of limited duration on the testing in space of anti-satellite weapons;

(2) Immediately resume negotiations on a mutual and verifiable ban on the testing, production, deployment and use of any anti-satellite weapon;

(3) Seek, on an urgent basis, a comprehensive verifiable treaty prohibiting the testing, production, deployment, or use of any space-directed or space-based weapons system which is designed to inflict injury or cause any other form of damage on the earth, in the atmosphere, or on objects placed in space.

SEC. 2. Such agreements should not restrict operations in space not involving weapons, such as the U.S. Space Shuttle Program.

SPACE WEAPONS ARMS CONTROL RESOLUTION

● Mr. TSONGAS. Mr. President, today I join Senator PRESSLER in introducing a joint resolution calling upon the President to negotiate an end to the arms race in space. The administration has failed to negotiate—or even attempt to negotiate—a halt in the development of antisatellite weapons by the Soviet Union. Unless such development is stopped, the day is imminent when our most important and sensitive military satellites will be in jeopardy. A costly and debilitating arms race is beginning in space. The resolution which we are offering seeks a 1-year moratorium on antisatellite weapon testing. A mutual, verifiable moratorium is a crucial first step. It will provide the time needed for negotiations toward a comprehensive treaty ending the arms race in space before it impairs the financial and military security of the United States.

The antisatellite weapon that the United States is developing is a small missile carried by an F-15 fighter. It is small enough to be easily concealed. It poses extremely difficult problems of verification. If the United States moves ahead with the development of this antisatellite weapon, it is not clear that a verifiable treaty can be negotiated. But the opportunity to obtain a treaty may be at hand. In 1981, the Soviet Union presented a draft of a treaty banning weapons in space. On April 28, 1983, in reply to a petition sent him by a group of distinguished American scientists, Yuri Andropov stated:

> Now a crucial moment is really coming: Either the interested states will sit down at the negotiating table without delay to begin drawing up a treaty prohibiting the placement in space of weapons of any kind, or the arms race will spill over into space.

More recently, the Soviets have proposed a meeting between American and Soviet scientists to discuss preventing an antiballistic missile arms race. The Soviets seem ready to negotiate a treaty.

Is such an effort in the best interest of the United States? Scientists testified before the Senate Foreign Relations Committee on May 18 that the current situation is very nearly in balance. According to the Union of Concerned Scientists:

> The Soviet ASAT system is deemed to be operational by the Department of Defense, whereas the U.S. system is now ready for flight testing.
>
> The Soviet Union has most of its space-based assets in low-Earth (LEO) orbits, while the U.S. has many of its most important satellites in geosynchronous (GEO) orbits.
>
> The Soviet ASAT can only attack targets in low-Earth orbits, and would require a very large booster to carry it up to geosynchronous targets . . . . The U.S. interceptor could, with a three-stage booster, reach geosynchronous targets.
>
> The Soviet ASAT which uses fixed launch sites, is a cumbersome and inflexible system in comparison to the mobile, F-15 based U.S. system.

In other words, the two nations have achieved a rough balance and a verifiable treaty is obtainable. A moratorium on testing at this time would not leave the United States at a disadvantage. Without it, the two sides may be unable to agree upon a verifiable treaty.

The world stands at a watershed in the history of the arms race. Will the arms race now extend into space through development of nonverifiable antisatellite weapons? If so, once we pass that threshold, we will have reached a point of no return in spreading the arms race to space—and at a net loss in American national security.●

Mr. PELL, I am joining the Senator from South Dakota (Mr. PRESSLER), the Senator from Massachusetts (Mr.

TSONGAS) and others in introducing a resolution designed to deal with the critical threat to our national security which would be posed by effective antisatellite weapons and weapons in space.

The resolution would have the Congress declare that the President should seek agreement with the Soviet Union on:

First, a moratorium on the testing of antisatellite (Asat) weapons;

Second, a resumption of Asat talks, and

Third, a more comprehensive treaty prohibiting space-directed or space-based weapons designed to injure or damage objects on Earth, in the atmosphere or objects placed in space.

The resolution also specifies that this agreement should not restrict operations in space not involving weapons, such as the very important space shuttle program.

Our resolution draws upon Senate Joint Resolution 28 introduced by the Senator from Massachusetts (Mr. TSONGAS) and Senate Joint Resolution 43 introduced by the Senator from South Dakota (Mr. PRESSLER). At my initiative, the resolution has been broadened to call for an immediate, mutual, and verifiable moratorium on the testing in space of antisatellite weapons.

Mr. President, the Committee on Foreign Relations has had three excellent hearings dealing with the prospects for weapons in space and arms control implications of such developments. The committee, of which I am the ranking Democratic member, heard a number of distinguished experts on antisatellite weapons and weapons in space, as well as representatives of the administration. The hearings convinced me that we should give high national priority to efforts to deal with anti-satellite weapons and weapons in space.

More than a decade ago, as the United States and the Soviet Union were preparing to embark on a massive program to deploy multiple independently targetable reentry vehicles (MIRV's), the Senate cautioned that such a step should not be taken. Unfortunately, the advice was ignored, and a prohibition on MIRV's was never treated seriously in the SALT talks. As a result, we now face the problem of trying to control and reduce arsenals which include thousands of strategic nuclear warheads.

The current debate over the MX missile reminds us once again how weapons programs once started, acquire a life of their own and are so hard to stop, even when the rationale for them has virtually vanished. We do not want to have the same thing happen with regard to space weapons. If we do not have controls soon, there is no doubt in my mind that the situation will get out of hand, and we and the Soviet Union will develop and deploy a plethora of weapons we do not need and would be hard pressed to afford.

Weapons in space are an intriguing subject for comic book treatment but they are not something to be treated lightly or capriciously when our future national security could be put in risk by such weapons.

Mr. President, I hope that we will not be blind to the threat that would be posed by the deployment of antisatellite weapons and by an arms race in space. I believe that we need a moratorium now to stop testing programs before it is too late to reach agreement on an antisatellite weapons ban. Recent press stories indicate that the administration is willing to discuss such a ban with the Russians. I hope that is true. If so, this resolution should be consistent with any administration desire to actually negotiate a ban on antisatellite weapons. The resolution underscores the importance of not limiting space-related arms control to antisatellite weapons. It is imperative that we seek a comprehensive verifiable treaty banning space-based weapons and space-directed weapons.

Mr. President, this resolution is to be considered shortly by the Committee on Foreign Relations. At this point, I would like to urge the attention of my fellow Senators to this issue. I and the other sponsors would welcome their support.

By Mr. STENNIS:

S.J. Res. 130. Joint resolution to provide for the designation of April 9, 1984, as "National P.O.W./M.I.A. Recognition Day"; to the Committee on the Judiciary.

NATIONAL P.O.W./M.I.A. RECOGNITION DAY

● Mr. STENNIS. Mr. President, today I am intoducing a joint resolution designating April 4, 1984, as "National POW/MIA Recognition Day." I do this with a certain degree of sorrow, yet with a great degree of honor and respect for those who have sacrificed so greatly to preserve the freedoms that we Americans enjoy today.

The resolution that I am introducing would authorize the President to issue a proclamation calling upon the people of the United States to commemorate with appropriate ceremonies the sacrifices of thousands of prisoners of war and those missing in action who have so honorably served our country over the past 207 years.

From World War II to the present some 140,000 Americans have been captured and held as prisoners of war. Over 9,000 of these have been listed as missing in action and their bodies have never been recovered. Of this group, approximately 2,500 were either killed or missing as a result of our Nation's most recent conflict in Indochina. Roughly 1,150 of these are known to have been killed in action, but their remains have not been recovered.

It is only appropriate that we set-aside April 9, 1984, as our day of remembrance because this date marks the 40th anniversary of the day on which the largest number of prisoners of war were ever taken in the history of our Nation. Although this date serves as a somber reminder of the harsh realities faced by those who were captured or missing and their loved ones, it nevertheless underscores the significance of our tribute to our fellow citizens who paid so great a price for the freedom that we enjoy today.

How can we as a nation ever hope to repay the sacrifices of those who served as living embodiments of the words honor and courage? How can we as a people ever hope to repay the families of those who have sacrificed so much?

We can never expect to repay these people fully. We must continue our efforts to secure the return of those who remain listed as missing in action. We must also call the attention of our friends, allies, and potential adversaries around the world to the sacrifices which the American people have made for the cause of freedom. We can demonstrate our commitment as a nation by setting aside a special day of remembrance and tribute to honor all those who have served this Nation as prisoners of war or who remain listed as missing in action.

This resolution is an important way of indicating to our fellow citizens and their families our gratitude as a nation for the price they have paid. Our former prisoners of war and those who are missing in action deserve no less.●

By Mr. DOLE (for himself, Mr. HOLLINGS, Mr. BURDICK, Mr. KENNEDY, Mr. STEVENS, Mr. HELMS, Mr. LUGAR, Mr. ARMSTRONG, Mr. COCHRAN, Mr. DOMENICI, Mr. NUNN, Mr. DURENBERGER, Mr. SARBANES, Mrs. HAWKINS, Mr. HEINZ, Mr. BOREN, Mr. MOYNIHAN, Mr. RANDOLPH, Mr. ANDREWS, Mr. WEICKER, Mr. JEPSEN, Mr. LAXALT, Mr. ROTH, Mr. MATSUNAGA, Mr. BUMPERS, Mr. GORTON, Mr. PERCY, Mr. WILSON, Mr. SYMMS, Mr. DIXON, Mrs. KASSEBAUM, Mr. PRESSLER, and Mr. TSONGAS):

S.J. Res. 131. Joint resolution designating "National Cystic Fibrosis Week"; to the Committee on the Judiciary.

NATIONAL CYSTIC FIBROSIS WEEK

Mr. DOLE. Mr. President, this year, along with 32 of my colleagues, I am introducing a joint resolution designating September 18-24, 1983, as "National Cystic Fibrosis Week." I take great pride in introducing this resolu-

tion, which although basic in concept, will touch the lives of thousands of infants, children, and young adults throughout this country who experience the harsh realities that cystic fibrosis imposes on their daily lives.

Cystic fibrosis is the most common fatal genetic disease affecting America's young people. The disease occurs once in every 1,800 live births, and is responsible for between 500 and 1,000 deaths per year. More importantly, at this time in medical history, there is no known cure for cystic fibrosis.

Mr. President, the Senator from Kansas is happy to convey that research and improved management of the disease have led to dramatic improvements in patient outcomes: The life expectancy at birth with cystic fibrosis has risen from 3 to 21 years over the past two decades. Results such as this can occur only if resources are made available through public and private support. It is my hope that we will continue to vote for legislation supporting research which can build upon advances such as this.

Mr. President, there are thousands of young people whose lives have been victimized by cystic fibrosis, and I have made it an annual tradition to initiate resolutions such as this. By designating a special week in 1983 to promote public awareness of the unique problems and needs of those afflicted with cystic fibrosis—as well as their families—we can greatly help to bring their message to the attention of the public.

The Senator from Kansas believes that public education is the strongest catalyst for an improved understanding of the implications of cystic fibrosis. Through greater public awareness, we can eventually conquer this terrible disease, which severs young lives before they ever have a chance to reach full adult potential. The realities that cystic fibrosis victims have to cope with on a daily basis represent a saga of courage. The physical and emotional pain they must undergo is serious in itself, but the impact on their families is equally devastating in emotional, as well as financial terms.

Cystic fibrosis is unquestionably expensive. It is estimated that the average expenditure for medical care is over $9,500 per year. If hospital stays are included, the average expenditure surpasses $11,000. The Senator from Kansas finds this a startling statistic and a constant reminder that more research is needed.

Mr. President, I would also like to take this time to thank the Cystic Fibrosis Foundation for its tremendous efforts to stimulate public awareness concerning the implications of cystic fibrosis. This organization has worked with great dedication to promote research which will hopefully someday lead to a cure for cystic fibrosis.

I ask unanimous consent that a fact sheet on cystic fibrosis be included in the RECORD at this point, and I ask that the text of this resolution be printed in the RECORD as well.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S.J. RES. 131

Whereas cystic fibrosis is the No. 1 genetic killer of children in America, and about thirty thousand children and young adults in this country have cystic fibrosis; and

Whereas public knowledge about cystic fibrosis contributes to early detection and treatment of the disease and to improved understanding about the symptoms of cystic fibrosis; and

Whereas increased national awareness of cystic fibrosis and of the young people whose lives are affected by the disease stimulates public concern and increased attention to research seeking control and cure: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the week of September 18 through 24, 1983, is designated as "National Cystic Fibrosis Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

FACTS AND FIGURES ABOUT CYSTIC FIBROSIS

Cystic fibrosis (CF) is the most common fatal genetic disease affecting American's young people. CF occurs once in every 1,800 live births, and it causes between 500 and 1,000 deaths per year. Currently, there are about 30,000 young people living in the United States with CF; about 1 in 7 are over the age of 21.

CF affects the lungs and digestive system. It causes the body to produce large amounts of thick, sticky mucus in the lungs, which require daily therapy to clear the airways and permit breathing. Mucus also blocks the pancreas, preventing digestive enzymes from reaching the intestine; up to 60 pills per day are required to allow children simply to digest the food they eat. Most importantly, however, people with CF have chronic lung infections that lead to frequent hospitalization and ultimately to death.

Research and improved management of the diesease have led to dramatic improvements in patient outcomes: the life expectancy at birth in CF has risen from 3 to 21 years in the past two decades. Most deaths, however, still occur in the teenage years, and few patients survive past the age of 30. The National Institutes of Health and the Cystic Fibrosis Foundation are currently supporting research in a number of basic science areas, hoping to discover the underlying mechanism of this disease and thus develop better means of treatment to extend and improve life for these young people.

CF is expensive. In a 1981 survey of almost 500 adults with CF, the average (mean) expenditure for health care was over $9,500 per year. Almost half the group reported hospital stays during the previous year, with the average hospital bill for those affected exceeding $11,000. Another $1,500 per year was spent on prescription medications, and other medical expenses added over $1,000 per patient to the total. Costs would be comparable for CF patients at other ages as well.

Care for people with CF is provided through a network of 127 Cystic Fibrosis Centers across the nation that has been established by the Cystic Fibrosis Foundation, whose national headquarters are located at 6000 Executive Boulevard, Suite 309, Rockville, Maryland 20852.

Aside from their health handicap, most people with CF are able to function fairly normally in society. Most children do well at school, and many of the adults have married and are employed. Continued support for care and research programs will allow more and more of those born with CF to live longer, productive lives.

Mr. HOLLINGS. Mr. President, I am pleased to join today with my distinguished colleague, Senator DOLE, in introducing a Senate joint resolution designating September 18–24, 1983, as National Cystic Fibrosis Week. The Cystic Fibrosis Week program is in its fourth year and has succeeded in raising public awareness of the critical role research plays in aiding young people afflicted with this disease.

Cystic fibrosis is the most common fatal genetic disease affecting our Nation's young people. CF occurs once in every 1,800 live births, and it causes between 500 and 1,000 deaths per year. There are approximately 30,000 young people living in the United States with cystic fibrosis. Of this number only 1 in 7 are over the age of 21.

CF affects the lungs and digestive system, causing the body to produce large amounts of mucus which obstruct the airways and require daily therapy to clear and permit breathing. In addition, the mucus blocks the pancreas, and inhibits digestive enzymes from reaching the intestine, often requiring up to 60 pills per day to allow children to digest the food they eat. Most importantly, however, young people with cystic fibrosis suffer from chronic lung infections that lead to frequent hospitalization and eventual death.

Research and improved management of the disease have led to dramatic improvements in patient outcomes. Over the past two decades, life expectancy at birth in CF has risen from 3 to 21 years. Most deaths, however, still occur in the teenage years, and few patients survive past the age of 30. Cystic fibrosis is still incurable. Research into this deadly disease has given us dramatic results and it must continue. Improving public understanding and awareness of the implications of CF through observance of the National Cystic Fibrosis Week will encourage early diagnosis and care of the young people who inherit this fatal disease and will greatly assist efforts underway to find a cure for it.

Mr. President, I strongly urge the Senate to quickly approve this resolution.

ADDITIONAL COSPONSORS

S. 400

At the request of Mr. MATHIAS, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 400, a bill to designate the birthday of Martin Luther King, Jr., a legal public holiday.

S. 476

At the request of Mr. LEVIN, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 551

At the request of Mr. ROTH, the names of the Senator from Montana (Mr. MELCHER), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 551, a bill to amend the Tax Reform Act of 1976 to extend, for an additional 4 years, the exclusion from gross income of the cancellation of certain student loans.

S. 616

At the request of Mr. DURENBERGER, the name of the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 616, a bill to promote the use of solar and other renewable forms of energy developed by the private sector.

S. 617

At the request of Mr. STENNIS, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 617, a bill to promote the use of energy-conserving equipment and biofuels by the Department of Defense, and for other purposes.

S. 657

At the request of Mr. DOLE, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 657, a bill to amend the Animal Welfare Act to insure the proper treatment of laboratory animals.

S. 663

At the request of Mr. ARMSTRONG, the name of the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 663, a bill to prohibit the payment of certain agriculture incentives to persons who produce certain agricultural commodities on highly-erodible land.

S. 815

At the request of Mr. HATFIELD, the names of the Senator from Georgia (Mr. MATTINGLY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Kansas (Mr. DOLE), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 815, A bill to provide that it shall be unlawful to discriminate against any meetings of students in public secondary schools and to provide the district courts with jurisdiction.

S. 870

At the request of Mr. ARMSTRONG, the names of the Senator from Arizona (Mr. GOLDWATER), the Senator from South Dakota (Mr. ABDNOR), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 870, a bill entitled "The Federal Contractor Employees Flexitime Bill."

S. 888

At the request of Mr. DURENBERGER, the names of the Senator from North Dakota (Mr. ANDREWS), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 888, a bill entitled "The Economic Equity Act."

S. 1025

At the request of Mr. HATFIELD, the names of the Senator from Washington (Mr. GORTON), the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 1025, a bill to establish in the Federal Government a global foresight capability with respect to natural resources, the environment, and population; to establish a national population policy; to establish an interagency Council on Global Resources, Environment, and Population, and for other purposes.

S. 1159

At the request of Mr. HATFIELD, the name of the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of S. 1159, a bill to amend the Export Administration Act of 1979 to extend the provisions relating to the export of domestically produced crude oil.

S. 1262

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1262, a bill to amend the Internal Revenue Code of 1954 to improve Internal Revenue Service procedures concerning investigations and audits of churches, and for other purposes.

S. 1305

At the request of Mr. PACKWOOD, the names of the Senator from Colorado (Mr. HART), the Senator from Vermont (Mr. STAFFORD), and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 1305, a bill to amend the Internal Revenue Code of 1954 to extend the energy tax credit for investments in certain classes of energy property, and for other purposes.

S. 1324

At the request of Mr. GOLDWATER, the name of the Senator from New York (Mr. D'AMATO) was added as a cosponsor of S. 1324, a bill to amend the National Security Act of 1947 to regulate public disclosure of information held by the Central Intelligence Agency.

S. 1335

At the request of Mr. DURENBERGER, the name of the Senator from Colorado (Mr. HART) was added as a cosponsor of S. 1335, a bill to provide certain standards for the application of the Freedom of Information Act exemption for classified information.

S. 1369

At the request of Mr. DURENBERGER, the names of the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. COCHRAN), the Senator from Maryland (Mr. MATHIAS), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 1369, a bill to amend section 170 of the Internal Revenue Code of 1954 to increase the amounts that may be deducted for maintaining exchange students as members of the taxpayer's household.

S. 1370

At the request of Mr. DURENBERGER, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1370, a bill to amend subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 by inserting a new section of 44H to allow a credit for certain transportation expenses for foreign exchange students.

S. 1382

At the request of Mr. PRESSLER, the name of the Senator from Montana (Mr. MELCHER) was added as a cosponsor of S. 1382, a bill to amend the Communications Act of 1934 to insure availability of basic telephone service at reasonable rates.

S. 1396

At the request of Mr. DOMENICI, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1396, a bill to amend the Internal Revenue Code of 1954 to extend the period for qualifying certain property for the energy tax credit, and for other purposes.

S. 1419

At the request of Mr. SARBANES, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1419, a bill to amend title XVIII of the Social Security Act to retain the option of direct reimbursement for all providers under the medicare program.

S. 1513

At the request of Mr. HATFIELD, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 1513, a bill to extend for 5 years the authorization of appropriations for the National Historical Publications and Records Commission.

S. 1523

At the request of Mr. HUMPHREY, the name of the Senator from New Hampshire (Mr. RUDMAN) was added as a cosponsor of S. 1523, a bill to direct the Secretary of the Army, acting through the Chief of Engineers, to construct a project for modification of Portsmouth Harbor and the Piscataqua River Basin in Maine and New Hampshire.

S. 1541

At the request of Mr. BYRD, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. COHEN), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Oklahoma (Mr. NICKLES), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1541, a bill to authorize the presentation on behalf of the Congress of a specially struck bronze medal to the families of American personnel missing or otherwise unaccounted for in Southeast Asia.

S. 1580

At the request of Mr. HEINZ, the names of the Senator from New York (Mr. MOYNIHAN), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 1580, a bill to provide awards to local educational agencies for individual school implementation of the recommendations of a national study on education, and for other purposes.

S. 1592

At the request of Mr. DOLE, the names of the Senator from Texas (Mr. BENTSEN), the Senator from Vermont (Mr. STAFFORD), the Senator from Washington (Mr. JACKSON), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1592, a bill to amend title XVIII of the Social Security Act to correct provisions relating to the cap for hospice care.

S. 1596

At the request of Mr. TRIBLE, the names of the Senator from Idaho (Mr. MCCLURE) and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 1596, a bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles.

SENATE JOINT RESOLUTION 50

At the request of Mr. LEVIN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 50, a joint resolution designating the week beginning September 25, 1983, as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 93

At the request of Mr. EAST, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 93, a joint resolution to designate the month of September each year as "National Sewing Month."

SENATE JOINT RESOLUTION 114

At the request of Mr. NUNN, the names of the Senator from Nebraska (Mr. EXON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Alabama (Mr. HEFLIN), the Senator from North Dakota (Mr. BURDICK), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), the Senator from Nevada (Mr. LAXALT), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of Senate Joint Resolution 114, a joint resolution to request the President to proclaim September 1983 as "National Professional Security Month."

SENATE JOINT RESOLUTION 119

At the request of Mr. THURMOND, his name was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to designate the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week."

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. SPECTER, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution to express the sense of the Congress concerning the legal minimum age for drinking and purchasing alcohol.

SENATE CONCURRENT RESOLUTION 40

At the request of Mr. LEVIN, the names of the Senator from New Jersey (Mr. LAUTENBERG), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of Senate Concurrent Resolution 40, a concurrent resolution expressing the sense of the Congress that a uniform State act should be developed and adopted which provides grandparents with adequate rights to petition State courts for privileges to visit their grandchildren following the dissolution (because of divorce, separation, or death) of the marriage of such grandchildren's parents, and for other purposes.

SENATE RESOLUTION 84

At the request of Mr. JACKSON, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of Senate Resolution 84, a resolution relating to the strategic petroleum reserve.

SENATE RESOLUTION 127

At the request of Mr. ANDREWS, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of Senate Resolution 127, a resolution to make the Select Committee on Indian Affairs a permanent Committee of the Senate.

SENATE RESOLUTION 139

At the request of Mr. ZORINSKY, the name of the Senator from Alabama (Mr. DENTON) was added as a cosponsor of Senate Resolution 139, a resolution disapproving the recommendation of the Study Group on Senate Practices and Procedures to abolish the Senate Committee on Veterans' Affairs.

SENATE RESOLUTION 158

At the request of Mr. JACKSON, the name of the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of Senate Resolution 158, a resolution expressing the sense of the Senate that the President should convene a national bipartisan commission to address the serious long-term problems of security and economic development in Central America.

SENATE RESOLUTION 174—REAFFIRMING SUPPORT FOR THE INTERNATIONAL WHALING COMMISSION MORATORIUM ON COMMERCIAL WHALING

Mr. BAKER (for Mr. PACKWOOD and Mr. HOLLINGS) submitted the following resolution, which was ordered placed on the calendar:

S. RES. 174

Whereas millions of American citizens and millions of citizens worldwide have demanded an end to the destruction of whales by commercial whalers,

Whereas in 1971, the Senate and the House passed concurrent resolutions calling for negotiation of a moratorium on commercial whaling,

Whereas a similar whaling resolution was adopted by the Stockholm Conference on the Human Environment in 1972,

Whereas every President since 1971 has emphatically reaffirmed U.S. support for a moratorium on commercial whaling in letters to the International Whaling Commission,

Whereas President Reagan also sent such a letter to the International Whaling Commission on July 17, 1981,

Whereas the epochal decision of the International Whaling Commission in July 1982 to indefinitely halt commercial whaling beginning in 1986 has been threatened by the Soviet Union, Japan, Norway and Peru who have filed "objections" to the decision,

Whereas sixty-six U.S. Senators joined in a letter to the Secretary of Commerce in August 1982 calling for use of the Pelly and Packwood-Magnuson Amendments and "other means available to us" to obtain worldwide compliance with the International Whaling Commission decision and a similar view has been expressed by members of the House of Representatives,

Be it hereby resolved, That the Secretary of State and the Secretary of Commerce are directed to continue to use all diplomatic and legal means to achieve worldwide compliance with the International Whaling Commission moratorium decision, including use of the Pelly Amendment to the Fishermen's Protective Act, the Packwood-Magnuson Amendment to the Magnuson Fishery Conservation and Management Act and any other appropriate legal tools.

AMENDMENTS SUBMITTED

DEFENSE PROCUREMENT AUTHORIZATION, 1984

NUNN (AND OTHERS) AMENDMENT NO. 1477

Mr. NUNN (for himself, Mr. HATCH, Mr. JOHNSTON, Mr. BINGAMAN, and Mr. KENNEDY) proposed an amendment to the bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; as follows:

On page 16, beginning with line 24, strike out all through page 21, line 14, and insert in lieu thereof the following:

For aircraft, $3,351,900,000.

For missiles, $3,039,900,000.

For weapons and tracked combat vehicles, $4,757,916,000.

For ammunition, $2,144,589,000.

For other procurement, $4,758,170,000.

For Army National Guard equipment, $100,000,000.

(b) The Secretary of the Army shall continue to evaluate the feasibility of establishing a second production source for the M-1 tank engine and submit the results of his evaluation to the appropriate committees of the Congress at least 30 days before any funds are obligated under a second source contract for such engine.

AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 102. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft, weapons (including missiles and torpedoes), shipbuilding and conversion, and for other procurement for the Navy, as follows:

For aircraft, $10,557,400,000.

For weapons (including missiles and torpedoes), $3,769,400,000.

For shipbuilding and conversion, $11,513,600,000.

For other procurement, $4,375,338,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement for the Marine Corps (including missiles, tracked combat vehicles, and other weapons) in the amount of $1,808,149,000.

(c) None of the funds appropriated pursuant to an authorization of appropriations in this or any prior Act may be used to equip any Naval Air Reserve unit with F/A-18 aircraft.

(d) None of the funds appropriated pursuant to any authorization of appropriations contained in this or any other Act may be obligated or expended for the purchase of the 5-inch semiactive guided projectile until the Navy has caused to be published, after the date of the enactment of this Act, a notice of the proposed procurement of such projectile, as provided in section 8(e) of the Small Business Act (15 U.S.C. 637(e)), reflecting up-to-date information on such projectile. Such notice shall give reasonable opportunity, but in no event less than 90 days, for response before the award of any contract is made for procurement of such projectile.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft and missiles, and for other procurement for the Air Force, as follows:

For aircraft, $20,481,690,000.

For missiles, $8,095,334,000.

For other procurement, $7,150,902,000.

For Air National Guard equipment, $25,000,000.

(b) Of the funds authorized to be appropriated in this section for aircraft for the Air Force, the sum of $112,100,000 is available only for contribution by the United States as its share of the cost for fiscal year 1984 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 104. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement by the Defense agencies in the amount of $969,091,000.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE PRODUCTION ACT PURCHASES

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1984 for purchases of, or commitments to purchase, metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950 (60 U.S.C. App. 2093) in the amount of $150,000,000.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 106. Effective on October 1, 1983, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended by striking out "fiscal year 1983" both places it appears and inserting in lieu thereof "fiscal year 1984".

SECURE COMMUNICATIONS EQUIPMENT AND A SPECIAL CLASSIFIED PROGRAM

SEC. 107. The Secretary of Defense is authorized to procure secure telephone communication systems, including equipment and related items, during fiscal year 1984 for the Department of Defense and other Government agencies and entities to support a national program to provide secure telephone service. Of the funds authorized to be appropriated pursuant to this title, not more than $60,000,000 may be used to provide secure telephone equipment and related items to the Department of Defense and other Government agencies and entities in support of such a national program. Equipment provided to Government agencies and entities outside the Department of Defense under the authority of this section, and such related services as may be necessary, may be furnished by the Secretary of Defense with or without reimbursement. In addition, of the funds authorized to be appropriated pursuant to this title, not more than $220,000,000 is authorized for a special classifed program.

AUTHORIZATION OF MULTIYEAR CONTRACTS FOR THE B-1B AIRCRAFT; PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 108. (a) Notwithstanding any other provision of law, procurement of the LSD-41 class amphibious ship program may be carried out under a multiyear procurement contract in accordance with section 2300(h) of title 10, United States Code.

(b) The Department of Defense is denied the authority to execute multiyear procurement contracts, as proposed in the Department's fiscal year 1984 budget request, for procurement of any of the following:

(1) AH-64 helicopter engines.

(2) F-18 aircraft engines.

(3) B-1B aircraft.

PRYOR (AND OTHERS) AMENDMENT NO. 1478

Mr. PRYOR (for himself, Mr. ROTH, Mr. LEVIN, Mr. ARMSTRONG, Mrs. KASSEBAUM, Mr. KENNEDY, Mr. BUMPERS, Mr. HART, Mr. PROXMIRE, Mr. SARBANES, Mr. SASSER, Mr. DIXON, Mr. BINGAMAN, Mr. DURENBERGER, Mr. CRANSTON, Mr. HEFLIN, Mr. HOLLINGS, Mr. PRESSLER, Mr. GRASSLEY, Mr. PELL, Mr. ANDREWS, Mr. MITCHELL, Mr. BRADLEY, Mr. LEAHY, Mr. MELCHER, Mr. GORTON, Mr. DECONCINI, Mr. RANDOLPH, Mr. NUNN, Mr. TSONGAS, and Mr. METZENBAUM) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill insert the following:

DEPARTMENT OF DEFENSE DIRECTOR OF OPERATIONAL TESTING AND EVALUATION

SEC. —. (a)(1)(A) Chapter 4 of title 10, United States Code, is amended by inserting after section 136 the following new section:

"§ 136a. Director of Operational Testing and Evaluation: appointment; powers and duties

"(a) There is a Director of Operational Testing and Evaluation of the Department of Defense, appointed from civilian life by the President, by and with the advice and consent of the Senate.

"(b) The Director performs all duties relating to operational testing and evaluation in the Department of Defense including—

"(1) being the principal adviser to the Secretary of Defense on operational testing and evaluation in the Department of Defense;

"(2) prescribing the administrative organization in each of the military departments for planning and conducting operational testing and evaluation;

"(3) prescribing policies and procedures for the conduct of operational testing and evaluation in the Department of Defense;

"(4) monitoring, reviewing, and providing guidance for all operational testing and evaluation in the Department of Defense;

"(5) determining in advance the adequacy of the plans and the available funds for operational testing and evaluation to be conducted in connection with each major development program and each potential major development program in the Department of Defense;

"(6) coordinating operational testing and evaluation conducted jointly by more than one military department;

"(7) analyzing the results of the operational testing and evaluation conducted for each major development program and each potential major development program in the Department of Defense and reporting to the Secretary of Defense on (A) whether the testing and evaluation performed was adequate, and (B) whether the testing and evaluation results confirm that the items or components actually tested were effective and suitable for combat; and

"(8) reviewing and making recommendations to the Secretary of Defense on all budgetary and financial matters relating to

operational testing facilities and equipment, in the Department of Defense.

"(c) The Director shall report directly, without intervening review or approval, to the Secretary of Defense. The Director and his staff are independent of all research and development offices or organizations in the Department of Defense.

"(d) The Director shall have access to all records and data in the Department of Defense, including the records and data of each military department, that the Director considers necessary to review in order to carry out his duties under this section.

"(e) The Director may require that such observers as he designates the present during the preparation for an the conduct of the testing part of any operational testing and evaluation conducted in the Department of Defense.

"(f) The Secretary of a military department shall report to the Director all results of all operational testing and evaluation conducted by the military department and of all studies conducted by the military department in connection with operational testing and evaluation in the military department.

"(g) The Director shall respond to requests from the Congress for information relating to operational testing and evaluation in the Department of Defense.

"(h) No funds may be obligated or expended by the Secretary of a military department to conduct any operational testing and evaluation if such operational testing and evaulation is not approved in advance by the Secretary of Defense, in consultation with the Director, or is not conducted within the scope, or in accordance with the conditions, specified by the Secretary of Defense in approving the operational testing and evaluation.

"(i) For the purposes of this section 'operational testing and evaluation' means the field testing, under realistic combat conditions, of any item of, or key component of, weapons, equipment, or munitions for the purpose of determining the effectiveness and suitability of the weapons, equipment, or munitions for use in combat by typical military users and the evaluation of the results of such testing.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 136 the following new item:

"136a. Director of Operational Testing and Evaluation: appointment; powers and duties.".

(2) The President shall include in the budget transmitted to the Congress pursuant to section 1105 of title 31, United States Code, a separate request for new budget authority for, and an estimate of the outlays by, the Director of Operational Testing and Evaluation of the Department of Defense in carrying out the duties and responsibility set forth in section 136a of title 10, United States Code (as added by paragraph (1)).

(3) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"Director of Operational Testing and Evaluation, Department of Defense.".

(b)(1) The Comptroller General of the United States shall have access to all records and data in the Department of Defense, including the records and data of each military department, relating to operational testing and evaluation in the Department of Defense.

(2) The Secretary of Defense shall cooperate with the Comptroller General of the United States in carrying out paragraph (1).

(3) For the purposes of this section, the term "operational testing and evaluation" has the same meaning as provided in section 136a(i) of title 10, United States Code (as added by subsection (a)(1)(A) of this section).

(c) The provisions of this section shall be effective November 1, 1983.

LUGAR AMENDMENT NO. 1479

Mr. LUGAR (for himself and Mr. QUAYLE) proposed an amendment to the bill S. 675, supra; as follows:

On page 26, line 16, add the following: "of which $4,600,000 shall be available only for physical fitness center purposes.".

TOWER AMENDMENT NO. 1480

Mr. QUAYLE (for Mr. Tower) proposed an amendment to the bill S. 675, supra; as follows:

On page 145, line 1, strike out "8836" and insert in lieu thereof "8336"; and

On page 146, line 33, strike out "member" and insert in lieu thereof "Member".

HELMS (AND OTHERS) AMENDMENT NO. 1481

Mr. HELMS (for himself, Mr. ABDNOR, Mr. ARMSTRONG, Mr. BOREN, Mr. BOSCHWITZ, Mr. COCHRAN, Mr. COHEN, Mr. D'AMATO, Mr. DECONCINI, Mr. DENTON, Mr. DOLE, Mr. DOMENICI, Mr. EAST, Mr. FORD, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. GORTON, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HEINZ, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JEPSEN, Mr. KASTEN, Mr. LAXALT, Mr. LUGAR, Mr. MATTINGLY, Mr. MCCLURE, Mr. MOYNIHAN, Mr. MURKOWSKI, Mr. NICKLES, Mr. PELL, Mr. PERCY, Mr. PRESSLER, Mr. QUAYLE, Mr. RANDOLPH, Mr. RUDMAN, Mr. STAFFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. ZORINSKY) proposed an amendment to the bill S. 675; supra; as follows:

At the appropriate place in the bill insert the following:

COMMEMORATION OF THE MUTUAL DEFENSE TREATY BETWEEN THE UNITED STATES AND THE REPUBLIC OF KOREA

SEC. . (a)(1) The Congress finds that—

(A) this year is the thirtieth anniversary of the signing of the Mutual Defense Treaty between the United States and the Republic of Korea;

(B) for a period of thirty years the Korean people have faithfully fulfilled their commitments to the defense of Korea as provided in the Mutual Defense Treaty; and

(C) the Mutual Defense Treaty between the United States and Korea has significantly contributed to the maintenance of peace and stability on the Korean peninsula and in East Asia.

(2) The Congress recognizes that the Mutual Defense Treaty between the United States and the Republic of Korea obligates both nations to participate in a system of collective security "pending the development of a more comprehensive and effective system of regional security in the Pacific Area".

(b) It is the sense of the Congress that—

(1) the thirtieth anniversary of the signing of the Mutual Defense Treaty between the United States and the Republic of Korea should be commemorated and observed with appropriate programs and activities which celebrate and reaffirm the long-standing commitments of the people of both nations to mutual security and the preservation of peace on the Korean peninsula and in East Asia; and

(2) it is in the best interest of both the United States and the Republic of Korea to take such action, in an appropriate forum and with private and official participation, as is necessary and appropriate to discuss, promote, and expand cooperation between both nations and to perpetuate the mutual security and the preservation of peace on the Korean peninsula and in East Asia.

HEFLIN (AND DENTON) AMENDMENT NO. 1482

Mr. THURMOND (for Mr. HEFLIN and Mr. DENTON) proposed an amendment to the bill S. 675, supra; as follows:

On page 224, between lines 4 and 5, insert the following:

LAND CONVEYANCE, ALABAMA SPACE SCIENCE EXHIBIT COMMISSION

SEC. 280. (a) Subject to subsection (b), the Secretary of the Army (hereinafter in this section referred to as the "Secretary") is authorized to convey, without monetary consideration, to the Alabama Space Science Exhibit Commission (hereinafter in this section referred to as the "Commission"), an agency of the State of Alabama, all right, title, and interest of the United States in and to two tracts of land, consisting of sixty-one acres (more or less), located on the northwestern boundary of Redstone Arsenal, Alabama.

(b)(1) The conveyance authorized under subsection (a) shall be subject to the condition that the real property conveyed shall be used by the Commission (A) to display suitable public exhibits of United States weaponry and allied subjects, public exhibits of the activities of the National Aeronautics and Space Administration, and space-oriented public exhibits of other departments, agencies, and instrumentalities of the United States Government, (B) to carry out educational and recreational activities related to the purposes described in clause (A), or (C) for purposes described in both clauses (A) and (B). The use of a portion of such real property for construction of a proposed interstate highway, and such access roads as necessary, and any use of such real property in accordance with existing easements and rights-of-way shall not be considered a use which is inconsistent with the purposes described in clause (A) or (B).

(2) If the property conveyed pursuant to subsection (a) is not used for one or more of the purposes described in paragraph (1), all right, title, and interest in and to such property shall revert to the United States which shall have the right of immediate entry thereon.

(3) The Secretary shall reserve to the United States a drainage and utility easement for use in connection with Redstone Arsenal.

(c) The exact acreage and legal description of the property to be conveyed under subsection (a) and of the easement to be reserved under subsection (b)(3) shall be determined by surveys approved by the Secretary of the Army. The cost of any such survey shall be borne by the Commission.

(d) The Secretary may require such additional terms and conditions in connection with the conveyance authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

THURMOND AMENDMENT NO. 1483

Mr. THURMOND proposed an amendment to the bill S. 675, supra; as follows:

On page 214, beginning with line 10, strike out all down through line 24 and insert in lieu thereof the following:

SEC. 272. (a) The Secretary of Defense shall conduct a comprehensive review of current policies and practices of the Department of Defense with regard to the award of contracts for architectural and engineering services and construction design for military construction projects. The Secretary shall conduct such review with a view to determining whether current policies and practices of the Department of Defense result in a reasonable distribution of contracts to firms of all sizes throughout the architect-engineer community.

(b) Upon the completion of such review, the Secretary shall modify current policies and practices, to the extent necessary, to insure—

(1) that small business concerns (as defined in section 3 of the Small Business Act) are assured of a reasonable share of such design contracts, and

(2) that large architect-engineer firms are not precluded from competing for such design contracts when the estimated amount of such contracts is greater than a reasonable threshold amount prescribed by the Secretary.

(c) The Secretary shall submit a written report on the results of the review required by subsection (a) and on the changes made to current policies and practices required by subsection (b) to the appropriate committees of the Congress not later than March 1, 1984.

(d) For the purposes of this section:

(1) The term "reasonable share" means an appropriate percentage share of all contracts referred to in subsection (a) as determined by the Secretary of Defense after consultation with the Small Business Administration and representatives of the architect-engineer community.

(2) The term "reasonable threshold" means an appropriate estimated contract dollar amount determined by the Secretary of Defense after consultation with the Small Business Administration and representatives of the architect-engineer community.

HUMPHREY AMENDMENT NO. 1484

Mr. HUMPHREY proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill insert the following new section:

REPORT ON COST OVERRUNS AND SHORTAGES OF SPARE PARTS

SEC. . (a) The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives, at the same time the President submits the proposed budget to the Congress for fiscal year 1985, a detailed written report on the management ability of each military department to monitor, control, and correct the problems associated with all categories of spare parts for military equipment. The Secretary shall include in such report—

(1) an analysis by the Secretary of cost overruns on spare parts and shortages of spare parts; and

(2) the actions, if any, each military department is taking to solve the cost overruns and shortage problems associated with spare parts.

(b) The Secretary shall submit an interim report on the subject of the report required under subsection (a) to the committees referred to in such subsection not later than September 15, 1983.

(c)(1) The Secretary of Defense shall formulate and put into effect at the earliest practicable date policies and procedures for the long term solution of problems related to cost overruns on and shortages of spare parts for military equipment. The Secretary shall submit a written report to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives not later than March 31, 1984, describing the policies and procedures developed and being carried out to solve such problems.

(2) The Secretary shall implement immediately such interim controls as may be practicable to minimize the effect on military preparedness of cost overruns and shortages related to spare parts and include a description of such actions in the report required under paragraph (1).

DURENBERGER AMENDMENT NO. 1485

Mr. DURENBERGER (for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. HATFIELD, and Mr. CRANSTON) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill insert the following:

REPEAL OF SECTION 12f OF THE MILITARY SELECTIVE SERVICE ACT

SEC. . Section 12f of the Military Selective Service Act (50 U.S.C. App. 462(f)) is repealed.

STAFFORD (AND OTHERS) AMENDMENT NO. 1486

Mr. STAFFORD (for himself, Mr. HATFIELD, Mr. PELL, and Mr. MOYNIHAN) proposed an amendment to amendment No. 1458 proposed by Mr. DURENBERGER to the bill S. 675, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

POSTPONEMENT OF PROVISIONS RELATING TO THE FAILURE TO REGISTER AND THE DENIAL OF FEDERAL EDUCATIONAL ASSISTANCE

SEC. . Section 1113(b) of Public Law 97-252 is amended by striking out "for periods of instruction beginning after June 30, 1983" and inserting in lieu thereof "for periods of instruction beginning after June 30, 1984".

MOYNIHAN (AND STAFFORD) AMENDMENT NO. 1487

Mr. MOYNIHAN (for himself and Mr. STAFFORD) proposed an amendment to amendment No. 1485 proposed by Mr. DURENBERGER to the bill S. 675, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

EXTENSION OF THE GRACE PERIOD FOR THE ENFORCEMENT FOR THE PROVISION RELATING TO THE FAILURE TO REGISTER AND THE DENIAL OF FEDERAL EDUCATIONAL ASSISTANCE

SEC. . The provision of the notice regarding the implementation of regulations entitled "Student Assistance General Provisions; Registration With Selective Service" (48 Federal Register No. 130, July 6, 1983), relating to the schedule under which an institution of higher education may certify first and then inform the student of the requirement that the student file a Statement of Registration Compliance for the period prior to July 31, 1983, is extended from July 31, 1983, through September 30, 1983.

LEVIN (AND OTHERS) AMENDMENT NO. 1488

Mr. LEVIN (for himself, Mr. NUNN, Mr. HART, Mr. BUMPERS, Mr. HOLLINGS, Mr. DODD, Mr. EXON, and Mr. BIDEN) proposed an amendment to the bill S. 675, supra; as follows:

Beginning on page 16, line 24, strike all down through page 26, line 19, and insert in lieu thereof, the following:

"For aircraft, $3,486,900,000.

For missiles, $3,060,500,000.

For weapons and tracked combat vehicles, $4,811,216,000.

For ammunition, $2,144,589,000.

For other procurement $4,908,170,000.

For Army National Guard equipment, $100,000,000.

(b) The Secretary of the Army shall continue to evaluate the feasibility of establishing a second production source for the M-1 tank engine and submit the results of his evaluation to the appropriate committees of the Congress at least 30 days before any funds are obligated under a second source contract for such engine.

AUTHORIZATION OF APPROPRIATIONS, NAVY AND MARINE CORPS

SEC. 102. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft, weapons (including missiles and torpedoes), shipbuilding and conversion, and for other procurement for the Navy, as follows:

For aircraft, $10,623,500,000.

For weapons (including missiles and torpedoes), $3,830,400,000.

For shipbuilding and conversion, $11,631,100,000.

For other procurement, $4,539,738,000.

(b) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement for the Marine Corps (including missiles, trucked combat vehicles, and other weapons) in the amount of $1,808,149,000.

(c) None of the funds appropriated pursuant to an authorization of appropriations in this or any prior Act may be used to equip any Naval Air Reserve unit with F/A-18 aircraft.

(d) None of the funds appropriated pursuant to any authorization of appropriations contained in this or any other Act may be obligated or expended for the purchase of the 5-inch semiactive laser guided projectile until the Navy has caused to be published, after the date of the enactment of this Act, a notice of the proposed procurement of such projectile, as provided in section 8(e) of the Small Business Act (15 U.S.C. 637(e)), reflecting up-to-date information on such projectile. Such notice shall give reasonable opportunity, but in no event less than 90 days, for response before the award of any contract is made for procurement of such projectile.

AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

SEC. 103. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement of aircraft and missiles, and for other procurement for the Air Force, as follows:

For aircraft, $21,488,790,000.

For missiles, $8,532,334,000.

For other procurement, $7,245,102,000.

For Air National Guard equipment, $25,000,000.

(b) Of the funds authorized to be appropriated in this section for aircraft for the Air Force, the sum of $112,100,000 is available only for contribution by the United States as its share of the cost for fiscal year 1984 of acquisition by the North Atlantic Treaty Organization of the Airborne Warning and Control System (AWACS).

AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

SEC. 104. Funds are hereby authorized to be appropriated for fiscal year 1984 for procurement by the Defense agencies in the amount of $969,091,000.

AUTHORIZATION OF APPROPRIATIONS, DEFENSE PRODUCTION ACT PURCHASES

SEC. 105. Funds are hereby authorized to be appropriated for fiscal year 1984 for purchases of, or commitments to purchase, metals, minerals, or other materials by the Department of Defense pursuant to section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) in the amount of $150,000,000.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 106. Effective on October 1, 1983, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended by striking out "fiscal year 1983" both places it appears and inserting in lieu thereof "fiscal year 1984".

SECURE COMMUNICATIONS EQUIPMENT AND A SPECIAL CLASSIFIED PROGRAM

SEC. 107. The Secretary of Defense is authorized to procure secure telephone communication systems, including equipment and related items, during fiscal year 1984 for the Department of Defense and other Government agencies and entities to support a national program to provide secure telephone service. Of the funds authorized to be appropriated pursuant to this title, not more than $60,000,000 may be used to provide secure telephone equipment and related items to the Department of Defense and other Government agencies and entities in support of such a national program. Equipment provided to Government agencies and entities outside the Department of Defense under the authority of this section, and such related services as may be necessary, may be furnished by the Secretary of Defense with or without reimbursement. In addition, of the funds authorized to be appropriated pursuant to this title, not more than $220,000,000 is authorized for a special classified program.

AUTHORIZATION OF MULTIYEAR CONTRACTS FOR THE B-1B AIRCRAFT; PROHIBITION ON MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 108. (a) Notwithstanding any other provision of law, procurement of the B-1B aircraft program may be carried out under a multiyear procurement contract in accordance with section 2306(h) of title 10, United States Code.

(b) The Department of Defense is denied the authority to execute multiyear procurement contracts, as proposed in the Department's fiscal year 1984 budget request, for procurement of any of the following:

(1) AH-64 helicopter engines.

(2) F-18 aircraft engines.

(3) LSD-41 class amphibious ships.

(4) F-15 aircraft.

(5) KC-135 reengining (airframes).

(6) Mark 30 targets.

(7) TB-16 towed arrays.

LIMITATIONS AND REQUIREMENTS WITH RESPECT TO THE PROCUREMENT AND DEPLOYMENT OF THE MX MISSILE

SEC. 109. (a)(1) Funds appropriated pursuant to the authorization of appropriations in section 103 may be used to procure not more than twenty-one operational MX missiles for deployment.

(2) MX missiles procured with funds authorized to be appropriated by section 103 shall be deployed in existing Minuteman missile silos that are part of the 319th and 400th Strategic Missile Squadrons and supported by Francis E. Warren Air Force Base, Wyoming. The first ten MX missiles procured for deployment by the Air Force shall be placed on alert status, with appropriate security and logistics facilities in operation, not later than December 31, 1986.

(b)(1) The Secretary of the Air Force shall prepare a full draft and final environmental impact statement in accordance with all terms, conditions, and requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) on the proposed deployment and peacetime operations of MX missiles in the Minuteman silos referred to in subsection (a). The final environmental impact statement on the proposed deployment of such missiles shall be published not later than January 31, 1984.

(2) Notwithstanding any other provision of law, the Secretary of the Air Force (A) may immediately commence planning, facility and equipment designing, surveying, and other predeployment activities with respect to the MX missile, and (B) shall proceed promptly following the publication of the final enviromental impact statement referred to in paragraph (1) with deployment of MX missiles in the missile silos referred to in subsection (a).

(c) The President shall submit to the Committees on Armed Services of the Senate and the House of Representatives, coincident with the submission to the Congress of any request made after the date of the enactment of this Act for funds for the procurement of operational MX missiles intended for deployment, a written assessment relating to the requirement for and the anticipated impact of the procurement of such missiles. This assessment shall include the President's judgment with respect to—

(A) the degree to which current and projected international conditions require the procurement of such missiles for operational purposes;

(B) the expected impact the procurement of such missiles will have on the stability of the strategic balance between the United States and the Soviet Union; and

(C) the effect the procurement of such missiles, if approved by the Congress, will likely have on achieving negotiated reductions in the nuclear forces of the United States and the Soviet Union through sound, equitable, and verifiable arms control agreements.

PART B—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 111. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for the use of the Armed Forces for research, development, test, and evaluation, in amounts as follow:

For the Army, $4,302,564,000.

For the Navy (including the Marine Corps), $7,673,142,000.

For the Air Force, $12,499,116,000.

For the Defense agencies, $2,468,537,000, of which $55,800,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1984 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in subsection (a).

RESTRICTION ON USE OF FUNDS FOR THE C-17 AIRCRAFT PROGRAM

SEC. 112. None of the funds appropriated pursuant to the authorization of appropriations in section 111 may be obligated or expended for the C-17 aircraft program until (1) a Selected Acquisition Report on the C-17 aircraft program has been submitted to the Committees on Armed Services of the Senate and House of Representatives, (2) the Secretary of Defense has submitted to such committees a report validating the requirement, concepts, and design of the C-17 aircraft, and (3) a period of 30 days has elapsed after the date on which such committees receive such submissions.

RESTRICTION ON THE USE OF FUNDS FOR THE JOINT TACTICAL MISSILE PROGRAM AND THE JOINT SURVEILLANCE AND TARGET ATTACK SYSTEM

SEC. 113. (a) None of the funds appropriated pursuant to the authorization contained in section 111 may be obligated or expended for the Joint Tactical Missile Program or the Joint Surveillance and Target Attack System until the Secretary of Defense and the Chairman of the Joint Chiefs of Staff have jointly submitted a report to the Committees on Armed Services of the Senate and the House of Representatives containing a comprehensive and coordinated plan for the development and procurement of such program and system and submunitions associated with such program and system. The Secretary of Defense and the Chairman of the Joint Chiefs of Staff shall clearly define the integration of such program and system within the Air-Land Battle concept developed in the Department of Defense and the expected contribution of such program and system to the disruption and destruction of follow-on enemy forces.

(b) The President shall submit a written report to the Congress, within 30 days after the receipt by the Committees on Armed Services of the Senate and the House of Representatives of the report referred to in subsection (a), containing his views and recommendations on the subjects discussed in that report.

PART C—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 116. (a) Funds are hereby authorized to be appropriated for fiscal year 1984 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, operation and maintenance, in amounts as follow:

For the Army, $17,591,500,000.
For the Navy, $22,719,000,000.
For the Marine Corps, $1,552,100,000.
For the Air Force, $18,077,000,000."

TRIBLE (AND OTHERS) AMENDMENT NO. 1489

Mr. TRIBLE (for himself, Mr. GARN, and Mr. PROXMIRE) proposed an amendment to the bill S. 675; as follows:

On page 19, strike out lines 13 through 20.

COHEN (AND OTHERS) AMENDMENT NO. 1490

Mr. COHEN (for himself, Mr. METZENBAUM, Mr. LEVIN, and Mr. DOLE) proposed an amendment to the bill S. 675; as follows:

On page 121, beginning with line 8, strike out all down through line 8 on page 123 and insert in lieu thereof the following:

SEC. 1001. (a)(1) Section 138(a) of title 10, United States Code, is amended—

(A) by striking out "or" at the end of clause (8);

(B) by inserting "or" at the end of clause (9); and

(C) by adding after clause (9) the following new clause:

"(10) the long-term lease or charter of any aircraft or naval vessel or the lease or charter of any aircraft or naval vessel the terms of which provide for a substantial termination liability on the part of the United States;".

(2) Section 138(f) of such title is amended—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by inserting after paragraph (1) the following new paragraph (2):

"(2) In subsection (a)(10):

"(A) The term 'long-term lease or charter' means—

"(i) a lease, charter, service contract, or conditional sale agreement the term of which is for a period of five years or longer, or the initial term of which is for a period of less than five years, but contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is five years or longer. Such term includes the extension or renewal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of five years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of five years or longer; or

"(ii) in the case of any agreement under which the lessor first places the property in service under the agreement or the property has been in service for less than one year, and there is allowable to the lessor or charterer an investment tax credit or depreciation for the property leased, chartered or otherwise provided under the agreement under section 168 of the Internal Revenue Code of 1954, as amended (unless the lessor or charterer has elected depreciation on a straightline method for such property),

a lease, charter, service contract, or conditional sale agreement the term of which is for a period of three years or longer, or the initial term of which is for a period of less than three years, but contains an option to renew or extend the agreement for a period which, when added to the initial term (or any previous renewal or extension), is three years or longer. Such term includes the extension or reneal of a lease or charter agreement if the term of the extension or renewal thereof is for a period of three years or longer or if the term of the lease or charter agreement being extended or renewed was for a period of three years or longer.

"(B) 'Substantial termination liability' means an agreement by the United States to pay an amount that is equal to more than 15 percent of the value of the aircraft or vessel under lease or charter as calculated on the basis of the present value of the termination liability of the United States under such charter or lease, as determined under regulations prescribed by the Secretary of Defense.".

(3) The amendments made by paragraphs (1) and (2) shall not apply in the case of any lease or charter agreement entered into by the Department of Defense before the date of the enactment of this Act.

(b)(1) Any request made to the Congress for the authorization of funds for the Department of Defense for the long-term lease or charter of aircraft or naval vessels or any request for the authorization of funds for such department for a lease or charter of aircraft or naval vessels which provides for a substantial termination liability on the part of the United States shall be accompanied by an analysis, submitted by the secretary of defense, of the cost to the United States, including lost tax revenues, of any such lease or charter arrangement compared with the cost of direct procurement of the aircraft or naval vessels by the United States.

(2) Any such analysis shall be reviewed and evaluated by the Director of the Office of Management and Budget and the Secretary of the Treasury within 30 days after the date on which the request and analysis are submitted to the Congress. The Director and Secretary shall conduct such review and evaluation on the basis of the guidelines issued pursuant to subsection (c) and shall report to the Congress in writing on the results of their review and evaluation at the earliest practicable date, but in no event more than 45 days after the date on which the request and analysis are submitted to the Congress.

(3) When a request is made to the Congress for the authorization of funds for the Department of Defense for the long-term lease or charter of aircraft or naval vessels, the Secretary of Defense shall indicate in the request what portion of the requested funds is attributable to capital-hire and shall reflect such portion in the appropriate procurement account in the request.

(4) As used in this subsection, the terms "long-term lease or charter" and "substantial termination liability" shall have the same meanings given such terms, respectively, in subparagraphs (A) and (B) of section 138(f)(2) of title 10, United States Code, as amended by subsection (a)(2) of this section.

(c) The Director of the Office of Management and Budget and the Secretary of the Treasury shall issue jointly guidelines for determining under what circumstances the Department of Defense may utilize lease or charter arrangements for aircraft and naval vessels rather than directly procuring such aircraft and vessels. Such guidelines shall be issued not later than 90 days after the date of enactment of this Act.

(d) None of the funds appropriated pursuant to an authorization contained in this Act may be used to indemnify any person under the terms of any contract entered into with the United States on or after June 14, 1983, for any amount paid or due by any person to the United States for any liability arising under the Internal Revenue Code of 1954, as amended, or to pay any attorney fees in connection with such contract unless such contract was awarded before June 14, 1983.

(e)(1) At the same time that the President submits the budget request for the Department of Defense to the Congress for fiscal year 1985, the Secretary of Defense shall submit a written report to the Committees on Armed Services and on Appropriations of the Senate and House of Representatives concerning leases or charters described in paragraph (2).

(2) Such report shall include a list of all leases, charters, service contracts, or conditional sales, the term of which is for a period of one year or longer, for major items of defense equipment, including aircraft and naval vessels, which are to be funded either directly or indirectly by any portion of the funds contained in such budget request. Such report shall also include an estimate of the funding level and the source of funding for each such lease, charter, service contract, or conditional sale.

(f) No funds available to the Department of Defense may be used to enter into any contract the term of which is for three years or more, inclusive of any option for contract extension or renewal, for any vessels, aircraft, or vehicles, through a lease, charter, or similar agreement, that imposes an estimated termination liability (excluding the estimated value of the leased item at the time of termination) on the Government exceeding 50 percent of the original purchase value of the vessel, aircraft, or vehicle involved for which the Congress has not specifically provided budget authority for the obligation of 10 percent of such termination liability.

(g) Nothing in this section shall impede or affect the ability of the Navy to proceed to acquire the use of thirteen T-AKX class Maritime Prepositioning Ships and the use of five new T-5 class tankers in accordance with the long-term charter arrangements negotiated by the Navy before the date of the enactment of this Act.

TOWER AMENDMENT NO. 1491

Mr. TOWER proposed an amendment to the bill, S. 675, supra, as follows:

At the end of title III add the following new section:

L-REACTOR AND WATER QUALITY

SEC. 333. (a) Prior to the restart of the L-Reactor at the Savannah River Plant, Aiken, South Carolina, the Secretary of Energy shall implement such mitigating

measures as are determined to be necessary to reduce the thermal impacts of heated water discharged from such reactor to levels not exceeding those permitted under the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.).

(b) If the President determines that implementation of the mitigating measures described in subsection (a) prior to the restart of the L-Reactor at the Savannah River Plant would jeopardize the national security interests of the United States by unreasonably delaying the restart of such reactor, then, as provided in the Memorandum of Understanding between the Department of Energy and the State of South Carolina, dated April 27, 1983, the Secretary of Energy may seek and the State of South Carolina may issue for such reactor a National Pollutant Discharge Elimination System permit accompanied by a schedule which requires compliance with the Federal Water Pollution Control Act at the earliest practical date, but not later than December 31, 1987.

(c) At least 5 legislative days before the President issues any determination permitted by subsection (b), he shall confer in writing with the appropriate committees of Congress and the Congressional delegation and the Governors from the States of South Carolina and Georgia his intention to make such determination and he shall provide to such committees, delegations, and Governors the justification for making such determination.

(d) The Secretary of Energy shall submit to the appropriate committees of Congress, to include the Senate Committee on Environment and Public Works and the House Committee on Public Works, not later than October 1, 1983, his plan for implementing the requirements of this section.

(e) The Department of Energy shall be subject to all Federal and State environmental statutes and regulations in regard to all activities conducted at the Savannah River Plant, except as provided in subsection (b).

GLENN (AND OTHERS) AMENDMENT NO. 1492

Mr. GLENN (for himself, Mr. WARNER, Mr. COHEN, Mr. BENTSEN, Mr. BYRD, Mr. MOYNIHAN, and Mr. SASSER) proposed an amendment to the bill, S. 675, supra, as follows:

It is the sense of the Congress that the design, development and testing of small, mobile, single warhead ICBM's be pursued as a matter of the highest national priority. To achieve this objective, the administration should proceed without delay to engineering design of a small, single warhead ICBM capable of mobile deployment. Key elements of such a program which should be pursued immediately include missile design, guidance accuracy, hardened mobile transporter design, mobile basing and survivable communication, command and control (C^3). Program emphasis should be consistent with past top national priorities such as Polaris, Minuteman, and Apollo, and program management structure should also reflect such priority. The Department of Defense should set forth funding and production schedules consistent with the earliest possible initial operational capability (IOC), at or prior to 1992, in its submission to Congress to authorize appropriations for fiscal year 1985.

STEVENS AMENDMENT NO. 1493

Mr. STEVENS proposed an amendment to the bill, S. 675, supra, as follows:

On page 123, line 12 strike "shall" and insert "is authorized to".

Beginning on page 123, line 19, strike "there shall be transferred" and insert "the Secretary is authorized to transfer not to exceed $125,000,000".

Beginning on line 20, strike "from the Air Force Treasury account numbered 57M3500 the sum of $100,000,000" and insert ", subject to the enactment of appropriations for this purpose".

MOYNIHAN AMENDMENT NO. 1494

Mr. MOYNIHAN proposed an amendment to the bill, S. 675, supra, as follows:

Strike out Sections 109 and 275, and renumber the remaining sections accordingly.

At the end of the bill, add the following new section:

SEC.—(a) Notwithstanding any other provision of this Act, no funds authorized to be appropriated under this Act shall be obligated or expended for the deployment of an MX missile.

(b) It is the sense of the Congress that efforts to modernize the land-based strategic force should be focused on a small, single-warhead inter-continential ballistic missile that is either mobile or able to be deployed in deceptive fashion.

(c) The President shall submit a written report to Congress by March 1, 1984 detailing the prospects for operational deployment of a small, single-warhead intercontinental ballistic missile in sufficient strength by December 1, 1986.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the full committee markup on pending legislation before the committee, scheduled for July 18, 1983, has been rescheduled for July 21, 1983, beginning at 2 p.m. in room 428A of the Russell Senate Office Building. For further information, please contact Mike Haynes of the committee staff at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON AGING

Mr. QUAYLE. Mr. President, I ask unanimous consent that the Subcommittee on Aging of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Thursday, July 14, to hold a hearing on building long-term care systems: Implication for the Older Americans Act of changing trends and long-term care.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANNOUNCEMENT BY THE SECRETARY OF NAVY

● Mr. CHILES. Mr. President, I want to bring to the Senate and the public's attention an announcement made by Secretary of the Navy John Lehman the day before yesterday.

The Secretary announced the establishment of a "Competitive Acquisition Executive" in the Department of the Navy to pursue and oversee increased competition in the procurement of systems and equipment for the Navy. The new executive will also serve as the Navy's first "Competition Advocate General" and will speak directly to both the Assistant Secretary for Shipbuilding and Logistics and the Chief of Naval Material.

The decision to create this new position results from the concern both here in the Congress and by the Secretary that more competition is needed in the Navy's procurement process. I applaud the Navy's recognition of this point and I am delighted in their selection of Commodore Stuart Platt to assume the job. I think both the establishment of and selection for this role are good moves which will result in cost savings and increased effectiveness.

Everybody talks about better competition in weapon buying, but not everyone genuinely believes in actually using competitive principles. It is always easier said that done. I know Commodore Platt. He is a true believer and a doer. The Navy is demonstrating their seriousness to use more competition in their multibillion-dollar buying programs by his selection.

Mr. President, I have had the occasion to commend Commodore Platt before. I first met him after completing an investigation in 1976 into the procurement of meat for the military services. That investigation which uncovered a scandal and led to numerous criminal convictions amounted to a classic case study of what can go wrong in Government buying practices.

We found that competition in the marketplace for beef contracts did not exist. Of the country's 2,500 meatpackers, only a handful even bothered to bid. Specifications unduly out of line with commerical practices, poor buying, and weak enforcement practices contributed to a noncompetitive marketplace where contractors became aware they could cheat the Government because it was in a position of relying upon them.

In 1977 Commodore Platt was installed as the first commander of subsistence field activities in the Defense Personnel Support Center in Philadelphia. That too was a job newly created to improve the procurement process.

In that capacity he reorganized and commanded the worldwide Defense Department food acquisition and inventory management organization. He was the largest single food buyer in the world.

When he took that position, many in the Department of Defense did not believe the meat investigation demonstrated systemic problems. Commodore Platt recognized the syndrome in meat was true of much of the military's buying practices and within a year successfully moved to break down barriers to competition and restore the competitive base to a number of Government marketplaces. The immediate cost savings were so large in some items I called a press conference just to highlight what effective competition could do. Nine million dollars were saved just in buying meat.

I watched then Captain Platt aggressively use competition in buying for the services and saw how millions of dollars can be saved for the taxpayer, how unscrupulous contractors can be eliminated, and new contractors brought in to build a better supply base. I anticipate he will take on this new job with equal vigor and see to it the Navy does a better job of using competitive procurement practices. Again, I applaud the Navy's action and think they have picked the right person for the job.●

OPERATION EVERGLADES

● Mr. CHILES. Mr. President, remember those old Andy Hardy movies? Some dire fate was to befall the hometown, the team, the family or the school. Andy would rally friends and neighbors to work together to save the day. There was a lot of excitement and good will. Buried talents and virtues would be revealed and lasting friendships made.

Well, I certainly remember the scenes of everybody pitching in, hand in hand, working for the common good. And how about those old westerns where the cavalry comes riding in to the rescue? Another good memory.

Florida had a combination of those scenes just recently and I am proud to tell you the story. It was Andy Hardy and the cavalry all wrapped up together. The community in peril was Everglades City, Andy was a sheriff, and the cavalry was a coordinated effort by Federal, State, and local law enforcement agencies.

A little over 2 years ago, Aubrey Rogers, sheriff of Collier County in Florida, took action to fight an extensive drug trafficking and smuggling problem in his jurisdiction. This was not just a small localized crime problem. Over 75 percent of the illegal drug supply for this country comes through Florida and a significant part of that 75 percent was coming through the Everglades in 1981. Sheriff Rogers was aware of the insidious nature of his adversary, its extent, and the deadly stranglehold it had on his neighbors, people for whom he was responsible. The task was beyond what he and his deputies could handle so he called for reinforcements. That metaphoric call for the cavalry was the beginning of Operation Everglades.

Operation Everglades is the epitome of law enforcement agency cooperation at its best. It has been a 2-year joint effort between the Collier County sheriff, the Drug Enforcement Administration (DEA), the U.S. attorney for the southern district, U.S. Coast Guard, Customs Service, and the Internal Revenue Service Criminal Investigations Division. Each agency shared the load, contributing manpower, equipment, intelligence, and expertise.

The operation mostly involved undercover personnel who were able to penetrate a number of trafficking organizations. The agents would pose as buyers, sellers, and transporters of marihuana. Covert operations were the only means available to confront the situation in the Everglades. The topography of the area is a natural for this kind of business. There are 2,000 square miles of prairie, canals, lakes, swamps, mangroves, and small fishing villages. Traffickers are able to smuggle drugs from South America to the United States virtually undetected by using countless offload sites and various carriers such as aircraft, powerboats, swamp buggies, shrimpers, and amphibious vehicles. It was, therefore, necessary that the large-scale organizations for the importation and distribution of marihuana from South America be infiltrated since nature had made more direct operations impossible.

Some agents took part in marihuana runs, posing as crewmen and offloaders. Some were accepted so completely that they were given advanced information about incoming loads. With these tips, huge marihuana seizures were made while still at sea by what appeared to be routine Coast Guard maneuvers. Concerted efforts to avoid detection by the Florida traffickers were carefully adhered to by the participating agencies. For example, a large bust at sea was hauled hundreds of miles to a port less connected to the smuggling operations.

Operation Everglades achieved astonishing successes. There have been 34 arrests out of a targeted 41 individuals cited for various Federal offenses relating to drug smuggling. In addition to the indictments and the results of the recent massive raid on Everglades City, Operation Everglades can be credited with 94 arrests and 23 seizures of vessels by Federal agencies. To date, approximately 350,000 pounds of marihuana with a wholesale value of $140 million have been seized and vessels worth a total estimated at $2 million have been taken. As for Sheriff Rogers, his office arrested 55 persons and seized 97,768 pounds of marihuana with a wholesale value of $39 million. They also took 21 vehicles, 16 vessels and 3 aircraft, the total value of which is estimated to be in excess of $900,000. All told, Federal and State authorities have made 149 arrests, confiscated 447,768 pounds of marihuana valued at about $179 million, and seized 39 vessels, 21 vehicles and 3 airplanes having a total estimated value of $2.9 million. Still subject to forfeiture are 80 more vessels and 3 more aircraft.

It is my hope that law enforcement efforts like Operation Everglades continue. Aside from the effective use of our criminal justice funds, these cooperative operations have other long-term benefits, the least of which is their positive effect on the confidence and assurance they give the public.

I would like to commend by name some of the individuals who participated in Operation Everglades:

Sheriff Aubrey Rogers and the entire staff of the Collier County Sheriff's Office, Naples, Fla.

Peter F. Gruden, special agent in charge, and the entire staff of the Miami Field Office of the DEA, in particular Enforcement Group VI.

Stanley Marcus, U.S. attorney for the southern district of Florida, his assistants and staff.

The above list by no means diminishes the importance of the contribution by all the agents involved from the U.S. Customs Service, the south Florida task force, the U.S. Coast Guard, and the Criminal Investigation Division of the Internal Revenue Service. More than 200 drug agents and police can be proud of their outstanding work in what has been called one of the Nation's biggest crackdowns on marihuana smuggling. My hat is off to them all. They are better than Andy Hardy and the cavalry ever were.●

INTELLIGENCE INFORMATION ACT OF 1983

● Mr. D'AMATO. Mr. President, I am happy to join today as a cosponsor of S. 1324, the Intelligence Information Act of 1983. This important legislation amends the National Security Act of 1947 to regulate the public disclosure of information held by the Central Intelligence Agency. As the author of the Intelligence Information Protection Act, introduced in the 97th Congress, I am acutely aware of the need for S. 1324 to become law during this Congress.

S. 1324 adds a new title VII to the National Security Act. This title exempts the operational files located in the Directorate of Operations, Directorate for Science and Technology,

and Office of Security of the Central Intelligence Agency from the provisions of the Freedom of Information Act (FOIA) requiring publication, disclosure, search, or review. To be exempt, such files would have to be specifically designated by the Director of Central Intelligence to be concerned with:

First. The means by which foreign intelligence, counterintelligence, or counterterrorism information is collected through scientific and technical systems;

Second. Foreign intelligence, counterintelligence, or counterterrorism operations;

Third. Investigation conducted to determine the suitability of potential foreign intelligence, counterintelligence, or counterterrorism sources; and

Fourth. Intelligence or security liaison arrangements or information exchanges with foreign governments or their intelligence or security services.

Under current law, the CIA must spend hundreds of thousands of person-hours reviewing its highly sensitive operational files. In the vast majority of cases, the contents of these files are found to be exempt from FOIA disclosure rules for national security reasons. What little information is released is redacted and fragmented and thus of little use to anyone. The essence of S. 1324, therefore, is that it will permit the Central Intelligence Agency to concentrate its efforts solely on releasable documents.

The price to the public of so many futile searches is that FOIA requests pending with the CIA are now backlogged for more than 2 years. Hundreds of requests deserving of immediate attention do not, therefore, receive it. The cost to the CIA is that it must divert highly trained intelligence officers from their primary duties and assign them to the processing of FOIA requests.

There is another serious problem I became aware of while working on my own bill during the 97th Congress. Despite the screening procedures employed by the CIA, sensitive intelligence information has been released in the handling of FOIA requests. This has hampered the development of good relations with foreign intelligence services and has led individual sources either to refuse to cooperate with, or to terminate their relationships with, the CIA.

Recent news reports indicate that S. 1324 is a compromise measure acceptable to both the CIA and the American Civil Liberties Union. Although operational files would be exempt from disclosure under the FOIA, unclassified political, economic, and scientific information obtained through CIA operations would still be available to the public. Indeed, this latter category of information would become available more quickly once the CIA is freed from the excessively time-consuming review of its operational files. It is also important to note that individual U.S. citizens and permanent resident aliens will continue to have access to any files the CIA maintains on them.

Mr. President, the Freedom of Information Act was first passed in 1966. President Johnson described it as stemming from the principle that "a democracy works best when the people have all the information that the security of the Nation permits." It is because I believe that the Intelligence Information Act is true to that principle that I add my name as a cosponsor today and urge my colleagues in the Senate to support this important reform. Finally, I wish to thank my distinguished colleague from the State of Arizona, Mr. GOLDWATER, for proposing this excellent piece of legislation.●

ARTHUR TEELE'S RESIGNATION FROM TRANSIT POST

● Mr. CHILES. Mr. President, I wanted to inform my colleagues that Arthur Teele, Jr., a Floridian who has served in the present administration as head of Urban Mass Transit Administration has indicated that he will resign his position and return to Florida.

Mr. Teele has indicated that he desires to return to legal practice and also to spend some time with his 5-year-old son. I would like to state that Arthur Teele has shown a unique awareness of the problems that have plagued Dade County and Miami and indeed, Florida and the Nation. In the 2 years that he has served as Administrator of UMTA, Arthur Teele has demonstrated a clear understanding that working to solve mutual problems can be accomplished in a bipartisan manner.

He was successful in meeting many competing requests for the few Federal dollars available in UMTA. Again, Arthur Teele was able to correctly emphasize and attempt to meet many problems in the American transportation structure. I know that citizens in Jacksonville, Miami, Tallahassee, and other cities in Florida felt that many of their urban problems had a listening ear in Washington.

Mr. President, I wish to have printed in the RECORD an article by Rick Hirsch of the Miami Herald on Arthur Teele's resignation.

The article follows:

CITING FINANCES, FLORIDIAN SAYS HE'LL QUIT TRANSIT POST

(By Rick Hirsch)

Urban Mass Transit Administrator Arthur Teele Jr., a Floridian who steered millions in mass transit money to Miami's Metrorail, said Thursday that his resignation was "imminent."

The 36-year-old Tallahassee native, one of the Reagan Administration's highest-ranking black officials, said the financial sacrifice he was forced to make in leaving a lucrative law practice for government service played a major role in the decision to quit.

He refused to say when he would formally tender his resignation nor when it would become effective, although he did not dispute reports that it would be as soon as July. His announcement would follow Senate Appropriations Committee action on his department's budget, expected to begin June 15, and would come after he submits his resignation to President Reagan, he said.

Teele said he had discussed his decision with Secretary of Transportation Elizabeth Dole and White House Chief of Staff James Baker, although he had not discussed it with presidential adviser Edwin Meese or the President. Dole encouraged him to stay. Teele said, denying rumors that she had wanted him out.

Metro officials and members of Florida's congressional delegation Thursday praised Teele, who they said had been helpful in directing federal money to Dade County for the $1-billion Metrorail project and the $132-million Downtown People Mover.

During Teele's tenure, the Urban Mass Transit Administration (UMTA) disbursed $220 million in federal money for Dade's transit needs, including $91 million for Metrorail, $63 million for the People Mover and $14 million for a bus Mover and $14 million for a bus maintenance facility.

He did more than dispense money. Teele recently ordered a team of transit construction experts to investigate allegations of shoddy construction on portions of the 20.5-mile rapid transit system. The team's report is expected to be released soon.

"I will be very sorry to see him leave," said Metro Commissioner Beverly Phillips, a member of the commission's Transportation Committee, which oversees Metrorail. "He has been a positive force in promoting mass transit throughout the country and of course he's been helpful to Miami because he knows our community."

Added Sen. Lawton Chiles (D., Fla.): "He understood the process very well and it has been very nice to have someone who understands Florida's problems and needs."

Teele said he had not decided what he would do after leaving UMTA.

Marvin Rosen, a member of the prominent law firm Sparber, Shevin, Rosen, Shapo and Heilbronner, said thee had been discussions between Teele and the firm, although no decisions had been made.

Rosen speculated that Teele might opt to open a Washington-based office for a Florida law firm.

President Reagan named Teele as UMTA administrator in March 1981, after Teele directed the Department of Transportation's transition team in the early days of the administration.

A onetime Democrat, Teele switched to the Republican Party in 1980 after becoming disenchanted with President Carter. He headed the national Blacks for Reagan-Bush during the presidential campaign and was a vice chairman of Reagan's inaugural committee.

Teele said he worked in Washington at considerable personal financial loss, leaving a lucrative Tallahassee law practice for the $59,000-a-year federal post. Teele said he earned more than $100,000 as a lobbyist and lawyer in Tallahassee.

Moving to Washington meant maintaining two homes—one in the nation's capital and one in Tallahassee.

"Government service does not normally comprehend one being able to maintain two residences," Teele said. "I have regularly and in an orderly manner had to reduce my personal assets over a period of time in this job to maintain that option."

"I'm not saying I'm in any financial trouble or that I am having problems meeting my financial obligations and expenses," he said. "But I would say that government service is a definite challenge to someone who has not clearly decided where he wants to make his life and lifestyle. I wouldn't want to say to anyone that I can't live on $59,000."

Leaving the federal post also would allow him to spend more time with his five-year-old son, Teele added.

In his more than two years as UMTA administrator, Teele has helped Dade County on several mass transit problems, particularly in funding for Metrorail and the Downtown People Mover, in urging minority participation in construction of a major bus maintenance facility in North Dade and in developing the neighborhoods around Metrorail stations in Overtown.

Teele has been credited in working behind the scenes with U.S. Rep. William Lehman (D., North Miami Beach) and Sens. Chiles and Paula Hawkins (R., Fla.) on an arrangement that saved the $63-million federal contribution for the Downtown People Mover.

That funding was threatened after the Reagan Administration announced a policy of not paying for People Mover projects. But with Teele's help, Miami's People Mover was renamed the Downtown Component of Metrorail—making it a rapid transit project, not a People Mover, thereby being spared from the administration ax.

Teele also played a key role in the county's effort to reserve construction of its $14-million bus maintenance facility in North Dade for a black contractor. The county awarded the contract for the facility to black-owned Thacker Construction Co. of Decatur, Ga., only after Teele waived a federal requirement that the county accept the low bidder for all federally funded transportation projects.●

ONE PRIVATE SECTOR INITIATIVE TO COMBAT ALCOHOL AND DRUG ABUSE

● Mr. HATCH. Mr. President, It is my pleasure to bring to your attention an outstanding public service by a Utah television station, KUTV, Channel 2 in Salt Lake City, Utah. This station spent substantial amounts of time and money in an effort to increase awareness of the problems associated with drug and alcohol addiction by broadcasting three special programs on the problem. In addition, they aided in the publication of an insert in the Salt Lake Tribune which detailed the rising problem among this Nation's young people. The station presented what is fast becoming a problem of epidemic proportions in a realistic and forthright manner. One program of the series was entitled "Epidemic: Why Your Kid Is on Drugs" and examined the availability of drugs that can lead to substance abuse and the pressures on our Nation's youth. The next night the series explored how Americans are beginning to fight back. It showed the anger and resentment of people who feel trapped by this rapidly growing menace. The final installment examined problems in the Salt Lake community.

A recent survey that I conducted dramatically highlighted the need for educating the public on drug and alcohol abuse. In that survey I found that 96 percent of the responding Utah high school students said such abuse is a serious problem in their schools. Eighty-six percent said the problem has become more serious since they entered high school. Perhaps most alarming was the fact that over half the students have personally known someone who has been killed or injured by a drunk driver.

These and a wealth of statistics compiled by KUTV tell only a part of the story. What they only hint at is the anguish of the families torn apart by a tennager's drinking, the wasted years and shattered dreams. Aware of the dangers of alcohol and drugs, I have endeavored to support legislation and programs, both public and private, that encourage research and treatment dealing with substance abuse.

Which brings me to the most commendable aspect of KUTV's attempt to educate its viewers—management did not sit idly by and pat itself on the back for a job well done. A few short days after the completion of the series, a new policy statement was introduced. It outlined the establishment of a new mechanism to guard against drug and alcohol problems among employees. Specifically, KUTV now has an official body to conduct company investigations of any information on employee possession, use and/or distribution of illegal drugs.

The efforts made by KUTV serve as an example of what the private sector can do without help or interference from government. Those of us in Government accept our responsibility in curbing drug and alcohol abuse among people of all ages. But if we are going to achieve anything, private interests must likewise accept their responsibility. I commend KUTV for their actions and urge other industries to follow suit.●

SOVIET ATROCITIES IN AFGHANISTAN

● Mr. ARMSTRONG. Mr. President, the French magazine Le Figaro published on April 23, 1983, an interview with the former chief of police in Kabul, Col. Ayub Assil, in which Colonel Assil sheds gruesome new light on Soviet atrocities in Afghanistan. I ask that the English translation of the interview, which was conducted by reporter Robert Lacontre, be printed in the RECORD.

The material follows:

[Le Figaro Litteraire, Apr. 23, 1983]

"KABUL'S POLICE CHIEF CONFESSED TO US"

In an exclusive interview, Colonel Ayub Assil, one of the principal officials of the Interior Ministry, revealed some astonishing facts on the Soviet takeover of Afghanistan and of torture in Kabul. He served first under Taraki and Amin, both liquidated by the K.G.B., and then under Karmal because Karmal worked for the underground.

Ayub Assil talked without interruption, as if to banish the demons tormenting his soul. His testimony is vital. He knows; he has seen. Until last year he was one of the principal chiefs of police in Kabul. His rank: colonel; his age: 41.

Tall, slim, and elegant, Assil belongs to that indomitable people which neither the Scythians, the Persians, Alexander the Great, the Arabs, Genghis Khan, Tamerlane, the English, and today, the Russians could ever completely exterminate. Why did he volunteer to serve the communists when they come to power in 1978? Because he worked for the underground in the very center of the machine for repression, the Interior Ministry.

Assil is not a warrior, but an intellectual. But this doen't prevent him from being a fierce rebel. He studied at the Istiqlal Lycee, the French Lycee in Kabul, then in Cairo, where he specialized in criminal law and police procedures.

Under Daoud, who founded the Republic by overthrowing the monarchy of his cousin the King of Afgahnistan, Mohammed Zahir Shah, now in exile in Rome, Assil taught at the Police Academy.

In April, 1978, the Soviets propelled the communists to power. Noor Mohammed Taraki had Daoud assassinated in a coup, leaving 3,000 dead. Assil, a non-communist, lost his job. He owes his life to his former students who had risen to important positions in the communist party. Because there was a lack of expertise in the field of police science, the regime called him back. He taught for a while in the Law University, then was called to an important post in the police administration. Taraki was not considered pro-Soviet enough and was liquidated by Hafizullah Amin, who in turn was murdered for the same reason by Babrak Karmal. In fact, the K.G.B. was in charge of both executions.

In September, 1982, Colonel Assil was the second-in-command of a delegation of 4,500 Afghans authorized to go to Mecca. Assil and his chief, along with 1,500 pilgrims, decided to join the underground and not to return to Kabul.

He is currently a counselor for security and judicial affairs for the Islamic National Front of Afghanistan, one of the branches of the Islamic Alliance of Mujaheddin, which is composed of nine organizations of the underground. He is just back from an international colloquy in Oslo. He was also received in Rome by the Italian President, Mr. Pertini, and is currently testifying before a committee of the United States Senate.

THE INTERVIEW

ROBERT LACONTRE, journalist. You were present when the first advisors arrived from the Soviet Union. What happened?

AYUB ASSIL. One must recall that under Daoud, the Afghan police were advised by six West German specialists. They weren't giving orders, only advising. Their task was to fight crime. As soon as Taraki came to power, they were replaced by 25 Soviet "specialists." Immediately following their arriv-

al, those specialists proceeded to totally change the infrastructure of the Afghan police. Ten were assigned to the Interior Ministry, nine took over the secret police (A.K.S.A.), and six were placed in command of the most important provinces. But the Afghan police officers didn't follow orders, rather they were resisting the changes. The Russians were interfering directly in police affairs. A large number of Afghan policemen were arrested. Both Colonels Nour Mohammed Masgiedi and Zaher Azimi were executed simply because they disagreed with the new traffic regulations.

RL. Do you have an accurate number of policemen killed during those executions?

AA. Under Taraki and Amin, from April, 1978, to December, 1979, 500 police officers and sergeants were executed.

RL. Since the December 26 invasion, what has happened?

AA. Two months after the massive Russian invasion, two Tajik colonels took command of the Interior Ministry and the Secret Police. Both spoke our language perfectly. The Tadjiks are Persians, and our language, Patchou, is a Persian dialect. They tried to calm us down since Afghans have never supported foreign invaders. They wished to persuade us that they had come at the invitation of the Afghan government. Then they left. They were replaced by Russians—two generals from the KGB—Diktiar and one by the name of Biezouglov. These were undoubtedly aliases. Then General Aliev, with the same name as Andropov's military aide, arrived. He was certainly the overall chief since he never left the embassy compound. I talked to him on several occasions in French, English, and Persian. He told me he was assigned to Tehran for seven years. Since the police had not received any more orders to control crime, their only mission was to hunt down the opposition. There were hundreds of executions and thousands of arrests. All the prisons were full, as well as the cemeteries. I was often in contact with Section 66, in charge of Islamic affairs. Three advisors to that section were European Soviets. Three hundred and fifty new Afghan policemen were shot dead. All the nominations from then on were handled by the Russians, that is, the Interior Minister, Said Mohammed Goulad Zoi (from the Khalq communist party), and his second-in-command, Dr. Farok (from the Parchman communist party).

RL. Were those detained tried legally?

AA. All judicial guarantees were suppressed. They were not even allowed to have a lawyer. Most of the people arrested were taken to the basement of the Interior Ministry to be interrogated.

RL. What was the basement like? Were you present during torture sessions?

AA. The Russians expanded the basement and added 12 soundproof cells. Yes, I was present during some interrogations. All types of torture were used. The prisoners were hung by their feet. They were given electric shocks. Often the families were forced to watch this horrible spectacle. You wouldn't believe me if I told you that I have seen a seven-year-old child tortured in front of his mother's and father's eyes. Sometimes they crushed prisoner's throats in order to pry open their mouths so that somebody could urinate in it. For us Muslims, this is the supreme degradation. In one cell, they have installed an examination table. On it, they rape the women in front of their husbands, brothers, and fathers. In February, 1980, the entire population of Kabul assembled in the city to the cry of "Allah is great; death to the Russians." There were tens of thousands of arrests.

RL. Have Russian soldiers been participating in the torture?

AA. I don't know, but K.G.B. agents, yes.

RL. Other testimony refers to a so-called "judgment of the desert." What exactly is it?

AA. "The judgment of the desert," is called in Patchou, "Mahkamae-e-Sahraie!" People who have been arrested are loaded into trucks and are driven into the middle of the desert where trenches have been dug. The soldiers shoot them at close range, the victims fall into the trenches, and are covered with earth. Some people are buried alive. They think of every possible humiliation. For instance, they pull the hair from the beards of holy men. In the countryside, whenever Russian troops are attacked by our troops, they destroy the surrounding hamlets or they arrive in helicopters and take people, mostly women, in the helicopters to about 60 feet above the population, who have been forced to assemble in the town square, and then proceed to throw their clothing overboard. If nobody volunteers to talk, they throw out naked women. In Kabul, there are dogs, specially trained in East Germany, to devour the people interrogated.

RL. Did you send this testimony to the Western governments, the U.N., and the human rights organization?

AA. Yes, we do it constantly, but with no results. In Geneva, at the Committee for Human Rights, the Russians, and the representatives of the Karmal government sit comfortably in their leather chairs. The Afghan underground, as you know, has shown respect for the Geneva Convention regarding prisoners of war by entrusting the Red Cross with eight Russian prisoners. In exchange, we have asked only to visit our own prisoners. A delegation went to Afghanistan, but when they arrived the Russians would not allow them to question the prisoners.

RL. Can one evaluate with accuracy the Afghan losses?

AA. Accurately, no. But I know that from December, 1979, until June, 1982, there were more than 12,000 people killed in "desert judgements." The total number of lives lost was around 1,000,000 or 1,500,000. To this figure you can add the 3,000,000 refugees in Pakistan and 1,500,000 in Iran, plus tens of thousands more everywhere in the world. That makes about 5,500,000 Afghans dead or in exile out of a total population of 16,000,000. The U.N. Committee for Refugees says that there are 12,000,000 refugees throughout the world in the last few years. Of that number, about 2,000,000 have resettled. Those figures show that one out of every two refugees in the world today is Afghan. There is no doubt that the U.S.S.R. is committing calculated genocide.

RL. Did the Russians miscalculate by attacking Afghanistan?

AA. The more martyrs they create, the more support gained by the resistance. In any case, they were very mistaken in creating the patriotic front in order to entice certain well-known Afghans personalities into joining the movement so as to give the front an air of legitimacy.

Thus Karmal finds himself completely alone. His troops whether of the regular army or the reserves, are deserting by entire regiments. Now Moscow is trying a new approach by spreading the rumor that Andropov was against the invasion and that he is preparing a withdrawal of 120,000 troops and 20,000 advisors, as well as 200 experts in charge of the police. Moscow, at this time, is putting up a very damaging diplomatic strategy. In Geneva since April 11, General Sahibzader Yakoub Khan, Pakistan's Foreign Minister, Shah Mohammed Dost, his counterpart in the Karmal government, and Mr. Cordovez of the United Nations have been holding negotiations in order to find a solution to the Afghan situation. The Soviet aim? Pressure Islamabad to recognize the communist government of Kabul. Then the Pakistan government could get rid of millions of refugees and send them back into slavery under the Russian boot. The Soviet Union, by fomenting trouble among the different Pakistan tribes, has considerable leverage against the Pakistan government since the internal politics of Pakistan are unstable.

THE MARTYRDOM OF THE PEOPLE OF AFGHANISTAN

At the end of March, Perez de Cuellar, Secretary-General of the United Nations, met with Andropov. The head of the "glass house" (the U.N.) seems to be very satisfied with that meeting. If Islamabad conceded to the Russians and would recognize the Kabul government, it would start a chain reaction. Others would follow suit, since the Afghan resistance upsets everyone. The destiny of the people of Afghanistan is being decided by non-Afghans. The resistance, which controls 82 percent of the country, has been given no place at the international deliberations (it is the same for Savimbi in Angola). If the U.S.S.R. should win a victory at the conference table that it was incapable of winning on the battlefield—without annihilating 16,000,000 people—then the Russian army would dominate the whole region. Russia would also hold Pakistan as a hostage, and would be ready to take over Iran when Khomeini is gone. She then would have achieved her aim—a thrust toward the Persian Gulf, cutting the last umbilical cord of a shrinking free world. The Chinese are so aware of this danger that they have made as a condition for better relations with the U.S.S.R. the Russian evacuation of troops from Afghanistan, along with the Vietnamese pull back of troops from Cambodia and Laos, and the withdrawal of 1,000,000 Russian soldiers concentrated along China's 11,000 kilometer border with the U.S.S.R.

Thus, the United Nations, powerless to find a viable solution to a conflict and incapable of protecting human rights would be ready once again to adopt a shameful compromise favoring the U.S.S.R., which it however has condemned. As a result, once again the martyrdom of a people will have accomplished nothing; it will have been only instrumental in helping the Russians swallow up a sizable portion of the world in which we live.●

APPRECIATION DAY FOR ROBERT GILDER

● Mr. CHILES. Mr. President, recently many citizens in Tampa got together to pay tribute to Mr. Robert Gilder, the long-time head of the Tampa NAACP branch office. However, Bob Gilder has been more than simply the branch president, he has been an active, continuous voice for the disadvantaged, the poor, and those persons

who often found that the system did not work for them.

The Appreciation Day ceremonies were held at the Blake School gym which, I am told, was filled with individuals who at long last rose to acclaim the spirit which has sustained Bob Gilder through the years.

Dr. Walter Smith, Florida A. & M. University's president and Tampa native, was one of the speakers for the occasion. Dr. Smith noted that the event should have been held in Tampa stadium and the stadium should have been filled. However, it would not have been typical of Bob Gilder because he has a way of taking a humble situation and transforming it to one of dramatic significance.

I have known Bob Gilder for years. I knew of his efforts before I met the man. Through the years we have both participated in the changes in Florida and in the United States in terms of political as well as social growth. I think we have both gained from our experiences.

The Robert Gilder Appreciation Day was well deserved.●

SENATOR PAULA HAWKINS PRAISED FOR HER WORK IN THE PREVENTION OF DRUG ABUSE

● Mr. HATCH. Mr. President, I would like to take this opportunity to give well deserved praise to Senator PAULA HAWKINS for all of the commendable work she has done in the prevention of drug abuse. This year, she traveled to China, where she exercised her personal diplomacy and triumphantly attained cooperation with the Chinese Government to restrict export of the drug methaqualone. The result of Senator HAWKINS' work has been a dwindling supply and rise in price of this sedative-hypnotic drug which is unfortunately favored by many American teenagers. Senator HAWKINS is recognized for her truly admirable dedication and involvement in the Senate as chairman of the Senate Drug Enforcement Caucus. Her efforts to make her colleagues more aware of the existing problems of drug abuse in our country are greatly appreciated.

Details of Senator HAWKINS' visit to China and her accomplishments there have been highlighted in Jack Anderson's column in the Washington Post. I would like to share with my fellow colleagues this most inspiring and enlightening article.

I ask that the full text of the article be printed in the RECORD.

The article follows:

[From The Washington Post, April 2, 1983]

CHINESE RESTRICT EXPORT OF DRUG USED IN 'LUDES'

(By Jack Anderson)

Sen. Paula Hawkins, a conservative Florida Republican, hasn't let ideological differences stand in her way when dealing with Chinese communist officials. She used personal diplomacy to win the Chinese government's cooperation in stopping the export of a drug favored by American teen-agers.

The result has been a significant shrinkage in the supply of "ludes" and a jump in the street price of the tablets from $3.69 to about $10 apiece within two years.

Ludes rank behind marijuana as the drug of choice for U.S. teen agers, and they're far more harmful. In fact, a recent government drug study found that methaqualone, the drug's raw material, outranked even heroin as a cause of deaths and injuries in 13 major cities.

The ludes problem has been growing. From 1978 to 1980, hospital emergency room logs showed that lude-related fatal overdoses rose 154 percent, from 2,389 to 6,091.

China was a prime source of the methaqualone that was shattering American teenagers' lives. But U.S. officials were having little luck persuading Peking to clamp down on the deadly traffic.

"The Chinese have not taken a constructive position with regard to what is transpiring," read a Drug Enforcement Administration memo on March 30, 1982. "They are apparently unwilling to accept any responsibility in connection with international methaqualone diversion. This is in sharp contrast to all other nations that have been approached."

A month later, Hawkins publicized the Chinese connection in Senate hearings. Then she followed up with a letter to Teng Hsiao-ping, Chinese communist party vice chairman and the man who runs China.

Hawkins told my associate Tony Capaccio that she met Teng at a dinner in 1981. "He remembered me," she said. "I guess he hadn't sat next to many female senators."

Teng sent Hawkins a personal reply, and five months later she flew to Peking. There she had access to top Chinese officials.

At one meeting, a high foreign ministry official explained to the senator: "China has exported through legitimate trade channels a certain amount of methaqualone for medical and scienific purposes. We were unaware that international drug traffickers would take advantage of this situation."

Hawkins assured him that this was the case, whereupon the Chinese official said his country would adopt effective measures to restrict exports of methaqualone.

According to a confidential State Department cable, Hawkins promised the Chinese that, "I will see that you get good press for what you have done."

State Department and DEA officials characterized Hawkins' involvement as "very important." More importantly, a DEA official said, "We're seeing no more Chinese material in the current [methaqualone] traffic."●

RETIREMENT OF STU PERRY

● Mr. LEAHY. Mr. President, my good friend, Stu Perry, of Burlington, Vt., has recently retired from the Burlington Free Press. Stu Perry is not only a fine person, he is also an extraordinarily talented photographer.

My own association with Stu goes back to my days as a prosecutor and has been nurtured by our shared love of photography. He is a good friend of the family, and I want to share with my colleagues in the Senate the article written about Stu upon his retirement from the Burlington Free Press.

The article follows:

[From the Burlington Free Press, May 26, 1983]

HE CAUGHT LIFE'S ESSENCE WITH THE CLICK OF A SHUTTER

He's flown around the world and photographed royalty, refugees and hurricane victims.

At home he's photographed accidents, drownings, fires.

And in between, he's shot scenics, sit-ins, politicians and protests. Children, animals, horse-pulling, frog-jumping.

"You don't need to worry about Stu Perry," he once told a new managing editor at the Burlington Free Press. "My life is the Free Press."

Now, after 24 years, he's taking early retirement. Today is Perry's last day at the newspaper.

He's won enough awards to paper the walls of a two-story living room, but he doesn't have a two-story living room. The citations are probably in an old brown envelope in his closet, anyway.

The 24 years began in the quiet times of the Eisenhower presidency. He would have liked a picture of Eisenhower fishing, but settled for a shot of Ike lunching in Rutland.

Times changed after the assassination of John F. Kennedy, and the photographer recorded those changes: Vietnam protestors, candlelight marches for Martin Luther King, draft resisters at the post office, antiabortionists at City Hall. He was there for all of them.

There were other changes. Fires destroyed landmarks, urban renewal altered the complexion of Burlington. New kids started school, new politicians held office, the first X-rated movie ("I Am Curious Yellow") opened, cheese and butter were distributed at the Grange Hall. People grew old, people died. Life went on and he kept recording it with his camera.

A native Vermonter, Charles Stuart Perry served in the Army Signal Corps during World War II, decoding messages for Gen. Eisenhower on Salisbury Plain in England.

Afterward, he was news director of radio station WWSR in St. Albans for 13 years. He joined the Free Press St. Albans bureau in 1959.

"I started taking pictures out of necessity," he said. "(State editor) Larry Clayton called one morning and said, 'You didn't cover the burning of the Moose Club? Go buy yourself a camera.'"

He bought a $99 camera, a baby Graphlex, with a two and a quarter-inch negative. "Developing and printing came later," he said.

When he was transferred to the Burlington newsroom, he was issued a $27 Yashica-Mat, which is all he had in those early years. Although he was a police reporter, he took pictures every day. If he happened to see something, he snapped it.

In all those years, in the middle of the night, his phone would ring. He'd be called out of bed to cover fires, accidents, murders, "Well, so what," he says about that. "Most reporters do that."

In 1966, he won first prize in the New England Associated Press photo contest for the second year in a row. The photo was of a dying child being carried from a fire. The earlier one was of a sunset on Lake Champlain.

The next year he was shooting a sailboat which had torn loose from its mooring and was splintering on the rocks. Nobody was around. There wasn't a sound except the

roar of the waves against the shore, sending the spray 10 feet into the air.

For an instant, the sun came through the clouds. Perry turned his back on the sailboat and trained his lens on the waves.

The photo, Waves Crashing on a Vermont Shore, won first prize in a University of Vermont contest.

That's the way he approached photography throughout his career—shooting the obvious first, catching the breath-taker, second. Between the two he kept adding to his string of prizes. And he's never been really satisfied.

"Oh, this could have been darker (or lighter) or that could have been sharper," he says, finding fault with his own work. It drove his friends wild. But that's the way he is.

In 1968, he won his fourth First in five years, with a picture of the aftermath of a bicycle accident in Milton.

A pleasure trip combined with an assignment took him to Wales for Prince Charles' investiture in 1969. He zoomed in on Charles, Queen Elizabeth, Prince Philip and the Queen Mother. He got to meet Lord Snowden, Anthony Armstrong Jones, and they talked about photography.

He went to Vietnam with a planeload of journalists flown in by Texas computer tycoon H. Ross Perot.

"It was nice to fly around the world with a man like Perot who paid all the bills," he said.

Whenever he traveled on vacation, his camera was slung over his shoulder. Fountains in Trafalgar Square, in Rome, in Venice, intrigued him. People's faces, the light streaming into the Sistine Chapel, Pope John Paul II in St. Peter's Square, are among his favorite pictures.

Perry always said he hated shooting color, yet one of his most spectacular pictures was of the fire that destroyed St. Paul's Cathedral. That won him another first in 1972, with a note from the judges saying, "at no time in the history of the AP photo competition has one entry received almost unanimous backing."

In 1976 he became a full-time photographer. "There's more to photography than can be taught," he said. "I'm not sure it's an art, though."

How can you spot a good picture? "You sense it. You can tell it when you see it. A few times I have been so dumbstruck I could not take the picture," he said.

He's photographed all the governors in office ("Deane Davis, Philip Hoff and Dick Snelling were the easiest to know and to be photographed") and all the presidents except Jimmy Carter. And the Kennedys, Teddy and Ethel, Pat Lawford, Joan. "I caught Joan Kennedy at the airport. She was very nice, introduced me to her kids."

Some personalities stick in his mind. Most unforgettable writer, Isaac Bashevis Singer ("Since then I have read everything he writes"); most lovely, Lillian Gish; most charming, Peter O'Toole; funniest, George Jessel; most sociable, Nelson Rockefeller.

There also were Alan Alda (most uncooperative), John Kenneth Galbraith (most forgettable) and Shirley McLaine (most haughty).

"I said to her, 'You have a major role in this film?'

" 'I am the star,' she said.

"Who the hell knew her? It was Alfred Hitchcock's Trouble With Harry, her first film," he said.

An avid reader, classical music fan, a barometer watcher, he's a linguist who can't get enough of the national news.

He collects photography books the way some people collect art or stamps, perferring Paul Strand, Don McCullin, and Henri Cartier-Bresson. How about Ansel Adams? "Yeah, for scenics. But I like people as opposed to mountains," he said.

Day in, day out, he'd climb into his Buick Skylark, throw his camera bag, lights and tripod into the back seat. They'd land next to the white helmet stamped PRESS, given to him by Wright and Morrisey Inc. for use at construction sites, and next to the heavy boots, kept on hand just in case.

"In this climate, you'd be a damn fool if you didn't," he said.

Even though he's retired, that stuff will be in the back of his car. They'll come in handy. There will still be Perry photographs to be taken.●

ANNUAL AUDIT OF THE NATIONAL AVIATION HALL OF FAME

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. GOLDWATER. Mr. President, acting in my capacity as statutory agent of the National Aviation Hall of Fame, I submit for the RECORD a letter addressed to the President of the Senate, Vice President Bush, and the annual audit of the financial condition of the organization. I ask that this material be printed in the CONGRESSIONAL RECORD.

The material follows:

NATIONAL AVIATION
HALL OF FAME, INC.,
Dayton, Ohio, July 1, 1983.

Re National Aviation Hall of Fame, Inc.

Hon. GEORGE BUSH,
Vice President of the United States, President of the Senate of the United States, Washington, D.C.

DEAR PRESIDENT BUSH: This letter is addressed to you as President of the Senate of the United States of America.

On July 14, 1964, the 88th Congress of the United States adopted Public Law 88-372, and Section 15(b) thereof. In accordance with the provisions thereof, the National Aviation Hall of Fame submits as follows:

(1) That its Statutory Agent is the Honorable Senator Barry Goldwater, U.S. Senate, Washington, D.C. 20510. Senator Goldwater's acceptance as agent has been previously submitted.

(2) Audit Report for the calendar year 1982, as prepared by Coopers & Lybrand, independent auditing firm.

(3) Copy of the program for the 1982 Enshrinement Ceremonies, which includes a current list of officers and trustees.

In the event any further information is required, please advise.

Respectfully submitted,

ROBERT V. SPAYD,
Secretary.

DAYTON, OHIO,
June 13, 1983.

ACCOUNTANTS' REPORT

To the Board of Trustees,
National Aviation Hall of Fame, Inc.,
Dayton, Ohio.

We have examined the balance sheets of the National Aviation Hall of Fame, Inc. as of December 31, 1982 and 1981, and the related statements of revenue and expenses, changes in fund balances and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of the National Aviation Hall of Fame, Inc. as of December 31, 1982 and 1981, and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

COOPERS & LYBRAND,
Certified Public Accountants.

NATIONAL AVIATION HALL OF FAME, INC.—BALANCE SHEETS, DECEMBER 31, 1982 AND 1981

	1982	1981
Assets:		
Cash	$48,776	$21,262
Certificates of deposit	35,942	58,845
Accounts receivable	3,840	
Prepaid expenses	438	115
Total current assets	88,996	80,222
Furniture, fixtures and equipment, net of accumulated depreciation of $2,197 in 1982 and $1,685 in 1981	2,513	2,197
Copyrights	1	1
Collections (note 2)		
Total assets	91,510	82,420
Liabilities and fund balances:		
Accounts payable	2,304	3,412
Accrued expenses		709
Deferred amounts (note 5):		
Membership income	22,648	17,413
Restricted biographical research program	18,000	18,000
Total current liabilities	42,952	39,534
Fund balances (note 3), designated by board of trustees:		
Capital expenditures	23,156	19,667
Founders	1,000	1,000
Undesignated	24,402	22,219
Total fund balances	48,558	42,886
Total liabilities and fund balances	91,510	82,420

STATEMENTS OF REVENUE AND EXPENSES FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	1982	1981
Revenue:		
Individual memberships	$39,094	$36,118
Organizational memberships	30,724	24,430
Enshrinement Dinner	18,960	17,460
Sales of medals and other items	2,111	1,735
Donations	10,383	5,640
Interest and dividends	9,245	8,770
Federal grant	4,500	
Total	115,017	94,153
Expenses:		
Management fee	26,000	25,535
Salaries and office help	12,416	7,462
Enshrinement Dinner	49,759	34,212
Membership expenses	10,603	15,478
Exhibits		4,189
Cost of medals and other items	1,352	696
Office supplies	4,034	5,147
Postage	1,905	1,784
Telephone	867	648
Payroll taxes	757	601
Depreciation	512	388
Brochures	205	
Miscellaneous	935	41
Total	109,345	96,181
Excess (deficiency) of revenues over expenses	5,672	(2,028)

STATEMENTS OF CHANGES IN FUND BALANCES FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	Designated			Undesignated	Total
	Capital expenditure	Promotion	Founders		
Balance, Jan. 1, 1981	$15,628	$5,000		$24,286	$44,914
Excess of expenses over revenues				(2,028)	(2,028)
Designation (note 3)	4,039	(5,000)	$1,000	(39)	
Balance Dec. 31, 1981	19,667		1,000	22,219	42,886
Excess of revenues over expenses				5,672	5,672
Designation (note 3)	3,489			(3,489)	
Balance, Dec. 31, 1982	23,156		1,000	24,402	48,558

STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE YEARS ENDED DECEMBER 31, 1982 AND 1981

	1982	1981
Sources—Operations:		
Excess (deficiency) of revenues over expenses	$5,672	($2,028)
Item which did not require current outlay of cash:		
Depreciation	512	388
Provided from (used in) operations	6,184	(1,640)
Decrease in treasury bills		9,858
Decrease in marketable securities		5,856
Increase in accounts payable		3,166
Increase in deferred amounts	5,235	22,170
Increase in accrued expenses		76
Total	11,419	39,486
Uses of funds:		
Purchase of fixed assets	828	
Increase in accounts receivable	3,840	
Increase in prepaid expenses	323	
Decrease in accounts payable	1,108	
Decrease in accrued expenses	709	
Total	6,808	
Net increase in cash and certificates of deposit	4,611	39,486
Cash and certificates of deposit, beginning of year	80,107	40,621
Cash and certificates of deposit, end of year	84,718	80,107

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The Corporation was created by an Act of Congress, Public Law 88-372, July 14, 1964, to honor outstanding persons in the field of aviation. The Internal Revenue Service has confirmed the status of the Corporation as a tax-exempt public foundation. On December 18, 1981, the Corporation changed its name from Aviation Hall of Fame to National Aviation Hall of Fame, Inc.

Furniture, fixtures and equipment are recorded at cost when purchased or at estimated values when received as a donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

Donated materials other than collections are recorded at their estimated value at the date of receipt. No amounts have been reflected in the statements for donated office space and services as no objective basis is available to measure the value of such services. Donated office space consists of an office and storage provided by the City of Dayton. Donated services consists of time donated by the Board of Trustees for the Corporation.

The Corporation offers both one-year and two-years memberships to the public. Membership dues received for the current year are recorded as income at the time the membership period commences. Deferred membership income, representing dues the second year of two-year memberships, is recognized as income during the second membership year.

Biographical research program resources are restricted by the donor, grantor, or other outside party for operating the biographical research program, and are deemed to be earned and reported as revenues of the operating fund when the Corporation has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as restricted deferred amounts.

2. Collections

The Corporation has acquired by purchase or through donations, various models, books and other memorabilia relating to the field of aviation since its founding. Because the value of these items are not readily determinable and they can be considered inexhaustible items, the Corporation has not capitalized them. The value of objects acquired by gift for which the Corporation can make a reasonable estimate is reported as gifts in the statement of revenue, expenses and changes in fund balance.

3. Fund balances

The capital expenditure fund is intended to provide funds for the purchase of a facility for the Corporation. The Board has directed that all donations received from enshrinees or their families and income earned from investments applicable to capital expenditure fund be added to this fund.

In 1981, the Board of Trustees established the Founders Fund for special projects undertaken by the executive director of the Corporation. No expenditures can be made from the fund without the approval of the Board.

The promotion fund was established by the Board in 1978 for promotion of the Corporation. The Board authorized the expenditure of these funds during 1981.

4. Management contract

The Corporation contracts with James W. Jacobs & Associates, Inc. on an annual basis to provide consultation and professional services to maintain operations, expand membership, sponsor events and any other services required by the Corporation. Management fees paid amounted to $26,000 and $25,535 in 1982 and 1981, respectively.

5. Deferred restricted biographical research program

The biographical research program began during 1981. Contributions received during 1981 totaled $18,000. None of these funds were expended during 1981 or 1982.

INTERMOUNTAIN HEALTH CARE

● Mr. HATCH. Mr. President, I am pleased to bring to my colleagues' attention a recent article which appeared in the May 16, 1983 issue of Businessweek magazine. This article highlights efforts of a nonprofit hospital chain, Intermountain Health Care and their current reorganization. This reorganization came as a result of multiple reasons: To better address the rising costs of health care; the desire to remain competitive in a marketplace that cries for deregulation and restructuring; and the desire to continue providing care within diverse communities for people of all ages and income levels who have varied afflictions.

I would like to take this opportunity to commend Intermountain Health Care for their forethought in addressing these complex issues. They stand as a model for all other health care providers in assuring that quality care can be provided while reducing the inflation experienced currently in the health care marketplace. Intermountain Health Care is willing to take risks to insure that they remain community-based in providing care, while retaining their business leadership and solvency in many communities throughout the Intermountain West.

At this time, I ask that the entire article appear in the CONGRESSIONAL RECORD.

The article follows:

[From Businessweek May 16, 1983]

INTERMOUNTAIN HEALTH CARE: FINANCING HOSPITAL TREATMENT FOR THE POOR

For years nonprofit hospitals provided health care for those who could not afford it, but at great cost to themselves. As a result, they have been left with an ever-growing number of patients that nobody else wants—the terminally ill, the elderly for whom no nursing home can be found, street people of all ages—who share the common affliction of being uninsured, covered only by medicaid or medicare. Wealthier patients, who once provided a revenue base, are being lured to profit-making hospitals and specialized doctors' groups that not only promise the personal touch but also offer quality care at a lower price. As a result, nonprofits, equipped with a full array of expensive equipment that has to be paid for, are themselves becoming sick. Many have gone bankrupt or are being forced to merge.

But now, Intermountain Health Care Inc., a chain of hospitals once owned by the Church of Jesus Christ of Latter-Day Saints, has reorganized its corporate structure to remain competitive. It is selling services such as purchasing and data processing to other hospitals (profit and nonprofit) and opening a variety of clinics and occupational health care centers to generate profits to underwrite its hospitals.

ANTIQUATED MANAGEMENT

This strategy is being watched closely by the entire nonprofit hospital industry, which runs about 85 percent of the nation's 7,000 hospitals, in the hope that IHC will provide a prototype for survival. Says Ronald C. Wacker, planning director for the American Hospital Assn., which represents both profit and nonprofit hospitals: "Nonprofits have to identify alternative sources of revenue."

Scott S. Parker, IHC's president, describes the problem in different words: "We can put ourselves in the position of being a high-cost provider or try to be in the marketplace with the entrepreneurs." Parker, who comes across as an unflappable general practitioner rather than a shrewd strategist, also identifies nonprofits' charity-oriented tradition as the bane of most managements: "When you talk about a traditional conservative organization not used to risk-taking, this [diversification] is a major shift."

Indeed, many nonprofits are currently run by antiquated managements that consider hospitals to be community service

organizations rather than businesses. More seriously, perhaps, those managements are ill-equipped to deal with a combination of increasingly pinched revenues and costs that are spiraling at a rate of 16 percent a year. Furthermore, a bill recently signed by President Reagan refigures the method of medicare and medicaid reimbursements, which account for more than half the revenues of nonprofits. The bill favors nonprofit hospitals' lower-cost competitors.

So IHC must diversify to remain a health-care leader. Says Steven D. Kohlert, the company's senior vice-president for planning: "Continuing as we are is not a low-risk strategy. We can't avoid the competitive threat by staying where we are."

DOC-IN-THE-BOX

Critical to IHC's diversification strategy is the corporate reorganization Parker put into effect last year: IHC Inc. was formed as a Salt Lake City holding company. Its 23 hospitals in Utah, Wyoming, and Idaho were established as a nonprofit subsidiary, and they will benefit from IHC's profit-oriented subsidiaries, which have the flexibility both to form joint ventures and to raise money through equity offerings.

Under Kohlert, IHC is opening an array of satellite and freestanding clinics that avoid the high overhead of hospitals. For example, the company has bid on two surgical centers that have no overnight facilities but that are set up for such minor outpatient procedures as tonsillectomies. Some experts estimate that as much as 30 percent to 50 percent of the surgery now performed in hospitals could be done in such centers. Kohlert expects to have 10 in operation generating $20 million in revenues by 1988. In addition, he is looking at birthing centers and "doc-in-the-box" clinics—cash clinics in high-density areas such as shopping centers that take care of minor emergencies, often after normal office hours.

In industrial parks, IHC is setting up occupational health centers, staffed part-time by a doctor and full-time by a paraprofessional, to provide companies with health services ranging from pre-employment physicals to marital counseling. Such clinics could eventually bring in some $40 million annually, says Kohlert. Also under consideration are outreach clinics for small towns—facilities that operate as satellites of a hospital.

A different type of diversification is already under way. IHC now purchases more than $500 million worth of supplies and equipment a year for 125 other hospitals and provides data processing for 24 of them. Data processing services are expected to be sold to more than 100 hospitals within five years, along with management and financial consulting services. Even an insurance company scheduled for startup this summer, has the aim of offering insurance to other hospitals by 1985. That idea comes of IHC's quality-control programs, will monitor its own hospitals and could be used by the insurance company to assess risk and suggest improvement to outside hospitals.

Of course, other nonprofit hospital have diversified. Lutheran Hospital Society of Southern California, for instance expects to earn some $20 million next year on services sold to outside hospitals, and Health Central, Inc. in Minneapolis is developing health-care centers for ambulatory patients, opening emergency centers, and building apartments for the elderly and handicapped. Other hospitals are trying to make monetary operations ranging from restaurant parking lots.

But interest is riveted on IHC because of its healthy financial situation—it has a Aa bond rating and only $199 million debt—and its innovative management. "It's a pretty hot company," says Charles M. Ewell Jr., who directs health care services for Arthur Young & Co.

IHC was formed in 1975 when the Mormon church spun off its chain of hospitals into a nonprofit corporation. Since then, IHC has been an industry leader in providing low-cost, high-quality health care. It estimates that cost-saving pressures have reduced its own hospital expenses 10 to 20 percent.

BONUSES

Outsiders credit President Parker with creating an atmosphere that invites innovation. Administrators in small IHC hospitals are rewarded cash bonuses for coming up with diversification ideas such as outreach clinics.

Not all of IHC's diversification ideas have worked. The company lost out on a bid to take over a Southern California surgical center, for instance, when it underestimated the value of the chains' goodwill; a profit-making competitor was nearly 50 percent higher. Still, such setbacks do not bother Parker or his managerial team. Nor does the fact that income from diversification will amount to a few million dollars this year. Parker estimates that this income will reach to $60 million within five years and that it could go higher yet if it is successful in launching its insurance company. Even $35 million, which is more than 10 percent of 1983's anticipated revenues of $368 million, is a significant figure, Parker maintains.

The key to IHC's strategy is Parker's determination "to position ourselves in the forefront, rather than catch up later." Adds Executive Vice-President David H. Jeppson: "We're writing the books of the future."●

HOW THE ARMS RACE LOOKS TO A BOY WHO LIVES ON A HILL

● Mr. LEAHY. Mr. President, most Members of this body have been giving long and detailed speeches regarding their views on arms control.

I think it is good for us, periodically, to hear some of the grassroots statements, and so I am asking to have printed in the RECORD a speech given recently on the Commons in Brattleboro, Vt., by my good friend, Gene Godt.

The speech follows:

SPEECH OF GENE GODT

I am a simple country boy who lives happily on a hill in Brookline, Vermont . . . surrounded by great natural beauty and some 322 of the finest neighbors in the world. My neighbors and I do not always agree on every subject. But we get along, with mutual respect . . . and (I like to think) a certain amount of mutual affection.

We do not all worry about the same problems. As for me, I ponder frequently what might be described as the prime paradoxes of the late 20th century.

For example: My President . . . the only President I have . . . (and I have been schooled to honor and respect our President, although some make that a lot easier than others). . . . My President proposes to build and put in place around our country 100 giant missiles each fitted with ten nuclear warheads. He calls these monsters "The Peacekeeper." That's a 16-billion dollar paradox of the purest ray serene.

It is this prime paradox—the pell-mell race to build more and more, larger and larger, engines of death in the name of peace—which brings us here today.

It may very well be that some of us here share a conviction that man should not invest this treasure and his wonderful intelligence and ingenuity on machines which can—and may—kill us all . . . or leave only a few survivors on a poisoned planet. I suspect quite a few of us take very seriously the Bishops' letter calling for the abolition of all nuclear weapons. I expect . . . further . . . that there are several points upon which all of us do not agree completely. And that's fair enough.

In simple honesty, I want you to know I personally believe firmly that America needs—must have—a strong defense. I believe firmly we must be ever vigilant of the Soviet Union. I cannot support unilateral . . . or unverifiable . . . arms reductions.

But I believe just as firmly the world right now—this minute—is involved in an arms race which is picking up speed rapidly . . . and I'm frightened. I see it threatening . . . this arms race . . . to move even into outer space. And that terrifies me. I see the international contest to build more and more deadly weapons in the name of keeping even . . . to threaten the domestic economy of all nations . . . and adding to the hungry, the sick, and the destitute peoples of the world.

If my President were to ask advice from a simple man who lives on a hill in Brookline, Vermont . . . which is not likely . . . I would beg him to give serious thought to just five points:

First: Cool your speeches about the Russians. Public statements calling them "the focus of evil" do not promote an atmosphere for negotiations. And that's true whether you're negotiating about atomic weapons in Geneva . . . or a property line in Brookline, Vermont.

Second: Combine into one all-out discussion the two-track separate negotiations which are supposed to be going on now about strategic nuclear weapons on the one hand . . . and intermediate range nuclear weapons on the other.

Thirdly: Please do not turn your back so brusquely on the idea of a verifiable mutual freeze . . . and a no-first-strike position.

Fourthly: Please get at the pursuit of peace personally . . . seriously . . . and quickly. Be as stubborn and single-minded about peace as you are about the tax cut you've set for July.

And finally: If you press imaginatively . . . wholeheartedly . . . and persistently for international agreements to reduce nuclear arms, be willing to reward any real evidence of progress with a delay in the deployment of cruise and Pershing missiles throughout western Europe scheduled for next December.

The cruise missile (and this will not be a comparison of numbers, throw-weight, and statistics: you can read the experts as well as I can) . . . the cruise missile is a terrifying new departure in the arms race. It is small and easy to hide. It is relatively cheap. And it is deadly. If it is scattered hither and yon, it will make a mockery of any arms control discussion based on counting numbers of missiles and achieving some kind of balance.

If these missiles are deployed by the thousands—and that's proposed—it will inevitably become accessible to other countries . . . as nuclear capabilities proliferate. Let me remind you, my friends, that six countries already have nuclear weapons: The United States, Soviet Union, Britain, France, China, and India. Nine others have a capability to make nuclear weapons. As someone has said "they're just the turn of a screwdriver away." They are Canada, Sweden, Switzerland, Israel, Italy, West Germany, South Africa, Japan, and Pakistan. And American intelligence sources have said sixteen more nations could build one within the next ten years. Those sixteen include Argentina and Libya, neither of which has won awards for logic in international affairs lately.

You are telling yourselves, my friends, that his simple fellow from Brookline has delivered a lengthy statement of the completely obvious. And so I have. But I say to you we are faced . . . (we people who love the idea of peace on earth) . . . with the great dilemma of our lifetimes. Will the Russians negotiate seriously only if we have superior strength? Or will an American arms buildup only beget a Soviet buildup? Let us not assume. Let us get at the discussion now. And seriously.

This is what preys on my mind as I watch the wheel of the seasons from my peaceful hill in Brookline, Vermont.

I tell myself: I am only one, but I am one; I cannot do everything, but I can do something. What I can do, I ought to do. And what I ought to do, with God's help, I will do. That's why you are here. And that's why I am here.—Peace.●

RAMIFICATIONS OF SUPREME COURT DECISIONS

● Mr. LEVIN. Mr. President, last Friday's New York Times contained a letter to the editor from Barry Karl, professor of history at the University of Chicago. He was addressing the ramifications of the Supreme Court's decisions on legislative veto and passive restraints and came to the conclusion that the Court has left itself as the only recourse from administrative excess. I found the article enlightening and commend it to my colleagues. I ask that the article be printed in the RECORD in full following my remarks.

The article follows:

[From the New York Times, July 8, 1983]

RULE-MAKING POWERS: AN AMERICAN DILEMMA

To the EDITOR:

The debate over the legislative veto and the Supreme Court's recent decision concerning it can easily be confused by a misunderstanding of the history of its origins.

The legislative veto appeared initially in the Overman Act of 1918, prepared largely by President Woodrow Wilson and designed to give him greater authority to reorganize the agencies created to cope with the World War I emergency. Its reappearance in legislation for Hoover in 1932 was again a response to an emergency, the deepening Depression. Both instances were based on Congress's concern with efficiency and economy and both President's interest in managing emergency agencies more effectively.

The provision for a legislative veto in the Executive Reorganization Act of 1939 was designed to give the President greater authority in such reorganizations while allowing Congress authority to overrule them within 60 days. It was a simple and very specific device intended to balance the increase in the President's authority to manage the Presidency with a Congressional power to reject, but to reject specific proposals within a specific period of time.

Unfortunately, that way of presenting the history obscures another side of the story, which was part of an entirely different debate.

Ever since 1914, jurists had been commenting somewhat ruefully on the growth of administrative power in American government. They were referring specifically to the independent commissions and the Federal agencies created by Progressive-era reforms. They saw in the new rulemaking powers a possible drift toward the bureaucratic systems of Europe. They quoted phrases like le droit administratif to describe, somewhat pejoratively, governmental systems managed by courts and lawyers rather than by responsible legislators and knowledgeable executives.

Through the 1920's, writers like Felix Frankfurter and A. A. Berle Jr. expressed an uncertainty about the effects of such a transformation on American government, but no doubts about the direction. The onset of the Great Depression and the coming of the New Deal proved them right.

The battle has always been over delegation of growing administrative powers required by a Federal Government increasingly involved in the detailed management of national life. Unwilling to give expanded managerial authority to the President and aware of the difficulties a legislative body faced in attempting to exercise control, Congress continued the process of allowing what it could not prevent.

The authority of administrative agencies grew apace, as did court systems for dealing with the disputes that arose over the decisions and a Washington legal profession skilled at mediating those disputes. Successive Presidents were destined to look for ways to control what they politely called "administrative management" but more angrily labeled "the bureaucrats."

Unfortunately, however, history played some dirty tricks on them. Vietnam and Watergate loomed as public symbols of their problems with executive power. Monstrous millstones, they dragged everything else down with them. The split between Presidential power and effective management was so badly obscured that even the proximity of two recent Supreme Court decisions, the one on the legislative veto, the other on passive restraints for automobile passengers, appears to have gone unnoticed.

The first seems to say that Congress can no longer claim control over executive actions of which it might disapprove. The second seems to say that the President cannot claim control over actions of administrative agencies if he wants to change them. Both decisions, taken together, would then suggest that administrative agencies can still be independent of both the administrative and the legislative branches of government.

What the Court has done, in fact, is to affirm the authority of the courts as the only body capable of mediating the relation between the executive and the legislative branches. I suppose I should be happy that some of my best students are now going to law school. We're going to need them. At the same time, I have great difficulty seeing the outcome as one intended by the framers of the Constitution of 1787.●

PERSONAL EXPLANATION

● Mr. MURKOWSKI. Mr. President, I would like to explain my absence from Senate business yesterday, July 13. The circumstances that led to my being unavoidably detained in Alaska were due to a mechanical malfunction on Northwest Airlines flight No. 24 which was canceled prior to its 8:40 p.m. departure from Anchorage July 12. Unfortunately, that was the last flight which could have delivered me here in time for yesterday's session. Flying time from Alaska is over 10 hours even under the best conditions, plus 5 hours time change making a minimum of 15 hours time expired.

If I had not been unavoidably delayed, I would have cast my votes yesterday, as follows:

First. Motion to table Pryor amendment regarding binary chemical munitions, "yea."

Second. Motion to table Kennedy amendment deleting funding for the B-1B bomber program, "yea."

Third. Motion to table Nunn-Johnston amendment to prohibit funding for 155 millimeter artillery-fired atomic projectile production facilities, "nay."

Fourth. Motion to table Mitchell amendment extending prohibition against contracting-out at military installations, "nay."

Fifth. Baker motion to table related to Armstrong amendment concerning peacetime GI bill, "yea."

Sixth. Baker motion to table Gorton motion to recommit the bill, "yea."●

AMERICAN CONSERVATION CORPS

● Mr. LAUTENBERG. Mr. President, today I am joining with Senators MOYNIHAN and MATHIAS and many other colleagues in the Senate in cosponsoring S. 27, the American Conservation Corps Act of 1983. This legislation would improve, restore, and maintain public lands and resources and provide critically needed job opportunities for young people, particularly the economically, socially, physically or educationally disadvantaged.

Last April, Mr. President, I was asked by New Jersey Assemblyman George J. Otlowski to appear before the committee of my State's legislature regarding the creation of a State conservation corps program. We in New Jersey are fortunate to have an active and articulate group of Civilian Conservation Corps alumni, led by John S. Meszaros of South Amboy, N.J.

Solutions to the problems of the 1930's are not necessarily fitting solutions for the problems of the 1980's. Nonetheless, in the case of the Ameri-

can Conservation Corps, the experience of the 1930's CCC program serves as an example of how to provide needed employment while preserving public resources.

I was particularly pleased to note the inclusion in S. 27 of provisions calling for cost-benefit analysis of the program and the award of academic credit for competencies developed by workers in this program.

The most compelling argument for this bill is the unemployment rate of our young people who want and need work experience. This is particularly true in the case of minority youth where the rate exceeds 50 percent.

Mr. President, all over this Nation there is lasting testimony to the work of the CCC. The authors of the legislation are to be commended for drawing on that experience in pursuit of vital goals—durable public lands and resources and jobs for those who badly want to work.●

ANOTHER MOLEHILL BUILT BY HYPOCRITES

(By request of Mr. BAKER the following statement was orderd to be printed in the RECORD:)

● Mr. GOLDWATER. Mr. President, the Washington Press and the New York press continue to go ape, day after day, about the so-called Carter papers.

It seems that everyone who has a typewriter available and even those who cannot punch keys but can write are expounding on this subject. But it is time to begin putting this whole thing in proper perspective.

I think John Lofton continues to speak the best of truth on this whole matter. A column that appeared in the July 13 issue of the Washington Times came to my attention. It touches rather strongly and correctly on the superfluous and pious attitute that many of our columnists have taken, and I think my colleagues should be made aware of the kind of political chicanery that the eastern press finds under the mat of the Carter papers.

I ask that this column be printed in the RECORD.

The article follows:

ANOTHER MOLEHILL BUILT BY HYPOCRITES

(By John Lofton)

"And why beholdest thou the mote that is in thy brother's eye, but considerest not the beam that is in thine own eye?" St. Matthew 7:3.

And now another hideous scandal: George Willgate! But on this one—in the immortal words of Sam Goldwyn—please, include me out.

The scene: last Saturday's Agronsky and Company show. The topic: Was it right or wrong for columnist George Will, in 1980, to have coached candidate Reagan prior to his debate with President Carter? And was Will sufficiently up-front about his role in this affair when he went on national TV to comment on Reagan's debate performance? My answer to question No. 2: no, he wasn't.

Columnist Carl Rowan is revolted by what Will did because he thinks it is wise "not to get involved in a partisan political campaign." Rowan is so conscience-stricken he says he doesn't even go to political rallies for his best friends, which I am sure is true. Obviously there's a limit to the number of people who will fit in a phone booth.

Comment: Just what exactly is "involvement" in a "partisan political campaign"? My dictionary defines "partisan" as "a person who takes the part of or strongly supports a side, party or another person: often said of an unreasoning, emotional adherent." Clearly this is a description of Rowan who frequently supports a person or one side of an issue and most always in an unreasoning and emotional manner.

Furthermore, it is interesting to know that while Rowan claims to eschew any involvement in partisan politics, he has no such qualms regarding Big Business. In an interview, Dick Muller, director of public affairs for the Chrysler Corp.'s Washington office, tells me that for a decade Rowan has had "a relationship" with one of Chrysler's ad agencies, Kenyon & Eckhardt. Under this arrangement, according to Joe Hickey, Chrysler's corporate advertising manager, Rowan's radio show on a number of black stations is paid for by Chrysler and, in addition, Chrysler pays Rowan for producing this show. When I called Rowan and attempted to discuss his relationship with Chrysler, he questions my integrity and hangs up the phone.

Martin Agronsky also denounces what Will did, calling it "a mistake" for journalists to be involved in "a partisan way" in a presidential campaign. He is bothered that "people were telling Mr. Reagan . . . that if certain questions were raised he should answer them in certain ways."

Comment: All columnists are always telling everybody how they should deal with everything. I see no significant difference between writing a column advising a presidential candidate—that is coaching him at a distance—or showing up in person to deliver this same advice.

James J. Kilpatrick also thinks that what Will did was "a mistake," noting that during his 42 years in the newspaper business he's always believed, "We ought to be up in the press box not down on the field."

Comment: Certainly Kilpatrick jests. Charlie McDowell, who worked as a reporter for Kilpatrick when he was editor of the Richmond News-Leader, says that 30 to 40 years ago "there were those who would have argued that Jack was not strictly confined to the press box." The allusion here is to Kilpatrick's role in the mid-1950s in the so-called "massive resistance" campaign in which Virginia fought against the federal government to preserve segregation. At the time, Kilpatrick advocated "interposition," a doctrine which held that the state had the right to "interpose" its sovereignty between itself and the feds.

One often repeated tale is that Kilpatrick—while a journalist, of course—actually drafted legislation in opposition to federal efforts to end segregation in Virginia. Kilpatrick tells me he does not recall doing this but he may have "looked over" such legislation prior to its being introduced. He does say that in the early 1960s—while a journalist—he did, at the request of state legislators, draft anti-pornography legislation.

Jack Nelson, Washington bureau chief of The Los Angeles Times, also believes that what Will did was "outrageous." Does this mean Nelson never gave President Carter or any of his aides any advice? Well, Nelson tells me that he and Carter press aide Jody Powell did get together "quite a bit" but the purpose was to get information from Powell not to give it to him.

Me: He never tried to pick your brain?

Nelson: "Oh, that's ridiculous. Of course he asked me questions about what I thought about something but nothing about what the president should do. I'm sure he asked me how the press would react to something. He must have asked that but I don't remember about what."

In fact, when I press him, Nelson does remember being asked by one Carter aide if he thought Peter Bourne, another Carter aide, could survive in the White House after it was revealed that he had written a prescription for a staffer for a controlled drug. Nelson says he gave "an honest answer" which was no, Bourne couldn't survive—and he didn't. Nelson says he doesn't know what he would have done if Carter had asked him for political advice.

Jody Powell—who unlike Will coached a president candidate, Carter, and then became a columnist—tells me that when he was Carter's press aide there was "a fair amount" of "general sort of feedback" with a lot of reporters regarding "whether something would or would not fly, whether something would or would not amount to much." But, Powell maintains this is different from "specific advice on this or that question."

Well, maybe so, maybe not. But, it seems to me that what we're talking about here with most of George Will's critics is a lot of people who are a little bit pregnant. I have no doubt that when he coached candidate Reagan, Will, too, was giving honest answers to Mr. Reagan.

In retrospect, if there is any reason to say that George Will blundered, his blunder consists of his failure to realize that our business is wall-to-wall with envious, pompous, hypocritical cheap-shot artists always on the alert for molehills out of which, they believe, it is their earthly duty to try to make mountains. Also, George, the fact that your bow-tie is not a clip-on has not helped you one bit, friend.●

THE FINAL CLINCH FINANCING PLAN: WHOOPS, HERE WE GO AGAIN

● Mr. HUMPHREY. Mr. President, just a few weeks ago Congress decided not to fund the Clinch River breeder reactor project since no suitable industry cost-sharing plan had been submitted for congressional consideration. Now the people who authored the March 15 proposal that Congress rejected in May have submitted their final draft of this plan.

They claim this plan is new. They certainly have no desire to associate it with the bill proposed in May; even Secretary Hodel rejected it. Yet, on all basics, the current plan is identical. Thus, just like the bill proposed in May, the new plan offers no new contributions from industry beyond what they have already contracted with the Government to contribute. Instead of getting industry to reduce the cost of the project to the Federal Government, then, the BRC is still proposing

that the Federal Government loan money to itself by issuing guaranteed bonds beginning in 1990. There may be difficulty selling these bonds in 1990 but that is not really the point: Such a money shuffle—what Assistant Secretary for Nuclear Energy Shelby Brewer himself described as moving money around in time—helps gloss over the controversy surrounding the project's high cost. Without such a scheme, Congress would have to appropriate over $400 million in fiscal year 1984 to keep the project on schedule. Also, to the strained extent that one can argue as the plan does that it raises $1 billion of private capital for the CRBR project—private only to the extent that private individuals might buy Government-guaranteed bonds if the interest rate is high enough—the plan could be conveniently misrepresented as a true cost-sharing plan where industry was giving new money to the project. This would have tremendous value for those who are anxious to believe anything in order to skirt the Clinch River cost issue.

In this regard, the plan also has the advantage that it requires Congress to vote up or down on nearly $1.5 billion obligations for the project—this to prevent any further floor votes on the project for at least the next 5 years. Again, this is a feature of the earlier proposed bill.

But there is more. The previous proposal required the Federal Government to assume all responsibility for repaying bond and equity shareholders in the project principal plus interest and for providing the equity investors with a full array of guaranteed tax advantages. These guarantees are to be honored even if the project is not completed, is not licensed, does not operate as well as expected, costs much more to fuel than what the Department of Energy (DOE) optimistically assumes, produces electricity that cannot be sold for the high prices the BRC projects—11 cents per kilowatt-hour—nearly 250 percent higher than current rates—or if the project ends up costing much more than the optimistic $4 billion projects. The new plan asks for no less.

The new plan's candor, though, does go a bit further. It admits, for example, that the nuclear utilities that originally pledged to pay for nearly one half of the project—but have only contributed $150 million so far—could not be expected even to buy equity shares or Government guaranteed bonds for the project since they had neither the means nor the inclination now to do so.

The plan also notes that "if net revenues available—from the sale of Clinch River electricity—after paying for fuel and other expenses are insufficient to provide returns on and of private investments in the project, the Federal Government will have to provide money for such purposes." This falls under the category of if at first you do not succeed ask the Government for money again. In fact, a failure of the proposed sale of bonds in 1990 to cover the costs of interim borrowing—the borrowing of $1.04 billion between 1984 and 1990 from private money markets to help pay for the project's construction—are quite real. Consider, the plan assumes that interim financing can be had on the private money market for 10 percent. Yet, who would loan money to the Government for the project at this rate if fully guaranteed Treasury bills could be brought bearing the same rate? As the former are riskier than the latter, higher interest would have to be paid. No matter, the plan's proponents might reply; we will simply sell more bonds beginning in 1990.

But what if these bonds do not sell as well as expected due to delays in the project? The answer cannot simply be that Government guarantees will take care of this since, again, the prospective bond buyer always has the alternative of buying fully safe, guaranteed bonds from the Treasury directly. This being so, not only will the Government have to sell more bonds to cover the interim financing, but these bonds will have to bear more interest than Treasury bills. What is the significance of this? Simple: This so called cost-sharing plan may only increase the cost of constructing Clinch River since it is the Treasury bill rate that Congress currently ends up paying when it appropriates for the project outright. More important, there is no guarantee that the bonds will sell as well as they must. In this case, the Government ends up having to pay all of the interim financing costs, which exceed several hundred million dollars.

In light of the likely public bond disaster associated with the Washington Public Power Supply System (another public nuclear power project) all of this should sound familiar. Mr. President, because Congress can hardly afford to create the basis of a new bond disaster, I ask that the full text of the Breeder Reactor Corp's final alternative plan draft be entered into the RECORD.

The material follows:

BREEDER REACTOR CORP.,
Chicago, Ill., June 29, 1983.

Mr. WALLACE B. BEHNKE,
Chairman, Project Management Corp.
Chicago, Ill.

Hon. DONALD PAUL HODEL,
The Secretary of Energy, Department of Energy, Washington, D.C.

GENTLEMEN: I am pleased to forward to you a Second Report of the Breeder Reactor Corporation Task Force which was assembled to explore alternative financing possibilities to supplement future Federal appropriations supporting the construction and operation of the Clinch River Breeder Reactor. The enclosed Report provides a detailed financing plan which the Task Force, including representatives from a number of utilities and investment banking firms, believes provides a viable basis for private sector supplemental financing.

The members of the Task Force and BRC stand ready to provide further information or to assist in the implementation of the proposed financing plan, as required.

Sincerely,

JAMES J. O'CONNOR,
Chairman.

HIGHLIGHTS

We have developed, and present herein, a specific plan for raising one billion dollars of private capital for the CRBR Project.

One billion dollars represents 40 percent of the estimated remaining cost to complete the Project. It represents the maximum amount of available private funds and is roughly equivalent to the entire cost of constructing a conventional coal-fired plant of approximatley the same size in the 1990's.

With appropriate legislation, we are confident that one billion dollars of private financing can be obtained.

Four leading investment banking firms (all represented on our task force) have endorsed the plan, providing a statement that, with adequate Federal assurances, significant private funding can be obtained for the Project.

We are implementing our financing plan to the maximum extent possible in advance of specific legislation by incorporating the Amerian Energy Development Corporation, a financing vehicle, preparing organizational and financing documents, and recruiting executive personnel.

Two-thirds of the private funds available for the Project will be raised through borrowings supported by revenues from future power sales; one-third will be raised through new equity participations plus funds already committed by the utility industry and others. All new investments would be backed by DOE contracts.

Potential lenders will be institutions such as banks, insurance companies, pension funds and other financial institutions. Most of these institutions are fiduciaries which are held to strict accountability, frequently restricted in their discretion by statute or regulation and generally averse to high risk investments.

Hence the need for Federal assurances covering completion, licensing, operability and revenue adequacy, as described in the Appendix.

We have received letters from vendors and contractors expressing interest in investing in the Project.

Income attributable to private investment in the Project will be subject to Federal income tax. In computing the tax, conventional construction-related tax incentives will be available, but only to the extent available in other comparable private projects. No such incentives will be available with respect to any expenditures which are covered by Federal appropriations.

In general such incentives will reduce, but not eliminate, the total tax burden on investment income from the Project.

Non-tax aspects of the proposed financing arrangements will result in a significant potential gain to the U.S. Treasury.

After the Project has been completed and operated successfully for several years, it may be feasible, with the Government's permission, for the new American Energy De-

velopment Corporation to sell common shares and use the proceeds to purchase the CRBR facilities from the Government.

Since our financing plan will significantly reduce total Federal budgetary outlays at a time when budget requirements are of critical importance, and holds the prospect of net future gain to the Treasury, it is clearly responsive to the 1982 Congressional mandate.

Having taken preliminary steps toward putting our plan in effect, prompt enactment of appropriate legislation is now needed to enable us to raise the one billion dollars.

FINANCING ILLUSTRATION

Sources of the one billion dollars of privately financed construction funds are estimated as follows:

	Millions
Proceeds of 30-year bonds issued in 1990	$1,040
Deduct interest during construction	365
Direct construction funds provided by borrowings	675
New equity participations	150
Funds already committed by utilities and others, including interest (in addition to about $150 million already paid in)	175
Total	1,000

Note.—For details, see section II-G.

FINANCING THE CLINCH RIVER BREEDER REACTOR PROJECT

(A Supplemental Task Force Report to the Breeder Reactor Corporation.)

EXECUTIVE SUMMARY

(1) A viable $1 billion plan. This supplemental report describes a specific plan for raising one billion dollars of private funds (the maximum available) to cover 40 percent of the estimated remaining costs to complete the Clinch River Breeder Reactor (CRBR) Project.

(2) Equivalent coal-fired capacity cost. The proposed private funding of one billion dollars is roughly equivalent to the entire cost of constructing a conventional coal-fired plant of approximately the same size, 300 to 400 MWe, in the 1990's.

(3) Reduced Federal deficits. These funds would be provided to the Federal governmental under a Joint Venture arrangement and would reduce the Federal budget deficit at a time when budgetary expenditures are of widespread concern.

(4) Investment banker endorsement. Four leading investment banking firms are represented on our task force. Their representatives have participated actively in our work and have helped develop our financing plan. Their firms have given us a signed statement saying, among other things, ". . . in the event [appropriate] legislation is enacted and the Secretary of Energy provides adequate assurances as to the timely return of invested capital with interest thereon, we believe that significant private funding can be raised for the CRBR Project." The four firms signing that statement were:

Lehman Brother Kuhn Loeb Incorporated, Merrill Lynch White Weld Capital Markets Group, Morgan Stanley & Co. Incorporated, and Salomon Brothers Inc.

(5) Need for Power. We have received letters from several large electric power systems (both investor-owned and rural electric cooperatives) indicating an interest in purchasing CRBR power. Studies made by the United States Department of Energy (DOE), supported by information received from the Southeastern Electric Reliability Council, show a need for power in the southeast in the early 1990's.

(6) Implementation. We are proceeding to take preliminary steps to implement our financing plan. We are incorporating the American Energy Development Corporation, a financing vehicle, and will soon select a Chief Executive Officer and Board of Directors. We are preparing organizational and financing documents.

(7) Two-thirds debt, one-third equity. Approximately two-thirds of the one billion dollars of private funds will be raised by interim construction borrowings in the capital markets, with the permanent financing provided by selling taxable bonds supported by revenues from power sales. The remaining one-third of the private funds will be raised through new equity participations, plus funds already committed by the utility industry and others. All new investments would be backed by DOE contracts.

(8) Institutional lenders. Potential lenders and largely institutions such as banks, insurance companies, pension funds, and other financial institutions. Most of these are fiduciaries which are held to strict accountability, frequently restricted in their discretion by statute or regulation, and generally averse to high risk investments. While they seek to maximize return, their first concern is preservation of principal. Their fiduciary responsibility prevents them from making an investment where repayment of principal and payment of interest is in substantial doubt.

These lenders will bear normal capital market risks, but in order to invest in the CRBR Project they will require Federal assurances covering completion, licensing, operability and revenue adequacy. This is particularly understandable in view of the Project's long history of political indecision and controversy which, together with other significant uncertainties about investments in public power projects, comprise unique project risks (as distinquished from capital market risks) for which the Federal government must continue to bear the responsibilities that it already carries. The nature of these assurances is set forth in the Appendix.

(9) Equity investors. Potential equity investors will require some participation in conventional Project-related tax benefits. On the other hand, all income attributable to private investment in the Project—both interest and equity return—will be subject to Federal income tax. In computing the Federal tax levied on private investment in the Project, only conventional construction-related tax incentives will be available, and only to the extent available in other comparable private projects. No such incentives will be available with respect to any expenditures which are funded by Federal appropriations.

(10) Tax Effect. Tax incentives reduce, but do not eliminate, the tax burden for taxpayers generally, and will do so here, too, to an extent no greater and no less than for taxpayers generally. Hence, there will be no net loss to the United States. This point is discussed in Section II-K.

(11) Long run effect on the U.S. Treasury. Over the life of the Project, there is likely to be a significant net gain to the Treasury, for a variety of non-tax reasons, including the system of incentives provided by our financing plan, viz.—

Construction costs: The advanced status of design, procurement, and preconstruction planning, and the existence of a strong projectwide schedule and cost control system, will minimize those construction delays and construction costs which are within the control of the equipment suppliers and construction contractors.

Adoption of our financing plan, coupled with a multi-year appropriation of Federal funds sufficient to complete the Project, will go one step further and ensure against many delays which are beyond the control of suppliers and erectors—e.g., delays from lack of funding and other Government action—thus, enabling the schedule and cost controls which are already in place to be fully implemented.

Future operations: Once the Project has been placed in service, the financing obligations contemplated by our plan will provide strong incentives to operate the Project in such a way that the debt service and other financial requirements will be met consistently. Project managers will be encouraged to improve commercial operations so as to avoid jeopardizing net revenues and, thus, being put on the spot for triggering the DOE's obligations to investors. This will enhance the possibility of providing significant residual values for the Treasury.

(12) Potential Gain. These benefits should far outweigh the nominal interest advantage which federal financing enjoys vis-a-vis private financing. In the long run, therefore, the task force plan has the potential of saving the United States Treasury a great deal of money.

(13) Other items. The CRBR Project is an experimental research and development project, an essential step in the Government's Liquid Metal Fast Breeder Reactor program, a long-range program to achieve a high degree of national energy independence in an environmentally acceptable way with minimal reliance on fossil fuel resources. The Federal government has the responsibility for and control of developing that technology and carrying through on the construction and completion of the CRBR Project.

Termination of the CRBR Project would be extremely costly, including not only the direct costs of over $300 million (estimated by DOE) for site restoration, termination of employees, cancellation of contracts and damages, but also the indirect costs to our national economy of taking one more step backward from the nuclear export markets which the United States once dominated.

We have received letters of interest from vendors and contractors expressing interest in investing in the Project.

Given the poor financial position of the U.S. electric power industry and the current rate regulatory climate, there is little likelihood that substantial additional R&D funds can be obtained from the nation's electric utility companies. However, these utilities and others, which will have paid about $150 million towards the cost of the Project by the end of Fiscal Year 1983, stand ready to pay about $175 million more, including interest, in accordance with prior commitments, as the Project goes forward.

After the Project has been completed and operated on a commercial basis for several years, additional risks may be assumed by private investors. For example, the newly-formed American Energy Development Corporation referred to earlier could, in the future, provide a mechanism for ultimately selling common shares and using the proceeds to purchase the facilities from DOE, if that were the Government's wish.

(14) Conclusion. The CRBR Project is well advanced in design, component procure-

ment, site preparation, pre-construction planning, and licensing. We have identified and describe here a viable financing plan which will provide one billion dollars of private funds. Since our plan will significantly reduce total Federal budgetary outlays at a time when budget requirements are of critical importance and holds the prospect of net future gain to the Treasury, it is clearly responsive to the 1982 Congressional mandate ". . . to explore proposals . . . that would reduce Federal budget requirements for the Clinch River Project or project alternative, and secure greater participation from the private sector." (H.R. Rep. No. 97-980 at 186, 97th Cong., 2d Sess., 12/20/82.)

We are implementing the plan, to the maximum extent feasible pending enactment of appropriate legislation, and we therefore urge prompt action on such legislation.

I. GENERAL BACKGROUND

On March 12, 1983, a task force assembled by the Breeder Reactor Corporation submitted its report on alternative possibilities for obtaining additional private sector financing for the CRBR project to the United States Secretary of Energy, who transmitted it to the Congress on March 15, 1983. Comments made since then, in Congress and elsewhere, suggest the need for additional explanatory material.

This supplemental report provides such material. It describes the task force plan for private financing of one billion dollars of the remaining funds estimated to be needed to complete the CRBR Project, equivalent to about 40% of such remaining funds. It explains how that plan will complement the Federal government's role. It sets forth the assurances needed to facilitate raising the one billion dollars of private funds and explains the steps being taken to facilitate raising these funds as soon as those assurances are enacted into law.

A. Federal sponsorship

The Federal government must formulate its energy program from a long-term rather than a short-term perspective, because it is to the Federal government that the public will look to protect the interests of future generations. A cornerstone of federal energy policy through many Administrations has been the development of inexhaustible energy sources.

Nuclear technology, especially breeder technology, is the most likely source of future supplies of plentiful and low-cost electricity when fossil fuels become relatively scarce and expensive. It is not too soon to carry forward breeder technology to the demonstration stage. The completed design, licensing and, most importantly, extended operation of the CRBR Project over a long period, will be invaluable, first, as a basis for the design and operation of a larger prototype and, ultimately, for a decision whether or not to build and deploy commercial breeders. If the nation is to develop the information necessary to make commercial decisions on a timely basis early in the next century, the CRBR Project, the first full-scale demonstration plant, must be built now.

B. Historical summary

It was the Federal Government's recognition of its responsibility for assuring adequate and economical future energy supplies, including the technological capability to build breeder reactors, that convinced Government leaders to proceed with the CRBR Project as the logical next step in the Liquid Metal Fast Breeder Reactor Program. Early on, the Federal Government took the initiative in soliciting industry participation in funding the CRBR Project as an important step towards making this technology available to the private sector. The arrangements for Government support and industry participation were negotiated by the United States with representatives of all segments of the electric power industry. The Nation's electric power systems committed to make large financial contributions and they created Breeder Reactor Corporation and Project Management Corporation, in reliance on the Government's commitment to complete the CRBR Project. It would be unfortunate, both for the future of national energy security and for the future of government/industry cooperation in other areas, if the United States were now to retreat from its undertakings, after the utilities and others in good faith have spent $150 million on the CRBR Project and will provide an additional $175 million as the program goes forward. It is disappointing to see to what small extent current debates about funding the CRBR recognize the obligations the United States has already assumed and the expenditures it has induced others to make.

The current funding discussion provides a test of the resolve of the Government in living up to its promises. The United States created the financing and construction arrangements and enlisted the construction, operation and financial assistance of the electric utility industry. The coalition of utility companies has held together and is anxious to go forward to complete the CRBR Project, although it has no financial incentive, but only a desire to advance breeder technology for the ultimate good of the Nation. The partnership arrangements between the United States and the participating electric utilities should not be abandoned by unilateral action of the Government.

C. Need for CRBR project

Many voices have spoken on the question of the need for the CRBR Project, from various perspectives and with the benefit of more or less study and information. Last September, Alvin M. Weinberg, Director, Institute for Energy Analysis, Oak Ridge Associated Universities, a pioneer nuclear scientist, summarized the case for the CRBR Project in these terms, after a visit to the French Phenix and Super Phenix breeder reactor demonstration projects:

"Rather than dismantling our breeder technology, we should be consolidating the technology demonstrated by PHENIX and SUPER-PHENIX. Forty years pass quickly. If we are to depend on breeders for a serious contribution to our energy supply in 2022, we should even now be building, operating, and learning from many breeder reactors in different settings and in different parts of the world. This is why we should proceed with CRBR, as well as with other, even more advanced breeders." [1]

It should be added that the CRBR Project embodies state-of-the-art technology. The design team has taken advantage of all available information, including the lessons learned from the Brown's Ferry and Three Mile Island accidents. Proposals for substituting another project at a later date would not result in a better project. On the contrary, to abandon the CRBR Project at this time would dismantle not only the Project, but the nation's industrial capability to proceed with any breeder reactor demonstration program.

D. Cancellation consequences

The March 12 report of the task force discussed the costs of completion, but did not take onto account the costs, both financial and otherwise, of failure of completion. These cancellation costs—for equipment on order, for the cost of teminating employees, and for settlement of contacts for services and otherwise—are estimated by DOE at over $300 million. An orderly termination which would salvage as much technical information as possible could increase this amount significantly. Moreover, in a period of high unemployment, some consideration should also be given to the indirect costs of noncompletion, including the costs of increased unemployment and unemployment compensation. Finally, the cost to our national economy of the technological retreat inherent in abandoning the CRBR Project after spending a billion and a half dollars on it must be considered, especially when work is proceeding smoothly. To ignore these costs would be to take another long step toward ensuring the loss of our nuclear export markets, which we once dominated.

All of these costs of noncompletion, direct and indirect, should be considered as credits against the cost to complete the Project.

E. Task force proposal

Fundamentally, the task force proposal is based upon the assumption that this country cannot afford to fall behind the development of breeder technology overseas, which would result if the CRBR Project were cancelled. It is also based on the fact that no private interest is in a position to take up the financial burden of completing the Project. The proposal is therefore framed in terms of specific ways that private industry can cooperate with the United States to reduce the short-term burden on the Treasury and to make an overall contribution to long-term funding.

The task force realizes that the Government has many other claims on its resources. Many of them, however, do not plant the seeds of future growth and technological leadership. In contrast the CRBR Project holds out the prospect of a better future for all Americans.

Other countries have long recognized the need to develop breeder technology. Great Britain, France, and Russia already have breeder reactors installed in working power plants and are using them to generate significant quantities of electricity. Japan and Germany have their own breeder projects. The United States cannot afford to lag behind.

II. DESCRIPTION OF THE RECOMMENDED FINANCING PLAN

A. Joint venture

It is proposed that the entire CRBR Project, both the nuclear steam supply system and the balance-of-plant, be treated as a single entity organized as the CRBR Joint Venture, a joint venture between the Federal government and a partnership of private investors (the "Partnership").

The Government and the Partnership would each be participants in the Project, in proportion to their respective investments. Existing construction, licensing and operating responsibilities would not be changed.

B. Partnership.

The Partnership would provide the Joint Venture with funds raised in the capital markets, derived from both interim con-

[1] "Plant Energy Management," September 1982.

struction borrowings and the sale of long-term debt and equity securities, all backed by DOE contracts. It would also attempt to obtain funds from new sources—R&D contributions, vendor participations and foreign participations.

The Partnership, acting on behalf of the Joint Venture, would sell the Project's entire electric power output. Revenues from the sale would ultimately be pledged as security for long-term taxable bonds. Payment of interest and principal thereon would be made from such revenues, after deducting fuel and other expenses. Such payment would be protected, in the event of shortfalls, by DOE contract.

The Partnership would issue equity participations to the partners supported by tax incentives and, to a lesser degree, by such shares in excess power sales revenues and in the residual value of the Project as may be established by contract with the United States Department of Energy ("DOE"). The partners would be entitled only to those conventional investment tax credits and tax deductions for depreciation, R&D, and other costs which are normally provided to the owners of comparable private projects, but only to those credits and deductions which are attributable to Project expenditures paid for with private funds. The partners would be indemnified by DOE against the possible loss of such tax benefits.

C. Construction financing

To facilitate financing flexibility and provide construction funds when needed to optimize construction scheduling, interim construction financing commitments would be obtained from institutional lenders, subject to refunding with proceeds from the sale of long-term bonds upon completion of the Project.

D. Partnership responsibilities

The Partnership would enter into contracts with the DOE under which the Partnership would provide construction funds, dispose of the electric power output of the Project, pay for fuel, other expenses, debt service charges and other obligations to private investors. It would apportion excess revenues, tax incentives and residual values as provided by contract. It would also arrange for interim or supplemental borrowings, if required, and would take other appropriate actions to facilitate completion and operation of the Project and ensure its viability.

E. Formation of a new corporation

In order to facilitate the various financing, marketing and organizational steps required and help to carry out the responsibilities of the Partnership, a new privately-financed business corporation is being incorporated, the American Energy Development Corporation ("the Company"). Election of a Chief Executive Officer and a Board of Directors will occur soon.

It is expected that the Company will act on behalf of the Partnership in carrying out the activities referred to above, including development of financing arrangements, filing registration statements and requests for tax rulings, negotiating power supply contracts, and disposing of revenues therefrom.

F. Efficiency incentives

By its very nature, the financing plan will reduce construction costs, increase power sales and maximize operating efficiency, as described below.

Construction costs.—The advanced status of design, procurement, and preconstruction planning, and a strong project-wide schedule and cost control system will facilitate efficient fabrication, delivery and construction, and minimize those construction delays and expenditures which are within the control of the equipment suppliers and construction contractors. The fact that all long-lead-time equipment has already been delivered or is well advanced in fabrication lends assurance to the construction schedule and cost estimates. Adoption of the financing plan, coupled with a multi-year appropriation of the Federal funds needed to complete the Project, will go one step further and eliminate many delays which are beyond the control of suppliers and constructors, e.g. delays due to lack of funding or unexpected Government action—thus enabling those schedule and cost controls which are already in place to be fully implemented.

Future operations.—Once the Project has been placed in service, the very existence of significant debt and equity obligations to be paid from net revenues will provide Project managers with a strong incentive to maximize power sales and operate the Project in such a way that the obligations to investors will be met. To put it bluntly, under the financing plan, all departments and agencies will be discouraged from taking any action which could reduce output, jeopardize revenues, or unnecessarily raise operating expenses, because if net revenues available after paying for fuel and other expenses are insufficient to cover obligations to private investors in the Project, the Federal government will have to provide money for such purposes pursuant to the assurances it made to induce such investments, and management will be put on the spot to justify its actions.

Additional incentives.—While the plan will, by its nature, tend to reduce construction costs, increase production and improve operating efficiency, it is important that the terms of the contracts among the Company, the Partnership, the DOE and others provide a specific commitment by all parties, including the Government, to give highest priority to efficient construction and operation with a view to minimizing capital requirements, ensuring full coverage of all investment obligations including an adequate return to equity investors, and providing a significant payback to the United States Treasury. These contracts should set specific financial targets, e.g., that net revenues shall be sufficient to pay all expenses and debt services, plus an equity return and a specific residual value for the Treasury. Only by clearly setting forth such targets and providing for their periodic review can one enhance the likelihood that they will be attained.

The foregoing financial incentives (coupled with a multi-year appropriation) are of major significance. Without them, there will be constant temptation to change course—to delay appropriations, defer completion, vary construction and operating plans, interrupt output, and generally adopt practices which would increase costs and reduce revenues. In short, the financial incentives provided under the plan are expected to result in significantly higher net income and residual values for the Project, much of which will ultimately become available to the United States Treasury.

G. Revenues from power sales

A significant portion of the new private financing is expected to be obtained from the sale of long-term taxable bonds, based upon revenues from power sales during the period from 1990 to 2020. These revenues are an important part of our financial plan.

While the DOE would provide contractual assurances as to revenue adequacy, the task force anticipates that, once the Project is completed, licensed and operating smoothly, the revenues available from power sales will be adequate to cover all operating expenses, debt service and other capital obligations, although some additional borrowings may be required during the start-up period and for several years thereafter to cover possible contingencies.

The task force's expectation that Project revenues will be adequate to support the financings set forth in the illustration in Section H, without drawing significantly upon Federal assurances, is based upon the following:

A total electric power output of two billion kilowatthours a year is assumed. This is based upon a capacity factor of 65 percent which appears attainable after a break-in period, given the operating incentives referred to earlier.

Gross revenues from power sales are estimated at 11 cents per kilowatthour. The 11 cents estimate is on the high side for the first few years of Project operation but is well below projected energy values for most of the Project's life. This is borne out by a survey of utilities in the southeast which was conducted for DOE by The S. M. Stoller Corporation. This survey indicated that average avoided energy costs alone (with no credits for avoided capacity costs), in the Southeastern Electric Reliability Council region, will exceed 11 cents per Kwh by 1997, while peak period energy costs (based on oil) will exceed 11 cents per Kwh in 1993. In either case, the amounts will become significantly higher after the year 2000. If credits for avoided capacity costs are added in, the estimates of avoided costs are in the 14 cents to 15 cents per Kwh range during the 1990's and over 20 cents per Kwh after 2000.

Fuel and other expenses are estimated at 5.5 cents per Kwh. This estimate is slightly lower than the DOE projections because we expect that the operating incentives referred to earlier will make a 5.5 cents per Kwh target readily attainable, if the Project is managed with an intent to obtain maximum output at lowest possible cost.

Subtracting 5.5 cents of expenses from 11.0 cents of gross revenues leaves 5.5 cents per Kwh available for debt service and other capital obligations. Applying this figure to the two billion Kwh of annual sales results in an estimate of $110 million of annual net revenues, which will support $1.04 billion of thirty-year debt, assuming interest at ten percent per annum. The assumed interest rate is below current levels, but is high by historical standards.

The $1.04 billion estimated proceeds from long-term debt financing is reflected in the illustrative tables shown in Section H, below.

The foregoing projections are dependent on several other assumptions, including those related to interest rates, capital markets, and taxes.

Whether or not credit for avoidance of new capacity additions can be reflected in future sales of CRBR Project power to ultimate consumers will depend upon the future rates of growth in electricity usage.

There is always a chance in dealing with a prototype project of this kind that the operating availability will prove to be lower than needed to attain the projected 65 percent capacity factor.

For all these reasons, Federal assurances as to revenue adequacy will be required. (See the Appendix).

Once the CRBR Project is operating smoothly, its costs will be relatively resistant to inflation, while the probable selling price of power will continue to rise.

After the Project has operated successfully for several years, revenues available from the sale of its power output are expected to exceed the carrying charges on its debt, particularly if oil prices rise or the need for new electric generating capacity materializes,[2] provided fuel and operating expenses are minimized and power output is maximized. Moreover, the opportunity to reflect credits for avoided capacity in the price of future power sales is an important factor of conservatism.

H. An Illustration of How The Financing Will Be Arranged

The following illustration sets forth the possible financing arrangements:

(a) The construction expenditure outlook after fiscal year 1983 (millions);	
Estimated cost to complete the project by 1990 (after fiscal year 1983)	$2,400
DOE's estimate of startup costs	100
	2,500
Funds available from outside private sources	1,000
Essential Federal appropriations	1,500
(b) Proposed financing plan (millions):	
Proceeds of 30-year, 10-percent bonds issued in 1990 (supported by $110 million of annual net revenues, see section (c) below)....[3]	$1,040
Deduct interest during construction at an assumed 10-percent annual interest rate	[4] 365
Direct construction borrowings	675
New equity participations	[5] 150
Funds already committed by utilities and others, including interest (in addition to about $150 million already paid in)	175
Total private funds available	1,000
(c) Estimated sales and revenues supporting the revenue bonds:	
(i) Sales price per Kwh (cents)	11.0
(ii) Deduct fuel and other expenses per Kwh (cents)	5.5
(iii) Net per Kwh available for debt service ("i" minus "ii") (cents)	5.5
(iv) Annual Kwh sales in billions (assumes 350 MWe operating at a 65-percent capacity factor)	$2
(v) Annual net revenues in millions available for debt service ("iii" x "iv")	$110

[3] While our estimates of revenues available to support $1,040 million of debt financing may be on the high side for the early years of project operations, they appear to be well within the zone of reasonableness over the entire project life. Nevertheless, additional working capital may have to be provided through supplemental borrowings to cover debt service and other needs during the shakedown period immediately after completion and for several years thereafter.

[4] Applying a 10-percent annual interest rate to construction fund borrowings, with interest figured to mid-1990, the scheduled completion date for the project.

[5] Supported in part by tax credits and deductions and, to a degree, by the prospect of participation in future excess revenues and residual values. The uncertainties and delays in realizing these tax incentives, excess revenues and residual values will limit their immediately realizable value to roughly 15-percent of total private financings of $1 billion.

1. Comments On The Partnership Approach

In the case of major project financings, conventional tax incentives significantly reduce the tax burden on the income flowing to private investors. That will be true here, too. With a lesser tax burden, the income from the sale of power which is required to provide the private investors with an adequate, after-tax return on their investments will be smaller than it would otherwise need to be.

The private capital used to finance a portion of the CRBR Project here, as elsewhere, should be entitled to the conventional tax incentives typically associated with that investment. These incentives would be measured by the entire private investment. Under the task force plan, the equity participants will receive all of these incentives, because they will receive a disproportionately small share of the Project income. Thus, the equity investment will be supported largely by tax incentives, rather than by Project revenues. The Partnership we propose is the legal conduit through which such tax incentives are typically channelled to equity participants for utilization against their non-project income.

It is estimated that $150 million of equity participation can be supported by these tax incentives coupled with some participation in future residual values (Section B, above). While this capital is equity in the sense that it represents ownership, only a small amount of it would be "risk capital" as that term is commonly used. Equity investors in this kind of project are, for the most part, anticipating specific tax consequences rather than the speculative profit normally associated with risk-taking. Hence, assurances as to the continuing availability of those tax incentives will be required.

The implications of the use of tax incentives as a financing device are discussed in Section K, below.

J. Residual Values

The economic value of the plant's output should increase over time as operating efficiencies are achieved and energy prices advance. For example, the service life may be longer or the revenues larger than needed to liquidate the debt and pay back the equity investors. The possibility of enhancing the Project's future economic value will be improved by the system of incentives described under Section E, above.

If future developments are favorable, the newly formed American Energy Development Corporation may provide the mechanism for selling common shares at some future time with the proceeds used toward the repayment of the Government's investment. The DOE contracts could, if the government so desired, incorporate a mechanism to achieve this objective.

K. Effect on the United States Treasury

Tax considerations. The conventional tax incentives associated with private investment in plant and equipment—the investment tax credit and deductions for depreciation, research and development and development and other costs—reduce, but do not eliminate, the tax burden on income from that investment. Measuring the degree of the reduction is complicated by the fact that the tax incentives become available in the early years of project life while the taxable income is reported over the entire project life, so that present value assumptions and computations are required.

Congress has recurrently examined the level of the incentives involved and, after increasing them substantially in 1981, cut them back in 1982 in order to ensure that the tax incentives do not outweigh the tax liabilities. Stated otherwise, 1981 increases in incentives were scaled back in 1982 in response to a specific concern that incentive levels had risen so high that, in some cases, they produced a "negative tax," in the sense that an investment would be less expensive if subject to tax than if wholly exempt from tax. In light of the 1982 legislation, it may be safely concluded in 1983 that, while incentives may greatly reduce the tax burden on such projects, Congress is satisfied that they do not cause the Treasury to "lose money."

It is true, as noted, that the tax incentives are distributed first and the associated tax liabilities are collected later, so that every new private investment causes Treasury tax revenues to be lower initially than they would be had no investment been made (and to be higher subsequently). Viewed alone, each new private investment thus tends to increase the budget deficit at the time it is made, but that is the deliberate consequence of the design of the incentives across the entire private sector and is outweighed by the positive effect on Treasury revenues of a higher level of investment than would otherwise exist.

However, even the initial negative budget effect would be absent in this particular case, as the tax incentives distributed at the outset are only a fraction of the appropriation that would be required from the Government over the same period, if the Project were to proceed without private financing.

No additional incentives are proposed in this case. Only the conventional tax incentives routinely available to all private investment are contemplated.

Nontax considerations. Rates of return on privately issued debt and equity will be higher than those which would be required on Federal debt. Private borrowing is always more costly than full Government financing since the Federal Government necessarily commands the lowest borrowing cost provided by the marketplace. The cost of financing, therefore, would be less were the Government to bear the full cost of the CRBR Project, as would be the case for any business financed 100 per cent by the Government rather than the private sector. That is the unavoidable consequence of seeking private investment in the Project.

Two aspects of this higher capital cost should be noted, however.

First, as in other investments, the financing costs will be covered by the prices paid by the private purchasers of the Project's output. Private financing costs are appropri-

[2] The Southeastern Electric Reliability Council has stated in a letter to Project Management Corporation dated May 20, 1983 that their update of a previous study ". . . shows that there is indeed a more than sufficient market for firm power (capacity and energy) in the amounts designed for the Clinch River Breeder Reactor for the years 1992 and subsequently."

ate in such a case because these are the costs applicable to other privately purchased goods and services. (Financing at Government rates on the other hand, would be appropriate if there were no private purchaser and the Government were itself the user.)

Second, the discipline imposed by the necessity to operate within a profit context and to generate funds sufficient to cover the cost of private financing will produce other economies that should far outweigh the additional cost of private financing. Over the life of the Project, we expect that the United States Treasury will realize a significant net gain under the financing plan proposed here, due to the system of operating incentives described earlier which will minimize construction costs, maximize future revenues, improve operating efficiency over the Project's life, and thus, in all likelihood, provide significant residual values after the private investors have been paid off. These operating incentives, which will be very substantial, are described in detail in Section F, above.

III. THE PURPOSE OF THE NEW FINANCING PLAN

A. The 1982 Congressional Mandate

In December 1982, Congress directed the Department of Energy ". . . to vigorously explore proposals . . . that would reduce Federal budget requirements for the Clinch River Project or project alternative, and secure greater participation from the private sector." (H.R. Rep., No. 97-980 at 186, 97th Cong., 2d Sess., 12/20/82).

The task force has devoted intensive study to alternative financing possibilities which would "reduce Federal budget requirements" and secure "greater participation from the private sector."

The task force plan envisages reducing Federal budget requirements by one billion dollars and raising that amount from the private sector. In our opinion, this is the maximum amount practically available therefrom. The securities sold would be backed by DOE contracts which would have no impact on either budget authority or outlays. The plan would also provide significantly long-term benefits to the United States Treasury.

We must stress two important considerations. One of them is that the private utilities and others, which will have paid about $150 million toward the costs of the project by the end of Fiscal Year 1983, will pay $175 million more, including interest, during the construction period, even though the financial condition of many of the utilities has deteriorated since the pledges were made.

Secondly, the CRBR Project is a part of a long range energy program the fruits of which will not ripen for several decades. The benefits of completion of the CRBR Project will be to advance the technology necessary to provide greater assurance of the long term availability to the nation of an adequate and economical energy supply, dependent only upon domestic resources. It is to the Federal government that the people of this nation must look for assurance that there will be adequate and economical energy supplies available in the future. It is only the Federal government that can afford the long look, which risks substantial amounts of seed capital for large, but distant, public benefits.

B. What The Plan Can And Cannot Do

Budget outlays. It is clear that the financing plan proposed will result in a significant reduction of Federal budgetary outlays at a time when budget deficits are of critical importance. Moreover, it can result in significant net benefits to the United States Treasury, for reasons set forth in Section II-K, above.

Risks. While the Project or its equity participants may be able to assume those plant operating risks which can be carried by commercially available insurance, the new plan cannot relieve the Federal government of the broad Project risks because, as a practical matter, responsibility for funding, constructing and licensing the Project and assuring revenue adequacy must remain in the Federal government for reasons set forth below.

C. Limitations on Private Investment

The uncertain history of the Clinch River Project forecloses it from general access to the private capital markets without the Federal assurances set forth in the Appendix. In addition, in today's environment, our system of state utility regulation prevents significant added participation by the nation's electric utilities. In this period, when electricity prices have a high profile and electricity price increases encounter great public resistance, utility commissioners are loath to authorize the recovery of contributions to demonstrate advanced technologies which will not provide benefits to ratepayers until several decades hence. Moreover, the utilities themselves cannot afford to support such efforts at stockholder expense.

D. Some Observations On Investment Risk

Availability of risk capital. The amount of private investment capital available for a given project varies inversely with the perceived risk. Maximum funds are available for investments thought to have the least risk of non-repayment, such as securities of the United States Treasury, while relatively little money is available for ventures of high risk. In fact, these cease to be "investments" and become "speculations" appealing to a limited class of high risk takers. While the market provides substantial risk capital for speculative ventures, most of such venture capital is available only for high technology and other enterprises at the frontiers of development, and on terms which provide investors with an equity stake in a potentially promising future. No venture capital is available for investments perceived to involve high risk, modest return, and small opportunity for speculative gain.

As a long-term national research and development effort, the CRBR Project does not offer such an equity stake or the possibility of significant speculative gains to investors.

Additional financing sources. It seems clear, therefore, that no significant amounts of "risk capital" will be available to the CRBR Project. Instead, whatever private market funding is provided for the Project will be in the nature of "project financing" in that the credit therefor will be derived wholly from the Project assets and revenues and from agreements and warranties associated with those assets and revenues. This is to be distinguished from conventional financing where a credit-worthy going concern, such as a large industrial corporation or utility, raises funds on its general credit for investment in particular assets or activities.

The major market for such long-term project financing lies with institutional investors such as insurance companies, pension funds, banks and other institutions. Most of these institutions are fiduciaries which are held to strict accountability, frequently restricted in their discretion by statute or regulation, and averse to high risk investments. While they seek to maximize return, their first concern is preservation of principal. Their fiduciary responsibility will prevent them from making an investment where repayment of principal and payment of interest is in substantial doubt. There is a lesser market among individuals who make fixed return investments.

In the United States, investors are under no compulsion to accept a security which does not fulfill their investment objectives. An offering must attract their participation in competition with a vast array of alternative investments in which the yield varies in relation to the perceived degree of risk.

Capital market risks. Long-term fixed income securities such as we are proposing be issued are vulnerable to erosion in value because inflation or currency devaluation reduces the real value of all dollar denominated investments. Long-term investors in this country have borne the risk of inflation during recent years and have suffered severe consequences. They have also borne the related risk of changing interest rate levels and have suffered accordingly as the value of their fixed-return investments declined because, in making long-term commitments, such investors forego the opportunity to make more attractive investments which may come along, and, if they wish to sell, they must do so at a heavy loss of principal.

These are all capital market risks, which are wholly apart from the project risks. These are the risks which the proposed financing plan places on investors.

Project risks. On the other hand, there are certain investment risks which are inextricably tied to the CRBR Project. When the regulatory and other risks associated today with all nuclear investments are considered, plus the fact that the CRBR Project involves an experimental type of reactor with a commercial pay-back deferred far into the future, and that it has suffered from a long history of political indecision and controversy, it must be concluded that no significant amount of private investment will be obtainable unless the project risks (as distinguished from capital risks) are eliminated. Such risks may be defined as risks that the Project will not be completed and operated as planned and will not produce the funds required to meet the Project's capital obligations. Only the Federal government has both sufficient credit and a sufficient public responsibility to support this basic research and demonstration Project and assume these project risks.

It is for these reasons that the task force believes the credit assurances set forth in the Appendix are necessary to conform project risks to those applicable to conventional investments. These assurances will not be called upon unless specified contingencies occur; accordingly, they are not subsidies.

In our judgment, securities backed by DOE contracts would be readily marketable in the private sector for the amounts required and without any budgetary impact.

IV. CONCLUSION

Congress has asked for a plan to provide private sector funding for a significant portion of the CRBR Project, as an alternative to funding the entire Project through direct Congressional appropriations and hence increasing already large budget deficits.

The task force has submitted such a plan and is taking steps to implement the plan to the fullest extent possible prior to enact-

ment of enabling legislation. These steps include incorporating the American Energy Development Corporation for purposes described earlier, recruiting executive personnel, preparing Partnership organization and financing documents, and obtaining letters of interest from potential power purchasers, investors and investment bankers.

We therefore urge that the legislation needed to permit our proposals to be fully implemented be adopted promptly.

Respectfully submitted,

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June 23, 1983.

APPENDIX: FEDERAL ASSURANCES REQUIRED

The following assurances must generally be provided inconstestably

1. Assurances as to completion, licensability and operability—Governmental contracts to provide sufficient funds to repay all construction loans, private equity and other investments in the Project if it is not completed satisfactorily, fully licensed and placed in commercial operation in a timely fashion, in which case the investors would be entitled to recover their capital plus interest or a return thereon.

2. Assurances that all debt service obligations of the Project as well as its obligations to equity investors will be met under any and all circumstances—Governmental contracts to provide sufficient funds to cover all obligations to private investors plus all construction and operating costs, taxes and other claims, with respect to the CRBR Project, and to receive a portion of the proceeds from the sale of the power and any other revenues from the CRBR Project up to the amount of such funds, whether or not there are any such other revenues or power.

3. Assurances that all tax credits, deductions and other tax incentives, related to the privately-financed portion of the Project, will be available to the private investors as planned—Governmental contracts to provide sufficient funds to make appropriate repayments to private equity investors if tax incentives are not made available as planned.

4. Assurances against liabilities for replacement power costs and all uninsurable tort liabilities, resulting from the CRBR Project—Governmental contracts to provide such assurances.●

EARTHQUAKE HAZARDS REDUCTION PROGRAM

● Mr. MURKOWSKI. Mr. President, the Appropriations Committee's Subcommittee on Interior will be reviewing recommendations today to cut funding for the U.S. Geological Survey's earthquake hazard reduction program. I am strongly opposed to any funding reductions in this program.

The Survey's program was established to help mitigate potential losses from earthquakes by sponsoring research to provide information for emergency planning, engineering design, and land use planning. Program staff conduct field projects on earthquake prediction and potential, and monitor seismic activity along active faults in the West.

The administration's fiscal year 1984 budget request of $29 million—a $6 million cut in current funding levels—would constitute a sharp blow to the program. The tragedy of the recent quake in Coalinga, Calif., which might have been averted with a better understanding of seismic activity, illustrates how unwise cuts of this magnitude would be.

In Alaska, the funding reductions would chiefly affect the monitoring stations that rim what is not only our most seismologically active area—between Yakutat and Anchorage—but also Alaska's most populous region. Only 3 days ago Anchorage residents were awoken by a tremor of a reported magnitude of 6.7 on the Richter scale.

Although seismic monitoring has not yet reached the point at which geophysicists can predict earthquakes with precision, the continuous monitoring of tremors and earthquakes over long periods of time cannot help but enhance our ability to predict and prepare for future earthquakes. To cut funding at this stage would be a technological step backwards.

Alaska is the most tectonically active State in North America. Most of the serious earthquakes, volcanism, and tsunamis are concentrated in the Aleutian Islands, the Alaska Peninsula and Prince William Sound.

Another serious earthquake has been predicted to strike the city of Anchorage within 30 to 50 years. That 20-year range is as close as geophysicists can predict at this time. Continuous monitoring could provide the knowledge to narrow this gap.

Until recently, the risk to humans posed by these hazards has been minimal because of Alaska's sparse population. But this is changing: the population of Alaska will probably reach 633,000 by the year 2000, and half of those people will live in Anchorage. This type of data obtained from programs like these is vital to the people who live on and near active fault zones. Those who lived in Anchorage in 1964 know what an earthquake can do. That quake, registering nearly 8.6 on the Richter scale, was the strongest ever recorded in North America. Its shock waves were felt over a 500-mile radius. The earthquake released twice the energy of the San Francisco quake of 1906, and moved more earth farther both horizontally and vertically than any earthquake ever recorded.

The 1964 earthquake and the seismic waves that followed it were responsible for 115 deaths statewide. Now emergency planners forecast that nearly 200 in Anchorage would be killed in a future quake.

Mr. President, we cannot afford to jeopardize the lives of American citizens when we have the means at our disposal to improve our knowledge of earthquakes. I urge my colleagues to oppose cuts in the U.S.G.S. earthquake hazard reduction program.

TONY MOTLEY

● Mr. MURKOWSKI. Mr. President, I am pleased to announce that Ambassador Tony Motley was sworn in Tuesday, July 12, as Assistant Secretary of State for Inter-American Affairs. I have spoken in strong support of Tony Motley's nomination both in committee and on the floor of this Chamber. I am pleased and proud to see that he has passed his examination by the distinguished Members of this body with flying colors. I would like to take this opportunity to congratulate him on his inauguration.

Mr. President, it is reassuring to have a man we can trust in a position of such strategic and diplomatic significance. Tony Motley has proven beyond doubt his capacity to deal effectively with problems and people in both Latin America and here in Washington. I commend the President for his choice. We in the Congress can look forward to a successful working relationship with Assistant Secretary Motley.●

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, appoints the Senator from Alaska (Mr. STEVENS) to attend the 35th Annual Session of the International Whaling Commission, to be held in Brighton, England, July 18–23, 1983.

ORDER FOR RECOGNITION OF SENATORS GRASSLEY AND BOSCHWITZ TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders on tomorrow under the standing order, two

Senators be recognized on special orders of not to exceed 15 minutes each, in this order: Senator GRASSLEY and Senator BOSCHWITZ.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOBACCO PRICE SUPPORT FREEZE

Mr. BAKER. Mr. President, I have discussed this with the minority leader. There is a House message on H.R. 3392. I inquire of the minority leader if he is prepared to consider that measure.

Mr. BYRD. Yes, I am.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3392.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3392) entitled "An Act to amend the Agricultural Act of 1949", with the following amendment: In lieu of the matter inserted by said amendment, insert:

SEC. 2. Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e) is amended by—

(1) in the second sentence of subsection (c), striking out "5 per centum" and inserting in lieu thereof "10 per centum"; and

(2) in the fourth sentence of subsection (e), striking out "95 per centum" and inserting in lieu thereof "90 per centum".

SEC. 3. The Secretary of Agriculture shall reivew, pursuant to section 22 of the Agricultural Adjustment Act, as amended, the effects of imports of Burley tobacco on the Department of Agriculture's Burley tobacco price-support program whenever (1) the level of price support for any crop of Burley tobacco is increased by less than 65 per centum of the amount that it would have otherwise been increased if the level of price support would have been determined in accordance with section 106(b) of the Agriculture Act of 1949, or (2) stocks of Burley tobacco held by producer-owned cooperative marketing associations having loan agreements with the Commodity Credit Corporation exceed 20 per centum of the national marketing quota proclaimed by the Secretary for any such crop of Burley tobacco.

Mr. HELMS. Mr. President, as Senators will recall, yesterday the Senate passed H.R. 3392, which provides for a 1-year freeze on tobacco price supports, with an amendment to increase the downward adjustment the Secretary of Agriculture may make in the quota for Burley tobacco and to require section 22 review of tobacco imports under certain circumstances.

Yesterday, the House deleted the downward adjustment provision of the Senate amendment. The House has now reconsidered that action and has agreed to the Senate amendment with a further amendment that would permit the Secretary of Agriculture to reduce the national marketing quota for Burley tobacco by 10 percent, rather than 15 percent as in the Senate amendment to H.R. 3392. It is my understanding that there is no objection to this change.

Mr. HUDDLESTON. Mr. President, I commend the leadership of the Senate and the House for considering H.R. 3392 so expeditiously, and I am pleased that it was possible to rapidly resolve differences in the two versions of the bill as originally passed by the Senate and the House.

H.R. 3392 will establish the price support levels for the 1983 crops of all kinds of tobacco for which price support is available at the same price levels at which the 1982 crops were supported. Under the bill, for the 1983 crop of any kind of tobacco for which marketing quotas are in effect, or for which marketing quotas are not disapproved by producers, the support level in cents per pound will be the same level at which the 1982 crop was supported.

Mr. President, this bill responds to the need of U.S. tobacco growers to maintain a competitive position in world trade, and makes adjustments to the price support program to reduce the potential cost to producers.

To compete in international markets, our tobacco growers must keep the price of their product at a level attractive to foreign purchasers. However, current law will escalate the support level for 1983 crop tobacco based on increases in growers' costs of production. For the 1983 crop, support prices for Burley and Flue-cured tobacco are scheduled to increase by about 10 cents per pound.

In view of current market conditions, I believe that the scheduled increase in the support level at this time might be harmful to tobacco sales. Many farm organizations have voiced their support for a freeze on the tobacco support level for 1983, and H.R. 3392 accomplishes the freeze.

I am particularly pleased that the final version of H.R. 3392 that Congress will be sending the President includes provisions that will: First, increase the downward adjustment the Secretary of Agriculture may make in the quota for Burley tobacco; and, second, require review of tobacco imports under section 22 of the Agriculture Adjustment Act.

These provisions are, with one modification, identical to the amendment I offered yesterday during the Senate's original consideration of the measure.

Yesterday, the House of Representatives deleted that part of my amendment increasing from 5 to 15 percent the downward adjustment the Secretary of Agriculture may make in the quota for Burley tobacco. However, after the Senate asked for a conference and returned the measure, the House reconsidered its action. Today, the House agreed to downward adjustment provision, although limiting the reduction the Secretary could make to 10 percent.

Increasing the Secretary's authority to make a downward adjustment in the quota for Burley tobacco will give the Secretary greater flexibility to achieve a no-net-cost tobacco program. Downward adjustments in the quota are made when the Secretary determines that such an adjustment is desirable for the purposes of effecting an orderly reduction of supplies. In short, increasing the Secretary's authority will facilitate the ability of farmers to produce the amount of Burley tobacco that is needed and avoid accumulations of surpluses.

The House has also agreed to that part of my amendment requiring review, under certain circumstances, of tobacco imports. Under the provision, the Secretary of Agriculture would be required—when a freeze or a downward adjustment of more than 35 percent is imposed with respect to the price support level for Burley tobacco or when the CCC stocks of Burley tobacco are in excess of 20 percent of the basic quota for Burley tobacco—to review, in accordance with section 22 of the Agricultural Adjustment Act, whether imports are interfering with the domestic price support program and, where appropriate, recommend to the President a section 22 investigation.

Both of the provisions are important to the producers of Burley tobacco, and I urge my colleagues to support H.R. 3392, as amended.

Finally, as I stated yesterday, H.R. 3922—while important and necessary—is not a substitute for more comprehensive legislation designed to address other issues surrounding the tobacco program.

The Senate Agriculture Committee has reported comprehensive legislation—S. 1529, an original committee bill. S. 1529 contains a wide range of provisions of vital interest to tobacco producers in Kentucky and other States. During the coming weeks, I will continue my efforts to seek enactment of S. 1529.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

SEQUENTIAL REFERRAL OF MERCHANT MARINE REVITALIZATION ACT OF 1983

Mr. BAKER. Mr. President, next, I will state a sequential referral request for the consideration of the minority leader and other Senators.

I ask unanimous consent that a bill entitled the "Merchant Marine Revitalization Act of 1983," introduced

today by the Senator from Virginia (Mr. TRIBLE), be referred to the Committee on Commerce, Science, and Transportation and that once the Commerce Committee has reported the bill to the Senate, it then be sequentially referred to the Finance Committee for the purpose of considering title III.

The PRESIDING OFFICER. Without objection, it is so ordered.

WHALING MORATORIUM RESOLUTION PLACED ON THE CALENDAR

Mr. BAKER. Mr. President, I send to the desk a resolution to reaffirm support for the International Whaling Commission moratorium on commercial whaling, on behalf of Senator PACKWOOD and Senator HOLLINGS, and I ask that the resolution be placed on the calendar.

Mr. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the name of the Senator from South Carolina (Mr. HOLLINGS) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there is one item on today's Executive Calendar that I should like to take up, if the minority leader can agree. I refer to the Calendar No. 228, Message No. 355, the nomination of Stephen J. Swift, of California, to be a judge of the U.S. Tax Court.

Mr. BYRD. I have no objection.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

THE JUDICIARY

The assistant legislative clerk read the nomination of Stephen J. Swift, of California, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office.

Mr. DOLE. Mr. President, I am pleased to report the recommendation of the Committe on Finance that the Senate give its advice and consent to the nomination of Stephen J. Swift to be a judge of the U.S. Tax Court.

Mr. Swift is well qualified to serve as a judge of the Tax Court. Since 1977 he has been senior tax counsel in the Tax Department of Bank of America NT&SA in San Francisco. Previously he served as an honors program trial attorney in the Department of Justice's Tax Division, and as an assistant U.S. attorney in the tax division of the U.S. attorney's office in San Franciso. Mr. Swift is an honors graduate of both Brigham Young University and George Washington University Law School.

Mr. President, this nomination to the Tax Court follows another outstanding nomination, that of Mr. Charles E. Clapp, whom the Senate confirmed in June. I note this association because of the importance of ensuring that well qualified people are named to the court. Based on his appointments to date, President Reagan obviously shares this same objective.

Judges of the U.S. Tax Court relate to U.S. citizens in a direct and highly personal way. The court's determinations in specific cases, of course, are profoundly important to the individuals involved and for those affected by the precedents set. But even more important is the aggregate impression left by the court by the tens of thousands of decisions it must render. It is essential that the public perceive the court as dispensing carefully considered, even-handed justice.

We on the Finance Committee are deeply involved in the search for a more rational and fair tax code. We are also searching for ways to simplify and to expedite the administration of the tax laws. The Congress and administrative agencies have a heavy responsibility in both areas. But our efforts would be for naught if the public perceived that judges of the Tax Court were not exerting their best efforts to be fair and impartial.

Thus, among our responsibilities is the duty to review carefully the qualifications of nominees to the Tax Court. We have done so in regard to Mr. Swift, and I am pleased to recommend him to the Senate. His broad expertise covers a wide range of corporate and individual tax matters, and he enjoys intensive experience in tax litigation. This experience stems both from the government and private sector, so that he understands the perspective of both. I am confident that Mr. Swift will exemplify the attributes of judicial temperance, competence, and impartiality essential to successful performance as a judge.

Mr. President, Stephen J. Swift is a well qualified nominee to the U.S. Tax Court. I urge my colleagues to give their advice and consent to his nomination.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 10 a.m., under the order previously entered. After the recognition of the two leaders under the standing order, two Senators will be recognized under special orders for not to exceed 15 minutes each.

It is anticipated that a brief period for the transaction of routine morning business will be provided for at that point.

It is hoped that then we can proceed briefly to the consideration of the transporation appropriations bill. I will consult with the minority leader in the morning on that subject.

If that is possible, after the completion of the transportation bill, the Senate will resume consideration of the Department of Defense authorization bill at which time the Moynihan amendment will be the pending question.

The Senate will work during the day tomorrow. It is anticipated that rollcall votes will occur throughout the day.

As I indicated earlier, since we have had a long week and a hard week, I anticipate asking the Senate to conclude its activities around 6 p.m. tomorrow.

The Senate will convene then at 10 a.m. on Saturday. I expect a full day with votes.

Mr. President, I have nothing further to address to the Senate.

RECESS TO 10 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move now that the Senate stand in recess, according to the order previously entered, until the hour of 10 a.m. tomorrow.

The motion was agreed to; and at 10:36 p.m., the Senate recessed until tomorrow, Friday, July 15, 1983, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 14, 1983:

DEPARTMENT OF STATE

Peter Jon de Vos, of Florida, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the People's Republic of Mozambique.

NATIONAL MEDIATION BOARD

Helen M. Witt, of Pennsylvania, to be a member of the National Mediation Board for the term expiring July 1, 1985, vice Robert Joseph Brown, resigned.

IN THE NAVY

The following-named commanders of the Reserve of the U.S. Navy for permanent promotion to the grade of captain in the line, in the competitive category as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

UNRESTRICTED LINE OFFICER

Aaron, Gary Wayne
Adams, Carl Lee
Adorno, Arnaldo
Akers, Roy Philip Hercules
Allan, Andrew Smart, III
Allen, Richard Eugene
Alter, John William, Jr.
Anderson, Alan Arthur
Anderson, Walter Crew
Appicelli, Robert Anthony
Armstrong, Jan Vincent
Babby, Lloyd Wayne
Banda, Lionel Alfred W.
Barford, George
Barnes, Thomas Lee
Barrera, Alfredo Benjamin
Barrow, Edward M., Jr.
Beam, Bruce Austin
Bell, Ronald Irving
Bender, Frank John
Benton, William Chappel, III
Betterton, Don Miller
Bettis, Dale Gaylard
Bitner, Norman Eugene
Bittick, Johnny M.
Black, Richard E.
Blair, Ronald E.
Boston, Glenn Alfred
Bowers, Charles Hathaway
Bowman, Thomas Edward, III
Boyd, Richard Elliott
Brandon, Herman T.
Brearley, Arthur
Brettiz, Robert William, Jr.
Brennan, Thomas Victor, Jr.
Britt, Charles Robin
Brookmeier, Robert Otto
Brown, Charles Melvin, Jr.
Brown, Jerry Kent
Browning, John P.
Brucker, Chad Hayes
Buckner, Jerry Lynn
Burkons, Hugh Alan
Butler, Carroll Vernon
Bybee, Norbert Allen, Jr.
Byrnes, Robert K.
Carey, James Joseph
Carter, Robert Trenton
Chapman, John Colby
Chester, Frederick Rheuben
Chigos, David Karl
Childress, Samuel Lee
Clancy, George Joseph, Jr.
Clawson, Paul Fredrick
Cohn, Peter Stephen
Coleman, Garnett Wayne
Conder, James Wallace
Conklin, John Brody
Cook, Ben Chamblee
Cook, James Allen
Coopersmith, James M.
Coughlin, Daniel Timothy, Jr.
Coulter, Forrest Warren
Coulter, Lonnie Bertis, Jr.
Crolick, George Robert, Jr.
Cronn, Michael Paul
Cross, Jerry Vollmer
Crowder, Thomas Edward
Crusoe, John Allen
Dabich, Eli, Jr.
Daniels, Parmely Martin
Danielson, Larry Robert
Danni, Frank Robert
Dannov, Bernard Arnold
Davidson, James Daniel
Davis, Dock Heard
Day, James Spurgeon, Jr.
Day, John Marshall
Deluca, John Paul
Dermyer, William Dwight
Detweiler, John Henry
Devine, William Henry
Dibble, William Wallace, Jr.
Dickas, John Darrington
Dickinson, Richard Leland
Dickson, Robert Eldon
Diem, Gustav
Diesner, Harvey Howard
Donevant, Jerry Allen
Donovan, Charles Anthony, Jr.
Dowis, James Franklin
Dubs, Theodore Bernard
Dudley, James Clayton
Duncan, Robert William
Eady, Oliver Stephen, III
Earl, Richard Lynn
Epstein, Joseph Lawrence
Erdmann, John Frederick
Erskine, Robin Westwood
Evans, Gordon John
Eve, Edward Armstrong, III
Everts, Robert A.
Fagnant, James Gerard
Farrell, Dudley Obrbin
Farrington, James Leo, Jr.
Ferguson, John Francis
Fiebelkorn, George Albert, Jr.
Fischer, John North, Jr.
Fischl, Joseph Julius
Fitzgerald, George Michael
Flagler, Norris John
Fleming, Myron Thomas, Jr.
Foltz, Larry Eugene
Forsgren, Craig Michael
Forst, Gilbert Lee
Frazier, Paul Herbert
Freeden, Harold Robert
Freese, Donald Ralph
Frein, James Ormand, Jr.
Gagen, Michael Henry
Galusha, David Eugene
Gann, James Warren, Jr.
Gattey, Robert Lloyd
Gibbs, Anthony Wayne
Giberson, Paul Gerard
Goff, William G., Jr.
Good, Joseph Samuel
Graham, Charles Newton, Jr.
Graham, David Kirk
Greer, William Harold, Jr.
Griffin, Gary Lloyd
Guenther, Carl William, II
Gulledge, Hal Ashby
Harada, Kikuo
Hard, Douglas Anton
Harkness, Daniel Hoover, Jr.
Harrington, James Rogers
Hasbrook, Robert Locke, II
Haussmann, Norman Joseph
Hayes, Charles Ribble
Hellawell, G. Alan, Jr.
Hendrix, David Gene
Henkel, James Howard
Henning, Fred Louis, Jr.
Hernandez, Rudy
Hervey, John Calvin, Jr.
Hill, Jerry Wayne
Hoffman, Charles Edward, Jr.
Hollister, Jack David
Hoos, Ernest Lou
Hoy, John Wright
Hughes, Faust Francis, Jr.
Hulett, Charles Ernest
Hunt, Neil Lloyd
Hurley, James Gregory
Illingworth, Fred Harter
Inguanzo, Osvaldo Miguel
Isger, Albert A.
Ishikawa, Donald Harumichi
Jackson, James Anderson
John, Joseph Robert
Johnson, Charles Bernard
Johnson, Charles Peter
Jones, Evan McBride
Jones, Jeffrey Bourke
Jordan, William Frederick
Judge, Charles Vincent, II
Justesen, Norman S., Jr.
Kallemeier, Richard Lester
Kane, Thomas Edward
Karpers, Paul Anthony
Karson, Jack Lane
Kasin, Lynn Richard
Keen, Walter Robert
Kirk, David Quentin
Kirkland, Richard Geoffrey
Kiviranna, Henno
Knott, Harold Addington
Kobor, David Joseph
Kraus, William Lee
Kuhlke, William F., III
Landeck, Albert William
Landgrebe, James Hilbert
Langenbach, Ross Karl
Layton, John Robert
Leahy, Terence Powers
Lederhaas, Joseph
Leeney, John Patrick
Lemoine, William Joseph, Jr.
Lindell, Peter Raymond
Lockard, Robert Enalo
Lockwood, William Howard, Jr.
Loockerman, William Delmer
Luker, Richard Allen
Lynch, Timothy Joseph
Macintyre, Dual Alastair, Jr.
Malec, Vernon Marion
Mallman, Thomas Leonard
Manning, John Charles
Markowitz, Stephen Abel
Marlow, Frank Joseph
Mason, Edward Hopkins
Mawn, Paul Everett
McElroy, Lowell Ross
McGurk, William Joseph
McHugh, Terence Joseph, Jr.
McNair, Martin Bennett
McWhorter, Richard Hicks
Meurn, Robert Jamieson
Mikalson, Leslie H.
Miller, David Lyle
Miller, Harry Edward, Jr.
Miller, James Lewis
Moffitt, William Charles
Monday, Charles Barrett
Monroe, Donald Wayne
Moore, William Allison
Moreus, Richard Warren
Morgan, Ronald Rhys
Morrison, Michael Frank
Moslener, Carl Frederick
Mundis, John Albert
Natter, John Twohey
Nearing, Lloyd
Newton, John Lebaron
Nobriga, Gary James
North, Wayne Kendall
Obrien, Martin John
Obrist, Edward Charles, Jr.
Obusek, Joseph Bernard
O'Connor, Hugh Michael

Owen, Bruce William
Owen, Duncan Edgar
Parker, John Charles
Patterson, Bobby Gene
Patton, William Bradford
Pauze, Philip Clare
Pawlyk, William John
Pederson, Robert Merle
Peoples, Denton Louis
Perez, Andrew, III
Perkins, Richard Allen
Peters, Jeanine Krjllaars
Petersen, Robert Alan
Petri, Charles Hubert, III
Petrj, Martin Kuecker
Phillips, Robert Michael
Pierce, Richard John
Pittman, Galen Wayne
Pollock, Robert Edward
Ponso, Emil John, Jr.
Porzio, Arthur
Ream, James David
Reynolds, Robert William
Rice, Alvin Nichols
Rich, Charles Henry, Jr.
Ritter, Laurence Bruce
Rixse, John Henry, III
Robertson, Charles L., Jr.
Rosenthal, Stephen Andrew
Rossa, Thomas James
Rummele, John Edward
Rytfll, Frank Eugene, Jr.
Sailer, Joseph Robert
Sanders, Thomas Eugene
Sandmann, Robert Edward
Sargent, Ian Howland
Sawyer, Thomas Edwin
Schilling, Gerald Wayne
Schlichting, Roger Emil
Schmidt, Charles Miles, Jr.
Schmieg, George Donald
Scholand, Gerald Walter
Schriver, Walter Jerome
Schuller, David Doyle
Shevlin, Joseph Edward, Jr.
Shugrue, Martin R.
Silverwood, Thomas Eugene
Simer, Murice Marlin
Sipe, Thomas Richard
Smith, Donald Ross
Smith, Marion Jackson
Smith, Robert, III
Smith, Ward Bernitt
Spath, John Paul
Spilios, George Bill
Spradlin, Louis Edward
Staehle, Charles Michael
Stanczak, James Phillip
Stang, Alan Vick
Steele, Robert Alfred
Steele, William Archie
Stevenson, Eugene Davis
Stonelake, Henry T.
Strand, John Albert, III
Strobl, Karl Joseph
Sullivan, Earl Reece
Sullivan, Leroy Lawrence
Sutton, Thomas Lamar
Swanson, Franklin Andrew, Jr.
Swartley, Steven Winslow
Taborn, John Marvin
Tambini, Robert Joseph
Tate, Willie Harold
Teatzner, Arthur Max
Terry, David Frank
Thompson, James J.
Thompson, Kermit Duncan
Thornhill, David Wooster
Thornton, Jack Charles, Jr.
Tidd, James Francis
Todd, Vincent William
Tomlin, Kit Pearson
Toups, James Eugene, Jr.
Valenta, Joseph Richard
Vanderveer, Robert Martin
Vanmale, Nicholas Robinson
Vaughan, Bobby Francis
Vaughan, George Dennis
Verdon, Walter Allen
Volpato, Pietro John
Vrablec, John Josef
Walker, James Emory
Wall, Kenneth Richard
Warner, Terry O.
Wear, Lawrence Eugene, Jr.
Weihrich, John Albert
Weller, Reginald Frank
Whitney, Gary Evertt
Willard, Daniel Sylvester
Williams, Dudley Davis, III
Williamson, William Simpson
Wilson, Robert Lester
Woodbury, Michael Glen
Wyma, Bruce Harris
York, Gary Alvin
Young, Sanford Ney
Zaremba, James William
Ziegler, Gerald Andrew
Zimmerman, Robert Clifford
Zwall, Richard

UNRESTRICTED LINE OFFICER (TAR)

To be captain

Aquilino, Paul Philip
Arnold, Milton Eugene
Bair, Gary
Beal, Norman L.
Casey, Jed Michael
Cosby, James Wesley
Dohner, David Edmund
Donelan, John O.
Ford, Michael D.
Franklin, James A.
Frye, Bruce L.
Hermann, Herbert Ernest
Hetherington, Donald Leroy
Jones, Ross Arthur
Klug, Jack Gilbert
Kreiser, Alfred John
Mansell, Philip L.
McClanahan, Kenneth D.
Moore, Thomas Wier
Nickerson, Guy D.
Novack, Robert Joseph
Shriver, Alan Merle
Sobieray, Edmund Steven
Streets, Richard Reed
Vanausole, Larry R.
Wilson, Joe Hardin
Wood, William Frederick
Yeend, George W., Jr.

ENGINEERING DUTY OFFICER

To be captain

Atkinson, Thomas C., Jr.
Chase, William Raymond
Crawford, Charles William
Ellison, William Theodore
Gilbert, William Clayton
Greene, David Lockwood
Greeneisen, David Paul
Herman, Klemme Lynn
Kuellman, John Victor
Martin, John Walter
Matuasko, Louis Stephen
Seiler, Richard Wayne
Stapf, Michael Joseph
Zumwalt, Crane Edmund

AERONAUTICAL ENGINEERING DUTY OFFICER (AERONAUTICAL ENGINEERING)

To be captain

Drudik, Donald Joseph
Holland, Charles Edward, Jr.

AERONAUTICAL ENGINEERING DUTY OFFICER (AVIATION MAINTENANCE)

To be captain

Brubaker, David Bredt
Harney, Gregory Newton
Landherr, William J., Jr.
McGinnis, Fred MacGregor, Jr.
Wright, Harold Charles

SPECIAL DUTY OFFICER (CRYPTOLOGY)

To be captain

Hale, Kirk Kirmet, Jr.
Musteller, James Wilbur, III
Rand, Kenneth Richard, Jr.
Rice, Kenneth Kemper
Steckel, James Ernest
Sullivan, Albert William
Vanwinkle, Robert Lee

SPECIAL DUTY OFFICER (MERCHANT MARINE)

To be captain

Murphy, Thomas F.

SPECIAL DUTY OFFICER (INTELLIGENCE)

To be captain

Boettcher, Thomas Charles
Boles, John Karl Rich
Booye, Robert James
Boynton, Russell Fred
Brownlee, James Lawton, Jr.
Cardenas, Carlos Guillermo
Drumm, Thomas Francis, Jr.
Eveland, Winsor G., Jr.
Farquhar, James Arthur
Fehrle, Thomas Lee
Fossedal, Donald Elmer
Fry, Larry Lee
Garnish, John Groves
Grabowski, Richard Joseph
Greenwood, Kenneth Lloyd
Hoppert, Frederic Martin
Hughes, Herman Woodrow
Korb, Lawrence Joseph
Kropp, Theron Lamont
Lidstone, Alan John
Lindenauer, Richard Michael
Mendello, Andrew Ralph
Meyer, Harvey Kessler, III
Miklovis, Adam Stanley
Naquin, Christopher W. P.
Newcomb, Joseph Scott
Olney, Frank Julian, Jr.
Parmenter, Lester Leon
Perez, Joseph Manuel
Raichle, Henry Frederick
Rask, Stephen J.
Roberts, Alvin Lorea
Roux, Leo George, Jr.
Sadler, Dudley Chisholm
Schend, Richard Charles
Sheehan, Thomas Patrick, Jr.
Sinclair, Robert Eugene
Sleavin, Frank Richard, Jr.
Smith, Norman Dawsib
Todd, William Everett, Jr.
Vandermyde, Paul Arthur
Vowinkel, Russell Carl
Wiesnet, Donald Richard
Wilson, George W., III
Young, Leonard George

SPECIAL DUTY OFFICER INTELLIGENCE (TAR)

To be captain

McMichael, William S.

SPECIAL DUTY OFFICER (PUBLIC AFFAIRS)

To be captain

Cuccia, Robert Anthony
Hays, Raymond Harmon, Jr.
Johnson, Jerry Allen
Preddy, Raymond Randall
Raskopf, Frederick John, Jr.
Read, Nathaniel Barksdale, Jr.

SPECIAL DUTY OFFICER (GEOPHYSICS)

To be captain

Loomis, Peter Burr, IV

DEPARTMENT OF STATE

Thomas Ostrom Enders, of Connecticut, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain.

Thomas R. Pickering, of New Jersey, a career member of the Senior Foreign Service, class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

CONFIRMATION

Executive nomination confirmed by the Senate July 14, 1983:

THE JUDICIARY

Stephen J. Swift, of California, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office, vice Leo H. Irwin, retired.

EXTENSIONS OF REMARKS

GOVERNOR GRAHAM'S REMARKS AT COMMISSIONING CEREMONIES FOR THE U.S.S. "FLORIDA"

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BENNETT. Mr. Speaker, at this point, I would like to include in the RECORD the remarks of Florida's dynamic and popular Gov. Bob Graham, at the commissioning of the trident submarine U.S.S. *Florida* at Groton, Conn., June 18:

Today is a day of pride for all Floridians, as our State's namesake once again joins the fleet that forms the first line of defense for liberty.

Not since 1931, when the battleship U.S.S. *Florida* was decommissioned, has our State been recognized in this significant manner. We are proud of, and grateful for, this designation.

This ceremony today is an historic echo of the "brilliant and impressive" ceremonies in Pensacola, Fla., back on December 18 in the year 1911, when Gov. Albert Waller Gilchrist and his military staff reviewed a parade of more than 1,000 marines and sailors in San Carlos Square, as the battleship *Florida* was commissioned.

Governor Gilchrist expressed the sense of pride and excitement of all Floridians on that magnificent afternoon, as he said with only slight exaggeration:

"To us, the U.S.S. *Florida* is the greatest, largest most powerful ship in all the world. Through the power of her guns, her machinery, her incomparable workmanship and through the intelligence and courage of her officers and men," he said, "our namesake vessel would carry thoughout the world not only the message of our military might, but also the reality of our peacetime technological achievements."

As Governor Gilchrist concluded on that day, "It is . . . highly appropraite for the State whose products contribute so much pleasure and so much joy, and so much comfort to all the people of the Nation, and whose population is more national than that of any other State, should have its name borne by one of our greatest ships . . ."

Our sense of self-confidence as a State has not diminished since the days of Governor Gilchrist's modest self-assessment. Nor has our sense of pride in being part of the Navy's vital role in the tumult of the modern world.

Like the five naval vessels that have gone before it, the new submarine bearing our State's name has a dual mission.

The U.S.S. *Florida* serves both as a tool for making war, and as a reason for keeping the peace.

Like the battleship U.S.S. *Florida* that helped to end the First World War, and like the sidewheel steamer that bolstered the Federal blockade during the Civil War, this nuclear submarine will serve as an ultimate instrument of Foreign policy.

But, like the first U.S.S. *Florida*, a sailing vessel which helped to map the southern coast, this submarine also will serve a peacetime role.

This impressive submarine will travel the world, serving as an ambassador for America, as well as for Florida. In every port it visits, this submarine serves notice to the world: America wants peace, and America is strong. Strong in technology, strong in resolve, and strong in the security our military provides.

The commissioning of the U.S.S. *Florida* underlines our will to compete in the world, and our resolve to win. A strong America needs a strong military, and a strong military needs a strong navy.

Since the time of the Phoenicians, the presence of a strong naval fleet has made a statement of national resolve and power. Seapower is as important in a nuclear age as it was in the days of sail and oar, and our Navy today deserves our support as firmly as at any time in our history.

We, as Floridians, have a special understanding of the sea, and the requirements of seapower, by reason of sheer geography. We have 8,426 miles of coastline, on both the Atlantic Ocean and the Gulf of Mexico. German submarines prowled our coasts in the Second World War. Our maritime history dates almost to the time of Columbus.

So it is especially fitting for our State's name to join the roster of submarines of the line of the U.S. Navy.

Florida and Floridians are proud today, proud once again to be a part of our Nation's first line of defense. And proud that our State's name again is boldly emblazoned on a ship whose technology is state of the art, and whose mission is vital to the preservation and extension of the benefits of democracy and justice.

I'm aware that the submarine service demands many sacrifices from its sailors. Quarters are cramped, cruises can be long and arduous, and I understand the coffee will eat through stainless steel.

But there's another special burden that all of us in the Sunshine State can empathize with particularly, and that's sunshine deprivation. When you're out trying to break a record for the longest submerged run under the polar icepack, remember us on the sunny beaches of Florida.

As Governor, I want to extend a special warm, and personal, invitation to every member of the crew of our namesake vessel to visit us when you return.

And to the Navy, I officially offer the hospitality of all of our ports, from Pensacola to Key West to Mayport. Our citizens welcome you, We're proud to be a part of this historic day, and proud to be back in the Navy.●

TAX CUT

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GINGRICH. Mr. Speaker, because the liberals have been unable to take away the third year of the tax cut, we should pause to reflect to see what it really means.

An editorial in the Atlanta Journal shows that this tax cut became a real tax cut with the third year on July 1. The tax cut encourages savings and investment which creates more jobs than any Government program could.

As this editorial points out, people now have more of their own money to spend, which means higher savings. Consumer spending will also increase, and economic growth is certain to continue at even higher rates. As long as taxes stay low and inflation is under control, the recovery will continue.

The editorial follows:

[From the Atlanta Journal, June 29, 1983]

TAX CUT SHOULD BE A TOOL FOR RECOVERY AND SAVINGS

Advocates of supply-side economic theory have maintained that cuts in marginal income tax rates encourage savings and help spur spending and the economy.

Critics of the 25 percent tax cut now being completed have argued that the cuts did neither in the first two rounds and that savings is unlikely to increase as a result of the 10 percent phase going into effect Friday.

The truth is this case lies squarely in the middle, but the best evidence rests on the supply side.

After last year's tax cut, the nation's savings rate increased—albeit slightly—perhaps because of fear of the recession, but surely in part because of more disposable income.

The experts say the increased cash going home in paychecks in the coming weeks is more likely to be spent than saved. In the current economy that is not a negative.

Interest rates the previous two years were too high for prudent purchasing or business expansion. They are still high, but in the zone of reason. There is also that old standby at work—pent-up consumer demand.

To those who decry the tax cuts as harmful to the savings rate and the budget deficits we think it's worth pointing out that the cuts will help spur the recovery. Automobile and home sales are spurting. Consumer products are following. Savings can and will come later.

It is also worth pointing out that the coming 10 percent tax cut is the first net cut that affects most Americans. The first two stages of the tax cut were cancelled out by increased Social Security taxes and bracket creep.

The psychology of savings and investment requires that wage-earners believe saving

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

means a gain for them. Through years of double-digit inflation, higher taxes and bracket creep, there were few incentives. With inflation under control and a steady recovery in sight, the nation's savings rate should increase steadily.

As Rep. Newt Gingrich (R-Ga.) pointed out recently, the last period of sustained economic growth for the United States was in the 1960s when taxes amounted to 18 percent of the gross national product. Before President Reagan took office, the tax burden amounted to 20 percent of GNP.

If Congress sticks to the tax cut and the indexing of tax brackets, the tax burden will drop to 19 percent. The drop in taxes and the recovery of the economy seem related.

If the nation's savings rate is to increase, wage-earners must feel certain that inflation is under control and that higher taxes are not likely to nick away at their take-home pay.●

ADDITIONAL COSPONSORS OF H.R. 1904, THE CHILD ABUSE PREVENTION AND TREATMENT AND ADOPTION OPPORTUNITIES ACT

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MURPHY. Mr. Speaker, several of my colleagues have requested that their names be placed as cosponsors of this year's reauthorization legislation for the child abuse prevention program, H.R. 1904. Unfortunately, H.R. 1904 was reported out of the full committee on Education and Labor in early May, thus prohibiting additional cosponsors according to House rules. Therefore, I would like to announce that the following Members of Congress have requested that their names be placed as cosponsors of H.R. 1904, and would have been added to the list of cosponsors if the bill had not already been reported out of committee: Mr. MOLLOHAN, Mr. SILJANDER, Mr. ENGLISH, Mr. BURTON of Indiana, Mr. HERTEL of Michigan, Mr. MCCOLLUM, and Mr. WORTLEY.●

CREDIT CARD FRAUD LEGISLATION

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. HUGHES. Mr. Speaker, today I am introducing a bill to amend title 18 of the United States Code to provide criminal penalties for counterfeiting of access devices and other computer assisted crimes. In this unsettled era where everything appears to be changing far more rapidly than our institutions can cope with them, there is presently a strong trend for our personal and commercial transactions to be cashless.

I am sure that it is not surprising to most of us that currency and even checks are becoming a diminishing part of our everyday life. Instead we now are increasingly becoming dependent on numerous credit cards and other plastic devices, all of which eventually involve use of computers and other electronic devices which also are subject to criminal attack. For example, a preliminary perusal of new data indicates that there are some 73 million legitimate credit cards lost or stolen each year and that some 10 percent of these (or 20,000 a day) are fraudulently used. There are also indications of a growing problem in counterfeit credit cards and unauthorized use of account numbers or access codes to banking system accounts called debit instruments. Financial institutions claim that they lost $128 million from bank card fraud in 1982 which was an increase of 35 percent over 1981 losses. They further estimate that $40 million of this figure was just from counterfeit credit cards which was a 500-percent increase since 1980. There are also indications that thieves are becoming increasingly sophisticated and in fact are stealing account numbers and using them without even getting physical control of the cards themselves. There are two major pieces of Federal legislation in this area, both in title 15 of the United States Code; 15 U.S.C. 1644, part of the Truth in Lending Act, generally deals with fraudulent use of credit cards affecting interstate or foreign commerce and prohibits use, transporting, selling, receipt of goods from such transactions, receipt of tickets, and fraudulent furnishing of money to people with counterfeit, stolen or lost credit cards. This legislation does not cover the actual counterfeiting of the cards and there is some question whether it covers the stealing and use of the account numbers.

Part of the Electronic Funds Transfer Act, 15 U.S.C. 1693, covers transactions involving debit instruments which affect interstate or foreign commerce in a similar fashion as section 1644. Debit instruments include a card, code or other device other than a check, draft or other proper instrument which may initiate an electronic fund transfer. It also does not cover counterfeiting.

Both of these statutes use a jurisdictional amount of $1,000 for activity in each instrument but there are indications that organized groups generally stay just under this amount but use many different counterfeit or stolen cards or debit instruments to avoid Federal jurisdiction.

The distinguished chairman of the Subcommittee on Consumer Affairs and Coinage of the Committee on Banking, Finance and Urban Affairs, Mr. ANNUNZIO, has introduced H.R. 2885 to close some of these gaps and I commend him for it. Mr. ANNUNZIO's bill would restrict disclosure of access device numbers and would amend section 1644 to substitute "access device" for "credit cards" and in this fashion include "debit instruments," codes, etc. His bill also adds a possession clause ("ten or more counterfeit, fictitious, altered, forged, lost, stolen or fraudulently obtained access devices.")

Mr. FISH, the ranking minority member of the Committee on the Judiciary, has introduced H.R. 3181 (of which I am a cosponsor), to complement this bill by adding, in essence, counterfeiting of these instruments (called payment devices in his bill) as a new violation of title 18.

The bill I am introducing today will also cover counterfeiting in a somewhat different fashion and expands the scope of this complementary legislation to other computer assisted crimes. Anyone with views on this legislation should communicate directly with the Subcommittee on Crime, Committee on the Judiciary, 207 Cannon House Office Building, Washington, D.C. 20515 or telephone (202) 225-1695.●

THE PEACE ACADEMY PROPOSAL

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. PAUL. Mr. Speaker, the proposal for the establishment of a taxpayer-funded U.S. Academy of Peace and Conflict Resolution is based on unfounded hopes that a so-called science of conflict resolution exists which makes the use of force obsolete.

I certainly desire peace, and I am sure that all of my colleagues do, too. Yet, I perceive that much of the support for the Academy is generated by feelings of guilt over the level of defense spending. The cost of the Peace Academy is constantly being compared to defense expenditures. This comparison, however, fails to consider that there is a constitutional justification in providing for the national defense, while none exists for the creation of a peace academy. In the face of staggering budget deficits, we cannot continue to fund every seemingly nice program.

I am not opposed to the study of conflict resolution. But, in the name of fiscal responsibility and academic freedom, the peace academy should be privately funded, if it is funded at all.

I am not convinced that the study of conflict resolution has advanced far enough to be considerd a separate academic discipline. Yet, even if there is a bona fide academic discipline of conflict resolution, it should compete freely in the marketplace of ideas with

the traditional studies of diplomacy, history, politics, et cetera. For the Federal Government to evaluate one specific approach to the study of conflict to official status would be to trample academic freedom underfoot.

A vote against H.R. 1249 is a vote in favor of academic freedom. The study of peace and conflict resolution should be left in private hands where it will prosper if fruitful or succumb to other studies if it yields no definitive results.

The late John Ashbrook was a paragon of sound judgment and good sense. He served on the commission which studied the peace academy proposal extensively. His "Dissenting Views," from the commission report are absolutely essential reading. I highly commend his cogent analysis, which is printed below.

[From: To Establish the U.S. Academy of Peace: Report of the Commission, 1981]

DISSENTING VIEWS OF COMMISSIONER JOHN ASHBROOK

Peace is like health in the limited sense that everyone is for it. If "peace learning" (to use the Commission majority's phrase) were like health learning, the case for a new Federal agency analogous to the National Institutes of Health would be persuasive. But it is not.

There is no consensus among scholars, even among those who support the concept of a Federal Peace Academy, on whether peace research is now or even will be a coherent and rigorous academic discipline. Professor Kenneth Boulding wrote in 1978 that the field is still in the first phase of a new discipline: it has a bibliography, and you can give an examination in it. In the second phase, according to Professor Boulding, "the intellectual ferment has produced a moderately homogenous brew which can be summarized in a textbook. The conflict and peace studies discipline . . . has not yet reached this stage, but I would expect it to do so in the next ten years."

The Commission majority makes no such prediction, but it argues:

". . . that peace studies is a distinct and definable field of learning for three reasons: it has a literature, courses of study, and professional organizations; it has well-defined assumptions and definitions, and a variety of research methodologies; and it has a strong applied component in the practice of conflict intervention."

By those standards, "health" has been a distinct field of learning for most of the last millenium, including the centuries when the average encounter between the average doctor and the average patient was as likely to shorten the later's life as to lengthen it. So are astrology, Lysenkoism, and Keynesian economics.

But an academic field which wants to have an official government agency of its very own should be held to higher standards. It should demonstrate the kind of conceptual solidity and compelling explanatory power which irresistibly command the attention and transform the thinking habits of scholars in related or competing fields. It should prove beyond reasonable doubt that it is more than a passing fad.

Peace learning has not yet done this. It may never do so. But some 80 colleges and universities currently have departments of peace studies or conflict resolution; we do not need a new Federal agency to give peace studies a chance.

The Commission's staff has mentioned its concern that an official Peace Academy might be "too close to the government to ask the hard questions such an institution should ask." The Commission majority apparently believes that it is possible to solve this problem, but I do not. By its very nature it is impossible to solve.

Peace is inseparable from justice, and justice is inseparable from morality. Sometimes it is impossible to secure justice without conflict, and that means that some conflicts are desirable. The best outcome for some conflicts is not compromise or arbitration, but a clearcut victory for the side that deserves to win.

Unless a Peace Academy confines itself to trivia, it will have to make judgments about which conflicts are desirable, which not. Such judgments are inescapably value-laden; as the Commission majority observes, "questions of ethics and values are central, not peripheral, to peace inquiries." But the formulation of values is not a proper activity for a government agency. Government-formulated values are almost always warped values: bent by the pressures of special interests and ideologues.

What would those pressures be? As a practical matter, the danger of an official Peace Academy's being unduly influenced by the selfish interests of, say, the Joint Chiefs of Staff is rather small. Given the ideological predilections of most "peace studies" professionals, it is more likely that the Academy would become a sounding board for the antinationalist, accommodationist views which are increasingly unpopular among American taxpayers. (The Commission proposal increases this danger by allowing the Academy, to receive and spend funds from private organizations.) But the dilemma is unavoidable: if a government Peace Academy exists, it will either force citizens to subsidize the promotion of beliefs they disagree with, or allow research decisions to be swayed by popular pressures. The only way out of this dilemma is to leave the frontiers of controversial research in the private sector, which is where they belong in a free society.

Judging by the Commission's hearing record, most proponents of an official Peace Academy seem to believe that the United States should have a government agency which views the world, not from the perspective of American values and interests, but with the sort of pseduo-cosmopolitan outlook that prevails at places like the United Nations. Embedded in this outlook are a number of tacit premises:

"Ideologies, except for so-called 'colonialism,' are mostly benign or unimportant. In any case, ideology can be defused by neutral expertise.

"The chief barrier to worldwide progress is Western arrogance and selfishness.

"Nationalism" is a bad thing, except in the Third World.

"Power politics is inherently immoral, at least when used by the West.

"It is more important to 'resolve' conflicts than to win them, except for selected conflicts in places like southern Africa.

"There is no irreconcilable conflict of values between the United States and the Soviet Union."

So much for some of their major premises.

The type of thinking which is based on these premises has been with us for a long time. It was stated as ably as it can be by Zbigniew Brzezinski, who wrote in 1970 that "Today the old framework of international politics . . . with their spheres of influences, military alliances between nation-states, the fiction of sovereignty, doctrinal conflicts arising from 19th-century crisis is clearly no longer compatible with reality." For the last four years, this view was the dominant one in our foreign policy. The results are plain for all to see.

In March 1980, the staff of this Commission produced a "Design Paper" which allows further insight into the pro-Peace Academy philosophy. On page 6 of this document, the writers state that "when conflict resolution or conflict management is taken to mean pacification, delay, placation . . . of the status quo, justice is not served and often more violence is apt to occur." With all due respect to my fellow Commissioners and to our staff, I must say that this statement is pure malarkey. It refects a naive view of historical change, which is all too common among modern liberals confronted by revolutionaries who believe in dialectical materialism.

In the real world, the status quo is often the least violent, least unjust choice available—as it was in Indochina, Ethiopia, and Iran. There is often a lot to be said for "delay," especially when the changes being delayed are nasty, and difficult to reverse.

On page 7 of this document there appears another passage worth pausing to consider. The writers opine that:

"Inflation, unemployment, and the limits of resources, combined with poverty, racial discrimination, the problems of social services delivery, equal educational opportunity, consumer and environmental protection, and prison conditions are among the conditions which have resulted in an increase in the number of conflicts to almost unmanageable proportions. The degree to which society deals with such disputes in creative, just, and direct ways may affect future levels of social violence."

The fascinating thing about this passage is the way it manages to be both selective and expansive at the same time. Why do the writers not include on their list of "conditions" such items as high taxes, zero-growth economics, regulatory strangulation, street crime, pornography, race/sex quotas, and forced busing? Why do they include only those problems which are thought by some (usually the liberals) to require more Federal activism rather than less? The list's selectivity pinpoints one of the fundamental problems with any government research academy: it will not bite the hand that feeds it.

On the other hand, why do the writers lump together so many different kinds of disagreements which one human being might have with another? There is no particularly good reason to do so unless one believes that conflict is unnatural to the human condition and can be banished through some exotic new blend of therapeutic and managerial techniques. Since this belief is totally founded on hope rather than experience, each of us is free to accept or reject it. I reject it.

The most frequent argument I have heard in favor of an official Peace Academy is also the most exasperating. It goes like this: the government spends a lot of money on the military, but relatively little on peace. If we really care about peace, we should give it a bigger share of the Federal budget.

Aside from the fact that this argument implicitly denies that our military spending is at least intended to help keep the peace, it reflects a fundamental misunderstanding as to who "we" are. "We," the American

people, are not identical to the national government. We pursue many important and diverse goals through means other than Federal programs; in some areas, like education, we have learned the hard way that Federal programs do more to strangle than to promote creativity and progress.

If dollars are the measure, consider that in 1978 Americans spent more than $377 billion in international trade and tourism: three times the size of that year's defense budget. Most of that sum represented "spending for peace," and it was spent a lot more efficiently than it would have been under any conceivable government program.

If Peace Academy proponents really believe that the Federal government should have a monopoly on peace—or should stop having a monopoly on war—they should say so. If not, they should drop this whole line of argument. I am glad to see that the majority report does not use this argument; I wish it had explicitly repudiated it.

While I would be known as a hawk, not a dove in the modern concept of those terms, peace and pursuit of peaceful goals would be uppermost in my conscience. We all want peace. Americans have no apologies to make for our 200 year history when compared to any other nation in history. Most of us follow the thesis set out by John Adams who said something to the effect that he studied war so his sons could study politics and so his grandsons could study poetry and the classics.

The Commission majority has tried to anchor its proposal in the American heritage by citing numerous proposals, from the 1790's to the present, for an official "peace office" or "department of peace" in the Federal bureaucracy. (The 1783 quotation from George Washington is grotesquely distorted: Washington was actually recommending a peacetime militia, not a peace agency in the sense conveyed by the majority report.) All these proposals have had one striking element in common: they have always been rejected, no matter what faction or party was in power. Benjamin Banneker's 1792 essay actually lamented that neither the victorious Federalist nor the anti-Federalist opposition seemed interested in the idea. Despite frequent repetition, the proposal has never been accepted by the mainstream of American political thinking.

A common thread seemed to go through the thinking of most of the individuals and groups who favor this Peace Academy. Indeed, one of the phenomena of this postwar era has been the fear that liberals seem to have about American power. I have no fear of American power because it is my sincere belief that it will continue to be exercised for good. History shows that power has always existed and someone has always had it—like it or not. There are no vacuums and with modern technology we will no longer have the safety margin of time and distance.

The only question we really have to ask ourselves is whether it is better for us to continue to possess the power to be the leader in the world to use it for principles which we clearly espouse or to relinquish that power to other forces who surely would not use it for the lofty goals and ideals which have been the American dream and the American reality. There is a guilt feeling among many Americans of the liberal persuasion who think we are too strong, too rich, too powerful. Some even argue, therefore, too dangerous to world peace. I cannot agree with them. The real dangers to world peace come from other quarters.

I cannot agree that Congress should embark on the Peace Academy route envisioned by my fellow commissioners. Years ago it became apparent to me that we should have some Freedom Academy, a place where Americanism can be taught and courses on communism made available to teachers, scholars, and other interested citizens, I would favor that before we embark on the course cited in this report. Even in a Freedom Academy, I would have difficulty in advocating the model set out by my fellow commissioners. I just can't trust Federal prime responsibility for such a venture, whether it be in the climate of a Carter or a Reagan administration.

If Congress should be so foolish as to create a Federal Peace Academy and even if it became a forum wherein its one foreign policy philosophy were identical to my own, I still would not welcome any such official favoritism. But more likely, the Peace Academy would soon become a haven for our Andrew Youngs, Ramsey Clarks, and others who believe that the way to make peace with the assorted ayatollahs and other titled bandits of today's world is to grovel.

The irony is that this "new" idea has already had its chance, has already been thoroughly tested and explored. For the last four years, an official Federal agency was dedicated to this very philosophy and embarked on this very experiment: the White House.●

BARTER FOR STRATEGIC MATERIALS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BENNETT. Mr. Speaker, Mr. Chairman, since the Strategic and Critical Materials Stock Piling Act was enacted in 1979 a whole series of administrative decisions, rules, and regulations have gradually developed which has precluded effective management of the stockpile.

With unanimous consent and cosponsorship by the Subcommittee on Seapower and Strategic and Critical Materials of the House Armed Services Committee, I am today introducing a bill that incorporates a series of amendments to the Strategic and Critical Materials Stock Piling Act, Public Law 96-41, dated July 30, 1979. These amendments have been designed to give the stockpile manager more flexibility in increasing the quantities of materials in the stockpile and to upgrade the quality of materials in the stockpile. This has become particularly necessary during this time of severe budgetary constraint which precludes the appropriation of necessary funds to meet goals for the National Defense Stockpile. At the current rate of appropriations it would take decades to meet these goals. It is, therefore, the opinion of the Seapower and Strategic and Critical Materials Subcommittee that these amendments are necessary to meet the urgent needs of the stockpile.

The amendments would authorize the stockpile manager to barter excess Government material and excess defense industrial property for materials needed for the stockpile when in the national interest. It would authorize the use of barter in the acquisition of materials for the stockpile as well as barter for disposal of material from the stockpile. It would authorize such barter transactions to be carried out through bilateral, multilateral, or open-end contracts, and whenever practicable, through the services of traders, brokers, and dealers in the private sector in order to secure the most favorable terms for the United States to meet the goals of the stockpile. It would authorize the exchange of raw ores and inferior grade materials now in the stockpile at fair market value for specification grade material needed for the stockpile by allowing the stockpile manager to either pay for the upgrading services or by contracting for upgrading services and allowing the provider of such services to retain a portion—or toll—of such material as payment for the services provided.

Large quantities of surplus strategic materials are being sold as scrap by the Department of Defense and other Government agencies at a fraction of the cost to purchase these same materials for the stockpile. It makes good business sense for the United States to upgrade and transfer these materials directly to the stockpile.

The bill would establish an interagency Barter Coordination Council in the Executive Office of the President to promote and expedite the barter of surplus materials and property of the United States for strategic and critical materials needed for the stockpile, and to establish procedures to systematically identify opportunities for barter, including a process to regularly solicit, evaluate, and respond to barter proposals from private industry and foreign suppliers for acquisition or disposal of stockpile materials.

I hope my colleagues who are interested in a strong national defense will support this legislation.●

A TRIBUTE TO JOSEPH HYDRUSKO, A NATIONAL HERO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LENT. Mr. Speaker, it is my sad duty to inform the Members of this House of the passing of one of our national heroes, a constituent of my Fourth Congressional District, Mr. Joseph S. Hydrusko, of Massapequa, N.Y.

Mr. Hydrusko, 63, died yesterday, July 13, 1983, of burns suffered when his plane caught fire and exploded.

Throughout his 63 years of life, Joseph Hydrusko exemplified the dedication and devotion to country of patriotic citizenship. His activities in civic, government and community affairs were always directed toward one supreme goal—the best interests of our country. Joseph Hydrusko was deeply patriotic, and his interests always were to encourage patriotism and support of America among all with whom he came in contact.

Joseph Hydrusko displayed his loyalty to America early in life, enlisting in the U.S. Naval Reserve in September, 1939. In April of 1941, his unit was ordered to active duty, and in December 1941, Joseph Hydrusko, seaman first class, was stationed at Pearl Harbor, Hawaii, aboard a hospital ship, the U.S.S. *Solace*. Little did he, or anyone else aboard the ship know how soon they would be at war.

At 7:30 a.m. on the morning of December 7, 1941, Seaman First Class Hydrusko had assembled a crew to do some service work aboard the ship, at anchor in the harbor. A half-hour later, Hydrusko and his crew were startled by the sight of planes diving down and dropping bombs on the anchored fleet and on shore installations. As the first explosions filled the sky with fire and heavy black smoke, Seaman First Class Hydrusko personally requested and received permission from the ship's captain to take command of a motor launch for rescue missions.

Mr. Speaker, only those who were at Pearl Harbor and experienced the terrible shock of the attack, and the horrifying scenes of death and destruction that followed can appreciate fully the tremendous courage and coolness under fire displayed by S1c. Hydrusko in the ensuing hours.

As the bombs continued to fall, turning battleships into fountains of flame and smoke, Hydrusko directed his motor launch to move alongside the stricken battleship *Oklahoma*, which had capsized, trapping about 500 men below deck. Picking up three sailors from the water, Hydrusko's launch then moved alongside the battleship *Nevada* and rescued several score of the survivors, many suffering from severe wounds or burns.

After taking the first load of survivors to his hospital ship, S1c. Hydrusko continued to direct his motor launch on rescue missions to other parts of "battleship row" where the Pacific Fleet was anchored. In less than 2 hours after the first bombs fell, Hydrusko and his crew made five trips between the ruined battleships and his hospital ship, bringing back more than 250 sailors. In his sixth mission, Hydrusko came alongside the capsized *Oklahoma* again, and boarded the aft section of the big ship. He heard sailors trapped inside the capsized hull tapping out the SOS signal in code. With the help of a navy yard repair crewman, Julio de Castro, Hydrusko managed to cut a hole in the exposed side of the *Oklahoma*. The two crawled inside the hull and for the next 40 hours helped sailors trapped in compartments and bulkheads to safety, until all who could be reached were brought out.

There was constant danger of explosion or fire in that ruined battleship. But S1c. Hydrusko ignored that danger and made repeated trips into the interior of the battleship until certain that all who could be removed were led to freedom.

Mr. Speaker, I believe the heroic actions of S1c. Joseph Hydrusko merit the Congressional Medal of Honor, and have petitioned the U.S. Navy to make that award. At this time, the Navy has my request under consideration. I hope the decision will be favorable. But, whatever the outcome, nothing can diminish the heroism Joseph Hydrusko displayed in those terrible hours of death and destruction.

Mr. Speaker, it is more than 40 years since those events occurred at Pearl Harbor. During the ensuing decades, Joseph Hydrusko continued to demonstrate at every possibility his devotion to our country. Always active in the veterans organizations to which he belonged, he also took a keen interest in government matters, especially those dealing with defense of our country. After learning to fly late in life, Hydrusko established a tradition which captured the imagination and stirred the patriotism of New Yorkers. For the past 13 years on December 7, the anniversary of the Pearl Harbor attack, Joseph Hydrusko has piloted his plane over the Statue of Liberty in New York Harbor, and dropped roses in memory of those who died at Pearl Harbor.

A most successful businessman, Hydrusko and his wife Helen operated a very popular restaurant in Massapequa for 22 years.

Mr. Speaker, Joseph Hydrusko has left his mark in the history of our country. As a war hero, his name always will be honored. But those of us who were privileged to enjoy Joe's friendship will always remember him best for his warm, outgoing personality, and his friendly pat on the back.

He will be sorely missed by all who knew him. I know that my colleagues here will join me in offering our condolences to his lovely wife Helen and to his brothers and sister.●

SPEAKER TIP O'NEILL SPINNING TAX WHEELS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GINGRICH. Mr. Speaker, because the liberals were unable to sabotage President Reagan's tax cut, it is important to note who really benefits from the tax cut.

An article by Nick Poulos in the June 26 Atlanta Constitution drives home the point that the tax cut was one for the middle class. Fighting against the tax cut, TIP O'NEILL wanted to appear as a champion of the poor. He wanted us to think that Reagan's tax policy only helps the rich. But indeed, the rich pay more than their share of taxes, and the tax cut helps all Americans.

TIP O'NEILL escapes the issue of tax reform through empty rhetoric about helping the poor. Neither he nor any other liberal Democrat addresses the real issue of tax reform, that is, creating a system which is fair to all. Behind TIP's empty rhetoric, we find the same old liberal tonic of tax and spend, tax and spend.

[From the Atlanta Constitution, June 26, 1983]

SPEAKER TIP O'NEILL SPINNING TAX WHEELS

(By Nick Poulos)

House Speaker Tip O'Neill reminds one of the little boy who keeps spitting into the wind, hoping he'll prevail against the odds.

O'Neill has been spending an inordinate amount of his time trying to get a dollar limit imposed on the 10 percent cut in income taxes scheduled to go into effect Friday.

The House last Thursday approved O'Neill's measure which would alter tax brackets in the middle- and upper-income ranges so that the tax cut won't amount to more than about $700 for any taxpayer.

The Senate isn't likely to embrace O'Neill's measure; but even if it did, President Reagan has vowed to veto the legislation.

The savings that would be effected by such a tax cut limitation would amount to only several billion dollars, hardly making a dent in the budget deficit.

So it can be assumed that O'Neill's motivation in this regard is political, that he feels he can capitalize on his effort to demonstrate to the poor that he is still their champion as he excoriates the more affluent members of society for benefitting from tax cuts.

O'Neill keeps insisting that the "burden of Reaganomics should be shared by those in the upper-income groups as well." In point of fact, the upper-income taxpayers do carry their share of the load—and more.

TREASURY REPORT CITED

Citing a Treasury Department report, Charles J. Nicolosi, first vice president of Dean Witter Reynolds Inc., notes that the top 50 percent of taxpayers account for about 90 percent of total personal taxes paid to the government.

In contrast, the working poor and lower middle-income taxpayers account for only 7 percent of total tax revenues.

"For as long as I can remember, I've never seen or heard of a poor person creating a single job," Nicolosi observes.

"On the other hand, I can recall hundreds upon hundreds of people who begged, borrowed or earned money with which to start up a business, that to grow and be successful compelled the founder to hire people to help him.

"We should be thankful we're a nation of many rich people, else we'd be unable to feed the poor, harbor the homeless, school our kids, defend our land, build our roads, move our sewage, transport our water, and provide the money to pay Tip's and his staff's salaries, fringes and perks.

"Without those horrible affluent folks, he'd never have been able to take a 'fact-finding' trip halfway around the world with his wife and 12 of his staff about a year ago. Doesn't it follow that those who pay the lion's share of Uncle Sam's tax collections should be no less benefitted by tax cuts?"

Some of O'Neill's fellow Democrats feel that the speaker's tax-cut limitation campaign may boomerang, that Reagan may be the one who capitalizes instead as he draws support from the more affluent voters.

COMPLICATES THE EFFORT

All the flak surrounding O'Neill's tax-cut limitation measure simply complicates the effort to effect a meaningful reduction in the budget deficits to aid the economy, which is still plagued by high interest rates.

Economists Allen Sinai and Peter Rathjens of Data Resources Inc., a consulting firm based in Lexington, Mass., assert in a report that a sustained $100 billion reduction in the deficit would result in an immediate 2 percentage-point drop in long-term interest rates and a 4 to 5 point decline in short-term rates.

The deficit reductions, the economists note, could be produced by a $50 billion cut in government spending and a $50 billion tax increase.

A tighter fiscal policy, coupled with an easier monetary policy, would result in permanently lower interest rates, permanently higher housing starts and auto sales, a permanently higher rate of capital spending, higher real gross national product, little change in the rate of inflation, and a substantially reduced federal budget deficit.●

H.R. 1510

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. DREIER of California. Mr. Speaker, immigration reform is a constant concern of my constituents. As southern Californians, we have a huge stake in the immigration reform debate. I am reminded of this fact with every trip I make home to my district, and by the hundreds of letters that arrive in my office each week.

My constituents are deeply concerned about H.R. 1510. They worry about what a lenient immigration policy—or no new policy at all—will do to the quality of life in southern California. Most of all, they are concerned that their voices will not be heard in the national debate over the bill.

For this reason, I asked all those in the 33d District who have written on immigration reform to react to H.R. 1510, as it was drafted by the House Judiciary Committee.

This survey will be an important personal guide when the debate on H.R. 1510 finally takes place. I think my colleagues will find it of interest as well and submit the following information for the RECORD:

(1) On the January 1982 amnesty date set by the House Judiciary Committee: 79 percent were opposed to this or any form of amnesty; 21 percent support the 1982 date or a later date.

(2) Regarding employer sanctions: 78 percent felt that sanctions against employers who hire aliens should be increased; 22 percent felt that they should be decreased or eliminated.

(3) On limits to legal immigration: 75 percent thought that legal immigration should be sharply curtailed until our immigration policy is put in order; 25 percent felt that current limits were adequate.

(4) On final passage: 90 percent were opposed to the bill in its present form; 10 percent supported it.●

CUBA AND THE TRUTH

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SMITH of Florida. Mr. Speaker, I want to bring to the attention of my colleagues two articles of great interest on the United States and Cuba. I believe that these articles are particularly important in light of the Radio Marti bill that the House soon will consider.

Dr. Norman Luxenburg, professor at the University of Iowa, points out that the lack of information about Cuba is not limited to the people of Cuba. A serious effort by scholars and journalists is needed to bring the Cuban reality to the attention of the American people also. In his second article, Dr. Luxenburg makes the point that we have to be aware of the historical record. He says, "The United States should not seek hostilities with any nation. However, there should be no rewards for those nations that avail themselves of every opportunity to attack U.S. policies and undermine American diplomatic efforts. Castro Cuba is no friend of the United States * * *"

For the benefit of my colleagues, these two articles follow.

[From Iowa City (Iowa) Press Citizen, Sept. 29, 1982]

U.S. ALSO NEEDS FACTS ON CUBA: AMERICANS, AS WELL AS CUBANS, NEED TO BE SET STRAIGHT

(By Dr. Norman Luxenburg)

Proponents of the creation of Radio Marti, which would be a semi-independent radio station broadcasting news about Cuba to the inhabitants of that island, argue that Castro presents distorted information to his people.

And they are right. The Cuban people receive from their government little accurate news about their country.

If we are concerned about disseminating the truth about Cuba, though, we should not neglect the home front. Scholars specializing in Cuba have a duty to challenge information circulating in the West. For the Western media frequently puts forward inaccuracies concerning the past and present state of affairs of Cuba.

For example, there is a tendency, assiduously furthered by Castro and his supporters, to assume that prior to Castro's accession to power in 1959 Cuba was a static, third-World nation, coming more and more under the control of large U.S. monopolies which were draining the wealth of the nation.

Again and again reports on Cuba imply that pre-Castro Cuba was a typical, underdeveloped Caribbean nation.

Thus, a columnist writing on the front page of the Wall Street Journal of last Nov. 16 stated "The average Cuban lives very well these days by Third World standards." the writer went on to say that this fact has made Castro popular with the Cuban people, who are quite ready to forego political liberties because of the material benefits that have accrued to them.

However, pre-Castro Cuba was most definitely not a typical Third World nation in the commonly accepted sense. Neither was it a typical Caribbean nation. By whatever measure used, whether it is the per capita gross national product, the number of students per capita, the number of physicians per capita, the infant mortality rate, the number of television sets, phones, cars, etc., Cuba in the late 1950s was far ahead of any other nation in the Caribbean and any nation in the Third World.

Factual errors in reports about Cuba abound, apparently because many persons accept without checking further the statistics given them by questionable sources. Thus, the article already mentioned states "The average life expectancy (under Castro) has risen from 58 . . ." In actuality, life expectancy in pre-Castro Cuba was 62, not 58. Cuba's 62 compares with 55 in Latin America as a whole and with an expectancy of about 45 in a number of the Caribbean states. (Source: "U.N. World Population Trends and Policies," 1977 Vol. 1, Table 75.)

It is not merely the popular journals that makes such errors. In 1977 a U.S. House committee, headed by Rep. Jonathan Bingham of New York, visited Cuba. Apparently impressed by talks with Cuban officials, this committee published an official report on May 23, 1977, stating that before Castro there were "187,000 students" in Cuba and that the literacy rate under Castro had risen from 25 percent to 99 percent.

If one accepts without questions such outlandish figures as the committee apparently did, it becomes very easy to excuse almost all excesses and inadequacies of the Castro regime and to credit it with many undeserved virtues.

In pre-Castro Cuba, however there were not 187,000 students but about 1 million. The literacy rate was not 25 percent but 78 percent. (Source: Encyclopedia Britannica, 1959, article on Cuba. Also, U.N. Statistical Yearbooks, 1960, 1962, etc.)

In the pre-Castro period, Cuba had a favorable balance of trade. In addition, and extremely important as a portent for the future, the island was developing a source of "hidden income" from tourism.

Today the nation is operating at a deficit. The Soviets sell Cuba petroleum at below-market prices and buy sugar at inflated prices. In return Cuban surrogates perform some of the Soviets' difficult and dirty work in Africa and elsewhere.

Instead of foreign and United States capital gaining an ever-greater hold on the Cuban economy in the pre-Castro years, Cuban capital was increasing very rapidly and acquiring control of many enterprises once dominated by North Americans and other outsiders. This is true, for example, for both the banking and sugar industry, which between the late 1930s and the early 1950s had passed overwhelmingly into Cuban hands.

No doubt its supporters envision Radio Marti broadcasting such facts.

These facts should also be disseminated in the West, however, by scholars and journalists knowledgeable about Cuba.

[From Iowa City (Iowa) Press-Citizen, Mar. 10, 1982]

A REALISTIC LOOK AT PRE-CASTRO CUBA

(By Dr. Norman Luxenburg)

A widespread misconception, and one assiduously furthered by Fidel Castro and his supporters, is that before Castro's seizure of power 23 years ago, Cuba was a backward, Third-World nation.

The fact that Cuba today has a higher standard of living and a higher standard of health than do other nations of the Caribbean and the Third World is often attributed even in the press to Castroism.

It is also implied that the Castro revolt was a struggle by large sections of the Cuban population to achieve social change.

In actuality, the Cuban revolt was in no way a mass movement for social change but a political movement of the middle classes who gave Castro their support because they believed his promises to reestablish democracy and have free elections in Cuba.

By no criteria, whether it is per capita income, life expectancy, infant mortality, number of persons per physician, number of telephones per capita, or number of televisions, cars or refrigerators per capita, could pre-Castro Cuba be considered a Third World nation. In fact, it stood far ahead of any nation of the Caribbean and of the Third World.

For example, life expectancy in Cuba when Castro took over was 64, and it was 62 for the years 1955-59. This 64 compared with an average of 41 in Honduras and 45 in Guatemala. (Source: *UN World Population Trends and Problems*, 1977.)

Cuba had more than one physician per 1,000 population, a proportion slightly better than it has today. This rate compared with one per 7,000 in the neighboring Dominican Republic and one per 33,000 in Haiti, a true Third-World nation.

When Castro took over, Cuba with 191,000 telephones had more than twice as many phones as did the Dominican Republic, Honduras, Guatemala and El Salvador combined. Cuba with 500,000 television sets in 1959 and its 6 million people had eight times the number of TV sets as did those other Caribbean nations combined.

Cuba had an infant mortality rate in 1955-59 of 32 per 1,000. This 32 in Cuba compared with about 100 in Guatemala and Honduras, more than 50 in Spain and Puerto Rico, and about 38 in Germany.

Before Castro, Cuba continually ran a favorable balance in its foreign trade; the Cuban peso was valued at one dollar, and Cuba capital was increasing greatly. It had increased to such an extent that it had taken over overwhelming control of both the sugar and banking industries, industries that had come under foreign and North American domination during the great depression of the early 1930's.

The numbers of students in higher education which had increased from fewer than 1,000 in the early 1900's to 5,000 by 1930 had reached 35,000 by the mid-1950's.

In some circles it seems to be a mark of distinction and an indication of being a free thinker to emphasize the positive achievements of those opposed to the United States and to emphasize anything negative about those who wish to have good relations with us.

There are those anxious to renew trade with Cuba.

The United States should not seek hostilities with any nation.

However, there should be no rewards for those nations that avail themselves of every opportunity to attack U.S. policies and undermine American diplomatic efforts.

Castro Cuba is no friend of the United States. And there is no need for this country to purchase sugar from that hostile nation when there are friendly nations eager for a share of the American sugar market.●

SOVIET SCIENTIST SAKHAROV WARNS WEST NOT TO UNDERESTIMATE SOVIET MILITARY THREAT

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. NEAL. Mr. Speaker, the latest edition of Foreign Affairs magazine contains a reprint of an open letter from physicist and Nobel Peace Prize winner, Andrei Sakharov, concerning the nuclear arms race. As my colleagues know, Dr. Sakharov was a preeminent nuclear physicist in the Soviet Union until his criticism of the Soviet system led to his fall into disfavor with Soviet authorities and eventual internal exile to the city of Gorki.

Considering his status among peace loving people of the world and his intellectual creditials, Dr. Sakharov's insights should broaden our understanding of the Soviet Union and, therefore, help us avoid nuclear war. That is his purpose, Mr. Speaker and I submit the full text of the letter as printed in Foreign Affairs magazine, by permission, for the consideration of my colleagues.

[From Foreign Affairs, February 2, 1983]

THE DANGER OF THERMONUCLEAR WAR

AN OPEN LETTER TO DR. SIDNEY DRELL

DEAR FRIEND: I have read your two splendid lectures—the speech on nuclear weapons at Grace Cathedral, October 23, 1982, and the opening statement to Hearings on the Consequences of Nuclear War before the Subcommittee on Investigations and Oversight. What you say and write about the appalling dangers of nuclear war is very close to my heart and has disturbed me profoundly for many years now. I decided to address an open letter to you, feeling it necessary to take part in the discussion of this problem, one of the most important facing mankind.

In full agreement with your general theses, I will express certain considerations of a more specific nature which, I think, need to be taken into account when making decisions. These considerations in part contradict some of your statements and in part supplement and, possibly, amplify them. It seems to me that my opinion communicated here in open discussion can prove of interest in view of my scientific, technological, and psychological experience, acquired in the period when I took part in work on thermonuclear weapons, and also because I am one of the few independent participants in this discussion in the U.S.S.R.

II

I fully agree with your assessment of the danger of nuclear war. In view of the critical importance of this thesis, I will dwell on it in some detail, perhaps repeating what is already well known.

Here, and later on, I use the terms "nuclear war" and "thermonuclear war" nearly interchangeably. Nuclear weapons mean atomic and thermonuclear weapons; conventional weapons mean any weapons with the exception of three types with the capability of mass destruction—nuclear, chemical, and bacteriological weapons.

A large nuclear war would be a calamity of indescribable proportions and absolutely unpredictable consequences, with the uncertainties tending toward the worse.

According to data from United Nations experts, by the end of 1980 the world's overall supply of nuclear weapons consisted of 50,000 nuclear charges. The total power of these charges (most of which are in the 0.04- to 20-megaton range) amounts to 13,000 megatons according to the experts' estimates. The figures you have presented are not in conflict with those estimates. In this regard you mention that the total power of all the explosives used in the Second World War did not exceed six megatons (three megatons, according to the estimates with which I am familiar). However, when making this comparison one must take into account the greater relative efficacy of smaller charges with the same total power, but that does not alter the qualitative conclusions about the colossal destructive power of the nuclear weapons that have been amassed.

You also cite data according to which the U.S.S.R. at the present time (1982) has 8,000 thermonuclear charges deployed and the United States 9,000. Many of these charges are warheads on ballistic missiles, and many of these are multiple independently-targetable reentry vehicles (MIRVs). It should be noted that the basis of the U.S.S.R.'s arsenal (70 percent, according to statements by TASS) consists of gigantic land-based missiles (in silos) and somewhat smaller intermediate-range missiles, on mobile launchers. Eighty percent of the U.S. arsenal consists of submarine-based nuclear missiles, much smaller but less vulnerable than silo-based missiles, and also of strategic bombers carrying nuclear bombs, some of which are apparently very powerful. It is doubtful whether masses of aircraft could penetrate Soviet territory deeply—but a more precise

assessment of their capabilities must take the possibilities of cruise missiles into account; these would probably be able to penetrate the enemy's air defense systems.

Currently, the most powerful American ICBMs (I am not speaking of the planned MX) possess several times less throw-weight than the principal land-based Soviet Missiles. The American ones carry fewer MIRVs, and the yield of their warheads is less. (It is assumed that when dividing the throw-weight of a missile among several warheads—let's say ten—the aggregate yield of the multiple warheads is less than the yield of a large single warhead on the same missile. But MIRVs greatly increase the ability of one side to attack compact targets on the other. MIRVs are also highly destructive against targets spread out over a wide area such as large cities. The aggregate yield may be less than that of a large single warhead, but the destructiveness will remain high because of the multiple blasts spread out over the area. I have dwelt on these details since they may prove of substance in further discussion.)

You cite the estimates of the international journal of the Royal Swedish Academy, according to which an attack on the principal cities of the Northern Hemisphere by 5,000 warheads with a total power of 2,000 megatons will kill 750 million people as a result of the shock wave alone.

I would like to add the following to that estimate:

1. The overall number of long-range nuclear weapons possessed by the five nuclear powers is three or four times greater than the figure used in the Swedish estimate and their overall power is six to seven times greater. The accepted average number of casualties per missile—250,000 people—cannot be considered an overestimate if one compares the accepted average power of a thermonuclear charge of 400 kilotons with the power of the 17-kiloton explosion at Hiroshima and the number of victims from its shock waves, no fewer than 40,000.

2. An extremely important factor in the destructive capability of nuclear weapons is thermal radiation. The fires at Hiroshima were the cause of a significant portion (up to 50 percent) of the fatalities. With the increase of the charges' power, the relative role of thermal radiation increases. Therefore, this factor significantly increases the number of direct casualties.

3. During an attack on especially dense, compact enemy targets (like silo-based missile launchers, command points, communication centers, government institutions, shelters, and other of the more important targets) it must be assumed that a significant portion of the explosions will be ground-level or low. In such cases there inevitably will be "traces," bands of dust fallout raised by the explosion from the surface and "impregnated" by the products of uranium fission. Therefore, although the direct radioactive effect of a nuclear charge takes place in a zone where everything alive is, in any case, annihilated by the shock wave and by fire, its indirect effect—through fallout—proves very substantial. The area contaminated by fallout so that the total dose of radiation exceeds the safety limit of 300 roentgens is, for a typical one-megaton nuclear charge, thousands of square kilometers!

During the ground-level test of the Soviet thermonuclear charge in August 1953, tens of thousands of people were evacuated beforehand from the zone where fallout was possible. People were only able to return to the settlement of Kara-aul in the spring of 1954! In war conditions an orderly evacuation is impossible. Hundreds of millions will flee in panic, often from one contaminated zone into another. Hundreds of millions of people will inevitably become the victims of radioactive irradiation, the mass migrations of people will make the chaos, the deterioration of sanitary conditions and the hunger all the greater. The genetic consequences of irradiation will threaten man as a biological species and all animal and plant life on the Earth.

I entirely agree with your basic idea that mankind has never encountered anything even remotely resembling a large nuclear war in scale and horror.

No matter how appalling the direct consequences of nuclear explosions, we cannot exclude that the indirect effects will be even more substantial. The indirect effects could be fatal for modern society, which is extraordinarily complex and thus highly vulnerable.

The general ecological consequences are just as dangerous, although by virtue of the complex nature of ecological interdependencies, forecasts and estimates are extremely difficult here. I will mention some of the problems discussed in the literature (in your talks, in particular) without assessing their seriousness, although I am certain that many of the dangers indicated are entirely real:

1. Continuous forest fires could destroy the greater part of the planet's forests. The smoke involved would destroy the transparency of the atmosphere. A night lasting many weeks would ensue on Earth followed by a lack of oxygen in the atmosphere. As a result, this factor alone, if real, could destroy life on the planet. In less pronounced form, this factor could have important ecological, economic, and psychological consequences.

2. High-altitude wartime nuclear explosions in space (particularly the thermonuclear explosion of ABM missiles and the explosion of attacking missiles whose purpose is to disrupt enemy radar) could possibly destroy or seriously damage the ozone layer protecting Earth from the sun's ultraviolet radiation. Estimates of this danger are very imprecise—if the maximal estimates are true then this factor is sufficient to destroy life.

3. Disruption of transportation and communication could prove critical in the complex modern world.

4. No doubt there will be a (complete or partial) distruption in the production and distribution of food, in water supply and sewage, in fuel and electric service, and in medicine and clothing—all on a continent-wide scale. The public health-care system will be disrupted, sanitary conditions will revert to a medieval level and may become even worse than that. It will be impossible in practice to provide medical assistance to the hundreds of millions who have been wounded, burned, or exposed to radiation.

5. Hunger and epidemics in a context of chaos and devastation could take more lives than the nuclear explosions would take directly. It is also not out of the question that, along with the "ordinary" diseases which will inevitably spread far and wide—influenza, cholera, dysentery, typhus, anthrax, plague, and others—entirely new diseases could arise as the result of the radiation-caused mutation of viruses as well as especially dangerous forms of the old diseases against which people and animals would have no immunity.

6. It is especially difficult to foresee mankind's maintaining any social stability in conditions of universal chaos. Great gangs will kill and terrorize people and struggle among themselves in keeping with the laws of the criminal world: "You die today, I'll die tomorrow."

Of course, our experience of social upheaval and war demonstrates that mankind possesses unexpected reserves; people's vitality in extreme situations surpasses what could have been imagined a priori. But even if mankind were able to preserve itself as a social body, which seems highly unlikely, the most important social institutions—the foundation of civilization—would be destroyed.

In sum, it should be said that all-out nuclear war would mean the destruction of contemporary civilization, hurl man back centuries, cause the deaths of hundreds of millions or billions of people, and, with a certain degree of probability, would cause man to be destroyed as a biological species and could even cause the annihilation of life on earth.

Clearly it is meaningless to speak of victory in a large nuclear war which is collective suicide.

I think that basically my point of view coincides with yours as well as with the opinion of a great many people on earth.

III

I am also in complete agreement with your other conclusions. I agree that if the "nuclear threshold" is crossed, i.e., if any country uses a nuclear weapon even on a limited scale, the further course of events would be difficult to control and the most probable result would be swift escalation leading from a nuclear war initially limited in scale or by region to an all-out nuclear war, i.e., to general suicide.

It is relatively unimportant how the "nuclear threshold" is crossed—as a result of a preventive nuclear strike or in the course of a war fought with conventional weapons, when a country is threatened with defeat, or simply as a result of an accident (technical or organizational).

In view of the above, I am convinced that the following basic tenet of yours is true: *Nuclear weapons only make sense as a means of deterring nuclear aggression by a potential enemy,* i.e., a nuclear war cannot be planned with the aim of winning it. Nuclear weapons cannot be viewed as a means of restraining aggression carried out by means of conventional weapons.

Of course you realize that this last statement is in contradiction to the West's actual strategy in the last few decades. For a long time, beginning as far back as the end of the 1940s, the West has not been relying on its "conventional" armed forces as a means sufficient for repelling a potential aggressor and for restraining expansion. There are many reasons for this—the West's lack of political, military, and ecnonomic unity; the striving to avoid a peacetime militarization of the economy, society, technology, and science; the low numerical levels of the Western nations' armies. All that at a time when the U.S.S.R. and the other countries of the socialist camp have armies with great numerical strength and are rearming them intensively, sparing no resources. It is possible that for a limited period of time the mutual nuclear terror had a certain restraining effect on the course of world events. But, at the present time, the balance of nuclear terror is a dangerous remnant of the past! In order to avoid aggression with conventional weapons one cannot threaten to use nuclear weapons if their use is inadmissible.

One of the conclusions that follows here—and a conclusion you draw—is that it is necessary to restore strategic parity in the field of conventional weapons. This you expressed somewhat differently, and without stressing the point.

Meanwhile this is a very important and non-trivial statement which must be dwelt on in some detail.

The restoration of strategic parity is only possible by investing large resources and by an essential change in the psychological atmosphere in the West. There must be a readiness to make certain limited economic sacrifices and, most important, an understanding of the seriousness of the situation and of the necessity for some restructuring. In the final analysis, this is necessary to prevent nuclear war, and war in general. Will the West's politicians be able to carry out such a restructuring? Will the press, the public, and our fellow scientists help them (and not hinder them as is frequently now the case)? Can they succeed in convincing those who doubt the necessity of such restructuring? A great deal depends on it—the opportunity for the West to conduct a nuclear arms policy that will be conducive to the lessening of the danger of nuclear disaster.

In any case, I am very glad that you (and earlier, in another context, Professor Panofsky) have spoken out in favor of strategic parity in the area of conventional weapons.

In conclusion, I should stress especially that a restructuring of strategy could of course only be carried out gradually and very carefully in order to prevent a loss of parity in some of the intermediate phases.

IV

As I have understood them, your further thoughts on nuclear weapons per se amount to the following:

It is necessary to conduct a balanced reduction of the nuclear arsenal, and a first stage in this process of nuclear disarmament might be a mutual freeze on the currently existing nuclear arsenals. I will quote you: "Decisions in the area of nuclear weapons should be based simply on the criterion of achieving a reliable deterrent and not on other additional demands relating to nuclear war since, generally speaking, such demands are not limited by anything and are not realistic." This is one of your central theses.

For talks on nuclear disarmament you propose that one quite simple—and, within the limits of the possible, fair—criterion for assessing nuclear strength be worked out. As that criterion you propose taking the sum total of the number of delivery vehicles and the total number of nuclear charges which can be delivered (probably one should assume the maximal number of certain standard or conventional charges which can be delivered by a given type of missile with a corresponding division of the usable weight).

I will begin by discussing that latter proposal of yours (made jointly with your student, Kent Wisner). This proposal seems practical to me. Your criterion takes into account delivery vehicles of various throw-weights by assigning them various weight factors. This is very important—the assigning of an equal weight factor to both the small American missiles and the large Soviet missiles was one of the points for which I, at one time, criticized the SALT I Treaty (while in general viewing the very fact of the talks and the concluding of the Treaty in a positive light). Here, in distinction to criteria using the power of the charge as a rule not published officially, the number of deliverable charges is easy to determine. Your criterion also takes into account the fact that, for example, five missiles each carrying one warhead have a significant tactical advantage over one large missile carrying five warheads. Of course, the criterion you propose does not encompass all the parameters like distance, accuracy, or degree of vulnerability—they will have to be allowed for supplementarily or, in some cases, not taken into account so as to facilitate agreements.

I hope that your (or some analogous) criterion will be accepted as the basis for negotiations both on intercontinental missiles and (independently) on medium-range missiles. In both cases it will be much more difficult than it now is to insist on unfair conditions in the agreements and possible to move from word to deed more swiftly. Most likely, the very acceptance of your (or an analogous) criterion will require a diplomatic and propaganda struggle—but it's worth it.

V

From this relatively specific question I will move to one more general, more complex and controversial. It is actually possible when making decisions in the area of nuclear weapons to ignore all the considerations and requirements relevant to the possible scenarios for a nuclear war and simply limit oneself to the criterion of achieving a reliable deterrent—when that criterion is understood to mean an arsenal sufficient to deal a devastating blow in response? Your answer to this question—while perhaps formulating it somewhat differently—is positive and you draw far-reaching conclusions.

There is no doubt that at present the United States already possesses a large number of submarine-based missiles and charges carried by strategic bombers which are not vulnerable to the U.S.S.R. and, in addition, has silo-based missiles though they are smaller than the U.S.S.R.'s—all these in such amounts that, were those charges used against the U.S.S.R., nothing, roughly speaking, would be left of it. You maintain that this has already created a reliable deterrent—independently of what the U.S.S.R. and the United States have and what they lack. Therefore, you specifically consider the building of the MX missile unnecessary and similarly consider irrelevant the arguments which are advanced in support of developing it—U.S.S.R.'s substantial arsenal of intercontinental missiles with large throw-weight which the United States does not have; and the fact that Soviet missiles and MX missiles have multiple warheads so that one missile can destroy several enemy silos during a missile duel. Therefore you consider it acceptable (with certain reservations) for the United States to freeze the nuclear arsenals of the United States and the U.S.S.R. at their current numerical levels.

Your line of reasoning seems to me very strong and convincing. But I think that the concept presented fails to take into account all the complex realities of the opposition that involves two world systems and that there is the necessity (despite your stance) for a more specific and comprehensive unbiased consideration than a simple orientation toward a "reliable deterrent" (in the meaning of the word as formulated above, i.e., the possibility of dealing a devastating retaliatory strike.) I will endeavor to explain this statement.

Precisely because an all-out nuclear war means collective suicide, we can imagine that a potential aggressor might count on a lack of resolve on the part of the country under attack to take the step leading to that suicide, i.e., it could count on its victim capitulating for the sake of saving what could be saved. Given that, if the aggressor has a military advantage in some of the variants of conventional warfare or—which is also possible *in principle*—in some of the variants of partial (limited) nuclear war, he would attempt to use the fear of further escalation to force the enemy to fight the war on his (aggressor's) own terms. There would be little cause for joy if, ultimately, the aggressor's hopes proved false and the aggressor country perished along with the rest of mankind.

You consider it necessary to achieve a restoration of strategic parity in the field of conventional arms. Now take the next logical step—while nuclear weapons exist it is also necessary to have strategic parity in relation to those variants of limited or regional nuclear warfare which a potential enemy could impose, i.e., it is really *necessary* to examine in detail the various scenarios for both conventional and nuclear war and to analyze the various contingencies. It is of course not possible to analyze fully all these possibilities or to ensure security entirely. But I am attempting to warn of the opposite extreme—"closing one's eyes" and relying on one's potential enemy to be perfectly sensible. As always in life's complex problems, some sort of compromise is needed.

Of course I realize that in attempting not to lag behind a potential enemy in any way, we condemn ourselves to an arms race that is tragic in a world with so many critical problems admitting of no delay. But the main danger is slipping into an all-out nuclear war. *If* the probability of such an outcome could be reduced at the cost of another ten or fifteen years of the arms race, then perhaps that price must be paid while, at the same time, diplomatic, economic, ideological, political, cultural, and social efforts are made to prevent a war.

Of course it would be wiser to agree now to reduce nuclear and conventional weapons and to eliminate nuclear weapons entirely. But is that now possible in a world poisoned with fear and mistrust, a world where the West fears aggression from the U.S.S.R., the U.S.S.R. fears aggression from the West and from China, and where China fears it from the U.S.S.R., and no verbal assurances and treaties can eliminate those dangers entirely?

I know that pacifist sentiments are very strong in the West. I deeply sympathize with people's yearning for peace, for a solution to world problems by peaceful means; I share those aspirations fully. But, at the same time, I am certain that it is absolutely necessary to be mindful of the specific political, military, and strategic realities of the present day and to do so objectively without making any sort of allowances for either side; this also means that one should not proceed from an a priori assumption of any special peace-loving nature in the socialist countries due to their supposed progressiveness or the horrors and losses they have experienced in war. Objective reality is much more complicated and far from anything so simple. People both in the socialist and the Western countries have a passionate inward aspiration for peace. This is an extremely important factor, but, I repeat, itself alone does not exclude the possibility of a tragic outcome.

VI

What is necessary now, I believe, is the enormous practical task of education so that specific, exact, and historically and politically meaningful objective information can be made available to all people, information that will enjoy their trust and not be veiled with dogma and propaganda. Here one must take into account that, in the countries of the West, pro-Soviet propaganda has been conducted for quite a long time and is very goal-oriented and clever, and that pro-Soviet elements has penetrated many key positions, particularly in the mass media.

The history of the pacifist campaigns against the deployment of missiles in Europe is telling in many respects. After all, many of those participating in those campaigns entirely ignore the initial cause of NATO's "dual decision"—the change in strategic parity in the 1970s in favor of the U.S.S.R.—and, when protesting NATO's plans, they have not advanced any demands on the U.S.S.R. Another example: President Carter's attempt to take a minimal step toward achieving balance in the area of conventional arms, i.e., to introduce draft registration, met with stiff resistance. Meanwhile, balance in the area of conventional arms is a necessary prerequisite for reducing nuclear arsenals. For public opinion in the West to assess global problems correctly, in particular the problems of strategic parity both in conventional and in nuclear weapons, a more objective approach, one which takes the real world strategic situation into account, is vitally needed.

VII

A second group of problems in the field of nuclear weapons about which I should make a few supplementary remarks here concerns the talks on nuclear disarmament. For these talks to be successful the West should have something that it can give up! The case of the "Euromissiles" once again demonstrates how difficult it is to negotiate from a position of weakness. Only very recently has the U.S.S.R. apparently ceased to insist on its unsubstantiated thesis that a rough nuclear parity now exists and therefore everything should be left as it is.

Now, the next welcome step would be the reduction of the number of missiles—which must include a fair assessment of the *quality* of missiles and other means of delivery (i.e., the number of charges deliverable by each carrier, its range and accuracy, and its degree of vulnerability—the last being greater for aircraft and less for missiles; most likely, it would be expedient to use your criterion, or analogous ones). And what is absolutely at issue here is not moving the missiles beyond the Urals but *destroying* them. After all, rebasing it too "reversible." Of course, one also must not consider powerful Soviet missiles, with mobile launchers and several warheads, as being equal to the now-existing Pershing I, the British and French missiles, or the bombs on short-range bombers—as the Soviet side sometimes attempts to do for purposes of propaganda.

No less important a problem is that of the powerful silo-based missiles. At present the U.S.S.R. has a great advantage in this area. Perhaps talks about the limitation and reduction of these most destructive missiles could become easier if the United States were to have MX missiles, albeit only potentially (indeed, that would be best of all).

A few words about the military capabilities of powerful missiles: they can be used to deliver the largest thermonuclear charges for destroying cities and other major enemy targets—while for exhausting the enemy's ABM systems there will most likely be a simultaneous use of a "rain" of smaller missiles, false targets and so on. (Much is written about the possibility of developing ABM systems using super-powerful lasers, accelerated particle beams, and so forth, But the creation of an effective defense against missiles along these lines seems highly doubtful to me.) We present the following estimates to give an idea of what a powerful missile attack on a city would be like. Assuming that the maximal power of an individual charge carried by a large rocket would be of a magnitude of 15-25 megatons, we find that the area of complete destruction of dwellings would be 250-400 square kilometers, the area affected by thermal radiation would be 300-500 square kilometers, the zone of radioactive traces (in case of a ground-level explosion) would be 500-1000 kilometers long and 50-100 kilometers wide!

Of equal importance is that the fact that powerful MIRved missles could be used to destroy compact enemy targets, in particular, similar silo-based enemy missiles. Here is a rough estimate of an attack of that type on launch sites. One hundred MX missiles (the number proposed by the Reagan Administration for the first round of deployment) could carry one thousand 600-kiloton warheads.

Considering the ellipse of concentration and the hardness assumed for the Soviet launch sites, each of the warheads had, according to the data published in the American press, a 60-percent probability of destroying one launch site. During an attack on 500 Soviet launch sites, with two warheads targeted for each site, 16 percent will remain undamaged, i.e., "only" 80 missiles.

A specific danger associated with silo-based missiles is that they can be destroyed relatively easily as a result of enemy attack, as I have just demonstrated. At the same time, they can be used to destroy enemy launch sites in an amount four to five times larger than the number of missiles used for the attack. A country with large numbers of silo-based missiles (at the present time this is primarily the U.S.S.R., but if the United States carries out a major MX program, then it too) could be "tempted" to use such missiles first before the enemy destroys them. In such circumstances the presence of silo-based missiles constitutes a destabilizing factor.

In view of the above, it seems very important to me to strive for the abolition of powerful silo-based missiles at the talks on nuclear disarmament. While the U.S.S.R. is the leader in this field there is very little chance of its easily relinquishing that lead. If it is necessary to spend a few billion dollars on MX missiles to alter this situation, then perhaps this is what the West must do. But, at the same time, if the Soviets, in deed and not just in word, take significant verifiable measures for reducing the number of land-based missiles (more precisely, for destroying them), then the West should not only abolish MX missiles (or not build them!) but carry out other significant disarmament programs as well.

On the whole I am convinced that nuclear disarmament talks are of enormous importance and of the highest priority. They must be conducted continuously—in the brighter periods of international relations but also in the periods when relations are strained—and conducted with persistence, foresight, firmness and, at the same time, with flexibility and initiative. In so doing, political figures should not think of exploiting those talks, and the nuclear problem in general, for their own immediate political gains but only for the long-term interests of their country and the world. And the planning of the talks should be included in one's general nuclear strategy as its most important part—on this point as well I am in agreement with you!

VIII

The third group of problems which should be discussed here is political and social in nature. A nuclear war could result from a conventional war, while a conventional war is, as is well known, a result of politics. We all know that the world is not at peace. There are a variety of reasons for this—national, economic, and social reasons, as well as the tyranny of dictators.

Many of the tragic events now occurring have their roots in the distant past. It would absolutely be wrong to see only Moscow's hand everywhere. Still, when examining the general trend of events since 1945 there has been a relentless expansion of the Soviet sphere of influence—objectively, this is nothing but Soviet expansion on a world scale. This process has spread as the U.S.S.R. has grown stronger economically (though that strength is one-sided), and in scientific, technological and military terms, and has today assumed proportions dangerously harmful to international equilibrium. The West has grounds to worry that the world's sea routes, Arab oil, and the uranium, diamonds, and other resources of South Africa are now threatened.

One of the basic problems of this age is the fate of the developing countries, the greater part of mankind. But, in fact, for the U.S.S.R., and to some degree for the West as well, this problem has become exploitable and expendable in the struggle for dominance and strategic interests. Millions of people are dying of hunger every year, hundreds of millions suffer from malnutrition and hopeless poverty. The West provides the developing countries with economic and technological aid, but this remains entirely insufficient due largely to the rising price of crude oil. Aid from the U.S.S.R. and the socialist countries is smaller in scale and, to a greater degree than the West's aid, military in nature and bloc-oriented. And, very importantly, that aid is in no way coordinated with world efforts.

The hot spots of local conflicts are not dying but are rather threatening to grow into global wars. All this is greatly alarming.

The most acutely negative manifestation of Soviet policies was the invasion of Afghanistan which began in December 1979 with the murder of the head of state. Three years of appallingly cruel anti-guerrilla war have brought incalculable suffering to the Afghan people, as attested by the more than four million refugees in Pakistan and Iran.

It was precisely the general upsetting of world equilibrium caused by the invasion of Afghanistan and by other concurrent events which was the fundamental reason that the SALT II agreement was not ratified. I am with you in regretting this but I cannot disregard the reasons I have just described.

Yet another subject closely connected to the problem of peace is the openness of society and human rights. I use the term the "openness of society" to mean precisely what the great Niels Bohr meant by it when introducing it more than 30 years ago.

In 1948, the U.N.'s member states adopted the Universal Declaration of Human Rights and stressed its significance for maintaining

peace. In 1975, the relationship of human rights and international security was proclaimed by the Helsinki Final Act, which was signed by 35 countries including the U.S.S.R. and the United States. Among those rights are: the right to freedom of conscience; the right to receive and impart information within a country and across frontiers; the right to a free choice of one's country of residence and domicile within a country; freedom of religion; and freedom from psychiatric persecution.

Finally, citizens have the right to control their national leaders' decision-making in matters on which the fate of the world depends. But we don't even know how, or by whom, the decision to invade Afghanistan was made! People in our country do not have even a fraction of the information about events in the world and in their own country which the citizens of the West have at their disposal. The opportunity to criticize the policy of one's national leaders in matters of war and peace as you do freely is, in our country, entirely absent. Not only critical statements but those merely factual in nature, made on even much less important questions, often entail arrest and a long sentence of confinement of psychiatric prison.

In keeping with the general nature of this letter, I refrain here from citing many specific examples, but must mention the fate of Anatoly Shcharansky, who is wasting away in Chistopol Prison for the right to be visited by his mother and to write to her, and Yuri Orlov who, now for a third time, has been put for six months in the punishment block of a Perm labor camp, after having been beaten unmercifully in the presence of a warden.

In December 1982 there was an amnesty to horor the U.S.S.R.'s sixtieth anniversary but, just as in 1977 and in the preceding amnesties, there was a point made of excluding prisoners of conscience. So distant is the U.S.S.R. from the principles it proclaims, a country which bears such great responsibility for the fate of the world!

IX

In conclusion I again stress how important it is that the world realize the absolute inadmissibility of nuclear war, the collective suicide of mankind. It is impossible to win a nuclear war. What is necessary is to strive, systematically though carefully, for complete nuclear disarmament based on strategic parity in conventional weapons. As long as there are nuclear weapons in the world, there must be a strategic parity of nuclear forces so that neither side will venture to embark on a limited or regional nuclear war. Genuine security is possible only when based on a stabilization of international relations, a repudiation of expansionist policies, the strengthening of international trust, openness and pluralization in the socialist societies, the observance of human rights throughout the world, the rapprochement—convergence—of the socialist and capitalist systems, and worldwide coordinated efforts to solve global problems.

ANDREI SAKHAROV.●

1983 QUESTIONNAIRE RESULTS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BENNETT. Mr. Speaker, I include at this point in the RECORD the results of the questionnaire which was conducted by me. The results have just now been tabulated, as follows:

Question: "Should it be illegal for employers to hire illegal aliens?"

Responses: Yes, 91%; No, 9%.

Question: "Should nuclear weapons and nuclear war be outlawed for all nations?"

Responses: Yes, 73%; No, 27%.

Question: "In view of multi-billion dollar Federal budget deficits, should revenue sharing with local governments be discontinued?"

Responses: Yes, 53%; No, 47%.

Question: "Should food stamps and welfare be merged into one program for the needy?"

Responses: Yes, 86%; No, 14%.

Question: "Should the U.S. aid rebels fighting the leftist Nicaraguan government?"

Responses: Yes, 63%; No, 37%.●

MEDICARE PACEMAKER PAYMENT REFORM AND PATIENT PROTECTION ACT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. WYDEN. Mr. Speaker, I am introducing legislation that will help provide quality health care at a price Americans can afford. It achieves this goal by eliminating excessive costs, fraud, and abuse in the pacemaker industry. And it does so to the tune of $200 million in savings per year to the Federal Government and taxpayers.

The need for this legislation, entitled the Medicare Pacemaker Payment Reform and Patient Protection Act of 1983, is obvious. Approximately 150,000 Americans, most of them elderly, will receive pacemakers this year. Some 80 percent of those pacemakers, which cost some $10,000 to $18,000 per patient to purchase and implant, will be paid for by medicare, and thus by the taxpayer. The total Federal tab for implanting and performance tracking and monitoring will approach $2 billion if last year's experience is any indication.

Why is the Federal Government paying so much? One answer is profit. From the point of manufacture to the purchase of the pacemaker device by the hospital, the pacemaker traditionally has been marked up three times: First, from manufacturer to salesman, then from the salesman to the hospital, and finally from the hospital to medicare.

This means that medicare is paying an average of $4,000 for a device which only costs between $600 and $900 to manufacture. And worst of all, these increases simply are not justified. For example, hospitals normally mark up pacemakers from 50 to 100 percent, despite the fact that there is no correlating hospital cost associated with the unit.

Likewise, surgical fees charged for implantation of the devices are completely out of proportion with the difficulty of the technique. These fees, which range from $750 to $2,500, are based on data accumulated at a time when the pacemaker implantation could drag on for several hours and required sophisticated surgical procedures. Today, the state of the art in pacemaker implantation is such that it is considered by physicians to be a relatively nontraumatic operation that can be completed within half an hour. The prevailing attitude among physicians is that pacemakers are low-risk procedures with very high rates of return.

Senior citizens, many of whom are walking an economic tightrope balancing health care against fuel, and fuel against housing costs, cannot afford these costs. Neither can the bloated medicare system, which experts have predicted will come up against the wall as early as 1986 if we do not act soon.

Our bill addresses this cost-inflation problem by establishing a uniform payment structure for the price of the pacemaker paid by medicare to the hospital. This structure will reduce the price that medicare pays for the implantation of new pacemakers by 15 percent and for pacemaker replacements by 30 percent.

In all, these reductions should mean a savings of $200 million per year for the medicare system.

Our bill also takes one final step to improve the quality of care. This third step will guarantee protection for the patient by insuring that pacemaker warranties are respected should the device malfunction. It also insures that the Food and Drug Administration is able to test the defective device and insure that future implant patients are protected.

Today, to the extent that warranty replacements or credits are offered by the manufacturer, they are rarely invoked and thus credits are not returned to medicare. Without this tracking mechanism, manufacturers are free to subordinate their liability and shift costs to the medicare system.

This bill clearly is not the complete answer to rising health care costs. But it is an important step in the right direction—and one which will move us closer to a more cost effective and better quality health care system.

I hope my colleagues will join me in cosponsoring this important cost-

saving bill—a bill that will help to insure better quality health care at a price Americans can afford.

The full text of the bill follows:

H.R. 3590

A bill to amend title XVIII of the Social Security Act to provide for procedures and payment limitations with respect to the furnishing of cardiac pacemakers in order to achieve cost savings for the medicare program, improve the quality of patient care, and insure against fraud and abuse, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Medicare Pacemaker Payment Reform and Patient Protection Act".

PAYMENTS TO HOSPITALS FOR CARDIAC PACEMAKERS

SEC. 2. (a) Section 1886 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(h)(1) The amount of the payment to be made under part A to any hospital for any cost reporting period, after the application of the provisions of this section other than this subsection, shall be reduced by an amount equal to the sum of—

"(A) the number of cardiac pacemaker device implantations (other than replacements) performed in such cost reporting period by such hospital for which payment is being made under part A, multiplied by an amount equal to 15 percent of the average cost of a cardiac pacemaker device (as determined under paragraph (2)); and

"(B) the number of cardiac pacemaker device implantations involving replacement of such a device performed in such cost reporting period by such hospital for which payment is being made under part A, multiplied by an amount equal to 25 percent of the average cost of a cardiac pacemaker device (as determined under paragraph (2)).

"(2) For purposes of this subsection, the average cost of a cardiac pacemaker device shall be the national average cost to hospitals under this title of such a device, as estimated by the Secretary for the cost reporting period on the basis of the most recent data available. The Secretary shall update such amount not less often than annually.".

(b) Section 1866(a)(1) of such Act is amended by striking out "and" at the end of subparagraph (G), by striking out the period at the end of subparagraph (H) and inserting in lieu thereof ", and", and by adding at the end thereof the following new subparagraphs:

"(I) to require that all physicians performing cardiac pacemaker or pacemaker lead implantations in such provider's facilities agree to (i) accept assignment under section 1842(b)(3)(B)(ii) with respect to physicians' services furnished in connection with all such implantations performed in such facilities (including preoperative and postoperative services, other than routine monitoring), and (ii) report to the provider the reason for any such implantation or replacement of such a device or lead, including a description of any failure of such a device or lead to perform correctly, and

"(J) to submit such information to the cardiac pacemaker and lead registry established by the Secretary under subsection (g) as the Secretary may require, to keep any explanted cardiac pacemaker device or lead for which payment was made or requested under this title for such time as the Secretary may require, and to submit any such device or lead for testing if requested by the Secretary under subsection (g)(2).".

(c) The amendments made by this section shall apply with respect to implantations of cardiac pacemaker devices or leads occurring on or after October 1, 1983.

PAYMENTS TO PHYSICIANS FOR CARDIAC PACEMAKER IMPLANTATIONS AND MONITORING

SEC. 3. (a) Section 1842(b)(3) of the Social Security Act is amended by adding at the end thereof the following new sentence: "The amount of any charges relating to the implantation of a cardiac pacemaker device or pacemaker lead which shall be considered reasonable shall be subject to limitations established by the Secretary, under which a single charge shall include all physicians' services furnished in connection with such implantation (including preoperative and postoperative services, other than routine monitoring), and under which such single charge, and the reasonable charge for any subsequent routine transtelephonic monitoring, shall reflect the relative ease of the implantation or monitoring, based on current technology and procedures, and shall, in the case of such routine transtelephonic monitoring, be at least 25 percent lower than the reasonable charge level for such monitoring in effect for the 12-month period ending June 30, 1983.".

(b) Section 1833(a)(1) of such Act is amended by striking out "and" at the end of clause (F), and by adding at the end thereof the following:

"(H) with respect to physicians' services for the implantation of a cardiac pacemaker device or pacemaker lead (other than routine monitoring), furnished by a physician who has an agreement in effect with the Secretary by which the physician agrees to accept an assignment described in section 1842(b)(3)(B)(ii) with respect to payment for all physicians' services furnished in connection with the implantation of such devices or leads (including preoperative and postoperative services, other than routine monitoring), the amounts paid shall be the reasonable charge for such services, and".

(c) Section 1833(b)(3) of such Act is amended by inserting "or (H)," after "subsection (a)(1)(G)".

(d) Section 1862(a) of such Act is amended—

(1) by striking out "or" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(15) where such expenses are for routine monitoring of a cardiac pacemaker device or pacemaker lead, in excess of six such monitorings in the case of transtelephonic monitoring, or in excess of four such monitorings in the case of monitorings made at a physician's office or other clinical setting, in any 12-month period (except where an unusual medical condition requires additional monitoring, as determined by the Secretary).".

(e) The amendments made by this section shall apply with respect to implantations of cardiac pacemaker devices or leads occurring on or after October 1, 1983, and to monitoring occurring in any 12-month period beginning on or after such data.

ESTABLISHMENT OF PACEMAKER REGISTRY

SEC. 4. Section 1866 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(g)(1) The Secretary shall, through the Administrator of the Food and Drug Administration, provide for a registry of all cardiac pacemaker devices and pacemaker leads for which payment was made under this title. Such registry shall include the manufacturer, model, serial number, and manufacturer's price of each such device or lead, the name of the recipient of such device or lead, the date and location of the implantation or removal of the device or lead, the name of the physician involved in implanting or removing such device or lead, the name of the hospital or other provider billing for such procedure, any express or implied warranties associated with such device or lead under contract or State law, and such other information as the Secretary deems to be appropriate. Such registry shall be for the purposes of assisting the Secretary in determining when payments may properly be made under this title, determining when inspection by the Food and Drug Administration may be necessary under paragraph (2), and carrying out studies with respect to the use of such devices and leads. In carrying out any such study, the Secretary may not reveal any specific information which identifies any pacemaker device or lead recipient by name (or which would otherwise identify a specific recipient). Any person or organization may provide information to the registry with respect to cardiac pacemaker devices and leads other than those for which payment is made under this title.

"(2) In any case where the Secretary has reason to believe, based upon information in the pacemaker registry or otherwise available to him, that replacement of a cardiac pacemaker device or lead for which payment is or may be requested under this title is related to the malfunction of a device or lead, the Secretary may require that personnel of the Food and Drug Administration test such device, or be present at the testing of such device by the manufacturer, to determine whether such device was functioning properly.".

REPORT ON DRG TYPE REIMBURSEMENT FOR PHYSICIANS' SERVICES RELATED TO CARDIAC PACEMAKER DEVICE IMPLANTATION

SEC. 5. Section 603(a)(2)(B) of the Social Security Amendments of 1983 is amended by inserting before the period at the end thereof the following: ", including specifically any such recommendations with respect to services furnished in connection with the implantation of cardiac pacemaker devices or leads."●

MX—AN AMERICAN WEAPON WITHOUT AN AMERICAN MISSION

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BENNETT. Mr. Speaker, the House of Representatives is now considering the most important issue of the 98th Congress: whether or not to go ahead with the production and deployment of the MX missile in existing Minuteman silos. For over 30 years I have been actively involved in national security decisions as a member of the House Armed Services Committee. My examination of the President's

proposal to deploy 100 MX missiles in existing Minuteman silos forces me to conclude that the MX makes no substantial contribution to our ability to deter attack on the United States, and may well serve to make such an attack more likely. The MX would also divert scarce defense dollars away from far more necessary projects. For these reasons I must oppose the production of the MX missile.

This decision has not been a difficult one, despite the fact that the President has so strongly requested the MX. The MX in Minuteman silos will not serve a cost-effective military mission, and will in all probability make the conclusion of effective and stabilizing arms control agreements more difficult, not easier.

For years the Air Force and accepted wisdom have told the Congress that our Minuteman missile silos are vulnerable to Soviet ICBM attack. And in recent years this fact served as a primary justification for the MX missile program, as we intended to deploy MX in some way which would render it invulnerable to such an attack. Unfortunately, this proved to be impossible. Now we are being asked to approve production of the MX for deployment in those same vulnerable silos. I reject this idea because if MX is just as vulnerable as our Minuteman it will add little to our ability to deter a Soviet attack through the threat of retaliation. Deterrence through the maintenance of a credible second strike capability has been the centerpiece of our national security policy for years. The MX deployed in Minuteman silos, vulnerable silos, can play no useful military role in such a policy.

The technical characteristics of the MX increase the likelihood of nuclear war. This is the result of both the vulnerability of the MX in existing silos and the capability of the missile itself to destroy hardened targets. The vulnerability of the MX will mean that it could only contribute to our retaliatory capability if it were launched before Soviet warheads actually reached the United States. There has been talk of the United States actually adopting such a launch-under-attack or launch-on-warning doctrine. I vehemently oppose such a move, as it would drastically increase the chances that nuclear disaster could begin by accident through faulty warning systems. The hard target kill capability of MX makes it a very tempting target for Soviet preemptive attack in a crisis. Why invite attack on the United States by deploying a weapon system which has no acceptable capability for retaliation?

Many who support the current MX plan argue that the United States must build and deploy these missiles in order to insure that our forces are sufficiently modern to maintain deterrence and demonstrate our national will to defend our security interests. I fully support their objectives, and if the MX missile was a means to that end I would support it too. However, we are currently engaged in an extensive strategic force modernization program which includes procurement of the B-1B strategic bomber, the Trident ballistic missile submarine, thousands of air, ground, and sea-launched cruise missiles, the planned Trident II submarine-launched missile, to say nothing of the Midgetman single warhead land-based missile which I also support. In addition, in 1979 we began modernizing 300 of our 550 Minuteman III missiles by replacing their guidance systems and 900 warheads in order to increase their explosive yield and accuracy. These weapons programs will undoubtedly insure the credibility of our deterrent and demonstrate the broad scope of our will to do whatever is necessary for our continued security. We do not maintain our deterrent capability by deploying even the most powerful of missiles in a vulnerable basing mode, and we do not demonstrate national will by making militarily ill-advised weapons decisions on purely political grounds.

A decision to go ahead with the MX missile will do nothing to help prevent war, and will cost us a bundle in the process. The funds necessary to sustain the conventional forces we truly need are scarce. The MX program proposed by the President would cost an estimated $20.2 billion in real dollars according to a Senate Appropriations Committee report. And this cost does not include an additional $3 to $4 billion for MX warheads which are budgeted in a separate Department of Energy account. These funds could be used to make nuclear war less likely by improving the capabilities of our conventional forces, a far more worthy undertaking. President Eisenhower said, "If we put one more dollar in a weapons system than we should, we are weakening the defense of the United States." I agree.

Today we read that the MX should be built as the Scowcroft Commission proposes because it is politically possible, or because a bipartisan consensus exists. We also have seen that some will vote for it in return for extraneous Presidential commitments, such as flexibility in arms reduction negotiations. It is said by others that the MX system is a useful bargaining chip for such negotiations with the Soviets. How so? Given its acknowledged vulnerability and its high cost in a time of tight defense budgeting, why should the Soviets consider MX an attractive chip?

None of these arguments are valid excuses for supporting an expensive weapon system which will drain away defense dollars we urgently need for improving our conventional military capabilities. I will be introducing an amendment to the Department of Defense authorization bill to delete all procurement funding for the MX. I urge the Congress to support my amendment to prevent production of this missile. It is dangerous to our Nation's defense.●

IT IS UP TO THE ETHICS COMMITTEE NOW

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GINGRICH. Mr. Speaker, the investigation of the altered hearing transcripts is now in the hands of the House Ethics Committee. I hope the Ethics Committee will make a full-faith effort to get to the bottom of this case so the guilty will get the justice they deserve. Members of both sides of the aisle should want justice done in this case because, properly viewed, this is a bipartisan concern. If it happened to Republican Members, it could happen to Democrats.

James J. Kilpatrick recently wrote a column about the case of the altered transcripts that I would like to share with my colleagues. Kilpatrick's column, which appeared in the Washington Post on July 13, 1983, follows:

SKULDUGGERY

(By James J. Kilpatrick)

A story is developing on Capitol Hill that might be amusing if it didn't contain so many disturbing elements. It involves skulduggery within the staff of one or more subcommittees of the House.

On July 21 and 22, 1982, five subcommittees from three different House committees got together for hearings on the Environmental Protection Agency. The hearings were known as "EPA Oversight: A One-Year Review." They were not friendly hearings.

In years past, at least a nominal spirit of bipartisanship had been in evidence at EPA hearings. This time, as Joseph A. Davis reported in Congressional Quarterly, Democrats came to the hearings smelling blood: they saw the EPA's record "as a choice target for campaign trail attacks."

The Democrats chose their witnesses accordingly. The minority Republicans complained bitterly that the majority had scheduled the hearings as a "witch hunt." They said they were not given adequate notice, but such Democratic leaders as Toby Moffett of Connecticut and James H. Scheuer of New York brushed the objection aside.

In accordance with congressional practice, the testimony was taken down by shorthand reporters, who then typed up a transcript. After editing, the transcript went to the printers, and in April 1983 the official hearing record was published.

Last month Republican Judd Gregg of New Hampshire happened to thumb through the printed document. He was thunderstruck.

At the hearing on July 21, his colleague Robert S. Walker of Pennsylvania had said, as the official reporter had transcribed it: "Many members of the other party know

that I am willing to take part in reasonable hearings." The printed version read: "Many members of the other party know that I am not willing to take part in reasonable hearings."

John Hiler of Indiana had said: ". . . a great disservice to the witnesses . . . to have very, very few people on the majority who called this particular hearing." The printed, official record read: ". . . very, very few people on the minority side in attendance, even though they . . ."

At some point between the typewritten transcript and the printers, a long and defensive paragraph by Moffett had been inserted—words that he had never spoken at all.

Time after time, the printed record had been altered. Some of the changes might be explained in terms of mere editing, but when "majority" is changed to "minority," skulduggery is afoot.

The matter is important. Historians, teachers, judges and editors rely absolutely upon the printed records of congressional hearings. The EPA record was doctored. What else has been doctored?

Next question: who cares about this criminal act? The House voted unanimously on June 30 to authorize closed hearings on the matter in what is laughingly known as the Ethics Committee. Republicans had no choice; their plea for a select committee was rejected by the Democratic leadership. If the Ethics Committee identifies the dirty hands behind this business, and makes a definitive report by the end of the year, it will amaze everyone—and it particularly will amaze the Ethics Committee.●

MORE MISSILES

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. OTTINGER. Mr. Speaker, although the House passed the nuclear freeze resolution earlier this year, it now seems we do not know how to say no to more missiles. What are we waiting for? As Mr. Jerome Wiesner points out in the following article,

* * * there is no possibility of a winnable nuclear war. The only role for nuclear weapons is deterrence. This is a lesson that won't stay learned. Each new administraton has to discover it all over again at the taxpayers' expense.

I thought the House showed it had learned that lesson when we voted for the nuclear freeze. The subsequent votes in favor of the MX missile in return for the administration's empty promise of efforts toward arms control made me reconsider. I call my colleagues' attention to Mr. Wiesner's reasoned arguments for the nuclear freeze:

STOCKPILE TO JUNKPILE

(By Jerome B. Wiesner)

CAMBRIDGE, MASS.—Last fall, approximately 25 percent of the American voters were given an opportunity to consider a proposal for a balanced and verifiable freeze on the development, testing and deployment of nuclear weapons and their delivery systems. A majority of those who voted were for it. In the spring, members of the House of Representatives endorsed a similar proposition nearly two to one. On Wednesday, a freeze resolution is scheduled to come to a vote in the Senate Foreign Relations Committee. Yet it is still not being considered seriously by the Administration or Congress.

Meanwhile, they have been concentrating on the MX missile as a bargaining chip. But it takes more than bargaining chips and new missiles to stop the arms race. It requires, most of all, a sincere commitment and proposals that are balanced and fair to both sides. It requires also a proposal substantial enough to make it worthy of a major effort. None of the proposals put forward recently by either superpower meets these criteria. The freeze does.

"Fatally flawed" was the President's reaction to the freeze proposal. What are these flaws? He doesn't specify them. In my view, the only flaws are ones easily fixed. The current freeze proposals are too vague, deliberately so, because their sponsors drafted them to draw maximum support, not to create a negotiating document. They insist that a freeze be balanced and verifiable, but they don't explain what this would mean.

What is to be balanced: Bombs? Missiles? Security? Fear? How can a freeze be verified? How thorough must verification be? How would peaceful space activities be accommodated? The answers to these and other important questions need to be spelled out. The President could start to keep his promise to Congress by serious consideration of a freeze.

A freeze now makes very good sense for several reasons. First, it is generally agreed that an acceptable balance of nuclear forces already exists. The United States has more nuclear warheads than the Soviet Union; theirs are larger. The Soviet Union has more and larger ballistic missiles than we do, but a much bigger fraction of the Soviet missiles are land-based and thus more vulnerable.

Most important, both sides have forces so much greater than needed to provide a secure deterrent that maintaining an exact balance is not essential. Actually, a change by a factor of two, up or down on either side, would not begin to undermine the existing stalemate. This means that there is no possibility of a winnable nuclear war. The only role for nuclear weapons is deterrence. This is a lesson that won't stay learned. Each new administration has to discover it all over again at the taxpayers' expense.

Second, existing national surveillance systems provide each side with more than enough information about the other's testing and deployment of weapons to protect themselves against any buildup of missiles, present or new ones, or against a surprise technological breakthrough. Existing forces are so large that not even the unlikely invention of an effective antisubmarine system or a "Star Wars" missile defense system would undermine the other side's deterrent.

Some people object to the freeze because it does not immediately reduce or eliminate nuclear weapons. They should realize that a freeze would create the conditions favorable to reduction.

If testing of existing and new rockets and nuclear weapons were precluded, there would be a growing loss of confidence in their reliability and in the assumption that a given missile or bomb would function when its button was pressed. This is what first-strike proponents don't like about a freeze. No military commander or political leader would have much confidence in the success of a preemptive strike by weapons that had not been recently tested or demonstrated.

On the other hand, no one could be certain that a substantial number of them would not work. So, as time passed, there would be less and less fear of a first strike, but there would always remain a belief that some of the old weapons would work. This is double uncertainty could obviously be a very effective deterrent. Moreover, it could well lead to reduction of stockpiles on both sides. (Even with flagging confidence in the reliability of the strategic weapons, the stockpiles of both countries would still be much larger than needed for an adequate deterrent.)

The risks in a freeze are incalculably smaller than the risks inherent in the continued escalation of weapons and polemics into the next century. If a freeze were achieved, nuclear weapons would slowly but surely become irrelevant to the security of both nations, and most of them would find their way from the stockpile to the junkpiles.●

COVERT ACTION IN NICARAGUA

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FOWLER. Mr. Speaker, next Tuesday the House is scheduled to begin consideration of H.R. 2760, a bill which would end funding for the paramilitary covert action in Nicaragua.

The Permanent Select Committee on Intelligence, which was established by the House as an oversight body in 1977 partly as a result of public and congressional reaction to past covert actions, has recommended that covert funding for administration policies in Nicaragua be discontinued.

This is the first time since its inception in 1977 that the committee has made such a recommendation.

It is not a step taken lightly. It was taken only after a majority of the committee had concluded that this covert action was probably illegal, was certainly unwise, could lead to a Cuban-American military confrontation in Central America and, like other paramilitary adventures in the past, simply would not work.

A covert paramilitary action within Nicaragua will not end a civil war in El Salvador.

This conclusion of the Intelligence Committee is echoed in the following Miami Herald article by a recently retired CIA official.

I commend the article to you.

The article follows:

[From the Miami Herald, June 5, 1983]

COVERT ACTION IN NICARAGUA

(By Tom Polgar)

In 1964 I had the privilege of talking about Vietnam with the late Sen. Richard Russell of Georgia, then chairman of the Senate Armed Services Committee. Russell

said the situation of the United States in Vietnam reminded him of a scene he once witnessed back in Georgia, that of a cow hung up on a picket fence. The cow could not go forward, she could not go backward, and all the time the picket was hurting her belly.

Some 10 years later, as I was climbing to the roof of the American Embassy in Saigon for the helicopter ride that would terminate my service in Vietnam and end two decades of intensive U.S. engagement in that distant part of the world, I recalled the words of the late senator from Georgia.

Now in 1983 the United States again seems to be hung up on a picket fence, this time closer to home, in Central America. We cannot go forward and seek to clear up the situation through a massive military intervention, because Congress and public opinion would not accept such a solution. We cannot go backward and disengage from El Salvador, because we have elevated that small country into a test case of U.S. prestige and resolve and into a symbol of U.S. determination to resist the spread of Marxist-Communist regimes in Latin America, in the meanwhile, while we are seeking a politically acceptable settlement of the civil war, the pickets are hurting our belly and the pain may be a continuing one.

The recently announced transfers of Thomas Enders, assistent secretary of state for inter-American affairs, and Deane Hinton, U.S. ambassador in San Salvador, and their replacements by people without experience in their respective new areas indicate the administration's dissatisfaction with the progress in reaching a solution to the problems of El Salvador through diplomacy. Unfortunately, it suggests also that the professional objectivity and caution of the career Foreign Service officers will not be allowed to stand in the way of attempts to resolve the situation through more direct and less conventional means, including use of what the press likes to call covert action.

What is covert action? A pragmatic definition of covert action is this: A government effort to fulfill national policy objectives abroad through intelligence channels.

While the term "covert action" may be new to much of the American public, the concept is as old as written history. It is one of the several means available to a government for the implementation of its objectives. No major power would ever preclude the use of covert action as a matter of principle.

The "Trojan horse"—the introduction of Greek soldiers into the fortress town of Troy by hiding them in a large wooden horse, ostensibly a gift to the town—was an early example of effective covert action.

More recent examples on which there is considerable literature, as well as controversy, include the British-American operation to oust Prime Minister Mohammed Mossadegh of Iran in 1953; the 1954 CIA project to remove from power the elected president of Guatemala, Jacobo Arbenz; the Israeli rescue of hostages in Etebbe; the Soviet manipulation, through numerous front organizations, of the anti-war sentiment, particularly in Western Europe, and the CIA's "secret war" in Laos.

The Bay of Pigs project remains as a reminder of all the things that can go wrong when an operation is based on false assumptions.

Perhaps because many people confuse covert action with "dirty tricks"—which can but need not be part of a specific, covert action project—or perhaps because they are opposed to the objectives that the government seeks to attain through covert action, there appears to be a certain amount of opprobium attached to the concept. Many, whose patriotic and anti-Communist motivation cannot be questioned, feel uncomfortable about covert action and are concerned that its use invokes difficult questions of morality, integrity and perhaps also of law.

Perhaps so, but in these respects covert action is no different from other means of policy implementation. The Biblical commandment, "Thou shalt not kill," is reflected in all of our religions and is firmly anchored in the criminal laws of all countries. Yet there are many circumstances in which killing is excused, tolerated, allowed, encouraged, ordered and praised. It depends on who does the killing, on the circumstances, on motivation and a whole series of other factors. On the other end of the scale, sexual activity, the source of life, is clearly encouraged and tolerated in certain circumstances while deemed indecent, illegal or prohibited under others. Covert action is not immoral or illegal. It is neutral. It is an age-old technique by which governments seek to influence events and alter conditions in their favor. The policies being implemented by covert action—and the specific covert action or actions being utilized—may well be immoral or illegal or both.

The 17th-Century British poet, John Dryden, wrote:

"Treason never prospers.
"What is the reason?
"Why, if it prospers
"None dare call it treason."

It goes something like that with covert action, too. If it is successful, there are few complaints—except from the defeated side. If the covert action fails, or goes on too long, or reaches dimensions that preclude secrecy, then it will attract controversy and condemnation, with opponents caring little whether they are beating the donkey or the saddle—that is, the policymaker, the operational concept or the executing agency.

Which brings us to Central America. In contrast to the U.S. involvement in Vietnam, which developed gradually and for over a decade with solid acceptance of the Eisenhower and Kennedy administrations' policies by Congress and public opinion, the current U.S. policy in Central America has been controversial from the outset. Compared to the options available to the U.S. government in foreign affairs in earlier years, the freedom of initiative of the Reagan Administration is severely limited. Most specifically, the current political and psychological climate would make it difficult to employ even a token of U.S. military power in combat in Central America.

Against that background—and given the deterioration of the military and socio-economic situation in El Salvador—the administration opted to utilize, in addition to conventional military and civilian assistance, covert action mechanisms to create paramilitary forces capable of bringing pressure on the government of Nicaragua. I take it, from what I read in the papers, that it was the intention to create sufficient disturbance on the borders of Nicaragua to divert the Sandinistas from continuing their interference in El Salvador. Also, it might have been hoped that the paramilitary force would become such a nuisance to Nicaragua that it could be used as something of a quid pro quo in negotiations to bring about a regional settlement.

Can this scheme work? Can the Honduras-based paramilitary group contribute to the ending of the civil war in El Salvador? Several reasons speak against it:

Nicaragua has long been a hotbed of nationalistic, anti-U.S. agitation in Central America. This led to U.S. military interventions before Fidel Castro was born. The incumbent Nicaraguan government considers itself the ideological heir to the late Gen. Augusto Sandino, a folk hero of Nicaraguan history, kept from power by the intervention of U.S. Marines and assassinated allegedly on orders of Anastasio Somoza, who was a protege of the United States.

It is likely that Nicaragua would have had a leftist, anti-American, socialist-type regime long ago had it not been for the several North American military interventions.

While Cuban and Nicaraguan government objectives currently coincide, Nicaraguan history suggests that Sandinista sentiments were strong in that country, and opposed by the United States, long before the emergence of a Castroist Cuba.

Contrary to the claims of the Reagan Administration, the insurgency in El Salvador is not primarily the product of Nicaraguan or Cuban agitation. El Salvador has had an exceptionally troubled past. The smallness of the country and its great population density have led to frequent attempts to depart from the socioeconomic heritage of Spanish colonialism.

A series of military governments controlled the nation through the '50s and '60s without any reference to the will of the people. Civilian efforts to take office culminated in the apparent electoral victory in 1972 of a coalition headed by Christian Democrat Napoleon Duarte (now the great hope of the U.S. government) and Socialist Guillermo Ungo (now a leader of the leftist coalition opposing the government of El Salvador). On this occasion, too, the civilians were prevented from taking office. There has been guerilla activity in El Salvador since the early '70s—before the Sandinistas came into power in Nicaragua. Since 1979, however, the insurgency in El Salvador has been strengthened materially and psychologically by the Sandinistas.

In recognizing the historic roots of insurgency in Central America, I certainly do not mean to deny or minimize the current Communist involvement in the struggle. There has been a clear pattern of Communist subversion and of the establishment of secret structures, particularly among the educated classes, for many years. Central America and the Caribbean have had their share of what the Soviets call "active measures"—that particularly Communist concept that peace is war by other means.

Soviet assistance to Cuba or to Nicaragua, or Communist assistance to the guerrilas in El Salvador, is no accident or an ad hod decision, but a systematic implementation of longstanding Soviet policy. The question is not whether there is Communist support to the insurgency in El Salvador—we can take that as a given—but what can the United States do about restoring the situation to manageable dimensions?

I am afraid the answer to that question is "not enough." The current circumstances in El Salvador (and in Nicaragua) reflect a chain of events to which the United States has contributed by ommission and by commission. While our intelligence services have been well aware that the Soviets and the Cubans were applying secret, underground, creeping techniques as well as propaganda and overt political means to expand their influence in Latin America, the logic of the situation was not translated into a policy of

appropriate defense posture; into a political commitment to protect friendly countries by force if need be, or into a continuing program to assist the security forces of friendly countries so they could cope with the problems on their own.

We are seeing in El Salvador an application of the teachings of Brazilian guerrilla leader Carlos Marighella, who wrote that "The guerrilla must use revolutionary violence to identify with popular causes and thus win a popular base." Further, "the government has no choice except to intensify repression. . . . [T]he general sentiment will emerge that the government is unjust, incapable of solutions and resorts purely and simply to physical liquidation of opponents. The political situation is translated into a military one, in which the military appear more and more responsible for error and violence." This would seem to sum up the recent developments in El Salvador and the reaction of much of the American and international media.

Having made El Salvador a symbol of its resistance to communism in 1981, the Reagan Adminstration is now confronted with difficult choices. The economic situation in El Salvador is worse now than it was two years ago. The guerrilla capability has improved, according to U.S. Army Gen. Wallace H. Nutting, who has recently relinquished command of SOUTHCOM, the U.S. Southern Command, in Panama. According to Gen. Nutting, we are also losing the psychological battle. While Congress has not imposed the kind of restrictions on military and economic aid to El Salvador that appeared possible earlier this spring, it is clear that Congress is not about to make any open-ended commitments. Thus, the administration will remain under constraints in its attempts toward stabilizing the situation.

Military intervention—the commitment of U.S. troops into combat—has been ruled out by the Preident, whose authority is, in any case, restricted by the War Powers Act. Barring some unexpected and unusually foolish provocation by Cuba or Nicaragua, or some such fortultous event as the blowing up of the U.S. battleship Maine in Havana harbor on the eve of the Spanish-American war. it is inconceivable that Congress would authorize U.S. military action to restore order in El Salvador.

Diplomacy offers little promise. Mexico, Colombia, Venezuela and Panama are united in the Contadora group that looks skeptically, to put it mildly, at U.S. activities in Central America. Costa Rica and Guatemala are fearful that it may be their turn next. France has been openly critical of our policies, and we should not expect much from the socialist government of Spain. England and West Germany are supportive of U.S. policies, but after the Falkland affair, England is not looking for any additional troubles with Latin America, and West Germany has neither the tradition nor the willingness for any leading role in Central America. All countries recognize diplomatically the government of Nicaragua, which is more than can be said about our friends in El Salvador.

Elections, which are favored by the United States as a way out of the current conflict, are not in consonance with the realities of the situation. If the premise is accepted that the insurgency in El Salvador is Communist-dominated, then it follows that the insurgents would not participate in any elections. No significant Communist-led insurgency has ever agreed to stack arms and to return to the political mainstream as a result of free elections.

This brings us to covert action. To the Reagan Administration, coming into office in 1981 with a leadership relatively inexperienced in foreign affairs but with a firm conviction in its own ideology, the prospects of covert action must have looked attractive. Programs could be mounted without specific legislative approval, financial requirements would be relatively low (as things go in the federal government) and the Central Intelligence Agency has traditionally been an exceptionally dutiful and responsive servant of the incumbent president. No reason to think that this would be otherwise under William Casey, a man of immense energy and enthusiasm, the manager of Reagan's successful campaign, and by all accounts a trusted friend and ideological soulmate of the President. Covert action was demanded and the CIA hastened to comply.

The Honduras-based covert action program against Nicaragua, by now unfortunately widely publicized, has been one of the more ambitious of the new programs. In some respects it reminds one of a similarly ambitious undertaking, the training of Cuban exiles in Guatemala for the Bay of Pigs adventure. Well, that was 20 years ago and it would be reasonable to assume that some lessons have been learned since. Our ambassador in Honduras, John Negroponte, is a fine professional with experience in Vietnam and in Latin America. It seems that he has been given some authority for the coordination of Honduras-based activities, in contrast to the extreme and damaging compartmentation of the 1961 project. I would assume, also, that the CIA today would pay more careful attention to intelligence, to logistics and to planning than it did during the earlier Cuban expedition. The several defeats of the last two decades should have impressed all concerned with the need to keep to a minimum the wishful thinking, the conceit, the arrogance and the disdain for the opponent that have been ingredients of the failures in the past.

Nevertheless—and even allowing that the Honduras-based paramilitary force would do the best job possible under the circumstance—reliance on this already very public group as a major vehicle of U.S. policy implementation seems a very risky proposition. The record of U.S.-supported paramilitary actions is not a winning one. In Sumatra, in Cuba, in Laos, in Vietnam, in Angola . . . the challenges, commitments and operational missions were different but the outcome was the same. Our friends have lost. It would seem that the hopes of several administrations to achieve major foreign-policy objectives cheaply, "on the sly," and without a national commitment simply run contrary to the realities of life.

There is also another danger. When the intelligence service itself becomes the executor of policy in place of its more normal role of a contributor to policy formulation, it becomes easy to forget about the need for checks and balances. There is a great temptation to shape reporting to fit policy, to confuse desire with reality, to pretend that that which we can do equates to that which needs to be done. To admit failure does not help one's career—it is better to emphasize the progress of our side and to minimize the achievements of the enemy. All of this comes very naturally under the pressure of events and circumstances, particularly against a background of personnel shortages, insufficient knowledge of local terrain, language, culture and history. The combination can then lead to a collective mind-set that accepts very debatable and even false assumptions as the truth. Objectivity and skepticism—essential ingredients of sound intelligence reporting—come under very heavy strain or may be lost altogether.

What, then, are my conclusions? The prospects are that a bloody and economically devastating stalement will continue in El Salvador with neither the government nor the insurgents capable of a decisive and definitive victory over the other. The insurgents can live more easily with this situation than the government because of the government's responsibility for the country's economy and for social welfare and its increasing dependence on U.S. support. Since the level and duration of such support are subject to change and uncertain at best, the insurgents have little incentive to negotiate a peaceful solution.

U.S. military intervention could alter the situation radically, but the prospects and risks of such go beyond the scope of this article. Covert action, including the use of armed groups based in Honduras, is not likely to have decisive impact on the politics of Nicaragua or Cuba. Should the anti-Sandinista groups be able to obtain high-performance military aircraft, the level of the confrontation could escalate with unpredictable results. This could give some advantage to the anti-Sandinista forces but it may well open another can of worms.

The events in Central America prove once again that history moves in continuity while U.S. attempts to influence developments are sporadic, with widely diverging aims every couple of years, depending on our domestic politics. U.S. foreign policy and even U.S. intelligence coverage lack consistency and continuity and tend to be highly diffused in their aims. Continuity is lacking also in the deployment of personnel resources. Our new ambassador in San Salvador will be the fifth U.S. chief of mission there is less than five years, and there are similar patterns at the working levels. Such rapid rotation virtually guarantees that there will be insufficient awarness within the embassies of local political trends, insufficient appreciation of key personalities and insufficient area knowledge. Our problems in these respects are not new, but their consequences are more frightening as the Soviets and their associates continue to expand their "active measures" in the Western Hemisphere.

Those pickets will continue to hurt our belly.●

BEYOND THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

HON. JOHN R. KASICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. KASICH. Mr. Speaker, much has been made in recent months about the deterioration of our Nation's infrastructure. Our highways in particular, the bulk of which were constructed over the past 25 years, are decaying and crumbling at an alarming rate.

Through passage of the Surface Transportation Assistance Act of 1982, Congress has provided an additional $5.4 billion annually for highway programs. However, simply raising taxes to provide additional funds would not

solve the problem. We must insure that the money spent on road and bridge repair and related programs is money spent wisely, money that will provide lasting improvements.

As the times have changed so have the conditions on our highways and so have the needs of highway users. Road repair technologies have been developed to meet these conditions and needs. But the following report, done by Burson-Marsteller, questions whether enough has been done to encourage the use of these technologies, thus insuring that the taxpayers' money is used to make lasting repairs. I commend this report to my colleagues for their study.

BEYOND THE SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

THE HIGHWAY SYSTEM

Our nation's highway system, made up of some 3.9 million miles of federally aided and non-federal aided roads and highways, is a valuable national resource, often reflecting some of the most advanced engineering skills money can buy. Odd, therefore, that little consideration is given to new technologies in road surface repair which can save the Federal government, states and localities millions of dollars while at the same time saving motorists and commercial haulers added millions of dollars in reduced repairs resulting from potholes and cracked pavement.

When Congress recently passed the Surface Transportation Assistance Act of 1982 (STAA), most of the media and political attention focused on the five-cent per gallon fuel tax increase and the potential jobs which might be created by the resulting highway program. Almost lost was consideration of the strengths and weaknesses of the Act as a program to rectify the problem of our deteriorating highway system. Indeed, the Act takes only a small first step towards providing significant long run solutions to our highway problems. But its provisions and omissions certainly are worthy of greater national attention.

The highway problem

Our nation's highway system serves approximately 160 million vehicles traveling more than 1.5 trillion vehicle miles annually. It is no wonder the system often is called the "backbone of our nation's transportation system."

Over the years, however, this "backbone" has been crumbling at an alarming rate. A traditional orientation in heavy capital investments for new road work combined with construction costs that exceeded the rate of inflation by one and half times have resulted in serious neglect of both roads and bridges. In the next ten years alone, according to the U.S. Dept. of Transportation, over 200,000 miles of highways will need some level of capital investment to offset obsolescence.

The Surface Transportation Assistance Act

Congress reflected its concern about highway deterioration by passage of the STAA on December 23, 1982. When signed into lay by President Reagan some 14 days later, the STAA—with its five-cent fuel tax hike and other transportation user fees—increased the revenue of the Highway Trust Fund by an estimated $6.5 billion per year. The bulk of that—about $5.4 billion—is set aside for highway and highway safety programs.

The STAA also authorizes Congress to appropriate funds for transportation development through 1986. The majority of those funds—over $56 billion—is earmarked for highway and highway safety programs. $17 million is slated for public transit.

Of all the highway development programs in the STAA, the most substantial funding increase is for Interstate highway resurfacing, restoration rehabilitation and reconstruction. Known as the Interstate 4R Program, it is designed to address the needs of some 2,000 miles of interstate highways which annually are meeting the end of their design life. The 1983 authorization level of the 4R program was increased by $1.5 billion, over 100 percent increased from the 1982 authorization level.

Yet another indication of Congress' efforts to address deterioration problems is the STAA requirement that for projects on roads within the primary, secondary and urban systems, 40 percent of the federal aid dollars must be spent on 4R type activities. Previously, only 20 percent of federal aid dollars were earmarked for 4R type activities on these systems.

While $1.5 billion is certainly a sizeable boost for the Interstate 4R program, the four year authorization level of $10.3 billion is still below the minimum levels proposed by the Highway Users Federation.[1] Moreover, the highway appropriation continues to be diminished by inflation while confronting constantly growing and somewhat unpredictable capital improvement needs.

In essence, the financial enhancement of the highway program, combined with the trend toward preservation of existing roads and bridges through the expanded 4R Program, provides only the most basic tools for dealing with deterioration and obsolescence. Most important, it fails to provide incentives to utilize new technologies which can result in better highways and long-term savings. It should be remembered that it is just as easy to experience waste in repairs of highways as in any other government program.

The challenge for successful highway programs falls in part to state and local highway officials who must initiate programs which reflect imaginative and innovative management to maintain highway serviceability. Critical to such programs should be the application of new technologies providing cost effective improvement with longer serviceability.

Historically, solutions to problems of road repair have been shortsighted. It is evident from the number of increasing miles of deteriorating roads that traditional repair materials have been both costly and ineffective. Because traditional road repair employs relatively primitive technologies that also are inherently materials intensive, greater incentive and focus must be provided for new technological solutions that will address road repair problems in the long-term.

The congressional response

Congress made a stab at recognizing the general need for use of new technologies in one part of the new Act. It stated under the heading "Innovative Technologies":

"The Congress hereby finds and declares that it is in the national interest to encourage and promote utilization by the States of highway and bridge surfacing, resurfacing, or restoration materials which are produced from recycled materials or which contain asphalt additives to strengthen the materials. Such materials conserve energy and reduce the cost of resurfacing or restoring our highways."

Section 142(a), Public Law 97-424-Jan. 6, 1983.

The STAA thus addresses the need to replace traditional materials by offering a special but very limited incentive for use of new technologies. The "Innovative Technology" provision does not, however, increase the total allocation of funds to a state; it provides a five percent increase in the federal share of projects to states which utilize recycled materials or strengthening materials containing asphalt. The Federal/State share ratio becomes 95/5 as opposed to 90/10 for repair projects on interstate, primary, secondary or urban systems.

The limitations of congressional action

Unfortunately, a five percent increase in Federal share does not provide states with much incentive. Moreover, as enacted, this provision alone will not result in widespread use of innovative materials. Consequently it will not significantly encourage state departments of transportation to examine and implement cost-effective solutions for highway deterioration. So while the provision is good in theory, it is far too limiting.

Because state subsidies are apportioned according to a predetermined population-based formula, the provision merely provides for a shifting of federal funds from one project employing traditional methods to another utilizing technology defined by the STAA as "innovative." Also, there is a question as to the real value of the five percent share increase, as opposed to an actual funding increase or other substantial incentive. Whether states will find the administrative costs of implementing the incentive provisions as enacted worthwhile or not is a further question.

The use of recycled materials or those containing asphalt additives represents only two of many available "innovative" technologies worthy of special support for the long-term savings they provide, particularly since road conditions and needs vary from state to state, as well as within states. One "innovative" application may work well in one segment of an interstate highway, while the same material may be unsatisfactory in another segment of the same system.

Technologies ignored in the act

Typical of the kind of new technologies overlooked in the Act are geotextiles. Since the early 70's, the Federal Highway Administration (FHWA), the Transportation Research Board and various state departments of transportation have been focusing on the innovative application of geotextiles. Such materials have the proven potential to provide comprehensive, cost-effective solutions to problems of extending life of the pavement by preventing or delaying reflection cracking. This is cracking in pavement overlays coinciding with cracks in the underlying pavement. These materials are also useful as a barrier to the ingress of water after cracks form in the overlay.

Reflection cracking is most common in freeze-thaw states—i.e., those in which severe climatic extremes subject pavements and subgrades to chronic expansion and contraction. In such states, predominantly those in the Northeast, North Central and Midwest regions, reflection cracking is rec-

[1] John C. Landen, Chairman, Highway Users Federation (testifying before House Subcommittee on Surface Transportation), July 16, 1981.

ognized as a prime cause of pavement deterioration. According to one report:[2]

"The occurrence of reflection cracking in asphalt concrete overlays is a major factor contributing to the loss of serviceability of a pavement system . . . The review of field data indicates that reflection cracking is a serious maintenance problem . . . reflective cracks require continued future maintenance for cracking sealing and patching, thus becoming a significant maintenance expense item."

The technology traditionally used as a remedy for cracked pavement has been the overlay of new asphalt, which may or may not involve excavation of the pavement prior to overlay. This method typically provides only short term improvement for cracked areas or spalled patches. A more expendient method—filling in cracks with hot mix, cold patch or liquid asphalt—also provides only a temporary solution. Coupled with labor and material costs, such short term solutions are no longer the answer, especially in light of the emergence of more successful, cost-effective technologies.

For many engineers, the answer appears to lie with woven and non-woven geotextiles. Applied to the pavement prior to resurfacing, these fabrics may "hold the key toward an economical method to eliminate or reduce reflective cracking from occurring."[3] such geotextiles may be classified into two basic types: polyester and polypropylene fabrics intended for waterproofing, and glass fiber reinforcements designed to reduce the pattern of crack reflection.

In Pennsylvania, for example, when reflective cracking in bituminous concrete overlays was a major factor contributing to the premature failure of the pavement systems, significant work was done with several woven and non-woven fabrics. Monitoring continued through three freeze-thaw cycles to test the systems' effectiveness. The Pennsylvania Department of Transportation in a September, 1981 report concluded that these fabrics "may be useful in retarding its reflective crack formation."

Although most states have placed test sections utilizing one or more of the 19 fabric products, they are not being used to their fullest potential. The result is highway repair projects that are more costly, and more frequently in need of repair than would be necessary if the new systems were used.

Various trial study reports point out the money-saving potential of many of these geotextiles, with physical characteristics necessary for long term effectiveness. In general, the major fabric properties relied upon are a combination of "strength, temperature resistance, asphalt retention, and conformability."[4]

One fabric repair system has combined glass fiber—which has a per-pound tensile strength greater than steel—and an asphalt polymer binder—which provides strong bonding and high elasticity, for an overall trial effective rate of 80 percent. This particular system, because it is applied on a "spot" rather than on a "curb-to-curb" basis, is also less labor and materials intensive. In fact, a report on the system, prepared in 1979 by the Ohio Division of the FHWA, found that by substituting it for conventional methods "a great cost savings can be realized."[5]

The report also went on to say:

"If we are to continue to maintain our highways with ever dwindling revenues, we must look for more cost effective solutions to old problems. One way to lengthen the life of an overlay is to inhibit reflective cracking and to find a more cost effective manner of joint repair. The [aforementioned] system is one solution to these problems. Ohio's experience to date has been good with the [aforementioned] system."

In an installation of this glass fiber technology on Ohio State Route 15, more than $20,000 in savings were realized for a single mile-long, one-lane section of road.

Demonstration projects

Many other State departments of transportation have explored the effectiveness of new technologies at one time or another through the FHWA's National Experimental and Demonstration Projects Program. Although financially limited, such programs provide seed money for experimental design and material projects to promote the use of new technologies. States, in turn, simply are asked to report the results of such projects to the FHWA and share the trial data with other States needing materials or design specifications to solve similar problems.

Unfortunately, such demonstration programs are limited. To date they appear not to have substantially increased the use of innovative technologies by state departments of transportation.

The need for real incentives

Beyond the limited STAA "Incentive Technology" provision and the FHWA Experimental and Demonstration programs, the state departments of transportation have no real financial incentives to thoroughly explore and use innovative technologies on a regular basis. Either the data about new technologies is not available or sufficient, or states simply have not been inspired to seek innovative technology data for use in 4R program activities.

Since trial data does exist on the application of innovative materials and designs, states desiring truly cost-effective programs could expand their traditional technologies to include those used by other states in FHWA Experimental or Demonstration projects.

The Federal Government's role and responsibility

Over the long run, however, solution may come only with a greater commitment on the federal level to generating real financial incentives for the application of new technologies for highway repair and restoration.

The time for this commitment may be when authorization for the federal aid highway programs expires in 1986. Then legislation to extend the program will be considered. If the problem of highway deterioration is to be solved the legislation must broaden the focus of the existing highway program to include all effective, innovative technologies. Only then will the highway program reflect a truly long-term, cost-effective policy.●

[2] A proposal to the Ohio Dept. of Transportation, "A Field Evaluation of Engineering Fabrics for Maintenance of PCC Pavement in Ohio." submitted by Dr. Kamran Majidzadeh, chairman of the board, Resource International, Inc., Worthington, Ohio, June 1982.

[3] Construction and Geotechnical Engineering Using Synthetic Fabrics, R.M. Koerner, Ph.D., PE,; J.P. Welsh, PE. Wiley & Sons, Inc., New York, 1980, (p.110).

[4] Ibid.

[5] "Joint Reinforcement Membrane: Owens-Corning Roadglas Spot Repair System," Donald R. Tuggle, Assistant Area Engineer, Ohio Division, Federal Highway Administration, U.S. Department of Transportation, 1979, (p. 6).

CASTRO'S CONVICTS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SMITH of Florida. Mr. Speaker, the July 11th Washington Post carried an excellent editorial about the dangerous convicted felons that Fidel Castro sent to this country in the 1980 Mariel boatlift.

The editorial noted that these individuals "belong in Cuban jails, not in American jails. Certainly they do not belong on American streets." I concur completely in this assessment.

Indeed, I would go one step farther. The States should not have to bear the cost of incarcerating those Cubans who after entry violated our laws and who now are being held in American jails. Immigration and refugees are Federal matters. Their financial impact on American society should be borne by the entire country and not by the few States. For this reason, I am cosponsoring H.R. 3350, a bill to compensate the States for cost incurred to confine Cuban nationals who entered the United States in the Mariel boatlift and who are being imprisoned for violation of State laws.

For the benefit of my colleagues, the editorial follows:

THEY'RE CASTRO'S CONVICTS

For three years the United States government has been trying to sort out the difficult problem of the dangerous convicted felons Fidel Castro unloaded on the United States in the Mariel boatlift. That task has now been made substantially more difficult by an Atlanta federal judge who has demanded all manner of rights for these illegal immigrants and threatened to release them into the community if his demands are not met.

Back in 1980, it seemed to be a humanitarian and patriotic gesture to accept provisionally, without papers or visas, all those fleeing from the port of Mariel. More than 125,000 came. Most were true refugees, many had families here, and the great majority has settled into American communities without mishap. But the Cuban dictator played a cruel joke. He opened his jails and mental hospitals and put their inmates on the boats too.

This country has since provided care for the mentally ill among them. The 22,000 arrivals who freely admitted that they were convicts were kept apart and have been treated separately. Each case has been reviewed individually by Justice Department lawyers, and hearings were afforded at which the Cubans could be represented by lawyers and present witnesses. Gradually, those thought to be less dangerous, including not only political prisoners but also some persons who had committed serious felonies, were released.

Of the original group, however, 1,050 remain at the federal penitentiary in Atlanta. Some 144 of these have been approved for release and are awaiting sponsors. Those still in custody are, according to corrections officials, a difficult and violent population.

Some have murdered other prisoners, and guards have been assaulted frequently. Each case continues to be reviewed on a regular basis. It would be simple enough to release them, but the Justice Department believes that this hard core—less than 1 percent of the Mariel boat people—is too dangerous to be allowed to roam the streets.

Now comes Judge Marvin H. Schoob. He concedes that deportation proceedings are civil, not criminal, and that the government has every right to hold illegal aliens pending deportation. But he has ordered the government to provide the Cuban inmates with free attorneys—though Americans involved in civil proceedings and other immigrants fighting deportation have no similar right. He has decreed that the Cubans should have subpoena power to summon witnesses—though no statute provides for granting such power. He threatens to release them unless these advantages are provided.

The matter could be settled quickly if these men could be deported, but Cuba refuses to take them back; the United States has tried to initiate negotiations on this subject, in vain, four times. As difficult as that may be, the pressure must be kept on the Castro regime to take them back. They belong in Cuban jails, not in American jails. Certainly they do not belong on American streets. Meanwhile, the government is under no obligation to accord these particular illegal aliens rights and privileges not available to other aliens or even to American citizens.●

THE WEST LEARNS THE ART OF GUERRILLA WARFARE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MARTIN of North Carolina. Mr. Speaker, in the debate of U.S. aid to the freedom fighters in Nicaragua, we are confronted with a double standard by opponents of U.S. policy: They readily accept the violent activities of Communist guerrillas in the world aided and abetted by the Soviet Union and its allies; but they refuse to accept any support from the United States for those fighting the guerrilla campaigns or seeking freedom against Communist oppression. They cite international law as if it were a one-way street permitting only violent overthrow by—and never of—Communists.

The following article from the Wall Street Journal several months ago has an incisive discussion of the issue, and I urge my colleagues to read it.

THE WEST LEARNS THE ART OF GUERRILLA WARFARE

(By Jean-Francois Revel and Branko Lazitch)

PARIS.—East-West confrontation is usually measured by the military buildup of the superpowers and their allies. But history and current events show that guerrilla movements have always been a more efficient military avenue for communist expansionism. Today, however, a new phenomenon is taking place: For the first time, in various places, genuinely popular anti-communist movements are resorting to communist guerrilla tactics.

After World War II, guerrilla movements became a communist monopoly. Sometimes the communists lost, as in Greece or Thailand; sometimes they won, as in Vietnam. But they were never seriously challenged by anti-communist guerrillas. In Poland and Yugoslavia the nationalist forces that attempted to resist a communist takeover were savagely crushed without difficulty and without a hint of Western help.

On the other hand, whenever there was a split within the communist world—for example, between the U.S.S.R. and Yugoslavia, China or Albania—the communist countries refrained from using guerrilla tactics against each other, using them only when they fought the West. The Bay of Pigs fiasco proved how little expertise the West had in the guerrilla game.

There is no doubt that the noble art of using guerrilla movements for imperialistic purposes is a communist specialty. That art must be correctly understood: It differs from mere destabilization, staged coups d'etat and other political or terrorist actions directed from the outside. It consists of hijacking a perfectly genuine local rebellion and turning it into a toboggan for Moscow's imperialism. That's why arguing whether the roots of trouble—as in El Salvador—lie in local injustice or Soviet interference is largely meaningless. Social injustice is a reality that must be cured. But Moscow will never allow it to be cured by reform, elections, compromise or aid because these solutions would stop its progression by violence toward its real goal: one-party communist rule.

The communists have several methods to reach that goal. They can train guerrilla leaders behind the Iron Curtain or in Cuba. They have the support of the local and international communist network. Most of the time, there is a "sanctuary" country in the vicinity. They have no parliamentary opposition or public criticism to contend with. Finally, in the West, parliamentary opposition and the media emphasize the idealistic and genuine side of the pro-communist guerrillas and pass over foreign and imperialistic Soviet interferences. Politicians in democratic countries are also less sensitive to long-range political implications than they are to legitimate fears about their governments' potential involvement in a quagmire.

But today guerrilla movements have become a boomerang. In Afghanistan, Cambodia, Angola and Nicaragua they are hitting back and challenging the communist power. In all four countries, pro-Soviet communist took power through military action. Today they face anti-communist rebellions they seem unable to subdue. These anti-communist guerrilla movements are well-organized, have grass-roots support, arms, ammunition and, above all, sanctuaries: Pakistan for the Afghan resistance, Honduras for the anti-Sandinistas, Thailand for the Cambodian Liberation Front and South Africa or Namibia for Jonas Savimbi's UNITA.

The anti-communist counter-guerrillas have learned to use communist guerrilla techniques effectively. They set up political alliances between very different forces. As the communists have assembled different political movements into "national fronts," anti-communist guerillas have united heterogenous elements with only one thing in common: anti-communist and anti-Soviet feelings. In Nicaragua we see former Somocistas fighting along with democrats who at first had helped the Sandinistas and now resent their rule, or even with prominent Sandinista heroes like Eden Pastora, who are allergic to totalitarianism. In Cambodia former Khmer Rouge and pro-Sihanouk nationalists side-by-side resist Vietnamese occupation. In Afghanistan, religious, nationalist, tribal, and pro-Western motivations work together against the invader.

But the anti-communist guerrillas have weaknesses the communists don't. They aren't centralized by an autocratic political party or supervised by a powerful international organization. Also, the governments from which the anti-communist guerrillas are getting help—or could get help—are being stopped or crippled by critics who oppose any direct involvement in the conflict by their governments. That is happening in the U.S. over Nicaragua. As a result, the new guerrillas, although fighting for democracy and national independence, don't get much help from their natural allies, the democratic countries.

Finally: the double standard is the rule. We read, for instance, that, even when a foreign power is supporting a pro-communist insurrection—as in El Salvador—the underlying problems remain domestic. That may be true. But it is equally true—though less said—that Angola's and Nicaragua's underlying problems are domestic problems too—starvation and oppression. Why should resistance to communist tyranny, exploitation and occupation be less respectable than the struggle against archaic social structures?●

HOW MANY IMPORTED CARS?

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SHUMWAY. Mr. Speaker, even though we are now experiencing an increasingly robust economic recovery—a recovery characterized by particularly dramatic turn arounds in the auto and housing industries—protectionist sentiment remains widespread. It is not surprisingly most prominent in those industries which, at once, have suffered most severely as a result of the recession and the structural changes now taking place in the economy, and which have the most political clout.

Perhaps the most dangerous example of protectionism is the domestic content legislation currently making its way through the House. No matter that American consumers, in many instances, prefer imported cars for reasons of price and quality; no matter that U.S. automakers have been largely responsible for their own problems; no matter that domestic content would significantly reduce the very competitive pressures responsible for the recent improvements in the U.S. auto industry. If this legislation were enacted, car prices would go up, as would autoworker wages. The result? The American consumer would suffer, and the U.S. auto industry would

become less competitive in an international sense.

International economic relationships are often difficult, particularly when one industry or sector seems to bear a disproportionate share of competitive pressures. Nevertheless, it is competition which assures that the economy operates efficiently; to the degree that competition is artificially reduced, the aggregate economic well-being of the American people is reduced as well.

I would like to insert in the RECORD at this point a most perceptive editorial which recently appeared in the Washington Post.

HOW MANY IMPORTED CARS?

Japan's government has now served notice that it wants to end the quota that limits its exports of automobiles to the United States. The reaction from Congress is likely to be a roar of indignation. But the question for congressmen to ask is why the American automobile manufacturers, after a third year of these quotas, would still need protection from Japanese competition.

The present quota will expire next spring—not only in an election year, but in a year when the United Auto Workers will renegotiate their wage contracts. The Japanese are now the only effective competitors of the American producers, and a tight lid on Japanese imports is an invitation to a substantial wage boost to be passed through to the consumer in higher prices. Labor compensation in the auto factories, counting the fringe benefits, is already close to twice the average for all American manufacturing.

The recent troubles of the auto makers have been profound and by no means all of their own making. The tens of thousands of unemployed auto workers deserve special sympathy. But it's not easy to show that the past two-plus years of quotas have actually helped them much. By holding down the numbers of cars that the Japanese could ship, the quotas have probably speeded up the Japanese companies' shift from the lower end of the market into the much more profitable middle. The quotas have held down the Japanese manufacturers' volume, but not their revenues.

With the economic recovery that is now gathering force, automobile sales are rising rapidly. The time to peel off the quotas is when the market is expanding and employment is stable. Perhaps there is a case for doing it in stages, over a couple of years, to avoid a sudden great surge of imports. In principle that's a slightly dubious expedient, but in practice it offers the industry a measure of reassurance and would perhaps keep the issue of automobile protectionism out of the presidential campaign.

The one thing that you can say for these year-to-year quotas is that they are certainly preferable to permanent protectionist legislation like the domestic content bill, which would require nearly every car sold in this country to be, in some proportion, manufactured here. Although that bill is not very likely to be passed by Congress, and even less likely to be signed by President Reagan, it is a genuine menace. Temporary quotas, expanding over time, would not be an intolerable price to pay for diminished pressure to enact a far more damaging alternative. But the goal that best serves the American economy and American consumers is a return to an unrestricted market.●

YEAR OF THE BIBLE PROCLAIMED IN GEORGIA

HON. LARRY MCDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. McDONALD. Mr. Speaker, the State of Georgia has proclaimed the "Year of the Bible" in accordance with Senate Joint Resolution 165 as signed into law by the President as Public Law 97-280. The proclamation was made on May 9, 1983, and, in my view, is one to be emulated. Therefore, I am inserting it in the RECORD at this point.

YEAR OF THE BIBLE

Whereas, the Bible is one of the most fundamental and enduring influences that has shaped the history and character of our state and nation; and

Whereas, deep religious beliefs stemming from the Old and New Testaments of the Bible inspired many of the early settlers of our country, providing them with the strength, character, convictions and faith necessary to withstand great hardship; and

Whereas, the Bible and its teachings helped form the basis for the Founding Fathers' abiding belief in the inalienable rights of the individual, as well as the ideals set forth in the Declaration of Independence and the Constitution; and

Whereas, the history of our nation clearly illustrates the value of voluntarily applying the teachings of the Scriptures in the lives of individuals and families; and

Whereas, in times of trouble, our state and nation have found strength to sustain the purpose and promise of America through a reaffirmation of our spiritual heritage; and

Whereas, one of the greatest challenges in America today is to renew our commitment to the spiritual values which have made our nation great; now

Therefore, I, Joe Frank Harris, Governor of the State of Georgia, do hereby proclaim 1983 as the "YEAR OF THE BIBLE" in Georgia, and urge all our citizens to rediscover the priceless and timeless message of the Bible.

In witness whereof, I have hereunto set my hand and caused the Seal of the Executive Department to be affixed. This 9th day of May, 1983.●

NUCLEAR FACTS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. OTTINGER. Mr. Speaker, I submit for my colleagues edification the following article by David Carsen, an engineer who worked on the Manhattan Project from 1943-45 and now lives in my district in New York. By his own admission, he now devotes his time to writing in the hope that "we don't blow ourselves up".

FACTS BEHIND NUKE MYTHS

(By David Carsen)

It all began with a big bang, about 15 billion years ago.

This is how astrophysicists theorize that the universe, with it billions of galaxies, came into being. Today's nuclear physicists—of Nobel laureate stature—are warning us that if the leaders of the United States and the Soviet Union continue their military policies, our tiny part of this universe could be destroyed soon. It will end as it all began: With a big bang.

The mushroom cloud bids well to replace the Stars and Stripes, the Hammer and Sickle, the Sign of the Cross and all other signs of man's attempts, however flawed, to build a rational society.

Unlike the Catholic bishops of the U.S., who have said "No" to the immorality and depravity of nuclear weapons and nuclear war, Ronald Reagan and Yuri Andropov continue to play the game of crisis diplomacy.

To convince their respective peoples that their goal is peace while preparing for nuclear war, they have resorted to a new form of specious language that is frighteningly like the "Newspeak" in George Orwell's prophetic novel "1984." (Newspeak is the language that uses psychologically motivating words to distort or eliminate meaning as we would understand it; e.g., naming the MX missile "Peacekeeper").

In addition to deceptive rhetoric, a nuclear mythology has been created. One is tempted to label these imaginative efforts "Nukespeak" or perhaps "Nukethink." Some recent happenings:

Not long ago, a group of private Soviet citizens, believing the public statements of their government, organized an unofficial "Committee to Establish Trust Between the USSR and the USA." Before their dispersal, arrest and punishment, they were denounced as "criminals." Their desire for peace was called "an act of provocation of Western Secret Services."

This, of course, closely parallels President Reagan's accusation that there was "plenty of evidence" that the American peace movement was infiltrated by "foreign agents." Being an activist for peace is equated, in either country, with being unpatriotic and subliminally, a foreign agent. how simple, how neat, how Orwellian.

History has left the Soviet Union with a permanent legacy of paranoia. This, coupled with its brutal repression of any expression deemed "anti-Soviet" (read pro-democratic), makes it a very difficult companion on the path to peace. But the Paranoia has varied with the temper of the times and the quality of leadership.

Meanwhile, in Washington, the myths proliferate. The major ones follow; the excerpts labeled "Fact" are reprinted, by permission of The Bulletin of the Atomic Scientists, from a March article by Frank Von Hippel, senior research physicist at Princeton University and chairman of the Federation of American Scientists.

MYTH 1: THE SOVIETS HAVE STRATEGIC SUPERIORITY

This myth plays upon the fear that the U.S. has fallen behind in the ability to match the Soviets' destructive capacity.

Fact: "The decline in the megatonnage of the U.S. strategic arsenal between 1966 and 1981 did not occur because of attrition or neglect. It was a by-product of repeated cycles of modernization. Perhaps the most important change has been the replacement

of most of the U.S. ballistic missiles, which carried a single warhead, by missiles with accurate multiple-warheads.

"The average equivalent megatonnage of U.S. strategic warheads is still about seven times that of the bomb that destroyed Hiroshima."

Simply stated, our arsenal is so far in the region of "overkill" that we have enough to destroy the Soviet Union to the point where we can even make "the rubble bounce."

MYTH 2: THE U.S. NULCEAR DETERRENT HAS BECOME DOUBTFUL

This myth deals with the "window of vulnerability" and states categorically that the Soviet Union could, in the first strike, destroy 80 to 90 percent of our ICBMs. This has been popularized by President Reagan; Caspar Weinberger; the Committee on the Present Danger, an elite, ultra-conservative organization dedicated to maintaining a cold war posture vis-a-vis the Soviet Union: Edward Teller, a scientist of renown and a director of that committee; and fundamentalist Jerry Falwell, who speaks for the mathematically deluded Moral Majority.

Fact: "Each of the three legs of the U.S. strategic triad is designed so that it could, by itself, destroy the Soviet Union. More than 14 U.S. ballistic-missile submarines are always at sea (where they are generally agreed to be invulnerable). These submarines carry about 2,500 warheads, each with two or four times the equivalent megatonnage of the Hiroshima bomb. And the 30 percent of the U.S. bomber force, which is prepared to take off immediately on warning of missile attack, carries about 400 one-megaton bombs, plus a similar number of short-range nuclear attack missiles."

In addition, several hundred carrier-based fighter bombers are dispersed around the periphery of the Soviet Union. This should be deterrent enough against any Soviet first strike, except, possibly, to a certified lunatic.

MYTH 3: DEFENSIVE NUCLEAR WEAPONS CAN PROTECT US

This myth was presented by President Reagan in his now famous "Star Wars" speech. Here we enter a never-never land of science and fiction, in which lasers, particle beams and nuclear missiles stationed in space will protect us. To achieve any part of this defense system would take decades—and astronomical costs which will impoverish us all—if we even attempt it.

Fact: "In any case, defense of the entire nation, or even its major cities, against nuclear attack would be enormously more difficult than defending hard missile silos. Silo defense requires only having a moderate confidence of preventing up to a few nuclear warheads from coming close to a silo for long enough to allow launch of its missile. In contrast, city defense requires almost perfect success for the entire duration of the war in keeping thousands of hostile nuclear warheads miles away from targets which themselves cover tens of thousands of square miles."

MYTH 4: YOU CAN'T NEGOTIATE WITH THE RUSSIANS

Of all the myths, this contains an element of truth, depending on who does the negotiating

Fact: "The arms control negotiations during the past 25 years have not been entirely fruitless. They included the Limited Test Ban Treaty; The Non-Proliferation Treaty; the ABM Treaty; and the Salt II Treaty. (The last treaty has been ratified by the Soviet Union but not by the U.S. Senate.)"

What say you then, President Reagan and President Andropov? Will you change the arms control scam to an arms control plan? Will all our unfinished cathedrals end in a single burning? Or will you decide that man is not for burning?●

THE MORAL NECESSITY OF DEFENSE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, we in the Congress have heard a great deal about the immorality of atomic weapons, we have heard a great deal about "beating our swords into plowshares," we have heard a great many Christian leaders speak of the evils of war. Today I would like to present another interpretation of the Bible which speaks to the morality of our defense and the moral necessity for weapons of war.

The Reverend John E. Boyles, a minister at the National Presbyterian Church, in 1982, here in Washington, presented this latter view in his sermon, a copy of which he was kind enough to send to me. What follows is a brief review of some of Reverend Boyles' thoughts and interpretations of the scriptures so often quoted during debate on military matters.

We are all familiar with the verse from Isaiah calling upon us to beat our swords into plowshares, our spears into pruning hooks and "not know war anymore." But how many of us know a verse from Joel 3: 10: "Beat your plowshares into swords and your pruning hooks into spears"? Isaiah is calling upon the forces of good and morality to arm in order to defend themselves and protect their homeland against attack by forces that seek only their destruction.

"Those who say that swords being beaten into plowshares means that we should abolish all nuclear weapons, or all force of arms are misusing the vision of the text, for peace is also maintained, particularly today, by the deterrent effect of retaliation whether by armies and arms, or by economic sanctions. Evil is being resisted before it can act," Reverend Boyles tell us.

Another verse that is often misinterpreted, according to Reverend Boyles, is in the New Testament when Jesus tells us to "turn the other cheek" to our enemies. Jesus' words have been misinterpreted here to mean "passive resistance or cowardly yielding to evil," and such interpretations of scripture "are parodies of his teachings," he says.

When Jesus said "turn the other cheek," he was telling us to stand firm for values, for convictions, for faith. He is most certainly not talking about standing defenseless and letting our enemies destroy us, such an act would be tantamount to acceptance of wrong.

Not to defend is to condone. Would Jesus condone the immoral, lawless, senseless taking of your sacred life?

Jesus does not tell us to accept or be lenient or tolerate totalitarianism. There can be no complicity with an evil act, which is what we would be doing if we did not defend ourselves and our homes and those we love. Jesus is telling us to defend and protect.

This is part of the thrust of the passage from the Old Testament, from Joel—a time to beat plowshares into swords to save the world from injustice, to defend against oppression.

Our weapons exist for deterrence which is "not coercion, it is defense. It doesn't force an opponent to do something, it forces him to refrain." Deterrence has prevented war for the past 37 years, even with nuclear weapons.

It should be remembered that had Britain followed a policy of deterrence Hitler would never have brought war to Europe and the rest of the world in 1939. We must not make the same failure again today.

"We cannot turn the nuclear knowledge clock back now," Reverend Boyles counsels, "we can only control it and not panic and tremble before it. For if we do not control it then madmen will. Would you want only totalitarians and terrorists to have use of the world's most destructive force? Our anxiety is, I am afraid, the price we must pay for our freedom."

The father of an infant son and a 2-year-old boy, Reverend Boyles understands those who fear for their children's well-being in a world where peace depends upon nuclear deterrence but says:

If I believed that nuclear weapons could be removed from this planet I would work toward that end, for the sake of my sons and other's children. But the reality is that we have eaten of the tree of the knowledge of good and evil. The whisper of the serpent is real, and it still whispers today. Cain may slay Abel again and all swords will not become plowshares even as we pray that all wars will cease.

But our faith is intact, and can be more real to us than our fears. Our fear and anxiety are the price we pay for our freedom, and we must live with their reality while never, never, selling our souls.

Once again I thank Reverend Boyles for forwarding to me this fine sermon. I hope that the Members will carefully consider his words.

FEAR NOT

(Sermon preached by the Reverend John Boyles, August 15, 1982, at the services of the National Presbyterian Church)

SCRIPTURE LESSONS

"When a man causes a disfigurement in his neighbor, as he has done it shall be done to him, fracture for fracture, eye for eye, tooth for tooth * * *"—Leviticus 24: 19-20.

"Beat your plowshares into swords, and your pruning hooks into spears * * *"—Joel 3: 10.

"You have heard that it was said, 'An eye for an eye and a tooth for a tooth' But I say to you, Do not resist one who is evil. But if any one strikes you on the right cheek, turn to him the other also; and if any one would sue you and take your coat, let him have your cloak as well; and if any one forces you to go one mile, go with him two miles. Give to him who begs from you, and do not refuse him who would borrow from you. "You have heard that it was said, 'You shall love your neighbor and hate your enemy.' But I say to you, Love your enemies and pray for those who persecute you,"—Matthew 5: 38-44.

"On that day, when evening had come, he said to them, "Let us go across to the other side." And leaving the crowd, they took him with them, just as he was, in the boat. And other boats were with him. And a great storm of wind arose, and the waves beat into the boat, so that the boat was already filling. But he was in the stern, asleep on the cushion; and they woke him and said to him, "Teacher, do you not care if we perish?" And he awoke and rebuked the wind, and said to the sea, "Peace! Be still!" And the wind ceased, and there was a great calm. He said to them, "Why are you afraid? Have you no faith?" And they were filled with awe, and said to one another, "Who then is this, that even wind and sea obey him?"—Mark 4: 35-41.

The age-old question of violence and a Christian response to it—and the question, then, of who is friend and who is enemy—who is brother and sister, and who is not.

Recall the first two brothers—Abel and Cain. Cain rose up against Abel and killed him, and God looked for Abel, and Cain answered, "I do not know, am I my brother's keeper?"

Surely, one of the most chilling phrases of all time:

"Am I my brother's keeper?"

And an even more chilling response from God:

"What have you done? Your brother's blood is crying to me from the ground!"

And so Cain, like Adam and Eve, is driven away, to be a fugitive and wanderer on the earth, and to bear a mark so that he would not be subject to being slain. God says, "If anyone slays Cain, vengeance shall be put on him sevenfold."

Sevenfold vengeance. But this was vengeance in the Old Testament—God's vengeance. It was an ancient form of blood vengeance and revenge.

Excessive blood feuds of warring tribes and the revenge of killing for lesser crimes was the pattern of life before Old Testament times. "An eye for an eye, tooth for a tooth" may seem barbaric, but it was really an ethical advance from the days when a man would automatically be killed, and perhaps his family, too, for stealing a single goat.

Even the Old Testament reflects some of this. For example, Exodus 21 says that whoever strikes or curses his father or mother shall be put to death. It says if a man steals an ox or a sheep, he shall pay restitution: 5 oxen for an ox and 4 sheep for a sheep, but if he has nothing, then he will be sold to pay for his theft.

These appear excessive punishments, but basically, the ideas of "eye for eye, tooth for tooth" were an attempt by the Hebrew judges to establish a better, more uniform code of criminal justice. Leviticus 24 defines it this way:

He who kills a man shall be put to death. He who kills a beast shall make it good, life for life. When a man causes a disfigurement on his neighbor, as he has done, it shall be done to him, fracture for fracture, eye for eye, tooth for tooth; as he has disfigured a man, he shall be disfigured.

So now comes Jesus with a response to "eye for eye, tooth for tooth" which has proved most troubling for people focused to live in the real, urban, practical world of modern life, in modern cities, in Washington, D.C., in a world where nuclear warheads threaten all of us with retribution.

Jesus says: "Do not resist one who is evil. But if any strikes you on the right cheek, turn to him the other also, and if anyone sues you for your jacket, let him have your overcoat as well, go the second mile . . ." and so on.

Well, as always, we read what we want to read in the Bible, making it so "heavenly" it is of no earthly good, or else reading a particular verse out of context and living it to death by an excessive literalism.

Let's look at "turning the other cheek." (Matt. 5: 39). But let's remember first that Jesus was, in Matthew's gospel, fulfilling the Law of Moses. Just 20 verses earlier, Jesus introduced his remarks by saying:

"Don't suppose I came to abolish the law or prophets; I did not come to abolish but to fulfill."

It is important to understand that context and its spirit. Remember too that the first part of Chaper 5 is the Beatitudes, one part of which is "blessed are the meek, for they shall inherit the earth"—not a statement meant literally but as an indication of an ethic of humility and service to others. This is important to remember.

So back to turning the other cheek. Jesus here is continuing his comments on humility and the duties of man under law. He is giving an added spiritual dimension to the Mosaic law, the code of Hammurabi, and the Roman law. He is not abrogating them but fulfilling them.

If a fight is about to start on a playground, what is the first rule of the jungle gym? "Lead with your right." And, in this righthanded world (apologies to you lefties) the right hand, or fist, usually leads. And in face-to-face combat then, where does a right-handed punch land? On the right cheek? No—on the left.

So what is jesus talking about here? He is talking about someone giving the back of their right-hand as an insult, a direct challenge, as in the movies, "Sir, I challenge you to a duel" and a slap of the gloves to the cheek.

The back of the right-hand was the insult, and the right hand was then ready for the first real blow, a punch to the left cheek.

The meaning here is not literal, but metaphorical: absorb the insults and the hatred. It is clearly not meant as a literal turn-your-cheek, or your back, to an attacker.

Similarly, in the next verse "If any one would sue you and take your coat, let him have your cloak as well."

The coat is the tunic or jacket, in a sense, like our modern sweater or sport jacket. The cloak was the outer garment. To give it up would mean real suffering for it was a blanket by night as well as garment by day. Again, and especially in any legal sense, Jesus was not expecting anyone to give up their blanket—a necessity for survival in the ancient Near East.

The next verse "going the second mile" refers to the Roman Army's use of conscripting the conquered people of Judea and Galilee to carry their armor and supplies or mail for certain given distance, usually a mile.

So what we see here is Jesus' clear message of metaphor—examples he could not demand in a literal sense but one his listeners could understand, just as they understood his parables, which were not literal.

We are always looking for cheap grace and easy answers. Looking for the easy verse of scripture, rather than the tough job of understanding an entire chapter, or a book, or the Bible as a whole, in its message of salvation, in its total revelation for our lives.

After all, how do we interpret the verse just five chapters later in Matthew 10: 34? "I come not to bring peace, but a sword." Well, that's another metaphor. Jesus is talking there about what happens when people truly follow him and may have to leave even family aside to do that, causing strife. He is talking about standing firm for values, for convictions, for faith.

You see, Jesus is Lord and Master and Teacher. He is not simple and naive. Oh, sometimes, we'd like to have him that way. It would give us the simple way out, the way out on not following him by knowing him and hearing his words.

Jesus here in talking about turning the other cheek, is not talking about passive resistance or cowardly yielding to evil. Those are parodies of his teaching.

Jesus is Lord of all life. He is sent of God the Father, Creator Redeemer, Sustainer of life itself. Can you believe that the Lord of all life wants you to give up your own life for no reason?

Some Christians seem to believe this. I do not. He is saying. "Love your enemies, but don't let them destroy you." Love, you see, is not acceptance of wrong. Not to defend is to condone. Would Jesus condone the immoral, lawless, senseless, taking of your sacred life? That is not the Lord I know.

I love the Lord who loves me, walks with me, sustains me, who loves my life, my basic biological human frail life of flesh and blood—he does not will that it depart from us for no reason.

Love of enemy and neighbor does not mean leniency or license or tolerating totalitarianism. There can be no complicity with an evil act which is what we would be doing if we did not defend ourselves and our homes and those we love.

Jesus is talking about loving enemies, by not letting them be destructive, of us and of themselves. Can you imagine Jesus saying, like a modern hip psychologist would: "Go ahead, kid, work out your anti-social criminal impulses, go destroy a few people's lives and your own psyche, then come back for a consultation?" Not my Lord.

Jesus cleanses us of hatred and revenge. Jesus would prevent crimes of violence by rooting out elements in character which make someone kill: can you imagine on the road to Jericho if Jesus had come along before the man was beaten. Do you believe the Son of God who came to save man would not have intervened to help save that helpless man from a bloody beating or from a senseless death? Also, we should note that Jesus used violence for ethical purpose, as he did when he threw the moneychangers out of the Temple.

Jesus again, was not naive, not blind to evil. He met with the Devil and discoursed with him, met him directly and defeated him. He resisted.

Jesus is Lord of life itself and wants you to live—"for the Son of man came not to destroy men's lives, but to save them."

Live life fully, do good, love neighbors and enemies, but resist evil and death—and protect your God-given, sacred, and precious life.

Defend and protect.

This is part of the thrust of the passage from the Old Testament, from Joel—a time to beat plowshares into swords, to save the world from injustice, to defend against oppression.

Many of you will now ask whether you have heard Joel correctly—for aren't we all accustomed to the words of Isaiah—the very opposite words of beating swords into plowshares?

Well, you might wish to ask yourself who is always quoting Isaiah selectively, and to what end they wish you to believe this is the total message of biblical revelation.

Let me tell you more about this little quoted message from Joel.

The passage is about the Israelite exiles being restored, and the pagan nations are judged harshly for their cruelties to God's people. The pagans are here assembled for the final battle with the host of heaven. And God and his angels will execute judgment on the heathen as the sun and moon and stars darken and the heavens and the earth shake.

Joel's message here is one in which judgment is rendered against those who have sinned against humanity, and against God. Here in Chapter 3 all the nations of the earth are summoned to be judged by God as they are in Matthew 25: 31-46 when the Son of Man comes in his glory to separate them as a shepherd separates the sheep from the goats.

So here in Joel we see judgment by force of arms, just as in Isaiah we see universal longing to convert weapons into tools, swords into plowshares. But if Isaiah can be cited as a text for disarmament, then Joel can be cited as a text to bear arms, to resist evil in the world.

Both Isaiah and Joel are prophets, and they write about the same time: in the late period of Israel's exile or just after, four or five hundred years before Christ. Their hope is similar in a way—the restoration of Israel in peace, the judgment of its enemies, the rebuilding of Jerusalem, and an era of peace under God's rule.

But one must be careful about how we use passages like these, especially if we are using them to support our own earthly ideologies and beliefs.

Together they suggest that we should strive for both peace and justice but they are also not an exact literal plan for peace or for war. Those who say that plowshares being beaten into swords means we should abolish all nuclear weapons, or all force of arms, are misusing the vision of the text, for peace is also maintained, particularly today, by the deterrent effect of retaliation whether by armies and arms, or by economic sanctions. Evil is being resisted, before it can act.

We should also note that today, these Old Testament passages are the scriptures of a nation that is descended from those who first experienced them and wrote them down, and they now refer to them as they wage their current war in Lebanon against the Palestine Liberation Organization.

Going back three thousand years ago, we should note that the Israelites had so little metal that plowshares were literally beaten into swords, and vice versa.

You can read in I Samuel 13 how the Israelites had so little talent for metallurgy that they had to go to the Philistines to have their plowshares sharpened.

You might also recall the crude way in which David slew a Philistine at that time—not with a sword but with a slingshot.

That same battle, based on the same scriptures and a belief in them, is still very real in the mideast. The same ancient issues, the same animosities, the same enemies still battle today.

For Goliath was a Philistine, and the modern-day descendants of the Philistines are the Palestinians, it is the same word. The Star of David is still lashing out against an ancient people who claim the same land, and we should consider how ironic it must seem to the Palestine Liberation Organization to speak of the Camp David accords.

War and peace in the middle east—the source of the Star of David and the Star of Bethlehem and Prince of Peace yearned for by the same Isaiah who had a vision of swords becoming plowshares. The middle east—a place of volatile passions that could result in a literal Armageddon.

We all fear war there—that it might broaden and drag in other nations, even ours. We fear war there also over oil. We see how small lands, even islands, can embroil both dictatorships and democracies, in strife. We all are weary of war, and fearful of death, and yet what is the answer for a Christian?

We must examine the reality of our fears. Look at some simple ones. We fear disease, and yet drunken drivers kill 86 times more people than polio killed in its worst years, and these same drivers kill more people than violent crime does. We fear flying but driving home from the airport is more dangerous. Nuclear power plants have killed no one but cigarettes kill one-third of a million people per year.

Some of these fears are real, but some are not. And what we should understand is that there are those who are playing upon the natural fears we all have, either because they have other goals or because they don't understand the issues.

Many of you are fearful of the weapons of war stockpiled by the U.S. and by the U.S.S.R. and one widely quoted idea leading to fear of nuclear war is that there is a single nuclear "button" which could be pushed by a single maddened General or President. Some think this is a button on the President's desk. Some think a military aide carries it as he follows the President around.

This button is a myth. There is no button. What is the truth then? The truth is that there are a series of codes and radio communication equipment carried around. The truth is that no single crazed person could get this country into a nuclear war, there are too many safeguards, involving authorization from many high officials. Yet, why does talk persist in the news media of a nuclear "button"?

Perhaps there are those who are trying to make you afraid. Consider all the television programs of the last year; the documentaries about specific cities such as San Francisco, Detroit, or Washington and what happens to them in graphic and gory detail under nuclear attack in 1982 or 1984 or 1990.

But where is the documentary which asks about the atomic bomb being dropped over London in 1944, over Moscow in 1949, or over Denver in 1958, or over Washington in 1972? You say, "there were no bombings then."

Precisely. Correct. And we have had 37 years, while possessing nuclear weapons, in which they have not been used and during which they have deterred war.

We hear much about the "immorality" of nuclear weapons. But where do we hear of their morality, and of the aggressive actions they deter. And are conventional weapons then to be considered "immoral" too, or are they "moral"?

Some suggest merely having nuclear weapons is immoral. But nuclear deterrence is conditional, not coercive. It is not the same as a loaded gun held by a criminal as he robs a bank. Rather, it says to a foreign power: if you do "X" (attack us), we will do "Z" (destroy you). This is therefore no coercion, it is defense. This doesn't force an opponent to do something—it forces him to refrain.

Indeed, it should asked of some why, if the United States is to be portrayed as an aggressive, immoral power, a Dr. Strangelove figure, why a bomb was never dropped on Moscow when only America had the bomb, or why it has not been used in the last thirty-seven years elsewhere?

Recall the conditions under which the bomb was developed. The technical knowledge and groundwork were there in the 1930's. Nazi Germany, under Hitler, was developing atomic weaponry. Does anyone here doubt that Hitler would have used the bomb for world domination, or, in a final and fiery Götterdämmerung have immolated himself and Berlin and the advancing Allied troops in an atomic funeral pyre? This was a man who, in the 1930's said "Wir wollen Frieden haben"—"we want peace" as one of his slogans.

Hitler was a totalitarian dictator bent on world domination. So is the Soviet Politburo, a dictatorship of fourteen old men who rule not only Russia but subject peoples from the Arctic Circle to the Middle East, from European Germany to Asian Mongolia.

I have seen this totalitarian empire over the years; first in the grim reality of the bullet-pocked Berlin Wall in 1966, the first time a power has had to contain its own peoples from leaving, and then in Prague city square in 1969, viewing the bullet holes in walls where the brave rebellion of 1968 had been brutally repressed by Russian troops and tanks. And now, this year, having seen and felt the total oppression of the Soviet Union in a trip there in May and June, an oppression in which so many millions have already died that the remaining millions understand that any resistance is futile. And many do flee; soccer spectators from Poland, tennis players from Czechoslovakia, dancers from Moscow, voting with their feet.

How hard it is then, to hear today voices that counsel literal nuclear disarmament out of fear and panic, and the willingness of some to capitulate to Soviet might out of fear of a nuclear holocaust. "Better red than dead" is the rewarmed slogan. But you should know that that would probably mean both red and dead. You need only ask the Afghan peasants that. Or the workers of Solidarity who know what will happen if Russian troops should replace Polish troops in the streets of Warsaw. Nuclear disarmament: at what price to our souls, and the souls of those whom we defend?

Are we to be driven by fear?

There is certainly reason to fear, and Jonathan Schell's book The Fate of the Earth is a sobering and fearful book. For his argument is persuasive that, in a nuclear exchange between the U.S. and the U.S.S.R., the two nations would be completely destroyed. But beyond that that the entire world would be destroyed—by radiation and

fallout, by fires and blinding, by pollution and global epidemic and poisoning—and life on earth would cease.

At the root of this potential destruction, Schell points out, is not a bad thing but, amazingly enough, a good thing. Man's scientific knowledge, which has so enriched us all, is also the source of atomic power. Man has eaten of the tree of knowledge of good and evil. Man has tasted of the most elemental of God's power, those forces which hold matter and energy together.

Once tasted, they are released forever, we know the knowledge of the nucleus is there. We cannot turn the nuclear knowledge clock back now. We can only control it and not panic and tremble before it.

For, if we do not control it, then madmen will. Would you want only totalitarians and terrorists to have use of the world's most destructive force?

Our anxiety is, I am afraid, the price we must pay for our freedom. We should offer it willingly. Recall those millions of American men who, in this century gave their lives in Flanders field and trenches in France, at Anzio and on Iwo Jima, in the cold winters of Korea and the steaming jungles of Vietnam. It does not justify a particular war or cause to say that the death of these men was noble for it was more than noble. For, in dying, they said that there was a higher value than life itself, a more supreme dignity than their existence as individuals. The idea of sacrifice as the highest ideal is seen most centrally in Jesus' saving death.

Because of the possible sacrifice of human life in nuclear war, we are, as human beings, perhaps now even more aware of the miracle of life, and of birth. Knowing all life can be extinguished, we know even more clearly how sacred life is—"For unto us a child is born" and how heaven still rejoices.

My wife and I have been blessed, just three weeks ago, with the birth of a baby, Christopher. We have another son, Jay, who is two and a half. These are not ragdoll babies, but flesh and blood boys, precious little human lives, with wills of their own, and personalities too.

If I believed that their survival, and their future fullness as free human beings, would be insured by disarming the nuclear weapons of this country, I would work toward that end. If I believed that all weapons of war could be removed from this planet, I would work toward that end, for the sake of my sons and others' children.

But the reality is that we have eaten of the tree of the knowledge of good and evil. The whisper of the serpent is real, and it still whispers today. Cain may slay Abel again and all swords will not become plowshares, even as we pray that all wars will cease.

But our faith is intact, and can be more real to us than our fears. Our fear and anxiety are the price we pay for our freedom, and we must live with their reality while never, never, selling our souls for them.

The poet John Donne wrote:

Eternal and most glorious God, suffer me not so to undervalue myself as to give away my soul, Thy soul, Thy dear and precious soul, for nothing; and all the world is nothing, if the soul must be given for it.

Preserve therefore, my soul, O Lord, because it belongs to Thee, and preserve my body because it belongs to my soul.

And then in words reminiscent of Jesus on that turbulent Sea of Galilee, Donne prays:

Thou alone dost steer my boat through all its voyage, but hast a more especial care of it, when it comes to a narrow current, or to a dangerous fall of waters.

Thou hast a care of the preservation of my body in all the ways of my life; but, in the straits of death, open Thine eyes wider, and enlarge Thy Providence towards me so far that no illness or agony may shake and benumb the soul.

"Don't be afraid" said our Lord to his wavering disciples on that turbulent sea.

"Fear not" said an angel, "I bring you good tidings."

You do not have to fear, in the face of illness, agony, or even death. For as Dylan Thomas has written, death has "no dominion."

AND DEATH SHALL HAVE NO DOMINION

And death shall have no dominion.
Dead men naked they shall be one
With the man in the wind and the west moon;
When their bones are picked clean and the clean bones gone,
They shall have stars at elbow and foot;
Though they go mad they shall be sane,
Though they sink through the sea they shall rise again;
Though lovers be lost love shall not;
And death shall have no dominion.

And death shall have no dominion.
No more may gulls cry at their ears
Or waves break loud on the seashores;
Where blew a flower may a flower no more
Lift its head to the blows of the rain;
Though they be mad and dead as nails,
Head of the characters hammer through daisies;
Break in the sun till the sun breaks down,
And death shall have no dominion.●

A TRIBUTE TO ELTON B. STEPHENS

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SHELBY. Mr. Speaker, I would like to take this opportunity and pay tribute to an outstanding businessman of the great State of Alabama, Mr. Elton B. Stephens.

Elton is chairman of the board and founder of EBSCO Industries in Birmingham, Ala. His wonderful success is the story of the American dream of hard work and dedication. And even though he has reached a pinnacle of achievement in the business world, Elton has not forgotten the people who assisted him along the way to the top.

It is with the greatest honor that I share some insight about Elton B. Stephens with my colleagues in the House of Representatives. Following is part of an article written by Elma Bell of the Birmingham News staff about Elton's new offices:

The new international headquarters building of EBSCO Industries, Inc. is a sophisticated, dramatic structure of glass and wood clinging to the side of a mountain off U.S. 280.

Hung on walls throughout the enormous building are prints and paintings of ancient street peddlers. It is Elton B. Stephens' way of acknowledging that this giant conglomerate he founded and serves as board chairman grew from his own days as a street peddler.

"I put myself through college at Birmingham-Southern and then at the University of Alabama Law School selling magazines door to door," Stephens says.

After he got his law degree, he decided to keep on selling magazines.

"When I graduated, lawyers were making $65 a month," he says. "I was saving $100 a month from what I made selling magazines."

That was in 1936. Today, EBSCO Industries, Inc. prints 75 national magazines, is the world's largest manufacturer of fishing lures, and operates the world's largest subscription agency.

"And we still sell magazines door to door," Stephens says.

A partial list of the other things EBSCO does is manufacture carpet, office furniture, pool tables, steel building joists, display cases and loose-leaf binders. It has offices all over the United States and in Canada, Australia, Brazil and the Netherlands.

"We knew what we wanted and they worked with us," Stephens says. "The building is really the product of the imagination of my son, J. T. Stephens, who is president and chief executive officer of EBSCO."

The building overlooks 10,100 acres of forest, studded with an occasional lake and rimmed with mountains.

"We own 160 acres. The view is courtesy of Oak Mountain State Park, which covers the rest of the acreage," Stephens says.

The building is positioned to take advantage of the breathtaking view.

"We hung it right on the corner of the mountain," Stephens happily points out.

The result is that many of the interior spaces have interesting angular shapes, including Stephens' office. Its two largest walls are glass.

"For 17 years, I had an office without a window so I thought I would make up for that in this office," he says. "The sunset seen from here is one of the most beautiful things you could imagine."

"That's the company my wife Alys and I formed first," he says. It still supplies recreational products to the armed services.

He points out the office of Elton B. Stephens Jr., vice president and general manager of one of EBSCO's newer companies, EBSCO Realty.

And, finally, Stephens shows the computer room, where row after row of gleaming machines contain information about the 160,000 titles in EBSCO's subscription service. One wall holds a map of the world, surrounded with clocks giving the time in Birmingham and all the major cities throughout the world where EBSCO does business.

"If a large library, such as the Library of Congress in Washington, wanted to subscribe to everything published in the world in any language in the world, this operation makes it possible for it to order it all on one purchase order and receive one invoice and pay with one check," Stephens says.

Impressed as he admits he is with such scientific equipment, Stephens doesn't see it as EBSCO's greatest asset.

"That title goes to our employees," he says. "They are the finest in the world."

Elton B. Stephens is a giant among men when it comes to corporate contributions to his community. In an effort to encourage corporate giving to charities, Elton started the Alabama 5 Percent Club. To become a member, a

business must pledge 5 percent of its earnings before taxes, to the charities of its choice.

So far, 42 companies have joined. For those who wish to give more or less than 5 percent, he has established the 10 and 2 Percent Clubs.

Elton explains his views or recognizing corporate responsibility in the following way:

I think corporate responsibility issues a challenge to the business community to support, not only the educational institutions and the health institutions, but the arts as well. We have a responsibility to the community in which we live to support and do things for that community that are not being done by political entities.

In my opinion, you can't go to the Federal Government for everything you want done. We have to face up to the fact that the Federal Government does not have any money. They have been operating on a deficit for years and we've got to figure out a way to support and run this country without the Federal Government.

One way to do this is for business to step forward and give a certain percent of the earnings they have to worthwhile agencies as well as educational institutions, the arts, etc. This would benefit their communities. In my opinion, that is what corporate responsibility is all about.

Elton's energy and devotion in civic and civic/business-related activities is quite admirable. Recently he has been involved chairing the Wastewater Facilities Development Committee, as requested by the Jefferson County Commission; serving on the board of trustees for the Birmingham Metropolitan YMCA; and serving on the Executive Committee of the Board of Trustees for Birmingham-Southern College. His term as chairman of that committee has just ended.

Other organizations which have been served by his leadership include the Future Farmers of America, Red Cross, American Cancer Society, United Way, the Birmingham Festival of Arts, and the Alabama Development Office.

Recognized by his peers and rewarded for his untiring efforts to help his community, State, and Nation, Elton has received numerous awards and honors, among which are being listed in Who's Who in America, in the South and Southwest, in Alabama, in Commerce and Industry; being voted one of 100 Birmingham's Outstanding Citizens of the First 100 Years; having an expressway in Birmingham named after him; serving on staff as colonel under Gov. George C. Wallace of Alabama; and being recognized for distinguished service in trusteeship nomination, association of governing boards of universities and colleges.

Elton and his lovely wife, Alys, have 4 children and 13 grandchildren.

Mr. Speaker, I am truly honored to know a man such as Elton B. Stephens. He is a shining example of the backbone of this country's business community which has made America such a great land of opportunity. Alabama and the city of Birmingham are extremely fortunate to have a man of his caliber on "their team."

All of us here in Congress should take a moment and reflect on his philosophy and business attitude. We need more men like Elton B. Stephens who have given so much of themselves in helping others. He knows the meaning of hard work and exemplifies the true idea of the American dream of success.

It is with the greatest pleasure that I share these words with my colleagues in the House of Representatives. Elton B. Stephens can never receive enough praises for all his work and time to so many worthy causes. He is a fine father, conscientious businessman and leader in his community. There is no doubt in my mind that this tribute is well deserved by this outstanding individual.●

EGGS WOULD BE BROUGHT WITHIN PURVIEW OF AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. COELHO. Mr. Speaker, today I rise to introduce legislation which will bring eggs within the purview of the Agricultural Marketing Agreement Act of 1937.

Under the act, producers and handlers of certain commodities may voluntarily agree to establish programs within their industry which are designed to cure certain problems from which the industry may suffer. Most agricultural commodities are included within the act and the producers of these commodities may develop marketing orders. Eggs are specifically excluded from the act, and this legislation would merely provide the egg producers with the same opportunity most other commodity producers currently have to develop a marketing order to deal with the marketing problems in their industry.

Marketing orders, which are authorized under the Agricultural Marketing Agreement Act of 1937, have made valuable contributions to the stability of many of our agricultural commodity markets. In addition to assuring orderly markets for both producers and consumers, marketing orders have provided for quality control assurance, research and promotion, and other market support activities.

It is quite clear that the egg industry should have the opportunity to consider this alternative. Our egg producers, particularly small and independent producers, are suffering through one of the most difficult periods in their history. Because egg producers have had to sell their eggs at below the cost of production for an extended period, egg producers have gone out of business in record numbers. In less than 1½ years, ending in December 1982, the number of egg producers dropped from more than 6,000 to less than 4,000, a decrease of more than one-third.

Recently, one of the factors which has injured egg producers dramatically was a program implemented by the USDA, the grain PIK program. This program resulted in drastically higher grain costs, grain which egg producers must buy to feed their flocks.

The industry has recognized that it cannot control these factors which are artificially produced in the market system. The PIK program and the loss of export markets to foreign subsidized eggs has left the industry with grave problems which require the more organized structure of a marketing order.

This legislation will not implement a marketing order for the egg industry, nor will it require that the industry develop one, it will merely provide the industry the opportunity to consider whether it wants and needs the types of programs provided for under the act. If the industry does decide that a marketing order is required, the order will be developed by the industry in cooperation with the USDA and under the guidelines established by the USDA. The order must be approved by two-thirds of the domestic egg producers or those producers responsible for two-thirds of total eggs produced in the United States. It is important that we provide our egg producers with this opportunity to help themselves.

The egg industry has carefully considered the pros and cons of a marketing order for their industry. In early May of this year, an all-industry task force of egg producers urged that the industry support an amendment to include eggs in the Agricultural Marketing Agreement Act of 1937. This was an emergency task force that was appointed to deal with the economic crisis which gripped the industry.

After this task force recommendation, the United Egg Producers and its member cooperatives began to poll their membership on marketing orders. The four regional cooperatives, West Coast Egg Producers, Midwest Egg Producers, Northeast Egg Marketing Association, and the National Egg Co., cover the commercial egg production of the entire Nation. The producers in these cooperatives voted overwhelmingly for an amendment to the Agricultural Marketing Agreement Act of 1937. Then, in a board meeting held last week, the board of directors of United Egg Producers voted to seek an amendment to the 1937 act to include eggs.

My amendment is very simple. It merely amends the Agricultural Marketing Agreement Act of 1937 to remove the language that excludes eggs. I wish to note that it is the intent of my amendment to include in the act not only eggs, but also the hens that lay the eggs.

Mr. Speaker, I hope that this legislation, which will cost the Government no money and which will not force the USDA to adopt any questionable program, will receive favorable consideration by Congress and the support of the administration.●

ACID RAIN

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. CONTE. Mr. Speaker, throughout the country, environmental issues have become increasingly important. This concern for hazardous waste, our national parks, and clean water and air has been reflected in recent congressional action. The House voted to add $220 million to the operating budget of the Environmental Protection Agency. This body has also approved several bills designating thousands of acres—in all parts of the country—as wilderness areas. There is one growing problem, however, that has not been addressed. The acid rain problem is an "environmental time bomb" ready to explode. The effects are widespread, devastating, and well documented.

Already, acid rain has made a significant impact on the environment. There is well-documented evidence supporting this assertion. I invite my colleagues to examine the facts:

Approximately 3,000 lakes and 25,000 miles of stream in the Northeast suffer from acid damage. Over 200 lakes in the Adirondacks are officially "dead";

Last December, "acid fog" at Corona del Mar, near Los Angeles, was found 100 times as bad as most acid rain;

According to the Office of Technology Assessment, rain falling in West Virginia, Pennsylvania, New Jersey, New York, Rhode Island, Massachusetts, New Hampshire, and Maine is now almost always acidic. The agency reported that acid rain has affected 9,400 out of 17,000 sensitive eastern lakes, and 51,000 out of 117,000 miles of sensitive streams; and

In Montana, Wyoming, and Arizona rain and snow are 2.5 to 5.0 times more acidic than normal.

And there's more, Mr. Speaker.

In my own State of Massachusetts, this quiet killer has made a significant impact on the environment. A recent study, conducted by researchers at the University of Massachusetts, tested 1,173 waterways throughout the State. The lakes, streams, and reservoirs tested compose one-quarter of all waters in Massachusetts—in Holyoke and Chicopee, as well as the Connecticut River and the Quabbin Reservoir.

The conclusions were disturbing. The 916 waterways surveyed were showing the effects of acid contamination. That is 80 percent of all the lakes, streams, and reservoirs tested, waters which have nearly lost their ability to neutralize the acid precipitation. In fact, scientists predict—if the acid rain problem continues much longer—these waterways may lose their ability to counteract additional acid deposits.

The effects of acid rain, as I have stated, are well documented. The causes of the problem have also been scientifically identified. The recent National Academy of Science report concluded that there is a direct relationship between SO_2 emissions—primarily from utility companies—and the overacidic rainfall throughout the country and Canada. The data is available and conclusive. It is time to defuse this potentially devastating "environmental time bomb."

On a more parochial note, let me take this opportunity to inform my colleagues of events to take place in Massachusetts. Next week is "Acid Rain Awareness Week." State officials, especially the Governor and the Lieutenant Governor, have taken a leadership role in this issue to work for an acceptable solution. Besides the traditional ceremonies, hundreds of volunteers will be honored for their work in collecting water samples for the University of Massachusetts study. Through their unselfish efforts, this extensive research project was conducted to document the effects of acid rain. This information will be invaluable not only to the scientific community, but to the policymakers trying to solve this environmental nightmare.

Mr. Speaker, the Congress must move forward and seriously address the problem of acid rain—before it is too late.●

WILLIAM L. GREEN, JR.

HON. TIM VALENTINE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. VALENTINE. Mr. Speaker, for the better part of 13 years Bill Green has been serving the academic community of Duke University with great distinction.

His career has been marked by numerous and varied achievements. A graduate of the University of North Carolina at Chapel Hill, he worked as a reporter and editor for newspapers in North Carolina before joining the U.S. Government in the Foreign Service, the U.S. Information Agency, and NASA. Many of my colleagues may remember the all too brief period during which he served as ombudsman for the Washington Post.

Mr. Speaker, a recent article in the Raleigh News and Observer outlines Bill Green's many accomplishments, and I would like to insert it in the RECORD.

The article follows:

DUKE UNIVERSITY'S MAN WITH A "THREE-HAT JOB"

(By Guy Munger)

DURHAM.—Bill Green came to his current "three-hat job" at Duke University by way of Zebulon and Bangladesh, with a couple of stopovers in the wonderland of Washington.

It has not been an uneventful journey.

Born 58 years ago in Asheville, William L. Green Jr. grew up in Zebulon, where his parents still live and where his father, who is 84, still goes to work daily at the seed and feed store of which he is part owner.

The younger Green served in the Air Corps during World War II, flying reconnaissance missions out of Italy in P-38s, then graduated from the University of North Carolina at Chapel Hill in 1949 with a degree in journalism.

Green worked as a reporter in Durham and Morganton and served as editor of the Shelby Daily Star from 1952 until 1957, when he began what he calls "six indelible years" overseas.

He was press officer for the U.S. consulate general in Dacca, Bangladesh, from 1957 to 1960, then press attache at the U.S. Embassy in South Africa from 1960 to 1963.

It was an educational experience. "Some countries, like South Africa, have continuous problems, like race," Green said in a recent interview at his Duke office. "But whatever problem you decide, Bangladesh has it—in multiples. It is a place where hope just doesn't exist."

In 1963, Green returned to the United States and for one year was special assistant to the deputy director of the U.S. Information Agency in Washington.

"By the luck of the draw, it was a glorious year," Green said. "Jack Kennedy was in the White House. Ed Murrow was director of the USIA, and we were going to set it all right. The government would do it and do it right."

Green paused, then added: "It lasted one year. Murrow died of cancer and Kennedy was assassinated."

Green remembers vividly his USIA boss, Edward R. Murrow, North Carolina native, famed radio and TV newsman.

"He represented the best that this profession I've been in and around all of my life can be," Green said. "He was truly awesome. . . . Murrow was the conscience of the Kennedy administration. That's the kind of fellow he was."

Green next moved to the National Aeronautics and Space Administration, where he was deputy assistant administrator for public affairs during the exciting years of the Gemini space flights and the first moon landings.

In 1970, he was named director of university relations at Duke University and began developing his present "three-hat job"—overseeing Duke's contacts with the media and the public (including supervision of the

Duke news bureau), teaching Duke's only regular journalism course (basic newswriting), and running the visiting journalists program (what Green calls "Western civilization's last unstructured relationship").

Over the years, Green has made many contacts with news agencies and newspapers around the world and he works them regularly to help students find jobs and internships.

Sounding a bit like Mr. Chips, he said in a tone of wonderment, "To my surprise—I'm not a teacher or a professor—it's a wonderful thing to see these kids get started in a career. Then they come back a few years later and say, 'Hey, what do I do now?' And you sort of track them."

Green also finds rewards in the visiting journalists program. The Washington Post and Time magazine send about six staff members to Duke each year for one-month visits. They are free to study, write, teach and do research. The program was recently expanded to include staffers from the Canadian Broadcasting Corp. German and Japanese journalists will be added later.

Green had a unique opportunity to take a broader look at journalism in 1980-81 when he was granted leave from his Duke job to be ombudsman of The Washington Post.

He got more than he bargained for. It was the year in which a young Post reporter, Janet Cooke, won a Pulitzer Prize for a story about a supposed 8-year-old heroin addict, only to be forced to return the prize when her story was exposed as a fabrication.

Green's 18,000-word report on the incident was printed in full by the Post and drew praise for its clarity and candor. But the experience left Green deeply disturbed about the relationship between newspapers and their readers.

In the recent interview, Green said newspapers need to find a better way to let their readers be heard and do a better job of explaining how they operate.

"What I find disturbs me, distresses me," he said. "There is some distrust, suspicion, uneasiness, in some cases, fear of the press."

He said the answer is not necessarily an ombudsman, someone to whom readers can take their complaints, and he acknowledged there will be difficulties in encouraging readers to speak up: "There'll always be the little old lady whose hen has laid an egg that contains the continuation of the Sermon on the Mount. But we're dealing with the most literate of societies now, and they're thoughtful, concerned people who, if they know they will be heard graciously by newsrooms, will speak up."

As for explaining how newspapers operate, Green said: "The news media have not found the means—and maybe they don't have the will—to report on themselves, how they do what they do and why they do it. . . . Maybe it would appear on the editorial page or maybe it would be a sidebar to the story itself. . . . It should not be an apology, but simply a description, never telling how well something has been done—let the reader decide that—just telling how and why a newspaper did something a certain way."

Green said there is an urgency to the question of better relations between newspapers and their readers: "I don't think we'll be forever tolerated . . . and the frightening thing is that the idea of some kind of controls is not very far below the surface."

As for himself, Green is a newspaper addict. Everyday he reads all of the larger North Carolina papers, the New York Times, the Washington Post and the Wall Street Journal. He also checks trade publications like Editor and Publisher, Columbia and Washington journalism reviews and Channels, a broadcasting industry magazine.

For relaxation, Green does a lot of what he calls "random reading—like everything John le Carre has ever written and I loved it all."

It's part of Bill Green's approach to life: "it has been—and still is—a crooked road to where I am, but it has never been dull."

FOR THE RECORD

WILLIAM L. GREEN JR.

Born: Asheville, Nov. 11, 1924.

Family: Wife, Isabel Yates Green; daughters, Lisa Green Goodling, Claudia and Audrey Green; sons, Eric and Bryan.

Education: B.A. in journalism, University of North Carolina at Chapel Hill, 1949.

Military: Air Corps, 1943-45, Italy.

Career: Reporter, North Carolina newspapers, 1949-52; editor, Shelby Daily Star, 1952-57; U.S. press officer and attache, Bangladesh and South Africa, 1957-63; special assistant to deputy director, U.S. Information Agency, 1963-64; NASA, deputy assistant administrator for public affairs, 1964-70; Duke University, 1970-present, now vice president for university relations; ombudsman, Washington Post, 1980-81, on leave from Duke.●

1983 CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWRY

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. McGRATH. Mr. Speaker, today Members of this Congress have pledged tangible support to the plight of Soviet Jews. Of course, I am referring to the Congressional Fast and Prayer Vigil for Soviet Jewry.

Imprisoned Soviet Jews—those in work camps and confinement, and those imprisoned by fear and desperation—have seen their hopes for fulfilling lives mocked because they seek to live in a free society. They have always needed our help, however, our support is even more urgent now in light of the severe reduction in emigration.

Soviet authorities claim the emigration of its Jewish citizens has slowed to a trickle because the majority of those who wished to leave have already done so. Do they also expect us to believe that the formation of a Soviet anti-Zionist organization is a genuine expression of the Soviet citizenry? That its platform which links Zionism to Nazism is in no way motivated by the government's desire to promote anti-Semitism while simultaneously supressing the desires of individuals who seek to emigrate to Israel?

Mr. Speaker, our Government, our Nation and the worldwide community are expected to accept these flagrant falsehoods. Participation in today's Congressional Call to Conscience Vigil is a dramatic way of telling the Soviets the time has come to end the lies. We are only too well aware of the thousands of cases like Isaak Shkolnik's.

Following the Six Day War in 1967, Isaak Shkolnik decided to pursue his lifelong dream to emigrate to Israel with his family. The required invitations from relatives in Israel never reached Isaak until they were presented as evidence against him at his trial on the charges of "hooliganism" and disloyalty to the Soviet Union. The documents were used again later as the basis for the charge that Isaak was an Israeli spy. When Isaak refused to abandon his request to emigrate to Israel, he was sentenced to 10 years in prison. After world-wide outcry the sentence was reduced to 7 years. While serving that time, Isaak's wife and daughter were granted exit visas and left for Israel. Following his release, Isaak once again applied for his exit visa. He is still waiting. As recently as March, immigration authorities told Isaak that he had no chance of receiving the visa anytime soon. He has not seen his family in 10 years.

It is cases such as the Shkolnik family's that remind us of the importance of our work. We cannot be deterred, just as the courageous in the Soviet Union have not been dissuaded in their struggle for freedom. Let the Soviet Union heed this warning in the form of our united protest.●

AIDS AND MORAL IRRESPONSIBILITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. McDONALD. Mr. Speaker, it is a fact in this world that as we stamp out or are able to control various diseases, new strains of bacteria, resistant to known antibiotics, arise. One of these new manifestations is the rise of AIDS—acquired immune deficiency syndrome. Investigation has disclosed that this is spread by sexual contact, primarily, and that the principal carriers are homosexuals. In prior such cases, health officials have resorted to quarantine measures as a first step when no cure was available, in order to protect the remainder of the population. We have not taken that approach to AIDS and columnist Patrick Buchanan recently asked why in a column that appeared in the "Washington Times" on June 29, 1983. In my view, his column deserves careful reading for the questions it raises as to whether we are approaching this problem correctly.

AIDS AND MORAL IRRESPONSIBILITY

(By Patrick Buchanan)

The refusal of the politicians and public health officials of New York—including Gov. Mario Cuomo and Mayor Ed Koch—to cancel yesterday's "Gay Pride March," or to shut down and board up those incubators of disease, the gay bathhouses, means they should be held personally and publicly accountable for the spread of the AIDS plague across these United States.

By the thousands the homosexuals trooped yesterday into the gay bars and bathhouses, the raison d'etre for which is casual, promiscuous and anonymous sex. Conceivably, hundreds returned home carrying this transmissible and deadly disease within their systems.

Yet, not a single major state official, or national official, demanded cancellation of this homosexual convention.

Years ago, it was common for public health officials to come around and post upon the door of a household the proclamation that scarlet fever or chickenpox was present in this house. Families were quarantined for days, weeks. This was not done because public health officials sought to discriminate against children; but because they cared about children. Their job was to isolate the infected, to control the disease.

All those lachrymose commentators and politicians—like Mario Cuomo—who have trashed this writer as uncaring, uncompassionate and insensitive—how much can they truly care about the homosexuals to whom they pander if they lack the guts to shut down these hothouses for a disease that is killing their constituents?

Politicians not only in New York but in Washington are placing their reputations for progressivess above the public's right to maximum protection from an incurable, infectious and killing disease.

In New York City, morticians have refused to embalm the bodies of deceased AIDS victims. Instead, they have sealed the bodies in plastic bags and put them in closed caskets, which is consistent both with common sense and medical practice. Yet, Mayor Koch is threatening a withdrawal of licenses if they continue to balk.

Margaret Heckler, Secretary of Health and Human Services, is of a similar mind. There is no evidence, she told this writer, that the general population is threatened by Acquired Immune Deficiency Syndrome. The only known means of transmitting the disease are direct sexual contact with an AIDS victim, dirty needles or contaminated blood.

But that position is challenged by Dr. Anthony M. Fauci of the National Institutes of Health. In the May 6 issue of the American Medical Association Journal, JAMA, he wrote:

"The finding of AIDS in infants and children who are household contacts of patients with AIDS or persons with risks for AIDS has enormous implications with regard to the ultimate transmissibility of this syndrome. First it is possible that AIDS can be vertically transmitted. Perhaps even more important is the possibility that routine household, can spread the disease . . . Given the fact that incubation period for adults is believed to be longer than one year, the full impact of the syndrome among sexual contacts and recipients of potentialy infective transfusions is uncertain at present. If we add to this the possibility that non-sexual, non-blood-borne transmission is possible, the scope of the syndrome may be enormous."

To date, 1,500 cases have been reported, 40 percent fatal, wih an 80 percent death rate over two years, and none cured. If the current incidence of the disease continues—five or six new cases a day, with the rate of discovery doubling every six months—we are talking about the wholesale destruction and scattering of the "gay communities" of America within several years.

With no known cure, the sole deterrent is prevention, i.e., reduction of the number of casual sex contacts through which the disease is known to be passed.

If 35 years ago, there had been an epidemic of polio among New York children, would we have hailed as "progressive" a mayor who refused to close the municipal swimming pool, or a governor who declared that the rights of children dictated that the Boy Scout Jamboree in Central Park go forward on schedule?

"The lifestyle of homosexuals is not at issue here," said James Weschler in a column critical of this writer. Excuse me, Jimmy, but it is precisely "lifestyle" that is at issue. It is not the proclivities of male homosexuals that are infecting them; it is their practice. What they do. In the way they define themselves, they are killing themselves. Homosexuals did not invent AIDS; but they are the primary carriers, and spreaders of the disease. And it is not an act of compassion to deny this; it is an expression of ideological blindness, a manifestation of moral paralysis. Over to you, Governor.●

CONSUMER TELECOMMUNICATIONS AND RATEPAYER PROTECTION ACT OF 1983

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BONER of Tennessee. Mr. Speaker, Tuesday, I introduced the Consumer Telecommunications and Ratepayer Protection Act of 1983, H.R. 3522.

The divestiture of AT&T heralds a new era for telephonic communications in our Nation. Like many of my colleagues, I have looked with great enthusiasm and encouragement at the emerging technologies and the growth of competition. Ideally, the divestiture means low-cost telephone service.

Unfortunately, decisions are already being made which undermine the goals and positive consequences of the divestiture. As many of my colleagues know, the Federal Communications Commission announced a decision in March that is plainly contradictory to the divestiture consent decree. That FCC decision will result in huge access charges being assessed telephone users who do not use long-distance lines. That decision must be postposed, if not rescinded altogether.

The Consumer Telecommunications and Ratepayer Protection Act of 1983 effectively postpones the FCC access charge decision. In its place, I am proposing that access charges be borne by the interexchange carriers until Congress has had the opportunity to make the necessary policy evaluations with respect to who should bear the cost of accessing long-distance lines. My own recommendation would be that costs be borne by interexchange carriers and users.

My bill also addresses several other important issues resulting from the divestiture and recent FCC decisions. These include clarification of the State utility commissions' authority to regulate equipment depreciation rates and ownership of customer telephone equipment already in place. Lastly, my bill meets the potential threat posed by attempts by interexchange carriers to bypass local operating companies. It prohibits such bypass attempts, though permits internal corporate interexchange communication networks.

My bill will help insure that basic telephone service will be available to all our citizens at reasonable charges. I urge my colleagues to join me in its passage.●

BOY SCOUTS HONOR TWO COMMUNITY LEADERS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BROWN of California. Mr. Speaker, we are all often called upon to give a few words of praise to community leaders at various recognition dinners. Sometimes the event and the honorees strike us as especially significant, and we are moved to make special mention of the occasion. This is one of those times for me.

I am pleased to join the Boy Scouts of America's California Inland Council in honoring two of the Inland Empire's best known and respected community leaders, Martin Matich of San Bernardino County and Les Richter of Riverside County, for their work on behalf of the Inland Empire generally, and the Boy Scouts of America in particular. For those who may not know either gentleman, a few words of background are in order.

Martin Matich is a major contractor in California, active in numerous professional societies (including the Associated General Contractors of America), a former mayor of the city of Colton, and an active lay member of the Catholic Church, where he has helped with numerous community causes. He has earned, through this selfless dedication to these groups and the Boy Scouts, this honor.

Les Richter is the moving force behind the Riverside International Raceway, but is perhaps better known for his still famous years with the Los Angeles Rams, where he was team captain and linebacker. He also serves on numerous boards and commissions, in-

cluding the elective post on the board of trustees of Riverside City College. Besides his sports activities, Les was an Eagle Scout and a long-time friend of the Boy Scouts of America.

The Boy Scouts are fortunate to have supporters of this caliber willing to give of their valuable time. Martin Matich, Les Richter and all the other men and women who have given their time to help make institutions like the Boy Scouts of America a success deserve our praise and recognition.●

DIRECTIONS FOR CENTRAL AMERICA

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MAVROULES. Mr. Speaker, as debate on Central America continues, we find ourselves still searching for a solution. There are certainly no easy answers, and as the conflict becomes more heated, we find it even more difficult to extinguish a policy in flames. Now we must strive for compromise, and conduct a coherent and effective policy for that region.

Briefly, I would like to outline two of the predominant schools of thought on the issue. The first belief is that of the administration. They contend that Marxist forces continue to infiltrate the region, paving yet one more road in their highway of hostility and domination. The President has outlined this view in his address to the Congress. On the other hand, there are those who question the direction of the administration. These individuals argue that the people in Central America are fighting against right wing dictators who have violated their human rights for many years. The conflict, they contend, cannot be looked upon as an "us" against "them" situation; there are too many factors involved.

It is now time for both sides to come to the realization that it is far better to make a sacrifice for a compromise than to compromise for a sacrifice. All Americans share the fear and oppose the spread of Marxism in the region. The proof of Soviet and Cuban military appartus along with military advisers, gives concrete evidence to this vivid threat. There is no denying that if the Communist exploitation of this region were nonexistent, we could better face the more crucial economic problems. By the same token, however, the President has made a great military commitment to El Salvador, naming them the leaders of our fight for freedom in the area. In making such a commitment, the President has locked himself into a policy that unfortunately will lead only to greater U.S. military involvement, perhaps ultimately utilizing American troops.

Former U.S. Senator Dick Clark, a member of the Commission on Central American Relations has clearly characterized Mr. Reagan's state of mind in the following statement:

This anti-communist theme is the central focus of the Reagan administration's foreign policy. To expect the President not to certify that the situation in El Salvador is not improving, . . . is to expect him to reject his own most deeply held beliefs. Consequently, he will be prepared to make whatever commitment he deems necessary to pursue his policy to the bitter end. . . . It must be remembered that the President honestly believes that we would have won the war in Viet Nam had we only been willing to make a greater commitment and a more determined effort there.

We must urge the President to be less dogmatic and to weigh all consequences for alternative policies if we expect to attain any peaceful and permanent solution to the situation in Central America. Military aid and clandestine operations offer only more violence, human suffering and disorder.

Furthermore, even if a continued military commitment to the Government of El Salvador were deemed necessary, there is still the question over the legitimacy of that government. The Boston Committee for Medical Aid to El Salvador has observed the human rights situation. They describe the grim condition as follows:

The institutionalized violence in El Salvador perpetuated through the structures of a feudal society and bolstered by a government which acts on behalf of oligarchic interests, must be measured not only in terms of innocent people slaughtered, but also in terms of the daily violence of hunger, poverty, and malnutrition which has produced in El Salvador the highest child mortality rate of 24 western hemisphere areas surveyed by the Pan American Health Association.

We must start to force the Salvadoran Government to rectify these unwarranted abuses, not only by showing them how to do it, but also by watching them do it.

The answer to these problems is not a military one. It is one that will be a product of negotiations among all sides. By recognizing the Communist threat on the one hand, we must also not alienate those who truly want democratic freedom and a better life for their people. We must get all people who are genuinely concerned about attaining justice for their country, together to form a workable and honest form of government.

To this end, it is vitally important to get our country actively involved in the overseeing of the economic welfare of these nations. We must remain as good neighbors to gain their respect.

This can only be done by concentrating on economic assistance. There are thousands of starving people in this region who must be fed. The farmers of these countries are quite inefficient, as they are not as advanced in the art of farming. By teaching these farmers modern and upgraded techniques, we will be contributing to the improvement of a battered economy that needs much help. Moreover, better education should be extended to all people, allowing them the opportunity to provide a better life for themselves. This will, in turn, produce more responsible leaders, and allow for individuals to specialize, creating a natural industrialization process.

President Kennedy's "Alliance for Progress" serves as a model of what we should be doing in Central America. This plan was geared to unite people in all the Americas, and to give them the opportunity for freedom and prosperity. One of President Kennedy's aides clearly described the need for such a plan:

The situation in Latin America resembled that of Western Europe in 1947. The communists had failed then because the Marshall plan restored Western Europe economically while their own opposition to economic recovery discredited communism politically. The need now was to confront the Latin American communists with a similar dilemma by offering, so to speak, a moral equivalent of the Marshall plan, but of course a plan for the development of a continent held down by ignorance and poverty rather than for the reconstruction of a continent rich in managerial and labor skills.

This statement is just as true today, as it was then. It is not until the urgent economic concerns of Central America are addressed, will we be able to feel confident about the stability of our southern neighbors.

I have outlined my suggestions to the overall concerns. These suggestions are not meant to be inclusive analysis, but rather overviews of the root of all our problems in this region. It is now time that we, as Americans, and leaders of the free world, find the key to unlock that heavy door to peace. This key can only be found through negotiations not only with Central America, but also with the Soviet Union. It is time to be realistic about the problems and face them head on. I will close by quoting Pope John Paul II, who said during his recent trip to Central America that, "No one must be excluded from the dialog for peace." Let us now turn these valuable words into actions.●

TRIBUTE TO FLORENCE ELSTON

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LEVINE of California. Mr. Speaker, it is with great pleasure that I rise today to honor Florence Elston—"Santa Monica's Teacher of the Year."

Mrs. Elston is a fourth grade teacher at Santa Monica's McKinley School. She presently holds the record as the

school's longest serving instructor—35 years. Simply having taught for this length of time, however, was not what compelled the entire McKinley staff to nominate her for this award. It was, instead, the longstanding love and enthusiasm for education that she has continually displayed to her students over the years.

Florence Elston has been both innovative and creative in her approach to curriculum. Moreover, she has refused to allow inadequate financial support for California's public schools to interfere with her teaching. Every year Mrs. Elston takes her students to the San Fernando Mission as a culmination of months of study on California history. Although all field trips were eliminated 4 years ago due to district budget cutbacks, Mrs. Elston has continually found ways to finance the adventure. This year under the direction of Mrs. Elston, students recycled aluminum cans to pay for the cost of the field trip.

During her 35 years at McKinley, Mrs. Elston has attended every school event and PTA meeting, and has only missed 10 days of classroom instruction. Furthermore, she has continually sought to improve her teaching skills and knowledge. In 1976, after attending Pepperdine University classes at night and on the weekends for over 1½ years Florence Elston received her masters degree along with seven other McKinley instructors. This continued pursuit of her own education is still further evidence of her commitment to high academic standards.

Aristotle was to have wisely stated: "All who have meditated on the art of governing mankind have been convinced that the fate of future societies depends on the education of youth." This idea is still true today. Indeed, our youth hold this Nation's future in their hands. It is imperative that our youth be provided with the best possible academic instruction and guidance to insure they will become this Nation's best possible citizens and leaders.

Mr. Speaker, as representatives of the people, it is important for us to commend individuals who have provided our youth with quality education. Indeed, Florence Elston is one such individual. Her time has been solidly invested in our youth, and thus in the future of our Nation. Therefore, it is with great pride that I invite my colleagues to join with me today in saluting Florence Elston—"Santa Monica's Teacher of the Year." I wish Mrs. Elston continued good health and happiness so that countless more students will be able to benefit from her outstanding guidance and leadership.●

WATERFORD TOWNSHIP SCHOOL DISTRICT RECEIVES A GOLD STAR

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FLORIO. Mr. Speaker, during the past few weeks our President has criss-crossed the United States carrying with him the message that our educational system is rapidly deteriorating before our eyes. The finger is pointed at poorly paid teachers, undisciplined classrooms, less rigorous curriculum standards, and a deemphasis of basic skills, to name a few.

At a time when it is easy for one to become discouraged by reports that education is failing, it is important that we in Congress acknowledge those who have displayed exemplary efforts in achieving the goal of quality in education. With this thought in mind, I would like to commend the Waterford Township School District on receiving a gold-star review from the New Jersey Department of Education for the academic 1982-83 school year.

The school district was commended for:

Continued consistent and regular participation and involvement in regional administrative and curriculum articulation meetings.

Its leadership in developing computer education programs for students in both the regular and special education classes and developing computer literacy skills of both students and staffs.

Continued efforts in developing communication strategies with the community and distribution of an attractive and informative newsletter to residents.

Ongoing and effective utilization of parent and community representation and input in developing and implementing family life curriculum in the Waterford Township Schools, including revising existing curriculum to incorporate sensitive areas of the law.

Implementing an introduction to vocation programs for regular students at the Thomas Richards School to meet their career exploration needs.

Continued high levels of student achievement over the years in the basic skills as measured by both local and State testing instruments.

Continued instructional emphasis on the basic skills as evidence by continual revision of the objectives of the program, comprehensive analysis of the local commercial test results, and development of student checklists for writing skills.

Utilization of an ongoing administrative management team to provide leadership and direction for all areas of the curriculum in the school district.

Due to the school district's success at meeting and exceeding State educational standards, the New Jersey Department of Education offered no recommendations for improvement. Mr. Speaker, the example set by the Waterford Township School District gives us hope that all has not gone bad in our Nation's schools.●

WE TRIED TO ACCEPT NICARAGUA'S REVOLUTION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BEREUTER. Mr. Speaker, there is a saying that the truth will out, but the truth is taking a painfully long time to show itself in Nicaragua today. Lawrence Harrison, former AID Director in Nicaragua, details some of his experiences in that country in the June 30 edition of the Washington Post, and I hope that every one of my colleagues takes the time to at least glance at his following account of blind anti-Americanism, public deceit, and herd mentality in that country.

Mr. Speaker, it is time we on both sides of the aisle stopped making policy on the basis of empty slogans and trendy pseudointellectualism. Certainly we have made mistakes in that region, and American real and implied support of the Somoza regime certainly gave the Sandinistas grist for the propaganda mill. But our foreign policy must be based on, above all, truth—even if the surprising conclusion is that American actions and intentions are not all bad.

WE TRIED TO ACCEPT NICARAGUA'S REVOLUTION—THE SANDINISTAS COULDN'T LIVE WITH A POSITIVE IMAGE OF THE UNITED STATES

(By Lawrence E. Harrison)

The Sandinista Government of National Reconstruction was installed four years ago, on July 19, 1979. Three days later, I arrived in Nicaragua in a Flying Tigers DC-8 stretch jet loaded with food—the first of many such flights—to take charge of U.S. assistance programs, the most tangible evidence of our commitment to build a new relationship with Nicaragua.

I left Nicaragua two years later, on July 1, 1981. During those two years, the U.S. government was the most important source of food aid and one of the most important sources of financial aid to revolutionary Nicaragua. We provided assistance valued at $120 million, including 100,000 tons of food. We had tried very hard to build that new relationship. But the effort failed, principally, I believe, because the Sandinistas could not live with a positive image of the U.S. government. They did not try at all. And many in the United States cheered them on.

Within a few months, of the installation of the Government of National Reconstruction, an article appeared in the Sandinista newspaper Barricada announcing, the imminent arrival of 600 Cuban teachers. I called on the minister of education, with whom I

had been working to reactivate an old school construction loan, to express concern that so large a number of Cuban teachers would be interpreted in the United States as a Cuban takeover of the Nicaraguan education system. The minister replied that the government would welcome qualified teachers from any country.

I told him that the United States would certainly be interested in sending teachers, possibly through the Peace Corps. He responded, somewhat apologetically, "You know, we Latin Americans have a view of the Peace Corps which would make it an inappropriate vehicle." (He meant. "We Latin Americans of the Left." What he had in mind was symbolized by the move "Blood of the Condor," which depicts Aryan-looking Peace Corps volunteers engaging in genocidal sterilization programs in Bolivia.)

At the end of 1979, as a result of the intervention of then junta member Alfonso Robelo (who is now allied with ex-Sandinista Eden Pastora's guerrilla movement), we received Sandinista approval in principle to start a Peace Corps program. After a lengthy study, the Peace Corps sent in a husband-wife team as co-directors. Both were experienced in Latin America, altruistic and toally committed to building a new relationship with Nicaragua. After six months of being fobbed off by the Sandinistas, they left. Not one Peace Corps volunteer was accepted.

We often expressed our concern to Sandinista officials about the line in the Sandinista anthem. "We shall fight against the Yankee, enemy of humanity." In November 1979, Jaime Wheelock, one of the most influential comandantes and a person with whom I sustained a very frank dialogue through my two years in Managua, told me that the word "poverty" was going to be substituted for "the Yankee." Soon thereafter, I was told the same thing by then economic czar (and Stanford MBA) Alfredo Cesar, who has since defected. The change was never made.

At about the same time, a U.S. congressional delegation, led by Rep. Dante Fascell (D-Fla.), visited Managua at Ambassador Larry Pezzullo's initiative. Fascell was extremely effective, as were his colleagues. Lee Hamilton (D-Ind.), Matthew McHugh (D-N.Y.) and David Obey (D-Wis.). They pressed hard on the issues of political pluralism and nonalignment in very intense meetings with both the junta, which was increasingly becoming a figurehead, and the Sandinista National Directorate, which is where the real power resides. The congressional group was particularly forceful on the question of elections. In each session they were told that national reconstruction had to be the first priority but that the Sandinistas were committed to elections.

When Alfonso Robelo resigned from the junta in April 1980 and went into opposition, he was promptly labeled a traitor by the Sandinistas. In a conversation with Jaime Wheelock, I tried to explain our concept of dissent. I got nowhere—there is a Spanish word that accurately captures the nuances of "dissent." A day or two later I experienced similar frustration in a conversation about dissent with a young U.S.-trained cabinet minister who had on his desk a bottle of Cuban rum and a copy of "Das Kapital." At one point, he suddenly beamed and said in English, "Now I know what you're talking about—civil disobedience."

He has since defected.

A few months later, Larry Pezzullo and I were in Washington to a lobby in Congress for the much-delayed $75 million special appropriation for Nicaragua. The Sandinista minister of health, with whom I was working on several programs, was also in Washington, and we had dinner together. During the conversation I complained about inaccuracies and distortions in Barricada, the offical Sandinista newspaper, and El Nuevo Diario, which closely followed the Sandinista line. Both sounded very much like Cuba's official newspaper, Granma, particularly in their treatment of the United States. The minister's response: "You don't understand revolutionary truth. What is true is what serves the ends of the revolution."

The August 1980 ceremony to celebrate completion of the literacy campaign was a chilling experience. I had been invited to sit with the comandantes and the cabinet because AID had contributed food and some vehicles to the campaign. The ambassador sat in nearby stands with the diplomatic corps.

The Plaza of the Revolution was mobbed with kids in uniform shouting slogans in response to the urgings of leaders on the platform. I was reminded of films I had seen of Nuremberg in the 1930s.

Comandante Humberto Ortega gave the principal address. In the midst of a series of attacks on the United States, he announced the elections would not be held until 1985, thereby reneging on a commitment to opposition groups for early elections. Moreover, he assured his audience, the elections of 1985 would be nothing like the corrupted elections held in the United States. Larry Pezzullo and I both walked out.

My youngest daughter, Amy, then 16 years old, worked during the summer of 1980 as a volunteer with a Nicaraguan organization, Genesis II, which promoted breastfeeding and provided help to orphanages. The head of the organization was Geraldine Macias, a former American Maryknoll nun married to Edgard Macias, vice minister of labor. At the end of the summer (shortly after the completion of the literacy campaign), we had a get-together at our house for Amy and her co-workers. The evening was a little strained because of some of the Genesis II people were totally committed to the Sandinista cause and doubtless felt uncomfortable being in the USAID director's house. The Maciases may have felt that way.

Two years later, after the Sandinista security police threatened his life, Edgard sought asylum in the Venezuelan embassy. The Maciases and their children arrived in Washington soon thereafter. They were treated as lepers by many left-leaning church people in the Washington area who had formerly been their friends. The Maciases have found it very difficult to get work and have been living on a shoestring ever since.

In a recent letter to friends, they said:

"Since leaving Nicaragua we have had access to documentation of [the Sandinistas] and some of [their] former members that proves beyond a doubt that their plans from 1979 on were to deny political and religious freedom. Documents that also show how their methods resemble Somoza to the point they appear as a mirror image: rapes, torture, disappearances, murders, threats, and control of unions and community groups through the formation of their 'elite' political party."

During the last part of 1980, the Partners of the Americas program between the state of Wisconsin and Nicaragua, which had endured for some 15 years, ran into trouble. Most of the activities were focused on the Atlantic Coast. Among other problems, the Sandinistas attempted to take over the Partners' educational radio station (they subsequently did take it over); two Wisconsin plastic surgeons were harassed during a visit to Puerto Cabezas, where they did some highly complicated surgery free; and the Sandinistas circulated the word that Partners personnel were CIA agents.

The ambassador sent a letter to the junta expressing his concern, and I called on the *comandante* responsible for the Atlantic Coast. After I ran down the litany of problems, the *comandante* said, "You have to understand, Mr. Harrison, that Americans are not very popular in this country." I replied that I had lived in Nicaragua for 18 months, traveled intensively, and had the impression that, notwithstanding Sandinista efforts to paint us as devils, most Nicaraguans liked Americans. I added that this seemed to be particularly true on the Atlantic Coast.

He paused for a few moments, then broke into a broad grin and said, "You're right."

Norma Pineda, an accountant, was the senior Nicaraguan employee of the USAID mission, an admirable professional and human being. Her husband, Byron, had been a lieutenant colonel in a noncombatant unit of the National Guard. Just prior to their triumphal entry into Managua, the Sandinistas announced that National Guard members who had committed no crimes had nothing to fear. Despite the pleadings of family and friends to seek asylum in a nearby embassy, Byron Pineda chose to stay in his house because, as he told his wife, "I have done nothing wrong."

About two weeks after the installation of the Sandinista government, Pineda was arrested and much of his property was confiscated. he was tried some six months later and sentenced to 11 years in jail. As in thousands of others cases, all that was proven by the prosecution was that he had been a member of the National Guard.

A few months later, the Sandinistas told Pineda that he would be freed if his wife would provide information on USAID activities to the government. She refused. He was, however, released to house arrest toward the end of 1980, perhaps because of representations the ambassador and I made at high levels of government. Shortly after, he was told that he would be returned to prison if he failed to persuade his wife to become a spy and if he refused to engage in spying activities himself.

A few weeks after that Norma Pineda left Nicaragua. Byron Pineda sought asylum in the Peruvian embassy in Managua, where he has lived for more than two years.

Late in 1980, the Latin American Studies Association, an organization of U.S. intellectuals interested in Latin America, held its annual meeting in Bloomington, Ind. Junta member Sergio Ramirez and Foreign Minister Miguel d'Escoto attended and were given a hero's ovation. James Cheek, then deputy assistant secretary of state for Latin American, was jeered and heckled. (Cheek, one of the Foreign Service's most distinguished and enlightened specialists on Latin America, had played a crucial role in U.S. disengagement from Somoza as far back as 1974.)

In a subsequent Latin American Studies Association newsletter, Harvard Professor and Association President Jorge Dominguez described the Bloomington meeting as "one of the darkest moments of my professional

life . . . appalling . . . scandalous . . . damnable."

I returned to the United States on July 1, 1981, and retired from AID early in 1982. I have been at Harvard working on a book on the relationship between culture and development. In December 1982, I was asked to appear on a panel at the John F. Kennedy School of Government at Harvard. The principal speaker was Francisco Fiallos, then Nicaraguan ambassador to the United States. Despite a subdued speech on Nicaragua's economic problems, Fiallos was given a hero's ovation by the 300 people in attendance. My comments focused on Sandinista human rights abuses and, in particular, Sandinista reneging on commitments to pluralism and nonalignment. I was booed and jeered repeatedly.

One week later, Fiallos defected.●

PARRIS REQUESTS SUPPORT FOR MILITARY RETIREMENT AMENDMENT

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. PARRIS. Mr. Speaker, I am submitting for the RECORD an amendment which I plan to offer to the Department of Defense authorization bill. The purpose of my amendment is to prevent any further erosion of benefits for retired military personnel.

Quite simply, my amendment to H.R. 2629 would strike out sections 1011 and 1012 to title X of H.R. 2969. These two sections create inequities which military retirees should not be required to endure. Section 1011 would make permanent the 6-month delay in cost-of-living adjustments for retired pay and section 1012 would keep the limitation on COLA's for persons under age 62 in place for fiscal year 1986. My amendment would strike these sections from the bill, preventing these provisions from being implemented.

It is unfortunate that the retired military have been a convenient target for reductions. By approving these types of reductions, the Congress is failing to recognize the fact that these are earned benefits which the Federal Government has a contractual and moral obligation to protect from reductions and prevent delays in their receipt.

Military personnel are required to make a great many sacrifices throughout their careers. Many times, military families are required to pull up stakes, disrupt family lives and move to another section of the country or some distant corner of the world. Now that they are retired, they should not be requested to sacrifice further. But that is what the Congress has been doing. We eliminated the bi-annual COLA and we reduced benefits for those retirees under age 62, among other changes.

Another point that we should consider is the impact that these types of reductions have on younger officers and enlisted personnel. These individuals are facing career decisions and are very sensitive to the weakening of their retirement system and the recent trend in benefit reductions. We must keep in mind that our armed services are suffering from severe shortages of skilled officers and enlisted personnel in critical combat and operational positions. Those individuals with skills in great demand in the private sector would be encouraged to leave the military. This would affect great numbers of military people who work in the fields of aerospace, electronics, aviation, and computers.

While I am a strong supporter of reducing Federal spending and deficits, I do not believe that it is wise nor equitable to require one group to bear an unfair burden in reducing expenditures. Military retirees have already endured reductions in their earned benefits and it is time for the Congress to draw the line and stop the constant chipping away. I urge my colleagues to join in supporting my amendment.●

A STORY ABOUT NICARAGUA

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LAFALCE. Mr. Speaker, the debate about Central America that has consumed the Nation poses complex and difficult questions. In fact, if there is one truth about Central America it is that finding the answers to the questions and developing prescriptions for the region is not a simple exercise. There are a multiplicity of responses to the multiplicity of conditions within the countries, all of which must be addressed if those societies and U.S. security are to be satisfied.

Lawrence E. Harrison, writer and director of USAID in Nicaragua from 1979 to 1981 and currently at Harvard's Center for International Affairs tells about the conditions in Nicaragua following the installation of the Sandinista Government of National Reconstruction July 19, 1979. Harrison arrived in Nicaragua 3 days later to establish U.S. assistance programs and to build a solid positive U.S. relationship with the Government. His story, "We Tried to Accept Nicaragua's Revolution," published in the Washington Post June 30, 1983, is a story of an unwillingness of the Sandinista government to accept that assistance and friendship.

It is a story of Sandinista leadership doing very little to promote pluralism. Harrison relates personal anecdotes of: The comandantes, a U.S. congressional delegation, a leader of the junta who joined the opposition, Harrison's 16-year-old daughter, a Nicaraguan organization committed to helping children, a cooperative venture between the United States and Nicaragua, and U.S. professors interested in Latin America. It is a story of frustration and disillusionment on the part of all. The anecdotes touch the heart and the mind. The conditions described only add to the questions we must ask as we continue our complicated task of writing prescriptions for Central America.

I recommend the article which follows, to my colleagues:

[From the Washington Post, June 30, 1983]

WE TRIED TO ACCEPT NICARAGUA'S REVOLUTION

(By Lawrence E. Harrison)

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Late in 1980, the Latin American Studies Association, an organization of U.S. intellectuals interested in Latin America, held its annual meeting in Bloomington, Ind. Junta member Sergio Ramirez and Foreign Minister Miguel d'Escoto attended and were given a hero's ovation. James Cheek, then deputy assistant secretary of state for Latin America, was jeered and heckled. (Cheek, one of the Foreign Service's most distinguished and enlightened specialists on Latin America, had played a crucial role in U.S. disengagement from Somoza as far back as 1974.)

In a subsequent Latin American Studies Association newsletter, Harvard Professor and Association President Jorge Dominguez described the Bloomington meeting as "one of the darkest moments of my professional life . . . appalling . . . scandalous . . . damnable."

I returned to the United States on July 1, 1981, and retired from AID early in 1982. I have been at Harvard working on a book on the relationship between culture and development. In December 1982, I was asked to appear on a panel at the John F. Kennedy School of Government at Harvard. The principal speaker was Francisco Fiallos, then Nicaraguan ambassador to the United States. Despite a subdued speech on Nicaragua's economic problems, Fiallos was given a hero's ovation by the 300 people in attendance. My comments focused on Sandinista human rights abuses and, in particular, Sandinista reneging on commitments to pluralism and nonalignment. I was booed and jeered repeatedly.

One week later, Fiallos defected.●

SOVIET MORALITY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MICHEL. Mr. Speaker, during a news conference, his first as President,

on January 30, 1981, President Reagan was asked to comment on "Soviet intentions." In part, he responded:

". . . as long as they have openly and publicly declared that the only morality they recognize is what will further their cause: meaning they reserve unto themselves the right to commit any crime; to lie; to cheat, in order to obtain that and that is moral, not immoral, and we operate on a different set of standards, I think when you do business with them—even at a détente—you keep that in mind."

His words were greeted with a torrent of ridicule and abuse from media pundits and other publicly registered wisemen. How could the President make such comments about the rulers of the Soviet Union, who, after all, are just folks?

The President responded by saying that what he said was true. The critics—never presenting evidence to contradict the President—were not satisfied. President Reagan was accused of everything from reviving the cold war to historical distortion.

The distinguished editor of the Wall Street Journal, Robert L. Bartley is currently visiting the Soviet Union. After talking with many Soviet officials on many subjects he states: ". . . what we are dealing with here aren't misunderstandings. They are lies". He traces this soviet habit to Leninist morality, as proclaimed by Lenin himself and offers Lenin's own words to show that Soviet morality is different from Western morality because it is based on an entirely different set of moral premises.

I hope the President's critics will apologize to the President for becoming hysterically angry when all he did was tell the truth about Soviet morality—a contradiction in terms according to Western values. But I don't think they will.

At this point, I wish to insert in the RECORD, "The Soviets Give Morality to the Lie" by Robert L. Bartley, Wall Street Journal, July 13, 1983.

THE SOVIETS GIVE MORALITY TO THE LIE

(By Robert L. Bartley)

Moscow.—An inquisitive Western visitor is likely to come to the Soviet Union thinking about the military balance and the economic outlook. But he may come away thinking, to his own surprise, about religion and atheism.

People can and do attend church in the Soviet Union. Indeed, it's entirely possible for a troupe of editors and reporters from a newspaper with a most impeccably capitalist name to set off in a convoy of Chaika limousines, garish in their 1957-style tailfins, and mill with worshipers among the golden icons of the Yeloskhovsky Cathedral in Moscow. And the next Sunday to watch the patriarch of the Georgian Orthodox Church lead chanting and processing in his 13th century cathedral in the ancient capital of Mtskheta, near modern Tblisi. The officially atheistic regime has neither summarily closed all the churches, nor succeeded in its campaign to stamp out religious influences.

Nor, for that matter, is repression evident on the streets of Moscow. The drab but scarcely uniformed crowds do not convey the regimentation of Peking. Instead, this could be Istanbul or Mexico City, the metropolis of a country struggling to escape the poverty of the Third World. And with enough energy and enough telephone numbers, it's even possible to order up a picnic at your hotel, and go off to a park to lunch with a woman who once chained herself in protest to the fence of the American Embassy. Someone familiar with other regimented societies can start to wonder, what kind of totalitarianism is this?

You learn quickly enough that the picnic guest, Irian McClellan, was driven to protest not by cosmic issues but merely because the Soviet government refused to let her leave to join the American she had married in Moscow. You learn that this refusal has now been maintained for nine years, despite pious promises about unification of families the Soviet government signed at Helsinki. You learn from his friends that Yuri Orlov, who dared to form a group to monitor these promises, isn't only in a labor camp but "having a hard time." (He has been beaten and sentenced to a third term in the punishment block of a camp in Perm.) You learn anew of the plight of Andrei Sakharov, exiled and gravely ill in Gorky.

DISSENT HAS BEEN CRUSHED

A visitor recognizes that he is talking to people who could be whisked off to labor camps tomorrow. If you ask them why they can meet Western visitors, you get a rush of answers: "We are finished people," with little more to lose. Organized dissent has of course been crushed, the high point of freedoms is past, and "five years from now this may not be possible." This is Europe, not China. In Russia there has always been a tradition of free thinkers; the czars too imprisoned and exiled to Siberia the likes of Dostoyevsky. Ah yes, the answer lies not in the favor of the regime, but in the current of almost insane bravery that has always played counterpoint to the Russian tradition of arbitrary and autocratic government.

The people at such gatherings, of course, are but the tiniest sliver of Soviet society. The junketing journalist can dream of no opportunity to sample the feelings or even the life-style of the ordinary Soviet citizen. Indeed, this is a formidable task even for the full-time correspondent with good command of the language; overly inquisitive newsmen run the risk of expulsion. Both correspondents and diplomats spend more time than they would like in a hermetically sealed environment, their access limited to each other, a few approved Soviet journalists or propagandists and a few delegated Soviet officials, often themselves uninformed. Conversations with officials of any rank are arranged seldom and with extreme difficulty.

Once arranged, too, such conversations aren't likely to be especially revealing. Yuri Marchuk, chairman of the State Committee for Science and Technology, will elaborate on efforts the Soviet Union is making to overcome problems resulting from suspension of technical exchange agreements with the West. But on such underlying issues as his own role in Sakharov's exile, Soviet abuse of psychiatry, the quest for military technology and the theft of Western technology, he turns entirely bland: "I wouldn't like to enter into discussion of such a concrete, specific area of our relationship."

A discussion at the Institute of the USA and Canada turns into, as strategic arms negotiations sessions have recently been described, a shouting match over the military balance. After half an hour you reach a bedrock observation: If the Soviet Union is at "parity" with the West now and was not 10 years ago, it must have been building arms faster than the West has. The Soviet experts start to object even to this, but are willing to be laughed down. Still, they claim it is the U.S., with the far-off MX missile, that is building a first-strike capability. They find evidence of aggressive intention in Secretary of State Shultz's congressional testimony referring to hopes of internal change in the Soviet Union, though surely some degree of internal change is what the Helsinki treaty was about. Deputy Director Radomir Bogdanov complains, "We believe this administration is out to destroy us." An American visitor starts to wonder how such deep misunderstandings can possibly be bridged.

As a visitor from this newspaper travels about Moscow, he naturally is curious about "yellow rain" and asks about chemical and biological warfare. Melor Sturua, an Izvestiya correspondent recently expelled from Washington in retaliation for the expulsion of a U.S. correspondent from Moscow, brushes off the topic by saying even U.S. scientists disagree: Some charge that "a Soviet battalion used some kind of chemical weapon," but others talk of bee excrement. At the USA institute they tell you U.N. investigators said there was no evidence, and shrug when the quote is corrected to say that even the U.N. team found "circumstantial evidence." Prof. Henry Trofimenko of the USA institute proclaims "It's up to you to prove the charge"—though in fact Soviet refusal to cooperate in investigating the charges is itself a violation of the biological weapons agreement the Soviets signed in 1972.

As it happens, "yellow rain" and The Wall Street Journal appear in the Soviet press while we are in Moscow. A Tass report from the U.S., published in Pravda and broadcast by Radio Moscow, proclaims, "The Wall Street Journal exposes the falsity of the testimonies of the 'witnesses' and 'victims' of the 'yellow rain' on which the U.S. government relies. The Wall Street Journal writes that all the 'proofs contained in the reports of the State Department had been obtained by the U.S. foreign policy department in one and the same village in Thailand which has long been turned into a base of the CIA.'" Poor Alexander Cockburn has a beef with Tass; it really should have cited his byline. How well do Tass correspondents understand the U.S. press, I have an opportunity to ask Vladimir Posner, a Western-raised Radio Moscow correspondent noted for his appearances on ABC-TV. Oh well, he responds, we didn't use that item on domestic television. Surely Tass understands full well Mr. Cockburn doesn't speak for The Wall Street Journal. Radio Moscow's Mr. Posner smiles, "That's the way the cookie crumbles."

Ah, yes, what we are dealing with here aren't misunderstandings. they are lies. This is scarcely a new reaction for visitors to Russia. Shortly after de Tocqueville visited America, an eccentric but brilliant French nobleman, the Marquis de Custine, wrote a similar account of Russia. His most profound impression was, as described by George Kennan, of "the terrible, cynical, demeaning contempt for the truth that seemed to pervade Russian government and society." Back in 1839, Custine remarked, "The political system of Russia could not

stand 20 years' free communication with the West of Europe."

DESTROY THE OLD

Still, today's visitor can scarcely help but reflect on the statutes of Lenin on every street corner (Karl Marx gets comparatively short shrift). You see the armored car Lenin used as a podium when he arrived at the Finland Station after being smuggled back to Russia by the Germans during World War I in the hope that he would subvert the democrats who had unseated the czar. The crowds stand in hour-long lines to enter Lenin's tomb, and a guard gestures for visitors to button their jackets before entering the presence of the waxy corpse.

The Lenin thus worshiped proclaimed, among other things, a new view of morality. Loosely put, he taught that the ends justify the means. "It is often suggested that we have no ethics of our own; very often the bourgeoisie accuse us Communists of rejecting all morality," he told the Komsomol, or Communist Youth League, in 1920. "In what sense do we reject ethics, reject morality? In the sense given to it by the bourgeoisie, who based ethics on God's commandments." He added, "We say: Morality is what serves to destroy the old exploiting society and to unite all the working people around the proletariat which is building up a new, Communist society. Communist morality is that which serves this struggle and unites the working people against all exploitation, against petty private property."

This view of morality, obviously, erects no inhibition against exterminating the kulaks, or purging the party faithful, or striking alliances with Hitler, or distorting the truth in your press, or consigning dissidents to labor camps and mental hospitals, or giving arms and instruction to world terrorists, or singing international agreements on human rights or biological weapons you intend to violate contemptuously. Indeed, if you convince yourself these acts further the revolution, far from being prohibited by morality, they are commanded by a morality. In an earlier phase of the revolution, Pavlik Morocov turned his father in for hoarding grain, and was killed by neighbors. Today you can find his statue in Moscow, a moral hero of Communist society.

Whether human society can be organized on any basis so far removed from the day-to-day best instincts of mankind remains very much in question; the authorities must be startled by the persistence of religion in the face of atheist instruction, and indeed some evidence of a religious reawakening. The Communist view of morality is no mere curiosity, though, so long as the Soviet Union is armed with modern weapons. We cannot afford to assume, even subconsciously, that some residual moral code puts some outer limit on Communist behavior.

For the last few years Alexander Solzhenitsyn has been telling us that the ultimate challenge the West faces from the Soviet Union is not military but moral. He says "the entire 20th century is sucked into the vortex of atheism and self-destruction." And if a Western visitor is not yet ready for Mr. Solzhenitsyn's prescriptions for religious rebirth, he comes away with new respect for the author's diagnosis. Sophisticates wince at the words "atheistic communism," but the vulgar phrase captures the heart of the matter after all.●

RECOGNIZING "FREE THE FATHERS" CAMPAIGN TO RELEASE FOUR CHINESE CATHOLIC PRIESTS

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SUNDQUIST. Mr. Speaker, it has come to my attention that the Tennessee Conservative Union has begun a campaign to free four elderly Chinese Catholic priests who have been imprisoned by the Communist government of the People's Republic of China since 1981. They are being held on religion-related charges. I would like to commend the efforts of the TCU on this matter.

The Chinese Catholic Church broke ties with the Vatican in 1957. It is now controlled by the state-approved Catholic Patriotic Association which has accused the Vatican of interfering in China's internal affairs. However, a number of Catholics have remained loyal to the Pope and have formed a loose "underground church." The priests are thought to be associated with this organization. The underlying reason for the priests' imprisonment was their refusal to accept the authority of the state-approved Catholic Patriotic Association and to sever ties with the Vatican.

The elderly priests, ranging in age from 66 to 80, received prison sentences of up to 15 years. After learning the plight of these men, the TCU began its Free the Fathers campaign. They hope to achieve their goal by bringing national attention to the problem. I would like to express my support of the TCU in their mission to free these men and hope that we are all inspired by their actions.

I would like to insert the article by Christopher S. Wren of the New York Times News Service that brought this matter to the attention of the TCU in the hope that my colleagues will give it the serious thought that it deserves.

FOUR CHINESE PRIESTS BACK IN PRISON FOR MAINTAINING TIES WITH VATICAN

(By Christopher S. Wren)

PEKING.—Four elderly Catholic priests in Shanghai have been sent back to prison for up to 15 years for offenses that included maintaining ties with the Vatican and sending abroad information about Catholics in China.

The priests were first arrested in November 1981 in a police crackdown on underground religious activity. They were put on tiral after spending as much as 16 months in detention, according to reports from Catholic sources in Shanghai.

The Rev. Zhu Hongshen, who is known in the West as Vincent Chu, received a 15-year prison sentence. The Rev. Zhen Yuntang, who is known abroad as Joseph Chen was sentenced to 11 years.

The formal charges against Zhu and Zhen accused them of colluding with foreign countries, collecting intelligence reports, fabricating rumors, carrying out subversive activities and endangering the sovereignty and safety of the state.

But the Catholic sources said the underlying issue was their refusal to sever links with the Vatican and submit to the authority of the state-approved Catholic Patriotic Association, which oversees Chinese Catholics.

The Chinese Catholic Church broke with the Vatican in 1957 at the government's behest and now ordains its own bishops and priests and still celebrates Mass in Latin.

The Administration of Religious Affairs, a government watchdog body, has estimated that there are up to 3 million Catholics and 700,000 Protestants in China.

Zhu is now 67 years old and Zhen is 75, the sources said. The two Jesuits have spent nearly 24 years in prison. They were freed in late 1979 and warned to avoid unsanctioned religious activity.

Earlier, the Rev. Stanislas Chen, 80, was sentenced to 10 years and the Rev. Stephen Chen, 66, was given two and a half years, according to the sources, who did not give further details of their trial. Both priests were also Jesuits who had been in prison.

After persecution by Maoist radicals in the Cultural Revolution, Chinese Christians have been allowed to worship openly again, but within explicit guidelines that require the rejection of Western connections and support of state policies.

An unknown number of Chinese Catholics have refused to attend the recently reopened cathedrals and still profess loyalty to the Pope. They have formed a loose "underground church" that meets secretly for Mass in private homes. The four priests are believed to have been associated with them.

The officially sponsored Catholic Patriotic Association has attacked the Vatican publicly for purported interference in China's internal affairs and has criticized Pope John Paul II for his "slanderous remarks" last year that Chinese Catholics were being persecuted like the early Christians.●

STANDING SILENTLY BY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. YOUNG of Florida. Mr. Speaker, ever since the Soviets invaded Afghanistan on December 27, 1979, I have been asking where are the protests against this aggressive action?

The Soviets are now in their fourth year of occupation in Afghanistan, and yet the mass demonstrations in the United States and Europe center on our Nation's efforts to preserve world peace and to fight Communist expansion. These protests ignore the slaughter of innocent men, women, and children in Afghanistan by the Soviet military which has stooped so low as to use chemical weapons on these defenseless people. The American people are virtually unaware of the gross human rights violations being committed by the Soviets in Afghanistan because the news media have only superficially covered the ongoing war there.

I was encouraged last month to read an editorial by U.S. News & World Report editor Marvin Stone asking the questions I have been raising since 1979. Where, he asks, are the mass demonstrations in the United States and Europe against the Soviet atrocities in Afghanistan? Where, he asks, are the screaming headlines and angry editorials?

He also asks if the American news media should stand silently by, or should they tell the story of Soviet aggression in Afghanistan "in all its ghastly details?" "Perhaps," he concludes, "if the American people were better informed about what is going on in Afghanistan, the Soviet Union might not feel that the world is either unaware of or no longer cares what it is doing."

Mr. Speaker, our Nation is blessed with a free press guaranteed by the first amendment not to be censored as the press is in Communist nations, such as the Soviet Union. With the most active and free press in the world, the American people have access to a wealth of information, such as Mr. Stone's editorial, which proves without a doubt that it is the Soviet Union—not the United States—that poses the greatest threat today to world peace. Following my remarks is a copy of Mr. Stone's editorial entitled "Getting Away With Murder."

GETTING AWAY WITH MURDER

(By Marvin Stone)

In Afghanistan, the invading armies of the Soviet Union are committing one of the most massive campaigns of savagery in recent history. Towns are bombed into rubble. Civilians are massacred by the thousands. Women and children, as well as men, are summarily shot. Homes are looted, females raped. People suspected of sympathizing with the Afghan resistance fighters are tortured.

The U.S. State Department describes the Soviet actions in Afghanistan as "intolerable by any standard of civilized behavior."

But where—in the United States or Europe—are the mass demonstrations against such atrocities? Where are all those people who marched in protest against the American campaign in Vietnam? And where are the screaming headlines or the angry editorials that appeared in the newspapers of the Vietnam era?

Americans read in their newspapers and see on their television screens far more about the relatively few killings in El Salvador than they do about the massive massacres in Afghanistan.

"It would appear," said the State Department, "that the Soviet Union believes that the world is either unaware of or no longer cares what it is doing in Afghanistan and . . . is willing to employ any means, no matter how brutal."

Said the State Department: "We cannot stand silently by and witness this slaughter."

Now, what about the American news media? Should they "stand silently by"?

Or should they tell this story in all its ghastly details—just as they did about Vietnam, and as they do now about El Salvador?

Perhaps if the American people were better informed about what is going on in Afghanistan—and if they would react as strongly as they did during the Vietnam War—the Soviet Union might not feel that "the world is either unaware of or no longer cares" what it is doing.

Another example: How much have Americans been told about the genocide practiced by the Communists who have taken over Kampuchea, formerly Cambodia, at the cost of an estimated 2 million lives?

Charles Z. Wick, director of the U.S. Information Agency (USIA), recently charged that the American news media—particularly the televison networks—bear a "great responsibility" for failing to draw the world's attention to that mass atrocity.

Why the seeming reluctance of U.S. news media to tell the story of such Communist cruelties? It is admittedly very difficult—and often impossible—for American reporters to observe events in Afghanistan and Kampuchea. The Communists see to that. But we suspect there are other reasons, too.

Apparently, many editors—and TV newsshow producers—feel that Americans do not like to be reminded of Vietnam, or how the domino theory they once scorned is now being proved by the Communist inroads across South and Southeast Asia.

Ever since World War II, when the United States became allied with the Soviet Union to fight Nazism, Americans—and some of this nation's news media—have been prone to knee-jerk reactions against any sins by right-wing regimes while reacting less strongly, or not at all, against excesses of the left.

It is time for a readjustment.●

FIGHTING INSURGENCY WITH NO REAL STRATEGY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BARNES. Mr. Speaker, last month Charles Maechling, Jr., a senior associate at the Carnegie Endowment for International Peace and a counter-insurgency adviser in the State Department from 1961 to 1966, published an article in the Los Angeles Times which demonstrates how seriously the administration seems to misunderstand the nature of the crisis facing us in Central America. Mr. Maechling explains the strategy of the Sandinistas in Nicaragua and of the Salvadoran and Guatemalan guerrillas, and shows how inappropriate and ineffective administration policy has been in counteracting this threat.

Mr. Maechling proposes two alternative strategies: To disengage gradually and turn the problem over to the Contadora group; or to intervene with an effective counterinsurgency program aimed at expropriating the revolution from the Marxists. Unlike Mr. Maechling, I do not believe that these are alternatives. I do not think we have the option of disengaging from an area of such vital interest to us, but it is possible for us to intervene in consultation with—and in ways that would command the support of—our Contadora friends. Congressman JACK KEMP and I have introduced a resolution calling on the President to appoint a bipartisan Commission on Central America whose mandate would be precisely to recommend policies that would respond to the region's real needs and that would be supported by our friends in the region. I am hopeful that the President will shortly announce his support for such a Commission.

I hope my colleagues will read Mr. Maechling's analysis carefully. His bottom line is surely right: the present course leads to a dead end.

[From the Los Angeles Times, June 10, 1983]

FIGHTING INSURGENCY WITH NO REAL STRATEGY

(By Charles Maechling, Jr.)

The transfers of Assistant Secretary of State Thomas O. Enders and Ambassador Deane R. Hinton, and the establishment of a U.S. training base in Honduras with more than 300 advisers, obviously signal a shift toward militarization of the Reagan Administration's program for Central America. They also highlight its abysmal ignorance of the nature of Marxist "wars of national liberation."

El Salvador and Guatemala contain all the ingredients for a successful strategy along classic Maoist lines—ridiculous disparity in wealth between rich and poor, greedy landowners (many absentee in Miami), security forces paid off by the landowners to kill and sow terror, and a dispossessed peasantry or Indian population. These are lands that, as international labor expert George Cabot Lodge wrote recently in the New York Times, "have always been characterized by oppression—oppression which has generally been nourished by the United States. Their transition to democracy is a tortuous process probably requiring revolution. If we oppose that revolution, we will lose and push the winners into the hands of the Russians and Cubans."

In El Salvador, and to a lesser extent in Guatemala, which is in an earlier stage of insurgency, the rebels are following the classic model to overthrow the government and win popular allegiance: Erode the government base in the countryside; destroy bridges, vehicles and communication facilities to cripple the economy; treat the peasantry humanely; release enlisted-men prisoners, and provoke government repression. Tactically, the rule is to retreat when the enemy advances, regroup when he stands still and attack when he exposes himself or retreats. A cardinal principle is to capture weapons and ammunition; this creates uniformity of armament and obviates the need for an outside supply line.

The response of the security forces in both countries has been classic also, with Latin refinements. Lump everyone in opposition—violent or non-violent, moderately reformist or extreme Marxist—into one category called subversivos; declare open season to abduct, torture, and kill subversivos and anyone suspected of opposition sympathies; conduct military sweeps through the countryside, indiscriminately slaughtering the peasantry, women, children, and refugees included, in areas considered sympathetic to the insurgents.

In Nicaragua the beleaguered Sandinistas also are resorting to classic revolutionary doctrine, but in a defensive mode. The combined army and militia exactly replicates the pattern of the French Revolution's levée en masse, Leon Trotsky's Red Army of 1918-19 and Fidel Castro's Cuban national militia, each of which successfully repelled counterinsurgency invasion. The Sandinista strategy probably will be to draw the U.S.-supported counterrevolutionary forces deep into the country, then surround them.

The Reagan reaction to these situations is equally typical, intervention without intervening. That is, conducting guerrilla and counterguerrilla warfare by proxy, and with the crucial sociopolitical elements of counterinsurgency strategy conspicuously missing. For El Salvador the United States has no program of full-scale economic and societal reform to counter the insurgents' total strategy. For Nicaragua there is no government-in-exile of respected democratic figures (as there was in the Bay of Pigs). In both countries the Administration is fixated on military solutions; its only political prescription is "free elections," regardless of how premature, fraudulent or risky.

The Administration's human-rights stance is even worse, a blot on the American escutcheon. It seems unable or unwilling to force its unsavory clients to abjure the most bestial practices of torture and mass murder. It also seems terrified of interfering with their internal structures, naively believing that these societies will eventually reform themselves—as if entrenched interests steeped in blood have ever done this in history. Refugees from El Salvador and Guatemala are pouring northward, fleeing government massacres, not the guerrillas.

In El Salvador the Administration is promoting a land-reform program—but applicable only to peasants not yet forced off the land. It keeps promoting free elections—but without safeguards for participation by opposition candidates.

The Administration strategy—if one can so dignify it—touches none of the root causes of left-wing insurgencies, and will only spread the conflict and provoke an anti-American backlash. Already Honduras is being turned into a base for organized attacks on its neighbor.

Unless the President wants another Vietnam on his hands, he has only two choices left. The first is to disengage gradually and turn the problem over to the Latins themselves, under the aegis of the Contadora group of Mexico, Venezuela, Colombia and Panama. The second is to intervene with an effective counterinsurgency program aimed at expropriating the revolution from the Marxists. This would mean negotiating power-sharing arrangements preliminary to elections held under outside supervision; placing local security forces under complete civilian control and requiring that war criminals be turned over to justice; and insisting on genuine land-distribution and rural-cooperative programs. Either solution might be effective; the present course leads to a dead end.●

TEACHERS: MAKE IT TOUGHER TO BE ONE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SIMON. Mr. Speaker, Dr. George Antonelli is the former president of the Association of Teacher Educators for the State of North Carolina.

He teaches at the University of North Carolina at Charlotte, one of this Nation's outstanding educational institutions which I have had the privilege to visit.

Recently, the publisher of the Charlotte Observer, Rolfe Neill, ran a column about his comments on teacher education and how we can attract and keep better teachers.

This House soon will be considering a resolution I have introduced calling on each State to set up a temporary commission to look at this whole question of how we attract and keep better teachers.

If we assume we build the future of this Nation to a great extent through education—and I do not know of anyone who disagrees with that assumption—and if the most important ingredient in that educational process is the teacher—and again I do not know of anyone who disputes that—then we are going to have to pay much more attention to the increasing problem of not attracting our brighter, abler young people into the teaching profession and the problem of many of our best teachers leaving the profession.

Fortunately there still are a great many dedicated teachers staying in the profession. Fortunately we still are attracting some of the finest young minds into the teaching profession.

But we have problems and we had better face up to those problems.

I urge my colleagues to read the item from the Charlotte Observer.

THE TEACHER RIDDLE: FIRST MAKE IT TOUGHER TO BE ONE

(By Rolfe Neill)

How can we attract better school teachers and prevent good ones from changing careers?

Money, important as it is, is only one answer. Additional suggestions come from UNCC's associate professor George Antonelli, a man whose life is devoted to producing tomorrow's classroom teachers. He would:

Make it more difficult to become a teacher by tougher screening of prospects.

Stress teacher training more and theory less.

Require greater knowledge of the subject content to be taught by the teacher.

Have stricter evaluations of performance.

Then, pay higher salaries to the survivors.

Whether you agree or disagree with Dr. Antonelli's solutions, the teacher shortage demands society's attention. Something must be done. You are paying for the consequences of neglect.

Dr. Antonelli just completed his presidency of the Association of Teacher Educators-North Carolina. His organization surveyed educators statewide—from kindergarten teachers to superintendents, from deans in private and public schools to those in colleges and universities—to determine their thoughts about teaching and teachers.

SURVEY'S FINDINGS

The core of the findings, minus the points already made by Dr. Antonelli:

Beginning teachers need to know more about school law in terms of student rights, teacher responsibilities and parental duties.

Colleges of education should include courses in instructional technology.

Elementary student teachers should be required to take more content courses in math, science and language.

Realistic courses should be offered in computer-assisted instruction and programmed learning.

Student teachers should be required to have experience in elementary and in secondary education before graduation.

"Not everybody can be a teacher," says Dr. Antonelli. "That's why prospective teachers must be tested not only on college entrance but on exit, as well, to determine their ability to teach."

But if we're only attracting half as many teachers now as needed, won't stricter entrance requirements increase the deficit?

"At first it might, but that will be made up. The only way to up-grade the image of teaching is to make it tougher to get in. The Marines work that way. So do the Green Berets."

In the rush to be liked, many young teachers do their students a disservice by avoiding confrontations about why students are not doing well, Dr. Antonelli believes. "The enemy is ignorance. They are there to teach. We must have standards, we must set goals. All students can't have the same level of achievement because we don't all have the same abilities."

Dr. Antonelli thinks teachers who don't dress professionally make a mistake. Ties are in and jeans are out, with him. "Look the part. Students respect that.

"When superintendents tell me 'I wish my teachers dressed better,' I tell the superintendents it's their job as leaders to make it happen. They can if they want to."

Discipline is a handmaiden of teaching success, according to Antonelli. As a man with two liberal arts degrees and a PhD in education, he achieved academic discipline. He has also found it in his personal life.

George Antonelli gave up a three-pack-a-day cigarette intake and shed 100 pounds after Dr. Robert Corley convinced him he would soon be sleeping in Sharon Memorial Gardens around the corner from his Ardberry Place home if he continued those health habits.

Jogging several miles daily is one of his fitness formulas and he's organized numerous runs for the American Lung Association.

The Lung Association honored him as volunteer of the year and the ATE gave him leadership recognition when he stepped down this spring. The lung award meant more, Dr. Antonelli says.

Charlotte-Mecklenburg schools are seeking legislative permission to experiment with lengthening from three to six years the period before tenure is granted new teachers in a program to upgrade competency and salary. Superintendent Jay Robinson

says the program will help slow the drain of good teachers. The legislature has not yet acted on the bill, which classroom teacher groups oppose as written because they say the bill does not carefully define the limits of the experiment.

LET'S HAVE HEROES

Dr. Antonelli believes in heroes and laments the decline of them in American life. He thinks excellence should be encouraged, rewarded and publicly recognized. That's why he has established an award for the top academic achiever among students in the UNCC College of Human Development and Learning. The plaque bears the name of Mary Cizauskas-Antonelli.

She was his mother, a first-generation Lithuanian-American who married a first-generation Italian-American in Illinois. She was a top student and was admitted to Columbia University.

She never attended. No money. But she was proud of that recognition. Until the day she died, Mary Antonelli carried her letter of admission to Columbia University in her purse.●

JAN ERNST MATZELIGER

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. CLAY. Mr. Speaker, today, it is well known that recorded history has traditionally overlooked the contributions of millions of individuals because of their race, sex, or religious beliefs. I would like to take this opportunity to bring to the attention of my colleagues another little-known black inventor whose ingenuity changed the course of our history. Jan Ernst Matzeliger, inventor of the automatic lasting machine, created a revolution in shoe production in the late 19th century. Below is the story of this courageous young man who overcame the most foreboding social barriers and accomplished a rare technological feat.

The material follows:

THE AUTOMATIC LASTER, ONE OF THE THREE GREATEST SHOE MACHINES

According to shoe industry historians, the three greatest shoe machines ever invented and most responsible for the technological revolution in shoe manufacturing, were the sewing machine by Elias Howe, Jr., the Goodyear stitcher by Charles Goodyear, Jr., and the automatic lasting machine by Jan Ernst Matzeliger, a young black born in 1852 in Dutch Guiana.

The lasting machine may be the most ingenious of all because it had to duplicate the complex, finger-like motions of the hand-laster. Almost overnight it increased the output of the lasting operations more than tenfold. The principles of this machine are still used in modern lasting machines.

At age 25, young Matzeliger, son of a Dutch engineer, came to Lynn, Mass., having just finished serving two years as a seaman on a Dutch ship. The year was 1877. Lynn was the U.S. center for shoe manufacturing, with 175 factories producing shoes and supplies, and its 35,000 employees were producing half of America's footwear.

Matzeliger, without shoemaking experience and further handicapped by his color, was turned away by factory after factory. He finally was given a job as an apprentice. He already had an aptitude for mechanics, and at the age of ten had been an apprentice in a machine shop in his home country. Because of his curiosity and interest in mechanics, while working at his shoe factory job in Lynn he constantly observed the operations of shoemaking.

At that time, shoemaking was still largely a series of hand operations, though the assembly line system was used, each employee was assigned to one operation. For the many like Matzeliger who couldn't speak English, sign language primers were used to described each operator's particular operation. This was the "training" program common in most factories.

Matzeliger rapidly learned to speak English, and his natural mechanical abilities soon made him an asset to the factory. Meanwhile he avidly read and studied books on physics and mechanical science, and also acquired a set of drawing instruments. He experimented with a variety of small inventions, a couple of which involved shoemaking.

One challenge, perhaps because of its complications, fascinated him—the lasting operation, up to then entirely a skilled, time-consuming hand operation. He patiently studied the hands and motions of the hand lasters, the rhythm, timing and coordination. Could he recreate all these movements with gears, levels, cams and pincers?

At night, in his small room he devised his first crude model out of cardboard. Word leaked out about it and he was offered $50 for his idea. He refused, but the offer gave him encouragement that he was onto something worthwhile. He finished a second model, much improved. This time he was offered $1,500, and again he refused.

When the third model, further improved, was completed, he applied for a patent. His machine was so ingenious that Washington didn't grant him the usual patents but instead sent a personal representative to see it, for they found it hard to believe. On March 20, 1883, six years after he got this first job in the shoe factory, his patent was granted.

Ths significance of the lasting machine? Production leaped from 60 pairs a day per operator, to over 700 pairs. Substantial capital immediately became available and a company was formed, the Consolidated Hand Method Lasting Machine Co. (later to become one of the cornerstones of the United Shoe Machinery Corp.)

But Metzeliger's years of long, intense hours of day-and-night toil took its toll. He acquired tuberculosis and died in August, 1889, at 37 years of age. But his lasting machine still stands as a monument to shoemaking technology—a machine still called the most "human-like" of all shoe machines.●

TRIBUTE TO THREE SCHOOLS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SKELTON. Mr. Speaker, three schools located in the Fourth Congressional District of Missouri were chosen to be part of a national program recognizing successful junior and senior high schools. The purpose of this program is to call attention to the many good public and secondary schools in the United States, and to begin to establish a network of schools that can serve as models for other schools and school districts that are seeking ways to become better. These schools are:

Blue Springs High School, Dr. Gale Bartow, superintendent; Dr. Robert Blaine, principal.

Camdenton Junior High School, Dr. John Bearden, superintendent; Mr. Ron Burks, principal.

Knob Noster Middle School, Dr. Earl Finley, superintendent; Mr. Wayne C. Miller, principal.

In addition Blue Springs High School was selected as 1 of 144 outstanding schools across the Nation. I would like to extend my congratulations to the superintendents, principals, teachers, and students of these schools. The hard work and dedication of all the people involved with these schools has made excellence in education a reality in Missouri.●

UNIVERSAL TELEPHONE SERVICE

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. TALLON. Mr. Speaker, I rise today to add my support to H.R. 3440, the "Universal Telephone Service and Ratepayer Protection Act of 1983." This bill would amend the 1934 Communications Act to insure that telephone service will remain available nationwide. It will guarantee basic phone service at affordable prices to all Americans and correct many of the problems with the Federal Communications Commission's policy toward telephone service—a policy which handles the reorganization of the telephone industry by allowing an explosion in the price for local telephone rates and diminished service to customers.

In the United States, we have developed a phone system second to none. We have successfully implemented a policy of "universal telephone service", a phrase that is used to mean that everyone has access to basic telephone service at reasonable rates. Now as a result of the reorganization of the telephone system and the decisions of the Federal Communications Commission, we are moving toward a policy that will eliminate universal telephone service. Americans are being asked to accept a program that could more than double the price of local telephone service.

This could hardly be coming at a worse time for the American people. We are just beginning to come out of the most severe economic downturn

since the 1930's. The Consumer Price Index has been reduced to the lowest level in years, but millions of Americans are still experiencing extreme economic difficulties. Now the Federal Communications Commission is asking our citizens who have struggled during the prolonged recession to again make a sacrifice.

In this case, it involves an item that has become critical for Americans in today's society. The telephone is not only important because it enriches our social lives; it has also become a vital instrument for providing us with access to information that is crucial for our basic needs. The telephone gives the consumer quick access to his or her doctor or pharmacist and dozen of other essential services. Without the telephone, the businessman cannot properly fulfill such important business functions as inventory replacement. The farmer does not have immediate access to essential information such as climate conditions and crop prices.

The FCC has proposed rules for the telephone industry that may lead to this essential item being removed from homes and places of work all over America. The FCC proposal calls for a "cost based" pricing method for access charges which favors users in highly populated, urban areas. In such areas, high concentrations of telephone users make the cost of phone service cheaper. Under this pricing method, low density medium-sized and small towns and agricultural communities would be hit with potentially disastrous increases in rates.

H.R. 3440 would prevent this from occurring by establishing a more reasonable method of distributing the costs for telephone service. Areas with high cost for local telephone service would have a greater part of their costs offset than under the FCC proposal. Companies which benefit from their business in lucrative parts of the communication field will be expected to bear part of the costs for the operation of the entire system. This bill also provides for a strong role for the States in assuring the availability of affordable local rates. It is a fair and balanced method for insuring that the over 90 percent of American households that currently have telephones will be able to retain this service.

In areas such as the Sixth District of South Carolina which I represent, the growth in telephone usage was facilitated by government programs. For continuing this widespread use of the telephone in small towns and rural areas, it is necessary to maintain and strengthen the role of the Rural Electrification Administration telephone program, the backbone of rural telephone service. With the Rural Electrification Act Amendments of 1949, Congress affirmed its support of a policy of universal telephone service by authorizing Federal financing for rural telecommunications. In the 1949 House Agriculture Committee Report which included the REA amendments, it was stated that the REA was to provide "area coverage" to rural areas which meant: planning, financing and constructing a rural telephone system so that service will be available to all subscribers within the company's area who want it, whether the installation and operation of their particular telephone will be profitable or not.

This policy has been a total success. In 1950, only 38.7 percent of farms had telephones. Today the figure is 94 percent. In the process, the phone was transformed from the party line system to the modern system of today that we take for granted. It would be outrageous if we now walk away from this policy of mandated universal public service.

In closing, let me reiterate that it is crucial that Congress act to insure the continuation of the universal telephone system. It has been said that congressional inaction will allow phone rates to rise out of the price range for millions of Americans. Let not this statement be truthfully uttered against this Congress of today. With a technology capable of telephone service for everyone at reasonable rates; and with a lifestyle that increasingly leads to a nation of families and friends living hundreds and even thousands of miles apart; Congress must act to maintain one of the major communication links of our time. The telephone has provided the means for Americans from all parts of the Nation to stay in contact with one another, and has helped to bring all of the American people, rural and urban, together as one Nation.●

TRIBUTE TO COL. FRANCIS A. MACHINA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BIAGGI. Mr. Speaker, on Saturday, July 16, in Albany, N.Y., a dinner will be held honoring Col. Francis A. Machina, who will be retiring after a long and distinguished career in the New York National Guard. Among those honoring Colonel Machina at the dinner will be Maj. Gen. Vincent F. Lanna, Commanding Officer Troop Command, and Maj. Gen. Vito J. Castellano, Chief of Staff to the Governor of New York. I am pleased to join with Colonel Machina's many friends and associates in paying tribute to his fine years of service to New York State and know he must take considerable satisfaction in all he has accomplished.

COL. FRANCIS A. MACHINA

Col. Francis A. Machina, a native of Lackawanna, N.Y., entered the New York National Guard in June of 1948 as a Private in the 152d Engineer Battalion, where he served as an enlisted man until 1952. During this period he rose to the rank of Master Sergeant.

Colonel Machina was commissioned as a Second Lieutenant in the Engineers on September 14, 1952 and assigned as Platoon Leader for A Company, 152d Engr. Bn. He was reassigned to HHC company as Executive Officer and on February 2, 1957 took over as Company Commander.

Upon being promoted to Captain in 1958, Col. Machina became the S-3 of the Battalion. He was promoted to Major in 1962 and shortly thereafter transferred to the 127th Armor. At this point in his career he proceeded to branch transfer to Armor. He remained as an Armor Officer until 1968, when he became the S-3 of the 152d Engineer Battalion. In 1969 he became the Executive Officer of the Battalion, holding that position until the fall of 1970, when he became the S-3 of the 221st Engineer Group. He was promoted to Lt. Colonel in February 1972 upon being assigned to the 27th Brigade as their Executive Officer.

In July of 1978, he was promoted to the rank of Colonel and subsequently became task Force Commander for the Command and Control Headquarters. This organizaion was subsequently reorganized into the Troop Command.

Colonel Machina has also served the New York State National Guard in a second capacity. As a member of the Federal Technician Program, for many years, he assisted all the Units throughout the Troop Command. In his present position as Administrative Officer assigned to Troop Command, Colonel Machina is providing advice and guidance to Technician personnel and the Units they support throughout the Command.

Throughout his long and faithful service, Colonel Machina has received numerous awards and decorations, recognizing him for his dedicated service to the Army, the New York National Guard and his fellow man. These include: Meritorious Service Medal, Army Commendation Medal, Armed Forces Reserve (30 years), Armed Forces Reserve Component Achievement Medal, NYS Military Commendation Medal, NYS (35 year) Long and Faithful Service Medal, NYS Recruiting Medal, NYS Aid to Civil Authorities Medal, and NYS Humane Services Medal.

Colonel Machina is a graduate of the Engineer School, Fort Belvoir, Va., the Armor School, Fort Knox, Ky., the U.S. Army Command and General Staff College, Fort Leavenworth, Kans., and the Industrial College of the Armed Forces Institute. In addition to these he has attended numerous other schools including military and civilian institutions. This education has resulted in his obtaining many specialties. These include Engineer, Armor, Air Operations, Nuclear Weapons Employment and Operations and Training as well as a proficiency in the Federal Technician Program, which is unparalleled.

Colonel Machina and wife Catherine reside in Clifton Park, N.Y. with their children, Nancy, Cheryl, Francis, and Gary.●

A NATIONAL HOLIDAY FOR MARTIN LUTHER KING, JR.

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LONG of Louisiana. Mr. Speaker, it has been 15 years since Dr. Martin Luther King, Jr., was martyred as he led a courageous, nonviolent struggle for racial and economic justice in America. As the years pass by, the failure of Congress to properly honor Dr. King's momentous achievements is deeply disappointing to me, and, I believe, to millions of Americans.

I rise today to urge the House to correct this glaring omission by supporting H.R. 800, a bill that designates January 15, Dr. King's birthday, a national holiday.

A century ago, Mr. Speaker, Thomas Carlyle lamented the lack of reverence for the great men of his day. He observed, "No sadder proof can be given by a man of his own littleness than disbelief in great men."

And we belittle ourselves if we fail to recognize Dr. King for his breadth of vision, his courage, and his ability to inspire us to create a better society. Today his eloquent words—the impassioned oratory that awakened a nation's conscience—ring as true and as full of moral force and clarity as when he first spoke them.

And Dr. King's words measure for us the distance that we still must travel before we reach fulfillment of his dream of human rights and human dignity for all.

It was under Dr. King's brilliant leadership that the civil rights movement was infused with moral purpose and grew strong. He helped dramatize the evils of segregation in ways that made its downfall inevitable. Dr. King enlisted an entire generation of Americans in the fight for equality and social justice, and won Congress and Presidents to his side. His message of hope and peace crossed national boundaries and touched ordinary people throughout the world.

In 1964, Dr. King became the youngest recipient of the Nobel Peace Prize. Four years later, still young at 39, he was struck down by an assassin's bullet, a victim of the same unreasoning prejudice he had sought to overcome.

Mr. Speaker, it is particularly important, in this troubled and turbulent world, that we acclaim Dr. King's devotion to the gospel of "unarmed truth and unconditional love." He appealed always to what Lincoln called "the better angels of our nature." Not once did Dr. King succumb to the temptation to repay scorn with scorn, hatred with hatred, or violence with violence.

Public holidays should be established only for persons or events of rare significance in our Nation's history. Martin Luther King, Jr., who taught us to recognize and despise oppression, is indeed one of those rare figures who merits such a distinction. By bestowing this high honor on Dr. King, Congress can demonstrate our country's commitment to the principles he fought for: freedom, brotherhood, and equal justice under the law.

And we can thus honor a great American leader who called his fellow citizens to their moral and constitutional duty. Unlike many of his foes, Dr. King took seriously the covenants and principles embodied in the Declaration of Independence and the Constitution. He asked not for special favors or privileges, but only that we live up to the high ideals of liberty and equality on which this country was founded.

Thus, Martin Luther King, Jr., is not only a hero for millions of black Americans, for whom he sought freedom and dignity, but for all Americans.

I urge my colleagues to join me in supporting a public holiday in honor of Dr. King. Let January 15 be a day to reflect on the devotion, skill, and bravery with which he sought to make his famous dream a reality.●

PROCESS PATENT REFORM

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MOORHEAD. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am introducing today that, if enacted, will be of considerable benefit to our country because it will close a damaging loophole in U.S. patent law.

Under existing conditions, a patent is infringed only if the patented product or process is used, made, or sold in the United States. This is sufficient in the case of a product patent because any item produced overseas and sold in the United States effectively infringes on the patent holder's rights. However, in the case of a process patent there is no effective way by which a patentee can prevent a firm from duplicating and using the protected process overseas and then selling the product of that process in the United States.

You can understand how such a circumvention of normal patent rights can be extremely damaging to the American firm which has invested, researched, and invented a new process that makes new products. If a firm's investment is undercut in such a manner, it has two unreliable options available to protect its patented process from abuse overseas. First, it can seek to obtain a patent in as many foreign countries as possible and then sue for infringement of its foreign patents in foreign courts when that process is used to make products which are then sold in the United States. This option is very inadequate because it is expensive and it is impossible to obtain effective protection in all of the countries in which the process might be used. The other option open to the patentee is to seek relief from the International Trade Commission. While damages are not available to a patentee under the relevant section of the United States Code, a patentee can seek a cease and desist order against a particular firm. Such an order may be issued by the Commission if it finds that the firm is violating or believed to be violating the pertinent section of the Code. The patentee can also seek an exclusion order that would bar the importation of products made by his patented process if the Commission finds violation, again, of the relevant Code provisions.

However, these options are virtually worthless in providing the patent holder with adequate and fair protection because to obtain a cease and desist order or an exclusion order, a patentee must show not only the importation of a product made by his patented process, but also that the effect or tendency of such importation is to destroy or substantially injure a U.S. industry. Moreover, cease and desist orders against particular firms may not be effective where importation of offending products can easily find alternative channels. Finally, enforcement of exclusion orders by customs officals is complicated by the difficulty of identifying which products were made by patented processes and which were not. Thus, it is very difficult for a process patentee to obtain effective protection under current law where his patented invention is practiced overseas and the resulting product sold in the United States.

My intentions are simply to amend relevent patent law to allow holders of U.S. process patents to realize the full benefits of their inventions. The creation of new and more efficient methods of production is becoming increasingly important as successful innovation depends on adequate protection of the intellectual property rights flowing from research investment. Importation and sale in the United States of products produced by patented processes severely undercuts the value of such patents, and should be prevented.

My bill will accomplish this desirable end by giving the injured company a fair and reasonable opportunity to protect the local market from unfair foreign competition. The people of the United States deserve the right to

profit fairly from their own inventions and creations. The bill follows:

H.R. 3577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 154 of title 35, United States Code, is amended by inserting after "invention" the second time it appears the words ", and if the invention is a process of the right to exclude others from using or selling products produced thereby,".

SEC. 2. Section 271 of title 35, United States Code, is amended—

(a) by redesignating subsection (a) as paragraph (a)(1); and

(b) by inserting the following new paragraph (a)(2):

"(a)(2) If the patented invention is a process, whoever without authority uses or sells in the United States during the term of the patent therefor a product produced by such process infringes the patent.".

SEC. 3. Title 35, United States Code, is amended by adding the following new section 295:

"§ 295. Presumption: Product produced by patented process

In actions alleging infringement of a process patent based on use or sale or a product produced by the patented process, if the court finds (1) that a substantial likelihood exists that the product was produced by the patented process and (2) that the claimant has exhausted all reasonably available means through discovery or otherwise to determine the process actually used in the production of the product and was unable so to determine, the product shall be presumed to have been so produced, and the burden of establishing that the product was not produced by the process shall be on the party asserting that it was not so produced.".●

CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY, JULY 14

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BILIRAKIS. Mr. Speaker, I am pleased that so many of my colleagues believe, as I do, that the mistreatment of Jews in the Soviet Union is an issue of national concern in the United States.

We have just celebrated our Independence Day, a time of special meaning for all Americans and for people around the world who hope, some day, to be able to live with the same freedoms Americans have fought an died for.

While we stand here and pray and fast in honor of the fifth anniversary of the trial and sentence of Anatoly Shcharansky, let us not forget the hundreds of thousands of Soviet Jews who are being denied the most basic rights of mankind.

Let us think about the recent sentence of a Jewish scientist who was convicted on charges of slandering the Soviet system. After being denied permission to emigrate to Israel with his wife and daughter, Yuri Tarnopolsky staged a 40-day hunger strike to bring attention to the plight of all the refuseniks.

During the course of his protest, the 46-year-old chemist circulated a note to Western reporters which said in part:

I am unable to forget that in modern history only the Nazi barbarians refused to allow Jews to emigrate, persecuting them at the same time.

Let us bring to mind the recent words of Rabbi Jeffrey Salkin, who, in a sermon following his return from a trip to the Soviet Union, said:

I have been asked "Is it really as bad as they say it is for the Soviet Jews?" It is worse than they say. And there is not a single Jew with whom I spoke—and we met with perhaps 30 refuseniks—who did not emphasize their dark fear that the situation is going to continue getting more desperate.

An editorial in the Tampa, Fla., Tribune summed up the situation in the Soviet Union with a tragic comparison:

The growing wave of anti-semitism which preceded the Holocaust in Nazi Germany prior to World War II went largely ignored during those agonizing times. Now, it seems, history is repeating itself. . . .

Sadly, the spirit of the Holocaust did not die in that Berlin bunker with Adolf Hitler. It thrives within the communist system where . . . the principal industry is the repression of the human spirit.

We cannot allow ourselves to be blinded to what is going on around the world. We cannot stick our heads in the sand and say: "It's not my concern." If we care about mankind, about the preservation of freedom for ourselves and others, then we cannot close our eyes.

We must speak out * * * we must be heard.●

TRIBUTE TO HENRY A. STASIUK

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MINISH. Mr. Speaker, I would like to take a few moments to honor a good friend from New Jersey, Mr. Henry A. Stasiuk, who is known to all of us as Andy. Andy was recently awarded the 1983 Ukrainian Achievement Award in Irvington, N.J.

Currently the managing editor of the Newark Star-Ledger, Andy has held this position since 1965, having joined the Ledger in 1952. During his career at the Star-Ledger, the newspaper has grown into a leading voice in journalism in New Jersey and throughout the country. The Star-Ledger is the 17th largest daily newspaper and the 12th largest Sunday paper in the United States.

Born in New York City to parents who immigrated to the United States from the Ukraine, Andy was raised by his widowed mother and he attended school in Hawthorne, N.J. During World War II, Andy entered the Naval Air Corps, where he served in the Pacific theater. He distinguished himself in action and was awarded the Silver Star, six Air Medals, and Navy commendation for battle service above and beyond the call of duty in Iwo Jima, Tokyo, and Okinawa.

A newspaperman since 1945, Andy has devoted his considerable talents to maintaining a standard of excellence and dedication to journalism.

Mr. Speaker, I commend the Ukrainian Americans of New Jersey for their outstanding selection this year and also send my best wishes to Andy and his lovely wife, Mary, for continued success and happiness in the future.●

MELANIE MACKLIN AND GREGORY BILLINGS, 1983 LEAD PARTICIPANTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FLORIO. Mr. Speaker, today it is my great pleasure to pay tribute to two high school students from my district, Melanie Macklin of Sewell, N.J., and Gregory Billings of Camden, N.J. Melanie, a senior at the Washington Township School, and Gregory, a senior at the Moorestown Friends School, were chosen from among many qualified students to participate in the leadership educational and development program in business (LEAD).

The LEAD program was instituted to encourage highly motivated minority students to pursue careers in business by making them aware of the opportunities that exist in this field. This week, the LEAD students are participating in a Washington business seminar, sponsored by the University of Maryland, Howard University, and several major corporations. The 210 LEAD participants have attended briefings conducted at the White House and the Supreme Court, and have been given the opportunity to speak with many Government officials.

These LEAD students are the business leaders of tomorrow, and I am certain my colleagues will be proud to join me in commending Melanie, Gregory, and all the fine young men and women of the leadership educational and development program in business.●

FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. ERDREICH. Mr. Speaker, I would like to commend my distinguished colleagues, The Honorable ROBERT MRAZEK from New York and the Honorable JOHN PORTER from Illinois, for cosponsoring the Congressional Fast and Prayer Vigil for Soviet Jewry. I am happy to participate in the prayer vigil, to show the Soviet Union that we in the United States will not tolerate the injustices suffered by millions of Soviet Jews and others behind the Iron Curtain.

The denial of religious liberty is a blot on the human conscience wherever it occurs. The continued denial of basic rights and liberties to the nearly 500,000 Soviet Jews is surely a stain on the conscience of mankind so deep that it will never be forgotten.

The National Congressional Fast and Prayer Vigil being held today marks the fifth anniversary of the trial and sentencing of Anatoly Shcharansky, a man who continues to endure the most brutal and inhumane conditions merely because of his desire to enjoy freedom of religious and cultural expression.

Through this prayer vigil, I hope to draw attention to all refuseniks who have been unable to emigrate from the Soviet Union. But I would like to focus especially on two families that I am sponsoring.

Boris and Irene Ghinis and their two daughters have been trying to emigrate since 1977. Mr. Ghinis was dismissed from his job at the Research Institute of the Ministry of the Radio Industry in Moscow shortly after his first application for an exit visa. Since that day, Mr. Ghinis and his family have submitted their applications for emigration on six separate occasions. Each time their request has been denied on the grounds of "states secrets," despite the fact that it has been 5 years since Mr. Ghinis left his job and his knowledge is no longer current.

Ten years have passed since Mikhail and Natalia Kazanevich and their daughter Janna first expressed their desire to leave the Soviet Union. During that time he has been subjected to continual threats and KGB harrassment. He has been threatened with "parasitism" and was interrogated in February 1977 in connection with the case of dissident leader Anatoly Shcharansky.

I have written letters concerning these two families to President Reagan, requesting any assistance he might lend that would provoke a turnaround and approval of exit visas for these families.

I have also written letters to Soviet President Yuriy Andropov, personally requesting the release of the Kazanevichs and the Ghinis as a signal to the world that human freedom and dignity have a place in the policy of the Soviet Union.

While this vigil sends a clear message to the Soviet leadership that we will not tolerate such persecution and will continue to work for the safe passage of Soviet Jews seeking to emigrate, it should also serve to encourage those of us in the United States to emulate the persistence and dogged perserverance that Anatoly Shcharansky, the Kazanevichs and the Ghinis have exhibited throughout their ordeal.

Despite the unbearable conditions under which they live, they have steadfastly continued to stand by their beliefs and convictions, the beliefs and convictions held by countless Soviet Jews whose only wish is to live in accordance with their traditions.

It is my hope that we in the United States can draw upon their strength and willpower to bolster our efforts to help the thousands of refuseniks, and others behind the Iron Curtain, who are being denied the basic rights and freedoms that we in this country take for granted.●

UMW's TRUMKA RECEIVES KREHEL DEPICTION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GEKAS. Mr. Speaker, I recently had the pleasure of presenting to Richard Trumka, president of the United Mine Workers of America, a full-color, full-size photo of an oil painting which depicts the cycle of anthracite (hard) coal mining in northeastern Pennsylvania.

The original painting was done in January 1939, by Peter Krehel, a Kulpmont, Pa., high school senior, who now serves the Commonwealth of Pennsylvania as the president judge of the Northumberland County courts, in Sunbury, Pa. Judge Krehel worked as a teenager in independent (bootleg) mines with his immigrant father and others.

Judge Krehel's original painting was presented to John L. Lewis, the first president of the United Mine Workers of America, as a symbolic reminder of the historic role of anthracite miners in the founding of the UMW, and as a tribute to the immigrant labor force.●

LEGISLATION TO ESTABLISH WILDERNESS AREAS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. ROTH. Mr. Speaker, the gentleman from my neighboring district, Mr. OBEY, is today introducing legislation to establish several wilderness areas in Wisconsin. Three of the areas to be designated as wilderness lie within the Nicolet National Forest in my district. Specifically, they are Kimball Creek, Headwaters of the Pine, and Shelp Lake. Altogether, over 20,000 acres of northeastern Wisconsin forest land is involved. Therefore, I am very interested in this bill.

The whole issue of setting aside forest land as wilderness has become intensely controversial, as we have seen in a number of debates here in Congress. Now the courts have also become involved, complicating matters even further. I can therefore appreciate the efforts of everyone involved in working toward a solution for the State of Wisconsin.

However, I am not joining today as a cosponsor of this bill. I feel that I must reserve judgment until more comprehensive studies can be completed on the effects wilderness designation may have on my district, particularly upon the commercial, recreational, environmental, and energy-related interests involved. All factors must be carefully considered, because this proposal, if passed, will set a very important precedent for the treatment of our national lands. Thank you, Mr. Speaker.●

SOVIET INTERFERENCE WITH JEWISH EMIGRATION

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. PATTERSON. Mr. Speaker, today, on the Capitol steps, I am joining several of my colleagues in a prayer vigil for Soviet Jews. July 14 is the fifth anniversary of the trial of Anatoly Shcharansky who has been serving a 13 year sentence for espionage though his only real crime is a desire to leave the Soviet Union. It is appropriate that we choose July 14 as a day to demonstrate our opposition to Soviet interference in Jewish emigration.

As one who has spoken out often on the issue of respect for human rights, I applaud the gentleman from Colorado for chairing this vigil and the gentlemen from New York and Illinois for organizing it. I would also like to com-

mend the efforts of the Jewish Federation of Orange County and its leaders, including Michael Pinto, Gerald Lasensky, and Chelle Friedman for their work on behalf of Soviet Jews.

Restriction of emigration is not the only problem faced by Jews in the Soviet Union. In general, the position of Jews in Soviet society is deteriorating. The Soviet Government has repressed cultural and religious expression, in what some observers feel is an attempt to destroy the collective memory of the Jewish people. Iosif Begun, a Soviet mathematician, was arrested because his attempts to teach Hebrew were considered anti-Soviet behavior. Antisemitic statements are becoming more prevalent in Soviet publications, including materials that are printed for the young. It is not uncommon for Jews who apply for emigration to be put in administrative limbo and dismissed from their jobs, yet not permitted to leave the Soviet Union.

The rate of emigration by Soviet Jews has reached an alltime low, declining by 97 percent in just 4 years. Jewish emigration reached 51,320 in 1979 but dropped to 2,686 in 1982. If this trend continues, less than 1,200 Soviet Jews will be allowed to emigrate in 1983. The State Department has concluded that the Soviet Government's claim that most Jews who want to leave have already left is false. Interference in Jewish emigration is just one example of human rights violations by the Soviet Union. By demonstrating our support for Anatoly Shcharansky and the right of Soviet Jews to emigrate, we send a proper message to the Soviet Union that the United States stands for justice and decency.●

SIMON DISCLOSES FINANCES FOR 28TH CONSECUTIVE YEAR AS A PUBLIC OFFICIAL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SIMON. Mr. Speaker, I have each year made public my income, assets, and liabilities in detail.

I am inserting in the RECORD those details once again.

REPRESENTATIVE PAUL SIMON DISCLOSES FINANCES FOR 28TH CONSECUTIVE YEAR AS A PUBLIC OFFICIAL

WASHINGTON.—For the 28th consecutive year that he has held public office, Representative Paul Simon, D-Ill., has released a detailed description of his and his family's income, assets and liabilities.

Simon's top personal staff members also released financial statements.

The Illinois congressman's statement lists income for 1982 for himself and his wife, Jeanne, Totaling $102,757.67. The figure includes his House salary, reimbursement for travel and other expenses, rental income, interest and dividend income, honoraria for appearances, and other items.

The Simons had assets of $493,343.76 and liabilities of $380,203.13 for a net worth of $113,140.63.

Simon has been making voluntary financial statements since he became a State representative in 1955. He followed the practice during eight years in the Illinois House, six years in the Illinois Senate, four years as lieutenant governor, and eight years in Congress.

Income for 1982

Income of Paul and Jeanne Simon:	
Salary, U.S. House of Representatives	$60,662.50
Rental income and utilities reimbursement	13,630.15
Book royalties	1,869.53
Newspaper article	100.00
U.S. House of Representatives, expense reimbursement	2,888.55
Paul Simon for Congress Committee, expense reimbursement	2,282.86
1982 Honoraria and Travel Reimbursement for Appearances:	
American Association of Colleges for Teacher Education	500.00
American Association of Community and Junior Colleges	49.10
American Council on Education	1,000.00
American Enterprise Institute for Public Policy Research	500.00
American University	300.00
Association of Community College Trustees	1,000.00
Association for Supervision & Curriculum Development	556.15
Brigham Young University	511.05
California Association for Bilingual Education	500.00
Chabot College	1,177.91
Chamber of Commerce of the U.S	300.00
City of Louisville	252.00
Detroit Educational TV Foundation	321.37
Educational Testing Service	750.00
First National Bank, Chicago, Illinois	779.01
Illinois Association of School Boards	142.52
Illinois Council of Community College Administrators	1,383.00
Illinois Foreign Language Teachers Association	204.00
Interamerican Association of Businessmen	500.00
Middlebury College	4.38
Mississippi State University	1,041.40
National Council of Educational Opportunity Association	1,000.00
New York University	1,033.45
North Carolina University	2,000.00
Northern Colorado University	1,205.66
Purdue University	547.00
Texas Lutheran College	1,009.05
Vanderbilt University	260.40
Washington University	1,533.65
Dividends:	
American Telephone & Telegraph	8.00
Bethlehem Steel	6.50
Borg-Warner	57.20
Chock Full of Nuts	4.00
Crown-Zellerbach	11.85
Fairchild Industries	16.00
Fruehauf	4.60
Gulf & Western	.75
Harper & Row	8.00
Lear Ziegler	18.00
Massachusetts Investor's Growth	23.75
National Steel	3.00
Norton Simon	6.48
Norton Simon, Preferred	1.60
Pepisco	36.32
Pacific Gas & Electric	143.00
Ralston-Purina	9.36
Scott Paper	4.00
Texaco	42.00
Warner Lambert	5.60
Westinghouse	7.20
Mutual Real Estate	3.75
Interest:	
Bank of Maryland	3.64
Dreyfus Fund	204.25
Ellis First National Bank	6.81
Mid-American Bank, Carbondale	21.72
Mobil Corp	8.50
General American Life Insurance	37.44
Unversity Bank of Carbondale	3.34
Franklin Money Fund	225.52
Polish National Insurance Co	30.80
Total 1982 income	102,757.67

NOTE.—Stock Sale During 1982: Sale of one share of Brunswick Corp. stock, $30.00, May 2, 1982. Paid $24.68 for it July 25, 1962. Gain, $5.32.

Gifts received of more than $25 value outside of immediate family members: One set Ulysses S. Grant books from the Southern Illinois University Press, precise value not known; one 1822 map of Illinois from Stan Glass, precise value not known; and two Luther medals and one plate from the Martin Luther 500th Anniversary Commission, precise value not known.

Income of Children: Shelia: Total, $460.94—Interest, Security National Bank, $24.20; Dividends, AT&T, $10.80; General Motors, $24.00; Pacific Gas and Electric, $11.44; Ralston-Purina, $39.00; Mutual Real Estate Trust, $1.50; Honoraria, Wittenberg University, Student Body President, $350.00. Martin: Total, $61.10—Dividends, AT&T, $10.80; General Motors, $24.00; Illinois Power Company, $24.80; Mutual Real Estate Trust, $1.50.

STAFF DISCLOSURES

David Carle, Press Secretary: 1982 income other than government: Wright Patman Congressional Credit Union, interest on shares, $116.96. Sources and amounts of indebtedness over $500: Sears, $682.56. Stocks and Bonds owned: Wright Patman Congressoinal Federal Credit Union, shares, $1,247.44; New York Life Insurance policy, $1,500, face value; Pilgrim Congregational United Church of Christ bearer bond, $250, 1977 face value. Other property owned: 1976 Chevy Vega, purchased in 1979 for $1,600; household furnishings, $1,800.

Ray Johnsen, Office Manager: 1982 income other than government: Rental income, $13,855; Metropolitan Life, interest, $56.94; General American Life, interest, $230.53; Mo. Portland Cement, interest, $507; Wright Patman Congressional Federal Credit Union, interest, $.45; General Motors, Inc., dividends, $75.31; Roodhouse Record, dividends, $144.00. Sources and amounts of indebtedness over $500: Washington and Lee Savings & Loan, $12,853; Illini Federal Savings & Loan, $24,805; Mary Fairchild, $16,884. Stocks and Bonds owned: Wright Patman Congressional Federal Credit Union, shares, $7.31; Cottonwood Junction, 175 shares, $17,775; U.S. Bonds, Series E, $1,856.25; Mo. Portland Cement, bonds, $5,000; Alpha Portland Cement, 24 shares,

$348; General Motors, 21 shares, $1,281. Other property owned: State of Illinois Employees Retirement System, $1,772.01; residence, Arlington, Virginia, $95,000; home and apartment, Troy, Illinois, $30,000; duplex, Troy, Illinois, $37,000; triplex, Springfield, Illinois, $26,000; household furnishings, $15,000; 1978 Chevrolet, $2,000; 1975 Volkswagen, $1,000.

Vicki Otten, Legislative Director: 1982 income other than government: Commonwealth Edison Stock, dividends, $130; (Spouse, William H. Barringer, is an attorney with Arter, Hadden and Hemmindinger, practicing international law. The firm is a registered foreign agent for Japan Iron and Steel Exporters Association, Japan Wire Products Exporters Association, Japan Stainless Steel Exporters Association, Japan Galvanized Iron Exporters Association, Fuji Heavy Industries Limited and El Banco de Brazil.) Sources and amounts of indebtedness over $500: First Federal Savings & Loan, mortgage, $119,000; National Bank of Washington, car loan, $8,000. Stocks and Bonds owned: Commonwealth Edison, 50 shares, $1,190; Wright Patman Congressional Federal Credit Union, shares $225. Other property owned: Home in Washington, purchased in 1980 for $195,000; 1983 Peugot 505, purchased in 1983 for $13,000.

Joe Pierce, District Assistant: 1982 income other than government: Jo A. Pierce (wife), salary from the Southern Illinoisian, plus oil royalties and stock dividends, $14,504; Local Correspondent for Illinois Media Credit Union, $806; Joe B. Pierce, honoraria for Pastoral supply, $523. Sources and amounts of indebtedness over $500: Illinois Media Credit Union, auto, $2,000; First Bank and Trust, Mt. Vernon, Illinois, personal note, $2,400; Carterville State & Savings, Carterville, Illinois, real estate, $44,900. Stocks and Bonds owned: Jo A Pierce (wife), First Bank & Trust, Mt. Vernon, Illinois, 16 shares, $256; Lee Enterprises, 24 shares, $624. Other property owned: Home, 31 Meadowlark, Carterville, Illinois, $75,000; Property, 700 Meadowbrook, Mt. Vernon, Illinois, (one-half interest), $20,000; three automobiles, $6,500.

Net worth statement—Paul and Jeanne Simon, as of January 1, 1983

Assets:	
Security National Bank, checking account	$206.06
U.S. House of Representatives, checking account	175.54
Ellis First National Bank, savings account	134.40
U.S. Savings Bonds	1,931.25
University Bank of Carbondale, savings account	87.61
Christian Church of Salem, bond	250.00
General American Life Insurance, cash value	3,272.11
Polish National Alliance Insurance, cash value	1,375.10
Congressional Retirement System, cash value	34,836.93
Illinois General Assembly Retirement System, cash value	16,233.00
Condominium, Tarpon Springs, Florida, 1979 purchase price	81,000.00
Improvements to Condominium	214.25
Residence, 11421 Falls Road, Potomac, Md., 1974 purchase price	126,000.00
1976-81 Improvements to Potomac home	19,579.20
11.8 acres near Makanda, Illinois, purchase 1978	21,500.00
Home at Makanda property, constructed 1981-82	142,265.00
Improvements to Makanda property	6,683.78
Furniture and Presidential Autograph Collection	18,000.00
1965 Ford Mustang	100.00
1980 Chevrolet	4,000.00

NOTE.—Signed agreement to sell residence in Potomac, Md., December 1983, for $259,000, but party to whom the title was assigned died. The house is for sale again.

Stock and bond holdings with number of shares:	
AT&T, Preferred, 2	124.50
Bethlehem Steel, 5	96.25
Borg-Warner, 59	2,234.63
Borman's, 8	70.98
Chock Full O'Nuts, 10	140.00
Chrysler, 2	35.50
Crown Zellerbach, 6	176.25
Dreyfus Fund	2,850.00
Fairchild Industries, 20	290.00
Franklin Money Fund	651.05
Fruehauf, 4	113.00
Gulf & Western, 1	16.75
Harper & Row, 10	123.70
Lear Siegler, 8	660.00
International Harvester, 60	255.00
Massachusetts Inv. Growth, 49	876.80
Mutual Real Estate, 25	218.75
National Steel, 2	35.00
Norton Simon, 6	144.00
Norton Simon, Preferred, 1	54.25
Pepsico, 24	858.00
Pacific Gas & Electric Co., 50	1,406.25
Ralston-Purina, 12	210.00
Rohr Industries, 3	42.75
Scott Paper, 4	81.00
Texaco, 14	435.75
United M&M, 8	61.88
Warner Lambert, 4	113.00
Westinghouse, 4	155.49
Jet-Lite, 120 (Approx. value)	300.00
Mobil debenture bond, $100, 8½%	100.00
IRA Account, 1982	2,569.00
Total assets	493,343.76
Liabilities:	
University Bank, Carbondale, notes	28,500.00
National Bank of Washington, notes	2,200.00
First National Bank of Collinsville, notes	44,762.43
National Savings & Trust, mortgage	84,269.59
Franklin Federal Savings & Loan Assoc., mortgage	59,512.70
Polish National Insurance, loan	1,202.42
General American Insurance, loan	3,021.15
First Federal Savings & Loan, mortgage	136,734.84
Salem National Bank, note	20,000.00
Total liabilities	380,203.13
Assets	493,343.76
Liabilities	380,203.13
Net worth	113,140.63

Assets of children, Sheila and Martin

Sheila:	
AT&T, 2 shares	$119.75
Ford Motor, 1 share	38.00
General Motors, 10 shares	610.00
Pacific Gas & Electric, 4 shares	112.50
Ralston-Purina, 50 shares	875.00
Mutual Real Estate Trust, 10 shares	87.50
Security National Bank & Trust, checking	781.93
Security National Bank & Trust, savings	356.20
1967 Mustang	300.00
Total	3,280.88
Martin:	
AT&T, 2 shares	119.75
Chrysler Corp., 35 shares	555.62
Ford Motor, 1 share	38.00
General Motors, 10 shares	610.00
Illinois Power Co., 10 shares	236.50
Mutual Real Estate Trust, 10 shares	87.50
Ellis National Bank, checking	145.00
1975 MGB	2,100.00
Total	3,892.37

SPEAKING OUT FOR SOVIET JEWRY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. OTTINGER. Mr. Speaker, today many of my colleagues and I took part in a congressional prayer and fast vigil for Soviet Jewry. This day of events dramatized the U.S. continued commitment to defending the rights of Soviet Jews to emigrate from their country and live their lives free from personal and religious persecution. Recent statements from the Soviet Government have indicated that the situation for Jews is deteriorating: allegations that Jews abetted the Nazi's Holocaust and that all the Jews who wish to have left clearly point out the extremity of the Soviet's anti-Semitism.

I call to my colleagues' attention the following article by Seymour Lachman from the New York Times. I encourage every one of my colleagues to consider taking part in the attempts to let these people know they are not forgotten.

SOVIET JEWS NEED HELP

(By Seymour P. Lachman)

The position of the Jews of the Soviet Union is deteriorating rapidly. There is growing harassment and muzzling of cultural and religious expression that is harsh

even by Soviet standards. Yosef Begun, the mathematician, has been arrested and faces a third trial because of his attempt to teach the Hebrew language, which has been interpreted as anti-Soviet agitation and propaganda. Aleksandr Paritsky, an engineer, was arrested, tried and found guilty for the crime of defaming the Soviet state because he organized Jewish cultural and educational activities in the Ukraine.

Many now believe that this oppression is part of a campaign by the Soviet authorities to blot out the collective memory of the Jewish people. Anti-Semitic statements have also become more prevalent in officially authorized newspapers, magazines, books, military publications and even scientific journals.

Recently, "Invasion Without Arms," an officially sponsored anti-Semitic book, was published and republished in 150,000 copies in Moscow. It characterizes the Old Testament of the Bible as, among other things, "an unsurpassed textbook of hypocrisy, treachery, perfidy and moral degeneracy—all the basest human qualities." Even the young have not been spared. In a recent issue of Pionerskaya Pravda—an official publication for children under the age of 14—the authorities repeat these anti-Semitic slanders.

As in czarist days, Jews are prevented from entering Soviet universities. Two social scientists, Boris Kanevsky and Valery Sanderov, are in prison for undertaking a study that revealed that Moscow State University practiced anti-Semitism in its admissions policy. Compounding the situation is the fact that Soviet Jewish emigration has practically ceased. Emigration, which had risen to 51,320 in 1979, dropped to 2,688 last year and is down to approximately 100 a month this year. This decline of Soviet Jewish emigration of over 97 percent bears witness to the fact that, more than ever, Russia is still the "prisonhouse of peoples" and in flagrant violation of international agreements, such as the 1975 Helsinki Final Act. The State Department has branded as "patently false" the statement by the newly formed Soviet Anti-Zionist Committee that most Jews who wanted to leave have already left. Our State Department also criticized the Soviet Union for "enlisting people of Jewish ancestry to participate in their anti-Semitic diatribes."

In fact, Soviet policy is even more restrictive than that of czarist Russia, which practiced anti-Semitism but permitted, and at times even encouraged, large-scale emigration. This safety valve no longer exists, even though more than 300,000 Jews have begun the administrative process they hope will lead to departure from the Soviet Union. Some 10,000 of these Jews are now in limbo because, after completing the process, they discovered that their request to leave had been turned down. Many of them are professionals—distinguished scientists, scholars, artists and writers—who have been dismissed from their positions because of their desire to leave. We know them as refuseniks, and they are considered pariahs in Soviet society. The more fortunate have found jobs as building custodians or sweepers in movie theaters. Their creative talents have gone to waste since they are denied access to laboratories, libraries, universities, scientific institutes, scholarly journals and recital halls.

And yet they still have a lifeline to the outside world because the American Government has asked members of its diplomatic corps in the Soviet Union to establish regular and sustained contact with these refuseniks. This on-going expression of concern and solidarity has helped give the refuseniks a sense of dignity and an awareness that they are not alone. Recently a letter of protest was submitted to the United States Embassy in Moscow because of weekly visits by an American diplomat to Saturday evening gatherings outside the Moscow synagogue. The protest drew a strong response from Ambassador Arthur A. Hartman, who observed that the diplomat was acting on his instructions to gather information that would broaden the embassy's understanding of Soviet and Jewish affairs.

The refuseniks' isolation could be further broken and spirits raised if diplomats from other nations, such as our NATO allies and other democracies in the world, were to establish similar contacts with them.

Until the Soviet Union agrees to halt the persecution of its Jewish minority, it is imperative that free nations raise the issue in all forums. Furthermore, diplomats of all democratic countries stationed in the Soviet Union should be encouraged to meet with refuseniks, thus focusing on their condition and decreasing their isolation.●

A TRIBUTE TO BILL HOBOKAN

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. COURTER. Mr. Speaker, I would like to take this opportunity to say a few words in tribute to Bill Hobokan, the former mayor of Hackettstown, N.J.

After his election in 1969, he quickly established a reputation as a tireless worker, devoted to the betterment of the local community. Under his vigorous leadership, the local police department was restructured and a new firehouse was commissioned.

As mayor, Bill Hobokan was both a man of vision and a man of action. He foresaw the long-range benefits of many worthwhile projects, and then devoted himself completely to their fulfillment. He played a vital role in the creation and the establishment of Hackettstown Community Hospital. The zoning change that he authorized enabled the construction of the hospital in a residential area, which otherwise would not have been permitted. This year, Hackettstown Community Hospital will be celebrating its 10th anniversary.

Bill Hobokan was a very popular mayor. His top priority was always the welfare of the community. His constituents had enormous confidence in him. This was shown at the polls, where he was reelected twice. Since that time, he worked at Ashland Chemical, but he has since retired.

Individuals such as my neighbor, Bill Hobokan, are this Nation's greatest resource—the kind of person who sees a job that needs to be done and does it. Indeed, he deserves our recognition and appreciation for his many years of public service. I know his family and friends would like to join us here today to extend our deepest thanks to Bill and to wish him many years of health and happiness.●

H.R. 2668, CONSUMER PRODUCT SAFETY AMENDMENTS OF 1983

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. DERRICK. Mr. Speaker, Congressional reaction to the recent Supreme Court decisions invalidating the legislative veto has been varied. The various committees of the House are beginning to consider a number of options to regain oversight of the rules and regulations promulgated by executive branch agencies to implement the laws passed in this Chamber. Indeed, as you know, the two subcommittees of the Committee on Rules, on which I am privileged to serve, will be holding hearings on this very topic soon after the August recess.

Mr. Speaker, I take this opportunity to comment on language added to H.R. 2668, Consumer Product Safety Amendments of 1983, which represents the first attempt to reassert congressional perogatives and oversight of regulations promulgated by executive agencies, in this case, the Consumer Product Safety Commission. Specifically, I refer to the Levitas amendment which has incorporated into the Shelby/Broyhill amendment in the nature of a substitute, which was subsequently adopted by the House. While I did support the Shelby-Broyhill substitute as policy, I do wish to express my regret that the Levitas amendment was a part of the substitute.

Without question, the Congress is presently burdened with great numbers of minor measures which frustrate the legislative process, and frustrate our ability to deal effectively and expeditiously with more complex and pressing issues. To the extent that the Levitas amendment will require an affirmative act of Congress on every rule promulgated by the Consumer Product Commission, I fear that one of two unfortunate consequences will follow: either the administrative agency will become an advisory panel recommending legislation to the Congress which will not be enacted, or the Congress will become increasingly and overly involved in the formulation of regulations—a responsibility which appropriately rests with the executive branch.

Quite simply, we cannot go about the business of this country if we are to review every rule the Consumer Product Safety Commission issues. Nor will the agency be able to move forward with its mandate to represent

and protect the safety of the public, a mandate which was granted by the Congress.

Mr. Speaker, I commend both of my friends and colleagues, Mr. LEVITAS and Mr. WAXMAN, for their attempts to deal with this issue. On balance, I believe Mr. WAXMAN's approach is more workable. Moreover, it is my hope that this legislation will return from conference without the Levitas amendment, and that this amendment will not serve as precedent for further authorization measures brought before the House of Representatives.

The importance of the legislative veto, and congressional oversight generally, requires the in-depth and deliberate consideration of the House of Representatives, and not hastily drawn proposals which may well have the effect of emasculating the very executive agencies which we have charged with significant responsibility to safeguard public health and safety.●

CHILD CARE ASSISTANCE

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. ROYBAL. Mr. Speaker, as the sponsor of the Child Care Assistance Act of 1983, I was particularly gratified to note that H.R. 1, which we passed yesterday, includes an authorization to set up a public housing child care demonstration program. It is past time that we started dealing with this problem at a national level, for there is no question that it has a national impact.

The number of working families faced with a lack of adequate child-care facilities is rapidly growing. Single parents and working mothers, especially those with low incomes, are finding it increasingly difficult to insure that their children are properly supervised. Rather than take risks with their children's well-being, many parents are choosing to stay home themselves. Thus, they are being denied the opportunity to raise themselves out of poverty, and instead have become a part of our vast welfare system, draining billions of tax dollars from our economy each year.

Those who do work—the estimated numbers of working mothers of children under age 18 have increased by about 20 percent since 1977—must, in many cases, leave very young children unsupervised or inadequately supervised for hours at a time. Is it any wonder that there has been, in recent years, an alarming increase in school vandalism, juvenile alcoholism, and a variety of other disruptive and criminal activities?

All this constitutes a terrible cost to our society, both in personal and economic terms. Instead of continually bemoaning the fact that so many Americans must depend on public assistance, or that our enshrined concept of the typical American family is being eroded, it is about time we started facing up to the realities of the situation. Economic conditions have changed, traditional family roles have changed, society itself has changed. There are millions struggling to cope with problems a lot of us continue to deny. One of the most serious of these, and one of the most easily corrected, is the lack of adequate child care. There is no question that this is a tremendous factor in the institutionalization and the feminization of poverty. The provisions we have adopted in H.R. 1 constitute both an acknowledgement of this fact and the first steps toward positive action to alleviate the situation.

If we are really concerned about the future of this Nation, we will take action to guard our most precious natural resource—our children. I urge all of you to continue your support for measures which will promote the availability and diversity of quality child-care services for all Americans.●

FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LEVIN. Mr. Speaker, as we pray and fast today on the fifth anniversary of the trial of Anatoly Shcharansky, we should all take the opportunity to reflect on the courage and patience of the Soviet Jews who, year after year, have been denied permission to emigrate. Soviet emigration has slowed to a trickle, just one-twentieth of its 1979 peak.

As worrisome are the signs that the Soviet Government is now attempting to permanently snuff out the religious and cultural life of its Jewish population, whom it would not let go free from the Soviet Union. Soviet Jews are being deliberately isolated. Increasingly, their mail is being intercepted, their telephones disconnected—even radio jamming has increased. The recent formation by the Soviet Government of the so-called Anti-Zionist Committee indicates that the U.S.S.R. is attempting to institutionalize this isolation and the recent crackdown on Jewish culture.

The so-called Anti-Zionist Committee has dismissed the emigration problem as a "juggling of figures by Zionist propaganda." One committee member went so far as to state that Israel executed Nazi war criminal Adolf Eichman "to make sure he would not be seized by another nation and make public the sacred secrets of cooperation between Zionism and Nazism." Such outrageous propaganda is clearly designed to justify to the Soviet people and to the West a Stalin-like campaign of defamation and terror against Soviet Jews.

I would like to include a special dedication of today's fast and vigil to the Prutkov family. Ludmila, Alexander, and their 10-year-old daughter, Ilona, have sought permission for 9 years to emigrate from the Soviet Union. Alexander Prutkov's parents left the Soviet Union and settled in Michigan 4 years ago in an effort to help their son and his family obtain exit visas.

The Prutkovs apply every 6 months to leave, and every 6 months the Soviet authorities turn them down.

Thousands of Soviet Jews like the Prutkovs wait, enduring uncertainty, harassment, and loss of their jobs. If they speak out, they undergo worse punishment. Today's fast cannot help but remind us of the particular bravery of Anatoly Shcharansky. Shcharansky, a would-be emigre jailed on charges of spying for the United States, spend weeks on a hunger strike in protest of the prison conditions which destroyed his health. Even in prison, even at the risk of his own life, Shcharansky has refused to give up fighting for all those detained and imprisoned in the Soviet Union. His acts stand as a call to us to continue our own efforts on behalf of all those who live in countries where freedom is not a right but a never-ending struggle.●

REASONABLE SETTLEMENT FOR SWAIN COUNTY

HON. JAMES McCLURE CLARKE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. CLARKE. Mr. Speaker, the U.S. Department of the Interior, the Tennessee Valley Authority, the State of North Carolina, and the county of Swain entered into an agreement on July 30, 1943. Now known as the "1943 agreement," it provided that the U.S. Department of the Interior would construct a park standard road, if funds were made available from Congress, from Fontana Dam to the eastern boundary of the 44,000-acre addition to the Great Smoky Mountains National Park. Only a small part of this road was ever constructed.

In an effort to resolve the longstanding controversy of the 1943 agreement for the construction of the North Shore Road, the National Park Service and the Swain County Commissioners have negotiated a settlement which could provide appropriate relief to Swain County and could be supported by the U.S. Department of the Interior and Congress. The negotiations led

to the development of the following formula in determining the amount of a cash settlement: The value of the old road now flooded by Fontana Lake ($1,300,000) compounded annually from 1940 through 1980 at a rate of 5 percent for a total of $9,609,582. Interior Secretary Cecil D. Andrus endorsed this settlement on November 28, 1980 and signed a document to this effect.

I have introduced a bill today that will resolve the 1943 agreement controversy between the U.S. Department of the Interior, the Tennessee Valley Authority, the State of North Carolina, and Swain County. This legislation directs the Secretary of the Treasury to pay, out of funds in the Treasury not otherwise appropriated, $9.5 million to Swain County and further relieves the county of any further liability to make payments on the principal and interest on a Farmers Home Administration loan secured as a direct result of the 1943 agreement. This legislation implements the fair and reasonable solution which has been reached after years of negotiation.

Tremendous costs have been incurred over the last 40 years trying to resolve this conflict. The man-years and hours of travel have been countless. If no solution is achieved, additional, and unnecessary costs will result.

Based on 1980 dollars, the estimated cost of completing the North Shore Road would be $91 million. The cost savings of the proposed settlement to the taxpayers we represent would be approximately $80 million—$9 for every $1 spent. A construction-related solution is out of the question in view of our Nation's budgetary situation, but the moral obligation of the U.S. Government to resolve this matter remains.

The legislation I have introduced implements the negotiated settlement and fully resolves the 1943 agreement controversy. Interior Secretary Andrus' decision of the settlement is binding on all parties and should be acted upon in good faith. The people of my district in Swain County acted in good faith in 1943. Now, it is the Government's turn to reciprocate.

The terms of the settlement are fair and reasonable. Congress should move in an expeditious manner to resolve this longstanding conflict.●

A TRIBUTE TO DR. JAMES OLESKE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. COURTER. Mr. Speaker, the spread of the tragic disease Acquired Immune Deficiency Syndrome (AIDS) is of serious concern to the medical field and the population in general. This illness suppresses the body's natural immune defense, leaving victims prey to lethal infections, rare cancer, or both. The death toll continues to climb as 50 percent of all AIDS victims die within 1 year of diagnosis. Since 1981, 1,361 Americans have developed AIDS with 520 of the cases resulting in fatality.

I feel it is timely to honor an American who has made a great contribution to the advancement of the research of AIDS.

Dr. James Oleske, a pediatric immunologist at St. Michael's Center in Newark, N.J., has, through his research with infants, made fundamental breakthroughs in the discovery of how AIDS is transmitted. Dr. Oleske encountered immune deficiencies in infants which bore a remarkable resemblance to the AIDS syndrome claiming the lives of certain adult social groups, namely homosexual men, intravenous drug users, Haitian refugees, and hemophiliacs. Through his investigative work, Dr. Oleske discovered that in each of eight cases, the children he was treating lived in households with a family member belonging to one of the AIDS risk groups. This observation sparked his brillant deduction that AIDS may be transmitted through personal contact: From mother to child during pregnancy or at birth, from transfusions of blood donated by an AIDS victim, or to quote the doctor, by the "kind of loving contacts we all have in a family."

All who come in contact with the doctor are moved by his abounding humanitarianism and dedication. He treats these children and their families with sensitivity and concern. Dr. Oleske ardently fights for increased governmental funding for AIDS research. He and his colleagues were also instrumental in establishing a help line, a call-forwarding system at St. Michael's for suspected AIDS victims.

Dr. Oleske has an impressive record of medical practice. He received his B.S. degree from the University of Detroit, his M.D. from the New Jersey College of Medicine and Dentistry, and a masters degree in Public Health from Columbia University. In addition to his medical practice and laboratory work, Dr. Oleske is an associate professor of pediatrics and director of the Allergy, Immunology, and Infectious Diseases Division at the University of Medicine and Dentistry of New Jersey. The doctor so loves children that he finds the time out of his demanding schedule to coach Little League baseball in his hometown of Parsippany, N.J., and to serve as the medical director of "Project Haven," an organization which places adolescent refugee males in foster homes.

Dr. Oleske has won international acclaim for his enormous contributions to the field of medicine. I am particularly proud to represent this renowned physician and great humanitarian. His fervent concern for the good of humanity merits special recognition by this body.

On behalf of my colleagues, I would like to express our unfailing support for Dr. Oleske in his search for an answer to this mysterious disease. He has our admiration and our gratitude.●

SOVIET JEWS—THE STRUGGLE FOR FREEDOM HAS NOT ENDED

HON. BOBBI FIEDLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Ms. FIEDLER. Mr. Speaker, it has been my privilege today to fast in support of the congressional vigil for Soviet Jewry. The plight of the Soviet Jewish community has not improved. Immigration has ground to a near-standstill. Repression still remains at the worst level since Stalin. Indeed, portents for the future are even more sinister.

An "Anti-Zionist Committee" has appeared in the Soviet Union, gaining instant notoriety by its pronouncement that all the Jews wishing to leave the Soviet Union had been allowed to leave. This is totally and completely false. This statement tries to deny the very real human tragedy of the thousands of Soviet Jews who have suffered the hardships of becoming refuseniks so that they can live in freedom. "Anti-Zionist Committees" and their ilk are part of the trappings of antisemitism and persecution the world over. I have joined in writing the Soviet Government to express my strong opposition to such a group and all that it stands for.

It was 5 years ago today that Anatoly Shcharansky became a prisoner of conscience. He is still behind barbed wire. But no one in the Soviet Union is free. Ida Nudel is still suffering in domestic exile, far from friends and family, a survivor of years of Siberian imprisonment that resulted from asking for an exit visa. Lev and Elizaveta Shapiro are luckier—they have still been allowed to live in their Leningrad apartment, but are under constant fear of arrest for "parasitism"—the crime, unique to Soviet law, of not having a job—there is no unemployment, of course, in the worker's paradise, so anyone without a job is obviously a parasite. As refuseniks almost automatically lose their jobs upon applying for an exit visa, they are always at risk of being arrested and imprisoned. But all Soviet Jews are continuing to suffer. Not only is religious edu-

cation restricted, religious observances limited, but the threat of even worse repression is always present. Soviet citizens must carry internal passports. Only Jews have their religion officially entered in their passports—unlike Moslems, Baptists, Ukrainian Catholics or any of the other religious groups that have also suffered at the hands of the Soviet regime. In this nightmare world of internal passports, secret police informers, imaginary crimes that come with very real sentences, and a state that does not at times seem to fear anything as much as a few people who want to be free.

The world of the 19th century, with its belief in peace and progress and its contempt for anti-Semitism as the relic of less enlightened days, an evil that, if still existing, could be stamped out by knowledge, would have never even of imagined the Soviet Union of today. Nineteenth century society was outraged by the injustice done to one man—Capt. Alfred Dreyfuss. Until justice was finally done, the Dreyfuss affair made front page news throughout the world. Today, in the Soviet Union, we see not one but thousands of people like Dreyfuss, persecuted for any number of crimes under any number of statutes, but for only one reason—for being a Jew. Do we care less than the people of the earlier age who protested injustice done to Dreyfuss? Are we so dehumanized by a century of genocide, autogenocide, and constant, total, warfare that mere humans being simply no longer count? Unless we can truthfully answer "no," we have made for ourselves a future even more perilous than that of Anatoly Shcharansky, Ida Nudel, or Lev Shapiro. We must never cease to care about Soviet Jewry. We must never cease to work for their freedom. People's lives and freedom are at stake, but so is the continuation of our own belief in humanity.

That is why I am fasting today. That is why I have introduced House Resolution 260, calling for freedom for Lev and Elizaveta Shapiro. That is why I will continue to fight for Soviet Jewry.●

STOP SUBSIDIZING SODBUSTING

HON. HANK BROWN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BROWN of Colorado. Mr. Speaker, "Stop Subsidizing Sodbusting" is the title of an editorial that appeared in the Washington Post of July 13.

"Sodbusting" is the plowing up and farming of marginal lands. Erosion on such lands is so excessive that the soil disappears faster than it can be replaced by natural processes.

Current Federal farm programs implicitly encourage the cultivation of marginal lands and, thus, the degradation of our soil resources. The Post editorial makes a strong case for the passage of legislation Senator BILL ARMSTRONG and I have introduced (S. 669/H.R. 1077) that proposes to reduce Federal incentives to farm these highly erodible lands.

I would like to have the editorial reprinted here in the RECORD. I hope my House colleagues will agree with it and become cosponsors of H.R. 1077.

STOP SUBSIDIZING SODBUSTING

In recent years, record surpluses have sent farm prices plummeting and forced the federal government into increasingly expensive subsidies to support farm income. Meanwhile, precious topsoil is eroding at a faster rate than in the Dust Bowl days of the 1930s. Should the government be encouraging farmers to bring new, fragile cropland into production?

Sen. Bill Armstrong (R-Colo.) has drawn the obviously correct conclusion that such encouragement makes no sense at all. Together with 28 cosponsors, he is pushing a bill that would stop all government subsidies to persons who cultivate previously unplowed land determined by the Agriculture Department to be highly susceptible to erosion.

After 45 years of government soil conservation programs, erosion is a more serious problem than ever before. The Agriculture Department estimates that every year more than 5 billion tons of topsoil are lost through erosion, a loss that can ultimately turn current farm surpluses into future deficits. The reasons for this loss are not technical—soil conservation techniques are highly developed—but economic. They arise primarly from the incentives that farm subsidies provide for ever more intensive and extensive cultivation of farmland.

Sodbusting, the plowing up of marginal grazing land for wheat farming, is one of the most pernicious practices encouraged by current policies. Enticed by the prospect of subsidies that can immediately double the value of grazing land, speculators have been plowing millions of acres. Farmers who buy the land can claim subsidies for their contribution to the nation's wheat surpluses or they can take their land out of production and get paid by the government for their forbearance. Once plowed, the fragile topsoil blows or washes away.

Farm groups have traditionally opposed linking subsidies to their methods of cultivation. But grasslands destruction has become such a threat that almost every major farm organization has joined with conservation groups in supporting Sen. Armstrong's measure and a companion bill introduced by Rep. Hank Brown in the House. The measure is also supported by the administration, which is trying to focus soil programs—long a favorite source of congressional pork barrel—more closely on areas that need help and on practices that foster conservation rather than increased production.

Last year, a similar measure was killed on technical grounds in an appropriations bill conference. This year, Sen. Armstrong hopes that prompt action by the Senate Agriculture Committee, which is scheduled to take up the matter today, and a strong supporting vote in the Senate will encourage the House to move quickly as well. Time is important. There are 250 million acres of unplowed land at risk, and farmers will soon be making their planting decisions for next year.●

PERSONAL EXPLANATION

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. ACKERMAN. Mr. Speaker, due to official business, I was unable to be present during part of the proceedings Tuesday, July 12. Had I been present, I would have voted "nay" on rollcall 238, the Walker amendment to H.R. 10.●

INTERNATIONAL UNDERSTANDING THROUGH SPORTS EXCHANGE

HON. GUY V. MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MOLINARI. Mr. Speaker, the path to understanding and cooperation among nations is not an easy one, but I am pleased to report that some very special young people are doing their best to help.

During the last 2 weeks of July, young people from the Tokyo Nanshiki baseball team will be touring the New York area, along with the New York Friendship team, as part of the New York-Tokyo Sister City program.

This is the 20th year of the sister city program, and the third year that such an exchange has taken place. Last year, young people from the New York area visited Tokyo, and surely that experience will be remembered fondly all their lives.

The goal of the program, Mr. Speaker, is to foster understanding and cooperation, not only between New York and Tokyo, but among all nations and peoples. And what better way to do so than through the sportsmanship and spirit of athletics? And what better people to be ambassadors of good will than young people, the leaders of tomorrow?

I am proud to say that the Tokyo team and the New York Friendship team will be playing against All Star teams representing part of my district, Staten Island, on July 21, at the Snug Harbor Little League fields.

I hope their stay on Staten Island is memorable, and I am pleased that Staten Island has had a role to play in furthering the cause of understanding, cooperation and peace.●

CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LEHMAN of Florida. Mr. Speaker, today I join with many of my colleagues in the national congressional fast and prayer vigil for Soviet Jewry. Today's vigil, which coincides with the fifth anniversary of the trial of Anatoly Shcharansky, is designed to let the Soviet authorities know that we will not be silent as long as they continue to violate international agreements by refusing to permit the thousands of Soviet Jews the right to emigrate.

The situation for Soviet Jewry is becoming increasingly grave. Emigration has come to a virtual standstill as official Soviet antisemitic campaigns have increased in scope and intensity. The Soviet authorities are employing harsher measures than ever before to deny the Jews of the Soviet Union the right to emigrate and the right to openly maintain their Jewish identity and culture without fear of punishment.

The rate of Jewish emigration is at an all-time low. In 1982, only 2,692 Jews emigrated, a 95-percent decline from 1979, when 51,329 Jews emigrated. Even more ominously, only 639 Jews have been permitted to leave the Soviet Union during the first 6 months of this year. The 102 Jews permitted to emigrate during the entire month of June 1983 were significantly fewer than the average number of Jews who left per day in 1979, the peak year for emigration. If the present trend continues, fewer than 1,300 Jews will be permitted to emigrate this year—a decline of more than 50 percent over the rate of emigration in 1982.

As I mentioned, today marks the fifth anniversary of the trial and conviction on trumped-up espionage charges of Anatoly Shcharansky, the man who for so many of us has come to symbolize the Soviet emigration movement.

Despite the ceaseless efforts of his wife Avital and thousands of concerned people around the world, Anatoly Shcharansky remains in Chistopol prison, where his health continues to deteriorate as a result of the harsh treatment he has received. Shcharansky endured a lengthy hunger strike last year to protest his persecution and treatment. Shcharansky's crime is his desire to live as a Jew in Israel with his wife. He has said many times that he would gladly trade his activist's life if only he were permitted to emigrate and be reunited with Avital, from whom he was forcibly separated the day after their 1974 wedding. Despite the pleas of so many, though, Shcharansky's treatmtent in prison remains harsh.

Viktor Brailovsky has long been persecuted for daring to live openly as a Jew and for trying to exercise his right to emigrate to Israel. He is currently serving the third year of a 5-year sentence of internal exile following a conviction of charges of defaming the Soviet state. His crime was his involvement as a Jewish scientist with other Jews who have been harassed and isolated from the mainstream of their professions because they dared to express their Jewish identity and applied to emigrate. A prominent computer scientist, Dr. Brailovsky organized the Moscow Seminar for Jewish Scientists, a group of eminent Soviet refuseniks and Western scientists who met each Sunday to discuss recent advances in their respective fields. Dr. Brailovsky's publication of a cultural journal entitled "Jews in the Soviet Union" and his signing, with 200 other refuseniks, a written appeal to the late President Brezhnev requesting free emigration for Soviet Jews, were the activities that led to his latest conviction and 5-year exile. He has repeatedly been denied application to emigrate to Israel. His declining health concerns his friends and family, but they were informed that his sentence will not be reduced. I would urge my colleagues who have not already done so to join 82 other Members of Congress in cosponsoring House Resolution 118, which I have introduced, which urges the Soviet authorities to allow Dr. Brailovsky and his family to emigrate from the Soviet Union to Israel.

The persecution of Shcharansky and Brailovsky and the thousands of refuseniks violates international obligations the Soviets agreed to in the Universal Declaration of Human Rights and the Helsinki Final Act. It is imperative for our Government to do everything in its power to secure the release of Shcharansky, Brailovsky, Yosef Begun, and the other prisoners of conscience, and to guarantee the right of all Jews to emigrate from the Soviet Union.

Countless refuseniks have stressed that their greatest hope has come from knowing that so many people around the world, and particularly in the United States, continue to be vigilant and to express their outrage at Soviet human rights violations. Through our solidarity with Soviet Jews, through our prayers and fasting today, and by continuing to speak out forcefully on their behalf, I believe that we will hasten the day when Shcharansky, Brailovsky, Begun, and so many others will be free, and that all Jews who wish to emigrate and to live freely as Jews will finally be able to do so.●

SOVIET JEWRY

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GORE. Mr. Speaker, I join my colleagues today in the observance of the congressional prayer vigil for Soviet Jewry. As the leader of the free world, it is incumbent upon the United States to speak out on behalf of this persecuted people so that they may one day enjoy those freedoms which we treasure so highly. It would be tragic to sit by and watch these flagrant violations of human rights without voicing our strong objections.

The atrocities perpetrated against Jews living in the U.S.S.R. are too numerous to mention in one brief statement. But, by way of illustration, I would like to relate one case which is representative of this tragic situation, the case of Mark Nashpitz.

Mark was only 8 years old when his father defected from the Soviet Union in 1956. He grew up with his mother in Moscow, studied, qualified and worked as a dentist. In 1971, Mark and his mother, Ita, submitted their first applications for exit visas, but were turned down immediately with the excuse that they must be punished for his father's betrayal of the motherland.

In March of 1972, Nashpitz was called up for military reserve duty. He refused to serve because it would be against his conscience to serve in the Soviet Army after he had already renounced his Soviet citizenship in anticipation of emigrating to Israel. As punishment, he was sentenced to 1 year of physical labor to rectify his "perverted ways."

Upon his return to Moscow, Nashpitz was continually harassed and constantly followed by the KGB. In the summer of 1974, Mark's mother was finally permitted to leave for Israel. Several months later, the KGB promised Nashpitz an exit visa if he would agree to collaborate and spy on Jewish activists who had applied for exit visas. Even though he was warned that his refusal would lead to his arrest on a fabricated charge, he refused.

On February 24, 1975, Nashpitz was one of nine Jews who staged a peaceful demonstration outside the Lenin Library in Moscow carrying banners in support of freedom for Soviet Jews. Within 30 seconds the KGB forcibly broke up the demonstration and arrested Mark. He was sentenced to 5 years of internal exile in a remote Siberian village over 6,000 miles from Moscow for "disturbing the public order."

When he returned to Moscow in June 1979, Nashpitz sought emigration visas and was again refused. On March

23, 1980, Mark and his pregnant wife, Ludmilla, were expelled from Moscow for the third time.

He settled in Strunino but has been denied the opportunity to practice dentistry. The only job he has been given is a paper shuffling position in a mortuary. The harassment by the KGB continues to this day.

Mr. Speaker, Jewish emigration from the Soviet Union has reached its lowest point since 1971. Throughout the 1970's we observed a steady increase in Jewish emigration, reaching a high point in 1979 of 51,320. Yet, now emigration has been almost completely cut off. It is estimated that there are over 500,000 Soviet Jews, like Mark, who desperately want to emigrate if only the Soviet authorities would consent.

It is important for us to keep the pressure on the Soviet Union to honor the commitments it made under the Helsinki accords 8 years ago. This agreement compels all signatory nations to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, or belief."

The accord also states that each nation will "work in a positive and humanitarian spirit with the applications of persons who wish to reunite with members of their family," and that signatory nations would "process applications in this field as expeditiously as possible." On every count, the Soviet Union has flagrantly violated this agreement. Even worse, the Soviet Union has apparently embraced anti-Semitism as a cornerstone of national policy.

For these reasons, it is imperative that we continue to remind the Soviet Union of our concern about the plight of the Soviet Jews. This issue must be stressed at every opportunity, and we should encourage our allies to do the same. This is the only way to send the correct message to the Soviet Government of our commitment to human rights. I urge my colleagues to continue to lend thier voices to the cause of Soviet Jewry.●

RELIEF FROM MIDYEAR IMPOSITION OF CERTAIN REQUIREMENTS ON PUBLIC HOSPITALS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MAVROULES. Mr. Speaker, I am today introducing legislation to relieve a serious problem faced by public hospitals and the governments which operate them.

Earlier this year, Congress adopted the Social Security Amendments of 1983. As part of this legislation, we enacted a new prospective method of reimbursing hospitals and other providers for medicare services. In general, the prospective reimbursement system becomes effective at the beginning of a hospital's fiscal year. However, the requirements addressed by the legislation I am introducing were made effective October 1, 1983. In the case of hospitals with July to June fiscal years, these requirements become effective in mid-fiscal year. Midyear compliance will produce no measurable benefit to the Federal Government. But it will impose very real burdens on affected local and State governments.

In the past, a number of hospitals have contracted out for the performance of certain services, such as laboratory services. In these cases, the contractor was allowed to bill part B of medicare directly, and the contractor's charges then were not reflected in the hospital's budget.

The social security amendments continue to permit such contracting relationships. To achieve uniformity in billing procedures, however, the new law generally requires services provided under contract to be billed to the hospital and through the hospital to part A of medicare. The costs of these services thereby become part of the hospital's budget. This new requirement is made effective on October 1, 1983, even though the compliance date may fall within the middle of a hospital's fiscal year.

Mr. Speaker, I have seen firsthand the impact this is having on Hunt Memorial Hospital, the municipal hospital in the town of Danvers in my own congressional district, which for 4 years has contracted for the operation of its hospital laboratory. The hospital is the largest component of the Danvers town budget, and like the town has a July fiscal year. Compliance with the law as it stands now would require the town to go through an extraordinary and difficult procedure for amending its budget which would certainly include a special town meeting. It will be very hard to explain to the citizens of Danvers why this is necessary. Moreover, constraints on increases in local spending and revenues imposed by Massachusetts law could mean that reductions will be required in other municipal services to offset increases in the hospital's budget. I must add that it is not at all clear, at this point, that medicare will be willing to reimburse all the added costs. There difficulties are compounded in my own State by the need to adjust the State's own cost containment program for the substantial federally mandated increase in the hospital's budget.

The social security amendments do authorize the Secretary of Health and Human Services to grant a hardship waiver extending the compliance date. But to date no procedures to grant these waivers have been established by the Department, and despite my repeated urging, the Department has not assured communities like Danvers that mid-fiscal year compliance will not be required.

Sound local budgeting requires assurances that sufficient time will be allowed for orderly local budget procedures to be followed. I am at a loss to understand the Department's reluctance to grant these assurances. If the Department will not act, the Congress should.

Mr. Speaker, the bill which I am introducing does not ask permanent or lengthy relief from the new law for public hospitals. All is asks is that the changes in reimbursement policy which I have described be imposed at the end of the municipality's fiscal year rather than in the middle of it. This legislation will have no effect on the medicare budget. All it will do is show decent respect by the Federal Government for the budget procedures of governments.

I urge the support of my colleagues for this needed legislation. And I urge the Department to act now so as to make this legislation unnecessary.●

A SPECIAL ELECTION IN CALIFORNIA COSTING $17 MILLION IS "A BAD SCENE"

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. PATTERSON. Mr. Speaker, California Assemblyman Don Sebastiani has used his vast personal resources to draw up, and get qualified, yet another reapportionment plan for California State and Federal elected officials. His plan would do all possible to get rid of the Democratic plan. Common Cause has labeled this Republican version as no improvement at all.

Now Assemblyman Sebastiani and others are lobbying Governor George Deukmejian to call a $17 million special election a few days before Christmas!

What a spectacle of waste. As the Los Angeles Times said in its editorial on July 14th:

. . .the Democrats are right about one thing. As Common Cause sees it, the Sebastiani mischief is just another gerrymandering that would be approved or rejected by only a handful of Californians.

Common Cause estimates that as few as 10 percent of the state's voters would go to the polls two weeks before Christmas. As the citizens' group points out, even turning out that many voters would cost millions of dollars; politicians who are already in hock to contributors would be in absolute bondage by December.

Deukmejian did not start the fight, either, but he can stop it. Going ahead with a spe-

cial election on Dec. 13 would be a partisan power play without equal in recent gubernatorial history.

Governor Deukmejian owes all Californians (60 percent of whom are Democrats) better government service than this, especially in a State with severe budget problems and where education should be the No. 1 priority. No wonder the L.A. Times calls this "A Bad Scene".●

CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GILMAN. Mr. Speaker, it is a sad commentary that Members of this body must continually remind ourselves and others of the inequities being perpetuated by the Soviet Union against its Jewish citizens. We participate today in the Congressional Fast and Prayer Vigil for Soviet Jewry as an example of our alliance with the thousands of innocent men and women who have been harassed, arrested, or convicted of the simple "crime" of wishing to emigrate.

What these individuals desire is no more than liberty, an ephemeral concept that we in the United States are privileged to enjoy. Today is also Bastille Day, when the cry, "Liberté, egalité, fraternité!" became the banner that the French citizenry raised so many years ago. Their desire for freedom is being celebrated today. It is ironic that only those Soviet Jews who have emigrated can speak these words, since their compatriots and coreligionists behind the Iron Curtain cannot.

This fast and prayer vigil is meant to highlight the sorry state of affairs thousands of Soviet Jews find themselves in daily. Each of us has been asked to fast on behalf of a particular prisoner of conscience, and today I fast for Mark Nashpitz. Mark has been a refusenik for well over a decade, and was in exile for several years after having been convicted for demonstrating with placards in front of the Lenin Library in Moscow. He married while in Siberia, and after serving his sentence, tried to return to Moscow, yet was denied a residency permit. To make matters even worse, Ludmilla, Mark's wife, was refused hospital care during her term of pregnancy, because they were not registered as residents of any localilty. Since his release, Mark has still not been allowed to emigrate, and has been the target of continued KGB harassment.

Mr. Speaker, Mark Nashpitz is, however, still a prisoner—in the prison of the Soviet Union. We must make sure that Americans know about Mark's plight, and that of other Soviet Jews who continue to cry out for justice and liberty. This congressional vigil is only one part of our efforts in their behalf.

I recently learned that Anatoly Shcharansky has finally been allowed a visit by his mother and brother. His health is still uncertain, as he has not yet regained the substantial weight lost during his hunger strike. I recently wrote to Soviet Premier Yuriy Andropov, but have received no reply regarding Anatoly's condition. I hope that in the spirit of the Helsinki Accords the Soviet authorities will allow both Mark and Anatoly to emigrate, having endured so much suffering.

Mr. Speaker, we must continue to work for the emigration of all who so desire, mindful of Thomas Jefferson's words: "My God! How little do my countrymen know what precious blessings they are in possession of, and which no other people on earth enjoy." Freedom of thought and deed are certainly the most prized of blessings. Let us renew our dedication today, and every day, until they are all free.●

SECRETARY-GENERAL'S MESSAGE ON INTERNATIONAL DAY OF SOLIDARITY WITH STRUGGLING PEOPLE OF SOUTH AFRICA

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. WOLPE. Mr. Speaker, on June 16 the international community commemorated the International Day of Solidarity with the Struggling People of South Africa. On that occasion U.N. Secretary General Javier Perez de Cuellar issued a statement calling for the peaceful eradication of apartheid and the end of the consequent suffering of the people of South Africa. I commend the statement of the Secretary General to the attention of my colleagues.

SECRETARY-GENERAL'S MESSAGE ON INTERNATIONAL DAY OF SOLIDARITY WITH STRUGGLING PEOPLE OF SOUTH AFRICA

Following is the text of a message by Secretary-General Javier Perez de Cuellar on the occasion of the International Day of Solidarity with the Struggling People of South Africa (16 June):

The observance of the International Day of Solidarity with the Struggling People of South Africa demonstrates the commitment of the United Nations to a basic principle of its Charter: namely, the promotion of human rights and fundamental freedoms for all without distinction as to race or gender, language or religion. Through the institution of apartheid and the repressive practices which follow from it, this principle is most pointedly challenged in South Africa. The International Day is, therefore, an expression of the unwavering resolve of the international community to answer the challenge.

This year the Day carries a special and most poignant meaning. It is being observed in the tragic shadow of the carrying out of death sentences against three members of the African National Congress of South Africa despite the calls of the Security Council that the sentences be commuted and my own urgent appeal to this effect. The continued tensions and turmoil in the whole southern African region and the escalation of violence bear witness to the urgency of breaking a vicious circle which not only causes widespread suffering and bitterness but also has ominous implications for international peace and security.

Precisely because the situation is fraught with grave dangers, I believe it is most important to preserve international solidarity in support of the just struggle of the people of South Africa to reclaim what is their birthright. This solidarity derives strength from the abhorrence of racial discrimination felt world-wide and from the shared conviction that, without racial harmony and justice, there can be no assurance of peace. The international community cannot afford to break ranks over the issue and thus unwittingly offer encouragement to those who, against all ultimate odds, would still maintain the iniquitous institutions of racism. Besides symbolizing our dedication to the principles enshrined in the Charter, the International Day should also remind us of the special responsibility of the United Nations to devise peaceful means for bringing about the abandonment of apartheid and ending the consequent suffering of the people of South Africa.

I wish to commend the Special Committee against Apartheid for the sincerity and determination with which it continues to carry out its mandate.●

AFDC BENEFITS FOR NEEDY PREGNANT WOMEN

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mrs. KENNELLY. Mr. Speaker, today I am introducing legislation that would amend the changes made in the Omnibus Budget Reconciliation Act of 1981 affecting needy pregnant women. Before fiscal year 1982, women pregnant for the first time in over half the States could receive AFDC assistance, and medicaid coverage, as soon as pregnancy was medically confirmed. OBRA eliminated the option of States to provide AFDC benefits to these women, except in the third trimester. I am firmly convinced that it is critical to take into account the needs of pregnant women earlier than the last trimester in order to safeguard the eventual well-being of the children involved. My bill would provide AFDC from the time the pregnancy was medically confirmed. For the benefit of my colleagues interested in this issue, I am inserting in the RECORD the text of my bill:

H.R. 3574

To amend part A of title IV of the Social Security Act to eliminate the present restrictions (added in 1981) on the payment of aid to families with dependent children in cases involving pregnant women

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 406(b) of the Social Security Act is amended by striking out "payments with respect to a dependent child" and all that follows down through "families with dependent children", in the matter preceding clause (1), and inserting in lieu thereof the following: "payments with respect to a dependent child or dependent children (including payments to meet the needs of a pregnant woman in any case where a child born as a result of such pregnancy, if he or she had been born and was living with his or her mother in the month of payment, would be eligible for aid to families with dependent children)".

(b) Section 406(g) of such Act is repealed.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to months after the month in which this Act is enacted.●

GOP LEADERSHIP FINDS RISE IN INTEREST RATES UNWARRANTED

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. KEMP. Mr. Speaker, there has been a great deal of speculation recently in the press as to whether the Federal Reserve should deliberately raise interest rates by tightening its monetary policy.

The House Republican leadership has considered the arguments put forward in favor of such a policy, and does not find them convincing. As the Nation—and the world—learned from painful experience in 1979-82, the magnitude of the M1 definition of the domestic money supply is not a reliable indicator, by itself, of proper monetary policy. And no other major indicator indicates an imminent resurgence of inflation. Under these circumstances, significant tightening of monetary policy does not appear to be warranted. The leadership has said so in a letter to Federal Reserve Board Chairman Paul Volcker. I would like to submit the letter to the attention of my colleagues.

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 13, 1983.

Hon. PAUL VOLCKER,
Chairman of the Board of Governors, Federal Reserve System, Washington, D.C.

DEAR MR. CHAIRMAN: We are deeply concerned about published reports that the Federal Open Market Committee is seriously considering a tightening of monetary policy and a raising of interest rates. We believe it would be ill-advised for the following reasons.

Concern has focused on the growth of M1 or on the strength of the economic recovery as supposed harbingers of renewed inflation. But we must reject the notion that too much economic growth is the cause of inflation; and in fact the current recovery remains below the post-war norm. Moreover, as you know from the Federal Reserve's recent experience with money supply targets, the M1 definition of the money supply, taken by itself, has been quite misleading as an indicator of monetary policy. Because changes in the demand for money were not adequately anticipated, the kind of upward "nudges" in interest rates and "modest" restrictions of the money supply which are now contemplated became unintentionally contractionary.

Almost every other indicator besides M1 fails to support the wisdom of a rise in interest rates. The dollar has risen and remains quite strong against the strongest foreign currencies. The prices of gold and other sensitive commodities have remained stable if not soft—indicating the absence of speculation on future inflation. The growth of M3 has slowed over the past eight months, at the same time as M1 accelerated. And even M1 shows recent signs of slowing without a rise in the discount rate.

We pledge our best efforts to bring about reductions in the growth of federal spending which, unlike substantial tax increases, would reduce the total burden of government on the economy. And the economic recovery itself will diminish fiscal pressure by expanding the tax base and diminishing unemployment-related spending.

The jobs and hopes of Americans must not be dashed out of abstract concern for one arbitrary measure of the money supply. The current recovery has barely returned the economy in real terms to its 1979 level, and industrial production remains far below it. The recovery must not be needlessly jeopardized by an unnecessary rise in interest rates.

We, and a great many of our colleagues, would look with extreme disfavor upon any increase in the discount or federal funds rates at this time.

Sincerely yours,

ROBERT H. MICHEL,
TRENT LOTT,
JAMES G. MARTIN,
PHILIP M. CRANE,
JACK KEMP,
DICK CHENEY,
GUY VANDER JAGT,
Members of Congress.●

FLORIDA STATE UNIVERSITY'S NORMAN THAGARD MEMBER OF CHALLENGER CREW

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FUQUA. Mr. Speaker, the five members of the crew that flew the seventh American space shuttle mission will be in Washington next week for well-deserved tributes.

Challenger's second flight included a number of firsts. It was the largest crew of astronauts, one more than any previous flight. The first American woman in space was a member of the crew.

Commanded by Bob Crippen, making his second shuttle flight, the first person to do so, the 100-ton craft performed flawlessly. Pilot of the mission was a talented newcomer to space, Rick Hauck.

Great attention was focused on Sally Ride as she worked with John Fabian in perfectly operating their assigned experiments.

And, last, but not least, Floridians are proud that another of its own, Dr. Norman Thagard, rounded out the crew. I think you will pardon the justifiable pride I have in having a crew member who was born in Marianna, Fla., only a short distance from the family farm on which I grew up. Another point of special pride is that Dr. Thagard attended Florida State University, Tallahassee, Fla., in my district.

We were disappointed that plans to land at Cape Canaveral had to be scrubbed. This would have been the first landing in Florida. However, Florida continues to be the spaceport to the stars and the professional manner in which NASA handled this problem only accentuates the high regard I have for all of those connected with our space program.

We have only begun.

Space shots will become more and more routine. Another link in the chain has been forged. My congratulations to each member of the crew, as well as my commendation to those who controlled the flight from the ground. It was a tremendous accomplishment.

Since I am proud of Florida State University, I felt it would be appropriate to reprint a column by Mary Ann Lindley which appeared in the Tallahassee Democrat just prior to the flight.

It is a tremendous tribute to a very outstanding Seminole.

SEMINOLE IS ABOARD STARSHIP CHALLENGER

When someone we know or once knew soars to fame, the urge to examine common bonds is irresistible. We try to piece together the combination of luck, pluck and ingenuity that worked its magic, hoping to discover what caprice caused the ascent starward.

So it is with Dr. Norman Thagard, who at dawn Saturday will begin a million-mile journey aboard the spaceship Challenger. He'll be joining an elite group of history-making spaceblazers, but in some ways Thagard's extraordinary climb to the ranks of the nation's astronaut corps began here in his native North Florida.

Thagard, who will be 40 on July 3, was born in Marianna, grew up in Jacksonville and spent most of the '60s at Florida State University working on degrees in engineering science. He also spent a good bit of time trying to convince his future mother-in-law that a special-education major named Kirby Johnson would not do badly to marry him.

That was 18 years ago. Tuesday, Kirby's unusual-named mother, Rex Johnson of Dallas, said with a laugh that "it seems to have worked out beautifully."

Her only fears, she said, had been that her daughter, then a sophomore, might "get pregnant and quit school." (Two degrees

later, she did, and today the Thagards have Gordon, 15, Jimmy, 12, and Daniel, 3.)

Speaking from the Betton Hills home where she is visiting her mother, Rex Withers, the astronaut's mother-in-law described Thagard as "a really nice guy and terribly, terribly bright."

How bright? Two close friends from FSU days describe Norm Thagard's brainpower with unstinting admiration. "Norm typifies the Renaissance man," says Gerald Lopez, who roomed with Thagard at Florida State's Southern Scholarship and Research Foundation House while the two were undergraduates.

Lopez went on to become general counsel to the Nevada Legislature and is one of the select guests invited to liftoff and touchdown festivities. He says Thagard has "had an interest in math and science, but also in world affairs and politics. He played the cello and had been in his high-school orchestra. He has built three computers, from scratch, as a hobby."

"I once asked him the purpose for those computers, and he said it was simply to learn how to build them," said Lopez. He recalls Thagard had come close to earning his Ph.D. in engineering at Florida State when the engineering program closed. "Undaunted, Norm decided to begin studies to be a doctor. He went to the University of Texas Southwestern Medical School in Dallas, and while he was estabishing residency in Texas, he worked as a nuclear engineer."

"Norm had been flying Phantom jets for the Navy during the Vietnam War," says Lopez's brother Cecil, another college friend who now works with Florida's Department of Transportation. "I recall being extremely opinionated about the war, very anti-war, but Norm was very tolerant. He was not gung ho military."

Gerald Lopez, who spoke with Thagard a few days ago before the astronauts became incommunicado, said Thagard seemed to have "no trepidation whatsoever" about riding the 100-ton spaceplane on the seventh space-shuttle mission.

"He had a number of close calls, probably more dangerous than this, while flying jets during the war. Once he flew an aircraft to Okinawa on 'dead reckoning'—that means all the instruments went dead. But Norm had the mathematical senses and the ability to fly the plane on in. These people are unbelievably calm in the face of what could be impending disaster."

As a physician, Thagard will be an on-the-spot investigator of the space sickness that has plagued seven of the 16 shuttle astronauts. Performing most of the experiments on himself, Thagard will attempt to understand more about the body's system of balance, visual stimulations and pressure inside the skull.

"The mind tells you that you're in a particular situation, but the senses disagree," says Lopez. "Norm told me he hopes to see what in the world is causing that."

Or beyond the world, as the case may be.

Thagard will take a symbol of his North Florida roots with him into space. The Challenger's official flight kit will include a Florida State pennant, according to FSU spokesman Mike Beaudoin.

In a hand-written note thanking FSU for the items, Thagard told Beaudoin that he felt his "professional career really started at FSU" and that he is "more of an FSU sports fan now than when I attended."

"I am proud to carry aloft the pennant of the Florida State University," Thagard wrote, adding that "although it will fly more than a million miles, we'll try to bring it back in good shape." ●

CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. AuCOIN. Mr. Speaker, I am pleased to rise today to express my support for the Congressional Fast and Prayer Vigil for Soviet Jewry. I commend my colleagues, Mr. PORTER and Mr. MRAZEK for organizing this display of concern for the victims of Soviet oppression.

This event marks the fifth anniversary of Anatoly Shcharansky's trial, in which he was found guilty of "treason" and "anti-Soviet agitation and propaganda" and sentenced to 13 years in labor camp for crimes he did not commit. Indeed, his only crime is his desire to see his family and emigrate to Israel to join his wife, Avital.

Despite the protests of human rights activists and his wife, the Soviet authorities show no signs of releasing Mr. Shcharansky in the near future. The Soviet authorities may be able to imprison Shcharansky, but they cannot imprison his cause and what he stands for. His plight represents the struggle of thousands of Soviet Jews and refuseniks who seek to assert their fundamental human rights and emigrate from the U.S.S.R.

We in the United States are watching with alarm a startling decline in Soviet Jewish emigration. Last month, fewer than 116 Jews were allowed to leave the Soviet Union—this is less than the number of Jews permitted to leave on an average day during the peak year of 1979. Last year, only 2,700 Jews left compared to the departure of more than 50,000 in 1979.

The National Conference on Soviet Jewry estimates that by the late 1970's, at least 300,000 Jews had asked relatives abroad to send invitations to emigrate. Of those 300,000, only about 33,000 have been permitted to leave the country in the last 2 years.

Unfortunately, these figures do not even tell the whole story. All too often, Soviet authorities hold up the critical invitation from a relative abroad without which the arduous process of applying for exist visas cannot begin. And so, Soviet Jews are caught in a vicious circle. No mail, no letter. No letter, no application. No application, no chance to leave.

We are also watching with distress a fundamental qualitative change in the lives of Soviet Jews. Jewish cultural activity and religious observances are being attacked with frightening vengeance. What is worse is that the Soviet Government appears to be intensifying its efforts to discredit Soviet Jewry and stir up anti-Semitism through its new government-sanctioned "Anti-Zionist Committee." The committee alleges that virtually all Jews who have wished to emigrate from the Soviet Union have done so. This is clearly not what we hear from those like Anatoly Shcharanksy and others seeking freedom and emigration from the Soviet Union.

In February, I sponsored House Concurrent Resolution 63 with my colleague from Connecticut, BARBARA KENNELLY, to promote the cause of Soviet Jewry. I am encouraged by the strong bipartisan support my resolution has received from nearly one-half of the House and am more determined than ever to pursue this resolution to successful passage. Just a few weeks ago, the Foreign Affairs Subcommittee on Human Rights favorably reported out the resolution. The more Members of Congress who join me in this pursuit, the more likely the Soviet Union will sit up and take notice.

We know that despite grave risk, there are many within the Soviet Union who continue to speak out, to protest and virtually put their lives on the line for human rights and freedom. As they maintain their vigil, we in the West must maintain ours. So, as we mark with sadness yet another year of the imprisonment of Anatoly Shcharansky, it is only fitting that we demonstrate the U.S. commitment to Soviet Jewry and human justice by expressing our support and solidarity with Soviet Jews.●

NATIONAL FAST AND VIGIL ON BEHALF OF SOVIET JEWRY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. RITTER. Mr. Speaker, it is an honor for me to join with many of my colleagues in the national fast and prayer vigil. I feel very strongly that gatherings of this nature demonstrate to the world that our Nation will not condone the Soviet leadership's nonadherence to basic human rights agreements.

In 1975, the Soviet Union, along with the United States and 16 other nations, signed the Helsinki agreement which sought to promote a more global recognition of human rights. While the United States has consistently lived up to its part of the agreement, this cannot be said of the Soviet Union. In the past few years, the Soviets have stepped up their war of internal repression, and as a result, the number of Jews allowed to emigrate from the Soviet Union has dropped off to a mere handful. This is both shocking and deliberate.

Under the Soviet regime the Jewish population has declined steadily. The terms programs, concentration camps and gulags have come to symbolize a century of suffering by the Jewish people in the Soviet Union. Today, a Jewish person in the Soviet Union is regarded as a second-class citizen. They are harassed, they have few privileges, and their activities are closely monitored. For many the only hope was emigrating to a better life in either Israel or the United States. The 1975 Helsinki agreements brought this hope nearer to reality as it supposedly ushered in a new period of understanding and progress. However, as each year passed the number of Jews allowed to emigrate has dropped off steadily.

Today's demonstration of prayers and fasting symbolizes our Nation's continuing commitment to furthering human rights for all oppressed peoples. It is my strong hope that the actions taken today by this body of people will be a significant step in reversing the trend of Jewish emigration. I, therefore, join with many people in the Lehigh Valley of Pennsylvania who are also praying for the day when Soviet Jews will be allowed to emigrate and when families long since separated will be reunited. My thoughts and prayers are with these brave people on this important day.●

SOVIET VIGIL

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. MOAKLEY. Mr. Speaker, I am honored to be able to participate in this year's Soviet vigil which is being sponsored by my good friend and colleague TIM WIRTH. As you are aware, this event shines light on the predicament that thousands of Soviet Jews who seek religious freedom and desire to emigrate find themselves in. I would like to take this occasion to commend Mr. WIRTH for his effort on behalf of this noble cause.

It is a well-known fact that Soviet Jews face extreme difficulties in attempting to emigrate from their homeland. In many instances, once an application is submitted, retaliation for such an "unpatriotic" act is swift and brutal. Today, I wish to share with my colleagues the story of Adele Khassin, her son Genadiy, her daughter-in-law Natasha and her grandchildren. Many years ago, Adele had to singlehandedly raise her son because her husband had fallen victim to Stalin's purges. Genadiy started to work at the age of 14. Later he received a doctorate in mathematics and rose to the position of associate professor at a prestigious university.

Although, at this point in their lives, life had improved somewhat for them, they could never forget their tragic past and were constantly reminded that those belonging to their faith were subject to discrimination, suppression, and unwarranted harassment. They wished to emigrate to Israel where they could reap the fruits of religious freedom. However, Adele alone was given permission to emigrate with the promise that her family would be allowed to follow her soon afterward. When she resisted, she was threatened saying that if she did not leave at that time, they would cancel her exit permit forever. It has been over 6 years since that time and the Khassins are still separated.

Shortly thereafter, Genadiy was demoted and had to teach on the high school level. Subsequently, he lost his right to work after his next application. He now teaches Hebrew in order to support his family. However, because teaching Hebrew in the Soviet Union is not considered a registered profession, Genadiy has been threaten with arrest for paratisism on several occasions.

Natasha, his wife, a trained computer operator, was severely beaten by the Soviet authorities after attempting to participate in a Mother's Day demonstration. The list of instances of harassment goes on and on.

Adele, who moved to Israel, had written, "The only thing that gives me the strength to live is the hope of being reunited with my son, his wife, and my grandchildren." Sadly, Adele Khassin died a short time ago without realizing her dream, to be reunited with her loved ones.

I believe that it would be a great step toward humanity if the Soviet authorities allowed the Khassins to join Adele at her gravesite to mourn her death and be able to worship in peace.●

CONGRESSIONAL FAST AND PRAYER VIGIL

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. McGRATH. Mr. Speaker, today Members of this Congress have pledged tangible support to the plight of Soviet Jews. Of course, I am referring to the congressional fast and prayer vigil for Soviet Jewry.

Imprisoned Soviet Jews—those in work camps and confinement, and those imprisoned by fear and desperation—have seen their hopes for fulfilling lives mocked because they seek to live in a free society. They have always needed our help, however, our support is even more urgent now in light of the severe reduction in emigration.

Soviet authorities claim the emigration of its Jewish citizens has slowed to a trickle because the majority of those who wished to leave have already done so. Do they also expect us to believe that the formation of a Soviet anti-Zionist organization is a genuine expression of the Soviet citizenry? That its platform which links Zionism to Nazism is in no way motivated by the Government's desire to promote anti-Semitism while simultaneously suppressing the desires of individuals who seek to emigrate to Israel?

Mr. Speaker, our Government, our Nation, and the worldwide community are expected to accept these flagrant falsehoods. Participation in today's congressional call to conscience vigil is a dramatic way of telling the Soviets the time has come to end the lies. We are only too well aware of the thousands of cases like Isaak Shkolnik's.

Following the 6-day war in 1967, Isaak Shkolnik decided to pursue his lifelong dream to emigrate to Israel with his family. The required invitations from relatives in Israel never reached Isaak until they were presented as evidence against him at his trial on the charges of hooliganism and disloyalty to the Soviet Union. The documents were used again later as the basis for the charge that Isaak was an Israeli spy. When Isaak refused to abandon his request to emigrate to Israel, he was sentenced to 10 years in prison. After a worldwide outcry the sentence was reduced to 7 years. While serving that time, Isaak's wife and daughter were granted exit visas and left for Israel. Following his release, Isaak once again applied for his exit visa. He is still waiting. As recently as March, immigration authorities told Isaak that he had no chance of receiving the visa anytime soon. He has not seen his family in 10 years.

It is cases such as the Shkolnik family's that remind us of the importance of our work. We cannot be deterred, just as the courageous in the Soviet Union have not been dissuaded in their struggle for freedom. Let the Soviet Union heed this warning in the form of our united protest.●

CYNDY LITTLEFIELD LEAVES FOUNDATION TO ESTABLISH NEW FIRM HERE

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. WRIGHT. Mr. Speaker, I want to inform my colleagues that my good friend and constituent, Cyndy Littlefield, recently left her position as director of the congressional seminar of the Washington Workshops Foundation. Many of us have had the great

pleasure of working with Cyndy since she first came to Washington in 1968, the year the Washington Workshops got started.

Cyndy is moving on to establish her own political consulting firm. I want to extend to her my best wishes in her new endeavor.

Since her high school days at Nolan High School in Fort Worth, Cyndy has been active in political organizing. She organized the high school's first Government Week, inviting me to participate in 1968. As president of the Nolan student government, Cyndy spearheaded a fundraising drive for a new student center. Her efforts brought in $17,000 for the new center that was constructed in 1969.

Before receiving her bachelor of arts degree in political science from Loyola University in New Orleans in 1973, Cyndy was elected student government vice president. After graduation, she served on the staff of our colleague, LINDY BOGGS. In 1974 and 1975, Cyndy worked in the U.S. Office of Education.

Since 1977, Cyndy has been director of the congressional seminar of the Washington Workshops Foundation. In her spare time, Cyndy was able to earn her master in arts degree in 1978 from George Washington University and to perform a variety of freelance consulting tasks.

As director of the congressional seminar, Cyndy Littlefield presided over a period of tremendous growth in the program. My colleagues are already well aware of the positive work this foundation does in bringing our young constituents to Washington to learn about how our Government works.

This "hands on" learning experience helps our Nation's students to understand the value of democracy and the responsibilities of citizenship. Talented, idealistic people, such as Cyndy Littlefield, help to give life and meaning to our ideal of democracy.

My colleagues, I am sure, join me in wishing Cyndy Littlefield success in her new venture.●

NATIONAL CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FORSYTHE. Mr. Speaker, I take great pride in joining my distinguished colleagues to speak out against something which is of concern, not only to the Jewish community, but also to each and every person who believes in preserving the rights and dignity of his fellow brethren. As elected Representatives to the people of the United States, we must fight for the ideals upon which our great country was founded. By supporting the national congressional fast and prayer vigil for Soviet Jewry, I feel I am speaking out against the violations of the principles of human rights which, we in the United States, hold so dear.

Held on the anniversary of the trial and sentencing of Anatoly Shcharansky, the vigil draws attention to the millions of Soviet Jews who have undergone similar persecution in a country which has the third largest Jewish community in the world. In the last few years, the Soviet Union has drastically restricted the emigration of her people to the point of a virtual standstill. Moreover, the refuseniks have experienced intensified harassment in every sphere of their lives simply because they wished to emigrate to a country where they could express their faith without fear of persecution. This mistreatment of Jews by the Soviet Union blatantly violates both the Helsinki accords and the United Nations Declaration of Human Rights, two documents signed by the U.S.S.R.

On July 14, the national congressional fast and prayer vigil for Soviet Jewry will draw support from people of all faiths. We, like Anatoly Shcharansky, will fast not only to express our outrage at the manifest antisemitism in the Soviet Union but also to symbolize the suffering born from a blatant denial of human dignity. We will also continue our prayers that, in the near future, Soviet Jews, as well as all people of the world, can live in freedom and justice and have the opportunity to participate in the religious and cultural activities of their faith. We must continue our efforts, despite any discouragement we may feel at times, to reach our goal as citizens of a free country to protest the violations of human rights and defend the ideals of our democracy.●

PERSONAL EXPLANATION

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. CAMPBELL. Mr. Speaker, I was unavoidably absent from the floor of the House during Rollcall Vote 250 on House Resolution 208. Had I been present, I would have voted "aye."●

SOUTH ABERDEEN/COSMOPOLIS DIKING PROJECT AUTHORIZATION DESERVES TIMELY APPROVAL

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BONKER. Mr. Speaker, today I am introducing legislation to solve a longstanding problem in my congressional district. This bill would authorize flood control improvements along the Chehalis River at South Aberdeen and Cosmopolis in Washington. I am grateful for the past support the Committee on Public Works, and this body, have given to the South Aberdeen/Cosmopolis project and I trust that this will be the year the measure is finally enacted into law.

Since 1944, the South Aberdeen/Cosmopolis project has received favorable congressional action, but, for one reason or another, the several attempts to begin construction or regain the necessary authorization have failed. In the meantime, residents of South Aberdeen and Cosmopolis have been flooded out on several occasions. In addition, the estimated cost of the project has risen from some $1.2 million in 1946 to approximately $20 million at the present.

This project deserves immediate approval for several reasons—the risk of flooding at South Aberdeen and Cosmopolis is unacceptably high; the project is cost-effective; it is noncontroversial and enjoys broad support from the community; the necessary studies for authorization have been completed; and the local government is prepared to pay its fair share of the costs. I therefore strongly urge the committee to again act favorably upon this project and include it in the upcoming omnibus water resources development bill.

In a nutshell, the project would protect two communities at the mouth of the Chehalis River as it enters the port of Grays Harbor, Wash. The recommended project consists of 4 miles of levee embankment and approximately one-half mile of floodwalls. This diking would protect some 5,000 people residing on 1,288 acres of lowlying development in South Aberdeen and Cosmopolis. In 1976, the Army Corps of Engineers recommended that the height of the levee be increased by an additional foot to provide protection against the 500-year flood—up from the 200-year flood protection under the original proposal. In addition, the corps recommended that the local sponsor assume responsibility for controlling future increases in interior runoff. Both of these recommendations were agreed to by the local government.

As evidenced by periodic flooding and a recent disaster declaration, the risk of future damage is unacceptably high for area residents. It is foreseeable that a combination of high river levels, tides and winds could devastate hundreds or perhaps thousands of homes and businesses in Aberdeen and Cosmopolis. Given the generally depressed state of the local economy and the fact the Federal flood insurance rates here increased dramatically, many residents will be without adequate protection in the event of future disasters. For many Aberdeen and Cosmopolis residents, flooding under such circumstances would be the last straw.

The project has been studied and restudied. The feasibility report and environmental impact statements have been completed and accepted. There is broad local support for the project and even some early reservations raised by environmental groups have been withdrawn. All parts of the community are in agreement that the project must go forward.

The Aberdeen/Cosmopolis project is of great importance to the area and it has been promised the financial support that will be necessary from the State and local governments.

Mr. Speaker, it is clear that this project must be completed. I am convinced that it will eventually be approved and constructed. It is my hope that this project will be completed before additional flooding and devastation occurs, and before inflation further increases the cost of the project. I urge the committee, and this body, to give this legislation the timely attention it deserves.●

SOVIET JEWRY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. FASCELL. Mr. Speaker, as Chairman of the U.S. Helsinki Commission I am pleased to take part in the congressional fast and prayer vigil for Soviet Jewry, which also marks the fifth anniversary of the trial of Moscow Helsinki Monitor and Jewish rights advocate Anatoly Shcharansky.

We have witnessed a deterioration of conditions for Soviet Jews. The plummet in emigration, the continuing suppression of Jewish culture, the increase in harassment of Jewish activists, and, most disquieting, the formation of the notorious Anti-Zionist Committee, illustrate the ominous character of Mr. Andropov's policy toward Soviet Jewry.

The Helsinki Commission shall continue its efforts on behalf of Soviet Jewry and do its part to insure that Anatoly Shcharansky and the many courageous individuals in the Soviet Union like him, who are punished for defending human dignity, are not forgotten.

I commend the Union of Councils for Soviet Jews and the National Conference on Soviet Jewry for their abiding dedication to the humanitarian cause of Soviet Jewry and pray that our efforts will hasten the day of Anatoly Shcharansky's deliverance to freedom in Israel.●

SOVIET JEWRY FAST AND PRAYER DAY, JULY 14, 1983

HON. DAN SCHAEFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. SCHAEFER. Mr. Speaker, it's difficult to realize, in a land where we can travel across a continent with ease, that there are people confined to their homes, degraded in their workplaces, and serving in gulags because of their faith. These people are not revolutionaries—they insist only that their Government uphold the clause of their constitution granting them freedom of religion.

They have no desire to overthrow the Government, nor are they a burden on society. Soviet Jews wish only to emmigrate to Israel, where they will be granted the freedom to practice the religion and live in the manner they choose. We should certainly appreciate the ease with which we travel, not only within our own country, but to other countries. Any restrictions made can be resolved through obtaining a visa—and the visa is granted without consideration of race, creed, or color.

We who gather here today, on behalf of all Soviet Jews who have been refused exit visas from the Soviet Union, should concentrate on extending to them the hope for the future that our Nation embodies; the belief that all people should be given the chance to live in the manner they choose. Freedom is for those who seek it—our responsibility is to assure the seekers of the support we extend them as a nation.●

FEED GRAIN PROGRAM

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. BEDELL. Mr. Speaker, I am today introducing, along with my colleagues, Mr. DE LA GARZA, Mr. MADIGAN, Mr. FOLEY, Mr. HARKIN, Mr. SMITH of Iowa, Mr. JONES of Tennessee, Mr. VOLKMER, Mr. DORGAN, Mr. DURBIN, Mr. DASCHLE, Mr. OLIN, Mr. PENNY, Mr. ENGLISH, Mr. WATKINS, Mr. WEAVER, Mr. HANCE, Mr. GORE, Mr. EMERSON, Mr. HIGHTOWER, Mr. WOLPE, Mr. COLEMAN of Missouri, Mr. ALEXANDER, Mr. LEACH of Iowa, Mr. TAYLOR, Mr. EVANS of Iowa, Mr. STENHOLM, Mr. WHITLEY, Mr. GLICKMAN, Mr. NEAL, Mr. GEPHARDT, Mr. SLATTERY, Mr. MCCURDY, Mr. ROSE, Mr. HUCKABY, Mr. WILLIAMS of Montana, Mr. SKELTON, Mr. SHARP, Mrs. SMITH of Nebraska, and Mr. EVANS of Illinois, a bill to require the Secretary of Agriculture to announce the 1984 feed grain program by September 16 of this year.

The timely announcement of the 1984 feed grain program is essential if farmers are to have sufficient time to weigh various program options, make a decision about program participation, and plan accordingly. Similarly, the farm supply businesses which serve producers must know program details well in advance so that they can estimate farmers' needs and prudently determine their required inventory.

The early announcement of the 1984 program is particularly important in view of the hardships created for producers and farm suppliers alike by the late implementation of this year's rather drastic payment-in-kind (PIK) program.

The PIK program was not announced until January 11 of this year, and it took several days for the details of the program to reach farmers and rural businesses. Because farmers had to make a final decision on program participation by March 11, many had a difficult time establishing their eligibility for program benefits, and those that had applied fertilizer the previous fall or otherwise made planting decisions found the program less attractive. In 1983, as in some previous years, the late announcement of the farm program led to lower program participation than might have been expected with an early announcement.

The delayed PIK announcement also put agribusinesses in a severe bind. Although these rural businesses generally recognized that the PIK program was necessary to lay the groundwork for recovery in the agricultural economy, most nevertheless suddenly found themselves burdened by costly inventories of fertilizer, farm chemicals, machinery, and other supplies. Many of these businesses were forced to curtail their operations and reduce their number of employees just as businesses elsewhere were beginning to feel the impact of an improving economy.

Mr. Speaker, the disappointment of a late farm program announcement is not an infrequent experience for farmers. Despite promises to the contrary, farmers regularly over recent years have been forced to accept an announcement issued just before the statutory deadline for such announcements.

In 1980, I authored legislation moving up the announcement date on the feed grains program from November 15 to October 15. Unfortunately, even that modest legislation, as approved by the Committee on Agriculture with the amendment setting the date at November 1, did not become a part of permanent law.

Mr. Speaker, we are quite certain, even at this early date, of the need for an acreage reduction program for feed grains next year. We know that our surplus of feed grains after this year's harvest will, despite the PIK program, be excessive, and the administration has already outlined the parameters of the program it is likely to announce for 1984. And the current controversy over the administration's request for a freeze on target prices—which has led to an unfortunate delay in the announcement of the specifics of the 1984 wheat program—is likely to be resolved in one way or another by the Congress this month, leaving no legitimate reason for a delay in announcing the 1984 feed grains program in a timely manner.

Finally, Mr. Speaker, the early announcement of the 1984 farm program is not only responsible agriculture policy, it is also sound fiscal policy. An early announcement contributes to higher program participation, and higher program participation means a program more effective at reducing our surplus and decreasing the likelihood of Government outlays for price support costs.

Mr. Speaker, I urge the support of my colleagues for this needed measure, and I express hope for its prompt adoption.

The text of the bill follows:

H.R. 3564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105B(e)(1) of the Agricultural Act of 1949 is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing sentence, the Secretary shall announce any such feed grain acreage limitation program or set-aside program for the 1984 crop not later than September 16, 1983.".●

TITLE II OF H.R. 10 APPALACHIAN REGIONAL COMMISSION

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. GORE. Mr. Speaker, I deeply regret that the attitude of the administration makes it impossible for us to do more for Appalachia than title II of H.R. 10 would do.

The people of Appalachia deserve more, and the record of the Appalachian Regional Commission justifies more.

For most of a century, Appalachia was a neglected region. The Commission appointed by President Kennedy called it a region apart. Back in eary 1960's:

One-third of the Appalachian people were living in poverty.

Per capita income was almost one-fourth below the national average-far lower than that in east Tennessee and the rest of central Appalachia.

Only one-third of the Appalachian adults had completed high school.

Health care was generally poor and was nonexistent in many of our more rural counties; substandard housing was commonplace; and millions of Appalachians were forced to leave the region in search of better opportunities.

From 1965 through 1980, ARC helped change all that. Poverty was reduced by more than 50 percent. Per capita income rose to 85 percent of the national average. Hospitals and clinics brought decent health care to most of the region. A network of vocational schools was built and is bringing training to more than half of the young people of the region. Almost 2 million new jobs were created, and outmigration was reversed.

ARC did not achieve all that alone, but it played a major part in this change.

And even then, Appalachia was not getting its fair share of Federal expenditures. On the contrary, its per capita share was below 60 percent of the national figure in the early 1960's, rose to only slightly above 80 percent in 1980, and is now heading back down again.

Everyone—except Daivd Stockman—agreed ARC was working. And even he vacillated between saying we could not prove it was working and deciding that it had worked so well we did not need it any longer.

But, since 1981, we have been losing much of the ground we gained in Appalachia.

Appalachia has been hit far harder by the recession than the rest of the country. Unemployment is 30 percent higher than the national average. The oil glut and the recession have sharply curtailed the market for coal. Administration budget cuts have cut ARC funds in half and severely reduced other economic development efforts so important to Tennessee and the rest of Appalachia.

In these circumstances, it is tragic that we cannot do more than title II of H.R. 10 would do, but I am realistic enough to agree that circumstances force us to battle even for half a loaf.

At least H.R. 10 will:

Bring some special assistance to the 67 poorest counties in the region, 13 of them in Tennessee;

Extend basic health care to the 57 counties which now lack it, including three in Tennessee, and reduce infant mortality in another two counties in Tennessee and the 23 in the rest of the region where it is at least 50 percent above the national average.

For these reasons, I strongly support title II of H.R. 10 to authorize an ARC finish-up program as an alternative to abrupt discontinuation of a program that has worked so well.●

SENATE—*Friday, July 15, 1983*

(Legislative day of Monday, July 11, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Dear God, help the Senate to comprehend its potential: One hundred intelligent, reasonable, thoughtful, strong gentle people, each rich in credentials. Individually each is a rational person but somehow in the chemistry of the body very irrational things happen, its benign chemicals, which when mixed, cause an explosion; or explosive chemicals, when mixed, neutralize each other.

One hundred well-qualified people, a symphony orchestra capable of producing a symphony but sounding much of the time like they are tuning up for a concert.

Help them, Lord, to find their harmony, so together they can make beautiful music to bless the Nation and the world. In the name of One whose mission was to unite all peoples. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE MAJORITY LEADER COMMENTS ON THE CHAPLAIN'S PRAYER

Mr. BAKER. Mr. President, I must say to our distinguished and illustrious Chaplain that as far as this Member of the orchestra is concerned, there are many days, including this one, when I would settle not only for beautiful music but for any music at all. I would also observe for the benefit of the Chaplain, if we run completely out of music we can always call on the minority leader and his expert fiddling in the field of blue grass music.

Mr. President, that is probably the last kind word I will have to say all day long.

SENATE SCHEDULE

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BAKER. Mr. President, getting down to the unhappy prospects, as I indicated on Monday of this week we are going to try to finish this bill this week. I do not know whether we can do it or not. I have begun to doubt it. We certainly did not finish it last night. I would like to finish it today. But if we do not we will continue.

There is an order for the Senate to be in session on Saturday. The Senate will be in session on Saturday. I was asked by the press earlier how long on Saturday, and my answer to them was until about 5 o'clock or as long as we can do useful work.

There will be votes on Saturday, Mr. President. I fully expect to have a quorum here on Saturday, so no one should assume the Senate will meet and adjourn for lack of a quorum. I feel confident that we will have a quorum even if it has to be a quorum just on this side of the aisle, in which case the movement of this bill might be expedited considerably.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. I will yield.

Mr. BYRD. Even though the quorum is just on that side of the aisle I will be here.

Mr. BAKER. Oh, I am pleased, Mr. President. I will add that to my whip check.

Mr. BYRD. And I would say that if it is just myself who would be here on my side the bill would not pass tomorrow.

Mr. BAKER. Mr. President, I hope the Senator will not say that because it is so early in the day, and my hopes continue to flicker. I had hoped we would finish the bill today. But for the Senator to say that we will not finish it on Saturday is a great disillusionment.

Mr. BYRD. I did not say that; I did not say that.

Mr. BAKER. I misunderstood the Senator.

Mr. BYRD. I said I would be here, and if the quorum is on that side and just I stand alone on my side here, the bill will not pass. I will have to protect my side. I am going to vote for the bill.

Mr. BAKER. I am happy to hear that as well.

Mr. BYRD. And I am for the MX.

Mr. BAKER. And so am I. Why not just pass it right now?

Mr. BYRD. I am afraid we cannot because, as I say, I have to protect my side.

Mr. BAKER. I am afraid we cannot either.

Mr. BYRD. The Senator did a good job when he was minority leader.

Mr. BAKER. Yes.

Mr. BYRD. A lot of what we are saying is in jest. I merely want the Senator to know that I will be around.

Mr. BAKER. I will, too, and we will have votes on Saturday.

Let me say, by the way, I am absolutely serious about this, that I have no intention of asking Senators to cancel their engagements, which I have done, and to be here on Saturday and then have an idle day. There will be votes, and and I hope they will be worthwhile and meaningful votes on the bill. If they are not, and we run out of being able to continue with the consideration of this bill, then I intended to go to something else, and take up that matter fully.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. BAKER. Yes, I yield.

Mr. BYRD. As to the matter of going to something else, the Senator will always counsel with the minority leader.

I do not want it to be misunderstood in relation to what I said a moment ago. It simply was in half jest and half meaningfully, that if a quorum is on that side, I would have to do whatever is possible and necessary on our side to protect the interests of those who want to debate. Even though I might disagree with their position, I would do everything I could to protect them. This does not mean that I intend to engage in any filibuster, or that I even support the positions of those who oppose the MX.

Mr. BAKER. Yes.

Mr. BYRD. But in all seriousness, the majority leader does have the responsibility of keeping the Senate moving and to get this piece of legislation passed.

I must say in the finest spirit of friendship, and I am sure the majority leader has problems that we all do not fathom, but he and I see this through different eyes, different from those of the other Members as they may see it, but he has an obligation to do what he thinks he has to do. To call the Senate in on a Saturday just as an empty gesture is not his style nor would it be advisable.

I certainly will cooperate, as I have always cooperated. I do feel I have to protect some of those on my side with whom I may differ on this measure. I must say that I personally do not understand why this particular bill has to be passed Saturday, and that is not to quarrel with the majority leader. When I was majority leader I am sure

the minority leader probably felt at times there was no necessity for a Saturday session when I called one. But I do not quarrel with the majority leader. There are some, I think, who perhaps, on both sides of the aisle, will feel there is no absolute necessity for this bill to pass Saturday. I hope we can make progress today.

It does not make any difference to me personally whether we have a Saturday session or not. But I will certainly cooperate with the leader as much as I can. He did a good job of protecting his members when he was minority leader and that was the meaning of what I said earlier.

Let me add a postscript to that. The majority leader has been at all times most understanding and considerate of the minority. So I want to debunk any idea that there is a filibuster going on or that Democrats are engaging in a filibuster. There may be a handful, or a little more, made up of people on both sides, who want to extend the debate and air it and surface it and ventilate it, but I do not think there is any filibuster going on.

Now the majority leader has his reasons for calling a Saturday session and that is his business and I do not—as one who has called Saturday sessions myself on a few occasions—I could not find any fault with the majority leader for doing so.

Mr. BAKER. Mr. President, I understand that. We do see the Senate through very special eyes, both of us having served now as majority leader and minority leader. There is a heavy set of responsibilities that falls on the leadership on both sides of the aisles, but most especially on the majority leader, whether he is a Republican or Democrat, to see that the affairs of the Senate are so organized that it addresses and discharges its duties and obligations.

I will not belabor the point except to say, as I said on Monday of this week when we convened, that we have precious little time between now and August 5 to do a great deal of work. I gave to the minority leader a list of items that I feel are essential before we go out. They include the Department of Defense authorization bill. Last year we spent 8 days, I am told, debating this measure. So far this will be the fifth day.

In addtion to the Department of Defense authorization bill, we have Radio Marti, we have agriculture target pricing, we have revenue sharing reauthorization, we have the Outer Continental Shelf, and we have a number of other measures that simply must be dealth with.

We also have the foreign operations authorization. The chairman of the Foreign Relations Committee urges that we take that up. And I intend to try to add that to the list after I talk to the minority leader.

Mr. President, in addition to all of those things, of course, we still have five appropriations bills that are here and available or will be available during the course of this month. So time is precious.

Now, I have never favored irregular working hours and late sessions, and I have never favored Saturday sessions. I have tried to regularize—indeed, tried to civilize—the work patterns of the Senate. From time to time, I have apologized to the families of Members because I am intruding on their private time and I am drawing unduly perhaps on the energy of Members to the detriment of their families. But it has to be done. We have to discharge our obligations and responsibilities.

So we will be in on Saturday in order to make sure that we can do all the things that we are required to do, in my view, between now and August 5, and we will have votes on Saturday.

Now the minority leader is absolutely correct when he observes that he feels that I would notify him if we are going to go to anything else on Saturday. All I mean is that, as I have said before, I am not going to ask the Senate to come in on Saturday and then do nothing.

So I urge Senators to be here on Saturday and to offer amendments to this bill. But if they do not, there are a number of items on the calendar, both the Calendar of General Orders and the Executive Calendar, that could be dealt with and Senators should be on notice of that possibility.

Mr. HART. Will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. HART. Mr. President, I wonder why it is that the Senate—which has a reputation of being the world's greatest deliberative body, well deserved or not—considers that productive work be measured in terms of votes. Is it not possible that, on the issue of national security of the United States and defense of the United States, a very productive debate—a debate—might not occur on Saturday, not particularly quantifiable or measurable in the number of votes? Could it be that Senators might exchange views on issues, for once?

Mr. BAKER. Mr. President, I am sure the Senator will adopt an attitude and tone of voice that is accusative and suggest that someone is trying to punish him or someone else, but surely the Senator from Colorado will agree with me that in the fifth day of debate, when no cloture petition has been filed and no one has put undue pressure on him or anyone else to curtail debate or to force him to offer amendments, that no one is taking advantage of him.

All I am saying is that I have 49 Members on this side of the aisle who have indicated that they are going to be here—I believe there will be 51—and, almost without exception, they have canceled plans at my request. If we are going to do that, we are going to have a meaningful session, and that will include rollcall votes.

Mr. HART. Will the Senator yield?

Mr. BYRD. Will the majority leader yield to me?

Mr. BAKER. Let me yield to the minority leader.

Mr. BYRD. Mr. President, I think the majority leader has made it sufficiently clear as to his intention to have a Saturday session and have votes. I think it ought to just rest at that.

I would ask the majority leader, if he does intend to go to other matters, that he alert the Senate as to what other matters he is considering, because we would certainly want the managers on our side of such measures to be here.

Mr. BAKER. Mr. President, the Senator knows I would not do that without letting him know, and I have not made that decision yet. I continue to hope for a good day's work on the defense authorization bill. But I will certainly let the Senator know when I make that decision. If I do make that decision, I will advise him of what I will attempt to do in advance.

Mr. BYRD. If the majority leader could do that as early as possible so that I, in turn, could alert our managers.

Mr. BAKER. The Senator will not be taken by surprise.

Mr. HART. Will the majority leader yield further?

First of all, I did not intend to adopt any particular tone of voice. I was asking a very serious question.

I just hope—and I am sure, given his background and record, that the majority leader would agree—that it is possible for the Senate to seriously discuss serious issues without measuring the seriousness of that proceeding by how many votes we have. That is the only point I wished to make.

The majority leader, in his genuine and well-understood obligation to move legislation, wants the session on Saturday to be productive. I am just trying to suggest as straightforwardly as I can that there can, in fact, be productive debate in the Senate—although we do not have them very often, I think we all agree—on the national security and defense and arms control and strategic systems that might not produce a whole lot of votes that people can then go home and say "I voted eight times." That is all.

I wonder, further, if I might just ask either the majority leader or the distinguished Senator from Texas how many amendments they are aware of that are pending that are not related to the MX.

Mr. BAKER. Mr. President, before I yield the floor or yield so the Senator

from Texas may answer, let me put one thing in perspective and then—and the minority leader is right—I will stop this and get on with the business at hand, which I hope will be the Department of Transportation bill.

Of course you can have a fulfilling day and a worthwhile day of general debate without votes. But let me invite the Senator from Colorado to view that possibility against the background of 5 days of effort on this measure and against the background of any number of Senators on his side of the aisle who have come to me and said, "There is not going to be any session on Saturday because you won't have a quorum." Well, we will have.

Or any number of Senators—a number, more than one—on your side of the aisle who have said:

You're not going to be able to do anything on Saturday because no amendments are going to be offered. We are just going to debate it. We are not going to let you do that.

Now, think of it in that context and then try to understand, as I am sure the Senator will, when I say that we are going to be in session on Saturday and we are going to make it a worthwhile day.

It is my first ambition and desire to see that day devoted to debate on this bill. But if we do not do that, we are going to do something.

Mr. HART. If I may respond to the leader, I intend to do all I can to make the Saturday session a worthwhile day and whatever debate this Senator is involved in will be substantive debate.

Mr. TOWER. Mr. President, will the majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. TOWER. Mr. President, it is not as if this is the first time we have ever debated the MX in the Senate. We debated it extensively on the resolution of approval. As a matter of fact, we debated it as long as Senators wanted to and still did not use all the time available to us.

This matter has been debated frequently on the floor of the Senate. It has already been debated some in the course of the consideration of this bill. It is not as if Senators are uninformed on the issue. I think, by virtue of the debate and discussions that have gone on in the past few months, the Senate is very well informed on that issue. I think the lines are pretty clearly drawn. I think attitudes of Members of the Senate toward MX are pretty well set at this point.

So, although I would not suggest that debate would be unproductive or irrelevant, it certainly could be relevant.

The PRESIDING OFFICER. The majority leader's time has expired.

RECOGNITION OF THE MINORITY LEADER

The Democratic leader is recognized.

Mr. BYRD. Mr. President, I yield 5 minutes to the majority leader.

Mr. BAKER. I thank the minority leader. I yield to the Senator from Texas.

Mr. TOWER. I would not suggest that debate is not developing. I believe it is. I still believe that we can come to conclusions. You come to a conclusion by having a vote. I can assure you that we will get a vote on some aspects of the bill tomorrow if I can get the floor, and I have reason to believe that I can.

So it will not be an unproductive day as far as making some decisions relative to the Defense Authorization Act of 1984.

As the Senator from Colorado knows, I try to be evenhanded and I do not try to foreclose my colleagues or tread on their rights, either in the committee or on the floor. If I have done so, I have done so unwittingly.

Mr. HART. Will the Senator yield?

Mr. TOWER. Yes.

Mr. HART. I would like to restate the question as to how many amendments there are which are unrelated to the MX. Further, will there be votes today on the MX issue?

Mr. TOWER. Yes, on the amendment offered by the Senator from New York, I would suspect, after reasonable debate. I doubt very seriously before noon but sometime early in the afternoon there will be a vote. As far as other amendments are concerned, there are about 10 remaining amendments, most of which can be disposed of in a relatively short period of time, and about half of which could be disposed of probably without a record vote.

Mr. HART. I thank the Senator.

Mr. BAKER. Mr. President, let me add only one last thing and then I do want to terminate this conversation. I am not committed to finishing this bill today or tomorrow or Monday or Tuesday or Wednesday or Thursday. I intend for the Senate to work as long as it needs to work. But I do intend to ask the Senate to work diligently on the measure.

Mr. BYRD. Mr. President, I hope that the majority leader will not think that anyone on this side of the aisle is seriously contemplating at this point frustrating the majority leader in his desire to get on with this bill. I think, on both sides of the aisle, the less heat there is the more likely we are to make progress. I suspect I may have initiated it by something I said in jest.

I do not expect to be caught here alone on my side of the aisle. I would just say that if I am caught alone and there is a quorum on the other side, the bill is not going to pass, but I am not going to be caught alone. I hope the Senate can get its work done in proper fashion. If somebody has approached the majority leader and said there will not be a quorum, he can almost be certain of having a quorum himself on Saturday, and I realize it. We will have as many Democratic Senators as possible here on Saturday so that it will be a meaningful day.

I have always found that Senators did not like to come in on Saturday, but when they did so we accomplished more sometimes than we did on any other day of the week. We had more rollcalls. There were no committees meeting. There were no meetings in offices that kept us from the floor. We had good attendance on the floor with good debate. We always accomplished more, it seems than we did on many of the other days of the week.

If I said anything in the beginning that left the impression with the majority leader that it was my intention to block anything, he knows in his heart that that is not the case.

Mr. BAKER. I know full well that the Senator will be here and I know he will join with me in helping to move the work of the Senate.

Mr. BYRD. The Senator is correct.

Mr. BAKER. Mr. President, I am sure the time has expired. There are two special orders.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the two special orders there be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m. in which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. I did not realize I had any more time. I will yield it back in a moment.

RECOGNITION OF SENATOR GRASSLEY

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa, Mr. GRASSLEY, is recognized for not to exceed 15 minutes.

Mr. GRASSLEY. Mr. President, I sought a special order to discuss our national defense and matters related thereto. I wanted a special order because some of the matters I want to discuss go beyond just the authorization bill.

The PRESIDING OFFICER. The Senator may proceed.

LONG-RANGE BUDGET PROJECTIONS

Mr. GRASSLEY. Mr. President, long-range budget projections, whether for the Federal budget, the social security budget, the defense budget, or

any other budget, are necessary for one basic reason: To force sound decisions in the present.

If sound decisions are derived from knowledge of their future consequences, then it follows that unrealistic outyear estimates will lead to bad decisions.

That is what we are in the midst of today, Mr. President, with our defense policy. We have been making poor decisions in most areas of the Federal budget, and today their consequences are threatening our economy, and, in the case of defense, they are threatening our national security.

Mr. President, I urge my colleagues to not make the same mistakes we have made with past defense budgets decisions.

In the past, we presided over across-the-board stretchouts, reduced production rates, and funding for the production of programs whose designs were undetermined. Instead—we should have been making the necessary tough decisions to cancel low-priority programs.

The results of our past actions have been a gradual shrinkage of our military forces, and at an ever-growing cost to the taxpayer. This is the exact opposite of what our goals should be. We should be increasing our defense at falling costs as in any free-market enterprise. And we should take advantage of whatever actions will enable us to attain those goals.

But how is it possible to make intelligent choices if we do not know their impact 3, 5, and 10 years down the road?

There is simply no realistic cost data available to the Congress that far down the road. There are no realistic projections either for individual systems or for the budget as a whole.

This leaves us in the untenable position of not knowing the state we are presently in, or how bad it will become. We have no clear idea of the long-term consequences of our past decisions, or of the decisions we are about to make on this bill before us, as an example.

Without realistic budget projections for both individual systems and for the entire 5-year defense plan, it is impossible for this Congress to make an intelligent decision about our national defense policy.

I have requested an independent repricing of the 5-year defense budget from both the President and the Secretary of Defense. I have simply asked for honest budget numbers. I was turned down on both counts.

The underfunding of the defense budget is a serious problem, Mr. President. The time is long past when it can be swept under the rug. The problem is here with us now. It is hurting our national defense and it is hurting our economy.

The defense underfunding problem is a symptom of the inherent structural malaise in the defense procurement system. Programs are underestimated, or "low balled," into the defense budget.

Their projected costs for the outyears seldom match up with their actual costs. Technical complexities, design changes, time delays, and stretchouts add to the mismatch.

This occurs continuously until the entire budget snowballs into a mass of uncertainty. And that is what we are confronted with today, Mr. President, in the authorization bill before us or the appropriations to come up.

Do we know what today's decisions will lock us into for the future?

Do we know what we are buying?

Do we know how much it will cost?

Unfortunately, Mr. President, the answer to each of these questions is a resounding "no".

Some Pentagon analysts have speculated on a massive underfunding of the 5-year defense plan. Franklin Spinney has speculated on a 30-percent figure for the procurement budget alone.

While the underfunding may be massive, actual defense spending, since 1963, has exceeded projected spending by 12 percent, according to the General Accounting Office.

If this is true, then the difference between the underfunding figure which Spinney estimates at 30 percent and the GAO cost overrun figure of 12 percent is made up by a reduction in the quantities planned. When costs rise faster than the budget, quantities must be and have been cut back.

And that, Mr. President, is precisely what is happening in a dramatic way to our national defense.

There is ample evidence that this pathology is continuing.

Last year, for example, the Navy said it would buy 21 ships in fiscal 1984. But the President's budget requested only 17 ships. Further, in 1982, the Navy said it would decommission only eight ships in fiscal year 1983. But in 1983, the year we are in, it will actually decommission 27 ships instead of the 8.

Last year, the Army said it would buy 1,080 M-1 tanks for fiscal year 1984. But this year's budget request by the President contained only 720.

Originally the Air Force planned to purchase the F-15 aircraft at a rate of 144 per year for 6 years. Instead, initial procurement was stretched out from 6 to 9 years, and the cost increased by $2 billion, the cost of an additional wing of F-15's.

New programs also seem to be in trouble.

If commonsense is any gage, we may soon witness a substantial cost overrun of the B-1 bomber.

Combining actual funding with planned and proposed requests through the fiscal year 1985, the first 52 B-1B aircraft will cost $16.24 billion in 1981 dollars.

Remember that the certified cost ceiling for 100 aircraft was $20.5 billion, in 1981 dollars.

That means the remaining 48 aircraft must cost no more than $4.26 billion. The remaining 48 must be purchased at an average of $87 million per copy, compared to $312 million for the first 52, and I doubt that we are going to get that additional 48 for that price. In fact, it is almost an impossibility.

For the Air Force to realize its proposed learning curve for the B-1 would be a tremendous—if not, impossible—undertaking, given the history and record of the Pentagon. Old habits die slowly, we know, and even then, only when you try to break them.

The effort to do that in DOD does not seem to be equal to the task. The old habit never seems to be broken.

The most visible evidence of the structural malaise is colossal cost increases for spare parts. The Air Force's spares bill has increased from $800 million to $4 billion, in constant dollars, in 10 years. It will go higher as more complex systems are purchased.

Examples of year-to-year increases of 100 percent or more are common.

The cost increases for spares occur for several reasons. Pentagon procurement incentives exert pressure to sole-source. The percentage in dollars procured competitively has dropped over the last 10 years from 37.5 to 20.7 percent.

When competition decreases, costs increase. We have failed to learn from this lesson, either in the case of spare parts or in that of major weapon systems.

Despite these structural problems, the Defense Department claims it has solved all the problems and has rendered them historical.

That is a word that is always cropping up in the rhetoric of the Defense Department in justification of these changes and in answer to these problems we raise.

Yet this contention flies in the face of analyses done by, or for, the Office of the Secretary of Defense, the Air Force, the President's own private sector survey on cost control, and the Heritage Foundation, long a philosophical ally of President Reagan.

The most comprehensive outline of what the Defense Department is doing to control the Pentagon's budget was set forth in a speech by Secretary Weinberger to the National Press Club on June 14.

First, the Secretary is still claiming long-term savings that have been refuted by GAO and doubted by CBO Director Alice Rivlin.

Second, most actions taken to date by the Pentagon, although helpful, have not scratched the surface of the

structural problems. Secretary Weinberger has cited 650 convictions over an 18-month period that have yielded over $14 million in fines and restitutions.

Jonathan Swift once said:

> Laws are like cobwebs, which may catch small flies, but let wasps and hornets break through.

The problem with the Defense Department is that they are letting too many wasps and hornets get through.

The real structural problems which have not been addressed are much more institutionally set in. One of the biggest problems is the "buy-in" which results from an unrealistically low cost-estimate for the purpose of getting a program started up. This is one of the biggest drivers of the mismatch between projected and actual costs.

Continual design changes are another. We continually add new features to weapons while they are in production. This leads to program instability and delays, and drives the cost up immeasurably.

Stretch-outs are another cost-driving factor. Reduced production rates and procurement stretch-outs increase unit costs. Budget constraints are not the source of the problem. It is our failure to deal with budget constraints wisely that causes unit costs to rise.

Unit costs increase as a natural consequence of the future-year underestimation bias. When we fail to cancel other programs to compensate, we stretch out and reduce quantities. This is still occurring today, despite larger Defense budgets.

Quantitywise, we are spending more on defense then ever before and getting less for it.

Mr. President, a repricing of the 5-year defense plan is absolutely essential if we are to know the problem we are confronted with today.

The fact is that we do not know what we are doing to ourselves this year, next year, or the year after that, because we do not have accurate numbers.

Making decisions without a clear understanding of what we are setting ourselves up for in the future will limit our options as well as our ability to escape undesirable consequences.

The longer we proceed without first understanding the underfunding problem and then actually dealing with it, the tighter we tie our hands and our ability to avoid disaster.

If we decline to understand and deal with this underfunding problem, Mr. President, then harmful consequences are inevitable. To some extent, they are already here.

First, our forces will continue to grow only slightly. We will not be able to buy at anticipated production rates because of stretch-outs and cost-increases, which force us into low-rate production almost across-the-board.

Second, underfunding puts pressure on those accounts which would enable us to sustain our military power. Readiness suffers.

Third, and worst of all, any changes in the Defense plan now result in disaster. The DOD budget is a fragile plan unsuited to the inevitable push-and-pull that will occur in the Congress. The Pentagon can adapt well to neither largesse nor to cutbacks.

If the budget for spare parts, for example, increases, the money gets syphoned off. If the budget is pared back by a small increment, the entire operation is thrown into chaos.

This should not come as a surprise to us, Mr. President. Any bureaucracy whose goal is budget growth, and to the degree that the budget is made inflexible, chances are that the bureaucracy will get what it wants; namely, a larger budget.

Unfortunately, in the case of national security, such goals do not lead to the possession of capable military forces which are able to win wars over time.

Mr. President, it is my hope that my colleagues will take recognition of the underfunding problem to heart, especially its adverse consequences on our national security. Each year that we fail to deal with this problem, the more securely we lock ourselves into an unknown future.

This is no way for a Federal Government to conduct either its budget affairs or its national security affairs. I hope Congress, this year, will take the first step toward controlling the Defense budget. We must reprice the Defense budget if we are to have a better understanding of the long-term consequences of present-day decisions.

I shall continue to pursue a repricing of the Defense budget, with or without the cooperation of the Defense Department. Until the Defense budget is repriced, the uncertainties and the ambiguities that characterize the Defense budget will intensify, and our ability to defend this country will grow ever doubtful.

RECOGNITION OF SENATOR BOSCHWITZ

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is recognized for not to exceed 15 minutes.

DEFENSE UNDERFUNDING

Mr. BOSCHWITZ. Mr. President, I rise to join my distinguished colleague from Iowa (Mr. GRASSLEY), who is a fellow member of the Budget Committee, in discussing a most serious problem, the underpricing of the defense budget.

Mr. President, ever since my arrival in the Senate in 1978, I have been a strong advocate of national defense. I have voted for most of the increases in the defense budget. I have taken a very consistent viewpoint that the defense budget should have a 5-percent real growth. I have made a number of very controversial votes for weapons systems in the defense budget that many of my constituents perhaps disagree with me on—the B-1 bomber and the MX missile. And so we have had, indeed, a 5-percent real growth in the defense budget over the years of my being in the Senate because most of my colleagues have shared my conviction that such growth is vital to our national security.

But, Mr. President, my life experience before coming to the U.S. Senate is that of a businessman, and I also like to get a bang for the buck. I also believe that we ought to have some efficiency in defense and get a good return on our defense investment. Therefore, not only do I want a strong defense but I also want—as does the Senator from Iowa and I believe every Member of this body—a cost-effective defense.

I understand, too, Mr. President, that business is different than defense, that business is different than Government, particularly in the area of defense where redundancies have to be built into our strategic and conventional force structure. We just cannot build perhaps the most efficient thing in each instance because we cannot afford to make a mistake. In business, if there is a mistake, perhaps it is not as serious as it would be in defense. Redundancies are in some cases necessary in defense to avoid mistakes.

But, having said all of that, I still believe very strongly in cost-effectiveness in a budget of $1.6 trillion over the next 4 or 5 years, and so I join with the Senator from Iowa in seeking to get a bigger bang for the buck, so to speak, from our defense budget.

The underpricing of the defense budget—and I do not wish to repeat my colleague's statement—is an issue that has been outlined by a number of very credible analysts. What these analysts contend, Mr. President, is that the Pentagon 5-year defense plan assumes that unit costs of weaponry will substantially decrease as production continues. This concept of a so-called learning curve, which I am very familiar with from business, means that as more units are manufactured, the utilization of labor and capital becomes more efficient, economies of scale are achieved, and there is a lowering of unit costs. You can spread the cost of your overhead, your investment, your machinery, and the entire cost of production over more units and you should get a lower cost per unit.

Unfortunately, Mr. President, the so-called learning curve does not seem to exist in many areas of the Department of Defense. Prices in real terms

either remain the same or they rise dramatically. Prices in real terms, Mr. President—not just inflation increases but prices including inflation—and that is what we are getting at.

What this means is that the actual cost of weapons programs is larger than the cost presented to the Pentagon in its 5-year defense plan. The defense budget is, therefore, underpriced as we say.

Mr. President, there are numerous examples of underpricing in particular weapons systems. In the 1978 to 1982 defense plan, the Air Force predicted the cost of the F-16 fighter would be $7.5 million. By 1982, 4 years later, the cost was running at $12.5 million, two-thirds higher than expected. That is at least nearly twice as much as the rise of inflation during that period. The same thing has been true in the Army's UH-60A helicopter and the Air Force's Sparrow and Sidewinder air-to-air missiles.

In order to compensate for the failure of unit costs to decline as predicted, the Pentagon has been forced to buy fewer weapons, as the Senator from Iowa pointed out, than were originally planned or else to cut funds elsewhere, such as in spare parts and maintenance. This is a real tragedy of underpricing, Mr. President. Not only does it distort prudent and rational congressional decisionmaking on the defense budget, but it also hurts our national security by reducing our supply of needed weapons and depriving us of resources for operation and maintenance.

The most common causes of underpricing seem to be the "buy-in" syndrome, the idea of defense contractors submitting artificially low estimates of unit costs so they can buy into the system, so that they can win weapons contracts. Once they have won, costs inevitably rise.

The second cause of increasing costs is the Pentagon's frequent practice of changing the design of weapons. These alterations are expensive and also disrupt the production process, which itself tends to raise unit costs.

Mr. President, I commend the Senator from Iowa (Mr. GRASSLEY) for his work in bringing the problem of defense underpricing to the attention of the Senate and doing so in a forceful way. I have heard him talk about it a number of times in the Budget Committee and on the Senate floor as well. I also join him in his call for repricing of the defense budget. We simply must have more accurate information about the real costs of defense if we are going to make sound decisions about expenditures for our national security.

Mr. President, I should like to end by saying that there are examples on the other side as well. I hear endlessly from my friend and colleague who sits next to me on the floor of the Senate (Mr. COHEN) about the Bath Iron Works and how every ship that it makes comes in under the estimates that are made to the Defense Department. He talks about Yankee ingenuity and goes on and on as we sit in this Chamber. But if you can build a ship, which is certainly a most complex mechanism, and come in under costs and come in under estimates and make your estimates in an honest and forthright manner so that you can work within the confines of that estimate, so it should seem that you can do that throughout the whole defense budget.

I think the contention of the Senator from Maine that the constituents that he has in the Bath Iron Works are an example that can be followed throughout the entire defense budget is entirely correct. So I commend the Bath Iron Works and commend their Senator for continually bringing that to the attention of this Senator and other Senators who do not want the defense budget to be underpriced. We want it to be fairly priced. We want to provide the needs for the defense of this Nation. I am prepared to vote for that. But I also want to get a true bang for the buck as we do in Maine and as we should in the other 49 States as well.

Mr. HART. Mr. President, will the Senator from Minnesota yield briefly?

Mr. BOSCHWITZ. I yield briefly to the Senator from Colorado.

Mr. HART. Mr. President, I wish to associate myself with the remarks of the Senator from Minnesota in congratulating the Senator from Iowa, who has become one of the most constructive and thoughtful critics, if we may say so, of unnecessary spending.

In recent months, he has spoken as one of the Senate's most thoughtful individuals on the issue of the taxpayer receiving his or her dollars' worth in terms of national security.

I listened to his remarks here this morning in identifying the potential outyear procurement crisis and the drain that represents on other defense categories and accounts. I think he is absolutely on target. I urge him in his efforts to focus the attention of the Defense Department and our senior uniformed and civilian officers on the issues of defense.

I think his statement here this morning is a genuine contribution to a serious debate on defense policy.

Mr. BOSCHWITZ. I suppose I should turn to my colleague from Iowa, who is being lauded by his colleague from Colorado. I quite agree with the Senator's remarks.

Perhaps the Senator would like to join us on the amendment that the Senator from Iowa and I will introduce on the B-1.

Mr. GRASSLEY. I simply say, "Thank you" to my colleagues from Minnesota and Colorado. I appreciate their comments very much.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, which will not extend beyond 11 a.m., during which Senators may speak for 2 minutes each.

EXECUTIONS IN IRAN

Mr. PROXMIRE. Mr. President, undoubtedly the most horrible example of religious persecution was the Nazi genocide of European Jews. Worldwide reaction to the Holocaust led to a U.N. treaty which declared genocide an international crime. Oppression of religious minorities continues today, but for 34 years the Senate has failed to respond to this oppression. For 34 years the Senate has failed to ratify the Genocide Convention. Will we continue to ignore the plight of persecuted religious minorities throughout the world?

On June 16, six men were hanged in Shiraz, Iran. Two days later, 10 women, including 3 teenage girls, were also hanged in Shiraz. These Iranians had been summarily arrested, sentenced, and executed, solely because they were members of a religious minority within Iran. Despite great pressures, these Baha'is refused to recant their faith, thus forfeiting their lives.

On June 27, the Baha'i Washington Information Office held a press conference in response to the recent executions. The June executions marked the first time women had been the majority of those killed. The press conference focused on why Baha'i women pose such a challenge to the Khomeini regime.

Basic tenets of the Baha'i faith fly in the face of the traditional Islamic values. The Baha'i teachings of equality of the sexes and compulsory education for all have resulted in women achieving prominent positions within the Baha'i community. The Iranian Government's campaign to eliminate the Baha'i leadership has made Baha'i women targets of persecution.

Numbering over 300,000, the Baha'is constitute the largest religious minority in Iran. But unlike the Jewish, Christian, and Zoroastrian minorities, the Baha'is are denied recognition and protection under the Iranian Constitution. They are treated not as a religious group, but as a political group by the Iranian Government.

Initially, the charges brought against the Baha's were political—ranging from collaboration with the Pahlavi regime to being agents of Zionism. But a March 1981 decision of the Supreme Judicial Council signaled an ominous new development. The charges brought against two Baha'is included membership in a Baha'i administrative institution and participa-

tion in Baha'i activities. For the first time, membership in Baha'i institutions was officially recognized as a capital offense.

The Iranian regime's threatened eradication of the Baha'i community calls for the strongest condemnation possible. The United Nations, the European community, and various national parliaments have issued resolutions expressing their grave concern at the persecution of the Baha'is in Iran.

For over 200 years, the United States has championed the cause of oppressed minorities throughout the world. But to effectively protest gross violations of human rights, such as those occurring in Iran, we must put ourselves on record in condemnation of systematic mass murder.

Senate ratification of the Genocide Convention would solidify our human rights stance. I urge my colleagues to ratify this treaty.

WHY THE NEW YORK TIMES OPPOSES THE NUCLEAR FREEZE

Mr. PROXMIRE. Mr. President, in poll after poll, in State referendum after State referendum, a whopping majority of about three out of four Americans support this country working to negotiate a mutual, verifiable nuclear freeze with the Soviet Union.

A few days ago, I called the attention of the Senate to the 3-to-1 support of a nuclear freeze by members of the Foreign Policy Association—a group of 8,000 respondents who had spent months debating all sides of the issue in great detail. More recently, I read into the RECORD the reports that even the most conservative religious group in this country—the Evangelicals—also decisively support the nuclear freeze.

Like all major questions of governmental policy, the support for the nuclear freeze is not unanimous. And that does not surprise me. What does surprise me is that some of the best informed persons—persons who obviously yearn as deeply as any of us for peace—oppose the freeze. No. 1 in that category, in my book, has been the New York Times. What perplexes me about the New York Times position was that in spite of the fact that the nuclear arms race is the biggest issue of our age, the Times has not seemed to spend any significant effort spelling out just what bothers them about the freeze and why it is wrong. Finally, a few days ago, one of the major writers on the Times, Flora Lewis, a New York Times expert on foreign affairs, devoted a column to her objections to the nuclear freeze. Here are some of her objections.

First. A nuclear freeze is probably unattainable.

Second. A freeze would perpetuate a grave strategic error—the focus on multiple warheads.

Third. The freeze may lead to the extreme of unilateral disarmament.

But most of the Lewis opposition to the freeze relied on an excellent book recently published with a foreword by Derek Bok, the president of Harvard University, and the body written by six harvard scholars. The book is entitled "Living with nuclear weapons." I have already discussed this book several times on the floor of the Senate.

Flora Lewis relies on the Harvard book as her basis for the contention that a nuclear freeze leads to an unrealistic panacea and away from the hard, realistic, limited kind of arms control that she feels we must develop. Mr. President, after reading the Lewis column, I called Harvard University and talked to one of the scholars who wrote the Harvard book, Dr. Albert Carnesale.

Dr. Carnesale pointed out that the entire discussion of the wisdom of a nuclear freeze in his book took place on three pages. The Harvard book does indeed contend that a "comprehensive freeze," including the works—stopping all testing, all production, all employment—would take a great deal of time to negotiate and would massively raise the cost of arms control. Frankly, this old Scrooge of a Senator cannot think of a better way to spend money. But the book adds:

> It may be too easy to undercut a comprehensive freeze proposal by driving it to its maximum interpretation. Much of the public would be satisfied with far less than a total freeze. It might be possible to freeze the most destabilizing weapons first, followed by less dangerous weapons.

The section of the Harvard book on nuclear weapons that is devoted to the freeze concludes:

> Even if it appears unlikely that a total freeze will be negotiated, serious efforts to achieve partial freezes may offer a route to a less dangerous future.

Mr. President, no one has ever argued that negotiating and enforcing a nuclear freeze would be quick, easy, or cheap. It will not be. It should very likely be pursued in stages. But it should be pursued with all the vigor we can summon. Both the United States and the Soviet Union, as well as the rest of mankind, have too much to gain from stopping the nuclear arms race to permit us to fail to give this objective every bit of support we can. Yes, indeed, we should be careful and realistic along the way. But we have the people of this country behind us on this issue. We have the interests of our great potential adversary also squarely on the side of achieving a mutual, verifiable agreement. So we should get on with it.

Mr. President, I ask unanimous consent that the article from the New York Times by Flora Lewis and an excerpt from the book, "Living with Nuclear Weapons," by the Harvard Nuclear Study Group, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 11, 1983]

NO NEED TO BE GOOD

(By Flora Lewis)

The nuclear freeze debate has been of great value in reviving intense public interest in the atomic arms race. But it has gone about as far as it can go.

A mutual freeze is probably unattainable. A recent Soviet hint of interest included requiring Chinese, British and French acceptance. If the enormously complicated negotiations did start, they would be more likely to spur a rush for new arms before the deadline than to halt it.

Further, a freeze not only at present levels but with present types of weapons is not desirable. It would perpetuate a grave strategic error made when the U.S. decided to focus on multiple warhead missiles, and the Soviet Union followed in spades.

It would be more helpful at this stage to ban antisatellite weapons, which are not necessarily nuclear, because they could seriously threaten what mutal confidence exists that neither the U.S. nor the Soviet Union is about to launch an attack.

Satellite killers could leave one or both sides like enraged deaf and blind tigers, with their teeth and their roar intact. They can destroy what controls exist.

Still, the nuclear issue remains. The danger of pursuing the debate in its current public terms is utter frustration, just when citizens are coming to realize that something must be done and are willing to participate in the search for sound measures. Unless the argument moves to a more concrete, informed understanding of the nuclear age, people are likely to square off between the extremes of unilateral disarmament and renewed apathy; in effect, "let the leaders decide."

President Derek Bok of Harvard concluded last year that the universities have a responsibility to promote public education. He commissioned a book in which six scholars deliberately set out to share expertise with their fellow citizens, in a form interested laymen can absorb.

It is called "Living with Nuclear Weapons," and is published by Harvard University Press. While it does reach the clear conclusion that there is no foreseeable way to get rid of these weapons, as Prometheus could never undo his theft of fire for mankind, it is at last an effort to give the public the necessary tools for judging the questions at hand.

The goal is to move the debate to a new level that is "realistic with out being fatalistic," that can enable the citizen to reach about the same capacity for decision which political leaders gain by listening to advice from the few who know but often disagree. A virtue of the book is that it gives full weight to all the unknowns, making clear there is not and cannot be an escape from the multitude of uncertainties.

Each citizen is not only a target, the book points out. Each is also an actor in the fateful drama ahead. Each needs more than the instinct of revulsion to guide the nation and the world through the hazard passage to a more hopeful future.

The writers say certainty is not only unachievable, it is a formula for disaster. They reject both complacency and utopianism,

since greater safety will not come unless people act to attain it. But neither will it come if they require absolute wisdom from fallible humanity.

They quote T. S. Eliot on the foolishness of humans who "constantly try to escape / From the darkness outside and within / By dreaming of systems so perfect that no one will need to be good."

The whole point is that we do need to do better, and to manage our conflicts while we go about it. Jonathan Schell's essay on "The Fate of the Earth" vividly stirred awareness of what could happen if we fail. But, as the Harvard book says, the only solution he offered was to "reinvent politcs, reinvent the world." That is no solution at all because it isn't possible, and it impedes the effort for improvement that are possible.

This Harvard short course on the nuclear dilemma discusses the history of the weapons, the way successive generations were developed, the strategies of how deterrence can work and what must be planned in case of failure, the fuzzy question of what can be considered a balance, what kinds of weapons are stabilizing or destabilizing, what arms control can be expected to achieve.

Jargon and acronyms are translated into intelligible English in the text. Often, the layman's sense of impotence at sorting out nuclear issues is provoked by no more than the arcane vocabulary. Translation makes a big difference. Even more useful would be a glossary of technical, strategic and military terms used by insiders. It is to be hoped Harvard will go on to produce one for ready reference.

A manual, or a syllabus, to enable groups of concerned people to organize their own study sessions of just what the nuclear age is about would also help. It is not enough to hate the bomb, or hate the foe, or both. The need now is to proceed from emotion to information on the actual issues.

Harvard has performed a service. The next step requires individual efforts by citizens to equip themselves to use their democratic right of decision by using their freedom to gain knowledge. It is a promising challenge.

EXCERPT

Freezes. Freezes present much the same verification problems as reduction schemes; therefore, the two approaches have much in common. SALT II was primarily a partial freeze agreement and the most time-consuming part of its negotiation was that relating to verification. In the current discussion of freezes, the importance of reaching an agreement in relatively short time has stimulated some to propose that what is initially frozen be simply the items covered in previous negotiations. This would include the strategic launchers of SALT II, a nuclear test ban, and possibly a ban on anti-satellite weapons.

Another approach lies in taking the SALT II agreement as the starting point and modifying it to prohibit the deployment of the one new ballistic missile it allowed to each side, to carry out reductions over a number of years until 50% reductions have been achieved, to halt the deployment of all cruise missiles and Pershing II missiles in return for the elimination of the Soviet SS-4s, SS-5s, and SS-20s. This is a hybrid proposal, about half a freeze and half a reduction scheme.

The real challenge comes in finding ways to meet the demanding requirements of those freezes that have produced such large public followings: to freeze the production, testings, and deployment of all nuclear weapons systems on the two sides in a verifiable manner and to negotiate this quickly enough to have a decisive role in bringing the arms race to a stop. Consider what this involves. It means devising and then negotiating verification procedures for weapons production, and the development, testing, production, and deployment of nearly a hundred kinds of weapons and delivery systems that make up the offensive and defensive forces at the strategic, intermediate, and battlefield levels on both sides. If stability is to be maintained in the long run, one would also have to freeze countermeasures to these weapons such as anti-submarine warfare capabilities and air defenses. And then for each weapon system one must decide what is to be allowed with respect to maintenance and modernization. Are replacements to be allowed? If so, can they be improved versions of the same weapons systems? What if the original factories and components no longer exist? How much improvement is to be allowed?

A comprehensive freeze or comprehensive reductions would require extensive and elaborate negotiations. Unless the arms control budgets of the superpowers were raised a hundredfold or more and many teams negotiated simultaneously and were convinced that both nations wanted this kind of agreement, one cannot imagine such agreements being negotiated in a few years. This is the challenge presented by those who advocate a negotiated comprehensive freeze or a comprehensive reduction regime.

It may be too easy, however, to undercut a comprehensive freeze proposal by driving it to its maximum interpretation. Much of the public would be satisfied with far less than a total freeze. It might be possible to freeze the most destabilizing weapons first, followed by less dangerous weapons. The verification problems for less than total freezes might be less difficult. And total bans of some new weapons may be simpler to verify than limits because only one sighting would be sufficient to prove a violation. However, in the end there would undoubtedly remain some systems that would require special verification measures inside the other country; such requirement would have to be met if the freeze were to be truly comprehensive.

There is a conflict, moreover, between two strongly held points of view among those concerned with these nuclear issues. One group wants a freeze to stop all technology and development as completely as possible. Others see a danger of disassembling the whole nuclear weapons research and development and production establishment. These people would see virtue in allowing certain developments to proceed in order to allow less vulnerable and more stable weapons to replace existing systems. For example, a freeze in 1959 would have stopped deployment of our invulnerable Polaris submarine-based missiles, and that would have made the 1960s less safe. On the other hand, a freeze in 1969 would have avoided the instability that was caused by the introduction of multiple independently targeted re-entry vehicles (MIRVs) on missiles in the 1970s.

It is an open question whether a freeze today would enhance crisis stability or not. Some threatening systems would be stopped, but a freeze could also prevent such developments as a new small single-warhead land-based missile that many experts believe is the best way to remedy the current problems created by MIRVs. Clearly there is a strong case for discriminating restraints on weapons technology rather than a total freeze.

One such limited freeze is a cap on the number of nuclear warheads—each side now deploys roughly 11,000 on systems with ranges over 1,000 miles—requriing that any warhead added to the two arsenals be compensated by at least an equal number withdrawn. This would be consistent with the simplicity that is the great virtue of the freeze idea. It leads to a simple relevant list of what is to be frozen (strategic warheads); it might be quickly negotiated; and it would be verifiable by the already negotiated SALT rules and procedures being observed by both sides, coupled with negotiated procedures to verify warheads on cruise missiles and intermediate-range missiles. This would avoid the potentially dangerous approach of freezing the modernization of certain forces while letting their counter-measures run free. Moreover, it would lead quickly to more complex arms control negotiations without reducing Soviet incentives to bargain.

Freezes produce public enthusiasm, and if and when alternative schemes of arms control are devised, they may well have to meet this test of eliciting strong public support to ensure ratification. Even if it appears unlikely that a total freeze will be negotiated, serious efforts to achieve various partial freezes may offer a route to a less dangerous future.

RENEE MARIE KEEBLE

Mr. MATTINGLY. Mr. President, this morning in Atlanta Renee Marie Keeble made her arrival in this world. Now I do not celebrate individually the birth of every Georgia baby. But this is a special case. This is the first grandchild of my Chief of Staff Bill Stewart. From this memorable day, July 15, 1983, forward, whenever I have a meeting with the Gray Panthers or the American Association of Retired Persons and they demand to know what I am doing for the elderly, I can have Bill dodder into the room as proof of my belief in hiring grandpops and seeing that they continue meaningful lives.

So let me extend my congratulations to Beth and John Keeble on the birth of their beautiful daughter. She has already brought joy to her parents, to this Senator, and to at least one old man and his dear wife, Clara, two people that I count among my dearest friends.

SENATOR LEN B. JORDAN OF IDAHO

Mr. JACKSON. Mr. President, on June 30, a former colleague and friend, Senator Len B. Jordan of Idaho, passed away in Boise. He will be missed by those of us who served with him in this body.

Mr. Jordan was appointed to the Senate in 1962 following the death of Senator Dworshak. He was elected in his own right later that year and was reelected to a full term in 1966.

Before then, Mr. Jordan served as Governor of Idaho from 1950 to 1954 and in the State legislature in the late 1940's. Following his term as Governor, President Eisenhower appointed him to head the U.S. delegation to the International Joint Commission during which time he helped negotiate agreements with Canada for the St. Lawrence Seaway, the Columbia River Basin Treaty Compact, and the Libby Dam.

During his decade of service in the U.S. Senate, Senator Jordan was a member of the Interior and Insular Affairs Committee which I chaired during that period. I consider it a privilege and an honor to have served with him on the committee and to have enjoyed 10 years of personal and professional association.

Senator Jordan made many significant contributions to the water resource, public lands, and recreational policies of the Nation in connection with his service on the committee and in the Senate. I especially remember the critical, and indeed decisive, role he played during the deliberations of the conference committee in 1968 that led to the prohibition of the diversion of Columbia and Snake Rivers water.

He will always be remembered by those of us who served with him as a man of his word; a man of great integrity; and a man of quiet wisdom and simple dignity. Len Jordan's career demonstrated an unswerving and fundamental commitment to commonsense and to public service for the Nation and the people of Idaho.

Len Jordan was a member of the Republican Party—which was the minority party all during his years of service in this body. But he recognized that the way to get things done was to put aside petty partisanship. Indeed, his Democratic colleague from Idaho, former Senator Frank Church, called their relationship an effective partnership. Senator Church said of his colleague, "We have been able to find common ground and this has yielded terrific dividends for Idaho." And that is the kind of Senator that was Len Jordan. He was more interested in accomplishments and action than politics.

On behalf of his many friends and colleagues in the Senate, I extend my condolences to his widow, Grace, his family, and his friends during this difficult time. They can be proud that Len Jordan's character and actions brought honor to the U.S. Senate and benefited the people of Idaho and this Nation.

THE 50TH ANNIVERSARY OF GRAND COULEE DAM CONSTRUCTION

Mr. JACKSON. Mr. President, tomorrow—July 16, 1983, is a historic day in my State and, indeed, for the entire Nation. Tomorrow marks the 50th anniversary since the first shovel of dirt was turned beginning construction of the world's greatest hydroelectric project, the Grand Coulee Dam, on the Columbia River in my home State of Washington.

For years after the beginning of this century, just the thought of attempting to construct a dam of such magnitude was viewed by many as an impractical dream of wishful thinkers.

In the 1920's President Hoover opposed the project saying it would be wasteful and that the thousands and thousands of acres that could be irrigated for agricultural use were not needed by the Nation. Later, Franklin Roosevelt made the Grand Coulee Dam proposal a major campaign issue and, after his election in 1932, the dam project became a cornerstone of his public works program.

President Roosevelt was joined by some of Washington State's greatest leaders, people like Senator C. C. Dill, James O'Sullivan, Governor Martin, and Rufus Woods.

Their vision proved the skeptics wrong even before construction was completed. The project, begun at the height of the Great Depression, provided an economic boom to eastern Washington and provided thousands of badly needed jobs. When the war broke out, construction was speeded up in order to provide power to the shipbuilding, aerospace, and aluminum industries and, later, for the atomic project at Hanford.

Today, Grand Coulee stands as the centerpiece of the Northwest's tremendous hydroelectric system—the greatest in the world. The dam stands as a monument to the engineering and construction effort that made it possible. For the Nation, Grand Coulee Dam should serve as a symbol of what can be accomplished when good, sensible people work together and believe in themselves.

It is a great pleasure for me to share with my colleagues several newspaper articles which have appeared in eastern Washington publications in recent weeks. I ask unanimous consent that the articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Seattle Post-Intelligencer, July 10, 1983]

FIFTY GLORIOUS YEARS FOR DAM

(By Dick Moody)

("It's 92 miles northwest of Spokane, there you will see her—Grand Coulee Dam. "Woodwork and steel, cement and sand, biggest thing built by the hand of man. "Power that sings, boys, turbines that whine, waters back up to the Canadian line."—Woody Guthrie, "Grand Coulee Dam.")

Grand Coulee—"Biggest thing built by the hand of man."

If only Woody Guthrie could see Grand Coulee Dam now, and see what it has done, directly and indirectly, to affect Washington and the Pacific Northwest.

Then he would know what an understatement he penned in that ballad.

Grand Coulee Dam is more than big.

It's an institution, responsible for economic, lifestyle and political trends that reach beyond Washington.

Fifty years ago this coming Saturday the first shovel of dirt for the dam was turned for what was to become a cornerstone of Democratic President Franklin Roosevelt's Depression-era Public Works Administration program.

The event will be commemorated by a weekend of activities culminated by a program dominated by politicians—this time Republican—led by Secretary of Interior James Watt.

With a backdrop of water flowing over the dam's spillgates, those politicians will pay homage to the men of the early 1900s who were instrumental in planning and fighting for Grand Coulee.

They fought for a dam that, perhaps more than any structure in the state, changed the region.

It transformed a desert into the breadbasket of the Pacific Northwest.

It created vast recreational areas with the creation of Lake Roosevelt and other waterways of the Columbia Basin Project.

It provides hydroelectric power that is the backbone of the Bonneville Power Administration's West Coast transmission grid.

Grand Coulee Dam, in more ways than electricity, represents power.

Before William M. "Billy" Clapp, an Ephrata lawyer with a background as a Michigan contractor, envisioned the dam in the early 1900s about the only crops grown were dryland grains. Because of sparse rainfall in that section of Eastern Washington, it took huge acreages to produce yields necessary to sustain a family business.

Now the Columbia Basin Project brings in crops with annual values in the hundreds of millions of dollars.

Last year the Columbia Basin Project's crop value of $289.1 million accounted for 14.6 percent of all Washington agrilcultural products. Instead of dryland cereal grains, basin farmers produced 35 commercial crops ranging from seed crops to orchards to spearmint.

Since the delivery of water to the first Columbia Basin Project farm in 1948, crop values have exceeded $2 billion.

And as the world population grows, international experts are realizing how much food from places like the Columbia Basin will be needed.

The United Nations, in a 1981 report, estimated that 80 percent of the world's population will live in underdeveloped nations by the start of the next century.

Experts like Don Rawlins, director of the American Farm Bureau Federation's Natural and Environmental Division at Park Ridge, Ill., at that time said, "There is no question that as the need for food becomes greater, we will have to look to areas like the Columbia Basin that have proven they can support diversified crops and have the adequate water supply."

Without Grand Coulee Dam there would be no adequate water supply.

That supply, coming from the Columbia River which is less susceptible to drought than other Northwest rivers because its source is Canadian ice flows and not just annual snowfall, also guarantees power.

Cheap hydroelectric power has been a commercial and individual attraction for the Pacific Northwest.

Grand Coulee Dam, the world's largest hydroelectric plant—a title it will retain through this decade until a larger dam in South America begins operating—has been the magnet of that attraction.

It's almost impossible to imagine the power of the Columbia river harnessed by Grand Coulee Dam.

The right and left power plants contain a total of eighteen 125,000 kilowatt units, nine in each power plant. Three small 10,000 kilowatt units in the left powerhouse up the total from the two plants to 2,280,000 kilowatts.

The third powerhouse, to be dedicated Saturday, has six units. The first three are rated at 600,000 kilowatts each and the last three, the largest in the world, are rated at 700,000 kilowatts each. The third powerhouse alone provides 3.9 million kilowatts of power.

The pump-generating plant now nearing completion is designed to pump water to the Columbia Basin Project. In times of peak power need the flow can be reversed, generating 314,000 kilowatts.

Total generating capacity: 6,494,000 kilowatts.

By comparison, Seattle's total electrical demand—averaging 1,000,000 kilowatts—can be met with just two of the largest third powerhouse units.

Last year the total federal power generation in the Pacific Northwest was 96.1 billion kilowatt hours. Of that 90.5 billion kilowatt hours was hydroelectric power. Grand Coulee, with 23 billion kilowatt hours produced, accounted for 23.9 percent of all power and 25.4 percent of all hydro power produced by federal facilities in the region.

Grand Coulee's power has also etched itself in the history of the nation's politics.

Leading that fight was U.S. Sen. Clarence C. Dill, a Democrat from Spokane, who used a parliamentary maneuver to authorize the federal study that eventually led to building Grand Coulee Dam.

He fought unsuccessfully for a study of Eastern Washington irrigation schemes. Losing that floor battle he had another senator author an amendment for an appropriation to the study of the Columbia River—with no mention of Grand Coulee Dam—into the 1926 Rivers and Harbors bill.

That allowed the Army Corps of Engineers to do a three-year study costing $316,441, that concluded, "The pumping plan of placing water on the project is altogether feasible, both from an economic and an engineering viewpoint."

Dill tried to convince Republican President Herbert Hoover of the project, but Hoover, in a 1932 message to Congress said, "We do not need further additions to our agricultural lands at present. Additional agricultural production, except such marginal expansion as present projects warrant, is unadvisable."

Dill next turned to Roosevelt, then a presidential candidate, who a few weeks after election included Grand Coulee Dam in his new Public Works Administration Program.

It was called a boondoggle by doubters when work started, but its timing was crucial for a then unforeseen era. The first power units went in service on March 22, 1941, just nine months before the United States was thrust into World War II. On Dec. 31 of that year the main structure was completed. The first water spilled over the completed spillway on June 1, 1942.

Demand for wartime power sidetracked the main reason for the dam's construction, irrigation.

The war, however, also provided veterans' benefits that later attracted servicemen to the Columbia Basin to take up farming. Many didn't last. But the ones who did helped transform the desert to the multipurpose federal reclamation project that irrigates 543,930 of the 1,095,000 acres that Congress authorized for development.

As the project enters it second half century, it is beginning development on its second half million acres.

Rufus Woods, former Wenatchee World newspaper publisher, wrote the first story about Grand Coulee Dam on June 18, 1918 and was one of the strongest supporters.

One August day in 1930, standing on the basalt bluffs of the "Big Bend" he told a young reporter, "One of these days, this desert will bloom like Eden.

"All we need is a big slab of concrete across that river,"

Woods got his concrete slab, and its called Grand Coulee Dam. . . .

"Woodwork and steel, cement and sand, biggest thing built by the hand of man."

[From the Tri-City Herald, July 10, 1983]

THE GRAND COULEE

(By Bob Woehler)

The fathers of Grand Coulee Dam didn't have such a song in mind when, on a hot July day in 1918, Ephrata attorney Billy Clapp explained to Wenatchee Daily World publisher Rufus Woods an idea about a big dam across the Columbia River.

It was the start of a 20-year battle to bring about what has been called one of man's greatest engineering achievements.

The struggle was led by such men as Clapp, Woods, Nat Washington, Frank Bell, Ed Southard, Jack Simpson, Rep. Charles H. Leavy, U.S. Sen. C.C. Dill, U.S. Rep. Sam B. Hill and Gale Matthews.

But the dam's staunchest supporter was James O' Sullivan, an Ephrata attorney who would come to be called the father of Grand Coulee Dam.

These were the "Ephrata Gang" or the "pumper," who favored irrigating the Columbia Basin by building a dam across the Columbia at Grand Coulee and pumping from there to irrigate a million acres in the Basin.

They were under-financed and not particularly well-connected.

Their opponents were a Spokane group headed by Roy Gill and James A. Ford, backed by the Washington Water Power Co. and the Spokesman Review, the largest newspaper in Eastern Washington.

The Spokane group favored running a canal from Lake Pend Oreille through Spokane and then to the Columbia Basin via Davenport and Odessa.

They became know as the "gravity supporters," and were well financed and politically powerful.

In George Sundbrog's book *"Hail Columbia,"* about the 30-year struggle for Grand Coulee Dam O'Sullivan is quoted as saying, "You know, I kind of enjoyed fighting those fellows in Spokane. They were smart and powerful and they had money, but basically they didn't have a good project.

"A little bunch of paupers down there in the sagebrush, with no money and no influence, but with a really good project to promote, licked them to a frazzle."

The issue of Grand Coulee Dam wasn't just a backyard dispute and became a topic for national debate.

Eastern congressmen called the project a colossal waste of the taxpayers' money.

Even in Olympia the Legislature in the 1920s was reluctant to spend any money on the idea.

Gov. Roland H. Harley, an Everett lumberman, was unsympathetic to the proposition of spending money to create new farm land in the state.

The Washington State Grange also was cool to the idea at first until it was convinced that cheap power would help farmers. Eventually, the Grange became one of the dam's strongest supporters.

Before the dam was completed there was an all-out battle between private and public power, an issue that led to the public utility districts of today.

When Franklin D. Roosevelt campaigned for the presidency in 1932, he made the dam a campaign issue.

The dam would mean jobs for a nation hit hard by the Depression, Roosevelt told hungry voters.

Eventually it did provide jobs for 7,455 people at the peak of construction in the late 1930s.

When completed, just after the start of World War II, Grand Coulee Dam was one of the region's main sources of electricity for shipyards, aluminum plants and airplane factories.

And it played a part in providing power for the Hanford Atomic Works.

The history of the dam is a saga that stretches from the back porch of a struggling dryland wheat farm near Othello to the steps of the White House.

Mrs. R. L. Lathim, Kahlotus, who grew up on that Othello wheat farm, remembers when congressmen of the House Committee on Irrigation and Reclamation toured the Basin on a hot July day in 1931.

Her mother Lucy M. Schoenrock was an early supporter of the irrigation project.

"The party was supposed to stop at our place to look at a typical farm that could be helped with reclamation and they arrived early for the lemonade we were supposed to serve them," Mrs. Lathim said.

"I recall being in the kitchen squeezing lemons and Sen. Dill came in and helped me," she said.

The struggle for the dam brought the high and mighty to Eastern Washington. President Roosevelt visited the dam twice, President Truman once.

The dam idea was reported in the Washington Post and the Christian Science Monitor.

But the press was not all good.

Business Week said "The Grand Coulee Dam is no more useful than the pyramids."

Those who said the dam never would pay for itself didn't live long enough to see how wrong they were.

According to the Bureau of Reclamation the dam has produced power with a wholesale value of $1.7 billion against a cost of $240 millon for the original powerhouse and dam. Even if you add the $650 million in the 1980s for the third powerhouse, it's still a bargain.

National farm organizations lined up against the dam and the Columbia Basin Project it would irrigate. Such groups as the American Farm Bureau, the National Farmers Organization and the Chamber of Commerce of the United States all claimed, "It was a waste of money to build a dam whose power would serve only jackrabbits."

But the idea of a great dam built where glaciers had once dammed the river caught

the fancy of many from the time that Woods ran his first story in 1918.

And it prompted a continual game of "one upmanship" between the Ephrata pumpers and the Spokane gravity groups.

On one occasion, the Spokane group gathered together 1,500 people at a meeting in Lind to welcome a special House Appropriations Committee, the group holding the purse strings for construction funds.

But the next day O'Sullivan, not to be outdone, managed to muster 10,000 people for a picnic at Park Lake in the Dry Falls area in a show of support to the same House subcommittee for their project.

On another occasion, Spokane invited Maj. General George W. Goethals, the builder of the Panama Canal, to the state to investigate the feasibilty of irrigating the Columbia Basin using the gravity plan, thinking with his support they could get needed national attention.

Sundborg quoted a 1922 editorial from the Spokesman Review that said it was "confident that Gen. Goethals will dismiss as unworthy of consideration (the) fantastic proposal the state abandon the Pend Oreille gravity plan of the Columbia Basin Project and turn its attention to the search for a dam site at the mouth of the Grand Coulee."

However, a visit to the dam site was included in the famous general's itinerary.

And later, in his report, Goethals said the dam could be built, though he added there was little likelihood the power could ever be sold.

Eventually he came out in favor of the gravity project backed by the Spokane group and went on to say the Pend Oreille diversion was as important to the nation as the Panama Canal.

Goethals' report buried the Grand Coulee Dam idea for seven years from 1922 to 1929, Sundborg wrote.

During this time, Washington Water Power applied for a permit to build a dam at Kettle Falls on the Columbia River which would have killed the Grand Coulee Dam project.

All was quiet from the dam supporters until 1928 when President Calvin Coolidge ordered the Secretary of Interior to investigate the possibility of the Columbia Basin Project and to find the best source for water.

At the same time, the Federal Power Commission asked for a report on all feasible power projects on navigable rivers in the country and their estimated costs.

O'Sullivan, who had left for Michigan during the mid-1920s, returned to Ephrata in 1928 and once again the Grand Coulee Dam supporters sprang into action with Woods, Clapp and O'Sullivan leading the charge.

Maj. John Butler, the Seattle district federal engineer, was assigned the task of surveying the Columbia for potential power sites.

He was to investigate gravity against pumping, high dam vs. low dam.

The "smart money" was riding on the Spokane gravity plan.

Maj. Butler's monumental report finally came out in August 1931 in favor of the dam, saying the power could help pay the costs of irrigation development.

"It was a great day for the Irish," wrote Sundborg.

In Olympia, with new Gov. Clarence T. Martin at the helm, it was full-speed ahead for the dam and irrigation project.

The Legislature established the Columbia Basin Commission to help push for the project's completion and O'Sullivan was appointed its first secretary.

The commission's headquarters was in Spokane, the heart of the gravity supporters territory.

Gov. Martin was on hand July 16, 1933, along with Sen. Dill when the first shovelful of earth was turned.

Watching were O'Sullivan, Woods, Clapp and thousands of others.

But O'Sullivan did more than watch and was soon writing letters to utility companies, federal agencies, the newspapers and equipment manufacturers, seeking additional information on the many problems involved in building a dam, installing power plants and selling energy.

It was his untiring efforts that eventually paidoff.

Even with the dam under way and President Roosevelt authorizing $63 million for the job, the task was not done.

More money would be needed if the high dam was to be finished.

Sen. Dill, Rep. Leavy and later Sen. Warren G. Magnuson called on O'Sullivan to lead the lobbying effort in Washington, D.C. to get money for the dam.

"Jim always had the facts and figures and could convince even the toughest skeptics," Rep. Leavy said.

O'Sullivan turned his efforts to helping create the irrigation districts after the dam was well under way and was the first secretary manager on the Quincy-Columbia Basin Irrigation District.

The first power from the dam came on March 22, 1941.

Secretary of Interior Harold Ickes said a few years later, during the height of the war, that Grand Coulee Dam, once called Roosevelt's folly, turned out to be the government's best investment.

On Sept. 27, 1947, the big dam's strongest supporter was honored when another dam, that created Potholes Reservoir, was officially dedicated as O'Sullivan Dam.

A mix of dignitaries and common folk and even some of O'Sullivan's old opponents from Spokane were on hand to pay him tribute.

Few attending knew, however, that O'Sullivan was ill.

He died Feb. 15, 1949 in Spokane, one year to soon to see the first water put on the Columbia Basin Project at Pasco, water pumped from "the big" Grand Coulee Dam.

[From the Yakima Herald-Republic, July 10, 1983]

ELECTRICITY TURNS ON PROSPERITY

(By Peter Menzies)

In the early 1930s—a decade before the Grand Coulee Dam churned out its first kilowatt—the vision of a massive hydroelectric plant set in the desert of the Columbia Basin struck many as pure idiocy.

Michigan Congressman Roy O. Woodruff lambasted the proposed dam and powerplant as a "tragedy."

In an editorial of the day, the Bellingham Herald was awed not so much by the scope of the huge project, but by the "magnitude of its folly."

Of similar persuasion was New York Congressman Francis Culkin.

"The proposition of the Grand Coulee in my judgement is the most collosal fraud in the history of America," Culkin said. In the congressman's estimation, the Columbia Basin was "a vast area of gloomy tablelands interspersed with deep gullies" populated by "rattlesnakes, coyotes and rabbits."

"There is no market for the power and will not be for many years to come," Culkin said.

But the people of the Columbia Basin were unbowed. They envisioned the project transforming Central Washington into fertile farmland. And President Franklin Roosevelt saw the project as an opportunity to put thousands of Depression-era Americans back to work.

Back then, the generation of hydroelectric power was seen as a mere byproduct of the dam—a way to supply power for irrigating up to a million acres in the Columbia Basin and a means to paying off the cost of building the dam.

But today, 42 years after the first 108,000-kilowatt generator was fired up, the Grand Coulee is the largest supplier of hydroelectric power in the world.

Its three powerplants—the third came on line in 1980—have a capacity of 6.4 million kilowatts. (Currently, the second largest hydroelectric plant, the Krasnoyarsk in the USSR, has a capacity of 6 million kilowatts. The Itaipu dam in Brazil and Paraguay is expected to supercede both in capacity soon.)

Last year, the $1 billion dam-and-powerplant complex at Grande Coulee kicked out more than 23 billion kilowatt-hours—enough to meet all the electrical needs of the greater Yakima metropolitan area for the next 18 years.

But the full measure of the Coulee powerplant and its impact on the Northwest can't be taken in kilowatts.

The Grand Coulee and the complex of hydroelectric dams that have since sprung up along the Columbia River and its tributaries have helped shape not only the economy of the Columbia Basin, but the entire Northwest.

"The Grand Coulee was a triggering influence," says Gus Norwood, author of "Columbia River Power: For the People." "The construction of the Coulee dam alone was a tremendous influence in this region. It gave people hope. It helped the Northwest join the rest of the nation in a reasonably healthy growth."

The Grand Coulee and other Columbia River dams—the Grand Coulee was completed several years after the Booneville Dam came on in 1938—ushered in a new era of cheap electric power.

And the availability of that power transformed the Northwest economy "practically overnight," Norwood says.

The region had been an extractive economy dependent on mining, agriculture, forestry and fishing—all industries characterized by broad seasonal swings in employment, all susceptible to depressions, Norwood says.

"The saying was 'when the nation sneezed, the Northwest got pneumonia,'" Norwood says.

Then, in the early 1940s, came hydroelectric power from the Grand Coulee Dam, huge amounts of it. And it came at the onset of World War II, just as President Roosevelt was gearing the nation up to become the Arsenal of Democracy.

"The major development in the Northwest was the bringing of certain industries here as a result of World War II," says Sam Moment, a former economist with the Bonneville Power Administration.

President Roosevelt wanted planes and ships built, and that required aluminum, and aluminum requires huge quantities of power.

And as the Northwest had plenty of untapped electricity, the federal government rapidly moved in here, building along with Alcoa several aluminum plants in the region.

The impact was dramatic. In 1940, the Northwest produced a mere 2 percent of the nation's aluminium. Within a year, the region accounted for 22 percent of that production, and by 1945, a whopping 41 percent, says Paul Spies, a BPA economist.

Another industry that came to the region during the war was the atomic industry.

Attracted by the area's remoteness and the availability of huge amounts of electricity, the government built a secret atomics plant at Hanford in 1943.

The plant's purpose: to turn nonfissionable uranium 238 into fissionable plutonium—the stuff of atomic bombs.

And the making of plutonium, by bombarding the uranium with nuetrons, is a process that requires more electricity than even the manufacturing of aluminum, according to Allen Cullen, author of "Rivers in Harness."

Says Moment, "It was Coulee power that helped build the atomic bomb."

The aluminum and atomic industries, given birth by the availability of huge amounts of power here and the coming of World War II, have continued to expand, providing a tremendous impetus for the growth of the region's entire economy.

"The broader consequences (of Coulee) were that each industry it gave birth to supported a number of other jobs—a multiplier effect," Moment says.

Since the early 1940s, the region's population has more than doubled, from 3.5 million to about 7 million.

"That overall growth is above the national average," Norwood says. "During the 1940s, a million people came here. It was extraordinary."

And today, the economic impact of aluminum industry is still broadly felt.

Its 10 plants, owned by six different companies, make about a third of the nation's aluminum, employ some 12,000 highly-paid workers and directly pump about $1.5 billion into the region annually, Brent Wilcox of the Northwestern Aluminum Producers trade association says.

But even with the growth of the Northwest and the increased demand for electricity, the Grand Coulee still remains a giant among the region's power suppliers.

The plant provides about a third of the electricity generated by the 30 federal hydroelectric plants along the mighty Columbia River system. Those 30 dams in turn, whose power is marketed by the BPA, account for almost half the total power needs of the Northwest, BPA officials say.

And despite recent increases in the cost of power here (about 600 percent since the late 1970s) brought on in part by the failures of the Washington Public Power Supply System, the region still continues to enjoy cheap power.

Ed Mosey, a BPA spokesman, says Northwest consumers pay about 3 cents per kilowatt, still well below the national average of 6.8 cents.

Underscoring that cost advantage is a recent nationwide survey comparing the June rates of 60 utilities across the nation conducted by the Jacksonville (Fla.) Electric Authority.

Results: consumers of Seattle-City-Light electricity paid the least—$20.82 for 1000 kilowatt-hours; Con-Edison consumers shelled out the most $142.83.

And the outlook for rates in the Northwest, according to the BPA, is favorable. Ed Mosey says increases over the next decade should match inflation, not exceed it.

"Our projections are that rate increases are stablizing," he says. "Almost all of the WPPSS costs are already in our rates."

Norwood shares that appraisal.

"I think electricity prices will probably come in at or under inflation over the next 20 years. We have seen the big surge in prices," he says.

And continuing to contribute to that cheap power supply will be the Columbia Basin hydro-plants and the granddaddy of them all, the Grand Coulee.

"By and large this is a damn good hydro system. Not a single one will be out of commission after 40 years," Norwood says. "There's no reason the Grand Coulee, can't be here 500, a 1,000 years, from now."

TAXES

Mr. BAUCUS. Mr. President, during the past few months, two legislative events have had an especially significant impact on tax policy. First, Congress passed a budget requiring substantial revenue increases. Second, the Senate rejected a proposal to cap the third phase of the scheduled 3-year tax cut, a proposal that would have raised substantial revenue without disrupting economic recovery or imposing unfair tax burdens.

Now, it is possible that Congress will pass an omnibus tax bill. As a result, many Congressmen, interest group representatives, and tax experts have been describing revenue-raising options, ranging from establishing a consumption tax to limiting various tax expenditures. Some of these ideas probably have merit.

But we must proceed cautiously. We must avoid making premature changes that could have serious unforseen effects. Otherwise, we risk doing more harm than good.

Let me give two examples, each important to my State.

ESTATE TAXES

The first example is the estate tax. Ever since the estate tax was enacted in 1916, estates whose value falls below a certain amount have been exempt from it. Over the years, inflation ate away at the exemption, making it worth less and less. To correct this, in 1981 Congress enacted a gradual increase in the exempt amount, raising it from about $170,000 in 1981 to about $600,000 by 1986.

Recently, some people have proposed"freezing" the exempt amount at its current level—$275,000. This kind of freeze may sound relatively harmless. But it could have serious consequences for America's farmers, who frequently need large holdings to earn even modest incomes.

To put the exempt amount in perspective, a farmer would need 1,100 acres of $250-acre land to reach the current $275,000 exempt amount; in Montana, where the average family earns less than the national average, an average farm has 2,588 acres and the average acre is worth $254. To look at it another way, by 1988, a farm worth $500,000 would be subject to no estate tax under current law but to a $76,500 estate tax under the freeze. Thus, the freeze would impose significant burdens on even average-sized farms.

What is more, a freeze could not come at a worse time. America's farmers are reeling from the impact of high interest rates, the overvalued dollar, and giant worldwide commodity surpluses; last year, the average farm income in Montana was $32. A freeze might prevent some young farmers, taking over family farms, from fully recovering from the long, hard farm economy recession.

TIMBER CAPITAL GAINS

The second example is the capital gains treatment of timber. In 1943, Congress determined that the application of the tax rules then in effect "discriminated against taxpayers who dispose of timber by cutting it as compared with those who sell timber outright." (See S. Rept. 627, 78th Cong., 1st sess. 1 (1943)). To reduce this discrimination, Congress enacted what is now section 631 of the code, which provides that, in certain cases, income from the sale of standing timber may be taxed at capital gains rates, whether sold outright, harvested by the owner, or sold under a cutting contract.

Recently, some people have proposed repealing section 631. Repeal may sound relatively harmless, but it could have serious consequences for America's timbermen, the Nation's timber supply, and the availability of housing and countless other timber products.

Timber is very different from most other products or crops. It takes many, many years—in Montana, sometimes more than 100—to produce and harvest. Capital gains treatment compensates for this long growing cycle.

To the extent section 631 provides a special incentive to timber growing, it is one that has worked well. Statistics show that, after timber capital gains treatment was enacted, reforestation of timber resources increased dramatically; if timber capital gains treatment is repealed, reforestation might decline dramatically.

What is more, repeal would hurt an industry still smarting from the combined effects of high interest rates, worldwide recession, and unfair foreign imports. Indeed, it is hard to imagine any industry harder hit by recession than the timber industry. Today, the timber industry unemployment rate remains over 17 percent.

As we analyze where increased tax burdens should be imposed, it seems to me that we should be reluctant to

impose them on industries, such as the timber industry, that have already borne so many burdens during the recession.

CONCLUSION

Mr. President, the old saying "look before you leap" may apply to tax policy now. There is a tendency to look favorably at any proposal that raises revenue. But if we raise revenue, we must do so in the fairest possible way.

For my part, I will work hard to see that whatever bill passes does not unintentionally do more harm than good, especially regarding important issues like estate taxes and timber taxation.

THE SELECTION OF SENATOR WILLIAM S. COHEN AS THE 1983 WINNER OF THE L. MENDEL RIVERS AWARD FROM THE NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. TOWER. Mr. President, as a past recipient of the Non-Commissioned Officers Association's L. Mendel Rivers Award, and a member of that association, I am especially pleased that I have been asked to announce this year's selectee for that prestigious award. I am further delighted that this year's award winner is Senator BILL COHEN, one of our colleagues and a member of the Committee on Armed Services.

This important award is named in honor of the late L. Mendel Rivers of South Carolina, who was the chairman of the Armed Services Committee of the House of Representatives until his untimely death in 1970. Representative Rivers played a major role in bringing the recognition of the Congress to those whom he dearly loved—the men and women servicing in the Armed Forces of this great country. That love was not a one-way street and Mendel Rivers continues to be revered by service members, past and present.

In creating the L. Mendel Rivers Award, the NCOA agreed that it should be presented to a legislator who, in the opinion of the leader of the association, closely followed the ideals perpetuated by Congressman Rivers. These ideals included love of country, a dedication to the defense of its people, and a devotion to the well-being of the men and women who serve in the uniform of this country. The Members of the Senate who have been so honored in the past include our President pro tem, the Honorable STROM THURMOND, and my colleagues, the Honorable BOB DOLE, and the Honorable BILL ARMSTRONG.

The executive officers of the NCOA have asked that I announce to my colleagues that, for 1983, the Honorable WILLIAM S. COHEN, senior Senator from Maine is to be the recipient of this most prestigious L. Mendel Rivers Award. The award will be presented to Senator COHEN during the association's annual convention on July 16, 1983. In the resolution formally announcing this award, the association took special note of Senator COHEN's courageous support for a strong national defense predicated upon a combat ready force of trained and skilled professional service members armed with the modern and effective weapons needed to insure our defense. Furthermore, the association recognized BILL COHEN's consistent and active efforts to better quality-of-life programs which are necessary to properly reward our uniformed personnel for their voluntary service to our Nation and its citizens.

Mr. President, Senator COHEN has been a member of the Armed Services Committee for only a short time, but in that time he has established himself as a bright, hardworking legislator who is not afraid to attack difficult issues head on, even, or perhaps especially, when his position is opposite that of my own. He takes the time to learn the facts and has been instrumental in winning support on the floor for our essential effort to rebuild the U.S. Navy. His insight on airlift issues and on the necessity for a strong force projection capability for this Nation, especially for a strong U.S. Marine Corps, has been unparalleled.

BILL COHEN's has also been in the forefront of congressional efforts to improve pay and benefits for men and women in service. Only a few months after he came to the Senate and joined the Armed Services Committee, he was cited by the Congressional Quarterly as one of Congress leading advocates of the All-Volunteer Force.

He was the first Member of the Senate, in December of 1979, to propose reinstitution of GI bill education benefits for military personnel. His legislation providing forgiveness of student loans in exchange for military service has been successful in attracting college educated individuals to join our Active and Reserve Forces.

In the 98th Congress, Senator, COHEN introduced legislation providing for a targeted pay increase for members of our armed services. Elements of his proposal were incorporated into the pay provision of the fiscal year 1984 defense authorization bill.

I am proud to associate myself with him and with his statesmanlike performance in the U.S. Senate.

Mr. President, I join my colleagues and the members of my association in congratulating Senator COHEN. He is truly deserving of this high honor and I am comfortable knowing that he will continue to serve the ideals embodied in this distinctive recognition. I salute the NCOA in its selection and for the dedication and outstanding representation the NCOA affords its members before the U.S. Congress.

WHY WE NEED THE MX

Mr. HELMS. Mr. President, I support the MX intercontinental ballistic missile (ICBM) program. In the face of ruthless Soviet global expansionism and unprecedented Soviet military spending, the United States must summon the national will and resources to strengthen our capability to defend our precious heritage and our way of life.

Mr. President, real deterrence means the ability of this Republic to deny Soviet war objectives. Real deterrence is based upon the marshaling of our material and spiritual resources behind a sound strategy and building a sound and effective military force structure. The MX program proposed by President Reagan is an effective contribution to our national defense.

Senators need not be reminded that when negotiations on strategic arms control began back in 1969–70, the United States and the Soviet Union were in a situation of relative stability in terms of nuclear weapons. By that I mean that the land-based nuclear arsenal of neither side was placed at risk by the other. The United States did not have a hard-target kill capability against hardened Soviet targets. Our intercontinental nuclear missile force inventory included only Titans, Minuteman I, and Minuteman II missiles none of which had, or has, a hard-target kill capability. The Soviets' 200 single warhead SS–9 missiles were deployed against a U.S. target base of 1,200 hard targets. That is, 1,050 U.S. missiles, 100 launch control centers, and 50 other hard targets. The Soviet SS–9 missiles were designed to neutralize our Minuteman force by destroying the Minuteman launch control centers. We responded to this threat by going to an airborne launch mode which took away this Soviet advantage until the Soviets went to a multiple reentry vehicle (MIRV) capability.

After 14 years of so-called arms control negotiations, the situation today is one of gross strategic instability which favors the Soviets. This has resulted not only from the relentless buildup of Soviet nuclear missiles which have hard-target kill capability but also from the very agreements reached during the arms control negotiations which permit the Soviets the necessary qualitative and quantitative strategic inventory with which to put our deterrent at risk.

THE MAD WORLD

Our strategic missile forces have not been designed to destroy the strategic missile forces of the Soviet Union. Strange as this may seem, it is a fact. Why? The answer is that the false and

unsound doctrine of mutual assured destruction (MAD) which was conjured up in ivory tower think tanks such as the Rand Corp. entered into the Halls of Congress and the Pentagon.

This doctrine foolishly supposes that the military strategists and planners in the Soviet Union think precisely the same as those in the United States who have promoted the mutual assured destruction doctrine. Simply put, they assume that Soviet military strategists and planners are a mirror image believing in the fundamental concept of holding major population centers hostage to nuclear blackmail.

Central to their idea is the proposition that population centers be left undefended from nuclear attack. According to MAD advocates, if tens of millions of innocent civilians are held hostage in defending population centers this so-called balance of terror would assure stability.

Mr. President, I submit that this doctrine is immoral and that it imperils our national security. The doctrine is immoral because it is based upon the needless destruction of innocent civilian populations. It imperils our national security because it does not put at risk the sinews of the Soviet warfighting machine: Soviet nuclear missile installations, Soviet military installations, Soviet industry essential to war, and Soviet command and control installations both military and civilian.

THE REAL WORLD

Mr. President, it is a fact that the Soviet Union has never operated under the doctrine of mutual assured destruction. There is ample evidence to demonstrate this. It is a fact that the Soviet Union has designed its strategic missile forces to destroy our strategic missile forces.

Not only have the Soviets designed their strategic missile forces with the technical capabilities to destroy our strategic missile deterrent, the Soviets have oriented their strategic doctrine for employment toward preemption. There is ample evidence to demonstrate that the preferred Soviet doctrine for employment is preemption. By preemption, I mean launch on strategic warning during a crisis. This preferred employment doctrine has been in place for some 25 years. About 15 years ago, the Soviets added an additional employment doctrine, that of launch on tactical warning. Second strike for the Soviets is their least preferred employment doctrine which exists only as a last resort.

The Soviets have spent billions of rubles to develop their military capabilities across the board. They have been spending at least 16 percent of the GNP currently, as opposed to 12 percent in 1970, to develop their warfighting capabilities. We have been spending only 6 percent of our GNP on defense.

By 1965, the Soviet Union had a counterforce capability in Europe and in Asia with their SS-4 and SS-5 medium range ballistic missiles (MRBM). Now, the Soviets have deployed the SS-20 missiles which give them a capability against hardened targets in Europe and in Asia such as the French and Chinese missiles.

The Soviet Union has achieved a capability against hardened targets in these United States through the introduction of the latest models of their SS-17, SS-18, and SS-19 ICBM systems. The Soviets have tested two new models of ICBM's and will be testing two more models of ICBM's in the not too distant future.

I would call to the attention of Senators the fact that between 70 and 80 percent of the Soviet ICBM inventory has a hard target kill capability while we in these United States have only a minimal capability against hardened Soviet targets. Indeed, we have not had an across-the-board strategic modernizaton since 1965.

The Soviet Union has systematically hardened its key centers of military value. The Soviet Union has hardened not only its missile silos but also military and civilian command and control sites. The Soviet Union has developed its capabilities for evacuation and civil defense. The Soviet Union has a program to disperse a wide variety of economic and military assets.

Given these, and other, Soviet efforts, there are great asymmetries today in the targeting field between the United States and the Soviet Union. We, therefore, must do everything that we can to insure that we have a counterforce capability against the full array of Soviet hardened targets.

From a strategists and war planners' point of view, the United States offers a much easier target than does the Soviet Union. The U.S. target base that a Soviet war planner faces is only about half as large and half as hard as the target base that a U.S. planner confronts with the Soviet Union. For this reason, I repeat that we must do everything in our power to have a counterforce capability against the full array of Soviet targets in order to eliminate these great asymmetries in targeting and to regain strategic stability.

WHY WE NEED THE MX

Mr. President, as I noted earlier, the only way that we can achieve real deterrence is to develop the capabilities to deny Soviet war objectives by placing at risk the sinews of the Soviet war machine. This means that we need a capability against hardened Soviet military and military-related assets that are essential to the achievement of Soviet war aims.

Rather than having a capability to needlessly destroy civilian population centers and inessential industrial sites, we need to develop a truly effective counterforce capability against hardened Soviet targets.

Senators need not be reminded that under the leadership of Harold Brown, the previous administration changed our nuclear strategy. Presidential Directive 59 (PD-59) replaced the false and unsound mutual assured destruction doctrine with the realistic strategy of denying Soviet war aims. The Reagan administration has maintained this realistic strategy. The strategy is, therefore, bipartisan in nature.

Owing to the mutual assured destruction doctrine, however, our strategic force posture is not up to the job of putting Soviet warfighting capabilities at risk. Therefore, we need to develop our inventory of strategic assets to fit our new strategy and make it effective.

Our submarine launched ballistic missile (SLBM) force has little value against hardened Soviet targets. Why? These Poseiden missiles were purposely designed to minimize their accuracy in order to fit into the unsound MAD doctrine.

In my judgment, these Poseiden missiles must be updated as soon as possible with new stellar guidance equipment to improve their accuracy and hence their capability.

Our Minuteman III ICBM force, introduced in 1971, was also specifically designed to minimize its capability against hardened Soviet targets. Again, the design was adopted to fit the unsound MAD doctrine. Fortunately, our Minuteman ICBM force is being improved under the Minuteman III-A program. Nonetheless, we still must go forward with the MX program in order to provide our great Nation with a necessary capability against hardened Soviet targets. The MX program, we should note, will only partially replace the Minuteman inventory; but, such a replacement is absolutely essential for our deterrent capability.

We cannot rely on our strategic bomber force, which is 30 years old, to penetrate Soviet defenses and to kill hardened Soviet targets. We need to modernize this force.

It is essential to bear in mind that the Soviet Union did not have the technology for an effective defense against our strategic bomber forces during the 1960's and 1970's. Recognizing this, the Soviets have invested massive amounts of rubles to develop their air defense capabilities in order to deny our strategic bomber forces. The Soviets are deploying the SA-10 missile system. The Soviets have deployed the look-down/shoot-down Foxbat aircraft. The Soviets are working on the development of their own AWACS system. It is a fact that the Soviets want to make the 1980's the decade of their supremacy in air de-

fense so that they can deny our strategic bomber deterrent.

In the face of this massive Soviet effort in air defense, we can only hope that the new and yet unproven Stealth program can restore the viability of our strategic bomber deterrent.

Mr. President, as I stated earlier, after some 14 years of so-called arms control negotiations we are confronted with a situation of gross strategic instability. At the outset of these negotiations, neither side had the capability of destroying the hardened targets of the other side. The Soviets today have an arsenal of ICBM warheads 70 to 80 percent of which are designed for hard target kill. Some 2,000 of these warheads are on the SS-19 missiles which are heavy missiles by the spirit of U.S. unilateral declarations. It may be recalled that SALT I sought to prohibit the development of the SS-19 heavy missile system. The Soviets, however, ignored this intent and proceeded to deploy these heavy missiles. The United States has gone along with this Soviet program and treats these missiles as if they were in the light missile category. This head-in-the-sand approach, of course, does nothing to mitigate the very real threat that these heavy missiles pose to these United States.

Any weapons system that can destroy a hard target with two warheads is a very good system, whether Soviet or United States. The Soviets have designed their systems on a two warhead for one target basis. In order to have high assurance, however, the Soviets think in terms of a three warhead-for-one-target attack against our Minuteman. This is how they have sized their force. After an attack using three warheads for each U.S. target, the Soviets would have 1,400 warheads in reserve in their SS-18's and SS-19's.

Some critics of the MX call it a first strike weapon. They note its technical characteristics, such as high accuracy, which give the system a counterforce capability. They also point out a factor of vulnerability. As I have stated, we need a counterforce capability against Soviet hardened targets. I would point out that how a weapon is employed is determined by national policy and not by the technical characteristics of the weapon. Furthermore, as I noted before, the Soviets have been from the beginning in the preemption mode. That is, for some 25 years, launch on strategic warning during a crises has been the preferred Soviet doctrine of employment. About 15 years ago, the Soviets included launch on tactical warning as their No. 2 employment option with second strike only as a last resort. There is ample evidence to demonstrate this fact.

Some critics of the MX talk about a hair trigger response. For reasons that I just mentioned, by these critics own definition, it is the Soviets who by their launch on strategic warning during a crisis or by their launch on tactical warning doctrine are in a hair trigger doctrinal mode. Throughout this 25-year history of Soviet hair-trigger posture, the United States has maintained a second-strike posture and a second-strike capability.

If anything, the qualitative and quantitative Soviet buildup with its hard target kill capability and our unwillingness to defend our deterrent forces with ABM's is driving the United States to a launch on tactical warning posture as the only response available to us given the Soviet determination deny us our deterrent. I would point out that such a U.S. launch on tactical warning posture would be less hair-trigger than the preferred Soviet launch on strategic warning, or preemption, mode that they are already in and have been in for 25 years.

Some critics point to the vulnerability of the MX and propose that the United States build small single warhead missiles, so-called Midgetman, instead. They contend that these would be less vulnerable. First of all, the only way to protect land based missiles is to build harder silos for them or to build ABM systems for them or both. Building harder silos is difficult because the silos themselves can be hardened but the missiles inside may not be as hard as their silos. For a single warhead missile, it is difficult to find a basing mode more survivable than silos unless there is a large number of multiple silo sites for each one or unless an ABM system is provided. Within the SALT II constraints, taking into account Soviet missile throwweight and SLBM MIRV limits, there is no feasible way to provide more survivable basing modes.

Some critics assert that the MX with its 10 warheads would be a more attractive target for the Soviets than the Minuteman with its 3 warheads. In this regard, let me just state the following fact. There is ample evidence to demonstrate that the Soviets target all, let me repeat, all U.S. missiles, warheads, weapons storage areas, and our National Command Authority. The Soviet inventory contains enough warheads to put 3 warheads on each U.S. target with about 1,400 warheads left in reserve in SS-18 and SS-19 missiles alone. The attractiveness assertion is irrelevant in the face of the facts of Soviet war planning and in the face of the composition and structure of the Soviet strategic nuclear arsenal.

As for the proposal to build the Midgetman itself, either in addition to or instead of the MX, I would point out that such a system could be designed to be just as accurate and just as effective as an MX. Of course, the proposed Midgetman would have only one warhead and therefore it would be much more expensive to develop the numbers of required Midgetmans to give the same hard-target efficiency as a multiwarhead MX. Leaving this latter point aside, because the Midgetman could be designed to be as accurate and as effective as an MX it would have the counterforce capability which the critics of MX decry.

Proponents of such a missile system also suggest that it could be made mobile and therefore less vulnerable to attack. But let us look at the facts. There are very few areas in these United States on public lands with dimensions of 10 miles by 10 miles square that some proponents suggest is appropriate to their scheme. These sites would be on large military areas of which there are perhaps two or three. The proponents of mobile basing across a large area such as this assert that the missile can be moved from one section of the area to another and thereby avoid destruction. That is, proponents of such a scheme assert that mobile missiles would be less vulnerable. If we carefully examine this assertion, we will find that the mobile missiles would be just as vulnerable to Soviet attack as those in fixed silos. Why? Simply because the Soviets could launch a "cookie-cutter" type barrage which would cover the entire area and devastate anything within its boundaries. So much for the invulnerability of mobile missiles. I would point out that the Soviets could do this type of barrage attack in an affordable manner within the SALT II constraints.

Some critics of the MX assert that should the MX be built and deployed, the Soviets could then move their submarine launched ballistic missiles (SLBM) closer to the U.S. coastline to be within 10 minutes flight time to U.S. targets. The United States, it is argued, would then have to be prepared to launch our missiles faster and this would encourage a hair-trigger response on our part. I would point out that no Soviet SLBM has a hard target capability. They, therefore, would not be effective against hardened U.S. silos. As a matter of fact, the Soviets are endeavoring to change the composition of their SLBM force. They are replacing their SSN-6 missiles with missiles having ICBM ranges such as the SSN-8, the SSN-18, and the SSN-20. This gives the Soviets a standoff capability which is in line with their objective of obtaining a large secure reserve force of nuclear missiles.

I would also point out, in this area, that the mere fact of the Soviets moving in close to our shores to achieve a 10-minute flight time for their SLBM's to U.S. targets would greatly increase the likelihood of their detection as well as their vulnerability to U.S. attack. The Soviets, of course,

wish to avoid detection and seek to minimize the vulnerability of their SLBM force. For this reason, they are developing the long range SLBM's that I noted above and for this reason they seek a standoff capability.

Let us be frank. Long-term Soviet planning in the SLBM field is unrelated to the issue of the development and deployment of the MX missile. Additionally, any so-called hair-trigger response on our part is an irrelevant point because, as I have noted before, the Soviets have been in a launch on strategic warning mode as their preferred employment option for over 25 years and some 15 years ago included a launch on tactical warning as their second option.

Mr. President, let me say in conclusion, that while we have finally adopted a realistic deterrence strategy, in a bipartisan manner, we do not yet have the strategic force posture with which to implement this new strategy. The Soviet Union has designed and built its strategic missile forces to destroy our strategic deterrent. We must develop our strategic missile force in order to achieve real deterrence by having the capability to put at risk the sinews of the Soviet war machine and so to deny the masters of the Kremlin their war objectives.

Mr. President, the MX program provides these United States with a capability against hardened Soviet targets. The MX is a system that we need to break out of the weapons inventory which was bequeathed to us by the assured destructionists. The MX program helps to provide the capability that our new and realistic strategic doctrine requires, and I strongly urge my colleagues to support this vital program.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 161: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 771.

S. Res. 165: Resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of H.R. 2733.

S. Res. 166: Resolution waiving sections 303(a) and 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1529.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EAGLETON (for himself and Mr. MATHIAS):

S. 1625. A bill to amend the District of Columbia Retirement Reform Act; to the Committee on Governmental Affairs.

By Mr. SASSER:

S. 1626. A bill relating to universal telephone service; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. BOREN and Mr. WALLOP):

S. 1627. A bill to amend section (1)(f)(3) of the Internal Revenue Code and for other purposes; to the Committee on Finance.

By Mr. MOYNIHAN:

S. 1628. A bill to authorize the Secretary of the Army to maintain and rehabilitate the New York State Barge Canal and for other purposes; to the Committee on Environment and Public Works.

By Mr. RIEGLE (for himself and Mr. BURDICK):

S.J. Res. 132. Joint resolution to designate the week beginning August 7, 1983, as "National Correctional Officers Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. PRESSLER:

S. Res. 175. Resolution relating to Long-term Grain Agreements; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EAGLETON (for himself and Mr. MATHIAS):

S. 1625. A bill to amend the District of Columbia Retirement Reform Act; to the Committee on Governmental Affairs.

CHANGE IN FORMULA RELATIVE TO DISABILITY RETIREMENTS

● Mr. EAGLETON. Mr. President, on behalf of myself and Senator MATHIAS, I introduce a bill today which makes some necessary and highly technical changes in a provision of the District of Columbia Retirement Reform Act, Public Law 96-122, which Congress approved in November 1979.

The Retirement Reform Act established separate retirement funds for District of Columbia police officers and firefighters, for District teachers, and for District judges, required that the funds be managed on an actuarially sound basis, and established a Retirement Board to manage the funds.

At my insistence, the act also contained a section which sought to bring under control what I perceived at that time to be excessively large numbers of District firefighters and police officers retiring on disability pensions.

For example, in 1967, 185, or 92 percent, of the 201 firefighters and police officers retiring in the District retired on disability. In 1968, the figure was 244 out of 254, or 96 percent. In 1969, the figure was 237 out of 241, or 98 percent. It is clear why I was concerned.

To control the situation, subsection 145(a) of the Retirement Reform Act established a trigger mechanism, whereby the annual Federal payment of $34.1 million to the city's police officer and firefighters retirement fund would be reduced if the annual disability rate exceeded an amount determined by a complex actuarial formula. The Federal contribution would not be reduced if the disability rate reflected a reasonable number of disability retirements.

After 3 years of experience with the trigger mechanism, we have concluded that the formula triggering the reduction in the Federal contribution is complicated, may unfairly penalize the city, is expensive to calculate, and does not directly contribute to reducing disability retirements. Also, during the 3 years the law has been in operation, the District itself has made substantial progress in bringing disability retirements under control.

In 1979, the Public Law 96-122 passed, only 18, or 14 percent, of 128 District fire fighters and police retirees were retired on disability. In 1980, the figure was 34 of 481, or 7 percent; in 1981, the number was 26 out of 52, or 50 percent; in 1982, the figure was 16 out of 29, or 55 percent.

The 1981 and 1982 percentages are important because they illustrate that while the actual number of disability retirements is reasonable, the percentage of disability retirements will be high if the actual number of overall retirements is low. Consequently, because of the way the formula is now calculated, the possibility arises that the city might lose part of the Federal contribution to the city's retirement fund, even though the police and fire fighter disability rate is reasonable. That is exactly what has happened. With only 16 disability retirements in 1982, the trigger went off, and the city now stands to lose $8.04 million of the $34.1 million the Federal Government must contribute to the police and fire fighters retirement fund for fiscal year 1983.

During the October 1979, conference on the legislation, I stated that "if this [trigger mechanism] proves to be so harsh and so restrictive and so unworkable, then * * * there will be legislation in the ensuing years * * * and I would have to say, 'I guess that wasn't very good, we will have to devise another new one.'"

Mr. President, I am here today to introduce the new one. The changes have been made not only at the recommendation of the city and the District of Columbia Retirement Board, but also at the recommendation of the enrolled actuaries and the General Accounting Office, which oversees and participates in the operation of the District's retirement funds. The GAO, in fact, has been instrumental in draft-

ing this bill because of the highly technical nature of the formula.

In essence, the new formula will simplify the process and be easier to calculate—I do not say "easy," because anyone who reads the bill will still find the formula complicated and technical. Most important, however, the new formula will be more equitable to the District. Under the new formula, in any given year, the city would have to have 42 police and firefighters retire on disability to trigger the reduction in the Federal contribution, The statistics from the last few years indicate that the city's police and firefighters' disability retirements are running well below that figure. If the city continues to keep its disability rate under control—and I am optimistic that that will be the case, then the trigger under this new, simplified formula, should never go off.

As an additional protection to the city, however, we have made provision for a catastrophic occurrence. Should the city retire on disability a substantial number of its police officers or fire-fighters in any 1 year due to an unforeseen catastrophe, such as a major flood, fire, or civil disorder, it is conceivable that the actual number of disabilities could exceed 42. In that case, we have provided for a review of the situation by the Federal Emergency Management Agency. Should FEMA certify that the catastrophe directly accounted for a given number of disabilities, those catastrophic disabilities would not count toward the formula which sets off the trigger.

Mr. President, Senator MATHIAS and I are convinced that the city needs this bill. The actuaries involved in the process, the General Accounting Office, the city, and the Retirement Board have made a solid case for the changes now proposed. Our colleagues in the House who deal with the District have already reviewed a draft of this bill and also agree that this proposed legislation is necessary. Since the legislation deals with a highly technical matter of interest to a limited few, I urge my colleagues to move this measure expeditiously. I am hopeful that we can enact the legislation before the end of the fiscal year so that the District is not penalized becaused of a formula which we all agree must be changed.●

By Mr. SASSER:

S. 1626. A bill relating to universal telephone service; to the Committee on Commerce, Science, and Transportation.

UNIVERSAL TELEPHONE SERVICE

● Mr. SASSER. Mr. President, on behalf of myself, Senator STAFFORD, Senator FORD, and Senator BINGAMAN, I am today introducing legislation to address the issue of local telephone rate increases.

States across the country are facing requests for tremendous increases in telephone rates. In my own State of Tennessee, South Central Bell has asked for a $280 million increase. This would mean in many cases a doubling of phone bills. In Texas, Southwest Bell is asking for over $1 billion in rate hikes. There is a $233 million increase pending in Missouri. Nationwide, as of May, some $4.5 billion in rate increases were pending. And the amount has continued to increase.

There are several reasons behind these requests. One is the tremendous surge in the pace of technology. The state of the art today is passé in 4 or 5 years. In the phrase used to describe space technology: "If it works it is obsolete." Telephone companies, faced with the need to constantly upgrade their equipment, have included modernization of equipment as a large portion of the rate increase requests.

A second issue, related to technology, is the desire of the phone companies to depreciate their equipment at a faster pace. The Federal Communications Commission has issued a rule that under divestiture equipment will be depreciated at a national average. This, however, fails to take into account local conditions and needs. While phone companies must, of course, respond to expanding technology the exact rate of depreciation can best be set by State officials reflecting local situations.

A third part of the rate increases requests is due to the Federal Communications Commission's decision last year that an access charge for the cost of linking local with long-distance service would be placed on the local customer—whether or not they ever make a long-distance call. The goal of the FCC rule—to remove incentives to bypass the telephone system—is laudable. In attempting to solve one problem, however, the FCC has accentuated another—the cost of phone service to the local customer.

One of the basic tenets of our national telecommunications policy has always been universal service at affordable rates. And we have always achieved both, and in the bargain, developed the finest telephone system in the world.

The AT&T divestiture case and the resulting FCC rules have called into question the affordability of that service. It is plain fact that residential service has always been, in effect, subsidized by higher profit services—such as long distance. In the new, unregulated world of telecommunications that will exist after next January, much of the cost of residential and small business service will be borne by those customers.

I think it would be foolish of us to think that we can deal with all the side issues of divestiture without considering their impact on our basic national policy. If we wish to maintain "universal service at affordable rates" then we must honestly admit that a mechanism must be found to offset the high costs of residential service. Most of the legislation which has been introduced so far has "capped" phone rates at some percentage of the national rate—110 or 115 percent.

The underlying question remains to be addressed, however—110 percent of what? We can put a phone into virtually every house in this country. The question is: Will anybody be able to afford to pick it up?

Mr. President, I am under no illusion that my bill, or indeed any bill, is a panacea for the problem of increased phone rates. Phone rates will go up whatever Congress does. What we can do is to mitigate those increases and to reverse agency decisions which have the effect of undoing our national telephone policy of universal service at affordable rates.

I have developed this legislation at the request of the Tennessee Public Service Commission. It addresses the major concerns they have raised. I am sure that if my colleagues will check with the utilities officials in their States they will find the same problems.

There are, of course, others. My colleagues, Senator PACKWOOD and Senator STEVENS have also introduced legislation. The Commerce Committee will soon be holding hearings on this legislation where the issues will be thoroughly explored. My bill offers certain approaches which, I believe, need to be considered in the context of any comprehensive bill. Specifically, my bill will:

Delay the implementation of "access charges"—the cost to local telephone companies of linking up with long-distance services—for 1 year;

Provide that rates of depreciation on equipment owned by telephone companies be regulated on a State, rather than national, basis so that such rates reflect local economic conditions; and

Prohibit long-distance communications carriers from bypassing local telephone companies, so that local companies have adequate sources of revenue—not just residential user charges—with which to operate.

This measure is intended to complement, not supplant, the half-dozen measures affecting telephone rates which have already been introduced in Congress. Certain aspects of my bill may require refinement and amendment as it is discussed and considered. The point is we have little time to act. The fact that a landmark piece of litigation was settled through a consent agreement will provide little solace next year when the average American household will have to pay $5, $10, $15 or more each month for telephones,

but experience no improvement or increase in service.

I look forward to working with the Commerce Committee as we grapple with these issues. And I trust that the committee's hearings will result in early legislation.

Mr. President, the AT&T divestitute case has prompted an enormous amount of editorial comment and coverage both in Tennessee and throughout the Nation. I ask unanimous consent that a sampling of these newsclippings be inserted in the RECORD at the conclusion of my remarks.

I also ask unanimous consent that the text of my legislation be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SEC. 2. Section 153 of the Communications Act of 1934 is amended by adding at the end thereof the following:

"(hh) 'Exchange access' means the provision of facilities and services for the origination or termination of interexchange communication, and shall include the provision of circuits terminating at the premises of a customer.

"(ii) 'Exchange area' means the area within which telephone exchange service is provided, except that (1) an exchange area may not include an entire State, and (2) an exchange area that includes any part or all of any standard metropolitan statistical area may not include any substantial part of any other standard metropolitan statistical area.

"(jj) 'Exchange carrier' and 'exchange common carrier' means a carrier that provides telephone exchange service on a universal basis.

"(kk) 'Interexchange carrier' means a carrier or other person that provides interexchange service.

"(ll) 'Interexchange service' means communication service provided among points in more than one exchange area.".

ACCESS CHARGES

SEC. 3. Section 221 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(e)(2) The Commission shall establish a system of charges to compensate exchange common carriers for exchange access, and to reform the system of jurisdictional separation of property and expenses in force on the date of the enactment of this subsection.

"(A) The Commission shall, by regulation, ascertain and apportion the costs incurred by exchange carriers to provide exchange access. Such regulation shall be prescribed in accordance with section 410(c) of this Act, and shall provide for the ascertainment and apportionment of the costs of exchange access between exchange service and interexchange service in a manner that ensures the universal availability of reliable and efficient basic communications service at reasonable rates.

"(B) In ascertaining and apportioning the costs of exchange access under such regulation, the Commission shall ensure that the costs of non-traffic-sensitive facilities used to provide exchange access are allocated to interexchange service in an ratio no less than that which would be determined on the basis of the relative use of such facilities for interexchange service, in accordance with the methodology in effect on December 1, 1982. The Commission shall establish uniform practices that ensure that the costs allocated to interexchange service under this subsection are recovered from interexchange carriers and customers of interexchange services.".

CUSTOMER PREMISES EQUIPMENT

SEC. 4. The Communications Act of 1934 is amended by inserting after Section 224 the following new section:

"TELECOMMUNICATIONS COMPETITION

"SEC. 225. (a) Any exchange carrier shall retain any terminal equipment which it provided on December 31, 1982, which equipment shall continue to be made available to customers under tariffs in force as of such date, until such equipment is removed from service in accordance with schedules in effect on the effective date of this section, except that—

"(1) State commissions shall permit increases in such tariffs to reflect any reasonable increases in the costs of providing such equipment; and

"(2) such customer may purchase such equipment from such carrier at any time for a price fixed by the State commission involved after considering the value of such equipment.

"(b) Any exchange carrier may offer terminal equipment not designated in subsection (a) to the public at any time after January 1, 1984, if such equipment (1) is manufactured by unaffiliated persons; and (2) is offered through a separate subsidiary which (A) ensures that no cost of participating in the market for such equipment is borne by the users of exchange services or exchange access: (B) prevents any anticompetitive practice between such market and the offering of exchange services or exchange access; and (C) meets such other requirements as the Commission shall establish by rule.".

BYPASS PROHIBITED

SEC. 5. Section 221 of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"(f) In the administration of this Act, the Commission shall issue such rules and regulations as may be necessary to assure that all telecommunciations services provided by an interexchange carrier certified by the Commission shall originate and terminate over the facilities of a local exchange common carrier.".

STATE JURISDICTION

SEC. 6. Section 221 of the communications Act of 1934 is amended by adding at the end thereof the following new sections:

"(g) In the administration of this Act the Commission shall have no jurisdiction with respect to the regulation by any State of depreciation rates for telephone equipment used for the provision of intrastate telephone service.

"(h) Notwithstanding any other provision of law, the States shall have exclusive jurisdiction over the provision of instrastate telecommunication services which shall include all telecommunications which both originate and terminate within a single State regardless of the manner or route by which said telecommunications are transmitted.".

[Memphis (Tenn.) Press-Scimitar, July 12, 1983]

BELL'S RATE REQUEST DRAWS GROUP'S FIRE

The chairman of the Tennessee Public Service Commission and the activist group ACORN today lashed out at the request by South Central Bell for a record setting 128 percent increase in phone rates.

Keith Bissell, PSC chairman, is fighting mad at the "federal regulations, Justice Department bureaucrats and the federal courts" he says are responsible for the huge rate increase being sought.

He called the $280 million increase request "outrageous" and charged that it is "the most diabolical ripoff of the Tennessee consumer I have witnessed in my 17 years of public service."

Officials at ACORN, the Association of Community Organization for Reform Now, say they will mount a massive petition drive to persuade the PSC to deny Bell's requested increase.

"We realize that some type of additional revenue may be needed by the phone company, but a jump of 128 percent is ridiculous," said Anna Whalley, a spokesperson for ACORN. "This will put a tremendous burden on low- and moderate-income people, particularly elderly people, and we plan to fight it."

She added that ACORN believes phone company officials are using the AT&T breakup "largely as an excuse for rate increases they had planned anyway."

She said ACORN already has written the PSC urging it to hold a public hearing in Memphis on the Bell proposal.

Bissell is scheduled to take part in meetings of the Organization for the Protection and Advancement of Small Telephone Companies, which opened a three-day meeting today in Memphis. Leaders of the organization also have attached the Justice Department for engineering the breakup.

Bissell said the potential for the "astronomical increases" was created "when the federal bureaucrats and federal judges ordered the breakup of the marriage between Bell Telephone and American Telephone and Telegraph, and when the Federal Communications Commission started preempting state regulatory authority in the name of deregulation.

"Nearly two-thirds of the rate request filed by South Central Bell can be attributed to divestiture and FCC decisions on such things as access charges and depreciation rates," he said. "The only hope we have in blocking these increases is to encourage Congress to act immediately to give the people of Tennessee and the rest of the nation some relief from these federal decisions."

[From the Memphis Commercial Appeal, July 13, 1983]

CONGRESS TO WEIGH STATE'S PHONE WOES

WASHINGTON.—This session of Congress will address the causes behind the kinds of rate increases in basic telephone service being sought in Tennessee from customers of South Central Bell, according to the leadership of both houses.

Their predictions came yesterday as the three-member Tennessee Public Service Commission joined regulators from other states in making the rounds of home-state delegations on Capitol Hill, where rate-hike requests growing out of the impending breakup of American Telephone & Telegraph Co. have increased the pressure for legislative relief.

The calls on Congress by state regulators also come in the wake of last Friday's request for a $279.9 million rate increase by South Central Bell effective next January. Although the company puts the proposed hike at 128 percent, Tennessee PSC officials say it's closer to 150 percent by the group's reckoning. This figure only includes basic, local telephone service and does not count in equipment, long-distance rates or "access fees" to reach AT&T's long-distance service, whether customers use it or not.

In a meeting with Sen. Jim Sasser (D-Tenn.), state PSC Chairman Keith Bissell said the panel would do what it could "to keep this astronomical rate increase from taking effect." But he and others with the commission cautioned that state regulators can ony address about 40 percent of the request, the remaining 60 percent has been set in place by the consent decree on the AT&T divestiture given conditional approval by a federal judge last Friday and by the actions of the Federal Communications Commission.

Sasser already has said he will introduce a bill to postpone the FCC's long-distance "access fee" and to permit long-distance rates to continue subsidizing local service until a better system can be worked out.

The commission members also met with Sen. Howard Baker (R-Tenn.), who gave the group his assurance as majority leader that the Senate will act soon.

The Sasser bill is expected to be "piggybacked" onto legislation to be introduced tomorrow or Friday by Sen. Robert Packwood (R-Ore.), chairman of the Senate Commerce Committee.

Rep. Albert Gore, Jr. (Tenn.), a member of the energy and commerce telecommunications subcommittee, said yesterday in Memphis he will introduce legislation today that would enable South Central Bell to forgo a "substantial part" of the rate increases it is requesting.

Gore said his measure would require companies that provide long-distance service to continue to pay local telephone companies for using the equipment. Because of the dismantling of American Telephone & Telegraph, Gore said, firms providing long-distance service would not pay local telephone systems for the service.

[From the Memphis Press-Scimitar, July 13, 1983]

AT&T Breakup Hides Zap for Public

The American public is being hoodwinked if it believes the breakup of American Telephone and Telegraph is in its best interest, the leaders of an organization of independent telephone companies contend.

Furthermore, they say, big business will be the only group to benefit, while the little guy gets a royal shellacking.

The association, the Organization for the Protection and Advancement of Small Telephone Companies (OPASTCO), opened its annual meeting today in Memphis, the city in which it was founded 20 years ago. Nearly 500 people are expected for the three-day meeting.

The real impact of the breakup on consumers won't be felt until January 1984, after they receive their first bills under the new system.

"It won't be obvious 'til it's so far down the road you can't possibly put Humpty-Dumpty together again," said Evan Copsey past president of the group, before the start of the three-day gathering. Copsey is president of the Bourbeuse Telephone and Fidelity Telephone companies in Sullivan, Mo.

"The shifting of costs to the resident subscriber is a ripoff," he said. "The Fortune 500 companies win; the little old ladies, and 95 percent of the customers, lose."

That there will be higher phone bills isn't exactly new—Bell has been saying for months that costs will go up. Last week, South Central Bell made good on the warning by filing a request with the Tennessee Public Service Commission for a $279.7 million increase in rates.

Copsey said he doesn't blame the local operating companies for seeking increases; they only are attempting to recoup losses that will be incurred by the AT&T breakup.

He said he believes the AT&T breakup was engineered by "some banty rooster (in the U.S. Department of Justice) who wanted to make a name for himself."

The blueprint for the breakup was set out in a 159-page opinion approved last week by U.S. District Judge Harold H. Greene. All though the settlement had been approved last year, Greene had been sorting out details of how to go about dividing more than $152 billion in company assets while maintaining telephone service for the nation.

Though long-distance rates generally are expected to decline as a result of the breakup, additional charges of which few people are aware will be tacked onto a typical phone bill, said Ken Lein, current OPASTCO president. Lein is manager of the Winnebago Co-Op Telephone Association in Lake Mills, Iowa.

"We're going to catch more heck," he said. "We've got a public relations problem here of a magnitude we've never had before."

What will catch most phone customers unaware are "access" charges, he said. These are fees to access the long-distance network that will be tacked onto bills for interstate and instrastate calls, in addition to the basic long-distance rate.

"The Federal Communications Commission (which regulates interstate service) has said that the phone companies will collect from the subscriber a minimum of $4 per line per month," Lein said. "These replace dollars that currently flow from rates of interstate toll calls. That $4 probably represents something in the range of 40 percent of non-traffic sensitive costs (such as cables, telephone poles, manholes, the line drop from poles to a house).

"At the end of the five-year (breakup) period, all these costs would be shifted to the end user," he said. In other words, since the $4 represents about 40 percent of the total costs, the remaining 600 percent will have to be tacked onto phone bills over the five year break-up period.

"And that's only interstate," Lein said. "You've got much the same costs on the state side."

The state PSC has yet to approve an access charge for Tennessee, but it is expected to be about $4.

Lein said the typical phone bill starting next year would contain six or eight elements: service charges, rent on equipment, interstate access toll, intrastate access toll, long-distance charges, repair charges, etc.

"Nobody has any idea what will happen Jan. 1," he said.

[From the Washington Post, June 3, 1983]

Judge Criticizes FCC for Role in AT&T Breakup

(By Michael Schrage)

The federal judge supervising the massive reorganization of the American Telephone & Telegraph Co. sharply criticized the Federal Communications Commission, saying it was "taking advantage of the divestiture" with policies that will boost the cost of local telephone service.

U.S. District Judge Harold Greene said yesterday that a December FCC ruling requiring consumers to pay an additional "access fee" for long-distance calls "jeopardizes the plan of reorganization." He added, "It is not at all clear why the FCC is working at odds with the divestiture agreement."

Conducting what is expected to be the final hearing before he rules on AT&T's reorganization plan, Greene heard testimony by top Bell System officials and opponents of the AT&T plan on how the company should ultimately be restructured.

In January 1982, AT&T agreed to divest itself of its 22 local operating companies as part of an antitrust settlement with the Department of Justice, which had accused the company of having an illegal monopoly in telecommunications. As part of the settlement, a newly reconstituted AT&T would be allowed to continue its long-distance, research and manufacturing operations, as well as compete in new markets, such as advanced data communications services and computer technology. However, it would no longer be permitted to provide local phone service.

The local operating companies would be reorganized into seven independent regional operating groups that would provide local service and also be able to sell phones to their customers.

Since the consent decree, AT&T and the Justice Department have been working out the details of the reorganization, which will go into effect Jan. 1, 1984, pending final approval by Greene.

Perhaps the most difficult aspect of the divestiture is allocating the costs of telephone service as the Bell System network is transformed from an integrated monoply to a player in a competitive marketplace.

The long-distance access fees relate to the cost of altering local phone systems to handle multiple long-distance services, including AT&T Long Lines and such competitors as MCI Communications Corp. and Western Union's Metrotone.

In the divestiture agreement, Greene said, the costs were to be borne by long-distance carriers. Now, says Greene, "There is a shift in the FCC definition of access fees from carrier-based to consumer-based." The FCC plan could add up to $100 a year to a local telephone bill by 1986, industry observers say.

The commission's move reflects its philosphy of "cost-based" pricing. Historically, the cost of telephone service in this country has been kept low through a network of financial cross-subsidies as elaborate as the phone network itself. With divestiture, say industry sources, the commission is attempting to eliminate these cross-subsidies and have the price of phone service reflect its true cost. Many studies estimate that the cost of local phone service could quadruple over the next five years.

However, Greene stated that "universal" telephone service and access is national policy and that his decisions about the future structure of AT&T would be made with that in mind. It isn't clear how he could affect the FCC's decision.

"It is very likely that, in the event of a conflict between the FCC and the consent decree, Judge Greene may have to give way," said Philip Verveer, a telecommunications attorney and former chief of the FCC's common carrier bureau.

Several Bell System officials testified that their local companies are prepared to redesign their telephone "loops" for equal access to non-AT&T long-distance services but want their costs subsidized both by the carriers—including AT&T—and consumers.

However, the court heard differing views as to whether the operating companies, once divested, should have to contribute to any fines or penalties should AT&T lose any pending antitrust suits. Zane Barnes of Southwestern Bell argued that the operating companies should be freed of any such "contingent liabilities," while William Weiss of Illinois Bell said his regional operating group would be willing to share the burden.

Greene was also told by the Bell regional operating company officers that their companies, rather than AT&T, should be allowed to use the famous Bell logo and name as part of promotional and marketing efforts. A lawyer for Tandy Corp., a Texas-based computer and consumer telephone company, argued that it would be "false advertising" if the Bell logo were used to create the illusion that AT&T and its divested operating companies were related.

Under the existing plan, both AT&T and its operating companies may use the Bell name so long as it is tagged with the appropriate "geographic modifier," such as Illinois Bell or New England Bell.

[From the Wall Street Journal, May 9, 1983]

AT&T Accord Altered on Long-Distance Access to Local Areas

Washington.—At a federal judge's request, American Telephone & Telegraph Co.'s local telephone companies agreed to give long-distance carriers limited access to local telephone exchanges on calls within local calling areas.

Under the consent agreement setting the Justice Department's antitrust suit against AT&T, the local companies, which AT&T is to divest, must grant all long-distance carriers equal access to local exchanges on calls beyond defined local calling areas.

At the request of Judge Harold Greene, who is overseeing the settlement, the companies agreed to extend that requirement to calls over relatively long distances within their local areas. But they insisted on one difference: They plan to allow phone subscribers to have all their calls between local areas routed through a selected long-distance carrier, such as AT&T or MCI Communications Corp., without additional dialing. But to have such companies carry their calls within a local area, subscribers would have to dial four extra digits.

This gives the local companies an advantage in competing for business within their areas, but they argued that to do otherwise would put them at a disadvantage and would cost about $5 billion.

The AT&T consent agreement bars the local companies from carrying calls between local calling areas. They contended, in papers filed with Judge Greene, that granting the long-distance companies, local-calling access equal to that of the local companies would allow them to use their long-distance services as leverage to take business away from the local companies.

The local companies said it would cost about $5 billion to restructure their networks to guarantee long-distance carriers access to calls within the local areas that is the same as the local companies access. They also said this would "disrupt network efficiencies and otherwise have potentially irreparable impacts" on the local companies.

AT&T and the local companies also responded, in court papers, to the judge's recent protest against the Federal Communications Commission's approval of a local-telephone rate increase to cover costs of connecting subscribers to long-distance carriers.

AT&T agreed that its breakup couldn't be blamed for raising local rates. Instead, it said that introducing competition into telephone services made higher local subscription rates necessary, to cover the cost of connecting each subscriber to the network. Because this cost doesn't depend on how much the line is used, AT&T argued, it makes little economic sense to charge a usage-based fee.

The operating companies buttressed this argument with findings by the National Telecommunications and Information Administration, a unit of the commerce Department; by economist Alfred Kahn, chairman of former President Carter's Council on Wage and Price Stability, and by Rand Corp., a research institute.

AT&T and the local companies also warned that failure to pass costs on to local subscribers would keep long-distance costs high enough that companies that make large numbers of long-distance calls would bypass local phone networks and use their own systems, robbing the networks of a major revenue source.

Separately, AT&T asked the Federal Communications Commission to streamline regulation of international private carriers of voice and data traffic. In particular, AT&T asked that new tariffs for international services be put into effect on 14 days notice rather than the current 90 days.

[From the Washington Post, May 15, 1983]

Telephone Industry Shifting Burden Toward Consumers—Most of $4 Billion in New Requests Aimed at Residential Users

(By Merrill Brown)

New York.—The American public faces the prospect of billions of dollars in local telephone rate increases as phone companies attempt to shift a greater share of their costs to consumers.

American Telephone & Telegraph Co. subsidiaries alone have pending before state regulators applications for rate increases totaling more than $4 billion, of which $3.5 billion is aimed at residential subscribers.

To some extent, the rate applications reflect the approaching independence of those subsidiaries, which will lose the financial support of the Bell System following the breakup required by the AT&T antitrust case settlement. But for the most part, the rate activity stems from industry efforts begun a decade ago to restructure tariffs.

Thus, with increasing frequency, independent telephone companies as well as Bell subsidiaries are asking state regulators to authorize higher rates for local residential service. According to AT&T, the average one-line, monthly rotary phone rate will rise to $11.18 this year, up $1 from last year and up from $7.32 in 1975.

"The program may not be any bigger and the awards necessarily bigger than what they've been in the past, but what is different is where the money is being obtained," said Charles R. Jones, an AT&T assistant vice president.

Until the last two years, Jones explained, most increases were assessed to equipment and business users. "It's shifting to consumers," he added.

Meanwhile, increasing competition and dramatic shifts in this pricing of long-distance services under Federal Communications Commission direction are contributing to the transformation in the industry's traditional rate structure.

These developments, accompanied by the efforts of phone companies to shift billing systems from flat-rate monthly fees to usage sensitive, "measured" service, have thrown state regulators into confusion.

"I don't know if we're overwhelmed, but we're certainly whelmed," said Larry J. Wallace, chairman of Indiana Public Service Commission and president of the National Association of Regulatory Utility Commissioners (NARUC). "It's frustrating because we seem to have so little control over things."

Consumers also are bewildered as they confront a host of complex, generally more costly options created by the aggressive competition in both long-distance service and among equipment manufacturers.

"The way I look at it the phone company is taking the opportunity to get as much as they can now on the backs of the consumers," said Fred Goldberg, a Washington lawyer representing the National Association of State Utility Consumer Advocates.

"There is a lot of confusion and the phone company is taking advantage of it," said Samuel Simon, executive director of the Telecommunications Research and Action Center (TRAC), a citizen group. "The local companies are confused. They no longer trust AT&T. The regulators are also confused and they don't know the right thing to do.

TELEPHONE RATES ARE GOING UP [1]

[In millions of dollars, with resulting percent increase in company revenue]

State	Amount	Percentage
Pending applications:		
California	$69.9	[3] 1.5
Nevada	16.4	23.0
Oklahoma	129.2	19.5
Wisconsin	99.0	14.0
New Jersey	212.9	12.3
Florida	285.1	16.0
Michigan	451.0	24.8
Vermont	16.5	19.3
Illinois	40.6	2.0
Iowa	44.7	11.5
Idaho	28.5	23.7
Rhode Island	37.4	20.4
California	837.9	[3] 14.0
Missouri	233.0	33.3
Wyoming	20.9	19.0
North Carolina	145.0	20.1
Arizona	79.0	13.5
Georgia	158.5	14.0
District of Columbia	82.0	46.7
Arkansas	137.9	52.9
Montana	20.7	14.5
Pennsylvania	378.9	25.6
Ohio	179.8	16.5
Kansas	213.7	66.5
Indiana	96.0	18.8
Total	4,014.5	13.5
Increase approved in 1983:		
Minnesota	52.6	
Washington	56.9	
Utah	36.6	
New York	[3] 200.0	
West Virginia	26.9	
Kansas	17.9	
Maryland	44.3	
Maine	11.4	
Delaware	7.4	
South Carolina	20.4	
Virginia	63.8	
New Mexico	30.0	
Idaho	5.9	
Total	574.1	

[1] AT&T operating companies have rate increase requests pending in 24 States and the District of Columbia. Thirteen States have granted phone rate increases so far in 1983.

[2] Two separate filings in California.

[3] Approximate.

On the other hand, AT&T Chairman Charles Brown, while noting that it "would be helpful to somebody trying to untangle this" if phone companies slowed at least the pace of rate changes, said the "business cannot stand still.

"The facts are that costs are shifting the way the business has to run, and the shareholders need a decent return on their investment," Brown said last month. "Nobody is going to be served by postponing changes which have already been decreed. One might say these are already somewhat delayed."

While the divestiture required under the AT&T antitrust settlement has fueled little of the recent rate activity, it has spawned a new set of issues related to the fact that local phone companies will no longer have revenues from long-distance, equipment, and other services to supplement their income from providing local service.

As a result, some state regulators, such as Susan W. Leisner, a member of the Florida Public Service Commission, are warning that post-divestiture average rates of $25 to $30 per month are likely by 1986. Her estimate includes the impact of a new FCC access fee system that will add $2 a month to phone bills over the next two years to cover costs associated with certain long-distance services, and new depreciation rates on equipment that she said could add another $2 to $3 a month.

"In five to 10 years this nation might have an advanced telecommunications network which places us in the forefront of the information age," Leisner recently told a congressional subcommittee. "My concern is for the vast segment of our population that may not be able to participate in this wonderful brave new world because they simply cannot afford basic access to the telecommunications network."

AT&T officials vigorously deny that divestiture must necessarily cause higher local rates. "We have been saying for a decade that competition would force increases in local rates," Brown asserted. "But it really wasn't until the filing of the consent decree last year that this issue finally got attention."

For at least a decade, many telephone companies have sought to encourage customers to switch from flat-rate, fixed monthly service to the measured services which result in local charges based both on the number of minutes the telephone is used and whether calls are made across various zones. Usage-sensitive rates have been introduced in 42 jurisdictions.

New York City residents, for example, have long been offered a variety of calling packages that result in charges for calls based on distances, even within the city limits.

Arguments over such rate structures have raged within state regulatory commissions. Advocates of the plans, like former New York State public utility regulator and Carter administration official Alfred Kahn, say it's good for the public and a fair way to assign costs. "The measured service transition is just," as long as it is accompanied "by developing economy options for poor people," Kahn says.

Last month, the Chesapeake and Potomac Telephone Co. proposed such a system for District residents. Its plan offers five rate schedules, with the cost of the basic flat-rate unlimited service rising 105 percent to $18.06 a month.

Another option is a service with a flat $9.28 a month charge for the dial tone and $2.94 a month in calls, but with additional charges for other calls depending on time of day, location and length of the call. There is also an "economy" rate offered for $3.61 a month, a 64 percent increase, that makes charges for each call placed.

Some activists and regulators warn that despite the proposals for so-called "economy" rates, the numerous changes represent a serious threat to the traditional industry concept of "universal service," and that ultimately some subscribers will be forced to give up service.

"A phone is no different than food and shelter," said Simon of the TRAC group. "There may be a fairly high human cost that's going to have to be paid before regulators listen."

[From Broadcasting, Apr. 25, 1983]

GREENE OK'S AT&T SETTLEMENT CHANGES

The plan for breaking up AT&T in accordance with the settlement of the Justice Department's antitrust suit against the company moved another step toward realization last week. U.S. Judge Harold Greene, who is supervising the divestiture plan, approved with some modifications most of the geographic areas for local service AT&T would establish under the plan.

But while Greene is reducing the number of issues to be resolved, five church groups that are intervenors in the proceeding have asked Greene to hold another hearing, which would be designed to determine whether the local Bell operating companies (BOC's) that are to be divested can meet their obligations to provide "universal service at reasonable rates." Despite the mountains of pleadings already filed in connection with AT&T's reorganization plan, the groups maintain, the information on which the court can judge the impact of the plan on the companies' viability is incomplete.

Greene's action, coming in a 162-page opinion, affects a major element in the plan for reorganizing the world's largest private company. The plan calls for spinning off the 22 Bell operating companies and reorganizing them into seven regional operations, each of which would service a Local Access and Transport Area, or LATA. Service between the LATA's within the companies' areas of responsibility would be provided by long distance carriers, such at AT&T and MCI.

The plan is to go into effect in January. And Greene noted that the local operating companies will assume the responsibility provided basic and affordable telephone service. Accordingly, he said, the court will approve LATA's "which tend to preserve the effectiveness and the viability of the operating companies."

Greene approved:

Five of the LATA's proposed for New England, and ordered a division of the LATA proposed for eastern Massachusetts.

Sixteen LATA's proposed for the mid-Atlantic region, but ordered the division of the proposed New York metro area into two regions.

Fifty-seven LATA's proposed for the South, but ordered the division of the Birmingham, Ala., area and the consolidation of two areas in Kentucky.

Forty of the regions proposed for the midwest, but ordered the division of the Cleveland-Davenport, Iowa, regions, consolidated two LATA's proposed for South Dakota and consolidated one Illinois region.

Twenty-one of the LATA's proposed for the West, consolidated two regions in Utah, and ordered a modification of the Los Angeles LATA.

Greene delayed action on several areas pending the receipt of additional information. These included Albany, N.Y.; Syracuse, N.Y.; St. Louis; Detroit; southeast Wisconsin; Chicago, and proposed state line crossings in the New England states. The church groups' motion for a new hearing argues that AT&T is in no position to represent the views of the 22 local companies that are to be reorganized into seven regional concerns. "AT&T," they say, "has an inherent conflict of interest in developing the plan." They also say that the BOC's have not placed in the record—for review by the intervenors and the court—"their full and candid assessments" of the plan's likely impact on them.

As for the possible conflict of interest between AT&T and the local companies, the church groups cite, among other things, the competing desires of Bell and the companies to employ "the most sophisticated equipment, the most skilled personnel, and rights to all proprietary information. . . ."

The groups also rejected AT&T's contention that, even if a conflict appeared, the parent company could not manipulate the plan. They say there were several examples of such manipulation, including AT&T's assignment of certain switching systems to itself, despite what the groups say is the requirement of the plan that those systems go to local operating companies where use of the equipment "predominates" over Bell's.

"The most glaring information void," the groups contend, "concerns the views of the newly designated regional BOC's. They said that the chief executive officers of the regional companies apparently expressed concerns [to the Department of Justice, as it prepared its comments on the plan] that are not even hinted at in the affidavits they filed with this court." The groups say that, with minor exceptions, the CEO's "reported concerns only of extreme significance or responded only to the issue of whether AT&T imposed its will on them."

Given AT&T's "actual and potential conflict" and the BOC's "limited disclosure," the groups say, the court should hold another hearing "to flesh out as much information as possible within the time constraints" of the plan, which calls for implementation next January. They suggest that each BOC be required to submit written statements and that BOC representatives be made available for cross-examination by parties in the case. The groups also say the parties should be allowed to file statements on whether the new information developed warrants changes in the plan.

The groups filing the motion were the United Church of Christ's Office of Communication, Reformed Church in America, National Council of Churches' Communications Commission, National Catholic Broadcasters Association and United Methodist Church's General Board of Global Ministries.

[From the Wall Street Journal, Mar. 3, 1983]

AT&T PUTS COST OF SHEDDING BELL UNITS AT $1.9 BILLION, TO BE PASSED TO CUSTOMERS

(By James A. White)

NEW YORK.—American Telephone & Telegraph Co. estimated the five-year costs of breaking up the Bell System at a minimum of $1.9 billion, which eventually would be paid by telephone customers.

The preliminary estimate, the first by AT&T since its Jan. 8, 1982, agreement with the Justice Department to divest itself of the Bell operating companies, doesn't include about $1 billion in extra spending through 1987 related to regulatory decisions rather than the divestiture agreement. The $1.9 billion figure also excludes administrative expenses and costs of the 22 Bell operating companies arising from the divestiture, AT&T said.

An AT&T spokesman described the spending estimate as "shaky," but said it was the best the company could come up with based on available information. "This shouldn't be looked on as the total cost of what the breakup is going to be because we frankly don't know that yet," he said.

RESPONSE TO FCC REQUEST

AT&T provided the estimate to the Federal Communications Commission in response to a commission request in January for the projected costs of altering the nation's telephone network to conform with the divestiture agreement. The FCC wasn't involved in reaching the divestiture agreement, which settled a 1974 government anti-trust suit against AT&T, but the commission does have powers over the transfer of radio licenses, telephone company assets and other items that are affected by the divestiture.

The divestiture, which AT&T plans to complete next January, calls for the parent company to retain its Western Electric Co. manufacturing arm and Bell Telephone Laboratories Inc., and to provide interstate long-distance calling service and about half the intrastate toll service now provided by the local Bell companies. The local companies will provide local and the remaining intrastate phone service, offer Yellow Pages advertising and have the option of selling telephone equipment after divestiture.

One major area of expenses stemming directly from the divestiture involves dissecting the transmission lines and switching equipment—built up over the years as one nationwide network—into separate networks, one for AT&T long-distance business and the remainder for the Bell companies to provide local and some toll service. An even larger cost category, related both to the divestiture and earlier FCC decisions, involves providing AT&T's long-distance competitors "equal access" to local telephone customers. That requires changing the telephone network so that customers of MCI Communications Corp. and other long-distance carriers can obtain service without using push-button phones as are necessary now, for example.

NETWORK CHANGE SPENDING

AT&T estimated that spending for network changes directly related to the divestiture would come to $279 million through 1987, with the bulk of the expenditures coming in 1985 and 1986. The spending would go toward rerouting trunk lines to avoid overlap between AT&T and divested calling networks, construction of added transmission lines where needed in the reconfigured networks and developing new computer software to operate central-office switching equipment.

The cost of providing equal access to all long-distance carriers will total $2.66 billion through 1987, AT&T estimated. But the company said a minimum of $1 billion of that total would have been spent even in the absence of the divestiture agreement to comply with prior FCC orders requiring that long-distance carriers be treated on the same terms as AT&T's long-distance operation.

Because of the agreement, however, some of that spending planned anyway might be speeded up or some equipment placed in different locations, AT&T said.

AT&T said all the costs growing out of the divestiture and for providing equal access to long-distance carriers were an expense of doing business and therefore would be factored into rates paid by customers. AT&T didn't make any estimates of the specific effect on rates that the network changes would have. AT&T last year had total revenue of $65.76 billion and reported profit of $7.28 billion, or $8.40 a share.

In other portions of its filing with the FCC, AT&T said that the 22 local Bell companies would transfer assets with a net book value of $6.4 billion to AT&T as part of the AT&T takeover of a portion of the intrastate calling services now provided by the local companies. The Bell units are expected to retain 75 percent of AT&T's assets, which totaled $148 billion last year.

It also said that after divestiture, Bell customers would have options for choosing which long-distance carrier they wish to use. Under an option called "pre-subscription," all long-distance calls would be routed over a single carrier designated in advance by the customer. Under a second option, the customer could choose the carrier for the specific call by dialing a four-digit number followed by the regular area code and phone number. The four-digit prefix would begin with 1-0, and the second two digits would be a number assigned to the carrier desired.

Much of the AT&T filing, made last Tuesday, covered requests for transferring radio licenses used by the Bell System for microwave transmission of phone calls. The total filing included about 7,500 pages measuring three feet thick.

[From the Washington Post, Mar. 7, 1983]

SUPREME COURT CLEARS OUTCOME OF AT&T CASE

(By Fred Barbash)

The Supreme Court yesterday upheld the antitrust settlement that broke up the American Telephone and Telegraph Co. over the objections of 13 states concerned about the impact of the AT&T divestiture on local telephone service.

The court's action summarily affirmed U.S. District Judge Harold Greene's approval of the historic January 1982 divestiture agreement and allows detailed planning of the reorganization to continue under Greene's supervision without interruption.

Thirteen states, including Maryland, asked the Supreme Court to review the settlement. The states said that divestiture will require major changes in the financial condition of the local operating companies, as well as the equipment and other assets under their control—all of which could affect the rates they charge consumers.

State regulatory agencies, like the Maryland Public Service Commission, have the right to approve or disapprove any such changes, said Charles O. Monk, chief of the antitrust division in the Maryland attorney general's office.

Three justices, one short of the four required, voted to review the settlement. That tally and the written dissent accompanying it yesterday suggested that the court may be inclined to review some of the antitrust issues involved in the AT&T divestiture in some subsequent case.

The three dissenters, Justices William H. Rehnquist and Byron R. White and Chief Justice Warren E. Burger, strongly questioned the constitutionality of having the federal judiciary review such settlements.

The Justice Department told the court that the federal court action approving the settlement, like any other federal court decision, preempts the states' authority. The states, like everyone else, have an opportunity to file objections to a settlement with the reviewing federal judge, the government argued.

The Supreme Court also rejected objections to the agreement from two AT&T competitors, the Tandy Corp. and the North American Telephone Association, concerning provisions for the sale of telephone equipment contained in the settlement.

The justices acted without full oral arguments, briefings or an opinion. The three dissenters urged a full review by the court.

Rehnquist said he was "troubled by the notion that a district court, by entering what is in essence a private agreement between parties to a lawsuit" can use the powers of the federal government "to preempt state regulatory laws." He said the district court "may well be correct," but "I am not prepared to create a precedent in this court by summarily affirming its decision."

In addition, the dissenters raised questions about the constitutionality of the law (The Tunney Act) that requires approval of the federal courts for such a settlement, saying the pros and cons of a negotiated agreement are policy matters reserved to the executive branch.

AT&T is working under a deadline of Feb. 24, 1984 for the breakup of the Bell System. It will be giving up its 22 local telephone companies in exchange for expanded rights to compete in unregulated areas, such as data processing.

The states that sought Supreme Court review were, in addition to Maryland, Arizona, Delaware, Missouri, New Hampshire, North Carolina, Tennessee, Wisconsin, Virginia, Alabama, Kentucky, West Virginia and South Dakota.

[From Business Week, Oct. 11, 1982]

TELECOMMUNICATIONS: EVERYBODY'S FAVORITE GROWTH BUSINESS, THE BATTLE FOR A PIECE OF THE ACTION

After being tightly regulated as a utility for 75 years, the nation's communications industry has been unleashed and is becoming a competitive free-for-all. Dozens of companies are struggling to come up with a strategy for applying new technologies to win a bigger piece of the U.S. market for communications equipment and services—a $75 billion annual business that is expected to double in size over the next five years.

In their growing fight for market share, the contenders are reshaping the industry by erasing the differences that have separated the various communications carriers. For example, GTE Corp., the largest independent local telephone company, began building a satellite network this summer to enter the long distance communications market. And long distance carriers, such as Graphic Scanning, MCI Communications, and Western Union applied in June for licenses to set up cellular mobile telephone networks—a new type of radio system that will compete with the local phone companies.

The new technologies and regulations even make it difficult to distinguish between communications vendors and their customers. Merrill Lynch, Pierce, Fenner & Smith Inc. is negotiating a joint venture with Western Union Corp. to build a telecom-

munications center in New York City that would put it in competition with the carriers. "We see a wide-open market in communications, because the barriers to market entry have almost all disappeared," declares Robert P. Reuss, chairman of Centel Corp.

Communications companies will have to strike fast, however, if they want a bigger piece of the action. Says Alice J. Bradie, who follows the industry for L. F. Rothschild. Unterberg. Towbin: "The ones that will succeed are the ones getting there now." Late in August, federal Judge Harold H. Greene approved American Telephone & Telegraph Co.'s plan for spinning off its 22 local operating companies. AT&T is preparing rapidly for competition (page 66) and hopes to set the operating companies free by Jan. 1, 1984. And faced with the need to go it alone, the Bell operating companies are also plotting aggressive business strategies (page 70).

Coming up with a winning strategy will not be easy. The industry is in a state of chaos, the likes of which it has not seen since the turn of the century, when AT&T and Western Union were fighting to wire the nation for communications services. "I don't know of any industry that has seen such a combination of changes in such a short period of time, when you consider all the changes in technology and the move to deregulation," declares Eugene F. Murphy, president of RCA Communications Inc.

The drive to turn communications into a competitive industry has been accelerated by a host of new communications technologies. As recently as 15 years ago, the nationwide networks of AT&T and Western Union were the only means of commercially moving messages electronically—either across town or across the country.

Now, however, information can be beamed between cities via satellites or microwave radio links. Similarly, several ways of bypassing local phone companies have been developed. New York City, for example, buys lines from Manhattan Cable TV Inc. and hopes eventually to set up a private communications net using cable-TV lines to link all city offices. In addition to the growing number of competitors in cellular mobile radio, another 21 companies, including Satellite Business Systems and RCA Communications are seeking FCC permission to build digital termination services—using other new radio technology to carry telephone calls and computer data to any destination in town. Within an office building, office networks supplied by computer venders such as International Business Machines Corp. and Datapoint Corp. and private branch exchanges made by such companies as Rolm, Mitel, and Nothern Telecom can now provide an economic alternative to the phone lines currently installed.

The industry is being restructured as a result. Instead of separating the companies into market segments defined narrowly by geographical coverage or by type of products or services, three broad classes of companies are emerging: those supplying information processing and storage services, those that move information, and those that make the hardware to do the job. "The basic dividing line will be between information services companies and the computer and communications companies that serve them," says Clay T. Whitehead, president of Hughes Communications Inc. and the former director of the U.S. Office of Telecommunications Policy.

Although the Bell System will still remain the largest single supplier in the years ahead, it clearly will play a less dominant role in this new industry structure. The loss of AT&T's local operating companies will wipe out nearly half of the company's revenues—which totaled $58 billion last year—and cut its near 80% market share almost in half. This breaks AT&T's hammerlock on the market—something the Federal Communications Commission and the courts have been trying to do for a decade.

In addition to accelerating the reorganization of the industry the split-up of the Bell System will also get rid of the industry's pricing structure. As a monoploy AT&T was encouraged by regulators to establish rates based on average costs throughout the country. This resulted in the high-volume products and services which had greater economies of scale, subsidizing the less efficient, low-volume products. For instance, 37¢ of every long distance dollar still goes to support local telephone services.

PLENTY OF ROOM TO GROW

Competitors could easily undercut AT&T's prices on high-volume products and services. Long distance carriers such as MCI Communications, Southern Pacific Communications and International Telephone & Telegraph, for example, were able to charge 30% to 50% less than AT&T on popular long distance routes—which the phone company calls cream skimming. "We have had an economic distortion with artificial allocations of costs," complains Daniel J. Miglio, general manager of corporate planning for Southern New England Telephone Co.

One way of setting a price that would accurately reflect the cost of providing that service would be to shift to what is called "usage-sensitive pricing." The Bell operating companies, as well as the independents, already are switching to this kind of pricing: a measured local rate where charges are based on the length of the phone call and the time of day it was made. Currently 88 percent of AT&T's residential telephone customers pay a flat rate no matter how many local telephone calls they make.

With the new pricing structure basic communications will become essentially a commodity business, with price becoming the distinguishing factor. After doing a cost comparison that showed it could save $65 million over the next 10 years, for example, Westinghouse Electric Corp. decided to dump AT&T and install a private network between its 45 offices in the Pittsburgh area. "People are making more and more price comparisons," agrees William E. Starkey, group vice-president at GTE.

The communications companies, especially the common carriers, are now shifting to value-added services in order to differentiate themselves in this increasingly competitive commodity market. Basic telephone services will continue to represent the bulk of the business for some time, but flashy, value-added services will establish a company's reputation and provide more than their share of profits. Explains William G. McGowan, chairman of MCI Communications Corp.: "People will be willing to spend more on extra features." For example, MCI recently added Omni-Call, a service that automatically picks for its customers the least costly method of making a long distance phone call.

The problem facing the carriers is to determine which features to add. There is plenty of room to grow. Telecommunications accounts for just over 10% of the nearly $700 billion a year that AT&T estimates U.S. business spends on communications. The remainder goes for postage, preparing written correspondence, and for travel and meeting expenses. Now, companies such as Aetna Life & Casualty Co. are using teleconferencing services to replace some of the travel. And at J. C. Penney, K-Mart, Haggar, and Texas Instruments, computers now "talk" directly to other computers at their customers and suppliers, replacing the mail. "The name of the game," agrees Miglio of Southern New England Telephone, "is identifying what functions are needed, where they're needed, and then to design systems, at the right price, to meet those needs."

Communications carriers are now building all-purpose transmission systems to gain the maximum flexibility in providing these new services. Older technology demanded that the networks specialize in one type of information: video, data, or voice. But modern technology makes it possible to use one system for all three by converting every conceivable type of signal to a stream of on-off pulses of computer code. By building a network to carry these pulses, "we're arranging our services as a flexible transmission pipe, so the customer can use then as needed," says Lee M. Paschall, president of American Satellite Co.

LEARNING HOW TO SELL

Such flexibility is important for another reason. Despite all the excitement over the new high-technology communications applications, no one is certain when they will become big business. So, until data communications takes off, a company must be able to carry conventional phone calls to provide a revenue stream to finance its growth. That is a lesson that SBS learned the hard way. The satellite communications company introduced a service dedicated to carrying computer data at high speeds but was forced to broaden its offering to include slower-speed data transmission and voice phone calls. Now, says SBS President Robert C. Hall, "integrated services will be an important part of a firm's overall strategy." By the same token, a company that is not expanding beyond voice communications will be at a severe competitive disadvantage when transmitting data becomes important. For that reasons, AT&T is converting its long distance network into what it calls the Integrated Services Digital Network.

Besides teaching old communications networks new tricks, the shift to value-added services is forcing communications companies to master new business skills. The companies that will succeed, says Winston E. Himsworth, who follows the industry for Lehman Bros. Kuhn Loeb, will need "distribution, marketing, and the 'D' in research and development. These are the traditional disciplines needed for success, but these are skills nobody [in communications] needed before," he says. Just as many companies strong in electronics technology failed to make it in the computer business because of their marketing weaknesses, some of the communications companies could flop in gaining a bigger share of their market unless they stop operating like utilities. "We're the ones who invented the transistor, but it was developed by others. We can't let that happen again," points out John L. Segall, AT&T's vice-president for planning and financial management.

The most difficult thing for a deregulated communications company to learn will be how to sell instead of just taking orders. For all the publicity that new developments in

communications receives, customers will still be slow to change their communications habits and start using the new value-added services. How fast the markets for these services grow "depends on how well the companies' marketing departments educate people," says Ithiel de Sola Pool, a professor of political science at Massachusetts Institute of Technology.

KEEPING PACE BY INTEGRATING

The best examples of this kind of marketing are the new telephone applications that AT&T is demonstrating to customers. AT&T has added value to the long distance phone call with its Wide Area Telephone Service. Now it is promoting the Telemarketing concept, encouraging companies such as Polaroid Corp. and Clairol Inc. to use these WATS lines for customer service and to replace traveling salespeople. Says AT&T's Segall: "We need to find new value in that commodity the way Arm & Hammer began finding new uses for baking soda."

To make these sales efforts successful, the communications companies are tailoring their new products to customers' needs, instead of offering them one take-it-or-leave-it service. "We're coming out of a history of serving everybody as a regulated monopoly," says Southern New England Telephone's Miglio. In the future, he points out, "we're going to have to make our products in a more selective manner."

One way to do that is by industry, Hughes Communications, for example, is dedicating its Galaxy satellite exclusively to cable-TV programmers, creating a virtual shopping center for cable-TV shows. Similarly United Telecommunications Inc. is focusing on the insurance industry through its Isacomm subsidiary. "We don't believe it's our lot in life to go into headlong competition with AT&T or the IBMs of the world," says Paul H. Henson, United's chairman. "We are selecting what we consider to be fairly well defined niche markets."

Some companies are concentrating on public services—MCI with Execunet and Western Union with Mailgram, for example. However, a much larger group of carriers, including SBS, American Satellite, and Southern Pacific, are homing in primarily on private communications networks. "To protect its dominant market share, AT&T needs to design general-purpose services," says AmSat's Paschall. "Hence, it is our intent to tailor systems precisely to the customer."

Only a few of the largest companies—AT&T, GTE, and IBM, for example—will sell to a broad spectrum of markets. Each of the companies is vertically integrated with a position in information processing services, transmission, and equipment manufacturing. To keep pace with these larger competitors, most of the other companies are also doing some integrating. Most of them are expanding within their market category.

But some companies are vertically integrating outside their markets. As a result, they are increasingly blurring the distinction between information processing and communications companies. Computing services companies, such as Tymshare Inc., are currently in the communications business. And, in mid-September, GTE Telenet Communications Corp. launched a medical information network with the American Medical Assn. Explains Hughes Communications' Whitehead: "There is a lot of focus on mergers between computer and communications equipment makers, but what will shape the future will be alliances between information services and communications companies."

For now, equipment makers and communications services suppliers see little need to enter each other's business. "We used to own manufacturing facilities," recalls James V. Napier, president of Continental Telecom Inc. But the Atlantic company sold these factories, he says, because "there are so many manufacturers that it is easy for a service company to get all of the products it needs." Most equipment suppliers feel the same way about the services business. "We're good at manufacturing products and that is where we want to spend our money," says Donald Smith, vice-president of business development at Mitel Corp.

HELP FROM A BIG PARTNER

Perhaps the biggest change in the industry's structure will be the new avenues of distribution created by the independence of the former Bell operating companies. Nearly all of the communications carriers rely on the local telephone company to make the final connection to their customer. That is often a difficult task, as customers using competitive long distance companies are well aware. They must dial as many as 13 extra digits when making such a phone call. Under the divestiture agreement, however, the operating companies must give the competing carriers the same connection that they give AT&T. That means that the customers of competitors will have to dial only one additional digit.

These new distribution channels will have an equally large impact on the equipment makers. "Up to now, we've had many good manufacturers, but their major problem was how to distribute and service their gear," notes Robert E. LeBlanc, a New Jersey telecommunications consultant and former vice-chairman of Continental Telecom. Now, the Bell operating companies can become dealers for the manufacturers.

But none of these strategies for competing in the new communications environment can win unless a company can finance its entry into the contest. The new technologies cost less to install than the old wiring but still require massive amounts of capital. Satellite Business Systems invested nearly $600 million in its satellite network before collecting a cent in revenues. Even tiny Microtel Inc. is spending $40 million to build a network in Florida. "The opportunities for new entrants are narrowing," says Richard M. Smith, Microtel's chairman, because of the capital requirements.

One alternative to a big initial investment is to enter the business in stages. American Satellite entered in 1974, for example, by leasing channels from other carriers. In 1980 it agreed to buy one-fifth of Western Union's Westar IV and V satellites for $105 million. By 1985, AmSat plans to spend $100 million to launch its own satellites.

Other companies are selling some of their assets to raise the funds. For example, Western Union in August sold six of the 24 transponders on its Westar V satellite for $38 millon to other companies. That sale provides one-third of the $100 million that it costs to build and launch a satellite and still leaves 18 transponders for Western Union's business. "The purchaser is ensured a stable price for communications, and it provides us with instant capital," explains Philip Schneider, vice-president for satellite systems at Western Union.

To amass the financing and skills needed to succeed, many companies are turning to joint ventures. To provide a highly reliable data communications network, for instance, Tandem Computers Inc. linked up with American Satellite itself a joint venture between Continental Telecom and Fairchild Industries Inc. U.S. Telephone Communications Inc. now sells its discount long distance phone services through such retailers as Marshall Field. These corporate partners handle the billing and much of the marketing. "Folks don't know how to shop for alternative telephone service," says G. Ray Miller, executive vice-president of U.S. Telephone. "So the credibility [of a big partner] is important."

By selling customers their own transmission facilities, the carriers are using the customer's money to fund construction in the same way that condominium developers do. "We will have to see more and more alliances between users and suppliers," believes Hughes' Whitehead, "because there is more than any one [of us] can do by ourselves, both in terms of finance and knowledge." By purchasing telephone equipment outright instead of renting it, customers can remove the need for their suppliers to finance a rental base. "The industry is shifting the capital requirement away from the communications company to the user," says consultant LeBlanc.

BOMBARDED BY EVERYONE

Besides providing the funding for new communications ventures, customers will also be taking a more active role in operating their communications systems. Already, AT&T reports, more than 87% of its residential consumers plug in their own telephones instead of calling in an AT&T serviceman, up from 70% two years ago. Now business customers, such as Kraft, Inc. in Chicago are planning to install and handle the upkeep on their own equipment. "In the past there was no advantage for us to do it because we were paying for it in the general rate," says C. Richard Keener, Kraft vice-president and director of systems services. But now, he says, "We can get credit for work we do ourselves."

As the industry's customers participate increasingly in communications, they will need to develop their own strategies for dealing with the new environment, especially as communications becomes the central nervous system in most organizations. One strategy that large companies are adopting now is to set up what amounts to their own communications company. Although Federal Express Corp. is not unhappy with AT&T service, it is convinced, for example, that it can get better service less expensively by doing it itself. "If you control your own network, you have more incentive to improve its reliability," says James L. Barksdale, senior vice-president. But even smaller customers will have more options to choose from. "We've been bombarded by everyone," says John W. Kortze, director of administrative services for Remington Products Inc. "The days of being able to pick up the phone and rely on one vendor for end-to-end services may be over."

AT&T'S BOLD BID TO STAY ON TOP

Eagles show up everywhere in Hugh B. Jacks's office, from the side of his coffee cup to his lapel pin. As American Telephone & Telegraph Co.'s national director of business services, Jacks chose the eagle to symbolize the new competitive spirit he is trying to instill in his 60,000-person maintenance force because, he says, "storms bring out the eagles, while little birds fly to cover." Indeed, the storm changing the structure of the U.S. communications industry has brought out the eagle in AT&T.

In a strategic shift more daring than anyone had thought could ever come from the telephone company, Bell decided to give up its monopoly in the standard telephone business by agreeing with the Justice Dept. to divest its 22 local operating companies—a plan approved by the courts late in August. Instead, AT&T is setting its sights on value-added and unregulated information services—what the company calls the knowledge business. "We need to tell people that our business is broader than we perceived it in the past," declares Archie J. McGill, vice-president for business marketing and one of the architects of AT&T's new strategy.

While the phone company's size has enabled it to dominate the telecommunications industry—with 1981 revenues of $58.2 billion, it has nearly 80% of the market—its immense bulk is hindering this dramatic change. It must modernize a $146.6 billion communications network and plant. Even more difficult, Bell must now teach its 1 million employees to please customers, after decades of encouraging them to please the regulators. "AT&T is a great big company that has the attitudes of a monopoly entrenched in it," says Richard M. Moley, vice-president of marketing at Rolm Corp.

In fact, some industry observers do not rule out the possibility that AT&T could fail to keep up with the changing market. After all, they reason, such established electronics giants as General Electric Co. and RCA Corp. failed during the 1970s in their bids to enter the exploding computer hardware business. Indeed, AT&T's transformation "is a corporate gamble to top all corporate gambles," concludes Harry Newton, a New York communications consultant.

But AT&T is showing surprising agility at adapting to change. John D. deButts, a former AT&T chairman, embarked in 1978 on a plan to turn the phone company into a fiercely competitive supplier of all forms of communications systems and then turned the corporate reins over to Charles L. Brown the present chairman (BW—Nov. 6, 1978). Since then, Brown has revamped many of AT&T's operations and drafted the landmark divestiture agreement. "With nearly a million people, you can't turn around overnight," says Robert E. Bennis, manager of telecommunications systems at Westinghouse Electric Corp. Still, he notes, "AT&T has made significant changes."

So far, AT&T has made the most progress in building a business sales force. Since joining Bell in 1973, McGill, a marketing veteran of International Business Machines Corp., has been teaching AT&T's salespeople how to sell its products and services instead of just taking orders. "When we started our major push about four years ago, I said [the change] would take five to seven years." McGill says, "and we're further along than I anticipated we'd be." To instill aggressiveness in this sales force. McGill phased in commissions—unheard of as recently as three years ago. Today, commissions account for as much as 50 percent of the pay of a typical account executive at Bell. And 34 percent of AT&T's 6,500 account executives have already passed a new training course.

Besides becoming increasingly aggressive, AT&T has changed the focus of its sales efforts. Instead of selling standard products, the company is working to tailor its products and services to the specific needs of particular industries. McGill has realigned the sales force into industry-specific groups that focus on 28 industry segments. Customers are already noticing progress. Bell "is becoming more knowledgeable about its customers," believes James L. Barksdale, senior vice-president at Federal Express Corp. As a result, he says, it "is selling solutions rather than communications."

PLAYING CATCHUP

The success of this new marketing push is especially obvious in the international marketplace. From a standing start only two years ago, AT&T International Inc. last year sold more than $800 million worth of communications goods and services to foreign customers. And late in September, it began negotiating a joint venture with Philips of the Netherlands to boost those efforts (page 47).

The AT&T sales force is still handicapped, however, by a product line that many competitors and customers consider to be out-of-date. Bell's five-year-old Dimension private branch exchange (PBX), for example, handles only the continuous-wave audio tones of voice conversations. The more advanced PBXs of its competitors use the on-off digital pulses of computers so that they can carry more efficiently both telephone calls and computer data, a feature that is in increasing demand as business customers automate their offices. Similarly, Bell does not make or market many of the telephone accessories, such as answering machines, that are so popular with telephone users.

As a result, AT&T is losing substantial market share in equipment sales. Although Bell was once the only supplier of office phones, it now has only 68 percent of the $8.7 billion in PEX systems currently installed, market researchers at International Data Corp. estimate. "Frankly, I think AT&T is in a position of playing catch-up," says Walter C. Benger. executive vice-president for marketing and technology at Canadian competitor, Northern Telecom Ltd.

But AT&T will have trouble catching up, if only because "of the five-to-six-year development cycle at Bell Labs," says Gus V. Morck, manager of corporate telecommunications for Atlantic Richfield Co. To cut that time by as much as half. AT&T is reorganizing along the lines of businesses, each one with its own financial, marketing, and development resources. Declares Brown: "We need organizational changes to facilitate our ability to move quickly in (new) areas."

The fruits of this more aggressive product development effort are starting to come to market. In June, AT&T's new American Bell subsidiary introduced the Advanced Information System (AIS), an ambitious combination of data communications and computing technology. The new service permits dissimilar brands of computers and office equipment to communicate with each other—until now, a difficult task. AIS customers can also process information in the network, giving AT&T a beachhead in emerging markets such as computerized data libraries.

Other advanced products are on their way. The company is already reported to be testing at customer sites a new PBX that will employ digital signals. Although AT&T says that it has not yet decided whether it will enter the computer hardware business, its Western Electric Co. subsidiary this spring began selling inside the Bell system a super minicomputer, similar in power to the top-of-the line model from minicomputer leader Digital Equipment Corp. AT&T's manufacturing subsidiary is also redesigning its telephones so that they will be more competitive. For example, it is considering additional features such as a TV-like display screen.

But AT&T must still learn how to follow up once its customers choose their equipment and services. Despite the telephone company's reputation for excellent service, many customers are less than impressed with its ability to install and maintain telephone equipment. "In [those] everyday functions they are no better or worse than the rest of the folks out there," says Arthur L. DeLaurier, manager of voice communications for Eastern Air Lines Inc.

A NEW LOOK

"We recognize that in some instances we have been harder to deal with than we should have been," concedes Jacks, AT&T's national director of business services. To improve things, he is rapidly transforming the traditional telephone repairers, wearing tool pouches, white socks, and work boots, into nattily attired service technicians who carry their tools in briefcases. Already 1,600 of AT&T's 60,000 technicians have hung up their tool belts, and Jacks hopes by the end of the year to have 85 percent of them converted to the new look.

The change is more than skin-deep. Instead of being randomly dispatched, the new service technicians are assigned specific clients and given full responsibility for coordinating installation and repairs. Already, AT&T's customer surveys claim, the number of AT&T's large customers who are completely satisfied with repair and installation has risen from 83 percent in the first half of 1981 to 92 percent in the first half of 1982. And Jacks declares that his group "is willing to make whatever changes are necessary in the future to make the customer like us better than anybody else."

Not all of AT&T's employees are eagerly going along with the changes, however. For instance, after Bell's employee magazine printed an article explaining how AT&T had started holding annual sales conferences that bring the top 3 percent of its sales force to such resorts as Acapulco, it received many letters asking why Bell wasn't giving all its employees such bonuses.

In fact, eight out of 10 AT&T employees rated their company's efforts to explain what is happening as fair to poor, reports one Bell survey. "The biggest challenge is to keep people informed so that they feel included instead of allocated," acknowledges AT&T Executive Vice-President Charles Marshall. Besides flooding its employees with articles, brochures, and seminars on how to deal with the changes in their jobs, the telephone company is instituting various incentive programs. Jacks, for example, awards eagle statuettes to the outstanding service groups each quarter. As a result of these efforts. Brown says that he does not "expect corporate culture to be a barrier. I'm proud of the way our people have stepped up to the task."

It is still too early to tell just how successful AT&T will be with its new strategy. But if the telephone company can overcome the inertia stemming from its huge size, the economies of scale inherent in such bigness may generate overwhelming competitive momentum. Agrees Robert P. Reuss, chairman of Centel Corp.: "AT&T has a great capacity for bringing in a superior product at low cost in the whole field of communications."

THE OPERATING COMPANIES' STRATEGY FOR SURVIVAL

American Telephone & Telegraph Co. is casting its 22 Bell operating companies (BOCs) adrift on a leaking raft, as far as some industry observers are concerned. While AT&T pursues the faster growing and unregulated markets such as data processing, they say, it has divested the BOCs along with their regulated, slow-growing local telephone business.

But the BOCs look at their admittedly labor- and capital-intensive local phone business somewhat differently. With more than 142 million telephones installed, the BOCs have access to nearly 80 percent of the nation's users, and they intend to leverage that market penetration by becoming *the* local distributor of a variety of communications equipment and services. "We're proud of our strengths, and we plan to build from that base," declares William L. Weiss, president of Illinois Bell Telephone Co. Moreover, he promises, "we won't be timid—we cannot afford to be."

The BOCs face several challenges, however. Their once-exclusive local communications franchise is now under attack by cable television operators, equipment: suppliers, and such emerging radio services as cellular mobile telephone and digital termination. "There is no part of the divested BOC revenue stream that is not subject to competition," concedes James E. Hennessy, the AT&T assistant vice-president who headed a task force that in August completed a market plan for the BOCs. And their installed equipment—nearly two-thirds of AT&T's $137 billion in assets—is the oldest in the Bell system. "The most modern pieces of equipment are in the long-haul segment, where the highest traffic is," says John F. Gantz, a consultant with International Data Corp.

So the operating companies are preparing to overhaul their operations. They are installing new computerized switching gear and optical fiber cables in the local exchanges and are experimenting with techniques that enable existing telephone lines to carry voice calls and computer data simultaneously. "We must try to be the best provider of local access services to meet the needs of those who want to send data, voice, or whatever," states John L. Clendenin, president of Southern Bell Telephone & Telegraph Co.

At the same time, the local phone companies are going outside the old Bell System to form new business relationships with competitive long distance carriers. Besides making it easier for these companies to connect to their customers, the BOCs also plan to offer to handle the billing and collection for these long distance companies. "We see a difference already at Southwestern Bell," reports Andy H. Laguerueia, president of Satelco Inc., a San Antonio discount long distance telephone company. For example, he notes, "it used to take us 30 or 40 days to get circuits installed, but now it takes just 10 days."

The BOCs are also positioning themselves to become big regional equipment distributors. This is an ideal business for the BOCs because, under the divesture agreement, the BOCs can supply telephone equipment but may not manufacture it. And despite years of habit, the BOCs are not expected to buy automatically from AT&T's Western Electric subsidiary because its American Bell subsidiary will now market that equipment. "There is no reason for them to buy exclusively from their competitor," says Walter C. Benger, executive vice-president for marketing and technology at Northern Telecom Ltd.

Moreover, the BOCs can sell their technical skills. The operators of cable-TV systems could hire BOC crews to string their cable, for example. Confused customers could turn to the BOCs for technical assistance in coordinating the communications devices and services they may buy. "We have built-in expertise in management training and technical training, so that's one of many possibilities we're considering," says Arthur C. Latno Jr., executive vice-president of Pacific Telephone & Telegraph Co.

These new ventures should help to make the divested BOCs more attractive to the financial markets. Standard & Poor's Corp. and Moody's Investors Service Inc. have warned that the BOCs are unlikely to maintain the top AAA bond rating they now enjoy, though AT&T has pledged to divest the BOCs with debt representing no more than 45 percent of capitalization.

But regulators are granting the BOCs faster depreciation rates that are already throwing off enough cash to permit the BOCs to reduce borrowing. Even Pacific Telephone, generally viewed as the weakest financially of the BOCs, now funds 70 percent of its construction internally, up from just 45 percent in 1980, Latno notes. The new ventures, Hennessy adds, should help the BOCs nearly double their revenues to $50 billion by the middle of the decade.

Nevertheless, the transition will be arduous for the BOCs. "A significant number of people will have to be convinced of marketing in this sense," admits Hennessy. But the BOCs are convinced that their future is much brighter than industry pundits paint. Declares Illinois Bell's Weiss: "There is an awful lot of opportunity for those of us who manage Bell operating companies."

FINAL SHAPE OF BIG AT&T SETTLEMENT

Higher local phone bills but more competition for long-distance calls are just a few of the repercussions of Ma Bell's historic breakup.

Vast changes for consumers and businesses will soon flow from the biggest corporate reorganization in U.S. history—final settlement of the eight-year-long antitrust battle between the Justice Department and American Telephone & Telegraph Company—

Local telephone bills will rise, perhaps sharply, after Ma Bell sheds its 22 local operating companies within the next 18 months. They will become independent phone companies, each offering local phone service, basic communications equipment and Yellow Pages classified advertising—all completely separate from AT&T.

Free phone-repair service will become a thing of the past. But fierce competition between AT&T, the local phone company and independent retailers for the sale of equipment may drive down the cost of telephone equipment.

Competition for long-distance calls will be tougher, too. AT&T will have to compete on an equal basis with cutrate long-distance services offered by MCI Communications, Southern Pacific Communications, and others.

In exchange, AT&T will finally gain long-denied access to the new, and unregulated, data-processing and computer markets. This holds promise for advances in computer technology—and for vigorous price competition in the industry.

A flood of new communications services can be expected when the results of Bell Labs research and development are marketed aggressively by AT&T.

The breakup of the world's biggest company was brought closer to reality when AT&T and Justice lawyers on August 19 accepted changes proposed by a federal judge to a tentative settlement of the antitrust case reached last January.

Among other things, Judge Harold H. Greene wanted AT&T to stay out of electronic publishing—linking home and business video screens to retail and financial institutions—for at least seven years.

Greene also wanted to give the lucrative Yellow Pages, worth millions in profits each year, to the local companies. the proposed settlement had given this business to AT&T.

Finally, the judge wanted the new local firms to be allowed to market phone equipment in competition with AT&T and other sellers. They would have been barred from selling equipment under the January agreement.

Had Justice and AT&T lawyers refused to accept those changes, Greene warned that he would order the trial resumed. Thus far, the litigation has cost Ma Bell and the government an estimated 375 million dollars.

Customer protection, Greene said he sought the modifications to protect customers of the local companies from incurring higher phone bills and poorer service. Revenues from Yellow Pages and equipment sales could blunt the impact of higher costs once the local firms are cut off from AT&T. The Justice Department opposed allowing the spinoff companies to sell sophisticated equipment for fear of monopolistic practices, but agreed to accept the judge's revisions anyway.

But the impact of this case on customers and AT&T and its competitors is sure to dwarf the legal implications.

Local phone rates, no longer to be subsidized by the parent company's long-distance revenues, will rise sharply—10 to 20 percent a year, say industry analysts.

What's more, customers will have to bear the cost of repairing the telephones, switchboards and other basic equipment that they buy or lease from the local companies or the many new suppliers entering the market.

The 22 companies themselves will be grouped into seven regional holding companies. The company names will remain the same and the firms will continue to serve their existing areas.

Long-distance rates should hold firm or drop from existing levels because of competition between AT&T and its new independent rivals. Local phone companies must offer AT&T and the other providers of long-distance service the same rate and quality of signal. In turn, they will pay the local companies for access to subscribers.

Although barred from offering electronic news and advertising until 1989 at the earliest, AT&T will be free to enter the lucrative and unregulated field of data processing and computer services. Already, the company has launched a new subsidiary, American Bell, to market the Advanced Communications Service, which allows incompatible computers to "talk" to each other.

Ma Bell's 2,926,615 stockholders could discover their once-staid AT&T shares are buffeted by sharper ups and downs in value. That's because AT&T will no longer be a regulated utility whose profits are assured by rates set by government, but must compete for earnings in fiercely competitive fields. Once the restructuring is completed, shareholders will receive new certificates for

shares in one of the seven new regional holding companies.

All these changes—and more certain to emerge—will reshape one of America's most vital industries. In almost every respect, the telephone business will never be the same.

[From the Washington Post, Aug. 25, 1982]

LOOKING PAST MA BELL—FEDERAL JUDGE GIVES FINAL APPROVAL TO AT&T BREAKUP PLAN

(By Caroline E. Mayer)

A federal judge yesterday gave final approval to the breakup of American Telephone & Telegraph Co. within the next 18 months, an unprecedented corporate reshuffling that will change dramatically the way the nation has communicated over the past 100 years.

The order signed by U.S. District Court Judge Harold H. Greene, splitting AT&T's local operating companies from the parent corporation, will provide consumers a new array of choices and prices in telephone service. For consumers able to shop around, this could mean far cheaper bills for telephone equipment and long distance calls.

There may also be many more headaches, though—especially at first—as Bell customers try to adjust to the fact that they will have to deal with many more companies than the familiar "Ma Bell." Also, the agreement guarantees higher local telephone bills, although they may not be as steep as first predicted when the divestiture plan was announced nine months ago.

Greene's action ends the eight-year battle between AT&T and the government, which had attacked AT&T's monopoly power. The judge dismissed the government's antitrust suit and signed a breakup plan agreed to by AT&T and the Reagan administration in January and including changes ordered by the judge two weeks ago.

"I don't think there is any doubt this is going to change the world," said communications attorney Thomas Casey. "The divestiture of the operating companies is rivaled only by two other events in the communications industry—the invention of the telephone and the invention of the transistor."

Today, the simplest way to get local and long distance service and a choice of telephone equipment is to place an order with the local telephone company, although customers can buy equipment and subscribe to special long distance service now.

With the breakup of AT&T, it may take three or more calls to as many companies to arrange for service and equipment, communications analysts say.

"It has to be a different relation when customers won't be able to get everything they want to in one place," says Charles Marshall, an AT&T executive vice president who is doing much of the planning for the divestiture which the firm hopes can take place as early as Jan. 1, 1984.

Many details of how customers will buy and pay for telephone service still have to be worked out.

But as envisioned now, customers seeking new telephone service will have to call the local company to be hooked up to the local network. Although they may also be able to buy or lease a telephone from the local company after divestiture, they will likely want to shop around to check out the many different types of phones and prices that will be offered by the local company's growing number of competitions.

Among those competitors will be the newly constituted AT&T, which is expected to market telephone equipment aggressively.

The telephones in most households, which now are leased from local telephone companies, will belong to AT&T after divestiture. AT&T may decide to continue leasing them to the customers, or may try to sell them to their customers. But this decision too has not been made.

And to obtain long distance service, consumers probably will have to make special arrangements with the long distance company of their choice, such as AT&T, or its lower-cost competitors like MCI Communications Corp. or Southern Pacific Communications Co.

But in return, consumers who choose MCI, SPCC or another AT&T competitor may find it easier to use these systems because they will no longer be required to use a 12-digit access and identification number combination before placing a call. Instead, consumers probably will have to dial a single digit or, at most, three numbers to connect into a long distance network.

AT&T's long distance competitors will have to pay more to gain this direct access to the local network, communications analysts say, and that is certain to increase their customer charges.

As a result of all these changes, "it is going to be much more difficult for consumers to find out who's in charge of what," says Edward F. Burke, chairman of the Rhode Island Public Utility Commission who is president of the National Association of Regulatory Utility Commissioners.

The Bell System breakup also will guarantee higher local telephone bills, Burke says, but not be the two- or threefold increases that were predicted when the divestiture agreement was announced Jan. 8.

The reason is that Greene had ordered several changes that will dampen increases in local rates by increasing the revenues of local operating companies that will split off from AT&T.

Under the final divestiture plan signed yesterday, the Bell System will be dissolved into several companies. AT&T will spin off its 22 wholly owned local telephone companies which account for about two-thirds of its assets into seven separate regional companies.

These companies, which will retain the Bell System logo, will be responsible for local service. But they will also be able to sell telephone equipment if they wish, continue the profitable yellow page service and offer the new mobile radio service that is soon to be available nationwide. These companies will not be able to provide long distance service, however. Still, they will be required to treat AT&T and all its long distance competitors on equal terms in gaining access to the local network and customers.

AT&T, the parent company, will retain not only its name, but also the most lucrative parts of the Bell System: the equipment manufacturing subsidiary, Western Electric; the long distance division, and the research and development arm, Bell Telephone Laboratories.

The divestiture plan will permit this newly formed company to enter any area of business it wants to by lifting the conditions of a previous antitrust settlement that had barred AT&T from offering any unregulated, non-telephone-related service, such as data processing.

But, under orders from Greene, this company will be barred for at least seven years from entering the electronic publishing business, sending news, financial and sports data and a host of other information to consumers on their home or office video screens.

For AT&T investors, divestiture will mean a dramatic change in the steady blue chip stock they bought for guaranteed growth and steady dividends. Last year, for example, AT&T paid $5.50 in dividends for each share. Instead of holding stock in one company, investors will be given shares in eight companies—the parent AT&T and the seven divested local company groups.

Winston E. Himsworth, financial analyst for Lehman Brothers Kuhn Loeb, predicts that investors "may lose a little of their value in the operating company stocks, but this will more than be offset in the new opportunities present for AT&T." Yet, he notes, "There will be greater risks with AT&T stock. But along with the risks, there will also be greater potential for return."

By Mr. DANFORTH (for himself, Mr. BOREN, and Mr. WALLOP).

S. 1627. A bill to amend section (1)(f) of the Internal Revenue Code, and for other purposes; to the Committee on Finance.

COST OF LIVING ADJUSTMENT LIMITATIONS

● Mr. DANFORTH. Mr. President, I introduce today, along with Senator BOREN and Senator WALLOP, a bill intended to reduce the projected Federal budget deficits by $117.2 billion during the years 1985–88.

The bill is quite simple: for 4 years it redefines indexing for the purposes of the Federal Tax Code and for the annual cost-of-living adjustments (COLA's) made to non-needs-tested Federal benefit programs.

In 1985, the Federal Tax Code will be indexed. This means that annual adjustments will be made automatically to tax brackets, the personal exemption, and what used to be called the standard deduction. The purpose of this change, part of the 1981 tax bill, is to stop bracket creep—the process by which taxpayers are forced into higher tax brackets solely because they receive cost-of-living pay increases. Tax indexing will be based on the Consumer Price Index, the CPI. Under our proposal, tax indexing would use the factor CPI—3 percent from 1985–88. The Congressional Budget Office estimates that this change would result in higher tax revenues of $57 billion during that period.

The other half of the proposal is a temporary change in the annual COLA adjustment to Federal non-means-tested benefit programs (including social security, civil service retirement, military retirement, veterans compensation, etc.). Once again, during the 1985–88 period, the annual COLA's for these programs would be based on the factor CPI—3 percent rather than the CPI. After 1988, the CPI would be used as under current law. The savings expected to result from this provision are $60.2 billion through 1988.

Frankly, Mr. President, I take no pleasure whatsoever in introducing this bill. Members of the Senate like

to associate themselves with good news, not bad—with pleasure, not pain. This proposal is born of bad news—unacceptably large Federal deficits, and addresses the problem by inflicting pain—higher taxes and lower cost-of-living increases for recipients of Federal entitlement programs. But I am convinced that the only way to get a handle on the deficits is to inflict some pain. We try to do it in a way that asks a modest sacrifice from a very large number of people. We propose to ask the sacrifice from those who are in the best position to absorb it—taxpayers and Federal beneficiaries who are not required to establish financial need in order to receive their benefits. (We believe the recipients of needs-tested programs like SSI, food stamps, and AFDC have a unique need for full inflation protection.)

The non-needs-based entitlement programs are the fastest growing segment of the Federal budget. In the past 10 years, they have grown about 230 percent, from $85 billion to more than $280 billion. During that same period, the CPI increased about 135 percent. These programs now account for approximately 35 percent of the Federal budget.

I believe it is sheer folly to think that we can reduce the budget deficit to manageable size without both increasing tax revenues and slowing down the growth of entitlement spending. Those who say that defense cuts, discretionary spending cuts, and economic recovery will do the job are simply wrong. The numbers do not add up.

In proposing the "CPI-3 solution," I want to make it clear that we are open to modifications of our idea. For example, some people have suggested that Federal benefit COLA's should mirror the historical average of automatic COLA's in private sector labor contracts—approximately 60 percent of the CPI. A different idea was advanced by Senator ARMSTRONG in the social security debate. He proposed a "graduated COLA" adjustment which would have provided full CPI protection up to a specified amount and than a declining percentage of CPI for the remaining portion of one's benefit.

A number of other countries have enacted changes to the COLA's in their own social security systems. In the last 8 years, Germany, Britain, Sweden, Canada, and Finland have all made changes in response to economic conditions not unlike our own. Those changes have included the use of a new or modified price index, a delay in making the COLA change, and an arbitrary cap on the COLA. Such ideas deserve our consideration.

I do believe it is essential to link any COLA change on benefits with a modification of the Tax Code. Whether we modify indexing, impose a tax surcharge, or make some other change, it is necessary for equity's sake to ask a sacrifice from the taxpayer. Only in this way can we argue credibly that we are all willing to do our part to get the economy back onto a track that holds out the promise of steady, long-range growth.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD. I ask further unanimous consent that a second statement describing current economic problems and a rationale for the CPI-3 proposal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That—

COST OF LIVING ADJUSTMENT LIMITATIONS

SEC. . (a) Paragraph (3) of section (1)(f) of the Internal Revenue Code of 1954 is amended to read as follows:

"(3) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (2), the cost-of-living adjustment for any calendar year is—

"(A) for calendar years 1985 through 1988, the percentage (if any) by which—

"(i) the CPI for the preceding calendar year, reduced by three percentage points, exceeds

"(ii) the CPI for the calendar year 1983, and—

"(B) for calendar years after 1988, the percentage (if any) by which—

"(i) the CPI for the preceding calendar year, exceeds

"(ii) the CPI for the calendar year 1983."

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective as of the date of enactment.

SEC. . (a)(1) Any increase in benefits which would occur by law under any of the provisions of law described in subsection (b) during the period beginning on October 1, 1984, and ending on September 30, 1988 as the basis of any increase in the Consumer Price Index, shall be limited as though the relevant increase in the Consumer Price Index was equal to the actual increase in such index minus three percentage points.

(2) The provisions of paragraph (1) shall apply only to the increases in benefit amounts, and shall not be applied in determining whether a threshold CPI increase has been met or in determining increases in amounts under other provisions of law which operate by reference to increases in such benefit amounts.

(3) Any increase in benefit amounts which would have occurred but for the provisions of paragraph (1) shall not be taken into account for purposes of determining benefit increases occurring after September 30, 1988.

(b) For purposes of this section the applicable provisions of law are the cost-of-living adjustments for—

(1) Old age, survivors, and disability insurance benefits under section 215(i) of the Social Security Act (but the limitation under subsection (a) shall not apply to supplemental security income benefits under title XVI of such Act);

(2) Armed services retirement and retainer pay under section 1401a of title 10, United States Code, retired pay and retainer pay of members and former members of the Coast Guard, and retired pay of commissioned officers of the National Oceanic and Atmospheric Administration or the Public Health Service;

(3) Civil service retirement benefits under section 8340 of title 5, United States Code, Foreign Service retirement benefits under section 826 of the Foreign Service Act of 1980, and Central Intelligence Agency retirement benefits under Part J of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees;

(4) Federal workers' compensation under section 8146a of title 5, United States Code; and

(5) Veterans' dependency and indemnity compensation under section 3112(b) of title 38, United States Code.

BUDGET POLICY PAPER

(U.S. Senator John C. Danforth)

The national debt has quadrupled since 1960, from less than $300 billion to more than $1.3 trillion. Under present policies, we are about to add another trillion dollars by posting annual deficits of about $200 billion in each of the next five years. (See Table One.)

The President's version of the Fiscal Year 1984 budget recommended cuts that might hold the deficit to $190 billion, a level that is very high by any standard. The current House and Senate budget proposals would create FY 1984 deficits of $175 and $179 billion respectively.

I believe we can put the federal budget on a responsible footing.

I believe, in fact, that we must. If we continue to fail the test of fiscal responsibility, we will be weakening our economy for many years to come.

There are three issues that I would like to discuss in more detail. The first is the magnitude of the present deficits and the harm they do to the nation's economy. The second is how we got into this situation. The third is what must be done if we are ever going to climb out of such a very deep hole.

The United States government is addicted to deficits which are growing in size. In the 1960s, the average deficit was approximately $6 billion. In the 1970s, deficits averaged about $30 billion. Twelve years ago, the deficit was less than 1 percent of Gross National Product; in 1980, 2 percent; in 1984, it will be about 6 percent. During the next several year federal borrowing will claim nearly 90 percent of the nation's net private savings. Debt service will cost $87 billion this year, 11 percent of the total budget. (See Table One-A.)

Every responsible voice agrees that chronic and growing deficits are bad for the economy and damaging to our country's future. High deficits are related directly to high inflation rates, to high interest rates, and to high unemployment.

Yet, in the face of general agreement that persistent deficits are very bad for the nation, virtually nothing has been done to correct this situation.

Since 1960, the United States has had one balanced budget and 22 deficits. In these years, we have created nearly 90 percent of our existing debt.

The question is how this happened.

It is no accident that we have posted only one balanced budget since 1960. It is no accident that we are about to run huge deficits through the end of this decade. It is not chance that we are about to create a thirty-year string of deficits—and do it with budgets that dwarf all past measures of the government's inability to live within its means.

Deficits are popular.

It is in the nature of elected office to seek the popular course of action. Politicians want to be re-elected. For two decades, politicians have prospered by promising higher spending without the need to pay the price. Very few of the men and women who serve in Congress have ever seen anything but red ink budgets.

We will never straighten out the economy until we jettison a set of extremely popular myths about how to control the budget. Let me offer some examples of budget mythology, with one introductory fact:

It is not possible to reduce the deficit below $150 billion per year unless we (a) reduce the growth rate of entitlement programs, and (b) increase tax revenue above what is built into current law.

There are a number of budgetary myths floating around, all of which have a common characteristic. That characteristic is to pretend that the deficit is someone else's fault and that it can be reduced without any sacrifices on our part. Here are some examples of popular myths.

Myth: "We can solve the deficit by cutting defense spending."

In the 1970s, defense spending declined from 8.3 percent of Gross National Product to 5.5 percent of GNP. In after-inflation, real dollars, defense spending fell by 19 percent in this period. During the last quarter century, defense spending as compared with the rest of the budget has been cut in half. (Table Two.)

Recently, Congress has voted increases in defense spending in recognition of these facts and because of the continuing buildup of the forces of the Soviet Union.

The argument in Congress is not over whether defense spending must be increased. The argument is over how much it must be increased. There is no support in Congress for an increase below the 2.8 percent recommended by the House, a level substantially lower than the 10 percent increase sought by the President.

The difference between the House figure and the President's figure is $10 billion. In other words, if we take the low figure for defense, we could reduce the 1984 deficit by only about 5 percent.

Myth: "We can solve the deficit by cutting waste and silly programs."

The argument is often made that Congress has no right to expect financial sacrifice from the public if it raises its pay and builds new buildings. I happen to agree. But the fact is that Congressional pay makes no material difference to the deficit. If Members of Congress worked for nothing, the deficit would be reduced by about two one-hundredths of one percent. If we abolish the entire legislative branch of government, the deficit would decline by less than 1 percent.

Nor is getting rid of waste a cure. Congress has a duty to seek greater efficiency in federal programs. But there is no package of anti-waste and anti-fraud measures that will have a significant effect on the deficit.

To illustrate the point, assume that Congress tries to balance the budget by preserving only those programs which are essential or universally accepted. Assume everything is wiped out except these items: interest on the debt, defense spending as proposed by the House, and outlays proposed by the President for social security, Medicare, Medicaid, federal pensions (both civilian and military), and unemployment compensation. The result is spending of $665 billion against Administration-proposed revenues of $660 billion—a budget in near balance.

We would have a government that performs seven functions.

We also would have a government no longer performing such functions as: national parks, job training, aid to education, aid to highway construction, child nutrition, aid to agriculture, air traffic control, courts, environmental control, economic forecasts, passports, the space program, cancer research, housing, low-income energy assistance, the Food and Drug Administration, and revenue collection.

In other words, no combination of noncontroversial reductions in defense, waste, and "secondary" programs will come close to balancing the budget.

Myth: "The recession is causing the deficits."

It is argued that economic recovery will take care of the deficits, that when enough people are back on the job the problem will solve itself. When the Senate Budget Committee analyzed the effect of recovery on the deficits, it found that even with full employment (now defined by economists as a 6 percent jobless rate), the deficits would average $156 billion through 1988. (Table Three.)

Simply stated, most of the deficit is built into present policies. It will not be removed by economic recovery, no matter how quickly it comes nor how robust its nature.

Myth: "Higher taxes alone will close the deficit."

Under current law, taxes in 1984 will be equal to 18.7 percent of GNP, a level in line with historical experience. Because of increases in social security payroll taxes, the gasoline excise tax, and "bracket creep" due to inflation, the net tax cut in 1984 will be about $18 billion, a far cry from the $130 billion tax reduction voted in 1981.

If we were to raise taxes by the full $30 billion sought by the House, revenues would be 19.6 percent of GNP, the net tax cut would be more than wiped out, and the deficit would be $170 billion, or 5 percent of GNP.

Even larger tax increases would not solve the deficit problem. They would, however, put at risk the fragile recovery that is occurring in the economy.

These budget myths, and others, are the stuff of wonderful campaign speeches. That they fail the test of reason scarcely reduces their attraction for many officeholders and candidates. Right up to Election Day in 1982, candidates were telling people that a little economic recovery and a little borrowing among the trust funds would fix the social security system.

But fairy tales don't solve problems.

To solve the problem of the deficit and do so with fairness, I believe, we must do a number of unpopular things at the same time. We must hold the line on domestic spending. We must restrain the growth rate of large and popular entitlement programs such as social security, Medicare, Medicaid, and federal pensions. While reconciling ourselves to a necessary rise in defense spending, we cannot give the Pentagon a blank check. We must accept the necessity of tax revenues higher than provided under current law.

During the Senate's work on the budget, the most courageous proposal put forward was a plan drafted by Senator Bennett Johnston. The Johnston plan would have put an across-the-board cap on the growth of domestic spending, including the major benefit programs; it would have exempted only the means-tested programs that protect the poor, programs such as Supplemental Security Income (SSI) for the elderly and food stamps. It would have increased taxes by $15 billion in Fiscal Year 1984. The proposal got Senator Johnston's vote, my vote, and 11 other votes. It lost 83 to 13.

On May 24, I presented to the Finance Committee a proposal to reduce the FY 1985–88 deficit by a total of $117.2 billion. My proposal would reduce the growth of spending by $60.2 billion over those four years. It would increase tax revenues by $57 billion. The savings on spending would be achieved by limiting the growth of social security, federal pensions and other inflation-adjusted entitlements which are not subject to a means test. The growth of these programs would be limited for four years to the rate of inflation minus 3 percentage points. The increase in revenues would be achieved by the same method—indexing taxes at inflation minus 3 percentage points.

The major entitlement programs account for about one-half of all federal outlays and benefit tens of millions of people. These programs have been the fastest-growing portion of the budget in recent years, far outstripping all other portions of the budget. (Table Four.) The Medicare program, for example, was started in 1970 at a cost of $7 billion. This year, outlays will be $59 billion. By 1990, outlays are expected to be $137 billion.

In 1983, payments to individuals under entitlement programs and other open-ended obligations will total $367 billion, or more than 45 percent of the entire budget. Of this $367 billion, social security, Medicare, Medicaid, railroad retirement, and federal pensions and insurance account for $300 billion, or 82 percent. You can pick up some votes by telling people we can do something about the deficits without restraining the growth of these programs. But it isn't so.

We cannot escape interest on the national debt.

The difference between the extremes on defense spending (about $10 billion) is not significant when viewed in the context of a $200 billion budget deficit.

Discretionary programs such as student loans, child nutrition, and general government have been squeezed dry for savings. (As a matter of fact, such programs as child nutrition, low-income energy assistance, scientific research, and job training should undergo some expansion.)

You cannot reduce the deficit if nearly one-half of all outlays (the entitlement programs) are off limits. You cannot reduce the deficit if taxes are off limits. Three unpopular steps must be taken simultaneously. We must restrain the growth of entitlement programs. We must increase tax revenues, and we must hold the line on non-entitlement spending. This is the only course of action that will have a significant effect on the gap between revenues and outlays.

I believe the deficits matter. Therefore, I will pursue the proposals I've put forward and I will support other proposals to put our budget house in order.

TABLE 1.—FEDERAL REVENUES, OUTLAYS, AND DEFICITS UNDER CURRENT POLICIES, FISCAL YEARS 1983–88

[In Billions of Dollars]

	1983	1984	1985	1986	1987	1988	Total 1984–88
Revenues	606	654	718	774	827	882	3,855
Outlays	801	855	929	1,000	1,074	1,150	5,008
Deficits	195	201	211	226	247	268	1,153

Source: Senate Budget Committee, Congressional Budget Office.

TABLE 1A.—BUDGET FIGURES, FISCAL YEARS 1958, 1983, 1988

[In billions of dollars]

	1958	1983 [1]	1988 [1]
Federal budget (outlays)	82.6	800.9	1,149.9
Budget deficit	2.9	194.6	267.5
National Debt (end of fiscal year)	279.7	1,348.8	2,644.9
Interest on public debt	5.6	87.3	131.7

[1] Estimate.

Source: Congressional Budget Office.

TABLE 2.—DEFENSE SPENDING, 1957–83

	Average defense outlays [1]	Percent [2]
President Eisenhower (1957–60)	$180.0	55.8
Presidents Kennedy, Johnson (1961–68)	176.2	49.3
President Johnson (1965–68)	204.5	45.3
President Nixon (1969–72)	208.9	40.8
Presidents Nixon, Ford (1973–76)	165.8	29.3
President Carter (1977–80)	168.8	25.1
President Reagan (1981–83)	199.1	25.8

[1] In billions of 1983 dollars.

[2] Averge share of budget outlays as percent of Federal spending.

Source: Congressional Research Service, Library of Congress.

TABLE 3.—STRONG RECOVERY FEDERAL DEFICITS AT 6 PERCENT UNEMPLOYMENT RATE, FISCAL YEARS 1984–88

[In billions of dollars]

	1984	1985	1986	1987	1988	Total 1984–88
Current policy deficits	201	211	226	247	268	1,153
At high employment	91	128	159	187	215	780
Amount of deficit closed by high employment	110	83	67	60	53	373

Source: Senate Budget Committee.

TABLE 4.—HUMAN RESOURCES SPENDING, 1957–83

	Average outlays [1]	Percent [2]
President Eisenhower (1957–60)	$68.9	21.3
Presidents Kennedy, Johnson (1961–64)	91.5	24.5
President Johnson (1965–68)	123.5	27.3
President Nixon (1969–72)	188.1	36.7
Presidents Nixon, Ford (1973–76)	278.0	48.6
President Carter (1977–80)	346.1	51.5
President Reagan (1981–83)	397.9	51.7

[1] In billions of 1983 dollars.

[2] Average share of budget outlays as percent of Federal spending.●

● Mr. BOREN. Mr. President, I am pleased to join Senator DANFORTH today in introducing a bill which serves as a step along the road to solving the overwhelming fiscal problems facing this country today.

The Danforth-Boren deficit reduction plan is not meant to be the all-encompassing answer to the prospect of $200 billion deficits for years to come. It is only one step in the right direction and it must be accompanied by other equally important steps.

The bill sets forth a two-part proposal. The first part amends the Internal Revenue Code to provide that the amount by which individual income tax rates and personal exemptions will be adjusted annually shall be the Consumer Price Index minus 3 percentage points. This adjustment would occur only for fiscal years 1985 through 1988. After fiscal 1988, the adjustments would return to being based on the full CPI, as under current law.

The second part of our bill provides that for the same 4-year period the cost-of-living adjustments for non-means tested entitlement programs will be determined by using the CPI minus 3 percent. These adjustments would also return to the full CPI base after fiscal 1988.

The result would be a $117.2 billion reduction in the deficit over that 4-year period. It would also result, Mr. President, in a very important recognition that we cannot solve the problem of a budget deficit that absorbs over 50 percent of the credit market, without involving everyone in the process.

I have spoken before of what has been called the one boat plan. The idea that we are all in the same boat in this fiscal crisis and we must all pull together to solve it.

It has been my experience in speaking to groups in my own State of Oklahoma and with others around the country that there is genuine and deep concern about the current condition of high interest rates and an economic recovery that is sluggish at best and is in danger of being choked off altogether.

There is also a feeling among these groups that they are willing to sacrifice to end these conditions, if they believe that everyone else is doing the same. No one wants to be singled out as the group upon whom the whip is to be laid to solve a universal problem if it will do no good because others are not also being asked to sacrifice. If we all hurt a little we will all be helping—and we will all then share in the fruits of a solid, growing economy.

The taxpayers rightly feel that they should not have to increase their tax burdens if we are just going to continue down the same road of runaway spending without restraint. Those who are disabled and elderly and who must depend on Government programs likewise feel that it is unfair for them to shoulder all of the sacrifice unless upper income groups also participate.

Not until all Americans have a sense that we are pulling together will we break out of the budget stalemate. This proposal is just a first step. Restraint on other discretionary spending programs is also needed. Salary restraint for Government employees must also be considered as well. Of course, if there is salary restraint for the postman or forest ranger, it should be for the Cabinet member or Member of Congress too. To complete the one boat concept, other additions will need to be made to the Danforth-Boren proposal.

Mr. President, many groups around the country have already looked with favor upon the Danforth-Boren idea. Among these are the U.S. Chamber of Commerce and the National Association of Realtors. I welcome their support and I urge other to view this plan in the spirit in which it is presented—as one step solving a large and complex problem. It is also a signal that Congress is now willing to deal with the entire budget. Our problems will continue if we declare any groups or any part of the budget off limits when sacrifices are considered.

I will be saying more about this bill and the conditions that give rise to it as time goes on.●

By Mr. MOYNIHAN:

S. 1628. A bill to authorize the Secretary of the Army to maintain and rehabilitate the New York State Barge Canal, and for other purposes; to the Committee on Environment and Public Works.

ERIE CANAL MAINTENANCE ACT OF 1983

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill to bring the Federal Government into a partnership with New York State to maintain and rehabilitate the New York State Barge Canal system. My bill, the Erie Canal Maintenance Act, would quite simply authorize the Federal Government to assume 50 percent of the annual costs to maintain the system. Control and ownership of the canal would continue to reside with the State of New York.

The New York State Department of Transportation has built a compelling case for support of this legislation. In recent years there has been growing concern over the deteriorating condition of the New York State Barge Canal system. At a hearing held in 1978 by the New York State Senate, both the Buffalo District Engineer of the U.S. Army Corps of Engineers and the director of the New York Waterways Association warned that if the deterioration continues at the present pace, the canal may have to be closed to commercial use within 10 years. This situation has not changed and the condition of canal facilities continues to deteriorate despite annual State expenditures of $15 million for operation, maintenance, and rehabilitation. New York State Department of Transportation studies have found that an additional $10 million per year is required for increased rehabilitation and dredging to halt this decline.

The New York State Barge Canal system controls and interconnects the flow of practically all of the major rivers and streams located in upstate New York. Consequently, maintenance of these rivers and streams at some level is essential. Abandonment of the canal is not an alternative. If the canal is to continue to function as a navigable waterway and also serve its flood control, water supply, hydropower, and recreational purposes, additional capital funds for reconstruction and major maintenance must be secured soon.

Because New York State is not able to provide the required funding, Federal funding for the barge canal appears to be the only means by which canal rehabilitation can be achieved. The canal is part of the national waterways system and half of the cargo carried on it is interstate in character. The Rivers and Harbors Act of 1935 authorized $27 million for improvements between Albany and Oswego which was increased in 1945 and 1962 to a total of $34 million. The work was completed in 1969.

The 524-mile New York State Barge Canal is the only State-operated waterway in the Nation. Despite the importance of New York's canal system to the growth and development of the Great Lake States and the entire Nation, not a single penny of Federal money is presently going into its improvement or maintenance. The construction of the barge canal by the State of New York without Federal participation is an example of how the citizens of New York met the challenge of an outstanding need using their own resources, only to see the Federal Government recognize the need and provide assistance to others.

The construction of the New York State Thruway before the Interstate System, the construction and revitalization of the State's mass transit system before the UMTA program, and the New York State rail program all reflect the foresight of the people of New York in recognizing and dealing with problems of national significance before the Federal Government could be mobilized to act on a national scale. The price for this leadership has been that historically New York's tax dollars have been used to solve problems in other States which New Yorkers had already solved for themselves.

While the people of New York support the operation and maintenance of the barge canal, the Federal Government spends approximately $1 billion annually for construction, operation, and maintenance of the 25,000-mile national inland waterway system. Construction of ongoing mulitbillion dollar projects, such as the Tennessee-Tombigbee Waterway, are financed by the Federal Government. The cost of operation and maintenance of these facilities is also borne by the Federal Treasury.

Water transportation projects undertaken by the Corps of Engineers have for years developed inexpensive transportation and hydropower for the South and West at the expense of States like New York. Federal outlays for water navigation facilities have almost tripled over the past decade to reach their present $1 billion level. During this period, New York State has received an average of $20 million per year, or just over 3 percent of total expenditures.

At the same time, New York State taxpayers paid 10 percent of each Federal tax dollar which was used to finance this program. The lion's share of Federal expenditures for the water navigation program has gone to Southern and Midwestern States like Alabama, Arkansas, Illinois, Louisiana, and Mississippi. For example, 47 percent of the 1983 Corps of Engineers budget is allocated to only three States: Alabama, $206 million; Illinois, $155 million; and Louisiana $101 million. New York's share is $23 million, or 2.3 percent.

The barge canal is a valuable national waterway which connects the Hudson River with Lake Champlain and the Great Lakes. It is important to interstate commerce in that over 60 percent of canal tonnage originates or terminates outside of New York. Substantial amounts of petroleum products are moved from the New York/New Jersey port area over the canal to Vermont. The canal is important to national defense because some 120,000 tons of jet fuel are shipped on it to Air Force bases at Plattsburgh and Rome, N.Y. It is also a water supply, flood control, power generating, and outdoor recreational resource for the State and the region.

The barge canal should be an integral part of a national inland waterway system to provide adequate water transportation facilities for movement of commodities such as coal and grain to coastal ports in pursuit of national economic objectives. The canal provides a water transportation alternative within an integrated transportation system through a major transportation corridor of the Northeast. It is also a significant national defense and emergency transportation facility.

The Federal interest in the barge canal is manifested by the presence of Federal locks at the canal's eastern and western termini. The Troy Lock at Troy and the Black Rock Lock at Buffalo are both operated by the Corps of Engineers. Also, the Federal Government invested $34 million in improvements to the Waterford to Oswego section of the canal between 1935 and 1969.

Any new Federal legislation on waterway financing should provide for inclusion of the New York State Barge Canal in the national inland waterway system. A past willingness to bear the cost of construction and operation of the barge canal should not exclude the citizens of New York from the benefits of the Federal waterways program. Transfer of the canal to Federal management would redress past iniquities in New York's participation in this program.

Inclusion of the Barge Canal in the national inland waterways system would mean that barge operators on the canal would be subject to the gasoline tax which is currently imposed on users of the national inland waterway system. It does not appear at this time that Reagan administration proposals to impose full cost recovery for all maintenance, operation and improvement expenditures will be successful. What appears more likely is a national uniform tax or fee, such as a refinement of the current inland waterway gas tax, to recover a portion of water navigation expenditures. A uniform national fee would not generate severe regional cost inequities because all operators would pay roughly the same tax on the ton-mile basis. The benefits of Federal management of the canal to barge operators and the people at the State would be substantial. Barge operators would benefit from higher Federal maintenance standards and from possible canal improvements.

A precedent exists for the transfer of the New York State Barge Canal to Federal ownership and control. The Illinois Waterway was taken over by the Federal Government at the request of the Governor of Illinois in 1930. The Federal takeover was authorized by the Rivers and Harbors Act of 1930.

The State of Illinois had embarked on the improvement of the Illinois Waterway in 1919. A $20 million bond issue had been approved by the citizens of the State to finance the project. By 1930, the State had spent $15.5 million, and the work was 75 percent completed. However, it had been found that the total cost of the waterway would be considerably in excess of the remainder of the $20,000,000 available for its completion. It was then proposed by the State of Illinois that the Federal Government take control over the waterway and spend an estimated $7.5 million on its completion in addition to the remaining Illinois bond funds. The State of Illinois was to dedicate as free public waterways all improved sections of the Illinois Waterway and the Chicago Sanitary and Ship Canal. Federalization of these waterways would complete U.S. ownership and control a waterway between Lake Michigan and the Mississippi River at Grafton. The proposal was adopted by the 71st Congress on April 7, 1930.

There are a number of significant parallels between the Illinois Waterway and the New York State Barge Canal as they relate to the Federal Government. In his report recommending approval of the Illinois Waterway proposal to the chairman of the Senate Committee on Commerce, the Chief of Engineers noted that—

> Interested parties point out that the $20,000,000 appropriated by the State constitutes a larger degree of cooperation than has been required of local interests by the United States in numerous other improvements of similar character.

Certainly New York State's investment in the barge canal constitutes a

substantial "degree of cooperation" by "local interests." Both waterways connect one of the Great Lakes with a major river which serves as a national highway for water-borne commerce. As with the Illinois Waterway before it was transferred to the Federal Government, the New York State Barge Canal is a resource of national importance which is in need of Federal assistance for its improvement. Without Federal assistance, this valuable resource will continue to deteriorate to the point where it will no longer function and its benefits will be lost to the State and Nation.●

By Mr. RIEGLE (for himself and Mr. BURDICK):

S.J. Res. 132. Joint resolution to designate the week beginning August 7, 1983, as "National Correctional Officers Week"; to the Committee on the Judiciary,

NATIONAL CORRECTIONAL OFFICERS WEEK

● Mr. RIEGLE. Mr. President, today I am introducing a resolution to designate the week of August 7, 1983, as National Correctional Officers Week. Identical legislation was introduced in the House of Representatives by my colleague from Michigan, Mr. TRAXLER.

Our Nation's correctional officers are responsible for over 600,000 inmates in U.S. prisons. They work in highly stressful situations where the risks are great. The public image of correctional officers is generally negative and has been fashioned more by dramatization than by fact.

I feel that it is appropriate that the dedicated people receive our appreciation and support for their work, and urge all of my colleagues to join me in this effort.●

ADDITIONAL COSPONSORS

S. 175

At the request of Mr. DECONCINI, the name of the Senator from Virginia (Mr. TRIBLE) was added as a cosponsor of S. 175, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

S. 551

At the request of Mr. ROTH, the name of the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 551, a bill to amend the Tax Reform Act of 1976 to extend, for an additional 4 years, the exclusion from gross income of the cancellation of certain student loans.

S. 563

At the request of Mr. CHILES, the name of the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 563, a bill to reform the laws relating to former Presidents.

S. 737

At the request of Mr. MATHIAS, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 737, a bill to allow business to jointly perform research and development.

S. 766

At the request of Mr. RANDOLPH, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 766, a bill to provide for an accelerated study of the causes and effects of acidic deposition during a 5-year period, to provide for the limitation of increases in sulfur dioxide emissions during that period, and to provide for grants for mitigation at sites where there are harmful effects on ecosystems resulting from high acidity.

S. 800

At the request of Mr. STEVENS, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 800, a bill to establish an ocean and coastal development impact assistance fund and to require the Secretary of Commerce to provide to States national ocean and coastal development and assistance block grants from moneys in the fund, and for other purposes.

S. 860

At the request of Mr. HART, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 860, a bill to reauthorize and expand the hazardous waste response trust fund.

S. 875

At the request of Mr. MATHIAS, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 875, a bill to amend title 18 of the United States Code to strengthen the laws against the counterfeiting of trademarks, and for other purposes.

S. 1025

At the request of Mr. HATFIELD, the name of the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1025, a bill to establish in the Federal Government a global foresight capability with respect to natural resources, the environment, and population; to establish a national population policy; to establish an interagency Council on Global Resources, Environment, and Population, and for other purposes.

S. 1206

At the request of Mr. PRYOR, the names of the Senator from Arkansas (Mr. BUMPERS), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 1206, a bill to amend titles II and XVI of the Social Security Act to make it clear that administrative law judges engaged in reviewing disability cases under the OASDI and SSI programs may not be rated or evaluated on the basis of the percentage of such cases which they decide in favor of or against the claimant.

S. 1350

At the request of Mr. LUGAR, the names of the Senator from South Dakota (Mr. ABDNOR), the Senator from Virginia (Mr. WARNER), the Senator from North Carolina (Mr. HELMS), the Senator from North Carolina (Mr. EAST), the Senator from Nevada (Mr. HECHT), the Senator From Oklahoma (Mr. NICKLES), and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 1350, a bill to amend the Federal Election Campaign Act of 1971 to increase the role of political parties in financing campaigns under such act, and for other purposes.

S. 1356

At the request of Mr. D'AMATO, the names of the Senator from New Mexico (Mr. DOMENICI), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 1356, a bill to amend chapter 37 of title 31, United States Code, to authorize contracts with law firms for the collection of indebtedness owed the United States.

S. 1435

At the request of Mr. WALLOP, the names of the Senator from Wyoming (Mr. SIMPSON), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of S. 1435, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for contributions to housing opportunity mortgage equity accounts.

S. 1465

At the request of Mr. LUGAR, the names of the Senator from Utah (Mr. GARN), and the Senator from Maryland (Mr. MATHIAS) were added as cosponsors of S. 1465, a bill to designate the Federal Building at Fourth and Ferry Streets, Lafayette, Ind., as the "Charles A. Halleck Federal Building."

S. 1470

At the request of Mr. DANFORTH, the name of the Senator from Missouri (Mr. EAGLETON), was added as a cosponsor of S. 1470, a bill to amend the act of March 3, 1911 (36 Stat. 1077, chapter 211) to remove restrictions on the use of the Springfield Confederate Cemetery, Springfield, Mo.

S. 1475

At the request of Mr. WALLOP, the names of the Senator from Delaware (Mr. ROTH), and the Senator from Colorado (Mr. AMRSTRONG) were added as cosponsors of S. 1475, a bill to amend the Internal Revenue Code of 1954 to repeal the highway use tax on heavy trucks and to increase the tax on diesel fuel used in the United States.

S. 1566

At the request of Mr. ROTH, the name of the Senator from Forida (Mr. CHILES) was added as a cosponsor of S. 1566, a bill to amend title 5, United States Code, to provide civil penalties for false claims and statements made

to the United States, to certain recipients of property, services, or money from the United States, or to parties to contracts with the United States, and for other purposes.

S. 1569

At the request of Mr. PRESSLER, the name of the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 1569, a bill to authorize the Secretary of the Interior and other major Federal land managers to provide for the conservation and scientific study of vertebrate paleontological resources on public and Indian lands.

SENATE JOINT RESOLUTION 84

At the request of Mr. GARN, the names of the Senator from New Mexico (Mr. DOMENICI) the Senator from Calfornia (Mr. CRANSTON), the Senator from Arizona (Mr. GOLDWATER), the Senator from New York (Mr. MOYNIHAN), the Senator from Arizona (Mr. DECONCINI) the Senator from Idaho (Mr. MCCLURE), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of Senate Joint Resolution 84, a joint resolution to desingate the week beginning June 24, 1984, as "Federal Credit Union Week."

SENATE JOINT RESOLUTION 85

At the request of Mr. THURMOND, the name of the Senator from Delaware (Mr. ROTH) was added as a cosponsor of Senate Joint Resolution 85, a joint resolution to designate September 21, 1983, as "National Historically Black Colleges Day."

SENATE JOINT RESOLUTION 116

At the request of Mr. KASTEN, the names of the Senator from Alaska (Mr. STEVENS), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Joint Resolution 116, a joint resolution to designate the week of September 4, 1983, through September 10, 1983, as "Youth of America Week."

SENATE JOINT RESOLUTION 120

At the request of Mr. SASSER, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Iowa (Mr. JEPSEN), the Senator from Ohio (Mr. METZENBAUM), the Senator from North Carolina (Mr. HELMS), the Senator from Vermont (Mr. STAFFORD), the Senator from Alaska (Mr. STEVENS), the Senator from Oregon (Mr. HATFIELD), and the Senator from Ohio (Mr. GLENN) were added as cosponsors of Senate Resolution 120, a joint resolution to provide for the awarding of a special gold medal to Danny Thomas in recognition of his humanitarian efforts and outstanding work as an American.

SENATE RESOLUTION 114

At the request of Mr. PRESSLER, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of Senate Joint Resolution 114, a resolution to express the sense of the Senate that certain rural fire protection programs should receive a level of funding for fiscal year 1984 which is at least as high as the level of funding provided for such programs for fiscal year 1983.

SENATE RESOLUTION 167

At the request of Mr. PRESSLER, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of Senate Resolution 167, a resolution expressing the sense of the Senate that the Federal Government take all necessary steps to promote travel to the United States by foreign visitors during the 1984 Summer Olympics and the 1984 Louisiana World Exhibition, to inform such visitors of recreational and commercial opportunities throughout the United States, and to facilitate their entry into and travel within this country.

AMENDMENT NO. 1485

At the request of Mr. STEVENS, his name was added as a cosponsor of amendment No. 1485 proposed to S. 675, a bill to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

SENATE RESOLUTION 175—RELATING TO LONG-TERM GRAIN AGREEMENTS

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 175

Whereas other grain-exporting nations have increased their use of bilateral multiyear grain agreements to export grain; and

Whereas the United States has negotiated only two multiyear grain agreements; and

Whereas expanding agricultural exports are important to a prosperous domestic farm economy: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretaries of Agriculture and State explore the possibility of negotiating additional bilateral, multiyear grain supply agreements to increase and maintain United States agricultural exports.

Mr. PRESSLER. Mr. President, today I am introducing a Senate resolution urging the administration to negotiate and enter into multiyear grain supply agreements with foreign nations. With agricultural exports and farm income declining, it is vital that we utilize every possible method to establish, expand, and maintain export markets, including negotiating long-term grain agreements.

In recent years, long-term grain agreements have become a significant factor in world grain trade. Grain-exporting nations are using these agreements to export more and more of their grain, but the United States has not taken an active role in this new marketing practice. Since 1980, the major grain-exporting nations of Canada, Argentina, and Australia have entered into 22 long-term grain agreements, and it is estimated that approximately 30 percent of world wheat trade in 1983–84 will be under long-term grain agreements. During this same time period, the United States has entered into only one new agreement and extended our agreement with the Soviet Union for 1-year periods. The United States currently markets only about 10 percent of its grain under long-term agreements.

The increased use of long-term grain agreements has reduced foreign markets for U.S. grain in many areas of the world. The best example of this is the Soviet Union which has agreements with Argentina for 4.5 million metric tons annually, Canada for 25 million tons over 5 years, Brazil for 500,000 tons of corn annually, Hungary for 400,000 tons of grain annually, and France for 1.5 million tons over 3 years. In addition to these agreements, the Soviets have an agreement with the United States to purchase a minimum of 6 million tons. The Soviet Union is committed to purchase at least 17 million tons of grain under these agreements and would be allowed to purchase several million additional tons from these countries under the agreements. the signing of these agreements since the 1980 grain embargo has significantly reduced the share of the Soviet market which is available to the United States. The long-term agreements have had a similar effect on several other grain-importing nations. We must protect our export markets with multiyear agreements.

The negotiation of long-term agreements also protects American farmers from losing markets as a result of political decisions. Two examples of this are the 1980 Soviet grain embargo and the current textile negotiations with China. During the Soviet grain embargo, the 8 million tons guaranteed in the agreement were delivered to the Soviet Union. China recently decided to curtail purchases of U.S. farm products as a result of problems with our bilateral textile trade. United States exports to China have fallen off dramatically, but China must purchase at least 6 million tons under the agreement. Perhaps our agricultural trade cannot be immune from political factors, but we can work to protect our markets through long-term grain agreements.

Other grain-exporting nations are effectively increasing their exports through long-term grain agreements and we should be doing the same. The U.S. share of the world wheat trade is

predicted to fall in 1983 to the lowest percentage since the early 1970's. The United States is losing export markets while grain surpluses continue to pile up. We must take every available action to protect our overseas markets. Long-term agreements have worked well for other countries, and even for the United States, so we should utilize them to their fullest extent.

I urge my colleagues to join me in support of this resolution, as all Americans will benefit from increased agricultural exports.

Mr. President, I ask unanimous consent that a summary of long-term grain agreements from the International Wheat Council, be printed in the RECORD following my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

[Summary not reproducible for the RECORD.]

AMENDMENTS SUBMITTED

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1984

JEPSEN (AND OTHERS) AMENDMENT NO. 1495

Mr. JEPSEN (for himself, Mr. DURENBERGER, Mr. GORTON, Mr. ROTH, Mr. KENNEDY, Mr. STAFFORD, Mr. SASSER, Mr. HEINZ, Mr. LUGAR, Mr. PERCY, Mr. BOSCHWITZ, Mr. NUNN, Mr. HOLLINGS, Mr. GRASSLEY, Mr. DOLE, Mr. WEICKER, and Mr. ZORINSKY) proposed an amendment to the bill (H.R. 3329) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) The Congress finds that—

(1) in this Nation there exist millions of handicapped people with severe physical impairments including partial paralysis, limb amputation, chronic heart condition, emphysema, arthritis, rheumatism, and other debilitating conditions which greatly limit their personal mobility;

(2) these people reside in each of the several States and have need and reason to travel from one State to another for business and recreational purposes;

(3) each State maintains the right to establish and enforce its own code of regulations regarding the appropriate use of motor vehicles operating within its jurisdiction;

(4) within a given State handicapped individuals are oftentimes granted special parking privileges to help offset the limitations imposed by their physical impairment;

(5) these special parking privileges vary from State to State as do the methods and means of identifying vehicles used by disabled individuals, all of which serves to impede both the enforcement of special parking privileges and the handicapped individual's freedom to properly utilize such privileges;

(6) there are many efforts currently under way to help alleviate these problems through public awareness and administrative change as encouraged by concerned individuals and national associations directly involved in matters relating to the issue of special parking privileges for disabled individuals; and

(7) despite these efforts the fact remians that many States may need to give the matter legislative consideration to ensure a proper resolution of this issue, especially as it relates to law enforcement and placard responsibility.

(b) The Congress encourages each of the several States working through the National Governors Conference to—

(1) adopt the International Symbol of Access as the only recognized and adopted symbol to be used to identify vehicles carrying those citizens with acknowledged physical impairments;

(2) grant to vehicles displaying this symbol the special parking privileges which a State may provide; and

(3) permit the International Symbol of Access to appear either on a specialized license plate, or on a specialized placard placed in the vehicles so as to be clearly visible through the front windshield, or on both such places.

(c) It is the sense of the Congress that agreements of reciprocity relating to the special parking privileges granted handicapped individuals should be developed and entered into by and between the several States so as to—

(1) facilitate the free and unencumbered use between the several States, of the special parking privileges afforded those people with acknowledged handicapped conditions, without regard to the State of residence of the handicapped person utilizing such privilege;

(2) improve the ease of law enforcement in each State of its special parking privileges and to facilitate the handling of violators; and

(3) ensure that motor vehicles carrying individuals with acknowledged handicapped conditions be given fair and predictable treatment throughout the Nation.

(d) As used in this section the term "State" means the several States and the District of Columbia.

(e) The Secretary of Transportation shall provide a copy of this section to the Governor of each State and the Mayor of the District of Columbia.

WALLOP AMENDMENT NO. 1496

Mr. WALLOP proposed an amendment to the bill H.R. 3329, supra; as follows:

On page 26, line 1, strike the figure "$718,000,000" and insert in lieu thereof "$716,400,000".

SPECTER (AND OTHERS) AMENDMENT NO. 1497

Mr. SPECTER (for himself, Mr. BRADLEY, Mr. LAUTENBERG, and Mr. HEINZ) proposed an amendment to the bill H.R. 3329, supra; as follows:

Insert at the end of the bill the following general provision:

"SEC. . The Senate intends that the Benjamin Franklin Bridge connecting Philadelphia, Pa. and Camden, N.J. be given priority consideration by the Secretary of Transportation.".

DEPARTMENT OF DEFENSE AUTHORIZATION, 1984

JEPSEN (AND OTHERS) AMENDMENT NO. 1498

Mr. JEPSEN (for himself, Mr. EXON, Mr. THURMOND, Mr. HUDDLESTON, Mr. WARNER, Mr. LEVIN, Mr. MCCLURE, Mr. NICKLES, Mr. BUMPERS, Mr. HELMS, Mr. MATTINGLY, Mr. FORD, and Mr. RANDOLPH) proposed an amendment to the bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; as follows:

(1) On page 137, line 4, strike out "'ten'" and insert in lieu thereof "'eleven'".

(2) page 137, strike out lines 5 through 11 and insert in lieu thereof the following:

"(2) Section 136 of such title is amended—

"(A) by striking out 'Manpower and Reserve Affairs' in the fourth sentence of subsection (b) and inserting in lieu thereof 'Active and Civilian Manpower';

"(B) by striking out 'manpower and reserve component' in the fifth sentence of subsection (b) and inserting in lieu thereof 'active duty and civilian manpower';

"(C) by inserting after the fifth sentence of subsection (b) the following: 'One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Reserve Affairs. He shall have as his principal duty the overall supervision of all matters relating to reserve component affairs of the Department of Defense. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. He shall have as his principal duty the overall supervision of command, control, communications, and intelligence affairs of the Department of Defense.'; and

"(D) by striking out subsection (f).".

(3) On page 137, line 21, strike out "'(10)'" and insert in lieu thereof "'(11)'".

MATTINGLY (AND OTHERS) AMENDMENT NO. 1499

Mr. MATTINGLY (for himself, Mr. WARNER, and Mr. RANDOLPH) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill, add the following new section:

RESTRICTION ON FUNDS TO COUNTRIES NOT TAKING ADEQUATE MEASURES TO CONTROL ILLEGAL DRUG TRAFFICKING

SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this Act may be available for any country if the President determines that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances cultivated or produced or processed illicitly, in whole or in part, in such country, or transported

through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from being smuggled into the United States. Such prohibition shall continue in force until the President determines and reports to the Congress in writing that—

(1) the government of such country has prepared and committed itself to a plan presented to the Secretary of State that would eliminate the cause or basis for the application to such country of the prohibition contained in the first sentence; and

(2) the government of such country has taken appropriate law enforcement measures to implement the plan presented to the Secretary of State.

(b) The provisions of subsection (a) shall not apply in the case of any country with respect to which the President determines that the application of the provisions of such subsection would be inconsistent with the national security interests of the United States.

BYRD (AND OTHERS) AMENDMENT NO. 1500

Mr. BYRD (for himself, Mr. GARN, Mr. BENTSEN, Mr. COCHRAN, Mr. COHEN, Mr. CRANSTON, Mr. DURENBERGER, Mr. EXON, Mr. HART, Mr. INOUYE, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. SASSER, Mr. STENNIS, Mr. THURMOND, Mr. ZORINSKY, Mr. JACKSON, Mr. GLENN, Mr. DODD, Mr. TSONGAS, Mr. BIDEN, Mr. BUMPERS, Mr. MITCHELL, Mr. LEAHY, Mr. PELL, Mr. FORD, Mr. METZENBAUM, Mr. RUDMAN, Mr. LEVIN, Mr. DOMENICI, Mr. BAUCUS, Mr. MURKOWSKI, Mr. BOREN, Mr. WILSON, Mr. RANDOLPH, and Mr. PERCY) proposed an amendment to the bill S. 675, supra; as follows:

At the appropriate place in the bill, insert the following:

COMMEMORATIVE MEDAL FOR FAMILIES OF AMERICAN PERSONNEL MISSING IN SOUTHEAST ASIA

SEC. . (a) The Congress finds and declares that—

(1) 2,494 Americans, military and civilian, are listed as missing or otherwise unaccounted for in Southeast Asia;

(2) those missing or otherwise unaccounted for Americans have suffered untold hardship at the hands of a cruel enemy while in the service of their country;

(3) the families of these Americans retain the hope that they will return home, and the loyalty, hope, love, and courage of these families inspire all Americans;

(4) the Congress and the people of the United States are committed to a full accounting for, and release of, all Americans missing or otherwise unaccounted for in Southeast Asia; and

(5) the service of those missing and otherwise unaccounted for Americans is deserving of special recognition by the Congress and all Americans.

(b)(1)(A) The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of the Congress, to those American personnel listed as missing or otherwise unaccounted for in Southeast Asia, to be accepted by next of kin, bronze medals designed by an artist who is an in-theater Vietnam veteran, in recognition of the distinguished service, heroism, and sacrifice of these personnel, and the commitment of the American people to their return. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be stricken bronze medals.

(B) There is authorized to be appropriated not to exceed $20,000 to carry out the provisions of subparagraph (A).

(2) The Secretary of the Treasury may cause miniature duplicates in bronze to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor, materials, dies, use of machinery, and overhead expenses), and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(3) The medals provided for in this subsection are national medals for the purpose of section 5111 of title 31, United States Code.

MATHIAS AMENDMENT NO. 1502

(Ordered to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be prepared by him to the bill (S. 675), supra, as follows:

At the appropriate place in the bill insert a new section as follows:

NEGOTIATIONS WITH THE SOVIET UNION REGARDING THE NUCLEAR-ARMED SEA-LAUNCHED CRUISE MISSILE

SEC. . It is the sense of the Congress that the President should, at the earliest practicable date, make every reasonable effort to include in the START negotiations with the Soviet Union the nuclear-armed sea-launched cruise missile with a view to the complete elimination of that type of weapon from the weapon arsenals of both the United States and the Soviet Union and should, as a means for advancing such goal, propose to the Soviet Union a mutual moratorium on any further deployment of nuclear-armed sea-launched cruise missiles for the duration of the START negotiations.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the enhanced coal technology hearing previously scheduled before the Subcommittee on Energy and Mineral Resources for Saturday, July 16, in Blacksburg, Va., has been postponed until Tuesday, August 9. The hearing will begin at 1 p.m. and end at 5 p.m. in the auditorium of the Donaldson Brown Center for Continuing Education, Virginia Polytechnic Institute, Blacksburg, Va.

For further information regarding the hearing you may wish to contact Mr. Roger Sindelar at 202-224-5205.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Friday, July 15, for the consideration of the following bill:

S. 1101—to amend the National Aquaculture Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

A REASSURING STEP FORWARD FOR UNITED STATES GREEK RELATIONS

● Mr. PELL. Mr. President, today's announcement of the signing of a new security agreement between the Government of Greece and the United States signals a reassuring step forward for our relations with that traditional and important American ally in the Eastern Mediterranean. Negotiations were prolonged, and reportedly contentious. But the two sides are to be congratulated for persevering to produce a new 5-year agreement that meets the political and security needs of each.

When the Papandreou government was elected in October 1981, it bears emphasis, such a successful negotiating outcome was by no means assured. Mr. Papandreou's platform included a pledge to pursue an eventual termination of the American presence, and his election triumph was resounding. With the previous agreement governing U.S. bases having expired, there was thus good reason for doubt concerning the prospects for a negotiated extension. At that time, my own guidance to the administration, stated in this Chamber, was to exhibit caution and magnanimity:

We cannot now be sure what lies in store for Greek-American relations. But as we survey the implications of Greece's recent election, we should—above all—take heart that the democratic process is alive and well in its birthplace. The Reagan Administration may reasonably expect to find working with Mr. Papandreou a challenge considerably more difficult than getting along with a dictatorial regime, such as that which held Greece in its grip for 7 agonizing years. But a constructive American effort to do so will be a far more noble effort, and will certainly, over time, prove far more beneficial—both to Greece and to the United States.

Fortunately, the Reagan Administration has displayed precisely the quiet patience required. Consequently, assuming this ad referendum accord is approved by the Greek Parliament, we now have the opportunity to renew an historic bond that can continue to serve both nations well. To be sure, well-known sources of bilateral tension remain, and warrant serious concern. But the signing of a formal new security agreement offers a firm basis for resolving those issues in close and cooperative partnership with the democratic Greece to which we remain committed.●

BIG RETURNS FROM THINKING SMALL

● Mr. HUDDLESTON. Mr. President, as a member of the Small Business Committee I have learned that a healthy atmosphere for small business is of vital importance to our economy and our society.

Data now being produced on the small business sector is proving what many of us have instinctively known for a long time. Small business has made, and continues to make, a major contribution to our Nation.

In the area of employment, small business is a leader. The President's report on "The State of Small Business" shows that small business employs almost 50 percent of the nongovernment labor force in this country. In job creation, small business has been found to have created an astonishing 86 percent of the Nation's new jobs in recent years.

In the fast-paced, competitive world we live in, technological improvements and innovations have become crucial to the continued prosperity of our economy. Statistics produced by the Small Business Administration, and the Senate Small Business Committee, reveal that small companies have created more than half of the new service and product innovations of recent years.

Since it can be convincingly shown that small businesses do make significant contribution to our economy, it makes good sense to aggressively pursue the goal of creating an atmosphere that is conducive to the growth and prosperity of small business.

As a member of the Senate Small Business Committee, I have been actively promoting public policy that creates this atmosphere for small business, and I believe that we have been very successful. At the Federal level, there are a number of sound small business programs which are aimed at promoting capital formation, reducing stifling regulation, and providing reasonable financing, technical assistance and managerial guidance.

However, the public side can only take us part of the way in generating small business growth. All of the governmental assistance imaginable is not sufficient if the private sector is unable to provide the ideas, motivation and hard work that is necessary for every successful business.

I am very pleased to report that Kentucky is becoming a leader in small business development, and one of the most active areas within the State is Louisville.

In the February edition of Louisville magazine, there is an excellent article that describes how Louisville is benefiting from the activity of small entrepreneurs. The article points out some of the past success stories, such as Humana, Inc., and goes on to show how the ingredients are present for creating more success stories. By skillfully combining these ingredients, innovative small business people can improve their own fortunes and at the same time help the local economy recover from the worst recession since the depression.

I ask that the article "Thinking Small" be printed in the RECORD.

The article follows:

THINKING SMALL

Louisville-area forecast for 1983: variable economic weather with enterpreneurism developing across the entire region.

The dictionary definition of the entrepreneur is "the organizer of an economic venture, especially one who organizes, owns, manages, and assumes the risk of a small business."

And small business, many observers assert, is where the action is. In fact, Dr. David Birch of the Massachusetts Institute of Technology, who has probed deeply into business changes through time across the entire U.S. has found that two-thirds of new jobs in the nation are created by new small firms with only a handful of employees—20 at the most.

Even more impressive is his finding that nearly 80% of new jobs are created by firms less than four years old—and that most of them have 100 or fewer employees.

(Birth is no stranger to Louisville. He has been here twice recently, speaking to such groups as Leadership Louisville, Project 2000, Forward Louisville, the Community Educators Association and the County Board of Education.)

Moreover, Birch adds, the loss of jobs—although distressing to any community—is not where attention should be focused. His studies show that every community loses jobs at a rapid rate. That's not a real measure of economic problems, he holds. "Houston loses more jobs every year than Detroit."

The trick, he says, is to create replacement jobs. Since small new enterprises founded within the community are by far the largest generators of new jobs, small business is the area where attention should be directed, he advises. In fact, the creation of significant levels of employment through a large business or industry relocating into a community is negligible, despite occasional coups, his statistics show.

"How often will a General Electric come to Louisville?" He asks. Moreover, the large industrial plants of the future will be largely automated, he adds, and employ a minimum of workers. Growth will come, Birch posits on the basis of present trends, from enterprises where the though content of the work is more important than muscles and manual dexterity, where the emphasis is more on human capital than on physical capital.

A quick glance at this community's recent economic history bears out the premise of the man from M.I.T. Some 73,000 new jobs in the Louisville metro area were created during the 1970s in the services sector of the economy—the sector that does not turn out a manufactured product. This more than outpaced the loss in manufacturing jobs during the decade. But there was a disturbing trend toward the end of the period, when creation of new jobs in non-manufacturing did not replace all those lost in factories.

The community's recent history also demonstrates that small local enterprises with a handful of employees, but a better idea, have the potential to grow to large enterprises with many employees.

The saga of Col. Harland Sanders, who founded Kentucky Fried Chicken in his sunset years with little capital, is well known. Its corporate headquarters along the Watterson Expressway is a monument to small enterprise grown large.

Humana, the international hospital operating and management company founded by young attorneys Wendell Cherry and David A. Jones just over 20 years ago, has leaped ahead to become a leader in its field—and is now erecting a 26-story corporate headquarters building downtown.

Meidinger, Inc., specializing in employee-benefit plans and actuarial consulting for businesses, started small but has achieved a nationwide clientele and recently moved its corporate headquarters into Meidinger Tower, part of the downtown Galleria complex.

And there is Al J. Schneider, who started his career as a carpenter, founded his own small home-construction business and then moved into commercial development with a sure sense of what would succeed, undertaking projects where others proved faint-hearted. His latest is the $70-million hotel-apartment-office complex at Fourth and Main, adjacent to his Galt House.

Add to this list the adventures of the Peden brothers and Convenient Food Mart stores, along with the related enterprises they founded.

These are the briefest samplings of the entrepreneurial spirit that has given this community numerous recent home-grown enterprises that are making waves. Other examples include Druther's fast-food chain and Chi-Chi's Mexican restaurants; New Albany's Robinson-Nugent, Inc., which has secured an international foothold in the market for electronic-device connectors; and Audio Systems, Inc., which recently opened its new plant in Station Park to produce the micro-processor-controlled stereosound systems it has developed for luxury cars.

Entrepreneurs come in all fields. Louisville, for example, is now home base for *Rainbow*, a new magazine read avidly by owners of home color computers. So avidly that the monthly publication, founded less than two years ago with one subscriber, now has over 20,000 paying readers and projected revenues this year of over $1 million. It is published by computer freak Lawrence Falk, who left his post as head of the University of Louisville's public information office last fall to devote full time to the magazine.

Falk's experience proves that economically uncertain times are no bar to the entrepreneur with a good idea. In fact, recessions seem to spawn small enterprises. Sometimes, as one Louisvillian remarked, it's not planned: "A fellow wakes up in the morning and finds he's an entrepreneur by default because he's lost his job and has to hire himself."

But recessions also, almost perversely, ease the path in some ways. A new retailer finds that shopping centers are willing to make concessions on rent and pay remodeling cost; large businesses, anxious to cut expenditures, are more receptive to money-saving services offered by ambitious entrepreneurs; consumers monitoring their dollars, are interested in new products with long life, even though the initial cost is higher than throw-away goods.

Still the entrepreneur has to be one of a special breed, willing to put in long—often discouraging—hours with little financial

reward at first. Money is almost always a problem: lending institutions are wary of new, untried businesses. They want to see a track record of four or five years, so the entrepreneur has to somehow stay the course, raising money through a home mortgage, borrowing from friends and/or family, depleting savings, finding partners with investment funds, hoping vendors will be lenient on overdue bills.

The motivations for starting a business are varied. For Thomas Gillespie, who founded Technical Products, Inc., here in 1962, the motivation was pecuniary. "I thought I was worth more than I was getting paid," he says. So he quit his job selling industrial chemicals and founded his own firm.

"I had a loss at first," he recalls ruefully, "and at the end of my first year the main product I handled was taken out of my hands when the manufacturer adopted a different distribution method."

Gillespie and his single employee, the delivery-truck driver, wondered what the future held. But the firm survived and by 1976 was so successful that it began acquiring other local chemical distributors, broadening the product line. Now Gillespie has branches in Owensboro and Lexington and a payroll of 21 employees.

His biggest problem at first was lack of operating capital. His advice to new entrepreneurs: "Don't be surprised by anything; expect the unexpected."

Robert Holloway is another small entrepreneur who has been through the mill. When he opened the Middletown Manor Motor Court in 1955, he gave up a secure job with an Alcoa Aluminum subsidiary. His motivation? "My father was a small businessman and so were all my brothers. I thought I would be happier, and that my family would be too—and that certainly has been true," Now he also owns three local swim clubs and recently bought a 25% interest in the Quality Courts Motel in Frankfort.

Holloway's most pressing early problem has a familiar ring: "I always had trouble getting financing." Even though he could have earned more on a corporate payroll, he's never regretted his move. But there were mistakes along the way. "I turned down a McDonald's franchise 22 years ago," he admits.

One of this community's newest ventures is geared up to help hopeful entrepreneurs through those difficult early years. Boca Enterprises, launched 18 months ago by Tom Jeffries and Pete Droppelman, "takes ideas and turns them into reality," Jeffries explains.

Both founders have prior experience as partners in successful small businesses and, as often happens, they got into their new enterprise accidentally. They had invented a drip-free paintcan lid that the consumer can use to replace the metal lid that comes on the can.

As they went through the process of getting a patent, assessing the market potential, looking for an interested manufacturer (they've found one) and all the other steps a budding entrepreneur must take, they learned a lot.

"Then people started coming to us with an idea for a product or a service or an invention and tapping our experience," Jeffries says. They sold their business interests and founded Boca Enterprises to market their knowledge.

They assess ideas and follow through with their know-how on those that have merit, including a search for venture capital. They've also prepared a guide to help fledgling businesses get funding from conventional lending sources. "With a good idea and the proper presentation, financial institutions will often respond favorably," Jeffries declares.

Reaching back into history, we find a consistent pattern of locally founded businesses providing the fabric of Louisville's economic endeavors. Starting years ago as the tiniest of firms, they have long since become local stalwarts.

Brown-Forman Distillers had its start in George Garvin Brown's idea in 1870 to bottle Bourbon of consistent quality, under the Old Forester label, in contrast to the usual practice of selling it to dealers in barrels who then bottled it and adulterated it as they pleased; Belknap, Inc., which since 1840 has taken advantage of Louisville's prime position as a distribution center; Hillerich & Bradsby, a woodworking shop that found its true niche in making baseball bats and now other sports equipment as well; Louisville Cement Company, building its operation on the area's abundant limestone resources; and Jeffboat, tracing its lineage to the Howard Shipyards and the days of the great river packets.

Fischer Packing Company was founded by a German immigrant who peddled his wares by horse-and wagon and built his enterprise on a better idea: the pre-cooked ham sealed in a can. American Air Filter had its origin in William Reed's auto repair shop of the 1920s where he found a way to keep dust from settling on newly painted cars.

Other locally founded enterprises continue in a different guise as local operations of large national corporations. Examples include: Philip Morris Inc., now enlarging and modernizing what once was Axton-Fisher Tobacco Company; Chemetron Corporation, whose products include the Votator, invented by Lousivillian Clarence W. Vogt and widely used in the food-processing industry, and the curved pipe fittings (known as Tube Turns) that can be welded in place—an innovation introduced by Lousivillian Walter H. Girdler.

In this group also are ARCO Metals, which had its genesis in the Louisville-based Cochran Foil Company founded by the late Archibald Cochran; Celanese Corporation, whose local operation is derived largely from the former Jones-Dabney Varnish and Peaslee-Gualbert paint companies; and United Catalysts, based on the former Catalysts & Chemicals, founded in 1957 on a modest scale by the late Dr. Ronald E. Reitmeier.

It's no wonder that M.I.T.'s David Birch feels that one of this community's strengths is its entrepreneurial tradition—a tradition that will stand the community in good stead in the difficult years ahead as the decline in manufacturing jobs is expected to continue to mirror the nationwide trend.

But if the bulk of new jobs in the future must be created within the community, who are the entrepreneurs who will create them and what kinds of jobs will they be? That is the issue that the Lousiville area must address.

Analysts agree that the jobs will be different, with white-collars taking precedence over blue-collars, and they will have a high thinking content—what Birch calls 'thoughtware.' And it will take a lot of thinking to determine this community's best direction.

Louisville has strengths to meet these challenges and it also has areas that badly need shoring up. Its strengths, as Birch sees them are: adequate capital resources, central location (especially suited to be an important point in the nationwide telecommunications network that is beginning to develop), and a desire to take action.

Its problems center on its educational system. The primary and secondary schools, while improving significantly in traditional methods, are not yet turning out enough bright, motivated youngsters equipped to take on the 'high-tech' jobs of the future. Moreover, it has not used its capital resources to build up its colleges and universities to first rank, although the potential for excellence is there.

One glaring example of the lack of an adequate thoughtware-oriented workforce was the fact that Capital Holding Corporation recently was forced to import computer programmers from England for a special project. "If Capital Holding had attempted to meet its needs locally, it would have stripped all other computer operations in the area of programmers," Birch points out.

Does all this mean that to remain economically viable Louisville must cast its lot with silicon chips and micro-processors and advanced circuitry? Not at all, although Birch warns that computer literacy must be widespread.

Aaron S. Gurwitz, writing in the *Wall Street Journal*, notes that every urban area in the U.S. now has dreams of becoming a new Silicon Valley—a new center of computer design and production where small entrepreneurs become multi-millionaires seemingly overnight. Any community entering that race is in an overcrowded field, he warns.

Instead, Gurwitz suggests, each community should assess its own situation and tailor its future direction to its own special resources. California's Silicon Valley and the similar development around Boston came about because those areas have as a resource the finest research universities in the nation.

But one suggestion of a high-tech future for Louisville—building on its resources—comes from Dr. Lawrence Berlowitz, academic vice-president and provost of Clark University in Worcester, Mass. A biologist noted for his work in genetics, Berlowitz was here to speak to the current Leadership Louisville class.

"Louisville should look into biotechnology," he declares. "You have all the necessities in place." And just what is biotechnology? It is technology applied to biology, a field that is entering a period of explosive growth. "It is the use of biological micro-organisms to make a product," Berlowitz explains. "The use of yeast—an organism—to turn grape juice into wine is perhaps the oldest example."

In other words, fermentation is an element of biotechnology. Berlowitz notes slyly that: "I believe that there's a lot of knowledge about fermentation in Louisville." But the process that's an essential element of making Bourbon is only the starting point for biotechnology.

It is now breaking new frontiers by genesplicing: the technique of inserting genes from one organism—even human genes—into micro-organisms so that they produce a desired product biologically.

Human insulin for use by diabetics is already in limited production through the technique and Berlowitz notes that production of interferon to combat cancer may not be far off. An accumulating body of knowledge in biotechnology will be applied to

food production and processing, he predicts. Louisville has a stake in both fields.

Moreover, in the University of Louisville, the community has a medical school, an engineering school and graduate programs in such basic sciences as chemistry. "This city now has an edge in the biomedical area that can be translated to biotechnology with the proper nurturing," Berlowitz declares, thus creating an atmosphere favorable to the entrepreneurs plunging into the field.

These enterprises need lots of low-cost space in the beginning and Louisville's older industrial buildings—some standing unused—can provide it, just as the New England thoughtware business found a home in the former textile and shoe plants.

Too, as the new science grows there will be a skyrocketing demand for biotechnologists, Berlowitz says. If Louisville takes the proper steps now, it can become one of the world centers for training and research, while its engineering school can turn out the engineers who translate laboratory discoveries into production procedures.

Blue-sky thinking? Not if Louisville's institutions of higher education and local industry work together for their mutual benefit, perhaps developing a joint research park and instrumentation center that could also be involved in areas other than biotechnology, Berlowitz declares.

In any event, it is the kind of advanced thinking that Louisville needs to ponder as it approaches the 21st Century—less than 20 years away.●

AN URGENT NEED FOR SCIENCE: AN INVESTMENT IN OUR FUTURE

● Mr. EAGLETON. Mr. President, on June 23, Senators DANFORTH, BRADLEY, CHAFEE, KENNEDY, MOYNIHAN, PELL and myself introduced S. 1537, the University Research Capacity Restoration Act of 1983. This legislation sets forth a 5-year, $5 billion commitment to restoring American leadership in basic science by addressing the following six basic needs:

First, to augment and strengthen Federal support for fundamental university research programs, including biomedical and engineering research;

Second, to upgrade, modernize, and replace the instrumentation and equipment of university research facilities and laboratories;

Third, to provide increased numbers of graduate fellowship awards to individuals and university science departments engaged in federally supported research;

Fourth, to support expanded faculty development awards programs that promote the initiation of research careers by young faculty;

Fifth, to support efforts, on a matching basis with the institutions involved, to rehabilitate, replace, or otherwise improve the quality of existing university research facilities and laboratories in which federally supported basic science and engineering research is carried out; and

Sixth, to improve undergraduate science and engineering instructional programs.

Mr. President, a recent Ferguson lecture by Dr. George E. Pake, at Washington University in St. Louis, is an extremely cogent statement of the need for this country to renew its commitment to education, research, and development to assure its continued place as a world leader in advanced technology. I ask unanimous consent that the text of Dr. Pake's lecture, entitled "Technological Leadership: An American Achievement in Jeopardy," be printed in full in the RECORD, and commend this thoughtful review of our country's past commitment to scientific excellence and the critical need to sustain the investment in our country's university research capacity.

The text of Dr. Pake's lecture follows:

TECHNOLOGICAL LEADERSHIP: AN AMERICAN ACHIEVEMENT IN JEOPARDY

I. INTRODUCTION

It is always a pleasure for me to return to this campus. Washington University accorded to me, as a young scientist and very junior faculty member, an absolutely ideal environment in which to do science, to grow professionally, and—very important to me—to work closely with my students. I owe this university many debts of gratitude that I shall never be able to repay.

The Ferguson Lectures over the years have set an exacting standard, and it is with some trepidation that I attempt to follow in the high tradition established by the distinguished men and women who have appeared on this rostrum.

When I joined the faculty of Washington University in 1948, the nation was in the process of dedicating itself to a postwar rebuilding task, particularly in its educational and economic sectors. As we are now able 35 years later to look back at that time, we recognize that it was the beginning of a golden era in our scientific research and technological development.

In 1983, we are not in a golden era of the nation's interest in supporting scientific research. Measured in relation to the Gross National Product, the nation's participation in R&D more than doubled from 1953 to 1964. After four years at the high watermark level, it declined steadily over the decade from 1967, and has been about level since 1978 at three-fourths of the high plateau percentage. (We shall look at the data later.)

The general decline since 1967 in our emphasis on R&D can, to some degree, be understood by recalling and studying in detail the series of year-to-year political events of the last three decades. What I seek to do here is to look at the picture more broadly, in relation to longer range national policy. If one imagines bringing an intelligent and impartial observer from another planet—or even from another nation—to the United States to examine our situation, our reduced emphasis on R&D would make little sense to him. After World War II, the U.S. surged over the two decades to world technological leadership. Surely most analysts would consider that it was our technological leadership which brought advances in productivity and attendant generation of national wealth, and which has in turn enabled us to afford the massive social and economic gains in this nation that have occurred since World War II and through the 1970's. Yet the picture one now sees is that of the U.S. with its eye no longer on the technological ball, allowing its R&D investments and educational systems to decay.

My thesis this morning is the expression of concern that the nation will continue to flounder technologically and economically until its leaders, in government and in industry, fully understand the role of—and necessity for—long-range investments in research and in substantive education. I believe these investments are essential if the U.S. and indeed the world is to have the economic means both to support burgeoning populations and to cope with the inevitable side-effects of such large populations: strain on food, water and other material resources, environmental pollution, and the social pollutions of crime and pestilence—which accompany overcrowding and deprivation. Necessary to coping with every one of these problems is more science (that is, more knowledge and understanding) and more of its application (that is, more technology) in the problem areas. I recognize that other social and political factors are required for handling these problems and that world leading technology in and of itself, is not sufficient. My point is that it is absolutely essential and we are in danger of not having this particular critical necessity.

To avoid this danger, I contend that the U.S. must attach far higher priority to restoring and maintaining the nation's science and technology education and training capabilities. We must increase our national investment in R&D as the basis for developing greater national productivity and economic vigor.

II. THE EDUCATION, RESEARCH, AND DEVELOPMENT MACROSYSTEM

Instead of talking about R&D, it is time that we begin to speak of E, R&D—where E stands for Education. The requirement that a nation have a strong educational system if it is to be technologically strong may seem self-evident. However, beyond the basic need for our educational system to produce a large pool of people who know the 3R's, an important change in the nature of technology has occurred in the past half century—and this change places on the educational system a heavier role.

The point I am making is that inventions of ultimate technological and economic significance once could be made by intelligent, persistent tinkerers with little formal higher level education. Edison, the Wright brothers, and Henry Ford come to mind. Modern technological advance is a different story. It typically requires as background a deep understanding of a scientific and technical base. Consider the transistor, the laser, or synthetic insulin.

In fact, if I were charged with establishing conditions for technological innovation—as indeed I was by Xerox in 1970—I would list the following requirements:

(1) Scientific or technological education and training;

(2) Sophisticated instrumentation;

(3) Long term goals;

(4) Stable funding; and

(5) Freedom, within a sense of overall direction, to explore new concepts.

You don't find these associated with tinkering in a basement or a garage.

Please note items 1 and 2 on the list. A formal university background is almost always essential for individuals who will meet requirement 1 and be able to work with the instrumentation of requirement 2. Thus the modern R&D enterprise is inextricably linked with the research university,

which draws its graduate students from the colleges. There is a great big E that comes before R&D; I shall refer to the E,R,&D macrosystem.

III. THE STATE OF THE E,R,&D MACROSYSTEM

A casual examination of the business and trade press might suggest that the E,R,&D enterprise in the U.S. is healthy and flourishing. Headlines from adjacent pages of a late 1982 periodical include "National, Industrial R&D Spending Continues Up" and "Pace of Industry-University Cooperation Quickens". But the optimism of those headlines is increasingly being challenged by a number of leading individuals in technological industry and in research universities who point to fundamental weaknesses—and even pathologies—in the American high technology organism. Leaders who have recently spoken out publicly on some of the problems in E,R,&D, and high technology industry include Richard Mahoney, Chief Operating Officer of Monsanto; William Norris, Chief Executive Officer of Control Data; John Opel, Chief Executive Officer of IBM and Ian Ross, President of Bell Laboratories, among others. Such a collective view is not to be taken lightly.

These problems of the E,R,&D system have global impact, and the general health of the high technology enterprise in the U.S. is not just a parochial matter for this nation. When we take into account the essential sub-systems of basic research and graduate education, world progress and participation in modern advanced technology has been heavily dependent upon a vigorous E,R,&D system in the U.S.

How can we measure the relative health of our E,R,&D system? One significant index, mentioned at the outset of this lecture, is the portion of its gross product that a nation chooses to invest in the generation of future product through R&D. (Comparative data on the E portion are difficult to obtain or to interpret.) During the two decades of its post-war investment strategy, the U.S. steadily increased the fraction of GNP devoted to R&D, until by 1964 it had more than doubled. Figure 1 indicates that, after about four years at a plateau near a 3.0% peak, a slow and steady decline set in, to the 2.3% or 2.4% level. Other nations, notably West Germany and Japan steadily increased their investment during the period of the American decline. The Soviet Union has taken its investment up to the 3.5% level, but comparisons with the Free World economies are difficult. Much of Russian R&D is oriented toward the military, and in any event, its civilian R&D has small impact on world markets.

However, a substantial portion of U.S. R&D also is directed toward military requirements rather than developing commercial products. When civilian R&D expenditures are compared for the U.S. and its major trading partners (Fig. 2), we are observed to fall well below West German and Japan. (All these data are from the National Science Foundation.)

Another indicator is the number of patents granted to U.S. inventors, both by the U.S. and by foreign countries. Figure 3 shows that, according to NSF data, the number of U.S. patents granted to U.S. inventors has dropped from between 50,000 and 55,000 per year to 40,000 per year. (Foreign patents granted to U.S. inventors dropped even more sharply during 1972-76.) In contrast, U.S. patents granted to foreign inventors have slowly grown from about 20,000 to about 25,000 per year. Trends in numbers of patents are subject to some variations in interpretation (for example, research shifting more toward software-intensive activity could affect the numbers), but the contrast of decline with growth is surely disturbing from the U.S. point of view.

It is also important to look at U.S. basic research activity, both because it measures the vigor of our university graduate training system (most of our basic research is performed by universities) and because basic research is the longest range investment and therefore requires the greatest time to repair underinvestment. Figure 4 presents the U.S. annual basic research investment, from all sources, expressed in constant 1972 dollars. Look at the solid line. The nearly flat investment since 1968 for a growing nation is not encouraging. But I believe the situation is worse than the graph suggests. It is widely recognized that the inflation in research costs generally exceeds inflation in the CPI. Lack of a precise research cost index leads to use of the CPI in drawing the chart.

What about the state of the E portion of E,R,&D—our educational system which ultimately feeds the scientists, technicians and executives into our high technology enterprises? John Opel, now chairman of IBM, states that "the United States is slipping in the race to strengthen the capabilities of its people: talented, educated, and trained human beings—the ultimate resource of any nation."[1] He then summarized the deterioration of elementary and secondary mathematics and science education in the U.S., and the worsening aptitude and achievement scores of our high school graduates.

Just to cite one example, I have read that in Chicago there is only one physics teacher for every two high schools, and that fewer than 10% of Chicago high school students take one year of physics. Only about 16% take one year of chemistry, And in a science test for 14 year old students from 19 countries, the U.S. ranked fifteenth and Japan ranked first.[2]

This sorry situation of course ultimately reflects itself in the circumstances of our engineering schools. President Thomas L. Martin of the Illinois Institute of Technology has collected together a grim statistical picture.[2] In the U.S. only 6% of all degrees awarded are in engineering, whereas it is 37% in West Germany and 21% in Japan. With half our population size, Japan graduates 5000 more electrical engineers each year than we do. Overall, Japan has six times as many engineers per capita as the U.S. (But we lead in accountants, and lawyers: we have 13 times as many lawyers per capita and 20 times as many accountants per capita as Japan. Reflect what these numbers must mean in terms of the proportion of effort devoted to creativity and generation of wealth versus overhead functions.) Among U.S. citizens, the number of Ph.D. degrees in engineering disciplines is down 50% in the past 10 years. About half of all graduating engineering Ph.D.'s in the U.S. now are nonresident aliens. For a variety of reasons, between 10% and 15% of all the engineering faculty positions in the U.S. are unfilled because qualified candidates are unavailable at the prevailing salary levels.

Engineering faculty shortages are particularly severe in computer systems and in microelectronics. Data indicated that 17% of faculty positions in computer science and technology are vacant. The scarcity of trained people has been bidding up industrial salaries at a time when university resources have been seriously eroded by inflation. U.S. universities produce only about 250 computer science Ph.D.'s annually—about the number that just one major corporation states in 1980 it sought to hire each year! Industrial salaries and modern equipment thus draw many faculty members away from the university, and venture funding combines with the low-capital, quick-transfer nature of software to draw some of the systems researchers away from the larger industrial laboratories. Along with student training, basic research suffers all along the line.

Whether in semiconductor processing or in computer system architecture and software, U.S. universities are therefore relatively weak in computer science and technology compared to their strengths in many other fields. They are lacking in both a full complement of trained faculty and enough of the necessary expensive modern equipment. While there are substantial numbers of undergradute students interested in learning about computers, unfortunately there are relatively few American graduate students who could, if present, help in part time teaching of these undergraduates and, after achieving the doctorate in computer science or technology, would go into frontline contributing and leadership positions in industry or higher education.

With respect to equipment, the universities across the board have an accumulated backlog of obsolete equipment that needs replacing. There are serious problems in most of the laboratory sciences such as physics, chemistry, and biology. An especially crippling problem is the lack of modern computing research equipment in universities to carry forward architecture and systems software research on such topics as distributed computing, networking, and data base management. University equipment deficiencies here must be considered in the context of the broad obsolescence of instrumentation in the established fields of science and engineering. The National Research Council is mounting an effort to diagnose the overall ailment, with some indications of partial remedies from federal agencies. But programs aimed at revitalizing established areas of science are not likely to enable establishment of computer systems research in the first place.

IV. ROLES OF GOVERNMENT, INDUSTRY, AND RESEARCH UNIVERSITIES

If we are ultimately to be in a position to prescribe for the health of the E,R,&D system, we should understand the relative roles of industry, government, and the universities both in funding R&D and in performing it. Because the data are collected without what I would regard as proper consideration of the E component, even at the graduate training level, all the data I shall present are just for the R&D portion of the system. Statistical data on R&D activities and funding are available from the National Science Foundation in a series of detailed publications. In 1980, the most recent year for which there are complete data, total U.S. R&D activity represented an expenditure of $61.1B. Figure 5 shows how this activity was distributed over basic research, applied research, and development: two-thirds of the total activity is Development; of the Research, two-thirds is applied.

Figure 6 presents the distribution of this total R&D among the sources of funding. In recent years, direct investment by private

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[1] J.R. Opel, Science, 217, 1116 (1982).

[2] Thomas L. Martin, Jr., Fermilab Roundtable on Technology Transfer and the University.

industry in R&D has been steadily growing as a percentage of total R&D. Another way to describe this situation is that Federal funding of R&D, after inflation, has not grown, whereas industrial funding has. As a consequence, 1980 was the first year in more than two decades that has seen industrial funding of R&D exceed government funding. Note that together, industry and government fund 96% of U.S. R&D.

Figure 7 distributes R&D activity according to where it is performed. Here industry dominates, with about 70% of the activity. Universities, including their Federally Funded R&D Centers (FFRDC's), and government each perform about 13% of the nation's R&D.

We next consider where basic research is performed. Universities, in spite of their modest roles in the total R&D picture, come to the fore. Three-fifths of all U.S. basic research is performed in universities (Fig. 8). Not only do universities dominate U.S. basic research, but in turn so does basic research dominate all university R&D—even when the FFRDC's are included. Figure 9 shows that three-fifths of all university R&D is basic research.

The last pie chart (Fig. 10) illustrates why any cutback in Federal funding of research is a matter for so much concern in the universities and therefore worrisome in terms of U.S. basic research. Nearly two-thirds of all university R&D funds in 1980 came from the Federal government. If one includes the FFRDC's in the calculation, the two-thirds grows to about three-quarters. If one adds the state and local governments, the governmental percentage is over 80%.

Now let me draw a series of summarizing observations from the foregoing pie charts.

First, from an overall viewpoint concerning U.S. R&D, we note that:

Development, as we would expect, dominates R&D at two-thirds of the total; basic research is one-eighth of the total.

Government and industry together fund 96% of the nation's R&D.

Industry dominates R&D performance at 70%.

Secondly, we can make the following observations about basic research:

Universities substantially dominate U.S. performance of basic research.

The overwhelming source of support for that university basic research is Federal funding.

From these two salient points I draw the following fundamental conclusion:

The health of the U.S. science and basic research depends critically upon a strong partnership between universities and government.

If the scientific and technical education component were added in, including graduate study, state and private university funding would become noticeable in the E,R,&D picture. The university role in basic activities would be even more dominant.

It is clear that the E,D,&D system is a tripartite enterprise: the Federal government, industry, and the universities. What about the relationships between and among the partners? Let us consider the three pair-wise interactions.

Industry-government.—The relationship between government and industry in the U.S. is not a topic about which I am expert. In an E,R,&D context, in the 1980's, there is inevitably much discussion contrasting the perceived alliance between industry and government in Japan with the adversary relationship between business and government in the United States. On this topic, perhaps I should refer you, among other places, to our friends at the Washington University Center for the Study of American Business for commentary.

University-government.—Generally speaking, I believe that the strong link, which was forged after World War II between the Federal government and the research universities, established the scientific base for U.S. technological advancement and leadership during the two decades 1955–1975. But there have been recent serious tensions in this partnership, related to, among other factors:

(a) Budget cuts imposed in recent years, following years of inflationary squeeze on university research.

(b) Problems over accounting regulations (Budget Circular A–21) and challenges to the principle of full indirect cost reimbursement to the universities by government agencies.

(c) Problems with expressed DoD concerns that might restrict the open publication or presentation of particular kinds of university research.

Unlike the industry-government interaction, I would not characterize the university-government relationship as adversarial. But there are some significant stresses that need, in the national interest, to be relieved.

Industry-university.—We have seen that industry has only a small part in performing basic research and a much smaller part in the support of university research. Here are the summarizing facts:

Industry in 1980 performed just 17.3 percent of U.S. basic research and government funded a portion of that.

Industry in 1980 supported 3.7 percent of the R&D in universities, excluding FFRDC's; including them, industry funded only 2.7 percent of university R&D.

With the industrial support of university research being so small, and with some tensions in the university-government partnership, it is natural to question whether there should be much greater industrial support for university research.

Indeed, there have recently been some very bold new joint research efforts between corporations and several research universities. Examples include the joint Washington University programs in biomedical areas with Monsanto and Mallinckrodt, the Exxon-MIT cooperative research program in combustion science, and the new Stanford University Center for Integrated Systems in which some 17 companies are participating as co-sponsors.

My own position is to encourage as many of these as industry can afford and as many as do not threaten the freedom and autonomy of the university. But, along with a number of my colleagues from industry, I must stress that there is no panacea here to meet national needs.

Why is industrial support of basic research so limited? To understand this question, one needs to recognize that basic research is inherently unpredictable as to (a) its ultimate success even in narrow scientific terms, (b) whether the results will be applicable at all on a foreseeable time scale, (c) if applicable, whether those applications will be in a particular company's business area, and (d) if successful on all of the three previous criteria, when the valid scientific result applicable to the company's business domain will in fact provide a commercial return. We must therefore regard basic research as building the bank of knowledge upon which all segments of the nation can draw for application to the social good.

In terms of direct industrial needs, the essential research is applied research, directed toward a business strategy aimed at meeting a need felt by society. The importance of basic research to industry is (i) to provide a "window on the world" of new basic knowledge that may be commercially applicable and (ii), if the company is large enough, to meet any obligation it may feel to go beyond its tax "contributions" toward supporting the replenishment of the store of the basic knowledge.

Naturally, for the small amount of basic science a company elects to do or to support, it typically selects areas that seem a priori more likely to produce applicable new knowledge. Basic research done by Xerox may ultimately turn out to be of more value to, say, the auto industry than the office equipment industry. And, if it does have application to office equipment, it may happen to help IBM or even Toshiba as much as—or even more than—it helps Xerox.

It is the broad but untargettable applicability of basic research, over the long term, that provides the sound rationale for public support of research through the tax base.

We therefore can understand why industry performs and supports only modest amounts of basic research. Since most of the funding for university basic research is already derived from Federal tax revenues (to which corporations give up about half of their pre-tax earnings), company managements can at best justify the spending of only a fraction as many basic research dollars in universities as they do in their own organizations. Statistical data show that, if industry increased support of university research by an amount corresponding to 20% of industrial basic research budgets, it would increase university research funds by at most 5%. That would be welcome, but no solution to the fundamental U.S. problem of starved university basic research budgets.

This brings us to the need for a national goal of E.R.&D. leadership.

V. THE NECESSITY TO TAKE THE LONG VIEW

Perhaps it is time to ask ourselves how we achieved world technological leadership during the period from World War II up through the mid-1970's. As I pointed out in my recent keynote address to the ISSCC, I believe that an instructive example is the leadership which the U.S. achieved in electronic technology during the post-war period up through about 1980.

One sometimes hears that basic research played a very small role in the meteoric rise of the semiconductor electronics industry. But that is a very short-term view. The fact is that long-range, world-leading basic research in universities and in Bell Laboratories undergirded the commercial success of semiconductor companies. But the present research vigor of U.S. universities in the disciplines essential for our semiconductor systems future is in doubt—and the few U.S. companies that pursue long-range research are experiencing enormous pressures for short-term results. Even the future of long-range research at Bell Laboratories is questioned by some observers of the AT&T reconfiguration.

History suggests that a partially accidental long-range investment in research and education laid the base for America's 1970's leadership in semiconductor technology—accidental in that the strategy was not aimed primarily at civilian technological and economic growth. Elements in the development of U.S. strength in solid state electronics

begin all the way back in the 1930's and relate in many respects to World War II:

1. Totalitarianism in the 1930's drove some of the premier scientists of continental Europe to the U.S.

2. During the course of the war there were several technological triumphs that demonstrated momentous applicability of earlier esoteric long-range research.

3. Following cessation of hostilities, veteran's benefits in the U.S. (the "G.I. Bill") accorded unprecedented broad opportunity for undergraduate and graduate training of U.S. depression-era youth, often in science and engineering. *(This immediate post war period was the only time in history when the U.S. accorded for its young men nearly universal educational opportunity at the college and university level.)* Much of our postwar technological ascendency depended upon this cadre of professionally trained people.

4. Federal agencies initiated substantial funding of university research and graduate training in technical disciplines, triggering a major expansion of the academic research enterprise.

5. This helped to attract a second European influx—the "brain drain."

6. Just as the defense impetus began to wane, Sputnik gave birth to NASA research and training programs.

7. Of specific importance to the modern electronics industry, a new "Sputnik-spawned" Defense Department agency, the Defense Advanced Research Projects Agency, launched numerous projects, including several materials research centers in universities.

Added to these factors and national programs were a few critically important industrial laboratories that took a long-term research view in the pre-war and immediate post-war period. All of these elements came together to provide in the U.S. the basis for a full flowering of solid state science, and the derivative evolution of semiconductor technology.

VI. CONCLUSION

Nearly every individual contributor to the U.S. ascendency to world technological leadership benefitted in essential ways from several of the foregoing factors. A postwar policy of long range R&D investment—aided by a few unplanned events—gave the U.S. for about 20 years a de facto strategy for technological leadership. That leadership provided economic growth, not just for the U.S. but it also aided economic advance for many other nations of the world. In this country, such wealth helped to fund important social progress.

But, during the past 15 years, the United States has faltered in its long-range investments in the Education and R&D macrosystem. This weakened macrosystem may consequently be inadequate to the appropriate and essential needs for our technological futures.

Looking back on the 1950's build-up of our research and on the 1960's objective of space technology leadership, we in the U.S. are long overdue in setting forth a goal of world leadership in advanced technology, to be achieved by substantial long range investments as part of a major national rededication to education, research and development. These renewed investments toward achieving technological leadership should be the first priority on the national agenda, because they are the means to the following derived benefits: economic vigor, fuller employment, capability for the national defense, and acquiring the national *wealth* with which to purchase social advances and a flourishing of culture and the arts.

(The charts referred to are not reproducible in the RECORD.) ●

CLEAN AIR ACT POLICY

● Mr. STAFFORD. Mr. President, the Clean Air Act Amendments of 1982, reported to the Senate by the Environment and Public Works Committee during the last Congress, contained a short but important clarifying amendment relating to the definition of the term "major stationary source."

As the committee report states, the amendment was a restatement of the policy adopted by Congress in the 1977 Clean Air Act Amendments and was intended to point out the misinterpretation of the law by EPA in regulations it issued in October 1981.

The 1977 amendments require a full-scale new source review for any modification to a plant in a nonattainment area that results in an increase in emissions of 100 tons or more of a pollutant for which the area is not meeting a national ambient standard. Reductions of emissions elsewhere in the plant are not to be considered in determining whether a particular modification meets the 100-ton criterion.

I have recently received from the State and territorial air pollution program administrators (STAPPA) what I consider to be an excellent technical discussion of the reasons the policy adopted by Congress in 1977 is sound. The discussion is contained in a letter to the Administrator of EPA, since the Agency has appealed a District of Columbia Circuit Court opinion on the definition of the term "source" to the Supreme Court.

I ask that the text of STAPPA's cover letter to me and of the letter to William Ruckelshaus be printed at this point in the RECORD.

The letters follow:

STATE AND TERRITORIAL AIR POLLUTION PROGRAM ADMINISTRATORS,
Washington D.C., July 11, 1983.

Senator ROBERT STAFFORD,
Chairman, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: Last month at the mid-summer meeting of the State and Territorial Air Pollution Program Administrators (STAPPA), the membership adopted a position that recommends that the Environmental Protection Agency revert to its August 1980 definition of "source." The members of STAPPA believe that all new pieces of equipment in nonattainment areas should be equipped with the Best Available Control Technology (BACT) and that no sources should be allowed to net out of New Source Review (NSR) requirements.

I have enclosed a copy of a letter that we recently sent to EPA Administrator William Ruckelshaus and John Adams, Executive Director of the Natural Resources Defense Council. This letter outlines the reasons why STAPPA adopted this position. If you have any questions regarding our position on the definition of "source," please do not hesitate to contact us.

Sincerely,

S. WILLIAM BECKER.

STATE AND TERRITORIAL AIR POLLUTION PROGRAM ADMINISTRATORS,
Washington, D.C., July 8, 1983.

Mr. WILLIAM RUCKELSHAUS,
Administrator, Environmental Protection Agency, Washington, D.C.

DEAR MR. RUCKELSHAUS: The State and Territorial Air Pollution Program Administrators (STAPPA) would like to make its position clear relative to the Environmental Protection Agency's revision to the definition of source as it applies to nonattainment areas.

We are concerned that the October 1981 change in definition of source may needlessly increase emissions in areas violating the primary national ambient air quality standards (NAAQS) and jeopardize the potential for achieving the NAAQS in these areas. We do not know if the October 1981 change is consistent with the statutory requirements of the Clean Air Act and therefore, will not discuss those issues in this letter.

The air quality needs of areas violating the health-related NAAQS are different from those in Prevention of Significant Deterioration (PSD) areas. In nonattainment areas, there is a need to *reduce* emissions while, in PSD areas, the emphasis is on limiting *increases* in emissions. Making the nonattainment definition of source identical to that used in PSD areas will make it more difficult to obtain the emission reductions necessary to assure attainment of the NAAQS. The reasons for this are discussed below.

The PSD program definition of "significant" exempts from the new source review increases in emissions up to 40, 25 and 40 tons per year for sulfur dioxide (SO_2), total suspended particulates (TSP) and volatile organic compounds (VOC) sources, respectively. Although these levels of emissions may be "insignificant" in areas attaining standards, this is not the case in many nonattainment areas. In most TSP and VOC nonattainment areas and some eastern SO_2 nonattainment areas, the violations of the NAAQS result from the cumulative impact of all sources in the nonattainment area. Allowing even the PSD significance level increases from new and modified sources would further burden already overburdened atomospheres and require corresponding reductions from existing sources.

Further, the October 1981 definition of source would exempt some sources from the nonattainment area control technology requirements (BACT and LAER) based on the rationale that the New Source Performance standards (NSPS) would assure use of the most up-to-date pollution control technology. This rationale is flawed because NSPS have not been promulgated for a large number of major air pollution sources (for example, coke ovens, industrial boilers and numerous VOC source categories). Additionally, this definition of source is structured so that the exempt sources would not even be subject to the reasonably available control technology (RACT) requirements of Section 172 (b)(2) of the Clean Air Act.

Exempting sources from the control technology requirements and allowing PSD emission increases while attempting to solely rely on the resonable further progress (RFP) provision as the measure of success of the Part D plans may be inadequate to assure expeditious attainment. The current

Part D State Implementation Plan control strategies are based, in many cases, on rudimentary emission—air quality relationships (ozone) and plans for further study of the nonattainment problem (TSP). As a result, there is considerable uncertainty regarding the adequacy of the amount of emission reductions necessary to achieve some health-related standards. This ambiguity makes the Part D RFP plan in many cases tenuous at best. In addition, the RFP demonstrations are an "after-the-fact" evaluation of progress. In most cases, they are based on emission inventories that lag by two years or more. Because of this time lag, numerous new and reconstructed sources may be built with lenient or no controls before it is realized that the Part D plans may not be adequate to attain the NAAQS. Ultimately, this may result in the costly retrofitting of better controls on those new and reconstructed sources originally exempt from the new source review.

STAPPA believes that it is appropriate to revise the October 1981 definition of source as it applies to nonattainment areas and revert to the August 1980 dual source definition. Reverting to the dual source definition of source could prevent the construction of uncontrolled process equipment in nonattainment areas, could prevent increased levels of air contaminants in nonattainment areas and could provide for expeditious attainment of the health-related primary ambient air quality standards.

Sincerely,

RANDOLPH WOOD,
President.●

UNITED STATES-GREECE BASE AGREEMENT

● Mr. KENNEDY. Mr. President, I welcome the announcement today of the initialing of a new United States-Greece base agreement. I believe this agreement is in the best interests of both countries, and hope it will contribute to strengthening the close bonds of friendship, mutual trust, and mutual security which have traditionally characterized the relations between our two nations.

The security arrangements between the United States, Greece, and the NATO allies are vital. With the achievement of the base agreement, I hope that the Governments involved will work toward resolving other outstanding issues, particularly the tragic situation in Cyprus and the dispute in the Aegean. I, for one, will continue in my efforts to uphold the longstanding 7- to 10- military aid ratio between Greece and Turkey, and to achieve the withdrawal of all Turkish forces from the Republic of Cyprus.●

S. 1623—NATIONAL COMMISSION ON NEUROFIBROMATOSIS

● Mr. BENTSEN. Mr. President, I am pleased to join my colleague Senator DOLE as an original cosponsor of S. 1623, a bill to establish a national commission on neurofibromatosis. Neurofibromatosis is a progressive disease characterized by darkened patches on the skin, internal and external fibrous tumors, tumors of the eye and brain, malignancies of various organs, extreme curvature of the spine, mental retardation, epilepsy, and blindness. Approximately 80,000 Americans suffer from NF—more than the total number of individuals affected by muscular dystrophy, Tay-Sachs disease, and Huntington's chorea combined.

Given the incidence and debilitating effects of this disease, and its immediate relevance to many of the disorders, especially cancer, I believe that a comprehensive review of NF research must be made and the Congress advised on the most effective way in which to address the critical shortage of specialized trained professionals and treatment programs. S. 1623 establishes a commission responsible for assessing the extent and nature of research on neurofibromatosis. Assembling a task force of experts will focus public and private research efforts on NF, and serve as a catalyst in developing a comprehensive plan to encourage additional research and treatment efforts.

Mr. President, it is time for the National Government to make a commitment to adequate support of efforts to address one of the most serious genetic disorders. The National Institutes of health and other American research institutions are in a unique position to render a needed and important service by lending their expertise to this endeavor. I urge my colleagues to join us in support of the legislation.●

BUDGETARY IMPACT OF THE MILITARY CONSTRUCTION APPROPRIATION BILL, 1984 (H.R. 3263)

● Mr. MATTINGLY. Mr. President, because of computer malfunction, the budgetary impact statement of the military construction appropriation bill (H.R. 3263) as reported by the Committee on Appropriations was not correctly printed in the committee report (S. Rept. 98-180).

I therefore send to the desk a corrected budgetary impact statement and ask that it be printed in the RECORD.

Mr. President, this statement is required by section 308 of the Congressional Budget Act to be included in the report accompanying the bill. However, compliance with this rule will result in substantial additional printing costs for a star print. Since printing of the corrected budgetary impact statement in the RECORD fulfills the notification intent of this section of the Budget Act, I believe it only prudent that we make an exception in this case so that the entire report will not have to be reprinted. This request has been cleared with the minority and the Budget Committee and I know of no objection to it.

Mr. President, I therefore request the corrected budgetary statement appearing in the RECORD be deemed to be that which is required by section 308(a) of the Congressional Budget Act.

The statement follows:

BUDGETARY IMPACT OF THE MILITARY CONSTRUCTION APPROPRIATION BILL, 1984 (H.R. 3263)

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1984: Subcommittee on Military Construction	7,300	7,240	7,100	[1] 7,113
Projections of outlays associated with budget authority recommended in the bill:				
1984				[2] 2,364
1985				2,811
1986				1,290
1987				472
1988 and future year				302
Financial assistance to State and local governments for 1984 in the bill		32		2

[1] Includes outlays from prior-year budget authority.
[2] Excludes outlays from prior-year budget authority.
Source: Prepared by the Congressional Budget Office pursuant to Sec. 308(a), Public Law 93-344.●

JUDGE THOMAS J. MESKILL

● Mr. WEICKER. Mr. President, on July 19, 1983 the Association of Trial Lawyers of America will honor one judge, from among the many and prominent Federal appeals court judges, as the "Outstanding Federal Appellate Judge." That judge is Thomas J. Meskill of Connecticut, a distinguished member of the Second Circuit Court of Appeals.

Judge Meskill, a native of New Britain, Connecticut and a graduate of Trinity College and the University of Connecticut School of Law has a long and outstanding record of public service. Prior to his appointment to the Federal bench he served as mayor of his hometown, Congressman from Connecticut's Sixth District and Governor of his State.

Indeed during the protracted discussions in this body concerning Judge Meskill's confirmation the question was raised: Does substantial experience in major elective offices recommend a person for a Federal judgeship? I assured my colleagues at that time that Judge Meskill's experience, temperment and integrity were exactly the mix of credentials capable of producing an outstanding jurist.

Now, after 8 years of excellence on the second circuit bench Judge Meskill is being recognized by the legal profession nationwide as the "Outstanding Federal Appellate Judge".

I congratulate Judge Meskill on the recognition he is so justifiably receiving and I believe we in the Senate together with Judge Meskill's family and fellow citizens of Connecticut can take

great pride in the accomplishments of this truly eminent jurist.●

THE OLDER AMERICAN COMMUNITY SERVICE PROGRAM AUTHORIZED UNDER TITLE V OF THE OLDER AMERICANS ACT

● Mr. GRASSLEY. Mr. President, on June 28, 1983, I asked the General Accounting Office to undertake an assessment of the management by the Department of Labor of the Older American Community Service program authorized under title V of the Older Americans Act, as amended. This assessment is necessary because the administration has proposed moving title V from the Department of Labor to the Administration on Aging and we in the Congress who must come to a judgment on this matter lack knowledge sufficient to make an informed judgment on the issue.

Response to the administration's proposal has been mixed. The National Association of State Units on Aging, the National Association of Area Agencies on Aging, and the Federal Council on Aging have supported moving the program, although they may have various reservations about other aspects of the administration's proposal. The national aging organzation which sponsor title V projects oppose the proposal.

Unfortunately, there exists no detailed recent evaluation of Department of Labor management of the program, or of the capacity of the Administration on Aging to manage the program were it moved. The Department of Labor has not conducted an overall evaluation of the program since its authorization under the Older Americans Act in 1973. The Federal Council on Aging sponsored an evaluation of the program which was completed in March 1981. While this evaluation concluded that the program was meeting its objectives, it also found numerous weaknesses in the program. These included confusion among sponsors about the objectives of transition to private employment from subsidized employment, lack of coordination among State and national sponsors in most States, inadequate data collection and reporting of state-of-the-art achievements, and absence of technical assistance. The evaluation also noted that coordination between title V and other Federal older worker programs could be improved. Particularly striking was the finding that insufficient data is collected at the national level to allow the Department of Labor to answer the most basic questions about program effectiveness, such as: How many hours do enrollees work? How long do enrollees remain enrolled? How much training is provided to enrollees? Why do people leave title V employment? While some improvements in the program were made by the 1981 amendments to the act, these changes did not eliminate the just cited shortcomings.

The various national sponsors have undertaken evaluations of their part of the program, but these have been, by their very nature, only partial assessments of the total program. They have also not considered Department of Labor management of the program.

Furthermore, it has come to my attention recently through press reports and constituent mail that difficulties have arisen in the administration of the title V program by Green Thumb, Inc., the national contractor administering the largest of the title V programs. Although the Department of Labor conducted an inquiry into one of the problem situations involving the inappropriate use of funds, the Department did not pursue other management issues raised by the episode or ask whether similar problems exist in the management of the program by other national sponsors.

Therefore, in order that we in the Congress can make an informed judgment about where the program might best be administratively located, I have asked the General Accounting Office to conduct a review of management, by the Department of Labor, of the title V program. The review will focus on the question of whether the program should be moved from the Department of Labor to the Administration on Aging and will review the capacity of the Administration on Aging and the Older Americans Act network to manage the program.

I have asked the General Accounting Office to consider a number of other questions in the course of coming to a judgment on the main concern:

First, what administrative adjustments would need to be made in order to accommodate a transfer of the title V program from the Department of Labor to the Administration on Aging?

Second, is it possaible to estimate the Federal costs of transferring this program from one agency to another?

Third, has the Secretary of Labor adequately investigated the recent difficulties in the Green Thumb program?

Fourth, should the Department of Labor make improvements in data collection at the national level; in program monitoring, both by the Department and the national and State program sponsors; on collection and dissemination of state-of-the-art achievements; and in technical assistance to program sponsors?

Fifth, is the Department of Labor justified in awarding funds to State agencies other than State agencies on aging despite the fact that the 1981 amendments to the act require those funds to be awarded to State agencies on aging?

Sixth, can the Department of Labor improve coordination among State and national sponsors within States, and, if so, how?

Seventh, has the Department of Labor given enough technical assistance to State sponsors in the administration of their programs? How can this be improved? How should the Administration on Aging, which has more interaction with the States, and the Department of Labor cooperate more effectively in management of the program at the national level?

Eighth, is the Department taking adequate steps to coordinate the title V program with the Job Training Partnership Act program?

Ninth, is the number of jobs produced by the program reasonable in light of its budget? Does it compare favorably with other public service employment programs?

Tenth, can the Department of Labor improve the ability of sponsors to move enrollees from subsidized to unsubsidized employment, and, if so, how?

Eleventh, could sponsors conduct the programs as effectively if a smaller percentage of available Federal funds were devoted to administrative costs? Are funds taken from the 15 percent set aside for administrative costs appropriately applied to costs incurred by operation of the title V program? Are program enrollees who work on administration of the program assigned work which is appropriate and germane to the project?

Twelfth, to what extent do the national sponsors depend on the title V funds for their support? That is, what proportion does title V funding represent of each national organization's total support? Is it possible to ascertain how much of title V funding is used for the national organizations' overhead?

The General Accounting Office has agreed to conduct the inquiry so as to provide us with a preliminary judgment by December 15, 1983, on whether the program should be moved from the Department of Labor to the Administration on Aging. This will be in time to be of use to us during the reauthorization of the act. Subsequent phases of the General Accounting Office review will continue into next year and will be of use whether or not the program is moved.

We in the Congress, and older Americans who depend on and support the title V program, must be confident that the program is effectively and efficiently managed. Indeed, it is the responsibility of those of us involved in the reauthorization of the Older Americans Act to be sure that we have a solid basis on which to make appropriate changes in this title of the act.●

STATE AND LOCAL COST ESTIMATES

● Mr. SASSER. Mr. President, the State and Local Government Cost Estimate Act, Public Law 97-108, requires that the Congressional Budget Office prepare estimates of the costs that would be incurred by State and local governments in carrying out the provisions of proposed bills or resolutions. The estimates are to be incorporated into the committee reports on the legislation.

Since that law went into effect October 1982, the Congressional Budget Office has prepared over 60 State and local cost estimates. These figures guide the Congress in making decisions on legislation affecting other levels of Government.

Congressional Budget Office analysts Mary Ann Curtin and Roy Meyers have prepared an article for the publication Public Budgeting and Finance about the implementation of Public Law 97-108. I am pleased to note in reading the article that the State and Local Cost Estimate Act is working as intended.

So that my Senate colleagues can preview this article which is to appear in a future issue of Public Budgeting and Finance, I request that it be published in the CONGRESSIONAL RECORD immediately following my remarks.

The article follows:

STATE AND LOCAL COST ESTIMATES

(Roy Meyers and Mary Ann Curtin, Analysts, Budget Analysis Division, Congressional Budget Office)

As of October 1, 1982, the Congressional Budget Office (CBO) became responsible for preparing estimates of the costs to be borne by state and local governments that carry out or comply with federal legislation. This responsibility was mandated by an amendment to the Congressional Budget Act—the State and Local Cost Estimates Act of 1981 (P.L. 97-108). This note presents a preliminary report on the implementation of that law.

The role of CBO is to prepare nonpartisan, objective, and independent economic forecasts, budget projections, and program analysis for the Congress. One form of CBO's budget projections work is the "cost estimate," a five-year projection of federal spending. Cost estimates are prepared for all bills reported by committees, except for the Appropriations Committees. These estimates often play a significant role in Congressional debate by providing a clear statement of a bill's cost implications. During the 97th Congress, CBO prepared an average of 630 cost estimates per year.

Passage of the State and Local Cost Estimate Act was the culmination of a four-year lobbying effort by the associations of state and local governments. Many members of Congress viewed the preparation of cost estimates as a "good government" reform, mostly based on their experiences in state government. Over thirty states estimate the fiscal impact of legislation on local governments (these estimates are called "fiscal notes"), and twelve states reimburse localities at least partially for the costs of state mandates.

Other cosponsors supported state and local cost estimates because they believe that the estimates would prevent enactment of costly mandates on state and local governments. During the 1970s, the Congress adopted a significant number of such mandates, many of which cut across functions to apply to all grant programs. Opponents of these mandates generally cited the "horror story" of Section 504 of the Rehabilitation Act of 1973, which set the requirement that many public facilities be accessible to handicapped persons. The Congress passed this bill without focusing on the possible costs of such requirements even though the costs were potentially large. For example, when the initial DOT/HEW regulations relating to urban transportation systems were proposed, CBO calculated that the costs of implementing them were more than twice the amount of total federal financial assistance provided to public transportation. Proponents of state and local cost estimates believed that if such cost figures were available during debate, Section 504 would not have passed in its original form.

Support for the State and Local Cost Estimate Act increased during the summer and fall of 1981. The 1981 reconciliation process reduced spending for grants and benefits programs, thereby effectively shifting some costs to states and localities. Opponents of that portion of the reconciliation legislation believed that estimates of these cost burdens could have prevented the enactment of such legislation. Ultimately, the bill obtained wide-ranging support and was passed unanimously in both the House and the Senate.

Planning for the implementation of the Act began immediately after passage. A major activity was the development of a network of officials of state and local governments, representatives of the associations of state and local governments, executive branch personnel, and intergovernmental research organizations. CBO's first state and local cost estimate was prepared in November 1982. As of the May 15th deadline for the reporting of authorizing legislation, over 60 state and local cost estimates have been prepared.

State and local cost estimates are similar to federal cost estimates in many respects, and are normally prepared in conjunction with the federal cost estimate. Estimates are restricted to direct costs, excluding the second-order effects of federal legislation. For example, CBO would not prepare a cost estimate for a bill that would affect state tax revenues through its impact on the economy. State matching shares, administrative expenses, and the costs of various conditions of aid are the direct costs that are most commonly included in estimates. Cost estimates may also show savings to states, which could result from the repeal of a mandate, from federal provision of services previously financed by states, or from reductions in entitlements and other programs that have state cost sharing.

During consideration of the Act, the Congress recognized that state and local cost estimates will often be very difficult to prepare. In cases where the state responses to federal legislation may substantially affect state costs, range estimates are used to show state and local costs under alternative assumptions about state participation, administrative actions, and other factors. Of the cost estimates prepared to date, approximately 10 percent have been range estimates. Furthermore, geographic breakouts of national cost figures are not shown unless the methodology used to prepare the cost estimate provides state-by-state figures. Finally, CBO is required to prepare state and local cost estimates when, in the opinion of the Director, the annual aggregate cost of the law to state and local governments is $200 million or more, or when the cost "is likely to have exceptional fiscal consequences for a geographic region or a particular level of government." CBO has attempted to produce state and local cost estimates for all bills with state and local cost impacts.

A number of practical problems exist in developing state and local cost estimates. Among these are data availability, time constraints, and possible substitution effects. Other problems, such as differing local government structures, state constitutional requirements, differing fiscal years and accounting methods, exist as well.

The most critical problem in developing state and local cost estimates is the availability of pertinent data. During testimony on the State and Local Government Cost Estimate Act, organizations representing state and local governments testified to their willingness to provide information to CBO for use in developing estimates. In practice, CBO analysts have found that numerous phone calls to program specialists in states and localities have been required in order to obtain sufficient data.

In some instances, quality data are simply not available. For example, if H.R. 1510, the Immigration Reform and Control Act of 1983, is enacted, major revisions would be made to the Immigration and Nationality Act. Because the bill proposes to legalize certain unauthorized aliens now residing in the United States, the bill could directly affect the budgets of state and local governments to a significant degree in the areas of health and welfare assistance. No highly reliable information exists on the number or characteristics of illegal aliens residing in this country. Therefore, there is considerable uncertainty over how many unauthorized aliens qualify for permanent residency and how many unauthorized aliens might receive health and welfare assistance at some point after being legalized. CBO analysts who prepared this estimate had to make assumptions regarding these questions based on the information that was available. The CBO estimate was based on the assumption that 4.5 million unauthorized aliens are present in the United States, the midpoint of a range estimate of 3 to 6 million. The estimate also assumed benefit recipiency rates for aliens similar to those for United States citizens with similar demographic and economic characteristics.

Time is also a crucial factor. While CBO is permitted to submit state and local cost estimates after the submission of the federal cost estimate, often time constraints do not permit extensive sampling if needed data are not readily available through other sources. Another problem inherent in developing these estimates is the substitution problem, that is, to what extent federal dollars will be substituted for state and local dollars. This is especially difficult in the areas of education, health, and other human service areas. For estimating purposes, it is extremely difficult to predict how much, if any, substitution actually will occur. Therefore, estimates of cost savings to state and local governments due to substitution are subject to a great deal of uncertainty.

An example of the substitution problem can be seen in the cost estimate for H.R.

1036, the Community Renewal Employment Act. The purpose of the bill is to authorize appropriations for employment of long-term unemployment individuals. This estimate involved calculating savings to state and local governments if the federal funds are used for projects or activities that the state would have operated without federal funds. Based on past studies and the particular provisions of the bill, it was estimated that the probable range for substitution is 10 to 40 percent.

State and local estimates are usually printed in committee reports and may be obtained from the Documents Clerks of the House and the Senate. Cost estimates may also be printed in the CONGRESSIONAL RECORD at the request of a Member.●

CARLOS FUENTES

● Mr. DODD. Mr. President, Carlos Fuentes needs no introduction to the U.S. Senate, to Congress or to the people of our Nation. His distinguished career as an author, lecturer, and diplomat has made him world renowned and has brought him worldwide acclaim. Deservedly so—this authentic voice of Mexico speaks to a universal audience.

Just recently, for example, Mr. Fuentes, after being awarded an honorary doctor of laws degree from Harvard University, addressed this year's graduating class in Cambridge. And his remarks, devoted exclusively to the issue of U.S. policy toward Central America, could not have been more timely. I have read them and re-read them. And I am firmly convinced that all who believe they know something about the Central American question would be well advised to examine Mr. Fuentes' insights very carefully and to give his analysis the serious consideration it deserves.

Regrettably, Mr. President, there was a time in the not too distant past when this Government frequently challenged Mr. Fuentes' efforts to enter the United States and when it maintained that his political views were less than acceptable, if not suspect and dangerous. Yes; there was a time when this Government—despite its democratic moorings, its democratic convictions, and its democratic tenets—endeavored to muffle the voice of Carlos Fuentes across our land.

Doubtless such episodes have brought little credit to our Government or to our people. Indeed, to the outside world, they have said more about us than about Carlos Fuentes and his political opinions. But to his credit, he persevered. He never gave up. And during those periods of harassment, he, obviously, had more faith in us and in our system than we apparently did.

Today that faith and the friendship it evidences are as strong as ever. In speaking to this year's Harvard graduates, Mexico's outstanding man of letters expressed such sentiments in these terms:

But we, the true friends of your great nation in Latin America, we the admirers of your extraordinary achievements in literature, science and the arts and of your democratic institutions, of your Congress and your Courts, your Universities and publishing houses and your free press—we your true friends, because we are your friends, will not permit you to conduct yourselves in Latin American affairs as the Soviet Union conducts itself in Central European and Central Asian affairs.

These are the words of a good friend. These are the words which come from the heart and soul of Mexico and from our Latin neighbors. These are the words of Carlos Fuentes. May we have the good sense to pay attention.

Mr. President, I ask that the complete text of Mr. Fuentes commencement day speech at Harvard be printed at this point in the RECORD.

The speech follows:

HARVARD COMMENCEMENT SPEECH BY CARLOS FUENTES

Mr. President, Members of the Corporation, Members of the Harvard Alumni Association, Ladies and Gentlemen: Some time ago, I was travelling in the state of Morelos in Central Mexico, looking for the birthplace of Emiliano Zapata, the village of Anenecuilco.

I stopped on the way and asked a campesino, a laborer of the fields, how far it was to that village.

He answered me: "If you had left at daybreak, you would be there now."

This man had an internal clock which marked the time of his own personality and of his own culture.

For the clocks of all men and women, of all civilizations, of all histories, are not set at the same hour.

One of the wonders of our menaced globe is the variety of its experiences, its memories and its desires.

Any attempt to impose a uniform politics on this diversity is like a prelude to death.

Lech Walesa is a man who started out at daybreak, at the hour when the history of Poland demanded that the people of Poland act to solve the problems that a repressive government and a hollow party no longer knew how to solve.

We in Latin America who have practiced solidarity with Solidarity salute Lech Walesa today.

The honor done to me by this great center of learning, Harvard University, is augmented by the circumstances in which I receive it.

I accept this honor as a citizen of Mexico, and as a writer from Latin America.

Let me speak to you as such.

As a Mexican first:

The daybreak of a movement of social and political renewal cannot be set by calendar other than those of the people involved.

With Walesa and Solidarity, it was the internal clock of the people of Poland that struck the morning hour.

So it has always been: with the people of my country during our revolutionary experience; with the people of Central America in the hour we are all living; and with the people of Massachusetts in 1776.

The dawn of revolution reveals the total history of a community.

This is a self-knowledge that a society cannot be deprived of without grave consequences.

THE EXPERIENCE OF MEXICO

The Mexican Revolution was the object of constant harassment, pressures, menaces, boycotts and even a couple of armed interventions between 1910 and 1932.

It was extremely difficult for the United States Administrations of the time to deal with violent and rapid change on the southern border of your country.

Calvin Coolidge convened both Houses of Congress in 1927 and—talkative for once—denounced Mexico as the source of "Bolshevik" subversion in Central America.

We were the first domino.

But precisely because of its revolutionary policies favoring agrarian reform, secular education, collective bargaining and recovery of natural resources—all of them opposed by the successive governments in Washington, from Taft to Hoover—Mexico became a modern, contradictory self-knowing and self-questioning nation.

The Revolution did not make an instant democracy out of my country. But the first revolutionary government, that of Francisco I. Madero, was the most democratic regime we have ever had: Madero respected free elections, a free press and an uncontrollable Congress. Significantly, he was promptly overthrown by a conspiracy of the American Ambassador, Henry Lane Wilson, and a group of reactionary generals.

So, before becoming a democracy, Mexico first had to become a nation.

What the Revolution gave us all was the totality of our history and the possibility of a culture. "The Revolution—wrote my compatriot, the great poet Octavio Paz—the Revolution is a sudden immersion of Mexico in its own being. In the revolutionary explosion . . . each Mexican . . . finally recognizes, in a mortal embrace, the other Mexican."

Paz himself, Diego Rivera and Carlos Chavez, Mariano Azuela Azuela and Jose Clemento Orozco, Juan Rulfo and Rufino Tamayo: we all exist and work because of the revolutionary experience of our country. How can we stand by as this experience is denied, through ignorance and arrogance, to other people, our brothers, in Central America and the Caribbean?

A great statesman is a pragmatical idealist. Franklin D. Roosevelt had the political imagination and the diplomatic will to respect Mexico when President Lazaro Cardenas, in the culminating act of the Mexican Revolution, expropriated the nation's oil resources in 1938.

Instead of menacing, sanctioning or invading, Roosevelt negotiated.

He did not try to beat history. He joined it.

Will no one in this country imitate him today?

The lessons applicable to the current situation in Latin America are inscribed in the history—the very difficult history—of Mexican-American relations.

Why have they not been learnt?

AGAINST INTERVENTION

In today's world, intervention evokes a fearful symmetry.

As the United States feels itself authorized to intervene in Central America to put out a fire in your front yard—I'm delighted that we have been promoted from the traditional status of back yard—then the Soviet Union also feels authorized to play the fireman in all of its front and back yards.

Intervention damages the fabric of a nation, the chance of its resurrected history, the wholeness of its cultural identity.

I have witnessed two such examples of wholesale corruption by intervention in my lifetime.

One was in Czechoslovakia in the fall of 1968. I was there then to support my friends the writers, the students and statesmen of the Prague Spring. I heard them give thanks, at least, for their few months of freedom as night fell once more upon them: the night of Kafka, where nothing is remembered but nothing is forgiven.

The other time was in Guatemala in 1954 when the democratically elected government was overthrown by a mercenary invasion openly backed by the C.I.A The political process of reform and self-recognition in Guatemala was brutally interrupted to no one's benefit: Guatemala was condemned to a vicious circle of repression, that continues to this day.

Intervention is defined as the action of the paramount regional power against a smaller state within its so-called "sphere of influence."

Intervention is defined by its victims.

But the difference between Soviet actions in their "sphere of influence" and United States actions in theirs is that the Soviet regime is a tyranny and you are a democracy.

Yet more and more, over the past two years, I have heard North Americans in responsible positions speak of not caring whether the United States is loved, but whether it is feared; not whether it is admired for its cultural and political accomplishments, but respected for its material power; not whether the rights of others are respected, but its own strategic interest are defended.

These are inclinations that we have come to associate with the brutal diplomacy of the Soviet Union.

But we, the true friends of your great nation in Latin America, we the admirers of your extraordinary achievements in literature, science and the arts and of your democratic institutions, of your Congress and your Courts, your Universities and publishing houses and your free press—we your true friends, because we are your friends, will not permit you to conduct yourselves in Latin American affairs as the Soviet Union conducts itself in Central European and Central Asian affairs.

You are not the Soviet Union.

We shall be the custodians of your own true interests by helping you to avoid these mistakes.

We have memory on our side.

You suffer too much from historical amnesia.

You seem to have forgotten that your own Republic was born out of the barrel of a gun: the American Revolutionaries also shot their way to power.

We hope to have persuasion on our side, but also the body of international and inter-American law to help us.

We also have our own growing strategic preoccupations as to whether, under the guise of defending us from remote Soviet menaces and delirious domino effects, the United States would create one vast Latin American protectorate.

Meeting at Cancun on April 29, the Presidents of Mexico and Brazil, Miguel de la Madrid and Foao Figueeiredo, agreed that "the Central American crisis has its origin in the economic and social structures prevalent in the region and [that] the efforts to overcome it must . . . avoid the tendency to define it as a chapter in East-West confrontation."

And the Prime Minister of Spain, Felipe Gonzalez, on the eve of his visit to Washington, defined U.S. involvements in Central America as "fundamentally harmful" to the nations of the region and damaging to the international standing of the United States.

Yes, your alliances will crumble and your security will be endangered if you do not demonstrate that you are an enlightened, responsible power in your dealings with Latin America.

Yes, you must demonstrate your humanity and your intelligence here, in this house we share, our Hemisphere, or nowhere shall you be democratically credible.

Where are the Franklin Roosevelts, the Sumner Welleses, the George Marshalls, and the Dean Achesons demanded by the times?

FRIENDS AND SATELLITES

The great weakness of the Soviet Union is that it is surrounded by satellites, not by friends.

Sooner or later, the rebellion of the outlying nations in the Soviet sphere will eat, more and more deeply, into the innards of what Lord Carrington recently called "a decaying Byzantium."

The United Sates has the great strength of having friends, not satellites, on its borders.

Canada and Mexico are two independent nations that disagree on many issues with United States.

We know that in public, as in personal life, nothing is more destructive of the self than being surrounded by sycophants.

But the same way as there are "yes men" in this world, there are "yes nations."

A "yes nation" harms itself as much as it harms its powerful protector: it deprives both of dignity, foresight and the sense of reality.

Nevertheless, Mexico has been chosen as a target of "diplomatic isolation" by the National Security Council Document on Policy in Central America and Cuba through Fiscal Year 84.

We know in Latin America that "isolation" can be a euphemism for destabilization.

Indeed, every time a prominent member of the Administration in Washington refers to Mexico as the ultimate domino, a prominent member of the Administration in Mexico City must stop in his tracks, offer a rebuttal and consolidate the nationalist legitimation of the Mexican government: Mexico is capable of governing itself without outside interference.

But if Mexico is a domino, then it fears being pushed from the North rather than from the South; such has been our historical experience.

This would be the ultimate accomplishment of Washington's penchant for the self-fulfilling prophecy: A Mexico destabilized by American nightmares about Mexico. We should all be warned about this.

Far from being "blind" or "complacent," Mexico is offering its friendly hand to the United States to help it avoid the repetition of costly historical mistakes which have deeply hurt us all, North Americans and Latin Americans.

Public opinion in this country shall judge whether Mexico's obvious good faith in this matter is spurned as the United States is driven into a deepening involvement in the Central American swamp.

A Vietnam all the more dangerous because of its nearness to your national territory, indeed, but not for the reasons officially invoked. The turmoil of revolution, if permitted to run its course, promptly finds its institutional channels.

But if thwarted by intervention it will plague the United States for decades to come: Central America and the Caribbean will become the Banquo of the United States: an endemic drain on your human and material resources.

The source of change in Latin America is not in Moscow or Havana: it is in history.

So, let me turn to ourselves, as Latin Americans.

FOUR FAILURES OF IDENTIFICATION

The failure of your present hemispheric policies is due to a fourfold failure of identification.

The first is the failure to identify change in Latin America in its cultural context.

The second is the failure to identify nationalism as the historical bearer of change in Latin America.

The third is the failure to identify the problems of international redistribution of power as they affect Latin America.

The fourth is the failure to identify the grounds for negotiations as these issues create conflict between the United States and Latin America.

THE CULTURAL CONTEXT OF LATIN AMERICA

First, the cultural context of change in Latin America.

Our societies are marked by cultural continuity and political discontinuity.

We are a Balkanized polity, yet we are deeply united by a common cultural experience.

We are and we are not of the West.

We are Indian, Black and Mediterranean.

We received the legacy of the West in an incomplete fashion, deformed by the Spanish monarchy's decision to outlaw unorthodox strains, to defeat the democratic yearnings of its own middle class and to superimpose the vertical structures of the Medieval imperium on the equally pyramidal configuration of power in the Indian civilizations of the Americas.

As it embarked on its imperial dealings with men and women of different cultures—if they had left at daybreak, they would be there now—Spanish absolutism mutilated the Iberian tree of its Arab and Jewish branches, heavy with fruit.

The United States is the only major power of the West that was born beyond the Middle Ages, modern at birth.

As part of the fortress of the Counter-Reformation, Latin America has had to do constant battle with the past. We did not acquire freedom of speech, freedom of belief, freedom of enterprise as our birthrights, as you did.

We have had to fight desperately for them.

The complexity of the cultural struggles underlying our political and economic struggles has to do with unresolved tensions, sometimes as old as the conflict between pantheism and monotheism; or as recent as the conflict between tradition and modernity.

This is our cultural baggage, both heavy and rich.

The issues we are dealing with, behind the headlines, are very cold.

They are finally being aired today, but they originated in colonial, sometimes in pre-Conquest situations and are embedded in the culture of Iberian Catholicism and its emphasis on dogma and hierarchy, and intellectual inclination that sometimes drives us from one church to another in search of refuge and certitude.

They are bedeviled by patrimonial confusions between private and public rights and forms of sanctified corruption that include nepotism, whim and the irrational economic decision made by the head of the clan, untrammelled by checks and balances.

They have to do with the traditions of paternalistic surrender to the Caudillo, the profound faith in ideas over facts, the strength of elitism and personalism and the weakness of the civil societies; the struggles between theocracy and political institutions, and between centralism and local government.

Since Independence in the 1820's we have been obsessed with catching up with the Joneses: the West.

We created legal countries which disguised the real countries abiding—or festering—behind the constitutional facades.

Latin America has tried to find solutions to its old problems by exhausting the successive ideologies of the West: Liberalism, Positivism and Marxism.

Today, we are on the verge of transcending this dilemma by recasting it as an opportunity, at last, to be ourselves—societies neither new nor old, but, simply, authentically, Latin American as we sort out, in the excessive glare of instant communications or in the eternal dusk of our isolated villages, the benefits and the disadvantages of a tradition that now seems richer and more acceptable than it did one hundred years of solitude ago.

But we are also forced to contemplate the benefits and disadvantages of a modernity that now seems less promising than it did before economic crisis, the tragic ambiguity of science and that barbarism of nations and philosophies that were once supposed to represent "progress," all drive us to search for the time and space of culture in ourselves.

We are true children of Spain and Portugal. We have compensated for the failures of history with the successes of art.

We are now moving to what our best novels and poems and paintings and films and dances and thoughts have announced for so long: the compensation for the failures of history with the successes of politics.

The real struggle for Latin America is then, as always, a struggle with ourselves, within ourselves.

We must solve it by ourselves.

Nobody else can truly know it; we are living through our family quarrels.

We must assimilate this conflicted past.

Sometimes we must do it—as has occurred in Mexico, Cuba, El Salvador and Nicaragua—through violent means.

We need time and culture.

We also need patience.

Both ours and yours.

NATIONALISM IN LATIN AMERICA

Second, the identification of nationalism as the legitimate bearer of change in Latin America.

The cultural conflict I have evoked includes the stubbornness of the minimal popular demands, after all these centuries, which equate freedom with bread, schools, hospitals, national independence and a sense of dignity.

If left to ourselves, we will try to solve these problems by creating national institutions to deal with them.

All we ask from you is cooperation, trade and normal diplomatic relations.

Not your absence, but your civilized presence.

We must grow with our own mistakes.

Are we to be considered your true friends, only if we are ruled by right-wing, anti-communist despotisms?

Instability in Latin America—or anywhere in the world, for that matter—comes when societies cannot see themselves reflected in their institutions.

DEMOCRACY IN LATIN AMERICA

Change in our societies shall be radical in two dimensions.

Externally, it will be more radical the more the United States intervenes against it or helps to postpone it.

Internally, it will of necessity be radical in that it must one day face up to the challenges we have so far been unable to meet squarely: we must face democracy along with reform: we must face cultural integrity along with change; we must all finally face, Cubans, Salvadorans, Nicaraguans and Argentinians, Mexicans and Colombians, the questions that awaits us on the threshold of our civilization, of creating free societies, societies that take care of the basic needs of health, education and labor, but without sacrificing the equally basic needs of debate, criticism and political and cultural expression?

I know that all of us, without exception, have not truly fulfilled these needs in Latin America.

I also know that the transformation of our national movements into pawns of the East-West conflict make it impossible for us to answer this question: Are we capable of creating free national societies?

This is perhaps our severest historical test.

Rightly or wrongly, many Latin Americans have come to identify the United States with opposition to our national independence.

Some perceive in United States policies the proof that the real menace to a great power is not really the other great power, but the independence of the national states: how else to understand U.S. actions that seem meaninglessly obsessed with discrediting the national revolutions in Latin America?

Some are thankful that another great power exists, and appeal to it.

All of this also escalates and denaturalizes the issues at hand and avoids considering the third failure I want to deal with today: the failure to understand redistribution of power in the Western hemisphere.

LATIN AMERICA AND THE REDISTRIBUTION OF POWER

It could be debated whether the explosiveness of many Latin American societies is due less to stagnation than to growth, the quickest growth of any region in the world since 1945.

But this has been rapid growth without equally rapid distribution of the benefits of growth.

The contrast has become as explosive and understandable as it was in 1810 against Spanish colonial rule.

And it has coincided, internationally, with rapidly expanding relations between Latin America and new European and Asian partners in trade, financing, technology and political support.

Latin America is thus part and parcel of the universal trend away from bipolar to multipolar or pluralistic structures in international relations.

Given this trend, the decline of one superpower mirrors the decline of the other superpower.

This is bound to create numerous areas of conflict. As Chancellor Helmut Schmidt eloquently expressed it from this same rostrum, "We are living in an economically interdependent world of more than 150 countries—without having enough experience in managing this interdependence."

Both superpowers increasingly face a perfectly logical movement toward national self-assertion accompanied by growing multilateral relationships beyond the decaying spheres of influence.

No change comes about without tension and in Latin America this tension arises as we strive for greater wealth and independence, but also as we immediately start losing both because of internal economic injustice and external economic crisis.

The middle classes we have spawned over the past fifty years are shaken by a revolution of diminishing expectations—of Balzacian "lost illusions."

Modernity and its values are coming under critical fire while the values of nationalism are discovered to be perfectly identifiable with traditionalist, even conservative considerations.

The mistaken identification of change in Latin America as somehow manipulated by a Soviet conspiracy not only irritates the nationalism of the l[illegible]. It also resurrects the nationist fervors of the right—where, after all, Latin American nationalism was born in the early 19th century.

You have yet to feel the full force of this backlash, which reappeared in Argentina and the South Atlantic crisis last year, in places such as El Salvador and Panama, Peru and Chile, Mexico and Brazil.

A whole continent, in the name of cultural identity, nationalism and international independence, is capable of uniting against you.

This should not happen.

The chance of avoiding this continental confrontation is in the fourth and final opening I wish to deal with today: that of negotiations.

NEGOTIATIONS BEFORE IT IS TOO LATE

Before the United States has to negotiate with extreme cultural, nationalistic and internationalist pressures of both the left and the right in the remotest nations of this hemisphere—Chile and Argentina—, in the largest nation—Brazil—and in the closest one—Mexico—it should rapidly, in its own interest as well as ours, negotiate in Central America and the Caribbean.

We consider in Mexico that each and every one of the points of conflict in the region can be solved diplomatically, through negotiations, before it is too late.

There is no fatality in politics that says: given a revolutionary movement in any country in the region, it will inevitably end up providing bases for the Soviet Union.

What happens between the daybreak of revolution in a marginal country and its imagined destiny as a Soviet base?

If nothing happens but harassment, blockades, propaganda, pressures and invasions against the revolutionary country, then that prophecy will become self-fulfilling.

But if power with historical memory and diplomacy with historical imagination come into play, we, the United States and Latin America, might end up with something very different:

A Latin America of independent states building institutions of stability, renewing the culture of national identity, diversifying our economic interdependence and wearing down the dogmas of two musty 19th century philosophies.

And a United States giving the example of a tone in relations which is present, active,

co-operative, respectful, aware of cultural differences and truly proper for a great power unafraid of ideological labels, capable of coexisting with diversity in Latin America as it has learnt to coexist with diversity in Black Africa.

Precisely twenty years ago, John F. Kennedy said at another Commencement ceremony: "If we cannot end now our differences, at least we can help make the world safe for diversity."

This, I think, is the greatest legacy of the sacrificed statesman whose death we all mourned.

Let us understand that legacy, by which death ceased to be an enigma and became, not a lament for what might have been, but a hope for what can be.

This can be.

The longer the situation of war lasts in Central America and the Caribbean, the more difficult it shall be to assure a political solution.

The more difficult it will be for the Sandanistas to demonstrate good faith in their dealings with the issues of internal democracy, now brutally interrupted by a state of emergency imposed as a response to foreign pressures.

The more difficult it will be for the civilian arm of the Salvadoran rebellion to maintain political initiative over the armed factions.

The greater the irritation of Panama as it is used as a springboard for a North American war.

The greater the danger of a generalized conflict, dragging into Coasta Rica and Honduras.

Everything can be negotiated in Central America and the Caribbean, before it is too late.

Non-aggression pacts between each and every state.

Border patrols.

The interdiction of passage of arms, wherever they may come from, and the interdiction of foreign military advisers, wherever they may come from.

The reduction of all the armies in the region.

The interdiction, now or ever, of Soviet bases or Soviet offensive capabilities in the area.

What would be the quid pro quo?

Simply this: the respect of the United States, respect for the integrity and autonomy of all the states in the region, including normalization of relations with all of them.

The countries in the region should not be forced to seek solutions to their problems outside themselves.

The problems of Cuba are Cuban and shall be so once more when the United States understands that by refusing to talk to Cuba on Cuba, it not only weakens Cuba and the United States, but strengthens the Soviet Union.

The mistake of spurning Cuba's constant offers to negotiate whatever the United States wants to discuss frustrates the forces in Cuba desiring greater internal flexibility and international independence.

Is Fidel Castro some sort of superior Machiavelli whom no gringo negotiator can meet at a bargaining table without being bamboozled by him? I don't believe it.

NICARAGUA

The problems of Nicaragua are Nicaraguan but they will cease to be so if that country is deprived of all possibility for normal survival.

Why is the United States so impatient with four years of Sandinismo, when it was so tolerant of forty-five years of Somocismo?

Why is it so worried about free elections in Nicaragua, but so indifferent to free elections in Chile?

And why, if it respects democracy so much, did the United States not rush to the defense of the democratically elected President of Chile, Salvador Allende, when he was overthrown by the Southern Jaruzelski, General Augusto Pinochet?

How can we live and grow together on the basis of such hypocrisy?

Nicaragua is being attacked and invaded by forces sponsored by the United States.

It is being invaded by counter-revolutionary bands led by former commanders of Somoza's National Guard who are out to overthrow the Revolutionary government and re-instate the old tyranny.

Who will stop them from doing so if they win?

These are not freedom fighters. They are Benedict Arnolds.

EL SALVADOR

The problems of El Salvador, finally, are Salvadoran.

The Salvadoran rebellion did not originate and is not manipulated from outside El Salvador. To believe this is akin to crediting Soviet accusations that the Solidarity Movement in Poland is somehow the creature of the United States. The passage of arms from Nicaragua to El Salvador has not been proved: no arms have been intercepted.

The conflict in El Salvador is the indigenous result of a process of political corruption and democratic impossibility that began in 1931 with the electoral results by the Army, and culminated in the electoral fraud of 1972, which deprived the Christian Democrats and the Social Democrats of their victory and forced the sons of the middle class into armed insurrection. The Army had exhausted the electoral solution.

This Army continued to outwit everyone in El Salvador—including the United States. It announces elections after assassinating the political leadership of the opposition, then asks the opposition to come back and participate in these same hastily organized elections—as dead souls, perhaps?

This Gogolian scenario means that truly free elections cannot be held in El Salvador as long as the Army and the death squads are unrestrained and fueled by American dollars.

Nothing now assures Salvadorans that the Army and the squads can either defeat the rebels or be controlled by political insitiutions.

It is precisely because of the nature of the Army that a political settlement must be reached in El Salvador promptly, not only to stop the horrendous death count, not only to restrain both the Army and the armed rebels, not only to assure your young people in the United States that they will not be doomed to repeat the horror and futility of Vietnam, but to reconstruct a political initiative of the center-left majority that must now reflect, nevertheless, the need for a restructured Army. El Salvador cannot be governed with such a heavy burden of crime.

The only other option is to transform the war in El Salvador into an American war.

But why should a bad foreign policy be bipartisan?

Without the rebels in El Salvador, the United States would never have worried about "democracy" in El Salvador. If the rebels are denied political participation in El Salvador, how long will it be before El Salvador is totally forgotten once more?

Let us remember, let us imagine, let us reflect.

The United States can no longer go it alone in Central America and the Caribbean. It cannot, in today's world, practice the anachronistic policies of the "Big Stick."

It will only achieve, if it does so, what it cannot truly want.

Many of our countries are struggling to cease being banana republics.

They do not want to become balalaika republics.

Do not force them to choose between appealing to the Soviet Union or capitulating to the United States.

My plea is this one:

Do not practice negative overlordship in this hemisphere.

Practice positive leadership. Join the forces of change and patience and identity in Latin America.

The United States should use the new realities of re-distributed world power to its advantage. All the avenues I have been dealing with come together now to form a circle of possible harmony: the United States has true friends in this hemisphere; these friends must negotiate the situations that the United States, while participating in them, cannot possibly negotiate for itself, and the negotiating parties—from Mexico and Venezuela, Panama and Colombia, tomorrow perhaps our great Portuguese speaking sister, Brazil, perhaps the new Spanish democracy, re-establishing the continuum of our Iberian heritage, and expanding the Contadora group—have the intimate knowledge of the underlying cultural problems.

And they have the imagination for assuring the inevitable passage from the American sphere of influence, not to the Soviet sphere, but to our own Latin American authenticity in a pluralistic world.

President Bok, Ladies and Gentlemen: My friend Milan Kundera, the Czech novelist, makes a plea for "the small cultures" from the wounded heart of Central Europe.

I have tried to echo it today from the convulsed heart of Latin America.

Politicians will disappear.

The United States and Latin America will remain.

What sort of neighbors will you have?

What sort of neighbors will we have?

That will depend on the quality of our memory and also of our imagination.

"If we had started out at daybreak, we would be there now."

Our times have not coincided.

Your daybreak came quickly.

Our night has been long.

But we can overcome the distance between our times if we can both recognize that the true duration of the human heart is in the present, this present in which we remember and we desire: this present where our past and our future are one.

Reality is not the product of an ideological phantasm.

It is the result of history.

And history is something we have created ourselves.

We are thus responsible for our history.

No one was present in the past.

But there is no living present with a dead past.

No one has been present in the future.

But there is no living present without the imagination of a better world.

We both made the history of this Hemisphere.

We must both remember it.

We must both imagine it.

We need your memory and your imagination or ours shall never be complete.

We need our memory to redeem your past, and our imagination to complete your future.

We may be here on this hemisphere for a long time.

Let us remember one another.

Let us respect one another.

Let us walk together outside the night of repression and hunger and intervention, even if for you the sun is at high noon and for us is at a quarter to twelve.●

REDUCING TACTICAL NUCLEAR WEAPONS

● Mr. KENNEDY. Mr. President, while a justifiable amount of concern has been focused on the slow pace of the START (strategic arms reduction talks) and INF (intermediate nuclear force) negotiations, there has been almost no attention paid, by the public or by the administration, to the problem of limiting and reducing levels of tactical nuclear weapons.

There are more of these small nuclear warheads than there are of any single type of nuclear weapon. Furthermore, these weapons are also the most likely to be used in the event of war. Yet, almost unbelievably, the problem of reducing tactical warhead stockpiles is not even being discussed in any negotiations by the Reagan administration.

Mr. President, the former deputy U.S. representative to the mutual and balanced force reduction (MBFR) talks, Mr. Thomas Hirschfeld, has written a thoughtful article entitled "Those Little Nuclear Weapons Are Dangerous," Washington Post, July 6, 1983, in which he urges that we place the issue of tactical nuclear weapons on the MBFR bargaining table. I agree fully with Mr. Hirschfeld that—

There is no good reason why NATO could not thin out its tactical nuclear forces to advantage, provided that it persuades the Russians to do the same.

I commend Mr. Hirschfeld's article to my colleagues, and I ask that it be reprinted in the RECORD.

The article follows:

[From the Washington Post, July 6, 1983]

THOSE LITTLE NUCLEAR WEAPONS ARE DANGEROUS

(By Thomas Hirschfeld)

When Defense Secretary Caspar Weinberger revealed the existence of Soviet nuclear weapon storage sites in Eastern Europe last month, he inadvertently raised a larger issue. In response to press questions as to whether the weapons being stockpiled—short-range or "tactical" nuclear systems—were being discussed in any continuing arms control negotiations, he equivocated. This is because they are not being discussed.

The omission of tactical nuclear weapons—nuclear-tipped artillery shells, surface-to-surface rockets and land mines—from the Reagan administration's arms control agenda is ironic because the longstanding NATO advantage in nuclear delivery systems of less than 1,000-kilometer range is fast eroding. If one excludes the systems with the shortest range—i.e., the nuclear artillery tubes—from the calculation, one counts some 409 launchers for NATO to some 630 for the Warsaw Pact outside the Soviet Union.

In the warhead totals of both sides, tactical weapons represent the largest single category. They are also the most dangerous, because if war breaks out, they are the most likely to be used. They should be placed on the bargaining table as soon as possible.

NATO's short-range systems are located in Belgium, the Netherlands, West Germany, Italy, Greece and Turkey; France has short-range launchers of its own. Warsaw Pact launchers are located on the territories of East Germany, Poland, Bulgaria, Czechoslovakia, Romania and Hungary, as well as on Soviet territory.

NATO originally deployed short-range or tactical nuclear systems because their very presence complicates an attacker's problems. Their deployment makes massing armor for attack difficult. The Soviets presumably deployed their short-range systems for similar reasons and for the support of their offensive doctrine.

But regardless of why these nuclear weapons were deployed, few would argue that they are necessary in their present numbers. The United States implicitly accepted this point by unilaterally withdrawing 1,000 nuclear warheads from Europe in 1980.

Many of the tactical nuclear weapons in Europe are useless. For example, the United States stored hundreds of nuclear land mines in Europe in the 1950s. They are still there. They have never been deployed. This is because the Germans would not permit it.

One suspects it is a bad idea to allow the first vehicle that crosses an arbitrary line to risk starting global war. Furthermore, aircraft on nuclear alert could have more useful conventional roles, as could the troops that guard nuclear storage sites. By eliminating nuclear roles for some of its dual-capable weapons, NATO gains forces that can fight, at the expense of forces that can only posture.

The Supreme Allied Commander, Gen. Bernard Rogers, has suggested that NATO defense deemphasize tactical nucler weapons. He points out that modern military technology has effective and safer substitutes for them as tank killers, for example, and he has repeatedly urged that NATO acquire these new technologies. Is anyone listening?

In brief, although it might be dangerous to denuclearize the NATO forward area completely, there is no good reason why NATO could not thin out its tactical nuclear forces to advantage, provided that it persuades the Russians to do the same.

Fortunately the arms control from for reducing tactical nuclear weapons on both sides already exists. It is the 10-year-old negotiation on mutual and balanced force reductions (MBFR) in Central Europe. The countries participating in these negotiations happen to be those with short-range nuclear weapons on their soil.

Because of their glacier-like pace, the MBFR talks have largely disappeared from public discussion. Yet agreement may be closer in that forum than in any of the other ongoing arms control negotiations. President Reagan refers to these talks as "conventional arms talks," although there are no arms, only personnel, being considered for reduction, at present.

Yet until 1979, short-range nuclear weapons were being negotiated in MBFR. NATO had hoped to trade away some of its nuclear weapons against Warsaw Pact tanks. With the increase in the numbers of Warsaw Pact tactical missiles in the area covered by the MBFR negotiations, the next effort should be to limit tactical nuclear weapons on both sides.

An agreement restricting tactical or short-range nuclear weapons in Europe would add much to the value of the INF or theater missile talks. It could ensure that neither side makes up with even more dangerous short-range weapons what it loses in intermediate-rang capabilities. That in itself would be worth the effort.●

Mr. GRASSLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, as I have indicated earlier and as the minority leader and I discussed in the Chamber on yesterday, I wish to do an appropriations bill that is available now. It has just become available. It appears to be noncontroversial but it would be another one of the regular appropriations bills. I refer, Mr. President, to the transportation appropriations bill, which is Calendar Order No. 284, H.R. 3329.

Could I inquire of the minority leader if he is in a position to let us proceed to that at this time by unanimous consent?

Mr. BYRD. Mr. President, the majority leader discussed this with me on yesterday, and I discussed it with Mr. CHILES on yesterday. We have touched the bases and we on this side will waive the 3-day rule, the first day of which begins today. We will waive the 3-day rule with the understanding that the measure be taken up now, which the majority leader is ready to take up and that it will be disposed of within a reasonable length of time, and I am confident with these two managers that that will be done.

Mr. BAKER. I am grateful to the minority leader. That is most cooperative of him, and it is going to materially improve the chances of carrying through with our effort to pass as many of the appropriations bills as possible as promptly as we can.

Mr. President, in view of that, I now ask unanimous consent that the pending measure be temporarily laid aside and that the Senate proceed to the consideration of Calendar Order No. 284, H.R. 3329.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS, 1984

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 3329) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. ANDREWS. I am happy to yield to the majority leader.

Mr. BAKER. Mr. President, two things.

First, I ask the Chair to close morning business.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. BAKER. Second, Mr. President, in the form I put it, a call for regular order would bring back DOD, but I would not want a call for the regular order to bring this bill back in event we do not finish it. I do not expect that.

But I ask unanimous consent, then, that no call for the regular order would bring back this bill after we return to the consideration of the Department of Defense authorization bill.

Mr. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. Would the majority leader merely formulate the request to the extent that a call for the regular order will not bring this bill back?

Mr. BAKER. The minority leader is talking about the transportation bill?

Mr. BYRD. I am talking about the transportation appropriations bill.

Mr. BAKER. Yes. That is what I tried to state in an awkward way.

Mr. President, I so make that request now.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. ABDNOR). The Senator from North Dakota is recognized.

Mr. ANDREWS. Mr. President, I yield to the Senator from Colorado.

Mr. HART. Mr. President, I ask the distinguished floor manager about how much time does he believe it will take?

Mr. ANDREWS. The Senator from Florida and I feel we can handle it within a half-hour. We assured the leadership on both sides of the aisle that we would do it within a half-hour, since we did not have a unanimous-consent agreement, or they will take down the bill. We hope we can conclude it because we are anxious to go to conference, as I am sure the Senator from Colorado knows.

Mr. HART. I thank the distinguished Senator.

Mr. ANDREWS. Mr. President, H.R. 3329, the fiscal year 1984 transportation appropriations bill, contains $10.9 billion in budget authority and an estimated $25.4 billion in outlays. The bill meets the Appropriations Committee's 302(b) allocation under the budget resolution. It is critical to note that the bill is $444 million below the House-passed level.

Mr. President, let me assure my colleagues that the reason for that was our own Senate budget resolution. We are not coming out here playing the heavyhanded knife wielders because we would have liked to have seen many of these programs funded at a higher level. However, if we are going to take strong action concerning these outyear deficits, we have to conform with the budget level figures and the subcommittee and the full committee did just that.

The bill is also $58 million below the President's requests and has at the present level the support of the Budget Director, Mr. Stockman, with the assurance that if the bill stays at this figure it will be signed.

The committee labored diligently to achieve these reductions in the hope of getting a bill through conference that the President will sign. It has been difficult, Mr. President, as everyone knows, to strike a balance between the Nation's transportation needs and overall fiscal constraints. However, this balance must be maintained by the Senate if we are to avoid a stalemate with the executive branch over funding levels and, as I said earlier, Mr. President, if we are to live with our own Budget Committee's level of funding for this particular area.

I wish to express my thanks to the members of the committee for their cooperation and most especially to Senator LAWTON CHILES, the ranking minority member, whose assistance has been especially valuable.

I urge my colleagues' support for the bill. I think it is a good bill, and is responsive to needs in all the areas. The only wish I would have had is that we would have been able to increase funding in some of those areas.

I am glad to yield to my colleague, Senator CHILES, at this point for whatever remarks he might have to make.

Mr. CHILES. Mr. President, I rise in support of the statement made by Senator ANDREWS, chairman of the Appropriations Subcommittee on Transportation. Senator ANDREWS and his staff have labored long and hard on this bill, and their very skillful work is evident throughout the legislation and the accompanying report. Chairman ANDREWS and I have worked hard to accommodate the important transportation issues that other Members have brought to our attention. We have sought to reach these accommodations within the policies established by the authorizing committees and within the funding levels agreed to in the budget resolution.

As the chairman has said, we are well within the budget resolution. In fact, we are well under that resolution, and could have funded additional projects. However, there is the problem of confrontation with the executive branch, and in an effort to try to get this bill on its way we have reduced it down below the level requested by the President.

The committee drafted this bill with an understanding that we need to reinvest in our Nation's transportation system to reverse the cycle of a decaying transportation system. It was drafted with an understanding that a good transportation system underlies and supports the commercial fabric of our country. We have done this, however, in a fiscally restrained manner recognizing that while the problems are large, the resources we have to deal with them are not unlimited.

As an indication of the fiscal restraint included in the appropriation bill before us, it is $444.3 million below the level recommended by the House. It is $444.4 million below the amount assumed in the budget resolution. It is $57.9 million below the administration's request, and it is $44.4 million below the 302(B) allocations made by the committee yesterday. Mr. Chairman, the Transportation Appropriations Subcommittee recommended to our full committee yesterday a 302(B) ceiling that is $400 million below the level included in the budget resolution. It is fair to report that this bill is lean and fiscally restrained.

Mr. President, last December this Congress passed the Surface Transportation Assistance Act of 1982. That legislation provided for an approximate 50-percent increase in highway spending to help rebuild and repair our deteriorated system of highways and bridges. That legislation also included reauthorization for the Urban Mass Transportation Administration, and last September we adopted legislation—the Airport and Airway Improvement Act of 1982—that reauthorized the airport programs. This new authorizing legislation has permitted program growth in key areas. For example:

Included in the bill is an overall ceiling of $12.6 billion for the highway program compared to the $8.1 billion ceiling that we started with last year.

Also included is an increase of $321.9 million for aviation programs and an increase of $50 million for the airports grants-in-aid program.

These increases are permitted by the important transportation legislation that we passed last year.

While the committee's recommendation for transit funding is $725.4 million less than last year, it is $307.9 million more than the administration's requests. Our transit recommendations also reject two administration policy proposals that we believe would be detrimental to transit systems around the country. First, we have rejected the proposal to abolish operating assistance, and second we have rejected the proposal to eliminate new rail starts. We have in fact funded the continuation or initiation of 12 new rail systems around the country, and these systems will help meet important transportation needs well into the next century.

Mr. President, while I support the bill in general, there is one portion of it that troubles me. The $1.5 billion funding proposed for the Coast Guard is an increase of only $49 million from last year. This is below the administration request, and it is below the House allowance. The Coast Guard—the fifth branch of the Armed Forces—is an agency which we have consistently sought to fund at levels higher than those recommended by the administration. During times of war the Coast Guard has an important military role under the command structure of the Navy. During times of peace the Coast Guard has many functions including search and rescue at sea and interdiction of foreign drugs. The Coast Guard has successfully reduced the flow of illegal drugs into south Florida. It has also stemmed the flow of illegal aliens into this country. I do not support the funding levels proposed for the Coast Guard in this bill. I feel that we are only deferring an adequate level of funding that must be provided to permit the Coast Guard to rebuild its aging fleet and to permit it to effectively meet its many responsibilities.

Mr. President, on balance—with this one exception—I support the bill. I believe it is the best piece of legislation that can be achieved within the funding constraints required to get it signed.

Mr. President, I would urge my colleagues to support the bill and commend Chairman ANDREWS for his very fair and courteous treatment of Members on both sides of the aisle and for his very broad understanding of the transportation issues facing America today.

Mr. ANDREWS. Mr. President, I move that the committee amendment, be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of further amendment, and that no points of order be considered as having been waived.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from North Dakota.

The motion was agreed to.

The committee amendments agreed to en bloc follow:

On page 2, line 6, strike "$35,000", and insert "$38,000";

On page 2, line 16, strike ": Provided", through and including line 20;

On page 3, line 2, strike "$2,500,000", and insert "$7,256,000";

On page 4, line 6, strike "$67,750,000", and insert "$68,198,000";

On page 3, line 18, strike "$1,675,289,000", and insert "$1,648,256,000";

On page 3, line 21, after "reduction", insert the following: *Provided,* That of the foregoing total amount, at least $26,700,000 shall be placed in a separate reimbursable fund to be available only for polar icebreaker operations and maintenance: *Provided further,*

On page 4, line 17, strike "$369,000,000", and insert "$370,900,000";

On page 4, line 20, strike "$7,400,000", and insert "$12,600,000";

On page 5, line 15, strike "$23,500,000", and insert "$22,000,000";

On page 6, line 4, strike "$1,000,000", and insert "such sums as may be necessary";

On page 6, line 19, strike "$1,000,000", and insert "such sums as may be necessary";

On page 7, line 11, strike "$10,000,000", and insert "$15,000,000";

On page 7, line 16, strike "$10,000,000", and insert "$15,000,000";

On page 8, line 2, after the sum, insert the following:

: *Provided,* That the Secretary of Transportation is authorized to transfer appropriated funds between this appropriation and the Federal Aviation Administration appropriation for Operations: *Provided further,* That this appropriation shall be neither increased nor decreased by more than 7.5 per centum by any such transfers: *Provided further,* That any such transfers shall be reported to the Committees on Appropriations.

On page 8, line 21, strike the sum, through line 22, and insert "$2,500,000,000";

On page 9, line 23, strike "$985,500,000", and insert "$750,000,000";

On page 10, line 10, strike "$278,000,000", and insert "$263,452,000";

On page 10, strike line 19;

On page 11, line 3, strike "$900,000,000", and insert "$800,000,000";

On page 11, line 7, strike "Provided", through and including "rescinded" on line 11, and insert the following:

: *Provided further,* That, notwithstanding any other provision of law, of the foregoing limitation at least $80,000,000 shall first be made available to fund construction of all eligible portions of new air carrier runways, and related construction, at airports as to which joint Department of Transportation/Federal Aviation Administration Task Force Delay Studies have been prepared for issuance in 1983, or later, showing annual delay costs attributable to inadequate runway capacity that will exceed the cost of construction, and as to which the sponsor's preapplication shall specify a 1984 project start date, whereafter the balance of the $80,000,000 shall revert to the discretionary funds.

On page 12, line 22, strike the sum, and insert "including purchase of fourteen buses, $15,250,000";

On page 13, after line 14, insert the following:

: *Provided,* That notwithstanding any other provision of law, the Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to the guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). The number of such obligations when combined with the aggregate of all such obligations made during fiscal year 1983 shall not exceed $250,000,000 by September 30, 1984. Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchase, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States.

On page 14, line 20, strike "$198,600,000", and insert "$202,687,000";

On page 15, line 17, strike "$8,000,000", and insert "$10,000,000";

On page 16, strike line 1, through and including line 5;

On page 16, strike line 19, through and including line 25;

On page 19, after line 13, insert the following:

Notwithstanding sections 125, 129, and 301 of title 23, United States Code, $21,000,000 from the Emergency Relief Fund authorized under section 125 of title 23, United States Code, shall be made available to repair or replace the Mianus Bridge on Interstate 95 in Greenwich, Connecticut, and for repair of local roads and for ancillary expenses incurred by the towns of Greenwich, Connecticut, and Port Chester, New York as a result of the Mianus Bridge collapse. Of the funds made available under this section, not more than $1,000,000 is to be equally divided to the towns of Greenwich, Connecticut, and Port Chester, New York.

On page 20, after line 5, insert the following:

ACCESS HIGHWAYS TO PUBLIC RECREATION AREAS ON CERTAIN LAKES

For necessary expenses of certain Access Highway projects, as authorized by section 155 title 23 U.S.C., $4,270,000.

WASTE ISOLATION PILOT PROJECT ROADS

For necessary expenses in connection with planning and design activities associated with the upgrading of certain highways for the transportation of nuclear waste generated during defense-related activities, not otherwise provided for, $5,800,000, to remain available until expended: *Provided, however,* That these funds become available when construction of the Waste Isolation Pilot Project commences.

On page 21, line 4, strike ": Provided", through and including line 7;

On page 22, line 1, strike ": Provided", through and including "1984" on line 6;

On page 22, line 15, strike "$26,500,000", and insert "$28,900,000";

On page 22, strike line 21;

On page 23, line 3, strike "of which", through and including "Fund' " on line 5;

On page 23, line 18, strike ": Provided", through and including line 6 on page 24;

On page 26, line 1, strike "$720,000,000", and insert "$718,000,000";

On page 28, after line 12, insert the following: "Provided, The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding.

On page 29, line 5, after "Fund", strike through and including line 14;

On page 29, line 23, strike "$29,200,000", and insert "$29,666,000";

On page 30, line 15, strike "$2,488,592,200", and insert "$2,388,592,200";

On page 30, line 22, strike "$1,250,000,000", and insert "$1,200,000,000";

On page 31, line 17, strike "$335,000,000", and insert "$270,000,000";

On page 31, line 21, strike "$275,000,000", and insert "$230,000,000";

On page 32, after line 14, insert the following: including not to exceed $3,000 for official entertainment expenses to be expended upon the approval or authority of the Secretary of Transportation:

On page 33, line 9, strike "$8,500,000", and insert "$8,000,000";

On page 33, line 15, strike "$25,895,000", and insert the following: $26,795,000, of which $900,000 shall be available only for necessary expenses of the Office of the Inspector General to augment the bid rigging investigative efforts currently underway.

On page 33, line 19, through and including line 22;

On page 34, line 17, strike "$20,615,000", and insert "$21,062,000";

On page 34, strike line 21;

On page 35, line 2, after "expenses", strike through and including line 3, and insert the following: $16,100,000, for the period October 1, 1983, through June 30, 1984.

On page 35, line 21, strike "$59,000,000" and insert "$62,000,000";

On page 36, line 3, after "program", strike through and including line 6, and insert the following: unless the Commission is precluded from meeting this requirement because of circumstances beyond its control.

On page 36, line 12, strike "$5,000,000" and insert "$10,000,000";

On page 37, line 9, strike "$418,962,000", and insert "$409,662,000;

On page 38, line 15, strike "$2,900,000", and insert "$2,500,000";

On page 38, after line 19, insert the following:

AIRLINE DEREGULATION STULY COMMISSION

There is hereby established a Study Commission to be known as the Airline Deregulation Study Commission, hereinafter in this section referred to as the "Study Commission".

The Study Commission shall make a full and complete investigation and study of the positive and negative efforts of deregulation on air transportation as they affect the air traveling public, small- and medium-sized communities, stockholders and investors, airline managements, airline employees, travel agents, and United States airframe and engine manufacturers, and shall make recommendations on what the Federal Government can do, if anything, to stabilize and counter the negative social and economic aspects that competition and the free market may be unable to address. The Commission shall review those elements of consideration outlined in section 1601(d) of the Airline Deregulation Act, and in addition shall comment with particularity on the CAB's report relative thereto, in compliance with section 1601(c). The Commission will be expected to recommend how the provisions of the Airline Deregulation Act may need to be revised to insure improvement of the Nation's air transportation system and how any residual or reestablished functions of the CAB should be organizationally structured.

The Study Commission shall be comprised of eleven members of varying backgrounds, who are well informed in matters relating to economics of airline operations and/or the needs and interests of the traveling public, as follows:

(A) four members appointed by the President of the Senate;

(B) four members appointed by the Speaker of the House of Representatives;

(C) two members appointed by the Secretary of Transportation; and

(D) one member appointed by the Civil Aeronautics Board.

The Study Commission shall, not later than April 15, 1984, submit to the President and the Congress its final report including findings and recommendations. The Study Commission shall cease to exist two months after submission of such report. All records and papers of the Study Commission shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

In carrying out its duties, the Study Commission shall seek the advice of various groups interested in airline operations including, but not limited to, State and local governments and public and private organizations working in the field of transportation. The Study Commission or, on authorization of the Study Commission, any committee of two or more members may, for the purpose of carrying out the provisions under this heading, hold such hearings and sit and act at such times and places as the Study Commission or such authorized committee may deem advisable.

The Chairman of the Study Commission shall be elected by the Commission from among its members. The Study Commission is authorized to secure from any department, agency, or instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this subsection and each department, agency, and instrumentality is authorized and directed to furnish such information to the Study Commission upon request made by the Chiarman.

Members of Congress who are members of the Study Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, per diem in accordance with the Rules of the House of Representatives or subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Study Commission. Members of the Study Commission, except Members of Congress, shall each receive compensation at a rate not in excess of the maximum rate of pay for GS-18, as provided in the General Schedule under section 5332 of title 5, United States Code, and shall be entitled to reimbursement for travel expenses, per diem in accordance with the Rules of the House of Representatives or subsistence, and other necessary expenses incurred by them in performance of duties while serving as a Study Commission member.

The Study Commission is authorized to appoint and fix the compensation of a staff director and such additional personnel as may be necessary to enable it to carry out its functions. The Director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates. Any Federal employees subject to the civil service laws and regulations who may be employed by the Study Commission shall retain civil service status without interruption or loss of status or privilege. In no event shall an employee other than the staff director receive as compensation an amount in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code. In additional the Commission is authorized to obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the maximum rate of pay for grade GS-18, as provided in the General Schedule under section 5332 of title 5, United States Code. The staff director shall be compensated at the rate of pay for a position at Level 2 of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

The Study Commission is authorized to enter into contracts or agreements for studies and surveys with public and private organizations and, if necessary, to transfer funds to Federal agencies from sums appropriated pursuant to this subsection to carry out such of its duties as the Study Commission determines can best be carried out in that manner.

Any vacancy which may occur on the Study Commission shall not effect its powers or functions but shall be filled in the same manner in which the original appointment was made.

SALARIES AND EXPENSES

For necessary expenses of the Airline Deregulation Study Commission, $500,000, to be derived by transfer from "Civil Aeronautics Board—Salaries and Expenses".

On page 50, strike line 1, through and including line 21;

On page 50, line 22, strike "317", and insert "314";

On page 51, after line 3, insert the following:

SEC. 315. No funds appropriated under this Act shall be expended to pay for any travel by the Administrator of the Federal Aviation Administration as passenger or crew member aboard any Department of Transportation aircraft to any destination served by a regularly scheduled air carrier: *Provided*, That this limitation shall not apply if no regularly scheduled carriers' flight arrives at the destination of the Administrator within 6 hours local time of the desired time of arrival: *Provided further*, That this limitation shall not apply to costs incurred by any flight which is essentially for the purpose of inspecting, investigating, or testing the operations of any aspect of

the Federal Aviation Administration system designed to aid and control air traffic, or to maintain or improve aviation safety: *Provided further,* That this limitation shall not apply to costs incurred by any flight in Department of Transportation aircraft which is necessary in times of emergency or disaster, or for security reasons, or to fulfill official diplomatic representation responsibilities in foreign countries: *Provided further,* That written certifications shall be issued quarterly on all flights initiated in the previous quarter subject to this limitation and shall be made readily available to Congress and the general public.

SEC. 316. Section 120(j) of title 23, United States Code, is amended by inserting after the word "Representatives" the following: ", and for funds allocated under the provisions of section 155 of this title and obligated subsequent to January 6, 1983,".

SEC. 317. None of the funds in this or any other Act shall be used by the Federal Aviation Administration for any facilities closures or consolidations prior to December 1, 1983: *Provided,* That the Federal Aviation Administration shall, no later than October 1, 1983, submit to the appropriate committees of the Congress a detailed, site-specific, and time-phased plan, including cost-effectiveness and other relevant data, for all facilities closures or consolidations over the next three years: *Provided further,* That, in the instance of any proposed closure or consolidation questioned in writing by a committee of the Congress, no such proposed closure or consolidation shall be advanced prior to April 15, 1984, in order to allow for the timely conduct of any necessary congressional hearings.

SEC. 318. Section 145 of Public Law 97-377, approved December 21, 1982, is amended (1) by designating the existing text thereof as subsection (a), and (2) by adding at the end thereof the following new subsection:

"(b) The amendment made by subsection (a) of this section shall be effective as of 5 o'clock ante meridian eastern daylight time, August 3, 1981.".

SEC. 319. Except as may be provided by a contrary judicial order, none of the funds appropriated by this Act shall be used by the Federal Aviation Administration to withhold Federal funds or disapprove Federal grant applications for the Westchester County Airport in White Plains, New York on account of the curfew enacted by the Westchester County Board of Legislators.

Mr. ANDREWS. Mr. President, I yield to the Senator from Virginia.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. First, I want to express my appreciation to the manager of this bill and to the members of the subcommittee for their firm and decisive action with respect to the Washington Airport policy. There seems to be an ongoing controversy, and I am hopeful that the action of the subcommittee can at long last put this issue to rest, and that the airport authorities and the Department of Transportation can proceed on a steady course to strike a balance between the services afforded the greater metropolitan community by National, Dulles, and BWI.

Indeed, the recommendations of the subcommittee are consistent with those of the Secretary of the Department of Transportation and, indeed, the Secretary showed great courage on this issue. Above all, safety is the prime consideration.

The guiding light on this issue should be safety.

One of the long-range transportation goals of the Virginia and Maryland congressional delegations, along with the Department of Transportation, has been to shift long-term growth away from congested Washington National Airport toward Dulles and BWI. We were able to make great progress toward this goal in 1981, when Secretary Drew Lewis' Washington Metropolitan Airports policy was implemented.

Secretary Lewis' policy was carefully designed to stop growth at National by placing a passenger cap of 16 million on the airport. It was originally anticipated that the 16-million passenger level would be reached by 1985. However, due to slower than expected growth, the FAA now estimates that the present cap will not be reached until 1990.

In order to accomplish the aims of the Lewis policy, Secretary DOLE has wisely proposed updating the regulations based on current data. The FAA has now projected the mid-1985 passenger level at 14.8 million based on the current level of 13.5 million.

The Dole proposal would reaffirm the present plan to cap passenger growth at National in 1985 by reducing the allowed level to either 14.8 million or a level between 14.8 million and 16 million, depending on the annual passenger volume forecast in January of 1985 by the FAA. In my judgment, this is completely reasonable.

Even with the present utilization of 13.5 million passengers, National is one of the most congested, overcrowded airports in America. If growth is allowed to continue unchecked, the current safety and pollution problems will only increase.

Based on the Federal Government's commitment to stop the growth at National and encourage an increased utilization of the metropolitan area's larger, more capable facilities at Dulles and BWI, the local and State governments in the area, along with the Federal Government, have poured thousands of dollars into highway systems and support mechanisms to carry out the plan, including the current 12-gate expansion of BWI's terminal to accommodate Piedmont's hub operation. The connector linking I-66 with the Dulles access road will be completed this fall. This connector will reduce travel time between Dulles and downtown Washington to 30 minutes. The BWI rail station has been in operation for 2 years, bringing the airport within 30 minutes of Union Station.

It is my hope that Congress will continue to support the concept of the Lewis policy as we did in 1981. The Dole proposal represents an attempt to update the regulations contained in the Lewis policy based on current data, not an attempt to change the effect of the policy.

Mr. President, I wish to address a second issue and that is the funding for Metro. As we know, Metro serves the greater metropolitan area and, indeed, it is integral to the life of this city and particularly those who are serving in the Federal Government.

The formula for funding this transportation system is predicated on contributions by the local communities. A special tax was levied on the citizens of northern Virginia, the District of Columbia, and Maryland, and they have in each instance lived up to that obligation to provide a stable and reliable funding mechanism and paid that added tax toward the construction.

Last year $285 million was appropriated for the Metro construction. This year the figure is $230 million on the Senate side and $275 million on the House side. Even the House figure of $275 million represents a $100 million cut below the level sought by Metro of $375 million.

This level was predicated on construction which has been planned for some time, and the delay that will inevitably result should the Senate figure be the one chosen by the conference would result in additions to the eventual total cost of the system and an added tax on the citizens of northern Virginia, the District of Columbia, and Maryland.

It would remain a system in doubt.

A 101-mile goal has been established and credibility has been attached to that goal by previous secretaries of Transportation, and I am hopeful that the present Secretary will in a more explicit manner affirm that 101-mile goal and that Congress will go on and build this system as it was planned.

But should this figure of $230 million remain, it is possible that there would be a delay of a year in the opening of the Red Line between Silver Spring and Wheaton in Maryland; delay in the opening of the Green Line from Anacostia to U Street in the District of 1½ years; and a delay of 6 months or more in the opening of the Orange Line between Ballston and Vienna in Virginia.

Mr. President, I recognize that time is short and my emotions are very strong on this, and I will defer to the managers. But I hope the managers will remember when they go to conference that the commitment in the form of taxation has been lived up to by the citizens, and I am hopeful that the Senate will accede to the House figure.

Mr. ANDREWS. The managers of the bill are well aware of that. We are faced with tough budgetary constraints, as the Senator knows. I do not have to assure the Senators from Virginia as well as the Senators from

Maryland that we will do everything we possibly can to get whatever reasonable funding for Metro we can get, given the budget constraints as passed by the Congress. That certainly is going to be our goal. We totally understand the views of the great Senators from Virignia as well as our esteemed colleagues from Maryland which they brought up.

Mr. WARNER. I respect that representation which I take as a commitment that you will fight for the House figure.

Mr. ANDREWS. I yield to the junior Senator from Virginia.

Mr. TRIBLE. Mr. President, I want to very briefly identify with the remarks of my distinguished senior colleague from Virginia and urge the conferees to be sensitive to the transportation requirements of this great metropolitan area as much as possible.

Mr. ANDREWS. I understand the views of the Senator.

Mr. MATHIAS. Mr. President, during markup of the DOT appropriations bill, the Appropriations Committee introduced report language in support of Secretary Dole's proposal to update the Washington National Airport policy. The proposal calls for a reduction in the current 16 million passenger ceiling to as low as 14.8 million annual passengers. I support these efforts, and applaud Secretary Dole for pursuing a reduction in the National Airport cap.

These efforts are totally consistent with the airport plan implemented by Secretary Lewis in 1981. That plan placed a ceiling of 16 million passengers annually at National. The 16 million ceiling was based upon a growth rate, forecasted by the FAA, which would have had 16 million passengers going through National during 1985. However, only 13.5 million passengers used National in 1982, and at that rate 16 million passengers will not pass through National's already congested terminal until 1990—a full 5 years later than originally predicted by the FAA. The air traffic controllers strike, combined with a dropoff in air traffic related to the depressed worldwide economy, were major contributors to National's passenger reduction. The airlines serving Washington are also making greater use of Dulles and the State of Maryland-owned and operated BWI. Passenger traffic is building at both Dulles and BWI, and there is every indication that this desirable trend will continue. Piedmont Airlines plans to establish a major hub operation at BWI, using 12 gates and a 125,000 square-foot terminal facility now being built by the State of Maryland.

To further encourage these developments at Dulles and BWI, we should make every effort to bring the existing passenger cap at Washington National Airport in line with recent trends. Secretary Dole's revision prudently serves to update the 1981 plan, using current statistics to better balance future use of facilities at National, Dulles, and BWI.

Secretary Dole's proposal will not affect a single flight now operating at National Airport. These efforts are prospective, and seek to direct future growth to Dulles and BWI. Secretary Dole's proposal allows the carriers valuable corporate leadtime to readjust their schedules. Further, these efforts insure a reasonable additional growth at National, while encouraging a more rational balance of traffic at the area's three airports.

Mr. SARBANES. Mr. President, in the last week I have had an opportunity to discuss with my distinguished colleagues, Senator ANDREWS and Senator CHILES, the chairman and ranking member of the Transportation Subcommittee of the Senate Appropriations Committee, the importance providing at least $275 million in funding for the Washington Metrorail system in fiscal year 1984, the amount provided in the transportation appropriations bill passed by the House earlier this year. This bill will shortly be going to conference and it is my hope that the conferees will agree to the House figure in light of the success of the Metrorail system and the importance of completing the full 101-mile Metro system. Today's Washington Post contains an article indicating that Metrorail ridership has reached an all-time record of 314,000 passengers a day.

Although the success of current Metro operations is striking, much remains to be done before the full system is completed. Congress indicated its strong support for constructing the 101-mile system in 1979 with passage of legislation, Public Law 96-184, authorizing a Federal commitment to completion of the program. This commitment recognized the importance of a first-class transit system in our Nation's Capital not only for those who live and work here but also for those who come to visit. As a symbol of our Nation, Washington should be an example to all who come to experience first hand the drama of our country's history. Metrorail has been designed for the citizens of all 50 States and indeed from around the world who come to visit Washington.

While recognizing the Federal commitment and contribution to Metro we should bear in mind the strong commitment of the local governments involved. Officials from the States of Maryland, Virginia, and their local jurisdictions, and the District of Columbia have worked in close cooperation to plan, develop, finance and operate this mass transit system. All of these jurisdictions have undertaken a substantial financial burden. They have made far-reaching decisions to transfer Federal funds available for highway construction to build Metrorail, and they have assumed the great bulk of the operating costs of the system. In August of 1982, Secretary of Transportation Drew Lewis certified that all three jurisdictions had provided "stable and reliable" revenue sources to cover their share of Metrorail's debt service and operating costs in accordance with Public Law 96-184. Secretary Lewis indicated at the time that this action by the 10 jurisdictions involved in Metro was "commendable and indicates a strong and continuing regional commitment to the Metro system."

In his testimony to the Senate Appropriations Committee's Subcommittee on Transportation on February 22, 1983, Richard S. Page, general manager of the Washington Metropolitan Area Transit Authority, stated that funding below the level of $275 million would result in major delays in Metrorail construction, including slippage in opening dates by at least 1 year for the Glenmont line in Montgomery County, the green line through downtown Washington, and the K route to Vienna, Va.

Nearly 20 years ago the Congress had the foresight to mandate an effective public transportation system for the Nation's Capital. By providing funding in fiscal year 1984 at the level of $275 million, Congress can insure that this vital transportation system mandated by Congress, authorized by Congress, planned and designed with the assent of Congress can be completed on the schedule worked out by all the local jurisdictions. Mr. President, I urge the Senate conferees on this bill to accede to the House position of $275 million for Metrorail when this matter is considered in the conference committee.

Mr. CHILES. Mr. President, Senator SARBANES had expressly talked to me about the funding we were forced to cut from the Washington Metro system. He expressed his opposition to our cuts and wanted a higher figure. I tried to explain to him the position that we found ourselves in and that we hoped to be able to be accommodating or helpful in the conference.

He again maintained very strongly that he thought we should accept the figures of the House. I told him we would see what we could do when we went to conference. He did want to present these views to the Members.

Mr. ANDREWS. Mr. President, might I join my colleague, the Senator from Florida, in pointing out that Senator SARBANES and Senator MATHIAS have spoken to both of us and have made an extremely strong case. I believe they understand the money constraints we were under and why the bill contains the figure it does. We will do everything we can in conference,

within the budget limitations, to address the desires of the Senators from Maryland.

AMENDMENT NO. 1495

(Purpose: To express the sense of the Congress that the States adopt the International Symbol of Access to identify vehicles which are allowed to park in spaces reserved for the disabled)

Mr. JEPSEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN), for himself, Mr. DURENBERGER, Mr. GORTON, Mr. ROTH, Mr. KENNEDY, Mr. STAFFORD, Mr. SASSER, Mr. HEINZ, Mr. LUGAR, Mr. PERCY, Mr. BOSCHWITZ, Mr. NUNN, Mr. HOLLINGS, Mr. GRASSLEY, Mr. DOLE, Mr. WEICKER, and Mr. ZORINSKY proposes an amendment numbered 1495.

Mr. ANDREWS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) The Congress finds that—

(1) in this Nation there exist millions of handicapped people with severe physical impairments including partial paralysis, limb amputation, chronic heart condition, emphysema, arthritis, rheumatism, and other debilitating conditions which greatly limit their personal mobility;

(2) these people reside in each of the several States and have need and reason to travel from one State to another for business and recreational purposes;

(3) each State maintains the right to establish and enforce its own code of regulations regarding the appropriate use of motor vehicles operating within its jurisdiction;

(4) within a given State handicapped individuals are oftentimes granted special parking privileges to help offset the limitations imposed by their physical impairment;

(5) these special parking privileges vary from State to State as do the methods and means of identifying vehicles used by disabled individuals, all of which serve to impede both the enforcement of special parking privileges and the handicapped individual's freedom to properly utilize such privileges;

(6) there are many efforts currently under way to help alleviate these problems through public awareness and administrative change as encouraged by concerned individuals and national associations directly involved in matters relating to the issue of special parking privileges for disabled individuals; and

(7) despite these efforts the fact remains that many States may need to give the matter legislative consideration to ensure a proper resolution of this issue, especially as it relates to law enforcement and placard responsibility.

(b) The Congress encourages each of the several States working through the National Governors Conference to—

(1) adopt the International Symbol of Access as the only recognized and adopted symbol to be used to identify vehicles carrying those citizens with acknowledged physical impairments;

(2) grant to vehicles displaying this symbol the special parking privileges which a State may provide; and

(3) permit the International Symbol of Access to appear either on a specialized license plate, or on a specialized placard placed in the vehicles so as to be clearly visible through the front windshield, or on both such places.

(c) It is the sense of the Congress that agreements of reciprocity relating to the special parking privileges granted handicapped individuals should be developed and entered into by and between the several States so as to—

(1) facilitate the free and unencumbered use between the several States, of the special parking privileges afforded those people with acknowledged handicapped conditions, without regard to the State of residence of the handicapped person utilizing such privilege;

(2) improve the ease of law enforcement in each State of its special parking privileges and to facilitate the handling of violators; and

(3) ensure that motor vehicles carrying individuals with acknowledged handicapped conditions be given fair and predictable treatment throughout the Nation.

(d) As used in this section the term "State" means the several States and the District of Columbia.

(e) The Secretary of Transportation shall provide a copy of this section to the Governor of each State and the Mayor of the District of Columbia.

Mr. JEPSEN. Mr. President, the amendment I am offering today to the transportation appropriations legislation would encourage States to establish a cooperative program under which valid handicapped parking stickers would be recognized by each State.

There is a national problem we find with this, and there is not reciprocation between States. It is inconceivable that that could happen, but it is happening. So I introduce this amendment.

As many of you might remember, I brought to your attention earlier this week a situation where a constituent of mine, while traveling in another State, was given a parking ticket for parking in a handicapped parking space. Even though this person displayed a valid Iowa handicapped parking sticker, the State chose not to recognize it. At first sight, many might believe that there was a misunderstanding. Unfortunately, there was not.

In fact, I have found out that this is a very common problem. Many States do not recognize the legitimate handicapped parking stickers issued by other States. This poses a problem for many handicapped individuals while traveling in other States either on vacation or business.

For this reason, I am offering an amendment to correct this problem. My amendment calls upon the States, through the National Governors' Association, to come up with a cooperative program to resolve this situation where out-of-State handicapped parking stickers are not recognized by every State. It is my hope that States will develop a program whereby valid handicapped parking stickers would be recognized by every State.

I feel my amendment is the best approach because it gives States flexibility to develop a program to meet their needs and the needs of handicapped individuals.

I do not believe this is a matter that can wait, and we must act as quickly as possible. Therefore, I urge my colleagues in the Senate to adopt this amendment. It is unfortunate that our handicapped and disabled individuals are presently subjected to unnecessary worry about parking while traveling from State to State.

I would like to thank the honorable and distinguished Senator from Minnesota (Mr. DURENBERGER) for his hard work on the handicapped parking problem. He is cosponsor, and he and I have worked together on many of these types of issues in the past. I will now yield to the distinguished Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I am extremely pleased that we are including in this legislation, a resolution I originally introduced as a sense of the Senate resolution to encourage a uniform method of identifying handicapped persons' automobiles and reciprocity between the States. Passage of this resolution will enable handicapped individuals to fully enjoy their right to travel among the States.

I want to commend my colleague, Mr. JEPSEN, for his efforts on behalf of the handicapped and elderly citizens of our country over the entire term of his public service. I would also like to recognize the continuing support of Mr. ANDREWS for ways in which to improve and enrich the lives of the handicapped. Let me also commend my other colleagues who have joined in this effort.

This resolution expresses the sense of Congress for the need for a uniform symbol of identification specifically the uniform symbol of access. It also encourages States to honor this uniform symbol and grant general reciprocity to persons displaying the symbol and properly using handicapped parking spaces.

Adoption of a uniform symbol of identification and general reciprocity would help alleviate the problem that many handicapped individuals are confronting when traveling from State to State—namely, failure by law enforcement officials to ascertain the various means and methods of identifying handicapped vehicles.

I ask unanimous consent that the record be kept open until the close of the business day for the addition of

cosponsors and statements to be included.

Mr. ANDREWS. Mr. President, let me respond to my colleagues from Iowa and Minnesota, as a cosponsor of this proposal, that we are glad to accept the amendment, and take it to conference, and try to keep it in. It is the most expeditious way of getting it through, and I commend them for bringing it to the attention of the Senate.

● Mr. KENNEDY. Mr. President. I am pleased to join my colleagues in the Senate as cosponsor of this important amendment expressing the sense of Congress regarding the need for a Uniform Symbol of Access. This Uniform Symbol should enable all citizens who are handicapped to use the special parking privileges afforded them would they travel to other jurisdictions. It would assist law enforcement officials across the country in correctly identifying vehicles used by disabled people and would preclude the uninternational issuance of parking citations to handicapped individuals when varied symbol are not recognized.

It is important to insure that our strongest efforts be directed toward alleviating any barriers that may interfere with America's handicapped citizens using these special parking privileges. I urge the American public to consider the needs of all disabled citizens by not abusing designated handicapped parking spaces and I encourage States to develop uniform policies.

I commend the distinguished Senator from Minnesota, Mr. DURENBURGER, for his initiative in this area, and I urge the Senate to adopt this amendment.●

Mr. JEPSEN. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (Mr. JEPSEN).

The amendment (No. 1495) was agreed to.

Mr. ANDREWS. Mr. President, I yield to the distinguished Senator from Connecticut.

MIANUS BRIDGE AMENDMENT

Mr. WEICKER. Mr. President, I thank my distinguished colleague, Senator ANDREWS, and my distinguished colleague, Senator CHILES, for their consideration and implementation of the amendment which, in effect, provides moneys for the State of Connecticut for the repair or replacement of the Mianus Bridge.

The amendment provides money for the towns of Port Chester, N.Y., and Greewich, Conn., for the burdens which the recent disaster has placed upon both their local roads and law enforcement agencies.

This particular situation, which resulted in several deaths, is now resulting in a monumental traffic mess which is only going to be resolved by complete cooperation among the local and State governments and the Federal Government.

What this amendment provides will go a long way toward putting I-95, the length of the eastern seaboard, I might add, back into shape.

I thank the ranking member and the chairman of the subcommittee for taking into consideration these very special circumstances as they apply to this disaster.

I hope that we could get on with the business of putting I-95 back in order, at least that section of it which goes through the State of Connecticut.

Mr. CHILES. Mr. President, I say to the distinguished Senator from Connecticut that I think he should be congratulated for bringing this issue up as quickly as he did. We all have had occasions to have these kinds of disasters. We had a bridge go out at St. Petersburg Skyway at one time and the committee responded very quickly to the help that we needed in that. I think this is an area which we have to look for, especially when it connects interstate systems, as does the provision that the Senator from Connecticut is talking about. I think this is something that the committee was happy to try to accommodate him on.

Mr. ANDREWS. Mr. President. I think this points out the dedication and the ability of the senior Senator from Connecticut to move as rapidly as he did at a time of emergency in his State. Of course, those of us who represent other States realize there is a national impact in this. The amendment of the Senator from Connecticut is extremely important for all the people who travel through that area.

AMENDMENT NO. 1496

Mr. WALLOP. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP) proposes an amendment numbered 1496.

Mr. WALLOP. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 26, line 1, strike the figure $718,000,000 and insert in lieu thereof $716,400,000

Mr. WALLOP. Mr. President, my amendment removes $1.6 million from the Amtrak subsidy which Amtrak claims they will save by rerouting their current San Francisco Zephyr service from southern Wyoming to northern Colorado.

It is my personal belief that Amtrak exists for the purpose to provide public rail transportation needs in this country and not to subsidize tourism. Amtrak believes they can attract more tourist by moving the route to Colorado.

If the tourists can sustain it, fine, well, and good, but the Federal Government should not. This amendment will make Amtrak fiscally responsible for their rerouting decision.

Mr. ANDREWS. Mr. President, we can accept the amendment. The Senator makes an excellent point. We can accept the amendment at this point and work it out in conference. I think the Senator made his point with Amtrak.

Mr. WALLOP. I thank the chairman. It is gracious of him and I appreciate it.

AMTRAK

Mr. SIMPSON. Mr. President, I want to thank my fine friend and colleague, MALCOLM WALLOP, for his comments and his effectiveness on this issue. He has followed it closely and has done yeoman work.

I would like to take this opportunity to share with you today some concerns I have with Amtrak, and a review of the treatment which the State of Wyoming suffered in the decision to remove all of the passenger rail service from our State.

The California Zephyr route, which runs through the southern tier of Wyoming, will be moved today to the route of the Denver and Rio Grande Railroad, eliminating all passenger rail service from Wyoming. I am deeply disappointed in the procedures which Amtrak employed in making their decision to remove passenger service, and I hope the Congress will make an effort to prevent other States from suffering the same shabby treatment the next time Amtrak decides to change a route.

Section 101 of the Rail Passenger Service Act, which outlines congressional findings and declaration of purpose, states:

That the traveler in America should, to the maximum extent feasible, have freedom to choose the mode of travel most convenient to his needs; that to achieve these goals requires the designation of a basic national rail passenger system and the establishment of a rail passenger corporation for the purpose of providing modern, efficient, intracity rail passenger service.

Amtrak was a prime method of transportation in Wyoming, utilized by many citizens of my State, providing a safe mode of transportation when all highway and the limited commercial airline availability were not functional due to often hazardous winter weather conditions. Additionally, people in Wyoming used the Amtrak route to travel to our veterans' hospital located in Cheyenne, Wyo. The major reason given for this move, as stated by Amtrak board president, Graham Claytor, in a letter to the Wyoming congressional delegation on March 8, 1983, was that:

The principal advantage of this new routing will affort (the passenger to view) . . . the exceptional scenery along the Denver and Rio Grande route . . . our data base does not allow us to calculate scenic benefits with any precision, but to my mind this will be the single greatest factor in improving revenues associated with this service. By operating this train through some of America's most spectacular mountain scenery I am convinced that we will improve the marketability of the Zephyr . . .

Fifty-two thousand passengers traveled the Wyoming stretch of the California Zephyr during 1982, accounting for $3,750,000 in revenue in fiscal year 1983 dollars. Yet, Amtrak tells us wisely that it is their belief that they can do a better tourist business running the train through the Rio Grande route—a route which is already served by the Denver and Rio Grande Railroad. Amtrak studies indicate that they will be able to generate more long-haul passengers traveling through that region. However, I do not believe that a 7 to 10-percent increase in revenue—if those figures are accurate—can possibly offset the heavy public inconvenience that elimination of all passenger rail service in Wyoming will have.

The decision to eliminate service in Wyoming has been made. I am not here to seek special funding for the Wyoming stretch on Amtrak, or to be vindictive. I am here, rather, to urge Congress to save other States, cities, and American citizens from the cavalier treatment which was so casually ladled out to Wyoming.

The Wyoming congressional delegation first learned of this proposed change at the end of February, not from officials at Amtrak, but rather from concerned citizens in Wyoming. Amtrak did not officially inform any member of our congressional delegation, or the Governor of the State of Wyoming that they would be recommending this change until March 10—6 days before the decision was to be made. They then informed us at that time that if the proposed change were agreed to by their board of directors that the route would be eliminated by April 24, 1983. A mud slide along the Denver and Rio Grande route, along with two court injunctions, has prevented them from stopping service until this time.

Amtrak is not even required by law to present our State a 120-, 90-, or even a 60-day notice period of a possible service discontinuation—because this change is not considered to be major but merely a rerouting of service between major population centers on existing routes, and therefore not significant enough to warrant even one public hearing in the State or in Washington, D.C.

Mr. Claytor did bring to the attention of Governor Herschler and the Wyoming congressional delegation, provision 403(b) of the Amtrak regulations which is a State cost-sharing provision—but we did not have the opportunity to even consider this option until after March 1, 1983, when the Wyoming State Legislature had only 4 days of its session left at that time. The legislature is not now scheduled to meet again in full session until January 1984. If Amtrak could have sensitively informed Wyoming of their intentions, the legislature might well have been able to assure interim funding in order to comply with regulation 403(b) and it could possibly have shared with Amtrak the cost of passenger rail service in Wyoming.

I do recognize that Amtrak is attempting to follow their congressional mandate to cut operating losses while performing the basic mission of providing nationwide rail passenger service—and that they too are reacting to budget pressures as all Federal agencies are. Indeed, I have endorsed previous cuts in the Amtrak Federal budget, and have been among those who have sought an Amtrak which would completely be free of Federal funding. It is in this spirit that I support my trusted colleague, the senior Senator from Wyoming, in his amendment to delete $1.6 million in subsidies to Amtrak—the amount of funds they state will be saved by pulling service from Wyoming.

However, as long as any Federal dollars are going to the subsidy of Amtrak, I would expect them to employ concern and consideration in any changes they might make—no matter how minor they may believe the consequence to be.

Amtrak has mistreated the citizens and elected officials of the State of Wyoming, and must become more sensitive at every instance to affected areas. They were not willing to even make a minimal effort to do so in Wyoming. I believe that total elimination of all passenger rail service from the State of Wyoming is indeed surely of major consequence, and that it deserves to be treated clearly as such. Any other judgment than that is purely shallow and specious. It really is a hell of a way to run a railroad.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming (Mr. WALLOP).

Mr. MOYNIHAN. Mr. President, there are two matters which I would like to bring to the attention of the Senate. I think they might be resolved by a colloquy with my distinguished friend, the subcommittee chairman, the Senator from North Dakota.

The first has to do with language which appears in the committee report—which directs or urges the Secretary of Transportation to take every prudent action to encourage New York-Washington type operations from Dulles and Baltimore International Airports.

I understand the general objective is that Washington National Airport should be a connecting airport for long distance travel and Dulles and Baltimore Airports are to be brought into the Eastern corridor. I would think this is the opposite reason for which we built Dulles. I wonder if I can ask my friend from North Dakota to explain the purpose of this language.

Mr. ANDREWS. Mr. President, I would be more than happy to explain that language. That language is there for a very specific purpose, Mr. President.

If my colleague, the Senator from New York, Mr. President, would look at the bill language itself, we put additional funds in the bill to speed up access to Dulles, so that we could use that airport more. We also called for the innovation of helicopter service from downtown Washington, or whatever mix could be had, to both BWI and Dulles. We then called for the introduction of commuter flights between Dulles and BWI and New York, thinking that those individuals in the area who live a little closer to BWI or a little closer to Dulles than they do to Washington National would begin to use commuters flights operating out of those two airports.

We are trying, Mr. President, to get a balanced usage of the three airports in the Washington Metropolitan area.

Mr. President, if my good friend, the senior Senator from New York, would read through our language again, he will find nowhere did we say we should cut down the amount of commuter flights from Washington National.

We did stress the point that Washington National, because of the number of connecting flights, has a very important role to play in medium- and long-range flight patterns. If you are coming in to get a connection, you almost have to come into Washington National to get a connection out. If you are coming from Roanoke, Va., or Charleston, W. Va., and you want to go to Albany, N.Y., you have to come through Washington because those planes, unfortunately, do not emanate from Dulles, or, oftentimes, from BWI.

But we figured because of the objective to lower the rapid increase, not lower the number of people using National, to slow down the increase, if we could encourage the beginning of commuter operations from these other two airports to share the load, it could be, Mr. President, to the great advantage of the constituents of the senior Senator from New York.

Mr. MOYNIHAN. Mr. President, I am much reassured by this. Do I hear my friend from North Dakota to say that there is nothing in this report language and nothing in the statute that calls for a reduction in the

number of commuter flights that go into Washington National Airport from the New York City region?

Mr. ANDREWS. Mr. President, as usual, the senior Senator from New York is explicitly accurate.

Mr. MOYNIHAN. I thank the Senator very much. His answer is yes.

Mr. ANDREWS. That is correct.

Mr. MOYNIHAN. So I understand the committee's purposes is to provide better access into the Washington region from Dulles and Baltimore to encourage the use of those airports. I think it cannot be denied that Dulles, which is almost surely the finest Federal building constructed in the 20th century, is under used. Does the Senator think that there are people who fly to New Jersey, New York, Connecticut, who live near Dulles and if there were a shuttle—it seems the only place you can get to from Dulles is New Delhi, although there are stops in Madrid occasionally—it would be used for regional areas flights? Is that his purpose?

Mr. ANDREWS. Mr. President, that is right. The Senator from New York, as usual, makes eminently good sense. Our subcommittee also added 14 new buses solely for the operation of people getting to Dulles Airport. We hope that when the road construction is completed travelers will find that they can get to Dulles in a dependable timeframe. Today, Mr. President, as the Senator from New York knows, you do not know whether it is going to take you 40 minutes or 2 hours and 40 minutes to get to Dulles. So Dulles is underutilized. We not only point out the need to use these airports more, but we put in the wherewithal to do that.

Mr. MOYNIHAN. Having gotten into a bus to take me to Dulles in an hour, I have found that the bus to the plane may take another hour.

The purpose is not to limit the shuttle flights into National, but to make shuttle flights available from Baltimore and Dulles.

Mr. ANDREWS. Absolutely.

Mr. MOYNIHAN. That seems a wise and characteristically forward-looking action.

Mr. ANDREWS. Mr. President, I thank the Senator from New York not only for his understanding but for his support.

Mr. MOYNIHAN. I wonder if I may bring up another question, Mr. President, a more difficult one. I understand that at the last minute—when things happen at the first minute and what the first minute is, I am not sure—we learned overnight that there has been a reduction in the mass transit capital grants, both the formula and the discretionary moneys available. I wonder if the Senator from North Dakota, the distinguished chairman, could tell me what these reductions are, and what is their purpose?

Mr. ANDREWS. May I point out to the distinguished Senator from New York, who serves as I do on the Budget Committee, that it is necessary to get this bill under the budget as it came through the Budget Committee. The Senator from New York knows I attempted to increase the funding for this category and the Senator from New York supported me. Tragically, not enough of our colleagues saw the light and supported it so we have a little lower budget level than otherwise.

Let me assure my colleague, the senior Senator from New York, that we have in this bill more than $400 million above the President's budget estimate for these items.

Mr. MOYNIHAN. It is $400 million above the President's request and $200 million below what we had hoped for.

Mr. ANDREWS. That is true. This is not a last-minute action, I assure the Senator from New York. This action was taken in our subcommittee on Tuesday and quite widely publicized.

Mr. MOYNIHAN. I hesitate to say what is first minute and what is last minute.

Mr. ANDREWS. The movement of the bill is being made now because we do carry a $21 million amendment sponsored by the Senator from Connecticut that is an emergency-type amendment for I-95, so the leadership agreed to bring this bill up provided we could handle it expeditiously and get it through conference and begin helping those people who have to use I-95.

Mr. MOYNIHAN. Mr. President, it was my purpose to introduce an amendment to restore the $200 million. I see the distinguished majority leader on the floor. I had hoped and intended to have a rollcall vote on this matter and speak to it at some length, since we are not going home this weekend. Do I take it that the majority leader feels that the press of business is such that to ask for a vote on this matter at this time would require him to take down the bill?

Mr. ANDREWS. Mr. President, I can respond by saying what the majority leader told me—that we had a half-hour window when we brought the bill up at 11 o'clock. We have been waiting for the Senator from New York for a while to protect his rights, and he has those rights. The majority leader told us if we took more than a half hour, and we already have, we would take down this bill and move back to the DOD authorization bill. That would mean we would not get to conference in a timely manner.

Mr. MOYNIHAN. He is known to be a stern taskmaster.

Mr. ANDREWS. He is a very stern taskmaster, Mr. President.

Mr. MOYNIHAN. Mr. President, in view of what the French call the force majeure and with the thought that the next time there is a breakdown in the IRT subway, we might get a $21 million emergency grant to fix it—I might say I was delayed by the fact that Governor O'Neil from Connecticut has been before the Committee on Environment and Public Works, speaking to just this kind of question; I shall not press the issue. I shall reserve the issue.

Could I ask my friend, the Senator from North Dakota, is it not the case that so long as we are within the budget authority provided for the function, it remains the possibility that the appropriation bill can provide a larger amount than is available at this time?

Mr. ANDREWS. Mr. President, let me assure my colleague that David Stockman does not set my guidelines nearly as firmly as the Senate Budget Committee does. It is my understanding that we have a pretty good chance of getting this bill signed if it comes within the guidelines of the Budget Committee on which the senior Senator from New York also serves. That is going to be our goal.

Mr. MOYNIHAN. Does David Stockman provide the Senator's economic forecasts?

Mr. ANDREWS. The Senator from New York and I have sat through any number of hearings with economists. If you lay 1,000 of them end to end, they are not going to reach any conclusion. They are somewhat like some of our Ambassadors. They never reach any conclusions, but they are eminently wonderful and understanding people.

Mr. MOYNIHAN. With those assurances, Mr. President, for which I am grateful and particularly reassured about the shuttle matters and with at least good hope about the future of mass transit capital formation, I thank my friend, the distinguished chairman of the subcommittee. I yield the floor.

The PRESIDING OFFICER. Is there further debate on the bill?

Mrs. KASSEBAUM. Mr. President, I should like to address a question to the Senator from North Dakota regarding, in this piece of legislation, the creation of a commission to study the effect of airline deregulation. I think there is $500,000 that has been specified to establish this commission. My distinguished colleague and I have discussed this. It is my understanding that, since hearings have been held by the Commerce Committee and the Aviation Subcommittees of both the House and the Senate on this very issue, such a commission would probably not be necessary. I realize the thrust of those efforts and the focus that the chairman has wanted to make regarding that, but I would certainly like an understanding from him that this indeed is not going to be money

that will be necessary for the creation of a special commission.

Mr. ANDREWS. Mr. President, I assure the Senator from Kansas that this is an item that is of a great deal of importance to the Senator from West Virginia (Mr. BYRD), the Senator from Florida (Mr. CHILES), both Senators from Mississippi, and the Senator from Kansas. The Senator from Kansas, who chairs the legislative subcommittee having jurisdiction, is making considerable progress. We put this in to hedge our bets and we will, of course, be taking a look at it and reviewing it in conference. I certainly agree with the statement that the Senator from Kansas has made.

Mrs. KASSEBAUM. Mr. President, I accept the assurances the Senator from North Dakota has given.

AMENDMENT NO. 1497

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER) for himself, Mr. LAUTENBERG, and Mr. HEINZ, proposes an amendment numberd 1497.

Mr. SPECTER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Insert at the end of the bill the following general provision:

"SEC. . The Senate intends that the Benjamin Franklin Bridge connecting Philadelphia, Pa., and Camden, N.J., be given priority consideration by the Secretary of Transportation.".

Mr. SPECTER. Mr. President, in the interest of brevity, since time is short and the majority leader has indicated his interest in proceeding to the Department of Defense authorization bill, let me simply say that this amendment expresses the intent of the Senate to give priority consideration to the Benjamin Franklin Bridge which is a major structure connecting Pennsylvania and New Jersey, which carries an average daily traffic in the neighborhood of some 70,000 vehicles and earlier this year was found to be in a very serious state of disrepair.

In order to protect against the kind of tragedy which was present on I-95 we have coordinated with the Delaware River Port Authority and the Governors of Delaware and New Jersey, to expedite its processing. This amendment would be very helpful to promote this matter.

I have discussed it with the distinguished chairman of the Transportation Committee, and I believe this can be worked out by agreement.

Mr. ANDREWS. Mr. President, the Senator from Pennsylvania is absolutely correct. The Senator contacted me before we moved into the Appropriations Committee, and we said we could work out some accommodations. We have discussed it on the floor and we fully intend to accommodate the Senator from Pennsylvania. We accept the amendment.

Mr. SPECTER. I thank the distinguished chairman for his assistance.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. BYRD. Mr. President, I have a question I would like to ask the chairman of the subcommittee, who has always been most understanding of my needs insofar as West Virginia is concerned.

Will the placement of this language in the bill in any way work to the disadvantage of this Senator who is interested in the Weirton-Steubenville Bridge which is going forward by virtue of the fact that the Secretary of Transportation has allocated funds from the discretionary bridge replacement moneys? The Senator who is chairing the subcommittee and the ranking member have both been very supportive of that bridge. I know, however, that bill language is more important than report language. I just want to make sure that this amendment language does not in any way, or will not in any way take precedence somehow over the Weirton-Steubenville Bridge.

Mr. ANDREWS. Mr. President, might I point out to the distinguished Senator from West Virginia, the minority leader, that in my view in no way does it take precedence over the bridge that has already reached the attention of the Secretary of Transportation due to the great work and long-term efforts of the Senator from West Virginia. What it does in my mind is focus the attention of the Secretary on this bridge—and the very legitimate cause that the distinguished Senator from Pennsylvania pointed out—to take a look at it among a whole host of bridges around the country. It does in fact spotlight this bridge but not to the detriment of bridges that we have called to their attention that are already on a priority basis.

Mr. BYRD. I am satisfied by the answer that has been given to me by Senator ANDREWS. I know him well enough and have in the past experienced his important support. He does not have any hesitancy to speak his mind in dealing with the executive branch, and nobody is his master. He has been as straightforward with people in the administration as any Senator can be. His questions of them are tough. And with the assurance he has given I am not going to ask for a rollcall on this amendment.

Mr. ANDREWS. I appreciate the attitude, Mr. President, of the Senator from West Virginia.

Mr. BRADLEY. Mr. President, I ask unanimous consent that I be added as a cosponsor to the Specter amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (No. 1497) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, there is a matter in the transportation appropriations bill, which, although it involves a very small amount of money relative to what we normally discuss in this body, is quite important to the citizens of my State as well as other people in the mid-Atlantic region. I rise before the Senate today to briefly discuss the importance of the section in this bill regarding Coast Guard research and development funding and to be certain I understand what the chairman of the Subcommittee on Transportation has in his bill.

Mr. President, when the transportation appropriations bill was in the House of Representatives, my colleague from Delaware, Representative CARPER, was able to get an amendment to the original $22,000,000 administration request for Coast Guard research and development, to add $500,000 for the development of a sealed electronic ocean dumping surveillance system, a so-called black box technology. Ultimately, the House funded this section of the bill at $23,500,000.

The Senate Appropriations Committee in its deliberations has dropped the Coast Guard R&D function back to the original $22,000,000. However, it has also left language in the bill requiring that $500,000 of the appropriation be used to develop the black box. This technology will be used to assist the Coast Guard in conducting enforcement and surveillance activities under the Ocean Dumping Act (title I of the Marine Protection, Research and Sanctuaries Act).

For some years, Mr. President, the Environmental Protection Agency has continued to allow the practice of ocean dumping in coastal waters off of Delaware, Maryland, Virginia, New Jersey, and New York. I will not argue the merits of this practice, Mr. President, expect to say that I vehemently oppose it, and I believe that at least with regard to sewage sludge, I continue to believe the Congress meant to

ban ocean dumping in the 1977 amendments to the Ocean Dumping Act. The bulk of the dumping on the east coast has been up near New York City, at the so-called 12-mile site. Now, however, the Environmental Protection Agency is considering a permanent designation of an ocean dump site directly off the coast of Delaware, at the so-called 106-mile site.

Although I continue to fight the designation of the 106-mile site and the practice of ocean dumping generally, it is crucial that as long as the practice exists, that we enforce strict adherence to the dumping regulations and that we have adequate surveillance of dumping operations to be sure the waste-laden barge actually reaches the dump site out at sea. To date, the Coast Guard has accomplished surveillance of the dumping ships by putting personnel on ships, ship riders, to monitor the activities. Yet because of the cost of personnel and their need to be doing other important tasks, such as surveillance of drug trafficking in coastal waters, they in practice only monitor less than 1 percent of the ships. This is far too low a percentage to know whether the dumping regulations are being faithfully carried out or whether the dumpers are in fact dumping their loads far short of their destination.

Mr. President, the black box technology would allow each vessel to be tracked, for the location to be continually monitored and for a record to be kept telling when and where the dumping apparatus has been activated. This technology would have the added benefit, Mr. President, of monitoring all ships, 100 percent, at just slightly greater cost than it now takes to monitor 10 percent with ship riders.

I want to make it clear, Mr. President, that I am not offering an amendment to this bill at this time to increase the Coast Guard R&D function because I am relying on the committee's judgment that the $22 million figure is sufficient to fund not only the $500,000 research effort on the black box technology but also the other important aspects of the Coast Guard R&D function, I would say to the chairman of the subcommittee, that should the conference on this bill determine that $22 million is not sufficient to accomplish all tasks, I would expect the Senate conferees to accede to the level of the House, rather than cut the money set aside for the electronic surveillance technology. Otherwise, I will offer an amendment to the conference report.

Mr. President, I yield the floor.

Mr. NICKLES. Mr. President; if the chairman will yield, it is my understanding that the House report of this fiscal year Transportation appropriations bill, H.R. 3329, includes language dealing with the Ardmore, Okla., air traffic control tower.

Does the Senate bill nullify or strike that language?

Mr. ANDREWS. No, the Senate version of H.R. 3329 does not affect the House report language referring to that tower.

Mr. NICKLES. Has funding for the tower's operation noted in that report language been deleted?

Mr. ANDREWS. No, it has not.

Mr. NICKLES. Does the Senate bill take issue with the House language?

Mr. ANDREWS. No, it does not.

Mr. NICKLES. Is this a conferencable item?

Mr. ANDREWS. Yes, it is an item that is conferencable.

Mr. NICKLES. I urge my colleagues who will be members of the conference committee to adopt this language which will enable the community to be served by air traffic control on a more regular basis.

I thank the Senator.

COAST GUARD CHILD ABUSE PROGRAM

● Mr. INOUYE. Mr. President, I was extremely pleased that our Appropriations Committee recommended that $500,000 be appropriated for the Coast Guard in fiscal year 1984 in order to continue their efforts to reduce the incidence of child and spouse abuse among its personnel. This is a most unfortunate problem within some families and it is very much in our national interest that we vigorously develop programs to address the underlying causes and provide necessary services. Accordingly, I was pleased by our committee's action. However, I was recently informed that the attorneys within the Department have indicated that it is their interpretation of our bill that since we specifically addressed this matter both in this bill and in last years', that we intended that $1 million be expended in fiscal year 1984. Although I have no doubt that the funds could be well spent, I do not feel that in this year of very tight budgetary constraints that it would be appropriate for us to call for a 100-percent increase in the program's budget. It was my understanding that our committee's intent was for the Coast Guard to continue its present efforts under this program and to allocate essentially the same level of funding as was expended last year—that is, a total of $500,000.

Mr. CHILES. Senator INOUYE, that is also my understanding of the provisions of our bill. The Coast Guard has done an excellent job during the past year and we are optimistic that they will continue to give this initiative a high priority.

Mr. INOUYE. I very much appreciate your clarification, Senator CHILES. It was also my understanding that in recommending that 15 personnel positions be made available to this program, that we intended that the Coast Guard would use its considered judgment in phasing these in. That is, that we were not mandating that exactly 15 positions be assigned this year, instead, we were establishing a reasonable goal for the Coast Guard.

Mr. CHILES. That is also my understanding Senator INOUYE.

Mr. INOUYE. I very much appreciate your clarification and very strong personal support for this most important program.●

Mr. BRADLEY. Mr. President, I would like to ask the chairman of the committee if the section of the report that refers to the availability of New York-Washington type shuttle operations out of Dulles refers only to operations that are from New York, N.Y., to Washington?

Mr. ANDREWS. Mr. President, that is not the way it was intended by the committee.

Let me point out to the Senator from New Jersey that when we referred to New York, we were talking about the New York area. So, of course, it would include the airport in the New York area that is located in New Jersey.

Mr. BRADLEY. But that means in no way to affect existing service?

Mr. ANDREWS. In no way does it affect existing service, as we pointed out earlier in the debate on it. All we are trying to do is enhance the usage of service from other airports in the Washington metropolitan area to the New York metropolitan area so that all of the growing load does not come simply on Washington National.

Mr. BRADLEY. I thank the Senator for this clarification.

INCREASING COAST GUARD DRUG-INTERDICTION BUDGET

Mr. BIDEN. Mr. President, I had intended to offer an amendment to increase the Coast Guard drug-interdiction budget. As a result of my discussion with the managers of the bill, who indicate they will take this issue up in the Senate-House conference, I will withdraw my amendment.

A vital element in a Federal drug-control strategy is the interdiction of narcotics entering this country. The Coast Guard represents the main defense this Nation has to intercept drugs. I believe the Coast Guard is extremely undermanned and underequipped to deal with the level of sophistication organized drug traffickers have at their disposal. When traffickers are willing to beach entire vessels and abandon expensive aircraft as "operating expenses" in carrying out their business, or when we hear stories about overused and antiquated Coast Guard cutters blowing their engines while chasing drug-trafficking vessels, I can only imagine the frustration that Coast Guard personnel must feel.

One piece of equipment that has been used effectively by the Coast Guard in drug-interdiction efforts is the Aireye radar system. Aireye has

proven effective in monitoring large areas of the ocean and will greatly increase the Coast Guard's effectiveness by permitting aircraft equipped with Aireye to cover in 8 minutes an area which now requires a 2-hour patrol.

It was my intent to provide sufficient funds so the Coast Guard could procure five additional Aireye systems. Currently, in the Southeastern United States, only 1 of the 12 patrolling aircraft has Aireye equipment. Because of the success of the Coast Guard's major interdiction effort in south Florida last year, more and more drugs are being diverted to other areas along the east and gulf coasts. From the standpoint of cost-effective process for collecting intelligence information and monitoring the movement of potential drug trafficking vessels, the investment in these five additional Aireye systems is essential.

In addition, the $80 million would have secured two additional C-130's and sideways-looking radar systems. I believe this equipment would go a long way in improving the airborne surveillance capability of the Coast Guard, which is an essential element of our overall drug-control strategy.

Recognizing the leadership role the minority manager, Senator LAWTON CHILES, has played in upgrading our Federal drug-enforcement and interdiction programs, I am satisfied he will work hard in the conference and in the future to secure this surveillance equipment for the Coast Guard.

As the ranking member of the Judiciary Committee, I have been working with my colleagues to improve our Federal drug-control strategy. It is imperative that this effort is backed by sufficient resources and carried out in a coordinated manner. To date, I believe we still have a long way to go in the areas of both coordination and resources if we are seriously going to mount a workable and effective Federal drug-control program.

● Mr. REIGLE. Mr. President, will the distinguished chairman of the Appropriations Subcommittee on Transportation and related agencies; yield for a minute.

The bill that the Senate is considering now H.R. 3329, the Department of Transportation and related agencies appropriation bill, 1984 contains funding for a project key to the transportation needs of the Detroit metropolitan area. The downtown Detroit people mover received a letter of intent from UMTA in 1982 for the construction of this rail project. Contracts have been signed and project schedules and budgets have been established. The report language contained in the House approved bill earmarks $50 million for southeast Michigan transit projects. Unfortunately, the Senate Appropriations Committee reduced this earmarking by $20 million or over 40 percent.

I would like to point out that the Detroit metropolitan area was the only area to experience such a drastic funding reduction, in fact, a number of metropolitan areas actually experienced an increase in funding in the Senate over levels approved by the House. The $20-million funding cut adopted by the Senate committee would both delay project completion and increase project costs. It has been estimated that project cost would be increased by over $10 million for each year its completion is delayed. Delays of Federal funding at critical construction phases, both increase ultimate project costs and delays the provision of service to the public taxpayer. This is a vital project and it must go forward.

I would also like to remind my colleagues that this cost effective project has been estimated to create over 3,500 jobs in a metropolitan area sorely in need of new employment opportunities.

I hope the distinguished Senator from North Dakota will work in conference to restore funds to the Detroit area transit projects as close as possible to the House level.

Mr. LEVIN. Mr. President, the subcommittee's report on H.R. 3329, the fiscal year 1984 appropriations bill for the Department of Transportation, recommends a $20-million reduction in funding from the level approved by the House for Detroit's people mover project. This project has been in the making for over 11 years. As a member of the Detroit City Council, I was actively involved in the initial planning discussions concerning the people mover.

In 1982—after years of work by those responsible for the project—Gary Krause, general manager of the Southeastern Michigan Transportation Authority (SEMTA), received a letter of intent from Arthur J. Teele, Jr., Administrator of the Urban Mass Transportation Administration (UMTA), which allowed construction to begin on the people mover this year.

In order for the project to be completed on schedule, Mr. Teele recommended that over $45 million be appropriated during fiscal year 1983. However, the fiscal year 1983 appropriations bill included only $30.5 million for construction of the system. In order to recoup the moneys lost in 1983 and keep the project on schedule, it is essential that SEMTA receive the level of funding recommended by the House for the people mover project.

The project will contribute to the revitalization of Detroit's downtown business district by creating jobs and encouraging private investment in the area.

Mr. President, I am pleased that the chairman of the subcommittee will work in conference for a funding figure closer to that recommended by the House.

Mr. ANDREWS. I appreciate the concerns of the Senators from Michigan regarding funding for Detroit, and I will work in conference for an acceptable level.●

● Mr. SASSER. Mr. President, I rise today to comment briefly on H.R. 3329, the transportation appropriations bill for fiscal year 1984.

Mr. President, our Nation's infrastructure is in a sad state of disrepair. All across this country, our roads, bridges, and highways are collapsing.

It seems ironic, Mr. President, that while we have perhaps the most intricate network of transportation in the world, it is also one that is rapidly becoming devoid of safety and efficiency. There is no greater illustration of this fact than the situation with our Nation's bridges.

Mr. President, it is unclear exactly how far we have come in addressing this Nation's bridge problem. In 1967 the Silver Bridge in Ohio collapsed, killing 46 people. In 1981 the General Accounting Office estimated that there were approximately 200,000 deficient or obsolete bridges nationwide. In less than 18 months time, some 50,000 additional bridges were also cited as dangerous.

Mr. President, time has not been on the side of piecemeal bridge repair. The recent incident at Interstate 95 in Greenwich, Conn. is a graphic case in point.

Last year, in the Surface Transportation Assistance Act of 1982, Congress recognized the need for increased funding for the rehabilitation and repair of our Nation's bridges. The $9 billion authorized for the bridge program through 1987 does not even begin to place a dent in the estimated $47 billion needed to repair our bridges.

Mr. President, we need to step up the repair of our bridges. We need to reassess the allocation of funding for our bridges before, not after, they have collapsed.

Mr. President, I recently introduced legislation, S. 1575, along with my distinguished colleagues Mr. BYRD, Mr. DODD, Mr. METZENBAUM, Mr. STENNIS, Mr. RANDOLPH, and Mr. SPECTER. I introduced this same legislation during the 97th Congress. S. 1575 essentially requires a more rigorous scrutiny of bridges in accordance with the national bridge inspection standard. S. 1575 requires the Secretary of Transportation to allocate funding, in the first instance, to those bridges most in need of repair. I dare say, Mr. President, that had Congress acted favorably on this legislation last year, the tragedy this year at Greenwich may never have occurred.

I wonder whether at this point in my remarks I might ask a few questions of the distinguished ranking minority member of the Appropriations Sub-

committee on Transportation, Senator CHILES:

"Would the Senator agree with me that the bridge situation is an urgent national problem?"

Mr. CHILES. Yes. Dilapidation and disrepair of bridges is neither a local nor regional problem. The possibility of a bridge collapsing could occur at any place, at any time.

Mr. SASSER. Would the Senator agree with me that a reassessment of both the inspection standards and allocation of bridge funding is in order?

Mr. CHILES. Yes, absolutely. I think it's the best way to identify the problem and get about alleviating it.

Mr. SASSER. I thank the distinguished ranking minority member of the Appropriations Subcommittee on Transportation, and I appreciate the concern and consideration which he has shown me. I ask that a table be included in the RECORD at this point which lists the number of deficient bridges in each State.

The table follow:

TABLE 4A.—LIST OF DEFICIENT BRIDGES BY STATE ON FEDERAL-AID SYSTEM

	Number of bridges in inventory	Structurally deficient	Functionally obsolete	Number of deficient bridges
Alabama	7,376	967	1,581	2,548
Alaska	549	36	14	50
Arizona	4,269	55	84	139
Arkansas	5,683	367	1,380	1,747
California	14,544	434	1,816	2,250
Colorado	3,422	198	228	426
Connecticut	2,504	136	637	773
Delaware	441	38	14	52
District of Columbia	223	48	2	50
Florida	5,447	158	1,300	1,458
Georgia	7,764	286	2,334	2,620
Hawaii	644	89	44	133
Idaho	1,651	215	72	287
Illinois	10,188	1,419	667	2,086
Indiana	6,521	1,016	2,036	3,052
Iowa	6,818	658	1,505	2,163
Kansas	10,316	1,016	2,632	3,648
Kentucky	4,825	468	975	1,443
Louisiana	5,611	610	1,211	1,821
Maine	1,231	100	90	190
Maryland	2,511	197	382	579
Massachuetts	3,311	714	64	778
Michigan	5,592	607	340	947
Minnesota	4,998	487	580	1,067
Mississippi	7,175	2,188	1,873	4,061
Missouri	8,156	518	2,683	3,203
Montana	2,310	154	826	980
Nebraska	5,132	384	1,177	1,561
Nevada	769	8	91	99
New Hampshire	1,198	145	179	324
New Jersey	3,233	661	186	847
New Mexico	2,848	131	138	269
New York	8,835	3,321	454	3,775
North Carolina	4,986	650	1,874	2,524
North Dakota	1,660	219	277	496
Ohio	12,082	979	308	1,287
Oklahoma	7,347	431	617	1,048
Oregon	3,699	286	260	546
Pennsylvania	10,662	1,692	619	2,311
Rhode Island	570	56	20	76
South Carolina	4,101	209	512	721
South Dakota	2,793	154	204	358
Tennessee	8,108	1,376	1,695	3,071
Texas	24,834	776	4,150	4,926
Utah	1,401	44	33	77
Vermont	1,269	108	350	458
Virginia	6,705	696	621	1,317
Washington	3,923	158	678	836
West Virginia	3,312	896	396	1,292
Wisconsin	5,128	1,380	1,024	2,404
Wyoming	1,923	48	127	175
Puerto Rico	726	83	213	296
Total	261,324	28,070	41,575	69,645

Mr. PROXMIRE. Mr. President, I will vote against this Department of Transportation appropriation bill because it contains a whopping $700 million in operating subsidies for local transportation systems. At a time when the Federal Government is running the biggest deficits in the history of this country by far, and when those deficits spell high interest rates and constitute the single most serious obstacle to a healthy and sustainable recovery I simply can not support a bill that contains any Federal funding for operating subsidies. In my judgment the Federal Government can not even afford to buy the capital equipment for local transportation. But it does. And it certainly can not afford to subsidize millions of local travelers throughout our country. In addition to providing their capital and equipment, why in the world should a Wisconsin taxpayer living, say in Oshkosh, subsidize a subway user in New York or Washington when the Wisconsin taxpayer may never, ever visit either city, or if he does may never use the local transportation?

If a city needs a transportation system, let the people who live in that city at least pay whatever is necessary to keep that system operating, after the Federal Government has contributed so much to building the system and buying the equipment for it.

Sure, this bill is below the budget level and the President's request. But it is still too high, at least $700 million too high.

THE U.S. RAILWAY ASSOCIATION

Mr. DOLE. Mr. President, the Senator from Kansas simply wants to make a few brief comments about the U.S. Railway Association. It is a quasi-governmental body whose useful life has long expired, in my opinion. While I am not at this time prepared to offer an amendment to delete funding altogether, my intention would be to do just that in the not too distant future, and I want there to be no mistake about my feelings.

Congress established USRA in 1973 as a temporary agency in order to develop a plan for rail service in the Northeast in the wake of several railroad bankrupticies. Most of the legitimate work of the USRA has been completed. The valuation cases they handled have been for the most part settled. The Secretary of Transportation is proceeding with plans to sell Conrail to the private sector, and that will completely obviate the need for Federal oversight by the USRA. At present, two statutory functions for USRA remain: First, determining the value of the Alaska Railroad—that report is due by the end of September; and second, issuing a final profitability determination of Conrail. The first such determination was issued on June 1, 1983; the final is expected to be completed by December.

To expend further tax dollars on the USRA would be a gross breach of the public trust. It will be my intention to make sure we do not continue to fund them through the Treasury upon completion by USRA of their current statutory functions. The public has had it with the kind of Government waste and inefficiency which the USRA embodies. When we fund nonprofit associations like the USRA, Federal pay caps do not apply. As a result, we have a situation like the current one at USRA: Many of the staff members earn more than $70,000, with liberal vacation benefits and nobody to answer to except us once or twice a year.

Some might say that $2.9 million is not a lot of money. The Senator from Kansas would say it is time we started paying some attention to matters such as this. It has been too easy around here to spend money irresponsibly and then instruct the Finance Committee to pay for the program. The public is tired of the alternatives: Borrowing or monetizing the debt, as is this Senator.

So Mr. President, the USRA is an idea whose time has come and gone. It was created as a temporary body, and yet it swelled to more than 200 staff members at one point. While they have few statutory functions remaining, 40 staff members remain. The functions of those 40 can easily be absorbed by existing personnel in the Congress or the Department of Transportation. While we are at it, let us see if we cannot put the genie back in the bottle with regard to other agencies that were sold to the Congress as temporary institutions.

Mr. BRADLEY. Mr. President, I am pleased that the Senate Transportation appropriations bill provides funds to revive rail transportation between Philadelphia and Atlantic City.

While there are many hurdles which must still be overcome before this rail connection is a reality, the Senate has taken an important step in boosting economic development in the southern portion of New Jersey.

I am particularly pleased that the Senate has made clear that this rail link is not to be used for a so-called Gamblers' Express but rather to develop real commuter service for Atlantic City and Philadelphia. This means stops clustered around the Camden area and around Atlantic City.

Many fears had been raised about high speed express trains tearing through suburban communities. The committee report directs that the funds be used to develop a commuter line.

The growth in Camden, Gloucester, and Atlantic Counties has been re-

markable. I believe this economic development must be made compatible with the protection of the environmentally sensitive Pinelands and consistent with local development plans. Commuter rail service especially in Camden and Gloucester Counties is an important element in that effort.

I am grateful to the Appropriations Committee—and particularly the chairman of the Transportation Subcommittee, Senator ANDREWS, and the ranking minority member, Senator CHILES, for their assistance.

Mr. DOMENICI. Mr. President, I would like to commend my distinguished colleagues, Senators ANDREWS and CHILES, and the members of the Senate Appropriations Committee for reporting a Department of Transportation appropriation bill that is identical to the subcommittee's 302(b) allocation.

I support the Transportation appropriation bill, as reported by the committee.

H.R. 3329 provides $10.9 billion in budget authority and $9.7 billion in outlays for fiscal year 1984 for the important activities of the Department of Transportation, the Civil Aeronautics Board, the National Transportation Safety Board, the Interstate Commerce Commission, and several other smaller transportation-related agencies.

With outlays from prior-year budget authority taken into account, the Transportation Subcommittee exactly meets its 302(b) crosswalk allocation, as adopted by the committee on Thursday, July 14, 1983.

I urge my colleagues to support H.R. 3329, as reported by the subcommittee. Subcommittee Chairman ANDREWS and Senator CHILES made a concerted effort to trim spending below the House-passed level. H.R. 3329 is below the President's request by $0.1 billion in budget authority and above his request by $0.4 billion in outlays.

With respect to the credit budget, the Senate-reported bill provides $35 million in new direct loan obligations and $35 million in new primary loan guarantee commitments. The total for direct loan obligations is identical to the first budget resolution assumption for this bill. The total for primary loan guarantee commitments is $126 million less than that assumed in the first budget resolution.

Mr. President, I ask unanimous consent that two tables showing the relationship of the reported bill, together with possible later requirements, to the congressional spending and credit budgets and the President's budget requests be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TRANSPORTATION SUBCOMMITTEE

[In billions of dollars]

	Fiscal year 1984	
	Budget authority	Outlays
SPENDING TOTALS		
Outlays from prior-year budget authority and other actions completed		[1] 15.7
H.R. 3329, as reported by the Senate subcommittee	10.9	9.7
Possible later requirements		
Total for Transportation Subcommittee	10.9	25.4
First budget resolution 302(b) allocation	10.9	25.4
House-passed level	11.3	25.6
President's request	10.9	25.0
Total compared to:		
First budget resolution 302(b) allocation		
House-passed level	−.4	−.2
President's request	−.1	+.4

[1] This figure includes the fiscal year 1984 outlays associated with Public Law 98–8, the Emergency Jobs Appropriation Act, and with the Senate-passed fiscal year 1983 supplemental appropriation bill (H.R. 3069).

Note: Totals may not add due to rounding.

TRANSPORTATION SUBCOMMITTEE

[In billions of dollars]

	Fiscal year 1984	
	New direct loan obligations	New loan guarantee commitments
CREDIT TOTALS		
H.R. 3329, as reported by Senate committee (total for Transportation Subcommittee)	[1]	[1]
First budget resolution assumptions	[1]	[1]
House-passed	[1]	[1]
President's request	[1]	[1]
Subcommittee total compared to:	[1]	[1]
First budget resolution assumptions		−.1
House-passed		
President's request	+[1]	+[1]

[1] Less than $50,000,000.

Mr. D'AMATO. Mr. President, I rise today to extend my congratulations to the members of the Appropriations Committee, and especially to its distinguished chairman, Mr. HATFIELD, and to Senator ANDREWS, chairman of the Transportation Appropriations Subcommittee for the fine job they have done in reporting this bill to the floor. I also appreciate the efforts of subcommittee staff, particularly Chip Hardin and Pat Tusaie.

Considering the tremendous pressures to report a bill which will improve the declining condition of transportation systems and their capacity to meet existing and future needs, as well as satisfy the competing requirements of many diverse interests, and still come up with a proposal that is able to accommodate the administration's oft-stated goal of fiscal restraint, is no easy job.

At this time, I would like to briefly mention some of the major issues addressed by this legislation:

We took an important step with the Surface Transportation Assistance Act. For the first time, a section 9 formula block grant program has been established. This program funded by general revenues, will distribute funds on the basis of predictable, service related bus and rail factors.

As Mr. ANDREWS so eloquently noted yesterday in the full committee markup, efforts to keep this bill within the budget have necessitated some sacrifices on the part of all Members. I am concerned however about the $100 million reduction—below the level appropriated by the House—in the section 9 formula grant program for transit capital and operating assistance. I can certainly understand the need to limit our expenditures in this bill, but I would point out that due to the construction of the distribution formula used for these funds this action will have a disproportionate impact upon the smaller transit authorities. While this reduced funding amounts to reduced formula 9 funds to New York City of $70,617,000, a reduction of approximately 19 percent under the levels authorized by the Surface Transportation Assistance Act, it represents reduction of approximately 21 percent to Albany and even larger percentage reductions in other smaller cities throughout the country. I will not attempt to amend this aspect of the bill in light of our need to produce a bill that can be signed by the President. I appreciate the comments of Chairman ANDREWS during the subcommittee markup that we will make efforts to raise the funding for section 9 programs during the conference on this bill.

Next Mr. President, I endorse the distribution of mass transit gas tax discretionary funds in the bill. As a chief proponent of mass transit, I have maintained that we must accommodate rail modernization, new starts and bus needs within the mass transit trust funds in a fair and reasonable manner. The distribution included in the bill, which approximates the split suggested by the American Public Transit Association, is an equitable one. I commend the committee members and thank APTA for its invaluable assistance.

Mr. President, I also commend the committee's action in this bill to prohibit the FAA to close or consolidate facilities pending a detailed report by the FAA and congressional hearings if necessary. This provision will allow for careful consideration of the merits of any consolidation or closure plan and for resolution of the questions that the GAO has raised concerning the cost effectiveness of the proposed automated flight service stations.

Mr. President, the significance of this bill to the States and their cities and towns is demonstrated by my State of New York which is so dependent upon a successful system of air-

ports, railroads, highways, and mass transit facilities. This bill will mean millions of dollars for New York, and for other States in gas tax funds for transit capital expenses, including rail modification, bus purchases, and facilities and new starts. In addition, each of the States will benefit from the $2.38 million being appropriated for the section 9 formula grant program which will provide funds for both capital and operating assistance.

In addition, the bill provides a limitation on obligations for airport development and planning grants of $800,000,000. This is $100 million more than the budget request. In addition the committee has directed the FAA that priority be given to 33 airports nationwide including Buffalo Greater International Airport and MacArthur Airport in New York.

The bill also provides funding to continue improvements in our passenger rail system, including $100 million for continuation of the Northeast corridor improvement program and the Westside connection project in New York City, a rail project in New York City, a rail project that is expected to increase Amtrak ridership by 254,000 persons annually and to increase its revenues by $10.5 million annually.

In conclusion, Mr. President, I believe we now have a bill which is the product of careful, reasonable, and intelligent consideration of the transportation funding needs of the different regions of these United States, and I urge my colleagues in the Senate to join me in voting to approve H.R. 3329, as reported by the Appropriations Committee.

Mr. DODD. Mr. President, I wish to express my support for H.R. 3329, the fiscal year 1984 transportation appropriations bill. This bill provides a reasonable and balanced allocation of limited Federal resources in response to the varied transportation needs throughout the Nation.

I want to note, in particular, my strong support for a provision added yesterday by the full committee at the request of my colleague from Connecticut (Senator WEICKER) which earmarks funding for the repair of the Mianus Bridge on I-95 in the State of Connecticut. This does not represent any additional funding, but rather directs that funds be made available from the highway trust fund's emergency relief program for repair costs in excess of the State's insurance coverage. Additionally, from this same fund, the committee earmarks $1 million to be shared by the towns of Greenwich, Conn. and Port Chester, N.Y. to offset some of the additional costs borne by these communities resulting from this disaster.

As my colleagues are well aware, a 100-foot northbound span of the Mianus River Bridge collapsed in the early hours of June 28, 1983, resulting in the loss of three lives and severe injuries to three others. Beyond these personal tragedies, this situation has disrupted the lives of residents and commerce along the entire Northeast corridor. The 90,000 cars and trucks which traveled this bridge daily are being diverted onto unsuitable, alternative routes, creating safety problems for motorists and local residents and significant economic injury to businesses in the area and the region.

I believe that it is totally appropriate for the Congress to act expeditiously in this matter so as to extend some hope that the Federal Government recognizes the regional and national consequences of this tragedy. While action today will not rebuild this bridge overnight, it is a signal to the involved residents, commuters, and businesses that we will not allow this situation to become mired in technical disputes. All those involved and affected are prepared to bear a share of the burden created by this situation and share in restoring the area's transportation network, so long as there is some assurance that there is progress with respect to the ultimate restoration of the bridge.

This action extends that hope and a very tangible commitment of resources. Once again, I commend and join with Senator WEICKER in this effort and urge my colleagues on the upcoming conference committee on the bill to include this provision in the final version of this legislation.

Mr. LAUTENBERG. Mr. President, I rise in support of H.R. 3329, a bill providing funding for mass transit, highways, aviation, and other programs for fiscal year 1984.

The mass transit levels of funding in this bill are considerably higher than those contained in the President's budget. In addition, H.R. 3329 contains no cap on mass transit operating assistance. Nonetheless, there are reductions in both discretionary and formula grants from the levels contained in the House bill. I support the House levels and I would urge that the conferees on this bill increase mass transit support.

Mr. President, the administration's budget would have drastically curtailed mass transit operating assistance, causing increases in fares across the country. In New Jersey, there will be a 9-percent increase in bus and rail fares even without cuts in Federal support. Had the President prevailed, those increases would have been much higher. This bill helps us hold the line on transit fare increases.

H.R. 3329 also includes the reinstitution of rail services between Atlantic City and Philadelphia. Amtrak and the State of New Jersey will be able to resume service under conditions set out in the House bill. At the request of Senator BRADLEY and myself, language mandating the provision of commuter service by the State was included in the committee report. The State will also have to raise 40 percent of the project funds from non-Federal sources. The State must also provide for safety needs and environmental concerns in the context of its operating plan. By including this provision, the bill provides New Jersey with an opportunity to develop the core rail line in a rapidly growing part of the State.

Finally, Mr. President, this bill also contains $6 million in ear-marked funds for interstate transfer grants for transit, the same level as the House. The obligation ceiling on highway construction, 4R and other highway trust fund programs including bridge repair is set at $12.6 billion. One hundred million is provided for the Northeast Corridor improvement project to enhance service on Amtrak lines through New Jersey and other Northeastern States.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS), are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Nebraska (Mr. EXON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Hawaii (Mr. MATSUNAGA), are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON), would vote "yea."

The PRESIDING OFFICER (Mr. KASTEN). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 5, as follows:

[Rollcall Vote No. 196 Leg.]

YEAS—86

Abdnor	Grassley	Murkowski
Andrews	Hart	Nickles
Baker	Hatch	Nunn
Baucus	Hatfield	Packwood
Bentsen	Hawkins	Pell
Biden	Hecht	Pressler
Bingaman	Heflin	Pryor
Boren	Heinz	Quayle
Boschwitz	Huddleston	Randolph
Bradley	Inouye	Riegle
Bumpers	Jackson	Roth
Burdick	Jepsen	Rudman
Byrd	Johnston	Sarbanes
Chafee	Kassebaum	Sasser
Chiles	Kasten	Simpson
Cochran	Kennedy	Specter
Cohen	Lautenberg	Stafford
D'Amato	Laxalt	Stennis
Danforth	Leahy	Stevens
DeConcini	Levin	Thurmond
Denton	Long	Tower
Dodd	Lugar	Trible
Dole	Mathias	Tsongas
Domenici	Mattingly	Wallop
Durenberger	McClure	Warner
Eagleton	Melcher	Weicker
Ford	Metzenbaum	Wilson
Garn	Mitchell	Zorinsky
Gorton	Moynihan	

NAYS—5

Armstrong	Helms	Proxmire
East	Humphrey	

NOT VOTING—9

Cranston	Glenn	Matsunaga
Dixon	Goldwater	Percy
Exon	Hollings	Symms

So the bill (H.R. 3329), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ANDREWS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ANDREWS. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. KASTEN) appointed Mr. ANDREWS, Mr. COCHRAN, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. HATFIELD, Mr. CHILES, Mr. STENNIS, and Mr. EAGLETON conferees on the part of the Senate.

Mr. BYRD. Mr. President, while we have several Senators on the floor, especially from my side of the aisle, I want personally to congratulate the Senator who has managed this bill, Mr. ANDREWS, and the Senator on this side, Mr. CHILES.

Mr. BAKER. Mr. President, while I have the floor, and if the minority leader will permit me to do so——

Mr. BYRD. The Senator does not have the floor.

Mr. BAKER. The minority leader has the floor, and if he will permit me to do so——

Mr. BYRD. I yield.

Mr. BAKER. I, too, would like to thank the distinguished managers of the appropriations bill just passed, Senators ANDREWS and CHILES, the subcommittee chairman and ranking minority member.

I thank as well the chairman of the committee, Senator HATFIELD, and the ranking minority member for permitting us to reach now the fifth of the regular appropriations bills and to pass them on this 15th day of July. That is good progress indeed on the appropriations process.

We have now passed seven appropriations bills, which include, of course, the emergency supplemental, and the 1983 supplemental, and that is good work, and I wish to express my gratitude to them.

There is another appropriations bill that has been reported out, and I hope we can get to it sometime early next week. That would be the military construction bill. We will not try to reach that today or tomorrow, but some day next week, early next week, I hope. I will take up with the minority leader the possibility of scheduling that during the course of our deliberations.

Mr. BYRD. Mr. President, the majority leader has and the Senate has done a good job in connection with moving the appropriations bills along.

I want to thank the House leadership at this point for the record for moving the appropriations bills over here in a timely fashion, and I thank my colleagues for allowing us to waive both the 3-day rule and the 1-day rule on the appropriations bill that was just passed.

SENATE SCHEDULE

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BYRD. Mr. President, I want the majority leader to have the opportunity to tell the Senate about the program for tomorrow. He has said he is going to be here and he has said there are going to be votes. I have asked my secretary for the minority to personally contact all Democratic Senators and tell them that the majority leader means business in this instance, and this is no joke. He has his name on the line, his neck is out there, and I have seen the time when I was in the same situation when I had to do it or else they never would believe me.

So I want the majority leader to state what the program will be for the rest of today and tomorrow.

Mr. BAKER. I thank the minority leader. He is absolutely right. There is an order for the Senate to convene at 10 a.m. tomorrow and we will convene at 10 a.m. It is the anticipation of the leadership that we will have a full day extending until about 5 p.m. on Saturday, about 6 p.m. today, about 5 tomorrow.

I fully expect a number of rollcall votes on Saturday. I can assure Senators, I believe I can assure Senators, there will be an ample quorum here, so they should not assume it is going to be a formality, that you are not going to miss much.

I regret this is necessary, but I believe it is necessary, and I am acting on that good faith belief.

I have no illusions about our finishing tomorrow. I am not even sure we can finish Monday, but I am convinced if we are to discharge our obligation to do the work of the Senate between now and August 5 it is essential that we continue to debate this bill and act on this bill and the amendments that are offered to it on tomorrow. So we will be in today until about 6 p.m. We will be in tomorrow until about 5 p.m. We will come in Monday at noon and resume consideration of this bill, if necessary, and I expect it will be.

Mr. BYRD. I thank the majority leader. I did not want to impose on him unduly, but I thought it would be well if some of our colleagues who are here heard exactly what he had to say about tomorrow.

Mr. BAKER. I thank the minority leader.

Mr. TOWER. Mr. President, what is the pending business?

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The PRESIDING OFFICER. The question recurs on the pending business, which the clerk will report.

The acting assistant legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

AMENDMENT NO. 1494

(Purpose: To terminate the MX program in favor of a system of small, single-warhead ICBMs)

The PRESIDING OFFICER. The pending question is the Moynihan amendment No. 1494.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Texas.

Mr. TOWER. Mr. President, the pending business is the Moynihan amendment, which is very straightforward. It would delete the funds for the MX or delete the authorization for the MX. I gave my assurance to the Senator yesterday that I would not move to table until there had been a reasonable time for debate on the issue. We expected that time to be around 12 o'clock, or shortly thereafter, but it is already 12:30 and we have not even begun. So I reiterate that assurance to the Senator from New York and suggest that if he has any more to

say on the matter that we will be glad to listen.

Mr. MOYNIHAN. Mr. President, I thank the distinguished and gracious Senator from Texas, who is managing this legislation. I have told him earlier, as I have told the majority leader, Mr. President, that at this point I would withdraw my amendment an amendment cosponsored by Senators BRADLEY, LAUTENBERG, HOLLINGS, and GLENN. I do so now for the following reasons, about which the Senate should be quite clear.

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Will the Senate be in order?

The amendment is withdrawn.

The Senator from New York is recognized.

Mr. MOYNIHAN. I thank the distinguished presiding officer.

I have been in discussion with Senators on both sides of the aisle who have expressed interest in this matter of the MX missile. It is their judgment, which I share, that there are certain other amendments relating to the subject which ought properly to be voted on first. Mine comes at a certain point in a logical cascade, and that time will come.

I see my friend from Colorado has risen and I am happy to yield to him for a question.

Mr. HART. Mr. President, I merely wish to state, both to the Senator from New York as well as to the distinguished floor manager, that, to whatever degree some misunderstanding results from this, the fault is mine and probably was out of the failure to communicate with the Senator from New York by the opponents of the specific item here as to how best to proceed.

The Senator from New York was proceeding in totally good faith and I understand he did have an arrangement with the Senator from Texas to proceed on this issue. There will be a vote on a simple striking amendment against the MX at some, I think, reasonable time. It is the feeling of those who are opposed to the missile that that is probably the simplest way to approach it.

The Senator from New York has a serious amendment that ought to be, and will be, seriously discussed, both now and later. The amendment, which I support, transfers funds from the MX account to the proposed new mobile single warhead system. That amendment will be taken up at an appropriate time and voted on. The floor manager has the assurance of that.

I merely make the statement so that the floor managers and the Senator from Texas understand that any misunderstanding as a result is not the fault of the Senator from New York.

Mr. MOYNIHAN. Does the Senator from Texas rise for a question?

Mr. TOWER. No. The Senator from New York has the floor. I was seeking the floor in my own right. The Senator has the floor.

Mr. MOYNIHAN. May I recapitulate briefly the essence of the remarks I made last night at a late hour, when not every Member of this body was able to be present.

I had sent to the desk an amendment which had the simple purpose of deleting all the funds provided in the authorization bill for the deployment of the MX missile and expressing the judgment of the Congress that efforts instead be directed toward development and deployment of the missile we have come to speak of as the Midgetman, a relatively small and mobile single-warhead ICBM.

The total sums involved are not large in the context of defense budgets, and only a fraction would likely be transferred immediately to this new role. But a large decision would be made that we would not deploy the MX missile in the existing, unimproved silos of the Minuteman force.

Why forego deployment of the MX, Mr. President? Because deployment of the MX in such a configuration would mean that, for the first time in the history of U.S. strategic doctrine, we shall have deployed a nuclear weapon in a first-strike mode. And not just any such weapon, but the most powerful weapon we have ever produced in its effectiveness, range, and accuracy—and a MIRV'd weapon system, moreover, consisting in all of 1,000 warheads.

Now, Mr. President, an objection might be offered by well-informed and well-meaning persons who would say, "Is it not true that the existing Minuteman, being nonvulnerable to a first strike, are of necessity themselves first-strike weapons?" The answer to that likely query is very simple: It is that while yes, indeed, the Minutemen have become such a force, they were not originally deployed as such a force. At the time they were deployed, there was no Soviet capacity to destroy them in a preemptive strike. To destroy some randomly, yes, that was always possible. But to eliminate this land-based portion of the triad, no, that was for many years not within the capacities of the Soviet forces.

But we deal here with a constantly changing technology and a constantly improving technology. In consequence, by an almost perceptible creep, the accuracy and the power of Soviet missiles and, once MIRV'd, the number of warheads, become such that the previously invulnerable Minuteman fields, initially deployed in a manner consistent with the concept of deterrence which has been at the heart of American strategic doctrine from the beginning of the strategic era—Dr. Wolstetter's second strike, you might say—suddenly has been lost to us. Nothing we had done made the vulnerability disappear. It was something the Soviets did.

They improved the probable accuracy of their warheads from a 200-meter range of error to 100 meters, then to 75, to 50, to 25—and suddenly a moderately hardened missile, previously inaccessible, previously well dispersed, became vulnerable.

The decision to develop the MX was not made in the specific context of that vulnerability, but it had no more than been made than that vulnerability became evident. And so it has been part of the dynamic of our discussion since 1972.

I make the point, however, Mr. President, that when it was agreed that the Air Force should have a new missile, it was specified by Congress in the most explicit terms that it would be a missile able to be deployed in a deterrent mode, which is to say a mode capable of being used in retaliation, that is as a second strike.

In the course of deliberation on the defense authorization for fiscal year 1976 and fiscal year 1977, the Senate determined, and the House in conference agreed—I quote the committee report before us:

> That studies will not be conducted for a fixed base ICBM because of its questionable survivability.

I regret the administration has chosen to call this missile the Peacekeeper. May I suggest that is a vulgarism out of Hollwood, a not very good joke about people who shoot down other people in saloons. One imagines a frontier sheriff in a "B" movie who has nicknamed his shotgun "Peacekeeper." It is all right for the Hollywood type, but it is not appropriate to the single most serious subject, the safety of the world in the nuclear age. But Peacekeeper is what the administration has chosen to call this system.

The MX Peacekeeper program history, according to the committee report:

> In 1972 after extensive analysis of the existing U.S. intercontinental ballistic missile force and ways to maintain the deterrent value of that force for the future, the Strategic Air Command articulated a requirement for a new ICBM. It was determined that this new missile should have these qualities:
>
> It should preserve the synergistic features of the strategic triad and the unique characteristics of the ICBM; provide improved counterforce capability; and be based in a survivable manner.

Synergistic, Mr. President, is, of course, a term for that circumstance wherein one aspect of a system improves the performance of another aspect of the system. It is a nice term when you refer to the triad when each leg supports and makes the whole stable. Absent one, there is instability.

In 1972, the Air Force prescribed, and the Congress agreed, that the land-based leg of the strategic triad should be based "in a survivable manner."

In a very short order, the need to proceed with some speed in this matter was accentuated as the Air Force and the intelligence community determined that the Minuteman silos had become vulnerable, that they could no longer be described as deployed in a survivable manner—that, as I said earlier, through no act or omission by the U.S. Government they had become first-strike weapons. Inadequate first-strike weapons, moreover, not threatening any significant portion of the Soviet ICBM land-based forces, but weapons that you could either use or would stand to lose.

Mr. President, last night I described what struck me as high folly, as irony beyond my capacity as an ironist adequately to describe: Having left the Minuteman field and wandered 11 years in the desert looking for a home, a survivable mode in which to deploy this new missile, a mode in which it could be deployed "in a survivable manner," where do we find ourselves? What did we end up doing? We went back to the very holes in the ground which, because they had become vulnerable, we decided we had to replace with a new missile that would not be vulnerable to a first strike.

Mr. President, there is a leakage of reality from people who cannot remember after 11 years what they started out to do.

A fanatic has been described as a person who doubles his efforts when he has forgotten his purpose.

Mr. President, I suggest that we are doubling our efforts now that we have forgotten our purpose. We wanted to deploy a missile that would restore the triad's stability and synergistic quality, a survivable ICBM. And what have we done? We propose to put it in precisely those very silos targeted with dedicated Soviet warheads, targeted against each. The Soviets would therefore be irresponsible as military planners to think we had done anything but make a profound change in our strategic doctrine and had decided to deploy our newest, most powerful missile in a first-strike mode, whereupon the world would be set on 30 minutes' notice of destruction, 30 minutes to determine whether a launch had occurred and decide whether a launch on the basis of that warning should take place in response.

What a foolish thing. What a reckless thing. Were it not for my high personal regard for my colleagues with whom I disagree, I would say what a wicked thing.

Mr. President, let me now turn to the arguments presented in the report of the Scowcroft Commission, which in part have led to the present proposal before us.

As I said last night to the Senate, though I do not wish to make an assertion beyond the available evidence, it is nonetheless my clear impression, and that of other Members of this Chamber who know the persons involved—I myself know a number of the persons involved, as I served in the Cabinets of two Presidents with them—the members of the Scowcroft Commission do not want to put this MX into unimproved Minuteman silos. They want us to move to a mobile basing system. The MX in an earlier configuration was to be, in one sense, mobile. Yet, it is just too big to be mobile. One would have had to dig up half of Nevada and Utah to make it mobile. Predictably enough—and I may say I predicted this, Mr. President, I predicted it would turn out thus—it turned out there were two Senators from Nevada and two from Utah, and they would object.

I would make the same prediction respecting all 50 States, and I would add the Governor of Puerto Rico. It is in the nature of representation not to be very agreeable about these things.

It turned out the mobility was not possible for the MX; 195,000 pounds is a lot to lug around in a racetrack, or a "dash-for-shelter," or this mode or that one.

The Scowcroft Commission said, "Go to a smaller missile," a missile which it calculated to be about 15 tons, or 30,000 pounds, about one-sixth the weight of the MX missile, a manageable weight, a weight that you can handle in many different transportation modes and therefore make mobile.

As I said last night, Mr. President, the Soviet Union has made the same decision. they have made exactly the same decision. They have been developing what we refer to as the PL-5—the name indicating the rocket range at Plesetsk—a yet smaller missile, more manifestly mobile.

Mr. President, I said last night that the 1950's had been the era of the development of the great land-based ICBM's. In all truth, the technology was not that radical. What was the Jupiter, what was the Titan? They were V-2 rockets with an atomic bomb on the tip. World War II technology, true, but nothing radically different from that which the Germans and the Americans respectively had developed.

But, Mr. President, as I also said last night, the practice of armies to fight the last war, of organizations to remember their last occasion of stress, is endemic to human organizations. It is hard to break out into new ideas. But it is obvious that technological facts have driven both the Soviet leadership and the American leadership to a principle of mobility, a principle that has as one of its ironies the fact that, if you want stability in the relations between the two nations, you may need more missiles and fewer warheads.

But the missiles must be invulnerable to a preemptive strike, for stability to be the result. The world must not be on 30 minutes' notice of a possible war—possibly a final war.

Curiously, the same thing happened with respect to airplanes. I reveal no secret, Mr. President, save to those who forbid themselves the pleasure of reading Aviation Weekly, when I say the Soviets have developed a new supersonic intercontinental airplane. It is called the Blackjack. That is one in a series of names agreed to in NATO. There was the Bear and the Backfire, now the Blackjack. Blackjact sounds a lot more formidable than Backfire, which sounded like it did not work. Nevertheless, the Blackjack, when you see a picture of it, plus or minus a few yards, plus or minus a few details, is a picture of the B-1 we have agreed to build.

I voted for it. We are going to build that B-1. Yet we should know the Soviets are building exactly the same plane. One needs only take a look at it to know this.

I was once in the Navy and spent hours trying to recognize the profiles of Japanese fighter planes and bombers and never had any success whatsoever. I think the profile of the new B-1 and the Soviet Blackjack would fool most people in this Chamber, even the best aircraft spotters. Why do they look alike? Because physics is the same in the Soviet Union as it is in the United States and it is especially the same in high altitudes above either.

Why do they have mobile missiles? For the same reason we want to go to mobile missiles. Why, then, have we retained this anachronism of the MX and, worse yet, placed it in the Minuteman silos, thus inviting the final mistake of mankind—that our purposes be misread by the Soviet high command and a preemptive war take place because they thought we might be planning a preemptive war?

Imagine the levels of tension in an international crisis, in addition to the prospect of armies crossing borders or other kinds of actions. The Soviets have to face the prospect that, at any moment, the President of the United States could launch a strike which, in 30 minutes, would destroy their ICBM force—imagine the level of tension.

Think of the White House, think of the situation room—do not think. You will not have to think if we let this machine out of this building. Are we cutting any out? No, we are building the B-1 bomber. Let us put the money into the Midgetman, let us go forward with the D-5.

Let me be clear, Mr. President: Advocates on this side are not uniform in their views, but I speak to mine. I have

voted for every Armed Forces bill, authorization or appropriations, since I came to the Senate. I will not vote for this one if it retains the MX in the Minuteman silo.

I voted yesterday for Senator LEVIN's proposal to increase spending for conventional combat readiness. I voted for the B-1, have done, will do.

Why does the Scowcroft Commission propose to us that we build this MX, which, on the face of it, seems such a mistake?

Well, they say two things. First, they make an argument not wholly worthy of them, that this is a test of American will, that we have to show them we can do it.

I think a test of American will would be the capacity to stick to a proven strategy of deterrence—a strategy whose validity has been borne out against the expectations of every nuclear scientist of whom I am aware who worked on the Manhattan project. These men expected that by now there would have been an exchange of aggressive nuclear weapons between the major powers. Very few people know how deeply pessimistic the original atomic scientists were about the prospects for peace, why the Bulletin of the Atomic Scientists was first published with an emblem of a clock face on the masthead and the clock reading 5 minutes to midnight. That is what they thought; it was ticking away and that is what they thought would happen.

It has not happened and it has not happened because the United States has developed a strategy which we could not, in the first years, persuade the Soviets about—deterrence—which, even so, has deterred.

Now we do find that the Soviets are moving in the same direction as we. At just that moment, we reverse our direction and move in the direction from which they are departing.

Mr. President, I shall not invoke references to national will. I do not like that. I recognize meaning to the words but, in making this kind of decision, national intelligence, national prudence, and national experience are more to be summoned than simply will. It takes no will for us to vote this amount of money or that amount of money. We do not have to carry it anywhere; we do not have to take it out onto a range or into trenches and do anything ourselves with it. We are working in an air-conditioned building and we can continue to do so.

There was another statement the Scowcroft Commission made which I found important and persuasive and which in my view does have to be dealt with. That says that we must have a credible capability for controlled, prompt, limited attack on hard targets ourselves. That is right. That is what deterrence is about.

This capability casts a shadow over Soviet risk-taking at every level of confrontation with the West. Consequently, in the interests of the Alliance as a whole we cannot safely permit a situation to continue wherein the Soviets have the capability promptly to destroy a range of hardened military targets and we do not.

Now, Mr. President, that is a fair proposition but does it accurately describe our situation? I would like to make the point that it does not.

In the first case it is the fact that we are at this very moment building and deploying cruise missiles. Cruise missiles have the capacity to strike hardened military targets wherever they are aimed. We will launch them from the sea, we will launch them from the air, and we will launch them from the ground. They have a long flight time, we acknowledge. They also possess devastating accuracy. They can be deployed anywhere. They can be sent out the back door of the Senate and go halfway around the world and come back in the front door of the Senate. We have them. They are at Rome Air Force Base in New York State. They are other places. They will very shortly be in Europe, under the terms of an agreement NATO reached during the last administration. President Reagan has continued with that commitment. I have no disagreement with it. I do not welcome the tension it is going to produce, but I see why he is going forward and I support him in that.

So there is the cruise missile, a capability promptly to destroy a range of hardened military targets. That is the criterion the Scowcroft Commission asks.

Then the B-1 bomber, with much technology added to it, which we have just proceeded to put into serious production, 48 a year I believe was the rate agreed to by the Senate yesterday. This is the first new bomber we will build since the B-52, which is now almost 30 years from its first production. I understand there is a case in which a particular B-52 is being flown by the son of a pilot who flew it 25 or more years ago. But we shall shortly have a brand new, top-of-the-line, edge-of-the-technology, state-of-the-art bomber fleet.

Now, they are capable of promptly destroying a range of hardened military targets, more so as they carry cruise missiles.

In the early 1990's we are going to have deployed underwater in the Trident submarine the D-5 missile. It will be a hard target intercontinental sea-launched missile, the like of which the world has never seen. And we can reach out and touch the early nineties—it is underway. The ships, the launchers have already been built. One ship is at sea. I think another has been launched. That strategic program is on its way.

And, finally, the mobile missile. It says in the Scowcroft report that, though we could begin very quickly, it might be the early nineties before we can deploy it. Come, come, Mr. President. Is it not the case that when we decided that we needed the original Minuteman, we went from the start of full-scale development to deployment in about 4 years?

Mr. President, could I repeat that? This was once a country whose people could do things in a hurry if needed. We built the Minuteman from a dead start to full-scale development to full-scale deployment in about 4 years, and we could do the same with the Midgetman.

Let me say something which I hope will not give offense to any of the services—because I do not mean to do anything of the kind. The record is clear—there is no question about the record—that, just as the Minuteman is an Air Force missile, so the MX is an Air Force missile.

Now, we know about the Air Force and the Army.

We are about to deploy in Western Europe, again under agreements reached at NATO in the administration of President Carter, the Pershing II missile.

Now, Mr. President, the Pershing II missile based in Western Europe with two stages is a devastatingly serious weapon—a mobile weapon, the deployment of which is one of the great strategic tactical decisions of the Western nations in this postwar generation.

Now, what is it about the Pershing missile that makes it different from the Minuteman or the MX? Hearing no answer, I will reveal the secret. The Pershing is an Army missile and the others are Air Force missiles.

Now, in the Soviet Union today the armed services, with a much higher degree of central decisionmaking in these matters, are taking the SS-20—and remember, we are deploying the Pershing II in consequence of the deployment of the SS-20—and adding to it a third stage and out comes what we now call the PL-5, a mobile intercontinental ballistic missile.

Is there any reason why we could not add a third stage to the Pershing and produce the same? No, there is not. There would be technological problems, engineering problems, but no conceptual problem except an organizational problem. The organizational problem is that the Pershing belongs to the Army, and the new missile would belong to the Air Force.

Are we to assume that this is beyond the capabilities of the Secretary of Defense and the President to resolve, or beyond the powers of this body to direct a resolution of this schism? Of course not.

We could have that mobile Midgetman deployed in this decade. We have already deployed the cruise missiles, which meet the criteria of the Scow-

croft Commission. We are building the B-1 bomber, which can deliver them and deliver warheads of its own, of a ballistic kind. The Tridents are at sea, and the D-5 is on the development line and soon will be on the production line.

Mr. President, how, then, can we go through with this foolish, this reckless, and—as I said earlier, in my view—this wicked decision to go back in time to a missile that has never found a home which, once we deploy it as we propose to deploy it, will put the world on 30 minutes notice to annihilation?

I cannot believe we will do that. No, I cannot quite believe we can do that. Men have done things almost as bad. But never something as dangerous as this will be if we go ahead, and that we need not do.

If some of us are asking Senators to think about that subject, I hope they will not see it as an effort to delay the decision but only as a prayerful effort to have every Member of this body fully comprehend what that decision entails.

Mr. President, I see my distinguished friend from Colorado is on the floor, and I am happy to respond to his questions, or I will yield the floor, if he wishes to seek the floor.

Mr. HART. Mr. President, if the Senator will yield, I just wish to congratulate him once again for putting his finger at the center of this issue and for stating why a clear understanding of the implications of this issue is so important to the Senate and to this country, and why that understanding is not available today, and will not be reached within 2 or 3 hours.

There is a major turning point involved in this issue. It does represent a change in fundamental doctrine, both in terms of the kind of nuclear response we intend to make and how that response might be made.

The Senator from Colorado believes—and I am pleased to hear that the Senator from New York agrees—that many people in this country do not understand that fundamental fact.

I am under no idealistic illusion that even 2 days of extended debate in the Senate—3 or 4—will necessarily bring that about. But it certainly cannot hurt.

Down the road, if any citizen says, "Why weren't we warned?" there at least will be a record. My hope is that it is more than that. My hope is that the Senate of the United States, at its best, can emerge in the next 2 or 3 days as an institution which informs, which educates, which brings to the mass of people in this country information sufficient, in the Jeffersonian sense, for those individuals to reach, in their own wisdom, judgment, and commonsense, what is the best decision for their own future.

If this debate remains locked up Friday and Saturday, or whenever, in this Chamber, we will have done no good except to create that record for the future, so that then people can say, "It was not I."

That is not what we are here to do. What we are here to do is to let people know that this is not just another weapons system. It is not just another nuclear weapons system. It is a historic departure.

My belief, in talking to my constituents and others around the country, is that there is not at the present time a sufficient appreciation of that departure for the American people to make a judgment on their own future.

So I welcome and appreciate the fact that the Senator from New York has pinpointed the fundamental issue.

I have my own statement in support of his position that funds should be transferred to a nuclear warhead system, which I have supported for well over a year, well before the Scowcroft Commission. Depending on the wishes of the floor manager, the Senator from Texas, I can either make that statement now, in support of the Senator's position, or we can yield so that other amendments may be offered.

Mr. MOYNIHAN. I thank my friend. I acknowledge his leadership in this matter. That is why he is here. He could be other places; he has other things to do. Yet he is here, where duty suggests he should be. More people should be here.

What Senator HART and I ask is that, if we make a decision, it be in the name of the American people, who know what we are deciding. They do not know it yet. We seek to inform the people.

We hope that our voices reach beyond this Chamber, but that we shall hear back, that we will be confirmed in our judgment that the American people desire to prevent this profound change in American strategic doctrine which puts the world on 30 minutes notice to annihilation. Mr. President, I have said that once, and I need not say it again.

The distinguished floor manager of this measure is occupied with reading material. The Senator from Colorado asked whether it would be the wish of the Senator from Texas that he proceed on this particular proposal at this point. I see that I have the attention of both Senators; therefore, if it is agreeable, I yield the floor.

Mr. HART. I thank the Senator from New York.

Mr. TOWER. Mr. President, I think it would be useful for Senators to know what we are about today.

Three amendments have been filed relative to the MX—one by Mr. KENNEDY and others, one by Mr. HART and others, one by Mr. MOYNIHAN and others. I believe that the one with Mr. MOYNIHAN's name on it has been submitted and withdrawn. Am I correct in that?

Mr. MOYNIHAN. That is correct.

Mr. TOWER. What I should like to inquire is this: Do the Senators know of any other amendments on the MX that are likely to be offered? Can the Senator from Colorado respond to that?

Mr. HART. Mr. President, it is my understanding there are several other substantive amendments that are in preparation and may be offered today or tomorrow, but I have not yet seen those or seen the authorship of those.

At the time they are available we will make them available to the chairman.

Mr. TOWER. It is my understanding that the Senator from Colorado wishes to seek the floor and talk but not send an amendment to the desk, and I get the impression that it is the intention of the opponents of MX not to permit any of their amendments to come to a vote today; am I correct in that?

Mr. HART. As to the proponents of the amendments which the Senator mentioned, including the one offered by the Senator from Colorado and the Senator from Oregon (Mr. HATFIELD), we are prepared to go forward with debate on those amendments and reserve when the amendments themselves are offered.

Mr. TOWER. May I ask the Senator this: Would he be prepared to agree to a controlled time arrangement for debate on his amendment of, let us say, perhaps 2 hours to a side and then bring that amendment to a vote this afternoon?

Mr. HART. I would, of course, want to consult with the cosponsor, Mr. HATFIELD, who as the floor manager knows was occupied in the Appropriations Committee all day yesterday and, therefore, unable to be here for what limited discussion we had.

Senator HATFIELD told me he does have substantial remarks to be made this afternoon. I do not know at what length. I would consult with him. I can finally say at this time we are not prepared to enter into a time agreement but we are prepared to debate the amendment. I know there are other Senators who also wish to debate specific amendments.

Mr. TOWER. Mr. President, I think the matter is very clear. It is the apparent intention—and I say "apparent" because I do not see how it could be proved. I do not have the quickest mind in this body but I am not naive, and it occurs to me that the proponents of these amendments addressed to the MX wish to have what Everett Dirksen used to call an attenuated educational dialog. That is a euphemism for another word which I will not mention at this time. But we are in for protracted debate. It is the ap-

parent intention of the proponents of these amendments addressed to the MX not to permit the Senate to vote this week on such amendments or certainly not to conclude action on this bill which we could very easily do.

There are very few amendments remaining. They could be disposed of today and tomorrow and still have considerable, I think, adequate debate on MX.

Obviously, there are some determined men in this Chamber, perhaps ladies also, who do not want the Senate to complete action on the bill this week.

I wish to ask the Senator from Colorado if he can specify at what time this week or next he would be willing to see us conclude debate on the MX amendment because we can easily dispose of the other remaining amendments? In other words, what day would he be willing to see us go to final passage, to make a long story short?

Mr. HART. Mr. President, if the Senator will yield, first the Senator from Colorado responds and would like to say, as the Senator from Texas has two or three times today said, that there are still pending amendments on other issues not related to MX but related to the bill. I understand that those can be disposed of.

I do know, however, that periodically new amendments keep popping up on my desk.

Mr. TOWER. That is what happens. That is one reason we wish to dispose of the bill because the longer a bill is before the Senate the more it becomes, as the tort lawyers say, protracted usage.

And there are all sorts of things. Of course, due to the looseness of the rules of the Senate, nongermane amendments can be offered. This may become a vehicle for all sorts of things.

We should do our work with dispatch because appropriations bills are backing up behind this bill.

We cannot act on military construction appropriations, for example, until we have acted on this bill which contains the military construction authorization. And already the length of time that apparently this bill is going to take is denying Senators the opportunity to be out the first week in August. It could conceivably impact on the total August recess.

At what point this week or next would the Senator from Colorado be prepared to see the issues resolved as far as MX and as far as that is concerned go to third reading of the bill?

Mr. HART. The Senator from Colorado was attempting to answer the question before I was interrupted.

Mr. TOWER. I am sorry. I did not mean to interrupt the Senator.

Mr. HART. In any case, I merely took note of the fact that there were a dozen or so pending amendments unrelated to MX but related to the bill, and there seem to be others springing up which the Senator from Colorado had no control over whatsoever.

Mr. TOWER. Let us say, if we can dispose of all of those today or tomorrow, then all that is standing out there naked are the MX amendments and perhaps a nuclear freeze resolution.

Mr. HART. The Senator from Colorado continues to try to answer the question. The Senator from Colorado will further take note——

Mr. TOWER. And I know he is struggling to do so.

Mr. HART. Under very adverse circumstances. Neither the Senator from Colorado nor anyone else that I know of opposed to MX is making any effort to stop any other legislation. A transportation appropriations bill went through here today. It took some time. And any other backed-up measures, with the possible exception of military construction appropriations, are free to move through these corridors.

On the specific question of MX, I can only report for myself and not the other 12 to 15 sponsors of the Hart-Hatfield amendment or 39 Members who voted against MX before.

I intend to do what I can to stop the MX missile in this bill, and I cannot respond for anyone else in that regard. At some point there will be an amendment, and there will be a vote on the amendment. When that will occur is presumably some time next week.

Mr. TOWER. That partially answers the question. Next week.

Mr. HART. I said presumably.

Mr. TOWER. Is there any particular day next week that the Senator from Colorado would be prepared if he were asked to participate in a consent agreement on a time certain to vote on final passage of the bill? What day next week does the Senator from Colorado think that might be?

Mr. HART. If the Senator will yield, I would not be able to respond to that at all without talking to 15 other Senators.

Mr. TOWER. Let us make another thing very clear here. The Senator from Colorado is a very able, distinguished, and learned man, and I rather suspect that he is the spiritual if not the actual leader of the anti-MX forces on the floor. Therefore, I think he has a great deal of influence over the course of events that affect this bill.

Would the Senator, if it were left to him, be prepared to see us go to final passage on Monday?

Mr. HART. If the Senator will yield once again, I appreciate the Senator's overly generous description, which is unrealistically generous. I am not trying to avoid an answer. I do not know what the answer is.

My answer, and I am only one, and I do not speak for anyone else here, is that I intend to do what I can to prevent funds for the MX-missile production from passing.

Mr. TOWER. Would that include filibustering final passage of the bill?

Mr. HART. At this point the Senator from Colorado is not prepared to say what that includes or does not include. I do not intend to speak for anyone else here as to what their intentions are. There are other Senators who feel equally strongly that this is a very serious mistake.

I think the Senator from Texas should direct his question to each of those individuals since I do not control their behavior or their judgment.

Mr. TOWER. Then I shall direct it to each of them in turn as they appear in the Chamber. I am sure they will be greatly influenced by the attitude of the distinguished Senator from Colorado, and I suspect we can get beyond the ambivalence we seem to have on the issue at this point.

Let me ask the Senator from Colorado one further question: If all of the amendments on MX had been disposed of in a manner displeasing to the Senator from Colorado, is he prepared or does he intend to carry on a protracted debate on final passage of the bill?

Mr. HART. The Senator from Colorado wishes to keep all of his options open at this point.

Mr. TOWER. The Senator from Colorado would make Fred Astaire look like an amateur. That is one of the nicest jobs of footwork I have ever seen in the Senate, and I have seen some that are pretty classy.

The fact is the Senator from Colorado would not commit himself. I think that is the bottom line, so that we know what we are in for now, and I think everybody ought to understand that. I think this, of course, raises the prospect of the possibility of having to file cloture on the bill.

As I said this morning, the MX issue is not new. To suggest that it requires very extensive debate to properly inform Senators is, in my view, an insult to Senators who have already legislated on this subject, who have already debated this subject, and if indeed they are serious about the business relating to issues of the MX, the best way to do it is to call up an amendment so that we have a specific proposal before the Senate that both the proponents and opponents can debate on its merits.

There are varying degrees of support for MX. I do not think we can say there is a monolithic opinion on either side. So it is very helpful to clarify the attitude of the Senate on these various issues relating to MX to have a specific amendment before the Senate that we can debate, and ultimately debate must come to a close, and we

must draw a conclusion, and that conclusion is reflected in a record vote.

It appears obvious to me that the Senator from Colorado is unwilling to commit any kind of an arrangement that would give us some idea about what we are going to be about, and the suggestion is that this bill could go to the end of next week. I would hope it would not, and I would hope we could invoke cloture, if necessary, to beat back a postcloture filibuster, if that is necessary, and I hope we can spend several evenings in this lovely and historic Chamber, it is rather nice here at 2 a.m. in the morning, very quiet, not a lot of people out in the corridors here to impede your progress from one move to another.

Mr. HART. Mr. President, will the Senator yield?

Mr. TOWER. I will yield to the Senator from Colorado.

Mr. HART. In that respect it is even nicer at 5 a.m.

But the issue—there is an issue before the Senate and I think we all understand what it is. It will be formalized in an amendment which seeks to strike authorization for production and deployment of the MX. That is the issue. We all know what the issue is.

Mr. TOWER. May I say——

Mr. HART. May I finish?

Mr. TOWER. Yes.

Mr. HART. There is no question about what the issue is, and the Senator from Colorado is not trying to obscure that or anything else.

Other Senators in their own personal judgments have different approaches to this question. For instance, the Senator from New York wishes to transfer those funds to the Midgetman. That is a position I find acceptable, not necessarily advisable but acceptable. Other Senators want to do other things. Some want to recommit the bill with instructions to sever the MX issue. That is not my approach. I will probably support it when it comes up.

My approach is to strike all funds.

I want to make sure when the vote on that question occurs—and I assure my colleague it will occur at an appropriate time—that all Members of the Senate understand what they are voting on. We have only debated the MX in fixed silos a few hours.

Mr. TOWER. The Senator said an appropriate time. Would he define the term "appropriate" as he uses it in the context of his statement?

Mr. HART. I would think appropriate——

Mr. TOWER. Does that mean after the House acts on MX?

Mr. HART. As the Senator from Colorado has assured the majority leader, in my own mind this debate has nothing whatsoever to do with any calendar or chronology with the House of Representatives, period, none whatsoever. I frankly, for those who have made that argument, think it is by and large irrelevant. But I will answer the Senator's question. "Appropriate" means when all Senators, including the Senator from Colorado, have had an opportunity to say all they can meaningfully say, not only on the issues specifically on MX, but how MX relates to our conventional forces, whether in fact those conventional forces are properly funded, and whether in fact this bill takes this country in a proper direction in terms of our national security; that is to say, a debate on the merits of the bill, of the MX in the context of that bill.

I intend not to read cookbooks, not to quote poetry or anything else. What I have to say on this issue will be on the MX and on the bill.

Mr. TOWER. May I say that the Senator is well advised not to read cookbooks or quote poetry because that has already been done in this Chamber by the father of one of our distinguished Members who did so in a very dramatic and colorful way to the edification of all who were within earshot and all who ever read the CONGRESSIONAL RECORD in those days.

But I wonder if the Senator will give us some idea of what he considers a reasonable time? Maybe we can fashion some time agreements so that we know when we can dispose of this bill, because what is happening now, those who are unwilling to give us some idea of their agenda and the timing of it, means it is being unfair to other Senators who are waiting with authorizing legislation, with appropriations bills, to try to bring up and get finished before the Senate goes out for its statutory recess in August.

Mr. HART. Mr. President, if the Senator will yield briefly, I have gone as far as I can in defining an agenda to defeat the MX. As for how long it will take, all that this Senator says on this issue will be relevant by any standard of commonsense.

Further, neither the Senator from Colorado nor any opponents of the MX have done anything so far or intend to do anything to impede any other amendment on this bill or any other legislative matter.

There seems to be some magic attached to the word "filibuster" around here. Is it or is it not; well, I do not know. To me, all those dozens or more filibusters I have had to tolerate around here on issues that I consider a lot less consequential than this were obstructionist. They did stop other measures, they stopped everything. They stopped other amendments to the bill. They stopped anything from going forward.

That is not the policy of the Senator at this time.

Mr. TOWER. Mr. President, it is apparent now what is going on. I want to assure the Members of the Senate that I intend to see that we get two or three meaningful votes here in the Senate today. I can assure we will have some tomorrow, and on issues of considerable importance, perhaps on issues that do relate to strategic capability.

We have gotten over one hurdle on this bill, and that is the modernization of the air breathing leg os the triad. Now we have another hurdle, and that is to secure the approval of the Senate for modernization of the land-based leg of the strategic triad.

It is, perhaps, more than coincidental that many of those who oppose the modernization of one also oppose the modernization of the other, which will take us in due course into the sea-based leg of the triad.

There has already been extensive debate on the MX. I believe those of us who believe in the modernization of the land-based leg giving us some kind of urgent hard target kill capability are unconvinced by the debate that transpired so far. I would have to say in all candor, although as I said earlier I do not consider debate to be irrelevant, the fact is we already have had debate and that debate has already influenced Senators, and I think there is little more convincing that is going to be done by debate.

The Senator from New York (Mr. MOYNIHAN) is one of the most eloquent men in this Chamber, and the Chamber was virtually bare when he spoke.

I do not believe even the Senator from Colorado is so naive as to believe that, as this debate goes on on the MX, there will be more than probably a dozen Senators on the Senate floor, if that many. And I do not believe he is naive enough to believe that everybody is going to eagerly rush to his CONGRESSIONAL RECORD the next morning and read everything that has been said on the Senate floor.

So really what this boils down to is a question of timing. And the ball, of course now is very much in the court of the Senator from Colorado.

I am prepared to yield the floor and let the Senator from Colorado speak. I hope that he would do me the courtesy of permitting me to intervene from time to time for the purpose of trying to dispose of other amendments that Senators might have which will not take an extended period of time.

Mr. HART. Will the Senator yield?

Mr. TOWER. Yes.

Mr. HART. I am prepared to speak or not speak. I do not intend to control the floor. The floor is under the control of the Senator from Texas. If there are amendments he wishes to call up, he may do so.

Mr. TOWER. The floor is under the control of no one but the respective leaders.

Mr. HART. Senator BAKER, or whomever. If the Senator does not wish to call amendments up, I am prepared to speak, or however he wishes to proceed.

Mr. TOWER. I would be delighted to see the Senator proceed right now. I ask that he permit me at some point to ask him to yield—not in the middle of a sentence or something like that—so that we might perhaps bring up some amendments that we have notified Senators about. We expected actually to have some debate and to vote on the Moynihan amendment today. That was to be the first vote, first order of business. Some Senators who have amendments to offer were sort of caught flatfooted and unprepared with the withdrawal of that amendment. I expect very shortly we will have amendments on the floor. So I invite the Senator from Colorado to seek the floor.

Mr. HART. I only respond before seeking the floor that there was action on another bill. The Senator from New York withdrew his amendment. I think there was a full understanding that other business could come up this afternoon in any case. I will speak for 20 or 30 minutes and if Senators wish to offer amendments at any time, I will yield the floor.

Mr. President, we are dealing with many things in the defense authorization bill now before us. We are dealing with more than $200 billion, roughly equivalent of the annual national debt. We are dealing with choices about weapons systems that will vitally affect our future security. We are dealing with millions of American servicemen and servicewomen.

But above all, we are dealing with the failure of our entire national security process.

Two and one-half years ago, the Reagan administration took office and pledged to strengthen our national defense. It was supported by a broad public consensus in favor of a stronger defense.

But today, our defense is no stronger and the consensus has been dissipated. We have increased the defense budget, to be sure. But the increased spending has not brought increased strength, which is the only measure that counts.

The key weaknesses in our Armed Forces are still weaknesses.

The probability that our forces would win in combat is still marginal.

The kinds of things we are doing with our defense dollars still, for the most part, do not make much military sense.

And the issues which are central to changing these conditions still play little role in our national defense debate.

This bill is a symptom of our failure. When it came to us from the executive branch, it was not a thoughtful, imaginative, effective proposal, changing the direction of defense policy. It was a lowest common denominator bureaucratic compromise among all the special interests within and among the services, the Pentagon, the weapons contractors and Capitol Hill.

The Senate Armed Services Committee held extensive hearings on it and spent a great deal of time marking it up. But here, too, the reality was less than met the eye.

While we did cut some money and look at some program management issues, the conceptual underpinnings of the bill were not questioned. The witnesses on the bill were all from the Pentagon. The rhetoric was national security, but the reality was business as usual and, to a degree, politics as usual, as well. In terms of what kinds of things are we doing and buying with our defense dollars. Little real progress was made.

Now, here on the floor, we have looked at some specific weapons. Some of these weapons, like the MX, have serious implications for our future security, and it is appropriate and necessary that we should look at them and look at them very well.

But again, we are not asking the basic questions. And, too often, the real basis of decisions is far different from the reasons given for them.

Has our defense policy process gotten off the track? In some respect, I suppose an argument could be made that we are continuing in the traditional way.

But when a program manager pushes for a weapon that has failed its operational tests or whose testing he has biased in its favor, is that genuine national security?

When reports from military exercises whitewash our failures to make favorite systems look really good, is that contributing to our national security?

When military people directing a program retire and immediately go to work for the contractor they helped select, do they really represent a major contribution to unbiased and careful national defense?

When the defense consultants tell their Pentagon clients what they want to hear rather than what the evidence really says, does that contribute to our national security?

And is not the most subtle and ultimately the most dangerous sidetracking of this debate a refusal to make the things history says are most important for winning in combat the central issues in our defense debate?

Of course, there are other names for these things besides that nasty word "corruption." They can be called good politics. They can be called playing the game. They can be called being effective. They can also be called a successful career.

But ultimately, they mean the people who are legally and morally responsible for defense policy have made decisions that may not reflect a totally independent, unbiased, professional judgment on an unalloyed national defense policy.

The two questions we should debate here, on this bill, are both very simple. The first is, "has this happened to us?" The second is, "if it has, what do we need to do differently? What can be done this year to make next year's national defense debate different?"

I think most of us—and I include those of us in this Chamber and the officials across the river—know it has happened. We may find it impolitic to say so. But most of us would even, be willing to admit it, if there were some point to doing so, if we could see some way out.

Trying to find a way out is what some individuals in the Congress and outside have been trying to do. Those individuals, often called military reformers, are trying to find an answer to that second question—"What do we need to do differently?"

There is an anecdote about a conversation in the mid-1930's between the French Prime Minister, Leon Blum, and Charles de Gaulle, then a French Army colonel. The future leader of France reproached Blum about the state of the country's defenses.

Blum was nettled. "But we are spending more on defense than the previous Government."

"It is what you are spending it on," De Gaulle said, "that I want to discuss."

What they were spending it on was bigness. The French had the largest—and, by most accounts, finest—army in the world. They underwrote huge military budgets. They constructed the most massive defense installation since the Great Wall of China—the Maginot Line.

And when World War II came, all of it collapsed. In just 1 month, France, with her allies Belgium and Holland, were defeated.

What they discovered was the amount of money they were spending had very little to do with their national security.

What had happened? In his book "To Lose a Battle," Alistair Horne puts his finger on the essential reason. Realizing that, in combat, ideas were at least as important as weapons, the Germans had overhauled their strategic and tactical doctrines after World War I. The French general staff, on the other hand, "allowed itself to become bogged down in bureaucratic method; 'paperasserie,' as the French call it, the blight to which all armies are susceptible, flourished. It was difficult to see where the power of decision lay. * * * There was not much discussion on a higher strategic and tactical plane, and what there was tended to follow abstractly intellectual paths

from which little practical ever emerged."

After 8 years on the Senate Armed Services Committee, I am convinced that we are well along the road to repeating the French mistake. It has been more than 30 years since the last clear-cut American victory, the brilliant and audacious landing at Inchon. Vietnam, the Pyrrhic victory in the *Mayaguez* affair, and the failed Iranian rescue attempt all attest to some deep-seated problems in our armed services. Yet our national defense debate, in Congress and in the press, continues to revolve largely around how much to spend. New ideas, from inside or outside the services, are seldom heard and less often welcomed.

A growing number of my congressional colleagues have come to feel that there is something profoundly wrong.

That number includes Democrats and Republicans, liberals and conservatives, Senators and Members of Congress.

We have joined in the military reform movement, an alliance of—mostly younger—military officers, civilian defense analysts, and Members of Congress. The reformers' goal is to bring our defense priorities back into line with what history tells us is important in winning—and, therefore, deterring—wars.

In seeking to determine where we have gone wrong, we must start by looking at the basic building blocks of any military—personnel, tactics and strategy, and hardware.

I note that the defense debate is usually reversed—hardware first, and then little, if any, attention to strategy and tactics and personnel. But the most important thing is to start with personnel, to start with people.

Personnel questions are usually discussed in terms of pay, service entrance tests, and so on. But these issues miss many of the most critical aspects of military personnel policy.

One such issue is unit cohesion, the psychological bonding between individuals that takes place within the small, basic unit—the fire team, the squad, the aircraft crew, the ship's section. In the stress and chaos of combat, people fight less for king and country than for their buddies. If the person next to him is not a buddy but a stranger, they are more apt to sit out the fight or break and run.

Cohesion can develop only when a unit contains the same people for long periods. It takes time for strangers to come to rely on one another. Today, we do not provide that time. Many Army combat companies have a personnel turnover rate of 25 percent every 3 months, the highest in the world. So our troops remain strangers to one another, and strangers do not fight well together.

The recently retired Army Chief of Staff, Gen. Edward C. Meyer, recognized this problem. The Army is experimenting with ways to improve unit cohesion, such as adopting the British practice of having people spend their entire service career in a single regiment. It is vitally important that General Meyer's initiatives continue under his successor. I hope Congress will pay more attention to matters of this sort.

When we look at tactics and strategy, we find that here, too, basics tend to be ignored. Our doctrine in this field has traditionally been based on a style of warfare known as "firepower-attrition," the object being to destroy the enemy man by man, killing his troops and blowing up his equipment faster than he can do the same to us. We have fought this way for more than a century. The Union won the Civil War with firepower and attrition, overwhelming the Confederacy with more men and more guns, more supplies and more firepower. We rolled the same way over the Germans in 1918 and the Axis in World War II.

This style, however, is badly outdated. Firepower-attrition can work for the side with superior numbers, but we no longer possess that advantage. We cannot overwhelm the Soviet Union with superiority in manpower and materiel. We need a different style of warfare—"maneuver warfare." Here, the object is to destroy the enemy's cohesion—and the opposing commander's ability to think clearly—by creating surprising and dangerous situations faster than he can cope with them.

The German exploit in 1940 is a good example. So are most of the Israeli campaigns and Stonewall Jackson's Shenandoah Valley campaign in the Civil War. The Marine Corps is showing openness toward the maneuver concept; the Second Marine Division has proclaimed maneuver warfare as its doctrine.

The Army is also moving toward maneuver doctrine, and has woven it in to its new field manual, FM 100-5. But just as the Army, to its great credit, has begun this historic change, it is being pushed back toward firepower/attrition warfare by elements in the Office of the Secretary of Defense, the House Armed Services Committee, and, sad to say, this bill.

The new manifestation of firepower/attrition warfare is called "deep battle" or "deep strike." The theory is that we can defeat a Soviet style force by destroying its "second echelon" with high technology weapons. Unfortunately, it is not clear the Soviets still have an operational second echelon; it is unlikely we could target it if they did; and the hi-tech weapons are most unlikely to work in combat. Conceptually, "deep strike" is a return to World War I with longer range artillery. Its effect would be to push the Army away from the agility needed for maneuver warfare, and back to the ideas of preplanned battles, of rigid, centralized command, and of thinking of war in terms of the aggregate kill probabilities of weapons. The lack of concern with which the Armed Services Committee has endorsed and funded key components of "deep strike" is a sign of the deep problems in our defense policy process.

A new way of looking at the nature of conflict has been explored in the work of retired Air Force Col. John Boyd. While still a captain, Colonel Boyd developed the basics for the system of air combat currently used by the United States. His ideas were influential in the design of the F-16, possibly the world's finest fighter plane. His theory is a key part of the thinking of military reformers.

Conflict, Colonel Boyd argues, is a matter of "observation-oriented-decision-action cycles," which each contending commander consistently repeats. First, the commander observes—not only with his eyes and ears but with his radar, reconnaissance, and so forth. He orients—that is, he forms a mental picture of his relationship to his opponent. On the basis of this picture, he determines a course of action—he decides. He acts. Then he begins observing again, to see the effect of his action.

The commander with the faster cycle will eventually win, because he is already doing something different by the time the enemy gets to the action part of his own cycle. The enemy's action becomes irrelevant. If one side is consistently faster, the margin of irrelevance keeps growing, until the enemy either panics or becomes passive. At that point, he has lost.

It stands to reason that rapid execution of the Boyd cycle requires commanders with boldness, imagination, and initiative. Yet by and large, this is not the type of person being promoted in our armed services today. The cycle puts a premium on decentralization, since rapid decisions can be made only by the officer on the scene. Yet we are busy centralizing our command systems with the latest technology, so the President or a general in Washington can direct a platoon halfway around the world.

The Boyd theory has implications for military equipment as well. In research and development, as well as in procurement of new weapons, the changes made must be quick and major, so as to make the enemy's equipment irrelevant. In our military establishment, the changes are far too slow. A major new weapons system can be 10 to 20 years in development. Our procurement policy favors weapons so complex and expensive that we must keep them in service for decades to get our perceived money's worth. The

Navy, for instance, has built itself around the big aircraft carrier for more than 30 years. And much of our equipment is too complex to work well on the battlefield.

Pentagon spokesmen have taken to calling this a debate between quality and quantity. They portray the services as supporters of quality, wanting only the finest weapons for our soldiers, sailors, and airmen. They argue that this necessarily leads to very costly, very complex weapons—the M-1 tank, the F-15 fighter, the big nuclear aircraft carrier. By contrast, they label the military reformers as people who are willing to accept inferior weapons in order to buy more of them—or, sometimes, simply to save money.

In fact, the real debate is between two different definitions of quality. The Pentagon defines quality in technical terms: High technology equals quality. The military reform movement defines quality tactically, in terms of the characteristics that are most important in actual combat. That definition leads the reformers to emphasize such characteristics as:

Small size: Often, being seen means getting killed.

It means reliability, ruggedness, and ease of maintenance. Fragile equipment is soon out of action.

It means rapid effect: Our highly touted antitank missiles, to cite one shortcoming, require the gunner to guide the missile for about 20 seconds, a very long time when someone is shooting at you.

It means numbers: In tactical terms, quantity is an important quality. A navy that depends on only 13 ships—our 13 large aircraft carriers—is a vulnerable navy. The finest fighter plane in the world is in serious trouble if it is outnumbered three to one or five to one by enemy fighters.

The same characteristics that give a weapon tactical quality—small size, simplicity, ruggedness—also tend to make it cheaper. Thus, the practical choice is not between quality and quantity but between technological quality in small numbers and tactical quality in large numbers. In other words, in most cases, we can choose between a small number of weapons likely to be unreliable in combat and a large number of more effective weapons. Current Pentagon policy prefers the former.

Where have these misguided policies come from? To answer that question, we must confront some serious problems in the military education and promotion systems.

All organizations need a balance among several different types of abilities—leaders, to motivate other people to overcome obstacles; managers, to organize procedures and processes, and theorists, to determine what the product should be. In a military service, the theorist's role is particularly important; it is the theorist, more than the leader or manager, who understands the art of war as a whole.

Mr. President, may I interrupt myself to say to the distinguished floor manager that at such time as anyone wishes to offer an amendment, I shall yield the floor.

Unfortunately, in our Armed Forces today, these three roles have gotten badly out of balance. Our military educational institutions too often stress management, not leadership or theory. A cadet can graduate from West Point or a midshipman from Annapolis with only a one-semester course in military history. As one cadet recently wrote, "Cadets are not trained to think and lead, but rather to respond and manage, a situation that we find deplorable."

A few of our military colleges have begun to teach about warfare. The Naval War College reformed its curriculum several years ago to give greater attention to history; the students now begin by reading Thucydides. The Air Force Academy has just added four semesters of military studies to the one-semester history course they previously offered.

But in other schools, unfortunately, students are likely to pass through the entire curriculum without even hearing about issues such as style of warfare. Several years ago, at the Marine Corps Command and Staff College, only about a dozen students signed up for the military-history elective; several times that number preferred aerobics and running. The Army's Command and General Staff College at Fort Leavenworth recently expanded its physical education program; to make time for it, the military-history reading requirement was reduced from 10 books to only 4.

Neither gym class nor electrical-engineering nor management courses are likely to help produce new George Pattons. General Patton, himself a lifelong student of military history, once wrote to Maxwell Taylor, then Superintendent of West Point:

> I am convinced that nothing I learned in electricity or hydraulics or in higher mathematics or in drawing in any way contributed to my military career. Therefore, I would markedly reduce or wholly jettison the above subjects.

Poor education in the military schools is reinforced by poor training in the field. To become an expert in tactics, a commander needs to spend time in free-play exercises, where he faces an opponent who is trying to surprise, confuse and defeat him. Instead most of our exercises follow rigid scripts where everyone knows well in advance what he and his opponent will do and when. It is more like ballet than war. It is management, not leadership or tactics.

The promotion process further reinforces the manager's predominance. "Efficiency" and "zero defects," the hallmarks of the successful manager, are the best tickets to success. Yet the leader and the theorist seldom meet the zero defects test. Their imaginative approach to problems naturally leads to some mistakes, and the promotion system punishes them for these mistakes without rewarding them for innovation. So problems persist and grow, with the underlying reasons often unrecognized and the proffered solutions largely conventional and uninspired.

How did this situation come about? To some extent, the question answers itself: If the military schools do not provide an education in the art of war, and if those who educate themselves and act on their knowledge are not promoted, there will be few at the top to see the need. But that in and of itself is not the whole answer. We must look deeper still, into how our armed services function as institutions.

There are essentially two institutional models, the bureaucratic and the socialized. In bureaucratic organizations, individuals focus on doing their jobs defined in narrow "in-box, out-box" terms. This model has become typically American. We see the attitudes it produces in the paper-pushing bureaucrat, the Congressman or Senator interested only in getting more grants for his own district or State, the assembly line worker who watches the clock instead of the quality of his work, the executive seeking laws to throttle foreign competition instead of improving his product.

We see it in the military as well. Adm. Elmo R. Zumwalt, Jr., the former Chief of Naval Operations, has described some of the ways it works in the Navy. For the last quarter-century or more, he writes:

> There have been three powerful "unions," as we call them, in the Navy—the aviators, the submariners and the surface sailors—and their rivalry has played a large part in the way the Navy has been directed. . . .

Whichever union a commander comes from, it is hard for him not to favor fellow members, the men he has worked with most closely, when he constructs a staff or passes out choice assignments. It is hard for him not to think first of the needs of his branch, the needs he feels most deeply, when he works up a budget. It is hard for him not to stress the capability of his arm, for he has tested it himself, when he plans an action.

The bureaucrat's narrow focus leads him to believe that the success of his small group within the organization is more important than the goals of the organization as a whole.

The socialized model, on the other hand, defines an individual's job quite

differently. It seeks to persuade all who work within the organization to focus on its overall objectives.

This is the approach used by such successful corporations as Toyota, Datsun, Sony, IBM and other organizations that have been very productive. A professor from Tokyo University gave an example in a talk at Stanford. He told of a San Francisco bank that had been doing poorly and was bought by a Japanese bank, which sent in new Japanese management. The American employees said, "Tell us what to do differently." The Japanese set forth the values and goals of their bank. The American said, "That's all fine, but tell us what to do." The Japanese continued to explain the values and goals of their corporation.

The Americans, who wanted detailed instructions, were resentful at first, and productivity fell still further. Finally, they came to understand that they were to use their own intelligence and initiative—not only within their narrow jobs but in everything they could do—to further the bank's goals and values. Productivity rose dramatically, and the bank became one of the most successful in the city.

At one time, our military services used this philosophy. But the Army, since its expansion in 1940, has increasingly hewed to the bureaucratic model; the Air Force adopted that model when it separated from the Army, and the Navy has been vacillating between the two approaches.

Today, among our armed services, only the Marine Corps is committed to the socialized model.

Bureaucratic behavior lies at the core of America's military inadequacies. It is a far more fundamental problem than the budget level of any given year. War demands rapid change, to present the enemy with the baffling and the opaque, resolving quickly into the surprising and dangerous. But change is bureaucratically uncomfortable; it upsets the existing arrangements, the traditional fiefs. In industry, bureaucratic behavior leads to bankruptcies like that of Penn Central. In Government it leads to massive waste. In war, it leads to defeats such as Austria's humiliation by Prussia in 1866 and France's collapse in the mid-20th century.

Mr. President, what has all this to do with the MX? What it has to do with is a weapons system in search of a home. We are debating this issue today, hopefully constructively, because of bureaucratic mistakes. Those mistakes caused this weapon, which many believed might be necessary in the 1980's and therefore supported its research and development, to emerge into a long, sometimes even comical odyssey through a conceptual desert in search of a home. That desert included notions of mobility, notions of racetrack deployment, notions of multiple aim point and multiple protective shelter. It included notions of dense pack, of widely spaced basing, notions called Bigbird, notions of little submarines, and more than 30 notions of where to put this missile.

One of the reasons, as the Senator from New York previously outlined, we have had so much trouble with this system is because of its size. That size was in part dictated by the Congress of the United States, which wanted a very large MX missile just to show the Soviet Union that we were as tough as they were. Toughness was described and defined in quantitative terms—another kind of bureaucratic approach to a serious problem.

So once we had decided to show the Soviets how serious we were and how tough we were by building a very big missile, bigger than had ever before been believed was necessary to deter aggression, then we had the problem of not finding a home for it, which led to this sometimes amusing, sometimes frightening odyssey that I have described that has brought us to this very day.

The most illogical, the least sensible notion that anyone could conceive of, and no one up until 2 or 3 months ago ever seriously discussed, was putting the big, shining, dangerous, new missile in old, vulnerable silos.

So here we are with a missile designed to deter aggression, designed to show the Soviets we are tough and firm and determined, with no place to put it except the most vulnerable, highest value target in the Nation, and that is fixed Minuteman silos.

Why is all this discussion about the way the military and the defense policy institutions go about making decisions relevant to all this? Because, Mr. President, that approach has led to national defeat in the past. That approach as applied to the strategic systems of this Nation in the 1980's will lead us not only to possible defeat but also to possible annihilation. It is a dangerous step. It is a step laden with consequence and one that should not be taken lightly.

I know that my colleagues in the Senate, some of whom have formed judgments on this and some of whom have judgments that are wavering, want to discuss this fully and want to understand it fully and want to consult with the people whose security they are committed by the Constitution to protect. It is hoped throughout this day and tomorrow and perhaps some of next week that opportunity will arrive.

I yield the floor.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, at this point in the proceedings I yield the floor to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. JEPSEN. Mr. President, just for clarification, it is my understanding the minority now is being represented by the distinguished Senator from Colorado?

Mr. HART. The Senator from Colorado understands that that is the case.

AMENDMENT NO. 1498

(Purpose: To provide that one of three new Assistant Secretary of Defense positions established by section 1011 of S. 675 shall be the Assistant Secretary of Defense for Reserve Affairs)

Mr. JEPSEN. Mr. President, there is an amendment at the desk on behalf of myself and Senators WARNER, EXON, THURMOND, and HUDDLESTON, and I ask now for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Iowa (Mr. JEPSEN), for himself, Mr. WARNER, Mr. EXON, Mr. THURMOND, Mr. HUDDLESTON, Mr. FORD and Mr. RANDOLPH proposes an amendment numbered 1498.

Mr. JEPSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(1) On page 137, line 4, strike out "'ten'" and insert in lieu thereof "'eleven'".

(2) On page 137, strike out lines 5 through 11 and insert in lieu thereof the following:

"(2) Section 136 of such title is amended—

"(A) by striking out 'Manpower and Reserve Affairs' in the fourth sentence of subsection (b) and inserting in lieu thereof 'Active and Civilian Manpower';

"(B) by striking out 'manpower and reserve component' in the fifth sentence of subsection (b) and inserting in lieu thereof 'active duty and civilian manpower';

"(C) by inserting after the fifth sentence of subsection (b) the following: 'One of the Assistant Secretaries shall be the Assistant secretary of Defense for Reserve Affairs. He shall have as his principal duty the overall supervision of all matters relating to reserve component affairs of the Department of Defense. One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. He shall have as his principal duty the overall supervision of command, control, communications, and intelligence affairs of the Department of Defense.'; and

"(D) by striking out subsection (f).".

(3) On page 137, line 21, strike out "'(10)'" and insert in lieu thereof "'(11)'".

Mr. JEPSEN. Mr. President, simply stated, this amendment would elevate the Deputy Assistant Secretary of Defense for Reserve Affairs to the Assistant Secretary level.

When the All-Volunteer Force was begun in 1973, the Reserve component became a vital partner in the total force. Over the last 10 years the Reserve and National Guard has gradual-

ly increased its level of professional competence and readiness. The Reserve component is finally coming of age and now makes up 50 percent of our combat capability.

Moreover, the role of the Reserve and National Guard will be increasing in the future as demographics restrict the available pool of 18-year-old males in the late 1980's. Greater reliance on the Reserve and National Guard for peacetime readiness may be the only alternative to a return to conscription.

For that reason, I believe that it is time for the Deputy Assistant Secretary of Defense for Reserve Affairs to be up graded to the Assistant Secretary level. The current Deputy Assistant Secretary of Defense for Reserve Affairs is subordinated under the Assistant Secretary for Manpower, Reserve and Logistics. I am concerned that the scope of the Assistant Secretary's duties are simply too broad to allow for attention to Reserve and National Guard issues at the highest level within the Department of Defense. Let me state, however, that by proposing this change in the structure of the Department of Defense, I am in no way criticizing the performance of the current Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. He, like the other members of this administration, has made great strides in improving the readiness of our National Guard and Reserve. We must build on those accomplishments, however, and I am convinced that this will be a necessary and vital step, if we are to reaffirm our reliance on the citizen soldier for the burden of our national defense.

Mr. President, I ask that my amendment be accepted by the managers of the bill.

I yield to the distinguished Senator from Virginia. I also see the very distinguished Senator, the former chairman of the Armed Services Committee, seeking recognition, and I will be sure to yield to him.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. I commend my distinguished colleague from Iowa and those in support of this amendment. In my humble judgment this action may be among the more significant taken by the Senate with respect to the 1984 authorization bill.

I, too, have researched the demographics as has the distinguished Senator from Iowa and others.

Those demographics show that while in 1979, the Armed Forces of the United States were required to take basically 1 out of 5 persons who, by virtue of their mental capabilities and physical capabilities, were eligible to serve in the Armed Forces. That has become today a ratio of 1 required of 4 available. It is projected in the 1990's to be 1 in 3; if college bound youth are not included it could be in the range of 1 to 2 or 2½.

All this portends the necessity by our military planners to provide for strengthening the Guard and the Reserves.

To that end, Mr. President, I should like to draw the attention of my colleagues to the ratios of active personnel to reserve or guard components by other nations.

For example, the Euroneutrals have 1 uniformed person for 8 in the reserve and guard. The Warsaw Pact: 1 uniformed for 2.3 reserve and guard. The Soviet Union: 1 to 1.56. NATO: 1 to 1.4.

In sharp contrast, the United States today, for every person on active duty in uniform, has only four-tenths of a person in the Reserve and Guard.

I recognize that the basic military strategy of the United States, by necessity, is one of forward deployment. Nevertheless, taking into consideration the demographics of the future, the fiscal constraints facing us today and likely in the future, we must, by necessity, move in the direction of a stronger National Guard and Reserve.

To that end, the distinguished Senator from Iowa and others have felt it necessary to have this elevated post in the Department of Defense. Having served myself in that Department for a number of years, I know full well the necessity of having an individual with equal access to the other policymakers in the Department to speaking on behalf of the Reserve and Guard.

Mr. President, I also feel duty bound to include in the RECORD at this point a letter from Deputy Secretary of Defense Paul Thayer, to the effect that the current position of the Department will be in opposition to this amendment. I ask unanimous consent to have the letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C. July 14, 1983.

Hon. BILL NICHOLS,
Chairman, Subcommittee on Investigations, Committee on Armed Services, House of Representatives, Washington, D.C.

DEAR CHAIRMAN NICHOLS: I have been informed that your Subcommittee has scheduled hearings on H.R. 486, which would authorize to the Department a new position of Assistant Secretary of Defense for Reserve Affairs. I believe it is important that you know Secretary Weinberger and I are strongly opposed to enactment of that legislation.

Our reason is simple: the Reserve Components fare better under the current arrangement than they would under the proposed legislation. Currently, the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics [ASD (MRA&L)] integrate Total Force matters. The Deputy Assistant Secretary of Defense for Reserve Affairs [DASD(RA)] is situated within the ASD(MRA&L) organization because it is there he can best influence policy and programs that affect the Reserve Components. Thus, the individual who is responsible to the Secretary and me for ensuring that the policies and programs for manpower and materiel readiness are adequate, also has the responsibility for ensuring balance among the active and Reserve Components. Only in this way can we manage a Department-wide Total Force Policy.

There are two good examples of how the ASD(MRA&L) employs his entire staff, including the office of the DASD(RA), to ensure application of the Total Force Policy:

In 1981, the first year of this Administration, the ASD(MRA&L) recommended an addition of 34,000 Selected Reservists over a three year period to the program proposed by the Army. The clincher in the ASD's agrument was not that Selected Reserve strength was low (it was), but that his analysis of the total Army force—active, reserve component, and retired people—showed it would be inadequate for the kind of conflict we might face. The ASD(MRA&L) is raising a similar issue in this year's program review. I'm sure that, if competing demands for funds allow it, we will again increase the Army's program for Selected Reserve strength.

Last year, while preparing the FY 1984 budget, the ASD(MRA&L) insisted that the Army's program for equipment procurement was inadequate—it could not satisfy the immediate readiness needs of both active and Reserve Component units, let alone the sustainability demands for war reserve stocks. As a result Secretary Weinberger added $2.2 billion to the Army's program to satisfy critical equipment needs—$658 million of that was added to the Army procurement proposal for FY 84 alone. If authorized and appropriated, these funds will go a long way to help resolve the poor Army Reserve Component equipment readiness levels this Administration inherited.

If the bill were enacted, those integrating tasks would be left to Secretary Weinberger and me. We would be faced with possibly very reasonable claims for changing policy and reallocating resources in support of the Reserve Components but, without the ability to integrate those claims into the Total Force picture, we would be unable to act on them. Reserve Component views are now clearly expressed and understood in the most senior decisionmaking bodies in the Department. If the bill were enacted, there would be no improvement on that score, but the loss in the Department's ability to integrate active and Reserve component needs would make it most difficult to support those views.

This Administration and Secretary Weinberger are on record as being personally committed to the Reserve Components. Decisions like the two cited earlier have already improved the readiness of our Reserve Components, with more improvements to follow as our increased procurement appropriations are now resulting in more equipment coming from the factories. Selected Reserve strength is up almost 160,000, an 18% increase since 1980, while active strength increased only 5% in the same period. Plans for the next five years show similar growth patterns. These are signs of solid progress.

In sum, Secretary Weinberger and I believe H.R. 486, although purporting to improve the status and readiness of the Reserve Components, will, if enacted, create just the opposite effect. The close and integrated relationships that now exist between

Reserve Component and active force management will disappear under this bill. Thus, we strongly oppose enactment of any legislation that would create a separate Assistant Secretary of Defense for Reserve Affairs.

This letter places on record the views I expressed to you in our meeting on July 12. If you feel it warranted after enactment of the FY 1984 Defense Authorization Bill, I will be available to testify on this most important issue.

Sincerely,

PAUL THAYER.

Mr. WARNER. Mr. President, I am prepared to accept this amendment on behalf of the majority.

Mr. HART. Mr. President, as one who is now representing the minority on the committee in this matter, I am pleased to be in a position—it having been alleged that I was delaying action on the bill—to help facilitate this amendment. I understand that the minority on the committee has no objection to the amendment.

Having myself just made some remarks about the influence of bureaucracies on policies, I have to say that, personally, I do not think we necessarily solve problems by changing people's titles. So I think the Senator from Iowa has a good case to be made here, and on behalf of the minority, I accept it.

Mr. STENNIS. Mr. President, I shall not detain the Senate more than a few moments. This is a subject with which I have had quite a bit of contact.

The growing importance and the growing performance of our National Guard and Reserve Forces is one of the very bright things in the present picture with reference to our military preparedness and our Armed Forces. I have been among the men who constitute these Reserve units and National Guard units, and I find that many have had seasoned military training in the regular service. They live in those communities, and many of them are leaders in their communities. It means that they are supporters of the schools, the churches, the civic organizations, and all the activities that make up the American way of life. They have some affinity with military life and military training because they stay with it year after year and show a fine performance.

Those are not merely words. The records show that many of these units outperform the Regulars in corresponding types of military units. That is not just in easy maneuvers but also with respect to the complicated assignments.

I know that in Jackson, Miss., year after year, the Air National Guard unit—or at least one of those units—scored very, very high and, with all due deference to the Regulars, outscored the Regulars at times.

The program involves a competitive basis selection, and they send these better trained, experienced units to Europe and elsewhere for a few weeks, and they are kept in touch with conditions there.

So this not just a fancy, not just a community organization. It is a meaningful, major part now of our military preparedness.

I emphasize that there are men of experience, intelligence, and character, the very best type of citizenship, who are giving their extra time to render this service and stay in this state of preparation.

They have not had too generous treatment from Congress with reference to the money end of the situation. They have not had too fine recognition from the Regular services, and that is not any criticism of the Regular services. They, naturally, put most of the money into their needs. But Congress is now alloting more money each year for modern equipment.

As I once stated, let us give these Reserves and National Guard some field units with equipment that still has the factory paint on it, rather than something that is worn out and has been almost thrown away before it came to them.

So I commend the Senator for offering this amendment, and I am proud of the support it has.

Mr. WARNER. Mr. President, I wish to say, on behalf of many of us, that when the distinguished Senator from Mississippi takes the floor to speak on a matter, he speaks with the wisdom and farsightedness that he has given to the Senate for many years.

The Senator's remarks brought back a memory I have of 1950. I was then a young second lieutenant in a Marine Corps aviation squadron, flying planes out of Anacostia. We were called to active duty in the summer of 1950, and within 90 days, some members of that squadron were flying in South Korea, side-by-side with the Regulars.

Although my recollection is a little dim, I believe that every member of that squadron at one point did serve in a combat situation in Korea. Many of them lost their lives.

I am pleased today to recite that in support of this amendment, because the Reserves have been called upon and have fought with just as great skill and professionalism as have the Regulars.

I thank the senior Senator from Mississippi.

Mr. BUMPERS. Mr. President, I first of all ask unanimous consent that I be made a cosponsor to the amendment of the distinguished Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I shall not belabor it. But I just happened to be in the vicinity, and I never miss an opportunity to express my respect and admiration for the Guard at every opportunity, and I dare say you will never find a former Governor who feels any different.

I used to hear people denigrate and laugh about those posters you see: "Sleep well tonight because your Guard is awake."

I do not know whether I had any feelings about that at all, but I do know that after I became Governor of my State I found that I was calling on the National Guard from three to five times a year in dire emergencies. I almost had them out to stop a riot in my State one time.

But whether it was a flood or a tornado, or even helping my wife immunize the children of my State, the Guard performed yeoman service.

The only real quarrel I ever had with Harold Brown when he was Secretary of Defense was that I did not think he really had a keen enough appreciation for what the Guard and the Reserve could do.

One need only spend a very short time studying what the Federal Republic of Germany and Israel have done in their ability to mobilize a half million men in 24 to 48 hours and have them in the field ready to fight, to know what we could be doing with our Reserve and Guard. We just need a little more money and a little more enthusiasm on the part of some people in the Pentagon.

I used to be a member of the Armed Services Committee, and when I was I took a few trips around the country to visit bases, and I remember being out at Fort Bliss and seeing the New Mexico Guard training on some old M-42 Duster air defense systems that I had just seen in the Fort Bliss Museum, which just brought home to me so profoundly how we denigrate them in providing money and giving them the equipment to train with.

Then I came back to my own home and I saw the Air National Guard in Fort Smith, Ark., training in F-100 fighters, and you know it is an interesting thing. The Pentagon at that time considered the F-100, which was one of our main line fighter planes during the Korean War, obsolete. Incidentally, if you see one of those planes and you watch it perform and you see its firepower, you get a very strange feeling about what the Pentagon considers obsolete.

But even so, F-4's had already long since become in Vietnam our main fighter plane, and so I avowed that I would not rest until at least the Fort Smith-based Air National Guard had a lot better plane to fly in.

I could go on citing instances of the tremendous services the Guard in my State and those throughout the Nation have and are performing for the Nation. The point that the Senator from Iowa is trying to make is that if Guard units have high level support

in the Pentagon, the kinds of things that I am citing here, which I think have been a result of neglect, will not happen so easily in the future. I do not see any reason to believe that adoption of this amendment is going to exacerbate the interservice rivalries that exist, it will certainly improve the morale of the Guard in this country.

So, Mr. President, I am pleased that I was here while this amendment was being offered so I could say those few words. I have repeated them time and time again since I have been in the Senate and am happy to do it again.

Mr. ANDREWS. Mr. President, will my colleagues yield for a moment?

Mr. BUMPERS. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. ANDREWS. Mr. President, I think our colleague has made an eminently sensible point. Our Republic was founded really on the citizen soldier and what he could in fact do.

The greatest consumer of dollars in this Department of Defense bill is personnel costs. There is also an estimate, as I understand, for, I think, some six additional wings in the Air Force.

I heard only part of what our distinguished colleague said, but he was talking about the Guard unit in Arkansas being equipped with F-100's.

The Guard unit in North Dakota is equipped with F-4's. I would suspect the Arkansas unit, as the North Dakota unit, has those planes in far better flying condition than they were several years ago when they were in the Regular Air Force units.

Mr. President, the point I think that needs to be made is that the readiness of this Nation can be accomplished far better if we put some of our newer weapons systems with the Guard and the Reserves and we then do not have the need to add more and more personnel in the Regular Forces.

I am sure the Air Guard from Arkansas is as competent as the one in North Dakota—no, it would be tough to be as competent, Mr. President, as the one in North Dakota. But the one in North Dakota is the one that won the William Tell shootout from the regular blue shirters year after year. They are better equipped, they are better flyers, and they do a better job.

One of the big problems we have in procurement is taking the bugs out of the F-16's, F-15's, and F-18's. The Guard debugs the old planes after the Air Force says they are too old to fly, and they make them pretty efficient flying units.

It would make a lot more sense, Mr. President, to follow the suggestion of the distinguished Senator from Arkansas to follow along the suggestion I made time and time again in our Defense Subcommittee, that we give some of this new equipment to the Guard, get them upgraded because they are, after all, our first line of defense, as they have been through the history of this Republic.

So, I hope that we can begin to make moves to allow increasing amounts of the newer weapons systems to be assigned to the Guard not only because of the better readiness that we will have but also because of the fact that it will save us tens of millions of dollars in personnel costs.

What good does it do to have a Guard that is ready, willing to go, well trained to go, but with substandard weaponry?

I salute my colleague from Arkansas. I join him in his remarks and urge that we emphasize our Guard and our Reserves and upgrade their weapons systems because it will add to the defense of this Nation and it will lower the net cost of that defense to the taxpayers.

Mr. President, I yield the floor.

Mr. THURMOND. Mr. President, I rise in support of this amendment, and as one of the authors of the amendment I am very interested in it.

In March 1981 I introduced a bill, S. 614, to create an Assistant Secretary of Defense for Reserve Affairs. It was not acted on during the 97th Congress.

The measure before the Senate now is a similar bill and is very important because it indicates congressional support for the total force policy that was established 12 years ago.

The designation of an assistant secretary position is supported by the National Guard Association of the United States and Reserve Officers Association of the United States.

In 1967, as a part of the Reserve Bill of Rights, Congress created a Deputy Assistant Secretary of Defense for Reserve Affairs. Congress intended for this position to be a strong voice for our Reserve components and Congress specified three important criteria for this position.

First, access to the Secretary of Defense, which is important; second, he should be the responsible spokesman for Reserve matters; third, to see to it that the needs of the Reserve components are met in order to insure that they are an integral part of our national defense effort.

Mr. President, these conditions provided in the statute have not been met.

It is now clear that a position at the assistant secretarial level should be created. In other words, this deputy assistant has not been able to do the job. Whether it is the Pentagon that is responsible or who is responsible they have not done the job.

The National Guard Association, the Reserve Officers Association, and other Reserve groups are interested in seeing the job done. They have got to have somebody with sufficient prestige and at a level high enough to confer with the Defense Secretary himself. This deputy has not been able to do that. That is the reason why we need to have an Assistant Secretary of Defense at that level and with that prestige who can accomplish the results desired.

In 1971 the total force policy came into being, and it was our Nation's declared policy that greater reliance would be placed on our Reserve components.

Are we going to put greater reliance on them and hold them responsible? How can they deliver the goods, how can they perform their responsibilities, if they do not have a spokesman in the Pentagon in order to confer at the highest levels to get the results desired?

Mr. President, dependence on the Reserve has increased as time has gone by, and we can put National Guardsmen—can support them, for about one-third to one-fifth the cost of a regular.

We are proud of our regulars. At the same time the country just does not have the financial resources to keep a large Regular Force, and we have to keep this citizen soldier force, and we can do it more cheaply and, I think, it is very essential that we do this. In order to do this and get results, we have got to have a man in the Pentagon who will have the ear of the Secretary of Defense and will have the opportunity to confer with him personally and present the cause of the National Guard and the Reserves.

So far this has not been done, and, therefore, Mr. President, the next logical step, I think, is to designate one of the assistant secretaries' positions as that for reserve affairs, and I strongly recommend the Senate adopt this course.

Mr. McCLURE. Mr. President, I ask unanimous consent that my name may be added as a cosponsor to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, without taking further time of the Senate, I endorse all of the remarks of all my colleagues.

Mr. WARNER. Mr. President, I would like to add a few additional facts. The Department of Defense request was for 37,000 individuals in fiscal 1984 for the Reserve and National Guard. The recommendation of the Armed Services Committee upped that by 9,000, so we have a total growth of 46,000 individuals in fiscal years 1983 and 1984.

So with the impetus or the interest in Congress we are beginning to see motion for growth and greater recognition within the Department of Defense. Therefore, I believe this amendment is consistent with that movement.

Mr. President, at this time I ask unanimous consent that this matter might be laid to one side until such time as we have consulted with the leadership of the Senate as to how to proceed further.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, much of the debate in the last day or day and a half has focused on the U.S. missile program. You cannot look at the U.S. missile program without understanding what kind of a threat it is that we seek to respond to in the world. We cannot look at the threat without looiking at the Soviet Union and its missile program, and you cannot understand the balance between the two countries without looking at past treaty arrangements between our Nation and theirs.

Mr. President, over the past several months I have pointed out numerous violations and circumventions by the Soviet Union concerning arms control treaties. By thoroughly documenting the pattern of violations by the Soviet Union, I hope to strengthen the process of verification, and thereby uphold the integrity of the arms control treaties. While the United States has assiduously abided by the guidelines in the strategic arms control treaties, the same cannot be said for the Soviet Union. As evidence, the strategic arms limitation treaties, SALT I and II, provide specific ceiling on the number of launchers for intercontinental ballistic missiles, ICBM's.

Under the SALT I Interim Agreement of 1972, the Soviets are allowed 1,397 launchers for ICBM's. Under the SALT II Treaty, the Soviets are allowed 2,250 missile launchers and bombers.

However, 18 Soviet SS-9 ICBM's were never counted in either the SALT I or SALT II totals. Consequently these extra Soviet ICBM's violate SALT I and SALT II because they are part of the Soviet operational ICBM force.

The proof of the Soviet SALT I and SALT II violation is contained in the U.S. SALT II Treaty document. In the State Department's June 1979 analysis of the SALT II Treaty, the Carter administration describes:

> . . . eighteen Soviet launchers located at the Tyuratam test range, which the Soviet Union stated were test and training launchers associated with fractional orbital missiles, but which the United States assessed to be part of the operational SS-9 missile force.

The Soviets have kept these 18 SS-9 ICBM's operational. The missiles are thus ongoing violations of the SALT I and II ICBM ceilings.

Moreover, they circumvent the 1967 United Nations Treaty prohibiting nuclear weapons from being deployed in space orbits. The Soviet SS-9 fractional orbital missiles give the Soviets the capability to violate this treaty instantaneously, thereby constituting a circumvention of the spirit and purpose of the treaty.

In the days and months ahead, I will continue to document violations and circumventions by the Soviets. Only by making this material available to my colleagues and to the public, can the United States hope to rebuild the arms control process.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I ask unanimous consent that Senators NICKLES, BUMPERS, HELMS, and MATTINGLY be added as cosponsors to my amendment to provide for the upgrading to assistant secretary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, at this time I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JEPSEN. Mr. President, at this time, until the return of the majority leader and the floor leader for the defense authorization bill, I ask that it be postponed.

The PRESIDING OFFICER. Is the Senator asking unanimous consent?

Mr. JEPSEN. I ask unanimous consent to set aside the amendment.

Mr. KENNEDY. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistance legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment be set aside.

Mr. JEPSEN. Mr. President, we were in a quorum call and I asked unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. That was granted.

Mr. JEPSEN. I ask unanimous consent that the amendment be temporarily set aside.

The PRESIDING OFFICER. Very well. The Chair cannot hear Senators who do not use their microphone.

Without objection, it is so ordered.

AMENDMENT NO. 1499

(Purpose: To restrict the availability of funds to countries not taking adequate measures to control illegal drug trafficking)

Mr. MATTINGLY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Georgia (Mr. MATTINGLY) proposes an amendment numbered 1499.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the appropriate place in the bill, add the following new section:
>
> RESTRICTION ON FUNDS TO COUNTRIES NOT TAKING ADEQUATE MEASURES TO CONTROL ILLEGAL DRUG TRAFFICKING
>
> SEC. . (a) None of the funds appropriated pursuant to an authorization contained in this Act may be available for any country if the President determines that the government of such country is failing to take adequate measures to prevent narcotic drugs or other controlled substances cultivated or produced or processed illicitly, in whole or in part, in such country, or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from being smuggled into the United States. Such prohibition shall continue in force until the President determines and reports to the Congress in writing that—
>
> (1) the government of such country has prepared and committed itself to a plan presented to the Secretary of State that would eliminate the cause or basis for the application to such country of the prohibition contained in the first sentence; and
>
> (2) the government of such country has taken appropriate law enforcement measures to implement the plan presented to the Secretary of State.
>
> (b) The provisions of subsection (a) shall not apply in the case of any country with respect to which the President determines that the application of the provisions of such subsection would be inconsistent with the national security interests of the United States.

(Mr. JEPSEN assumed the chair.)

Mr. MATTINGLY. Mr. President, the amendment I am offering prohibits any of the funds authorized for appropriation in this bill to be made available to any nation that the President determines is not taking adequate measures to control the production, transportation, sale, or exportation of illegal drugs. The amendment is similar to the provision that I offered last year and that was accepted by the Senate on both the supplemental appropriations bill and the continuing resolution.

I applaud the efforts of the distinguished chairman of the Foreign Relations Committee, Senator PERCY, for

including such a provision in the Foreign Assistance Authorization Act that has been reported by his committee. I know of the efforts that have been made by many of my colleagues on both sides of the aisle in an attempt to stem the tide of illegal drugs entering this country.

Mr. President, I offer this amendment because I believe the drug problem that we face in this country poses a threat of enormous, and in many quarters, as yet unrecognized proportion.

The amendment does not affect the expenditure of any funds authorized in the bill unless the President determines that a nation is failing to take adequate measures to control illicit drugs. Once such a determination is made, a funding cutoff is imposed until the President has determined and reported to Congress that the affected nation has prepared and is implementing a plan aimed at eliminating the particular problem encountered in that nation, be it cultivation, transportation, sale, or any of the other steps that are taken along the illicit drug trail.

My amendment also contains a provision which allows the President to suspend implementation of this prohibition if he believes that to do otherwise would be contrary to the national security interests of the United States.

Such a provision is required, Mr. President, because, obviously, the intent of the amendment is not to place the President in a position where he would be forced to cut off funding in a manner harmful to U.S. interests: Rather, the intent of the amendment is to clearly signal to friend and foe alike that the Government of the United States has elevated to a position of highest priority the efforts to eliminate the vast flow of illicit drugs into this country.

The 1980 gross sales of illicit drugs in America has been estimated at $80 billion. Even that figure shrinks when compared to the inestimable cost of the human tragedy that is wrought by these substances.

And, ominously, Mr. President, the problem is growing.

For example, the percentage of young Americans under the age of 25 who have used cocaine has risen from 8 percent in 1974 to 19.5 percent in 1982; 4.3 percent of the youngsters between the ages of 12 and 17 used cocaine in 1982; in 1974, the figure was 2.7 percent.

The nonmedical use of stimulants, sedatives, and tranquilizers has risen in all age groups. Marihuana is still used in enormous quantities.

A recent Justice Department survey revealed that almost a third—32 percent—of the inmates interviewed in State prisons said they were under the influence of an illegal drug when they committee their crime; 30 percent of the inmates said they used heroin, as compared to a figure of 2 percent for the public.

Marihuana, cited by some as harmless was used by 75 percent of the inmate population; 25 percent of all burglaries and 20 percent of all robberies were committed under the influence of marihuana.

Cocaine has become a $25 billion business and drug counselors estimate that 4 to 5 million Americans are regular uses. For every pound that is intercepted by the authorities, another 6 pounds find their way into the underground market.

Very few families in America, Mr. President, have been spared from some sort of contact with these substances. Few people are not familiar with the destruction that results from abuse and addiction.

So, Mr. President, I strongly believe that it is fitting that the Senate express its sentiments on this issue and proper action be taken on the largest authorization bill that we will consider.

The moneys being authorized in this bill are for the purpose of deterring conflict; for keeping the peace; for strenghtening America, and I intend to vote for the legislation. But we would be remiss, Mr. President, if we did not use this opportunity to express the sentiment of the U.S. Senate and recognize that all the money in the world will not buy deterrence or protection for a nation that will not take the necessary steps to rid itself of "a drug threat" that is as great as that posed by any foreign power.

I urge adoption of the amendment.

Mr. President, I ask unanimous consent that the Senator from Virginia (Mr. WARNER) and the Senator from South Carolina (Mr. THURMOND) be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the RECORD be left open for those who would like to be added as cosponsors of this amendment for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, I commend the able Senator from Georgia (Mr. MATTINGLY) for his amendments, of which I am a cosponsor.

The Senator focused attention on one of the most crucial problems facing the people of the United States and many, many other countries of a troubled world in which time and distance are compressed into a plague of growing, processing, shipping, and comsuming dread narcotics.

Mexican-American Inter-Parliamentary sessions were held a few days ago in Pueblo in our neighboring nations which borders on our southern States.

I joined Senators PERCY (chairman) and BINGAMAN and House Members for meaningful discussions in which we came to grips with the serious and damaging subject of drugs as well as the concerns we have on Central America, and our relation to the conflicts in El Salvador and in degree in Honduras and Nicaragua.

In the political committee I stressed the urgency of coping with the challenge of the increased production and usage of drugs.

Owing to our exchanges I advocated prompt and effective efforts by nations, especially the United States and Mexico.

Timid steps will not stamp out the trafficing in narcotics that sap the strength of countries, rip apart the functioning of governments and bring violence and death widespread across the Earth.

I predict that the problem will increase if we do not make an all out frontal attack on the stoppage of drug addictions, especially by our youth. This narcotics industry is illegal. We act today to strike a blow against this illicit trade, in which humanity itself is at stake.

● Mr. WARNER. Mr. President, I commend the distinguished Senator from Georgia on his amendment.

The debilitating and insidious effect of narcotics needs no elaboration or explanation in this forum. We must continue to make every effort to remove the availability of illegal drugs.

This amendment is an important step in that direction as it will encourage our allies to increase their efforts to prevent the cultivation, processing, or transportation of narcotics. Likewise, increased efforts will be devoted to reduce smuggling.

I urge support of this amendment. It will effectively augment attempts to reduce the adverse influence of narcotics in our society as well as serving to focus attention of other nations of the world on this scourge to mankind.●

Mr. THURMOND. Mr. President, we are willing to accept this amendment.

Mr. MATTINGLY. I asked for a rollcall vote, Mr. President.

Mr. THURMOND. Mr. President, I rise to endorse this amendment and I am pleased to cosponsor it.

I want to say that a large part of the crime committed in this country today is caused from drugs. I read some statistics a few days ago indicating that in one place, about one-fourth of the murders that were committed grew out of the use of drugs by some of the participants.

Mr. President, in my opinion we have an obligation in this country to do everything we can to stop this drug traffic. I do not know of anything that would do our young people more harm and harm older people, so far as that does, than the use of drugs. They get hooked on them and then in order to get the money to buy those drugs, and it takes more and more as time goes by, they will commit crimes, they will rob, they will steal, and commit other crimes, in order to continue their ability to purchase these drugs.

I think this is a very worthwhile amendment, and I feel it will help curb the drug use in this country. It will get the cooperation of other countries which we have not had heretofore. I highly endorse it and hope the Senate will accept it.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Georgia (Mr. MATTINGLY). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Ohio (Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Nebraska (Mr. ZORINSKY) are necesssarily absent.

I further announce that, if present and voting, the Senator from Illinois, (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 197 Leg.]

YEAS—91

Abdnor	Eagleton	Levin
Andrews	East	Long
Armstrong	Exon	Lugar
Baker	Ford	Mathias
Baucus	Garn	Matsunaga
Bentsen	Gorton	Mattingly
Biden	Grassley	McClure
Bingaman	Hart	Melcher
Boren	Hatch	Metzenbaum
Boschwitz	Hatfield	Mitchell
Bradley	Hawkins	Moynihan
Bumpers	Hecht	Murkowski
Burdick	Heinz	Nickles
Byrd	Helms	Nunn
Chafee	Huddleston	Packwood
Chiles	Humphrey	Pell
Cochran	Inouye	Pressler
Cohen	Jackson	Proxmire
D'Amato	Jepsen	Pryor
Danforth	Johnston	Quayle
DeConcini	Kassebaum	Randolph
Denton	Kasten	Riegle
Dodd	Kennedy	Roth
Dole	Lautenberg	Rudman
Domenici	Laxalt	Sarbanes
Durenberger	Leahy	Sasser
Simpson	Thurmond	Warner
Specter	Tower	Weicker
Stafford	Trible	Wilson
Stennis	Tsongas	
Stevens	Wallop	

NOT VOTING—9

Cranston	Goldwater	Percy
Dixon	Heflin	Symms
Glenn	Hollings	Zorinsky

So Mr. MATTINGLY's amendment (No. 1499) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 1498

Mr. TOWER. Mr. President, it is my understanding that the question now recurs on the amendment of the Senator from Iowa. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. TOWER. I suggest that we go ahead and dispose of that amendment right now while Senators are on the floor and then proceed to further debate. The yeas and nays, I understand, have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The acting assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Ohio Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—91

Abdnor	D'Amato	Hawkins
Andrews	Danforth	Hecht
Armstrong	DeConcini	Heinz
Baker	Denton	Helms
Baucus	Dodd	Huddleston
Bentsen	Dole	Humphrey
Biden	Domenici	Inouye
Bingaman	Durenberger	Jackson
Boren	Eagleton	Jepsen
Boschwitz	East	Johnston
Bradley	Exon	Kassebaum
Bumpers	Ford	Kasten
Burdick	Garn	Kennedy
Byrd	Gorton	Lautenberg
Chafee	Grassley	Laxalt
Chiles	Hart	Leahy
Cochran	Hatch	Levin
Cohen	Hatfield	Long
Lugar	Pell	Stafford
Mathias	Pressler	Stennis
Matsunaga	Proxmire	Stevens
Mattingly	Pryor	Thurmond
McClure	Quayle	Tower
Melcher	Randolph	Trible
Metzenbaum	Riegle	Tsongas
Mitchell	Roth	Wallop
Moynihan	Rudman	Warner
Murkowski	Sarbanes	Weicker
Nickles	Sasser	Wilson
Nunn	Simpson	
Packwood	Specter	

NOT VOTING—9

Cranston	Goldwater	Percy
Dixon	Heflin	Symms
Glenn	Hollings	Zorinsky

So Mr. JEPSEN's amendment (No. 1498) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas had asked for recognition a long time ago. For what purpose does the Senator from Nebraska desire recognition?

Mr. EXON. I request recognition as a Member of the U.S. Senate I would advise the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I ask unanimous consent to be permitted to yield to the Senator from Nebraska—Senator EXON, 2 minutes without losing my right to the floor. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. EXON. I am a U.S. Senator, the name is EXON, E-x-o-n, and it is pronounced E-x-u-n. [Laughter.] I thank the Chair for recognition and I thank my friend from Arizona for his consideration. [Laughter.]

I am going to take 2 minutes to make a point that I think it is about time should be made in the U.S. Senate. I say this without casting any aspersion whatsoever on the leadership of the Senate on either side of the aisle or on any Member of the U.S. Senate. They are all friends of mine, and I have high respect for them.

I simply rise to say once again I think it is about time that we break out of the mold of running the U.S. Senate as if it were the Toonerville Trolley.

I would simply point out that we have just had two votes that consumed more than an hour of the time of the U.S. Senate, and on each vote the vote was 88-to-0 or 90-to-0, two cases in a row.

I would simply cite that this week we have been here once until 1:15 in the morning, until almost 10 o'clock last night, and we are going to be required because of the circumstances to

be here on Saturday, which is somewhat unusual.

I am simply making the point, Mr. President, that I as one Member of the Senate would hope that all of us—we share in this responsibility—could realize and recognize that under the circumstances that exist now we should be moving along. The main delay of the U.S. Senate now is not any filibuster or extended debate; it is the fact that we are not moving as aggressively as we should.

I would suggest once again, as I have on many occasions as I have from this desk in the past, that we must do something, it seems to me, about needless votes where both the majority and minority have accepted an amendment and then we insist on a vote.

I make this statement with regard to the last vote on which I was a principal cosponsor and requested we not have a rollcall vote.

I simply say that most of us, all of us, have more to do than to come over here in exercises of futility to have rollcall votes that are meaningless.

I simply say once again to the leadership of the Senate and all my colleagues I think we look less than effective, less than efficient, in the way we go about our business and the timing of all this, especially with regard to making the best use of our time as United States Senators.

I yield back to my friend from Arkansas with my thanks.

(Mr. WILSON assumed the chair.)

Mr. BUMPERS. Mr. President, I want to echo the remarks of the Senator from Nebraska who has stated so well a matter that has become of concern to all of us, and that is the time taken by rollcalls and the delay that has imposed upon us.

I know some Senators have to leave town tonight. I know the majority leader feels that he is obligated to a Saturday session, and so be it. I am not quarreling with that. I am one of the people who have to leave. I wish I did not. I cancelled some commitments so that I could stay today.

There are at least two amendments which hopefully we can vote on here before we quit tonight. But I feel obligated, and with a sense of responsibility, to speak on the issue of the MX for fear I might not get another chance.

I want to say that my interest in speaking is not to delay, not to take up the time of the Senate, but to debate in the most thoughtful way I know one of the most serious issues that has been presented to this body since I have been here, and that is 8½ years.

I do not know how one convinces Members of the Senate in a debate such as this, with the magnitude of the issue, when we all necessarily are forced to repeat so many of the same arguments.

I do not know that I can say anything new about the MX—I might say it differently, I might say it more passionately, maybe with as much or more conviction than some of my colleagues who feel strongly about the issue—but this issue ought to be thoroughly aired—and I speak not because I think my side will win and the funds for the MX will be deleted, but I say it because as a Senator I feel a grave responsibility to at least air the issue for the American people if not for the U.S. Senate.

One of these days my children and my yet unborn grandchildren are going to be going through the archives at the University of Arkansas at Little Rock to look over my papers, and I hope in the course of their research into what their father and grandfather stood for in the U.S. Senate that what I have to say on the MX issue will literally jump out from the black on the paper into their minds.

I want them to be very proud that they took the time to even research the archives, if they live that long, to know their father and their grandfather stood for something, and that was, if nothing else, peace on Earth.

When you repeat these arguments time and again, they sometimes get lost. I have talked to survivors of the Jewish Holocaust who have said that in their more reflective moments, when they had the opportunity, they could not believe how routine a subhuman existence could become and how they demeaned themselves almost routinely. Such behavior became sort of an accepted fact; one tried to survive as best one could, and yet the most subhuman existence perhaps ever known in the history of man became routine.

We have been talking about the MX missile for so long now, and so many people have dug themselves into a position, that they feel incapable politically and intellectually of extricating themselves from stands that in their more reflective moments they cannot possibly feel comfortable with.

This issue is not a question of whether the Soviet Union has a margin of superiority or not. There is not any measurement that I can think of or which anybody could sensibly vote for this except a numerical comparison, and in a moment I hope to be able to address the issue in such a way that you cannot possibly believe that numbers make any significant difference.

Is it not interesting, I guess it was about 1956, that then President Eisenhower asked his Joint Chiefs of Staff to do a memo for him on the possibility of a preemptive nuclear strike against the Soviet Union?

The Chiefs studied it for some time. They reported back that we had 400 nuclear weapons—at that time they were all in the form of bombs which would have to be delivered by aircraft—and the Soviet Union had four. We had a numerical margin of superiority of 100 to 1.

What do you think the Joint Chiefs reported back to the President? That it would be very risky to launch a preemptive attack against the Soviet Union because they were not sure that they could destroy those four Soviet nuclear weapons.

And yet today, we possess about 10,000 strategic nuclear weapons, not one of which is smaller than any of the 400 weapons we had at that time, and the Soviet Union has about 8,000.

The Soviets have more throw weight and they have more megatonnage, but can you believe that the chief planners of the strategic forces of the Soviet Union are sitting down and saying, "We believe that we can launch a preemptive strike against the United States and take out 350 B-52 bombers, catch all of them on the ground and destroy them and all the nuclear weapons on board; destroy all 1,047 ICBM's"—16 of which are located in my State—and destroy all 41 of our SSBN's, our submarines that have the ability to launch intercontinental nuclear missiles against the Soviet Union?

Do you believe, in light of what the Joint Chiefs said in 1956, that somebody is planning a launch against us and assumes that they can win that war? That is not a doctrine of ours. Until we started debating the MX, we have never considered—at least in modern times—what we call launch on warning whereby you get strategic warning that the Soviet Union is about to launch and you launch. We have never had, as a part of our military doctrine that I know anything about, even a policy of launch under attack. And that is where your computers tell you that the Soviets have fired their missiles and that some warheads have detonated on U.S. soil, and therefore you fire while some of theirs are in the air coming at you and while we still have some left to launch.

I can recall back before I came up here and got educated, I thought, "Why, the President would just have to be a fool to sit on his hands knowing that the Soviet Union had fired missiles at us." And I used to say, "Well, now, unless the President just turns into a bowl of Pablum, he is certainly going to launch if he knows the Soviet Union has already launched."

But after I got here and I realized that our computers and our warning system is not absolutely perfect, I found that such thinking could be very dangerous.

I do not know whether this is true or not, but I heard that we had a large number of false alerts last year—alerts where our computers told us the Soviets may be ready to launch.

I had a very high-ranking Pentagon official tell me 4 years ago that he was awakened at 3 o'clock in the morning and told that there were 1,000 Soviet missiles on the way toward the United States. And he said, euphemistically, of course, "Messages like that will ruin your whole night." [Laughter.]

I went to see a movie the other night because my daughter wanted me to see it, called War Games. I highly recommend that to everybody in the Senate.

This is the movie about a 16-year-old kid who has a personal computer in his home and he and his girlfriend are tapping and pecking on it. And he is a bright kid. He understands those things. I do not.

If you do not ever feel inferior, just talk to some 16-year-old kid that has a personal computer and let him try to explain it to you. And if he does not lose you in 60 seconds, consider yourself an intellectual giant.

In any case, he got to tapping around on this computer, and the first thing you know he is wired into all the computers at NORAD. And they sound alarms and the bells go off and everything.

To tell you the truth, I do not want to talk much further about it because I am not sure I even understood the movie that well.

But I do know that all those giant screens at NORAD displayed Soviet missiles coming into the United States and they were trying to get the President.

Have you ever thought about what a comedy of errors it would be if we had a 20-minute warning that the Soviets had launched, and they were trying to get the President out to that big command plane out at Andrews Air Force Base? Why, he would not have any more chance of getting there than the man in the moon. Those are the kinds of games we play.

But to get back to the doctrine, we have never had a preemptive or early launch policy as a part of our doctrine because we do not trust our warning system enough to say that we should launch on warning.

Once we start changing that doctrine, and say, "Yes, we will launch on warning or we will launch under attack," we will have lowered the threshold of war and created what strategic planners would call a hair trigger situation. And if there is anything Members of the U.S. Senate do not want, if there is anything every single Member of Congress does not want, it is a hair trigger situation. You lower the threshold of war. You enchance the chances of nuclear war.

But, when you put your best missile, your most expensive missile, your most powerful missile, in a static position—a non-hardened silo that the Soviets know they can destroy—then you get into the position, which George Shultz seemed to happily announce one night on the evening news, of moving toward a doctrine of "use 'em or lose 'em."

And what does "use 'em or lose 'em" mean? Well, that means you do not want them to be destroyed and, therefore, you will launch them to keep from losing them. And that is a hair-trigger situation.

In 1980, when then candidate, now President, Reagan was touring this country, he talked about the so-called racetrack system that Harold Brown and President Carter and Bill Perry said was the only survivable way to deploy a mobile missile. This was in Nevada and Utah. And he made fun of it. He said, "This is the most laughable piece of trash I have ever looked at."

Well, I did not think it was laughable. When you are talking about nuclear weapons, I never think that is funny, for some reason or the other.

But I also admired the people of Utah and Nevada for not wanting two things: No. 1, not wanting the possibility of 4,000 Soviet missiles hitting their States, and, No. 2, I do not blame them for not wanting their States dug up during the construction process.

I will tell you one thing, if they tried to dig up my State the way the racetrack plan would have dug up Nevada and Utah, I would have been squealing like a pig under a gate, just like they did. And I do not blame them for going to the mat on the issue.

But as detestable as that whole thing was, I was for it. I was for it only if we were going to insist on building a mobile missile, because that was the only possible scenario I could see for that missile to be survivable.

The reason we wanted the MX to begin with is that it had two qualities that we were not sure any other strategic system we had possessed, except our submarines. We consider our submarines invulnerable. But those 1,000 ICBM's are just sitting out there like sitting ducks. We wanted the MX for two things: Because it was mobile, and, therefore, No. 2, it was survivable.

But Presidential-candidate Reagan said, "This is outrageous. We will never deploy the MX missile in this racetrack mode."

There is another note I want to make. The only way I would have supported that thing out west, the racetrack system, was if we had gotten a SALT II treaty. If we did not have a treaty with the Soviet Union they could have overwhelmed the racetrack basing mode. It would have required 4,000 warheads to destroy that racetrack system. That would have been no problem. The Soviets could have done it. Unless we had a treaty limiting the number of missile warheads they could have, they could overwhelm that system.

A second thing the President said when he was running in 1980 was that the SALT II Treaty was fatally flawed. He said it gave the Soviet Union more than it gave us.

You know, I challenge the President sometimes when I disagree with him. but I want to establish my credibility by sometimes agreeing with him. About a year ago he said he changed his mind and he said the SALT II Treaty was a good treaty after all, "and we are going to abide by it if the Soviets will." For the past year or year and a half we have been doing exactly that.

Mr. BYRD. Will the Senator yield?

Mr. BUMPERS. I will yield to the Senator from West Virginia.

Mr. BYRD. Did the President say the same thing with regard to the Panama Treaty? Did he not say that as long as Panama lived up to the provisions of the treaty, he would honor it?

Mr. BUMPERS. Yes.

Did the Senator from West Virginia wish to offer an amendment?

Mr. BYRD. At some point I would like to do that. I do not want to interrupt the Senator for that purpose.

Mr. BUMPERS. I am just getting warmed up.

Mr. BYRD. If the Senator will allow me to interrupt, without his being charged with a second speech, I would like to go ahead.

Mr. BUMPERS. I ask unanimous consent that I may yield under that condition.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1500

(Purpose: To authorize the presentation on behalf of the Congress of a specially struck bronze medal to the families of American personnel missing or otherwise unaccounted for in Southeast Asia)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for himself, Mr. JACKSON, Mr. GARN, Mr. BENTSEN, Mr. COCHRAN, Mr. RANDOLPH, Mr. COHEN, Mr. CRANSTON, Mr. DURENBERGER, Mr. EXON, Mr. HART, Mr. INOUYE, Mr. JOHNSTON, Mr. LAUTENBERG, Mr. MOYNIHAN, Mr. NICKLES, Mr. NUNN, Mr. SASSER, Mr. STENNIS, Mr. THURMOND, Mr. GLENN, Mr. DODD, Mr. TSONGAS, Mr. ZORINSKY, Mr. BIDEN, Mr. MITCHELL, Mr. LEAHY, Mr. FORD, Mr. BINGAMAN, Mr. WILSON, Mr. BUMPERS, Mr. PELL, Mr. METZENBAUM, Mr. RUDMAN, Mr. LEVIN, Mr. DOMENICI, Mr. BAUCUS, Mr. MURKOWSKI, Mr. BOREN, and Mr. PERCY proposes an amendment numbered 1500.

Mr. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

COMMEMORATIVE MEDAL FOR FAMILIES OF AMERICAN PERSONNEL MISSING IN SOUTHEAST ASIA

SEC. . (a) The Congress finds and declares that—

(1) 2,494 Americans, military and civilian, are listed as missing or otherwise unaccounted for in Southeast Asia;

(2) those missing or otherwise unaccounted for Americans have suffered untold hardship at the hands of a cruel enemy while in the service of their country;

(3) the families of those Americans retain the hope that they will return home, and the loyalty, hope, love, and courage of these families inspire all Americans;

(4) the Congress and the people of the United States are committed to a full accounting for, and release of, all Americans missing or otherwise unaccounted for in Southeast Asia: and

(5) the service of those missing and otherwise unaccounted for Americans is deserving of special recognition by the Congress and all Americans.

(b)(1)(A) The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized jointly to present, on behalf of the Congress, to those American personnel listed as missing or otherwise unaccounted for in Southeast Asia, to be accepted by next of kin, bronze medals designed by an artist who is an in-theater Vietnam veteran, in recognition of the distinguished service, heroism, and sacrifice of these personnel, and the commitment of the American people to their return. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be stricken bronze medals.

(B) There is authorized to be appropriated not to exceed $20,000 to carry out the provisions of subparagraph (A).

(2) The Secretary of the Treasury may cause miniature duplicates in bronze to be coined and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor, materials, dies, use of machinery, and overhead expenses), and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(3) The medals provided for in this subsection are national medals for the purpose of section 5111 of title 31, United States Code.

Mr. BYRD. Mr. President, this amendment is offered on behalf of myself and Senators JACKSON, GARN, BENTSEN, COCHRAN, RANDOLPH, COHEN, CRANSTON, DURENBERGER, EXON, HART, INOUYE, JOHNSTON, LAUTENBERG, MOYNIHAN, NICKLES, NUNN, SASSER, STENNIS, THURMOND, GLENN, DODD, TSONGAS, ZORINSKY, BIDEN, MITCHELL, LEAHY, FORD, BINGAMAN, WILSON, BUMPERS, PELL, METZENBAUM, RUDMAN, LEVIN, DOMENICI, BAUCUS, MURKOWSKI, and BOREN.

Mr. President, the amendment would provide for the striking of a bronze medal honoring our men and women missing in action in Southeast Asia to be presented to the families.

America is a nation with farflung interests and commitments in all major regions of the globe. As a great power, America today is exercising her responsibilities with particular focus on Central America, the Middle East, NATO, and Soviet relations. Over time, our Nation's interests shift to meet the challenges of the moment. This is in the nature of things, of course, but in executing such shifts in national attention, our collective national memory is too short. Such is the case with reference to Southeast Asia.

It is perhaps inevitable that the stinging disappointments that we experienced in the prolonged Vietnam conflict have resulted in a serious lack of attention to the human tragedy that now engulfs the states of what was formerly called Indochina—Vietnam, Laos and Cambodia. It is important that we remind ourselves that America always has been, and remains an Asian power with important military and commercial interests across the arc of the Pacific. It is important that we maintain a sense of responsibility to that region: An adequate level of awareness of events; an awareness of the interests of our Asian allies in maintaining a sufficient level of involvement there; and a commitment to America's unfinished business.

At the top of the list of America's unfinished business is the matter of the over 2,400 missing in action—both civilian and military—in the Vietnam theatre.

Mr. President, 2,494 Americans are listed by the Department of Defense as "missing or otherwise unaccounted for" in Southeast Asia. This list includes military and civilian personnel, men and women, all in the service of their country. I have before me a copy of that list. Seeing so many names is a numbing experience. As I look through page after page of these names, the obvious questions arise. Where are these men and women? Are some of these Americans alive? Are they being held prisoner? Of those who have died, where are their remains? This list raises many questions, some of which will never be answered. Yet, eight years after the end of American military involvement in Southeast Asia, we have very few answers. We are left with gnawing doubts, uncertainty, and pain.

These doubts and pain are most acutely felt by the families of those missing. Through the uncertainty, they retain remarkable strength of spirit. They have organized vigils, met with officials, written countless letters and articles—all to the end that their fellow Americans not forget their loved ones, and that efforts to obtain their release, if they are living, be intensified. I am not satisfied that the country has shown sufficient resolve in insisting upon a full accounting of those missing. But I want to call upon my colleagues to redouble their efforts, to urge the administration to do all it can do, so that the families of those brave Americans will no longer need to live with uncertainties. Organizations such as the National League of Families of POW/MIA's, the Vietnam Veterans Institute, the American Legion, the Veterans of Foreign Wars and others have done a great service by the commitment of their membership to resolution of this issue. I know we all benefit from the example of love and devotion that the families and friends of those missing provide.

It is incumbent upon the Congress to call attention to this issue. I can think of no more fitting way to accomplish this than by striking a special commemorative national medal to be awarded to those missing or otherwise unaccounted for, and to be presented to their families by the Congress. Therefore, I am offering this amendment, on behalf of myself and others whose names I have mentioned, to authorize a national commemorative medal in recognition of the sacrifice and untold hardships endured by those missing.

I ask for the adoption of this amendment.

It has been discussed with the managers of the bill on both sides of the aisle.

Mr. BUMPERS. Will the Senator add me as a cosponsor?

Mr. BYRD. Yes, I will. I thank the Senator.

Mr. President, I ask unanimous consent that the Senator from Arkansas be added as a cosponsor.

Mr. STENNIS. Mr. President, I ask unanimous consent that my name be added to the leader's amendment as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I am most pleased to join in strong support of this amendment. I am already a cosponsor of S. 1541, which would authorize the presentation of a specially struck bronze medal to the families of American personnel missing or otherwise unaccounted for in Southeast Asia. Earlier this week, I, myself, introduced a resolution to declare April 9, 1984, a special day of recognition for our prisoners of war and those missing in action.

The families of those who are missing have suffered much. They have borne the separation from their loved ones; they have endured the uncertainty surrounding the fate of those who are missing. And those who are missing have made the supreme sacrifice for our country.

It is most fitting that we honor the sacrifices that these men and their families have made. The medals which this amendment authorizes will go to each family of an American who is still missing or unaccounted for in Southeast Asia. They represent the gratitude that the American people feel for the dedication and courage that these families and their loved ones have displayed.

At the same time, Mr. President, let me express my strong belief that our

Government must continue to do everything it can to achieve a full accounting for every American who remains unaccounted for in Southeast Asia. We must pursue every available option in this quest. We simply cannot rest until we have obtained a full accounting for every single American.

Once again, Mr. President, I am proud to endorse the amendment of the Senator from West Virginia. The presentation of these medals is a necessary recognition of the price those missing in action and their families have paid in service to our Nation.

Mr. BYRD. I thank the distinguished Senator from Mississippi.

Mr. President, I ask unanimous consent that Mr. TSONGAS be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. TSONGAS. Mr. President, I support the amendment introduced by the Senator from West Virginia. This legislation is intended to symbolize our commitment to the hope and efforts that the 4,494 men and women—both civilian and military—listed as missing or unaccounted for in Southeast Asia will return home.

The amendment calls for a national bronze medal to be designed and struck, in recognition of the distinguished service, heroism, and sacrifice of these individuals. The medal would be reproduced and presented to the next of kin of each person listed as missing in action.

The war in Southeast Asia was a very painful experience for all Americans. The families of POW's and MIA's have suffered and continue to suffer an even greater hardship. I have supported the efforts of our Government to secure the release and return of all POW's and MIA's.

The striking of the medal expresses the commitment of the United States to a full accounting for, and release of, all Americans missing or otherwise unaccounted for in Southeast Asia. I believe it is altogether fitting and appropriate that we not only make bronze symbols to express our commitment, but also seek diplomatic relations with our former foes as an essential step in securing the release of any possible POW's or MIA's.

Mr. President, I ask that I be listed as a cosponsor of this amendment.●

Mr. BIDEN. Will the Senator yield?

Mr. BYRD. Yes, Mr. President, I yield.

Mr. BIDEN. Mr. President, we all know very well that there is nothing this Congress can do directly to heal the emotional wounds and satisfy the moral outrage of the families of those missing in action or otherwise unaccounted for during the war in Vietnam. Their long, unresolved grief can be assuaged only when we have arrived at a full accounting for those missing Americans with the Vietnamese.

We cannot ask them to accept a bronze medal, no matter how compassionately intended by Congress, as a substitute for that long-overdue accounting.

But, on behalf of the American people, Congress can and should recognize that these MIA families are still today bearing a heavy personal burden—and a sense of national responsibility—that the rest of the Nation has largely put aside with its unhappy memories of the Vietnam years.

Those families, as much as their missing loved ones, are casualties of that war. They deserve our sympathy—but more than that, they deserve our respect and our gratitude for their determination not to abandon the memory of those who are missing in the service of their country, and for their insistence that their country not forget.

These MIA families have kept their faith in America. They have sustained the honor of their country. They have held us all to account to our own consciences. They have been a model of patriotism and personal integrity, and they have earned this recognition by Congress.

Mr. President, I urge the adoption of this amendment for the award, on behalf of a grateful Nation, of a bronze medal to our MIA families. As they have refused to forget the sacrifice of their loved ones, so we must not forget their own pain and their enduring courage.

Mr. BYRD. Mr. President, I yield to the distinguished acting majority manager.

Mr. COHEN. Mr. President, I wish to associate myself with the remarks of the distinguished minority leader and say that this country simply cannot do enough for those families who suffer from the great doubt and conflict within themselves as to whether or not their sons are still alive and, indeed, entitled to a decent burial.

I commend the Senator for offering the amendment and say that it has been cleared on this side.

● Mr. NICKLES. Mr. President, I am most pleased for this opportunity to support my distinguished colleague from West Virginia in his efforts to call attention to the heroism and sacrifice of America's Vietnam soldiers who are still missing or otherwise unaccounted for from the Vietnam conflict.

The bill calls for a national bronze medal to be struck and presented to the next of kin of each missing personnel. I think it is very appropriate for the Congress of the United States to do this, thereby expressing to the families and friends of those missing soldiers that the American people do have them in their thoughts and prayers.

Mr. President, I am sure all of my colleagues join me in the desire that a full accounting of America's prisoners of war and missing in action can be achieved, and that we are committed to this goal.

I thank my good friend from West Virginia in bringing this expression of recognition of the continuing commitment of the United States to account for each and every missing person from the Vietnam conflict.●

● Mr. PRYOR. Mr. President, I am pleased to be a cosponsor of legislation that would call for a national bronze medal to be designed and struck, in recognition of the distinguished service, heroism, and sacrifice of the men and women who are still listed as missing in action in southeast Asia. I am proud to cosponsor and support this amendment by the distinguished Senator from West Virginia and I commend him for his efforts.

The service that these missing men and women have given this country is most deserving of this medal. Most of us probably have no idea of the hours that the families of these missing men and women have spent in silent prayer and constant vigil, living on hope.

The time has come to make this most appropriate recognition to the families of these missing soldiers and civilians.

I commend Senator BYRD for this amendment to honor these men and women whose service will never be forgotten.●

Mr. BYRD. Mr. President, ordinarily, I would not ask for the yeas and nays on an amendment that has been accepted by the managers. I have never done that so far as I can remember since I have been in the Senate. In this instance, however, because of the nature of the amendment and because I think there is a need to show the families of the missing men and women the degree of support there is for even this slight effort on our part, I do ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I inquire of the distinguished Senator from Arkansas, to whom, when I yield the floor, the recognition by the Chair has already been ordered, if he has any objection to the rollcall either now or later, when he has completed his remarks.

Mr. BUMPERS. If the Senator from West Virginia has no objection, I would like to finish my remarks. It would take about 10 or 15 minutes, then we can go to the rollcall.

Mr. BYRD. I think that would be perfectly appropriate.

Mr. President, I ask unanimous consent that the rollcall vote which has been ordered on this amendment not occur until after the Senator from Arkansas has relinquished the floor.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Reserving the right to object, Mr. President, can we have the assurance of the Senator from Arkansas that he will not proceed for longer than, say, 15 minutes? I do not mean to hold him to a time limit.

Mr. BUMPERS. I think I can finish in 15 minutes, Mr. President. If I have not, I shall quit.

Mr. TOWER. Then I have no objection, Mr. President.

The PRESIDING OFFICER. There being no objection, the Senator from Arkansas is recognized to complete his remarks, after which a rollcall vote will be taken on the amendment of the Senator from West Virginia.

Mr. BUMPERS. Mr. President, I was speaking of the President, and I was saying I applaud his suggestion that the SALT II treaty ought to be recognized by both the United States and the Soviet Union. Senators will recall that another thing candidate Reagan said in his campaign was that our ICBM's are vulnerable. We heard a lot about the window of vulnerability. I am not sure the American people were sure what the President was talking about when he talked about a window of vulnerability. What he was saying was simply that the Soviets have the capability to destroy a significant portion of our land-based missiles.

I do not know, we have never fought a nuclear war so I do not know how to evaluate the Soviet's purported ability to knock out all of our land-based missiles, or 95 percent of them, or 70 percent. You can get a different figure from any officer you talk to over at the Pentagon. Depending on the climate here, you get a different answer.

Secretary Weinberger said in testimony before the Armed Services Committee that the Soviets could knock out 95 percent of our land-based missiles if they launched a preemptive strike and we rode out the attack. The Air Force Chief of Staff testified before the same committee in April that they could only knock out 70 percent. I do not know who is right or who is wrong, and I hope I never find out. But we do not hear anything more about the window of vulnerability, because we want to put the MX missiles in the same silos that were vulnerable, according to President Reagan, in 1980. If they were vulnerable then, they are vulnerable now.

They are vulnerable. If the Soviets launch and we ride out the attack, they are going to destroy a lot of our missiles. Nobody knows how many. That is the reason, incidentally, that I favor the Trident submarine program, because the least vulnerable mode we have for deploying missiles that assure us a retaliatory capability against the Soviet Union is in our submarines.

Those silos are vulnerable now and they will be vulnerable after we spend $18 to $30 million putting MX missiles in them.

The President said something has changed. But before I get into that, he also said he needs the MX for a bargaining chip. I never have liked the idea of bargaining chips. If we are going to put these missiles into a vulnerable mode, why would the Soviet Union bargain with us on them? If they can knock out the Minutemen that are in the silos right now, they can knock out the MX when we put it in there. So why would they bargain?

Here is what Secretary Weinberger said on "Good Morning America," May 16:

> The question is not whether it is a bargaining chip. Nobody ever suggested that it was a bargaining chip. It is a part of our modernizaton program.

He should have checked with the President, because the President has, indeed, said time and time again that he needs the MX for a bargaining chip.

The only problem we have is that he has consistently refused to tell Senator NUNN and Senator COHEN what he is willing to bargain for.

Here is what the Secretary of Defense, Caspar Weinberger, said on January 6, 1981, about the vulnerability of our missiles:

> I would feel that somebody putting the MX into existing silos would not answer two or three concerns that I have; namely, that the location of these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces.

That is what Secretary Weinberger said 2½ years ago.

The Senate Armed Services Committee report last year, when it submitted their 1983 budget to this body, April 13, 1982, just a little over a year ago, said:

> The planned interim basing of the MX does not redress the problem of the vulnerability of the land-based ICBM forces. The $750 million for research and development on interim basing of the MX is denied. No further work is to be undertaken in support of fixed-point silo basing of the MX.

I agree with the distinguished Senator from Texas, the floor manager of this bill, for whom I have the utmost respect concerning his knowledge of military affairs, when he said:

> By stuffing the MX's into fixed silos we are creating just so many more sitting ducks for the Russians to shoot at.

I agreed then and I agree now. But what has happened? I am not going to quote all of the Senators of this body, which I happen to have here, saying that it is idiocy to put MX's in Minuteman silos. I am not going to quote all of them because a lot of them now favor putting the MX in fixed silos. But the question is, What has happened since all of those statements were made by a lot of the military experts in this body, what has happened since they said those things until the time we voted about a month or so ago to start flight testing and voting here today or Monday or Tuesday or whenever it is to go into production? One thing. Only one thing has happened. And that is the President appointed a commission called the Scowcroft Commission. He very carefully made sure that every member appointed favored the MX before they held their first meeting, and then he said, "Here is an impartial bipartisan commission. They are going to study this matter very carefully." And everybody knows that Brent Scowcroft is a very respected former general, and I respect him. He testified before the Appropriations Committee about that report, and I questioned him rather extensively within the limits of my time: General Scowcroft, if it was bad a year ago, if it was bad 2 years ago, if it was bad 3 years ago, to put our most expensive, most powerful missile into a fixed based silo that is not even hardened, just giving the Russian an invitation to attack why is it good today? Better still, why is it not still bad today? and he said, "Well, we felt that we have to show our national will."

We are going to show our national will.

Well, that is a poor way to do military planning. The way you do effective military planning is to show more than will. You show capability. You show good strategic planning, common-sense. You let the enemy know that you have some power. You do not fool the Soviet Union by saying we are going to do something stupid. Those people in the Kremlin did not just fall off a watermelon truck. They know what is going on in this country.

And that is all on God's green Earth that has happened since everybody in this body roundly denounced the MX plan we are about to approve 1 year ago, 2 years ago, 3 years ago.

If the President really believes in the SALT II treaty, where does this leave us? It leaves us, if we go to the Midgetman, in violation of SALT II. Everybody who has studied SALT II knows that we and the Soviets agreed that we would each build one new missile, or at least we would each have the right to build one new missile, and to modernize another missile within certain very carefully constrained limits.

The Scowcroft Commission said, put the MX into those silos that we presently have Minuteman in, No. 1. And, No. 2, follow that up with the so-called Midgetman, a small 30,000-pound missile with one warhead.

Strategic doctrine sometimes gets very esoteric and complicated. I

think—I do not want somebody quoting me a year or two from now—as of this moment that if we could get an arms treaty that would eliminate MIRV missiles and get small, mobile, invulnerable, Midgetman missiles with one warhead, we will at least raise the threshold for nuclear war very dramatically. And anything that will do that I am for.

But we cannot under the SALT II treaty build the MX missile and the Midgetman missile without violating that treaty. We cannot have it both ways.

Mr. President, I have a lot more to say and I assume maybe later I will get a chance to finish this, but when it comes to showing the national will, I wish we would just look at what we are doing. We have that Trident submarine under construction and we are going to continue to build it. We can put 200 warheads on one Trident submarine that is invulnerable for about one-eighth to one-tenth the cost of this MX program. We can put as many warheads on a Trident submarine—it would take five Trident submarines, maybe just four, depending on how many warheads we put on our Trident II or D-5 missile—for about half the cost of the MX. Think about this. Let me repeat this. If we really believe in modernizing our strategic forces, we can build five Trident submarines fully equipped even with the new D-5 missile for about half the cost of this MX program. The difference is that the Trident is invulnerable and the MX in these silos is as vulnerable as I am standing here before God Almighty.

What economic sense does the MX make? What military sense does it make? The answer is "none." Why, you can modernize the Minuteman III missile you have out there now and put almost as many warheads on them. They could have virtually the same hard target kill capability and we could put the same guidance system on them for half the cost of the MX. If we insist on building missiles that are vulnerable, just modernize the remaining 250 Minutemen we have that are not modernized—put three warheads on them. That will give us 750 warheads. And if only 5 percent of our warheads are going to survive anyway, what difference does it make? So we get 20 more warheads surviving for $20 billion.

Mr. President, I will close out by saying that, among other things, I used to farm. I used to have a cemetery, too. I sold my cemetery because I found out you cannot sell cemetery lots to healthy people. But the one thing I have done in my life that I enjoyed more than anything I have ever done and knew that I was enjoying at the time was to farm. My wife has said I am a professional malcontent. She said, "You are never happy with what you are doing." But the one thing she and I enjoyed more than anything else was farming. When I got out of law school, I was so poor, I thought if I can just ever get that split level and two station wagons in the garage and a nice farm full of registered cattle, the Lord will fulfill everything I could have ever expected. And you know, I got all those things and it did not make me as happy as I thought it was going to, and so I just jumped up and ran for Governor.

The one thing I did enjoy was farming and raising cattle and watching a newborn calf struggle to its feet, and I used to watch wolves as the Sun came up playing out in the meadow, and guess at what kind of bird it was that flew across the road. I loved it. But the one thing I noticed, whether it was a bird or an animal, whether it was a cow, whether it was a wolf, whether it was a raccoon, whatever, I noticed when a cow had a new calf, if you got too close, she would get awful mean; she was very protective. And do you ever watch birds like field larks who make their nest out in the meadows? If you get close to them they will jump up and fly and act like they are crippled; they try to distract your attention to protect their young. I have even watched wolves, who are normally frightened of man. They will run from men, but if you get close to their cubs even they will growl at you.

I am 57 years old. I know I do not look it and I do not feel it and I do not think it—and I resent it. But the truth of the matter is if I die tomorrow, once a poor, Southern-born country boy, I have more than anybody had any right to expect—more good fortune, more material gain, and above all, three children, all of whom I like to think are stable, commonsensical, bright, sensitive, caring people.

The only reason I thought of running for President is that I was concerned for their future, and the only reason I speak with the emotion and passion I speak with today is not for me but for them.

VOTE ON AMENDMENT NO. 1500

Mr. TOWER. Mr. President, does the question now occur on the amendment of the Senator from West Virginia (Mr. BYRD)?

The PRESIDING OFFICER. Yes.

Mr. TOWER. And the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. DIXON) would vote "yea."

The PRESIDING OFFICER (Mr. SPECTER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 88, nays, 0, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—88

Abdnor	Grassley	Murkowski
Andrews	Hart	Nickles
Baker	Hatch	Nunn
Baucus	Hatfield	Packwood
Bentsen	Hawkins	Pell
Biden	Hecht	Pressler
Bingaman	Heinz	Proxmire
Boren	Helms	Pryor
Boschwitz	Huddleston	Quayle
Bradley	Inouye	Randolph
Bumpers	Jackson	Riegle
Burdick	Jepsen	Roth
Byrd	Johnston	Rudman
Chafee	Kassebaum	Sarbanes
Chiles	Kasten	Sasser
Cochran	Kennedy	Simpson
Cohen	Lautenberg	Specter
D'Amato	Laxalt	Stafford
Danforth	Leahy	Stennis
DeConcini	Levin	Stevens
Denton	Long	Thurmond
Dodd	Lugar	Tower
Dole	Mathias	Trible
Domenici	Matsunaga	Tsongas
Durenberger	Mattingly	Wallop
East	McClure	Warner
Exon	Melcher	Weicker
Ford	Metzenbaum	Wilson
Garn	Mitchell	
Gorton	Moynihan	

NOT VOTING—12

Armstrong	Glenn	Humphrey
Cranston	Goldwater	Percy
Dixon	Heflin	Symms
Eagleton	Hollings	Zorinsky

So Mr. BYRD's amendment (No. 1500) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I welcome the opportunity to speak on the MX missile issue.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. Yes.

Mr. TOWER. How long will the Senator from Massachusetts speak?

Mr. KENNEDY. Probably about 15 minutes.

Mr. President, I share the view of many of my fellow Senators that the MX is a fateful decision for America to make. This is not just another weapons system. It is not just another

issue in the long line of complex defense issues we are dealing with in the legislation now before us. It is, instead, a radical departure from the theory of nuclear deterrence. As we cross the MX threshold, we are entering the brave new nuclear world of first-strike capability, and launch-under-attack policy.

We all know that advocates of MX once proposed a "racetrack" basing mode to transport the missile on railroad tracks built across large areas of the West. We rejected that foolish basing mode, and I believe we should reject the present effort to railroad the MX through the Senate.

This motion I have offered is designed to permit the MX debate to proceed fully and fairly in the Senate, without delaying in any way any other aspect of the defense authorization bill. The Senate should divide the bill into two parts, pass the rest of the bill today if it wishes, and continue to debate MX as separate legislation. It should be clear that those of us who feel strongly against MX are in no sense attempting to kill the rest of this legislation or hold it hostage to our position on MX.

The MX has been a dubious project since its inception, and the time is long overdue for the Senate to act finally and decisively, and put this missile out of its misery.

In recommending funding for the MX, the Armed Services Committee report argues that the MX is the only acceptable near-term solution available to redress the current imbalance in prompt hard-target kill capability. However, the committee report goes on to concede that the proposed MX deployment in existing Minuteman silos does not meet the established standard of missile survivability for an MX basing mode. Indeed, recent evidence from the Air Force indicates that by the time we deploy the MX in the late 1980's, Soviet improvements in missile accuracy will enable them to destroy 99 percent of our fixed-silo land-based missiles, including the MX. In other words, the Air Force feels that only one MX missile will survive a preemptive Soviet attack. Because of its extreme vulnerability, the MX as a deterrent is incapable of redressing any nuclear imbalances, real or perceived.

As its second justification for the MX, the committee report argues that the MX is the only significant near-term action which will induce the Soviets to negotiate in good faith at the bargaining table. However, since the MX is useless as a deterrent and its only utility is as a first-strike weapon, it is difficult to see how the MX will advance negotiations. Any additional first-strike capability by either side will only heighten mistrust, accelerate the nuclear arms race, and make arms control even harder to achieve.

I believe that the way to real arms reductions is through patient and committed negotiations, not through construction of new and more deadly weapons. Yet I realize that earlier this year many of my colleagues were willing to vote for release of funds for continued MX development, in exchange for the Reagan administration's pledge to show new flexibility and commitment to United States-Soviet arms control negotiations. A critical question in this debate, therefore, is whether the President has lived up to his half of the bargain.

Sadly, and despite the hope of many Senators, the answer to this question is a resounding "no." In START, the administration has revised its proposal to concentrate on limiting warheads instead of launchers; but the administration is still far from offering a negotiable proposal. The U.S. proposals accommodates American defense programs, while requiring heavy cutbacks in Soviet MIRV'd, land-based ICBM's; it is a highly unbalanced proposal that would allow the United States to build the MX and the Trident II, while requiring the Soviets to dismantle two-thirds of their biggest strategic missiles, the SS-18's and SS-19's.

The proposal also omits completely any restrictions or reductions in strategic bombers on air- and sea-launched missiles, two areas in which the United States has a decisive advantage. I agree with former U.S. SALT negotiator, Ambassador Raymond Garthoff, who calls the Reagan proposal a nonoffer. As Mr. Garthoff states:

> Proposing reductions that are acceptable to Moscow cannot, of course, take precedence over meeting American security interests. But designing proposals titled so far to American strategic advantage that they cannot be accepted by the other side gains us nothing, and only deprives us of the security benefits of negotiated arms control with balanced constraints.

In other arms control talks, the administation has an even poorer record. The administration has told us that it wants to renegotiate verification provisions of the 1974 Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty; yet it has steadfastly refused to state what provisions it wants changed, how they would change them, or even when they would be willing to begin negotiations.

Furthermore, the administration has regrettably abandoned the policy of every President since Eisenhower, by refusing to resume talks with the Soviet Union and the United Kingdom for a Comprehensive Test Ban Treaty. The administration has also failed to renew talks with the Soviets to limit antisatellite weapons, despite the fact that previous negotiations in 1978 and 1979 produced a voluntary agreement by the Soviet Union to halt the testing of its ASAT weapon. Finally, the administration has refused a Soviet request to review the implications of new antiballistic missile technology on the 1972 ABM Treaty. Instead of working to safeguard the provisions of this historic and important arms control agreement, the administration seems more interested in building "Star Wars" weapons which would violate the treaty.

A President truly committed to serious arms control does not ask for destabilizing first-strike weapons, while he refuses to offer negotiable proposals, or refuses to negotiate at all. The administration has not shown significant new flexibility in arms negotiations since the Senate released MX funds this spring, and it will not show new flexibility if we approve more MX funds now.

Some supporters of the MX have admitted that the MX itself makes no sense, but argue that we need it as a stepping stone to get to the new generation of small mobile missiles for the fture—the so-called Midgetman. I agree that Midgetman could lead both the Soviet Union and the United States to a more realistic nuclear balance by reducing reliance on destabilizing multiple warhead missile like the MX.

However, support for the senseless MX will not help us to obtain the sensible Midgetman. The Air Force has already expressed a strong preference for MX over Midgetman. As press reports make clear, the Air Force is not likely to be content with a mere 100 MX missiles; it has plans for building 100 more. The Air Force has also shown its reluctance on Midgetman by padding the small missile's cost, by pushing back the date of its initial operating capability, and by quietly expanding its size to the point where it may finally be too large to be mobile. Outside experts, such as Dr. Richard Garwin, have argued that the Midgetman could, with proper effort, become operational within months of the MX's date. In short, as long as we give the go-ahead to MX, Midgetman, will only be pushed further into the background. If we want Midgetman, then let us vote for Midgetman and put the expense and danger of MX behind us.

In addition, we should remember that simultaneous development of both the MX and the Midgetman will violate the terms of SALT II, which the United States and the Soviet Union have up to now agreed to respect. Under SALT II, we can each develop one new land-based ICBM. Let that new system be the one that the Scowcroft Commission admits makes the best long-term sense—Midgetman, not the MX.

The last time we debated the MX several months ago, the Senator from Colorado addressed the issue of whether, if we moved ahead on the MX and the Midgetman, we would, in

effect, be violating the SALT II Treaty.

I would like the Senator from Colorado to elaborate on this point, which has not been ventilated to the extent that it should be.

Mr. HART. Will the Senator yield briefly?

Mr. KENNEDY. Yes.

Mr. HART. The Senator is correct. That point was well made a few minutes ago by the Senator from Arkansas, Senator BUMPERS. He pointed out that the treaty provisions do put a limitation on both sides in terms of the number on both sides to be introduced. It is believed by most experts of the SALT Treaty process that there is a very serious contradiction between adopting all the recommendations of the Scowcroft Commission and abiding by the treaty. It is unclear to me, at least, what the official view of the administration is on abiding by the treaty, the President strongly having opposed its ratification. But I take it under advice from senior military and civilian officials, career people dedicated to arms control, that it is in our interest to abide by that treaty even though unratified.

So it is important, I think, for everybody to note, as the Senator from Massachusetts has said, that down the road, if there is some thought among Members of Congress that we can have it every different way and have it both ways on the treaty and on the Scowcroft Commission, that is probably just a basic contradiction.

That is very important.

Some people could care less about SALT II. As I say, I am not sure what the President's own position on it is. But for those who think it is a step in the right direction and at least a framework in which to develop further arms control, adopting this proposal flies right in the face of building on that arms limitation agreement.

Mr. KENNEDY. I know that the Senator from Colorado is also familiar with the Air Force studies which show that in the latter part of the 1980's, with the increased accuracy of Soviet missiles, the survivability of the MX will be marginal at best. There are some who believe that should there be an attack on those fixed silos, that perhaps only one or two of them might survive. That raises the whole question of whether the Congress will be asked at a later time to add billions of dollars for hardening MX missiles silos, or perhaps even to permit the renegotiation of the ABM treaty in order to protect those sites, which would further complicate the possibility for meaningful arms control.

Mr. HART. The Senator is correct on both points. The Air Force studies, and I think all other objective overviews of the issue of putting a new generation of ICBM's in fixed silos, indicate a very high rate of attrition from a first strike attack, down to as little as 5 percent survivability or even less. The literature surrounding the Scowcroft Commission, indeed surrounding all fixed installations for the MX, whether dense pack or widely spaced basing or whatever, strongly suggests the necessity for some defensive capability.

The Scowcroft Commission, itself, leaves open, and the administration's own literature on the subject leaves open the possibility of the need to invest in a very expensive, very costly, problematic and diplomatically thorny defense system, which was barely accepted in the old days and has over the years deteriorated because neither side really believed in it. It just does not make sense.

The Senator is absolutely correct to bring up at this stage in the debate the implication that we are not just buying one system here but we are buying two, both of which are extremely expensive, both of which to a degree are destabilizing, and neither of which, in the age of the eighties and nineties, makes a lot of sense.

Mr. KENNEDY. I thank the Senator for his comments.

Mr. President, the MX is a missile without a mission, and a weapon without a home. Incredibly, the Air Force gave serious consideration to 30 different basing modes for the MX before throwing in the towel and recommending that these new missiles be placed in existing Minuteman silos.

These 30 basing modes show the ingenuity and imagination of our scientific community; but they also demonstrate that after years of study, no one yet knows what to do with this missile.

Here are just some of the alternative basing modes that have failed to pass muster in recent years:

Orbital basing: This would have launched missiles into orbit in time of tension or on warning of attack, and deorbit them later—either to attack the Soviet Union or to return harmlessly to the United States. Not only would this idea violate the Outer Space Treaty, but a false alarm could force us to launch our missile force into orbit and thereby heighten tensions in a crisis.

Shallow underwater missile (SUM): The idea was to attach MX missiles to small submarines that would patrol the U.S. coast. The flaw was that such a system would have been subject to a pindown attack by Soviet ICBM's.

Hydra was a fleet of waterproof MX's that would float aimlessly and unattended in the ocean until they were commanded to launch. Orca was a scheme to anchor MX's on the seabed.

All sorts of ships were considered, either on barges roaming the inland and coastal waterways of the United States, or in international waters on special vessels that would move randomly on the open sea.

Aircraft were considered, too: Amphibious planes that would sit on the sea for long periods of time; widebodied jets that would fly continuously; short-takeoff-and-landing or vertical-takeoff-and-landing planes—even dirigibles that would drift in the wind.

Then, stationary land-based schemes were studied: Hard-rock silos, hard tunnels, southside basing in mesas or mountains of the desert Southwest—all were examined and rejected.

Next came the road and rail systems. The Air Force studied commercial railroads and so-called dedicated rail systems. Our strategic planners studied off-road mobile concepts, ground-effect machines, road-mobile, covered-trench, hybrid-trench, mobile front-end systems. They even looked at basing the MX in pools of opaque water. Finally, they proposed "racetrack," a rail mode known as the multiple protective shelter (MPS) system—but it was immediately ridiculed as "mass transit for missiles" and finally collapsed because of its impracticality, its expense, and the extraordinary grassroots opposition to it.

Finally, there was Dense Pack. The Reagan administration had barely escaped from racetrack when it impaled itself on a scheme to put all the MX missiles in a narrow strip of land on a western military reservation, in reliance on the bizarre, untested and incredible idea that exploding Soviet missiles would destroy each other before they could destroy MX. As we all know, dense pack became dunce pack, and has not been heard from since.

In effect, we have gone to the well 30 times and come up empty on each occasion. The decision to place MX missiles in the old Minuteman silos is a confession of defeat, and every Member of the Senate knows it. Usually, it is three strikes and you are out—surely, MX should be out after 30 swings and misses by the Air Force.

Finally, some have argued that we should vote for MX, regardless of its strategic utility, to demonstrate our "national will." But when we put expressions of vague "national resolve" above commonsense in an area as vitally important as the nuclear arms race, then we truly are heading for catastrophe. Let us build national will; but let us build it behind the right weapons systems and the right causes.

The MX is a dangerous and expensive first strike weapon that will weaken deterrence and fuel the nuclear arms race, instead of advancing the cause of arms control. The MX makes no strategic sense whatever. The MX will not suddenly spur the Reagan administration to more flexible negotiating positions, nor will it lead to the eventual construction of Midgetman. I

call upon the Senate to end the MX nightmare once and for all, and return to the path of sensible strategic weapons policy and serious arms control negotiations.

Mr. President, I later intend to propose an amendment to separate out the MX missile from the rest of the DOD authorization bill.

I share the concerns of those who feel that we have not had the chance to have a meaningful floor debate on the MX issue. At the same time I believe that we should not hold up the rest of the DOD Authorization Bill to debate the MX.

Mr. TOWER. Mr. President, I think the Senator from Rhode Island has been waiting patiently to offer his amendment.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

AMENDMENT NO. 1501

(Purpose: To delete the provision relating to the use of polygraphs by the Department of Defense)

Mr. CHAFEE. Mr. President, I thank the Senator from Texas. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE), for himself and Mr. LEAHY, proposes an amendment numbered 1501.

Mr. CHAFEE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 131, beginning with line 8, strike out all down through line 16 on page 133, and substitute in lieu thereof the following:

SEC. 1007. (a) The Secretary of Defense may not, before April 15, 1984, use, enforce, issue, implement, or otherwise rely on any rule, regulation, directive, policy, decision, or order that would permit the use of polygraph examinations in the case of civilian employees of the Department of Defense or members of the Armed Forces in any manner or to any extent greater than was permitted under rules, regulations, directives, policies, decisions, or orders of the Department of Defense in effect on August 5, 1982.

(b) The restrictions prescribed in subsection (a) with respect to the use of polygraph examinations in the Department of Defense shall not apply to the National Security Agency of the Department of Defense.

(c) Prior to April 15, 1984, the Senate Select Committee on Intelligence and the Committee on Armed Services shall hold hearings on the use of polygraphs in the Department of Defense.

Mr. CHAFEE. Mr. President, this amendment, which I offer on behalf of myself and Senator LEAHY amends section 1007 of S. 675—the Omnibus Defense Authorization Act of 1984. This section deals with the use of polygraph examinations in the Department of Defense. Some of my colleagues and I felt that the original language in this section was not given adequate consideration. There were no hearings by any of the appropriate committees. Not the Intelligence Committee nor Judiciary nor Armed Services.

Mr. President, during the last 3 days, Senators LEAHY, JACKSON, MOYNIHAN, KENNEDY, BINGAMAN, and I have met. We have reached a compromise that will protect classified information at the Department of Defense while at the same time protecting the rights of individuals.

What this amendment seeks to achieve is to place a moratorium on the implementation of the so-called Carlucci guidelines, which were issued August 6, 1982, and become effective August 15, 1982. This moratorium, however, does have a sunset provision wherein these guidelines may be implemented after April 15, 1984, should legislation not be passed precluding further implementation of these guidelines.

The purpose of this moratorium is to allow for hearings looking into implementation of guidelines presently being drafted, and to insure that there will be no abuse of this security tool.

These hearings will help all of us understand a bit more about polygraphs. The CIA feels that the polygraph has been a tool of unique utility in counterintelligence. NSA supports their use. But lately there has been a lot of confusion about the new procedures, specifically what types of polygraph examinations are given and under what circumstances. We need to know these and other facts before considering any legislation.

Certainly, our committee should learn what kind of unauthorized disclosures of classified information necessitate expanded use of polygraph examinations at the Department of Defense, if in fact there is an expanded use. We should know how many unauthorized disclosures there are and the nature and extent of the damage to our national security. And we should also find out the views of not only the Department of Defense, but also NSA and CIA, who have great experience with polygraphs, regarding their accuracy and reliability.

Finally, this compromise language exempts the National Security Agency of the Department of Defense from any restrictions prescribed in subsection (a) of this compromise amendment.

Mr. President, Senator LEAHY, who serves with me on the Intelligence Committee, shares my concern about section 1007 of S. 675, although for somewhat different reasons. I am happy to say that he has joined me in offering this amendment to section 1007 of S. 675. I feel that the Chafee/Leahy compromise language solves many of the problems we have had with this section as reported, and it gives the Senate an opportunity to address this important issue.

We believe that this is a reasonable compromise, and we are pleased to offer it.

Mr. President, this amendment arises because of the so-called Carlucci orders which were issued in August of last year and which became effective this August. Under the amendment which I have presented, there is a moratorium on the Carlucci order going into effect any time before April 15 of next year. Meanwhile, the amendment provides that there will be time for the Armed Services Committee and the Intelligence Committee of the Senate to conduct hearings on the matter of the polygraph examinations.

I want to say that this amendment is the result of compromise, the result of very helpful discussions which Senators LEAHY, JACKSON, MOYNIHAN, KENNEDY, BINGAMAN, and I have had. We have reached this point after giving due consideration to the security needs of the country, at the same time balancing them against the protection of the rights of individuals.

Mr. President, this legislation does not apply in any way to the National Security Agency. They can proceed under the Carlucci or any other orders they wish. There is no moratorium applied to them.

I think this is a good compromise and I assure those present, to the extent that I have anything to do with it and the Intelligence Committee, that we will conduct hearings as soon as reasonably possible on the use of the polygraph examinations.

Mr. MOYNIHAN. Mr. President, I join with the Senator from Rhode Island in supporting this measure and ask to be made a cosponsor.

Mr. CHAFEE. I thank the Senator and I ask unanimous consent that that be permitted, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, first as vice chairman of the Select Committee on Intelligence, I wish to affirm the intention of the committee—Senators CHAFEE, LEAHY, JACKSON, and I have discussed it—to hold the hearings that will be required on our part. I am sure the distinguished chairman of the Committee on Armed Services will do the same.

I make the point, and I think it is important to state, that the Senator from Washington is concerned about the extent of the Carlucci order and subsequent directives and proposals and the fact that the Congress was not in any way involved in formulating them led to his amendment. The second thing I wish to point out, just to be especially clear to those to whom it might be of interest, is that the National Security Agency is exempted

from the moratorium and that concerns that might have arisen on that score are addressed in this matter and it seems to us a good resolution. It means work to be done, but it is the proper work of the Congress.

I thank the Chair.

Mr. JACKSON. Mr. President, I shall be very brief.

Mr. President, this amendment concerns the provisions, adopted by the committee at my suggestion, dealing with use of polygraph examinations in the Department of Defense (DOD). DOD has made limited use of such exams for a number of years, and the provision reported by the committee would not prohibit that use. Certainly, the purpose of this provision was not to hamper the ability of DOD to protect our national security information. I would be the last person to endorse such a measure. But the committee provision does reflect concern about a trend developing in DOD—and in the society at large—that could result in overreliance on a machine and process which is recognized as inherently unreliable and of limited utility.

This trend can best be seen by briefly reviewing the recent historical evolution of polygraph regulations and directives in the Department of Defense.

Since at least 1965, polygraph use in the Department of Defense has been governed by a separate DOD directive. (DOD Directive 5210.48.) The current version's basic date is October 6, 1975, with an amendment dated January 14, 1977. Key principles embodied in that directive include: First, that "the polygraph shall be employed only as an aid to support other investigative techniques;" second, that a polygraph could not be conducted "unless the person * * * voluntarily consents in writing," third, that "adverse action shall not be taken against a person for refusal to take a polygraph examination;" and fourth, that "any final administrative or judicial determinations * * * shall not be based solely on the results of * * * the polygraph." These principles applied throughout the Department of Defense, even, Mr. President, at the National Security Agency (NSA), where they were embodied in that agency's own polygraph directives. (NSA/CSS Reg. No. 122-3, July 26, 1977.)

Now, Mr. President, those principles remained in place until August of last year when an erosion process began to develop. First, on August 6, 1982, the then Deputy Secretary of Defense authorized procedures within DOD which specifically diluted the protection heretofore afforded individuals who refused to take polygraph exams. By memorandum he promulgated procedures that permit denying incumbent DOD employees—military and civilian—access to certain classified information solely for declining to submit to a polygraph exam. This would not be an exam conducted because of any suspicion about an individual. These exams were to be part of a program to aperiodically recertify the trustworthiness of these DOD employees. This fundamental change—affecting a substantial number of people—was made quietly without, to the best of my knowledge, even any notice to the Congress.

Second, during the fall and winter of 1982-83 the Department was considering possible changes to its polygraph directive which would expand polygraph use. Under the changes, mandatory polygraphs could be used as a precondition to access to certain sensitive information or as a precondition to certain assignments. And as provided for by the August 6, 1982, memorandum, polygraphs could be used as part of an aperiodic security reinvestigation program for certain individuals, with access to sensitive information able to be cut off solely for refusal to take the polygraph. According to the Assistant Secretary of Defense (Public Affairs) the proposed directive changes would result in "a quadrupling of the (current) testing, and will involve almost 60,000 people." Initial drafts of the new directive also reportedly made other changes to polygraph procedures. Two subcommittees in the House commented extensively on these drafts and the proposal is now being recoordinated in DOD.

Third, on March 11, 1983, the White House issued National Security Decision Directive (NSDD) No. 84. That NSDD, which applies to all executive branch agencies which originate or handle classified information, requires DOD internal procedures that permit mandatory polygraph exams during leak investigations. These procedures must permit "appropriate adverse consequences" following an employee's refusal to take an exam. The meaning of "appropriate adverse consequences" was left open, presumably to the discretion of the heads of executive agencies. This NSDD has not yet been reflected in DOD directives, except by NSA.

Now, Mr. President, that is the history of these regulations that brought me to offer this provision in the committee. Of course, we must make every effort to protect our national security information from individuals who would deal with it cavalierly, or consciously reveal it in violation of law and regulations. But for a number of reasons better protection of our national security information cannot be automatically equated, in my judgment, with greater reliance on the polygraph in DOD. These reasons counsel careful study before going forward with such expanded reliance.

First, the polygraph is recognized as an inherently unreliable instrument; its results are not admissible in the Federal and most State courts. In one study, nearly 50 percent of the truthful individuals were erroneously classified as deceptive. Assuming even the most optimistic accuracy figures for polygraph examinations—90 to 95 percent—countless truthful individuals could be unjustly affected by expanded use of the polygraph in DOD.

Second, wider use of this unreliable instrument, especially its application to military personnel ordered to billets covered by polygraph prescreening requirements, or subjected to it by a politically generated leak investigation, could destroy any number of careers, as well as the general morale of these and other Government employees. Some DOD officials may believe that revocation of access to certain sensitive classified information for failure of or refusal to take a polygraph really is not an "adverse action." That seems to be a rather narrow view of the impact that such an action can have on an individual's career, especially in the national security area.

Third, even executive branch proponents of greater use of the polygraph recognize these limitations. However, they appear to value its intimidation effect. The report which is the basis for NSDD No. 84 concludes that "the polygraph can be an effective tool in eliciting confessions." This seems little more than a paraphrase of the comments attributable to President Nixon, who reportedly said:

> Listen, I don't know anything about polygraphs, and I don't know how accurate they are, but I do know that they'll scare the hell out of people.

Fourth, especially under the leak investigation procedures, there is a clear potential for abuse of the polygraph. For example, it is not clear that junior military officers or DOD employees caught up in a leak investigation would be treated the same as high-level officials, both in terms of the requirement to submit to a polygraph exam and the manner in which the exam is conducted.

Now, Mr. President, since the committee reported this provision several of my colleagues have expressed concern about its potential impact on certain personnel security programs in effect in the National Security Agency. Concern also was expressed about the permanent effect of at least a portion of the provision. After considering them, I have decided to accommodate these concerns. Therefore, I agree with this amendment—which is the result of the work of Senators MOYNIHAN, KENNEDY, CHAFEE, BINGAMAN, and LEAHY—to the committee provision; the key provisions of the amendment would do the following:

It would freeze the terms of DOD polygraph regulations to those in effect on August 5, 1982—that is, before the August 6, 1982, memorandum procedures and NSDD No. 84.

This freeze would remain in effect until April 15, 1984.

The National Security Agency would be exempt from this freeze.

The Armed Services Committee and Intelligence Committee of the Senate would be required to hold hearings on the subject of polygraph use in the Department of Defense prior to April 15, 1984.

This framework was essentially the suggestion of the distinguished vice chairman of the Senate Select Committee on Intelligence, Senator MOYNIHAN. The distinguished Senators from Rhode Island and Vermont from the SSCI joined in this proposal with the senior Senator from Massachusetts and the junior Senator from New Mexico. I believe it retains the essential principle of the committee reported provision—to preserve the status quo on certain key DOD policies with respect to polygraph use—while giving special recognition to the case of the National Security Agency. The compromise will give the appropriate committees the time to further review the implications of greater polygraph use in their respective jurisdictions. More specifically, the Armed Services Committee can review polygraph use in the Department of Defense overall, and the Intelligence Committee can focus on the implications for the intelligence aspects of the Department.

Now, Mr. President, to prepare effectively for the hearings required by the amendment, it will be important to have certain categories of information in hand in a timely fashion. One category of information would concern the following:

First, unauthorized disclosures of classified information that necessitate expanded use of polygraph examinations in the Department of Defense, second, the nature and extent of such unauthorized disclosures, and third, the nature and extent of the damage to the national security that has resulted from the unauthorized disclosures, including specific examples of the damage and the manner in which the damage was determined and measured. A second important category of information would focus on the position of the Department of Defense regarding the accuracy and reliability of polygraph examinations, including:

First, a description of specific studies—including statistical analyses based on such studies—conducted by or for the Department of Defense, or relied upon by the Department, to support the Department's position on the accuracy and reliability of polygraph examinations; and

Second, the Secretary's analysis and explanation of how any potential damage to innocent persons erroneously identified by polygraph examinations as having given false responses or information during the course of polygraph examinations is offset by the potential benefits to the United States of expanded use of polygraph examinations.

Mr. President, I believe my distinguished colleague from Rhode Island agrees with me that these would be important categories of information for purposes of these hearings. I, for one, would expect the Department of Defense to cooperate fully and in timely fashion with any formal or informal requests from the committees or individual Members for such information. I would hope that Chairman TOWER would agree to a joint letter formally asking Secretary Weinberger for information such as that discussed above on behalf of the Armed Services Committee. This information will be invaluable and essential for use in the hearings which each committee will have on this issue; we will need it to judge whether the use of the polygraph examination should be expanded in the Department of Defense; and, if so, just how such an expansion should be put into effect.

In summary, Mr. President, this proposal is a reasonable compromise which preserves the essence of the committee's position—for a fixed period—and will give the Congress the opportunity to exercise its oversight responsibilities on this very important question.

● Mr. HUDDLESTON. Mr. President, leaks and other unauthorized disclosures of classified information are a continuing problem for our Government, and especially for the intelligence community. I have expressed concern for some time about the selective leaking of classified information to promote particular policies. This practice risks serious erosion of the credibility of our national security structure, frequently for the sake of immediate political advantage.

This problem has existed under administrations of both parties. However, it has taken on a new and more serious character with the issuance of a recent Presidential directive ordering the expanded use of polygraphs in investigations of unauthorized disclosures of classified information.

Last year the Defense Department drafted new regulations that would have expanded polygraphing in the Defense Department beyond the restrictions imposed by a 1975 directive that limited use of lie detectors to "serious criminal cases, national security investigations, and highly sensitive national security access cases." The scope of the proposed change is not entirely clear, and no hearings have been held in the Senate on the issue.

The Defense Department has a legitimate concern about some narrow counterintelligence and security requirements that do not involve news leaks. There are, as the 1975 directive recognizes, special circumstances that involve access to highly sensitive national security information. This is especially true in the intelligence area.

These limited objectives are far different from the apparent purposes of the Presidential directive of March 11, 1983, which seems to go far beyond the Defense Department's proposal. There is a real danger that the Presidential directive could encourage the wider use of polygraphs in cases of news leaks on a selective basis, depending on whether the leak favored or opposed the administration's policy interests.

These issues require much greater attention by the appropriate committees of the Senate. The Intelligence Committee, for example, has been looking into the counterintelligence and security considerations that might justify some modification in established polygraph policies. The Intelligence Committee has also monitored the performance of the executive branch with respect to unauthorized disclosure of classified intelligence information, especially in cases of compromise of sources and methods.

Before the Congress enacts permanent legislative standards and restrictions for use of the polygraph in circumstances affecting intelligence and counterintelligence activities, the Intelligence Committee should take an indepth look at the facts. I hope the Senate's consideration of section 1007 of the Defense Authorization Act will result in more serious attention by the Intelligence Committee and other appropriate Senate committees to the full range of issues in this area.●

Mr. THURMOND. Mr. President, I rise in support of this amendment offered to S. 675. The language presently in the bill is strongly opposed by the Department of Defense and the intelligence community who were not consulted in preparation of this language.

The use of polygraph examinations is a controversial issue. What is at stake here, however, is restrictions concerning access to very sensitive compartmented information.

The language presently in the bill sets a precedent which in essence empowers military personnel to have access to highly classified information, regardless of the results of, or the refusal to take a polygraph examination. The Department of Defense is developing new guidelines and policies with respect to polygraph examinations. To legislate now would preempt orderly policy development.

Mr. President, I must reiterate the strong opposition of the intelligence community and the Department of Defense to the present language. The amendment being offered, however, has the support of the intelligence community and the Department of Defense. I strongly urge my colleagues to support this amendment. The

Armed Services Committee and the Intelligence Committee will conduct thorough hearings on the use of polygraph examinations within the near future.

● Mr. KENNEDY. Mr. President, I want to commend my colleague, Senator JACKSON, for his leadership on this important issue, and the efforts of Senators CHAFEE, LEAHY, MOYNIHAN, BINGAMAN and the chairman of the Armed Services Committee, Senator TOWER, which brought about this agreement. The regulations in question were adopted by the administration without consultation with Congress, and could have a significant impact on the lives of millions of members of the Armed Forces as well as civilians. I believe it is essential that Congress have an opportunity to review the administration's proposals carefully, and hope that the administration will cooperate by providing all the information necessary to assure an informed decision by Congress.●

Mr. TOWER. Mr. President, there has been satisfactory work by both parties. On behalf of the majority side, I am prepared to accept the amendment.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. I take just one moment as a cosponsor of this amendment to commend the senior Senator from Washington, the Senator from Rhode Island, and the Senator from New York (Mr. MOYNIHAN), Senator KENNEDY, Senator BINGAMAN, and others who have worked on this issue. I think it is an extremely important one.

I hope that all will understand that by this amendment, which will probably be accepted, we are saying that the Armed Services Committee and the Select Committee on Intelligence will hold detailed and intensive hearings on this issue. Otherwise, I am afraid it is a matter that is going to be dealt with by Executive order and not necessarily in the way that Members of Congress would wish.

This is an area in which we are all agreed. I commend my good friend from Rhode Island (Mr. CHAFEE) for his work on this. I intend to work closely with him and with the distinguished vice chairman (Mr. MOYNIHAN). I know my colleagues on the Armed Services Committee will.

The sooner we are able to do that, the better. The sooner we are able to bring out specific legislation explaining to the Congress the use of polygraph, the better.

I yield back the floor.

Mr. CHAFEE. Mr. President, I thank the distinguished senior Senator from Washington and each of the Senators who worked with us, Senator MOYNIHAN, Senator LEAHY, of course, a cosponsor of this amendment, Senator KENNEDY, and Senator BINGAMAN, and express my appreciation to the chairman of the Armed Services Committee for giving us the lead in this particular matter and trying to arrive at a reasonable conclusion.

If there is nothing further, Mr. President, I move passage of the amendment.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 1501) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 1503

(Purpose: To terminate the MX program)

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I send an amendment to the desk and ask the clerk to report.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 1503:

At the appropriate place in the bill, insert the following:

SEC. . Notwithstanding any other provision of this Act, no funds authorized to be appropriated in this Act shall be obligated or expended for the research, development, test, evaluation, procurement, or deployment of the MX missile.

Mr. TOWER. Mr. President, I submit an amendment that I am obviously not in sympathy with. I am resorting to a procedure for which there is ample precedent to get a matter before the Senate that many Senators are eager to vote on. I think this will give us some idea as to what the disposition of the Senate is on the issue of whether or not the MX should be produced and deployed.

That is all that a vote on this amendment would reveal, because I know that there are varying opinions or shades of agreement and disagreement on the matter of MX and what alternative systems we should go to other than MX.

But I offer this amendment so that the Senate might have the opportunity to express itself.

Mr. President, it has been said by one of the speakers here today that the MX is useless as a deterrent.

That is a rather amazing statement. To say that the MX is useless as a deterrent is to say that our entire land-based system is useless, because the MX is a more modern system, a more accurate and more lethal system than the Minuteman III, which is our most modern deployed missile.

By producing and deploying some MX's, we hold the option of deploying still more. This gives us, I think, substantial bargaining leverage—I do not say bargaining chip. I say leverage. I should use the term "negotiating leverage"—in trying to arrive at agreement that will result in the reduction of the inventories of these destabilizing weapons in the arsenals of the United States and the Soviet Union.

I think everybody in this Chamber agrees that that is a desirable objective. I believe that that objective can best be achieved by effecting modernization of our land-based system regardless of that fact that that modernization may not go as far as we would like it to go in terms of survivability. Certainly it gives us a better weapon and the opportunity to consider survivability options down the pike. It could be hardening. It could be closely spaced basing. It could be even an MPS system. But the fact is it does give us options; it does give us bargaining leverage. The administration is absolutely convinced that we must have this as bargaining leverage or our strategic arms reduction negotiation will have very dismal prospects of success indeed.

This is a matter of great convention with our negotiator, General Rowney, who has had long experience negotiating with the Soviet Union, who speaks Russian fluently and who understands the situation, who understands that the Soviets do not regard arms negotiations as seminars in political stability but as tough trading sessions and you must bring something to the table before you have any possible prospects of success. I believe that this system is vital and essential.

Mr. President, at this point I move to table my amendment, and I ask for the yeas and nays.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HART and Mr. TOWER addressed the Chair.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. HART addressed the Chair.

Mr. BYRD. Unless the Senator is recognized, he may want to make a unanimous-consent request.

Mr. HART. Mr. President, the Senator from Colorado is seeking recognition.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

CALL OF THE ROLL

Mr. HART. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HART. I object.

The PRESIDING OFFICER. Objection is heard.

The legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 10 Leg.]

Abdnor	Hart	Pryor
Baker	Hawkins	Randolph
Bentsen	Helms	Sarbanes
Bingaman	Inouye	Specter
Byrd	Jackson	Stennis
D'Amato	Jepsen	Tower
East	Matsunaga	Wilson
Exon	Moynihan	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

The legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

Dodd	Garn	Mattingly
Durenberger	Long	

The PRESIDING OFFICER. A quorum is not present.

Mr. HART. Mr. President, I move that the Sergeant at Arms be instructed to compel the attendance of absent Senators.

Mr. BAKER. Mr. President, will the Senator withhold that motion? If he wants the motion I will make the motion. But I would appreciate it if he would extend the traditional leadership courtesy in this case.

Mr. HART. Mr. President, if the majority leader will yield for one point, the traditional courtesy in the Senate is when Senators are able to call up their own amendments, particularly when those amendments are serious. The traditional courtesy of the Senate has been violated already.

I do not enjoy this. But it has been brought upon by the floor leader of this bill.

There are 12 Senators who wish to speak on this amendment who have not had a chance to speak. There has been no dilatory tactic used on this bill yet by this Senator or anyone opposing the MX.

I yield back to the majority leader.

Mr. BAKER. Mr. President, I can remember when other circumstances prevailed and another majority leader at another time with my assistance called up amendments one after another measuring into the hundreds, and there is simply adequate precedent for what has happened here.

Mr. President, I now move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to instruct the Sergeant at Arms to request the attendance of absent Senators. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who desires to vote?

The result was announced—yeas 81, nays 3, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—81

Abdnor	Gorton	Mitchell
Baker	Grassley	Moynihan
Baucus	Hart	Murkowski
Bentsen	Hatch	Nickles
Biden	Hatfield	Nunn
Bingaman	Hawkins	Packwood
Boren	Hecht	Pell
Boschwitz	Helms	Pressler
Bradley	Huddleston	Pryor
Bumpers	Inouye	Randolph
Burdick	Jackson	Riegle
Byrd	Jepsen	Roth
Chafee	Johnston	Rudman
Chiles	Kassebaum	Sarbanes
Cochran	Kasten	Sasser
Cohen	Lautenberg	Simpson
D'Amato	Laxalt	Specter
Danforth	Leahy	Stafford
DeConcini	Levin	Stennis
Denton	Long	Stevens
Dodd	Lugar	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Trible
East	Mattingly	Tsongas
Exon	McClure	Wallop
Ford	Melcher	Warner
Garn	Metzenbaum	Wilson

NAYS—3

Proxmire	Quayle	Weicker

NOT VOTING—16

Andrews	Glenn	Kennedy
Armstrong	Goldwater	Percy
Cranston	Heflin	Symms
Dixon	Heinz	Zorinsky
Durenberger	Hollings	
Eagleton	Humphrey	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I ask unanimous consent that the minority leader may speak for 1 minute and I may speak for 1 minute before the vote on the tabling motion occurs.

The PRESIDING OFFICER. Is there objection?

Mr. HART. Reserving the right to object. Does the acceptance of this consent request preclude other motions before that?

Mr. BAKER. No; the request is just what the request states; that is, there would be no time for debate, absent unanimous consent. I am asking for 1 minute for the minority leader and 1 minute for me. After that, in the ordinary course of events, the vote will occur on the tabling motion.

Mr. BYRD. The answer is it does not preclude certain other motions.

Mr. HART. I thank the minority leader.

Mr. BAKER. Mr. President, I withdraw the request just for 1 second.

Mr. President, I withdraw the request.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 1 minute and that the majority leader may proceed for 1 minute without it being recognized as transaction of business for the purpose of calling another quorum.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, the distinguished majority leader made reference a moment ago to occasions when another majority leader called up amendments by other Senators and, supported by the then minority leader, proceeded to have them ruled out of order.

There was a distinction in the circumstances, may I say to my friend. I have never called up another Senator's amendment, to my recollection, prior to a cloture vote. On that occasion, cloture was invoked on the natural gas deregulation bill on Monday, September 26, 1977, and I started calling up the amendments of other Senators the following Monday—1 week later—October 3. I thought that the RECORD should show this distinction in the circumstances.

Mr. BAKER. Mr. President, I have no dispute with the minority leader on that point. Indeed, the one I had in mind at the time was a postcloture situation in which the two of us, utilizing our priority of recognition rights as leaders, called up amendments one

after the other in an attempt to end a filibuster, a postcloture filibuster.

Mr. President, however, I suggest, and I believe the minority leader perhaps will agree with me, that the rules of the Senate do not make any requirement whatever as to what Senator can call up any amendment that is at the desk.

Mr. BYRD. Mr. President, the majority leader is correct. I think there are two or three other things that should be said here. I hope we may have an extension of time by a couple of minutes under the same conditions as before.

First, Mr. TOWER did not call up the Hart amendment. It may be very similar, but it is an amendment by Mr. TOWER. In the second place, Mr. HART has not held up the Senate or unduly delayed the business, to my knowledge. In the third place, the majority leader is referring to exactly the same situation as I referred to when I spoke a moment ago. It was on the natural gas deregulation bill in 1977, and it was 1 week after cloture was invoked before I took the drastic action of calling up amendments of other Senators.

Mr. HART addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I move that the Senate stand in recess until the hour of 7:30 p.m. and ask for the yeas and nays.

Mr. BAKER. Mr. President, I move to table the motion and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

A motion to table, I am advised, is not in order.

Mr. BAKER. Mr. President, were the yeas and nays asked for to—was it to recess or adjourn until 7:30?

Mr. HART. Yes, they were.

The PRESIDING OFFICER. Is there a sufficient second on the motion to recess? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado (Mr. HART). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Missouri (Mr. EAGLETON), the Senator from Ohio (Mr. GLENN), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 5, nays 81, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—5

Baucus	Hart	Proxmire
DeConcini	Moynihan	

NAYS—81

Abdnor	Grassley	Murkowski
Baker	Hatch	Nickles
Bentsen	Hatfield	Nunn
Biden	Hawkins	Packwood
Bingaman	Hecht	Pell
Boren	Heinz	Pressler
Boschwitz	Helms	Pryor
Bradley	Huddleston	Quayle
Bumpers	Inouye	Randolph
Burdick	Jackson	Riegle
Byrd	Jepsen	Roth
Chafee	Johnston	Rudman
Chiles	Kassebaum	Sarbanes
Cochran	Kasten	Sasser
Cohen	Lautenberg	Simpson
D'Amato	Laxalt	Specter
Danforth	Leahy	Stafford
Denton	Levin	Stennis
Dodd	Long	Stevens
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
Durenberger	Matsunaga	Trible
East	Mattingly	Tsongas
Exon	McClure	Wallop
Ford	Melcher	Warner
Garn	Metzenbaum	Weicker
Gorton	Mitchell	Wilson

NOT VOTING—14

Andrews	Glenn	Kennedy
Armstrong	Goldwater	Percy
Cranston	Heflin	Symms
Dixon	Hollings	Zorinsky
Eagleton	Humphrey	

So the motion was rejected.

PROGRAM

Mr. BAKER. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, some time ago, I announced that we would try to go out tonight about 6 o'clock, come in tomorrow at 10 o'clock, and go till about 5 o'clock. I am sure that the warring factions in this controversy would like to continue. Believe me, under the rules, both sides could continue into the night. But I think the better part of discretion is to recognize that the battle lines are drawn, that we will all be here and fresh in the morning, that there will be an ample opportunity for people to express their views through a rollcall vote on the tabling motion, presumably, and that we ought to do that tomorrow.

What that means, however, and Senators should pay special heed to this, is that there is going to be a vote suddenly in the morning as soon as the two leaders are recognized under the standing order and after the expiration of any time that may be allocated for the transaction of routine morning business if such is the case. Then the pending bill would be back before the Senate and the pending question would be the tabling motion.

Mr. President, no Senator is giving up his rights, no Senator will be in any different, better, or worse position, and I will be more nearly an honest man for having tried to get us out of here at 6 o'clock.

Mr. BYRD. Will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. BYRD. If further time is required, I ask unanimous consent that the majority leader may proceed for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Will the leader explain to all who are here just what will occur tomorrow?

Mr. BAKER. Yes, Mr. President. In the morning, the Senate will convene at 10 o'clock under the order previously entered. After the Senate has convened and after the Chaplain's prayer, under the standing order, the two leaders will be recognized for not more than 2 minutes each.

Ordinarily and routinely, there is a brief time then for the transaction of routine morning business in the absence of special orders. The time for that varies from time to time. I shall not make an effort to provide that tonight. I shall consult with the minority leader in the morning and we shall decide what, if any, morning business ought to be suggested for the Senate.

As soon as the time, if time is provided for morning business, has expired, the Chair will once more lay before the Senate the defense authorization bill.

At that time, Mr. President, the pending question will be the motion to table the Tower amendment. That will be the situation.

Mr. SARBANES. Will the majority leader yield for a question?

Mr. BYRD. Will he yield once again?

Mr. BAKER. Yes.

Mr. BYRD. If the Senator from Maryland will allow me, Mr. President, as the matter now stands, there is no provision for morning business in the morning.

Mr. BAKER. Right.

Mr. BYRD. Therefore, the pending question before the Senate could be presented by the Chair as early as 21 or 22 minutes after 10 o'clock.

Mr. BAKER. The Senator is correct. Senators should take notice of the fact that it could be even earlier than that if the two leaders do not use the full time allocated them under the standing order.

Mr. SARBANES. Mr. President, will the pending question then be the Tower motion to table the Tower amendment?

Mr. BAKER. Mr. President, it will.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, in view of this discussion, I now move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 a.m. tomorrow morning.

The motion was agreed to and, at 6:47 p.m., the Senate recessed until tomorrow, Saturday, July 16, 1983, at 10 a.m.

SENATE—*Saturday, July 16, 1983*

(Legislative day of Monday, July 11, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Abraham, Isaac, and Israel, God of our Lord Jesus Christ, the apostles and the church, the Senate meets this morning midst compounding frustration: Family pleasure postponed, important trips canceled, many plans aborted. No one is happy about this, least of all the leadership. But, dear Lord, Thou dost often turn disappointment into significant achievement. Thy word declares, "God works in everything for good to those who love Him and are called according to His purpose." (Romans 8: 28.)

If man can recycle junk and transform it to useful purpose, certainly Thou, O God, can transform disappointment and frustration into very special blessing. Surprise the Senate today Lord, with Thy peace and grace and love. Make this a day which all who are disappointed will remember with profound gratitude as one of significant achievement. We pray this in the name of Him who was a model of tranquillity midst the worst possible circumstances. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

CHAPLAIN COMMENDED ON OPENING PRAYER

Mr. BAKER. Mr. President, I commend the Chaplain on his prayer. I have to confess that as is often the case, as I always do, I listen carefully to the Chaplain's prayer. I try to assimilate every word. I try not to read secondary meaning into his words and his supplications to the Lord, but I could not resist wondering whose junk he was talking about.

SENATE SCHEDULE

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BAKER. Mr. President, let me outline the schedule today of the Senate as I foresee it.

Last evening, the minority leader and I in a colloquy reminded Senators that after the two leaders are recognized under the standing order and assuming that no time is provided for the transaction of routine morning business, the pending business before the Senate would recur as the Department of Defense authorization bill and that immediately without debate the pending question would be put. That, of course, is the tabling motion offered by Senator TOWER to the Tower amendment. As a result of that arrangement, unless something else intervenes, there will be a vote pretty quick.

What I plan to do, Mr. President, after the two leaders have spoken or their time has expired or has been yielded back, I am going to suggest the absence of a quorum, I am confident there is a quorum here. I believe there is an ample quorum here based on our quick checks. Then, as soon as a quorum is assembled, as far as I am concerned, we can go directly to the tabling motion.

There are amendments today. I continue to hope that there will be MX amendments offered today, but there are amendments that are not MX amendments that will probably be offered as and when recognition can be gained for that purpose.

It is my desire that the Senate remain in today for a good full day, ending about 5 p.m. There is already an order for the Senate to convene on Monday at 12 noon.

Mr. President, with that statement and analysis of the situation as I see it, I ask unanimous consent that I may reserve the remainder of my time under the standing order.

The PRESIDING OFFICER (Mr. JEPSEN). Without objection, it is so ordered.

Mr. TOWER. Will the Senator yield?

Mr. BAKER. First, let me see if the minority leader wishes to speak.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

SENATOR TOWER'S MX AMENDMENT

Mr. BAKER. Now, Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. I thank the distinguished majority leader. I wanted to clarify one thing. That is that the amendment that I submitted is not precisely the same as the amendment of the distinguished Senator from Colorado (Mr. HART). I would have to confess that would be dirty pool had I done that, but it is substantially different and therefore would not prejudice Senator HART's amendment if it were tabled. His amendment would still qualify.

Mr. BAKER. Mr. President, I do not often do this, but I said yesterday in a private conversation I would lie down on the road and let a truck run over me for the Senator from Texas. I do not often disagree with him, but I disagree here. I do not think that would be dirty pool at all. As a matter of fact, I want the RECORD to show that I believe it is fully within the purview of the rules of the Senate and the precedents of the Senate for that to occur.

I do not want to get back into that conversation but just so the RECORD is not silent on that point, I want it clearly understood that I deem it perfectly proper for any Senator to call up any amendment that is at the desk.

Mr. TOWER. I agree. I am talking about on an ad hoc basis in this particular instance, but in other instances it might not be dirty pool.

Mr. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, let me say to the Senate for the record that the majority leader is correct; it is perfectly permissible under the rules for a Senator to call up any other Senator's amendment. There is no question about that. Last night we had a little discussion about a particular occasion when I, as majority leader, called up amendments of other Senators. I do not care to rehash that today, but for the record again let me say that I did that under very drastic circumstances. I have never called up another Senator's amendment without his asking me to, except on that one occasion which was in the course of a postcloture filibuster in 1977. Cloture had been invoked on a Monday on the natural gas deregulation bill. It was 1 week later on a Monday, after the Senate had been thoroughly frustrated in its efforts to get on with action on the bill, that I took the very drastic

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

action of calling up between 30 and 40 amendments and having them ruled out of order, within a period of perhaps less than 10 minutes. They were amendments by other Senators. That was a drastic action. It was a situation in extremis, and it was after cloture had been invoked—1 week after cloture had been invoked, and the Senate was making no progress whatsoever in disposing of the natural gas bill.

Now, my harshest critic on that occasion was the distinguished Senator from Colorado (Mr. HART). I had several critics of my action on this side because of the actions I felt were necessary to break the postcloture filibuster. I hope I do not have to relive those moments again. I am not on the side of the Senator from Colorado with respect to the MX. I respect his viewpoint. I try to remember that I can be wrong and often am wrong. But I do have a responsibility to do what I can within the rules to protect the Senator from Colorado and to see that he gets an opportunity to speak his viewpoint. I am sure that the majority leader does not quarrel with me in that regard.

I have not checked with anyone to see how many minutes, during this debate, have been consumed by the Senator from Colorado. I do not know how many quorum calls he has requested. The Senate has been busy. Other amendments have been offered.

I would simply hope that we would not target the Senator from Colorado quite so early, because each of us, at some time, may want to have a day or so to express our views on a given item. I do not know what his plans are.

I simply say this for the record, so that there will be no misunderstanding with respect to my own actions in this situation.

Mr. HART. Mr. President, will the minority leader yield?

Mr. BYRD. I yield.

Mr. HART. Mr. President, if it pleases the minority leader and the majority leader, after the quorum call and before the vote on the motion to table, I will ask unanimous consent to proceed for no longer than 1 minute to explain the way I see the situation.

Mr. BAKER. Mr. President, I ask unanimous consent that after a quorum is established and before the Chair puts the question on the tabling motion, the distinguished Senator from Colorado be recognized for 1 minute and the Senator from Texas be recognized for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Mr. President, I am prepared to yield back my time.

Mr. BYRD. I am prepared to do so, unless Mr. MELCHER wishes me to yield.

Mr. MELCHER. Mr. President, will the minority leader yield?

Mr. BYRD. If I have time, yes.

Mr. MELCHER. I thank the minority leader for yielding to me.

Mr. President, a Saturday session may be unusual for this body, but for this bill, perhaps it is very appropriate. We have a number of other items, I am sure, that the leadership would like to schedule in the coming days. But this bill authorizes a greater amount of money in one package for the most important of our responsibilities here—that is, national defense—than any other bill with which we deal.

There are many amendments that could improve this bill, and I intend to offer some myself today, to take advantage of this Saturday session, when we can have thoughtful discussion on the substance of the amendments and thorough consideration by all Senators. There will be amendments of a nature to prepare us for better readiness and a more thorough training program for our Armed Forces.

Mr. BYRD. Mr. President, I agree with the Senator that this is an important bill. It is perfectly proper for the Senate to be in session on a Saturday to act on this bill. I certainly would be the last to quarrel with the majority leader for calling a Saturday session for action on this measure.

Mr. BAKER. I thank the Senator.

Mr. President, is the minority leader prepared to yield back his time?

Mr. BYRD. I yield back whatever time I have remaining.

CALL OF THE ROLL

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

For those listening, it is my intention to let the quorum go live.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 11 Leg.]

Baker	Hart	Sarbanes
Biden	Heflin	Simpson
Boschwitz	Heinz	Stennis
Burdick	Helms	Thurmond
Byrd	Jepsen	Tower
Chafee	McClure	Tsongas
Chiles	Melcher	Wilson
Cohen	Proxmire	
Denton	Randolph	

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

The assistant legislative clerk resumed the call of the roll, and the following Senators entered the Chamber and answered to their names:

Abdnor	Danforth	Exon
Baucus	DeConcini	Ford
Bentsen	Dixon	Garn
Bingaman	Dodd	Glenn
Boren	Dole	Gorton
Bradley	Domenici	Grassley
Cochran	Durenberger	Hatch
D'Amato	East	Hatfield
Hawkins	Lugar	Pryor
Hecht	Mathias	Quayle
Huddleston	Matsunaga	Riegle
Inouye	Mattingly	Roth
Jackson	Metzenbaum	Rudman
Johnston	Mitchell	Sasser
Kassebaum	Moynihan	Specter
Kasten	Murkowski	Stafford
Lautenberg	Nickles	Stevens
Laxalt	Nunn	Trible
Leahy	Packwood	Wallop
Levin	Pell	Warner
Long	Pressler	Weicker

The PRESIDING OFFICER. A quorum is present.

The majority leader is recognized.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. BAKER. Mr. President, is there an order for the recognition of the Senator from Colorado for 1 minute and the Senator from Texas for 1 minute?

The PRESIDING OFFICER. First, the Chair will inform the majority leader that the clerk will state pending business.

The legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The Chair will recognize the Senator from Colorado for 1 minute.

Mr. BYRD. Mr. President, may we have order without the time coming out of the 1 minute of the Senator from Colorado?

The PRESIDING OFFICER. The point is well taken.

The Chair will advise the Senate that it will be in order now and for the remainder of the day please.

Mr. BAKER. Mr. President, if the Chair will permit me also, without it coming out of the 1 minute, I admire the attitude but I doubt the result and as I observe the dress decor on Saturday morning is so loud I doubt if we have order right now.

TOWER AMENDMENT NO. 1503

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. HART. Mr. President, the issue is not whether the MX debate has delayed action on the bill. There are amendments that have not been acted on, and even up until yesterday afternoon were not even available to be offered.

The issue before the Senate is whether or not there will be debate on the issue of the MX. If the issue is decided here, Saturday morning, there will be no debate. I urge all Senators, particularly those who are opposed to

the MX, to vote to table this amendment so that we can get on with the business of the bill, act upon the amendments which are still pending or any other business the majority leader has, and get on with the debate on the question of whether to deploy the MX in fixed silos.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. TOWER. Mr. President, I want to repeat what I said yesterday. This is not the first time we have debated the MX issue in the Senate. It has already been extensively debated before and on this bill. I think Senators are well informed on the issue.

In any case, the tabling of my amendment would not foreclose further debate. The amendment I offered yesterday is not precisely the same amendment as that offered or intended to be offered by the Senator from Colorado and, therefore, the tabling of my amendment does not disqualify his. There is ample time for debate, and I suggest that, yes, the MX issue is delaying the Senate because the Senator from Colorado has already expressed his intention to delay final action on the bill for some time.

I think that is pretty clear from the remarks he has made.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair advises the Senate that all time has expired. The pending question is on agreeing to the motion of the Senator from Texas to table the amendment of the Senator from Texas.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 84, nays 4, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—84

Abdnor	Grassley	Mitchell
Baker	Hart	Moynihan
Baucus	Hatch	Murkowski
Bentsen	Hatfield	Nickles
Biden	Hawkins	Nunn
Bingaman	Hecht	Packwood
Boren	Heflin	Pell
Boschwitz	Heinz	Pressler
Byrd	Helms	Proxmire
Chafee	Huddleston	Pryor
Chiles	Inouye	Quayle
Cochran	Jackson	Randolph
Cohen	Jepsen	Riegle
D'Amato	Johnston	Roth
Danforth	Kassebaum	Rudman
DeConcini	Kasten	Sarbanes
Denton	Lautenberg	Sasser
Dixon	Laxalt	Simpson
Dodd	Leahy	Specter
Dole	Levin	Stennis
Domenici	Long	Stevens
Durenberger	Lugar	Thurmond
East	Mathias	Tower
Exon	Matsunaga	Trible
Ford	Mattingly	Tsongas
Garn	McClure	Wallop
Glenn	Melcher	Warner
Gorton	Metzenbaum	Wilson

NAYS—4

Bradley	Stafford
Burdick	Weicker

NOT VOTING—12

Andrews	Eagleton	Kennedy
Armstrong	Goldwater	Percy
Bumpers	Hollings	Symms
Cranston	Humphrey	Zorinsky

So the motion to lay on the table amendment No. 1503 was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. METZENBAUM. Mr. President, will the Senator yield to me so that I may be recognized.

Mr. TOWER. For what purpose?

Mr. METZENBAUM. To address myself to calling up an amendment.

Mr. TOWER. I will not yield at this time.

Mr. President, may I say that I am heartened by the overwhelming opposition concerning the funds for the MX. The support for the MX is even far greater than I imagined. It exceeds my whip check figure.

Mr. President, I believe that the distinguished Senator from Maryland (Mr. SARBANES) is on the floor and prepared to go forward.

The PRESIDING OFFICER. The Senator from Maryland.

AMENDMENT NO. 1504

(Purpose: To amend title 5, United States Code, to delay by 1 year the effective date of the requirement to include interest in deposit relating to credit for military service for the purposes of civil service retirement)

Mr. SARBANES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. SARBANES) proposes an amendment numbered 1504.

At the appropriate place in the bill insert the following new section:

MILITARY SERVICE CREDIT FOR CIVIL SERVICE RETIREMENT

SEC. . Section 8334(j)(2)(A) of title 5, United States Code, is amended by striking out "1982" and inserting in lieu thereof "1983".

Mr. SARBANES. Mr. President, the purpose of this statement is to extend for 1 year the deadline for making the military service contributions required by the Omnibus Budget Reconciliation Act of 1982 for those affected by the so-called catch-62 dilemma.

I have discussed this with the chairman and the ranking minority member of the Armed Services Committee. It has also been discussed with the distinguished Senator from Alaska, the chairman of the Civil Service Committee, Senator STEVENS.

The term catch-62 is a reference to those provisions of law which require a reduction in annuities at age 62 for all civil service retirees with military service after 1956 who combine their years of military and Federal civilian service for retirement purposes. Until last year, the law required a recomputation of civil service annuities at age 62 to remove any credit for military service. This reduction was originally intended to reflect the fact that military service was covered by social security, while civil service was not. The primary problem with this recomputation was that it often resulted in an annuity reduction much greater than the offsetting benefits provided under social security.

As my colleagues will recall, the Senate addressed this problem by adopting language eliminating this reduction. Unfortunately, provisions in the 1982 Reconciliation Act conference report required that individuals contribute 7 percent of the wages earned through military service in order to qualify for a full civil service pension.

The contribution requirement has turned out to be an administrative nightmare. The present law requires that all affected employees, some 1.4 million veterans, remit their contributions before October 1, 1984, or begin paying an interest penalty. However, it has proven impossible for the armed services to reconstruct what these people earned during their military service—pay records are not normally retained after discharge; and millions were destroyed as a result of a major fire in a Federal records center.

As of today, very few veterans affected by this problem are even aware of the contribution requirement because of the confusion experienced by Federal agencies regarding implementation of this legislation and the fact that the Office of Personnel Manage-

ment has not publicized it. Virtually no one has been able to get the necessary information in order to make the contributions. The Department of Defense has developed a computer model to estimate these earnings; however, the system is not yet operational. We are now experiencing a backlog of more than 30,000 requests for earnings estimates. The Department of Defense acknowledges that it cannot meet the 1984 deadline and supports an amendment to delay the deadline by 1 year. It is my understanding that a similar amendment will be offered in the House to the Department of Defense authorization bill and that it has been cleared with the appropriate House committees.

This amendment extends the deadline for 1 year, until October 1, 1985. Should the 1984 deadline not be extended, most of the affected veterans will be placed in an unfair situation. Through no fault of their own, they will be in the position of having no acceptable earnings information and will be forced to pay interest penalties on any amount not contributed by the October 1, 1984, deadline. They will also be faced with the predicament of gathering a large sum of money together for the repayment in a very short period of time. In my view, this deadline must be extended to avoid placing an unfair burden on those veterans now in the Federal civil service and to give the Congress time to review this situation in greater detail.

Mr. President, I ask unanimous consent that the distinguished senior Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I certainly endorse the amendment offered by the Senator from Maryland.

Mr. TOWER. Mr. President, this amendment has been cleared on both sides. It is perfectly agreeable. It is a good amendment and I urge its adoption.

Mr. SARBANES. Mr. President, I want to express my appreciation to the floor managers of the bill, the distinguished Senators from Texas and Washington, for their consideration of this matter.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Maryland.

The amendment (No. 1504) was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 1505

(Purpose: To proscribe the sale or disposal of Fort DeRussy in the State of Hawaii)

Mr. TOWER. Mr. President, the Senator from Hawaii had wanted to go ahead at this point.

Mr. JACKSON. Mr. President, I believe we can proceed with the amendment.

Mr. President, on behalf of Senators MATSUNAGA and INOUYE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for Mr. INOUYE and Mr. MATSUNAGA, proposes an amendment numbered 1505.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 223, after the addition to the table of sections following line 13 and before line 14 insert the following:

"(d) Notwithstanding any provision of this or any other Act, the Secretary of Defense shall not take any action to initiate the sale, lease, rental, excessing or disposal of any portion of land identified on the date of enactment of this Act as Fort DeRussy in the State of Hawaii."

Mr. MATSUNAGA. Mr. President, the amendment, which I am offering with the cosponsorship of my distinguished colleague from Hawaii, Senator INOUYE, is in its true sense technical in nature. It would insert into the bill itself language which is written in the committee report accompanying the bill, S. 675, and which clearly expresses the intent of the committee to exempt the Fort DeRussy military property in the State of Hawaii from the bill's Federal land sale provisions. The amendment would expressly prohibit the rental, lease, excessing, sale, or disposal of any land at Fort DeRussy.

Mr. President, Fort DeRussy, comprised of 73 acres of beautiful open space and beachfront property on Waikiki Beach is owned outright by the Department of Defense. The Federal Government purchased Fort DeRussy around the turn of the century and used it for many years as a component of a fortification system for the island of Oahu. Fort DeRussy is now used for military purposes by the Army Reserve and as a recreational center by thousands of military personnel who are stationed in Hawaii. On its grounds is the Hale Koa military hotel which was opened in 1975 to serve military personnel on leave in Honolulu.

We are offering this amendment, Mr. President, for the following two reasons:

First, it is our belief that the facilities, grounds, and beach front for Fort DeRussy should continue to be made available for the primary use of military personnel and their many dependents. We strongly believe, as do military officials in our State, that the boost to morale and the sense of community that Fort DeRussy brings to the military in Hawaii is extremely important and should be preserved.

Second, Fort DeRussy is the last remaining open space in the intensely developed Waikiki area. The people of Hawaii and their leaders are virtually unanimous in their opposition to the development of any part of the Fort DeRussy property for commercial purposes. Although it is a military installation, Fort DeRussy has traditionally been open for the use of the civilian population in Hawaii and, very importantly, to the millions of visitors from all over the world who come to the Aloha State each year. Without a doubt, Fort DeRussy has become a vital part of the Hawaiian community, functioning as a reminder of the military presence in our Nation's Pacific bastion and as a recreational area for military service personnel and their families, for Hawaii residents, and for visitors from every State in the Union.

In recognition of the unique character of Fort DeRussy and the strong support of the people of Hawaii for its preservation as an open space and a community center, the Hawaii congressional delegation has long supported legislation to protect the property from indiscriminate sale or disposal by the Federal Government.

The amendment we are offering to the pending authorizing legislation would make it clear that it is the intent of the Congress that the Secretary of Defense is prohibited from taking any action which would change the ownership or use status of Fort DeRussy. That authority, in our judgment and in the committee's view as expressed in its report, should be reserved for the Congress, because of the unique importance of Fort DeRussy to both the military and civilian population in Hawaii.

Mr. President, my distinguished colleague Senator INOUYE has requested that he be recorded as having joined me in the foregoing statement.

Mr. President, I believe that this amendment has the concurrence of both the majority and minority managers of the bill, and I urge its adoption.

Mr. JACKSON. Mr President, stated simply, this amendment takes the language from the report in the bill and puts it into the statute, which makes clear that Fort DeRussy is exempt from the general authority given to the Department of Defense on the sale, lease, or rental of excess property owned by the Department of Defense.

Mr. TOWER. Mr. President, this amendment has been cleared on both sides. The chairman of the Military Construction Subcommittee has endorsed the amendment.

Mr. THURMOND. Mr. President, Fort DeRussy is a unique military asset. It provides a haven for military personnel and their families, who may avail themselves of Hawaii's finest attributes—its weather and its beaches—at a cost which they can afford. During the Vietnam war thousands of our service personnel enjoyed a respite from the difficulties of combat service by being able to take R&R—rest and relaxation—at Fort DeRussy. Today Fort DeRussy continues to be used by our Armed Forces stationed throughout the Far East.

From time to time, someone gets the idea that we ought to give up Fort DeRussy—sell the land for commercial development. Last year the idea of selling Fort DeRussy, with the proceeds going to reduce the national debt, was proposed. Mr. President, Fort DeRussy has a worth beyond its dollar value. It is an oasis for those young people who have elected to serve their country in uniform. I think it ought to stay that way.

Mr. President, I strongly support the amendment and urge its adoption.

The PRESIDING OFFICER. Is there further discussion on the amendment?

The Chair hears none. The question is on agreeing to the amendment.

The amendment (No. 1505) was agreed to.

Mr. JACKSON. I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BRADLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, at the appropriate time, I shall be sending an amendment to the desk. The amendment is rather straightforward. I shall not offer it now, but I would like to take this time to describe for the Senate what the amendment consists of.

The amendment would require the President to certify that the procurement and deployment of the MX missile will not result in the weakening of our conventional force capability before any funds could be spent on the production of the MX.

The MX missile is not militarily defensible, Mr. President. My colleagues have pointed out the problems of this particular weapons system. The MX missile is vulnerable. It will go into silos that all agree are vulnerable to nuclear attack

It is destabilizing. Its 10 warheads are an extremely lucrative target that an aggressor would be eager to attack.

It could lead also to a launch-on-warning posture on both sides.

It is outdated. Most observers agree that we should move to a single-warhead mobile missile.

It is no indicator of national will. If anything, it demonstrates that the United States cannot make rational decisions.

It is clearly no useful bargaining chip. The Soviets agreed to allow us to deploy the MX in SALT II. Do they really care if we build the MX missile? If not, is it a bargaining chip, particularly if the President said he would never bargain it away anyway? In short, the MX has little military value and contributes even less to arms control.

It is worse than that, Mr. President. By spending $15 billion on the MX, we actually weaken our national defense and increase the likelihood of nuclear war. How is this so? By funding the MX, we reduce the funding available for our conventional forces.

We can all agree on the need to deter war. I speak not only of a strategic nuclear deterrent but of a conventional deterrent as well, a strong conventional capability that will make the cost of initiating hostilities much greater than any expected benefits.

Our disagreement arises, however, when we try to decide how to achieve this deterrent. The administration wants both an unlimited strategic arsenal and a stronger conventional force. The fact is that we cannot afford to give a blank check to our strategic planners and, at the same time, purchase a strong conventional force, at least not right away.

Even within the spending limits set by Congress, there appears to be a wrong balance between strategic and conventional systems. The President appears to be going ahead with funds for programs that we do not need and cutting off funds for those we do. Do we really need to spend $15 billion for a vulnerable, destabilizing missile when that money could be better spent elsewhere?

Nobody wants war, Mr. President, but the way to avoid it is to maintain a strong conventional defense posture that will allow us to deter war. Our nuclear systems must be held as the final, ultimate deterrent.

The key issue is where to strike the balance between conventional and nuclear weapons. This issue was also studied in depth by the European Security Study, a group of distinguished experts, both civilian and military, from both sides of the Atlantic. This group included General Andrew Goodpaster, former Commander in Chief of NATO; Dr. William Perry, former Undersecretary of Defense; German General Franz-Joseph Schulze, formerly Commander in Chief of NATO's central European forces; Field Marshall Lord Carver, former Chief of British Defense Staff; Prof. McGeorge Bundy, former National Security Adviser; Dr. Alton Frye, Council on Foreign Relations; Prof. William Kaufman, MIT; and other distinguished military men, academics, and diplomats from the United States, Great Britain, West Germany, and Norway.

This distinguished group not only concluded that we need to reduce our reliance on nuclear weapons but we need to improve NATO's conventional capabilities in order to do so. As the committee stated in their report:

> We are mindful of the functions of nuclear deterrent forces in countering any possible temptation on the part of any adversary to set loose a nuclear war, whether by initiating a nuclear attack or by forcing others to a possible desperate choice between a resort to nuclear weapons or surrender. We do not believe that the Alliance can hope to escape from the need for nuclear weapons in order to deter nuclear attack. Moreover, given the existence of nuclear weapons, we recognize that any armed conflict in Europe entails a risk of becoming nuclear. This very risk is itself a deterrent to war in any form. Nevertheless, we insist on the necessity for NATO to seek to reduce its present degree of dependence on a possible early recourse to nuclear weapons to deter a Soviet conventional attack.

Mr. President, that is a quote from a book by the European Security Study called "Strengthening Conventional Deterrence in Europe."

By shifting much of this $15 billion from the MX to conventional programs, we could begin to implement these recommendations.

While it is true that our conventional forces have been upgraded dramatically during recent years, on the margin our national security will be enhanced by an emphasis on conventional forces, not the MX. Why is this true?

First, I am not convinced that the MX will, in fact, enhance our national security. On the contrary, even if we overlook the destablizing effects of the MX, such as its first strike threat, its launch on warning potential, its vulnerability, we are spending money on a weapon we plan to use only if conventional defenses fail.

In effect, then, we are taking funds away from the conventional forces that would clearly be involved early in a European conflict to spend them on nuclear weapons, thereby increasing the likelihood of the need for those very same nuclear weapons. Does this make any sense?

Second, the real threat to peace is the Soviet advantage in conventional weapons.

SOVIET CONVENTIONAL CAPABILITIES

The Soviets are far more able to use their predominance in conventional military power as an instrument of intimidation and political manipulation than they will nuclear weapons. Building an MX missile will not address this problem—the problem of strengthening our conventional forces.

The Soviet Union's conventional military superiority is nothing new. According to a report last year by the Joint Chiefs of Staff:

> The conventional force balance in Europe continues to shift toward the Soviet Union and its Warsaw Pact allies. Although the U.S. and other NATO countries have improved their capabilities, the ability of the Alliance to field defensive systems has not kept pace with the growth of the Warsaw Pact's offensive capabilities. The most important factor in the Pact's progress has been the improved quality of combat equipment, supplied primarily by the Soviet Union. The Warsaw Pact has long held a numerical advantage over the Alliance and is now intent on removing NATO's longstanding qualitative advantages.

According to the European security study that I cited earlier, Soviet forces are being extensively modernized and restructured in a number of ways. First, they are increasing their capability to conduct mobile, high-speed combat operations. Soviet forces possess firepower support systems with increased range and volume of fire and enlarged helicopter forces, a more balanced divisional structure, and improved logistical support for offensive forces.

Second, they have increased their capability to threaten NATO rear areas. New tactical aircraft with greater range and payloads are now operational and more are entering the inventory. Warsaw Pact frontal aviation has also been recognized in order to provide a concentrated "shock" capability in independent air operations. Additionally, the Soviets are deploying expanded warfare capabilities in airmobile and airborne troops.

Third, they have improved their air defense at all levels, imposing serious obstacles to NATO's efforts to achieve effective air superiority.

Finally, they have undertaken massive investments in all forms of radio-electronic warfare for the purpose of paralyzing NATO command and control.

If we are really serious about improving our national defense, can we spend $15 billion on the MX missile to prevent the Soviet Union from gaining a strategic nuclear advantage while we are allowing them to get an even greater conventional advantage?

CONVENTIONAL DEFENSE OF EUROPE

Mr. President, we are taking steps to improve our conventional strength. The Army is instituting a new strategy called the air-land battle. This strategy represents a significant departure from the traditional, static line of defense. The idea is to use tactical techniques and advanced technology to disrupt the enemy's flow of forces to the frontline, disrupting enemy units while they are still 24 to 36 hours away from the frontlines. By disrupting enemy lines of communication, our units would be able to adapt to the situation and engage the remaining units. In order for this strategy to be effective, though, we need to have good intelligence gathering capabilities, effective command and control systems that cannot be jammed, rapid maneuver capabilities that allow us to effectively concentrate firepower and good detection and target acquisition systems that allow us to strike deep in the enemy rear areas. We need to see our defense as we see our individual health. We need to be interested in the whole defense just as we are interested in the health and strength of the whole body. All this over emphasis on MX and strategic systems at the expense of intelligence gathering and analysis capability, command and control systems and skilled and equipped manpower is similar to the weightlifter who lifts arm weights to build his biceps only to die of a heart attack because he neglected the rest of his body. Defense, like health, requires emphasis on the whole range of actions, conventional as well as strategic, to give maximum assurance of strength and survivability.

In order to do this, we need an integrated, theaterwide all-weather capacity to acquire information and targets, together with a system for communications and data transmission that is resistant to Warsaw Pact electronic warfare measures.

Furthermore, we could counter the Warsaw Pact air defense network by improving our own air defenses. Existing NATO missile defense provide only partial coverage, particularly against longer-range Warsaw Pact aircraft and armed helicopters. The internetting of fire units and control centers, to provide real-time data-transmitting capability, would not only permit a better exploitation of available firepower but also enhance survivability.

Finally, we could also greatly improve our electronic countermeasures in order to disrupt Warsaw Pact command, control, and communications. An effective NATO capability to attack Warsaw Pact command, control, and communications could leave Warsaw Pact commanders unsure and hesistant in regard to their ability to direct and coordinate forces, achieve and exploit breakthroughs, and maintain offensive air and ground operations at their planned rates of advantages.

These kinds of conventional force improvements will enhance the Army's ability to conduct air-land battles. There are other conventional defense priorities as well.

PROCUREMENT

The defense authorization bill that we are now debating contains major cuts in conventional weapons. The bill includes $2.4 billion for the MX. That $2.4 billion could have funded the following conventional systems that were not funded: $105 million for 16 AH-64 Apache attack helicopters; $96 million for 5 AV-8B Harrier attack aircraft; $94.1 million for 3 F-14 Tomcat fighter aircraft; $206.2 million for 12 F-15 Eagle fighter aircraft; $233 million for the Patriot air defense system; $78.9 million for the Navy computer acquisition program; $16.4 million for evaluation of performance of an A-6E Intruder; $226.6 million for 60 M-1 main battle tanks; $30 million to develop a new search and rescue helicopter for the Air Force; $8 million for development of the Air Force's stand off attack weapon; $16.243 million for standard missile improvements; and $13 million for development of the C-17 aircraft.

There are still other priority conventional forces that could be funded. Our ability to support and sustain our troops in the field is crucially important. To maintain a credible conventional deterrent, we would need the ability to reinforce and resupply our active duty units abroad very rapidly. Despite the obvious need for mobilization capabilities, our airlift and sealift assets are nowhere near adequate right now. According to last year's report by the Joint Chiefs of Staff:

> The three primary conventional contingencies facing the U.S. are defense of Western Europe against a Warsaw Pact attack, support of the Republic of Korea against an attack by North Korea, and employment of U.S. combat forces in Southwest Asia to defend vital interests there. Success in all three tasks depends upon mobility forces which can project combat forces rapidly and sustain them as long as necessary to meet U.S. objectives. In each case, U.S. forces would have to travel thousands of miles to the war zone, while the enemy forces would have to move only hundreds of miles. Without adequate mobility, combat forces cannot be brought to bear at the point of attack soon enough or with sufficient staying power to influence the outcome favorably.
>
> Mobility shortfalls are especially pronounced when multiple, simultaneous contingencies are considered. The increased likelihood of requirements for simultaneous deployment of U.S. forces to multiple theaters underscores the need for significantly improving our mobility posture.

The JCS report concludes by recognizing that U.S. military strategy calls for a mobile force capable of global power projection.

> Nevertheless, mobility forces, which account for 3 percent of the DOD budget, will have only a limited capability to provide the timely force closures required. Uncertainties associated with possible contingencies suggest increased demand on military transpor-

tation systems and underscore the requirement for speed and flexibility. New mobility assets must have capabilities which provide responsiveness, ease of loading, and adaptability for operations in austere locations. Enhancements to intertheater and intratheater mobility are essential for the effective employment of combat forces.

PERSONNEL

Another critical area in which we could address some of the shortcomings in our active duty forces is in recruiting and retention. The JCS states that:

The most critical concern with general purposes force readiness is the shortage of qualified military personnel. Within Army units, the most pressing military personnel problem remains the shortage of noncommissioned officers (NCOs) in combat arms, military intelligence, and electronic warfare. The Navy is short of experienced petty officers and officers in billets requiring highly technical skills. All Services are short of pilots.

And yet, the administration put a freeze on military pay in order to save money. It was only in the Armed Service Committee that our colleagues recognized the impact such a freeze would have on both recruiting and retention in the military. As a result, the committee approved a 4 percent cost-of-living increase for all military personnel, except E-5's and E-6's who would received 6 and 5 percent, respectively, and E-1's with less than 4 months of active duty whose pay would not be increased.

Over time the MX missile will continue to seek resources away from manpower needs. When we voted Wednesday on the GI bill—a proposal to provide education benefits for servicemen beginning in 1987—we heard that it is too costly. We heard that we cannot afford to provide $300/month to ex-servicemen to pursue the education they deferred while serving their country. This new GI bill will help recruit new volunteers and will help us avoid the draft. But because the MX missile will be absorbing large amounts of national security resources, we heard that we cannot afford it.

SUMMARY

Mr. President, I think the point is made. A vote to fund the MX is a vote against conventional force strength. Our conventional force requires: new weapons systems to support the strategy by which we defend Europe; logistical support to maintain our warfighting capabilities, including stocks of ammunition, spare parts, and transportation capabilities; and manpower including pay for our soldiers and sailors and a new GI bill, both essential to maintain an adequate pool of volunteers.

The MX diverts funds from these priorities. The President ought to assure us that production and deployment of the MX will not adversely affect our conventional force strength.

Mr. President, that will be the thrust of my amendment when it is offered at an appropriate time in the next few days.

AMENDMENT NO. 1506

(Purpose: To provide that the provisions of section 973(b)(3) of title 10, United States Code, will not apply to certain Reserve officers)

Mr. MATHIAS. Mr. President, I call up an amendment which I have at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 1506:

On page 97, insert after line 7 the following:

"(c) Nothing in section 973(b)(3) of title 10, United States Code, as added by this section, shall preclude a Reserve officer to whom such section 973(b)(3) applies from holding or exercising the functions of an office described in such section 973(b)(3) for the term to which the Reserve officer was elected or appointed if, prior to the effective date of this Act, the Reserve officer accepted an appointment or election to the office in accordance with the laws and regulations in effect at the time of such an appointment or election.".

Mr. MATHIAS. Mr. President, the amendment is brief, and it is really self-explanatory.

When we placed a limitation on the number of days a Reserve officer who is also a public official could serve on active duty, we cast a wide net. We created certain inequities, and this amendment is simply an attempt to correct those technical equities.

I hope that the managers of the bill will see fit to accept the amendment.

Mr. TOWER. Mr. President, the amendment of the Senator from Maryland is well taken. We are prepared to accept it on this side, and I believe it has been cleared with the distinguished Senator from Washington.

I yield to the distinguished Senator from Washington, the ranking minority member.

Mr. JACKSON. Mr. President, I certainly have no objections to the amendment. I think the Senator from Maryland has explained it well.

Mr. MATHIAS. I thank the Senator from Texas and the Senator from Washington.

I move adoption of the amendment.

The PRESIDING OFFICER. If there be no further discussion on the amendment, the question is on agreeing to the amendment of the Senator from Maryland.

The amendment (No. 1506) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I rise, together with a number of colleagues, to express yet again my opposition to deployment of the MX missile. I would hope that, at the conclusion of the current debate, the Senate will have the wisdom and courage to stop MX missile program.

Many of my colleagues are inclined to vote for the MX in the belief that placement of these missiles in existing Minuteman silos is the best way out of a bad situation. Unfortunately, I believe that approach does not stand up to scrutiny. The proposed deployment does not seem to me to be the right step to take if we really intend to move toward strategic stability. For that to happen, we must make decisions on weapons which will not exacerbate the arms race and not increase the threat of nuclear war, such as our Poseiden and Trident submarines. We must tie these decisions on weapons to strong and effective arms control.

Some who favor the MX believe that the deployment is so limited that it will not have a bad effect on stability. Some point to the prospective movement to the small, single warhead missile as evidence that our general direction now is toward more stable forces. Unfortunately, that view tends to overlook the fact that it is the MX itself we are deciding on now and not our strategic direction over the next decade.

We are assured by the Scowcroft Commission that "stability should be the primary objective." However, it is hard to see how, by placing a first-strike multiwarhead MX in Minuteman silos we will do anything other than create a more inviting target for Soviet attack. Each MX will have 10 warheads as contrasted with 3 warheads on each missile to be replaced. The 100 MX's would have 1,000 warheads in 100 silos, rather than the present 300. Surely such a system will move us closer to the possibility that, faced with nuclear war, some might caution that we must use the MX rather than lose it. There is no question in my mind but that it moves us closer to a hair trigger on our nuclear arsenal, when we should be moving toward nuclear stability.

If the Soviets respond to our deployment of MX missiles with deployment of their own MIRV'd missiles, the arsenals of the two sides may be placed on even more of a hair trigger.

The history of the arms race demonstrates that it is far more likely that the Soviets will indeed deploy new weapons if we deploy MX. I fear that there is no evidence to lead us to conclude that deployment of the MX would encourage the Soviet Union to move away from missiles with MIRV's. Clearly, continued deployment of

MIRV'd missiles by both sides can only complicate the task of arms control further.

Mr. President, the United States is not weak. The MX will fill no military vacuum. The United States has a strong and effective bomber force and is even now engaged in improving that force. Our ballistic missile submarine force is certainly more impressive than that of the Soviet Union, our existing land-based missiles and the Trident II missile program will insure that we maintain an effective deterrent force. We simply do not need to add to our arsenal a vulnerable first-strike system such as the MX.

Mr. President, my concerns would be substantially alleviated if I thought that the MX were really negotiable at the bargaining table. Unfortunately, the administration's record in arms control and current prospects for arms control do not justify any such conclusion.

There has been no discernible progress in either the intermediate range nuclear force (INF) talks or the strategic arms reduction talks (START). The administration has altered its START negotiating formula sufficiently in order to accommodate the Scowcroft Commission recommendations; but, as yet, there is little concrete that demonstrates that the administration is serious about reaching agreement at those negotiations, or that it ever will be.

Even if the arms-control negotiations are treated seriously by the two sides, we must ask ourselves whether the MX is really negotiable in Geneva. Clearly, we do not know what the Soviets would give up if we were to forswear the MX. Frankly, I fear, that we will never know, since this Senator is forced to conclude, on the basis of information provided to me as the ranking member of the Committee on Foreign Relations, that this administration will not place MX on the bargaining table.

Mr. President, on June 16 Kenneth L. Adelman, the Director of the Arms Control and Disarmament Agency, provided this answer to me when asked whether the United States was prepared to give up the MX:

The President has made clear that the scale of MX deployment will be influenced by Soviet strategic programs and arms reduction agreements. The MX is the U.S. response to a massive build-up of Soviet ICBMs over the last 10 years, and unless the Soviets are prepared to reverse this build-up and forgo their heavy and medium ICBMs, the U.S. will go forward with MX.

Essentially, Mr. Adelman is saying, the Soviets must give up at least 650 existing ICBM's in order for us to agree to forswear 100 missiles not yet built or deployed. It is inconceivable to me that the Soviets would see much merit in any such proposal. To me, Mr. Adelman's response raises the question whether the administration is engaged in arms control or whether its professed commitment to arms control is but a dangerous and illusory charade.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the full text of Mr. Adelman's letter.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, we must remember that the American people, perhaps more than their representatives and leaders in Washington, have come to fear that nuclear war is becoming more, rather than less, likely. Millions favor a nuclear freeze because they want the arms race halted now. They want effective arms control, and they will not be content with the kind of so-called arms control that is merely a facade for business as usual in the arms race.

Mr. President, deployment of MX will not help stop the arms race. We will never stop the arms race unless we are willing to say, "Enough." We must be willing to say that we do not need the MX, we do not want it, and we will not have it.

Each side already has enough weapons to destroy the other many times over. Why seek, as Khrushchev once said, "to make the rubble bounce."

EXHIBIT 1

U.S. ARMS CONTROL AND DISARMAMENT AGENCY,
Washington, June 16, 1983.

Hon. CLAIBORNE PELL,
U.S. Senate.

DEAR SENATOR PELL: At yesterday's hearing you asked whether under any circumstances the U.S. would be prepared to give up the MX program?

The following is my answer for the record:

"The President has made clear that the scale of MX deployment will be influenced by Soviet strategic programs and arms reduction agreements. The MX is the U.S. response to a massive build-up of Soviet ICBMs over the last 10 years, and unless the Soviets are prepared to reverse this build-up and forgo their heavy and medium ICBMs, the U.S. will go forward with MX."

Sincerely,

KENNETH L. ADELMAN.

Mr. METZENBAUM and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. METZENBAUM. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. METZENBAUM. Mr. President, the rules of the Senate provide that the manager of the bill has the right to be recognized if all other things are equal. But absent that fact, if a Member in the Chamber is seeking recognition, he has the right to that recognition prior to the manager.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, if the Senator from Ohio would forbear a moment, I certainly do not propose to gag him or prevent his gaining access to the floor. As a matter of fact, it is my understanding that he has an amendment that I think we may work out a compromise on or are in the process of working out a compromise on, and I would be delighted to have him offer that amendment.

We have tried to sequence in amendments of those who have an interest in offering amendments, in that it does not appear that we are going to get an MX amendment today that we could debate and vote on.

So let me reassure the Senator from Ohio that I am not trying to prevent his getting the floor. I ask him if he wishes to propose his amendment now.

Mr. METZENBAUM. Mr. President, I am happy to respond.

Mr. TOWER. May I say that this sequence is informal. It is not binding on anyone. But when Senators come up to the managers and ask if they could be sequenced in, we try to do it in an imformal way as a matter of orderly procedure.

Mr. METZENBAUM. I do indeed have an amendment on which we are working with staff.

I think we are not quite finally concluded with respect to the language of the amendment, but shortly we will be, and at that time I do intend to offer it, and I hope the managers of the bill will see fit to accept it.

At this point I rise to address myself to the subject of the MX.

Mr. TOWER. Mr. President, could I inquire of the Senator from Ohio about how long he wishes to speak so that I can tell Senators who have an interest in bringing up amendments about how long it might be before they can come to the floor and get recognition?

Mr. METZENBAUM. Not long.

Mr. TOWER. Mr. President, I yield the floor.

Mr. LEVIN. Mr. President, will the Senator from Ohio yield so that I can ask a question of the Senator from Texas?

Mr. METZENBAUM. I yield without losing my right to the floor.

Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Michigan without losing my right to the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. LEVIN. Mr. President, I wonder if the Senator from Texas is able to sequence some of our remarks here? A number of us are waiting to speak on the MX, a number of us are waiting to speak on amendments. Is there any way to sequence these remarks on amendments?

Mr. TOWER. The amendments we have remaining are amendments—not

necessarily in sequence—one on B-1 cost estimates by the Senator from Iowa (Mr. GRASSLEY); one on the C-239 by the Senator from Ohio (Mr. METZENBAUM); one on sea-launched cruise missiles which provides for a freeze proposal to sea-launched cruise missiles, by the Senator from Maryland (Mr. MATHIAS); one on additional moneys for the National Guard by the Senator from South Dakota (Mr. PRESSLER); one to add funds to the ballistic missile defense system by Senator DENTON; an antiabortion amendment by the Senator from Iowa (Mr. JEPSEN); one on space-based lasers by the Senator from Wyoming (Mr. WALLOP); one on ASAT by Mr. TSONGAS on which we are trying to arrange to work out a compromise; and a couple that probably will not be brought up today. Those are all candidates for action today.

One at least or two of those, possibly three, we expect record votes.

The next amendment we had thought to take up would have been the sea-launched cruise missile amendment by the Senator from Maryland (Mr. MATHIAS) unless the Senator from Ohio is ready before that time.

The reason I am giving it is to make a determination to Senators who wish to speak about how long they wish to speak. So I do this for convenience of both Senators who have amendments on both sides of the aisle.

Mr. HART. Mr. President, will the Senator from Ohio yield briefly?

Mr. METZENBAUM. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Colorado without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I would like to address myself to the point of order raised by the Senator from Ohio. I think it was legitimate when the Chair did not respond. It would be important to know what the policy of the Chair is with regard to the recognition of Senators. Very clearly, the Senator from Ohio was seeking recognition before the floor manager. Would the Chair respond to the point of order raised by the Senator from Ohio?

Mr. METZENBAUM. Before doing so, I would like to address the Chair on that very point. When I make a point of order, I am entitled to have a ruling with respect to that point of order. Second, under the rules, the Parliamentarian has advised me earlier today, when one Senator is on the floor obviously ahead of the managers, he is entitled to recognition.

I suppose you can take the position if the Chair recognizes that Senator, so be it. But it would be quite difficult for the Presiding Officer not to have heard my voice. It was loud and clear, and under those circumstances I think the point the Senator from Colorado and I are making is that I think this body ought to follow rules that have been followed over a period of many years, and that we ought not to have arbitrary rulings from the Chair which preclude Members of the Senate from being recognized, as has been the practice in the past.

The PRESIDING OFFICER. The Chair will respond to the Senator. He is directly entitled to a response. He has the floor.

Technically he did not have the floor, so the question of a point of order was not in order. The Senator from Texas had been recognized before the point of order was raised. That is a technicality.

The Chair, in the Chair's judgment, felt that the Senator from Texas, the manager of the bill, was making a physical movement. The Chair does look at the manager of the bill, whether it would be the Senator from Ohio or the Senator from Texas, whoever it may be, and I think that is the normal procedure.

He made a physical movement to reach for his mike at that time, and that is why the Chair did that.

The Chair will advise the Senator he is correct in that if someone who has asked for the floor and it is obvious he has done so in a manner of precedence before anyone else has, the Chair will advise the Senator from Ohio as long as this Senator is in the chair he will recognize the one who indicates first he has called for recognition.

The Senator who is in the chair has had many years of chairing the Senate prior to coming here, but not the U.S. Senate, and he does not come as a neophyte.

Mr. METZENBAUM. I appreciate the response of the Presiding Officer.

We will now have some amendment in our rules which will provide that when a Member of the Senate is making a physical movement or is audibly heard that he is entitled to recognition, because I must confess I have never before heard it mentioned or suggested that physical movement on the part of a Member is tantamount to seeking recognition or is any way seeking recognition, but that the only way you seek recognition on the floor of this body is by addressing the Chair appropriately.

The PRESIDING OFFICER. Does the Senator desire a response?

Mr. METZENBAUM. I do. I would indeed because I think there is quite a radical change in the rules that movement alone is enough to have a Member have recognition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio for his amendment.

Mr. METZENBAUM. The Chair will recognize the Senator from Ohio period, not for his amendment.

The PRESIDING OFFICER. The Chair will recognize the Senator from Ohio. The Senator has the floor.

Mr. SARBANES. Mr. President, will the Senator yield so that I can address the Chair. I think this is an extremely important point which is being discussed as to how the Senate is to conduct its business. I do not think a precedent ought to be established this morning which the Senate will come to regret, and the question I would address to the Chair is, What is the rule that governs the recognition of Senators seeking recognition from the Chair on the floor of the Senate.

Mr. METZENBAUM. Mr. President, since I have the floor I will be happy to respond in behalf of the Chair. On page 878 of Senate procedure it specifically provides:

> Under the rule, the Chair is required to recognize "the Senator who shall first address him." Of course, this gives the Chair discretion when several Senators simultaneously address the Chair.

I do not think there is much question about the obligations under the rules, and yet I have found that in recent months, contrary to the procedures that were followed when the party on this side was occupying the chair, that there has been a sort of gradual evolution of that development to the point where that recognition—that rule is no longer followed, and I think it is a very important rule. I think it is important that not only the occupant of the chair on this day but that my colleagues on the opposite side of the aisle who occupy the chair recognize the validity of that rule, recognize that today's occupants of the chair may not be future occupants of the chair, and that what is good for the goose is good for the gander.

But the fact is what is good for the Senate is to follow the rules of the Senate, and I say to my friend from Maryland that I appreciate his further raising this issue, as has the Senator from Colorado, and if he would care to address himself further to the subject, I would be glad to seek unanimous consent so that he might have the floor.

Mr. SARBANES. Mr. President, let me say that my reading of the rule is that the occupant of the chair is required to recognize the Senator who shall first address him.

As I understand in a situation where only one Member is addressing the Chair seeking recognition, it is the Chair's responsibility to recognize that Member.

Mr. METZENBAUM. Indeed, I cannot agree more with the Senator from Maryland. It was that point that particularly disturbed me, because I was obviously addressing the Chair a considerable period of time in advance of the Senator from Texas.

Mr. SARBANES. And it is further my understanding that if a number of Members are addressing the Chair at the same time, that the Chair has discretion—the Chair in effect has to make a judgment as to who was first addressing the Chair in that circumstance—and that traditionally if the majority leader or the minority leader is one of those seeking such recognition in a group seeking recognition, they are accorded recognition.

In other words, if you have a number of Senators addressing the Chair seeking recognition and one of them is the majority leader, the majority leader gets recognized. If one of them is the minority leader, the minority leader gets recognized. Otherwise, the Chair has to make a judgment as to which of the number of Members addressing it was first seeking recognition and should be recognized.

But in an instance which only one Member is clearly seeking recognition, it seems to me to go contrary to the rules to accord recognition to some other Member of the Senate.

Mr. METZENBAUM. The Senator from Maryland is absolutely correct. When there is only one Member of the Senate seeking recognition, the rules require that that Member be recognized.

I would add to his comments, however, that had the manager of the bill been one of those several Senators who were seeking recognition at the same time, I am not certain but what, as in the past, the manager, under those circumstances, has a right to be recognized.

Mr. SARBANES. Well, I am not so sure of that and I am not so sure we ought to go that far. I am not sure the managers are in the equivalent position of the majority or minority leaders under the prior procedures, traditions, and precedents of the Senate.

Now this is a very important issue—I see the distinguished Senator from Louisiana on the floor—and I think it is very important to establish some guidelines here, because the Senator from Ohio is absolutely right.

What has been happening is recognition is being accorded out not to those first seeking it and not related to the majority or minority leaders, if a group of people are seeking it, but in instances, I think, in which any fair observer would say that the recognition was accorded to someone who sought it subsequent in time to some other Senator on his feet and seeking recognition.

Mr. TOWER. Will the Senator from Ohio yield for a question?

Mr. METZENBAUM. Yes; I yield for a question.

Mr. TOWER. Can the Senator tell me about how long this colloquy will continue?

I might point out the Senator from Ohio has the floor. The Senator from Texas yielded the floor, gave it up, so the Senator from Ohio could seek recognition. So I regard this as dilatory. I just wanted to know how long it would go on.

In fact, the Senator from Texas very often has not been the first man recognized, although he was the first man on his feet, may I note.

Mr. SARBANES. If the Senator will yield, he should have been recognized in that instance.

Mr. TOWER. I am still talking. I have been here longer than either the Senator from Ohio or the Senator from Maryland and I can recall a time when I was in my first term here that the presiding responsibilities were rotated between Members of both parties. It was the decision of Mr. BYRD, when he became majority leader, that that practice should be discontinued and the Chair should be occupied by the party that was in control of the Senate. And I have no quarrel with that.

In fact, it has happened many times and it may be fair or not fair. But the fact is the man in the chair does, under the rules, have a great deal of discretion.

Mr. SARBANES. Will the Senator yield?

Mr. METZENBAUM. I yield for a question.

Mr. SARBANES. The fact of the matter is that the Vice President of the United States, a former distinguished Governor of the State of New York, had to come to the Senate and apologize to one of the Senators, as I understand it, for failing to recognize him, the Senator from Alabama, when he was seeking recognition.

I think this is not dilatory. This issue has arisen in this instance because the Senator from Ohio was clearly seeking recognition ahead of anyone else in the Chamber—no one else was seeking recognition—and he was not recognized, and the Chair has told us that he was not recognized because the Chair saw physical movement and anticipated that someone else would be seeking recognition.

Mr. LONG. Will the Senator yield?

Mr. METZENBAUM. I yield for a question from the Senator from Louisiana.

Mr. LONG. Mr. President, would it not seem apparent that when the Senator gave consent in the first day of the Congress that the majority leader would be recognized ahead of all other Senators when the Senate came in, that that was not consent that anybody the majority leader might designate would have the right to be recognized ahead of all other Senators? It was only to one Senator.

Mr. METZENBAUM. The Senator is absolutely right.

Mr. LONG. Is it not fair to say that when the rest of us sat here and agreed someone else would have a right to be recognized ahead of us, contrary to what the rules would otherwise provide, we were not giving that person the right to farm it out and pass it out to any one of a hundred Senators that he might want to yield it to; that we were giving him the right to start the day by announcing what the program was going to be?

Might I say to the Senator that this Senator has been concerned about the way some of these bills have been handled. Now, I am not saying that there has not been mischief in the past. There has been. But two wrongs do not make a right. Generally, the trend has been toward fairness, rather than away from fairness.

But, has the Senator noticed what I have noticed, and that is that in certain cases those managing a measure or the manager of a measure will have an understanding with the Chair that the Chair was not going to recognize anybody except the one that manager wanted recognized? Not just recognize him, but not recognize anyone unless the manager wanted that other person to be recognized. Has the Senator become familiar with that?

Mr. METZENBAUM. The Senator from Louisiana is absolutely correct. I might point out to him that there has been another procedure that has been started recently, and the Senator from Ohio is going to object to further utilization of that procedure because it is a question of the right of recognition. When we have been dealing with certain measures on the floor, particularly appropriations bills, we have developed into a situation where there is first a technical amendment laid down and then unanimous consent is needed in order to call up an amendment.

Now, in all fairness to the manager of the appropriations bill, he has been eminently fair as far as recognizing Senators and has not used that procedure in an arbitrary manner. But it is a procedure that should not be followed.

I believe that this body ought to be governed by its book of rules and that whoever is in that chair ought to follow those rules.

What I am objecting to, and what the Senator from Louisiana is objecting to and what the Senator from Maryland and the Senator from Colorado are objecting to, is not alone the question of the handling of the Department of Defense authorization bill, but a procedure that has started to develop in the last year and a half where only if you are part of that favored group do you get recognized. This matter of farming out the right to be recognized is not provided for under the Senate rules.

The Senator from Louisiana is right on target that the majority leader has the right to be recognized. We recognize that. That is not anything new around here.

But beyond that point, the rest of us are also entitled to recognition, and the rules should be followed. In this instance they were not followed. I would hope that every occupant of that chair from this point forward will recognize what the rules say, will follow on those rules, and not play any favorites as to who has the right to recognition on the floor of this body.

Mr. LONG. Will the Senator yield?

Mr. METZENBAUM. I yield for another question.

Mr. LONG. May I say to the Senator as one who has managed bills in the past, at a time when those on this side were in the majority, this is a great advantage to the manager of the bill, if he is in a position to know what amendment will come up next. He is in a position to seek the advice he might want, to have staff people bring him information which might be in the committee office or somewhere. They can muster all their information. They might even have some information in a House committee he might want to send for. So it is very convenient to the manager of a bill if he can know what the next amendment will be and be in a position to address himself to it, and also to send for Senators who might be able to support his position who have knowledge in that particular area.

But there is nothing in the rules that gives him that right. The right is for any Senator to command recognition and to be recognized, the first one to address the Chair.

If that is to be changed, is it not proper that it be changed in such a way that all 100 Senators would have an equal chance?

Mr. METZENBAUM. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. LONG. If it be in order to convenience somebody, whoever——

The PRESIDING OFFICER. The Senate will be in order. Senators have the right to be heard.

Mr. LONG. If it were to be suggested that in order to convenience somebody, the leadership, the managers of the bill, the committee, whoever, that we were going to do business on some other basis—for example, if the Chair was to keep a list and call up Senators in a certain order—is it not fair that if that procedure were to be followed, everyone ought to be advised of it and all have an equal chance to benefit from it?

Mr. METZENBAUM. The Senator is absolutely correct. The question of some people having special privileges and others not having them is not the way for this body to proceed from all its history. As the Senator has pointed out, and he has managed many bills on the floor of the Senate, it is very convenient to know what is coming and to be prepared for it. But, conversely, some of us who are not always in support of the bill, or some who may not be in support of certain amendments, do not have that special privilege of knowing what those amendments are that will be called up.

If the rules of the Senate are to be changed so that people have to send a telegram or a message of some kind as to what amendments are going to be offered, so be it. I like the phrase of Senator Mansfield when he was majority leader, talking about the fact that there are 100 of us and each of us is equal to each other.

Mr. SARBANES. Will the Senator yield?

Mr. METZENBAUM. I yield for a question.

Mr. SARBANES. The Senator from Louisiana made an extremely important point. If there is going to be a signup list, it ought to be in the rules, with the procedure that says how to get on the signup list. If it is to be followed, the procedure ought to be in the rules.

The managers of the bill assume the two seats in front of the Chair. Among other reasons, it was to make it easier for them to gain recognition when they were seeking it in competition with other Members of the Senate also seeking it under the rules. They were directly in front of the Chair and, in fact, are closest to the Chair. Therefore, in an instance in which a lot of Members are seeking recognition at the same time, it is a reasonable judgment of the Chair that the manager of the bill in front of him was perhaps seeking it first.

I know of nothing in the rules, however, or in any accepted procedure, that accords that recognition. The only provision I know in that regard is with respect to the majority and minority leaders.

As the Senator from Louisiana has pointed out, that was something the Senate acceded to. They did not accede to the right of those individuals to farm it out to other Senators.

Surely, there is nothing that has transpired which justifies what has been occurring. That is when a single Senator only is seeking recognition, to accord that recognition to some other Senator who was not seeking it on the premise that he was about to seek it or was beginning to rise out of his chair or was reaching for his microphone, when another Senator is already on his feet, microphone in hand, addressing the Chair and seeking recognition.

Mr. METZENBAUM. Would the Chair clarify the statement that he made earlier? This body proceeds on the basis of its precedents. Since the Chair has indicated that he recognized the manager of the bill on the basis of his physical movement, and since I talked about that as being a new precedent, I am wondering whether, at this point, the Chair would like to make it clear that mere physical movement is not sufficient to accord any Member of this body the right to acquire recognition.

The PRESIDING OFFICER. The Chair would remind the distinguished Senator from Ohio that on page 883 it states:

> Under the traditions and practices of the Senate, the leadership is given preferential recognition when they seek the floor simultaneously with other Senators. Leaders and managers of a bill are given preferential recognition as compared to other Senators generally.

It was a judgment call of the Chair that the Senator from Texas was seeking recognition.

Mr. METZENBAUM. The Senator from Ohio is well aware of the provisions of page 883 and had earlier indicated that when the manager of the bill and several other Senators are seeking recognition, I recognize that the rules do provide that the manager has preference under those circumstances.

But:

> In the ordinary course of the consideration of a bill or other matter, the Senator who rises and first addresses the Chair is entitled to recognition, and a Senator managing the bill who may be sitting in the majority leader's seat, but did not address the Chair, would have no preferential status as to recognition.

That is on page 880.

That is what happened in this instance.

I am again asking the Chair whether or not he wishes to correct the statement he made at an earlier point. That is that by reason of the physical movement of the manager of the bill he felt that he was entitled to recognition.

The PRESIDING OFFICER. For the third time, it was a judgment call the Chair made regarding the Senator seeking recognition.

Mr. METZENBAUM. I want the Chair to understand that he has no right, nor does any other Member sitting in that chair, to change the rules, and that physical movement does not entitle any Member of this body to recognition. It provides specifically what language must be used. That is that you must stand on your feet and address the Chair as "Mr. President." Absent that, all the physical movement in the world does not entitle any Member of this body to recognition.

Mr. President, I now wish to address myself to the subject for which I originally arose. That has to do with the MX.

Mr. President, I want the body to understand that some may have some reservations and concerns about our

being in a Saturday session. I, for one, am somewhat inconvenienced personally, as I am certain are many others, but I believe there could have been no better way for the American people to be apprised and to understand the seriousness of the MX question than our being in session on Saturday because our being in session on Saturday tells the world that this is a crucial issue, it is a critical issue. It has to do with the future peace of the world. It has to do with whether we are going to gear up and spend billions of dollars for a missile that will not work, that cannot be protected.

But the facts are that this sends a message to our enemies, or potential enemies, that we are going to gear up. It does not matter to us whether it is logical or illogical. We are going to put them out there and make them subject to attack. But that does not matter; we have to show how tough we are.

The American people do not believe that. The American people are not for the MX. The American people do not understand fully the issue with respect to the MX.

Why? What is so important about getting to a vote? So we can get to an agricultural appropriations bill having to do with tobacco allotments? Is that what all our hurry is about?

Maybe we ought to stay here on Sunday as well as on Saturday, so the American people can understand what this MX means to this country and means to the world, that it threatens the peace of this world. And every person who speaks on this floor and is anxious to run forward—where are you running? To the destruction of your families, your homes, and the world? Is that what you are so anxious to get to?

Stay here on Saturday. We probably could be doing more of the Lord's work if we worked on Sunday so that the people of this country would understand. This is probably the most critical issue that this Congress is going to deal with. And everybody is in a hurry.

I am not in any hurry, and I am willing to stay here today and tonight and tomorrow and Monday and Tuesday and Wednesday and Thursday or whatever. I think that the more we debate this issue, the more we apprise the American people of what is involved, the better we shall be as U.S. Senators.

We have all the time in the world to come to the floor of the Senate to debate some of the so-called social issues, but we do not have time; we are in a rush as pertains to the MX. I want this body to know that I am in no rush, because I believe that every minute that we are on the floor of the Senate debating this issue, educating the American people, apprising the American people, letting them know what the issue is all about, we are doing the finest work we possibly can do in our political responsibilities and in our responsibilities as U.S. Senators.

I say to those who are involved in this debate, what you are doing, what I am doing—and I shall address myself further to the entire issue—but I am so grateful to the majority leader for having inconvenienced me and 99 colleagues and causing us to be in session today, because if we were not in session today, the American people would not really understand the seriousness of this issue.

I urge upon the majority leader, let us not quit at 5 o'clock; let us stay until 12, 1, 2, 3, or 4 o'clock and let the issue be known, let the bells ring out, what MX is all about. Do that and we shall be performing the highest quality of public service.

Mr. QUAYLE. Mr. President, I guess there are no other Senators on the floor who desire to seek recognition. I would just say that I believe we ought to get on with business. I hope we can get some other amendments up. Maybe we can even get an MX amendment up and be able to talk about it.

A lot of Senators want to discuss the MX. I think the Senate is probably ready to discuss it. So if there are any amendments that Senators want to come forward with, we shall be glad to entertain them. I do not believe there are any amendments that are going to be called up right now. So, if there are not, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1502

(Purpose: To express the sense of the Congress with respect to including the nuclear-armed sea-launched cruise missile in the START negotiations with the Soviet Union)

Mr. MATHIAS. Mr. President, I have an amendment pending at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment numbered 1502:

At the appropriate place in the bill insert a new section as follows:

NEGOTIATIONS WITH THE SOVIET UNION REGARDING THE NUCLEAR-ARMED SEA-LAUNCHED CRUISE MISSILE

SEC. . It is the sense of the Congress that the President should, at the earliest practicable date, make every reasonable effort to include in the START negotiations with the Soviet Union the nuclear-armed sea-launched cruise missile with a view to the complete elimination of that type of weapon from the weapon arsenals of both the United States and the Soviet Union and should, as a means for advancing such goal, propose to the Soviet Union a mutual moratorium on any further deployment of nuclear-armed sea-launched cruise missiles for the duration of the START negotiations.

Mr. MATHIAS. Mr. President, I should like to first express my admiration for the position taken on the question of sea-launched cruise missiles by the Armed Services Committee in its earlier consideration of the defense authorization legislation. It had been suggested that the Congress should authorize not only sea-launched cruise missiles to be deployed in submarines but that there should be sea-launched cruise missiles to be deployed on surface ships. After what I can only characterize as mature consideration, the committee deleted the authorization for the deployment of sea-launched cruise missiles on surface ships. I think this was an eminently wise and responsible decision and the basic reasoning on which the committee acted was in fact so wise that I would like to see it extended beyond surface sea-launched cruise missiles to all sea-launched cruise missiles.

The Armed Services Committee report says that "significant difficulties have been encountered in both the testing and manufacturing aspects of the Tomahawk program."

So we are dealing here not with a weapon that is in all respects ready for deployment; it is still in the process of development. It still has a number of difficulties associated with it, so it cannot be claimed that in setting it aside, in giving it a major focus of attention in the START negotiations, we would be sacrificing something of immediate and urgent importance in our arsenal of weapons.

Therefore, I propose that we establish a moratorium of further deployment of sea-launched cruise missiles and that we make it a major focus in the START talks.

Now, the destabilizing nature of major SLCM deployments undermines the entire arms control process, but it is amazing to me that this has been scarcely discussed in the Congress until the action taken by the Armed Services Committee in connection with this bill. I suspect that the reason we have so little discussed the sea-launched cruise missile development and deployment is because we are under the illusion that we have a long-time technological lead and therefore this is a subject that really does not even bear discussion.

Well, I think it is true that at the present time Soviet sea-launched cruise missiles are primitive by American standards, but historically we know that there is little comfort to be found in such superiority. In the late

1960's, the United States enjoyed a similar clear lead in MIRV technology. Our reluctance to relinquish MIRV's then created the land-based ICBM vulnerability that the United States is now experiencing. By refusing to include MIRV's in the SALT talks, we virtually invited the Soviet Union to match our MIRV capability in the fastest manner possible. They accepted that invitation, and they ultimately did match our MIRV technology.

Now, 14 years later, with all the benefit of hindsight, with all the lessons of history available to us, we are on the verge of repeating the same mistake. The sea-launched cruise missiles have been relegated to phase 2 of the START negotiations to be discussed at some unspecified point in the future. This country cannot afford to delay consideration of SLCM's. We have a great deal to lose and painfully little to gain by encouraging the Soviet Union to match American SLCM capabilities. It should be noted—and I think this is a significant point—that 75 percent of the American people are vulnerable to the SLCM attack, are within range of sea-launched cruise missiles while only 10 percent of the Soviet population is vulnerable to cruise missiles from the sea. Such a Soviet sea-launched cruise missile capability also—and I think this is a significant point—would for the first time in the history of this arms race between the United States and the Soviet Union place the air base leg of our triad, the American strategic bomber force, at risk. If sea-launched cruise missiles become a major factor, then our bombers on which we have placed great reliance, would be at risk.

I believe that no Senator is eager to hasten the arrival of that day.

Mr. JACKSON. Will the Senator yield for a question?

Mr. MATHIAS. Surely.

Mr. JACKSON. I share in the Senator's goal to get rid of the sea-launched cruise missile. The problem that faces and troubles me is that if you have a freeze here, then you are in a situation in which the Russians have, in effect, as the Senator knows, hundreds of cruise missiles and we have a handful.

So you freeze this disparity, which provides absolutely no incentive at this point for the Soviets to show an interest or even move toward, shall we say, reductions that will result in equal numbers. We are vulnerable, and have been for quite some time, not only our population centers but also, as the Senator pointed out, a number of our important strategic airbases. But the disparity here is enormous.

Mr. MATHIAS. The disparity here is enormous, but it will become more enormous if we press deployment, which will then give the Soviets reason to upgrade their weapons.

Mr. JACKSON. That is where we disagree. I think that when the Russians see us doing what we are doing right now—that is, making the SLCM's, the sea-launched cruise missiles, available to surface craft such as the capital ships that have been deployed, and others, including submarines—that poses a real problem for them.

Mr. MATHIAS. At the present time, as the Senator from Washington knows better than I, the Soviet cruise missiles are primitive. They are mostly confined to a range of 600 kilometers, which is a very short range. So they do not at the moment pose a serious threat. But when they see us press deployment of sea-launched cruise missiles, they are naturally going to press their own technological side for the improvement of the range and capabilities of their cruise missiles.

Mr. JACKSON. I think the Senator was right earlier, that currently, because of this disparity, the Euro-Asian land mass provides the kind of protection that makes it difficult for the shorter range missile to reach the heart of their country; whereas, what they have now, as old as it is, we have no defense against. From the coast, they can reach a very large part of our population, especially in my part of the country, and they can reach a number of our strategic Air Force bases. This is what concerns me.

I share in the objective, but I must say that I am concerned about the incentive to get them to join us in a mutual reduction.

Mr. MATHIAS. Of course, we look to a timetable of initial operational capability of next June for our cruise missiles, so that there still is time for negotiation. START talks are in process in Geneva, and the cruise missiles could be moved up into the first phase. The verification question here is enormous.

I see not only the Senator from Washington, whose State would be highly vulnerable to sea-launched cruise missiles, but also the Senator from Rhode Island sitting on the rocks in the city of Newport.

Mr. JACKSON. We have been vulnerable for years.

Mr. MATHIAS. But as these are deployed, particularly the possibility of surface deployment, then every vessel on the high seas—on the New England coast, for example, it is not infrequent to see a Soviet trawler on the horizon. Every Soviet trawler would be suspect as a carrier if there were a widespread deployment of sea-launched cruise missiles on surface vessels.

Unless there is some agreement, it is very difficult to negotiate and to identify; but unless there is some agreement that is the kind of world into which we are headed.

Mr. JACKSON. I think the real question is, How do you get them to the conference table? My brief experience around here has led me to believe that unless there is an incentive, they are not going to do it.

We went through the ABM debate, which passed by one vote. As soon as we started moving, the Senator will recall, they came to the conference table and we got an agreement with the Soviets.

We all seek the same objective. The question is, What kind of move on our part will help provide the encouragement, the incentive, to get them to talk? That is the problem we face, it seems to me, in connection with all these catastrophic and, may I say, very nasty weapons.

Mr. MATHIAS. I think the Senator from Washington is right on target. It is a psychological question here: What is going to move us toward some kind of sensible, sane, and responsible conclusion?

If our sea-launched cruise missiles are deployed, it will leave the Soviet force, for the moment, far behind. They will be technologically far superior. As the Senator from Washington suggests, that could induce an early agreement; or, human beings being human beings pretty much all over the world, it could put them in the frame of mind that they will say, "We will catch up, and then we will have an agreement, because we do not want to negotiate from a position of inferiority."

It seems to me that the magic moment may be today, when neither side is very far advanced in this particular art; that there is this time between now and next June when we will have initial operational capability that we can come to some agreement. Once there is deployment in huge numbers on either side, or certainly on both sides, it is going to make future agreements practically impossible. We have a clear superiority available in the near future, and that, I think, provides the kind of incentive to which the Senator from Washington is referring.

That is the reason why I have offered the amendment calling on the President to actively consider, at the earliest possible date, the nuclear-armed sea-launched cruise missile in the START talks with a view to the complete elimination of that type of weapon, and urging the President to propose to the Soviet Union a mutual moratorium on further nuclear-armed sea-launched cruise missile deployments for the duration of the START negotiations.

I make it clear that I am not proposing that even 1 penny be deleted from this bill. But I am advocating that strict limits be negotiated with the Soviet Union on SLCM deployments as soon as possible.

The need for an interim moratorium on SLCM deployments is equally important, I think, to create an atmosphere in which negotiations would be possible. If both sides were to engage in a massive deployment of nuclear-armed land-attack cruise missiles at sea, then I think President Reagan's search for an arms control agreement incorporating verifiable deep cuts in nuclear arsenals will become a practical impossibility. There will be very little possibility of verifying with any confidence the nuclear arsenals of the other side.

So I say, Mr. President, that we should not repeat the error that was made in MIRVing 14 years ago by deployment of sea-launched cruise missiles without an attempt to negotiate control of them and restraint in the use of them.

So let us at least make an effort to see whether that control is possible.

Mr. TOWER. Mr. President, I hope that the amendment of the Senator from Maryland will be rejected. At the appropriate time I will move to table.

I want to give any of the colleagues of my distinguished friend from Maryland who want to support him on this an opportunity to speak so I will not move precipitantly to table.

But let me simply note that the effect of this amendment would be to effectively deny the Navy not only its land attack nuclear cruise missiles but also its most promising long-range antiship weapon system; that is to say, the conventional Tomahawks and perhaps even the Harpoons.

As has already been noted by the Senator from Washington, the suggestion is sometimes made that if the United States ceases deployment of nuclear SLCM's the deployment of these potentially destabilizing weapons will be precluded in the world's arsenal, but the truth of the matter is that the Soviets have long since deployed extensively cruise missiles of varying range and capability, including a large number of armored nuclear warheads and, of course, the coastal cities of our country are vulnerable to the ones that they now possess. Regardless of how primitive they may be, these are soft target weapons.

Mr. MATHIAS. Mr. President, will the Senator yield for an observation?

Mr. TOWER. I will certainly not like to see anything happen to Baltimore, and I would not like to see anything happen to Solomons, Md., where I was stationed in my amphibious training during the war, both of which would be vulnerable to attack from the sea.

But beyond that, Mr. President, I think that we make a mistake here in trying to dictate the agenda for the President in his arms control negotiations. I think that you impose limitations and rigidity on our side that are not present on the Soviet side of the negotiating table.

So I would hope that this amendment would be rejected, and I will move at the appropriate time to table the amendment of the Senator from Maryland.

Mr. MATHIAS. Mr. President, let me just respond very briefly, that this amendment does not affect the conventional armed sea-launched cruise missiles.

Mr. TOWER. If the Senator will yield, there is virtually no way to tell the difference between a conventional SLCM and a nuclear armed SLCM. Therein lies the enormous difficulty with verification.

Mr. MATHIAS. That is precisely right and I agree with that. That is one of the reasons that we ought to direct some very urgent attention to this problem.

Second, I have just as much tender concern for the city of Houston as for other great seaport cities and I have Houston in mind in offering this amendment as well as Baltimore and Solomons Island.

Mr. TOWER. Would the Senator please add Beaumont, Port Arthur, and Corpus Christi to that list?

Mr. MATHIAS. I would add almost any city in the United States because 75 percent of our population is exposed to this danger.

Finally, we are not trying by this amendment to dictate to the President. We are simply saying it is the sense of Congress that the President should at the earliest practical date make every reasonable effort to include in the START negotiations the nuclear armed sea-launched cruise missile.

Mr. SARBANES. Mr. President, will the Senator yield on that point?

Mr. MATHIAS. I yield.

Mr. SARBANES. I want to be very clear on this. The Senator's amendment does not seek to dictate the substance of what should be reached, as I understand it. The Senator's amendment is an effort to include in the negotiations this very, very important subject and to include it at a point in time when we may be able to prevent further development down this path with respect to both of the superpowers. Is that not correct?

Mr. MATHIAS. The Senator is correct. The administration has said that in the START negotiations everything is on the table. But we want to make it clear that this is given a kind of priority which it merits.

Mr. DURENBERGER. Mr. President, I rise to ask first facetiously I guess that Lake Calhoun in the heart of the city of Minneapolis be added to the list of protected communities. In fact, right about now I am supposed to be the grand admiral or something at the Milk Carton Boat Races on Lake Calhoun which I doubt are going to be threatened by anyone's sea-launched missiles.

But seriously I am delighted this afternoon that once again I have the opportunity to see Senator MATHIAS draw our attention to the issue of the nuclear-armed sea-launched cruise missile. This weapon system presents one of the most potentially vexing arms control problems imaginable, and I wish that people were more aware of it.

A cruise missile, of course, is very simply a pilotless jet aircraft. The term "cruise missile" refers to a broad species of weapons, not to any one particular missile such as the current Tomahawk now being produced for the Navy and the Air Force.

Over the past few years, most public attention has focused on only two variants of American cruise missiles: The air-launched cruise missile, which will be carried aboard bombers, and the ground-launched cruise missile, which is simply a Tomahawk missile fitted with a booster and mounted on a truck, and there has been some reference to that here in the past.

It is not cruise missiles themselves which necessarily present an arms control problem. Instead, it is the manner of their basing which can make arms control difficulties a greater than normal concern. For instance, the air-launched cruise missile is explicitly a second-strike weapon, based as it is aboard slow-flying bombers. And, despite the attention which has focused on it, it is fair to say that the ground-launched cruise missile is not so great an arms control menace as a lot of people fear that it is. For one thing, it will be based at a considerable distance from the Soviet Union, thus decreasing the temptation by either side to launch it or attack it as the case may be. For another, its slow time of flight make it more a second-strike than a first-strike weapon.

So it is not the case that all cruise missiles present severe arms control problems. Indeed, to the extent that they can be substituted for other, more destabilizing, systems such as the short-range nuclear weapons in Europe, tney can enhance rather than undercut our security.

But the sea-launched cruise missile raises a number of potentially hazardous issues and that is why I am pleased that the Senator from Maryland continues to raise this issue. Specifically, a nuclear-armed sea-launched missile deployed aboard our attack submarines is a very disturbing prospect. Yet plans go forward with little attention being paid.

A cruise missile with a conventional warhead is a needed enhancement for our surface fleet. It can permit even the smallest naval vessel to engage an opponent at long range, effectively giving every vessel some of the attributes of an aircraft carrier.

A cruise missile with a nuclear warhead—particularly when carried aboard our attack submarines—does nothing of military worth by contrast. What it does do is to create an enormous set of military and arms control problems, and I intend to touch on just a couple.

First, an attack submarine is designed to do one thing: To seek out and destroy enemy vessels. A particularly important mission for our attack submarines is defending our shipping against enemy submarines. In other words, one of our most effective antisubmarine weapons is an attack submarine, armed with torpedoes and other weaponry.

To be successful in its missions, an attack submarine must rely on speed, stealth, deception, and exceptionally audacious tactical maneuvering. The attack submarine is at its best when it can operate independently. The hallmark of an attack submarine is operational flexibility.

By contrast, a vehicle loaded with strategic nuclear weapons must of necessity be subject to very tight constraints from the national command authority. We cannot afford to let the custodians of our nuclear weapons run around loose, acting as they see fit. Just as important, our ballistic missile submarines—which are currently the most independently survivable leg of the triad—must, above all else, insure that everything possible is done to avoid detection. Thus, rather than relying on high speed, which can alert an enemy to their presence, the commanders of our ballistic missile submarines tend to cruise very slowly and quietly. They rely on caution rather than audacity, for their principal mission is to remain an undetected deterrent, not a tactical weapon of war such as the attack submarine.

To load up our attack submarines with strategic nuclear weapons therefore—particularly when the need for such a strategic reserve is arguable at best—is to risk compromising the chief mission of one of the most effective naval instruments we have or at least one of the most effective naval instruments we have.

Second, we know that the range of the Tomahawk cruise missile is long, but not so long as the range of a ballistic missile. Maybe this gives us the Baltimore or Seattle, or Lake Calhoun.

Most public sources put the range of the Tomahawk at approximately 1,500 miles. Whether this is accurate or not is not the point. I would like to assume for just a moment that it is accurate. Such a range is clearly less than the range of our ballistic missiles at sea, such as the Poseidon and the Trident I.

The shorter the range of a missile, the closer a launcher must be to enemy shoreline before it can be fired. And the closer to the shoreline, the greater the chance that the launcher will be found. When launchers, such as our submarines, can be detected and isolated, they can be menaced. This undercuts the stability of the strategic balance. That is why our efforts in submarine-launched ballistic missiles have been directed so much toward an increase in range. It is therefore contradictory to seek construction of a Trident II, with greatly enhanced range, and then to turn around and ask for deployment of another submarine-launched nuclear missile with substantially shorter range.

Third, the nuclear-armed cruise missile is physically and I believe the chairman of the Armed Services Committee just pointed this out, physically indistinguishable from the conventional variant. This is not an uncommon problem, of course. But typically, in the past, we have dealt with it in our arms treaties by stating that once a weapon has been deployed with a given warhead loading, all further models—regardless of their loading—will be counted. In other words, if a cruise missile is armed with a nuclear warhead, the only way to verify compliance with a treaty is to assume that all cruise missiles are so armed. This would either make it impossible to deploy the conventionally armed cruise missile, or it would provide a strong incentive to bid up our arsenal by converting to nuclear warheads. In other words, the verification problems posed by nuclear-armed sea-launched cruise missiles are very tough indeed.

Finally, as Gen. Bernard Rogers—our commander in Europe—has stated, deployment of a nuclear-armed SLCM can substantially complicate the planned deployment of our new intermediate-range nuclear forces. The fear is that this plan will both provide an "escape valve" for those who oppose our commitment, and a spark for further Soviet propaganda. This resolution can forestall that.

While I would like to suggest this amendment would perhaps recognize the point I made earlier more explicitly when I referred to submarine-launched cruise missiles rather than sea-launched cruise missiles I wanted to finish by commending Senator MATHIAS for once again focusing our attention on a very, very difficult problem with a complicated solution, as has been pointed out by the questions from Senator JACKSON and from Senator TOWER.

But I stand here to urge my colleagues to support this amendment.

Mr. SARBANES. Mr. President, I rise in support of the amendment offered by my distinguished colleague from Maryland, and I wish to commend him and the distinguished Senator from Minnesota for the statements they made in support of it.

I particularly want to comment on the connection which the distinguished Senator from Minnesota has made between the advancing technology with respect to weapons systems and how that relates to arms control efforts.

It seems to me what we have here is another instance in which there is a possibility of moving forward in the arms control area to address a developing weapons system that could preclude moving down this path and, therefore, preclude a great deal of worry and anxiety in the future.

Many years ago a decision was made to go to MIRV's. That was our decision essentially.

The Soviet Union followed it. It now presents us with very, very difficult problems. Many who have advocated going to MIRV can see they made an error. We would be far better off if we were back to the single warhead missile, and some have advocated moving back to that in effect unilaterally.

Here the proposal that is being made in the amendment is a very, very modest one. It is a sense of the Congress that the President should make a reasonable effort to include in the START negotiations the nuclear armed sea-launched cruise missile with a view to eliminating that type of weapon from the weapons arsenal, and in an effort to move forward should consider a mutual moratorium on further deployment.

It seems to me that offers the possibility of perhaps closing an agreement. We do not know what the reaction will be, but we ought to make the effort.

The notion that you go ahead and start down the path, it seems to me, is only an invitation to the other side to do the same thing. The consequence of that is you both end up with yet a further escalation with respect to weapons systems, and you then confront an even more difficult problem of what do you do in this situation, how do you tie it in with an arms control agreement and all the problems of verification?

So I want to commend my colleague from Maryland for this amendment. It seems to me it makes eminent good sense. This ought to be an item included in the START negotiations. It ought to be an important part of what is being talked about at the table, and I hope the Senate will adopt this amendment.

Mr. MATHIAS. Mr. President, I want to thank the Senator from Maryland for his statement, for his support of the amendment, and the Senator from Minnesota for his statement and support.

I think together they have stated the case far better than I, and I think have convincingly urged the Senate to take this modest step simply to put nuclear armed sea-launched cruise missiles on the START agenda.

Mr. BINGAMAN. Mr. President, I would like to ask a question of the sponsor and then, perhaps, propose an amendment to his amendment.

I am in sympathy with the idea of putting this item on the arms control agenda and urging the President to make every reasonable effort to include this as a subject in the START negotiations.

My concern is with the second and final part of the proposal. That is the suggestion that we propose to the Soviet Union a mutual moratorium on any further deployment of these nuclear armed sea-launched cruise missiles during the START negotiations.

My concern is that it appears to me to be very difficult to verify any such moratorium and, therefore, I ask the sponsor if he will agree that it would be difficult, and if he would be willing to perhaps accept an amendment that would say on line 12 "to propose to the Soviet Union a mutual and verifiable moratorium," so that it would be clear we would not have any kind of moratorium unless we were satisfied and the Soviets were satisfied that it was verifiable.

Mr. MATHIAS. Let me say I would personally have no objection to such an amendment, and I would be happy to accept it.

In saying that, we have to be candid that verification is a very difficult aspect of the sea-launched problem, and I agree fully with the chairman of the Armed Services Committee. That is part of the problem, and that is one of the reasons why I would like to see this particular kind of weapon eliminated from the arsenal of the world because once they become widely deployed there really will be very difficult means of verification. Today under the normal and accepted practices of verification any kind of a launcher, any kind of equipment which can be used as a launcher is counted as a launcher. But when you get widely deployed sea-launched cruise missiles we are going to have to assume that every ship of adequate size is a potential launcher, every merchant marine, and every fishing trawler. The kind of nightmare aspect of that is enough to move us to very serious consideration of eliminating these weapons from the arsenals of the world. But I am happy to accept the amendment.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Will the Senator send the modification to the desk?

The amendment is so modified.

The amendment (No. 1502), as modified, is as follows:

At the appropriate place in the bill insert a new section as follows:

NEGOTIATIONS WITH THE SOVIET UNION REGARDING THE NUCLEAR-ARMED SEA-LAUNCHED CRUISE MISSILE

SEC. . It is the sense of the Congress that the President should, at the earliest practicable date, make every reasonable effort to include in the START negotiations with the Soviet Union the nuclear-armed sea-launched cruise missile with a view to the complete elimination of that type of weapon from the weapon arsenals of both the United States and the Soviet Union and should, as a means for advancing such goal, propose to the Soviet Union a mutual and verifiable moratorium on any further deployment of nuclear-armed sea-launched cruise missiles for the duration of the START negotiations.

(The names of Mr. PELL, Mr. MATHIAS, Mr. DURENBERGER, Mr. BUMPERS, and Mr. TSONGAS, were added as cosponsors of the amendment, as modified.)

Mr. TOWER. Madam President, it would occur to me that those of my colleagues who oppose further modernization of our land-based missile force should vote against this amendment; those who believe that the ultimate efficacy and survivability of our strategic nuclear weaponry is to be found at sea should oppose this amendment.

I might make two brief points: One is that this would seriously jeopardize our most effective surface-to-surface naval weaponry, the Tomahawk and the Harpoon. And I am talking about the conventional versions because of the difficulty in verification.

I further note that it would undermine our negotiating position with the Soviet Union.

Therefore, Madam President, I move to table the amendment of the Senator from Maryland.

The PRESIDING OFFICER. The question is on the motion.

Mr. MATHIAS. Madam President, I have just one question to ask the Senator from Texas. Has there ever been a test of the surface-to-surface capabilities of this weapon?

Mr. TOWER. Madam President, may I say that debate is not in order.

The PRESIDING OFFICER. The motion to table is not debatable. The Senator from Texas has moved to table the amendment of the Senator from Maryland.

All those in favor?

Mr. MATHIAS. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER) to table the amendment of the Senator from Maryland (Mr. MATHIAS). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hamsphire (Mr. HUMPHREY), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. KENNEDY) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 47, nays 40, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—47

Abdnor	Gorton	Murkowski
Baker	Grassley	Nickles
Baucus	Hatch	Packwood
Bentsen	Hecht	Quayle
Byrd	Heflin	Randolph
Cochran	Helms	Roth
Cohen	Jackson	Rudman
D'Amato	Jepsen	Stennis
DeConcini	Johnston	Stevens
Denton	Kasten	Thurmond
Dixon	Laxalt	Tower
Dole	Long	Trible
East	Lugar	Wallop
Exon	Mattingly	Warner
Garn	McClure	Wilson
Glenn	Mitchell	

NAYS—40

Biden	Hawkins	Pell
Bingaman	Heinz	Pressler
Boschwitz	Huddleston	Proxmire
Bradley	Inouye	Pryor
Burdick	Kassebaum	Riegle
Chafee	Lautenberg	Sarbanes
Chiles	Leahy	Sasser
Danforth	Levin	Simpson
Dodd	Mathias	Specter
Domenici	Matsunaga	Stafford
Durenberger	Melcher	Tsongas
Ford	Metzenbaum	Weicker
Hart	Moynihan	
Hatfield	Nunn	

NOT VOTING—13

Andrews	Eagleton	Percy
Armstrong	Goldwater	Symms
Boren	Hollings	Zorinsky
Bumpers	Humphrey	
Cranston	Kennedy	

So the motion to lay on the table amendment No. 1502, as modified, was agreed to.

Mr. TOWER. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Madam President, I rise to support this effort to debate fully the procurement and deployment of MX missiles in silos. To reach for one last round of large, threatening nuclear warheads to be based in vulnerable fixed positions, at

a cost of over $20 billion in the next few years, is simply wasteful and irresponsible.

Let me make clear that I am convinced that the MX missile will not add anything to the nuclear deterrent force we already maintain. The Minuteman missiles we now have in place are powerful and accurate. The missiles we have deployed aboard our nuclear powered submarines are virtually invulnerable and are numerous and powerful enough to guarantee the retaliatory capability that is the essence of deterrence.

We maintain more than 7,000 strategic warheads on our land-based and sea-based missiles. This is a large retaliatory force, fully capable, as it has been for years now, of serving to deter any thought by any other state that there could be some advantage to initiating a nuclear war.

These 7,000 warheads—plus another 2,500 or so that can be carried in our bomber force—give us essential equivalence with the Soviet Union. We and the Soviet Union have approximate equality. In any nuclear war, there would be only massive, total destruction. Neither side can break away from this fact of essential equivalence and the prospect of mutual destruction simply by adding tens or hundreds or even thousands more nuclear warheads.

The history of the arms race is clear. Where one side builds, the other side builds. But there is no advantage that can be built. There is only a higher level of destruction, a higher level of threat of nuclear war.

In this respect, the MX missile is the perfect symbol of the pointless and wasteful and dangerous nuclear arms race. The MX is a missile that was born as a simple modernization of our land-based missile force more than a decade ago. How to make a more powerful and accurate missile that would be better able to survive any attack against it were the basic questions MX development attempted to answer.

At that time—10 years ago—there were voices of warning about our plans to modernize our missile force. Many critical voices came from the floor of this body about the likely consequences of missile modernization. But interestingly enough, these voices were not raised particularly against the idea of an MX missile. Rather, these voices were heard to warn against the consequences of adding so-called counterforce warheads to our existing Minuteman forces.

Counterforce weapons atop our Minutemen were to be warheads of sufficient explosive power and accuracy as to place at risk the missiles of the Soviet Union while those missiles were still in their silos. Since we were ahead in the relevant technologies—missile reliability, warhead enhancement and targeting accuracy—this was to be a step to insure our security, strengthen deterrence, and stabilize the military balance with the Soviet Union.

Instead, a decade later, we have almost exactly the opposite result. Because the Soviet Union followed our lead in this area within only a few years, our own land-based missiles are more vulnerable than ever before to Soviet missiles made more powerful and accurate. Equally as important, the proliferation of total number of warheads on both sides has served to make virtually every city, every military facility, every economic or industrial complex of consequence on both sides a target for nuclear destruction.

Madam President, there has been no increase in the security of the United States nor of the Soviet Union as a result of this arms buildup. It is hard to believe that there will be an increase in our security by adding further to the stockpile of strategic weapons we now hold. It is impossible to believe that an increase in security will result from adding more warheads based on missiles in silos.

Yet, that is exactly what the defense authorization would have us do—spend the first $4 billion on a program that will swell to over $20 billion in the next few years—to add a few hundred warheads based on missiles in silos to the more than 9,500 hundred strategic nuclear warheads we already have.

This is spending we can do without, Mr. President, even if one is of the mind that we do need to change the mix of our forces or modernize our deterrent force. Survivability of forces is what strengthens deterrence. Buying new versions of old ideas does not.

We are all aware that we are providing billions of dollars in this bill apart from MX missile-related programs for improvements and additions to our offensive strategic nuclear forces. This bill contains $6 billion for the B1-B bomber, $472 million for modernization of B-52 bombers, and $659 million for Trident I missiles. This bill contains $355 million for air-launched cruise missiles. And there is $456 million for Pershing II missiles, $599 million for ground-launched cruise missiles, more millions for sea-launched cruise missiles. Though these are not strategic systems in the same sense, they are to be nuclear weapons systems capable of hitting targets in the Soviet Union.

Finally, in this bill there is a Department of Energy authorization for $4.4 billion directly related to nuclear warhead production for all these weapons systems and others already under research and development to replace them. This is a huge outlay for nuclear weapons—about $10 billion for nuclear weapons even without the MX funds.

My primary concern remains, however, the failure of the United States and the Soviet Union to reach agreement on how to freeze the existing stockpiles and how to proceed to reducing the threat of nuclear war by reducing the stockpiles. We do not have a shortage of systems now to control. Adding the MX to the mix is not the key to arms control. Embarking on a new program that escalates deployment of threatening, yet vulnerable land-based missiles can only add to uncertainty and therefore to the difficulty of reaching an arms control agreement.

No one in the United States or in the Soviet Union can escape the need to address the question of arms control in freezing, stabilizing, the current equation of forces and then reducing those forces to a much lower level of threat. We proceeded in tandem with the Soviet Union to SALT II because of that mutual need. There is some appearance that both we and the Soviets are getting more serious in Geneva right now because of that mutual need.

If one thing has become clear to us in recent years, it is that the United States does not have unlimited resources to commit to an endless arms race. That has been apparent for an even longer time in the case of the Soviet Union. For them and for us to proceed as if this is the case is foolish but also wasteful, and it is dangerous. The people of the United States will not support it. From the cuts made in other areas of the defense budget by the Armed Services Committee, it appears that the Congress will support it only by cannibalizing our efforts in other areas—including the building and strengthening of our conventional force that virtually no one disputes needs a large, sustained investment.

Madam President, there are almost $10 billion worth of nuclear weapons and nuclear weapons systems in this bill even without the MX. The MX will add nothing to our deterrent force. The MX will not improve the prospects for an arms control agreement with the Soviet Union. Those are three reasons I urge my colleagues to consider before voting on this matter. They are, in short, a call for balance in our defense spending, common sense in committing defense dollars and a hard nosed, realistic commitment to controlling nuclear weapons. These are the bases for real security.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. May I first rise to congratulate the Senator from New Jersey on the clarity, succinctness, and persuasiveness of his remarks. They cannot have been more to the point. Their brevity, clarity, and succinctness may end with their having more effect

on this debate than anything else said in its course.

The remarks I am now going to make will, in contrast, require some length, though I hope it might be thought that the remarks of the Senator from New Jersey would constitute an introduction to what I am about to say, an introduction respecting specifically the nature of the MX missile and the danger its deployment in existing Minuteman silos would create for our Nation and for the world. We can hardly speak of the subject any differently when we talk of these matters.

If I could first provide a witness to this view, Madam President, it would be comments by a distinguished defense intellectual, if that word is permissible, a person who has devoted his life to the subject of security, Mr. William R. Van Cleave. He has been involved with the SALT I negotiations, he advised Ronald Reagan during his campaign for the Presidency, and he was a member of the transition team of the present administration dealing with the preparation of a policy in nuclear matters. On December 17, 1982, in the Washington Post, Dr. Van Cleave wrote this about the MX missile. I think the Senator from New Jersey might be interested to hear what William R. Van Cleave, Professor Van Cleave, campaign adviser to President Reagan, has to say about the MX missile as it is proposed to be deployed. He said:

> It is true that the MX missile was not criticized during the presidential campaign, and was in fact endorsed by the Republican Party platform. However, none of Reagan's defense advisers, nor the defense transition team, was enthusiastic about the missile. All felt that it was an example of how SALT considerations tend to lead us in the wrong strategic direction. What the Carter administration failed to understand was that a few highly capable missiles can be destabilizing unless very survivably based, but that there is a strong relationship between the size of a missile and the options for survivable basing.

I noted yesterday on this floor, with respect to a missile of 195,000 pounds, that you just cannot find a hole in the ground small enough for it not to be located.

Professor Van Cleave went on to say:

> The MX is too large and too heavy to be readily adapted to either mobility or concealment; it packs too much capability into too few, highly attractive aim points.

On the two previous occasions on which I have spoken in this debate on this subject, yesterday and the previous day, I have made the point that the Soviets are moving toward new missiles, the principal characteristic of which is mobility, particularly the PL-5, which is in the development stage. I have also noted the proposal of the Scowcroft Commission that the United States should proceed to develop and deploy "a single-warhead missile weighing about 15 tons," which they noted could be fielded in the very near term with the requisite mobility.

Yet, we are proposing to deploy the MX missile not simply in a new basing mode which, in the view of Professor Van Cleave, would not be sufficiently survivable to constitute a credible deterrent force, but in the very basing mode we declare to be totally vulnerable—namely, the MX Minuteman silos.

Yesterday, I believe I quoted the remark that a fanatic is a person who redoubles his effort when he has forgotten his purpose. I ask what on earth we are doing here. The billboard-banning legislation of the United States apparently not applying to the Senate Chamber, we increasingly see graphic displays in this body. Last night there was one on the east side of the Chamber. Today there are three, illustrating the increases in the number of Soviet launchers, ICBM's and reentry vehicles, and also Soviet warheads. The threat they pose is likely going to be used as an argument of why we need the MX in the Minuteman silos. I suggest that the red and blue display across the Chamber makes precisely the opposite argument.

These numbers are a little difficult to keep in mind, and no one should expect to keep them in mind. That is why printing was invented.

The great spurt of warheads one sees starting in 1975 come from deployment of three new weapons: The SS-17 deployed that year, the SS-18 deployed in 1974, the SS-19 deployed in 1974. Each is MIRV'd.

The SS-17 has four "multiple independently targeted reentry vehicles." There are 150 of them. The SS-18 is MIRV'd with 10. There are 308 of them. The SS-19 has six. There are three of them. By 1985, we expect 65 more of the SS-19's.

So there will be in this force of 3 missiles, all put in place in the last 8 to 9 years—let us say next year, and we will call them 10 years in place—there will be 6,400 such warheads.

What in the name of heaven suggests to us that, somehow, because they have 6,400 warheads in place, many of them already targeted—dedicated, as the military phrase goes—to these Minuteman silos, we should put a hundred of our best missiles, carrying a thousand warheads, to be taken out by some portion of their 6,400?

At a 2-to-1 ratio, which is the normal targeting practice, they could expect to destroy upward of 90 percent of our 1,000 by using a mere third of their present capacity, while retaining two-thirds of those three missiles. They would still have in reserve, in addition, their oncoming Blackjack bomber, their Typhoon submarine, larger even than the Trident—though anyone who has even seen a Trident will think it incredible a submarine could be larger.

That is the strongest case you could make for not doing what this Chamber seems so very mistaken, in my view, to be intent on doing.

In that context, Madam President, I should like to speak a bit to the history of the doctrine of deterrence and the specific and unique role of the MX in moving us away from that doctrine. It has been a catalyst; it has been a bad gene. It has been whatever would best describe a force that, while seemingly friendly to a doctrine, was in the end utterly false to it.

I start with an observation by an incomparable man, Andrei Sakharov, in his recent letter to Dr. Sidney Drell, which is published in the current issue of Foreign Affairs. Mr. Sakharov says early on in his letter:

> Nuclear weapons only make sense as a means of deterring nuclear aggression by a potential enemy.

Madam President, that may seem a self-evident remark to an American. Yet, I think it has to be said that it is not a common remark to hear from a Soviet physicist, even if that Soviet physicist is in exile in the city of Gorky, and perhaps the only citizen of the Soviet Union free to speak his mind. But for him to speak of nuclear weapons only making sense as a means of deterring nuclear aggression marks an extraordinary change in at least one person's mind and makes the point that the two nations have not over the decades been following the same strategic doctrine and now, a point I made yesterday, having failed to get the Soviets to imitate us we are commencing to imitate the Soviets.

I can remember a time John F. Kennedy could quote Demosthenes in Athens, saying we do not imitate others but are an example to others.

Yet here we are about to emulate Soviet doctrine, after 30 years of trying to get the Soviets to see our point of view and having had their leading physicist, the man who developed their hydrogen bomb, having seen the point of our doctrine to begin with.

I see my friend from Colorado in the Chamber. I am happy to yield for a question.

Mr. HART. Madam President, I do not wish to interrupt the very important logic the Senator is pursuing, but he touched on an extremely important point. For 34 years, the United States has structured its own nuclear forces according to the United States definition of what it needs to deter an attack.

It has never sought to emulate the force structures, the specific systems of the Soviet Union.

Mr. MOYNIHAN. Precisely.

Mr. HART. I agree with the Senator from New York completely that the MX missile in fixed silos is for the first time in the history of nuclear

weaponry in the United States a step by this Government to structure forces to replicate those of the Soviet Union.

Will the Senator from New York spell out in his judgment what the implications of that are?

Mr. MOYNIHAN. Yes. The implications will be at least twofold: That the Soviets will have no choice but to assume that we have done what the Senator describes and what I describe, that we have adopted their doctrine. For the longest times, for 30 years, they have known that they had a first-strike capability, and also that we did not and were not developing any, and that therefore the onset of a nuclear crisis would be determined by this asymmetry. We might well strike back but we would never strike first. Therefore, there was time to think about what was going to happen, what to do.

Having put ourselves in the equivalent basing mode they had adopted, in effect, the Soviets will have no choice but to assume we have changed our mind and agreed they have been right all along—that a nuclear exchange would have one winner and one loser.

The Senator from Colorado will surely agree with me that it is frightening but not difficult to imagine that, as we enter the kind of inevitable international crises that come over Berlin, that come over Cuba, that come over Nicaragua—heaven help us, that will come over Syria—as we enter that crisis the Soviet political leadership will say, "things are getting worse, getting dangerous, getting difficult, we have 30 minutes to decide whether to strike the United States—30 minutes to annihilation. That is all the choice we have because that is how much time they can strike us in the same time."

They are ready to do it. They know we know where their weapons are and that the choice is use them or lose them. They know, and suddenly we will have a paralyzing crisis. That is my view.

Mr. HART. Madam President, if the Senator from New York will yield further, the decision to place a new first strike weapon in a vulnerable launch mode seems to me to fit into a pattern of proposals, an ominous pattern over the last 2 or more years, that relate to war fighting, something that has rarely if ever been discussed in this society. Up until the last 2 or 3 years, they held discussions of limited, in the language of some, protracted nuclear war. It is now war fighting doctrine. It was a major shift away from the doctrine of deterrence.

If one were to posit what effect this might have on the Soviet strategic planner, would the Senator from New York not agree that the effect on that Soviet planner would be to send a very direct signal that those who have been proposing or at the very least discussing limited war are in fact now in the ascendancy and preparing so to do.

Mr. MOYNIHAN. I would have to agree completely with the Senator from Colorado.

An Attorney General of the United States once said of his administration: "Do not pay attention to what we say; pay attention to what we do."

Here is a chance for the analysts in the Soviet side to do both.

American officials began within the last 2 years to talk about war fighting ability. That could have been just talk, people talk. These ideas move about in most societies, more openly here naturally.

But then, having talked, we proceeded to act in a manner that could only be consistent with that talk.

The judgment that there has been a shift in strategic doctrine would be legitimate. I do not, in fact, think it is true. I think we are acting as a nation that is trying to deal with these questions in a broader form, though not always in better form. Decisions that could be made by 10 people in 1950 are being very poorly made by 10,000 people in 1983, but the Soviets do not know that.

I am just giving my impression. But the Soviets know they have heard talk of war fighting capacity and then they see war fighting first-strike capacity put in place.

Mr. PRESSLER. Madam President, will my friend yield?

Mr. MOYNIHAN. I am happy to yield for a question.

Mr. PRESSLER. Yes. I am ready to proceed at some point. I do not wish to cut off the Senator.

Mr. MOYNIHAN. May I assure the Senator I have about 10 minutes further that I wish to use and then I shall be happy to yield the floor.

Mr. PRESSLER. I thank the Senator very much.

Mr. MOYNIHAN. I wish to just go through a little bit of the history of the deterrent doctrine and the MX which in its own way played such a false friend to that doctrine.

Madam President, at the time of the debate on the SALT II treaty and specifically in November of that year I wrote a long article for the New Yorker magazine entitled "The SALT Process." As it may be of interest in the context of today's debate, and even as it is lengthy, the issue is such that I ask unanimous consent to have this article printed in the RECORD at the end of my statement today.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MOYNIHAN. I thank the gracious Presiding Officer.

Madam President, this article was an effort to state my thoughts and concerns as the Senate proceeded to what I expected would be a vote on the SALT II Treaty. A large part of the essay deals with my concern about the MX which accompanied the treaty. As some Members of the Senate heard me say at the time, one never knew from the previous administration's advocacy whether we needed the SALT Treaty in order to get the MX or needed the MX in order to get the SALT Treaty.

I wrote in that November 4 years ago almost:

> The MX missile is incompatible with the doctrine of deterrence. It is as its advocates in the Administration like to say, a "hard-target-kill counterforce weapon." But the strategic doctrine of deterrence specifically precludes either side from obtaining counterforce weapons. How than could we be building the missile that undermines the doctrine in order to sustain the doctrine?
>
> A paradox? Yes, and the makings also of tragedy beyond human dimension.

Madam President, I ask nothing more of my fellow Senators in this debate than that they do hear that 4 years ago it was possible to see the MX in those terms, even when it was expected that it would be deployed in a manner that would not be vulnerable to a first strike. I said, yes, and the makings also of tragedy beyond human dimensions.

I had best be out with it directly. Deterrence was a stunning intellectual achievement. It solved the seemingly insoluble problem of how to control the use of nuclear weapons. But it was flawed and has been undone by the intuitive but wrong assumption that the Soviets would see the logic of our solution and do as we did, especially that they would see the meaninglessness of strategic superiority.

Perhaps I could elaborate a moment on that point. We began to develop a strategic doctrine—deterrence—with what our scientists and our analysts intuitively felt was so compellingly logical an intellectual approach that the Soviet would do the same. Indeed, Andrei Sakharov has recalled the day in Siberia when they successfully tested the hydrogen bomb. In the evening they had a dinner celebrating that success, and he offered a toast. He said, "May this weapon never be used over cities." A Soviet general present felt called upon to remind Sakharov that he was a scientist and he would build the weapons; the generals would decide how to use them.

(Mr. JEPSEN assumed the chair.)

Mr. MOYNIHAN. Although the United States early on adopted the doctrine of deterrence, we have never had reason to think the Soviets did also appreciate and accept the doctrine of weapons use, of which the first premise was that the weapon must never be used first, and of which the principal object was that it never be used at all. As I wrote in the article I have mentioned, deterrence called for the nuclear power—

> To deploy its forces so that if attacked, it could attack back inflicting a sure destruc-

tion on the party that had attacked in the first place. This capacity could be achieved by a fairly limited number of missiles aimed at the cities of the potential adversary. Only two developments could undermine the doctrine. If the adversary developed and deployed a defensive weapon—an ABM—that could protect his cities, then his destruction would not be assured and he could become aggressive and threatening. Or if the adversary possessed an offensive weapon that could destroy the missile force aimed at his cities—which is to say a counterforce weapon—then, also, his destruction could not be assured and he could become aggressive and threatening. SALT I blocked the first development; SALT II seems destined to insure the second.

What I wrote in those years, Mr. President, was that, because of the ABM Treaty, the doctrine of deterrence emerged from the SALT I process intact. No power could attack the other and be confident he could thwart a counterattack.

But a huge counterforce weapon that was agreed to as part of SALT II would block that deterrent mode and indeed it seemed that in the pursuit of deterrence we had undermined its very basis.

Mr. President, I went on at some length in this article, and those who wish to explore it at greater length will find it now in the CONGRESSIONAL RECORD. I would like, however, to conclude today with two points: The first is a statement I made at the close of the article. I said that many persons in the administration who were being loyal to the SALT process, were being concerned to have a SALT treaty, had muffled their concern about the MX. They had very carefully not said that this is a dangerous mode, dangerous measure. They would not even conceive we would be deploying it in Minuteman silos. Had they done that, I think their quiescence in 1979 would not have been sustained.

But I did say with optimism that clearly was not warranted that once the SALT Treaty was ratified by the U.S. Senate, and the U.S. Government itself, that the debate on the MX would break into the open with full force and we would have to face the fact that we had committed ourselves to a weapons system, a strategic weapons system, that was utterly at odds with and incompatible with the strategic doctrine of the Nation as a whole.

Mr. President, I believe that to be the case. We did not adopt that treaty but we did go forward with the missile which, in the best of justification, could only be warranted under the treaty because the treaty did have a 10-warhead limit on missiles. So not having the treaty which was incompatible with our doctrine at the time, we have gone ahead and now propose to deploy the missile in a way in which the treaty advocates never dreamed it would be deployed.

We have transformed our doctrine. We seem not to notice it, the proposition is made light of, the future is seemingly either disregarded or dismissed.

EXHIBIT 1

[From the New Yorker, Nov. 19, 1979]

REFLECTIONS: THE SALT PROCESS

In the summer of 1978, when it began to be clear that the SALT II treaty would be signed with the Soviet Union, the Select Committee on Intelligence of the United States Senate began to prepare for its role in the procedures by which the Senate would take up a resolution of ratification. As a member of the committee, I journeyed to Geneva to talk to the negotiators of the draft agreement that was taking shape and began to go over the history of SALT I, more formally known as the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms and the Treaty on the Limitation of Anti-Ballistic Missile Systems, signed in 1972.

It did not take long to establish that, whatever else SALT I might have done, it accomplished little by way of limiting strategic offensive arms. For that matter, it wasn't even an agreement about weapons as ordinarily understood. Rather, it was an agreement to limit the number of launchers each party would have for its long-range ballistic missiles. A launcher (or silo, in the usage of the military) for a land-based missile is a hole in the ground. You could get hurt by falling into one, but it is missiles, and, more specifically, the warheads of missiles, that kill people, and these were not at all limited by SALT I. Nor, it appeared, would they be much limited by SALT II. From the time of the first agreement, the number of American warheads increased steadily, and those of the Soviets more than doubled. It appeared they would double again under SALT II.

This was hardly reassuring. But more troubling still was the realization that this all came as news to me. I had never given great attention to the subject, but from the time of the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space, and Under Water, of 1963, I had had the impression that things were going well enough, or at least not badly. I did not have the excuse most persons might have for being vague about the details. I had served in four successive Administrations, from that of Kennedy on. I had known virtually all of the principal arms negotiators and, from university life, a good number of the strategic-arms theorists. I had sat at the Cabinet table of two Presidents listening to reports on progress. Always they were reports on progress. Or such was the impression I took away. I now began questioning my own judgment, then that of others—especially as the Carter Administration began to proclaim the virtues of SALT II in terms I could recognize as essentially the same as those in which the Kennedy, Johnson, Nixon, and Ford Administration had presented their achievements in arms control. I began to wonder whether anyone from the most recent Administration, or more generally from the world of arms control, would ever describe the agreements in terms that comported with what now appeared to me as a different, even new reality.

I was to wait almost a year, until the morning of Wednesday, July 11, 1979, when Dr. William J. Perry, Under-Secretary of Defense for Research and Engineering, testified on SALT II before the Committee on Foreign Relations. Perry, a mathematician, speaks plainly and, as with many in his rarefied profession, is a man of unassuming appearance and manner. All the more was the contrast with the Caucus Room of the Old Senate Office Building, in which the hearings were held. The Caucus Room is a place of unashamed exhibition and splendor dating from 1906, when Theodore Roosevelt, having built the West Wing of the White House, commenced to challenge the Congress from his new office, and the Senate decided to get itself an office building of its own. Until that period, Presidents had worked in their living rooms, as it were, and senators at their desks in the Senate Chamber. Neither facility had been much expanded from the time of Jefferson, although during the eighteen-forties a kind of box was fitted onto the tops of Senate desks, adding a little storage space. (Daniel Webster declined the extravagance, so that to this day his desk is single-storied.) If the interior of the Capitol can be said to be Palladian and given to republican virtues in design, the Caucus Room, only slightly smaller than the Senate Chamber itself, is Roman Imperial, and make no mistake. It struck me as a not inappropriate setting for Dr. Perry's subject, SALT II.

The Secretary of Defense, Harold Brown, had just finished his prepared statement in favor of the arms-limitation treaty. Curiously, the charts and displays he had brought along to illustrate his points, in the manner of military briefings, were exclusively concerned with recent and prospective improvements in and additions to the nuclear arms of both countries. The capabilities of both the United States and the Soviet Union to destroy so-called hard targets, such as missile silos, were represented as about equal, with the Soviets slightly ahead as of now and maintaining a slight lead through 1990—when both capabilities would have about trebled.

Perry's testimony began. He had no prepared statement, it being his role to provide answers to technical questions the Secretary's testimony might have raised. But he said a few words anyway, and in doing so made perhaps the best case yet presented for SALT II, while describing with a technician's candor its shortcomings. He said:

"SALT I's success was in getting the process started. There was a substantial arms control success in the [Anti-Ballistic Missile] Treaty, but essentially there was no success in reducing the number of offensive weapons. The best evidence of that is, just look to see what happened to the number of warheads indicated on that chart since SALT I. Both the United States and the Soviet Union have added about 3,000 warheads since 1972.

"The Vladivostok agreement [of 1974] was one more important advance in this process. It did specify upper bounds. It included bombers, not just missiles in the forces, but it still permitted substantial increases in warheads as of that time.

"President Carter tried to break that upper spiral with his March, 1977, proposal for SALT, and as you well know, that was rejected by the Soviet Union. In fact, it is my belief that any SALT proposal in this time frame that does not preserve the Soviets' right to modernize their ICBM [Intercontinental Ballistic Missile] force would be rejected. My judgment is, they have made a very substantial commitment to that. The ICBM is really the only strong component of their strategic forces, and they seem to be resolutely opposed to making any substantial reduction in it.

"Therefore, the SALT II treaty which we have arrived at, while it is a major improvement over the Vladivostok agreement . . . still allows significant upward spiral of the number of nuclear weapons.

"I anticipate that the Soviet Union will continue to pursue the modernization of their ICBM program as indicated in the figures which Dr. Brown showed you. and that we will respond to that, so that both sides then will continue to have significant increases in nuclear warheads.

"That is the bad news. The good news that comes with that is that SALT II also establishes a process and goals. The most significant goal is the one to achieve a real reduction in nuclear weapons—not in delivery vehicles but in actual weapons. My question then, as a defense planner, is how do we structure our strategic programs in the years ahead to be compatible with that goal—not only to be compatible with it but actually to facilitate the achievement of that goal of getting a reduction, a real reduction, in nuclear weapons in the future."

The master term here is "process." Clearly, neither the first nor the second agreement did much to limit arms. Weapons and weapons systems on both sides continue to accumulate. But the agreements did establish a forum in which the two nations discussed these matters, and entered into a degree of cooperation concerning them. This was the case. I had understood for some time, in the matter of monitoring—the various means by which each nation keeps track of the activities of the other in order to verify that the SALT agreements are being kept. Whether our abilities here are sufficient was the question the Intelligence Committee faced when it began formal hearings on the issue of verification soon after SALT II was signed by Presidents Carter and Brezhnev in Vienna, on June 18th.

Alone of the standing or select committees, the Select Committee on Intelligence normally does its work in closed sessions, which meet in the Capitol dome in a small hearing room that is suspended, you might say, from the cupola. It was built up there for the use of the Joint Committee on Atomic Energy, the first committee of the Congress that routinely did its work in camera. Of the materials the Intelligence Committee deals with, none are more sensitive, because they really are secrets, than those concerning information about Soviet strategic nuclear forces, and, more especially, concerning the means by which that information is obtained. A minuscule fraction of the information comes from agents of one or another sort—IIU-MINT, in the contraction favored by the intelligence community. Early in the postwar period, it was judged that the Soviet Union was much too closed a society to be penetrated by agents. Machines were put to work, with ever-increasing sophistication; today, by far the greatest portion of our information comes from what are known as "technical collection systems." Basically, there are three such systems. First, a number of satellites continuously circle the earth taking photographs of the Soviet Union, as can now be done with extraordinarily high resolution. (The technicians speak of picking out "the golf ball on the green.") Second, the United States can monitor the radio signals, known as "telemetry," which Soviet missiles send back in flight. Third, American ships watch incoming missiles in the Pacific firing zones, establishing distances travelled, the pattern in which multiple warheads land (known as the "footprint"), and other such information. The Russians have comparable systems. Either side can effectively count the number of land-based missiles set in silos and ready to be launched on the other side. The numbers of submarines and launchers are readily enough established, as are the numbers of intercontinental bombers.

Each side, naturally, hopes that the other side will not know when some new advance has been made in detection systems, and on this score there was some difficulty to be resolved as the Senate prepared to consider verification under the SALT II agreement. In recent years, Soviet intelligence in the United States had scored a number of successes that alerted the Russians to the development of new American intelligence technology. In 1975, Soviet agents had obtained information about a major satellite system known as Rhyolite. In 1978, it was learned that agents had also obtained the operating manual for the most advanced of our satellites now in operation, the KH-11. In both instances, the espionage had seemingly been simple and inexpensive; in one case, the materials were acquired, for quite modest amounts of money, from a youthful employee of the TRW corporation, and in the other from an employee of the Central Intelligence Agency itself. This suggested that the Soviets have no great difficulty learning what we are capable of spotting, and can take appropriate evasive action. In addition, the loss to the United States of listening posts in Iran which monitored activity at a missile range near the Aral Sea, in south-central Soviet Asia, involved a considerable loss of information not easily obtained otherwise. Then, on June 28, 1979, the White House leaked to the New York Times that the United States had a similar station in Norway. The leak was intentional, to reassure those favorable to the treaty, but at the same time it jeopardized the Norwegian "asset," to use another term of the intelligence community. Thus, the question arose as to whether the United States would be able to be certain that the Russians were abiding by the terms of an arms-limitation treaty that would extend through 1985. The record of SALT I was both reassuring and cautionary. There was no conclusive proof that the Soviets had committed any major violations of SALT I strictly construed. By and large, what they agreed not to do they did not do. But where we said we hoped they would not do something they paid not the least attention.

This, as it turned out, was no small matter. One of the principal negotiating objectives on the American side in SALT I was to insure that neither side built any more "heavy" missiles. This is a term for missiles big enough to carry a huge "payload," which can deliver a large number of nuclear warheads capable of reaching and destroying missiles on the other side. They are potential "counterforce" weapons, because they can be used effectively against other forces. (Missiles aimed against cities are called "countervalue" weapons.) As of 1972, the Russians had three hundred and eight heavy SS-9 missiles, while the United States had no modern heavy missiles. In SALT I, it was agreed to freeze both sides, meaning that the Soviets would and we would not have modern heavy missiles. Although this appeared to be an imbalance. American strategic doctrine at that time did not call for counterforce weapons, and we were well enough content. It was understood that the Soviets would replace their SS-9 missiles with a new model, or "generation"—the SS-18. However, the Soviets were then also planning to replace a medium-size missile, the SS-11, with another new model, the SS-19, which was so much bigger and more accurate as to become, for practical purposes, a new heavy. As the Intelligence Committee stated on October 5, 1979, in the public portion of its report to the Senate on the capabilities of the United States to monitor SALT II:

"The Soviets' unanticipated ability to emplace the much larger SS-19 in a slightly enlarged SS-11 silo circumvented the safeguards the United States thought it had obtained in SALT I against the substitution of heavy for light ICBMs."

Similarly, in SALT I the United States conceded to the Soviets the right to build a larger number of missile carrying submarines than we were permitted, in order to compensate for the Soviets' "geographical disadvantage." (To reach the open Atlantic Ocean, for instance, Soviet submarines must pass through the relatively narrow gaps between Greenland, Iceland, and the United Kingdom; our submarines reach the open ocean at once.) But the range of the SS-N-8, the new Soviet submarine-launched ballistic missile, turned out to be considerably greater than expected, enabling it to be fired at American targets while the submarine remained in the Barents Sea. There is little reason to think the Soviets cheated by misrepresenting the range of their weapon at that time. They simply remained silent about its full potential. But in any case they got an edge on us.

Our monitoring system soon established that the SS-11 had been replaced by the SS-19, although the newer missiles used the same silos, slightly enlarged. The State Department was provided the facts and presented them to the Soviets. It was then that the problem arose. The Soviets agreed, or did not disagree, that they were putting an entirely new strategic-weapons system in place but asserted that nothing in the SALT I agreement prevented their doing this. Nothing did.

SALT I—the Anti-Ballistic Missile Treaty permanently limiting each side's ABM systems, and the "interim" executive agreement that essentially prohibited each side from building additional ballistic-missile launchers for five years—was signed by President Nixon in Moscow on May 26, 1972. In an address to a joint session of Congress on the day he returned to the United States, the President hailed the event, saying, "This does not mean that we bring back from Moscow the promise of instant peace, but we do bring the beginning of a process that can lead to lasting peace." However, two weeks later, in a message transmitting the agreements to the Senate, he stated that while together these were an "important first step in checking the arms race . . . it is now equally essential that we carry forward a sound strategic modernization program to maintain our security and to ensure that more permanent and comprehensive arms-limitation agreements can be reached."

At this time, the Secretary of Defense, Melvin R. Laird, was maintaining that the Congress must go ahead with programs for offensive-weapons systems permitted by SALT I, such as the Trident submarine and the B-1 bomber. In a press conference on June 22, 1972, Nixon stated that Laird was correct in this judgment:

"Mr. Brezhnev made it absolutely clear to me that in those areas that were not controlled by our offensive agreement that

they were going ahead with their programs. For us not to would seriously jeopardize the security of the United States and jeopardize the cause of world peace."

SALT I, he added, "while very important, is only the first step, and not the biggest step."

SALT II has so far followed precisely this pattern. Just as Nixon had done, President Carter, immediately upon returning to the United States from his summit meeting, delivered an address to a joint session of Congress last June in which he hailed the agreement, and in the same address (not waiting two weeks) he announced there would be more weapons. Indeed, he asserted that one of the principal advantages of the treaty is that it would enable us to go forward with a new missile system—the MX. This "missile experimental" (one day it will no doubt be named for a Greek god) is to be a mobile land-based missile, our first. It will be more powerful even than the liquid-fueled Atlas and Titan giants of the nineteen fifties, the only heavy missiles the United States has ever, so far, deployed. On September 7th President Carter announced the "basing mode" and other specifics of the MX. Each would be placed on a vehicle and moved to a couple of dozen different launching emplacements around a "racetrack," in random and presumably unpredictable ways, so as not to be "targeted" by Soviet missiles. Each would carry ten warheads, each of these with a yield equivalent to hundreds of kilotons of explosives. (The Hiroshima bomb was twenty kilotons.) The "racetracks" will require thousands of miles of road and an area the size of Massachusetts. The President said the new MX "is not a bargaining chip," to be bartered away in any future arms negotiations, but will represent a permanent "unsurpassed" feature of the nation's strategic nuclear deterrent. Two hundred MX missiles would be deployed in Nevada and Utah. This mode, the President said, met requirements he had set for a mobile missile system: survivability, verifiability, affordability, environmental soundness, and consistency with arms-control goals. On this occasion, Secretary Brown, while predicting that the Soviets would respond "negatively" to this United States announcement, said that if they engaged in "a fruitless race" to try to overwhelm our new system they would strain their economic resources, and that if they created a new land-based missile system of their own they would be vulnerable to United States attack, presumably from the new American system.

The Federation of American Scientists promptly declared the MX to be "not just an inflationary multi-billion-dollar strategic mistake, but an arms-control disaster." The F.A.S., begun in 1946 as the Federation of Atomic Scientists, has since that time been a leading advocate of nuclear-arms control. Its judgment was stern:

"The MX missile announced today contains the seeds of its own destruction since, as a counter force weapon, it will necessarily stimulate the Soviet Union to procure still more warheads which will, in turn, quickly threaten MX quite as much as the Minuteman missiles are presently threatened. In the process, the SALT limits will become untenable. Worse, the Air Force will ask for the right to abrogate the ABM treaty to get anti-ballistic missiles to defend the MX. Thus the ABM treaty will also be threatened and the arms race will really be back with a vengeance."

The F.A.S. warned that there was "no strategic need to imitate the Russian preference for large land-based missiles," and added, "The precipitous quality of the decision to move to match the Soviets inland-based missile throw-weight has been induced by SALT." Induced by SALT? If this seems a contradiction in terms—or, at the very least, "counterintuitive," to use a term of systems analysis—then all the more reason to pay heed. There are systems that exhibit such properties, producing the opposite of their intended outcome, with the consequence that intensifying the effort to achieve the desired one achieves even more of the undesired.

As the summer passed into autumn, attacks on SALT II from arms-control advocates increased. Just two days after the F.A.S. issued its statement, Richard J. Barnet, who served in the Arms Control and Disarmament Agency in the Kennedy Administration, described the treaty in an article in the Washington Post as "something to stir the hearts of generals, defense contractors, and senators from states brimming with military reservations and arms plants." His tone verged on the contemptuous:

"The 100-page treaty, which reads like the prospectus for a bond issue, is neither disarmament nor arms control but an exercise in joint arms management. The treaty has secured the acquiescence of the military in both countries because it ratifies the huge weapons-acquisition programs both are pushing."

In the fall issue of Foreign Policy, Leslie H. Gelb began an essay on the future of arms control with the blunt assertion "Arms control has essentially failed." He had a friendly word for SALT II, which is perhaps not surprising, for, as a director of the Bureau of Politico-Military Affairs from 1977 to 1979, he had had the principal responsibility in the Department of State for conduct of the negotiations once the Carter Administration came to office. But he concluded that in the main the process had not worked.

Only a few weeks ago, the Times, with what measure of irony one cannot say, called for ratification by declaring, "SALT II is a sound agreement that will confine the nuclear arms race to specified channels." It is perhaps not fair-minded to press the images of editorialists too far, but it may be noted that when a diffused flow is forced into a confined channel the result is acceleration. Whatever became of arms control?

At each stage of the SALT negotiations, and with each new agreement, the nuclear forces on both sides have increased. Those of the Soviets have increased faster than those of the United States, but this trend was present prior to SALT. When the talks were first proposed, in 1967, the Soviets had nine hundred nuclear warheads. They have some five thousand today. At the expiration of the SALT II treaty in 1985, it is now estimated, they will have roughly twelve thousand. During that period, the number of United States warheads will grow, from the present nine thousand two hundred, to about twelve thousand also. By 1985, the Soviets will have four warheads for every county in the United States, and the United States will have four warheads for every rayon, a comparable unit of government in the Soviet Union. But the Soviet warheads in total will have more than three times the megatonnage of the American warheads. Although it is possible that these rates of growth would be greater without the treaties, it is also possible that they would be lower.

At the hearings concerning our ability to verify the Russians' compliance with the treaty, men of formidable learning and experience, some passionate, some detached, came before the Intelligence Committee to argue the probabilities and the difficulties of verification, but always in the context of ever-increasing Soviet numbers. It came to me that, with numbers so great, verification couldn't much matter. Suppose that by foul duplicity, compounded by American incompetence, the number of Russian warheads increased in the years immediately ahead from five thousand to thirteen thousand, rather than to only twelve. If an additional thousand mattered, surely an additional seven thousand mattered more. Well, not necessarily—only if the increase provided the Soviets some special edge. But they would have an edge on megatonnage in either event. Indeed, they already have that edge. There was something unreal about our inquiry. The possibility that the Soviets might increase their nuclear forces at a pace greater than agreed to was an object of much concern, but almost no heed was being paid to the fact that both they and (now) we are roaring ahead in an arms race, and using the treaty as an argument for doing so.

Was this "the bureaucratic mind at work"? Preoccupied with predictability, but scarcely at all distressed when what seems predictable is disaster? In part, yes. The Arms Control and Disarmament Agency has been in place for almost two decades now, and may be assumed to be as committed to the SALT process as the Bureau of Reclamation is to irrigation, and process can become sufficient unto itself. Jay Forrester, at M.I.T., has contributed the playful maxim that with respect to complex social problems intuitive solutions are almost invariably wrong. Among the intuitive and the severely logical alike, what is happening is known as a vicious circle.

There was, in any event, a more portentous paradox to be resolved, and as the Intelligence Committee hearings droned on my attention drifted away from verification toward the subject of doctrine. The SALT process has its premise in the doctrine of deterrence. The MX missile is incompatible with the doctrine of deterrence. It is, as its advocates in the Administration like to say, a "hard-target-kill counterforce weapon." But the strategic doctrine of deterrence specifically precludes either side from obtaining counterforce weapons. How, then, could we be building the missile that undermines the doctrine in order to sustain the doctrine?

A paradox? Yes, and the makings also of tragedy beyond human dimension. I had best be out with it directly. Deterrence was a stunning intellectual achievement. It "solved" the seemingly insoluble problem of how to control the use of nuclear weapons. But it was flawed and has been undone by the intuitive but wrong assumption that the Soviets would see the logic of our solution and do as we did. Especially that they would see the meaninglessness of strategic "superiority."

As no other subject, strategic-arms doctrine has been the realm of the intellectual and the academic. This is military doctrine, to be sure, but it has never, in this nation, been formulated by military men. It began with the physicists who created the weapons—men such as J. Robert Oppenheimer, Hans Bethe, and Leo Szilard—who were then joined by other physicists and scientists, and also by social scientists. These

latter—men such as Albert Wohlstetter, Herman Kahn, Fred C. Iklé, Alain C. Enthoven, Henry Rowen, and Henry Kissinger—came to be known collectively as "defense intellectuals." They moved in and out of Washington, but in the main they kept to their campuses and think tanks, or almost always returned to them, where their task, in Kahn's phrase, was "thinking about the unthinkable." Indeed, they have been something of a caste apart, even in academia. Oppenheimer at Alamogordo as the first atomic bomb exploded—"I am become death, the shatterer of worlds"—gives something of the aura of it. They ate at their own tables in the faculty clubs, and held seminars to which few were invited. They met with Russians when few others did.

And they developed the doctrine of deterrence—a doctrine of weapon use of which the first premise was that the weapon must never be used first, and of which the principal object was that it never be used at all. The nuclear power was to deploy its forces so that if attacked it could attack back, inflicting assured destruction on the party that had attacked in the first place. This capacity could be achieved by a fairly limited number of missiles aimed at the cities of the potential adversary. Only two developments could undermine the doctrine. If the adversary developed and deployed a defensive weapon—an ABM—that could protect his cities, then his destruction would not be assured and he could become aggressive and threatening. Or if the adversary possessed an offensive weapon that could destroy the missile force aimed at his cities—which is to say a counterforce weapon—then, also, his destruction could not be assured and he could become aggressive and threatening. SALT I blocked the first development. SALT II seems destined to insure the second.

This has come about, in the main, because the Russians did not keep to our rules. There has been nothing academic about their strategic doctrine, or at least not that we know of. They appear to have just gone plodding on, building bigger and better weapons, until, by an incremental process, they are on the point of being able to wipe out American land-based missiles—a counterforce ability. At one level, this achievement has been spectacular; at another, less so. For all the sophistication involved, nuclear weapons today are still nothing more than improved versions of the V-2 rocket with an atom bomb on top. But the improvements have reached the point where the doctrine that was to prevent their use has evidently been utterly undone. It had been the hope of the early arms-control negotiators that we would teach the Soviets our doctrine and they would abide by it. If there was something patronizing in the notion of "raising the Russians' learning curve," as the phrase went, there was also much respect in the belief that once we had come to the correct solution of a complex problem they could be brought to see that we were indeed correct. These were serious American academics, who held their Russian counterparts in full regard. But the enterprise failed. And why? Because the Russian situation is not our situation, the Russian experience not our experience. If intellect must fail, let it fail nobly; and it is in nobly rejecting the notion of failure that intellect fails most often.

Perhaps that is too strong. To state that an enterprise has failed is to suggest that it might have succeeded. Yet from the outset this has somehow seemed improbable. Let it be said for the postwar strategic nuclear theorists that they were not intimidated by their subject, nor immobilized by it. They did not shrink from action in the face of an incredible new dimension of war.

The influence of the theorists was to be seen early on, when the United States government, in 1946, proposed to turn its atomic bombs over to the United Nations—a proposal that the Soviet Union blocked. Then, for a period, the theorists receded from influence as the United States, with the only strategic nuclear force around, adopted, or said it had adopted, a policy of "massive retaliation," which contemplated the use of nuclear weapons in response to aggression by conventional ones. By the late nineteen-fifties, however, the Soviets commenced to have a strategic nuclear force of their own, whereupon the true issue was joined: How to face an adversary with the same powers of destruction?

In one respect, this was an issue as old as the airborne bomb—a development recognized as revolutionary long before it became so. George Quester, in his fascinating book "Deterrence Before Hiroshima," has traced the "prehistory" of nuclear deterrence. In 1899, the First Hague Conference banned bombing from balloons, but the Germans went ahead even so to develop the first strategic bombing force, using dirigibles, while the British may be said to have prepared for them with a theory. In a study, "Aircraft in Warfare," published in 1916, a British mathematician, F. W. Lanchester, offered a quite contemporary notion of what we think of as the nuclear deterrent:

"A reprisal to be effective must be delivered with promptitude like the riposte of a skilled fencer. A repirsal which is too long deplayed possesses no moral weight and has every appearance of an independent act of aggression; it may even plausibly be given as an excuse for a subsequent repetition of the original offence. . . . The power of reprisal and the knowledge that the means of reprisal exists will ever be a far greater deterrent than any pseudo-legal document."

There was much discussion in the pre-nuclear era of the utility of attacking cities, of the ability to defend cities, of preempting the enemy's offensive air forces, and the like. In a letter written in 1914, Winston Churchill revealed himself a firm advocate of what would be known as "counterforce." "The great defence against aerial menace," he wrote then, "is to attack the enemy's aircraft as near as possible to their point of departure." However, perhaps because the opportunity was so new, most thinking concentrated on attacking cities.

In this respect, the outlines of an enduring argument were apparent well before the technology itself was at hand. It was in the Second World War that technology created opportunities to implement speculation. What to do with a strategic bombing force? What to do with emerging missile forces? We now know from the United States Strategic Bombing Survery, conducted at the war's end, that the bombing of German cities was less effective in weakening Germany than was thought at the time. We also know that Hitler's V-2 rockets might have had significant impact if, instead of being used as terror weapons against city populations, they had been used against the Channel ports—the staging areas for the Allied offensive into the Continent—which is where some of the German generals wanted to send them.

Consideration of these issues in the nuclear era was surely colored by the use of the atomic bomb against Hiroshima and Nagasaki, in what current theorists would call a "countervalue" mode. So awesome was the scale of destruction from what, by today's standards, was a small bomb that the destruction of whole countries could now be envisioned. Had the distinction between military and civilian targets disappeared? It was this possibility, immobilizing to many, that brought forth the doctrine of deterrence. The problem for the United States, as earlier it had been for Great Britain, was to deter aggression. We were the great power, with no need or desire to attack others but wishing to avoid being attacked. We had not succeeded with Germany and Japan. But the nuclear weapon suggested that the power of retaliation had become awesome indeed—enough to inhibit any would-be aggressor who had any sense of the realities involved. Not only awesome but capable, in Lanchester's words, of being "delivered with promptitude," in contrast to the long buildup that had been required for American forces before they could be effectively used in the Second World War.

Albert Wohlstetter conceived the "second strike" as the key concept of deterrence. This is to say, the nuclear riposte. If an enemy strikes, you will strike back with devastating consequences. In addition, Wohlstetter offered two crucial insights. There is an essential requirement for the invulnerability of one's ability to strike back. The design of strategic forces and their emplacement has to insure this. But it is also the case that this can never be insured once and for all. Any force becomes vulnerable over time, especially if an adversary is working hard at making it so. Hence, there can be no final deterrent.

It was Wohlstetter's insights that made defense planners aware, in the late nineteen-fifties, that the bombers of the Strategic Air Command were becoming vulnerable to Soviet attack. When the Russians had few warheads and no missiles, two dozen dispersed SAC bases were secure enough. But as Soviet capabilities grew in the nineteen-fifties the airplanes became vulnerable. In response, however, from 1962 to 1967 the United States deployed a thousand Minuteman missiles in the Midwest In "hardened" silos—that is to say, in launchers dug deep and heavily protected. This was then an invulnerable second-strike force. But soon enough this invulnerability was in doubt. Not only did the Soviets acquire more missiles and more warheads, which was predictable, but an unpredictably rapid rise in accuracy also took place. Missiles once meant to hit within miles of a target now possessed accuracies prescribed in hundreds of yards. Hardened silos could be destroyed.

Another technology was also being developed—that of destroying missiles in flight with an anti-ballistic missile. Whereupon the issue of defense arose. Essential to the doctrine of deterrence was that neither side have any defense. In effect, each side exchanged hostages, whose lives thereafter depended on their side's good behavior. The Russians were given American cities, to be destroyed instantly if the United States launched a nuclear attack on Russia. This was our guarantee to the Russians that we would not launch such an attack. The Russians were deemed to have given us their cities. But now there was talk of hedging. It seemed the Russians might be developing a means to defend themselves against incoming missiles, must as anti-aircraft defenses were developed in an earlier period. ABM systems are highly technical in design but

simple enough in concept. One bullet shoots down another bullet. But if the systems worked, if our second strike did not assure the destruction of Soviet cities, then the Soviets could contemplate a first strike, and deterrence would fail. In this scenario, the nation that defends its cities can strike first, knowing that its cities are no longer hostage. In another scenario, the nation watching this defense being built strikes first, before it has lost its hostage. This is how SALT began.

They are not impersonal intellectuals who made these calculations. Some are intense and committed as few men of the age. But to share their passion it is necessary to enter their logic. What do you mean, one could ask, when you say that we must not defend ourselves because if we do our enemy will attack? The problem of public perception was not great in the nineteen-sixties. A deference system—a willingness to leave difficult decisions to experts—which had been in place since the bomb was built, continued undisturbed. But then heresy appeared in the midst of the close-knit and almost closed community of experts. Some began to talk of defense, or "damage limitation," as it was termed. If damage limitation was possible, how could it be foregone? Wohlstetter talked of defending the missile sites. The logic was impeccable. The Air Force, understandably, was worried about the vulnerability of our Minutemen, and with a straightforward military logic proposed to double their number: with more targets, a Soviet first strike would have less chance of wiping out our second strike. But with twice as many Minutemen the United States could target the Soviets' missiles as well as cities, and so reduce their capacity for a retaliatory strike. Doctrine has it that, given available technology, two warheads must be aimed at a silo to have a satisfactory probability of a "kill." Given the number of Soviet missiles at the time, one thousand single-warhead Minutemen could not be counted on to "take out" the Soviet strike force, but two thousand could. (There is the ever-present problem of "fratricide," whereby the first warhead to land destroys its mate—but enough.) It was our doctrine to deny ourselves any such capacity, lest the Soviets understandably become alarmed. Better to keep to the one thousand, but to defend them. Not so, said others, most especially Robert S. McNamara, the Secretary of Defense. If we defend anything, the demand will spread to defend everything.

John Newhouse begins "Cold Dawn," his account of SALT I, which originally appeared in this magazine, by likening the debate to the disputations of the Church Fathers:

"So much of the substance and vocabulary of SALT are at least as remote from reality, as most of us perceive it, as early Christian exegesis. . . . As in the case of the early Church contending schools form around antagonistic strategic concepts. The most relevant of these are known as assured destruction and damage limitation, and each can claim broad support and intellectual respectability. Debates between the two schools recall those between the Thomists and the essentially Franciscan followers of Duns Scotus. The Thomists prevailed, as have the proponents of assured destruction, who assert, for example, that ballistic-missile defense of population is immoral because it may degrade your adversary's ability to destroy your own cities in a second strike. His confidence undermined, he might then be tempted in a crisis to strike preemptively; in short, knowing you are effectively protected from his second-strike assault and fearing your intentions, he may choose to strike first. Thus, stability, a truly divine goal in the nuclear age. becomes the product of secure second-strike nuclear offense on both sides."

This is the first thing to know about SALT: The decision to propose talks, and the first agreements, constituted a victory for a specific doctrine—"assured destruction." It was even then a contested doctrine and gave signs of how vulnerable it might be to ideological attack in the form of caricature. In 1969, Donald Brennan, of the Hudson Institute, labelled it "mutual assured destruction," so that the acronym "MAD" came into play, like some new weapons system all its own. But even earlier, in the 1964 film "Dr. Strangelove," Stanley Kubrick had caricatured a proposal of Herman Kahn, "the doomsday machine," which would automatically produce a second strike, so that the victim of a first strike could never hesitate to retaliate and decide instead to surrender. Making a second strike inevitable in order to prevent a first strike was eminently logical, but its proponents could also be made to seem crazy, like the mad scientist in Kubrick's film—a caricature which suggested that because so many of the defense intellectuals were German, their thinking must also be Teutonically rigid.

Looking back, it seems clear that the urgency with which the Americans approached the Russians in the hope of obtaining an arms agreement that would protect the assured-destruction doctrine arose as much out of concern to secure the doctrine in American strategic policy as to introduce it to the strategic policy of the Soviet Union. If it could be codified in an agreement with the Soviets which committed both sides, then the arguments at home would be more secure. For good or ill, attacks on MAD had about them a quality of the political left. If the Russians could be shown to have the same dispassionate view of nuclear realities, this might mollify such opposition in the United States. Of course, if Americans of both left and right persuasions would argue later on that assured destruction is a strategy that places exceptional reliance on the good faith and good judgment of quite unreliable adversaries, the adversaries could well remark that this was our idea, not theirs.

But there was also a technological imperative. In the middle nineteen-sixties, the Soviets began to deploy their own missiles in hardened silos, which over time might give them a second-strike capability, and even a first-strike capability, to destroy U.S. land-based missiles in a surprise attack. No great technological feats were involved—just a steady creep of numbers, size, and accuracy. Planners in the Pentagon and defense intellectuals began to talk of defenses that would preserve our second strike. Wohlstetter advocated an ABM defense of the Minutemen. But doctrine decreed that this, too, would be destabilizing. Once an anti-ballistic-missile defense was perfected, the temptation to use it to defend cities as well as missile silos would grow. And the other side could never be sure that we weren't planning to do exactly that, as quickly as possible, at a time of our own choosing.

The decision point came on December 6, 1966—"the precise beginning of SALT," as Newhouse has it—at a meeting between McNamara and Lyndon Johnson, in Austin, Texas. Instead of going forward with an ABM system, as proposed by the Joint Chiefs of Staff, McNamara urged that a decision be put off until the State Department could explore with Moscow the idea of talks on limiting strategic arms.

In these events, as in others, McNamara emerges as a man of deep feeling and utter integrity, but almost too much of the latter. A Captain Vere without serenity. It was his judgment that assured destruction required an ability to destroy twenty to twenty-five percent of the Soviet population and fifty percent of its industrial capacity in a retaliatory strike. He also judged that the Soviets must be convinced that they could do as much damage to the United States if it fell to them to retaliate. Hence, there must be no American missile defense. In a speech at Ann Arbor, in 1962, he had questioned the prudence, even the morality, of such a targeting doctrine, but thereafter he put qualms behind him and did his duty. He held unflinchingly to the proposition that deterrence "means the certainty of suicide to the aggressor." Through the nineteen-sixties, pressure grew for the United States to develop modern heavy missiles, as the Soviets had done, or to double the Minuteman force. He successfully blocked each effort, asserting, in 1967, when the United States had five thousand warheads, that this number was "both greater than we had originally planned and in fact more than we require." He repeatedly warned against the "mad momentum intrinsic to . . . all new nuclear weaponry," adding, "If a weapon system works—and works well—there is strong pressure from many directions to procure and deploy the weapon out of all proportion to the prudent level required."

In June, 1967, seven months after the meeting in Austin, Soviet Prime Minister Alexei Kosygin arrived in Glassboro, New Jersey, for a summit meeting with President Johnson. Dean Rusk, who was Secretary of State at that time, later recalled for Newhouse that the Americans tackled Kosygin in a "go for broke fashion." The Russians, naturally, wondered what we were up to. When told of the dangers of the ABM, Kosygin replied, in effect, "How can you expect me to tell the Russian people they can't defend themselves against your rockets?" This surely is a recognizable political instinct. At about this time, Senator Richard Russell was saying that if there was a nuclear war and only two persons survived he wanted them both to be Americans.

A year later, on June 24, 1968, the Senate voted funds for the deployment of an ABM system known as Sentinel, which had been developed but not put in service. Three days later, Soviet Foreign Minister Andrei Gromyko announced that his government was ready to begin negotiations. Roger P. Labrie, of the American Enterprise Institute for Public Policy Research, writes that "SALT, like all previous attempts at negotiating limitations on nuclear weapons, stemmed from the interaction of new weapon programs with prevailing strategic concepts."

Then the Russians invaded Czechoslovakia. The first SALT talk, scheduled for September 30, 1968, was put off, and before the atmosphere had cleared Richard Nixon had succeeded Lyndon Johnson. But the two Presidents differed little in strategic doctrine. Nixon, if anything, was the more concerned with the nuclear race. Finally, the talks began. Kissinger took over. SALT I was signed.

What was SALT I? First, agreement was reached that neither side would deploy a

general ABM defense. This was a success, surely—at least for doctrine. There would be little defense against strategic missiles. (Each party was to be allowed two truncated ABM sites, but no more.) Second, the Soviets obtained agreement to nuclear parity with the United States. This was a large achievement for them, in both symbolic and real terms, but one that doctrine allowed the United States to concede. At the time the SALT process began, McNamara calculated that the United States had a three- or four-to-one advantage in number of warheads, which he considered the true measure of nuclear power. But the doctrine of assured destruction minimizes the question of advantage. As long as the second strike is devastating, it is sufficient. Superiority, in this perspective, loses its meaning. In July, 1974, after the SALT II negotiations had begun, Kissinger responded to a question in a press conference thus: "What in the name of God is strategic superiority? What is the significance of it . . . at these levels of numbers?" After a point, numbers meant nothing—to us.

The doctrine of assured destruction holds that the curve relating numbers of weapons to strategic power flattens out at a fairly early stage. It may or may not be chance that this stage was seen to have been reached at about the number and extent of the weapons systems the United States already had in the mid-sixties. In 1971, two of the most gifted and experienced defense intellectuals, Alain Enthoven and K. Wayne Smith (the former an official of the Kennedy and Johnson Administrations, the latter an official of the Nixon Administration), wrote in their book "How Much is Enough?":

"The main reason for stopping at 1,000 Minuteman missiles, 41 Polaris submarines and some 500 strategic bombers is that having more would not be worth the additional cost. These force levels are sufficiently high to put United States on the 'flat of the curve.'"

It may be said that this judgment was reached at a time when the atmosphere of the Vietnam War made it pointless to consider any increases. Even so, there should be no question that the view was sincerely held.

Again, looking back, it seems clear that this doctrinal consideration took the edge off the American disappointment that SALT I did not provide for any real arms reduction. The United States had hoped to put a freeze on the development of any further heavy missiles, with their greater capacity to knock out an enemy's ability to retaliate after a first strike. But the Russians were going ahead with both their SS-18 and SS-19, and there was no stopping them. In ballistic-missile-firing submarines, the Russians were accorded a numerical advantage of sixty-two to our forty-four to "compensate" for the greater distances their underwater craft would have to travel to be on station. As noted above, they soon equipped these submarines with a longer-range missile, wiping out their disadvantage, and thus coming out ahead of where they had been. If we were disposed to think that such margins didn't matter, clearly the Russians were not. The United States very much hoped to obtain agreement that neither side would deploy a mobile intercontinental ballistic missile—e.g., the MX—but nothing came of this.

The great and debilitating failure of SALT I, however, is that it did not produce any agreement between the two nations on strategic doctrine. It might have seemed that it did, and certainly Americans hoped that it did, but it did not. This failure was made clear in July, 1972—two months after the treaty was signed—by William R. Van Cleave, a political scientist who has served as an adviser to the SALT delegation. In testimony before a Senate subcommittee headed by Henry M. Jackson, Van Cleave made a point that it was time some political scientist made:

"The U.S. arms-control community has always had an academic character and a hyper-rationalistic approach to arms control that assumes arms control to be an intellectual problem rather than a political one."

Van Cleave was critical of the "eagerness" of the American negotiators for an agreement that, he felt, led them repeatedly to change positions. He was scornful of the belief, as he saw it, that we and the Soviets shared an overriding common goal of strategic stability as defined by American strategic and arms-control concepts. The over-all evidence, he said, "is persuasive that the Soviet leaders do not share our assured-destruction doctrine. That they do is an unsupportable notion."

What doctrine did the Soviets espouse? This seemed evident enough to Van Cleave: "The Soviets—in contrast to the United States—have seen the strategic-force balance as an expression of political power." It had been McNamara's view, and it persisted, "that the strategic-force balance had no important political meaning." Whatever the case, it was clear to Van Cleave that the Soviets thought otherwise. To have the power to blow up the world three times was to have more power than did he who could blow it up only twice. The Soviet military seemed to have a simple notion that more was better than less. There were, at the very least, those among them who were prepared to think of nuclear wars as winnable, in the sense that one side would emerge better off than the other. This sort of thinking, of course, is incompatible with the doctrine of assured destruction.

The Soviet Union's military were, in any event, very much in control. Strategic doctrine in the Soviet Union is not made by professors. In his book "My Country and the World," Andrei D. Sakharov, the Russian physicist, recounts an event in 1955 in Siberia, where he had successfully tested a Soviet hydrogen bomb:

"The evening after the test, at a private banquet attended only by the officials in charge of the tests, I proposed a toast that "our handiwork would never explode over cities." The director of the tests, a high-ranking general, felt obliged to respond with a parable. Its gist was that the scientists' job is to improve a weapon; how it is used is none of their business."

The American negotiators of SALT I were to learn early on just how firmly the Soviet military were in charge when they found that they knew more about Soviet strategic forces than did their Soviet civilian counterparts. Military secrets are not widely shared in the Soviet Union, and at one point in the negotiations a Russian general suggested to an American that it wasn't necessary to talk about such matters in the presence of—what?—unauthorized listeners! Soviet military plans were not, in any significant measure, subject to negotiation with Americans or anyone else. In consequence, the Americans returned home to face a second negotiation with their own military. What seems to happen in SALT talks is that when negotiators have, in effect, agreed with the military forces of another nation that those forces should be increased they are almost required to return and agree with their own military forces that their forces should be increased also. It is a matter of relationships. If the Russians were building a Caribbean fleet, and the United States was either ignoring this or else snarling and snapping and threatening, American admirals, while they would certainly be urging a Baltic fleet or some such countermeasure, could nonetheless be told to stay out of the argument and leave foreign affairs to the President. But once the President had agreed with the Soviets that it was quite acceptable for them to have a flotilla in the Caribbean he simply would not be in a position to tell his own admirals that they would be allowed no compensatory increases. He could, of course, but he would be discredited as a man who preferred the interests of other people's military to his own. In a situation where the Soviet military always insists on more, the process will always end with the American military insisting on more as well.

One display Secretary Brown brought to the Senate Foreign Relations Committee last July compared the Poseidon missile, now deployed in the Poseidon nuclear submarines, with the Trident missile that has been designed for the new Trident submarines, the first of which will go to sea sometime next year. Secretary Brown's display ticked off the revelant information:

TRIDENT IMPROVEMENTS OVER POSEIDON

"Weight—15% greater;

"Fuel—advanced technology, more efficient;

"Accuracy—⅓ more accurate at same range;

"Range—twice as great; and

"Explosive power—twice as great."

Those who follow weaponry would have noted that the new missile, with far more destructive power, is nonetheless about the same size as its predecessor. In fact, Trident I missiles can be fitted in the launchers of the Poseidon submarine. (This is now being done, with the result that our submarine fleet will have much greater megatonnage in its warheads even before the new Tridents begin to be commissioned.)

As one thought connects to another, I found my attention drifting away from Secretary Brown's exhibit and back to a sunny June day in 1977, my first year in the Senate, with many things still unfamiliar. The Navy was launching a new submarine, the U.S.S. New York City—the first warship ever named for our town—and I had been asked to speak at the ceremonies in the shipyard of the Electric Boat Company, in Groton, Connecticut, where it was to be launched. I had done a spell in the Navy at the end of the Second World War, and shipyards were familiar. But as the official party walked along to the ways where the modest New York City awaited us, a never equalled leviathan hove in sight. There, broadside to the river—for it would fair stretch to the opposite bank if launched in the conventional manner—was the hull of the first Trident submarine. There has never been such a thing, and anyone who has been to sea would know it. My U.S.S. Quirinus, 40-mm. gun mounts and all, could have been taken on board as a ship's launch. James R. Schlesinger, then Secretary of Energy, was walking beside me. He had been Secretary of Defense during the period when the Trident program was getting under way, and he recalled expressing misgivings about it, saying that the boats were

too big, too vulnerable—that smaller ones would have done better. What had possessed us? I asked. It was the price of SALT I, he replied.

And so an American buildup of sorts commenced, ending the long freeze of the late nineteen-sixties. But we hadn't our heart in it; we just did it. We never admitted to ourselves that the Russians did not accept deterrence as doctrine; that, unless stopped by the most forceful intervention, they would build until they achieved superiority. They might, for example, have been told in 1969 that this would be a wholly unattainable goal. That we would outspend them two to one. That we would still be spending when they were bankrupt. But this was a threat we could not make, even though, ironically, it is one we could have carried out. I fear that those may turn out to have been the days when the peace of the world was irretrievably lost.

They did not seem so. Nixon deeply desired that a SALT II agreement—a permanent treaty this time—would put an end to increases in nuclear weapons and possibly bring about actual decreases. But he fell, and negotiations made no progress in that direction under President Ford, although he, too, was altogether committed to the process. Then came the new Carter team, including many old faces from the Johnson years. They were hopeful, even exhilarated by the opportunity they now had, and they moved quickly with a bold proposal.

In March, 1977, the Carter Administration, in the person of Cyrus Vance, who had been Deputy Secretary of Defense under Johnson and was now Secretary of State, proposed to Moscow a significant reduction in nuclear weapons. This Comprehensive Proposal would have reduced the number of launchers for MIRVs (multiple independently targetable reentry vehicles) from 1,320, which had emerged as the lowest level the Soviets would accept, to between 1,100 and 1,200, with a separate sublimit of 550 on the number of MIRVed ICBMs, the most accurate and worrisome kind. (A MIRVed missile has more than one warhead, each of which can be independently aimed at a different target. As the "bus" travels through space, it ejects first one warhead, then another, in different trajectories and at different velocities.) Five hundred and fifty is the number of MIRVed ICBMs the United States has deployed.

Paul Nitze, who has been officially involved in arms negotiations under Presidents Kennedy, Johnson, and Nixon (there are not many qualified persons in this field, and careers show greater durability than in any other field of policy), has testified that Vance's 1977 proposal offered the Soviets "complete assurance against any significant counterforce threat from the United States." But the Russians abruptly turned it down. Gromyko was scarcely polite. He all but suggested that to propose to the Soviets that they reduce strategic arms was in insult. (To be sure, his actual remarks were addressed to the suddenness with which the proposal was made.) In any event, with significant reductions dismissed, the SALT II negotiations proceeded to a wan conclusion, the basic numbers almost unchanged after two and a half years of negotiations by the new team. At Vladivostok, in 1974, President Ford and General Secretary Brezhnev had agreed that each party should have 2,400 strategic nuclear delivery vehicles (missiles and bombers), with a sublimit of 1,320 MIRVed missiles plus bombers capable of carrying cruise missiles. (A cruise missile is essentially a pilotless plane. Unlike a ballistic missile—which simply goes where it has been aimed, like a bullet—a cruise missile can be directed in flight.) SALT II reduces this over-all limit to 2,250 by 1981, but without any consequence. The Soviets will scrap some antiquated missiles they have probably kept around only for bargaining purposes. We will hold on to our B-52s—planes that are now as old as the pilots who fly them. SALT II limits the number of warheads per MIRVed ICBM, but each side is to be permitted an entirely new ICBM and to improve its existing ones within limits that may or may not permit fundamental advances. There are no limitations of significance.

Once again, a second negotiation took place back in Washington. The result was the MX. Recall that a principal American objective in SALT I was to prevent the Soviets from building any more heavy missiles, which they proceeded to do regardless. Again, no reduction in modern heavy missiles could be agreed to; thus SALT II provided that the Soviets should continue to have 308 and we should continue to have none. Opponents of SALT II make much of this "imbalance." But, as Ambassador Ralph Earle II, chairman of the American delegation to SALT, told the Senate Foreign Relations Committee in July, the MX, while not a heavy missile, does have as much "equivalent effectiveness as Soviet heavy ICBMs." In a word, the MX is a counterforce missile. And that is what the issue has been from the first. The United States would now do what we vowed we would never do. And so SALT II produced precisely the advance in counterforce weaponry which SALT I had hoped to prevent. Spokesmen for the Carter Administration began to stress that the content of the treaty really didn't matter much, that it was the process that had to be preserved.

But if the process meant anything, it had to be one that protected assured destruction as a strategic doctrine. The proposal to go ahead with the MX implied that we ourselves were abandoning that doctrine. Of course, by 1979 assured destruction was already in ideological danger in its own sanctuaries. Newhouse, likening much of the debate in the nineteen-sixties to earlier debates about heresy, also notes that heresies somehow never die out. However much orthodoxy always asserted itself in the end, McNamara continued to have doubts. In 1964, less than two years after his Ann Arbor speech, he declared in a Defense Department "posture statement" that "a damage-limiting strategy appears to be the most practical and effective course for us to follow." Such a strategy would involve trying to destroy some of an adversary's missiles in order that his retaliatory strike would not be so devastating. (Of course, implicit in this concept is the possibility that the United States might, after all, strike first—in response, for example, to a Soviet invasion of Europe.) At this time, United States missiles were presumably aimed at Russian cities. McNamara acknowledged that a damage-limiting strategy would require greater forces than the "cities only" strategy, but he thought it would be worth it, especially with a Chinese nuclear force coming on line. In 1966, he appeared to favor an anti-Chinese ABM system. This would be a "thin" system, designed to defend against only a few missiles. The Russians would know that such a system was not directed against their large and growing force, simply because it would offer no effective defense. The proposal is worthy of note as an example of logic producing illogic. The reasoning that led to the decision was flawless, save that the Chinese had no missiles. McNamara soon enough recanted. In the middle of the Vietnam War, he could scarcely ask for more nuclear weapons, but his doubts were on record. He was not alone.

In the spring of 1968, just as the SALT talks were about to begin, Harold Brown, then Secretary of the Air Force, told the Senate Preparedness Subcommittee:

"In addition to the basic deterrent capability, our measurement of deterrence should include two other criteria, less central but still important: (1) ratios of surviving population and industry must not be badly adverse to the United States, and (2) the surviving military balance should remain in our favor . . . if deterrence should fail, a favorable surviving military balance could make it easier for us to negotiate an end to the war and limit further damage to the United States."

At this time, Schlesinger, still at Rand, commenced to argue that the United States could not allow the Soviets to develop an "asymmetric capacity against us." That is to say, they should not have a counterforce capability greater than our own. For either side to have such a capacity would be fatal to the doctrine of assured destruction, properly construed; for both to have it would be doubly fatal. Schlesinger persisted, and in 1973, as Secretary of Defense, he proposed that the United States develop a "heavy throw-weight" missile to offset Soviet developments. this missile became the MX.

More to the point, in the course of the nineteen-seventies Pentagon officials began to talk openly of targeting Soviet military facilities in terms of "limited strategic options." The Trident II missile, to be deployed aboard the giant submarine, would verge upon a counterforce capability. (Submarine-launched missiles are still not as accurate as land-based missiles. Thus, while they are fully effective in an assured-destruction mode—they can be sure of hitting Leningrad, for example—they are less so in a counterforce mode, where the target is a hole in the ground ten or fifteen feet in diameter, requiring that a warhead land within several hundred feet or so in order to "kill.") Nothing dramatic by way of a great debate ending in a break with previous policy occurred. Rather, as the Soviets crept toward a first-strike capability. American strategic doctrine slowly changed also. This was never really acknowledged, except in the edginess and growing anxiety of those who could sense the drift of events but could not arrest them.

An episode in the fall of 1976 revealed the depths of this anxiety. Once each year, the intelligence community produces the National Intelligence Estimate, known locally as the N.I.E. A measure of grumbling began about the relative optimism concerning Soviet intentions and kept being repeated. Leo Cherne, of the President's Foreign Intelligence Advisory Board, had the inspired notion to set up competing teams, one to defend the official estimate and one to challenge it. George Bush, as Director of the Central Intelligence Agency, had the self-confidence and good grace to agree. The exercise went forward and was concluded. The B Team made a powerful case—more so than had been anticipated. In October, word of the exercise leaked; in December, the Times reported the results. The B Team, headed by Richard Pipes, of Harvard, had

come to the conclusion that the Russians were seeking strategic superiority.

The indignation in Washington was palpable. The very suggestion was greeted with horror, as will happen when a doctrine grows rigid. The B Team members were near to anathematized. They had been invited to challenge the conventional wisdom, but they had made too good a case. Senator Malcolm Wallop subsequently observed:

"While consciously refusing to entertain the Soviets' own conception of what they are about militarily, the authors of the NIE's over the years have evaluated Soviet strategic forces using indexes which tend to stress our own doctrine of MAD."

The 1976 N.I.E., Wallop noted, did mention that the Soviets seem to think in terms of ability to win nuclear wars. Nevertheless, the estimates continued to interpret both United States and Soviet forces according to the criterion of assured destruction. But how could this interpretation be reconciled with Soviet conduct? By 1976, they were (as they still are) spending twelve to fourteen percent of their gross national product on defense—the sign, if the nineteen-thirties offer any evidence, of a country planning to go to war. "Bureaucratic inertia" was an explanation put forth, and it could well be the right one, although "momentum" might be the better term. But after a point larger possibilities had to be confronted. In his 1978 annual report as Secretary of Defense, Brown said that because of "a substantial and continuing Soviet strategic effort," the strategic balance "is highly dynamic." Although puzzled as to "why the Soviets are pushing so hard to improve their strategic nuclear capabilities," he noted that "we cannot ignore their efforts or assume that they are motivated by consideration either of altruism or of pure deterrence." Then in May, 1979, in the commencement address at Annapolis, Brown asserted that Moscow had long sought to threaten American land-based missiles and would probably be able to achieve this capability in the early nineteen-eighties. In an analysis of the speech, Richard Burt, of the Times, a formidably well informed and well connected journalist, offered the judgment that Brown had accepted the B Team's analysis.

As perspectives on Soviet conduct began to change, American conduct began to be seen in different light also. Was it the case that the Soviets were "catching up"? Were we "falling behind"? It must be understood that these were new questions. In the McNamara era, it had been assumed that American strategic superiority was as certain as was the validity of American strategic doctrine. But now it began to be noted that while the United States budget for strategic arms had been level for a decade and a half, that of the Soviets had continued to rise. In rough terms—they can only be that—the Soviets since 1968 have been outspending the United States in strategic forces by a margin of two to one. Dr. Perry reported to the Foreign Relations Committee that current United States spending on strategic forces is about $12 billion a year, while the Soviets spend on the order of $25 billion. (More recently, the Arms Control and Disarmament Agency reported that the Soviet Union spent a total of $140 billion on all its armed forces in 1977—almost one-third of all military spending in the world. The United States spent $101 billion. Wohlstetter calculates that American strategic spending, in constant dollars, actually peaked back in fiscal 1952.) The Soviet buildup has been steady over a generation now, leading an arms-control expert from the Kennedy era to remark recently that if the familiar man from Mars were to be presented with a chart showing the rise of Soviet weaponry over the past three decades and told that somewhere during that period an arms-limitation agreement was signed with the United States, the visitor would be quite unable to pick the year.

The result is to be seen in numbers of warheads. If plotted, it would be seen that the Soviet curve has been steeper for some time now—up from a more than five-to-one disadvantage in 1967 to less than two-to-one today, on to parity in 1985 and to superiority thereafter, if the trends persist.

Number of warheads, however, is not the only measure of nuclear power. Size matters, and accuracy matters even more. It is not a question of projecting a time when the Soviets will have attained superiority; they have already done so. In this area, Nitze's estimates are indispensable, both because they are his and because they are public. In throwweight—the pounds of "payload" that can be sent aloft—Nitze estimates that the Soviets by 1977 had an advantage of 10.3 million pounds to the United States' 7.6 million, this being the effect of the Soviet heavy missiles. By 1985, he projects a widened gap: 14.5 million for the Soviets, eight million for the United States. The gap is even more dramatic in the critical category of explosive power—in what is called "equivalent megatonnage." Nitze gives the Soviets a nearly three-to-one advantage for 1977: 9,319 equivalent megatons for the Soviets, 3,256 for the United States. For 1985, he projects a slightly widened gap but not greatly increased amounts of megatonnage on either side.

How did this come about? As near an answer as we are likely to get is that a synergistic relationship developed between the doctrine of assured destruction and the combined restraints on the United States imposed by the experience of Vietnam and the hopes aroused by détente. If this seems complicated, let it be said that nothing simple is likely to explain how the world's most powerful military nation lost its advantage over an economically and technologically inferior competitor in the course of a decade—and with almost no one noticing.

The doctrine of assured destruction, as I have noted, holds that the curve relating numbers of weapons to strategic power flattens out at a fairly early stage. One of the virtues of the assured-destruction doctrine was that it permitted the civilians in the Pentagon and in the Bureau of the Budget to form an estimate of what the military really needs. How many warheads, for example, were required to insure that fifty percent of the industrial capacity of the Soviet Union would be destroyed in a second strike? The doctrine fitted in surprisingly well with the management ethos that McNamara and others brought to defense issues. It suited even better the needs of the government leaders of the later nineteen-sixties who, while seeking strategic-arms limitations, were also waging war in Vietnam. Holding back expenditure in the strategic area eluded the fury that would have arisen had they proposed otherwise, and may have moderated opposition to the war. (An interesting aftermath: those most bitter about the Vietnam policies of the Johnson era are today likely to be most supportive of the strategic policies put in place by that Administration, while those who supported Johnson in Vietnam are likely now to be suspicious of SALT.)

These considerations were, if anything, even more intensive in Nixon's first term. Certain defense intellectuals of the Johnson era began to assert that Soviet strategic behavior was basically imitative of ours—two apes on a treadmill, as the image went—overlooking, presumably, that the fondest hope of the community in the early sixties was that Soviet behavior would become imitative. In any event, this was presented as an argument against increasing American forces. Then Nixon embarked on the policy of détente with the Soviets, which added further grounds for allowing United States force levels to remain frozen. And that is what happened.

The irony of all this was nicely illustrated in an article in The New Republic, in August, 1979, by the journalist Morton Kondracke. At the end of July, Henry Kissinger had testified before the Foreign Relations Committee, declaring himself not so much opposed to SALT II—he allowed he would have initialled the treaty—as in favor of great new military expenditures to prevent a further weakening of the United States of a sort that, he said, had brought about a "crisis situation threatening the peace of the world." Kondracke interpreted this as the familiar (although puzzling) charge that Democrats are somehow soft in these matters. He seems to have taken the charge personally. In any event, he retorted with some vehemence:

According to Kissinger, when the US left Vietnam, the Republican administration of which he was a part planned to build major new strategic weapons systems: the B-1 bomber by 1981, the MX missile by 1983, the Trident submarine and missile by 1979, and various kinds of cruise missiles in the 1980s. These weapons would have reversed the trend toward Soviet superiority, "but every one of these programs has been canceled, delayed, or stretched out by the current administration."

Kissinger's version of history scarcely squares with the facts or with Pentagon figures. Far from trying to reverse the strategic doctrines of the Johnson administration, Kissinger and President Nixon accepted them completely. The US land-based missile force was not increased by a single launcher during eight years of Republican administration. In fact, the Nixon and Ford administrations cut back on strategic spending from the levels reached in the closing Johnson years. Johnson's last budget called for $22 billion in strategic outlays, but the Ford and Nixon administrations averaged $10 billion a year in comparable dollars. Some cuts were imposed by Congress, but most were called for in Nixon-Ford budgets. It's true, few liberals were impressed when Republican officials boasted that they were continuously cutting defense spending, but they really were.

All true enough. The Nixon-Ford years were a time of unprecedented increase in social spending, and of decline in military spending. Rather like the Hitchcock film in which the diamond is hidden in the chandelier, this information was effectively concealed from the American people by publishing it in the budget. It may well prove that the historic mission (as Governor Jerry Brown might say) of the Carter Administration is to increase defense spending and cut social spending. There is a mild law of opposites in American politics. Republicans frequently do what Democrats promise, and the other way around. President Carter was the most dovish of candidates in 1976, promising to cut the defense budget by five to

seven billion dollars a year. Nothing of the sort happened, however. Social spending was effectively frozen, but defense spending began immediately to rise. In an address in Washington on September 27th of this year, Zbigniew Brzezinski, Assistant to the President for National Security Affairs, made a good deal of this:

While our critics say they would have been strong for defense if they had remained in office, in fact, defense spending in constant dollars declined in seven of the eight years of the Nixon-Ford Administration. For the past decade, there has been a steady decline in the level of the defense budget in real dollar terms. We began to reverse that trend in the first three budgets of the Carter Administration, and President Carter is the first President since World War II to succeed in raising defense spending for three straight years in peacetime.

Brzezinski was not just taking credit for increasing defense spending. He was asserting that his Administration, unlike its predecessors, was awake to the Soviet challenge. It has been a quiet development, this emergent challenge. Those who espy some special cunning at work have a difficult case to make. The plain fact is, as Van Cleave testified in 1972, that the Soviets never gave any indication that they accepted assured destruction as a strategic doctrine and would not seek nuclear superiority. How does the proverb go? The fox knows many things, the hedgehog knows one thing. The one thing their hedgehog generals seemed to know is that more is better. So they kept getting more. In this manner, the Soviets have acquired, or are about to acquire, a first-strike capability against our land-based ICBMs. We hope to do the same to theirs. Everything the SALT process was designed to prevent has come about.

The Soviets did not do this by cheating or by startling technological breakthroughs. They did it by the steady accumulation of more missiles (an additional thousand in the course of the nineteen-seventies) with greater accuracy, and more warheads with greater explosive power. They aimed them, as evidently they have always done, at our silos—in violation, that is, of our doctrine that they should be aimed at our cities, so that they could retaliate with vast destruction in case we attacked first. They either now can or soon will be able to take out our silos, leaving the United States with a much reduced second-strike capability. Not enough, it is generally thought. Besides, Nitze writes, the Soviets now have a third and fourth strike—an ability to deter our retaliatory strike by threatening our surviving cities and population. If it is all unthinkable, the Soviets seem nonetheless to have been thinking about it.

As have we. Heresy and recantation abound, and one of the more striking events of the SALT II debate so far is that both Secretary Brown and Kissinger appear to have joined Schlesinger. In his testimony before the Foreign Relations Committee on July 11th, Brown said that the Administration's primary goal was maintaining essential equivalence with Moscow in nuclear forces, but that to do it "we need to show the Soviets that they do not have an advantage in attacking military targets—that we, too, can do so." And he elaborated a bit, in response to a question from Senator George McGovern: "It is not a matter of us pushing the Soviets into being able to destroy our silo-based missiles. They have gone that route." Brown stressed that the mobile MX missiles, in addition to being able to survive attack, had another attribute: "Because of their accuracy and their warhead capability they will be able to hit Soviet silos, and that will, indeed, give the Soviet a motive for going away from silo-based missiles."

A month after testifying before the Foreign Relations Committee, Henry Kissinger spoke in Brussels at a meeting of military experts. As reported, he said he now believed that successive United States Administrations, including the Nixon and Ford Administrations, were wrong in thinking they could adequately protect the United States and Western Europe against Soviet attack with a strategic nuclear force primarily designed to wipe out Russian cities and factories rather than to strike at missile silos and other military targets. The policy of mutual assured destruction had created a "paradoxical world [in which] it is the liberal, humane, progressive community that is advocating the most blood-thirsty strategies." It was absurd, he continued, "to base the strategy of the West on the credibility of the threat of mutual suicide." It was necessary for the United States to develop a new nuclear "counterforce capability" consisting of missiles designed to be used against military targets rather than civilian ones.

Herein resides the final irony of the SALT process. Not only has it failed to prevent the Soviets from developing a first-strike capability; it now leads the United States to do so. The process has produced the one outcome it was designed to forestall. And so we see a policy in ruins.

What are we to do? First, we must try to get some agreement on what our situation is. Is it wrong to think that something of the sort is emerging? The Washington Post noted on August 1st, "Here it is barely midsummer, and a growing chorus of important voices (whose opposition has been most feared) is saying that the treaty itself is no villain, that its ratification is almost a matter of indifference, that the fundamental strategic problems that most concern them are in fact beyond the power of the treaty, as such, either to remedy or even make much worse."

Jimmy Carter is the exception. On July 31st, the same day Kissinger testified before the Foreign Relations Committee, the President declared, in Bardstown, Kentucky, that SALT II will "stop the Soviets' buildup." It will not do anything of the sort. Nor does anyone in the Carter Administration who is in a position to know argue any longer that it does. Last spring and summer, the Joint Chiefs of Staff, testifying before the Senate Armed Services Committee, were unanimous in their conclusion that Soviet strategic power, under the agreement, would expand beyond what it is now. At the July 11th meeting of the Foreign Relations Committee, the Chairman of the Joint Chiefs, General David C. Jones, said, "Some may conclude that the agreement, by itself, will arrest the very dangerous adverse trends in Soviet strategic forces including current and projected qualitative improvements. This is simply not the case." And later: "Similarly, the focus on constraining what the Soviets could do without a SALT agreement had obscured the more fundamental recognition of what they have done, are doing, and can do within the SALT framework." The director of the Arms Control and Disarmament Agency, George M. Seignious II, has stated that the Soviets will continue to engage in a "relentless" strategic-arms buildup with or without the SALT II treaty.

We can hope that the President now knows he has been wrong. If this is so, we can hope he will say so. The SALT II treaty is in trouble, because many senators feel it has been misrepresented. A profound change could take place if the President were simply to say that it is a chilling agreement but the best he could get, and that it is in our interests only if SALT III brings true reductions. Secretary Vance, in his letter of June 21, 1979, submitting the treaty to the President for transmission to the Senate, said, candidly enough, "For the first time, we will be slowing the race to build new and more destructive weapons." If the President were to say only as much—that we are at most slowing the race—things could be different. If he does not, there is no alternative save to oppose him on the facts, and try to develop a national policy without him. This is not easily done with a President engaged. But, in my view, it must be done. For those in charge of American strategic policy—including the President, whether or not he has thought it through—are now advocating a course of action which, if successful, will bring about the very nuclear face-off that not ten years ago was unhesitantly defined as the worst-case condition. This is to say that the United States and the Soviet Union will be confronting each other knowing that both have the capacity to attack and destroy the other's land-based missile forces, and can do so in forty-five minutes.

If still further irony is desired, it may be noted that, in the most explicit way, American behavior has turned out to be imitative of the Soviets. This was implicit in the aftermath of SALT I, when the Trident submarine and the B-1 bomber were agreed to. But these weapons were at least compatible with an assured-destruction doctrine. The price of SALT II, negotiated within the Administration before the treaty was even signed, was the MX missile. From the time Schlesinger first proposed it, it has been understood that the MX is a counterforce missile. In other words, after only two rounds of negotiations, acquiring a counterforce capacity has become the condition of salvaging the very negotiations that were begun with the object of preventing either side from obtaining a counterforce capacity.

In any event, the world is sure to be different for the United States, and considerably less secure. Within months, the Soviet Union will have the capacity to destroy the Minutemen, our land-based deterrent. These are the missiles that were meant to deter the Soviets from initiating any nuclear exchange. Following such a first strike by the Soviets, an American President could send in bombers and launch our submarine missiles. No one can estimate the horror that would follow in the Soviet Union and then, of course, in the United States. It may be that this prospect will be sufficient to deter the Soviets from launching a first strike, whatever the degree of provocation or panic. But is there reason to suppose that nuclear superiority will have no effect on their international behavior? Certainly men such as Nitze think otherwise. He writes:

To some of us who lived through the Berlin crisis in 1961, the Cuban crisis in 1962, or the Middle East crisis in 1973, the last and key judgment in this chain of reasoning—that an adverse shift in the strategic nuclear balance will have no political or diplomatic consequences—comes as a shock. In the Berlin crisis of 1961 our theater position was clearly unfavorable; we relied entirely on our strategic nuclear superiority to face down Chairman Khrushchev's ultimatum. In Cuba, the Soviet Union faced a posi-

tion of both theater inferiority and strategic inferiority; they withdrew the missiles they were deploying. In the 1973 Middle East crisis, the theater and the strategic nuclear balances were more balanced; both sides compromised.

It is hard to see what factors in the future are apt to disconnect international politics and diplomacy from the underlying real power balances. The nuclear balance in only one element in the overall power balance. But in the Soviet view, it is the fulcrum upon which all other levers of influence—military, economic, or political—rest.

In any international crisis seriously raising the prospect that the military arms of the United States and of the USSR might become engaged in active and direct confrontation, those directing U.S. and Soviet policy would have to give the most serious attention to the relative strategic nuclear capabilities of the two sides.

Unequal accommodation to the Soviet Union would then have resulted not in cooperation and peace but in forced withdrawal.

It has been said that the Soviets have learned to live with American nuclear superiority and that we can learn to live with theirs. No doubt we can. But will anyone assert that in such circumstances we will not be living differently? And if one is drawn to the unhappy conclusion that the SALT process has not limited the number of weapons in the United States and the Soviet Union, what are we to think about the nature of world politics when many nations possess the nuclear weapon? What will be their views—the views of India, Pakistan, South Korea, Israel, South Africa, Libya, Argentina, Brazil, perhaps others—on deterrence, assured destruction, and the rest? Kissinger suggests that once the present state of affairs is understood, "panic" will spread through the world.

The decisive technological event that led to the shift in the balance of power, it seems to me, was the deployment of MIRVs—a term first used in public in 1967. Packing a number of warheads on each missile no doubt seemed an elegant and economical solution to the problems that the Johnson Administration faced. (In the United States, development of MIRV began in 1965. The first flight tests took place on August 16, 1968. The first Soviet test took place five years later, in August, 1973.) But it profoundly transformed the significance of the Soviets' huge rockets, with their tremendous throwweight. Once the Soviets could install MIRVs, they were bound to be "ahead." As viewed in hindsight, it might have been perceived that the MIRV technology would work ultimately to the Soviet advantage. If it were the case that the American interest in MIRV was related to a desire to overcome a putative ABM system in Russia, the elimination of ABM should have argued simultaneously for the elimination of MIRV as well. But this assuredly did not happen. So long as no one had a defense, deterrence doctrine tended to ignore the proliferation of offensive weapons.

In what sense, it is asked, do the Soviet heavy missiles mean that the Soviets are "ahead"? This is the question with which adherents to assured destruction automatically respond when the Soviet superiority is mentioned. President Carter, in his 1979 State of the Union Message, reported that "just one of our relatively invulnerable Poseidon submarines . . . carries enough warheads to destroy every large and medium-sized city in the Soviet Union." His proposal that the giant new mobile missiles be deployed on a race-track system was openly a response to those who question whether submarines alone provide assured destruction. The Times, on September 11th, stated that "President Carter's choice of a new basing system to make American missiles mobile and invulnerable to surprise attack removes the only real obstacle to ratification of the SALT treaty." This is, of course, the Administration's view also; as long as a second strike is assured, received strategic doctrine remains valid, and technicalities such as the size of an adversary's forces are not relevant. This is to say that if the Soviets are "ahead" merely in the sense that they have more, it just doesn't matter that much.

And what happens if we don't, in fact, build the MX? The deference structure that previously surrounded nuclear strategy is no more. (Who, reading this article, can remember noting that the Johnson Administration had decided to develop a multiple independently targetable reentry vehicle?) In a nation where nuclear power plants can no longer be built, does anyone seriously suppose that the government can dig up Utah and Nevada to put in place our largest missiles without arousing passionate opposition, of which the statement of the Federation of American Scientists is merely a foretaste? The opposition to the Alaska pipeline will be recalled; a key amendment protecting the pipeline from court challenges by environmentalists passed the Senate by one vote. The Air Force has identified thirty-eight federal laws that could have bearing on the MX and on the vast network of shelters that will have to be dug in Utah and Nevada in order to hide it. (This list still overlooks the Wild, Free-Roaming Horse and Burro Act of 1971.) In Washington, it is all too plain that a considerable body of opinion is remaining muffled on the MX so as not to jeopardize SALT II. Once SALT II is adopted, this opposition will become open, and will find leadership in the political world from prominent, even dominant figures such as Governor Brown, who has opposed the MX with special intensity.

If environmental obstacles fail, opposition will surely arise to the spending involved. Indeed, it already has arisen. Early in the debate on SALT II, it was reasonably safe to assume that there was a high correlation between support for the treaty and opposition to defense spending. The correlation was not perfect, but it was significant. Thus, on January 26th, Senator Edward M. Kennedy, a dependable critic of military spending, said, in a detailed statement fiercely attacking the Carter Administration's 1980 budget, "Only defense receives a real increase in funding." He said these increases should be given the closest scrutiny:

First, in the strategic field, we should not reorient our defense posture more to fight a nuclear war than to prevent it. We should not develop weapons systems that increase the threat of nuclear war. We should not buy weapons to appease the opponents of SALT.

Here our number one concern ought to be the MX missile and its basing system. The Administration plans to spend nearly $1 billion in the FY 1979 Supplemental and the FY 1980 budget. This billion is but a foot in the door for many additional billions. Even without cost overruns, the system will cost us at least $30 billion to build and deploy.

The MX missile is highly accurate and devastating. It is so threatening to Soviet nuclear forces that it could tempt Soviet leaders to strike us first in a crisis. The result will be unparalleled destruction to both societies.

But President Carter went ahead in any event. And then went beyond that. Carter had accepted increases in defense spending; he now began to advocate them. Public-opinion polls showed that the strongest argument for SALT II was that it would improve our strategic position. The public felt strongly that we should not cut defense spending if there was a new SALT treaty, and many seemed to think the right course was to have both—SALT II and a bigger defense budget. Whatever the case, SALT II was not more than signed when the President—"to the consternation of liberals," as the political scientist William Schneider observes—began to argue that the new treaty allows for higher United States military spending in order to reach parity with the Soviet Union. More immediately, a number of senators, such as Sam Nunn, began to state that they could not support any treaty unless there was such an increase in military spending. The Administration agreed, and before long the SALT debate had produced what Richard Falk, of Princeton, who does not at all approve, has called "a mood of bipartisan militarism." Senator Ernest F. Hollings said:

"The SALT hearings did have a shocking effect on this Congress and on the people of the United States. . . . Rather than a disarmament arms limitation, we had, in contrast, rearmament hearings and a rearmament conference and a rearmament treaty between the American people and our leadership."

In the course of all this, the Senate doves of a sudden found themselves in a hawk trap. In 1972, the SALT I ABM treaty passed easily, by a vote of 88 to 2, but by the autumn of 1979 it was hard to count thirty-five votes for SALT II. If a resolution of ratification were to pass, a great many undecided votes would have to be obtained, and many of these set as their price an increase in defense spending. Senator Nunn called for a true increase of five per cent per year for the coming five-year period. On September 18th, the Senate, by an overwhelming 78 to 19 vote, agreed to a true increase of three per cent for the coming fiscal year. (Kennedy voted for the increase, and has come out in favor of development, but not deployment, of the MX.) Next, by a surprising 55 to 42 vote, a five-percent true increase was agreed to for fiscal years 1981 and 1982. The 1982 defense appropriation would be in the neighborhood of $170 billion. The total outlay for fiscal 1976 was $87.9 billion.

A case can be made for this fall's increases. (I supported both.) But not for the blindness with which the Administration and its supporters are going about it. The dominant mood in the last Congress was to bring a halt to increases in federal spending. This culminated in an amendment to a taxcut bill in 1978 which was sponsored by Senator Nunn and Senator Lawton Chiles, both Democrats. The amendment, which was passed by the Senate but failed of adoption in the House, would have required that total federal outlays as a proportion of the gross national product decline by stated intervals from 21.5 per cent in 1979 to 19.5 percent in 1983. Very simply, if the country wants the over-all budget ceiling to come down and the military budget floor to rise, social spending will be crushed. A pretty price for an arms-limitation treaty that increases arms.

Of course, advocates of social spending are at least as influential as those who want to see military outlays increased. The record over the decade, as Dr. Brzezinski's speech of September 27th suggests, is that they are more powerful. There is every reason to think that once SALT II is ratified they will withdraw their support for the military increases, having realized what such costs—the defense budget would about double, to $250 billion by fiscal 1985—will mean to domestic outlays. There is room for much misunderstanding and not a little bitterness in all this.

And if these pressures are not sufficient, the Soviets will surely launch a determined propaganda campaign. The MX, they will say—have said!—is contrary to the "spirit of SALT." Those who supported SALT will be rallied to oppose this abandonment of SALT principles. In 1978, the Soviets demonstrated that they could reverse, with relative ease the United States' decision to deploy the neutron bomb—the "capitalist" bomb that "destroyed people but not property." The MX missile will certainly arouse yet fiercer passions.

For two decades now, the doctrine of deterrence has led us to believe that strategic superiority doesn't matter. "What in the name of God is strategic superiority?" Kissinger asked. There is a simple answer. Strategic superiority is the power to make other people do what you want them to do. Already, the Soviets, approaching a palpable strategic superiority, give signs that it is their intention to control our defense policy. They set out to block the deployment of the neutron bomb in Europe, and they did. They evidently intend also to try to prevent our deployment of intermediate-range Pershing II missiles in Europe. They have given plain notice that they will not permit the United States to deploy an MX missile that would in fact be an "invulnerable" counterforce weapon. In the best of circumstances, the missiles could not be in place until late in the nineteen-eighties. SALT II, if ratified, expires in 1985. By then, the Soviets will know all there is to know about the capabilities of the new American weapon. They know enough already to be certain that it is a counterforce missile, and we do not pretend otherwise. It will have a combination of yield and accuracy that gives to each warhead a kill probability against a Soviet silo without precedent in our missile force. In response, the Soviets need only say that if we go ahead they will have to abandon the "fractionation" limits of a maximum of ten warheads per land-based missile which are imposed by SALT II. President Carter has said that it is these limits which make the MX viable. If the Soviets went to, say, thirty warheads per missile, as the size of their heavy missiles permits, they would effectively have a first-strike capability against the MX. Tom Wicker, writing in the Times, states:

Without the limit of 10 warheads per missile . . . the treaty would impose, the Soviets could put so many warheads on their giant SS-18 missiles that not even the mobile MX missile system could be made safe.

This, alas, is not the likely "scenario." When the Soviets announce that they are increasing the number of warheads per missile, as they will be permitted to do once SALT II expires at the end of 1985, the President of the United States, whoever he is, will announce that in view of this Soviet action our reaction must be to double the size of the MX. Whereupon the Soviets will announce that they are putting mobile missiles on highways. (A trench system will be too expensive for them.) SALT II will have effectively brought an end not only to the hope of arms limitation but to the SALT process itself.

Is there no hope? There is some, if not much. We should be clear that we are in for a very bad time, and that the longer we put off recognizing our condition the worse it will become. It may just be possible to join hawk and dove, liberal and conservative (hopeless, deceitful terms!) in recognizing that we have held to a strategic doctrine that cannot be sustained. It would work only if the Russians shared it, but evidently they do not, and neither do a growing number of Americans. The physicist Freeman Dyson has argued most vigorously that only defense weapons are moral in a nuclear world, making the nice point that we don't have such defenses in part because there is no elegance in their development. In his memoir, "Disturbing the Universe," some of which originally appeared in this magazine, Dyson writes, "The intellectual arrogance of my profession must take a large share of the blame. Defensive weapons do not spring, like the hydrogen bomb, from the brains of brilliant professors of physics. Defensive weapons are developed laboriously by teams of engineers in industrial laboratories." Engineers!

Dyson continues:

Mutual assured destruction is the strategy that has led the United States and the Soviet Union to build enormous offensive forces of nuclear bombers and missiles, sufficient to destroy the cities and industries of both countries many times over, while deliberately denying both any possibility of a defense. . . . The basic idea of mutual assured destruction is that the certainty of retaliation will stop anybody from starting a nuclear war.

Dyson is a believer in damage limitation:

The ground on which I will take my stand is a sharp moral distinction between offense and defense, between offensive and defensive users of all kinds of weapons. The distinction is often difficult to make and is always subject to argument. But it is nonetheless real and essential. And at least its main implications are clear. Bombers are bad. Fighter airplanes and anti-aircraft missiles are good. Tanks are bad. Anti-tank missiles are good. Submarines are bad. Anti-submarine technology is good. Nuclear weapons are bad. Radar and sonar are good. Inter-continental missiles are bad. Anti-ballistic-missile systems are good.

Just as Dyson's views were being published in The New Yorker, the political scientist Karl O'Lessker was making almost precisely the same point in The American Spectator, an organ of pronounced conservative views:

Older readers will recall that most notorious of all presidential campaign television commercials, the one in 1964 that showed a little girl plucking the petals from a daisy while the voice-over recited the countdown to an all-obliterating nuclear explosion. Paid for by the Democratic National Committee, it was designed to impute to Senator Barry Goldwater a degree of recklessness, bordering on insanity, that would, were he to be elected president, in all likelihood lead to a nuclear holocaust killing tens of millions of little children around the world. The ghastly irony of that commercial is that at the very time it was receiving the personal approval of President Johnson, his own Secretary of Defense, Robert McNamara, was fixing in concrete an American military strategy that had no options other than this nation's surrender or the indiscriminate slaughter of countless millions of civilians here and in the Soviet Union in a militarily pointless nuclear exchange. What makes it all the more appalling is that the Russians, by contrast, were then elaborating a strategy designed to gain victory by destroying Western armed forces while minimizing civilian casualties: an application of classic Clausewitzian doctrine. . . .

It is this reality that underlies the anti-MAD, anti-SALT partisans' call for the development of city-protection systems, from fallout shelters to anti-ballistic missiles. And it is one of the sovereign ironies of our age that the proponents of MAD have succeeded in portraying the anti-SALT camp as being indifferent to the horrors of nuclear war, while in point of fact it is MAD, and MAD alone, that postulates the nuclear annihilation of great cities as the logical culmination to international conflict.

Andrei Sakharov, a fervent supporter of SALT II, in a review of Dyson's book in the Washington Post, made a similar point. Sakharov repeats Dyson's words "Somewhere between the gospel of nonviolence and the strategy of Mutual Assured Destruction there must be a middle ground on which reasonable people can stand—a ground that allows killing in self-defense but forbids the purposeless massacre of innocents." Sakharov then comments, "With all my heart and soul, I support this thesis," adding his agreement with George Kennan that first-strike nuclear weapons are both amoral and, in the West, can lead to, in Sakharov's words, "dangerous complacency with regard to conventional weapons." (He refers to the decline of Western conventional arms.)

Moving and humane as such a comment may be, it ignores the fact that, in principle, assured destruction was not an offensive strategy. Cities would be leveled only as a response to aggression: the very terribleness of the response to aggression was supposed to prevent it. It were well that, before abandoning the doctrine, we remember why we adopted it in the first place. But that, in a way, is the most telling point. It is hard to remember just why we did it. As a set of ideas, deterrence theory was perhaps not very complex; but it was too complex.

Political ideas must be simple. Which is not to say they must be facile. To the contrary, the most profound propositions are often the simplest as well. Whitehead's rule to "seek simplicity and distrust it" is appropriately cautionary, but he did first of all say: seek simplicity. Imagine explaining assured destruction to a rally. There was a time when no one had to do that, when the essential information was held in a few hands and a deference system made it possible for decisions to be made without much being questioned. That was the political situation in which assured destruction was adopted as national strategy. That situation no longer exists. We will never knowingly agree to start building the MX merely as a bargaining chip, as some have suggested, intent on stopping as soon as a bargain is reached. A shift in American strategy to defensive modes that the Soviets could not think aggressive or destabilizing would now require an open debate on strategic doctrine of the kind we have not had. For what it may suggest, let me note that after a year's immersion in the subject I have no view of my own, save the disposition to think that political ideas, in order to be viable, must be simple. Assured destruction is the kind of

idea that wins acceptance in a faculty seminar. Damage limitation, by contrast, is instinctive—the idea of defending oneself is easy to grasp.

But, above all, is it not possible to return to the simplicity of the idea that nuclear arms should be controlled? Wohlstetter has remarked of SALT that it is a problem posing as a solution. Part of the problem has been the attachment of the process of negotiation to the specific assumptions of a strategic doctrine that only one side entertained. Yet a further problem has arisen from the unreal notion that there is somehow a distinction between "strategic" nuclear weapons and other kinds. The Pershing II missile, which the United States would like NATO to deploy in Western Europe, is as much a strategic weapon as far as Britain and Holland are concerned as is the Trident in the United States. Almost the best case for SALT II is that SALT III could engage the whole panoply of nation-busting nuclear arms. The United States and the Soviet Union today have far too many nuclear weapons. They ought not to have any. Yet while the other does, both will. But need we have more and more? Need we sign treaties to legitimate an arms race that neither side might be willing shamelessly to go forward with unilaterally?

An agreement on principles accompanying SALT II asserts that it is the intention of the parties to achieve in SALT III what are called "significant and substantial reductions in the numbers of strategic offensive arms." But already the Carter Administration—this strangely ambivalent Administration whose pronouncements Senator Charles McC. Mathias, Jr., has described as "an antiphonal chorus of hawk and dove"—has been warning us not to expect anything of the sort. Gelb, in his Foreign Policy article, noting that "many people insist that only through reductions can one achieve 'real arms control,'" warned against "a fascination with reductions." Not many weeks after the article appeared, this became a distinct Administration line. When the Foreign Relations Committee began in mid-October to "mark up" the SALT II treaty, "highly placed" sources were all over Capitol Hill warning against the very thought that SALT III might produce arms reductions. Vernon A. Guidry, Jr., reported in the Washington Star:

One key SALT analyst still in government, who did not want to be named, says any new treaty will have to include reductions because they have come "to represent strategic seriousness."

But as for making "deep cuts" the test of any new agreement, he says, "we've got to get our arms control constituency thinking in a more sophisticated and mature way about these things."

Gelb and other analysts point to the need to look more closely at elements within the over-all total of strategic weapons, such as agreements that would help keep missile submarines safe.

Within government, thorough examination of these questions has only recently begun. There is no expectation of breakthrough negotiations next time. "The next SALT agreement will indeed be modest," said one knowledgeable Pentagon official.

Is it truly not possible to propose to the Soviets that some reductions be negotiated forthwith? So that the world, ourselves included, will know that the time is coming when the strength of our respective forces will at last begin to decline? And if the Russians refuse then at least we will know what we are in for.

A Senator can take refuge in what the body calls the "pending business." And that is the SALT II treaty. The debate over its ratification ought to be an opportunity for the illumination of our situation, an opportunity to examine the quality of the ideas that have brought us to our present pass. On August 1st, I proposed an amendment to the treaty in the hope that it might prove clarifying. I have taken the language about "significant and substantial reductions in the numbers of strategic offensive arms" from the Joint Statement of Principles and Basic Guidelines for Subsequent Negotiations which accompanies the treaty and inserted it as the last paragraph of the treaty and specified that unless such reductions are agreed to by December 31, 1981, the treaty terminates.

This date corresponds to the period of a protocol accompanying the treaty which prohibits either side from deploying mobile ICBM launchers—an MX, for instance—or deploying sea-launched or ground-launched cruise missiles with a range in excess of six hundred kilometres, of the sort we now comtemplate placing in Western Europe. The Joint Statement of Principles provides that these issues will be discussed in SALT III. But on October 26th President Carter assured Senate Majority Leader Robert C. Byrd that he was utterly and irrevocably committed to going forward with both the MX and the cruise missiles and would never bargain them away in return for Soviet reductions. And so it has come to this. Determined above all else to win Senate approval for a treaty with arms limitation in the title, a President pledges himself never to limit arms but rather to raise them to unprecedented levels. This, of course, will mean the collapse of SALT III—unless we agree now that by a time certain in the near future actual reduction will be agreed to. This is to say, before the MX momentum is so great that the Russians shift into a yet higher gear in order to outrace us, while we become ever more panicky as the realization spreads that two decades of deterrence have left us desperately exposed to Soviet threat.

I expect all manner of criticism of my particular initiative. It will be argued, by defenders of the SALT process, that two years is too short a time to complete the task. I will be told that wisdom dictates that the pace of arms-reduction negotiations not be forced. Yet one wonders whether such objections by defenders of the process do not indict that very process—by pointing out the futility of trying to make it do what it is supposed to. I will be reminded that the Soviets resisted the proposals for armed reductions offered by Secretary Vance in March of 1977. If they would not agree even to discuss them in 1977, why should they do so now? I believe this question needs to be answered, and as soon as reasonably possible. I think it best that the SALT II treaty itself oblige the Soviets to give us their answer—one way or the other—so that we are no longer able to delude ourselves about our prospects.

We did delude ourselves after SALT I. An amendment by Senator Alan Cranston to the Joint Resolution of Congress that endorsed the Interim Agreement called on the President at the earliest practicable moment to begin "Strategic Arms Reduction Talks (SART)" with the Soviet Union, the People's Republic of China, and other countries. In a prescient speech on the Senate floor on September 14, 1972, Cranston said:

As I look ahead, I see what looks like endless series of escalators broken only by occasional landings which lead in turn to other escalators. A partial limitations will be followed by a new build-up, which may in turn be limited by a new freeze and superseded by new and sophisticated forms of escalation. And so it will go.

An amendment by Senator Edward S. Brooke declared:

Congress considers that the success of the interim agreement and the attainment of more permanent and comprehensive agreements are dependent upon the preservation of longstanding United States policy that neither the Soviet Union nor the United States should seek unilateral advantage by developing a first-strike potential.

Clearly, neither expression of congressional intent and desire had the least effect on the outcome of SALT II.

But have we ever probed deeply into Soviet feelings on this matter? We have never asked them to face, directly, the intellectual dilemma of an arms-limitation negotiation that produces arms expansion. Or is this what the Soviets have wanted all along? Surely, they have prospered militarily and geopolitically during the life of the SALT negotiations. Has that been their purpose? We have nothing whatever to lose if we try to find out. At the least, I have been convinced that the SALT process is not self-corrective, and that, accordingly, the energy necessary to change its present direction must be generated from outside the SALT process. It is a process grown unreal, producing results opposite to those intended but thereupon defended as valuable in their own right. Gibbon has been described as detecting a "leakage of reality" in the late Roman Empire. There was a Pope then, and it didn't help, and it may not help that there is one still. But John Paul II certainly had a point when he said, at the United Nations, that the nuclear buildup shows there is "a desire to be ready for war, and being ready means being able to start it."

Mr. MOYNIHAN. Mr. President, I hope this debate will continue.

I will be happy to respond to a question or yield. Senator PRESSLER is waiting, but I would be happy to respond to any question you might have.

Mr. SARBANES. Mr. President, I simply wanted to commend the Senator from New York for his comments. I think, as he has said, this is a watershed decision that is before this body and before the Congress and before the country. It is one of those decisions which I think in years to come, if it is not made wisely, people will look back and say it was at that point that we started down the wrong path that has now got us into even greater troubles and greater difficulties.

We took such a decision, I think on MIRV a number of years age. And some of the very people who then pushed MIRV the hardest are today saying that that was a mistake and that the entire effort to bring the nuclear arms race under some rational control is greatly impeded by the MIRV'ing decision.

I think this decision here involves much the same sort of consideration. That is why I think this debate is so important. We may be moving the Nation and indeed the world down a

path which greatly heightens insecurity and instability, much to the regret of all of us, when we will have had a chance to take another look at this matter.

Mr. MOYNIHAN. I much agree. I only pray, I say to the Senator from Maryland—and on your knees you can pray on this subject, let me say—I only pray when the time comes this proves to have been a mistake that there is a world around to take note of it, because that is what is at issue.

Mr. President, I thank the gracious patience of the Chair, and I thank Senator PRESSLER for his forbearance. I yield the floor.

Mr. MELCHER. Mr. President, might I ask the able chairman of the Armed Services Committee if he objects to bringing up an amendment at this time? I do not know the situation with Senator PRESSLER.

Mr. TOWER. We had a discussion with Senator BRADLEY. He has to leave at 3 o'clock, and he had an amendment he wanted to bring up. He is not on the floor, so there is nobody here to protect his sequencing here.

As I say, the sequencing is entirely informal. It is not binding on anybody. But let me ask the Senator to withhold as a courtesy to Senator BRADLEY.

Mr. MELCHER. I do not mind withholding at all

Mr. President, perhaps it would be agreeable to the chairman of the Armed Services Committee if we got unanimous consent perhaps for, first of all, Senator BRADLEY, then maybe Senator PRESSLER needs to go after Senator BRADLEY, and, if so, I would like to go after Senator PRESSLER.

Mr. TOWER. Why do we not get Senator BRADLEY up first and then go to the Senator from Montana?

Mr. PRESSLER. Will my friend yield to me?

Mr. MELCHER. Mr. President, the reason I am seeking to accommodate my colleagues is they may have time constraints. I also have some time constraints. I would just like to have some understanding of when I might seek recognition and be recognized for the purpose of offering an amendment.

Mr. PRESSLER. Mr. President, will my colleague yield? I am very much in the same boat. I have two amendments. I am not trying to put other Senators off, but I have been waiting for 2 days. I would like some indication of when I may be able to bring them up. I do respect the chairman's efforts to organize things, but if we can get some indiction, I am ready to go and mine are fairly brief. I would like 5 minutes, equally divided.

Mr. TOWER. Mr. President, the Senator from Montana was on his feet and Senator BRADLEY is not here prepared to offer his amendment.

Mr. MELCHER. Mr. President, I yield to the Senator from South Dakota. I know he was seeking recognition for as long as I was.

Several Senators addressed the Chair.

The PRESIDING OFFICER. does the Senator from Montana yield?

Mr. MELCHER. I yield to the Senator from Colorado and then to the Senator from Massachusetts.

Mr. HART. Mr. President, I wish to call attention to other Senators that Senator TSONGAS has been over here at his desk for several hours.

Mr. TOWER. Mr. President, as far as I am concerned, we will be glad to consider his amendment, but it was my understanding he was not prepared to do it.

Mr. TSONGAS. Mr. President, I would like to arrange to be put in sequence behind Senator BRADLEY, Senator PRESSLER, and Senator MELCHER, however that happens to be resolved.

Mr. TOWER. We would be delighted to accommodate the Senator. As the Senator knows, we were prepared to consider his amendment earlier.

Mr. TSONGAS. I have no problem with the chairman in that regard.

Mr. MELCHER. Mr. President, I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 1509

(Purpose: To restore operations and maintenance funds for the Army and Air National Guard)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER for himself and Mr. BAUCUS) proposes an amendment numbered 1509.

Mr. PRESSLER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 27, line 1, delete "$1,808,900,000" and insert in lieu thereof "$1,824,700,000".

On page 26, line 25, delete "$1,126,400,000" and insert in lieu thereof "$1,135,000,000".

Mr. PRESSLER. This amendment restores operation and maintenance funds cut by the Armed Services Committee for the Army and Air National Guard. The total sum involved is $24.4 million. This is a small amount, but it will go a long way in maintaining the effectiveness and readiness of the Army and Air National Guard.

I believe we should support the administration's request for the Guard. We spend billions on sophisticated new technology weapons which often do not work. It makes no sense to cut funds from operations and maintenance because these funds are necessary to repair equipment and keep it in readiness. They are also used to provide the fuel and other operational needs without which the Guard could not maintain a high state of readiness for potential combat.

The National Guard is an essential component of our national security system. In the case of the Air National Guard and Reserve forces, they comprise a high percentage of our total air power. The Air National Guard alone provides 30 percent of the total force structure for the U.S. Air Force. The Air Guard also provides 50 percent of the Air Force's electronic installation capability, 75 percent of the personnel and 70 percent of the equipment in combat communications and air traffic control and services.

The Army National Guard and Reserve contribution to our national defense is best summarized in a statement by Secretary of the Army John O. Marsh in testimony before the Armed Services Committee. I quote from his testimony:

When we realize that approximately two-thirds of the Army's logistics support units and nearly half of our total combat units are in the reserve components, the need to maintain these units in a high state of readiness becomes apparent . . . .

The Army National Guard makes up over 50 percent of all Army infantry battalions and a high percentage of other Army units. Together, the Army National Guard units and Army Reserve contribute over 50 percent of the deployable U.S. Army. It is essential that these units be able to do their job well, if the credibility and capability of our conventional defense forces are to be maintained.

One of our best protections against aggression is a strong conventional defense. Should war occur, a strong conventional force is our best assurance that war will not escalate into a nuclear confrontation. Both we and or allies agree on this point.

I have long opposed sending an excessive number of our troops overseas on a permanent basis. This costs too much money, undermines our balance of payments, and could lead to our involvement in wars in which we would prefer not to be involved. A strong National Guard based in the continental United States is one solution to this dilemma. Moreover, it costs far less to maintain these forces at home.

It is false economy to deprive the National Guard of the resources it needs for operations and maintenance to maintain a high degree of readiness. Unfortunately, O&M has long been the easiest target for defense cuts. Dollars for O&M are always the orphans of our defense program. There is little glamour in aircraft repair, spare parts, fuel stocks, and munitions. But without sufficient spare

parts, munitions, and fuel stocks, our sophisticated weapons systems are worthless and unable to perform the missions for which they are designed.

We have all heard the stories of tanks in the shop and aircraft turned into "hangar queens" by the lack of a single, inexpensive part. Why waste billions building expensive and exotic hardware if we are unwilling to spend the small sums required to keep that hardware working?

In conclusion, Mr. President, this modest amendment costing $24.4 million will restore the operations and maintenance authorization required to maintain a well-trained and ready National Guard.

It restores this modest but important amount to the level requested by the administration. I urge my colleagues to support my amendment and hope that the managers of the bill will see fit to accept it.

May I also say, Mr. President, that the Armed Services Committee has made an important contribution to the National Guard by including $912 million for equipment for the Army and Air components. I commend the chairman of the committee and other members of the committee for having added this amount. Equipment needs must also be increased if we are to maintain a fully deployable National Guard.

As a matter of personal pride, I would like to point out that South Dakota has some of the leading National Guard units in the Nation. In fact, the Parkston-Tripp National Guard unit was recognized in May of this year as the best engineer company National Guard unit in the United States.

The South Dakota Air National Guard's 114th Tactical Fighter Group based at Joe Foss Field in Sioux Falls, S. Dak., also has won important national awards in recent years.

The 4,000 Army National Guardsmen and 830 Air National Guardsmen in South Dakota are strongly supported by the people of our State. They also are supported by substantial appropriations from our State budget. My purpose here today is to contribute a small, additional amount of support so that the South Dakota National Guard and the National Guard units throughout our Nation might better manage to do the important job for which they have volunteered.

The South Dakota Guard often operates with poor equipment and in buildings which require more repair than existing budgets permit. The least we can do is provide more authority for maintenance money to prolong the useful life and serviceability of Guard equipment and buildings.

Mr. President, there are a number of figures that I could go through. I will not do so, in the interest of time.

I thank the Senator from Montana for yielding to me.

Mr. MELCHER. Will the Senator yield?

Mr. PRESSLER. Yes, I yield.

Mr. MELCHER. My first amendment did not deal with this particular subject matter, but the second amendment I was going to offer did deal with this subject matter, the maintenance funds for the National Guard.

I might point out that all the Reserves have requested some $84 million in additional funds that the committee did not agree to in this proposed bill.

I think there is a real need for the funds they requested. I find myself now in a dilemma because I do not want to in any way hurt the chances of this amendment; however, I do not think it is enough.

Mr. PRESSLER. I agree.

Before we proceed, I do ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PRESSLER. I would say to my colleague from Montana that I agree a higher sum would be desirable. We arrived at this figure after an analysis in our office. It is a compromise figure between what they requested and what the Armed Services Committee reported. There are great needs in this area, and my amendment recognizes that fact.

I believe the Senator from Montana has made a good point. We had hoped that this figure was low enough that it would be accepted by the committee, but that apparently is not the case.

Mr. TOWER. Will the Senator yield?

Mr. PRESSLER. The amount that I am requesting equals the administration request and is less than that recommended by the House committee.

Yes, I yield.

Mr. TOWER. Actually, let me tell the Senator from South Dakota that we fully funded the administration's request of about $12 billion and added almost $1 billion on our own. We added $917.8 million.

Mr. PRESSLER. That is not true in operations and maintenance.

Mr. TOWER. What the Senator from South Dakota is doing is taking advantage of pricing changes. But what he is also doing is compounding our outlay problem, because although we are substantially under budget and budgetary authority, we are slightly over on outlays. As the Senator from South Dakota knows, that money spends out faster.

I would hope that the Senator from South Dakota would not press this amendment. We have not had add-ons to this bill and I hope we would not start now because it would open a Pandora's box.

Everybody believes strongly in the Guard and Reserve. Certainly I do. I would say that our committee has, over the years, taken the initiative for the Guard and the Reserve. But I would have to move to table this amendment because it is indeed an add-on. It does compound our problem. It is not needed. In the committee we have already calculated the need and added substantial funds for the Guard and the Reserve.

The Guard would always like to have more money. They are politically very powerful. I know it is very popular for Senators to espouse their cause on the floor. But we have already done so in our committee. I would say this amendment is superfluous.

Mr. PRESSLER. The reason we chose the figure of $24.4 million is that it would equal the administration's request in operation and maintenance funds. That is the reason that figure was chosen.

I agree with my colleague from Montana that we would not want to undercut this sum any further. That is where the figure of $24.4 million came from. I would agree with him that if it could be higher, it would be a desirable thing, although it would be a struggle at this level.

We must remember that maintenance and operation are very important. When there are planes and military equipment sitting in hangars for the lack of a single inexpensive part, we are then wasting millions on exotic, idle hardware. There is little glamour in some of these operations and maintenance items. They are not the kinds of items that make headlines. But they are the kinds of items that actually save money. I would say that adding on this small amount of $24.4 million will save money because it will provide the National Guard with repair capabilities and with other appropriate operation and maintenance capabilities. It is a frequently overlooked detail, but nevertheless it is very important. I hope that the Senate will adopt this amendment.

I yield the floor.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, referring to the previous colloquy with the Senator from South Dakota, recently the Senator from Montana was visiting the northeast corner of the State at a town meeting when a 20-year veteran of the Army and the National Guard asked if I could just take a moment or two to consider the plight that he found to be the case in his unit of the National Guard, where too often the tanks that they train with were breaking down and could not be repaired in the field. Hence, the maneuvers were pretty much inhibited in the effectiveness of the training.

When you talk about tanks and having a problem and breaking down in the field, you immediately think of the new tank, which I knew could not be the case with the National Guard.

I said, "Do you mean that the tanks that you are using are so complicated that there is no repair in the field?"

He said, "That is right. When they break down now, we do not know how to fix them; we do not know how to keep them running."

Well, the little maneuvers that they have in Montana are pretty simplistic compared to the necessity of using tanks in warfare. The case might be made that National Guard training in tanks in Montana is not significant and what we would be engaged in in warfare, because we do not anticipate any battle in Montana. We would anticipate, if we had to use tanks in warfare, that it would be somewhere else with modern tanks, with the Regular Army. Nevertheless, the National Guard has proven itself when we have had to be in war, as have our other reserves, and the training they have had and the ability that they have is soon thrown right into the breach of battle.

Sometime ago, the chairman of the Committee on Armed Services, very respectfully and, I thought, right to the point, sent each of us a letter saying, "If you do not like how much money is being spent on the Armed Forces, what base or what defense establishment or weapons system or other equipment for our forces would you recommend be curtailed or closed in your State?"

That is right to the point. We do not have much in Montana to curtail or close. We have Malmstrom, a very fine Air Force base, and we have our Reserves, including the National Guard. We need both. There is nothing to close in Montana; there is nothing to curtail in Montana. But what has been curtailed is the little bit we have there.

We do not have much for the Army National Guard; we do not have much for the Air National Guard. We have Air National Guard at Great Falls, Mont. Those interceptors are there for a purpose. They are on the ready line, they are on constant alert for our defense.

We talk about the threats of a conventional war in terms of air attack, the possibility of the Russian Backfire bomber being able to attack the United States, being refueled in flight, or perhaps may have the capability of attacking the United States without being refueled in flight, providing that there would be a mission where the aircraft would not be expected to come down. Our defense for that happens to be very skimpy, part of which is the Air National Guard at Great Falls, Mont. We have those two or three F-106's on the ready line and half a dozen more backing them up; that is part of our interceptors for the air defense of the continental United States. I suspect maybe our good allies to the North, the Canadians, have one or two or three planes somewhere in the region north of us, sitting on the ready line. They are also part of our mutual air defense.

That Air National Guard is no small rinkydink outfit. That Air National Guard is a well-trained interceptor squadron that knows what it is all about, with good pilots and good maintenance, as best they can.

We do not have the aircraft we would like to have available for those Air National Guardsmen, those pilots. Before the decade is out, I think we shall have a much improved capability there. But when we are talking about first line of defense, we are talking about that Air National Guard at Great Falls and other points throughout the United States. They find themselves very much hard pressed to keep those airplanes on the ready line. I think the request for the funds to do so is what the defense of this country needs.

Mr. President, I realize the importance of what the chairman of the Committee on Armed Services has just said. He has met the request of the White House, met the request of perhaps even the Pentagon. But he has not met the request of either the Army National Guard or the Air National Guard or other components of our Reserve military system. What the Senator from South Dakota is attempting to do with a very modest amendment is improve it. I personally have, as I have stated, an amendment that goes beyond that and meets a request made by the Air National Guard and also would add on some $24 million for the Army maintenance depot.

It would help those people in the Army National Guard to have better operating equipment so that when they go on maneuvers, their training is more effective, more efficient, and more meaningful.

Mr. President, while I understand the reluctance of the chairman, I do not think he has to be correct in this case. I do not think that reluctance is justified. I think our first priority should be the readiness capability with these people serving us in the Reserves and the National Guard, including the Air National Guard, so that, when called upon, they will be well trained, with equipment that works; in the case of the Air National Guard, that they are given the capability, as best we can until we get more modern weapons, to keep those they do have in good repair and good standing for the defense of this country and, by the way, this hemisphere.

I ask unanimous consent for the Senator from South Dakota to add me as a cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, first let me set the record straight. The Senator from Montana suggests that we have done nothing about the National Guard in the committee. In fact, we have added some $24 million to some almost $13 billion we had already put in. This is a drop in the bucket.

Let me state something else. I do not want to put this in the RECORD, because it would be a pretty heavy RECORD; this is an itemization of all the new equipment that is going into the Guard—new equipment, not old stuff. That is what is needed, to replace the old, obsolete equipment.

Now, let me say the Senator from Texas takes a back seat to nobody in support of the Guard and Reserve. I happen to be a reservist myself. The fact is that they were fully funded. What is being added back is a real-term increase because, in fact, what the Senator from South Dakota has done is taken some purchase-cost savings that were calculated. Everything we did, we permitted to buy the same thing the administration requested. This is clearly an add-on and creates a little more of an outlay problem because it is fast spendout. It is not required. It is adding onto $917 million that the committee has already added.

Mr. PRESSLER. Will my colleague yield?

Mr. TOWER. To suggest that the committee has been idle, I think, really is to impugn such gallant gentlemen as Senator STENNIS and Senator THURMOND, who have always taken the initiative in our committee in adding money for the Guard and Reserve, which is what our committee always does. We do it very carefully and after close study of what the requirements are. I do not believe we should add any more on the floor today.

Mr. MELCHER. Will the chairman yield?

Mr. TOWER. I am not prepared to yield right now, because I want to find out first how much longer the Senators want to talk about this.

Senator BRADLEY is waiting patiently to offer his amendment. There are other amendments to be offered. I would be delighted to yield for a question.

Mr. MELCHER. Yes; the chairman is not, of course, refuting pages 184 and 185 of the committee report where it says that the reduction for the operation and maintenance of the Army National Guard was $8.6 million from the request and for the Air National Guard the reduction was for $15 million?

Mr. TOWER. This was a change due to changed purchase cost assumptions. It meant that they would buy no less. We authorized the same purchasing

power. So what you are doing is adding additional money over and above what was requested.

Mr. MELCHER. Would the chairman further yield? My question was, the chairman does not dispute the accuracy of the report on pages 184 and 185 where it says for the operation and maintenance of the Army National Guard the committee recommends a reduction of $8.6 million——

Mr. TOWER. Because of pricing change, I say to the Senator, because it turns out that things are not going to cost as much as originally calculated when the original request was made.

I yield to the Senator from Nebraska.

Mr. EXON. Mr. President, let us put this in perspective if we can. The chairman of the Armed Services Committee has stated very clearly that the Armed Service Committee through the actions of many of us, who at one time or another were commanders of our own National Guard, have a high concern and recognize far better, I suspect, than the people who do not serve on the Armed Services Committee and who have not had that experience, we have treated the Guard and the Reserve fairly.

I would point out to my colleagues that just yesterday the chairman of the Manpower Subcommittee, Senator JEPSEN, now the Presiding Officer of the Senate, and this Senator cosponsored an amendment to give the Guard and the Reserve some special consideration in the Pentagon. Many of us on the Armed Services Committee including the chairman and others recognize the key role that the Guard and the Reserve play. So I hope that we do not have to recite that. Those of us on the Armed Services Committee know far better about that than the other Members of the Senate.

To try to answer the legitimate question that was just raised by the Senator from Montana that the Senator from Texas attempted to answer, the reductions are no more than pricing and accounting adjustments. They are not deductions.

Mr. TOWER. The Senator is absolutely correct.

Mr. EXON. They are the result of the revised inflation rate, lower than anticipated for fuel prices and the denial of a new method of purchasing consumable items from the stock fund.

As justified as more money might be for both the Guard and the Reserve and other components of our overall arms strength in this Nation, if we start adding on a bit here and a bit there, we are going to open up Pandora's box. We are going to be far over the limit of the 5-percent increase after inflation that the Congress has mandated that we not go beyond.

Last and not least, if the amendment offered by the Senator from South Dakota passes, it deals only with the National Guard, not the Reserve. I would bet the farmstead that if this passes, the Reserve would be in for an add-on likewise in their account. Therefore, while I agree that we need more strengthening of the Guard and Reserve, I think we have adequately and fairly treated them in the Armed Services Committee, and I think this amendment should be defeated.

Mr. TOWER. Let me ask the Senator from Nebraska, who is a valued member of the committee and the ranking member of the appropriate subcommittee, did we not add 9,000 to the Reserve component end strengths in the bill?

Mr. EXON. Yes; we wished we could have added more, but there is a limit.

Mr. TOWER. Mr. President, I move to table the amendment——

Mr. NUNN. Will the Senator yield briefly?

Mr. TOWER. I yield to the Senator from Georgia.

Mr. NUNN. I agree with what the Senator from Texas has said. This year we have probably taken more initiatives on behalf of the Guard and Reserve than any other year since I have been in the Senate. We have had an enormous amount of initiatives taken both in the operations and manpower budget. I am in sympathy with the amendment of my colleagues. I know exactly what they are trying to do, but I do believe in this particular area we have done about as much as the committee can do considering the overall budget restraints.

Mr. LEVIN. Would the Senator yield for a question?

Mr. TOWER. I yield.

Mr. LEVIN. As my friend from South Dakota knows, on this floor I have been a very staunch supporter of readiness and defending readiness for many reasons, but being a member of the Preparedness Subcommittee I think I can assure the Senate that this is not a cut in program. These are pricing adjustments which were made. If we were going to ignore these pricing adjustments, we would have to do the same in all the other operation and maintenance accounts.

So as much as I am a supporter of readiness and the Guard, I must say I do not think it is appropriate for now to be ignoring these price adjustments which were made everywhere else and which are dictated by the actual costs that we face out there. I think we have to revise our pricing estimates in order to reflect the new reality. That is what our subcommittee did. I am the ranking member on this Preparedness Subcommittee. I know that Senator HUMPHREY as chairman of this subcommittee is extremely sensitive to these needs as well. All of us on the Armed Services Committee, I believe, are staunchly supportive of the Guard, but these cuts are pricing adjustments. They are not program cuts. As a result, the amendment should be tabled. I say that with some regret because I am one who has staunchly defended increases in readiness funds and increases for the Guard, and I would be supporting my chairman's motion to table the amendment.

Mr. TOWER. I thank the Senator from Michigan. Let me yield to the sponsor of the amendment.

Mr. PRESSLER. I shall be very brief, in the interest of time.

The Senate Armed Services Committee, as I understand it, reduced the Air National Guard's fiscal 1984 O&M budget request by $15.8 million. They reduced the Army National Guard O&M request by $8.6 million. We must remember that this operation and maintenance money—and I have met with many National Guard people—is extremely important. We are spending all this money on exotic items, new weapons, and so forth, and we have equipment sitting in hangars and equipment that is not repaired. Operations and maintenance are not a glamorous subject. I have nearly three pages of unmet needs—from depot maintenance to cold weather equipment, wide-bodied heavy airlift aircraft repairs, civilian end strength reduction, and so forth, but I will not go through all of them in the interest of time and I yield back my time.

Mr. TOWER. Let me say to the Senator from South Dakota that this is not being cut. It is an adjustment in pricing. In other words, they get the same thing that they would have gotten in the original request. It is just a little bit cheaper.

I want to reinforce what the Senator from Michigan has said, and that is if we go back through all of these pricing adjustments in the bill, if everyone comes in with an amendment to add that much back into the bill, this bill is going to grow by enormous proportions and we are going to run into some serious outlay problems.

Mr. President, I move to table the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. The question is on the motion to table.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays on that.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LEVIN (after having voted in the affirmative). Mr. President, on this vote I have a pair with the senior Senator from Oklahoma (Mr. BOREN). If he were present and voting, he would vote "nay." If I were at liberty

to vote, I would vote "yea." I withdraw my vote.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 47, nays 35, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—47

Baker	Gorton	Nickles
Bentsen	Grassley	Nunn
Bingaman	Hatch	Proxmire
Bradley	Hecht	Quayle
Chafee	Heinz	Riegle
Chiles	Jackson	Roth
Cochran	Jepsen	Rudman
Cohen	Johnston	Simpson
Danforth	Lautenberg	Specter
Denton	Laxalt	Stafford
Dixon	Lugar	Stennis
Domenici	Mathias	Tower
East	Mattingly	Trible
Exon	Metzenbaum	Wallop
Garn	Moynihan	Wilson
Glenn	Murkowski	

NAYS—35

Abdnor	Hart	Packwood
Baucus	Hatfield	Pell
Biden	Hawkins	Pressler
Boschwitz	Helms	Randolph
Burdick	Huddleston	Sarbanes
Byrd	Inouye	Sasser
D'Amato	Kassebaum	Stevens
DeConcini	Kasten	Thurmond
Dodd	Leahy	Tsongas
Dole	Matsunaga	Warner
Durenberger	Melcher	Weicker
Ford	Mitchell	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Levin, for.

NOT VOTING—17

Andrews	Goldwater	McClure
Armstrong	Heflin	Percy
Boren	Hollings	Pryor
Bumpers	Humphrey	Symms
Cranston	Kennedy	Zorinsky
Eagleton	Long	

So the motion to table Mr. PRESSLER's amendment (No. 1509) was agreed to.

Mr. TOWER. Mr. President, for the information of Senators we expect perhaps two more record votes this afternoon, that is two more by the hour of 5 o'clock, unless the majority leader decides in his infinite wisdom that we ought to stick around longer.

Senator BRADLEY is on the floor and prepared to offer an amendment on the student draft.

The PRESIDING OFFICER. The Senator from New Jersey.

AMENDMENT NO. 1510

(Purpose: To change the method by which it is determined whether students who receive certain educational assistance have complied with the registration requirements of the Military Selective Service Act)

Mr. BRADLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Jersey (Mr. BRADLEY) proposes an amendment numbered 1510.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BRADLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

ENFORCEMENT OF THE MILITARY SELECTIVE SERVICE ACT AND EDUCATIONAL ASSISTANCE

SEC. . Section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) is amended—

(1) in paragraph (1), by inserting before the period "effective on and after the date of the determination of the ineligibility of such person under paragraph (2)";

(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Each institution of higher education shall furnish to the Secretary of Education a list of students enrolled or accepted for enrollment at that institution who are receiving any form of assistance or benefit under title IV of the Higher Education Act of 1965. The Secretary of Education, in consultation with the Director of Selective Service, shall determine whether any student whose name appears on a list furnished under the preceding sentence is a student to whom paragraph (1) applies and shall, pursuant to paragraph (4), deny assistance or benefits under title IV of the Higher Education Act of 1965 to each such student, unless that student shows proof of registration."; and

(3) by redesignating paragraph (4) as paragraph (3).

Mr. BRADLEY. Mr. President, I do not know if I heard correctly when the distinguished chairman of the Armed Services Committee said this was an amendment concerning student prayer. It is not an amendment concerning student prayer.

Mr. TOWER. I said draft. I should have said registration.

Mr. BRADLEY. Mr. President, the amendment I am offering modifies current law which ties the availability of Federal student aid to draft registration. My intent is not to repeal the law but instead to restore a measure of fairness to the law.

The amendment makes the following changes in current law. First, the requirement that all students must attest or show proof of registering is eliminated.

Second, the Department of Education is required, in conjunction with the Selective Service, to cross-check names to determine which students are in noncompliance.

Third, that in cases of noncompliance the Department of Education should notify the colleges and terminate aid.

Mr. President, I believe we have the right and, indeed, the responsibility to deny benefits to those who violate the law. But that is not the real question before us. At issue here is how we enforce the law. Do we make people prove that they have paid their taxes before they are eligible for agricultural price supports or SBA loans? Of course not. We rely on the Internal Revenue Service to fully and fairly enforce the tax laws

The same philosophy should apply in this instance. Registration should be enforced by the Federal Government, not by universities or by students who have complied with the law.

It is generally agreed that 98 percent of all the young men required to register for military service have complied with the law. That is an extremely high compliance rate.

It is also generally agreed that most of those who have not registered did not intentionally violate the law.

Given the high rate of compliance and the very small number of willful lawbreakers, I think it is unnecessary and unwise to add to the existing administrative burdens on colleges.

It is unfair to require all students to jump through administrative hoops to prove they are in compliance with the law.

Imagine, if you will the scene that will take place in the next month or so. Millions of students who will come into their college financial aid offices, and under current law students who are registered attest to that fact and a certification is made by the Department of Education.

Between the transmittal of that information to the school and transmittal of that information from the school to the bank, to the millions of students who have applied for students loans, it is conceivable that many students who have registered will wind up having benefits incorrectly denied to them.

Mr. President, I fear that as the law is currently drafted many of these stu-

dents will wind up in an administrative snafu and temporarily lose their college assistance. To what purpose? If there is a serious desire to deny benefits to lawbreakers, then let us simply require the Department of Education and the Selective Service to cross-check by computer the names of those who have received student benefits with the names of those who have registered for the draft. Then action can be taken against those who have not registered. This is similar to what we do in the case of Government employees who are illegally collecting welfare benefits.

Mr. President, in this way we will not jeopardize the students who have complied with the law. We will not place any extra major administrative or legal burdens on the colleges, and we will retain the incentive to comply with draft registration.

I hope my colleagues can support this very simple but important amendment.

Mr. MATTINGLY. Mr. President, I urge the defeat of this amendment. I would like to just give a little history.

On May 13, 1982, one of the renowned experts on education, Senator STAFFORD from Vermont, said, and I quote from his statement in the CONGRESSIONAL RECORD:

> As the student aid programs are presently constituted the Secretary could enforce this amendment—

Referring to the Hayakawa amendment, and now the Solomon amendment—

> Only for Pell grant programs and this could mean only the most disadvantaged students would be covered by the Hayakawa amendment. Enforcement of that amendment for the other student aid programs would require the Secretary to maintain a list of more than 3 million recipients of student aid, an enormous paperwork burden not only for the Secretary, but for student aid officers and private lenders as well.

That was part of the quote from Senator STAFFORD, which I thought was very appropriate.

To bring it up to more current events, in February, on February 23, of this year, Dr. Edward Elmendorf, Assistant Secretary for Postsecondary Education of the U.S. Department of Education, testified, and he made a comment in which he said:

> A number of verification methods were explored during the development of the proposed regulations. A comparison of applicant records and Selective Service registrant records was infeasible, especially in light of the requirement for implementation for the 1983-1984 award year. The Department maintains no central record system for all title IV applicants, and thus the development of a method for matching such data would be extremely costly, time-consuming, and very expensive.

So the Bradley proposal, the Bradley amendment, was addressed by not only a Senator who opposed the Hayakawa-Mattingly amendment back in May 1982, but it was also opposed by the Department of Education itself, as showing it would be too burdensome to even endorse.

The senior Senator from New Jersey referred to the scene that would soon take place in the colleges. I contend if we institute this amendment what would really take place would be chaos where now all the student simply must do is walk in, put a checkmark and signature.

The reasons for opposing this amendment further is that the Bradley amendment would completely change the method that is now in place to implement the current amendment that has passed and that is law. During the past 11 months, the Department of Education has bent over backward to accommodate the concerns of schools and lending institutions.

The implementation mechanism that has been agreed upon requires, as I said earlier, very little of the colleges and universities. It would simply have to make the registration certificates submitted by students available to the Education Department for periodic audits.

Schools are now required to verify the registration certificates filled out by students. They take the student's word for it. The Bradley amendment would require extensive administrative changes.

In other words, the implementation mechanism required by this proposed amendment is the same procedure that was exposed as totally unworkable last year and this year. Schools and the Department of Education do not between them have a comprehensive list of all students requiring all kind of financial assistance. They do not have the records of students receiving loans from lending institutions.

In other words, the immediate effect of accepting the Bradley amendment would be a delay for a lengthy period of time for implementation of the current amendment that is now law for the coming school year. And just 2 days ago, this Senate made it very clear, by a vote of 66 to 29, that it did not want to delay or make any changes. Immediately after that, they had another vote to reaffirm it by a vote of 71 to 23.

I say this proposed amendment would create confusion. to go back over some old ground, with freedom comes responsibility. There has to be an ability to say "no" by this body to evading responsibility. This proposed amendment says that those who do not obey the law can be rewarded by student loans. It is simple. The amendment has been adopted and I think we need not confuse it any further by any further amendment.

Mr. President, I recommend my colleagues reject this amendment.

The PRESIDING OFFICER. Is there further discussion?

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I have only a few more comments and then I would be prepared to go to a vote on this issue.

Let me simply say, as I said earlier, that I believe we not only have the right but the responsibility to deny benefits to those who violate the law. That is not really the question before us. The question is simply, how do we enforce the law?

If we can impose the administrative burden on colleges around this country to individually seek and obtain the signatures, from over 3.5 million college students who receive some kind of aid—recognizing in the words of the Senator from Georgia, that such attestation might have no relevance whatsoever to whether they actually are registered or not because there is no way to check their attestation—would it not be by comparison a small request to ask the colleges to file with the Department of Education all those students who have received student aid so that it can be cross-checked with the Selective Service System. Then we could find those students who have indeed not registered but are receiving student benefits? We could find them not on the basis of their word but through a cross-check with Selective Service.

Mr. President, I would argue that this is an amendment which would make the intent of the Congress, as stated just yesterday on two votes, crystal clear and make the intent, beyond being crystal clear, enforceable in the fullest degree. So I would hope that my colleagues would indeed adopt this amendment.

In summary, what it does is strike the attestation requirement on the part of the student. It requires the Department of Education to collect from the colleges the names of all students receiving Federal student assistance. It requires the Department of Education, in conjunction with the Selective Service, to determine if students are in noncompliance. If the student is in noncompliance, the Department of Education shall notify the college and terminate future Federal assistance unless the student can show proof of registration. That is the amendment.

Mr. DOMENICI. Mr. President, I ask the Senator from New Jersey, what happens if it takes this process 10 or 11 months and, nonetheless, students have applied for the loans? I assume they would have received them. What if they receive them from third party banks and the like? Would loan guarantees be invalid?

Mr. BRADLEY. I would not expect it would take 10 or 11 months. By Sep-

tember 15, according to this law, universities must have obtained a signature attesting to draft registration from all the students who receive aid. If the colleges are expected to do that in the next 2 months it is beyond my comprehension that it would take 10 or 11 months to send the list of student aid recipients to the Department of Education and have it cross-referenced with Selective Service. In many respects compilation and transmittal of a list is less onerous and less complicated for the colleges than individually counseling 3.5 million students and obtaining attestation from each of them.

Mr. DOMENICI. What if it took four, and they already made the bank loans? Are the guarantees invalid once they get the list back?

Mr. BRADLEY. We can leave that aspect of the implementation of this very clear amendment to the Department of Education. I do not think we should get into that great a detail on the floor of the U.S. Senate.

Mr. DOMENICI. That does not help the lender much, if you leave it up to the Department of Education. What if those loans are not going to be guaranteed?

Mr. BRADLEY. If we pass this amendment on the floor of the Senate today, my guess is the Department of Education would be busy tomorrow morning and would be able to promulgate those regulations by the time they receive the list of those students who indeed were receiving student aid at various universities across this country.

Mr. DOMENICI. I thank the Senator.

Mr. MATTINGLY. Mr. President, the Congress creates enough confusion for the American public without having to vote maybe every 48 hours on something that has been passed as law. We voted on it a year ago and passed it and it became law. We voted on it twice the other day. Now we want to vote on it again.

I think it is just totally ridiculous that we can get up here and say that this is going to clear up things. What it is going to do is create confusion. All the students have to do now is go in and sign their name. Next year, documentation is going to be required by students.

The impact of the Bradley amendment would be to delay the enforcement of the current law. That is the crux of this amendment.

I add to that that it should be rejected because it will create confusion in the education area and for the students. I think Congress has created enough confusion on this issue.

Mr. BRADLEY. Mr. President, let me say one final word. I do not view this amendment as in any way delaying the process but rather making more certain the enforcement that those who have not registered are identified and are denied educational benefits in accordance with the very clear statement of the Senate in the last day and last year.

Mr. TOWER. Mr. President, I believe that this would focus on the bureaucratized process in the immediate future and militate against effective enforcement of the Solomon amendment. It is my understanding the distinguished Senator from New York (Mr. MOYNIHAN) is going to bring to the floor as a freestanding amendment a provision to delay the effective date until October 1. That would give Members of the Senate who are interested in a delay an opportunity to vote for that.

I urge Senators to reject this amendment and, therefore, Mr. President, I move to lay on the table the amendment of the Senator from New Jersey.

Mr. THURMOND. Mr. President, I am in opposition to the amendment offered by the distinguished Senator from New Jersey (Mr. BRADLEY).

This amendment puts an undue burden on the Department of Education that will be costly and time consuming. The issue is not whether academic institutions on the Department of Education would be more efficient at supervising compliance with the law.

The issue is the moral and legal obligation of young men to register for the draft. Educational benefits are not a right, they are a benefit and a privilege. Those who defy the law should not receive educational aid on an equal basis with those who comply with the law.

The schools are the most efficient tool for monitoring compliance with the law and that responsibility should remain with them. The argument that schools are being forced to act as policemen is specious. Academic institutions have rules and regulations that students are required to abide by. They also enforce compliance with Federal laws, such as affirmative action.

Mr. President, there has been sufficient debate on this question. I urge my colleagues to reject this amendment.

Mr. BRADLEY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER) to table the amendment of the Senator from New Jersey (Mr. BRADLEY). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 64, nays 19, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—64

Abdnor	Gorton	Nickles
Baker	Grassley	Nunn
Bentsen	Hatch	Packwood
Bingaman	Hatfield	Pressler
Boschwitz	Hawkins	Proxmire
Burdick	Hecht	Quayle
Byrd	Helms	Randolph
Chafee	Huddleston	Riegle
Chiles	Inouye	Roth
Cochran	Jackson	Rudman
Cohen	Jepsen	Simpson
D'Amato	Johnston	Stennis
DeConcini	Kassebaum	Stevens
Denton	Kasten	Thurmond
Dixon	Laxalt	Tower
Dole	Lugar	Trible
Domenici	Mathias	Wallop
East	Mattingly	Warner
Exon	Melcher	Weicker
Ford	Metzenbaum	Wilson
Garn	Moynihan	
Glenn	Murkowski	

NAYS—19

Baucus	Heinz	Sarbanes
Biden	Lautenberg	Sasser
Bradley	Leahy	Specter
Danforth	Levin	Stafford
Dodd	Matsunaga	Tsongas
Durenberger	Mitchell	
Hart	Pell	

NOT VOTING—17

Andrews	Goldwater	McClure
Armstrong	Heflin	Percy
Boren	Hollings	Pryor
Bumpers	Humphrey	Symms
Cranston	Kennedy	Zorinsky
Eagleton	Long	

So the motion to lay on the table amendment No. 1510 was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I believe that we can get in another rollcall vote before the witching hour of 5

p.m. occurs and the majority leader makes us all leave this happy place. The Senator from Massachusetts (Mr. TSONGAS), according to our informed sequence, is slotted in for an amendment, which is a very important amendment, I might add a very controversial amendment, and we would expect that there will be a vote on that amendment.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, there is a need of a correction in this bill having to do with recruitment for the Armed Forces, and a correction that is necessary for morale. I think it makes it a rather important amendment. I have an amendment at the desk and I ask for its immediate consideration.

Mr. TOWER. Mr. President, will the Senator yield? Would the Senator withhold? We had informed everyone that the antisatellite amendment of the Senator from Massachusetts would come next. Would he mind standing aside for the amendment of the Senator from Massachusetts and then let us take up his amendment subsequent to that?

Mr. MELCHER. Mr. President, I am aware of what the chairman is saying. As he recalls, we had the arrangement, rather informally, that we would have Senator PRESSLER and then Senator BRADLEY and myself and Senator TSONGAS. If the Senator from Massachusetts will yield, might I ask him, was it his intention just to lay down the amendment or take it up and hopefully have a vote on it?

Mr. TSONGAS. My understanding was the same as the Senator's. I frankly do not care whether I go today or whether I go on Monday. I would like at least the opportunity to lay it down, however.

Mr. TOWER. May I suggest that I believe we could dispose of the amendment of the Senator from Massachusetts and then slot the Senator from Montana in right behind that.

AMENDMENT NO. 1508

(Purpose: To provide enlisted members in pay grade E-1 with less than 4 months service with the 4 percent pay raise effective April 1, 1984)

Mr. MELCHER. Mr. President, I do not think I want to yield the floor any more. I want to call up my amendment and have it stated. I think we are following an understanding we had this afternoon.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an amendment No. 1508:

On page 66, strike lines 1 through 3 and renumber the remaining sections as required.

Mr. MELCHER. Mr. President, as I said, this amendment deals with recruitment and morale. A few weeks ago when I heard in Montana that the cost-of-living adjustment was going to be granted for everyone in the armed services except for E-1's and E-2's, I was aghast. I just could not believe it. You are going to give the generals, the admirals, the colonels, the captains, all the officers and the noncommissioned officers right down to what everyone used to call private first class and then going to deny them a cost-of-living adjustment. I just could not believe it.

I was at least halfway relieved when I got back to Washington and found out that, no, the Senate Armed Services Committee was not thinking of that. That was the House of Representatives.

Well, I hope they change their mind. I hope the House of Representatives changes its mind on that point at least before election time. I cannot think of anything more unjust or unreasonable, to say everyone is going to get a cost-of-living increase except you on the lower rungs, the very bottom of the armed services, privates and privates first class or the seamen and seamen first class and the airmen and airmen first class.

What did the committee do here? Well, it did a much better job, and I commend the committee. They almost got it right. They almost got that 4 percent—and that is all its is going to be—cost-of-living adjustment for everyone in the armed services with three exceptions. They are going to give one of the ranks of sergeants 6 percent, another rank of the sergeants 5, which is all right. That extra incentive to keep those sergeants in there is all right. We need that. But here is where the committee stumbled just a little bit. It said for 4 months an E-1 was not going to get the cost-of-living adjustment—4 months. Almost there but not quite. Almost there in being consistent, almost there in being reasonable but not quite.

It was thought, as I understand it, these recruits could come in and then they would get a little adjustment after 4 months. I am told that we are now paying these recruits $573. If they got the 4-percent increase along with the rest of them, it would amount to $23, so you would assume there is a big saving of money.

Well, the CBO says the saving of money is somewhere between $13 million and $14 million. By golly, if they can change those computers for all of these E-1's after they have been there 4 months to pick up this $23—remember, come April 1 everyone has to be adjusted on the computers to reflect the 4 percent except those E-1's, those recruits who have not been in 4 months and then when they are in 4 months they are going to add on the 4 percent.

I think it is going to cost more to change the computers after 4 months to catch up with that than it is going to save.

Now, what is it going to do? I know we have recruitment working. I know that the levels that are needed on the basis of the volunteer system are adequate. I happen to be very much in hopes that the volunteer system gives us new people in our Armed Forces and we can avoid a draft. But those who criticize it say, "Well, a draft would be better because we would get people sort of across the whole spectrum of the United States of all classes and all IQ's and what have you." And then they say, "You know, on recruitment, we are not getting the best."

Well, part of this is pay, $573 is where we are at, and that is better than it was a couple years ago, a lot better than it was 3 years ago; we made some adjustments. That is good. But part of it is pay, and monkeying around with this holding off for the E-1's for 4 months is going to go in the wrong direction.

It is sort of backing up. It is going to take effect April 1. This is all going to take effect April 1. This is the middle of July.

We hope we have some economic recovery; and if we have economic recovery coming along, then the competition for recruitment might be a little more difficult, because other jobs might be available. For those who say we really ought to have the draft so that we will get a little better cross-section of America in the Armed Forces, we are going to be a little poorer on that angle, come April 1, than we are right now.

I happened to have served in an infantry platoon in World War II. I went in, of course, a private. That is an E-1. I came out a private, first class. That, of course, is an E-2. That does not make a whole lot of difference in an infantry platoon or an infantry company—then or now. There is not much difference as to what your rank is in an infantry company. I can tell you that from experience. You are all going to be shot at, and you are all going to be shooting. It is almost all small arms.

The biggest criterion with respect to being a good infantryman is how good your feet are. I had good feet, so I was a good infantryman.

We are all one group in a platoon or infantry company. We all depend on each other. It did not make any difference whether you were a sergeant or an officer. It did not make a whole lot of difference. We all had a mutual problem. We had the mutual problem of whether you are going to survive or not in battle.

We were practically all what we call now P-1, P-2, and P-3; private and private first class. We were in the big majority.

That is one of the reasons why I hope the House sees fit to change its mind about their attitude on this—not only out of fairness but also out of some recognition that the House does have some political savvy and knows what the citizens of this country expect from them.

We were in the majority in the infantry company, for sure, those of us in that rank, and we did not feel bad about that. I served in the 76th Division, Patton's 3d Army. We were in Belgium, Luxembourg, and Germany. In that Army, because of Patton, I can vouch that there was a great deal of discipline.

I was over there in Luxembourg in the winter, in January and February, and the order came down: "Any of you people that are not wearing ties, you better get them on." Ties. Sitting there in a foxhole, you are supposed to wear a tie. Well, we all wore ties. That was discipline.

We also found out that it would be commonsense. If you have a tie on, you are warmer. It holds the collar tighter around your neck. So Patton's point was a good one, not just for discipline. It had a good practical approach, too.

I might say about Patton that his success was due to timing and agressiveness, attack. He was a very successful general. I have seen the show "Patton," I think, about three times, and maybe you have, too. If you think that that characterization of Patton by the actor was incorrect, you had better forget it. That is the way he was.

You will recall that in one of those scenes he said, in speaking to his officers:

> The reason you people are good fighting people, leading good fighting people below you, is because you all understand one thing, that this is war. And on the battlefield, you know, and the people you are leading all know, that you are either going to kill or that other "bleep" is going to kill you.

I want to get back to this point. We are not at war now. I hope we never are. I am thinking just of the infantry in the Army. But it is absolutely essential that we have morale. You do not get discipline just because you issue the order. You get discipline and aggressiveness and teamwork because there is morale. I do not know about the Navy. I think it is the same. I do not know about the Air Force, but I think it is the same.

So here we have just a little portion in this bill that deals with morale.

You might say, "Well, what is the difference? You are going to get it in 4 months." There is a difference; because if there is something in this Senate-passed bill that is incomplete and the House bill remains the same, you are going to be doing something in conference—those of you who are going to be in that conference—somewhere in between, we assume.

So I am saying that the logical position for the Senate to take is a practical approach and apply the 4 percent to everybody at the same time, with the exception of those two grades-sergeants, I call them. There is a different term, perhaps. It is with the exception of two grades in which we know there has been a compression.

I am speaking about a morale problem that holds over. I am speaking about only $13 million, which probably will not be a saving. The saving probably will be lost because of the computer time and the arrangements that will have to be made in making the payroll shifts all the way down the line to the company level where those payroll sheets are kept.

We are going to have the proper recognition of whom we depend upon to do the work. I am speaking principally for these E-1's and E-2's and what I call private and private first class. Private first class would fall in E-3 now.

Because the infantry companies are still the same, most of them are in those lower ranks. I suspect if you are a seaman on a destroyer that probably those lower ranks that the House has effected would be affected by this.

I am really offering an amendment here for these recruits, those privates, seamen, and airmen on their behalf. Those of us in the infantry used to be called dogfaces. That sounds like a rather crude name but we never resented it. I think the Marines used to call those people grunts. In the Navy I think they call them swabbies. I do not think there is any resentment for that.

I am offering this amendment on their behalf and also on behalf of a newer thing that has come on since I was in the Armed Forces and that is women. There are more women now in the Armed Forces. When I was there in World War II there was the Women's Army Corps, and it was sort of separate, and the Navy had a similar thing. But now we have them right in the Armed Forces. And they are doing part of the job of protecting us, and whether Secretary of Defense Weinberger wants to call them grease monkeys, a rather narrow term it seemed to me, I am offering this amendment on behalf of not just them, but to make it clear for them they are going to be treated just like everybody else on this cost-of-living adjustment, and I am also offering it because I know it is right, for morale, for recruitment purposes, and out of simple fairness for everybody that is in the same boat or the same company or in the same airplane, for all of our Armed Forces to treat them all the same.

I hope the Senate can accept the amendment. If we are asked to go to rollcall vote, I would not just ask for a majority, I would ask for every last single vote, every one, because of the merits. It is that kind of amendment. It is just simple, plain justice, simple, plain economics and arithmetic also. You cannot save anything if you lower morale and you are only talking about $13 million and changing everybody's pay scale at every level. After these recruits have been in there for 4 months, you are not going to save anything anyway.

So I hope the amendment is accepted, and if a rollcall is necessary, I hope we get every last vote.

Mr. TOWER. Mr. President, I can assure the Senator from Montana the amendment will not be accepted by this Senator. To begin with, the Senator is wrong in virtually everything he has alleged.

First, he is wrong in suggesting that the Armed Services Committee did not know what it was doing when it did this. We knew very well what we were doing. We had a bad pay compression problem in the enlisted ranks and services for a long time.

This has nothing to do with the morale. It would have zero impact on morale, zero impact on recruiting. Most recruits do not even know what their pay is.

The fact is the Senator from Montana should be apprised that we did not go into this blind. I went around military bases over a good part of this country and talked to the NCO's. They said it is baloney to suggest that increased pay would impact on recruitment. Most of the NCO's recommend reducing that pay.

Some 15 percent of your initial recruits never make it through training anyway and go out. Now they are paid $573 a month. In addition, they get all of their food, clothing, housing, and medical care.

When you think what a big chunk out of anyone's budget food, clothing, housing, and medical care is, then that $573 is clear. So, that is a great deal that they are getting.

How many of you would be much better off if you were given your food, clothing, housing, and medical care and all of your salary you could then spend on something frivolous? I am sure no one in this body would spend his money in a frivolous way.

The fact is they do not need it. They cannot even get out to spend it during their weeks of basic training.

This amendment ought to be rejected. It is not just the matter of $13 million as suggested by the Senator from Montana. It is a $20 million add-on to outlays because it spends out very quickly. It would net you nothing. And it simply compounds the pay compression problem that we have.

I do not know why we cannot around here do targeted pay raises from time to time aimed at maintaining an ade-

quate retention rate without every time having to build the pay of these initial recruits. It does not make any sense. Our acquisition rate now is greater than our requirement. Most of these recruits do not even know what they are being paid in the first month, and it is not much of a consideration. How much better to hold out the incentive, if they do a good job, make it through their training, in 4 months they get an increase, in 7 months they go to E–2, and they get an automatic increase when they go to E–2.

I hope that Senators will not vote on the basis of some emotional appeal which is a pretty shallow one in my view. But let us be practical about this thing. When I went into the Navy, I got $24 my first month. Even when you consider in constant terms, calculated inflation and everything in real terms, they are getting a lot more now. They are getting a lot more now, and they cannot spend it the first 8 weeks anyway.

So I hope this amendment will be rejected and it will give us an opportunity to try to avoid this pay compression problem.

It seems to me there ought to be some significant difference between those who have training and experience and have acquired skills and those who are initially acquired, and there is not the sufficient gap right now.

I yield first to the distinguished Senator from Nebraska who is the ranking member of the Manpower Subcommittee.

Mr. EXON. Mr. President, while I support the reason for the amendment that has been offered by my friend from Montana, I am obliged to speak in opposition to the amendment which would increase the basic pay of military personnel in pay grades E–1, with less than 4 months of service, and I think it is important to emphasize once again with less than 4 months of service.

I thank the Senator from Montana for his diligence and research and his recognition that we in the Senate Armed Services Committee went to the heart of the matter. We did not go along with the recommendations of the House of Representatives in this area and we fashioned an overall pay recommendation to the Senate, I think we would all agree, significantly in the right direction as was acknowledged by the Senator from Montana.

The creation of this new pay category—E–1 with less than 4 months of service—was a subject of considerable debate within the Armed Services Committee and the Manpower and Personnel Subcommittee, of which I am the ranking minority member. Mr. President, during the first 4 months of service, a new recruit is in his or her basic training period. Let me remind my colleagues that the President proposed no pay raise in fiscal year 1984 for all of our military personnel.

The Armed Services Committee disagreed, and when we disagreed we had a problem on our hands because we had to say but where are we going to get the money from to make these significant pay increases that we did make?

We provided a remedy instead that said we should have a 4-percent raise for all personnel, except for additional targeted pay for midlevel noncommissioned and petty officers. When there is no money provided in the budget for a military pay raise, it is indeed a very difficult task to make reductions in other areas to allow for one. At the same time the overall budget is being reduced to accommodate congressional budget ceilings. Nevertheless, we accomplished this task, Mr. President. This task was accomplished because of the enormous importance which we attach to the adequate compensation for our men and women in uniform who, as the Senator from Montana has very eloquently said, protect and defend all of us.

My colleagues probably noted in the press that there was some discussion of freezing total E–1 pay, or even reducing it. I opposed such a proposal and it is not to be found in this bill. Mr. President, I would like to see even greater pay increases for all military personnel. Indeed, the chairman of our subcommittee, Senator JEPSEN, and I were the leaders in providing for the first-ever, targeted pay increase for military personnel in 1981, and as the chairman of the committee has just said, probably that more than anything else has done a great deal to improve the overall morale in our armed services. Recruiting at the present time is at an all-time high since the beginning of the All-Volunteer Force. We can live with not providing a cost-of-living pay increase for recruits with less than 4 months of service in light of all the tasks which must be accomplished in building up our defense strength.

Mr. President, a young man or woman coming into the service could qualify for an enlistment bonus of anywhere from $5,000 to $8,000. They can start immediately contributing to an education fund which the Government will match on a 2-for-1 basis. Even after they finish the first 4 months of service and become eligible for a cost-of-living increase, promotions are relatively rapid from pay grade E–1 to E–2 to E–3.

I simply say again, Mr. President, while I would emphasize that the Senator from Montana has made a good point, I believe he has overstated the emphasis on E–1's with only the first 4 months of service.

Finally, Mr. President, if we would add the money proposed in this amendment to the bill we will not fund what to make up for it? To make up for the costs of this amendment is something we all have to consider rather than getting up on the floor and proposing an amendment for a generally good cause.

Are we going to reduce the Patriot missile purchases? The M–1 tank? Equipment fund for the National Guard or Reserve? The Armed Services Committee has gone through an exhaustive process to balance priorities as best we could on this bill, and the pending amendment would begin to upset that balance.

In closing, let me say, Mr. President, and this is my final point, there are unfortunately a great many needs which will have to go unmet in our defense budget even in this $200 billion defense authorization bill.

I would like to add a great deal more money for our Guard and Reserves. I would like to add funds for our conventional forces. I would like to procure more weapons at a more efficient production rate. We could do a lot of these vital things, and much more, if we would only do what many of us here have been advocating, disapprove the proposal to base the 10-warhead MX missile in existing silos, thereby making them sitting ducks for already deployed Soviet ICBM's.

We could modernize our existing Minuteman force to provide an equivalent capability and have billions left over to accommodate these very real needs. If we could do that then these needs could be met. If not, we will continue to be faced with the type of squeeze I have described.

If we are to make some MX savings we can take care of the Senator from Montana's legitimate concerns, as well as many others.

For all of these reasons I urge that this amendment be defeated, and then we can redress the E–1 and other concerns if we have any funds left over in the budget after the MX vote.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I only seek recognition for one moment to say that my amendment would have been helpful on the ASAT, but I will not offer it today. It will be the first order of business on Monday morning.

Mr. JEPSEN. Mr. President, I rise in opposition to this amendment. As chairman of the Manpower and Personnel Subcommittee of the Armed Services Committee, we did a great deal of research on this. The debate and discussion were long and in great depth.

The distinguished chairman of the Armed Services Committee has covered many points. The very distin-

guished ranking member of the Subcommittee on Manpower and Personnel, the Senator from Nebraska, has covered most of the issues.

I just briefly ask do we pay top dollar to anyone just starting in business, in an occupation, in a career or anything else in this country?

It is a very appropriate thing to create a new pay raise after 4 months of active duty; 4 months are approximately the period the recruit is in training and it is a reward to the basic recruit for completing training.

Right now, I might add, our recruiting goals for the armed services are being met and exceeded. In addition, we have approximately 150,000 people in the delayed entry program: almost a year's worth of recruits in advance.

I would remind the distinguished Senator from Montana, that I also used to be a private. I entered the service and volunteered as a private and got $25 a month. I would remind the Senator that the 17-year-olds today, these new recruits he is talking about or worried about here, receive approximately $1,000 a month. $573 for basic pay, housing worth maybe, I would say, a minimum of $250, food at the very minimum of $100, medical care worth at least $75. That is over $1,000.

Let us just take $1,000 a month. I do not know any 17-year-old youngster today who starts in any business at $1,000 a month.

In addition to all of these things I would remind the distinguished Senator from Montana that he is asking for an increase in expense of approximately $20 to $25 million every 12 months. This will grow to a quarter of a billion dollars over the next 10 years. This expenditure will be for something that is not needed, according to the recruiters, who indicated in their testimony and in their private visits with me that the initial pay is not very important. In fact, most recruits do not have the slightest idea of the amount they are paid, even when they first enter the service.

So I would rise in opposition to this amendment, and I hope the distinguished Senator from the State of Texas will move to table it quickly so that we can move to other amendments.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I would just like to ask the distinguished Senator from Montana how much longer he would like to speak, because Senators would like to bring the matter to a vote. I think some of them are getting itchy here about catching planes and trains and things of that sort.

Mr. MELCHER. I thank the distinguished Senator for making that inquiry. I would like about 6 or 7 minutes just to rebut the points that have been made.

Mr. TOWER. If the distinguished Senator will take less than 10 minutes I think everybody would be happy.

Mr. MELCHER. I assure the chairman I will take less than 10 minutes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, in response to the distinguished chairman, I repeat that the Senate Armed Services Committee did a pretty good job on this whole thing. They did a much better job than the House Armed Services Committee has done thus far. There is just one little catch. They just did not go the whole way. They recognized the compression problem on the sergeants' two grades, and said they were going to get a little more adjustment. One was paid 5 percent and another was paid 6 percent, and I very much approve of that.

So there is just one little catch here that the CBO—I do not know where this $20 million and $25 million comes from, but I can only go on CBO figures because those are the only figures available, and they say between $13 million and $14 million is what we are talking about.

But I think, in all fairness, if you are going to say what 4 percent means to $573 you recognize that means $23 per month. That is the cost-of-living adjustment for the E–1 because that is what they are getting, $573.

And if you are in a higher grade, that 4 percent is going to give you more. Now, for a general or an admiral and the higher ranks, it is going to give them some $2,000 increase in cost-of-living adjustments. Well, that would not be accurate, that would be over the whole course of the year, I do not want to make it worse than it is. That would be over the whole course of the year, $23 times 12 would be something like 250 bucks over the whole course of the year, but we are only talking about the first 4 months.

I believe we should bring these points out. It is a question of morale. We have a group there that is going to be notified their pay is going up and part of them are not going to go up, and that is morale. Then you have this other problem of recruitment. Do you want a little bit more out there of not just consistency in morale but make a little better recruitment come April 1 to know that that 4 percent is in there, too, for these people who are now being paid $573 per month? I think the answer to that is, "Yes."

I remember what the chairman of the Armed Services Committee said about talking to the sergeants who said some of these people flunked out and they are not very well worth it and so on.

Well, that is what I am talking about, too. I am talking about recruitment. He says 15 percent flunk out before basic training is over. I think that is pretty good. But let me tell you, we ought to improve on that. That is why I think in all consistency and in all honesty you better recognize that pay does mean something in recruitment.

I disagree completely with what the chairman said that they do not know what they are getting. Now, he well remembers what he got when he got $24 a month when he first went into the Navy. Everybody knows what they are getting in pay. That is foolishness to say they do not know what they are getting. And they know what they are using their money for. At least in my experience, when you are in the armed services, that housing you get is not worth a heck of a lot. Generally it is pretty poor barracks. Sometimes it is outside and sometimes it is in a foxhole. That is my experience. I will not pay much for any of them.

The food is not all that bad and is not all that good. It is not anything like we ever ate at home, but it is not all that bad, either. The cost when I was there was about 80 cents a day. I do not know what it costs now.

But I will tell you something, I was there at 50 bucks a month and I knew every month where every one of those dollars was going to go. And I think $50 a month in 1942 and $573 in 1983 is probably about the same purchasing power.

I am glad we are up that high. The reason we got $50 in 1942–43 was because they changed it. It used to be $21 in the Army for a recruit. They just knew that was too low. And it first got up to $30 after that and when they finally got up to $50, they thought there was some justice somewhere.

I am glad we are up that high on these E–1's. I just say let us keep it coming, let us be consistent when we make these little changes, because there is a difference in morale. There is a fairness question. We can make sure that that morale question and fairness question is met there by just making a little adjustment in what the Armed Services Committee has done. I think they have done a pretty fair job. I hope they prevail completely in the conference, but I believe to make it complete we have got to make this little adjustment here for the recruits.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the Senator made some remarks about the housing and the food that our troops get. I think we have pretty well done a great deal on trying to improve the housing for our troops. As far as the food is concerned, it is very good food and balanced food. It is probably a more balanced diet than most of these young people have gotten at home, or

many of them. They are being well taken care of.

The fact is, this increase is not needed. It will not have any effect on morale, on any additional acquisition, or anything else. It does add to our pay compression problem and really eats up the funds that should be going to those who have training, experience, who are making career decisions and whose retention we sorely need.

Mr. THURMOND. Mr. President, I oppose the amendment offered by the distinguished Senator from Montana (Mr. MELCHER). He has stated that the freeze on E-1 pay will hurt morale. Morale will not be lowered because the freeze will only affect new recruits and will last only for their first 4 months of service.

During my visits to military installations, I have had discussions with many senior enlisted personnel. They were almost unanimous in stating that recruits are paid too much money. Many senior noncommissioned officers recommended that E-1 pay be reduced rather than frozen.

The Armed Services Committee discussed this issue thoroughly, and it was determined that it would have no adverse impact on morale, recruitment, or retention.

What the amendment will do is raise outlays in the defense budget by $20 million. It would be unwise to increase budget outlays any further.

Although the Armed Services Committee voted to freeze pay for E-1's with less than 4 months' service, the committee also voted to give E-5's a 6-percent pay raise and E-6's a 5-percent pay raise.

All other ranks received a 4-percent pay raise. The committee's action was designed to embrace pay for middle-level noncommissioned officers more so than the other grades. To do this and remain within the budget limits, we took the action to freeze E-1 pay.

Mr. President, I urge my colleagues to oppose this amendment.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Montana.

Mr. BYRD. Mr. President, before the Senator does that, will he yield to me?

Mr. TOWER. Yes, I yield to the minority leader.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. BYRD. Mr. President, I just need a couple of minutes. I would like to inquire—and I have not warned the majority leader that I was going to make this inquiry——

Mr. STENNIS. Mr. President, may we have quiet, please?

The PRESIDING OFFICER. The Senate will be in order.

SENATE SCHEDULE

Mr. BYRD. Mr. President, due to the fact the majority leader has indicated we expect to go out at about 5 p.m., and I assume we are going to do that, I thought this might be our best chance to get from him an idea of what the program is going to be for the rest of the day and Monday and Tuesday, because if this is the last vote Senators will probably leave right after the vote.

Mr. BAKER. Mr. President, I thank the minority leader.

Mr. President, this rollcall vote, if one is ordered, will be the last rollcall vote today. There is an order for the Senate to convene at 12 noon on Monday. I anticipate that we will resume consideration of this bill sometime shortly thereafter, at 1 p.m., or thereabouts.

Mr. President, we will continue on this measure until we finish it. When we do finish this bill, it is the intention of the leadership on this side to ask the Senate to turn to the consideration of the agriculture target pricing bill.

Mr. TOWER. Mr. President, the minority leader has the floor. Will the minority leader yield to me?

Mr. BYRD. Yes.

Mr. TOWER. Mr. President, let me just say that there are only eight non-MX amendments remaining. We have disposed of quite a few of them today.

If the majority leader is willing to stick around for just a few minutes after the rollcall vote, we might be able to dispose of a couple more by voice vote.

Mr. BAKER. Very well.

Mr. TOWER. But I hope that no other amendments will be offered. If anyone intends to offer them, I hope they would notify us so that we could try to keep some kind of orderly sequence going. But I think we could dispose of these non-MX amendments in short order. Hopefully then Mr. HART or Mr. KENNEDY or Mr. MOYNIHAN, or any of those who have amendments addressed to MX, would offer those on Monday. I fervently hope that would be the case.

Mr. METZENBAUM. Mr. President, I want the manager to know that I do have at least two more amendments, one of which we may be able to work out and one of which we may or may not be able to work out.

Mr. TOWER. I thank the Senator from Ohio.

Mr. BYRD. I thank the Senator from Texas.

Mr. TOWER. Mr. President, I renew my motion to table the amendment of the Senator from Montana.

Mr. MELCHER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER) to table the amendment of the Senator from Montana (Mr. MELCHER). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR), the Senator from North Dakota (Mr. ANDREWS), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Idaho (Mr. MCCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Montana (Mr. BAUCUS), the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Arkansas (Mr. PRYOR), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 63, nays 14, as follows:

[Rollcall Vote No. 206 Leg.]

YEAS—63

Baker	Hatfield	Packwood
Boschwitz	Hawkins	Pell
Bradley	Hecht	Pressler
Byrd	Heinz	Proxmire
Chafee	Helms	Quayle
Cochran	Huddleston	Randolph
D'Amato	Jackson	Roth
Danforth	Jepsen	Rudman
Denton	Johnston	Sasser
Dixon	Kasten	Simpson
Dodd	Laxalt	Specter
Dole	Leahy	Stafford
Domenici	Lugar	Stennis
Durenberger	Mathias	Stevens
East	Mattingly	Thurmond
Exon	Metzenbaum	Tower
Garn	Mitchell	Trible
Glenn	Moynihan	Wallop
Gorton	Murkowski	Warner
Grassley	Nickles	Weicker
Hatch	Nunn	Wilson

NAYS—14

Biden	Ford	Melcher
Bingaman	Hart	Riegle
Chiles	Lautenberg	Sarbanes
Cohen	Levin	Tsongas
DeConcini	Matsunaga	

NOT VOTING—23

Abdnor	Cranston	Kennedy
Andrews	Eagleton	Long
Armstrong	Goldwater	McClure
Baucus	Heflin	Percy
Bentsen	Hollings	Pryor
Boren	Humphrey	Symms
Bumpers	Inouye	Zorinsky
Burdick	Kassebaum	

So the motion to lay on the table amendment No. 1508 was agreed to.

The PRESIDING OFFICER. The Senator from Texas is recognized.

AMENDMENT NO. 1515

(Purpose: To require the Secretary of Defense to make a financial study for the purpose of reestimating the cost of the B-1B bomber program)

Mr. TOWER. Mr. President, Senator WARNER and Senator GRASSLEY have been working diligently to resolve some differences and arrive at a compromise on an amendment that Senator GRASSLEY intends to offer. Senator GRASSLEY is on the floor prepared to do so. I suggest that we can dispose of this in relatively short order.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. GRASSLEY), for himself and Mrs. KASSEBAUM, Mr. HOLLINGS, Mr. WARNER, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. DURENBERGER, Mr. ANDREWS, Mr. HUMPHREY, Mr. JOHNSTON, Mr. BINGAMAN, Mr. PRYOR, Mr. NUNN, and Mr. BRADLEY, proposes an amendment numbered 1515.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

STUDY TO REESTIMATE THE COST OF THE B-1 BOMBER PROGRAM

SEC. . (a) The Secretary of Defense shall conduct a detailed financial analysis on the projected cost of procuring one hundred B-1B bomber aircraft and, on the basis of such analysis, shall as necessary make any revisions to the estimate of the total projected cost for the procurement of such aircraft certified to by President Reagan on January 18, 1982.

(b) The Secretary shall submit a written report to the Congress not more than 60 days after the enactment of the Department of Defense Appropriations Act for fiscal year 1984, but in no event later than January 31, 1984, setting forth the results of such analyis. The Secretary shall include in such report the new estimate of the projected total cost for the procurement of one hundred B-1B aircraft.

(c) The Secretary shall also transmit a copy of the report referred to in subsection (b) to the Comptroller General of the United States for his review and shall make available to the Comptroller General such additional data and information as the Comptroller General requires for the purposes of his review consistent with the Budget and Accounting Act of 1921, and such additional authority as was conferred by Public Law 96-226. Such data and information as the Comptroller General receives under this section shall not be discussed to anyone other than those persons specially designated by the Comptroller General to have access thereto. Any report by the General Accounting Office concerning data and information provided pursuant to this section may, consistent with the classification of such report, be provided to the Congress and shall be prepared with due regard to the sensitivity of the information received in such a manner as to avoid disclosure of data which could adversely affect ongoing contract negotiations or the national security.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to add in addition to Mrs. KASSEBAUM and Mr. HOLLINGS as cosponsors Senators WARNER, JEPSEN, BOSCHWITZ, DOLE, DURENBERGER, ANDREWS, HUMPHREY, GORTON, JOHNSTON, BINGAMAN, PRYOR, NUNN, and BRADLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, the symptoms of extensive underfunding are becoming visible in this year's defense budget. Close scrutiny of most major weapons systems show rising costs and falling quantities. Costs have soared so high that a dramatic reduction in the military forces we have planned for is imminent. Mr. President, there is no escaping this conclusion.

Today I offer an amendment to determine the degree of underfunding of one major weapon system: The B-1 bomber.

The B-1 bomber program is a microcosm of the underfunded defense budget. Of all the major weapon systems, the B-1 ranks among the highest of those whose unit cost is projected by the Defense Department to fall dramatically.

According to last year's 5-year defense plan, the average unit procurement cost of the B-1's authorized for 1986 will be 78 percent less than the unit cost of the 1983 B-1's. That 78-percent reduction is the effect of the so-called learning curve upon which the 5-year plan is based.

If the learning curve is a true representation of what is likely to occur in the future, then we can make confident decisions based on that curve. If, however, the learning curve does not match up with reality, then our decisions will have been equally unrealistic.

Mr. President, the Defense Department's actual, planned, and proposed funding through fiscal year 1985 for the first 52 aircraft is $16.24 billion in 1981 dollars. That is an average cost of $312 billion. But if the remaining 48 aircraft are to stay under the $20.5 billion certified cost ceiling, they must total only $4.26 billion, or $87 million per copy. In other words, according to the Defense Department's own figures, the first half of the buy will cost 80 percent of the request.

Now, Mr. President, I believe in learning curves, but I do not believe in basing a military and budget plan on learning curves we have little realistic expectation of attaining.

This is a very serious issues, Mr. President. The B-1 is no different from most other weapons systems, although they vary by degree. I am merely pointing out one thing: That in the case of this specific major weapons system, there is little realistic expectation of attaining the predicted cost pattern.

This is not a B-1 issue. I want to make it very clear that I support funding for the B-1. I voted earlier this week against striking funds for the program. There are several cosponsors of this amendment who likewise voted against that amendment. Many of us, if not all, support a strategic manned bomber for our military. Perhaps it is the single most important leg of our triad.

But, Mr. President, in our eagerness to build an effective manned bomber, we should not overlook cost data that may eventually jeopardize our plans to produce that bomber.

If there is a danger that the cost ceiling of the B-1 will be exceeded, then the Congress should know it, and should do whatever it can to deal with it. But to take such action, first the Congress needs realistic information.

The intent of this amendment is to acquire such information. It is, in a sense, a factfinding measure, whose mission is to seek out the truth. It is a vote neither for the B-1, nor against it.

The B-1 program should be like Caesar's wife: beyond reproach, above suspicion.

Regardless of any decision we make on a manned bomber, our decision at least should be made on correct data.

I urge my colleagues to support this amendment so that the Congress can begin the process of knowing the long-term consequences of the decisions it is making.

Mr. BOSCHWITZ. Mr. President, I rise to join my colleague from Iowa (Mr. GRASSLEY) in offering an amendment which will clarify the cost figures for the B-1B bomber. This amendment will help those of us in the Senate make an informed decision about B-1B both now and in the future.

Let me say at the outset, Mr. President, that this is not an anti-B-1B amendment. On the contrary, I believe this new bomber will make a valuable contribution to our strategic triad. I have voted for the B-1B on several occasions. It will provide our country with a capable penetrating strategic bomber while we await the development of the so-called advanced technology bomber, or Stealth. The B-1B can also serve as a cruise missile carrier and as a conventional bomber. In short, I think we need the B-1B and I

have voted accordingly. This amendment will not deny us this vital weapons system.

What it will do, Mr. President, is give us a better idea of what the B-1B is going to cost. The problem is the following: Under current law 100 B-1B's are supposed to be produced at a certified cost ceiling of $20.5 billion. The actual planned and proposed funding for the B-1B from fiscal year 1982 to fiscal year 1985 is $16.24 billion, and that is for 52 aircraft, an average of about $312 million per copy. In other words, we are going to buy 52 bombers for $16.24 billion, and the remaining 48 for $4.2 billion.

Putting it another way, for the first 52 B-1B's we are going to average $312 million per copy. For the remaining 48 the average cost will be about $87 million. Mr. President, that just does not seem likely to this Senator. I am very pessimistic about our ability to come in under the certified cost ceiling of $20.5 billion for the B-1B.

It is crucial that we resolve what is a clear discrepancy between the B-1B's cost ceiling of $20.5 billion and the cost trends in this weapons program which indicate its actual cost is likely to exceed $20.5 billion. The amendment now before the Senator would require the Defense Department to complete a financial report reexaming the cost estimates of the B-1B. The amendment would also provide that the General Accounting Office review that report. Full disclosure of the data and conclusions would be made available to GAO by DOD.

Mr. President, our problem with the B-1B is symptomatic of a larger problem with the defense budget as a whole—the problem of underfunding. This is an issue about which my colleague Senator GRASSLEY and I had a colloquy earlier during the debate on the DOD authorization bill, so I do not want to repeat all the thoughts which Senator GRASSLEY and I developed at that time.

In essence, underfunding means that weapons cost growth causes the Pentagon's 5-year defense plans to underprice the actual cost of weapons. Then in the out-years, after procurement officials realize that the funds at hand will not purchase the number of fighters or ships or missiles or tanks originally planned, procurement programs are scaled back or funds are taken from the operations and maintenance account to make up the difference.

Mr. President, the reasons for weapons cost growth are many. This is an issue in which I plan to get much more closely involved in the coming weeks. Senator GRASSLEY has already demonstrated excellent leadership in this area and I intend to join him in his efforts.

If we hope to maintain congressional support for the B-1B and indeed for the defense budget as a whole we must obtain accurate and reliable cost data on weapons systems. Furthermore, we need to find a way to halt the cost growth which has caused the problem of underpricing to appear.

This amendment is surely a step in that direction, Mr. President. We need a strong defense, but our defenses cannot be strong, cannot be sustained, unless they are cost effective and efficient. This amendment will help us achieve that goal, and I urge its adoption by the Senate.

Mr. GRASSLEY. Mr. President, I yield to the Senator from Virginia for any statement he might have, plus a couple of points of clarification that both of us wish to make.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I congratulate my distinguished colleague from Iowa for originating this idea and being so cooperative through a very long day as we have endeavored to craft this amendment in a manner consistent with his goals and with existing law to try to establish a fair and equitable balance between the interests of the Department of Defense and the interests of third parties.

Through the year, my distinguished colleague from Iowa has been deeply concerned, as have many of us, with the question of cost growth and how that might impact on outyear budgetary concerns. On this particular program, we may have a difference of opinion. The information that I have is that the program is not only under budget, but it is perhaps ahead of time. Nevertheless, it is timely to have a new analysis performed by the Department of Defense, and incorporated in this amendment is the provision for the transmission of a copy of that report to the Comptroller General.

This afternoon I contacted the Comptroller General, Mr. Bowsher. Indeed, he and I and his general counsel worked out the provision found in this amendment designated "provision (c)." The distinguished Senator from Iowa has concurred in our suggestions. The Comptroller will review this information. He will have the opportunity to go back to the Department of Defense and request such information as he deems appropriate. He has, under the existing law, the authority to get that information.

Mr. President, I recommend the acceptance of this amendment, and I defer at this time to my distinguished colleague, the Senator from Mississippi.

Mr. STENNIS. We recommend the adoption of the amendment, Mr. President.

The PRESIDING OFFICER. Is there any further discussion on the amendment?

Mr. GRASSLEY. Mr. President, I should make a clarification about the date January 31, 1984, that is in this bill, from the standpoint of that being a date that might not be reasonable. If in fact we would have as last year a Christmas Eve-type continuing resolution, then I will consider at a later date this year the advancement of that date if it is necessary. I am satisfied with the statement that the Senator from Virginia made that there is no limitation in paragraph (c) to the information that the Comptroller General should be allowed to have if he requests it. We assume that he would only be requesting it if need be for the purposes of analyzing the exactness of the Secretary's determination of cost. I am satisfied from that standpoint there is nothing limiting in this amendment as far as the Comptroller General himself determining what information he might need; that he could get it. Does the Senator from Virginia agree?

Mr. WARNER. During our discussion this afternoon, I represented to the Senator from Iowa that I had spoken with the Comptroller General, Mr. Bowsher. Mr. Bowsher said that under the Budget and Accounting Act of 1921, as supplemented by new authority given by the Congress in 1980 under Public Law 96-226, he could acquire that information that is desired by the Senator from Iowa to be made available to the Comptroller.

Further, we crafted additional language to protect this information. It is important at this critical juncture in the B-1 program that the contractor and the Department of the Air Force be given the opportunity to negotiate these contracts in a manner that information would not be in the public domain. We have been assured by the Comptroller General that these provisions will enable those critical negotiations to go on, assuming the Congress authorizes and appropriates the full funding of the B-1, in a manner to protect the contracting procedures.

I thank the Senator from Iowa for, again, his patience and cooperation so that we could craft this in a manner to achieve mutual balance of goals between the Department of Defense and third parties.

The PRESIDING OFFICER. Is there any further discussion of the amendment?

If not, the question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 1515) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEFENSE POLICY AND THE B-1

INTRODUCTION

● Mr. BAUCUS. Mr. President, this President year Reagan requested $280 billion in budget authority for national defense. Of this total request, $213 billion was requested for programs authorized in the Armed Services Committee defense authorization. These programs included procurement, research and development, operations and maintenance, civil defense, military construction, and Department of Energy weapons programs.

The Senate Armed Services Committee, after several days of hearings, reduced the President's proposal by $13.4 billion.

The legislation before us, therefore, is a DOD authorization bill costing approximately $199 billion. Now it is up to the Senate to decide whether or not programs funded within that $199 billion bill presents the proper balance between strategic and conventional weapons.

Is $199 billion enough to defend America? I believe it is. But if I felt that a sound defense required more, I would vote to authorize higher expenditures. The question on specific weapons like the B-1 comes down to whether or not there is room in that $199 billion budget for 100 planes that cost $410 million apiece.

OUR OVERALL DEFENSE STRATEGY

Today we have a vast nuclear arsenal. Our strategic forces are formidable.

We have 1,000 Minuteman II and III ICBM's and 43 Titan II ICBM missile launchers. The Minuteman III can carry three warheads. We currently have 300 long-range bombers—modernized B52's—in the Air Force's strategic bomber squadrons.

The objective of these strategic forces is to prevent war. They deter an enemy's attack because they would survive on a first strike by the enemy. Their capability to inflict massive damage on an enemy discourages aggression.

Our strategic forces are impressive. And the capability of our bombers to deliver some of these strategic weapons is a critical element in our strategic triad.

But while we have spent tremendous amounts of money in recent years to develop this strategic sector of our national defense, we have fallen behind in other areas of our national defense.

CONVENTIONAL FORCES

In my view, it is in the area of conventional forces that we must increase our commitment.

In recent years, strategic weapons such as MX, MIRV's, SS-2's and Stealth have been the buzzwords of the entire defense debate.

Too often, we have ignored land-based and conventional forces.

In this year's defense authorization, the procurement funds allocated to the Army, Navy, and Air Force tell the story. The committee recommendation for Air Force procurement, which includes most new strategic weaponry, is $37 billion—$5 billion more than the Navy, and $19 billion more than the Army.

I believe that we must renew our commitment to our conventional forces by taking four steps:

First, we should give military personnel higher priority;

Second, we must spend more money and improve the readiness of our forces;

Third, we should develop an ability to respond more rapidly to diverse tactical situations, rather than overemphasize complicated and risky strategic nuclear force response;

Fourth, we must arm personnel with effective weapons tailored to actual combat needs which will provide us with the flexibility we will need on the battlefield of tomorrow.

THE B-1 BOMBER

Mr. President, it is within this context of the need for additional spending on our conventional forces, that we must examine the B-1 bomber.

Frankly, I do not dislike the B-1 bomber, per se. It is supporters say that it is a state-of-the-art bomber, and I believe them.

My decision concerning the B-1 was reached only after a long and agonizing examination of the bomber's characteristics, and how it would fit into our near- and long-term national defense programs.

I personally sought out recognized defense analysts and military experts to try and understand what advantage the B-1 could give us, in either our military endeavors or our diplomatic efforts. I have tried to understand whether or not the massive resources allocated in the President's budget to this plane and this program are justified in light of the cuts we have had to make in other areas.

I spent long hours in meetings with these experts, and I attended a number of secret briefings in S-407, the secured intelligence briefing room in the Capitol.

After carefully questioning experts, military officials, and my fellow Senators, I came to the conclusion that the B-1 does not enhance our national defense, and that it is far too expensive a program.

Mr. President, I would like to share an overview of the arguments which convinced me that we should not authorize 100 B-1 bombers at a cost of $410 million per plane or $41 billion for the entire program.

First, given the fact that we do not have unlimited funds for our defense program, I am convinced that we have already allocated a higher percentage of our resources to strategic weapons than we should have.

The B-1's primary mission would be to penetrate Soviet airspace and to carry cruise missiles. We have already developed a program to update and modernize our current, admittedly aging, B-52 force. These programs will modernize existing long-range B-52 bombers to carry the cruise missiles well into the 1990's—well through the period of transition when our newer, advanced technology, Stealth bomber should be deployed. Although the B-52 force is reaching its twilight years, the modified and updated B-52 has some advantages to the B-1 bomber which advocates say is required to carry us through the period until the Stealth program is completed.

Additionally, there are important questions to be answered regarding the B-1's penetrating capability. According to published reports:

> Compared to the B-52, the B-1 flies faster, but its smaller wing area is more heavily loaded, which makes it less maneuverable and more sluggish than the B-52, forcing it to fly higher than expected and into the Soviet radar horizon.

So there are technical problems and questions with the bomber mission and capabilities.

In addition to those questions about the B-1's capacity to adequately perform its mission, we are already building a new bomber that will be able to penetrate the Soviet defenses, and that bomber is the Stealth bomber. Current estimates say the Stealth bomber should be ready to be deployed in the 1990's.

CIA and other experts have testified that there is no penetration difference between our current force of B-52's and the B-1 beyond the 1980's. So why build the B-1 when the B-52 is flying and accomplishing the same mission? We should instead move forward with the Stealth bomber and make it operational by 1989. This is an achievable goal if we do not divert excessive resources to the B-1. Intelligence experts agree that this is an achievable goal.

Along with the argument that the B-1 is not needed to adequately perform the bomber mission of our strategic forces, there is the additional concern that funds diverted to the B-1 are robbing our conventional forces of needed resources.

THE B-1 MULTIYEAR PROCUREMENT AMENDMENT

Mr. President, after the vote to delete all funds for the B-1 was defeated, my distinguished colleagues, Senators NUNN, HATCH, and JOHNSTON, introduced an extremely thoughtful amendment which would have at least slowed the production of this expensive and unnecessary weapons system, and redirected some of the savings into needed conventional programs.

This thoughtful amendment, endorsed by one of the most highly regarded defense experts in this body,

Senator NUNN, would have provided for a multiyear procurement program for the B-1, and would have freed up $888 million this year for reprograming into other weapons systems, while slowing only slightly the production schedule of the B-1.

Although the Senate did not approve Senator NUNN's amendment, I believe that his argument still has tremendous force. It underscored the disproportionate emphasis we have placed on weapons systems such as the MX, the B-1, and other strategic and nuclear systems instead of conventional weapons which provide for a much more flexible and militarily useful response force.

CONCLUSION

Mr. President, I fell strongly about the B-1 program. Like many of my colleagues, I have devoted a tremendous amount of time examining the program, and I have come to the conclusion that its net effect will be to drain this defense budget of needed capital, and add little or nothing to our overall defense capabilities in coming years.

Mr. President, the B-1 votes were critical votes. As I have stated, my problem is not with the B-1 per se—if the world was my oyster and the planes were less expensive, perhaps we could accommodate the B-1.

However, in this time of record budget deficits and tightly disciplined Federal budgets, I will continue to search for realistic ways to make our military stronger and I will continue to keep our overall defense posture in mind when we are examining major and costly programs such as the B-1.

Given our existing capabilities and the new weapons systems such as Stealth which are on the horizon, there is no other conclusion than that the B-1 is a costly mistake, I am saddened that we have not been able to rectify its unfortunate inclusion in this year's defense authorization.●

Mr. SPECTER. Mr. President, I am supporting today the authorization for the MX missile system. I do so with serious reservations. But I do so with the knowledge that the time is not yet before us for the Senators in this Chamber to fairly judge whether the administration has indeed made significant progress in its arms reduction efforts that can be traced to our support this spring of continued funding of the MX program. The time for that judgment will be when we consider the defense appropriation bill later in the year.

There are troubling and far-reaching questions which we will have to confront before the final decision can be made on whether to fund the MX missile system in the fiscal 1984 defense budget. We must address the military implications of placing such a powerful nuclear missile in a vulnerable basing mode. If a nuclear weapon is to deter a nuclear attack against us, it must be able to survive such an attack. We must be convinced of its survivability and the Soviets must be convinced as well. It was my concern about this issue which caused me to vote against the MX missile last December when the administration was proposing that it be placed in the so-called dense pack basing mode.

We must also remember, however, that the real issue before us is how we can best encourage the Soviet Union to negotiate serious and substantial reductions in our nuclear arsenals. This Congress has emphasized to the President the importance we attach to this goal. As a result, we received important assurances this past May from the President that arms control negotiations would reflect the fullest American commitment to reaching agreement with the Soviets if that could be realistically believed consistent with our national interests. Because of the success of our efforts to extract significant assurances from the President on arms control, I voted on May 25 to support the spending of MX research and development moneys during the current fiscal year.

However, the next day, I joined with 18 of my Senate colleagues who also voted for this funding, to remind the President that we would be continuing to look long and hard at the progress made in coming months by the administration in furtherance of its commitments made to us at that time.

So, today's votes on MX are preliminary to our final review of progress made in nuclear arms reduction efforts. There has been insufficient time since the May 25, 1983 vote to give the President a fair opportunity to fulfill his commitments. The timely occasion for that appraisal will be on appropriations for the MX in the defense appropriations later this year.

HEADQUARTERS REDUCTIONS

Mr. NUNN. Mr. President, the defense authorization bill contains a provision Senator WARNER and I offered which reduces the number of personnel assigned to headquarters management and support functions in the Department of Defense.

This amendment expresses our concern with both the overall number of personnel assigned to these functions and the growth of this allocation over the past several years. The number of military and civilian personnel requested in fiscal year 1984 for these purposes totals more than 81,706. This is not the total number of personnel in headquarters, but those personnel in the front offices of these major commands and staffs whose positions are directly assigned to these agencies and functions.

My work on the Manpower and Personnel Subcommittee has convinced me that the emphasis in manpower resource allocation should be on the "front line" positions in our armed services where combat effectiveness is most directly impacted. I believe that the Department of Defense can reduce the number of personnel in its headquarters without adversely affecting the abilities of the services to get the job done.

The amendment requires the Secretaries of the military departments to reduce the total number of military and civilian personnel assigned to management headquarters and management headquarters support functions by 5 percent from the level requested in the fiscal year 1984 budget.

In addition, the Secretary of Defense is required to reduce the total number of both military and civilian personnel similarly assigned to these functions in his office by 10 percent, and in the defense agencies by 5 percent.

All these reductions—which amount to 2,126 military and 2,030 civilian personnel—are to be accomplished by September 30, 1984.

This is a small step but it is a signal to DOD that the Department should carefully scrutinize its allocation of scarce and expensive manpower, particularly at a time when the requirements associated with new weapons systems are causing a net increase in the Department's total manpower end strength.

INDEPENDENT COST-ESTIMATING AMENDMENT

Mr. President, the defense authorization bill contains an amendment I offered which is designed to provide greater use of independent cost-estimating procedures on major weapon procurement programs.

I am encouraged by the extent to which the Department of Defense is beginning to use independent cost estimates. The cost analysis improvement group established by Secretary Weinberger can be a valuable tool for controlling defense costs. For that reason, I believe that it deserves greater emphasis and implementation.

In order to accomplish this goal, my amendment includes the following provisions:

First, the Secretary of Defense cannot approve a major defense acquisition program for full scale engineering development or production and deployment unless he receives and considers an independent estimate of the cost of the program.

Second, the Secretary would be required to submit a report, in conjunction with submission of the fiscal year 1985 budget, on the use of independent cost estimates in planning, programing, and budgeting for and selection of major weapons systems.

Third, it expresses the sense of the Congress that the Secretary should insure that adequate personnel and financial resources are allocated at all levels of the Department of Defense to those organizations or offices charged

with developing or assessing independent estimates of the costs of major defense acquisition programs.

Mr. President, this amendment will help to insure that the American taxpayer obtains maximum value for each defense dollar expended. It sends a clear signal of the importance Congress places on effective, objective, independent cost-estimating practices in the Department of Defense.

While these provisions will not, by themselves, guarantee better control of weapon system costs, they will provide a tool to develop realistic financial profiles to which program managers and defense contractors can be held accountable.

Mr. President, this is an important but modest step. As originally contemplated, the amendment would have gone much further. It would have mandated that any independent estimate that exceeded the estimate adopted for planning and budgeting purposes for the program by more than 10 percent would have to be included in the next selected acquisition report to the Congress. In addition, the SAR would have to be accompanied by a brief explanation of the reasons for not using the independent estimate.

These provisions may be needed in the future. This amendment provides a means to assess how well the cost analysis improvement group is working and whether a more detailed reporting mechanism is necessary. I believe that this amendment will enable the Congress to take a more active and effective role in the procurement process, and for that reason, I believe it is an important addition to this bill.

NATO AMENDMENTS

Mr. President, the Senate Armed Services Committee has included a series of provisions, which I introduced, in the fiscal year 1984 defense authorization bill relating to NATO alliance matters.

The NATO alliance historically has been an effective deterrent to Soviet or Warsaw Pact aggression in Europe. An effective alliance remains vital to the achievement of overall U.S. national security objectives.

Today, NATO faces formidable challenges in fulfilling its mission. In recent years, legitimate questions have been raised about the relative share of the burden of Western defense assumed by the NATO members. In addition, there are continuing debates on NATO's current strategy of flexible response and forward defense, especially in light of Soviet attainment of full strategic nuclear parity and theater nuclear advantage. There is growing recognition on both sides of the Atlantic that more emphasis on a credible NATO conventional deterrent is required and that such a deterrent is attainable.

In view of these considerations, the committee adopted a series of amendments designed to reinforce efforts to improve NATO's conventional capabilities. These provisions will also provide an analytical framework for congressional debate in future years on critical NATO issues, including the nature of the U.S. commitment, NATO's conventional capability and tactical nuclear posture, and certain elements of the U.S. force deployments and characteristics.

The major provision of the package of NATO-related amendments adopted by the committee is a continuation of the present 315,600 ceiling on U.S. forces permanently stationed ashore in NATO Europe. Coupled with the continuation of this ceiling is authority to increase the level to 320,000 if four criteria are met:

First. The Secretary of Defense must certify that our European allies will not have decreased their active-duty forces in the Federal Republic of Germany from the date of enactment of this bill to September 30, 1984;

Second. The Secretary must also certify that the fiscal year 1985 budget request and the 5-year defense plan give significant priority to programs directly intended to improve NATO's conventional capabilities, particularly the capability of deep interdiction;

Third. The Secretary must conduct a detailed analysis of the requirements for U.S. troop levels in NATO and submit justification for a total higher than 315,600; and,

Fourth. A series of studies on conventional and tactical nuclear posture, NATO expenditures and the combat-to-support ratio must be completed by the Department of Defense and submitted to Congress.

First, a Department of Defense report on U.S. expenditures in support of NATO is required. This report must include the estimates for U.S. expenditures for the 5-year defense plan, as well as a comparison of these expenditures to a baseline of 3 percent growth, after inflation. The categories of expenditures to be incorporated in the report include procurement, operations and maintenance, military construction, military personnel and research, development, test, and evaluation.

Second, the bill requires a report on the combat, combat support and noncombat components of U.S. forces in NATO with reviews of the requirements and recommendations to improve the combat portions of such deployments, if needed.

Third, the Secretary of Defense is required to submit a comprehensive report and plan for improving conventional defense capabilities of NATO. Within a month after submission of the DOD report, the President must submit his recommendations and plan for improving NATO conventional capabilities.

The DOD report required by this section must cover the following areas: Recommendations on how NATO's strategy and military program could and should be changed to improve substantially the chances of a successful conventional defense of Europe; a current assessment of the Airland Battle concept; the U.S. programs necessary to support improved conventional capability and a separate assessment by the Commander in Chief, Europe, of the measures necessary to improve NATO conventional defense capability including a recommended plan to implement such measures.

Finally, the amendment requires a detailed examination of the tactical nuclear posture of NATO and an additional report by the President and his recommendations in this area.

Mr. President, I believe that these provisions will help both the Congress and the public to make better informed judgments about the policy direction of the United States and our allies. Such well-informed judgments are vital to building a solid foundation of political support for NATO, a foundation that is necessary to preserve the alliance military deterrent in the future.

Mr. President, I also believe that these provisions will move the alliance toward policies that have more continuity and are better designed to meet the potential challenges facing NATO. In the long run, I believe that these provisions can help to strengthen the alliance.

MX AMENDMENT 83

Mr. President, I wish to explain an important provision relating to the MX missile that was offered by Senator WARNER and myself and adopted by the Senate Armed Services Committee as part of the fiscal year 1984 defense authorization bill.

The committee is concerned about the survivability of the MX in the planned basing system and the evolving role of this system in relation to issues of overall strategic stability and balance, as well as to goals of arms control and reduction.

The committee recommended the authorization of $2,558 billion for procurement of 27 MX missiles, $1.98 billion for research and development of the MX missile, and $592 million for research and development associated with MX follow-on technology, including the small ICBM.

The committee also adopted the amendment offered by Senator WARNER and myself which specifically limits the fiscal year 1984 authorization to procurement of no more than 21 MX missiles for operational deployment. Our amendment also requires that the President submit, as part of any future requests for operational

MX procurement, an assessment of the following:

First. The degree to which current and projected international conditions require the procurement for operational purposes of such missiles;

Second. The impact of such procurements upon the stability of the strategic balance; and

Third. The effect such procurements, if approved by Congress, are likely to have upon achieving negotiated reductions in the nuclear forces of the United States and the Soviet Union through sound, equitable, and verifiable arms control agreements.

Mr. President, these provisions will help to insure that future decisions relating to MX deployment are reached in the context of overall U.S. national security goals, including both military requirements and arms control objectives, rather than in the narrower contexts of individual program development or near-term funding considerations. Under the requirements of this amendment, the President is able to continue an important strategic program at the same time that the Congress has insured that it will have all necessary information when considering future requests.

The amendment will also assist the Congress in relating any MX deployments proposed in the future to the goals suggested by the Scowcroft Commission on strategic forces. The required report contributes to a dialog which will improve coordination between the executive and legislative branches in this critical area of strategic planning.

Mr. President, this amendment does not solve all the problems or answer all the questions associated with the MX program. It does, however, help to insure continued flexibility in the program as well as continued progress toward our larger national security objectives.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there are a few wrap-up items that I should like to take care of. I ask unanimous consent there be a period for the transaction of routine morning business to extend not past 5:15 p.m.

Mr. HART. Mr. President, reserving the right to object, may I ask the majority leader, does this mean that there will be no other action on the Department of Defense authorization bill this evening?

Mr. BAKER. Yes.

Mr. HART. I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

HAPPY BIRTHDAY, DR. RIDDICK

Mr. FORD. Mr. President, I rise to say a belated "happy birthday" to my friend and trusted counselor, Dr. Floyd M. Riddick, Parliamentarian emeritus of the U.S. Senate, who on July 13, reached the age of 75.

As ranking minority member of the Committee on Rules and Administration I have special reason to express our appreciation for his service to the Senate and to the committee as our consultant on the rules and procedures by which we work each day. I hope we will enjoy for many more years his unfailing wisdom, learning, patience, and genial good humor, and I extend the best of all good wishes always to him and his wife and partner, Marguerite.

WE STAND AGAINST INJUSTICE

Mr. PROXMIRE. Mr. President, in a recent speech on the Genocide Convention, I discussed the plight of South African blacks and the State Department's criticism of apartheid. While I agreed with the State Department that we cannot accept the racial policies of the South African Government, I believe we can take further action. Today, I would like to suggest another reason why the Senate must ratify the Genocide Convention, particularly when we are faced with policies such as those existing in South Africa.

Under Secretary of State Lawrence Eagleburger noted that America could not accept apartheid because it is "morally wrong." In addition, he stated:

> We stand against injustice, and therefore we must reject the legal and political premises and consequences of apartheid.

A number of news articles speculated on why the State Department might release such a critical statement. The New York Times quoted "a senior official" who claimed that it was " important and timely" to rebut the charge that the administration does not oppose apartheid too strongly. Time magazine characterized the speech as an effort to "counter criticism that the United States is too closely alined to the all-white regime" presently ruling in South Africa.

I agree with the State Department that the present apartheid system merits criticism. Black South Africans suffer from severe discrimination and persecution. As I mentioned in my earlier speech, they cannot settle where they choose, and are periodically forced to relocate to a "homeland" which they may have never ever seen before. They receive grossly inadequate education, denied the opportunity to attend school with their white counterparts. Color bars prevent them from seeking employment requiring skilled labor, and they must settle for an impoverished standard of living. The Under Secretary is correct—our Government must "reject" such a system in the name of human rights.

But, if our administration not only wishes to criticize apartheid on a human rights level, but also wants to counter the accusation that we are too closely alined with the South African Government, ratification of the Genocide Convention takes on an additional significance.

As I have noted many times before, the Genocide Convention defines the persecution of racial, ethnic, national, and religious groups as criminal acts, and calls upon nations to make them punishable by law. To date, every developed nation in the world has ratified this important treaty except two: the United States and South Africa. In the eyes of nations who have ratified the Genocide Convention, the United States and South Africa share the same views on this aspect of human rights. We cannot allow this misconception to continue, nor can we give the South African Government our tacit approval of their apartheid system.

Ratification of the Genocide Convention would serve a dual purpose in the South African instance. It would illustrate to the world our firm commitment to preserving human rights. It would also dramatically demonstrate our refusal to be alined with South Africa while that country is persecuting its black majority. Because we "stand against injustice," as Mr. Eagleburger noted, we must ratify the Genocide Convention.

OUR COUNTRY PUSHES THE SPREAD OF NUCLEAR WEAPONS

Mr. PROXMIRE. Mr. President, the decision of this country to agree to export to India nuclear equipment if India could not find other sources of such equipment shows an abysmal lack of concern for the terrible danger that a nuclear war will come, not from an attack by Soviet Union on the United States but from the development of nuclear capability in more and more countries. One of those countries will inevitably someday slip over the edge and use its nuclear arsenal to destroy an enemy. And once a nuclear war develops anywhere in this world, it will be hard to stop, and it could easily involve the United States and the Soviet Union.

In the cause of peace a number of nations have signed and agreed to abide by a nuclear nonproliferation pact, precisely designed to prevent the spread of nuclear weapons. We have signed that treaty. India has not. We have enacted a law that prevents this country from selling nuclear materials or equipment to any country unless that country has signed the nuclear nonproliferation treaty. So why are we agreeing to sell vital nuclear equipment to India, when India has not signed the treaty and thereby refuses

to permit international inspectors to determine whether the plutonium they will produce in the nuclear reactor they will complete with U.S. parts will be diverted to the manufacture of nuclear weapons? You know why. So do I. It is because this is what India intends to do: To use U.S. manufactured equipment to help her produce nuclear bombs.

Of course, the law does permit the President, if he wishes to do so, to waive the requirement that any nation receiving nuclear material or equipment from us subscribe to the nonproliferation treaty. And he has done so. Frankly, before the Supreme Court knocked out the legislative veto, I introduced legislation to give the Congress a veto over such a Presidential waiver. Obviously with the Supreme Court decision such a provision would not stand and there is no point in my pushing my Presidential veto provision.

Mr. President, the Milwaukee Journal carried an excellent editorial on this subject in their July 11, 1983, issue. The editorial was headlined: "No Way To Limit the Nuclear Club." I could not agree more. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO WAY TO LIMIT THE NUCLEAR CLUB

The US recently agreed to export nuclear reactor parts to India if other suppliers could not be found. Thus, America sold the cause of nuclear non-proliferation down the Ganges River.

The components would be used in India's Tarapur atomic reactor, which US officials say has developed radiation leaks partly because of the lack of those components. However, reactors like the Tarapur facility produce more than electric power; they also produce, as a byproduct, plutonium—a key ingredient in the manufacture of atomic weapons. That's why the sale of atomic power plant components is tangled in the issue of nuclear-weapon proliferation.

The issue is complicated by a 1978 law requiring that any nation receiving nuclear materials from the US accept international inspection of all its facilities to make sure that the plutonium isn't used to make bombs. (Under the law, the president may waive this requirement.)

India has refused to sign the Nuclear Nonproliferation Treaty, which provides for such inspections. It already has tested one atomic bomb, in 1974, and has refused to forswear the development and testing of others. India complains that the US, like other nuclear powers, refuses to allow all its nuclear facilities to be inspected.

Yes, Washington refuses to do what it asks India to do. But the Indian complaint overlooks the fact that, as a signatory to the treaty, the US has agreed to negotiate reductions in its nuclear arsenal. The complaint is also a smokescreen that conceals Indian chauvinism, which is really responsible for that government's stance on this issue.

The US could have—and should have—volunteered to help plug any radiation leaks at Tarapur, but insisted that India sign the non-proliferation treaty as a part of any deal for spare parts or additional nuclear fuel. The Indians might have thumbed their noses at the demand and gone elsewhere for their hardware. However, that is not certain. Besides, the US has grave obligations to encourage worldwide compliance with the treaty and discourage the spread of atomic weapons.

Many third-world countries have signed the treaty. Now that the US has caved into India, how easy will it be to acquire other signatures, like Pakistan's? Retarding the spread of nuclear arms is an urgent need. As such arms proliferate, so does the danger of their use through accident or anger.

The pursuit of that policy is not incompatible with the pursuit of better relations with India. Reconciling the two, however, requires patience and determination—qualities that India has shown in great abundance, but not, alas, the US.

FARM POLICY PROPOSAL OF THE INDEPENDENT BANKERS ASSOCIATION

Mr. HUDDLESTON. Mr. President, last month, the officers and Agriculture-Rural Committee of the Independent Bankers Association of America held a special meeting in Kansas City, developed a farm policy proposal, and presented the proposal in testimony before the Joint Economic Committee.

American farmers are facing many problems, and it is imperative that Congress and the administration—working with farmers—make such changes in Federal farm policy as may be necessary to help assure a vigorous and healthy farm economy. In that connection, I believe that the testimony of the Independent Bankers Association before the Joint Economic Committee merits the attention of each Member of Congress.

I, therefore, ask unanimous consent that there be printed in the RECORD the text of the statement Thomas H. Olson, chairman of the IBAA Agriculture-Rural Committee, submitted to the Joint Economic Committee, including an explanation of the IBAA Committee's farm policy proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE INDEPENDENT BANKERS ASSOCIATION OF AMERICA

(By Thomas H. Olson, President)

Mr. Chairman and Members of the Joint Economic Committee: I am Thomas Olson, President of the Lisco State Bank in Lisco, Nebraska, and Chairman of the Agriculture-Rural America Committee of the Independent Bankers Association of America. Thank you for inviting me to represent the IBAA in this important series of hearings.

The IBAA's membership of some 7,000 banks includes about 2,500 banks which have at least 20% of their loan portfolio composed of agricultural loans. Rural commercial banks extend credit to farmers and ranchers primarily for working capital and the financing of equipment and livestock. On January 1, 1983, commercial banks remained the largest supplier of such non-real estate credit to agriculture, with slightly over 34% market share. Commercial banks also held 7.7% of real estate farm debt.

Thus far during the 1980s, the primary shift in market share among lenders of non-real estate farm debt is a substantial increase in direct credit of FmHA and CCC, with corresponding reductions in short and intermediate term debt held by commercial banks and PCAs. On January 1, 1983, the FmHA and CCC held an estimated 27.2% of total farm debt of this type. However, this shift to USDA credit derives mostly from the serious recession in agriculture. Rural commercial banks are highly liquid in most cases, with abnormally low loan-to-deposit ratios, and can be expected to increase their share of agricultural loan volume when farm income, cash flows, and the demand for commercial credit recover.

However, if during this period of weak export markets surpluses of commodities should be allowed to again get out of control with plummeting farm prices as the effect of PIK on the market diminishes, one must realistically expect pressures on the Farmers Home Administration to substitute additional credit for inadequate farm income.

Consequently, the problems of financing agriculture at least from our perspective are largely external to credit policy *per se* and involve the broader questions of adequate farm income and cash flows.

Adequate farm income and cash flows should be a real concern to all of us, because farmers are major consumers in the U.S. economy. In 1981, farmers purchased $81.5 billion of products, labor and financing of non-farm origin, including $13.7 billion of fertilizer and pesticides, $11.4 billion of machinery, $9.3 billion of energy, and $19.7 billion of interest on debt. Farmers purchased another $31.8 billion of products such as livestock and feed with farm origin, and therefore farm purchases totalled $113.3 billion in 1981.

WHAT'S AHEAD FOR THE MID-1980'S?

In regard to farm income and cash flows, I am optimistic that U.S. agriculture is equipped for thriving export markets in the long term—based upon our efficient independent producer structure, favorable soil and climate, extensive technology development and transfer systems, and dependable institutions for capital formation.

Although optimistic for thriving exports in the long term, I believe that costly mistakes might be avoided—and policy needs best served—if Congress and the Administration pay attention to the realists who are projecting only weak growth for U.S. agricultural exports perhaps for several years ahead.

Unfortunately, we are reaping the harvest of agricultural export restrictions applied by Presidents Nixon, Ford, Carter, and Reagan; a U.S. dollar which is overvalued relative to the currencies of many countries who are major importers of U.S. farm products; and, most especially, a global recession which will continue to depress imports of U.S. commodities. Developing country markets, in particular, are likely to be affected adversely far beyond the time when many economies are recovering.

Regarding developing countries, a number of whom were the fastest growing markets for U.S. commodities during the 1970s, their extremely heavy debt burden should be a major concern to agricultural leaders. During the latter part of the 1970s, the time

period was extended for U.S. farm export volume to continue to grow by recycling as debt the capital extracted from developing economies by high-priced OPEC oil. In addition, an unusually large volume of debt was extended to Mexico and certain other oil producing countries to accelerate their growth and development. The developing countries as a whole increased their public and private debt from $109.4 billion in 1973 to $529 billion in 1982, at which time their annual debt servicing costs alone reached $95 billion.

Eight of these countries—Mexico, South Korea, Egypt, Venezuela, Brazil, Peru, Poland, and Romania—with total external debt in 1982 of $298 billion, were among the 25 leading importing nations for U.S. agricultural products in 1981 when the value of U.S. farm exports peaked. At best, recovery of such countries from the recession and from their debt load will greatly lag economic recovery elsewhere in the world, adversely affecting their reinstatement as growing commercial agricultural importers from the U.S.

Although to a degree this weak exporting climate can be offset by proper actions, pressures will mount for the government to do more, not less, to carry the already-depressed agricultural economy through this period, and priority needs to be placed on pragmatic, efficiently-managed measures as they are administered now—which will largely determine what options are open in the so-called "post-PIK" period.

THE TIGHT CASH-FLOW SITUATION

Agricultural production by independent farm and ranch operators in the U.S. relies heavily upon debt financing, and non-real estate farm credit must be extended essentially on a cash flow basis. Such credit cannot be based primarily upon rather illiquid capital assets such as land. During the current recession, agricultural lenders and farm operators have had to substitute debt for cash returns to an unusual extent, but neither party can do business for long on that basis.

Unlike much of the 1970s when landowners could often reamortize real estate debt to free equity out of land to supplement current cash flow, this option tended to close as farmland and other capital assets ceased to appreciate. Farmland appreciation in real terms may remain nil for several more years, and further depreciation could occur if commodity price support loan rates and farm prices dropped as some have advocated.

The PIK program is expected to add $2 to $3 billion to net farm income in 1983, primarily by reducing costs incurred by producers, and will forestall liquidations during 1983 of many financially-vulnerable farm operators. But PIK is only buying time during a single year, and due to its high cost and laxity in administration, PIK will probably prove of rather limited use in positioning the farm economy for recovery unless weather conditions prove quite abnormal.

Furthermore, the latest USDA cost-of-production study released February 1983 indicates that production costs for the grains leave basically no room for reductions in Federal price support levels without jeopardizing the solvency of many competent farm products who do not hold their farmland virtually free of debt. Even those farm operators with strong equity positions in farmland and other capital assets may be unwilling to operate for long at neutral or negative cash flows, if their capital assets are not appreciating. Further complicating this situation is the fact, as demonstrated in 1982, that the Federal price support loan level will not establish the market floor without a high degree of participation in Federal programs.

The financial situation in agriculture therefore remains very tight, despite the PIK program, and the options that are actually available to improve farm capital flows and credit worthiness without opening gross inequities among farm producers are quite limited.

POLICY RECOMMENDATIONS

In sum, there is no solid grounds for projecting that expanding export markets will allow U.S. agriculture and agricultural policy to avoid some very tough choices to cope with the depressed farm situation. The need, therefore, is for decisions now, enabling more efficient management of farm cash flow and income policies. Once those decisions are made, the stabilization policies must be competently administered so that major slippage from program objectives does not undercut the effectiveness of the programs.

We felt it incumbent upon our own organization to make specific recommendations in this important area. To do so, we convened IBAA officers and our 20-member Agriculture-Rural Committee in Kansas City yesterday for an all-day meeting on farm policy, and adopted the following set of recommendations to Congress and the Administration:

(1) For wheat, corn/sorghum, and for other basic commodities as warranted, adopt a firm target for year-end stock carryover levels designed to fulfill market demand without building surpluses.

(2) Give the Secretary of Agriculture discretionary new authority temporarily to:

(a) pay export price incentives through private exporters;

(b) require acreage or volume controls based on a majority referendum of producers.

(3) Provide that the Secretary shall use these or other existing authorities to achieve the stock carryover objectives temporarily while export markets are weak, and shall implement and administer them effectively to achieve their full intended effect.

(4) Retain the farmer-held reserve, to be administered in conjunction with greater emphasis upon annual production controls to cope with surplus production capacity and so that farmers are not encouraged to plant for the reserve.

(5) Maintain Federal price support loans at adequate levels based upon costs of production, including a return to farmland, for efficient farm operators.

A more extensive background discussion and explanation of this set of recommendations is attached to this testimony (Attachment A).

Mr. Chairman, we offer this as a pragmatic package of recommendations which should be consistent with responsible budget policy and yet should enable thousands of independent farmers who lack an adequate farmland equity cushion to survive this period until export markets recover.

[Attachment A]

EXPLANATION OF A PRAGMATIC AGRICULTURAL POLICY

This explanation contains two sections: (1) a background preface; and (2) an item-by-item discussion of the specific policy proposal.

I. PREFACE

On a general level, a strong case can be made that the United States enjoys a comparative advantage in agricultural crop production in the world—deriving from favorable soil and climate, an efficient independent producer structure, extensive technology development and transfer systems, dependable institutions for capital formation, and other factors. This is a basis for optimism that U.S. agriculture is equipped for thriving export marketing in years ahead.

However, this U.S. comparative advantage resides especially with those well-established farmers to the extent that they own farmland debt-free and who can produce without necessarily returning full value to land as a production cost. Farm operators who rent or owe substantial farm mortgage debt have much less of an advantage. This latter category includes many of the more aggressive farm managers, since during the inflationary 1970's the market cues encouraged farmers to expand with leverage capital.

The difference between these categories of farm operators is indicated by the February 1983 USDA cost-of-production study. For example, for corn in 1981 the average U.S. production cost per bushel was: $2.24 total cost excluding land, $2.90 total cost including land at its acquisition cost, and $3.71 total cost including land at current value. The comparable per bushel production cost figures for wheat are: $4.00, $5.21, and $6.79. And for cotton per pound: $0.80, $0.90, and $0.99.[1]

Because of the large equity costs sunk into land, landowner producers will tend to produce at quite low market prices, and those whose land is free of debt can afford to do so provided they are being compensated by capital appreciation of the land or are willing to receive a lower return on their land equity. This along with other factors, (state trading by Canada, Argentina, and other countries, bilateral trade agreements which the Soviets have negotiated with several countries, the strength of the dollar and its role as a reserve currency, etc.) means that the United States is likely to remain in substantial degree a residual supplier in world markets as long as world trade is weakened by the global recession and heavy external debt load of many countries.

For these reasons, if the United States fails to maintain effective agricultural stabilization polices during the present period of weakened export markets, the likely result is that prices received by U.S. producers will be below the solvency level for a major percentage of competent, quality farm operators.

Another probable result would be the serious undermining of the equity position of financially strong producers who have substantial equity in farmland and other capital assets.

In the face of this problem, there is tremendous strain—some would say "crisis"—regarding agricultural policy. There is great difficulty in shifting from the inflationary 1970s to the current transition period of world recession, huge external debt load that many countries are carrying over from the 1970s, and unusually favorable weather for agricultural production. For one thing, the "voluntary" production control pro-

[1] "Cost of Producing Crops, Livestock, and Milk in the United States—1975-81" USDA, (ERS), February 1983, pages 42, 62, 91.

grams are proving not cost effective in the present climate.

Pragmatic steps can be taken to cope with this situation.

II. DISCUSSION OF PROPOSAL

The following is an item-by-item discussion of "A Pragmatic Agricultural Policy".

(1) For wheat, corn/sorghum and for other commodities as warranted, adopt a firm target for year-end stock carryover levels designed to fulfill market demand without building surpluses.

Agricultural policy should now be targeted to yearly supply carryover for the major basic commodities, because export markets are not dependable enough to allow the concept of multi-year "clearing" of markets through the grain reserve to be relied upon. During the 1970s when we appeared to be getting into an era of alternating short (but multiyear) periods of overproduction and relative scarcity, the multi-year reserve could be heavily relied upon as a stabilizer. However, for now at least, farmers are likely to "plant for the reserve" and build up chronic oversupply unless more effective year-to-year controls are imposed on stock buildup. Specific yearend carryover targets are therefore required.

(2) Give the Secretary of Agriculture discretionary new authority temporarily to:

(a) Pay export price incentives through private exporters;

(b) Require acreage or volume controls based on a majority referendum of producers.

This would supplement existing authorities, so that the Secretary of Agriculture would have a range of legal means to respond to the situation.

The concept of imposing required production controls, based upon a producer referendum, of course has been used in the past. But that makes it neither good nor bad per se, since virtually no concept is new. "Payments-in-kind to producers for instance were used in the 1930s for cotton and in the 1960s for feed grains and cotton to reduce the cost of storing surpluses." [2] Likewise, direct CCC export incentives were used prior to 1973 to render U.S.-produced commodities competitive in world trade in specific sales situations. Authority to use such incentives remains in the CCC Charter Act, but due to current budgeting procedures explicit new legislation would be desirable.

In combination, these two authorities could enable the USDA to: (1) curb production on a year-to-year basis economically at much lower Treasury cost; and (2) spend CCC funds to protect U.S. export market shares rather than as incentives to secure "voluntary" production cutbacks by U.S. procedures.

(3) Provide that the Secretary shall use these or other existing authorities to achieve the stock carryover objectives temporarily while export markets are weak, and shall implement and administer them effectively to achieve their full intended effect.

This conveys that the above measures would be used only temporarily on the premise that strong export markets will return and enable government involvement to be reduced. However, in the meantime, any Administration would be expected to carry out the measures fully and effectively so that they can achieve their intended results.

(4) Retain the farmer-held reserve, to be administered with greater emphasis upon annual production controls to cope with surplus production capacity and so that farmers are not encouraged to plant for the reserve.

The reserve would be maintained, but without premium price support loan rates, immediate entry, and other features that could lead to a chronic buildup of surpluses. In a sense, the reserve should function for the time being similar to an ad hoc "reseal" concept. The overloading of the reserve is a result of failure to curb production on a timely basis, rather than a result of shortcoming in the structure of the reserve per se.

(5) Maintain Federal price support loans at adequate levels based upon costs of production (including a return to farmland) for efficient farm operators, and keep target price incentives fully in place unless and until alternative means for effectively coping with current overproduction problems are being put into place.

Minimum price support loan levels should continue to be established by law, at adequate levels as indicated.

[2] "Payments-in-kind: A Brief History," USDA (ERS), November 30, 1982, page 1.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1437. A communication from the Executive Director of the Civil Air Patrol, transmitting, pursuant to law, the 1983 Civil Air Patrol report to Congress; to the Committee on the Judiciary.

EC-1438. A communication from the Chairman of the National Diabetes Advisory Board, transmitting, pursuant to law, the Board's fifth annual report; to the Committee on Labor and Human Resources.

EC-1439. A communication from the Under Secretary for International Affairs and Commodity Programs, transmitting, pursuant to law, the fourth quarterly commodity and country allocation report on food assistance; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1440. A communication from the Principal Deputy Assistant Secretary of the Navy for Shipbuilding and Logistics, transmitting, pursuant to law, a report on the decision to convert the custodial services function at the Naval District, Washington, D.C. to performance under contract; to the Committee on Armed Services.

EC-1441. A communication from the Principal Assistant Secretary of the Navy for Shipbuilding and Logistics, transmitting, pursuant to law, a report on the decision to convert the shelf-stocking function at the branch commissary store, Naval Air Station, Moffett Field, Calif., to performance under contract; to the Committee on Armed Services.

EC-1442. A communication from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting, pursuant to law, a report on fishery allocations, permits, and foreign import barriers; to the Committee on Commerce, Science, and Transportation.

EC-1443. A communication from the Secretary of the Interior, transmitting, pursuant to law, a change of dates from July 20, 1983 to July 26, 1983, for South Atlantic oil and gas offering leasing systems; to the Committee on Energy and Natural Resources.

EC-1444. A communication from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting, pursuant to law, the Embassy of Canada's Diplomatic Note regarding the Garrison Diversion Unit, S. Dak.; to the Committee on Foreign Relations.

EC-1445. A communication from the Chief Justice of the United States, transmitting, pursuant to law, the report on the proceedings of the Judicial Conference of the United States, March 16 and 17, 1983; to the Committee on the Judiciary.

EC-1446. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Potential Benefits of Federal Magistrates System Can Be Better Utilized"; to the Committee on the Judiciary.

EC-1447. A communication from the Director of the Office of Management and Budget, transmitting, pursuant to law, the cumulative report for July 1, 1983 on rescissions and deferrals; jointly, pursuant to the order of January 30, 1975, to the Committees on the Budget, Appropriations, Agriculture, Nutrition, and Forestry, Commerce, Science, and Transportation, Labor and Human Resources, Banking, Housing, and Urban Affairs, Energy and Natural Resources, Armed Services, Foreign Relations, the Judiciary, Finance, Environment and Public Works, and Small Business.

EC-1448. A communication from the Chairman of the National Advisory Committee on Oceans and Atmosphere, transmitting, pursuant to law, the 12th annual report of the committee; to the Committee on Commerce, Science, and Transportation.

EC-1449. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual reports on the activities of the U.S. Travel and Tourism Administration for fiscal year 1982; to the Committee on Commerce, Science, and Transportation.

EC-1450. A communication from the Counsel to the Pacific Tropical Botanical Garden, transmitting, pursuant to law, the audit report of the Pacific Tropical Botanical Garden for calendar year 1982; to the Committee on the Judiciary.

EC-1451. A communication from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation to amend the Trading with the Enemy Act in order to authorize the use of assets vested under the act during World War II for an ex gratia payment of $20,000 to the Government of Switzerland and to provide for the deposit in the Treasury of the remainder of such assets, and for other purposes; to the Committee on the Judiciary.

EC-1452. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the Department of the Army's proposed letter of offer to the Netherlands for defense articles estimated to cost in the excess of $50 million; to the Committee on Armed Services.

EC-1453. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to eliminate the service credit for professional experience and education in the computation of years of service in determining whether a reserved commissioned officer shall be transferred to the Retired Reserve; to the Committee on Armed Services.

EC-1454. A communication for the Comptroller General of the United States, trans-

mitting, pursuant to law, a report entitled "Air Force and Navy Trainer Aircraft Acquisition Program"; to the Committee on Armed Services.

EC-1455. A communication for the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a certain transaction involving U.S. exports to the Republic of Indonesia; to the Committee on Banking, Housing, and Urban Affairs.

EC-1456. A communication for the Secretary of Agriculture, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-1457. A communication for the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a proposed plan for the use and distribution of Peoria Tribe of Indians of Oklahoma on behalf of the Kaskaskia and Wea Tribes judgment funds; to the Select Committee on Indian Affairs.

EC-1458. A communication for the Administrator of Veterans' Affairs, transmitting, pursuant to law, the annual report of the Veterans' Administration for fiscal year 1982; to the Committee on Veterans' Affairs.

EC-1459. A communication for the Acting Assistant Administrator for Pesticide and Toxic Substances, Environmental Protection Agency, transmitting, pursuant to law, notice of the publication of proposed regulations in the Federal Register and copies of the regulations; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1460. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on certain violations involving the obligation of funds in excess of approved appropriations; to the Committee on Appropriations.

EC-1461. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the U.S. automobile industry during 1982, dated June 1983; to the Committee on Banking, Housing, and Urban Affairs.

EC-1462. A communication from the Secretary of Energy, transmitting, pursuant to law, the monitored retrievable storage proposal research and development report, dated June 1983; to the Committee on Energy and Natural Resources.

EC-1463. A communication from the Assistant Attorney General (Antitrust Division), transmitting, pursuant to law, a report on the voluntary agreement and plan of action to implement the international energy program; to the Committee on Energy and Natural Resources.

EC-1464. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the adequacy of private insurance protection under section 107 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980; to the Committee on Environment and Public Works.

EC-1465. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, a report on an accident in the Panama Canal for which the Commission is responsible; to the Committee on Armed Services.

EC-1466. A communication from the Administrator of the Panama Canal Commission, transmitting, pursuant to law, a report on an accident for which the Commission is 85 percent liable; to the Committee on Armed Services.

EC-1467. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on Federal energy conservation programs for fiscal year 1981; to the Committee on Energy and Natural Resources.

EC-1468. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a proposed airway science curriculum demonstration project; to the Committee on Governmental Affairs.

EC-1469. A communication from the President pro tempore of the Senate, transmitting for the information of the Senate, the report of the Commission on Wartime Relocation and Internment of Civilians; to the Committee on Governmental Affairs.

EC-1470. A communication from the Secetary of Education, transmitting, pursuant to law, a report on the status of vocational education in fiscal year 1982; to the Committee on Labor and Human Resources.

EC-1471. A communication from the from the Secretary of Housing and Urban Development and the Secretary of Health and Human Services, transmitting jointly, a report on Federal efforts to respond to the shelter and basic living needs of chronically mentally ill individuals; to the Committee on Labor and Human Resources.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. EXON:

S. 1629. A bill to provide for the conveyance of certain Federal lands situated in Scotts Bluff County, Nebr., to the Mitchell School District; to the Committee on Energy and Natural Resources.

By Mr. TOWER:

S. 1630. A bill to provide general assistance to local educational agencies for the provision of educational services to alien children, and for other purposes; to the Committee on Labor and Human Resources.

S. 1631. A bill to facilitate the participation of small cities on or near the border between the United States of America and the Republic of Mexico in the urban development action grant program, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

S. 1632. A bill to require the Small Business Administration to permit the deferral of payments on loans to borrowers in areas of economic distress caused by foreign currency fluctuations; to the Committee on Small Business.

S. 1633. A bill to require that at least 20 percent of enterprise zones designated under any Federal law be areas that are adversely affected by the devaluation of the Mexican peso; to the Committee of Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. EXON:

S. 1629. A bill to provide for the conveyance of certain Federal lands situated in Scotts Bluff County, Nebr., to the Mitchell School District; to the Committee on Energy and Natural Resources.

CONVEYANCE OF CERTAIN FEDERAL LANDS

Mr. EXON. Mr. President, I am pleased to introduce today this measure to provide for the conveyance of certain Federal lands in Scotts Bluff County, Nebr., to the Mitchell School District. Both the U.S. Bureau of Land Management and the U.S. Bureau of Reclamation have expressed support for this measure. The bill would allow conveyance at fair market value of the lands and would require an easement for the Pathfinder Irrigation District.

The property involved consists of 20 acres of public lands originally withdrawn for the North Platte irrigation project by secretarial order of February 11, 1903. A subsequent secretarial order of July 24, 1917, further withdrew these lands for a community center under the conditions of an act of October 5, 1914.

The Sunflower School currently occupies the site and seven buildings including the high school, gymnasium, and residences are also improvements which are a part of the land. The school district is planning to phase out its operations at this site and has expressed an intention to dispose of the improvements. Disposal, however, cannot be completed because title to the land is currently held by the United States.

Mr. President, the Department of the Interior has informed my office that, although it does have authority to administratively convey sites on which improvements related to irrigation projects are located, the improvements in the case of the Mitchell School District are not project related. The Department has further informed my office that it cannot make the conveyance administratively and that if the land is no longer used for school facilities, the withdrawal for that purpose must be terminated and the land restored to its prior status.

I would request the Senate's most expeditious consideration of this proposal of great importance to the school district. Agreement has been reached among the various parties involved who now await approval by the Congress.

Mr. President, I ask unanimous consent that the bill be printed and appropriately referred.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1629

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of the Interior (hereinafter in this act referred to as the "Secretary") is hereby authorized to convey to Mitchell School District in Scotts Bluff County, Nebraska, all right, title, and interest, except as provided herein, to a tract of land consisting of 20 acres, more or less, more particularly described as the W½ SW¼ NW¼ Sec. 17, T. 23 N., R. 55 W., sixth principal meridian. Conveyance of such right, title, and interest shall be upon the condition that the Mitchell School District shall si-

multaneously convey without cost, an easement right on certain of the above-described lands to the Pathfinder Irrigation District for the purpose of operating and maintaining irrigation canals, laterals, or drains related storage works of the North Platte project, a Federal reclamation project.

SEC. 2. The Mitchell School District shall pay the fair market value of the lands as of the date of the conveyance, including administrative costs, as determined by the Secretary. In determining the fair market value of the lands, the Secretary shall recognize the existence of the easement right to be granted to the Pathfinder Irrigation District and shall not include the value of any improvements made on or to the lands by the Mitchell School District or its predecessors.

SEC. 3. Withdrawals from the public domain as they pertain only to the lands described in the first section under secretarial orders of February 11, 1903, and July 24, 1917, for purposes of the North Platte project, are revoked by conveyance of the rights, title, and interests as set forth in the first section and section 2.

By Mr. TOWER:

S. 1630. A bill to provide general assistance to local educational agencies for the provision of educational services to alien children, and for other purposes; to the Committee on Labor and Human Resources.

S. 1631. A bill to facilitate the participation of small cities on or near the border between the United States of America and the Republic of Mexico in the urban development action grant program, and for other purpose to the Committee on Banking, Housing, and Urban Affairs.

S. 1632. A bill to require the Small Business Administration to permit the deferral of payments on loans to borrowers in areas of economic distress caused by foreign currency fluctuations; to the Committee on Small Business.

S. 1633. A bill to require that at least 20 percent of enterprise zones designated under any Federal law be areas that are adversely affected by the devaluation of the Mexican peso; to the Committee on Finance.

Mr. TOWER. Mr. President, today I am introducing four pieces of legislation designed to assist those cities and communities which have been adversely impacted by the devaluation of the Mexican peso. Although only those cities and communities which share our common border with Mexico are directly affected by this economic phenomenon, it is clear that the problems which have been created are affecting indirectly more than the single region. Indeed, the implications for our country and its people, and the implications for our southern neighbors, compel the conclusion that it is an international problem, one which demands the attention of, and action by, our Federal Government.

During recent months I have initiated several actions designed to arrest the ever-broadening economic trends which have exacted much from the economies of New Mexico, Arizona, California, and my home State of Texas. The President, at my request, appointed the Working Group on Southwestern Border States, ably Chaired by the Under Secretary of Commerce for Economic Affairs, the Honorable Robert Dederick, to make an extensive study of the affected areas and recommend administrative adjustments which can be made in existing Federal programs in an effort to blunt this economic onslaught on border cities and communities and their citizenry. Throughout the Southwest, the working group recently held a series of hearings in which members listened to educators, public officials, individuals in business, and local citizens. It is my hope that the recommendations of the group will soon be forthcoming from the White House.

While the working group will suggest and implement administrative remedies, in my view, there is a need for complementing legislative action to assist in arresting, or at least minimizing, the impact of this economic trough into which border States have been thrust.

EDUCATION IMPACT AID

There are four bills contained in my legislative package. The first, S. 1630, deals with aiding local school districts which have been forced by the courts to provide education for ever-increasing numbers of illegal immigrant children. I sponsored similar legislation in the last Congress, and hearings will soon be held on the bill that I am introducing today. Those school districts now burdened with the sole financial responsibility for educating illegal immigrant children—at a time when the tax base of these communities is eroding rapidly—are doing so because of a problem created, not by the school districts, but by the Federal Government itself. The problem exists because of our inability to enforce the Nation's immigration policies.

The program would provide $68 million for direct aid to qualifying school districts for each of the fiscal years 1984, 1985, and 1986. In order to qualify for assistance, it would be necessary for school districts to show an enrollment of at least 500 illegal alien students, or 5 percent of its student body. Up to $1,000 would be provided for each alien child enrolled in these districts. The legislation is also applicable to those school districts which educate Cuban and Haitian refugees.

UDAG PROGRAM

My second bill, S. 1631, relates to the urban development action grant (UDAG) program, and directs the Secretary of Housing and Urban Development to make technical assistance grants to assist small cities—those with populations of less than 50,000—along the border. The legislation is designed so that the technical assistance grants can be used by municipalities in designing, making application for, and implementing UDAG grants.

All too often, the UDAG program has been used to support hotel projects and related amenities. Although such hotels are sources of tourism revenues and service sector jobs, nonetheless, many citizens along the border would prefer to see more UDAG dollars spent for attracting non-service-sector employment, such as manufacturing and job-producing industries. In my view, it is this type activity which will give long-term economic stability to these areas.

SBA LOAN PROGRAM

S. 1632 relates to the operations of the loan program conducted under the auspices of the Small Business Administration (SBA). Under the so-called peso pack program instituted last fall, the SBA made loans to south Texas businesses. Since then, SBA has deferred interest and principal payments on these loans for a period of up to 6 months.

My legislation would allow the SBA to use the authority of section 5(e) of the Small Business Act to permit suspension of obligations to make the required payments, or to assume such obligations, under direct and guaranteed loans previously made pursuant to section 7 of the act.

ENTERPRISE ZONE CARVE OUT

The final piece of my legislative package, S. 1633, specifically mandates that at least 20 percent of those enterprise zones designated under any Federal law be areas that are adversely impacted by the peso devaluation. As the President stated upon initial presentation of his enterprise zone legislation, of which I am a cosponsor, he noted that the enterprise zone concept is a fresh approach for promoting economic growth—it creates a productive free market environment by reducing taxes, regulations, and other governmental burdens on economic activity. Although the fate of S. 863 cannot now be determined, nonetheless it is a unique approach and mechanism for realization of the President's goal, and the bill which I am introducing will make the overall concept responsive to the needs of border cities and communities.

I am, indeed, pleased that the Texas Legislature approved legislation during its recent session embracing this concept should the Congress approve the President's legislation. The new Texas statute allows economically depressed areas to qualify for Federal incentives to attract business, including the reduction of paperwork requirements and the inclusion of certain tax benefits.

CONCLUSION

Many businesses have closed, municipal projects have been interrupted

with concomitant reductions or total cessation of building and construction, and massive layoffs in the work force have occurred. Migration across the border continues to escalate as individuals seek work opportunities in the United States, jobs that do not exist. Sharp declines in hotel occupancy rates have forced some establishments to close. Retail trade and sales have declined substantially. It has become extremely difficult, if not impossible, for American business owners to make short-term business decisions because of uncertainty about American and Mexican purchasing power. Border banks and other financial institutions are impacted by the inability of domestic and foreign customers to make loan repayments.

In short, Mr. President, the economic situation in the border areas is dire, and the Congress is in the best posture to provide this assistance.

I ask unanimous consent that the text of these four bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alien Education Assistance Act".

TITLE I—GENERAL PROVISIONS

DEFINITIONS

SEC. 101. As used in this Act:

(1) The term "alien children" means aliens to whom State or local educational agencies provide educational services, and includes Cuban and Haitian refugee children (as defined in section 101 of the Refugee Education Assistance Act of 1980). Any person who is an alien child (as described in the preceding sentence) at any time after the date of the enactment of this Act shall be considered to maintain such status for purposes of this Act regardless of any subsequent change in status under any other law.

(2) The terms "average per pupil expenditure", "construction", "elementary school", "local educational agency", "secondary school", "school facilities", "State", and "State educational agency" have the meanings given such terms under section 198(a) of the Elementary and Secondary Education Act of 1965.

(3) The term "elementary or secondary nonpublic schools" means schools which comply with the compulsory education laws of the State and which are exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954.

(4) The term "Secretary" means the Secretary of Education.

AUTHORIZATIONS AND ALLOCATION OF APPROPRIATIONS

SEC. 102. (a) There are authorized to be appropriated for each of the fiscal years 1984, 1985, and 1986, to remain available until expended and subject to allocation in accordance with subsection (b), such sums, but not to exceed $68,000,000 in any fiscal year, as may be necessary to make payments to which State educational agencies are entitled under this Act and payments for administration under section 104.

(b)(1) If the sums appropriated for any fiscal year to make payments to States under this Act are not sufficient to pay in full the sum of the amounts which State educational agencies are entitled to receive under title II for such year, the allocations to State educational agencies under each of such titles shall be ratably reduced by the same percentage to the extent necessary to bring the aggregate of such allocations within the limits of the amounts so appropriated.

(2) In the event that funds become available for making payments under this Act for any period after allocations have been made under paragraph (1) of this subsection for such period, the amounts reduced under such paragraph shall be increased on the same basis as they were reduced.

TREATMENT OF CERTAIN JURISDICTIONS

SEC. 103. (a) The jurisdictions to which this section applies are Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b)(1) Each jurisdiction to which this section applies shall be entitled to grants for the purposes set forth in section 201(a) in amounts equal to amounts determined by the Secretary in accordance with criteria established by the Secretary, except that the aggregate of the amount to which such jurisdictions are so entitled for any period for the purposes set forth in section 201(a), shall not exceed an amount equal to 1 per centum of the aggregate of the amounts to which all States are entitled under section 201 for that period.

(2) If the aggregate of the amounts determined by the Secretary pursuant to paragraph (1) to be so needed for any period exceeds an amount equal to such 1 per centum limitation, the entitlement of each such jurisdiction shall be reduced proportionately until such aggregate does not exceed such limitation.

STATE ADMINISTRATIVE COSTS

SEC. 104. The Secretary is authorized to pay to each State educational agency amounts equal to the amounts expended by it for the proper and efficient administration of its functions under this Act, except that the total of such payments for any period shall not exceed 1 per centum of the amounts which that State educational agency is entitled to receive for that period under this Act.

WITHHOLDING

SEC. 105. Whenever the Secretary, after reasonable notice and opportunity for a hearing to any State educational agency, finds that there is a failure to meet the requirements of any title of this Act, the Secretary shall notify that agency that further payments will not be made to the agency under such title, or in the discretion of the Secretary, that the State educational agency shall not make further payments under such title to specified local educational agencies whose actions cause or are involved in such failure until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, no further payments shall be made to the State educational agency under such title, or payments by the State educational agency under such title shall be limtied to local educational agencies whose actions did not cause or were not involved in the failure, as the case may be.

APPLICATION OF CERTAIN RULES

SEC. 106. Notwithstanding any other provision of law, classroom facilities obtained by a local educational agency with assistance under title I of the Elementary and Secondary Education Act of 1965 may be used in any fiscal year for educational services of alien children if the number of alien children enrolled in the elementary or secondary public schools under the jurisdiction of such agency, during that fiscal year, is equal to—

(1) at least 500, or

(2) at least 5 per centum of the total number of students enrolled in the public elementary or secondary schools during such fiscal year,

whichever is less.

TITLE II—GENERAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES

STATE ENTITLEMENTS

SEC. 201. (a) The Secretary shall, in accordance with the provisions of this title, make payments to State educational agencies for each of the fiscal years 1984, 1985, and 1986 for the purpose of assisting local educational agencies of that State in providing basic education for alien children. Payments made under this title to any State shall be used in accordance with applications approved under section 202 for public educational services for alien children enrolled in the elementary and secondary public schools under the jurisdiction of the local educational agencies or that State, or for the construction of necessary school facilities for such children, or both.

(b)(1) Except as provided in paragraph (2) and in subsection (c), the amount of the grant to which a State educational agency is entitled under this title, for any fiscal year described in subsection (a), shall be equal to the product of—

(A) the number of alien children enrolled in elementary or secondary public schools under the jurisdiction of each local educational agency within that State during the period for which the determination is made;

multiplied by—

(B) the average per pupil expenditure in the State, or $1,000, whichever is less.

(2) For the purpose of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The entitlements of such jurisdictions shall be determined in the manner specified in section 103, but for purposes of this title and section 105 any payments made under section 103 for the purposes set forth in section 201(a) shall be considered to be payments under this title.

(c) Determinations by the Secretary under this title for any period with respect to the number of alien children shall be made, whenever actual satisfactory data are not available, on the basis of estimates. No such determination shall operate because of an underestimate or overestimate to deprive any State educational agency of its entitlement to any payment (or the amount thereof) under this title to which such agency would be entitled had such determination been made on the basis of accurate data.

APPLICATIONS

SEC. 202. (a) No State educational agency shall be entitled to any payment under this title for any period unless that agency submits an application to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may reasonably require. Each such application shall—

(1) provide that the payments under this title will be used for the purposes set forth in section 201(a);

(2) provide assurances that such payments will be distributed among local educational agencies within that State in accordance with section 201;

(3) provide assurances that the State educational agency will not finally disapprove in whole or in part any application for funds received under this title without first affording the local educational agency submitting the application for such funds reasonable notice and opportunity for a hearing;

(4) provide procedures for an accounting of the number of alien children within the State; and

(5) provide for periodic audits in accordance with the provisions of sections 434(a) and 435 of the General Education Provisions Act, and for making such reports as the Secretary may reasonably require to carry out this title.

(b) The Secretary shall approve an application which meets the requirements of subsection (a). The Secretary shall not finally disapprove an application of a State educational agency except after reasonable notice and opportunity for a hearing on the record to such agency.

PAYMENTS

SEC. 203. The Secretary shall pay to each State educational agency having an application approved under section 202 the amount which that State is entitled to receive under this title.

S. 1631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 119 of the Housing and Community Development Act of 1974 is amended by adding at the end thereof the following new subsection:

"(q) The Secretary, to the maximum extent feasible, shall make technical assistance under this title available to cities of less than fifty thousand population which are located on or near the border between the United States of America and the Republic of Mexico to assist them to develop, apply for assistance for, and implement programs eligible for assistance under this section. In addition, in reviewing applications for assistance under this section, the Secretary shall give all due consideration to applications from such cities on or near such border, especially with regard to applications involving industrial and commercial plants or facilities, other than hotels and other transient housing."

S. 1632

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the Small Business Administration shall utilize the authority under section 5(e) of the Small Business Act to permit suspension of the obligation to make the required payments, or to assume such obligation, under direct and guaranteed loans previously made pursuant to section 7 of the Small Business Act which the borrower has used to finance the sale of goods or services to an individual or business located in a foreign country contiguous to the United States, if the borrower is located in an area of economic distress resulting from the drastic fluctuation in the value of the currency and from an adjustment in monetary regulations of that foreign country.

S. 1633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) if any Federal law is enacted which provides for the designation of enterprise zones, no less than 20 percent of the enterprise zones designated under such law shall be within areas located in the United States which the head of the department or agency making such designations determines to be areas that are adversely affected by any devaluation of the Mexican peso.

(b) For purposes of this Act, the term "enterprise zone" means any designated area in the United States which has the benefit of tax incentives and other advantages similar to the tax incentives and advantages that benefit an enterprise zone under the provisions of, and the amendments made by, S. 863 of the Ninety-eighth Congress (as introduced).

ADDITIONAL COSPONSORS

S. 474

At the request of Mr. COCHRAN, the name of the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 474, a bill to amend title 18, United States Code, to provide for the protection of Government witnesses in criminal proceedings.

S. 476

At the request of Mr. LEVIN, the name of the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 1179

At the request of Mr. METZENBAUM, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 1179, a bill to repeal provisions of law concerning price support for, and marketing of, tobacco, and for other purposes.

S. 1244

At the request of Mr. PACKWOOD, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1244, a bill to amend title XVIII of the Social Security Act to provide for a program of health care for elderly individuals who require long-term care.

S. 1359

At the request of Mr. METZENBAUM, the name of the Senator from Minnesota (Mr. DURENBERGER), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 1359, a bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for household and dependent care services, and for other purposes.

SENATE JOINT RESOLUTION 105

At the request of Mr. RUDMAN, the name of the Senator from Florida (Mr. CHILES) was added as a cosponsor of Senate Joint Resolution 105, a joint resolution calling upon the Department of Justice and all other appropriate Federal agencies to enforce Federal antitrust laws including the prohibition against vertical price restraints.

SENATE RESOLUTION 149

At the request of Mr. DODD, the names of the Senator from Montana (Mr. MELCHER), and the Senator from Illinois (Mr. DIXON) were added as cosponsors of Senate Resolution 149, a resolution to express the sense of the Senate that the laws which insure equal rights with regard to education opportunity for women should be maintained.

AMENDMENT NO. 1485

At the request of Mr. STEVENS, his name was withdrawn as a cosponsor of amendment No. 1485 proposed to S. 675, a bill to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

AMENDMENT NO. 1495

At the request of Mr. DURENBERGER, the names of the Senator from West Virginia (Mr. RANDOLPH), the Senator from Montana (Mr. MELCHER), the Senator from Texas (Mr. BENTSEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. BURDICK), the Senator from Idaho (Mr. SYMMS), the Senator from Alaska (Mr. STEVENS), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of amendment No. 1495 proposed to H.R. 3329, a bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes.

AMENDMENTS SUBMITTED

DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1984

SARBANES (AND RANDOLPH) AMENDMENT NO. 1504

Mr. SARBANES (for himself and Mr. RANDOLPH) proposed an amendment to the bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel

strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; as follows:

At the appropriate place in the bill insert the following new section:

MILITARY SERVICE CREDIT FOR CIVIL SERVICE RETIREMENT

SEC. . Section 8334(j)(2)(A) of title 5, United States Code, is amended by striking out "1982" and inserting in lieu thereof "1983".

MATSUNAGA (AND INOUYE) AMENDMENT NO. 1505

Mr. JACKSON (for Mr. MATSUNAGA and Mr. INOUYE) proposed an amendment to the bill, S. 675, supra; as follows:

On page 223, after the addition to the table of sections following line 13 and before line 14 insert the following:

"(d) Notwithstanding any provision of this or any other Act, the Secretary of Defense shall not take any action to initiate the sale, lease, rental, excessing or disposal of any portion of land identified on the date of enactment of this Act as Fort DeRussy in the State of Hawaii.".

MATHIAS AMENDMENT NO. 1506

Mr. MATHIAS proposed an amendment to the bill, S. 675, supra; as follows:

On page 97, insert after line 9 the following:

"(c) Nothing in section 973(b)(3) of title 10 United States Code, as added by this section, shall preclude a Reserve officer to whom such section 973(b)(3) applies from holding or exercising the functions of an office described in such section 973(b)(3) for the term to which the Reserve officer was elected or appointed if, prior to the effective date of this Act, the Reserve officer accepted an appointment or election to the office in accordance with the laws and regulations in effect at the time of such an appointment or election.".

BAUCUS AMENDMENT NO. 1507

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed to the bill, S. 675, supra; as follows:

At the appropriate place in the bill insert the following new section:

SEC. . None of the funds appropriated pursuant to this Act or any Act enacted after the date of enactment of this Act may be obligated or expended for the production, procurement, testing, or deployment of the MX missile until the President has certified in writing to the Congress and the Congress has approved by Joint Resolution that the President is actively and aggressively pursuing good faith arms reduction in the START negotiations with the Soviet Union.

MELCHER AMENDMENT NO. 1508

Mr. MELCHER proposed an amendment to the bill, S. 675, supra; as follows:

On page 66, strike lines 1 through 3 and renumber the remaining sections as required.

PRESSLER (AND OTHERS) AMENDMENT NO. 1509

Mr. PRESSLER (for himself, Mr. BAUCUS, and Mr. MELCHER) proposed an amendment to the bill, S. 675, supra; as follows:

On page 27, line 1, delete "$1,808,900,000" and insert in lieu thereof "$1,824,700,000".

On page 26, line 25, delete "$1,126,400,000" and insert in lieu thereof "$1,135,000,000".

BRADLEY AMENDMENT NO. 1510

Mr. BRADLEY proposed an amendment to the bill, S. 675, supra; as follows:

At the appropriate place in the bill, insert the following:

ENFORCEMENT OF THE MILITARY SELECTIVE SERVICE ACT AND EDUCATIONAL ASSISTANCE

SEC. . Section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) is amended—

(1) in paragraph (1), by inserting before the period "effective on and after the date of the determination of the ineligibility of such person under paragraph (2)";

(2) by striking out paragraphs (2) and (3) and inserting in lieu thereof the following:

"(2) Each institution of higher education shall furnish to the Secretary of Education a list of students enrolled or accepted for enrollment at that institution who are receiving any form of assistance or benefit under title IV of the Higher Education Act of 1965. The Secretary of Education, in consultation with the Director of Selective Service, shall determine whether any student whose name appears on a list furnished under the preceding sentence is a student to whom paragraph (1) applies and shall, pursuant to paragraph (4), deny assistance or benefits under title IV of the Higher Education Act of 1965 to each such student unless that student shows proof of registration:"; and

(3) by redesignating paragraph (4) as paragraph (3).

HART AMENDMENTS NOS. 1511 THROUGH 1514

Mr. HART submitted four amendments intended to be proposed by him to the bill, S. 675, supra; as follows:

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of law, no funds appropriated under any Act may be obligated or expended for the production, procurement, testing, or deployment of the MX missile until the President has certified in writing to the Congress, and the Congress by Joint Resolution has approved such certification, that the missile silos designated for basing the MX missiles are capable of surviving a first strike by the nuclear warheads of any hostile country.".

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of law, no funds appropriated under any Act may be obligated or expended for the production, procurement, testing, or deployment of the MX missile until the President has certified in writing to the Congress, and the Congress by Joint Resolution has approved such certification, that the current force of strategic nuclear weapon systems of the United States (consisting of 1,047 intercontinental ballistic missiles armed with 2,145 nuclear warheads, 568 submarine launched ballistic missiles armed with 4,948 nuclear warheads, and 359 strategic bomber aircraft carrying over 2,600 nuclear bombs) is not sufficient to deter an attack by the Soviet Union with its strategic nuclear weapon systems.".

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provisions of law, no funds appropriated under any Act may be obligated or expended for the production, procurement, testing, or deployment of the MX missile until the President has certified in writing to the Congress, and the Congress by Joint Resolution has approved such certification, that procurement and deployment of the MX missile will not contribute to the budget deficit and the underfunding of domestic programs.".

At the end of the bill, add the following new section:

"SEC. . Notwithstanding any other provision of law, no funds appropriated under any Act may be obligated or expended for the production, procurement, testing, or deployment of the MX missile until the President has certified in writing to the Congress, and the Congress has by Joint Resolution approved such certification, that procurement and deployment of the MX missile will in no way abrogate or lead toward the abrogation of the Anti-Ballistic Missile Treaty.".

GRASSLEY (AND OTHERS) AMENDMENT NO. 1515

Mr. GRASSLEY (for himself, Mrs. KASSEBAUM, Mr. HOLLINGS, Mr. WARNER, Mr. JEPSEN, Mr. BOSCHWITZ, Mr. DOLE, Mr. DURENBERGER, Mr. ANDREWS, Mr. HUMPHREY, Mr. GORTON, Mr. JOHNSTON, Mr. BINGAMAN, Mr. PRYOR, Mr. NUNN, and Mr. BRADLEY) proposed an amendment to the bill, S. 675, supra; as follows:

At the appropriate place in the bill, insert the following new section:

STUDY TO REESTIMATE THE COST OF THE B-1B BOMBER PROGRAM

SEC. . (a) The Secretary of Defense shall conduct a detailed financial analysis on the projected cost of procuring one hundred B-1B bomber aircraft and, on the basis of such analysis, shall as necessary make any revisions to the estimate of the total projected cost for the procurement of such aircraft certified to by President Reagan on January 18, 1982.

(b) The Secretary shall submit a written report to the Congress not more than 60 days after the enactment of the Department of Defense Appropriations Act for fiscal year 1984, but in no event later than January 31, 1984, setting forth the results of such analysis. The Secretary shall include in such report the new estimate of the projected total cost for the procurement of one hundred B-1B aircraft.

(c) The Secretary shall also transmit a copy of the report referred to in subsection (b) to the Comptroller General of the United States for his review and shall make available to the Comptroller General such additional data and information as the

Comptroller General requires for the purposes of his review consistent with the Budget and Accounting Act of 1921, and such additional authority as was conferred by Public Law 96-226. Such data and information as the Comptroller General receives under this section shall not be discussed to anyone other than those persons specially designated by the Comptroller General to have access thereto. Any report by the General Accounting Office concerning data and information provided pursuant to this section may, consistent with the classification of such report, be provided to the Congress and shall be prepared with due regard to the sensitivity of the information received in such a manner as to avoid disclosure of data which could adversely affect ongoing contract negotiations or the national security.

OCEAN TRANSPORTATION OF BULK COMMODITIES

STEVENS AMENDMENT NO. 1516

(Ordered to be referred to the Committee on Commerce, Science, and Transportation.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill (S. 1624) to promote increased ocean transportation of bulk commodities in the foreign commerce of the United States in U.S.-flag ships, to strengthen the defense industrial base, and for other purposes; as follows:

In section 103(a), strike subparagraphs (A) and (D); redesignate subparagraphs (B) and (C) as subparagraphs (1) and (2), respectively; in subparagraph (1), as so redesignated, insert "and" at the end thereof; and strike "; and" at the end of subparagraph (2), as so designated, and insert in lieu thereof a period.

In section 103, redesignate existing subparagraphs (b) and (c) as subparagraphs (c) and (d), respectively, and insert immediately after subparagraph (a) the following:

"(b) The term 'domestic-built United States-flag ship' means a United States-flag ship that meets each of the following conditions:

"(1) The vessel was built in the United States; and

"(2) Not more than 50 per centum of the main propulsion machinery, other machinery, articles and components of the vessel, which are not an integral part of the hull or superstructure, are of foreign manufacture. This percentage shall be computed on the basis of cost, determined separately for each item of machinery or equipment.".

In section 104(a), insert the following immediately before the period at the end of the first sentence: ", except that at least one-half of such per centum must be carried in domestic-built United States-flag ships".

In section 104(a), insert the following immediately before the period at the end of the second sentence: ", except that at least one-half of each annual per centum must be carried in domestic-built United States-flag ships".

In section 105(a), redesignate existing paragraphs (2) through (4) as paragraphs (3) through (5), and insert immediately after paragraph (1) the following:

"(2) the maintenance of a domestic shipyard mobilization base;".

In the first sentence of section 106(a), insert "(1)" immediately after "certifying that", and insert immediately before the period at the end thereof the following: ", and (2) at least one-half of the required percentage was carried in domestic-built United States-flag ships under section 104 of this title".

In section 106(b), insert immediately after "ships" wherever it appears the following: ", including domestic-built United States-flag ships,".

STATEMENT OF SENATOR TED STEVENS ON S. 1624

Mr. STEVENS. Mr. President, today I am introducing an amendment to S. 1624 which I cosponsored with Senator TRIBLE.

This bill attempts to address the fundamental problem of declining cargo availability for our U.S.-flag bulk fleet. I am pleased to join my good friend Senator TRIBLE in searching for a solution to this problem, and I invite serious discussion on this bill. My cosponsorship today is not intended as an endorsement of S. 1642, but I do feel that the time to explore this problem has arrived.

I need not stress the vital importance of these industries to trade, commerce or our national defense. We cannot afford, Mr. President, to allow the U.S.-flag bulk fleet to continue to founder in the trough of the worst depression it has encountered in over 50 years.

This bill tries to accomplish those goals. Unlike direct subsidies, these measures attempt to stimulate renewed healthy competition by decreasing the costs of building and operating bulk vessels, while at the same time reserving a significant portion of our bulk exports and imports for carriage on U.S.-flag ships.

The potential cost to American shippers concerns me, and it is for that reason that I have filed an additional cost-saving amendment today. The bill also contains a tax credit incentive to shippers which will help to offset those higher costs through tax savings. Our proposal is by no means locked into concrete—we invite serious discussion, and I hope to receive suggestions over the intervening months on how this problem might best be addressed.

My amendment to this bill is relatively simple. It would allow up to one-half of the bulk cargo reserved to U.S.-flag ships to be carried on foreign-built ships documented in the United States and manned by U.S. crews. The use of foreign bottoms is necessary in the short run since the existing domestic build U.S.-flag bulk fleet is too small, too old and too inefficient to capture the ambitious market share targets specified in the bill. Bulk ships cannot be built overnight. Currently there is an excess bulk ship tonnage which could be put to work for and by Americans if the economic and financial climate were suitable. The incentives of this bill are intended to create that climate. Therefore it is prudent to have an accessible pool of potential vessels that can be used to capture this market to the maximum extent possible.

Also, it should be noted that this bill creates a tax-incentive shipyard capital construction fund to revitalize bulk vessel construction in U.S. shipyards to modernize or rebuild existing shipyards, and to finance new facilities. The capital construction fund concept will direct pretax investment dollars into shipyard facilities in a highly efficient manner.

It should also be remembered that one of the goals of this bill is to create a truly competitive bulk vessel construction industry. This goal is unlikely if U.S. shipbuilding firms are totally shielded from world market forces rather than being given a competitive edge by this type of legislation.

Finally, it is important to consider the interest of U.S. shippers and consumers. Any artificial rise in transportation costs works as a tax on these groups, decreasing their participation in industry as well as the marketplace in general. It is much better, Mr. President, to allow the groups and interests affected by this proposal relief from any cost increase in freight rates by sharing that cost with all taxpayers.

In sum, Mr. President, this legislation raises issues that need immediate attention because of the condition of our maritime industry. I am pleased to have cosponsored this bill as a vehicle for public debate and further analysis of these crucial problems.

NATIONAL HISTORICALLY BLACK COLLEGES DAY

THURMOND AMENDMENT NO. 1517

Mr. BAKER (for Mr. THURMOND) proposed an amendment to the joint resolution (S.J. Res. 85) to designate September 21, 1983, as "National Historically Black Colleges Day"; as follows:

On page 2, line 3, strike the date "September 21, 1983" and insert in lieu thereof the date "September 26, 1983".

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, Members will recall that earlier this week I obtained an order for the Senate to convene after recess today at noon on Monday next. As has been the custom of the past several weeks, I would prefer to adjourn. But before I change the order, I will make this unanimous-consent request:

I ask unanimous consent that when the Senate convenes on Monday, July

18, 1983, if it does so pursuant to an adjournment, the reading of the Journal be dispensed with; that no resolutions come over under the rule; that the call of the calendar be dispensed with; that following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from Georgia (Mr. MATTINGLY) for not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business not to exceed 1 hour in length, with Senators permitted to speak therein for not more than 5 minutes each; and provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I believe the requests I am about to put have been cleared with the minority leader. I will state them now for his consideration and for that of all other Senators.

RESCISSION OF TIME LIMIT ON REPORTING H.R. 3034

Mr. BAKER. Mr. President, I ask unanimous consent that on H.R. 3034, an act to provide for appointment and education of congressional pages, now before the Committee on Rules and Administration, that the 30-day time limit for reporting the bill be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY DISCHARGE FROM FURTHER CONSIDERATION OF H.R. 1590

Mr. BAKER. Mr. President, I ask unanimous consent that the Agriculture Committee be discharged from further consideration of H.R. 1590, an act to provide emergency food assistance to low-income and unemployed persons and to improve the commodity distribution program, and that the bill be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, there are a number of items on today's calendar of business which are cleared for action by unanimous consent on this side. I will identify them for the minority leader and ask if he is in a position to consider all or any part of this list of items by unanimous consent.

I refer to Calendar Nos. 272, 288, 289, 290, 292, 293, 294, 295, 296, 297, and 298.

Mr. BYRD. Mr. President, I have no objection to any of the measures.

Mr. BAKER. Mr. President, since the minority leader has indicated that we can clear those bills for action, I ask unanimous consent that the Senate proceed to their consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEXUAL EXPLOITATION OF CHILDREN

The Senate proceeded to consider the bill (S. 1469) to amend title 18 of the United States Code relating to the sexual exploitation of children.

Mr. SPECTER. Mr. President, this legislation proposes amendments to significantly strengthen the Protection of Children Against Sexual Exploitation Act of 1977. These amendment would:

First. Remove the requirement that the production or distribution of child pornography be for a commercial purpose;

Second. Delete the obscenity requirement from the distribution offense;

Third. Protect children under age 18;

Fourth. Increase the penalties for violations;

Fifth. Authorize the imposition of a penalty upon organizations that violate the act; and

Sixth. Provide for civil and criminal forfeiture.

This bill reflects nearly 2 years of investigation and study of the problems of sexually exploited children by the Subcommittee on Juvenile Justice of the Senate Committee on the Judiciary.

On November 5, 1981, the subcommittee began hearings on the problem of the sexual exploitation of children. This first hearing explored the nature and scope of the problem. A second hearing on April 1, 1982, examined Federal law enforcement efforts.

On August 19, 1982, I introduced S. 2856 in response to these hearings. A subsequent subcommittee hearing, held December 10, 1982, in the wake of the Supreme Court's decision in *New York* v. *Ferber*, 1102 S. Ct. 3348 (1982), examined the necessity for an obscenity requirement for child pornography.

On June 14, 1983, I, joined by Senator GRASSLEY, long a leader in this field, Senator THURMOND, the distinguished chairman of the Senate Committee on the Judiciary, and 16 other cosponsors introduced S. 1469.

This bill—by increasing the scope of Federal protection of children from sexual exploitation—represents an important step forward in the protection of our Nation's children. We have no higher priority; I urge the passage of S. 1469.

Mr. DENTON. Mr. President, I rise today to strongly support S. 1469, a bill designed to halt child pornography in America.

The widespread existence and growth of child pornography is a national disgrace and social cancer threatening to swallow up legions of American children. While there are many issues which we can and should reasonably disagree on, I do not believe that child pornography is one of them. Surely the most basic purpose of any good government is to protect its citizens and more precisely to shield the weak and innocent from those who would use their strength and lack of scruples to exploit the weak.

This basic principle is the foundation of so many of the laws and rules which govern our society that it hardly needs to be repeated.

And yet, the incredible growth of child pornography in America stands out as a glaring rebuke to our Government and its inability or unwillingness to protect some of the most vulnerable among us from some of the most cruel and crafty perversion purveyors.

Mr. President, the sad fact is that in America today thousands of innocent children from the earliest ages are being used as models to pose for materials which are sold or exchanged among a growing number of people who get sick pleasure from seeing the innocence of these children compromised.

Decent Americans are sickened to learn that such exploitation goes on, and even more disillusioned to realize that stopping this cancer is difficult because these enemies of innocence have chosen to attack American children while hiding behind the virtually impregnable shield of free expression.

Mr. President, it is obvioius to everyone in this body and almost everyone in the Nation that child pornography is wrong and ought to be stopped. The legislation we consider today, S. 1469, will make prosecution much more possible by removing that shield of free expression to those who would exploit children for profit and perversion. This bill is a cooperative effort combining language from the respective bills of Senators GRASSLEY and SPECTER, and also my suggestion that courts be enabled to confiscate all profits and assets used in the production of illegal material. The effect of S. 1469 will be to make it virtually impossible for the sophisticated merchants of perversion to find a safe harbor from prosecution.

Mr. President, I believe that the legislation before us today is only a first step in eradicating the overall blight of pornography on our society. Pornography is wrong and harmful no matter what age group participates. I encourage my colleagues to devote the same attention to future antipornog-

raphy legislation that has been devoted to this present measure.

Mr. President, unless we act by taking swift and decisive action to stop child pornography, the momentum that the ruthless exploiters have gained in recent years will continue to build, engulfing more children and leaving a trail of destroyed young lives in its wake. I, therefore, urge my colleagues to pass S. 1469, so that we can end this national disgrace of child pornography.

Mr. GRASSLEY. Mr. President, I believe that this bill is a new landmark in Federal efforts to eradicate child pornography. Taking its lead from the Supreme Court's 1982 decision in New York against Ferber, this bill outlaws the distribution of all child pornography—not simply that which is technically "obscene." The Court recognized in Ferber that the need to protect our children from sexual exploitation far outweighed the need of the exploiters to first amendment protection, and the bill before us writes that conclusion into law.

Due to the outstanding efforts of Senator SPECTER, Senator DENTON, and of course the distinguished chairman, STROM THURMOND, we have before us a compromise measure that shields as effectively as possible those children vulnerable to sexual exploitation. This bill was agreed to after much deliberation as to what standards would both protect children and pass constitutional muster.

Two bills on this subject were introduced and referred to the Judiciary Committee in this session of Congress. The bill that I introduced, S. 29, is identical to one which passed the Senate as part of the Violent Crime and Drug Enforcement Act in the latter part of the 97th Congress. I reintroduced that bill on January 26, and later introduced another bill, S. 1240, which increased criminal penalties and raised the maximum age for children protected by the act to 18 from 16 in the current law. Senators THURMOND, DENTON, DOLE, LAXALT, HATCH, EAST, DECONCINI, HEFLIN, JEPSEN, KASTEN, RANDOLPH, DOMENICI, HUDDLESTON, WARNER, and NICKLES joined me in cosponsoring that bill.

As originally introduced, Senator SPECTER'S bill, S. 57, contained a number of exceptions to prosecution. The bill originally contained a defense that would not restrain the distribution or production of materials involving minors if the materials contain "serious literary, artistic, scientific, social or educational value." A specific exemption also existed in the original S. 57, and the version reported by the Juvenile Justice Subcommittee for mediums depicting children masturbating if that medium was "an integral portion of a work possessing serious scientific or educational value." I want to emphasize here today that these exemptions have been dropped from the compromise now being introduced.

S. 1469 is in keeping with the Supreme Court decision in Ferber, which addressed and assessed the potential need for blanket exemptions to prosecution and concluded:

A 12-year-old child photographed while masturbating surely suffers the same psychological harm whether the community labels the photograph "edifying" or "tasteless". The audience's appreciation of the depiction is simply irrelevant to New York's asserted interest in protecting children from psychological, emotional, and mental harm . . . An exception for depictions of serious social value, moreover, would actually increase opportunities for the content-based censorship disfavored by the First Amendment.

This act is so critical a shield for the Nation's children that it warrants the strictest adherence to the Ferber decision. In eliminating the loopholes that previously existed in the bill that was passed out of the subcommittee and instead adopting the increase sanction and age limit contained in that bill, I believe that we have created a most effective prosecutorial tool through this legislation.

Other strengthening provisions that are contained in this legislation include stricter language relating to the definition of sado-masochistic abuse. Section 2253 of title 18 defines "sexually explicit conduct" to include "sado-masochistic abuse (for the purpose of sexual stimulation)." We have eliminated the qualifier "for the purpose of sexual stimulation" in hopes of further removing children from the sexual marketplace. Another critical provision, contributed by Senator JEREMIAH DENTON, allows forfeiture in child pornography cases. It is only through effective economic deterrents that the business of child pornography can be effectively suppressed.

All of us recognize that this bill marks only the beginning of heightened efforts to abolish child pornography. The true test of its effectiveness remains in the hands of our Federal prosecutors. Let us hope that through this legislation we will have armed them adequately.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds that—

(1) child pornography has developed into a highly organized, multimillion-dollar industry which operates on a nationwide scale;

(2) thousands of children including large numbers of runaway and homeless youth are exploited in the production and distribution of pornographic materials; and

(3) the use of children as subjects of pornographic materials is harmful to the physiological, emotional, and mental health of the individual child and to society.

SEC. 2. Chapter 110 of title 18, United States Code, is amended to read as follows:

"CHAPTER 110—SEXUAL EXPLOITATION OF CHILDREN

"Sec. 2251. Definitions for chapter.
"Sec. 2252. Sexual exploitation of children.
"Sec. 2253. Certain activities relating to material involving the sexual exploitation of minors.
"Sec. 2254. Criminal forfeiture.
"Sec. 2255. Civil forfeiture.
"Sec. 2256. Reporting.

"§ 2251. Definitions for chapter

"For the purposes of this chapter, the term—

"(1) 'minor' means any person under the age of eighteen years;

"(2) 'sexually explicit conduct' means actual or simulated—

"(A) sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex;

"(B) bestiality;

"(C) sado-masochistic abuse;

"(D) masturbation; or

"(E) a display of the genitals or pubic area of any person for the purpose of arousing or inciting sexual desire;

"(3) 'simulated' means the explicit depiction of any conduct described in clause (2) of this section which creates the actual appearance of such conduct;

"(4) 'producing' means producing, directing, manufacturing, issuing, publishing, or advertising; and

"(5) 'visual or print medium; means any film, photograph, negative, slide, book, magazine, or other visual or print medium.

"§ 2252. Sexual exploitation of children

"(a) Any person who knowingly employs, uses persuades, induces, entices, or coerces any minor to engage in, or who has a minor assist any other person to engage in, any sexually explicit conduct for the purpose of producing any visual or print medium depicting such conduct, shall be punished as provided under subsection (c), if such person knows or has reason to know that such visual or print medium will be transported in interstate or foreign commerce or mailed, or if such visual or print medium has actually been transported in interstate or foreign commerce or mailed.

"(b) Any parent, legal guardian, or person having custody or control of a minor who knowingly permits such minor to engage in, or to assist any other person to engage in, sexually explicit conduct for the purpose of producing any visual or print medium depicting such conduct shall be punished as provided under subsection (c) of this section, if such parent, legal guardian, or person knows or has reason to know that such visual or print medium will be transported in interstate or foreign commerce or mailed or if such visual or print medium has actually been transported in interstate or foreign commerce or mailed.

"(c) Any person who violates this section shall be fined not more than $75,000 or imprisoned not more than ten years, or both, but, if such person has a prior conviction under this section, such person shall be fined not more than $150,000 or imprisoned not less than two years nor more than fifteen years, or both.

"§ 2253. Certain activities relating to material involving the sexual exploitation of minors

"(a) Any person who—

"(1) knowingly transports or ships in interstate or foreign commerce or mails any visual or print medium, if—

"(A) the producing of such visual or print medium involves the use of a minor engaging in sexually explicit conduct; and

"(B) such visual or print medium visually depicts such conduct or such visual or print medium is obscene and depicts such conduct; or

"(2) knowingly receives, sells or distributes any visual or print medium that has been transported or shipped in interstate or foreign commerce or mailed, if—

"(A) the producing of such visual or print medium involves the use of a minor engaging in sexually explicit conduct; and

"(B) such visual or print medium visually depicts such conduct or such visual or print medium is obscene and depicts such conduct;

shall be punished as provided in subsection (b) of this section.

"(b)(1) Any person who violates this section shall be fined not more than $75,000 or imprisoned not more than ten years, or both, but, if such person has a prior conviction under this section, such person shall be fined not more than $150,000 or imprisoned not less than two years nor more than fifteen years, or both. Any organization which violates this section shall be fined not more than $250,000.

"(2) For purposes of this section, the term 'organization' means a person other than an individual.

"§ 2254. Criminal forfeiture

"(a) Whoever violates any provision of section 2252 shall forfeit to the United States (1) any interest he has acquired or maintained in violation of section 2252, and (2) any interest in, security of, claim against, or property or contractual right of any kind affording a source of influence over, any enterprise which he has established, operated, controlled, conducted, or participated in the conduct of, in violation of section 2252.

"(b) In any action brought by the United States under this section, the district courts of the United States shall have jurisdiction to enter such restraining orders of prohibitions, or to take such other action, including, but not limited to, the acceptance of satisfactory performance bonds, in connection with any property or other interest subject to forfeiture under this section, as it shall deem proper.

"(c)(1) Upon conviction of a person under this section, the court shall authorize the Attorney General to seize all property or other interest declared forfeited under this section upon such terms and conditions as the court shall deem proper. If a property right or other interest is not exercisable or transferable for value by the United States, it shall expire, and shall not revert to the convicted person.

"(2) All provisions of law relating to the disposition of property, or the proceeds from the sale thereof, or the remission or mitigation of forfeitures for violation of the customs laws, and the compromise of claims and the award of compensation to informers in respect of such forfeitures shall apply to forfeitures incurred, or alleged to have been incurred, under the provisions of this section, insofar as applicable and not inconsistent with the provisions thereof. Such duties as are imposed upon the collector of customs or any other person with respect to the disposition of property under the customs laws shall be performed under this chapter by the Attorney General.

"(3) The United States shall dispose of all such property as soon as commercially reasonable, making due provision for the rights of innocent persons.

"§ 2255. Civil forfeiture

"(a) The following property shall be subject to forfeiture by the United States:

"(1) any visual or print medium produced, transported, shipped, or received in violation of this chapter; and

"(2) any property constituting, or derived from, any proceeds obtained, directly or indirectly, from a violation of this chapter, except that no property shall be forfeited under this paragraph, to the extent of the interest of an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner.

"(b) All provisions of the customs law relating to the seizure, summary and judicial forfeiture, and condemnation of property for violation of the customs laws, the disposition of such property or the proceeds from the sale thereof, the remission or mitigation of such forfeitures, and the compromise of claims, shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this section, insofar as applicable and not inconsistent with the provisions of this section, except that such duties as are imposed upon the customs officer or any other person with respect to the seizure and forfeiture of property under the customs laws shall be performed with respect to seizures and forfeitures of property under this section by such officers, agents, or other persons as may be authorized or designated for that purpose by the Attorney General, except to the extent that such duties arise from seizures and forfeitures effected by any customs officer.

"§ 2256. Reporting

"Beginning one hundred and twenty days after the date of enactment of this Act, and every year thereafter, the Attorney General shall report to Congress the number of cases and convictions brought under section 2252 of title 18, United States Code, and the dollar amount of any forfeiture of assets under section 2254 of such title.".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL PSYCHOLOGY DAYS

The joint resolution (S.J. Res. 19) to authorize and request the President to designate the period August 26 through August 30, 1983, as "National Psychology Days" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 19

Whereas the American Psychological Association Convention provides a forum for the Nation's outstanding behavioral scientists and psychological practitioners to disseminate their findings and expertise, to the ultimate benefit of our residents and the quality of life of our Nation;

Whereas psychological inquiry increases our knowledge of human behavior and enhances people's understanding of themselves and others; and the American Psychological Association pursues such knowledge and encourages its utilization in the best interests of society; and

Whereas the American Psychological Association and various State affiliates encourage high standards of education, competence, achievement, and ethical conduct for psychologists; improvement and growth of the field of psychology; and the application of psychological research to the promotion of human welfare: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the period August 26, 1983, through August 30, 1983, as "National Psychology Days", and calling upon the people of the United States to observe the period with appropriate programs, ceremonies, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CHILD SUPPORT ENFORCEMENT MONTH

The joint resolution (S.J. Res. 56) to designate the month of August 1983 as "National Child Support Enforcement Month" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 56

Whereas significant progress has been made toward improving laws and regulations dealing with child support enforcement by the States;

Whereas the provisions of part D of title IV of the Social Security Act have provided a needed response in alleviating problems that exist within and among States as to legal rights and financial needs of their citizens;

Whereas the child support program's ultimate goal is to reduce financial deprivation among America's children by ensuring that the responsibility of support rests with the responsible parent, thereby diminishing the need for welfare dependency by women and children;

Whereas the dedicated service of family support enforcement personnel, the judiciary and the legal community has contributed to increased child support collections, parternity establishments and the location of absent parents;

Whereas the growth and success of child support programs have resulted from and continue to rely on increased cooperation of Federal, State and local agencies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of August 1983 is designated "National Child Support Enforcement Month" and that the President of the United States is authorized

and requested to issue a proclamation calling upon all government agencies and the people of the United States to observe the month with appropriate programs, ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ANIMAL AGRICULTURE WEEK

The joint resolution (S.J. Res. 77) designating "National Animal Agriculture Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 77

Whereas the American Society of Animal Science is celebrating its seventy-fifth anniversary in July 1983; and

Whereas its seven thousand five hundred members comprise the largest scientific society which provides information through research, extension and teaching to all segments of animal agriculture in the United States and much of the world; and

Whereas the application of scientific information has markedly improved the efficiency of meat production and enhanced end-product desirability; and

Whereas foods from animal origin supply 70 per centum of the protein, 35 per centum of the energy, 80 per centum of the calcium, 60 per centum of the phosphorus, and important quantities of the "B" vitamins and trace minerals to the average American's diet: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the President of the United States is hereby authorized and requested to issue a proclamation designating the week of July 24 to July 31, 1983, as "National Animal Agriculture Week" to honor the tremendous progress made in the past seventy-five years by applying scientific principles to animal agriculture production and the role of animal products in our daily life.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL HOUSING WEEK

The joint resolution (S.J. Res. 98) to designate October 2 through October 9, 1983, as "National Housing Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 98

Whereas housing is helping to lead the Nation out of recession creating jobs for the unemployed, tax revenue for Government and raising economic confidence throughout America;

Whereas the construction of between one million four hundred thousand and one million six hundred thousand housing starts in 1983—a dramatic increase from 1982—will create millions of worker-years of employment in construction and construction-related industries, billions in wages and billions in tax revenue for local, State and Federal governments;

Whereas an upturn in home sales and housing production has triggered every economic recovery since World War II;

Whereas to sustain this housing-led recovery, it is essential that interest rates continue to fall to increase housing affordability'

Whereas homeownership and decent housing instill pride and contribute to the stability and vitality of communities throughout America;

Whereas it is appropriate to reaffirm our Nation's historic commitment to housing and homeownership as a national priority and to recognize and sustain the role that housing plays in the economic recovery: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 2 through 9, 1983, be declared National Housing Week and that the President of the United States be authorized and requested to issue a proclamation calling upon all people of the United States to observe this week with appropriate ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LUPUS AWARENESS WEEK

The joint resolution (S.J. Res. 102) to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 102

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 16, 1983, through October 22, 1983, is designated as "Lupus Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DRUNK AND DRUGGED DRIVING AWARENESS WEEK

The joint resolution (S.J. Res. 119) to designate the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 119

Whereas traffic accidents result in more violent deaths in the United States than any other cause, over forty-four thousand in 1982;

Whereas traffic accidents cause thousands of serious injuries in the United States each year;

Whereas more than 65 per centum of drivers killed in single vehicle collisions and over 50 per centum of all drivers fatally injured have blood alcohol concentrations above the legal limit;

Whereas the Surgeon General has reported that life expectancy has risen for every age group over the past seventy-five years except for those fifteen to twenty-four years old, whose death rate, the leading cause of which is drunk driving, is higher now than it was twenty years ago;

Whereas the total societal cost of drunk driving has been estimated at over $24,000,000,000 per year, which does not include the human suffering that can never be measured;

Whereas there are increasing reports of driving after drug use and accidents involving drivers who have used marihuana or other illegal drugs;

Whereas driving after the use of therpeutic drugs, either alone or in combination with alcohol, contrary to the advice of physician, pharmacist, or manufacturer, may create a safety hazard on the roads;

Whereas more research is needed on the effect of drugs either alone or in combination with alcohol, on driving ability and the incidence of traffic accidents;

Whereas an increased public awareness of the gravity of the problem of drugged driving may warn drug users to refrain from driving and may stimulate interest in increasing necessary research on the effect of drugs on driving ability and the incidence of traffic accidents;

Whereas the public, particularly through the work of citizens groups, is demanding a solution to the problem of drunk and drugged driving;

Whereas the President has appointed a Commission on Drunk Driving to heighten public awareness and stimulate the pursuit of solutions, and this Commission has provided vital recommendations for remedies for the problem of drunk driving in an interim report in December 1982;

Whereas many States have appointed task forces to examine existing drunk driving programs and make recommendations for a renewed, comprehensive approach, and in many cases their recommendations are leading to enactment of new laws, along with stricter enforcement;

Whereas the best defense against the drunk or drugged driver is the use of safety belts and greater safety belt usage would increase the number of survivors of traffic accidents;

Whereas as increase in the public awareness of the problem of drunk and drugged driving may contribute to a change in society's attitude toward the drunk or drugged driver and help to sustain current efforts to develop comprehensive solutions at the State and local levels;

Whereas the Christmas and New Year holiday period, with more drivers on the roads and an increased number of social functions, is a particularly appropriate time for focusing national attention on the critical problem;

Whereas designation of the week of December 12, 1982, through December 18, 1982, as National Drunk and Drugged Driving Awareness Week stimulated many activities and programs by groups in both the private and public sectors aimed at curbing drunk and drugged driving in the high-risk Christmas and New Year holiday period and thereafter;

Whereas the number of traffic fatalities over the three-day New Year holiday in 1982 was the lowest since 1949, with 282 deaths as compared to 338 deaths for the same period in 1981;

Whereas the activities and programs during National Drunk and Drugged Driving Awareness Week in 1982 heightened the awareness of the American public to the danger of drunk and drugged driving and contributed to the decrease in traffic fatalities: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of December 11, 1983, through December 17, 1983, is designated as "National Drunk and Drugged Driving Awareness Week" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CORN WEEK

The joint resolution (S.J. Res. 126) to designate the week of July 17, 1983, through July 23, 1983, as "National Corn Week" was concerned, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 126

Whereas corn is the largest grain crop in both production and cash value grown in the United States;

Whereas July is critical to the final stages of corn growth;

Whereas corn production utilizes one-fifth of the total United States farmland or eighty-million acres;

Whereas more than one million American farmers unite to produce a total of over seven billion bushels of corn a year valued at $20,000,000,000;

Whereas corn can be easily converted into a fuel for automobiles, trucks, and tractors to make the United States more independent of foreign energy sources;

Whereas corn ranks as one of the most efficient plants on Earth for converting solar energy into food;

Whereas a refined corn product in the form of starch or sirup is contained in a quarter of all food products in supermarkets, to sweeten, color, flavor, and texture such products;

Whereas the United States corngrowers produce almost half of the corn crop of the world and provide 70 per centum of the corn in world trade to feed millions of people;

Whereas 40 per centum of the corn produced in the United States is exported to benefit the American balance of payments by $7,000,000,000; and

Whereas corn is a large factor in the United States foreign exchange, bringing in more dollars than all other grains combined: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of July 17, 1983, through July 23, 1983, is designated as "National Corn Week", and the President is authorized and requested to issue a proclamation calling upon interested groups to celebrate the week with appropriate programs and activities that stress the importance and the benefits of American corn production for the people of the United States and the world.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL TOURISM WEEK

The joint resolution (S.J. Res. 127) designating the week of May 27, 1984, as "National Tourism Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 127

Whereas tourism is vital to the United States, contributing to its economic prosperity, employment, and international balance of payments;

Whereas travelers from the United States and other countries spent $191,000,000,000 in the United States during 1981, directly producing four million six hundred thousand jobs, $40,000,000,000 in wages and salaries, and $18,000,000,000 in Federal, State, and local tax revenues;

Whereas, if viewed as a single retail industry, the travel and tourism sector of the economy constituted the second largest retail industry in the United States in 1981, as measured by business receipts;

Whereas tourism contributes substantially both to personal growth, health, and education, and to intercultural appreciation of the geography, history, and people of the United States;

Whereas tourism enhances international understanding and good will; and

Whereas, as incomes and leisure time continue to increase, tourism will become an increasingly important aspect of the daily lives of the people of the United States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning May 27, 1984, hereby is designated "National Tourism Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL PARALYZED VETERANS RECOGNITION DAY

The joint resolution (H.J. Res. 258) designating August 3, 1983, as "National Paralyzed Veterans Recognition Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SUPPORT FOR MORATORIUM ON COMMERCIAL WHALING

The resolution (S. Res. 174) to reaffirm support for the International Whaling Commission moratorium on commercial whaling was considered, and agreed to, as follows:

S. RES. 174

Whereas millions of American citizens and millions of citizens worldwide have demanded an end to the destruction of whales by commercial whalers,

Whereas in 1971, the Senate and the House passed concurrent resolutions calling for negotiation of a moratorium on commercial whaling,

Whereas a similar whaling resolution was adopted by the Stockholm Conference on the Human Environment in 1972,

Whereas every President since 1971 has emphatically reaffirmed U.S. support for a moratorium on commercial whaling in letters to the International Whaling Commission,

Whereas President Reagan also sent such a letter to the International Whaling Commission on July 17, 1981,

Whereas the epochal decision of the International Whaling Commission in July 1982 to indefinitely halt commercial whaling beginning in 1986 has been threatened by the Soviet Union, Japan, Norway and Peru who have filed "objections" to the decision,

Whereas sixty-six U.S. Senators joined in a letter to the Secretary of Commerce in August 1982 calling for use of the Pelly and Packwood-Magnuson Amendments and "other means available to us" to obtain worldwide compliance with the International Whaling Commission decision and a smilar view has been expressed by members of the House of Representatives,

Be it hereby resolved, That the Secretary of State and the Secretary of Commerce are directed to continue to use all diplomatic and legal means to achieve worldwide compliance with the International Whaling Commission moratorium decision, including use of the Pelly Amendment to the Fishermen's Protective Act, the Packwood-Magnuson Amendment to the Magnuson Fishery Conservation and Management Act and any other appropriate legal tools.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL HISTORICALLY BLACK COLLEGES DAY

Mr. BAKER. Mr. President, there is one final item in my folder of items that are cleared on this side for actions by unanimous consent, and I refer now to Calendar Order No. 291, Senate Joint Resolution 85, and will inquire of the minority leader if he is prepared to proceed with that measure.

Mr. BYRD. Mr. President, the answer is in the affirmative.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask that the Chair lay before the Senate Calendar No. 291, Senate Joint Resolution 85.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 85) to designate September 21, 1983, as "National Historically Black Colleges Day."

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. THURMOND. Mr. President, I am pleased to commend to the Senate for prompt approval Senate Joint Resolution 85, a resolution which calls upon the President to issue a proclamation designating September 26, 1983 as "National Historically Black Colleges Day."

This resolution gives special recognition to the 103 predominately black colleges and universities that have been an important part of our Nation's history and which continue to make an invaluable contribution to our society. I am especially proud that seven of these institutions, namely, Clinton Junior College, Allen University, Benedict College, Claflin College, South Carolina State College, Morris College, and Voorhees College, are located in the State of South Carolina.

The contributions of these historically black colleges to our Nation are noteworthy; 31 percent of all higher education degrees conferred on blacks in this country are awarded by these historically black colleges, and 20 percent of all black students in the Nation attend such institutions. Furthermore, more than 85 percent of black doctors and lawyers in the United States are products of historically black undergraduate institutions. These institutions are providing the necessary training to produce the future leaders and responsible citizens so necessary for the perpetuation of our fine country.

The 103 historically black institutions are not only a viable and necessary part of our overall system of higher learning, but they continue to serve as a symbol of pride to the black community.

I wish to thank my colleagues, and especially the cosponsors of this measure, including my distinguished colleague from South Carolina, Senator HOLLINGS, for their support of this resolution. Through passage of this measure, the Senate pays a fitting and well deserved tribute to the historically black colleges for their outstanding contributions and achievements in the fields of higher education. I urge the House of Representatives to promptly concur in this measure so that it can be sent to the President for final action.

AMENDMENT NO. 1517

(Purpose: To change the commemorative date in the resolution from September 21, 1983 to September 26, 1983)

Mr. BAKER. Mr. President, on behalf of the distinguished President pro tempore, the Senator from South Carolina (Mr. THURMOND) I send an amendment to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) for Mr. THURMOND proposes amendment numbered 1517.

On page 2, line 3, strike the date "September 21, 1983" and insert in lieu thereof the date "September 26, 1983".

Mr. THURMOND. Mr. President, this amendment would simply change the commemorative date in Senate Joint Resolution 85, "National Historically Black Colleges Day," from September 21, 1983 to September 26, 1983.

Subsequent to introduction of this commemorative resolution and its approval by the Judiciary Committee, I have been informed that there is a preference among those who have organized a black colleges day celebration in previous years to have the celebration date in this resolution changed to the last Monday in September, which is September 26.

Having been apprised of this strong preference, I am, of course, pleased to sponsor an amendment to Senate Joint Resolution 85, of which I am the principal sponsor. I understand that Congressman CARROLL CAMPBELL, who has sponsored a companion resolution in the House, will be offering an identical amendment.

Mr. President, this is obviously a minor, technical change in the resolution, but it is quite important to those who will be integrally involved in the upcoming event. I, therefore, hope the Senate will approve the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 1517) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

TITLE AMENDMENT

Mr. BAKER. Mr. President, I send to the desk an amendment to the title of the resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Amend the title so as to read: A joint resolution to designate September 26, 1983, as "National Historically Black Colleges Day."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment was agreed to.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 85

Whereas there are one hundred and three historically black colleges and universities in the United States; and

Whereas they are providing the quality education so essential to full participation in our complex, highly technological society; and

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history; and

Whereas these institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of these historically black colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That September 26, 1983, is designated as "National Historically Black Colleges Day" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe that day by engaging in appropriate ceremonies, activities, and programs, thereby showing their support of historically black colleges and universities in the United States.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXPRESSION OF APPRECIATION

Mr. BAKER. Mr. President, I take this opportunity to thank all Senators for their participation in this session today. We had almost 90 Senators here. I believe the first rollcall vote showed 88, and we have had good attendance all day long.

A number of amendments were adopted, five of them by rollcall votes. I believe it materially advanced the final consideration and passage of this measure.

I wish to express my appreciation to the minority leader for his participation, his understanding and support.

Mr. President, may I say that I wish to express my gratitude to the distinguished occupant of the Chair who has been in the Chair today the entire day with the exception of perhaps 45 minutes, and that is no small feat, especially on a Saturday and especially dressed in his bright feathers as he is.

Mr. President, I have no further business to address the Senate today, and I inquire if the minority leader has any further business he wishes to transact.

Mr. BYRD. I thank the majority leader.

Mr. President, I personally express my thanks publicly to the Members on my side of the aisle who changed their plans at my request who have attended today's session.

We had a very good attendance on both sides of the aisle.

Mr. BAKER. Mr. President, there is an order entered now that if the Senate adjourns certain routine matters would be varied and handled in the way prescribed.

ADJOURNMENT UNTIL MONDAY, JULY 18, 1983

Mr. BAKER. Mr. President, I now move that the Senate stand in adjournment until Monday at 12 noon.

The motion was agreed to; and, at 5:18 p.m., the Senate adjourned until Monday, July 18, 1983, at 12 noon.

HOUSE OF REPRESENTATIVES—*Monday, July 18, 1983*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. WRIGHT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

I hereby designate the Honorable JIM WRIGHT to act as Speaker pro tempore on Monday, July 18, 1983.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God of glory and majesty, God of creation and might, God of redemption and peace, look upon Your people and grant Your blessing. We recognize that Your providence in days past has given strength and vitality to our Nation and we pray that Your guidance will be with us in our day and time. Enlighten us to do what best serves the mutual good and give us resolve that we do not grow weary in well-doing. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment, a joint resolution of the House of the following title:

H.J. Res. 258. Joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 3392) entitled "An act to amend the Agricultural Act of 1949."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3329. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3329) entitled "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ANDREWS, Mr. COCHRAN, Mr. ABDNOR, Mr. KASTEN, Mr. D'AMATO, Mr. HATFIELD, Mr. CHILES, Mr. STENNIS, and Mr. EAGLETON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the amendment of the Senate to the bill (H.R. 2973) entitled "An act to repeal the withholding of tax from interest and dividends," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOLE, Mr. PACKWOOD, Mr. ROTH, Mr. DANFORTH, Mr. LONG, Mr. MATSUNAGA, and Mr. BENTSEN to be the conferees on the part of the Senate.

The message also announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health; and

S.J. Res. 126. Joint resolution to designate the week of July 17, 1983, through July 23, 1983, as "National Corn Week."

CONSENT CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY, WITHOUT CONSIDERATION, CERTAIN LANDS IN LANE COUNTY, OREG.

The Clerk called the bill, (H.R. 1062) to authorize the Secretary of the Interior to convey, without consideration, certain lands in Lane County, Oreg.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. WORTLEY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

CONVEYING CERTAIN FEDERAL LANDS ADJACENT TO ORCHARD AND LAKE SHORE DRIVES, LAKE LOWELL, BOISE PROJECT, IDAHO

The Clerk called the Senate bill, (S. 577) to provide for the conveyance of certain Federal lands adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho.

There being no objection, the Clerk read the Senate bill, as follows:

S. 577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Secretary of the Interior (hereinafter referred to as the "Secretary") is hereby authorized to convey all right, title, and interest, except as reserved herein, to certain small tracts of Federal lands located adjacent to Orchard and Lake Shore Drives, Lake Lowell, Boise project, Idaho, to the adjacent landowners.

SEC. 2. Such conveyances shall be made by the Secretary only to the adjacent landowners, and shall be made within one year from the date of his receipt of a proper application from such landowners. Applicants for such conveyances must pay the fair market value of the lands as of the date of the conveyance, including administrative costs, but excluding the costs to the Government of conducting the necessary land surveys and preparing the legal descriptions of the land to be conveyed. In determining the fair market value of the lands, the Secretary shall not include the value of any improvements made to the lands by the adjacent landowners or their predecessors.

SEC. 3. All conveyances made pursuant to this Act shall reserve to the United States all mineral deposits in the lands and shall assure that the right to mine and remove such minerals is subservient to the surface rights granted in the conveyances.

With the following committee amendment:

Page 2, lines 8 and 9, strike "costs, but excluding" and insert "costs and".

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

AUTHORIZING SECRETARY OF THE INTERIOR TO CONVEY BY QUITCLAIM DEED ALL RIGHT, TITLE, AND INTEREST OF THE UNITED STATES IN CERTAIN LAND WITHDRAWN OR ACQUIRED TO RELOCATE A PORTION OF CITY OF AMERICAN FALLS

The Clerk called the Senate bill (S. 459) to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir.

There being no objection, the Clerk read the Senate bill, as follows:

S. 459

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized and directed to convey by quitclaim deed to the city of American Falls, Idaho, without cost, the following real property located within or adjacent to the city limits of said city of American Falls, reserving all right-of-way and oil and gas in land to the United States:

(a) The area identified as the Campbell Stebbins Park, containing approximately 41.5 acres, including the park area located between the Oregon Trail Highway and the Oregon Short Line Railroad, and the area identified as a Public Square, containing approximately 8.8 acres, all as shown on the official plat of the Reclamation Addition to the city of American Falls approved October 18, 1923, and recorded in the county of Power, Idaho, as instrument numbered 32042.

(b) Block 44 of the original townsite of American Falls; containing approximately 3.3 acres.

(c) A tract of land containing 11.7 acres, more or less, described as follows:

Beginning at the northwest corner of the southwest quarter of section 21, township 7 south, range 31 east, Boise meridian;

thence south 45 degrees 16 minutes east, a distance of 1,870.3 feet, more or less, to the southeast corner of said southwest quarter;

thence north 58 degrees 28 minutes west, a distance of 96.3 feet;

thence north 68 degrees 17 minutes west, a distance of 1,339.2 feet, more or less, to a point on the west section line of said section 21, and said point being 548.2 feet north of the southwest corner of said section;

thence north along the west section line a distance of 770.5 feet, more or less, to the northwest corner of the southwest quarter of said section 21, the point of beginning.

(d) A tract of land containing 8.79 acres more or less in the south half of the southwest quarter, section 28, township 7 south, range 31 east, Boise meridian, Idaho, and more particularly described as follows:

Beginning at the southwest corner of said section 28;

thence north 44 degrees and 38 minutes east, 1,868.6 feet to the 16/17 corner of said section;

thence east along the north boundary of the southeast quarter southwest quarter of said section 28, 367.2 feet to a point;

thence south 324.9 feet to a point;

thence north 89 degrees and 59 minutes west, 92.8 feet to a point;

thence south 49 degrees and 23 minutes west, 361.9 feet to a point;

thence south 78 degrees and 34 minutes west, 708 feet to a point;

thence south 26 degrees and 55 minutes west, 333.7 feet to a point;

thence south 61 degrees and 51 minutes west, 271.6 feet to a point;

thence south 43 degrees and 29 minutes west, 280.3 feet to a point on the south boundary of said section 28;

thence south 89 degrees and 59 minutes west along the south boundary of said section 28, 34.9 feet to the place of beginning.

(e) A track of land containing 8.0 acres, more or less, located in the west half of the southwest quarter, section 28, township 7 south, range 31 east, Boise meridian, Idaho, and more particularly described as follows:

Beginning at the southwest corner of section 28;

thence north 44 degrees 38 minutes east, a distance of 1,886.6 feet to the northeast corner of the southwest quarter southwest quarter, of section 28;

thence north a distance of 1,320 feet to the northeast corner of the northwest quarter southwest quarter of section 28.

thence west, a distance of 30 feet to a point on the east edge of Hillcrest Avenue;

thence southwesterly along a curve on the side of Hillcrest Avenue a distance of 2,955 feet to a point on line between sections 28 and 29;

thence south 65.0 feet to the southwest corner of section 28, the place of beginning.

Such property shall be conveyed subject to the reservation of rights-of-way for ditches, canals, and pipelines constructed by the authority of the United States and to other existing rights-of-way of record. The conveyance of such property shall contain a reservation to the United States of all oil and gas in the land, together with the right to prospect for, mine, and remove the same under such regulation as the Secretary of the Interior may prescribe.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE ADMINISTRATION WIDENS THE GENDER GAP

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, when I think of women in our Nation's labor force, I think of administrators, architects, attorneys, astronauts, and other occupations from "a to z" which have dignity and respect whether professional or unskilled.

When I think of women in this Nation's Armed Forces, I think of women serving from buck private to flag rank, filling these positions with intelligence, skill, and efficiency.

Apparently, our Secretary of Defense does not share this view, however, as he so clearly announced in a stage whisper to the President. A whisper picked up on an open microphone. The unfortunate comment that women can serve as "grease monkeys" in the Army is not only degrading to women, but disparages the honorable work of millions of mechanics in our Nation.

No matter how much he protests, the Secretary cannot explain away this statement, which once again speaks to the women of America about their place in the eyes of this administration.

Grease monkeys, indeed. Americans do not need to be reminded that, for lack of a good grease monkey, the attempted rescue of our citizens held hostage by Iran was a tragic failure. Perhaps had women been on the job at that time, the outcome would have been very different.

The fact remains that the administration continues to preside over, and promote, policies which limit the progress of women; 61 of the 360 job categories in the Army—a full 17 percent—are now closed to women. It is shocking that, even in a careless off-the-cuff remark, our Secretary of Defense could joke with the President of the United States that women can "still be grease monkeys and things like that" in the armed services of our country. It is through careless, throwaway comments rather than in prepared statements, that one hears the real attitudes which have created the gender-gap problem for this administration.

The Secretary's comment is offensive to all Americans, but it is particularly insulting to the courageous and talented women who serve in our Armed Forces. They deserve an immediate and public apology.

EDUCATION SECRETARY REJECTS TEACHING GUIDE

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I just cannot believe that Education Secretary Bell is rejecting a teaching guide which he was once quoted as praising as "informative and instructive."

That guide was prepared by Dimples Armstrong, a teacher from my hometown, Danbury, Conn. It has been used extensively around the country as an aid for understanding the Ku Klux Klan. Education is certainly the best vehicle for overcoming racism, and this guide is a valuable means to that end.

Mr. Secretary, I do not know why you are now opposed to this guide, but to me, your earlier quoted statements that "we cannot allow our children to be the victims of those who preach hate, violence and racism" were more on target.

Mr. Secretary, I sure wish you had stuck by your originally quoted position.

PAY-AS-YOU-GO BUDGET

(Mr. REID asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REID. Mr. Speaker, as a freshman Member of Congress, I consider my brief exposure to the process of formulating the spending and taxing policies of the Federal Government to be an enlightening, complex, and sometimes grueling experience. Many of my constituents feel the same way. The Nevadans I have talked with, whether from Las Nevas, North Las Vegas, Henderson or Boulder City, agree that the congressional budget process only exacerbates the deficit problem.

It is easy to say that something must be done to control the deficit. The basic problem appears to lie in the process that allows the budget to become as monstrous as we want to make it. That is why I am intrigued by a proposal set forth last year by my colleague, GEORGE MILLER. His "pay-as-you-go" budget received considerable support during the 97th Congress. This budget is based upon the fundamental principle that when the Congress creates or expands programs, we pay for them up front.

The "pay-as-you-go" proposal is logical, honest, and dependable, and warrants our study and support, and that is why I will cosponsor this legislation this session.

JAPAN'S TIME IS RUNNING OUT

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, since coming to Congress in 1979, this Member has repeatedly urged Japanese officials to move aggressively to lift, or at least reduce, Japan's restrictions on the importation of American agricultural products, particularly beef and citrus products. The utter failure of Japan to make any substantial progress in the removal of these unfair trade quotas has finally caused me to lose all patience, and I am certain that many of my colleagues are in a similar state of mind. This Member of Congress has in the past consistently opposed legislation in the House which would inhibit free trade between the United States and Japan, but I am now inclined to overcome my opposition to protectionist legislation aimed at the nation of Japan. In part, I spoke against the "domestic content" legislation on the House floor in 1980.

The Japanese are playing the United States for a patsy on the issues of beef and citrus. Yes, they have political problems on these items, but we all have political problems on something. This Member, and the personnel of the U.S. Trade Representative, have suggested various ways that the Japanese can raise their meat and citrus import quotas while coping with their related domestic political problems. Japanese consumers would reap tremendous benefits.

In my district, and across the country, Americans are out of work, in part because the Japanese are flooding our markets with automotive, electronic and other goods. Yet the items where we have a comparative advantage are largely shut out. The Government of Japan ought to take note that the time for vague promises of future action is over; the time for action is now.

JIMMY CARTER, JIMMY CARTER

(Mr. THOMAS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS of California. Mr. Speaker, press reports indicate that the Democratic leadership in the House would prefer to play down investigations of certain aspects of the 1980 Presidential campaign.

I assume they are concerned that mention of Jimmy Carter's name will bring back memories of Jimmy Carter's Presidency.

In a spirit of bipartisan cooperation, I will refrain from mentioning Jimmy Carter's name in debate.

Why should I mention that Jimmy Carter and the Democratic leadership saw eye to eye on most issues?

Why talk about Jimmy Carter's "malaise" or Jimmy Carter's double-digit inflation or Jimmy Carter's overall record? Even his Vice President has managed to forget Jimmy Carter's name.

I believe even Jimmy Carter would appreciate downplaying Jimmy Carter.

But I do have one request, Mr. Speaker:

If we do not want to talk about Jimmy Carter, can we at least remember Billy?

PUBLIC HOLIDAY ACT

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, today, I introduce a bill to require that all future legal public holidays fall on either a Saturday or a Sunday. In this and previous Congresses, bills have been introduced to honor such great figures as Martin Luther King, Jr., Thomas Jefferson, and Susan B. Anthony. My bill would in no way detract from the attempt to honor those great figures. It would avoid the costly and inappropriate enactment of yet another paid holiday for Federal employees.

It is my view that additional holidays are the wrong statement at the wrong time. The American people must wonder at this Congress when we discuss enacting holidays when unemployment is still high. Another Federal holiday amounts to almost 2 weeks' worth of unemployment checks.

I hope we can be more creative and responsible than to merely offer a paid holiday as the best means for honoring such great Americans. I urge my colleagues to support this legislation.

THE MX VOTE

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, I seek permission to address the House of Representatives for a 1-minute speech and to revise and extend my remarks.

Congress will again this week consider the MX missile. It is one of the most important decisions that will face the 98th Congress—what we decide here has the potential to determine the fate of every person on this Earth.

Ultimately, we must all look to our conscience as our guide. We must be certain that we advance the interests of mankind with the MX, not merely vote our own parochial interests.

I call upon the Members of the House to go back and review the facts and arguments on the MX. It clearly points out that the MX cannot be militarily justified by any stretch of strategic facts.

Moreover, this legislation cannot be morally justified. It does not contribute to the cause of arms control, but instead endangers it. A vague basing mode that upsets the nuclear balance contributes nothing to meaningful arms reduction.

We must be prepared to make a decision that will require considerable moral courage. I again encourage you to review the facts and to vote your conscience.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 or rule XV.

Such rollcall votes, if postponed, will be taken Tuesday, July 19, 1983.

□ 1215

UPLAND COTTON PIK PROGRAM

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3385) to provide equity to cotton producers under the payment-in-kind program, as amended.

The Clerk read as follows:

H.R. 3385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, in order to acquire a sufficient amount of upland cotton to carry out the payment-in-kind program for the 1983 crop of upland cotton, the Secretary of Agriculture shall solicit bids from cotton producers, for sale to the Commodity Credit Corporation of 1980, 1981, and 1982 crop cotton pledged by such producers as security for nonrecourse loans made under section 103(g)(1) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(1)). Until sufficient cotton to carry out the payment-in-kind program for the 1983 crop of upland cotton is acquired under this procedure, or until a reasonable bid period opportunity has been determined and made available by the Secretary, but in no event less than two weeks, no bid for 1982 crop cotton shall be rejected unless it exceeds (on a percentage basis) the amount of the highest bid received and accepted under the same procedure for feed grains. The Secretary shall also give any producer who has previously submitted a bid the opportunity to nullify such bid if the producer agrees to submit another bid under the provisions of this Act.

The SPEAKER pro tempore (Mr. RATCHFORD). Pursuant to the rule, a second is not required on this motion.

The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. STANGELAND) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3385 is entitled a bill to provide equity to cotton producers under the payment-in-kind program.

The key to this bill can be summed up in one word. Fairness. What this bill is about is the basic principle that the Government of the United States should deal fairly with its people. The Government should not tell people one thing in the spring and then do something else in the summer—something which injures people who relied on its assurances in the first place.

I am asking the House to pass this bill for one reason only. I believe the Government should play fair with its citizens, and I believe the House should act to insure that fairness.

The payment-in-kind program was adopted by the Department of Agriculture to reduce excess supplies of upland cotton which had been depressing farm prices. The Department provided for payments in kind to be made as compensation to producers in order to encourage participation in the program. Unfortunately, one important phase of the program has been administered in such a manner as to cause financial hardship to many producers participating in the program.

In late spring USDA unexpectedly determined that Government-owned stocks would not be adequate to fulfill obligations to producers under the payment-in-kind program. In an effort to acquire the needed stocks, the Department announced a bid program under which producers could sell to CCC, with additional compensation, 1982 crop cotton which had been pledged as security under the loan program. However, an insufficient amount of cotton was acquired because the compensation level was not high enough. The Department placed a limit of 7 percent on the premium it offered to producers for delivery of their cotton, a level which was not competitive at prevailing market prices. Under a similar procedure for feed grains, USDA accepted offers for additional compensation of up to 20 percent.

To meet the shortfall of 700,000 to 900,000 bales, the Secretary on June 17 announced a "harvest-for-PIK" program under which farmers participating in the program would be required—in effect—to sell 1983 crop cotton to the Department. This is to be done by requiring producers to obtain CCC loans on their 1983 crop which, in turn, would then be liquidated and the cotton used for PIK payments.

This requirement creates substantial hardship for cotton growers, partly because many producers have entered into forward contracts covering both their 1983 cotton production and the extra cotton expected to be received as PIK payments. If the Government commandeers part of the farmer's 1983 crop for making PIK payments, the producer will not have the additional cotton he had expected to receive as PIK compensation. This forces producers either to break their forward contracts or to purchase cotton at a loss to fill the contracts.

The Secretary states that his action is based on an option reserved in an appendix to a uniform contract that was used for all commodities that were the subject of the 1983 payment-in-kind program. According to testimony at hearings on H.R. 3385 and court affidavits, cottom producers had received assurances from the Secretary and other Department officials in Washington and in the field prior to signup that there were ample cotton stocks on hand for making the payments-in-kind and that it would not be necessary to use the "harvest for PIK" provision. It was expected that it would apply, if at all, to other commodities such as wheat for which there was a shortage of Government stocks. In many cases producers were not even aware of this provision at signup—they were not given a copy of the appendix at that time, only later.

Based upon these representations, cotton producers signed up, diverted the required acreage from production, and entered into forward contracts for the sale of their 1983 cotton crop and the additional PIK cotton they were entitled to receive under the program. Let me put this into perspective as far as the lower Rio Grande Valley in Texas is concerned. This area of Texas reduced its base acreage by 45 percent. The total PIK needs in the Rio Grande Valley are in excess 81,000 bales. There is a shortage of 65,000 bales which USDA is forcing cotton producers in that area to provide from their own production. Approximately 68 percent of the total production in the area has been contracted for sale so that producers in my area will be shorted under their forward contracts by 44,200 bales, and the shippers, in turn, will be forced to short their mill contracts by a like amount.

If producers had been aware at the time of signup of the action that would be taken by the Department, many would never have signed up or would have limited their participation.

Because of the patent unfairness in the action taken by the Department in the cotton case, producers in the lower Rio Grande Valley instituted a lawsuit in Federal district court to enjoin the Department from taking further action, and a temporary restraining order was issued on July 14.

H.R. 3385 is a means of correcting the problem caused by the Department in its administration of the program.

H.R. 3385 requires the Secretary to solicit bids from cotton producers for the sale to CCC, for use in making PIK payments, of 1980, 1981, and 1982 crop cotton pledged as collateral for CCC price support loans.

The bill provides that until an amount of cotton sufficient to carry out the PIK program is acquired or until a bid period of at least 2 weeks has passed, the Secretary cannot reject any bid for 1982 crop cotton unless it exceeds 20 percent, the highest level which was bid and accepted under the feed grain program. In addition, it requires the Secretary to allow each producer who submitted a bid under the earlier bid program, which was capped at 7 percent, to nullify the bid and resubmit it under the provisions of the bill.

The legislation has the support of cotton producers and other segments of the cotton industry, and I would like to share with the Members a copy of a telegram sent to the President by one of the producers.

President RONALD REAGAN,
White House
Washington, D.C.

DEAR MR. PRESIDENT: I am a cotton farmer in Willacy County Texas and I am on the verge of complete financial disaster due to misinformation.

I have forward contracted my 1983 crop as I normally do each year. I have also sold my PIK cotton, which I should receive from CCC and I have no cotton in the CCC loan. I am in this position because I took the advice of USDA officials at each meeting and in questions and answers released by USDA.

I was also part of a conference call with Secretary of Agriculture Block in February and was advised by him that my PIK needs would be satisfied with midsouth cotton. He indicated that paragraph 9c of the PIK agreement appendix would likely never be utilized.

If I am forced to put my 1983 cotton in the loan I am going to short my contract by a like amount and I will have to buy that amount on the open market. I do not have financial resources to do this and I doubt that my lending institution will loan money to do this as there would be no collateral to cover this type loan.

PIK looked very good and as though it was the answer to our problem. Now we are in a worse position than ever before.

Secretary Block urged us to participate in this program and advise our neighbors to do likewise. I feel that cotton has been discriminated against as it is the only commodity which had a ceiling placed on the bidding to release loan commodities to CCC. Also, the producer who grew this year's crop is in a worse situation than the man who whole base bid his farm as USDA has said they will fill the whole base bid PIK requirement.

Only because of Secretary Block's information that paragraph 9c was of little concern that I entered the PIK program. I doubt that I would have participated if I had anticipated that this year's crop would have to be pledged to the loan. Also, I would not have sold my 1983 crop or PIK if I had any indication that 1983 crop would have to be pledged to the loan to satisfy PIK.

I feel that the credibility of USDA is totally on the line due to this misinformation and later action.

The cotton producers in the lower Rio Grande Valley of Texas would appreciate any action on your part which would help to remedy this situation.

Most sincerely . . . .

Mr. Speaker, I urge the Members to join me in support of H.R. 3385.

Mr. STANGELAND. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, want to express my strong support for H.R. 3385 and urge that the full House move swiftly in approving this important bill.

Due to the massive enrollment of nearly 95 percent of the upland cotton acreage base in this year's farm program, Government-owned stocks were determined to be inadequate to fulfill the USDA's obligations under the PIK contracts that had been entered into with upland cotton producers.

Unfortunately, cotton producers' mistaken perception that all PIK entitlements would be fulfilled by outstanding Commodity Credit Corporation loans and CCC-owned inventories was repeatedly reinforced by ASCS announcements and directives indicating that the "harvest-for-PIK" option would be used "very sparingly," if at all. According to the testimony received by the Cotton, Rice, and Sugar Subcommittee, producers of cotton received assurances at the time they signed up for the program that because of the oversupply situation it was not expected that the harvest-for-PIK provision would ever be used.

The USDA's arbitrary 7-percent ceiling on bids during the period they were trying to acquire sufficient cotton to meet the Government's PIK obligations—even though similar ceilings were not established under the Department's bid programs to acquire wheat and feed grains—certainly had a dampening effect on the response cotton producers might have otherwise shown.

However, with all due respect to the USDA, I want to make clear that no one truly could have foreseen the adverse weather conditions and the resulting shifts in the supply and demand equation that have made this adjustment in the PIK program necessary.

Nevertheless, that is now behind us and we must focus our urgent attention on looking for a prompt solution to the serious situation presently facing the cotton industry. Because of the mistaken assurances many cotton producers were given that Government-owned inventories would be sufficient to meet their PIK entitlements, many cotton producers followed a traditional industry marketing practice by forward contracting both their 1983 cotton crop and their PIK entitlement cotton. However, now that USDA has announced it will enforce the harvest-for-PIK option, these cotton producers have been forced into the position of having sold the same bales twice and the contracts they have entered into would either have to be broken or cotton would have to be purchased at considerable expense on the open market to fulfill them. Either way, severe monetary losses and costly litigation are a certainty.

It should be noted that the provisions of H.R. 3385 only require the Secretary of Agriculture to acquire cotton stocks under this resolicitation of bids program until sufficient cotton to carry out the 1983 PIK program for upland cotton is obtained.

Legislation similar to H.R. 3385 has already been approved by the Senate Agriculture Committee and is expected to be taken up on the Senate floor in the next few days I urge my colleagues in the full House to approve H.R. 3385 and prevent what otherwise could prove to be a financial and legal nightmare for the entire cotton industry.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Speaker, I rise in support of H.R. 3385, a bill to provide equity to cotton producers under the payment-in-kind program.

H.R. 3385 is designed to require the Secretary of Agriculture to use a bid offer process to obtain cotton stocks to meet PIK entitlements, a procedure which is far more acceptable and equitable to cotton producers than the Department's announced harvest-for-PIK procedure.

Under USDA's harvest-for-PIK program, farmers would be required to obtain CCC loans on their 1983 crop which, in turn, would then be liquidated and the cotton given back to the same farmers as PIK payments.

Although the Secretary has the option to impose such a requirement under the program, producers consistently received assurances from USDA officials at signup and at informational meetings across the Cotton Belt that it was not expected that the provision would be used.

Based on this advice, a large number of producers entered into forward contracts with buyers for both their 1983 cotton production and the extra PIK cotton which they expected to receive. Thus, the Department's announced harvest-for-PIK program will force producers into the position of having sold the same bales twice, and contracts will have to be broken or cotton purchased to fulfill them. Severe monetary losses and costly litigation are both certain to result.

In short, such a procedure will create total chaos in the cotton industry and will create a severe hardship for cotton growers throughout the country, the very same growers that the PIK program was intended to help.

H.R. 3385 is a far better solution to the problem of obtaining sufficient stocks to use for PIK payments. Further, it will assure that cotton producers are given the same opportunity as feed grain producers.

This bill requires the Secretary to open a bid program in the following manner:

First, the Secretary shall solicit bids from cotton producers on 1980, 1981, and 1982 crop cotton pledged as collateral for CCC price-support loans.

Second, until an amount of cotton sufficient to carry out the PIK program is acquired or until a bid period of at least 2 weeks has passed, the Secretary cannot reject any bid for 1982 cotton unless it exceeds 20 percent, the highest level which was bid and accepted under a similar procedure for feed grains.

Third, the Secretary shall allow each producer who earlier submitted a

bid—which was capped at 7 percent—to nullify the bid and resubmit it under the provisions of the bill.

Mr. Speaker, the provisions of H.R. 3385, which was adopted by a unanimous voice vote in both the subcommittee and the full Agriculture Committee, would achieve equity for cotton growers participating in the PIK program and would avoid the disastrous impact of the harvest-for-PIK program.

Mr. Speaker, when H.R. 3385 was introduced, Mr. HIGHTOWER of Texas, Mr. UDALL of Arizona, and Mr. FORD of Tennessee asked to be cosponsors of this bill. Through a clerical error this was not take care of, but I would like to say that they are both strong supporters of this legislation. I would like to commend the gentleman from Texas (Mr. DE LA GARZA), the chairman of the Agriculture Committee, for his leadership on this issue, and I urge all of my colleagues to support this important bill.

Mr. STANGELAND. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. THOMAS).

Mr. THOMAS of California. Mr. Speaker, I rise in support of H.R. 3385. This timely legislation requires the Department of Agriculture to adopt an open-bid program to get cotton needed to meet its 1983 payment-in-kind obligations. Unless the bill is enacted soon, cotton markets are going to be severely disrupted.

USDA's PIK program has been a big success, but now the Government owes farmers hundreds of thousands of bales of cotton. USDA proposes to get part of that cottom from growers' already reduced 1983 crops in a harvest-for-PIK program that means growers have to provide the cotton the Government owes them.

Since growers have already placed their PIK cotton and their 1983 crops under forward contracts, harvest-for-PIK is going to disrupt cotton markets. 1983 crops are not big enough to cover both the PIK and regular cotton contracts, so many growers are expected to default on one contract. We can expect the industry to be tied up in lawsuits for years.

Some growers are also disadvantaged because harvest-for-PIK will make them yield high-quality cotton to fulfill their futures contracts on PIK cotton. The 1983 crop commands a premium in the marketplace when compared to the kind of cotton growers thought they were selling.

Finally, H.R. 3385 is also an equitable measure that gives cotton farmers a bid program similar to what USDA gave wheat and feed grains producers. This is a fair result because market-oriented cotton farmers who have already marketed their crops and who have no cotton under CCC loan are the farmers penalized most by harvest-for-PIK.

The time to enact H.R. 3385 is short, however, because USDA is already obligated to provide growers with PIK cotton. To avoid harm to the cotton industry, I urge the adoption of this legislation.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Speaker, as a cosponsor of H.R. 3385, I rise in strong support of this legislation which would correct a most unfair inequity among cotton producers in my congressional district in Alabama and elsewhere across our Nation.

My interest in this matter comes about because of my own background as a small cotton producer, and my having operated a cotton gin and warehouse operation for some 20 years prior to coming to Congress.

Mr. Speaker, I also happen to represent some 200 cotton farmers who are associated with the Autauga Quality Cotton Association which is headquarted in Prattville, Ala. This association has been in operation some 16 years and these producers take a great deal of pride in producing cotton for the market rather than for the Government loan. They are not a part of the problem, for this cotton they produce is in demand by the textile industry, and for these past 16 years has been sold at a premium. They have always marketed their cotton, every single bale of it, and now, because of a quirk in the regulations, stipulated under the payment-in-kind program, this group of farmers and thousands of others like them from the sandy plains of the Carolinas to the San Joaguin and Imperial Valleys of California, are now caught in a catch-2 situation.

It has now become painfully evident that there will not be enough cotton in Government-owned stocks this fall to pay off those farmers who, in good faith, elected to participate in the payment-in-kind program.

The problem which these cotton producers face because of this shortfall, relates to a rather innocuous clause in each of their PIK contracts. These contracts state that in the event that there is a shortfall of Government-owned cotton, then those producers who have not previously participated in the Government loan program, must elect to place their 1983 crop of cotton in the Government loan, at stipulated loan prices. They would, in turn, then be issued PIK certificates this fall for their own 1983 cotton production. But, the loan price, Mr. Speaker, is approximately 20 cents a pound less than what the cotton farmer could receive on today's market. The up-shot of this is that there is about a 900,000 bale shortfall in the Government stocks with which to pay of the PIK certificates.

H.R. 3385 attempts to move these 900,000 bales of cotton into the Government program by lifting the 7-percent bid program to the same level of 20 percent which has previously been accorded by the Department of Agriculture to the feed grain program. We are of the opinion that if this is done, the additional cotton will then be acquired, and this will preclude the necessity of requiring the good producer who sells each year in the marketplace from being unfairly penalized.

Mr. Speaker, the Department of Agriculture has consistently made it their policy to encourage farmers to be market oriented, and I can tell you that there is a great deal of dissatisfaction over this stipulation in the PIK program which forces the producer to sell to the Government. My association, in Autauga County, Ala., in anticipation of a fair crop, has already made contracts for some 21,000 bales of cotton against the 1983 crop. This association and the cotton merchants who handle their cotton expect to honor those contracts. However, it is my understanding that elsewhere throughout the Cotton Belt, producers are concerned to the point that they have employed attorneys who expect to carry this matter to court, if necessary, and I would hope that passage of this bill would serve to prevent unnecessary lawsuits that I envision would be forthcoming.

I commend Chairman DE LA GARZA and members of the House Committee on Agriculture who are endeavoring to correct this severe problem and I strongly urge passage of this bill. At this point I include the following article:

[From the Washington Post, July 15, 1983]

COURT ORDER HALTS COMMANDEERING OF COTTON

A federal judge yesterday temporarily barred Agriculture Secretary John R. Block from commandeering farmers' cotton when the government lacks enough to fulfill its payment-in-kind (PIK) obligations.

The controversy is one of several in this year's massive program to reduce agricultural output by giving government-owned commodities to farmers who reduced their plantings.

When the department found that it did not own enough cotton to give to farmers, it tried to enforce a contractual provision and take over farmers' crops. But in the meantime, farmers had sold the cotton to private merchants.

U.S. District Court Judge Filemon B. Vela in Brownsville, Tex., issued an order barring Block from enforcing the takeover provisions, at least until an Aug. 3 hearing.

The suit was filed by eight cotton producers, some of whom had received assurances that the government would not need their cotton.

● Mr. FRANKLIN. Mr. Speaker, I would like to take this opportunity to speak out today on this matter that will have a drastic effect on the U.S.

cotton industry. The legislation before the House today, H.R. 3385, will have a greater impact on our cotton producers, shippers, and the entire cotton industry than any other legislation that we have considered during this Congress. In short, "harvest for PIK" will devastate the cotton industry unless we act now to pass H.R. 3385.

When the PIK program was announced in January, the cotton farmers in the Second District of Mississippi thought that it was the greatest thing since the cotton gin. After 3 tough years, PIK at last offered a chance to realize a profit and stay in business. That optimism has been cut short. Harvest of PIK effectively removes the chance for a profit this year for the vast majority or our cotton farmers.

It is an accepted and widespread practice of cotton farmers to forward contract their crop. It is the smart thing to do to protect their investment. This year was no exception. The majority of our producers have sold forward both their PIK entitlement and their 1983 production.

The Agriculture Department's decision to require cotton farmers with no cotton in the loan to place their 1983 production in the loan will penalize those farmers that were thinking ahead. It penalizes the farmer that has up until now stayed out of the Government program. Since that farmer has no cotton in the loan, he or she must harvest for PIK. In contrast, those farmers who have in the past depended on the Government program and have cotton in the loan sufficient to cover their PIK entitlement will not have to harvest for PIK.

What does harvest for PIK mean in real terms to an average cotton farmer? Many of our cotton producers have called and written my office during the last month to express their dismay and disapproval of the Department's decision. I will use one farmer's situation as an example of the financial impact of harvest for PIK.

This farmer has no cotton in the loan. He has entered into a contract to sell his PIK entitlement at 58 cents per pound and he has forward contracted his 1983 production at 72 cents per pound. Under harvest for PIK he will not receive his PIK entitlement separate from his 1983 production. Instead he is required to place his 1983 production under the loan to receive his PIK payment. This farmer will be forced to deliver 137,961 pounds of cotton to the CCC of the 1983 loan program, resulting in a financial loss of 12.52 cents per pound or $17,272.72. This farmer is by no means alone—many more will suffer this kind of loss.

What concerns me more, however, is the loss to our farmers and the cotton industry that will be caused by the flood of litigation this is sure to follow the full implementation of harvest for PIK. These farmers have entered into binding contracts with factories and shippers. Yet, because of harvest for PIK they will not have enough cotton on hand to live up to the provisions of their contracts—unless they enter the market and buy the cotton necessary to fulfill their commitments. The only other alternative is to breach the contract. If the farmer cannot or will not deliver, then the folks that they have contracted with cannot deliver—and so on down the contractual line. This decision will keep an army of lawyers busy and well paid for many years to come.

The financial burden of this unforeseen boondoggle in the PIK program should not be placed on our farmers and the cotton industry. Instead, the burden should be squarely placed where it belongs—on the Department of Agriculture. The Department is simply going to have to bite the financial bullet on this one no matter what pressure is being applied by the office of Management and Budget.

In conclusion, I urge my colleagues to consider the urgency of this matter and support the passage of H.R. 3385. We must strike while the iron is hot.●

● Mr. HIGHTOWER. Mr. Speaker, I am pleased today to join with my colleagues in supporting H.R. 3385, which will provide equitable treatment to cotton producers under the payment-in-kind program. This bill is designed to avert economic hardship to cotton producers which would result if the USDA is allowed to continue its current course of administration of the payment-in-kind program for cotton.

Mr. Speaker, enacting this bill into law will not give our cotton producers any advantage over producers of other commodities, quite the contrary; it will simply assure that they receive equitable treatment during administration of the payment-in-kind bidding provisions. The cotton producers of the United States took a bold step toward solving their problems of oversupply when they enrolled almost 95 percent of the cotton acreage in this year's payment-in-kind program. At the time of enrolling, they were assured by USDA that the plant-for-PIK option requiring them to obtain a CCC loan on their 1983 cotton and utilizing it as their PIK payment, would be used only sparingly. They were also assured that there was plenty of cotton with which to make PIK payments and that the harvest for PIK clause would most likely affect wheat producers. When farmers inquired about what would happen in the occurrence of a shortage, they were assured that any forward contracts which they had negotiated with cotton buyers, prior to the approval of the PIK contract by the county committee, would not be effected.

Due to the tremendous response of cotton farmers to the PIK program, unexpected purchases by various foreign customers, and bad weather conditions throughout much of the cotton producing regions; cotton prices surged upward and producers redeemed more CCC loans than had initially been expected. These developments resulted in USDA not having adequate quantities of cotton with which to make in-kind payments to participating farmers.

In an effort to acquire the needed cotton, on May 11 USDA initiated a bidding procedure whereby cotton producers could sell any of their 1982 crop cotton to CCC which had not been designated for the PIK program. Under this program, cotton producers could submit a bid to CCC indicating the amount of cotton which they desired to receive as compensation for redeeming the loan collateral and selling the cotton to CCC for payment-in-kind purposes. Unlike the bidding procedure which USDA allowed grain farmers to use, the compensation under the cotton bid program was limited to 7 percent. Earlier in the year, USDA conducted a similar program to obtain needed stocks of wheat and feed grains for PIK payments but did not impose a limitation on the amount of compensation producers could request. In the case of wheat and feed grains, the USDA accepted offers up to 25 percent for in-kind compensation.

Although the cotton bid program was extended twice, an insufficient amount of cotton was acquired because the 7-percent bid level was simply not competitive with market prices. The USDA currently estimates that they will need an additional 700,000 to 900,000 bales of cotton to meet the shortfall. To meet this shortage, on June 17 USDA announced that they would exercise an option requiring PIK participants who do not have any cotton under loan to place the necessary amount of their 1983 crop in the CCC loan and then receive it as their PIK compensation. This requirement will place a tremendous financial strain on many cotton farmers. Much of the cotton crop is sold on forward contract in January and February for delivery at harvest. When producers signed up for the PIK program, they could not have foreseen the shortage of necessary stocks which the USDA would need to make in-kind payments. In fact, they were assured by USDA that the plant-for-PIK option would be utilized only as a last resort and that any previously negotiated contracts would take precedence over their PIK contract. Because of USDA assurances, many farmers sold on forward contract both their 1983 crop cotton and the cotton which they expected to receive as in-kind payment from USDA. Now, because of USDA's

failure to make the bid procedure competitive and the resulting announcement that cotton farmers will be required to place their 1983 crop in loan, many farmers will not be able to fulfill contracts previously negotiated with cotton buyers. Those producers will now have to either back out of their private contracts, or seek cotton on the open market at a much higher price, to fulfill their PIK contracts. Who is going to straighten out that legal mess? If USDA takes a large amount of 1983 crop cotton for the PIK program then farmers, merchants, and USDA could wind up in a court battle to settle the problem.

H.R. 3385 requires the Secretary to solicit bids from cotton producers, for sale to the Commodity Credit Corporation of 1980, 1981, and 1982 crop cotton pledged by producers as security for nonrecourse price support loans. It provides that under the bidding procedure, no bid for 1982 crop cotton may be rejected unless it exceeds on a percentage basis the amount of the highest bid received and accepted under the same procedure for feed grains and wheat. The bidding process would continue until sufficient cotton to carry out the payment-in-kind program for the 1983 crop of upland cotton is acquired under this procedure, or until a reasonable bid period opportunity has been determined and made available by the Secretary, but in no event less than 2 weeks. These requirements would not continue to apply once sufficient cotton to carry out the PIK program was acquired. Those producers who had previously submitted a bid, including those whose bids had been accepted by CCC, must be given the opportunity to nullify the bid if the producer agrees to submit another bid under the provisions of this legislation.

I would urge my colleagues to join me in supporting this bill which would correct the gross inequity that now threatens the economic condition of many cotton farmers.●

Mr. STANGELAND. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. DE LA GARZA) that the House suspend the rules and pass the bill, H.R. 3385, as amended.

The question was taken.

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

The SPEAKER pro tempore. Under the previous announcement of the Chair, the vote will be postponed until tomorrow.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3385, just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADDITION TO THE GREEN MOUNTAIN NATIONAL FOREST

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 24) to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest, as amended.

The Clerk read as follows:

H.R. 24

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all land owned by the United States within the Hector Land Utilization project, an administrative unit of the Forest Service located in Seneca and Schuyler Counties in the State of New York, or hereafter acquired by the United States for national forest purposes for inclusion therein, shall be deemed to be part of the Green Mountain National Forest and the national forest system and subject to the Weeks Act of March 1, 1911 (16 U.S.C. 480, et seq.), and to all laws, rules, and regulations applicable to national forest lands acquired thereunder. Notwithstanding any other provision of law, for the purposes of the Acts of May 23, 1908, and March 1, 1911 (16 U.S.C. 500), the amount that is paid to the State of New York as its share of moneys received from such forest shall be based on the receipts from the lands in such forest that are within the State of New York.

The SPEAKER pro tempore. Is a second demanded?

Mr. MORRISON of Washington. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. DE LA GARZA) will be recognized for 20 minutes, and the gentleman from Washington (Mr. MORRISON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 24, a bill to make certain land owned by the United States in the State of New York part of the Green Mountain National Forest.

The bill would make federally owned land, which is referred to as the Hector land utilization project, part of the Green Mountain National Forest. The Hector project, which consists of some 13,000 acres, was acquired by the Federal Government under farm relief legislation of the 1930's, including the Bankhead-Jones Farm Tenant Act. While the project is not currently included within any national forest, it has, for management purposes, been administered by the Forest Service out of the Green Mountain National Forest.

Residents of the State of New York and other visitors to the area for many years enjoyed the recreational opportunities provided by the Hector project. The area is used for hunting, fishing, camping, hiking, and other outdoor activities. It has served environmental education and demonstration purposes for educational institutions. Approximately 6,000 acres of the area contains timber which has been commercially harvested. Another 4,800 acres of the project are fenced and used for cattle grazing. In short, the Hector project—which is, by the way, the only land in the State of New York administered by the Forest Service—has furnished diverse benefits to those who have had access to it.

The Hector project has been identified by the Department of Agriculture as land qualifying for sale under existing authority and will be studied for sale at some future date. This possibility has galvanized the New York congressional delegation and thousands of individual citizens. There has been overwhelming support for including the Hector project within the Green Mountain National Forest, thus precluding its sale without the authorization of Congress.

The Assistant Secretary of Agriculture for National Resources and Environment has testified that the Department does not object to enactment of the bill. The Congressional Budget Office has informed the committee that no additional costs to Federal, State, or local governments would be incurred as a result of enactment of this bill.

In view of all of these circumstances, it is apparent why the Committee on Agriculture ordered H.R. 24 reported to the House by a unanimous voice vote. I believe it merits the same degree of support by Members of this body.

Mr. MORRISON of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 24, a bill which will officially make the Hector Land Utilization Area in New York State a part of the Green Mountain National Forest system.

The Hector Area has become one of those anomalous situations left over from the depression years of the 1930's. During that period, the Hector project was one of many initiated as a part of the Federal agricultural ad-

justment program under the authorities of the National Recovery Act, the Emergency Relief Act, and the Bankhead-Jones Farm Tenant Act. The Secretary of Agriculture was directed and authorized to develop a program of conservation and utilization, including the retirement of lands which were submarginal or not primarily suitable for cultivation. Approximately 80,000 acres in New York were purchased under this program by the Federal Government, and ultimately, many of these lands were either leased or granted to the State of New York, or went into private ownership. The Hector project, consisting of more than 100 farms, was not near State land as many of the other areas were, and it remained in Federal ownership.

From 1938 to 1954, the Hector Area was managed by the Soil Conservation Service as a project for public grazing and other land use developments, including reforestation. In 1957, management of the area was assigned to the Green Mountain National Forest.

Over the years, Hector evolved into an excellent showcase of multiple use, which includes wildlife habitats, grazing, recreational use, harvesting of commercial timber and firewood. Moreover, the area provides environmental education for elementary and secondary students, as well as Syracuse and Cornell Universities and a local college. The local population also makes great use of the area.

Last year, the Hector Area was identified by the administration as one of the land use areas which could be considered as excess to Forest Service needs, and could thus be sold under exising authority without review by the Congress. Because of strong opposition to such a proposal, Congressmen HORTON and LUNDINE, who represent the area in which Hector is located, introduced legislation to officially incorporate the Hector Area into the Green Mountain Forest system so that Hector cannot be sold without approval by Congress.

On June 23, the House Forests, Family Farm and Energy Subcommittee, on which I serve, held a hearing on H.R. 24. This was one of those rare occasions on which we found complete unanimity for the legislation, having been sponsored by the entire New York State congressional delegation in both Houses, with strong support by the local communities, environmental groups, the news media, farming and forestry associations. The administration also testified in favor of the bill.

We reported out the bill by unanimous voice vote, after having amended it. The two amendments, which strengthen the bill considerably, would require that any additional land acquired in the Hector unit be treated as part of the Green Mountain National Forest, and another would allow the Federal timber receipts generated by Hector to remain in New York since the unit is so small. On June 29, the House Agriculture Committee, in the presence of a quorum, reported the bill unanimously by voice vote.

The Hector project comprises an area of 13,232 acres of land, and this is the only national forest land in the whole State of New York. This is minuscule when one considers that those of us from the West deal with the problems of millions of acres of public lands. We believe that our citizens from the East should retain the benefits derived from land which has been properly developed by the U.S. Forest Service over the years into a showcase of multiple use, with great input by the local citizenry.

Mr. Speaker, I urge all of my colleagues to support the legislation before us.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Speaker, today we are considering H.R. 24, a bill to incorporate the Hector Land Use Area into the Green Mountain National Forest. Congressman LUNDINE and I introduced this legislation on January 3, together with Senators D'AMATO and MOYNIHAN in the Senate, in response to an August 10, 1982, Agriculture Department memo that identified Hector as among properties which could be sold under the administration's asset management program. Many of the properties identified in the Agriculture Department memo are small; of the 15 targeted in the memo, only 3 exceed 1,000 acres in size, and 3 include less than 100 acres.

I have no objection to the sale or exchange of lands which have no ecological or recreational value, or special legal protection, and which are truly excess property. However, the Hector Land Use Area does not fit into any of these categories.

Hector is a 13,252-acre property located in the Finger Lakes region of western New York State. It was acquired under the authority of the Bankhead-Jones Act to aid farmers and reclaim badly eroded land. Hector includes what had been approximately 100 small farms—land which had been seriously eroded by poor agricultural practices. It was managed until 1954 by the Soil Conservation Service, after which it came under U.S. Forest Service management. I want to make a very important point that, unlike some of the land-use projects which are unimproved and unmanaged, Hector has been managed by the Forest Service with clearly defined goals as if it were national forest land.

I also want to make the point that Hector represents the only U.S. Forest Service presence in New York State. Hector is a multiple-use area that provides many benefits to the people of New York State and this country. Camping, hiking, grazing, and noncommercial timbering are among the many activities in which visitors can participate to enjoy this outdoor area.

As I indicated, Hector is the only U.S. Forest Service presence in New York State, and we in New York are very proud of its many attractions. In fact, Mr. Speaker, I would like to highlight the support H.R. 24 has generated since its introduction on January 3.

To date, every Member of the New York congressional delegation has cosponsored the bill, including the two Senators who have introduced identical legislation in the Senate.

The New York State Senate and Assembly have expressed their support for the bill through passage of resolutions expressing opposition to the disposal of Hector by the Agriculture Department.

We have the virtually unanimous support of local and surrounding area citizens, as is evidenced by the more than 10,000 petitions we have received in support of H.R. 24 and against the disposal of the property.

The following organizations have expressed support for our legislation: The Sierra Club, the American Forestry Association, the Wildlife Management Institute, the Wilderness Society, and others.

Mr. Speaker, our purpose is to make the Hector Land Use Area an integral part of the Green Mountain National Forest. Although H.R. 24 was motivated by the Department of Agriculture's August 1982 announcement, we believe that this bill only recognizes that which exists in fact; Hector is managed today by the Green Mountain National Forest System as if it were national forest land with clearly defined management goals under a multiple-use program. It is an example of good land management practices. We believe that this land could not be better utilized than it is now and that it should be incorporated as national forest land so that it may be preserved for future generations to use and enjoy. As national forest land, Hector could not be disposed of without the approval of both the House and Senate.

Mr. Speaker, I urge your positive consideration of this bill.

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Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LUNDINE), a cosponsor of this legislation.

Mr. LUNDINE. Mr. Speaker, I rise in support of H.R. 24, a bill to incorporate the Hector Land Use Area in the State of New York within the Green Mountain National Forest. I wish to commend my colleague from New York (Mr. HORTON) for his leadership on behalf of this legislation and

extend my sincere thanks to the distinguished chairman of the Subcommittee on Forestry, Family Farms and Energy (Mr. WHITLEY) for the very courteous and expeditious manner in which he has handled the legislation, and Chairman DE LA GARZA for his management of the bill.

H.R. 24 would incorporate within the Green Mountain National Forest more than 13,000 acres of federally owned land located in Schuyler and Seneca Counties in central New York State. This tract of land, known as the Hector Land Use Area, was acquired by the Federal Government in 1938 under the Bankhead-Jones Farm Tenant Act. The land has been managed by the Forest Service since 1954 and has been administered in association with the Green Mountain National Forest since 1957.

I joined in sponsoring legislation to incorporate the Hector Area within the Green Mountain National Forest in order to provide it with the protections accorded Federal national forest properties. In particular, we have sought to extend to Hector the requirement that it cannot be sold by the Federal Government, nor its status changed, without the specific approval of Congress.

Our legislation responds to a decision by the U.S. Department of Agriculture to sell the Hector Land Use Area under authority granted by the Bankhead-Jones Act. Last October, the Department announced it was conducting a review of some 140 million acres of Forest Service land for possible identification as "surplus" property. Excluded from this review, however, was more than 60,000 acres of public-owned land, including the 13,259-acre Hector tract. Although no formal assessment has been completed by the Department, Hector was announced to be "excess" to Forest Service needs and subject to sale without review by Congress.

As excess, nonnational forest property, all that is required by the Agriculture Department to facilitate the sale of the Hector Area is a public hearing and an environmental assessment of the effect of the sale. Public hearings were conducted in the vicinity of Hector late last year and an assessment has been completed. According to USDA, the Hector Area could be put up for sale at any time.

Fortunately, a government effort to sell the Hector Land Use Area now appears unlikely. Confronted with the unanimous opposition of the New York congressional delegation, as well as strong opposition from local, State, and national organizations, the Agriculture Department has agreed not to press for the sale of the Hector tract. During hearings last month before the Forestry Subcommittee, Assistant Secretary John Crowell announced USDA's decision not to oppose H.R. 24 and to institute changes to improve the revenue potential of the Hector Area.

I applaud the administration's willingness to drop its opposition to this legislation and am pleased with the belated recognition by the Agriculture Department that there may indeed be greater value in continued public management of the Hector Land Use Area than in any short-term gain from its sale.

There are important reasons why the Hector Area should receive the protection of formal incorporation within the national forest system. Hector is the only National Forest Service property in the State of New York and the largest parcel of public land in the central part of the State. It is one of the few areas in the Northeast that is managed by the Government as a multiple-use area. Hector is a model of balanced land management, offering a wide variety of recreational, commercial, wilderness, and educational resources.

The Hector Area contains nearly 7,000 acres of commercial forest land, with more than 1,700 acres of forest used for wildlife management. It produces more than 200,000 board feet of lumber annually and accommodates a sizable commercial fuelwood market. Grazing is permitted on more than 4,600 acres of grazing land. A 100-member local grazing association leases Hector's 33 pastures and 30 corrals and assumes major responsibility for maintaining and improving the land.

In addition to providing resources that help support the local economy, the Hector Area offers extensive opportunities for outdoor public recreation. Hector is managed with the intent of maintaining a wilderness environment while providing enough facilities to accommodate a variety of recreational needs. Hector's 25 miles of hiking trails are part of the national Appalachian Trail system and New York's Finger Lake Trail system. Trails or facilities are also provided for horseback riding, snowmobiling, cross-country skiing and camping. Hunting, fishing and wild berry gathering constitute other activities enjoyed by local residents.

Hector also provides a managed habitat for a wide variety of wildlife and vegetation and is maintained with the intent of preserving this natural diversity. The area has become a focal point for environmental and conservation research and education, as well as a natural laboratory for wildlife management and agricultural research programs conducted by the Forest Service, Cornell University and other local colleges.

Support for preserving the Hector Land Use Area by incorporating it within the Green Mountain National Forest is almost universal in New York State. As I noted earlier, H.R. 24 has the unique distinction of being cosponsored and supported by the entire New York State congressional delegation. Resolutions of support have been adopted by the New York State Senate and assembly and by virtually every community and county in the vicinity of the Hector Area. H.R. 24 also enjoys the support of such national organizations as the Sierra Club, the Wildlife Management Institute, the Wilderness Society, the National Wildlife Federation, and the American Forestry Association.

The Federal Government's original purpose in obtaining the Hector tract was for reclamation and the demonstration of sound land management. The Forest Service has clearly succeeded in this effort, creating a multiple-use area that yields numerous benefits for local residents and thousands of visitors each year. The Hector Area is a valuable asset to the people of New York and a model of good land stewardship. It should be viewed as a credit to the Forest Service rather than a liability to be put up for liquidation.

M. Speaker, I do not think the public good could be better served by the Hector tract than it is under the current multiple-use managment of the Forest Service. I strongly believe the Hector Land Use Area should be incorporated in the Green Mountain National Forest and preserved for the benefit and enjoyment of future generations.

I support H.R. 24 and urge its adoption.

Mr. MORRISON of Washington. Mr. Speaker, I yield such time as he may consume to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Speaker, I rise in support of H.R. 24, a bill to designate the 13,000 acres of the Hector Land Use area in New York as a part of the Green Mountain National Forest. Although I have never visited Hector, I am told that it is a piece of country worthy of inclusion in Vermont's national forest system. In fact, it is one of the few areas of that State which we would be pleased to accept.

I commend the New York delegation for bringing this bill before the House. While there are obvious, current reasons for enacting this bill which have been outlined by the earlier speakers, I would like to commend my colleagues from New York for bringing forth a bill that attempts to redress centuries-old wrongs inflicted on Vermont by our neighbors to the west.

Though few New Yorkers remember, few Vermonters can forget that the Republic of Vermont was forced to pay blackmail to the State of New York before it could enter the Union as the 14th State.

A little history is in order here. When the founders of the Republic of Texas were but a gleam in their parents' eyes, the Republic of Vermont was alive and as strong as the granite backbone of the Green Mountains. Why, you may ask, were Vermonters, who sacrificed so much for the cause of the American Revolution, unable to join the Union for which they had fearlessly fought and bled?

The reason is that the State of New York would not allow it.

In 1663, King Charles II gave his brother James, Duke of York, all lands from the Delaware Bay to the Connecticut River. This grant included the present-day Vermont, but New Yorkers chose to settle in more hedonistic environs along the eastern seaboard. For 100 years, this grant of Vermont lands was effectively ignored.

In the interim, Benning Wentworth, Governor of the Colony of New Hampshire, followed the precedent set by other colonies and claimed the lands to the west. Geography, if nothing else, would dictate that problems lay ahead.

Governor Wentworth chartered towns throughout Vermont's land, the first rather immodestly named "Bennington." Settlement continued throughout the 1740's and 1750's.

Finally coming to their senses, New Yorkers in the 1760's began to resurrect their tired claim to Vermont's bounty. Their sheriffs traveled to Vermont to attempt to evict the hard-working, upright citizens who for generations had tilled the soil and hunted the woods of the Green Mountains.

Unlike the Tories to the south, these red-blooded Americans were not about to recognize the grant of one English monarch to another. Meeting in the Catamount Inn in Bennington, Ethan and Ira Allen, Seth Warner and others formed the much and rightly heralded Green Mountain Boys. It is a sad commentary indeed that these heroes of the Revolutionary War were formed to curb the rapacious appetite of their neighbors to the south and west.

Like all good patriots, the Green Mountain Boys would have put these matters aside to fight in the Revolution. But while the colonies were fighting to end taxation without representation, Vermonters were the victims of double taxation, from both New York and New Hampshire.

Thanks in large part to the Vermont heroes at Ticonderoga, Bennington, and elsewhere, the red, white and blue that flies over the State House in Albany has stars, not just bars.

One would think that Vermont would need no further demonstration of its fitness to join the Union at the war's end. However, when New York blocked their inclusion, Vermonters had no choice but to form an independent republic. While New Hampshire was willing to forgo its claim, New York, terrier-like, stuck to its regal endowment.

For more than a decade, Vermonters lived under the banner of the republic. But so strong was their love for the United States that they were willing to submit to New York's blackmail.

Meeting in Bennington in 1791, the legislature of the republic voted to pay New York roughly $90,000 to silence its squawking. No doubt, New Yorkers would have preferred to be paid in pounds, not dollars. Since the legislature was sworn to uphold the republic's constitution, it took a separate body to vote to join the Union and recognize the U.S. Constitution.

It is a bitter legacy, but one that is sweetened somewhat by the noble gesture of the New York delegation here today. I thank them for this, a tardy but magnanimous reparation for the wrongs of the past, and urge all true patriots to vote for this legislation.

Mr. MORRISON of Washington. Mr. Speaker, since we have obviously made a step in the right direction between these two States, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I am happy and glad and indeed elated, I think, that Vermont has joined the Union and that equity has now been prevailed upon and, hopefully, this legislation will bring further bonds of friendship, admiration and respect between the two peoples.

● Mr. WHITLEY. Mr. Speaker, today the House will consider H.R. 24, a bill "to make certain U.S.-owned land in the State of New York part of the Green Mountain National Forest." The chairman of the full Agriculture Committee, Mr. DE LA GARZA, will inform you that the committee agreed by voice vote, in the presence of a quorum, to report the bill to the House with a recommendation that it do pass.

The full committee action came after the Subcommittee on Forests, Family Farms, and Energy, which I chair, reported this bill with a recommendation that it do pass. The motion was passed by voice vote, in the presence of a quorum, during a subcommittee business meeting held on June 23, 1983. The subcommittee adopted two technical amendments, which added to H.R. 24 provisions that would—

First, require any additional land acquired in the unit to be treated as part of the Green Mountain National Forest; and

Second, require that New York's share of receipts from the national forest be based upon receipts from the lands in the forest located in New York. Current law provides that 25 percent of the receipts from the forest be divided between the States in which the forest is located in proportion to the acreage of the forest located in each State. This amendment is designed to insure that both New York and Vermont's respective shares of the receipts are not diminished.

On June 23, 1983, the subcommittee held a public hearing on H.R. 24. It was explained that the Hector Land Use Area is a 13,232-acre administrative unit of the Forest Service. Purchased under authority of the Bankhead-Jones Tenant Act of 1937, Hector now has a variety of uses, including recreation and grazing. H.R. 24 would make the Hector unit part of the Green Mountain National Forest. As such, it could not be sold without congressional authorization. The Forest Service has used the Green Mountain Office to administer the Hector for the past 26 years.

Congressmen HORTON and LUNDINE, who represent affected congressional districts in the State of New York, and are the original cosponsors of the bill, stressed the need to remove the uncertainty that surrounds the status of Hector. They also testified that a broad range of support has been expressed for making the Hector part of the National Forest; the entire New York congressional delegation has joined in cosponsoring the bill, the New York State Assembly voted to oppose the sale of the Hector, and a multitude of individuals and interest groups have written to support H.R. 24. Both Members emphasized the great value of the Hector as a multiple-use area. Thousands of people visit Hector each year to enjoy camping, hiking, hunting, fishing, and cross-country skiing. Hector is also used to a limited extent for commercial grazing and timber harvesting.

The next witness to testify was John B. Crowell, Jr., Assistant Secretary for Natural Resources and Environment, U.S. Department of Agriculture. Secretary Crowell testified that the Department of Agriculture did not object to the bill, but would like authority to close the gap between management costs and receipts. However, Mr. Crowell agreed with me that the Hector costs were not out of line with the ordinary cost/receipt ratio of other national forest system lands.

Testifying for the American Forestry Association, Mr. Henry W. DeBruin stated that H.R. 24 would formalize the current system of administration of Hector, and guarantee a continuing balanced use of this land—for the public good—in a region where national forestry and recreation lands are limited.

The last two individuals to testify were Donald R. Barber, representing the Atlantic chapter of the National Sierra Club, and Rozanne Bishop. They are local citizens who are familiar with the Hector from use of the area's recreational benefits. Both individuals stressed the importance of keeping the Hector in Federal control,

so that it can be enjoyed by citizens within and outside of New York.

Mr. Speaker, I close by urging the House to pass this bill as recommended by the Committee on Agriculture.●

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. DE LA GARZA) that the House suspend the rules and pass the bill, H.R. 24, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

YEAS AND NAYS ORDERED ON H.R. 3385

The SPEAKER pro tempore. Before proceeding with the third suspension bill, the Chair would like to ascertain from the gentleman from Minnesota (Mr. FRENZEL) whether he had requested the yeas and nays on the first suspension bill, H.R. 3385.

Mr. FRENZEL. Mr. Speaker, I did request the yeas and nays.

The SPEAKER pro tempore. That being the case, those in favor of taking the vote by the yeas and nays will stand and remain standing until counted.

Obviously, a sufficient number has arisen. The yeas and nays are ordered.

Pursuant to the prior announcement of the Chair, the vote will be postponed until tomorrow.

GENERAL LEAVE

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 24, just passed, and that I may be permitted to include extraneous matter in my remarks on H.R. 3385, the bill previously considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MONO LAKE NATIONAL MONUMENT (CALIF.)

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1341) to establish the Mono Lake National Monument in the State of California, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF NATIONAL FOREST SCENIC AREA

SECTION 1. The area in the Mono Basin within and adjacent to the Inyo National Forest in the State of California, as generally depicted on a map entitled "Mono Basin National Forest Scenic Area" dated June 1983, and numbered 1983-3, is hereby designated as the Mono Basin National Forest Scenic Area (hereafter in this Act referred to as the "Scenic Area"). Such map shall be on file and available for public inspection in the office of the Forest Supervisor, Inyo National Forest and in the office of the Chief of the Forest Service, Department of Agriculture. The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") may make minor revisions in the boundary of the Scenic Area after publication of notice to that effect in the Federal Register and submission of notice thereof to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. Such notice shall be published and submitted at least sixty days before the revision is made.

EXTENSION OF NATIONAL FOREST BOUNDARY

SEC. 2. (a) The exterior boundary of the Inyo National Forest is hereby extended to include the area within the boundary of the Scenic Area. Any lands and interests therein acquired pursuant to section 3 shall become part of the national forest system.

(b) For the purposes of section 7(a)(1) of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897; 16 U.S.C. 4601-4 through 4601-11), the boundary of the Inyo National Forest, as modified by this section, shall be treated as if it were the boundary of that forest on January 1, 1964.

ACQUISITION

SEC. 3. (a) The Secretary is authorized to acquire all lands and interests therein within the boundary of the Scenic Area by donation, exchange in accordance with this Act or other provisions of law, or purchase with donated or appropriated funds, except that—

(1) the Secretary may acquire mineral and geothermal interests within the boundary of the Scenic Area only by donation or exchange;

(2) any lands or interests therein within the boundary of the Scenic Area which are owned by the State of California or any political subdivision thereof (including the city of Los Angeles) may be acquired only by donation or exchange; and

(3) lands or interests therein within the boundary of the Scenic Area which are not owned by the State of California or any political subdivision thereof (including the city of Los Angeles) may be acquired only with the consent of the owner thereof unless the Secretary determines, after written notice to the owner and after opportunity for comment, that the property is being developed, or proposed to be developed, in a manner which is detrimental to the integrity of the Scenic Area or which is otherwise incompatible with the purposes of this Act.

(b)(1) Not later than six months after the date of enactment of this Act, the Secretary shall publish specific guidelines under which determinations shall be made under paragraph (3) of subsection (a). No use which existed prior to June 1, 1983, within the area included in the Scenic Area shall be treated under such guidelines as a detrimental or incompatible use within the meaning of such paragraph (3).

(2) For purposes of subsection (a)(3), any development or proposed development of private property within the boundary of the Scenic Area that is significantly different from, or a significant expansion of, development existing as of June 1, 1983, shall be considered by the Secretary as detrimental to the integrity of the Scenic Area. No reconstruction or expansion of a private or commercial building, including—

(A) reconstruction of an existing building,

(B) construction of attached structural additions, not to exceed 100 per centum of the square footage of the original building, and

(C) construction of reasonable support development such as roads, parking, water and sewage systems

shall be treated as detrimental to the integrity of the Scenic Area or as an incompatible development within the meaning of paragraph (3) of subsection (a).

(c) Notwithstanding any other provision of law, the Secretary shall only be required to prepare an environmental assessment of any exchange of mineral or geothermal interest authorized by this Act. In the course of preparing the assessment, the Secretary shall conduct at least one public hearing in the vicinity of the mineral or geothermal interests to be conveyed by the United States in such exchange. Any exchange of mineral or geothermal interests may be made by the Secretary only after providing the committees referred to in section 1 of this Act thirty days' notice of his intention to do so.

ADMINISTRATION

SEC. 4. (a) Except as otherwise provided in this Act, the Secretary, acting through the Chief of the Forest Service, shall administer the Scenic Area as a separate unit within the boundary of the Inyo National Forest in accordance with the laws generally applicable to the national forest system. All administrative jurisdiction of the Secretary of the Interior over areas within the boundary of the Scenic Area is, upon enactment of this Act, hereby transferred to the Secretary of Agriculture.

(b)(1) In a manner consistent with the protection of the water rights of the State of California or any political subdivision thereof (including the city of Los Angeles) or of any person, to the extent that such water rights have been granted or modified under the laws of the State of California, the Secretary shall manage the Scenic Area to protect its geologic, ecologic, and cultural resources. The Secretary shall provide for recreational use of the Scenic Area and shall provide recreational and interpretive facilities (including trails and campgrounds) for the use of the public which are compatible with the provisions of this Act, and may assist adjacent affected local governmental agencies in the development of related interpretive programs. The Secretary shall permit the full use of the Scenic Area for scientific study and research in accordance with such rules and regulations as he may prescribe.

(2) No commercial timber harvesting shall be permitted in the Scenic Area, but the Secretary shall permit noncommercial woodgathering for private purposes in accordance with such regulations as he may prescribe to protect the natural and cultural resources of the Scenic Area. The Secretary may take action to control fire, insects, and diseases that might—

(A) endanger irreplaceable features within the Scenic Area, or

(B) cause substantial damage to significant resources adjacent to the Scenic Area.

(c) The Secretary shall permit those persons holding currently valid grazing permits within the boundary of the Scenic Area to continue to exercise existing rights consistent with other applicable law. Such existing

grazing permits may be reissued, as required, to the current grazing permit holder as of the date of enactment of this Act. No grazing permits shall be issued to any person other than those authorized by this paragraph.

(d) The Secretary may enter into cooperative agreements with the State of California and any political subdivision thereof (including the city of Los Angeles) for purposes of protecting Scenic Area resources and administering areas owned by the State or by any such political subdivision which are within the Scenic Area.

(e) Within three years after the date of enactment of this Act, the Secretary shall submit to the committees referred to in section 1, a detailed and comprehensive management plan for the Scenic Area which is consistent with the protection of water rights as provided in subsection (b)(1). The plan shall include but not be limited to—

(1) an inventory of natural (including geologic) and cultural resources,

(2) general development plans for public use facilities, including cost estimates, and

(3) measures for the preservation of the natural and cultural resources of the Scenic Area in accordance with subsections (a) and (b) of this section.

Such plan shall provide for hunting and fishing (including commercial brine shrimp operations authorized under State law) within the Scenic Area in accordance with applicable Federal and State law, except to the extent otherwise necessary for reasons of public health and safety, the protection of resources, scientific research activities, or public use and enjoyment.

(f) The Secretary shall construct a visitor center adjacent to United States Highway numbered 395 for the purpose of providing information through appropriate displays, printed material, and other interpretive programs, about the natural and cultural resources (past, present, and future) of the Scenic Area. The visitor center shall be completed no later than three years after the date of enactment of this Act.

(g)(1) Subject to valid existing rights, federally owned lands and interests therein within the Scenic Area are withdrawn from entry or appropriation under the mining laws of the United States, from the operation of the mineral leasing laws of the United States, from operation of the Geothermal Steam Act of 1970, and from disposition under the public land laws.

(2) Subject to valid existing rights, all mining claims located within the Scenic Area shall be subject to such reasonable regulations as the Secretary may prescribe to assure that mining will, to the maximum extent practicable, be consistent with protection of the scenic, scientific, cultural, and other resources of the area, and any patent which may be issued after the date of enactment of this Act shall convey title only to the minerals together with the right to use the surface of lands for mining purposes subject to such reasonable regulations.

(h) Nothing in this Act shall be construed to reserve any water for purposes of the Scenic Area or to affirm, deny, or otherwise affect the present (or prospective) water rights of any person or of the State of California or of any political subdivision thereof (including the city of Los Angeles), nor shall any provision of this Act be construed to cause, authorize, or allow any interference with or infringement of such water rights so long as, and to the extent that, those rights remain valid and enforceable under the laws of the State of California.

(i)(1) The Act entitled "An Act authorizing and directing the Secretary of the Interior to sell to the city of Los Angeles, California, certain public lands in California; and granting rights-of-way over public lands and reserved lands to the city of Los Angeles in Mono County in the State of California", approved June 23, 1936 (49 Stat. 1892), is hereby repealed.

(2) The Secretary and the Secretary of the Interior shall grant and convey rights-of-way easements, at no cost, to the city of Los Angeles for those rights-of-way on public lands and national forest lands in Mono County, California, as described and set forth in maps and accompanying descriptions which were—

(A) filed by the city of Los Angeles with the Secretary of the Interior on October 24, 1944, and

(B) accepted as proof of construction on behalf of the United States by the Commissioner of the General Land Office on January 4, 1945.

Such easement conveyances shall provide for the right of the city to continue its present operations and to maintain, reconstruct, and replace all existing water and power facilities located within the bounds of the area described in the maps and descriptions referred to in the preceding sentence. The United States shall reserve in the conveyance easements all rights to use and permit the use by others of the lands so conveyed to the extent that such use does not unreasonably interfere with the rights granted herein to the city of Los Angeles.

(3) The grant in paragraph (2) of this subsection shall become effective upon relinquishment in writing by the city of Los Angeles of its applications dated October 20, 1944, and January 17, 1945, to purchase twenty-three thousand eight hundred and fifty acres of Federal land.

(4) The easements granted under paragraph (2) of this subsection shall provide that whenever the city of Los Angeles ceases to use the land or any part thereof subject to such easements for the purposes for which it is currently being used, as of the date of enactment of this Act, all interests in such land or part thereof shall revert to the United States.

(j) Existing community recreational uses, as of the date of enactment of this Act, shall be permitted at the levels and locations customarily exercised.

STUDIES

SEC. 5. The Secretary shall take such steps as may be necessary to, within one hundred and eighty days of the date of enactment of this Act, enter into a contract with the National Academy of Sciences for the purpose of conducting a scientific study of the ecology of the Scenic Area. The study shall provide for consultation with knowledgeable local, State, Federal, and private persons and organizations and shall provide findings and recommendations to the Congress. Such study shall be conducted in accordance with the best scientific methodology (as set forth by the National Academy of Sciences) and shall be transmitted by the National Academy of Sciences to the Committee on Energy and Natural Resources of the United States Senate, to the Committee on Interior and Insular Affairs of the United States House of Representatives, and to the Chief of the Forest Service not later than January 1, 1987. Progress reports regarding the study shall be transmitted to the above committees on January 1, 1985, and January 1 of each year thereafter.

ADVISORY BOARD

SEC. 6. (a) There is hereby established the Scenic Area Advisory Board (hereinafter referred to as the "Board"). The Secretary shall consult with and seek the advice and recommendations of the Board with respect to—

(1) the administration of the Scenic Area with respect to policies, programs, and activities in accordance with this Act;

(2) the preparation and implementation of the comprehensive management plan; and

(3) the location of the visitor center required by section 4(f).

(b) The Board shall be composed of nine members, who shall be selected as follows:

(1) five members appointed by the Mono County Board of Supervisors;

(2) two members appointed by the Governor of California (one of whom shall be an employee of the California Division of Parks and Recreation);

(3) one member appointed by the mayor of the city of Los Angeles; and

(4) one member appointed by the Secretary (who shall be an employee of the Forest Service).

(c) Each member of the Board shall be appointed to serve for a term of three years except that the initial appointment shall be for terms as follows:

(1) of those members appointed by the Mono Country Board of Supervisors one shall be appointed to serve for a term of one year, two for a term of two years, and two shall be for a term of three years;

(2) of those members appointed by the Governor of California one shall be appointed to serve for a term of one year and one shall be appointed to serve for a term of three years;

(3) the member appointed by the mayor of the city of Los Angeles shall be appointed to serve for a term of two years; and

(4) the member appointed by the Secretary shall be appointed to serve for a term of three years.

(d) The members of the Board shall be appointed within ninety days of the date of enactment of this Act. The members of the Board shall, at their first meeting, elect a chairman.

(e) The Secretary, or a designee, shall from time to time, but at least annually, meet and consult with the Board on matters relating to the administration of the Scenic Area.

(f) Members of the Board shall serve without compensation as such, but the Secretary is authorized to pay, upon vouchers signed by the Chairman, the expenses reasonably incurred by the Board and its members in carrying out their duties under this Act.

(g) Any vacancy in the Board shall be filled in the same manner in which the original appointment was made.

(h) A majority of those members appointed shall constitute a quorum for the conduct of all business of the Board.

(i) The Board shall terminate ten years from the date of its first meeting.

TRADITIONAL NATIVE AMERICAN USES

SEC. 7. In recognition of the past use of the Scenic Area by Indian People for traditional cultural and religious purposes, the Secretary shall, by regulation, insure nonexclusive access to Scenic Area lands by Indian people for such traditional cultural and religious purposes, including the harvest of the brine fly larvae. Such regulations shall be consistent with the purpose and intent of the American Indian Religious Freedom Act of August 11, 1978 (92 Stat. 469). As a part

of the plan prepared pursuant to section 4(e) of this Act, the Secretary shall, in consultation with appropriate Indian tribes, define the past cultural and religious uses of the Scenic Area by Indians.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. In addition to other amounts available for such purposes, effective October 1, 1984, there are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

COMPLIANCE WITH BUDGET ACT

SEC. 9. Any new spending authority described in subsection (c)(2) (A) or (B) of section 401 of the Congressional Budget Act of 1974 which is provided under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. YOUNG of Alaska. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. SEIBERLING) will be recognized for 20 minutes, and the gentleman from Alaska (Mr. YOUNG) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, H.R. 1341 would establish the Mono Basin National Forest Scenic Area in the State of California. It would be managed as a separate unit of the Inyo National Forest.

Mr. Speaker, before proceeding to discuss the legislation, I want to take this opportunity to commend our colleague, RICK LEHMAN, who represents this area, for the outstanding job that he has done in putting together this legislation and achieving the satisfaction of the city of Los Angeles and the city water district, which started out having some serious problems with this legislation and did in our hearings on it in the last Congress.

This is a truly outstanding achievement and, as a result of that, the city of Los Angeles and, as far as I know, the entire California delegation is now satisfied with this legislation. It was supported on both sides of the aisle in our committee, and I think it is an outstanding piece of legislation.

The Mono Basin, located at the base of the eastern slope of the Sierra Nevada Mountains, is an outstanding example of the harsh beauty of the arid great basin regions of the western United States. The area contained within the proposed National Forest Scenic Area includes a segment of the eastern escarpment of the Sierra Nevada Mountains, Mono Lake itself, which is a saline water body with no outlet, extensive deposits of tufa, which is a rock that if formed by salts coming in through springs in the bottom of the lake reacting with minerals in the lake water and depositing out very unusual rock formations, very extensive around the shores of the lake, and quite amazing in their appearance. I can personally testify, having been there last fall, that it is a photographer's paradise. The brilliant blue lake and the beautiful blue sky of that area and these amazing rock formations against the background of the snow-capped Sierra Nevada Mountains make it one of the most lovely and unusual scenic areas that I have had the privilege of visiting in my lifetime.

There are several volcanic craters, also, including a volcanic cone formed underwater, and those are also uniquely formed and are interesting areas to visit. A portion of them are included in this legislation.

□ 1245

Finally, there are large concentrations of both nesting and migratory waterfowl.

The bill before us today contains amended language worked out with the sponsor of the bill, our colleague, the gentleman from California (RICK LEHMAN) and the city of Los Angeles to effectively protect the outstanding natural and recreational resources in the Mono Lake Basin without affecting the water rights granted by the State of California to the city of Los Angeles and to maintain absolute neutrality regarding pending litigation involving those rights.

This bill also includes a number of amendments that respond to issues raised during subcommittee hearings held in Lee Vining, Calif., and Washington, D.C.

In particular, I would note that amendments were made to eliminate a study included in the original language that was objected to by the Secretary of Agriculture.

The new scenic area boundary includes, according to estimates by the Forest Service, about 61,000 acres exclusive of the surface area of Mono Lake, as contrasted with 73,000 that were in the original bill. About 22,000 of those acres are under the jurisdiction of the National Forest Service and about 24,000 currently under the jurisdiction of the Bureau of Land Management. The BLM lands would be transferred to the Forest Service under the provisions of the act, and I believe this consolidation of jurisdiction over these federally owned lands will provide for more effective and more efficient management of the land than exists under the current conditions of management by two separate agencies.

Also included within the boundaries are about 1,000 acres of land owned by the State of California, about 8,500 acres owned by the city of Los Angeles, and about 5,000 acres of privately owned land.

The bill authorizes acquisition of private lands within the boundary under certain circumstances, but only if the Secretary finds that they are being operated in a manner detrimental to the purposes of the act, and then he must make a finding to that effect; and furthermore, it provides that all existing uses are not to be considered detrimental, and that includes additions to some of the structures that are there already in the future.

So we have acted also to protect the rights of private property owners presently in the area.

Furthermore, any State-owned lands can only be acquired by donation or exchange. The bill also prohibits disposal of Federal land in the area and withdraws the Federal land from mineral or geothermal entry or leasing. It stipulates that the bill shall have no effect one way or another upon California water rights law or on water rights granted to the city of Los Angeles. It provides for legislative affirmation of existing easements across Federal land issued to the city of Los Angeles under the provisions of the act of June 23, 1936, and repeals the act as being no longer necessary.

It provides guidance to the Forest Service for management of the scenic area to protect the natural and cultural resources in the area, and also provides for a study of the ecology of the scenic area by the National Academy of Sciences.

Finally, it establishes a Scenic Area Advisory Board and provides for the protection of traditional uses of the area by Indian people.

Mr. Speaker, I was very pleased that we have been able to work out compromise language to resolve the controversy surrounding the issue of these water rights of the city of Los Angeles, and I particularly wish to compliment the sponsor of this bill, and my colleague on the Interior Committee, the gentleman from California (RICK LEHMAN) as I have already indicated, for his dedication not only to working out those compromises but for his perseverance in this legislation to protect this outstanding area. Without it, we could not have had this excellent result.

I also appreciate the strong help of the gentleman from California (NORM SHUMWAY) who formerly represented the area, as well as Mayor Bradley of the city of Los Angeles and his staff.

I believe we have resolved all of the significant conflicts that originally surrounded this proposed legislation, and urge my colleagues to vote favorably on H.R. 1341.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the legislation now being considered by the House (H.R. 1341), which establishes a Mono Basin National Forest Scenic Area. Mono Lake is located in central California, east of the Sierra Nevada Mountains and Yosemite National Park. Most of the fresh water streams which would normally drain into the lake are diverted into an aqueduct which flows to the city of Los Angeles to provide domestic water supply. As a consequence, Mono Lake has for decades suffered a declining water level, bringing severe consequences to the wildlife in and around the lake, to the people living within the area, and to the lake itself.

Mr. Speaker, due to State water rights jurisdiction, this bill will not solve that water diminishment dilemma, nor does it attempt to; the water matter is left to be resolved within and by the State. This bill does recognize the national significance of Mono Lake and immediately surrounding features however, and it provides some further Federal statutory protection to some of those resources. This bill constitutes a step toward the further protection of resources in this key part of the Mono Basin, with the hope and intent that the water withdrawal issue will ultimately be resolved in an equitable manner, and such that the life and welfare of Mono Lake will be strengthened from what it has been in recent years.

Mr. Speaker, this newly established area will be managed by the Forest Service. The bill provides that a study of the area's resources and general ecological condition of past, current and future be conducted by the National Academy of Sciences. The report developed by this scientific body will contain an assessment of conditions and should recommend actions needed to preserve the integrity of the area's resources. Of major concern in this regard will be the water within the boundaries of the area. This report will be submitted to the Congress for its consideration as to future possible legislative needs for the Mono Basin Scenic Area.

Mr. Speaker, the issue involved with Mono Lake has long been contentious. While this bill does not really resolve the basic issue regarding the disposition of the water, and while the bill represents compromise related to other conflicts and competing interests, very major credit for this bill's existence is due our colleague from California in whose congressional district Mono Lake is located, the Honorable RICK LEHMAN. Much credit for ealier efforts on this issue is also due our colleague from California (NORM SHUMWAY) who earlier represented the Mono Lake area; and of course as is often the case, the able chairman of the subcommittee, JOHN SEIBERLING, contributed majorly to the compromises which brought forth the legislation before us today.

Mr. Speaker, I have no further comments on the bill at this time, and I urge the bill's adoption by the House.

Mr. Speaker, I would like at this time to compliment a gentleman who does not represent that district any more but did a great job over the years, the gentleman from California (Mr. SHUMWAY), who really was the leader in the solution of this problem that has faced the State of California. The chairman of the committee has done so well in explaining the bill, and has led the solution, with Mr. SHUMWAY, to solve this problem, and Mr. LEHMAN, the new Congressman from the area.

At this time, I yield such time as he may consume to the gentleman who led this battle, the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Speaker, I appreciate the kind comments of the gentleman from Alaska, and I thank him for yielding.

Mr. Speaker, it is a pleasure for me to rise and add my voice to those in support of this very meaningful legislation. It was my privilege during the 96th and 97th Congresses to represent Mono County, the site of Mono Lake, and during the years I was its representative I became very familiar with the unique resources which the gentleman from Ohio has so aptly described in his remarks.

This is, indeed, a very unique, one-of-a-kind resource in America and, therefore, it seems to me that it qualifies in every respect for the kind of attention, for the kind of individual setting that we are creating for it by this particular bill. In contrast with many wilderness bills that come before this body for adoption, many of which simply contain trees and, therefore, are not unique or different from many other areas which have been set aside for wilderness in America, this one does have some very unusual and unique characteristics. It is one of the oldest geologically significant areas of its kind in the country. It has one of the largest inland salt water lakes and one of the oldest lakes of its kind in the country. It represents unusual beauty at all times of the day, and as the gentleman from Ohio has mentioned, it is a very significant nesting place for birds which migrate up and down the sea lanes on the Pacific coast.

All of this has since been borne out, Mr. Speaker, in several articles which have appeared in national periodicals. The National Geographic magazine, and others, have featured Mono Lake on their cover and in feature articles, all of which have aroused a great deal of attention across the land to the need to preserve this particular resource.

I was impressed, of course, with the beauty, as I have described, but I was also impressed during the years that I served as the representative for this area by the great interest which has been taken by local representatives. Units of local government, the chamber of commerce, business groups, and others all perceived that Mono Lake was a beautiful area, one which needed to be preserved, and a resource that needed to be recognized by the entire Nation.

It was for those reasons, the beauty as well as local interest, that I felt, Mr. Speaker, it very appropriate to introduce legislation to create a national monument, and to provide for a study and to make other remedies insofar as the use of this basin is concerned. The bill now before us goes in a slightly different direction, but nevertheless is a direction which I wholly support because it is one which is calculated to preserve this area and to give it the kind of recognition that I think it is entitled to have.

For this reason, Mr. Speaker, I am delighted to add these remarks in support of those which have already been mentioned, and to ask that my colleagues in the House join me in voting for this bill and giving the Mono Basin the recognition that it is entitled to have.

Mr. SEIBERLING. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. LEHMAN).

Mr. LEHMAN of California. Mr. Speaker, I rise to speak today on behalf of H.R. 1341, a bill to create the Mono Basin National Forest Scenic Area. I am proud to be the author of the original bill and grateful that so many of my colleagues joined together to put aside regional political differences to save a national treasure. Members of both parties, from California to New York, have worked hard to give national recognition to one very special place in America.

To my colleague, JOHN SEIBERLING, I extend my deep appreciation for the countless hours he expended crafting amendments to bring many diverse interests together in unison on H.R. 1341. The chairman's efforts went far beyond his duty, and we are tremendously indebted to him for his leadership.

I want to also acknowledge my colleague and neighbor from California, NORM SHUMWAY, who first initiated Mono Lake legislation in the 97th Congress and has been unwavering in his support of my legislation in the 98th Congress.

Another colleague who deserves special recognition for his support of H.R. 1341 is my friend JERRY PATTERSON from southern California. JERRY was instrumental in securing unanimous passage of H.R. 1341 by the House Interior Committee. Only due to an over-

sight was he inadvertently omitted from the list of over 80 cosponsors.

Mr. Speaker, Mono Basin has many lessons to teach us. Lying at the edge of a vast western mountain chain, this desert basin provides a magnificent geologic setting for the gem of the eastern Sierras—Mono Lake. The basin has taught us historical and geological lessons for many thousands of years. These lessons have been renewed in recent years as national attention has focused on the lake and its environment. Mono Lake is not simply a brief in someone's file cabinet. It is a truly beautiful and "holy place" with lessons for future generations of Americans.

This spring during hearings on H.R. 1341 in Lee Vining, Calif., a native American constituent testified eloquently in support of national recognition saying: "Mono Lake cannot speak for itself today, so we must speak for it."

Mr. Speaker, this is the heart of the matter before us today. The Congress must speak out on behalf of Mono Lake and Mono Basin. We recognize that the water issues so critical to Mono Lake properly belong to the State of California and not the Federal Government. But just because Congress cannot do everything, does not mean we ought not do anything. H.R. 1341 will set forth protective land management practices so that the area surrounding Mono Lake will retain its beauty and desert solitude. Without H.R. 1341, geothermal development, timber harvesting, and Federal land sales threaten the tranquil landscape of Mono Basin.

Mr. Speaker, I would like to set forth for the record exactly what H.R. 1341 does and does not do. H.R. 1341 establishes a national scenic area to be managed by the Forest Service in an area already overwhelmingly—76 percent—under Federal jurisdiction. This area lies entirely within my congressional district.

H.R. 1341 recognizes Los Angeles' water rights and does not permit the creation of any Federal water rights.

H.R. 1341 repeals the right of the city of Los Angeles to buy land around Mono Lake for $1.25 an acre, but grants permanent easements to Los Angeles for existing facilities

H.R. 1341 authorizes a National Academy of Science study to determine lake levels needed to maintain critical wildlife in the Mono Basin.

H.R. 1341 recognizes valid existing mineral rights and grazing permits.

H.R. 1341 will allow traditional community and recreational activities to continue on the public lands at the same levels as they have in the past.

H.R. 1341 does not impair Los Angeles' water rights in any way whatsoever. The original water language in my bill is identical to Mr. SHUMWAY'S language in H.R. 5324 of the last Congress. Amendments were added in the House Interior Committee to further clarify that H.R. 1341 leave the water rights issue to the State of California.

H.R. 1341 is not a Federal land acquisition bill. The land inside the proposed boundary is already 76 percent federally controlled by the Bureau of Land Management and the Forest Service. There is a very small amount of private land—approximately 5,000 acres—and acquisition of that property is not planned.

Mr. Speaker, I believe Mono Basin stands on its own as deserving of national scenic area status. But for the record, I would like to cite a long and impressive list of bipartisan supporters of H.R. 1341 from all over America as well as from the small western county which I represent. Today, H.R. 1341 has well over 80 cosponsors including Republicans, Democrats, Californians, other westerners, as well as Congressmen representing every other region of the country. National and local conservation groups support Mono Basin legislation. The National League of Women Voters supports creation of the Mono Basin National Forest Scenic Area. The California State senators and assemblymen representing the Mono Lake area have endorsed the legislation. The Mono County supervisors support H.R. 1341 along with the Mono County Chamber of Commerce and the Mammoth Lakes Chamber of Commerce. The list goes on Mr. Speaker and even includes local churches in my district.

Following Interior Committee amendments, even the city of Los Angeles withdrew its opposition in a spirit of compromise. I recite these supporters to point out that giving Mono Basin national recognition is not just a parochial issue.

John Muir called the Mono Basin a land of "frost and fire" and fought unsuccessfully to make it a part of Yosemite National Park. Since that time, nationally known writers, photographers and scientists have all taken up the cause of Mono Lake and Mono Basin.

Mr. Speaker, H.R. 1341 for the first time brings southern and northern California together in recognition that a problem exists in the Mono Basin. It is clear that we have not arrived at a perfect solution, but it is also unthinkable that we not take this first step together. I commend all my California colleagues, from both sides of the aisle, who struggled together to draft H.R. 1341 as amended, and I urge swift passage of this historic compromise.

Mr. SEIBERLING. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. I thank the gentleman for yielding his time to me.

Mr. Speaker, I rise in strong support of H.R. 1341 and I commend my chairman, the gentleman from Ohio (Mr. SEIBERLING) and my colleague from California (Mr. LEHMAN) for his persistence in pushing for a compromise on this important issue.

Since its discovery in the early 1800's, Mono Lake has been recognized for its uniqueness among natural phenomena. The tufa columns and unusually strong salinity of the lake fascinated early visitors to the lake and continue to intrigue scientists today. But more important than the scientific interest in the lake is the strong public interest in preserving the haunting beauty of this turquoise desert sea.

However, like so many other natural resources, Mono Lake is the victim of competing interests. In preparing for inevitable urban growth, the city of Lost Angeles purchased considerable land and water rights in the Mono Lake area in the late 1930's and early 1940's. In order to transport the water from this region to southern California, the city built a 340-mile aqueduct south through the Owens Valley and across the Mojave Desert to Los Angeles. Over the years, L.A.'s share of water derived from the tributaries of the Mono Basin has grown to 17 percent.

An unfortunate consequence of the city of Los Angeles' foresightedness has been the reduction of Mono Lake. In the 40 years since the city's aqueduct began operation, Mono Lake has dropped 46 feet and its surface area has shrunk from 86 to 61 square miles.

Fearing the compromise of the city's water rights, the Los Angeles Department of Water and Power has vigorously opposed the creation of a national monument at Mono Lake since the idea was originally proposed during the 97th Congress. For those of us representing southern California with a keen understanding of the water problems of the area, it seemed only right that we support the city of Los Angeles. After a personal visit to the lake in the summer of 1982, I was awed by the beauty of the lake. It is imperative that a way be found to preserve both the unique ecology of the lake as well as the water rights of Los Angeles.

Entering Congress this year as the Representative of the congressional district encompassing Mono Lake, Mr. LEHMAN made it his No. 1 priority to settle the dispute with Los Angeles before the lake was lost for good. Going out of his way to come up with language satisfactory to all involved parties, Mr. LEHMAN presented the House Interior Committee with an innovative draft of a bill. With no dissenting voice, the bill was approved by the committee.

Having been personally involved in the stalemate over last year's legislation, I am extremely pleased that we have before us today a bill which has the support of the city of Los Angeles.

Compromise is the essence of democracy and this bill exemplifies this trait. I urge all of my colleagues to support H.R. 1341 so that future generations will have the opportunity to marvel at this one-of-a-kind natural wonder.

□ 1300

Mr. YOUNG of Alaska. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, this a geologically unique area, an area of unparalleled beauty. Those kinds of attributes have previously been justified by the comments of the foregoing speakers.

I rise for two reasons: First, to commend a number of Members who have been very much involved in this legislation of which I first became aware when I was a member of the Committee on Interior and Insular Affairs in the last Congress. I commend, first of all, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Ohio (Mr. SEIBERLING) for their outstanding leadership in bringing this legisiation to the floor and working with the two gentlemen from California who had such an important role in forging the compromise to satisfy all the concerned entities. The gentleman from California (Mr. SHUMWAY) and the gentleman from California (Mr. LEHMAN) deserve public commendation for their efforts. The questions about water rights and the question about jurisdictional overlap between Federal agencies have, I think, been well satisfied by the legislation thus crafted.

Second, Mr. Speaker, I stand to urge my colleagues to give this legislation their support and pass the bill in the House.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume, and I take this time merely to say that I do have some very fine prints that I had made from some of the slides that I took when I was in the area last November. If any Members are interested, I will be glad to make them available. I am sorry that I forgot to bring them to the floor.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD. Mr. Speaker, since I had the opportunity to testify in various hearings on this subject, I wish to make some remarks on the background relating to the development of H.R. 1341, a bill to establish the Mono Basin National Forest Scenic Area.

In summary, H.R. 1341, as now structured, is a land management bill which establishes the Mono Basin National Forest Scenic Area and transfers administrative jurisdiction of all Federal lands in the area to the Secretary of Agriculture for administration by the Forest Service. The area contained within the scenic area includes a segment of the eastern escarpment of the Sierra Nevada Mountains, Mono Lake, and several volcanic craters.

Mr. Speaker, since the major purpose of the bill is to address various land management factors, it is important that I emphasize why this bill, as now structured, makes it clear that the Secretary is directed to manage the scenic area in a manner consistent with the protection of water rights of the State of California or any political subdivision thereof, including the city of Los Angeles, and that such management, under the provisions of this act, shall not affect or impair the operation of any water diversion activity in the Mono Basin or the scenic area granted under the laws of the State of California.

In recent years, public controversy has developed over the best use of fresh water from four of the five major streams which are tributary to saline Mono Lake in Mono County, 340 miles north of Los Angeles. Since 1941, these streams have been diverted into the Los Angeles aqueduct system and now account for one-sixth of the city's water supply, enough for about 500,000 people. This diversion of about 100,000 acre-feet of water annually also provides clean hydroelectric power, amounting to 300 million kilowatt-hours annually, as the water flows through powerplants along the all-gravity aqueduct system en route to Los Angeles. Today, the total direct replacement cost for these water and energy supplies would be more than $31 million annually.

The status of the Mono Lake environment and the changes resulting from Los Angeles' continuing use of water from the Mono Basin continue to be the focus of environmental interest. In the courts, three major lawsuits seeking to restrict or eliminate the city's use of fresh water from the Mono Basin were underway, and still pending today. On February 17, 1983, the California Supreme Court issued its long-awaited decision in the Mono Lake lawsuit. Some attorneys consider this to be the most important environmental decision in the history of California law. The greatest significance of the court's decision is that many appropriative water rights in the State of California, no matter how long they were held, henceforth will be subject to review and potential reallocation under the public trust doctrine by either the courts or the State water resource control board. Moreover, under the court's ruling, a court or appropriate administrative body, in deliberating on the city's water diversions, will consider the public trust values of the Mono Basin area and balance these values with the water needs of the people of the city of Los Angeles.

Turning now to the subject legislation and its relationship to this situation, in my view, Mr. Speaker, it is absolutely necessary that Congress be as clear as possible on one single, critical point—that water rights and the exercise of such water rights be fully protected. I commend the gentleman from Ohio for weighing the concerns of all parties on such an important California issue. As you know, water rights and water supply are sacred in California and in the Western States.

On this point, I would like to emphasize that sections 4(b)(1) and 4(h) contain pertinent water rights language. H.R. 1341 and House Report No. 98-291 together make it clear that:

First, the rights to use water tributary to Mono Lake and the manner of exercise of such rights is a matter to be administered by the State of California, and changes in the level of Mono Lake due to the city's water operations shall not be deemed contrary to the act.

Second, the Secretary is directed to develop a comprehensive management plan for the scenic area which is consistent with the protection of water rights. The plan authorized by this act is not intended to include provisions that will affect, in any way, any aspect of the city's operation of its water supply facilities in the Mono Basin including the scenic area and

Third, the Advisory Board is intended to provide advice to the Secretary regarding land management of the scenic area but it is not chartered by the act to pursue an advisory role related to matters affecting water rights issue.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the measure under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING) that the House suspend the rules and pass the bill, H.R. 1341, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The title was amended so as to read: "A bill to establish the Mono Basin National Forest Scenic Area in the State of California, and for other purposes."

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3329, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS, 1984

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3329) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida? The Chair hears none, and, without objection, appoints the following conferees: Messrs. LEHMAN of Florida, SABO, GRAY, RATCHFORD, CARR, MRAZEK, WHITTEN, COUGHLIN, CONTE, EDWARDS of Alabama, and PURSELL.

There was no objection.

ELECTION OF MEMBER TO CERTAIN STANDING COMMITTEES

Mr. MURTHA. Mr. Speaker, I offer a privileged resolution (H. Res. 268) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 268

Resolved, That Sala Burton, California, be, and is hereby, elected to the Committee on Education and Labor, to rank immediately following Representative Ackerman; and to the Committee on Interior and Insular Affairs.

PARLIAMENTARY INQUIRY

Mr. DANNEMEYER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will please state his parliamentary inquiry.

Mr. DANNEMEYER. Mr. Speaker, under the privileged resolution, how much time is allocated for considertion of it, and who controls that time?

The SPEAKER pro tempore. The Chair will state that the gentleman from Pennsylvania (Mr. MURTHA), under the privileged resolution, is entitled to 1 hour, the time to be controlled by the gentleman from Pennsylvania.

Mr. DANNEMEYER. Mr. Speaker, I have a further parliamentary inquiry, and perhaps this may be answered by my colleague, the gentleman from Pennsylvania (Mr. MURTHA).

Is the gentleman from Pennsylvania of a mind to give the minority any of this time?

The SPEAKER pro tempore. Does the gentleman from Pennsylvania care to respond to the inquiry?

Mr. MURTHA. Mr. Speaker, I would be glad to yield, for debate only, a reasonable time to the minority. I hope that this will not take too long, but I would be glad to yield reasonable time to the gentleman from California (Mr. DANNEMEYER) or any other Member who would like to speak.

Mr. DANNEMEYER. Mr. Speaker, if the gentleman would yield a reasonable period of time, that appears to be satisfactory. This is a satisfactory offering, and I would accept that.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. MURTHA) is now recognized for 1 hour.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the Members know, the House Caucus has recommended to the full House Mrs. BURTON of California to be on the Committee on Interior and Insular Affairs, and we have changed the ratio and expanded the Committee on Education and Labor by one to each side, which actually reduces the ratio of Democrats versus Republicans, not by much, but it does move in that direction. We increase the total number to exactly the same as it was a couple of years ago. For instance, there were 36 members on the Committee on Education and Labor in the 96th Congress, there were 33 in the 97th Congress, and now there are 31 in the 98th Congress.

So we are trying our best to accommodate the memory of one of our most distinguished members in taking care of the gentlewomen from California and recommending her to the House so that she would be able to serve in this distinguished position and bring her expertise and representation from California to that committee.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield?

Mr. MURTHA. I am pleased to yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Speaker, I thank the gentleman for yielding.

Let me say at the outset that whatever comments I have today are not meant in any way to reflect upon the gentlewoman from California (Mrs. BURTON), who is a long-time and dear friend of mine. But I would like to ask the gentleman from Pennsylvania, what consultation or notice was given to the minority concerning this proposed change?

Mr. MURTHA. Mr. Speaker, as I understand it, the committee met the evening before it reported it out at 5:30, but, according to my understanding, in order to accommodate the Republican side, we added a member on both sides, which actually reduces the ratio of Democrats to Republicans.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield further?

Mr. MURTHA. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Speaker, I thank the gentleman for yielding further, and I want to say that I appreciate the fact that two positions were added, one for the majority and one for the minority. I agree with the gentleman that that does improve the ratio for the minority, albeit very slightly.

But let me suggest that the gentleman from Pennsylvania was not responsive to my question about consultation or notice, and let me explain my understanding. I was advised last week when this matter was first rumored to come to the floor. First of all, perhaps I should explain my interest in the matter.

I am the ranking Republican on the Committee on Education and Labor. The matter, I understood last week, was to be brought to the floor, though no notice was given to me. I found out only because of rumors passed by word of mouth. I consulted with our Republican leadership and found that our leader, the gentleman from Illinois (Mr. MICHEL), had neither been consulted nor given notice.

So my purpose today is to raise a question as to the propriety of the majority unilaterally, without consultation, which is bad enough, but then without notice, planning to take a matter like this to the floor.

□ 1315

If it has not been by pure chance that I was advised that this was going to be brought up, it likely would have been brought up last week and passed without me knowing anything about it, very likely without the gentleman from Illinois (Mr. MICHEL) knowing anything about it and we would be presented with a fait accompli.

Now, I do agree, the majority does not have to follow the desires of the minority, but at least we ought to be asked what they are, in my opinion. Not having done that, we at least ought to be told that a decision has been made and that it is intended to bring it before the entire House; but to do so without notice, I think, shows a certain arrogance on the part of the majority, as though it is just no business of the other elected Members of this body what it is they decide to do.

Now, I hope, I trust, that this was some sort of oversight, someone on the other side of the aisle had been charged with doing this and merely failed to, but maybe the gentleman could clarify that for me.

Mr. MURTHA. Mr. Speaker, I appreciate the gentleman's concern. Certainly the gentleman knows the leadership does try to consult continually and I have been many times, as has the gentleman, involved in those consultations and considerations and trying to get House matters solved, problems that were purely procedural matters. I think it has worked very well that way.

Myself, I am like the gentleman. I heard about it last week and I know I heard some Members discussing it and

thinking it was a routine matter which would be accepted and knowing the extent where we are replacing one of the most distinguished Members by a person who I know will become just as distinguished in her work on the committee, I suppose it could possibly have been an oversight, knowing the high regard that everyone had for the late Member from California (Mr. BURTON), and knowing what they would have no personal objection to Mrs. BURTON taking his place, I suppose the majority just figured that it was something that would be done without any problem and we would not have any argument about it. Perhaps it was an oversight by the leadership in not consulting the Republican leaderships or the gentleman, the ranking member about this procedural move.

I suppose the other thing, changing the ratio, since we did add one on both sides, I suppose that is another reason that they just slipped up and did not consult or thought somebody else was doing it.

Mr. ERLENBORN. Mr. Speaker, will the gentleman yield further?

Mr. MURTHA. I yield for debate only.

Mr. ERLENBORN. Let me just suggest to the gentleman that legislative or common courtesy is the grease that makes the wheels of the legislative process run smoothly. I am afraid that is we forget the necessary maintenance of this machine and begin to forget our courtesy one to the other, the courtesy to even give notice to one party to a procedure like this that would have an interest in it and failing to give notice, this matter might have been disposed of without one side having an opportunity to even participate.

I just suggest that failure to continue to grease these legislative wheels by removing that congressional courtesy will have consequences that I am certain neither side of the aisle would like to have happen.

Now, this comes in the face of other matters now pending before the Congress that I do not think necessarily directly impinge on this, but I would say that failure to consult shows a certain arrogance and then the failure to give notice, I think, is inexplicable and certainly not yet explained.

Mr. MURTHA. Well, I appreciate the gentleman's concern and certainly will relay those concerns to the majority leadership.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. MURTHA. I yield for debate only to the gentleman from California.

Mr. DANNEMEYER. I thank my colleague, the gentleman from Pennsylvania, for yielding for debate only.

As the gentleman has explained this matter, the present division on this committee is 20 Democrats and 11 Republicans. That gives the Republicans 35 percent of the slots.

Now, as the gentleman has outlined, it is proposed to increase one on each side, which would give 21 Democrats and 12 Republicans. That would raise the Republican total to 36 percent.

Now, since the Republicans in the 98th Congress as a result of the November 1982 election, were given 38.3 percent of the slots, does the gentleman not think that it would be equitable and fair as long as we are rearranging the ratios on this committee, rather than to just add 1 additional Republican on this committee, to give us 2, which would make the division 21–13?

Now, if we did this, this would give the Republicans 38.2 percent of the slots, which is our allocated share as decided by the voters in the November 1982 election. Could anything be more fair than that?

Mr. MURTHA. Well, I think the leadership, when they originally addressed this, were more interested in making sure in the quickest way possible that the gentlewoman from California was taken care of. It was certainly something that in order to accommodate the Republican minority, they decided that the way to do that was to slightly address this problem by adding one and one, which admittedly probably could have gone farther, but was a compromise when they adjusted.

I was not involved in the adjustment, so I am not sure exactly how they did it; but I am sure they had a prolonged debate and probably it was brought up that maybe two Members should be on the Republican side, but as a compromise from the many that probably did not want to add any, and it was probably a very close vote and a struggle, but because of the overwhelming respect for Mrs. BURTON, who will, I think, add so much to that committee, I think they finally compromised on one each.

Mr. DANNEMEYER. I appreciate my colleague's comment.

Let me say that this Member from California has no objection to Mrs. BURTON going on this committee and I want the Members to understand that. It is just my desire to give equity and justice by giving us these two additional slots.

If only I can ask this question additionally, if the gentleman will yield further for debate only.

Mr. MURTHA. Yes.

Mr. DANNEMEYER. You know, in the 97th Congress, that is the last Congress, Republicans were given by the American people 44 percent of the slots. When this House was organized, the Democratic leadership shorted the Republicans by 30 slots on major committees and 38 slots on subcommittees.

Now, that deprivation of slots was so profound in the 97th Congress that some of us, 14 in number, filed a suit. It is now pending in the Federal court system and that suit, oddly enough, coming up today, happens to be pending before the U.S. Supreme Court in a petition for writ of certiorari in order to have the U.S. Supreme Court look at this very important matter on the threshold question of whether or not the majority that has the control here can deprive the minority of the slots to which the people of the country have given us.

Now, would the gentleman choose to sign a letter to the Supreme Court of the United States in support of our petition for writ of certiorari, saying that after reflecting on the matter, the gentleman has seen the error of his ways and wants to correct the inequity and give the Republicans the allocated number of shares to which we are entitled in this current 98th Congress?

Mr. MURTHA. I do not think I would want to try to influence the Court at this very late date in its deliberations on a matter of such consequence.

Mr. DANNEMEYER. Well, it would be so timely.

Mr. MURTHA. I would decline to sign a letter advocating that position.

Mr. DANNEMEYER. That is a pity. I thank my colleague for yielding.

Mr. MURTHA. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The vote will be taken tomorrow.

TRIBUTE TO THE LEADERS OF THE HUNGARIAN REVOLUTION

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Madam Speaker. on June 16, I was honored to join with Senator ROBERT DOLE of Kansas in cosponsoring a reception to recognize the 25th anniversary of the execution of the leaders of the 1956 Hungarian Revolution. As the chairman of the Committee to Commemorate the Revolution, I was proud to be associated with those who paid tribute to the supreme sacrifice of the leaders of the revolution; chief among them being Prime Minister Imre Nagy, Gen. Pel Maleter, and Mr. Millos Gimes.

Madam Speaker, I would like to insert for the RECORD my remarks as well as those of the other participants in the reception; Mr. Istvan Gereben, the executive secretarty of the Coordinating Committee of Hungarian Organizations in North America, the Honorable ROBERT DOLE, and Gen. Donald S. Dawson. I also am inserting for the RECORD a letter from President Reagan in commemoration of this historic date as well as an appeal to the Government of Hungary to identify the gravesites of the executed freedom fighters. Finally, I am inserting for the RECORD an article by Charles Fenyvesi which appeared in the July 11, issue of New Republic and an article by Arnold Beichman which was published in the July 8, National Review dealing with the identification of the burial sites and the leaders of the revolution.

I urge my colleagues to review this material in detail because it more fully chronicles the ongoing struggle of those remaining freedom fighters to identify and recognize the gravesites, as well as the achievements of those who gave their lives for the freedom of the Hungarian people.

REMARKS BY MR. ISTVAN GEREBEN

Distinguished guests, dear friends, ladies and gentlemen, fellow freedom fighters.

On behalf of the Coordinating Committee of Hungarian Organizations in North America, I welcome you to this remembrance of those who willingly walked to the gallows to testify with their lives to the principles in which they believed. Their example represents danger for their executioners. In spite of undeserved praise by Western clergymen, statesmen, journalists, diplomats, politicians and businessmen, they feared and still fear the memories of those who were put to death—so much that they keep the souls of the victims of their ascendancy to power incarcerated in unmarked graves. We come here tonight to remember and to remind, to rededicate ourselves to the ideals for which so many Hungarians died in those fateful years of the late 1950's and early 1960's.

We are thankful to all of you who come to share with us this celebration of life—the life of a nation which is nurtured by the sacrifice of its sons and daughters.

We are particularly thankful to Senator DOLE and Congressman HORTON for sponsoring this celebration and to those distinguished Americans who appealed to the Government in Hungary to adhere to the principles of basic human decency and to let the souls of our people go free. Thank you.

REMARKS BY THE HONORABLE ROBERT DOLE

Mr. Gereben, colleagues, freedom fighters, friends of Hungary. Today we mark the sad ending of a great event in the history of liberty—the Hungarian Revolution of 1956. The secret and furtive executions of brave men and women, and indeed of Hungary's own children who were led individually from their cells as they marked their eighteenth birthdays, are remembered by all who truly value freedom.

We all remember the days when Budapest exploded into light. We can still see the heroic children blowing up tanks with their homemade bombs, and small Hungarian Army units under General Pal Maleter—whose death we specifically recall today—equaling the valor of their splendid national traditions against the national enemy. That is the image that history records and succeeding generations will find forever marvelous and new. For we all recall with amazement the glorious days from October 23 through November 4, 1956—ending with the Russian invasion and the "negotiations" that were a cover for the arrests and executions that we remember today.

In our own country, we try to make a healing process possible after times of national tragedy. It is part of the definition of our humanity to deal in a generous way with the victims and survivors of war, following the magnificent example of Abraham Lincoln.

And so we now look to Hungary, and we mark the events of 1956 with a question—when, exactly, will the Hungarian authorities fulfill the dictates of common humanity in informing surviving family members regarding the burial places of their relatives who died in 1956 or were killed subsequently? For in this matter religious conscience, family obligation, and national feeling ought to coincide.

It was in this spirit of reconciliation that on April 29 I wrote to the Secretary of State suggesting that representations be made on this subject. I have been informed that in response to this request, our Embassy in Budapest has made the requested representation. I look forward to a full and substantive reply to my letter. Until then, I join all of you on this sad day of commemoration with hope for the people of Hungary, with gratitude for the many fine contributions that their sons and daughters have made to the life of the United States, and with profound respect for the martyrs of the Hungarian Revolution.

REMARKS BY THE HONORABLE FRANK HORTON

I would like to express my sincere appreciation to those who have joined together here tonight to commemorate the 25th anniversary of the execution of the leaders of the 1956 Hungarian Revolution. As the Chairman of the Committee to commemorate the Revolution, I am proud to have been able to help spread the word of the courageous fight of the Hungarian Freedom Fighters against the harsh repression of the Soviet Union.

Two years ago, during a ceremony similar to this one, we joined with Hungarian Freedom fighters from across the country to remember those troubled days of October, 1956, when rebellious Hungarian nationals led by Prime Minister Imre Nagy rose up to cast out the Soviet oppressors. This year, 25 years after the execution of the leaders of the Revolution, we are paying tribute to the sacrifice of Imre Nagy, General Pel Maleter, and Mr. Miklos Gimes, as well as the others who were executed for their participation. Their story is one that must be told to those who have forgotten the treachery of the Soviet forces as they snuffed out that flickering light of freedom back in 1956.

On June 17, 1958, the Hungarian and Soviet news agencies announced simultaneously that the leaders of the Revolution had been executed. When the Soviet troops moved in to crush the Revolution on November 4, 1956, many of the Nagy government and their families sought refuge, and were granted asylum in the Yogoslav Embassy while the new government of Janos Kadar was marshalled into power by the Kremlin. Under an agreement reached between the Government of Yugoslavia and Janos Kadar, the three leaders of the revolution were to be given safe conduct out of the country, including a promise that they would not be molested for their past political activities. On the basis of this agreement, Imre Nagy and his compatriots left the Embassy but were immediately arrested by the Soviet military police.

Not only was the arrest in direct violation of international law and an affront to the government of Yugoslavia, but the subsequent trial was carried out in total secrecy and contrary to the established laws and procedures of the Hungarian nation. While it seems that the Kadar government was involved in the arrest, the absolute secrecy of the trial indicates that all decisions were being made for political reasons. Whatever the case may be, it is hard to understand how the lawfully appointed Prime Minister of a country could conspire to overthrow his own government, or, that his efforts to rid the country of an occupying force could be construed as treason. Imre Nagy was not an ordinary communist. Above all, he believed in national independence and freedom, even under a communist form of government. Nevertheless, he and his courageous followers were put to death, attesting to the brutality and inhumanity of the oppressive Soviet Regime. Imre Nagy was executed less for what he did than for what he believed.

Another disturbing point has recently come to my attention; when Imre Nagy's personal effects were finally returned to his family, his gold wedding ring was missing and a copper substitute was in its place.

It is important to note the Kadar government's lingering fear of the memory of the heroic efforts of Imre Nagy and his fellow freedom fighters. To this day, the location of the grave sites of the executed has not been revealed. In 1981, I worked with the Coordinating Committee of the Hungarian Organizations in North America to have the grave sites located and recognized. Our attempts were harshly rebuked by the Kadar government through the Hungarian Ambassador to the United States, His Excellency Dr. Janos Petran. I submitted copies of the major pieces of correspondence to the Congressional Record of May 4, 1983.

It is obvious that the current Hungarian regime is deeply concerned over the rekindling of the spirit displayed by those courageous Hungarian Freedom Fighters some 27 years ago.

It is because of the great injustice that has been forced upon the Hungarina people that I continue to support the efforts of all freedom loving people of the world to speak out against communist oppression. Humanity dictates that we learn from the past and that we continue to be aware of the current danger. In that respect it can be said here tonight that the gallant fight of Imre Nagy and the rest of the Hungarian Freedom Fighters continues to be waged against oppression and injustice in the world today.

REMARKS BY GEN. DONALD S. DAWSON

This evening is a celebration of awareness. In remembrance of things past, we outline the contours of things to come. In remembrance of Imre Nagy and his martyred friends, we give new life to the ideals for which they died. And in remembrance of their ideals, we bear witness, in the words of Thomas Jefferson, to the "eternal hostility against every form of tyranny over the mind of man."

Twenty five years ago, Imre Nagy, then prime minister of Hungary, and several of

his associates were executed on Moscow's orders. Buried in unmarked graves, they live forever in the hearts of their countrymen. Tyranny that claimed their lives a generation ago now pretends to disclaim even knowledge of their graves. For it has come to pass that the masters of fear now fear even the mention of these names.

So it is fitting that we honor the memory of these martyrs with a moment of silence as the most deafening echo to the official silence surrounding the commemoration of their death in the land of their birth. It is these sounds of silence that stir a new awakening. The bondages of collective amnesia that gripped the survivors over the years are beginning to fray. As new generations of Hungarians draw inspiration from the memory of 1956, Imre Nagy is remembered—wherever his unknown grave.

Monuments are often a nation's symbolic protest against the injustices of the past. They are reminders of what might have been and guide posts to what ought to be. There are no such monuments errected to the fallen heroes of 1956. But there is no need for reminders as the ideals of freedom and independence remain the dream of all Hungarians. The names of Imre Nagy, Pal Maleter, Gimes, Szilagyi and the countless others—whispered in the privacy of homes or printed in unpublished poetry or prose—are living memorials of an unfulfilled national dream.

"There can be times." Hungary's greatest modern poet, Gyula Illyes warned, "when remembrance is the bravest of acts." These are the times of courage in Hungary. The courage to remember Imre Nagy. It is a courage not against tanks and troops of invading armies but a courage in face of callousness, courage in the midst of the dull routine, and courage in spite of tempting concessions.

Today in the distance of a quarter of a century, Hungary remembers. And we, gathered here, no longer mourn. We celebrate this new awareness.

LETTER FROM PRESIDENT RONALD REAGAN

THE WHITE HOUSE,
Washington, June 15, 1983.

I am proud to join Senator Dole, Congressmen Fascell and Horton, and the Coordinating Committee on Hungarian Organizations in North America in noting this historically significant moment.

June 16, 1983, marks the twenty-fifth anniversary of the tragic execution of Hungarian Prime Minister Imre Nagy, General Pal Maleter, Miklos Gimes, and many others in the aftermath of the struggle for their country's liberty during the 1956 Hungarian Revolution. The valor, dignity, and dedication they displayed in the pursuit of freedom reaffirms our belief in the eventual triumph of the human spirit over totalitarianism. While every freedom-loving American shares the sorrow of this occasion, we all are inspired by the realization that people around the world still yearn for the liberty Hungarians so courageously fought for in 1956.

I commend the efforts to identify the graves of the gallant men and women of the Revolution and to secure access to their remains for proper burial after so many years of anguish on the part of family and friends.

As we remember the events of twenty-five years ago, let us extend our sympathy to the distressed families and friends who pay tribute to the memory of their countrymen who died to further the cause of a free, independent, and democratic Hungary.

RONALD REAGAN.

LETTER TO THE GOVERNMENT OF HUNGARY

APPEAL TO PAL LOSONCZI, CHAIRMAN OF THE PRESIDENTIAL COUNCIL OF THE HUNGARIAN PEOPLE'S REPUBLIC

On June 16, 1958 Imre Nagy, Pal Maleter and Miklos Gimes were executed for their role in the Hungarian Revolution. Their remains, along with those of the many others who were similarly put to death, were buried by the authorities in unmarked graves.

On the eve of the twenty-fifth anniversary of the execution of Imre Nagy and his associates we appeal to you and to your government to adhere to the principles of human rights embodied in the Helsinki Final Act by fulfilling the repeated requests of the surviving family members for the identification of the gravesites, for permission to visit the identified burial places and for the recovery of the bodies for proper interment of their executed relatives.

Jimmy Carter, (Rev.) Imre Bertalan, (Rev.) Theodore M. Hesburgh, C.S.C., William F. Buckley, Jr., Leo Cherne, Arthur J. Goldberg, Lane Kirkland, Czeslaw Milosz, John Richardson, Ted Solotaroff, (Most Rev.) Philip M. Hannan, (Rev.) Julian Fuzer, O.F.M., Anne Armstrong, Vladimir Bukovsky, Donald S. Dawson, Charlton Heston, Clare Boothe Luce, Walter F. Mondale, Bayard Rustin, Edward Teller, Eugene Wigner.

BUDAPEST'S UNQUIET DEAD: INDECENT BURIAL

(By Charles Fenyvesi)

For twenty-six years, family, friends, and strangers lit candles and placed flowers on the graves of Section 21 of the main Budapest cemetery on Kerepesi Street. The section, begun in late October 1956, became the burial ground for two hundred fifty men and women, most of them under the age of twenty, who were killed fighting for the Hungarian revolution. The graves are scheduled to be eliminated by the end of 1983.

A year ago cemetery officials—state employees, of course—posted a notice in the cemetery, addressed to the families of the dead. The notice said that Section 21 was being cleared, in accordance with the law that defines twenty-five years as the limit of cemetery use, and that unless the families paid for exhumation (which costs a month's wages) and moved the remains of their dear ones elsewhere, the remains would be trucked to a collective grave in another location.

Officials of the Hungarian embassy in Washington insist that there is no political motive in the decision to vacate Section 21. They say that nine other sections are also being vacated as part of "an aesthetic master plan devised long ago." They say that the task of informing the families affected is being handled "in the most humane way possible." Nevertheless, they acknowledge that families of those who died fighting against the revolution did not receive a similar notification about the twenty-five-year limit. Nor is there any indication that sections reserved for the Soviet military and the Hungarian secret police are in any danger of being vacated. When I questioned one embassy spokesman about Section 21, I was cautioned that the issue is "not timely" and that the events of 1956 are "nothing but history which young Hungarians no longer care about." He added that writing articles about Section 21 "does not promote better Hungarian-American relations."

The fact is that Section 21 is the closest thing that exists in Hungary to a memorial for those who died fighting for the 1956 revolution. It is never easy to divine secret objectives, especially in cases where so much public symbolism and such deep personal feelings are involved. But it is hard to believe that the decision to raze such a graveyard is due to aesthetic considerations. Those of us who have welcomed the post-revolutionary regime's considerable progress toward liberalization are puzzled. After all, what does János Kádár stand to gain by stirring painful memories? Can he believe that the leveling of a graveyard really helps erase the memory of those few days when Hungary played center stage in world history? Or is the regime confident that its liberal reputation is so well established and the issue of a little cemetery is so obscure that no one will bother to mention it in print?

Budapest is an Old World capital crowded with marble monuments to martyrs and bronze statues of liberators. The past is an everyday presence, and creating its own version of history is a major concern of every government. The families of the dead fighters in Section 21 were relatively privileged: they were able to bury their relatives themselves. The families of those who were executed after the Soviet invasion of November 4 have been less fortunate.

The executed were interred in unmarked graves, probably in a place known as "the prisoners' cemetery," in the Budapest suburb of Rákoskeresztur. It is surrounded by barbed wire and guarded by soldiers, and no visitors are allowed. The graves are marked only by numbers. Only top officials have access to the ledger that identifies who is buried in which gravesite.

If there are no graves, no one died. If no one died, no one fought for the revolution. If no one fought for the revolution, the revolution did not happen. To this day, almost exactly twenty-five years after the executions of Imre Nagy, Prime Minister during the revolution, and his three co-defendants, it is a state secret where they are buried. Through personal contacts and legal channels, their families have repeatedly appealed to the authorities that they be allowed to visit the graves. The requests are left unanswered.

Last November Pál Maléter, an architect in the Veterans Administration, filed a petition from Washington requesting that the remains of this father be transferred from their present unknown location to the family crypt. His father was General Pál Maléter, the Minister of Defense, whom the Soviets arrested while conducting armistice negotiations. He was the highest-ranking military officer executed after the uprising. Though encouraged by embassy officials to write to the authorities in Budapest, Maléter has not yet received an answer.

A more speedy response was given to a 1981 congressional appeal—addressed to Party Secretary Kádár and signed by Senator Daniel Moynihan and Representative Frank Horton of New York, and Representative Millicent Fenwick of New Jersey—to permit families of the executed revolutionary leaders to visit the gravesites. The Hungarian ambassador, János Petrón, refused to forward the letter and returned it to its senders, explaining that such appeals "are irreconcilable and incompatible with historically established intercourses between rep-

resentatives of states and with the general trend of Hungarian-American relations."

President Reagan recently issued a public letter strongly endorsing a new appeal now being circulated which has the signatures of Jimmy Carter, Walter Mondale, Lane Kirkland, and William F. Buckley Jr. Still, the State Department is uncomfortable with the matter of the gravesites. Under both Republicans and Democrats, foreign policy experts have cited Hungrary's decentralized economy and its cultural life as a model for other Soviet bloc countries. Hungary was recently recertified as a most favored nation. "Why not concern ourselves with the living?" one U.S. official snapped. Yet it is hard to repress indignation. After the fiercest battles in history, the vanquished were allowed to bury their dead. King David ordered a state funeral for King Saul, the rival who had sought to kill him. Even Khomeini has been punctilious in returning to the families the bodies of his victims.

Privately, Hungarian government officials suggest that there will be no change of policy until Kádár's retirement or death. Kádár, who was once himself convicted of high treason in a Stalinist trail and was freed by Nagy during Nagy's first tenure as Prime Minister in 1953, served in Nagy's 1956 cabinet until, backed by Soviet troops, he formed his own government. One reliable account claims that Kádár was present when Nagy was hanged; the explanation is that the Russians must have forced Kádár, a man known to be temperamentally repelled by bloodshed, to be present. After the judge issued Nagy's death sentence—death by hanging—he refused to appeal for clemency. In his last words at the conclusion of his trial on June 15, 1958, a warm summer Sunday afternoon, he declared: "I am appalled by one thought: that my murderers may rehabilitate me."

Rehabilitation is a ritual that Communists reserve for those of their comrades who were consigned to oblivion by the General Secretary of the day, but who are vindicated in the dialectical fullness of time; and rehabilitation is often formalized by reburial, an important ritual of the Communist cult of the dead. One need not be a Marxist to believe that history will yet revise the aesthetic plan for Section 21 and the unmarked graves in the prisoners' cemetery.

IMRE NAGY: LAMENT FOR A GHOST OF YESTERYEAR

(By Arnold Beichman)

One can of course, list pages and pages of treaties, pledges and all kinds of solemn declarations by the Soviet Union during the past 65 years that have been unilaterally broken by the Soviet Union. The Helsinki agreement, which pledged Soviet respect for human rights, is but one of such violated treaties in recent memory.

However, there is one violation which I want now to recall and to memorialize on the 25th anniversary of that violation: the execution, announced on June 16, 1958, of Imre Nagy, the former Hungarian Prime Minister, Pal Maleter, the former Defense and two other associates of Nagy, by the Soviet Union.

For those too young to remember or old enough to have forgotten, the Hungarian people—and despite Soviet propaganda to the contrary, it was a people's uprising—took to the streets in October 1956 in an attempt to oust Soviet occupation troops in Hungary and to restore a semblance of democracy. The Soviet Union suppressed the uprising in its usual brutal fashion despite United Nations protests and, indeed, protests worldwide.

Imre Nagy, a longtime Communist who finally broke with Moscow came to power as a result of the Hungarian revolution. He announced Hungarian withdrawal from the Warsaw Pact and demanded from Yuri Andropov, the then Soviet ambassador that Soviet troops leave Hungary at once. Andropov promised that the troops would leave except for a few who would remain to guard Soviet civilians. That was the first Soviet lie.

The Red Army moved into Hungary and into the streets of Budapest in overpowering strength. The revolution was crushed. Imre Nagy and his associates, fearing Soviet reprisals, sought and received political asylum in the Yugoslav Embassy in Budapest on November 4, 1956. On November 21, the Hungarian quisling, Janos Kadar, pledged on behalf of his Soviet puppet government—*pledged in writing*—that Imre Nagy and his companions at the Yugoslav Embassy could leave the compound "and proceed freely to their homes." That was the *second* Soviet lie.

The next evening, November 22, a bus arrived at the Yugoslav Embassy, which Imre Nagy and his colleagues boarded. They were followed inside by Soviet army officers who ordered the bus to be driven to Soviet military command headquarters in Budapest. When it arrived, two Yugoslav Embassy officials, who had accompanied the bus to insure that the Nagy party, as per the signed agreement, be allowed to return to their own homes, were ordered out by a Soviet lieutenant-colonel. Surrounded by Soviet armored vehicles, the bus then drove the Hungarian prisoners to a local airport from which they were flown away to an unknown destination.

On November 27, 1956, Kadar declared: "We have promised not to start any punitive proceedings against Imre Nagy, and we shall keep our word." That was the *third* lie.

For 19 months nothing was heard about Nagy and his imprisoned companions. Then on June 16, 1958. Radio Budapest announced that the People's Tribunal of the Hungarian Supreme Court had found the defendants guilty after a trial. So now there was a *fourth* Soviet lie; there was no trial but there was a judicial murder.

Nagy, Maleter, Miklos Gimes, Jozsef Szilagyi were sentenced to death, others to long jail terms. Said Radio Budapest, "No appeals were admissible. The death sentences have been carried out."

A wave of protests, worldwide, broke out over this monstrous Soviet crime. The Yugoslav government charged that the Kadar regime had broken its word twice; first, it had violated its safe-conduct guarantee for Nagy and his party by permitting—as if Kadar could have, if he had even wanted to, stopped it—their kidnapping by Soviet military personnel; second, it had permitted the executions. It has always puzzled me that Tito, who knew the Soviet mind, trusted Soviet promises, but then again he might have anticipated that the Red Army would have, in good time, marched into the Yugoslav Embassy to lay their hands on Nagy and company if that was the only way.

the UN Special Committee on the Problem of Hungary said after the executions:

"The secret trials and executions were evidence of continued disregard for the General Assembly resolutions and for human rights. The record clearly showed that the action of the Hungarian government to bring Imre Nagy to trial was contrary to solemn assurances that Janos Kadar had previously given on behalf of the Hungarian government, including those confirmed by letter to the Yugoslav government."

President Eisenhower said that "the execution of Nagy and Maleter should alert the free world to the lack of confidence we are compelled to feel in the words and actions of these Communist imperialists."

Twenty-five years later we are again being asked by the onetime Soviet ambassador to Hungary, Yuri Vladimirovich Andropov, to believe in the Soviet Union's good intentions, its will for peace, its desire for arms control, its promises of no "first strike" strategy.

Twenty-five years later it is well to remember what happened to Imre Nagy whom they had to kill as a lesson to anybody else along the Soviet borderlands who might have counter-revolutionary ideas.

Twenty-five years later we should remember that the man who now rules over the USSR was part of the conspiracy which wiped out tens of thousands of Hungarian patriots, the conspiracy which dragged Hungary back behind the Iron Curtain, the conspiracy which demonstrated that neither the spoken word nor the written word of the Soviet Union is to be trusted by the militarily weak or the morally credulous.

H.R. 1—A FURTHER ASSESSMENT

The SPEAKER pro tempore (Mrs. BURTON). Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 60 minutes.

Mr. GONZALEZ. Madam Speaker, it is necessary that a proper assessment of the House's very great action last Wednesday be made with respect to its overwhelming approval of H.R. 1, the first definitive housing and urban development authorization legislation under the regime of President Reagan, and despite his continued opposition.

It is necessary that we have this assessment, because we have reached such a low point of forging national policy by the body that is charged with forging national policy, that a minimal effort in responding to the tremendous overwhelming housing and urban needs and rural needs of this country receives an ovation because the House passed it.

The truth is that H.R. 1, which was introduced and designated as H.R. 1 at the very beginning of the session of this 98th Congress, had to wait until July in order to have full House consideration.

I might remind my colleagues that languishing over in the Senate where the Senate Republican leaders have pledged themselves to killing this legislation is H.R. 1983, the home mortgage emergency assistance program.

We pointed out the reason for introducing it on an emergency basis, no sooner had the committees been organized in February in this new fledging Congress; but it was not until May that we were able to have House action and again approval by the

House and over to the Senate where, as I say and repeat, it is languishing.

An emergency bill in a meager and feeble attempt again to help some American families retain possession of the only thing they have to identify them with our country, which is homeownership; again against the stern absolute obdurate opposition of the Stockmans and the administration of this era.

□ 1330

I want to point out to my colleagues that no less, no less than 50,000 American homeowners are now dispossessed since we passed out that emergency mortgage assistance. And what was it? What kind of assistance? It was an offer of up to $760 million authorized, well within the budget. This could not be attacked as a budget buster. We worked within the Budget Committee to make sure we were within the limits of our budget restraints.

But what kind of help? A loan to those families that would qualify, and we erected so many safeguards in anticipation of any possible abuse that by the time any family is eligible, let me tell you, there is no question they are deserving of a loan, and extension of credit so that they could be enabled to keep up the payments and continue their homeownership. And that was to be paid back at 10 percent.

It grated my soul to accept that but I had to yield to the overwhelming prepondering thing of what was possible and what was feasible. If it had been up to me it would not even have been 6 percent that we would be exacting from those families when and if they obtained a loan.

This I think is reprehensible. But with the passage of H.R. 1 last Wednesday one thing did happen and that is that finally after 2½ years of blight and attempts that ultimately history will fail to straitjacket a dynamic people such as the American people, the House responded to what again in a minimal way was a maximum need, a need that was shown in our hearings. Because, as I have said, our Subcommittee on Housing and Urban Development, urban matters and rural as well, had the most comprehensive and extensive set of hearings in the history of any committee in Congress, of any committee. We have journeyed to the fields in the rural areas. We have seen the intolerable situations that continue with respect to migrant labor.

We have gone to the Far West and the Middle West, the North, the South, into the urban teeming areas in the Northeast, and we will continue to do so, for we have embarked on the most intensive and exhaustive set of attempts to familiarize ourselves and to stay in contact with Americans no matter in what geographic point of the country they reside and are attempting to live.

I have visited conditions in our country that if the majority of our citizens were to visit would unanimously agree are intolerable. They are reminiscent of those countries that we have long considered as teeming in the jungles of poverty and death and disease. Not far from here I can take you to what passes as a home for families that are crowded with as many as five and six to one room, with no toilet facilities. In one room, in one place I visited, they sawed a hole, and that hole into the ground was what they used for a privy. We could not stay in there 5 minutes even holding our nose.

Is this the promise, the hope, and the dream that we have long nurtured about homeownership, or even living conditions for any American, not just the privileged few?

So the passage of H.R. 1 last Wednesday I do not think has been fully assessed.

During this decade 42 million Americans will reach the age of 30, which is considered the prime age for homeownership, the time when families are formed, when there are savings available and there is a need and a desire to buy a home. Never before in our history has there been such a large number of people coming into the housing market.

Ordinarily this should mean a vast expansion of the Nation's home construction industry. But that is not happening. In fact, the contrary is.

Indeed, the number of housing units being built today in what is hailed by the President as a recovery is 25 percent less than the number built in 1978. Even that has a catch to it because 100 percent of those homes being built this year—and, remember, there has only been three areas where we have had new construction, California, my State, my area, in fact, and Florida—every one of those, at least in my area, there is not a home newly constructed that is available at less than $80,000 a year.

Is this recovery?

So, indeed, the number of housing units being built today, even at that, is 25 percent less than 1978. Never at any time have we ever approximated the home construction goals, the housing goals, that we so proudly mandated into the 1968 act requiring the President to give us an annual report on the housing goals and how far those goals have been achieved. Never once have they been achieved, even in the so-called periods of what now are considered prosperity.

Construction rates are better than the depression of the past 3 years, true. In isolated instances, as I said, but far, far from meeting even the minimal national needs.

Not only is there less construction, there are far fewer people able to buy these homes. As I said, the average today, no matter where, even in a relatively poor area such as my district, if it is newly constructed, can be purchased, and this is the national total average, by less than 6 percent of the Americans.

We have reached that astonishingly, disappointing and demoralizing point where homeownership is today available only to 6 percent or less of Americans.

For decades we saw the ratio of homeowners increasing relative to those who rented. But since 1979 the ratio of homeownership has actually dropped and there is no sign that it is about to pick up.

This is because there is an affordability crisis, naturally. Since 1972 home prices have increased faster than family incomes, meaning that with each year there have been fewer families that could afford to buy a home.

There is no sign that this trend is about to change and, in fact, because housing production is persistently so far below actual demand I expect that housing prices may continue to increase faster than family income. How else can it be?

The fatal decision, the fatal flaw is elsewhere, and that is the all-controlling policies of credit allocation which is really another separate theme and one which I have addressed ad nauseum for almost the 22 years that I have been in the Congress, but particularly repeatedly in the last 3 or 4 years where I have said ad nauseum that never in the history of mankind, recorded history, have high interest rates ever been considered anything but contrary to good public policy.

I have pointed out where that truth has gone back to 7,000 years before Christ, even as Christ, in the only time the Scriptures report he lost his cool, was chasing the money changers out of the temple.

You had laws against usury.

□ 1340

And here we are, again, facing the continuation, the sustenance and even the increase of usurious, what heretofore always we had considered illegal but certainly extortionate interest rates.

So, should we wonder, especially now in the context of the erosion and crumbling and disappearance of that financial underpinning of institutional framework of reference that made it possible to construct rules for 40 years; the so-called Savings and Loan League, they are no more. The Congress last October 2, and that is why I voted against it and expressed my opinions against it, even though it came out of my own committee, homogenized these financial institutions. Today S&L's are banks; the banks are

not compelled to provide any allocation of credit for home construction which means homeownership.

S&L's were privileged institutions; they were devised for that purpose during the depression. They were the institutions that made it possible to get the credit allocations for housing which housed America for 40 years.

The administration believes that no action ought to be taken to address the affordability crisis.

It does not want Government intervention, you know, "Get the government off your back," to stimulate housing production. Nor action to help make housing more affordable. It follows fiscal policies, as I have just explained in the case of interest rates, that are guaranteed to keep mortgage rates at catastrophic levels. Unless we reject the administration's do-nothing, see-nothing, say-nothing approach, this Nation is headed down a very steeper slope toward poorer housing and higher costs for all Americans.

Unless we embrace a positive program like that called for in H.R. 1 in a minimum way; H.R. 1 is really not a program, it is just a life support program in a minimal way, just to keep alive this year the meager new housing or new production, whether it is rental or otherwise, which the President zeroed out completely.

Unless we do this, the little-noticed crisis of today, little noticed except by the Americans we have visited and have come before us to testify, some of them traveling from Lorain County, Ohio, Beaver County, Pa., Minnesota, and California.

We are changed with knowledge; we can no longer ignore what is happening out there. And what appears to be a little-noticed crisis today, I predict will be tomorrow's social and political disaster.

For example, you would think that since homeownership is daily less affordable, there would be a sharp rise in rental construction.

Well, it is not that way at all. We had to fight to the death for the proviso. Section 107 of H.R. 1 we passed out last week, to keep in a meager minimal program which the administration is against to this day, on new construction. And for what? For multiple, for rental housing, which we hope at least will give us a little escape valve to the steam that is in that pressure cooker in these teeming and tense areas around us in this part of the country.

But construction of large apartment projects today remains 20 percent below the level of 1978. In areas like Chicago, Los Angeles, Denver, and Miami, there are virtually no vacant rental units available. Why is there a lack of construction in the face of immense need? The answer, again, affordability. The real disposable income per capita of Americans is no greater today than it was 5 years ago. Just as the cost of buying homes has far outstripped increases in family income, so have rental costs outrun the ability of the people to pay.

The affordability crisis can only mean this: We are becoming a nation with fewer homeowners. And we are becoming less well-housed. There is more doubling up, there is less floor space, there is lower quality. And for all of this the price is rising, whether for home purchase or rental.

Make no mistake about it, affordable housing is not just around the corner. It is not even in sight.

And this is why I had to assess and evaluate the extent of the meaning of the passage of H.R. 1, so it would not be confused with that great housing program. It is just a lifeline to support minimal, nothing at all.

In fact, the Congress has been derelict in the last 5 years in not addressing itself to the tremendous demographic changes; what is happening to our families, the nature of the family size, the consequences and the type of home to be constructed and financed, if we can ever get a program.

We should have been going into this 5 or 6 years ago, but we did not. But this subcommittee is starting this year.

The only way to deal with this situation is to take positive action. We must have a national commitment, once again, to housing.

No nation in the world, without national commitment, has housing, whether it is England or anyone else.

Incidentally, ironically, we are having the same thing happen that happened after World War I, Uncle Sam or Uncle Sap as they call him over in Europe is now the patsy.

We are asking, and this administration and this President says, that we have to exact half of the defense budget; that is about $258 billion, half of that for the defense of Europe; where, there the citizens are more frightened of us than they are of the Russians, whom we are supposed to be protecting them from. But we have 300,000 American troops in Germany alone. How many do the English have? They might have 12,000. How many do the French have? They might have 7,700.

So Uncle Sam takes the brunt. In the meanwhile Germany is not allocating its credit resources for defense, in even a minimal proportion to what we are. But where is it going? Housing and social programs. Same thing in England. England had one of the biggest housing projects and programs just recently. Germany, same way.

This happened identically the same way, different context, perhaps, after World War II, when you had the Dawes plan and the moratorium on the debt payments and the English and the French skedaddled out of paying back their war debts. Then they said "well, the reason is the Germans cannot pay us." In the meanwhile our bankers like they are today, greedier than ever, as they always will be, especially at that time were taking Americans' money and their deposits and investing them in German Government bonds, Japanese Imperial Government bonds.

□ 1350

And it was ironic that they were 20- to 25-year bonds to be paid back, in the case of the Japanese in 1940 and 1941. Well, they did, at Pearl Harbor pay us back. But in the meanwhile, the American people were soaked. The taxpayer paid for what? For the financing of the war and later for the financing of their social problems. We are doing the same thing today, identically the same thing. We have learned nothing. We are like the old Bourbon kings. Forget nothing and learn nothing.

And here is an administration coming in and saying, "You cannot afford because of the deficit having any kind of a loan program on an emergency basis for home mortgage assistance." Even though it is a loan program. It is not entitlement, it is not a grant. And you cannot even have the minimal that we have in budget authority for housing for Americans, but you have got to vote for almost $10 billion for the International Monetary Fund so that we do not trust Americans to pay back their loans on their homes, but we are going to trust some foreign country, Brazil, Mexico, Peru, Poland, to pay back where they cannot even pay the interest on their loans. Why? Because this will bail out our nine biggest bankers, who long ago decided that American interests did not come first. They have been speculating against the dollar since we had the so-called stagflation. And this may seem as if it is mixed up, but it is all one web. And it has to do with when we and our leadership gives second place to our national interest first.

I always thought and we have a saying in Spanish:

Es Candil de la calle y obsuridad en la casa.

Meaning, he is a searchlight on the streets. He lights candles on the street, but he is obscurity and darkness at home.

This is the way I think we have been. And why? That goes to this other issue I have been raising about the control of our financial and our fiscal policies having strayed from your representatives and from your elected leaders into the hands of those forces that even Thomas Jefferson inveighed against in the strongest terms. Thomas Jefferson said, "Bankers in control are worse than a standing army of occupation."

This is what we have got. These are the guys who are telling you through the Federal Reserve Board, which is a creature of this Congress, but is master today. It tells the Congress, Mr. Volcker says, "O, oh, you had better cut back on these social programs." Yes, sir. Because of what? The deficit. But he does not tell you that since that stratagem devised a few years ago by the Federal Reserve, that half of that deficit of $200 billion is just extortionate interest the taxpayer is paying. If Franklin Roosevelt—as I keep on charging and nobody ever answers me—could afford to fight World War II, in which we had this tremendous and exponential rise in Federal activity, 46 percent of our gross national product was on the Federal level. He never had to pay even 2 percent, it averaged all less than 2 percent, all the war years.

Harry Truman, the same way.

Today, 14½-plus percent. That is an act of God? That is what Paul Volcker tries to tell us. And the bankers, "No, you cannot do anything about that. Nobody can control that." It is an act of God, they almost say.

Well, of course it is not. And of course it is susceptible to control. And the primary responsibility is here, in this body.

The Federal Reserve is not a free-wheeling independent, as they say, body, created out of some cosmos or from the head of Jove, the Greek god. It was created by Congress and it ought to be answerable to Congress. In fact, the legal definition of the Federal Reserve is that it is the fiscal agent of the U.S. Treasury. Today it is the Government and the Treasury that is the agent or the creature or the servant of this master.

When home construction weakened, flip-flop all we want, pass out all the bills we want, but until Congress regains control, or the President, it will be to no avail. Yet, we must have the obligation of forging the policy and doing the best we can under these adverse circumstances. And this is all I think H.R. 1 really means.

Well how does it deal with the affordability crisis, even as meager as it is?

Well, first it continues, albeit at tremendously reduced levels, programs to subsidize housing construction. Overall, federally assisted housing programs have been cut by more than 60 percent from 1981. Sixty percent. The administration would end new assisted housing construction altogether, except for a token 10,000 units for elderly and handicapped persons, so-called section 202.

H.R. 1 recognizes the reality that there is no way to obtain new supplies of affordable housing without continuation of production assistance.

And at this point, I might say by way of parenthesis, I have always believed, no matter what my intensity of feelings, I have always had veneration for the word and the fact. So I may talk a lot and most of it extemporaneous, but every word has been carefully mentally preselected and weighed and evaluated and I am responsible for every word and I will stand behind every word. And believing that I am honest, I will be corrected, if shown, that I am in error, but I will not kowtow to threats or abusive indications by those who resent what I say. I never have and I never will.

I also have a veneration for the fact. I think every man has a right to speak forth, but no man has a right to be wrong in his facts. And during the debate last week, the gentleman from Texas (Mr. GRAMM) and the gentleman from Florida, both got up and stated categorically that this H.R. 1 was a budget buster, after I had said, when I introduced the amendment by way of a substitute, that it could never be charged and in fact the Republican members of our subcommittee accepted the fact that we had reconciled our figures and that is why I put in the substitute amendment to the budget actions taken by the House and the Senate and above all, the appropriation bill on housing, which the President just signed indicating that he certainly did not think it was a budget buster. So that when these gentlemen got up and said that either they are wrong or I am wrong, and I think the record ought to show that obviously what they were talking about was something that was not in conformity with their knowledge of the bill and the legislation.

□ 1400

I think the truth of that test is that neither of them had any kind of an amendment to offer. They just talked, and they tried to raise the old bugaboo of budget buster. This has been a myth, a shibboleth they have been using around here. Fortunately, it did not work, because, first of all, it is not predicated upon the truth. In H.R. 1 we would not have attempted to bring it up on the floor unless we had reconciled it absolutely with the appropriation bill and with the budget bill.

The bill provides a new, flexible and inexpensive program. Again, under these tremendous handicaps of fighting against the killing of these programs, we also had to try to prefect the existing programs. And we have. We are presenting for the first time in H.R. 1 a flexible and inexpensive program to assist in the provisions of multifamily rental units, where for instance, say, in the city of New York, they are having a current crisis. There is a need of 600,000 new rental units a year in the Nation. But unsubsidized construction today meets only one-sixth of that need. Since the median income of renter households stands at something below $11,000 per year, it is clear that there is no way most renters can pay the princely sums that are being demanded in today's ever-tightening rental market. That is why the rental production program is provided in H.R. 1. The flexibility in this multifamily rental unit, new and rehabilitated units, is one that resulted from a tremendous job done by one of our illustrious colleagues, though very young, very dynamic, Mr. SCHUMER from New York, who has been a member of this subcommittee since he came to the Congress in the last Congress for the first time, and it will produce new rental units at a cost substantially below the section 8 new housing program which has, in reality, been terminated. Under the terms of this new approach, local government housing authorities could work with developers and sponsors to provide the funds necessary to make proposed housing projects economically feasible, and that assistance could be in the form of a capital grant or loan, a rent reduction payment, or a loan or grant to secure necessary land. In terms of its flexibility, this approach is somewhat similar to the so-called UDAG or urban development action grants program. It provides a catalyst necessary to trigger private investment to build housing units for low- and moderate-income people. There is no question that this flexible subsidy is workable, it is widely supported, and we are happy to say, by the entire housing community. But still, it is minimal. It could almost be called a demonstration program, as far as meeting national needs.

Another way that H.R. 1 addresses the affordability problem is to provide new incentives to local areas to enter into urban homesteading. Unquestionably, there are individuals, families, and organizations that are capable of taking over and rehabilitating abandoned housing units. There are about 200,000 housing units nationwide that are abandoned and susceptible to being reclaimed. What is needed is the cash to enable localities to clear title to abandoned properties, to provide financial assistance for low-income people who have the ability but not the cash to pay the material costs involved in reclaiming the housing unit. They may be able to provide part of the cost, but not all. They are able to substitute their own muscle and sweat for equity cash. Unquestionably, homesteading offers one of the least expensive and most effective ways to make housing affordable to people who otherwise would never be able to obtain a home and to reclaim deteriorating areas.

H.R. 1 continues the section 202 program to provide housing for the elderly and the handicapped; and, in fact, continuation of this program is the

only housing production efforts that the administration even suggests it will support minimally—and that because the political popularity of this program was of such a nature that the pressures that built up last year could not permit the administration to abandon, as they had intended last year, the program. At least on that point, we have some agreement.

Suffice it to say that H.R. 1 continues the section 8 existing housing program because it is an efficient and effective way to make existing housing stock affordable for the low-income families and individuals.

The question we face is whether or not we are willing to face up to the fact that there are millions of Americans who cannot today afford adequate housing. That number will inexorably increase, as I said at the outset, giving you the figures of those Americans coming in during this decade. And we must take affirmative action. That is what H.R. 1 provides. At least it is effective and it has proven programs included, innovated approaches where old programs have not been fully satisfactory. It provides a variety of approaches because there is a variety of needs. It is complex because the problems are complex. But the issue is not complex at all. The issue is: There is an affordability crisis in housing. Unless that is addressed, we will see an acceleration of today's trend toward less homeownership and more people living in inadequate, substandard housing. The administration pretends that the problem does not exist, but the evidence is abundant and beyond question that effective action is necessary.

H.R. 1 is the absolute minimum response that we can make at this time. It is not enough, but it is better than nothing. It is positive and it is effective. It keeps faith with our belief that a home is the citizen's greatest identity with the land, his greatest desire and his most cherished goal. The Housing Act of 1983 is essential, it is carefully crafted, and it is worthy of the support of my colleagues. I ask and I plead and I implore my colleagues that they join me now, and let us see what we can do with your Senators over in the Senate, and please, please join me in preventing from happening to H.R. 1 what has happened up to now to H.R. 1983, the emergency home mortgage assistance program.

CORRUPTION IN POWER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. Madam Speaker, I want to talk today about corruption in power and specifically as it relates to four different types of incidents that are going on in the Congress. I want to begin by citing a speech in the House of Lords on January 9, 1770, when William Pitt the Elder declared: "Unlimited power is apt to corrupt the minds of those who possess it."

A century later, Lord Acton amended that to: "Power tends to corrupt; absolute power corrupts absolutely."

I raise this issue because I think we have certain systemic problems in the House of Representatives, certain problems of the corruption of power. And I say that in a context which goes back, for me, to my first campaign for Congress in the mid-1970's.

In 1974 and 1976 I ran for Congress, arguing that we had to clean up Washington, that there were fundamental problems of ethics, fundamental problems in the way we ran our Government. I lost both of those campaigns, but in 1978, arguing essentially the same themes, I was elected.

And as one of my pledges, I said that I would fight against having a convicted felon serve in the House. On February 22, 1979, as a freshman, I wrote a letter to my colleagues, arguing that in fact it was inappropriate for a convicted felon to serve in the House. I moved at that time to evict that convicted felon, Mr. Diggs, of Michigan. We lost. Ultimately, he was censured.

But the following year the House reached, I think, its peak of self-policing, when, for the first time in our history, in 1980, we expelled a Member of Congress, Mr. Myers, of Pennsylvania, for corruption. In the past, Members had been expelled only for acts of treason. But in 1980, for the first time, we said, "Enough is enough."

In the middle of the Abscam period, we said that the time has come to clean ourselves up. At that time I made a statement and said essentially that a free country must have honest leaders if it is to remain free. Corruption is a cancer that destroys faith in government.

Today we face a crisis of confidence in American political leadership, and that crisis of confidence is an accurate response to that political leadership.

Many people in this country are now saying that all this is just politics, and politics in dirty. I disagree. Politics does not have to be corrupt. In fact, in a free society, it cannot be allowed to be corrupt. I think the House of Representatives can and must do a great deal to clean up government and restore people's faith in Congress.

□ 1410

What is at stake is not simply the fate of a handful of men; what is at stake is the very fabric of trust which binds together a free society. We cannot expect our politicians to be saints; however, we must demand that our standard of ethics be high enough that Americans do not assume that corruption is normal. Just because we cannot be saints does not mean we can be scoundrels.

Now is the time for us to build a new bipartisan reform movement to clean the crooks out of Congress, set a new standard for Government honesty, and pass a thorough ethics code with teeth in it. If we cannot pass it this year, we may never be able to do so.

Beginning in 1981, we began to revert to the norm. First, in January 1981, the rules were stacked, the committees were stacked, so that the Budget Committee, the Rules Committee, and the Ways and Means Committee were unfairly apportioned. Then in the summer of 1981, several Democratic Congressmen stole the Gramm-Latta budget between its being written and its being printed, and xeroxed it to gain a few hours' advantage. No one was punished.

Again, in January 1983, the rules were changed to give even more power to the majority. The Republican leader, BOB MICHEL, spoke out, and I quote, on January 3, 1983:

> The rules changes before us, from the approval of the Journal to the riders on appropriations, are all aimed at relieving the Members on both sides of the aisle of their basic responsibilities as legislators so that you will have to endure less dissent, less debate, less deliberation, and less legislating.
>
> Mr. Speaker, you are converting this body of Representatives into robots in a glass-covered dome who come only when they are called, speak only when they are told, and cast their votes only when it is unavoidable.
>
> It is more than tradition that we are discarding. It is the fabric, character and personality of an institution that for almost 200 years has stood as a symbol of freedom, open deliberation, and true representative democracy worldwide. This was once the house of the body politic; it is becoming a house of political bodies who have no purpose other than the service of the master.
>
> The public does not understand the symbolic and practical importance of approving the Journal, no more so than they understand why the messenger from the Senate has to tramp down the center aisle to deliver a message from the other body in this day of modern communication. They probably do not fully comprehend the serious and profound ramifications of prohibiting riders on appropriations, but we do. We know what it means to us, to this institution and to this Nation. The new Members among us will soon learn what it all means when a piece of legislation important to them is enacted without their hearing a word of debate or having the opportunity to debate. They will know when the one chance they have to oversee the spending of public funds or redirect or limit an appropriation is denied to them. They will know when they go back home and try to explain why a U.S. Representative can do nothing about the flow of events in a body that is supposed to represent everyone.
>
> This further concentration of power in the hands of a few is a travesty, and I doubt that it will stop here. It will continue until all of our rights, all of our responsibilities, all of our prerogatives are gone, wiped away by the hand of authoritarian government.

And, of course, Mr. MICHEL's prediction came true just this afternoon when, without notice, without warning, the Democratic leadership moved on a committee appointment because they wanted to and they intended to.

Today we have four concurrent scandals building: The first, altering testimony in official hearings in two committees; the second, altering a bill after it was adopted by a committee; the third, cocaine sales on Capitol Hill, possibly including Members; and the fourth, the abuse of power in having sexual relations with high school students entrusted to the House's care.

A number of recent articles have discussed these scandals. I quote from one of them in the Washington Post of Saturday, July 16, titled, "Democrat Rebuked For Altering Transcript":

Confidential information that Representative Don Edwards (D-Cal) inadvertently revealed at a House subcommittee hearing last November was deleted from the published transcript of that hearing at Edwards' request, raising fresh charges from Republicans that Democrats take more than the permitted liberties in preparing hearing documents for publication.

and I quote further in the article:

Manuel Lujan said in an interview yesterday that Edwards' changes "clearly are not permitted. Under the rules of the House, you are permitted to revise and extend, not to expunge material, but to correct the grammatical form."

Lujan brushed aside Edwards' protests that the material should never have been revealed. "If some official is guilty of malfeasance, why should that be classified?" he asked. Lujan said that Edwards' instance was "just another example of committee staffs altering documents," and he called for a special committee to investigate all the alterations with a view toward "a change in the rules of the House as it applies to revising and extending our remarks to just eliminate that authority."

In another case, a joint hearing that involved two subcommittees from the Committee on Science and Technology, two from the Committee on Energy and Commerce, and one from the Committee on Government Operations, there are charges of systematic changing of the transcript.

JUDD GREGG, Republican of New Hampshire, said changes were made "with an obvious intent to make Republicans appear incompetent and ineffective and unknowledgeable and cause the majority members to appear as if they knew what they were doing on all the issues."

The Republicans offered a privileged resolution to create a select committee to conduct an open investigation of the charges. By a party-line vote, 256 to 161, the House decided to send the resolution to the Committee on Rules, in effect killing it.

JAMES SENSENBRENNER, JR., Republican of Wisconsin, said:

The Democratic leadership is attempting to cover up misconduct on the part of Democratic staff.

In an effort to make public a proposed probe by the Ethics Committee, Republicans were defeated 250 to 151. Congressman BOB WALKER of Pennsylvania said:

The House cannot investigate itself, especially when the minority was wronged.

Republican Whip TRENT LOTT, of Mississippi complained of "a pattern and a practice of malicious misconduct aimed at discrediting and defaming Members of this House."

Congressman JUDD GREGG, in a report from Washington, said:

This action of intentionally altering the intent and meaning of Members' remarks without authority is simply the grossest example of what has become a fairly common attitude on the part of majority staff in the House. It represents an arrogant exercise of power by one or more staff persons of the majority. This arrogance is reflective of the attitude that is prevalent within majority staff that they can act arbitrarily and capriciously without reference to the memberships', especially the minority memberships' rights or interests.

And he went on to say, and I quote from Congressman GREGG:

The soundness of our democratic system is clearly threatened when unelected individuals take it upon themselves to define the intent, goals and purposes of elected officials without the elected officials' consent and with the clear intent of perverting the positions of those elected officials.

This is what has happened in this instance, and this instance is an extreme example of what is becoming a fairly common occurrence; namely, the exercise of power in an arrogant manner by unelected congressional staff on the majority side.

Lest we think that Congressman GREGG, a sophomore, is speaking too strongly, listen once again to Congressman BOB MICHEL, the Republican leader, who said:

What is at issue here is the integrity of the House. This House lives and breathes through its records.

The same scandal, I think, is now in the Ethics Committee, and one has reason to worry whether, in fact, it will see the light of day again in a recognizable form.

But there is a second type of scandal. In addition to altering transcripts, to altering the words in records, there is now an effort by a committee chairman to change a bill after it leaves the committee. Let me cite from a news release by Congressman JOHN ERLENBORN, of Illinois:

When the chairman of a House committee abuses the legislative process, it is time to conclude he has been in power too long. Recently I appeared before the House Rules Committee to protest changes made in an amendment to the Rehabilitation Act reauthorization bill by Education and Labor Committee chairman Carl Perkins.

I challenged the amendment when it came before the committee, on which I am the ranking Republican member. The amendment would increase budget levels for all programs under the committee's jurisdiction, and could cost us taxpayers an additional $1.3 billion. It totally disregards budget ceilings set by the 1981 Reconciliation Act.

That is why I objected to the amendment as it was before our committee, but that is not what prompted my unusual protest before the Rules Committee. It got worse.

When we received printed copies of the bill as approved by the committee, I was flabbergasted to find the amendment adopted by the committee had grown from 67 to 386 words, in the time between then committee's action and the report of the bill to the House.

Of course, the impact on costs had climbed, and the additional wording considerably changed the meaning of the measure. Spending would now be based on the House's higher inflationary First Budget Resolution and not the lower conference report version. Every program would be more costly.

The chairman admitted he had changed the amendment but claimed that it was just a "technical and conforming" change.

This kind of maneuvering destroys the integrity of the legislative process. It makes a sham of committee meetings. So I went before the House Rules Committee and told how a veteran of 34 years in Congress, Carl Perkins of Kentucky, wrote new meaning into an amendment without committee review or approval. In my 19 years in the House, this is the first time I have encountered this kind of distortion.

In a move to save the chairman's face, a member of the Education and Labor Committee suggested we take the amendment back and rework it, and the Rules Committee consented.

We still have the same majority on the committee and the same chairman, however. Not surprisingly, the majority went along with the chairman. We still have the same ranking Republican as well, and I won't give up our right to object loud and clear to underhanded ploys that have no place in the democratic process.

The spenders have tried all kinds of tactics to get more tax money for their favorite programs, but this is a new low.

□ 1420

In addition to the assaults directly on the integrity of the House by staff changing transcripts and by a chairman changing a bill, there is a third scandal. This one involves buying drugs inside the House of Representatives, indeed inside the Democratic cloakroom.

It is ironic that in Sunday's Washington Post there is an article headlined "Again, a Drug Outbreak the Jails Won't Fix."

This article reports and I quote:

Today, Washington is suffering from the worst heroin epidemic in its history.

It says further, and I quote:

There are, according to official estimates, 16,500 drug addicts in Washington—more than there have ever been in this city's history . . .

There are unparalled quantities of heroin on the streets, despite millions of dollars spent by local and federal agencies to seize the shipments from Iran, Pakistan, China, Laos, Thailand, Burma and Mexico. In 1½ years, a specially created police squad had made 4,000 drug arrests—mostly small-time addicts hustling to support their own habits.

It goes on to say, and I quote:

The heroin now being sold is uncommonly pure by District standards. And the price is right: at $35 a quarter spoon, the junkie who once had a $200-a-day habit is now, relatively speaking, unencumbered with a $90 habit. So, police say, he doesn't have to break into two houses a day, only one.

If heroin is the drug of the streets, cocaine is the drug of the establishment. This is what the Califano report says in its first comments on cocaine use, and I quote from page 81 of the Califano report:

Robert Yesh, a former employee of the House, stated under oath that Howarth—

who worked for the majority on the Page program—

purchased cocaine from him on at least three occasions during the period January, 1979, through December, 1980. On at least two of those occasions, according to Yesh's sworn statement, Howarth purchased cocaine from him in the Democratic Cloakroom of the House of Representatives. Yesh has stated under oath that Howarth purchased one gram of cocaine from him for $100 in the Cloakroom on one occasion, and one-eighth ounce of cocaine from him for $300 in the Cloakroom on another occasion.

Howarth's use of cocaine is corroborated by testimony from the page with whom Howarth was sexually involved.

In addition to the Califano report, there was a column by Dick Williams in the July 17 Atlanta Journal Constitution entitled "Congress Deserves Mouthful of Soap and Water." Mr. Williams writes and I quote:

While the liberal lap-dog press rages about briefing papers, absent any charges of theft, a coverup continued on that major cocaine investigation in Congress.

Columnist Jack Anderson helped set up a "sting" operation in the office of a congressman. Two men have been arrested and $250,000 worth of cocaine seized.

Nine current or former members of Congress have been named as cocaine purchasers, including Sen. Edward M. Kennedy. He has denied the charges, but they are before a federal grand jury and the House Ethics Committee.

All but two of the nine are liberal Democrats. Among them is the now famous Gerry Studds. Smoke and fire together again.

This scandal involves outright criminal activity by those who make the laws they are accused of breaking.

Without commenting on whether Mr. Williams' column is in and of itself factual—I only say that it involves allegations, and a column by Jack Anderson—and let me say flatly that it is clear from the Califano report that there has been cocaine on the floor of the House, and that it is intolerable to this institution, if it is ever to gain public trust, that we would allow that kind of drug dealing in our own body. It is clear that this third scandal is real, and it is little wonder that we cannot defeat drugs on the streets of the District of Columbia if we cannot contain cocaine use in the Democratic Cloakroom.

The fourth scandal—and I dealt last with this scandal deliberately because it is the one that is most easily misunderstood—is the abuse of power in having sexual relations with a high school student who is in the care of the Congress. Let me state explicitly that what is at stake here is not the sainthood or sinning. What is at stake is moral authority. After all, as I said in February 1979 at the time of the debate on Congressman Diggs:

There is no single issue more important than honesty in our Government. A police state can accept corruption because their government is based upon fear. A free state cannot—because the government of free men depends upon their respect.

The government must be worthy to be obeyed.

Therefore if we appear to betray our oath and appear to allow others to act inconsistent with their oath, this strikes at the very heart of our freedoms.

But these truths are not new. Thomas Jefferson wrote about them many years ago:

"This I hope will be the age of experiments in government, and that their basis will be founded on principles of honesty, not of mere force. We have seen no instance of this since the days of the Roman Republican nor do we read of any before that. Either force or corruption has been the principle of every modern government."

It is up to each Member of the House to individually consider whether we can allow the experiment Jefferson helped start sink back to a government based on corruption. And that is a much bigger issue than the violation of his oath by one particular Member of this body.

Justice Brandeis talked about this in the case of Olmstead against United States (1928). He said:

"Our Government is the potent, omnipresent teacher . . . It teaches the whole people by its example. If the government becomes a law breaker, it breeds contempt for the law, it invites every man to become a man unto himself, it invites anarchy."

Those are the principles this Nation was founded upon. Our oath says we hold true faith to those principles. And we must.

We must make clear what is really at stake in this scandal. This is not a question of homosexuality or heterosexuality. This not a question of sexual relations between consenting adults. This is a question of the powerful exploiting the powerless, of adults preying upon schoolchildren. There is not a high school or college in America which would permit a teacher to sleep with students, boy or a girl, without firing the teacher.

Frankly, I was drawn into this case by the extraordinary statement of the gentleman from Massachusetts (Mr. STUDDS) on Thursday. He systematically distorted and defied reality. Let me cite his statement:

Mr. Speaker, all Members of Congress must cope with the challenge of initiating and maintaining a career in public office without destroying entirely the ability to lead a meaningful and emotionally fulfilling private life. It is not a simple task for any of us to meet adequately the obligations of either public or private life, let alone both. But those challenges are made substantially more complex when one is, as am I, both an elected public official and gay.

That is a total red herring. In the first place, all of us are human, none of us are saints, and we elect only humans to Congress, and have done so for 200 years. Nor do we ask sainthood. All of us have difficult and complex problems, but then so do the families back home who pay the taxes, and the individuals who serve in the military, for examples.

The issue is not whether an elected public official is gay. I doubt if any serious official in the gay rights movement would argue for the right of a schoolteacher or a person in an authoritative adult position to seduce a child, whether heterosexual or homosexual. But the gentleman from Massachusetts went on to say, and I quote:

I do not believe, however, that a relationship which was mutual and voluntary, without coercion, without any preferential treatment, express or implied, without harassment of any kind, which was private and which occurred ten years ago, constitutes "improper sexual conduct" within the meaning of House Resolution 518 and as defined by the Committee on Standards of Official Conduct itself in its report of last December.

Mr. Speaker, let us look at what it is that the Califano report suggests, and I quote from that report:

Congress plainly accepts a considerable responsibility for pages. That responsibility is necessarily shared by every Member, officer and employee of the House. Where preferential treatment is, expressly or implicitly, an element of a sexual relationship between a Member, officer or employee and a page, or an element of a sexual overture or advance directed at a page, the conduct explicitly falls within H. Res. 518. But considering the young age of these pages and the facts that they are away from home and dependent on the House for school, work and money to live on, any sexual advance or relationship of any kind involving a page and a Member, officer or employee potentially entails an element of either preferential treatment or coercion, and hence an abuse of office or position.

As set forth in the Interim Report of December 14, 1982, approved by the Committee, the investigation has, therefore, proceeded on the assumption that any sexual relationship, whether homosexual or heterosexual, between a page and a Member, officer or employee, or any sexual harassment, overture or advance directed at a page by a Member, officer or employee, should be investigated as potentially "improper sexual conduct" under H. Res. 518.

□ 1430

Further on:

Testifying this past summer before the House Subcommittee on Legislative Branch Appropriations, the doorkeeper of the House, James Molloy, stated:

"They (the pages) are wards of the Congress. Once we bring them here, we have to assume some responsibility. We have already had some incidents . . . It does present a very serious problem."

I go on to quote again:

Relevant standards of conduct, responsibility of the House.

Plainly, the House of Representatives has a special responsibility to the teenage pages it employs. Although the House only recently opened a dormitory for pages, the House has long recognized that its responsibility for these teenagers extended beyond working hours. Indeed, concern about the unavoidable responsibility which the House accepts when it employs 16 and 17 year old pages has periodically sparked debate whether the House should raise the minimum age for pages and ultimately led to the decision to establish a supervised dormitory for pages.

I quote further:

Throughout, Members of the House have made clear their views of the House's responsibilities. During the 1970 debate on authorizing construction of the page dormitory, Representative Charles Bennett said:

"The idea of bringing young people here as pages is a good one. It has been inspiring to them and it has been helpful to the country. But we cannot escape the responsibility that comes with that."

In that same debate, Representative Shirley Chisholm underscored the point:

". . . we as Members of Congress must share a tremendous responsibility when their parents send them here to become pages in this House . . . we must assume the responsibility and know that we have the authorization and the money which is necessary to build a dormitory in order that these young men (and women) can have the supervision so very necessary and so vital to their general welfare."

Again I quote:

Similarly, in urging the House to establish a Capitol Page Board in 1982, Representative Frank Annunzio said:

"So long as this body employs the youth of adolescent years, we have a responsibility to provide them with the basic protections we would expect for our own children should they be similarly employed away from their home . . . this Capitol Board . . . will have the jurisdiction not only of building the dormitory to insure proper supervision and proper housing but, also to carry out the responsibility of the Congress to young people who are 14 to 18 years of age."

Majority Leader JIM WRIGHT expressed similar sentiments in 1982 in urging his colleagues to fund a dormitory for the pages:

The present situation is intolerable. It is absolutely impossible under the present circumstances to guarantee wholesome supervision or even personal safety to these fine young people whom we invite to Washington as the guests and employees of the Congress. The responsibility quite clearly is our own. Our failure to act is inexcusable. To tolerate the present situation one hour longer than necessary would border on criminal negligence."

The Califano report further states:

During the hearings held by the Speaker's Commission on Pages, the Commission heard from Representative John Dingell, a former page, now chairman of the House Committee on Energy and Commerce. Mr. Dingell noted that pages are "youngsters (who are) entrusted to us by their loving families."

Representative DINGELL also testified:

I commented with regard to the quality of the supervision of the page force. I would like to observe to you, Mr. Chairman, that as a former page, I looked up to the supervisors that we had with the greatest of respect. I believe that situation exists today, and I know that in many instances, particularly on our own side of the aisle, that the kids look up to their supervisors with genuine respect and with genuine affection, and they hold their supervisors in high regard—one might say almost awe.

The Califano report went on to say:

In summary, the House of Representatives as a body takes responsibility for conducting a page program utilizing teenagers who are generally either 16 or 17 years of age. (The Senate pages are 14 through 17 years of age.) These teenagers are drawn to Washington by the existence of the page program. They are entrusted to the House as an institution for particular periods of time by their parents. The House sets the standards for their employment. The House supervises their appointment. The House takes responsibility for providing their education while they are in Washington and for overseeing the quality of that education. The House takes responsibility, through its elected officer, the Doorkeeper, for supervision of the pages while they are on duty. And, most recently with the opening of the residence hall, the House has acted in keeping with its obligations to provide for them during non-working hours, and to supervise their conduct during non-working hours.

In short, there can be little doubt that the pages are in fact the "wards" of the House, as the Doorkeeper has testified. Members, officers of the House, and those House employees who directly supervise pages have a special relationship to House pages, in effect standing in loco parentis to them. As Representative Frank Annunzio stated, "so long as this body employs the youth of adolescent years, we have a responsibility to provide them with the basic protections we would expect for our own children should they be similarly employed away from their own homes." Under these circumstances, the American people have the right to expect the highest standards of conduct of these individuals with respect to pages.

The Califano report discusses "Improper Sexual Conduct":

Given the special relationship between pages and the House, the Special Counsel believes that only one standard of conduct can be considered appropriate: no sexual relationship between a page and a Member, an officer of the House, or an employee of the House who supervises pages can be regarded as acceptable behavior. Pages are 16 or 17 years old juniors or seniors in high school. For most pages, it is their first time away from home and away from their parents. They have chosen to serve as a page because they are interested in the American system of government. Almost inevitably they will be fascinated by people who hold high positions in that system. In Representative Dingell's words, pages "hold their supervisors in high regard—one might say almost awe." That statement can only apply with greater force to Members of the House themselves. Members are the center of the universe for teenage pages.

The pages of the House serve the 435 men and women who represent the people of their congressional districts. Members of the House write laws that set standards for the American people. The parents who send their 16 and 17 year old children to serve as pages have a right to expect that Members of the House will treat their children with respect, and honor the custodial trust into which they have committed their offspring. To say that the pages are wards of the House, and that the House has special responsibilities to them and stands as an institution in effect in loco parentis to them, is hollow rhetoric, unless those who are the House as an institution—the 435 Members elected to constitute the House—give meaning to the high trust they assume toward their teenage wards. Certainly, parents of teenage pages have a right to assume that Members of the House of Representatives will not have sexual relations with their children.

Let me repeat that, because for at least one Member of the House, that seems not to be clear:

Certainly, parents of teenage pages have a right to assume that Members of the House of Representatives will not have sexual relations with their children.

The Califano report goes on to state:

The laws of many states recognize the special responsibility of anyone in such a position to avoid sexual relationship with those under their care, custody or supervision. For example, the District of Columbia prohibits sexual intercourse between a "superintendent," a "tutor," or a "teacher," and his female pupil under the age of 21, five years beyond the general age of consent which is 16 in the District of Columbia. In 1981 and 1982 the Commonwealth of Virginia revised its law in this area. Virginia makes it a criminal offense for anyone who "maintains a custodial or supervisory relationship over a child under the age of 18, who is the parent, stepparent or stands in loco parentis with respect to such child and is not legally married to such child" to "propose that any such child feel or fondle the sexual genital parts of such person, or . . . propose to such child the performance of an act of sexual intercourse . . ." Thus, Virginia extends protection to teenagers in such circumstances two years beyond the general age of consent, which in that state is also 16. Virginia's child abuse statute defines an "abused or neglected child" entitled to protection against abuses that include sexual acts by parents or other responsible persons, inter alia, as "any child less than 18 years of age . . ." The statutes recognize that in certain relationships two parties to a sexual relationship are not equal and that these situations are inherently subject to exploitation.

The nature of the relationship between the House of Representatives and the pages it employs, compels the conclusion that any sexual relationship between teenage pages and Members, officers of the House, or those employees who supervise pages, or any sexual advance by any such individuals to a House page, constitutes improper sexual conduct under House Resolution 518.

No explicit showing of preferential treatment, coercion, or harassment is required under this standard. In this connection, it is worthwhile to note that House Resolution 518 specifically distinguished between "(1) alleged improper or illegal sexual conduct" and "(3) the offering of preferential treatment . . . in exchange for (sexual favors)."

The Califano report continues:

Under these circumstances, Members, officers of the House and page supervisors violate the official obligations of their office if they enter into a sexual relationship—no matter how consensual and whether heterosexual or homosexual—with any page, or if

they make sexual advances to a page. Such conduct constitutes exactly the type of "improper" sexual conduct to which House Resolution 518 and House Resolution 12 were directed. Certainly such conduct does not "reflect creditably on the House of Representatives," and therefore constitutes a violation of Rule I of the Code of Official Conduct.

The Califano report is quite clear in refuting the assertions made on the floor of this House by the gentleman from Massachusetts (Mr. STUDDS) when he said is his closing paragraph:

In so doing, however, I repeat that in my judgment the mutually voluntary private relationship between adults which occurred ten years ago should not by any conceivable standards of fairness, rationality, rule or law, warrant the attention or action of the House of Representatives of the United States.

□ 1440

But the relationship he had was not in any way between adults. It was with three schoolchildren. One was 17, two may have been 16 at the time.

His denial of "improper sexual conduct" is ludicrous.

His conclusion is fundamentally misleading. It lacks any remorse. It is an arrogant assertion of mistruth. And it led me to look at his behavior which led me to cite the Califano report again.

In that sense I should thank the gentleman from Massachusetts. For without his statement last Thursday I would frankly not have dealt with this material. It is, to say the least, disgusting.

This is from the Califano report:

He stated then, and testified under oath in his deposition, that he had a sexual relationship with Representative Studds while serving as a House page during the spring and summer of 1973.

This individual had been a congressional page in the House during the spring and summer of 1973. He was sixteen when he was appointed as a page.

The page testified that another page introduced him to Representative Studds and a group of other Congressmen at a restaurant in May or June, 1973. According to the page's testimony under oath, sometime after this introduction. Representative Studds invited the page to the Representative's house in Georgetown for dinner:

Q. After you met Congressman Studds, did you and he get together again shortly after that?

A. Yes. Shortly thereafter—I am not sure how long, how long it was—but I was invited to go out to dinner with him and I did. The dinner took place at his apartment in Georgetown. Would you wish a follow-up question?

Q. The follow-up question would be what happened at that dinner?

A. Well, we sat around and talked about abstract and general questions, all types and descriptions, until four in the morning, drinking vodka and cranberry juice, at which time I was told by the Congressman that he was too drunk to give me a ride home and so he said, "Why don't you sleep here?" And I did.

At that point, according to the page's testimony, the Congressman engaged the page in sexual activity.

The page testified that the sexual relationship continued after that first night:

Q. Did you and the Congressman get together subsequent to this?

A. Yes. I would imagine we had dinner three or four additional times. Specifically I do not recall. But that is in the ballpark.

Q. And did you engage in sexual activity each time?

A. Yes.

When the Congressman first invited you to have dinner and as you got to know the Congressman, how did you feel in that environment, that a Congressman was talking with you?

A. I was flattered and excited.

Q. Did you feel intimidated?

A. No, I did not. I would like to state at this time—it would probably have been better if I had stated this in my opening statement—but the Congressman or the Honorable Gerry Studds was an intelligent, witty, gentle man with I think a high level of insecurity. He did nothing to me which I would consider destructive or painful. In another time, in another society, the action would be acceptable, perhaps even laudable. Unfortunately this is not the case. I have no axe to grind with him. I have nothing negative to say about the man. In fact, I thought that he provided me with one of the more wonderful experiences of my life, if we exclude the instances of sexual experience which I was somewhat uncomfortable with. But I did not think that it was that big a deal.

Q. You said you felt uncomfortable with it, did you continue with him because he was a Congressman, because he was someone you were impressed with?

A. No. Well, I kept company with him because he was an intelligent man, a fun person to be with. If I could have had my druthers, I would have had the friendship that I had with the man without the sex. And I mentioned that to him.

According to the page's testimony, his sexual relationship with Representative Studds continued during their trip together in August 1973. The evidence does not indicate that any official funds were used for the trip.

"The page testified that he is not homosexual and he had not had a homosexual relationship prior to his relationship with Representative Studds.

The Special Counsel received testimony under oath from two other former pages that Representative Studds made sexual advances to them in 1973. Each testified that he rejected the advances.

First page:

This individual was a page in the House from mid-1972 through mid-1974. He became seventeen years old in the spring of 1973. He testified under oath at his deposition that he met Representative Studds one evening in 1973 at a restaurant or bar on Capitol Hill, while with a group of other pages. According to the page's sworn testimony, as the group of pages brokeup later in the evening, Representative Studds offered to drive him home. The page accepted the offer. But instead of driving to the page's home, Representative Studds drove to his own home where he and the page continued to drink and talk for from one-and-a-half to three hours. According to the page's sworn testimony, Representative Studds then made a remark which the page interpreted as a sexual proposition. At the time the incident occurred, the page told at least two other individuals about it, one of whom was a staff member in the Doorkeeper's office.

Second page:

This page was also a congressional page in the House from mid-1971 through mid-1973. He was seventeen years old in the Spring of 1973. In a sworn statement, this individual stated that, one evening after a late House session in the Spring of 1973, he went to a bar on Capitol Hill. He joined a group of individuals that included Representative Studds and a number of pages, House staffers and Members of Congress. According to the page's sworn statement, he and Representative Studds, along with the others present, consumed a large quantity of alcohol in the course of the evening. The page stated under oath that at the end of the evening, Representative Studds offered to drive him and another page to their homes. Both pages accepted the offer. After dropping the other page off, Representative Studds invited this page to Representative Studds' house for another drink. At the house, the page stated that Representative Studds poured alcoholic drinks for himself and the page, and made a sexual proposition to the page, which the page declined.

The Special Counsel goes on to say, and I quote:

The relationship did begin in a context of heavy drinking of alcohol.

He further quotes:

The sexual relationship did occur 10 years ago. But in disciplining its Members, the House is not bound by any statute of limitations.

Let me say that because of the comments made by the gentleman from Massachusetts last Thursday, in fundamentally misrepresenting the truth, he clearly reopens the entire issue. By stating that nothing wrong had really happened when in fact three high school students were involved, when in fact alcohol was involved, when in fact a 36-year-old Congressman was inviting 3 boys age 16 or 17 over for drinks and asking each to have sex with him, it seems to me we are clearly faced with a choice of either getting rid of the Congressman or getting rid of the page program.

Clearly when a man has already said that a reprimand will not matter and that he did nothing wrong, we are forced to ask ourselves what to do.

Furthermore, with sadness, we must look at the other case involved. Clearly the gentleman from Illinois, DAN CRANE, also was involved in an action which, were he a schoolteacher, or a college professor, would have gotten him fired.

Let me again reassert, these are tragedies.

It is quite clear in the case of the gentleman from Illinois that he has remorse. It is shattering for him and his family.

It is equally obvious that the gentleman from Massachusetts has no remorse. He has not been shattered and is willing to argue that his actions were reasonable behavior.

But despite the difference in their attitudes, the principal problem we face is that both men engaged in the same kind of behavior. Both men abused power. Both men were placed in a situation where a high school student was in the end involved in a sexual relationship with a Member of the U.S. House of Representatives.

We live in a time of cocaine and heroin, of abuse of authority, of scorn and contempt of Congress. There is a thin line between civilization and chaos. Yet, in all of us we know that that thin line is crossed when people who are 36 years of age pursue people who are 16, when men who are 44 pursue women who are 17. When authority figures exploit high school kids and when we violate our responsibility, what is at stake is not sainthood or personal morality. What is at stake is the very fabric of authority for a free society.

In this setting the Ethics Committee proposal to reprimand is a sad joke. In this case, at least one Member has already indicated that he regards it as a joke. He rejects the decision and does not think the House has any right to judge him.

Reprimand is the weakest penalty the House can impose. With a reprimand, the Member does not even have to be present.

With censure, a Member at least has to stand here in the well and hear the censure imposed.

There is no high school or college in America where exploiting, seducing, and sleeping with a student, boy or girl, would be punished with a reprimand. The teacher would be fired. And so, similarly, the two Congressmen must be fired.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to my good friend from Ohio.

Mr. WYLIE. I thank the gentleman for yielding and I want to complement him for the contribution he is making today as far as the image of this House is concerned.

Over the past weekend numerous comments and observations were directed to me from people in my district about the sexual liberties taken by two Members of Congress with 16- and 17-year-old pages.

There is no way that we can condone what these Members did. I think that is the thrust of the statement of the gentleman in the well today.

These actions reflect badly on Congress, no question about that. I have come to the conclusion that for the good of the institution and the image we deserve, Congressman STUDDS and Congressman CRANE ought to do us the courtesy of resigning from Congress.

I thank the gentleman.

Mr. GINGRICH. I appreciate the gentleman's comments. Frankly, as I said earlier, if the gentleman from Massachusetts (Mr. STUDDS) had not come to the well of the House and made such an arrogant and misleading statement, I would not be here today.

□ 1450

But for a Member to stand up and say that it was an adult when it was a school child, for a Member to get up and say that it was voluntary when seduction was involved and for a Member to get up and say there is nothing wrong with what he did stuck in my craw. And so I began doing this research.

I want to inform the House that I will move Thursday when I am advised that we will bring up these two resolutions, to recommit the committee report and require firm measures.

I will vote against reprimand as a travesty if in fact we get to that point. If neither the committee nor any other Member moves toward firmer measures, then when we come back from the district work period in September I will move to expel both Members. I will wait until September to give the country the time to think through the two incidents.

The Washington news media especially has not been particularly helpful.

When the Saturday, July 16, Washington Post describes an "encounter," I think it is misleading the Nation. This was not an encounter. This was an adult and an authority figure exploiting a high school child.

The people back home ask us about drugs, about scandals in Washington and about the collapse of respect for authority. The time has come to draw a line. On the one side are the people who are fed up with corruption, who are willing to clean up Washington. On the other side are those who always find an excuse, always find a reason to avoid acting decisively. We can vote for a cleanup or for continued corruption. We can vote to set a standard we will all be proud of or we can vote to permit the exploitation of children.

Great decisions are seldom complicated. The issues are simple. The solutions are often straightforward, but they are enormously difficult.

Now is the time to act firmly and decisively to clean up our Capitol. This is a tragedy for the gentleman from Illinois whom I know has been struck a severe blow. It is a tragedy for the gentleman from Massachusetts, but one which he has not yet comprehended.

But beyond the personal considerations, what is at stake for the House of Representatives is very simple. I am frankly tired of people having contempt for the place I work at. I am tired of distrust. I am tired of the shameful attitudes we run into when we go home. Yet if our standard is not at least the standard of the public school system, if our standard is not at least the standard of a college or a university, do we not deserve the contempt, the distrust and the shame?

Is it not time that we policed ourselves so that the country does not have to police us? What is at stake in the end is the people's House. If we say that it is permissible not only for a Member to have seduced a high school student, but for that Member to get up and say then there is nothing wrong with it; if we permit that to go unchallenged then I fear for this city and Government. Because that level of libertine behavior, I think, spells the doom of a free society which has to be based above all on the respect of the governed for those who govern them.

I thank the Speaker very much.

THE ALTERNATIVE BUDGET

The SPEAKER pro tempore (Mr. BROWN of California). Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, if it were not a constant threat to the taxpayers of this great Nation, it would be mildly amusing to note how the cry goes up for higher taxes from certain quarters just recently alarmed by the magnitude of budget deficits. More specifically, the cry usually includes the charge that we ought to "soak the rich" because they are not paying their fair share of the tax burden. And of course we have had attempts to cap the President's 3-year tax cut so that those in upper income brackets are afforded a chance to help lower the deficit a little more.

A recent study conducted by the Tax Foundation ought to throw some ice water on the inflammatory rhetoric we have been hearing from these latter-day deficit cutters. Based upon income tax returns filed for 1980—pretax cuts—those in the highest tax bracket (70 percent at the time) comprised 0.09 percent of all taxpayers but generated 2.84 percent of total tax revenues. The average tax for this bracket was $91,949. Conversely, the average tax paid by all taxpayers was $2,903.

More significantly, the study found that if everyone in tax brackets higher than 50 percent—comprising 2.51 percent of all taxpayers—had all of their income confiscated at a 100-percent rate, the additional revenue would amount to $12.7 billion. This sum would have been barely enough to run the Federal Government for 8 days—8 days. Evidently, contrary to the catatonic wailings of those who would really rather redistribute income than balance the budget, "soaking the rich" is but a misinformed and shallow political ploy which would not run the Fed-

eral Government for much more than 1 week.

The effort to reduce deficits should rightfully be predicated upon reducing Federal spending, not raising taxes. And the key to economic recovery, as well as to easing the burden of our beleaguered taxpayers, remains reducing the tax rates for all citizens, regardless of income group.

The Members will recall that over the course of the past several weeks this Member from California has taken these special orders for the purpose of illustrating time and again that there is another alternative to the runaway Federal spending that is currently tolerated by this House. The Members will recall that in March of this year when we took up the first concurrent budget resolution, there was at least one other proposal presented for consideration of the Rules Committee as to being made in order so that we in this House could consider it.

The Members will recall that the budget resolution which was adopted provided for outlays in 1984 of $863.55 billion. That entailed a deficit of $174.45 billion for 1984. This Member from California was one of those who prepared an alternative budget providing for spending in 1984 of $760.51 billion. That entails a reduction of roughly $97 billion from what was actually adopted by the House.

Some of my colleagues would say when they hear this, well, what happened to that proposal? I will tell my colleagues what happened. The Democrats control the Rules Committee in this House by a margin of 2 to 1 and for some reason which they have not yet made clear they chose not to make this alternative budget resolution which this Member from California prepared and presented, in order so that the Members of the House would have an opportunity to vote upon it, to see whether or not we reflect the sense of our constituents on setting a level of spending for 1984.

One would think that if Members of the House had a chance to vote on a proposal to reduce spending by $97 billion, that is a reduction of a deficit of $174 billion by $97 billion, that Members would necessarily jump for the chance of voting on that, given the mood of this country as polls indicate time and again, that the people of our country want spending reduced to balance the budget, not taxes increased to balance the budget.

Well, the Democrats control this place, 268 to 167. They set the agenda, they tell us when we will take up what bill when, they control the Rules Committee. As I indicated the Rules Committee under the Democrats says we will not permit this alternative budget to be considered because we do not want our Members in November 1984 having to explain to their constituents why they voted against cutting spending in this institution.

I think the only reason that is plausible from the decision that was made, I can only hope when this matter, by law, in the second concurrent and final budget resolution comes up in September, that the Democratic-controlled Rules Committee will at least permit this alternative to be made in order so that Members of the House can vote on whether or not they want to cut spending or continuing the irresponsible level of spending that we have before us today in our country.

In line with previous comments in special orders I would like to read through the alternative that is presented in category 300, so that the Members will have an opportunity of analyzing just whether or not they can live with these cuts that are being discussed because I think it is obvious that there is concern any time you talk about cutting spending, that we are doing it on the backs of the poor, the downtrodden, deprived and the handicapped and not truly going after the fat in our budget.

□ 1500

This afternoon I will take a few moments to read through those budget reductions that are proposed in category 300, natural resources and environment.

In this category in 1983 we are spending $12.4 billion. In 1984, the proposal is that we spend $11.7 billion and the alternative, which is this Member from California has proposed, that spending level would be reduced to $9.3 billion, a savings of $2.4 billion.

So the question arises, how would you go about reducing spending by that amount. Bear in mind this category 300 is one of 21 that are a part of the budget which we annually adopt for the country.

So I will proceed to read through these items in category 300, natural resources and environment, which total a savings for 1984 of $2.4 billion.

Category 301—Water resources. Department of Agriculture. Soil Conservation Service: Reduce to level proposed by the President for 1984, cap outyears at $125 million.

Department of Defense—Civil. Corps of Engineers: General investigations—implement President's proposal, cap outyears at $100 million.

Construction, general—reduce funding to level proposed by the President, cap outyears at $900 million.

Offsetting receipts—increase user fees for inland waterways; current charges recover only 8 percent of costs, increase rate to 50 percent—CBO estimates that $700 million would be recovered in 1984, $800 million in the next 2 years, and $900 million thereafter.

Department of the Interior, secretarial offices: Office of Water Policy—implement President's proposal to transfer State water research activities to the Bureau of Reclamation and retain only interstate coordination policy activities, cap outyears at $1.5 million.

Bureau of Reclamation: Construction program, reduce level of indirect subsidies to private firms. Cap funding at $500 million.

Category 302 conservation and land management.

Department of Agriculture. Soil Conservation Service: Resource conservation and development—reduce to level proposed by the President for 1984, cap outyears at $7 million.

Great Plains conservation program—reduce to level proposed by the President for 1984, cap outyears at $20 million.

Forest Service: Reduce to level proposed by the President for 1984, reduce outyears as follows: Construction, $250 million cap; forest research, $100 million cap; State and private forestry, $25 million cap; national forest system, $800 million cap; range betterment fund, $5 million cap; miscellaneous trust funds, $150 million cap.

Agricultural Stabilization and Conservation Service:

Agricultural conservation program, rescind funding—activities redundant with those of the Soil Conservation Service. Water bank program, adopt President's proposal, fund 1984 obligations and delete outyear funding. Forestry incentives program, adopt President's proposal, fund 1984 obligations and delete outyear funding.

Department of the Interior. Bureau of Land Management: Management of lands and resources, reduce to level proposed by the President, cap outyears at $300 million.

Oregon and California grant lands, reduce to level proposed by the President, cap outyears at $45 million.

Range improvements, reduce to level proposed by the President, cap outyears at $10 million.

Office of Surface Mining, Reclamation and Enforcement: Terminate Office, activities should be implemented and funded at the State level.

Minerals Management Service: Minerals and royalty management, reduce to level proposed by the President for 1984, cap outyears at $150 million.

Bureau of Indian Affairs: Operation of Indian programs, reduce to level proposed by the President for 1984, cap outyears at $85 million.

Other independent agencies. Marine Mammal Commission: Adopt President's proposal to terminate separate-agency status and transfer activities to Commerce and Interior Departments.

Category 303—Recreational resources.

Department of Agriculture. Forest Service: Land acquisition. Reduce level of funding in accordance with Presi-

dent's proposed phase down of activities, fund 1984 obligations and delete outyear funding.

Department of Defense—Civil. Corps of Engineers: Special recreation user fees, recover costs through user fees, fund 1984 obligations and delete funding for outyears.

Department of the Interior. National Park Service: Construction, reduce level of funding in accordance with President's proposal, fund 1984 obligations and cap outyears at $100 million.

National recreation and preservation, delete funding in accordance with President's proposal, fund 1984 obligations only.

Land and water conservation fund, delete funding in accordance with President's proposal, fund 1984 obligations only.

Land acquisition, fund 1984 obligations and cap outyears at $50 million.

U.S. Fish and Wildlife Service: Construction, reduce funding in accordance with President's proposal, fund 1984 obligations and cap outyears at $10 million.

Land acquisition, reduce funding in accordance with President's proposal, fund 1984 obligations and delete outyear funding.

Miscellaneous permanent appropriations, cap outyear funding at $125 million.

Other independent agencies. Advisory Council on Historic Preservation: Salaries and expenses, reduce to level proposed by the President—offset costs with private donations—fund 1984 obligations and delete outyear funding.

Category 304—pollution control and abatement.

Department of Agriculture. Agricultural Stabilization and Conservation Service: Rural clean water program, delete outyear funding—originally a 2-year study program.

Environmental Protection Agency. Hazardous substance response trust fund: Offset costs through increased collections and fines from polluters, cap funding at $150 million.

Research and development: Reduce to level proposed by the President, cap outyears at $100 million.

Abatement control and compliance: Reduce to level proposed by the President, cap outyears at $350 million.

Salaries and expenses: Reduce to level proposed by the President, cap outyears at $500 million.

Category 306—Other natural resources.

Department of Commerce.

National Oceanic and Atmospheric Administration:

Operations, research, and facilities, reduce to level proposed by the President, cap outyears at $850 million and increase charges for services.

To reiterate, these items which have been enumerated, would result in a savings in 1984 of some $2.4 billion. Over the course of the next several weeks, this Member from California will again, if time permits, bring to the Members of the House how we can, if we have the will, adopt an alternative budget which can reduce spending for 1984 by some $97 billion. And we can do this without doing it on the backs of the poor, the downtrodden, the deprived in our society who are the least able to bear budget cuts of this type.

The problem with our spending is that we are running about 20 percent more than our income. The way to correct that imbalance is not increase the taxes on the American people, but by decreasing the spending.

THE 25TH ANNIVERSARY OF CAPTIVE NATIONS WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 60 minutes.

Mr. STRATTON. Mr. Speaker, today, July 18, marks the beginning of Captive Nations Week, 1983. It is an honor for me to arrange today for a special order to commemorate Captive Nations Week, and to participate in the various events held in Washington through the week in observance of this occasion.

This commemoration allows us in the Congress to rise to assure the brave people of the captive nations, and their friends and families throughout the world that we will not ease the pressure on the Soviet Union until the Soviets allow freedom, self-determination, and basic human rights for the people of the captive nations.

This year is the 25th anniversary of the observance by the Congress of Captive Nations Week. In 1959 the Congress passed the Captive Nations Week resolution (Public Law 86-90) authorizing and requesting the President to proclaim the third week of July every year as Captive Nations Week. That proclamation was issued this year by President Reagan on June 6, 1983, and I ask unanimous consent that I be allowed to insert it in the RECORD following my remarks.

The 25th anniversary is indeed a sad milestone, and gives one pause to reflect on the magnitude of the problem. Many of the captive nations have been under the Soviet yoke for over a generation. Some children have grown to adulthood without knowing freedom in their country and among their countrymen. I fervently hope that today's children will see the dawn of freedom on their homeland, and will come to know freedom from Soviet rule.

But I must also note that since the inception of the captive nations commemoration 25 years ago, the Soviets have added Cuba, several countries in Southeast Asia, Ethiopia—with the help of the Cubans—and most recently Afghanistan and Nicaragua to the already long list of captive nations.

The Pope's recent dramatic visit to Poland once again riveted our attention to the brave and serious struggle in that country between Solidarity and the Soviet-controlled government. But the brilliance and excitement of the Solidarity movement has been dimmed by the cruel, rigid, and stifling imposition of martial law in that country. The people's spirit is not stifled, however, as we saw when hundreds of thousands of Poles went out in the streets to see the Pope and to hear his courageous and challenging words against martial law and Soviet oppression.

What will the future hold for Solidarity and the people of Poland? We do not know, but the movement has in many ways energized the spirit and courage of other peoples of the captive nations, who, despite media censorship, have learned about the Solidarity challenge to foreign domination, and steel themselves for the fight in their own captive nation.

Hopefully it will not be another 25 years until the chains are broken. The observance of Captive Nations Week allows us in the Congress and Americans across our land to renew our commitment to help the captive nations achieve freedom, and we call on other free peoples to join us in this effort.

CAPTIVE NATIONS WEEK, 1983

(A proclamation by the President of the United States of America)

Twenty-five years ago, the United Nations Declaration of Human Rights proclaimed that "all human beings are born free and equal in dignity and rights." This reaffirmed an eternal truth that Thomas Jefferson in 1776 wrote into our own Declaration of Independence. Another great thinker, Edmund Burke, observed simply that "the cause of Freedom is the cause of God." Some twenty-five centuries before, the prophet Isaiah admonished the world "To bind up the broken-hearted, to proclaim liberty to the captives."

Free people, if they are to remain free, must defend the liberty of others. As the custodians of a democratic tradition firmly established on this continent more than two centuries ago, Americans are deeply committed to the goal of representative government everywhere.

Each year, the United States reaffirms its commitment to the cause of liberty during Captive Nations Week, by reminding all those who are forced to live under the domination of foreign military power and alien ideology that the United States supports their aspirations for freedom, independence and national self-determination.

The Congress, by a joint resolution approved July 17, 1959 (73 Stat. 212), has authorized and requested the President to proclaim the third week in July as Captive Nations Week.

Now, therefore, I, Ronald Reagan, President of the United States of America, do hereby designate the week beginning July 17, 1983, as Captive Nations Week. I invite the people of the United States to observe this week with appropriate ceremonies and

activities and to reaffirm their dedication to the ideals of freedom, which unite us and inspire others.

In witness whereof, I have hereunto set my hand this 6th day of June, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

Ronald Reagan.

□ 1510

Mr. Speaker, today there are assembled on Capitol Hill a substantial number of people representing some of the nations that have been taken over by the Soviet Union in their relentless drive to stamp out freedom in the Baltic States, in the Ukraine, in Eastern Europe, in Southeast Asia, and even in the Caribbean.

I had the pleasure some time ago of attending a luncheon in the caucus room of the Cannon Office Building, and one of the largest turnouts of this kind that I have seen in 25 years was there. We had as the main speaker Ambassador Jeane Kirkpatrick, who did an outstanding job of going through the litany of aggression that the Soviet Union has been involved in, particularly from the time of its inception in 1917 until some of the recent events that have taken place in Nicaragua, what is probably the latest of the captive nations, when they, like Poland, declared martial law and limited the free speech of their citizens.

I think one of the things that many of us have felt in the 25 years that we have been paying tribute to Captive Nations Week was whether we really had any hope of reversing the trend of history since 1917, whether we really had any hope that the spirit of freedom was alive and that perhaps it would be possible for the free nations of the world to reverse the captivity pattern that has gradually been imposed on so many countries around the world.

We often wonder whether the speeches in this Chamber or speeches elsewhere can actually do the job. And yet I think in recent years we have begun to recognize that there is a spirit of freedom that has been maintained over all of these years by the people of the captive nations, and most particularly that is the case in Poland with the establishment of Solidarity and with the renewed evidence that we have seen in recent months with the visit of His Holiness, Pope John II, to his native Poland where literally millions of people have turned out to hear not only his spiritual message but also his message supporting the establishment of free labor unions like Solidarity and the lifting of the martial law that has been imposed in Poland.

It is, apparently, too soon for us to know what the exact outcome of the Pope's tremendous visit actually was. Whether, as the reports are, that martial law will be lifted, and also whether Solidarity or some other union of its kind will be allowed to flourish, we do not yet know. We do not yet know what will happen to Lech Walesa, but certainly it is clear that the Polish people have been able to retain not only their sanity but also their hope for the future, in spite of the Iron Curtain that has been put down across their land.

I think one of the most interesting assignments that has fallen to the House Armed Services Committee in recent years has been to try to make a visit to all of the Eastern European countries where part of the threat to our NATO forces may exist because of their inclusion in the Warsaw Pact. And we have, in recent years, visited Romania, Hungary, Poland, and, most recently, this year, Czechoslovakia. In fact, the committee tried to get into Czechoslovakia last year, and we were told that the hotels were filled. We were not certain that that was the real reason. But the committee tried again this year, and we did succeed in getting an opportunity to visit Czechoslovakia, the beautiful city of Prague. We met with members of the People's Assembly, and we met also with the Foreign Minister of the Czechoslovakian Government. They said that they wanted to get into a dialog with the United States, and we were certainly prepared to get into a dialog. It turned out that there was not any dialog because they made their statements very much down the strict Communist Soviet party line, and if we made some other suggestion, they just simply ignored it. So you can hardly have a dialog unless there will be some discussion of differing points of view.

One, of course, adhering to the Communist line these days, the Czechs berated the United States because our massive nuclear buildup, as they called it, was responsible for threatening the peace of the world, and they said we ought to get rid of these nuclear weapons. One of the members of our committee, the gentlewoman from Maryland (Mrs. HOLT), popped up and said, "Well, if you want to get rid of nuclear weapons, what is wrong with President Reagan's zero option?"

They found that a little bit hard to answer. But they brought up again the old line that his was simply something designed to trick the Soviets into giving up their important nuclear arsenal.

But I think one of the points that is encouraging, and it was emphasized very strongly by Ambassador Kirkpatrick in her remarks this afternoon which, although they were more or less ad lib, I hope we can reconstruct them and put them into the CONGRESSIONAL RECORD so that everybody can read them. She said it is quite clear that, in spite of this pattern of aggression over all of these captive nations, that there is not one scintilla of evidence that the people of any of these countries really approve the regime of oppression to which they have been subjected.

We discovered that, even in Prague, where the government was so strictly supportive of the Soviet line and, obviously, hesitated to make any deviation from it, that this was not exactly the way the people felt.

□ 1520

We had been invited on the final evening that we were in Czechoslovakia to attend a concert put on by the Czech philharmonic, accompanied by the Prague Festival Chorus, in a rendition of Beethoven's "Ninth Symphony." This took place in a very large cultural hall that had been recently constructed in Prague, and had seating for some 1,500 persons. The hall was filled. The orchestra and the chorus presented a magnificent spectacle in that auditorium.

There was a conductor who resembled Leonard Bernstein a little bit, with white hair which he had some problem in shaking back and forth, but a very lively conductor, four outstanding soloists who came on stage with the playing of the third movement so that they would be ready for the crucial fourth movement, and all in all, our group agreed that it was the most impressive rendition of Beethoven's "Ninth Choral Symphony" that we had ever heard.

But when the music was completed, nobody in the hall stood up. It seemed very strange, because I thought this was an outstanding demonstration and interpretation of the great "Ninth Symphony," and I could not understand why the Czechs were not standing up. They were applauding politely, but they were not going wild, and I was tempted to stand myself but thought that perhaps they had a custom of not standing and this would have been regarded as an impolite act.

So as we walked out of the auditorium, I spoke to our American Ambassador, Mr. Jack Matlock, who incidentally had just been nominated that day by President Reagan to become his No. 1 expert on Soviet policy. Mr. Matlock, who had served with distinction in Czechoslovakia, had previously served for a number of years in the Soviet Union and he knew the Soviets and their background much more than probably anyone else in the Foreign Service.

I said to the Ambassador, "Do the Czechs not believe in demonstrating when there is a good musical performance? Do they not get excited?"

He said, "Oh, yes. They will stand up and wave their hands and throw paper and shout."

I said, "Well, why is it that nobody stood up there tonight? Why did no one yell 'Bravo'?"

He said, "Well, I will tell you exactly what the reason was. The conductor and the four soloists were all from Russia, and they wanted to demonstrate the fact that they did not approve of the Soviet Union."

So this is an indication, I think, that what Ambassador Kirkpatrick had said, that the people of the captive nations certainly recognize and continue to hate the oppression to which they are subjected, and I think this indicates more than anything else that we are making progress against these tragedies, and if we continue to supply support and assistance to those who are fighting against Soviet domination, we can, as the saying goes, overcome.

Mr. Speaker, I yield to my distinguished friend and neighbor from the great State of New York, who is heading up the Captive Nations Organization celebration this year, and I am happy to congratulate him on his assignment, the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. I thank my neighbor in New York for yielding.

Mr. Speaker, I just want to commend the gentleman in the well for the excellent job he did in cochairing the luncheon that we just had over in the Cannon Caucus Room which commemorates the 25th anniversary of Captive Nations Week.

The gentleman has been a leader in this field in pointing out to the American people and to the rest of the world the horrors of communism and the fact that one-third of the world's populace today is imprisoned behind communism throughout this world.

I would like to also point out to the gentlemen, and to those listening, that tonight we will be having a dinner, a final dinner, for the Captive Nations Week at the Hyatt Regency restaurant at which Vice President BUSH will deliver the main speech this evening.

Mr. Speaker, I commend the gentleman for the excellent job he has done over the years in calling attention to the horrible plight of communism throughout this world.

Mr. Speaker, for 207 years, the Fourth of July has been the occasion for loud celebrations that are America's ode to the joys of freedom.

But few Americans realize that, for the past 25 years, part of July has been set aside for quiet lamentation over those who have been denied those joys by their Communist oppressors.

In 1959, the President and the Congress proclaimed the third week of July Captive Nations Week, a time during which we light the candles of remembrance for all those who have died at the hands of Marxist-Leninist totalitarians, as well as those who still endure a living death in countries ruled by Communist repression, torture, and terrorism.

This year marks the 25th anniversary of Captive Nations Week, and it is indeed an honor to have been asked to serve as an honorary chairman of the Captive Nations Committee.

It is a privilege to join my colleague and neighbor, Representative SAMUEL STRATTON, Maj. Gen. John Singlaub and the others who worked so tirelessly to make Captive Nations Week a strong reminder of the aspirations of the world's peoples for freedom from Communist oppression.

But there is a bitter task to perform also, Mr. Speaker: The updating of our captive nations list; the addition of Afghanistan and the forceful reminder of the pain of Poland, together with its Eastern European neighbors, and growing parts of Asia, Africa, and Central America.

The Soviet Union and Red China, the ringleaders and bully-boys of international communism, have not only enslaved their own populace but have extended their empires to ensnare dozens of nations and ethnic groups.

One-third of the world's people live in captive nations; yoked by international communism, beaten and brainwashed by Marxist bullies, surrendering their individual freedom and their human rights to totalitarianism and living in fear, deprivation, and despair.

Now, Yuri Andropov would love to have you believe that he wants peace, that he wants a nuclear freeze, that he wants to be the peacenik's pen-pal and open the lines of communication with the West.

Excuse me, but we do not believe him. It is difficult to trust the man who ran the infamous KGB and who invented the mental hospital as a so-called cure for dissidence. Now he is masterminding the last great expansionist empire on the face of the Earth.

Lenin's cruel vision has been fulfilled by Stalin, his henchmen and his heirs. Their regime has matched Hitler's Third Reich in its cruelty, its intolerance, and its terror. But while Hitler has been consigned to the dust bin of history, the Soviet Union goes on, too often unchallenged, unquestioned, and untamed.

The captive nations of the Soviet Union are held in bondage as severe as that imposed by the Nazis and the Fascists of World War II. The secret police, the execution or exile of potential opposition leaders, the firm control of the media, the arts, the schools, there are plenty of parallels.

The Kremlin regime has snuffed out the political, cultural, and ethnic independence of the Baltic States, Eastern Europe, ancient nations like the Ukraine, Armenia, and Georgia and ethnic minorities who had previously been subjugated by the czar.

Genocide is another weapon of wanton cruelty employed by the Communists as it was by the Nazis. Over 7 million Ukrainians were murdered—men, women, and children systematically starved—for the crime of being Ukrainian. Let the world never forget this and other horrors.

And the Red Bear has reached out, setting up client states in Asia, in Central America, and in Africa—then supplying these states with the weapons to undermine their neighbors, thereby spreading international communism around the globe.

And as it is in the Soviet Union, so it is in Red China.

Mao has been discredited by his own people. But those of us who have long believed in the domino theory have been vindicated by Red Chinese aggression. Already North Vietnam has established a territorial empire of their own and have eaten up not only their southern neighbors, but Laos and Cambodia as well. The peoples of these countries, and Afghanistan as well, have been subjected to horrible deaths by yellow rain, the newest chemical in communism's arsenal of death.

In Communist countries, economic progress is nonexistent. The cupboard is bare, the factories are stagnant, stores are empty, high technology has to be imported or stolen from the West. Only the military and the munitionmakers go on.

What a contrast with our free nations, where there is labor and industry and growth and progress. It is no coincidence that material well-being goes hand in hand with free enterprise and political freedom.

That is why the people of the captive nations still aspire to political, religious, and economic freedom. The American people see their struggle, hear their cries and remember their pain.

Let there be no doubt—no question—communism is a ruthless and unrelenting enemy. Yet through it all, men and women still struggle, putting their lives on the line for freedom and dignity.

Captive Nations Week is a salute to these brave souls.

My friends, pay no heed to the apolgists and appeasers of the West, those who say it is better to be red than dead fail to realize that there is no difference. As Alexandr Solzhenitsyn said when he accepted the Templeton Prize in London, to be Red is to be dead—to die quickly, or to die slowly, or to suffer a living death.

Communism has been called the god that failed. Now, we must not permit its wicked worshippers to go on unchallenged and unchecked.

During Captive Nations Week, let us pledge to remain steadfast, to fight to dump communism into the dustbin of history.

And when Marx goes the way of the other craven, materialistic gods that cruel and greedy men have worshipped, then the way will be clear for men and women everywhere to join us Americans in the unalienable rights of life, liberty, and the pursuit of happiness.

Mr. STRATTON. I thank the gentleman for his remarks. I hope that I will be able to be on hand for that impressive dinner.

I think the gentleman from New York is certainly to be congratulated for having mounted an outstanding luncheon and an outstanding program. It certainly gives all of us a good deal of encouragement and hope.

● Mr. ANNUNZIO. Mr. Speaker, this week Americans will commemorate the 25th annual observance of Captive Nations Week to focus attention on those nations controlled by the imperialistic policies of the Soviet Union. During this week we take time to reflect and give thanks for the freedoms of religion, speech, press, and emigration that we enjoy and we also reaffirm our commitment to support the millions of people in the captive nations who can only dream of the precious freedoms that we often take for granted.

In the 25 years since President Eisenhower first designated the third week in July as Captive Nations Week the people of the captive nations have perservered despite attempts by the Communists to destroy their culture, religion, and independence. A copy of the President's Captive Nations Week proclamation follows:

CAPTIVE NATIONS WEEK, 1983

(A proclamation by the President of the United States of America)

Twenty-five years ago, the United Nations Declaration of Human Rights proclaimed that "all human beings are born free and equal in dignity and rights." This reaffirmed an eternal truth that Thomas Jefferson in 1776 wrote into our own Declaration of Independence. Another great thinker, Edmund Burke, observed simply that "the cause of Freedom is the cause of God." Some twenty-five centuries before, the prophet Isaiah admonished the world "To bind up the broken-hearted, to proclaim liberty to the captives."

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In Witness Whereof, I have hereunto set my hand this 6th day of June, in the year of our Lord nineteen hundred and eighty-three, and of the Independence of the United States of America the two hundred and seventh.

RONALD REAGAN.

Millions of men, women, and children, enslaved against their will, still maintain hope for freedom. There are countless stories of heroic acts which prove that these oppressed people will not accept defeat in their fight for the freedoms that are rightfully theirs, and information from the World Congress of Free Ukrainians follows regarding the case of Oksana Meshko, a 78-year-old human rights activist in Ukraine:

Oksana Yakivna Meshko, born 30 January 1905, mother of Oleksander Serhiyenko, a former political prisoner.

Arrested: 12 June 1980 in Kiev, confined to a psychiatric hospital in Kiev for "examination". In August 1980 she was released from the psychiatric institution. Before she was rearrested in October she was able to transmit to the West information about her constant harassement by the KGB and their threats to imprison her in a psychiatric institution.

Arrested: 10 October 1980. Sentenced 6 January 1981 to 6 months of strict-regimen labor camp and 5 years in exile for "anti-Soviet agitation and propaganda" (Art. 62-2).

Oksana Meshko served a prison term from 1947 to 1955. She was rehabilitated in 1956. Since the arrest of her son in 1972, she has been very vocal in defending him and other political prisoners. The KGB stepped up its persecution of her when she became a founding member of the Ukrainian Helsinki Group. On the day following the Group's founding she was wounded in a police-instigated brick-throwing raid on Mykola Rudenko's home. On the day of Rudenko's arrest, O. Meshko's apartment was illegaly raided. A KGB official, Pankiw, smashed a window and climbed in like a common thief. He confiscated all her handwritten and typed papers. When she refused to submit to a personal search, her arm was twisted and she was forcibly searched. During the raid she suffered a heart attack.

On February 9, 1978, Meshko's apartment was searched in connection with the investigation of Lev Lukyanenko. As before, it was entered illegally. Nine agents spent 20 hours going through her possessions. They confiscated her correspondence with Ivan Kandyba, a document concerning Lukyanenko's arrest, an appeal on his behalf, protest letters, a petition by Petro Ruban and other materials. None of them were in fact "anti-Soviet" in nature.

On February 14, 1978, Meshko taken forcibly to KGB headquarters, where she was interrogated and given a formal "warning" about her activities. She refused to sign a record of the warning. Instead she demanded that an illegal surveillance post behind her house, which had operated for two years, be removed.

In a campaign to isolate Meshko, her acquaintances were questioned by the KGB and warned to stop associating with her on pain of losing their jobs or even facing imprisonment. Having been twice imprisoned in a psychiatric institution, she lives under constant threat of being forcibly placed in such an institution again.

Oksana Meshko was sent into exile upon completion of her labor camp sentence, to the most removed region in the Soviet Union, a border region. Dissenters exiled to such a region are often forbidden vistis by relatives. She will also be denied visits from her friends. The change of climate in that area is traumatic to her already very poor health.

Mr. Speaker, the Department of State estimates that more than 4 million people are forced into slave labor in the Communist empire, and at least 10,000 of them are political and religious prisoners. Women and children are among the prisoners in over 1,000 slave labor camps, and the International Commission on Human Rights says these prisoners "are forced to work under conditions of extreme hardship including malnutrition, inadequate shelter and clothing, and severe discipline."

These examples indicate the need for Americans to speak out against the continued tyranny of the Soviet Union. I have cosponsored House Concurrent Resolution 100 which calls upon the Soviet Union to end the current repressive policies of forced labor and expresses the sense of the Congress that the exploitation of workers in forced-labor camps is morally reprehensible. The bill also urges the President, at every opportunity and in the strongest terms, to express to the Soviet Government the opposition of the United States to these reprehensive policies, and urges them to stop these practices and honor their international commitments.

A few weeks ago Pope John Paul proved once again to the Communists that the Polish people long for their personal, political, and religious liberties, and for their self-determination as a nation free from Communist influence.

Also, a few weeks ago, the Russian and Ukrainian families who lived in the American Embassy in Moscow for 5 years in refuge from Communist religious persecution were finally allowed to reunite and leave the Soviet Union so they could worship God without interference from the secret police.

In my own city of Chicago, we have commemorated Captive Nations Week for many years. Mr. Ilmars Bergmanis is the chairman of Chicago's Captive Nations Committee, and I look forward to being a guest speaker at this human rights rally which will take

place at the Richard J. Daley Plaza on July 22.

As a member of the Ad Hoc Congressional Committee on the Baltic States and Ukraine, it is a privilege to work with the Polish American Congress, the Captive Nations Committee, and all of the other outstanding ethnic organizations toward our mutual goals, and most importantly, toward eventual liberation of the Captive Nations from Soviet military and ideological domination. I am confident that by working together, by stabilizing our strength, and by enlarging our joint efforts, victory will, at last, be ours. We shall not waiver until that day is reached—when the captive peoples can reassume their rightful place under God as free men and women.●

● Mr. McGRATH. Mr. Speaker, I am proud to join my colleagues today in observance of Captive Nations Week. Since 1959, the third week in July has been designated by the President and the Congress as a time to officially honor the millions of individuals under totalitarian rule who are denied liberty. Since the occasion was first marked, we have tragically seen the list of captive nations throughout the world, grow in number.

Whether it has been directly through invasion and absorption, or through a more subtle form of domination by establishing puppet governments, the Soviet Union has repeatedly demonstrated its total disregard for dignity and human rights, as its policy of Russification has swept more nations and more people under the yoke of Communist control.

It is our duty to remember the millions trapped behind a wall of repression who long for freedom of thought, freedom of expression, and a return to self-government in their homelands. It is equally urgent in this week of remembrance to reflect upon the precious freedoms we Americans possess by birthright. They are the rights of all human beings, but unfortunately, they are rights enjoyed by a relatively few.

Many of our ancestors knew deprivation and persecution at the hands of various oppressors. The individual struggles being waged against the Soviet giant are therefore inspiring in their courage, and humbling in their depth.

This week, the 25th annual observance of Captive Nations Week, is a most fitting time to renew our dedication to the plight of those dominated by totalitarian regimes. So long as they are enslaved, we can never truly be free.●

● Mr. DINGELL. Mr. Speaker, on this 25th anniversary of Captive Nations Day, I speak not only as an American, but as a descendant of the proud Polish people whose struggle for freedom continues to this day. My heart extends across America's borders, over the massive seas, through the self-determining countries of Western Europe, to our spiritually famished brothers and sisters who are imprisoned in the captive nations. America's spirit of freedom reaches out to those who suffer under the iron glove of political repression and the clenched fist of persecution. Let us proclaim that we have neither forgotten nor dismissed their quest for freedom. Rather, we recommit our minds, hearts, and spirit in support of their unending struggle for independence and human rights.

As freedom-loving Americans, let us not take for granted the blessings of liberty; let us be grateful. With raised voices, we call for the liberty of all mankind.●

● Mr. SENSENBRENNER. Mr. Speaker, Russian history tells us that, during the second decade of this century, the empire of the czars was under increased pressure from the many nations which resented Russian domination. Lenin recognized these cleavages and stoked the fires of nationalism in an effort to further his own revolution. Three years later, he preyed upon these same nations he had used as pawns to fulfill his personal dream, reenslaving the former colonies of the empire. Thus began the long and infamous history of Soviet repression.

This week marks the 25th observance of Captive Nations Week. It is a time when we ought to remember and pray for those who are faced with the daily struggle against Soviet domination. But just as important, this is a time in which we should take a greater resolve to reverse the tide of Soviet expansionism. Our Nation, dedicated from its conception to the cause of freedom, must be a leader in this quest. No longer can we stand idly by as the Soviet bear, which is at this moment extending one paw into the Middle East and another into Central America, attempts to extinguish the light of liberty which burns so brightly in the hearts of people everywhere. It is a responsibility we must not shirk if we wish to insure the freedom of our children and, in fact, the entire world.

I join my colleagues and all peaceloving people of the world in prayer that freedom will soon return to those nations which are now subjected to the cruel hand of Soviet rule.●

● Mr. CARNEY. Mr. Speaker, I rise with my colleagues, on this the 25th annual observance of Captive Nations Week, to pay tribute to the people who struggle against the force of Soviet domination. The weeklong commemoration here in our Nation's Capital is a reaffirmation of our commitment to the people of these imprisoned lands and an expression of our belief that they will one day be free again.

In recent times, we have been able to witness the heroism of the people of the nations of Poland and Afghanistan through the news reports. I am certain that there are also daily in each of the captive nations many episodes of individual courage, of people who are willing to stand up for freedom, which go unreported. Nonetheless, we know by the ever-increasing number of reports of protest against the Soviets and their puppet regimes, that the people who must live under domination have not lost their desire for freedom.

Mr. Speaker, the new leadership in Moscow seems more determined than ever to douse the flame of freedom in the captive nations. While Mr. Andropov speaks of peace to the Western journalists, he has seemingly declared war on the people who are forced to live under the dark Soviet empire. It is especially important for us to express our support for the people who must withstand this latest assault on human dignity.

Our commemoration of Captive Nations Week symbolizes the U.S. commitment to freedom around the world, and I join in supporting those who have come to Washington to remind the world that freedom is a value to be fought for and preserved. In a time when it has become fashionable to down play the Soviet threat to freedom, the participants of Captive Nations Week remind us that we must remain vigilant in the maintenance of liberty. Freedom and self-determination should be the right of all peoples. I salute the people of the captive nations who remind us of these values through their valiant struggle against Soviet domination.●

● Mrs. HOLT. Mr. Speaker, by observing Captive Nations Week each year, we tell the world that our commitment to freedom endures, and we tell the people of the captive nations that we will never recognize the legitimacy of their oppression by the Soviet Union.

The tyranny of the Soviet empire will not endure forever, and the people of the oppressed nations know it. Despite decades of Soviet rule, their instinct for freedom survives and they resist Soviet domination in many ways.

The free world has a special responsibility to keep alive the hope of freedom. As long as the people of the captive nations see a better life beyond the borders of the Soviet empire, they will continue to aspire to that better life. The gloomy leaders of the Soviet empire fear the existence of freedom, which they know is an infectious quality.

I doubt that anything could have shaken the Kremlin more than the recent visit of the Pope to his native Poland. He spoke for the people when he said the people of Poland "have a

right to live in freedom" and to have independent trade unions.

He stirred the continuing ferment for freedom in the Russians' backyard, where the brave people of Poland never stop resisting Soviet domination.

Today we tell the people of all the captive nations that we have not abandoned hope for their freedom.●

● Mr. RIDGE. Mr. Speaker, I rise to commend the gentleman from New York (Mr. STRATTON) for providing us with this opportunity to commemorate the 25th observance of Captive Nations Week.

Fortunately, we in the United States have never known the kind of heartbreaking humiliation that is the inevitable consequence of the occupation or oppression of one people by another.

Millions of our neighbors around the world have not been so blessed. Since 1920, the number of captive nations has risen from 0 to 31. The list of those nations, and the years of their Communist domination includes:

Country, people, and year of Communist domination	
Armenia	1920
Azerbaijan	1920
Byelorussia	1920
Cossackia	1920
Georgia	1920
Idel-Ural	1920
North Caucasia	1920
Ukraine	1920
Far Eastern Republic	1922
Turkestan	1922
Mongolia	1924
Estonia	1940
Latvia	1940
Lithuania	1940
Albania	1946
Bulgaria	1946
Yugoslavia (Serbs, Croats, Slovenians, etc.)	1946
Poland	1947
Romania	1947
Czechoslovakia	1948
North Korea	1948
Hungary	1949
East Germany	1949
Mainland China	1949
Tibet	1951
North Vietnam	1954
Cuba	1960
Cambodia	1975
South Vietnam	1975
Laos	1975
Afghanistan	1980

We may have some difficulty understanding what everyday life is like in a country which yearns to be free while struggling under the totalitarian domination of men who consider the word "free" the worst kind of four-letter word. But we have no difficulty at all, Mr. Speaker, in registering our continued strong support for the citizens of the 31 captive nations, and our wholehearted condemnation of the activities of their oppressors.

As towering as our own problems in this country may often seem, they shrink in comparison to the problems faced by those who live on the wrong side of the Iron Curtain. But try as they might, the Communists have never been—and, God willing, will never be—as successful at snuffing out their subjects' spirit as they have been at taking away their freedoms.

Anyone needing a reminder of the desire for freedom burning within the people of the captive nations need only take note of the constant fight against communism that these people wage daily. In the workplace, in the news—in the rare instances of press freedom—in their applications for exit visas, and in their hunger strikes, we see persistent and persuasive evidence that the governments and policies they live under are not the ones they would choose, if given a choice.

Mr. President, I know my constituents in northwest Pennsylvania share this House view that as a people who enjoy a degree of personal liberty and national independence that have long been the envy of the entire world, we have a special responsibility to support others in their quest for these same goals. So, while Captive Nations Week is important as a means of sending a message of disapproval to the Soviet Union, it is even more important as an expression of unyielding commitment to the people of the captive nations themselves.

And we must continue to speak out every week—not just once each year—against oppression of any kind anywhere in the world. We must reaffirm at every opportunity our own tradition of self-rule, and extend to the peoples of the captive nations a message of hope—hope founded in our belief that free men and women will ultimately prevail over those who deny individual rights and preach the supremacy of the state; hope in our conviction that the human spirit will ultimately triumph over the cult of the state.

In the words of Winston Churchill, Mr. Speaker:

> We must keep the flame of freedom burning strong and bright—as a beacon of hope to those struggling against the powers of darkness. If we should falter, if we should succumb, all hope would be extinguished. Mankind as a whole would descend to the Gulag.

We must not falter, Mr. Speaker. The flickering flame of freedom must not be allowed to go out.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

NATURAL FOOD MONTH RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 30 minutes.

● Mr. WEAVER. Mr. Speaker, today I am introducing a resolution that would designate the month of April 1984 as Natural Food Month.

The National Nutritional Foods Association (NNFA), which represents 3,500 health food industry manufacturers, distributors, wholesalers, and retailers throughout the United States, has celebrated Natural Food Month every April since 1976. The association conducts an annual public relations program in schools and community groups across the Nation to promote the health and physical fitness benefits of high quality natural foods. In addition, NNFA sponsors a "taste fair," and sends natural food packages to Members of Congress and their staffs every April.

There is growing concern among many of our constituents about the quality and nutritional value of much of the food we eat. By designating April 1984 as Natural Food Month, we will be joining the National Nutritional Foods Association in addressing these concerns and increasing public awareness of the essential nutrients available in a balanced, natural food diet.

I strongly urge my colleagues to join me in sponsoring this resolution.●

THE PRESIDENT'S COMMISSION ON INDUSTRIAL COMPETITIVENESS: A POLITICAL EXCUSE FOR INACTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, on March 3, 1983, I introduced legislation to create a Bipartisan National Commission on Industrial Competitiveness.

At that time, I stated that:

> The preeminence of the United States in international industrial competition and the insulation of U.S. domestic markets from competition ended during the past decade, but this Nation has been slow to adapt to the reality and ramifications of a highly competitive global marketplace.

In addition, I noted that:

> Industrial policy in the United States is currently composed of a myriad of Government programs, subsidies and regulatory oversight functions which are neither coordinated, coherent, or consistent. I believe that it is imperative that Government, business, labor, and academia act together now to develop and coordinate long-range strategies for helping to assure the international competitiveness of U.S. industries.

In this regard, I continue to believe that a timely well-structured, action-oriented, and bipartisan National Commission on Industrial Competitiveness would be of great assistance in formulating an American response

to the challenge of international competition.

Unfortunately, the President recently announced the establishment of a Commission on Industrial Competitiveness which I believe is neither bipartisan, nor sufficiently oriented toward making the type of study and recommendations that are needed concerning this issue. The administration has now created a Commission whose official charge is strangely vague and may be limited to promoting the preconceived notion that what this country needs to do is create additional tax incentives to enable our industries to enter an illusionary "high-tech heaven."

It is also somewhat curious that it has taken the administration so long to make public an idea which had been cleared for action several months ago. The final document creating the Commission has all the indications of an "ideological purity" test which has sanitized any possible implication that the Commission could be involved in any activity related to "industrial policy," which the administration so vigorously opposes.

Given the entire background of this entire process, I am inclined to believe that the essential purpose of the Commission rests with its reporting date of September 30, 1984. Newsweek magazine reported recently that the White House was interested in such a Commission principally as a political vehicle to reaffirm before the next election that Reaganomics is the one true answer to this Nation's industrial problems. In this context, a Commission report dutifully delivered 1 month before the 1984 Presidential election could obviously serve as a useful campaign tool for an administration which is currently abdicating responsibility for the development of a coordinated and effective national industrial policy.

I am disappointed, but not surprised, that the administration has apparently decided to seek such a narrow political agenda for its Commission on Industrial Competitiveness.

I hope that events prove me wrong—that the Commission will be both independent and bipartisan—but at this time, I am concerned that the President's Commission will do little more than become an excuse to defer action that should be taken over the next year, and even worse, to become a rationalization for current politics instead of a commitment to seek new directions to meet new challenges.

Mr. Speaker, this country needs an industrial policy which is more than a plan to reorganize the Commerce Department into a Trade Department, and a Commission report timed to influence the 1984 Presidential election.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and include therein extraneous material on the subject of the special order speeches today by the gentleman from Illinois (Mr. ROSTENKOWSKI) and the gentleman from California (Mr. STARK).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RODINO (at the request of Mr. WRIGHT) for today, on account of a death in the family.

Mr. MCDONALD (at the request of Mr. WRIGHT) for July 18 and 19, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ today for 60 minutes; Tuesday, July 19, for 60 minutes; and Wednesday, July 20, for 60 minutes.

(The following Members (at the request of Mr. DANNEMEYER) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. DANNEMEYER, for 30 minutes, today.

Mr. DANNEMEYER, for 30 minutes, on July 19.

Mr. DANNEMEYER, for 30 minutes, on July 20.

Mr. DANNEMEYER, for 30 minutes, on July 21.

Mr. DANNEMEYER, for 30 minutes, on July 22.

Mr. GINGRICH, for 60 minutes, on July 19.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 15 minutes, today.

Mr. STARK, for 15 minutes, today.

Mr. STRATTON, for 60 minutes, today.

Mr. DOWNEY of New York, for 5 minutes, today.

Mr. WEAVER, for 30 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. LAFALCE, for 20 minutes, on July 19.

Mr. EVANS of Illinois, for 5 minutes, on July 19.

Mr. WOLPE, for 45 minutes, on July 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DANNEMEYER) and to include extraneous matter:)

Mr. LUNGREN.

Mr. FIELDS.

Mr. WEBER.

Mr. BROOMFIELD in two instances.

Mr. SENSENBRENNER.

Mr. GINGRICH.

Mr. WYLIE.

Mr. LOWERY of California.

Mr. SILJANDER in two instances.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CLAY.

Mr. HERTEL of Michigan.

Mr. PEPPER.

Mr. KOSTMAYER in two instances.

Mr. RODINO.

Mr. MURTHA.

Mr. MARKEY in two instances.

Mr. CHAPPELL.

Mr. GARCIA.

Mr. MATSUI in two instances.

Mr. FLORIO in two instances.

Mr. AUCOIN.

Mr. LIPINSKI.

Mr. BEDELL.

SENATE JOINT RESOLUTION REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 111. Joint resolution expressing the sense of the Congress with respect to international efforts to further a revolution in child health; to the Committee on Foreign Affairs.

S.J. Res. 126. Joint resolution to designate the week of July 17, 1983, through July 23, 1983, as "National Corn Week"; to Post Office and Civil Service.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 27 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 19, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

the Speaker's table and referred as follows:

1545. A letter from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend section 1006(h) of title 37, United States Code, to authorize the Secretary concerned to make annuity payments to survivors of members or former members on the last work day of a pay period when the last day of that period falls on a Saturday, Sunday, or legal public holiday, but not more than 3 days before the last day of the pay period, and for other purposes; to the Committee on Armed Services.

1546. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to eliminate the service credit for professional experience and education in the computation of years of service in determining whether a Reserve commissioned officer shall be transferred to the Retired Service; to the Committee on Armed Services.

1547. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving U.S. exports to the Republic of Indonesia, for a nuclear science and engineering center near Jakarta, Indonesia, pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1548. A letter from the Secretary of Energy, transmitting the annual report on Federal energy conservation programs for fiscal year 1981, pursuant to section 381(c) of the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

1549. A letter from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1550. A letter from the Assistant Secretary—Indian Affairs, Department of the Interior, transmitting a proposed plan for the use and distribution of the judgment funds awarded to the Peoria Tribe of Indians of Oklahoma on behalf of the Kaskaskia and Wea Tribes in Dockets 313, 314-A and 314-B before the Indian Claims Commission, pursuant to Public Law 93-134, sections 2(a) and 4; to the Committee on Interior and Insular Affairs.

1551. A letter from the Administrator, Panama Canal Commission, transmitting a report on a claim exceeding $120,000 for damages to a vessel in canal waters outside the locks, pursuant to section 1415(b) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

1552. A letter from the Administrator, Panama Canal Commission, transmitting a report on a claim exceeding $120,000 for damages to a vessel in canal waters outside the locks, pursuant to section 1415(b) of Public Law 96-70; to the Committee on Merchant Marine and Fisheries.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DANNEMEYER:

H.R. 3584. A bill to amend title 5, United States Code, to provide that legal public holidays established in the future occur on a Saturday or Sunday; to the Committee on Post Office and Civil Service.

By Mr. DOWNEY:

H.R. 3585. A bill to amend the Internal Revenue Code of 1954 to increase Federal revenues through tax reform; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H.R. 3586. A bill to require the Administrator of Veterans' Affairs to establish a post-traumatic stress disorder program for Vietnam era veterans at the Veterans' Administration hospital in Brecksville, Ohio; to the Committee on Veterans' Affairs.

By Mr. IRELAND (for himself, Mr. DE LA GARZA, Mr. COELHO, Mr. MATSUI, Mr. HANCE, Mr. BENNETT, Mr. CHAPPELL, Mr. FUQUA, Mr. PEPPER, Mr. PANETTA, Mr. SUNIA, Mr. LEWIS of Florida, Mr. THOMAS of California, Mr. LEHMAN of California, Mr. HUTTO, Mr. LAGOMARSINO, Mr. MACKAY, Mr. SMITH of Florida, Mr. BILIRAKIS, Mr. MCCOLLUM, Mr. HORTON, and Mr. NELSON of Florida):

H.R. 3587. A bill to amend the Tariff Schedules of the United States to establish equal and equitable classification and duty rates for certain imported citrus products; to the Committee on Ways and Means.

By Mr. RATCHFORD (for himself, Mr. BOEHLERT, Mr. DICKS, Mr. HUGHES, Mr. RINALDO, Ms. SNOWE, and Mr. PEPPER):

H.R. 3588. A bill to amend title XVIII of the Social Security Act to permit hospice programs to provide nursing care either directly or through other medicare providers; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. REID:

H.R. 3589. A bill to repeal the recently enacted provisions providing for coverage of Federal employees under the old-age, survivors, and disability insurance program under title II of the Social Security Act; to the Committee on Ways and Means.

By Mr. WYDEN:

H.R. 3590. A bill to amend title XVIII of the Social Security Act to provide for procedures and payment limitations with respect to the furnishing of cardiac pacemakers in order to achieve cost savings for the medicare program, improve the quality of patient care, and insure against fraud and abuse, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. WEAVER (for himself, Mr. JONES of North Carolina, Mr. JEFFORDS, Mr. ROE, Mr. HOWARD, Mr. HORTON, Mr. SCHEUER, Mr. SIMON, Mr. VENTO, Mr. FAUNTROY, Mr. SUNIA, and Mr. CONYERS):

H. J., Res. 322. Joint resolution to designate the month of April 1984 as "Natural Food Month"; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. SMITH of Florida, Mr. MCGRATH, Mr. JEFFORDS, Mr. BERMAN, Mr. LANTOS, Mr. SAM B. HALL, Jr., Mr. COURTER, Mr. PORTER, Mr. BURTON of Indiana, Mr. BLILEY, Mr. HORTON, Mr. MADIGAN, Mr. KASICH, Mrs. JOHNSON, Mr. FRANK, Mr. ROE, Mr. YATRON, Mr. GINGRICH, Mr. CORRADA, Mr. DANNEMEYER, Mr. STOKES, Mr. SOLOMON, Mr. MICHEL, Mr. SMITH of New Jersey, Mr. RINALDO, Mr. SAWYER, Mr. LAGOMARSINO, Mr. FAUNTROY, Mr. MARRIOTT, Mr. DEWINE, Mr. BATEMAN, Mr. LOEFFLER, and Mr. HARTNETT):

H. Con. Res. 145. Concurrent resolution expressing the sense of the Congress with respect to the actions of the Government of the Soviet Union in jamming the broadcasts of the Voice of America and RFE/RL, Incorporated; to the Committee on Foreign Affairs.

By Mr. CONTE (for himself, Mr. MICHEL, Mr. BOLAND, Mr. JEFFORDS, Mr. MOAKLEY, Mr. KEMP, Mr. MAVROULES, and Mr. MARKEY):

H. Res. 269. Resolution commemorating the life accomplishments, the distinguished political career, and the 30 years of dedicated public service of the late President Coolidge and encouraging the people of the United States to observe a "First Annual President Calvin Coolidge Week" during the period of August 1 through August 7, 1983; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

220. By the SPEAKER: Memorial of the Legislature of the State of Louisiana, relative to drainage for the Rigolette and Du Grappe watersheds; to the Committee on Public Works and Transportation.

221. Also, memorial of the House of Representatives of the State of Illinois, relative to the importation of foreign steel; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1007: Mr. BARNARD.

H.R. 1515: Mr. BARNARD.

H.R. 1517: Mr. WOLF, Mr. DWYER of New Jersey, Mr. BROWN of Colorado, Mr. TAUKE, Mr. ROE, Mr. MCNULTY, Mr. HUBBARD, Mr. AKAKA, Mr. DYSON, and Mr. SISISKY.

H.R. 1773: Mr. SNYDER, Mr. VANDER JAGT, Mr. GEPHARDT, and Mr. MATSUI.

H.R. 1787: Mr. ROGERS.

H.R. 1796: Mr. BROWN of California.

H.R. 2110: Mr. CONYERS, Mr. ACKERMAN, Mr. MITCHELL, Mrs. COLLINS, Ms. OAKAR, and Mr. SOLARZ.

H.R. 2262: Mr. BROOMFIELD, Mr. LEHMAN of California, Mr. LOWERY of California, Mr. MILLER of California, Mr. TRAXLER, and Mr. VANDER JAGT.

H.R. 2432: Mr. DAVIS.

H.R. 2475: Mr. RINALDO, Mr. ROGERS, Mr. MCEWEN, and Mr. SMITH of New Jersey.

H.R. 2582: Ms. BOXER, Mr. MOAKLEY, Mr. STUDDS, Mr. RICHARDSON, and Mr. LAFALCE.

H.R. 2911: Mr. FORD of Michigan, Mr. WEAVER, Mr. WHITEHURST, Ms. KAPTUR, Mr. ROBERT F. SMITH, Mr. MURPHY, Mr. FORSYTHE, Mr. WOLPE, Mr. ANTHONY, and Mr. DICKS.

H.R. 3081: Mr. COURTER, Mr. CHANDLER, Mr. YOUNG of Alaska, and Mr. MARRIOTT.

H.R. 3106: Mrs. MARTIN of Illinois and Mr. GREEN.

H.R. 3112: Mr. RAHALL, Mr. KILDEE, Mr. WEISS, Mr. EVANS of Illinois, and Ms. OAKAR.

H.R. 3184: Mr. FLORIO, Mr. LEHMAN of Florida, Mr. KOGOVSEK, Mr. WILSON, Mr. COUGHLIN, Mr. FISH, Mr. WEISS, Mr. OWENS, Mr. CLAY, Mr. DELLUMS, Mrs. COLLINS, Mr. ROE, Mr. KILDEE, and Mr. GILMAN.

H.R. 3238: Mr. MITCHELL, Mr. SOLARZ, and Mr. CHAPPIE.

H.R. 3265: Mr. MINETA, Mr. KOGOVSEK, Mr. PASHAYAN, Mr. MONTGOMERY, Mr. ROE, Mrs. BOXER, Mr. RAHALL, Mr. BEVILL, Mr. SUNIA, Mr. TORRES, Mr. FISH, Mr. LEHMAN of California, Mr. LEWIS of California, Mrs. HALL of Indiana, Mr. CROCKETT, and Mr. RANGEL.

H.R. 3364: Mrs. BOXER, Mr. PATTERSON, Mr. CLINGER, Mr. MITCHELL, and Mr. LEHMAN of California.

H.R. 3365: Mr. PATTERSON, Mr. CLINGER, Mr. MITCHELL, and Mr. LEHMAN of California.

H.R. 3366: Mr. PATTERSON, Mr. CLINGER, Mr. MITCHELL, and Mr. LEHMAN of California.

H.J. Res. 227: Mr. SPENCE.

H.J. Res. 228: Mr. HUCKABY, Mr. FORD of Tennessee, Mr. SNYDER, and Mrs. MARTIN of Illinois.

H. Con. Res. 107: Ms. KAPTUR, Mr. MAVROULES, Mr. MCHUGH, and Mr. RANGEL.

H. Con. Res. 125: Mr. QUILLEN, Mr. SUNDQUIST, and Mr. COOPER.

H. Res. 155: Mr. BOSCO, Mrs. BURTON of California, Mr. CHAPPIE, Mr. COATS, Mr. COELHO, Mr. D'AMOURS, Mr. DOWDY of Mississippi, Mr. FLIPPO, Mr. FRANKLIN, Mr. GARCIA, Mr. HEFNER, Mr. JONES of North Carolina, Mr. MCCLOSKEY, Mr. MILLER of California, Mr. MOORHEAD, Mr. NATCHER, Mr. OBERSTAR, Mr. PANETTA, Mr. ROWLAND, Mr. THOMAS of Georgia, Mr. WHITTEN, and Mr. WON PAT.

H. Res. 240: Mr. MCCANDLESS, Mr. PARRIS, Mr. MADIGAN, Mr. SISISKY, Mr. IRELAND, Mr. MCEWEN, Mr. RIDGE, Mr. DURBIN, Mr. MCGRATH, Mr. BEILENSON, Mr. MAZZOLI, Mr. CORRADA, Mr. EDWARDS of Oklahoma, Mr. DYSON, Mr. MCKINNEY, and Mr. SIMON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

166. By the SPEAKER: Petition of the City Commission, Margate, Fla., relative to American military personnel missing in action in Southeast Asia; to the Committee on Foreign Affairs.

167. Also, petition of the City Council, New York, N.Y., relative to the transfer of surplus Fort Totten land to the city of New York; to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2969

By Mr. NICHOLS:

—At the end of the bill add the following new section:

ASSISTANT SECRETARIES IN THE DEPARTMENT OF DEFENSE

SEC. 1111. (a)(1) Subsection (a) of section 136 of title 10, United States Code, is amended by striking out "seven" and inserting in lieu thereof "ten";

(2) Subsection (b) of such section is amended—

(A) by inserting "(1)" after "(b)";

(B) by designating the second sentence of such subsection as paragraph (2);

(C) by designating the fourth sentence of such subsection as paragraph (3) and by striking out "Reserve Affairs" in such sentence and inserting in lieu thereof "Logistics";

(D) by striking out "reserve component" in the fifth sentence of such subsection and inserting in lieu thereof "logistics";

(E) by inserting after paragraph (3) of such subsection (as designated by clause (C)) the following paragraphs:

"(4) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Reserve Affairs. He shall have as his principal duty the overall supervision of reserve component affairs of the Department of Defense.

"(5) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence. He shall have as his principal duty the overall supervision of command, control, communications, and intelligence affairs of the Department of Defense.";

(F) by designating the sentence beginning "In addition" as paragraph (6) and in such sentence—

(i) striking out "In addition, one" and inserting in lieu thereof "One";

(ii) redesignating clauses (1) through (5) as clauses (A) through (E), respectively;

(iii) redesignating subclauses (A) through (D) of subclauses (i) through (iv), respectively; and

(iv) striking out "clauses (1)–(4)" and inserting in lieu thereof "clauses (A) through (D)".

(3) Subsection (f) of such section is repealed.

(b) Section 175(c) of title 10, United States Code, is amended by striking out "Manpower and".

(c)(1) The first sentence of section 3013 of title 10, United States Code, is amended by striking out "four" and inserting in lieu thereof "five".

(2) The first sentence of section 5034(a) of such title is amended by striking out "three" and inserting in lieu thereof "four".

(d) Section 5315 of title 5, United States Code, is amended—

(1) by striking out "(7)" after "Assistant Secretaries of Defense" and inserting in lieu thereof "(10)";

(2) by striking out "(4)" after "Assistant Secretaries of the Army" and inserting in lieu thereof "(5)";

(3) by striking out "(3)" after "Assistant Secretaries of the Navy" and inserting in lieu thereof "(4)".

SENATE—*Monday, July 18, 1983*

The Senate met at 12 noon and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Happy is he that hath the God of Jacob for his help, whose hope is in the Lord his God: which made heaven, and earth, the sea, and all that therein is—which keepeth truth forever—which executeth judgment for the oppressed * * *. —Psalm 146: 5-7.

Almighty God of all peoples and nations, as the 25th observance of Captive Nations Week is commemorated today, we pray for the millions in the world who are oppressed, persecuted, and denied the freedom which we enjoy in our Republic. Help us never to take for granted our freedoms, nor forget the God who gives them. Remind us of the faith and vision of our forebears who believed, "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights * * *. That to secure these rights, Governments are instituted among men, deriving their just powers from the consent of the governed." (Declaration of Independence).

Merciful God, may we realize that we forfeit our freedoms, if we deny the God who gives them. In the name of Him who entered history to set free all who are oppressed and gave His life on the cross to accomplish this. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

SENATOR DOMENICI IS RECOVERING FROM SURGERY

Mr. BAKER. Mr. President, for some days now the distinguished senior Senator from New Mexico (Mr. DOMENICI) has been quite apprehensive since he was told by our good Capitol physician, Admiral Cary, that a routine X-ray found a spot on his left lung.

Senator DOMENICI went into Georgetown University Hospital yesterday and underwent chest surgery this morning, and I am happy to report to the Senate that the surgeons removed a small nodule from his left lung which proved to be benign.

He will be back in the Senate in about 10 days to 2 weeks. He is doing well, and I am sure all Members of the Senate will share with me the rejoicing in the good news for our colleague.

Mr. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. BYRD. I am glad the majority leader has made the statement which he has made, and I know the family and friends, and certainly that includes the Members of the Senate on both sides of the aisle, are greatly relieved at the report subsequent to the operation.

I join the majority leader in wishing the distinguished Senator a quick recovery, full recovery, and a return soon to the Senate.

Mr. BAKER. I thank the minority leader.

SENATOR BARRY GOLDWATER

Mr. BAKER. Mr. President, I would also report to our colleagues that the distinguished senior Senator from Arizona, Senator GOLDWATER, has been in the hospital for diagnostic work and there was a fair level of apprehension about that situation, too.

But, once again, I am happy to report that the diagnostic procedures revealed no dangerous situation and that he is doing well.

I tried to call him on the telephone two or three times. His phone was busy, which is a pretty good sign; that means he is active. I understand he is going to be back in the Senate some day early this week.

Mr. TOWER. Mr. President, if the Senator will yield, I did talk to the distinguished senior Senator from Arizona over the telephone and found him much relieved and more benign toward me than usual.

Mr. BAKER. I have never had that happy situation, Mr. President. I have always had a great admiration and respect for the Senator and a good relationship, but never a benign one.

Mr. TOWER. The Senator from Arizona indicates that, if necessary, he is prepared to be hauled back on a litter to vote today if his vote is required.

COMMISSION ON U.S. POLICY IN CENTRAL AMERICA

Mr. BAKER. Mr. President, I want to take this opportunity to commend President Reagan on the establishment of a blue-ribbon commission that will be charged with reviewing and studying U.S. policy in Central America. I also wish to congratulate the President for selecting as the new head of this Commission, Dr. Henry Kissinger.

I believe the creation of this Commission clearly signals the President's and the Congress concern for both the long-term and short-term problems in Central America. These problems are frustrating, difficult, and alarming. They will not disappear on their own. We need a strong bipartisan gathering of knowledegable foreign policy minds to provide insights and recommendations that will foster effective U.S. policy formulation.

And in my opinion, Mr. President, we are most fortunate to have Henry Kissinger at the helm. Few public servants enjoy such a distinguished background, and few carry with them such international acclaim and trust. As a former Secretary of State and national security adviser, as an academician and Nobel laurate, Dr. Kissinger's presence on the Commission in effect guarantees that the work done will be insightful and inventive and invaluable.

Mr. President, Senators MATHIAS and JACKSON, and Representatives KEMP and BARNES are also to be commended and congratulated. It was their suggestion to President Reagan that such a commission be formed. Their forsight made this constructive step in foreign policy possible, and I am hopeful that we will be able to continue to rely on them throughout the Central America debate.

SENATE SCHEDULE

Mr. BAKER. Mr. President, the Senate adjourned on Saturday, and under the order entered, the reading of the Journal has been dispensed with; it has been provided that no resolution will come over under the rule; the call of the calendar has been dispensed with, and the morning hour is deemed to have expired.

This has become our pattern for convening on Monday now for some time.

Mr. President, the order also provides for a period for the transaction of routine morning business for 1 hour in length with Senators permitted to speak therein for not more than 10 minutes.

SENATOR MATTINGLY'S ORDER VITIATED AND 15 MINUTES ADDED TO ROUTINE MORNING BUSINESS

I am advised, Mr. President, that the distinguished Senator from Georgia (Mr. MATTINGLY) does not require his

special order of 15 minutes this morning.

I ask unanimous consent that that 15 minutes be added to the time for the transaction of routine morning business.

The PRESIDING OFFICER. (Mr. PRESSLER). Without objection, it is so ordered.

Mr. BAKER. Mr. President, that will take us to about 1:15 or 1:30, closer to 1:30. If there is a need for morning business I am sure that we can provide additional time. We will resume the consideration of S. 675 in the early afternoon, and I anticipate the Senate will be in session for a full day. I do not, however, expect a late session this evening. I would estimate approximately 7 p.m. if useful work can be done by that time.

MX MISSILE

Mr. TOWER. Mr. President, I think we can do some very useful work indeed. I think if distinguished Senators who have amendments dealing with the MX would offer them we could do some very, very useful and productive work.

There are very few non-MX amendments left which, I think, can be disposed of rather quickly. Of course, the longer the bill stays on the floor the more encouraged various Members will be to feel that there are amendments they would like to offer to the bill. I hope if any Senators have amendments to the bill they will file those today so that we would know about them and know how to program our work.

I think the only thing that is holding the bill up now is the MX, and I am sure any Senators who have amendments would be willing to stand aside to get up an amendment on the MX for consideration, and we can deal with that issue. That is the big issue left on the bill. The other amendments, while important, are not of the same magnitude of importance as the issue of the MX.

Mr. HART. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I would be happy to yield. I have the floor, but I would be happy to yield to the Senator from Colorado.

Mr. HART. As one involved in opposition to the MX, and with close to a dozen amendments pending, I suppose I am obliged to question the use of the phrase "holding us up."

It seems to me that the MX would be holding us up when everything is disposed of. The opponents of the MX last week offered some opening speeches. While there are other amendments, clearly there were not additional amendments on the MX. I think the number of MX amendments on file is still fewer than a dozen. It is not at the stage where we are in a dilatory process.

Debate will go forward. I think the idea of calling up an amendment similar to, for all practical purposes identical to one that was pending suggests to the opponents of the missile that the floor managers are prepared to precipitate a vote prior to the time when the opponents feel that that vote is appropriate.

So I think so long as we can continue to go forward with substantive work on the bill, which I hope we can do today, there has been no effort to delay that whatever. In fact, there has been, I think, an abundance of cooperation to get Senators over to debate and to discuss the MX issue. We will be prepared to do that today.

Mr. TOWER. The big problem is that we have no amendment up, just general debate on the MX. It is unfortunate that the opponents of the MX are not prepared to call up an amendment so that we can debate that aspect of the MX and focus in on it.

The fact is that this is the most important issue remaining to us. The fact is the opponents of the MX do not want anything up for consideration. That is where we are and I think we ought to understand that. Let us not be naive and let us not dance around the issue. In fact, that is what is going on.

In fact, I asked the distinguished Senator from Colorado the other day if he was prepared to agree to a time certain to vote this week. I went to Monday, Tuesday, Wednesday, and Thursday and got no indication at any time this week would the opponents of the MX be prepared to resolve that issue and let us complete action on the bill.

Mr. BAKER. Mr. President, I am sure my time has expired, and I have no need for further time.

I now yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

THE MX DEBATE

Mr. BYRD. Mr. President, I hope we do not argue long and intensely about who is holding up the Senate. I have been an observer and Member of the Senate for a quarter of a century. I have found it not unusual for a group espousing a particular amendment on a measure to elect to wait until other amendments are disposed of. And so that is not an unusual occurrence.

The number of hours that have been spent on the DOD bill through Saturday is 47 hours. Of that time, MX-related debate consumed approximately 5 hours.

So I hope that the press and others would not attempt to paint the Senator from Colorado as someone who is engaging in a filibuster to date. There is no filibuster going on at this point. Other Senators have called up amendments that are unrelated to the MX and there are still some amendments unrelated to the MX. And I have seen no evidence that the Senator from Colorado has been trying to generate such amendments on the part of other Senators.

I am sure that at some point there will be a vote on the MX. I do not like the particular basing mode that has been selected, but I am going to support the MX. I am going to support the bill. And the reasons why I would support the MX are, first, it is a counterforce weapon; second, it strengthens the land leg of the triad; and, third, the President has indicated that it might be useful to him in discussions involving disarmament, and so on.

So, as far as this Senator is concerned, I will not join with those who indicate either directly or indirectly or by implication that the Senator from Colorado is holding up the Senate business here.

Now I do not argue with those who feel that the MX should be called up and disposed of at this point. I certainly do not find any fault with the manager of the bill who would like to have that done. If I were managing this bill, I would be interested as he is, in trying to get this issue up and ventilated and disposed of.

At such time as all other amendments have been disposed of and no Senator is seeking recognition, then I would say it is up to the MX opponents to begin to slow down, and I assume they will.

I say this because I think it ought to be said in fairness to the Senator from Colorado. He has not held up the Senate. He has not engaged in a filibuster. There is no filibuster as yet. When a filibuster becomes evident, I will be able to perceive one, because I know one when I see it. And at this time I do not see that evidence.

I do not care to prolong the discussion on that matter.

DR. FLOYD M. RIDDICK CELEBRATES 75TH BIRTHDAY

Mr. BYRD. Mr. President, I wish to take a few minutes this morning to extend belated but deeply felt congratulations and best wishes to a man who is admired and respected by all of us in this Chamber who know him. On July 13, Dr. Floyd M. Riddick, the Parliamentarian-emeritus of the U.S. Senate celebrated his 75th birthday. He has served the Senate diligently in that position as he always has done, and it is worth noting that he receives virtually no salary for his service in this capacity.

He is truly 75 years young. Young in spirit, young in disposition, young in outlook, and even young looking for his age. He is and has been a close friend and trusted adviser to me for many, many years, and I am delighted to wish him many happy returns.

FOREIGN MILITARY AID

Mr. BYRD. Mr. President, on April 14, I introduced the National Security and Arms Export Review Act (S. 1050) to require closer cooperation between the executive and legislative branches in the important area of foreign military sales. My distinguished colleague from Maryland, Senator SARBANES, cosponsored this legislation and later introduced it as an amendment to the Foreign Assistance Act (S. 1347).

Senator SARBANES urged that the provisions of S. 1050 with respect to NATO negotiations and mandatory submission of defense requirements surveys be accepted by the Foreign Relations Committee, and he was successful in this effort. In addition, I understand that the provision of S. 1050 which would require congressional approval of sales in excess of $200 million will receive hearings in the near future, thanks to the diligence of my colleague and friend from Maryland.

Senator SARBANES' leadership with respect to U.S. military and economic assistance abroad is well known to all of us in the Senate, and to the public at large. Those who agree and those who disagree, with his positions benefit from his insight in this matter. Most recently, he has authored an editorial on this important subject which appeared in the Baltimore Sun on Tuesday, May 31.

I ask unanimous consent that the item from the Baltimore Sun be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AGAINST THE GRAIN—THE MILITARIZATION OF FOREIGN AID

(By Paul Sarbanes)

WASHINGTON.—The Senate Foreign Relations Committee has just taken a small but important first step toward correcting the growing imbalance in our foreign assistance program, which increasingly favors military aid over development assistance. In a reversal of Reagan administration policy, the committee voted to tranfer funds from military and related security programs to agencies working to improve living conditions and opportunities in the world's developing nations.

The significance of the tranfer is underscored by a summary of the programs that would benefit from it. Among these are agriculture, education, health (where the current emphasis on primary health care is especially urgent) and American schools and hospitals abroad. An increase in the Peace Corps budget would enable it to fill a larger precentage of requests for volunteers. The United Nations Development Program and UNICEF would be strengthened, as would international narcotics control. Church-related groups and comparable private voluntary organizations would be better able to continue their fine work serving humanitarian objectives.

This transfer is important for reasons beyond its significance to the individual development programs benefiting directly from it. While $76 million, the total amount of the transfer, represents less than 1.5 percent of the president's security assistance budget authority request, it represents roughly 3.3 percent of the development assistance program. Its effects are likely to be proportionately greater on the development side than on the military side.

It also begins to check the accelerating imbalance between military and economic assistance in the over-all aid program. This imbalance, strongly pushed by the current administration, reverses our long experience with such programs and ignores the national consensus which has traditionally supported foreign aid and on which, in fact, the program was built immediately after World War II.

It was clear at the time that the nation could no longer expect to remain apart from events in other parts of the world, nor keep economic, political and military developments separate and distinct. Carefully designed assistance programs, varying from country to country and region to region, were deemed to serve the national interest. Since 1945 those objectives have been defined as worldwide economic prosperity and political stability which are best sustained not by oppressive military dictatorships but by strong democratic governments respecting the rights and enjoying the support of their people.

These basic principles have guided us since America first ventured into foreign aid programs with the Marshall Plan in 1947 and Point IV in 1949. The Marshall Plan was designed to meet the challenge of reviving Western Europe. Point IV, on the other hand, was designed, in President Truman's words, to make "the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas." Both were expressions of the best of American values and principles. Both were convincing evidence that U.S. foreign assistance could truly serve our national interests as well as the interests of the recipient countries. Both recognized that military power alone will not resolve fundamental economic, social and political problems. Instead, an undue emphasis upon military power may lead to overlooking basic human problems and to a pattern of repression of human rights.

Over the history of the program we have made our greater investment on the economic side, to promote economic development and raise living standards. Programs of this nature have been supported by both Democratic and Republican administrations and by a bipartisan majority of the Congress over the past 35 years.

At the very time when the entire issue of foreign assistance is under serious question, the unbalanced approach of the Reagan administration is undermining the consensus which supported the programs in the past. It ignores the strong values and common sense of Americans who believe our programs abroad should incorporate our own nation's humane and democratic principles.

Economic assistance has grown very little since fiscal year 1981 when it was $4.8 billion. It is currently $5.2 billion and the administration has requested less than a 2 percent increase for the fiscal year beginning next October. In real terms—i.e. adjusting for inflation—the economic development programs have, in fact, decreased.

In sharp contrast, military and security assistance has increased from $5.3 billion in fiscal year 1981 to $7 billion in 1982 to $8 billion in the current year to a proposed $9.3 billion for the next fiscal year—an increase of 75 percent over four years.

The over-all security assistance figures tend to hide the even faster increase in the strictly military programs, since the security assistance program has two parts, military aid and Economic Support Fund (ESF). ESF, which is used largely to finance balance of payments or import programs, helps recipient nations meet their pressing priorities, whether these are economic or, as is often the case, military.

While ESF has increased significantly over recent years, foreign military aid over the past three years has increased roughly $1 billion *every year*, from $3.2 billion in fiscal year 1981 to $4.2 billion in 1982 to the current level of $5.2 billion. The administration has been pressing for a $6.3 billion military aid program in the next fiscal year. It is important to note that these military aid figures do not include U.S. military sales abroad which reached an all-time high of $21.5 billion in the fiscal year just ending last September.

In four short years military aid has virtually doubled and ESF has risen over 40 percent, but economic assistance has increased very little and has actually declined if inflation is taken into account. This trend abroad clearly reflects the president's emphasis upon the military, exceeding even his efforts to expand our own defense budget, where this year the administration has been seeking a 15 percent increase.

The Reagan administration is rapidly moving the United States to a heavy emphasis on military programs at the expense of economic development and humanitarian assistance programs. This policy, by its disproportionate weighting, runs counter to the principles and values which have led many Americans to regard the assistance programs as being in our national interest. By making it more and more an arms program the administration runs the risk of undercutting domestic support and having the United States seen both at home and abroad as being unconcerned about the basic economical and social problems which lie at the root of much of the ferment and instability in the world.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have a little time left. I will be glad to yield it to the acting majority leader or Mr. STENNIS or anyone else.

Mr. STENNIS. Mr. President, I had 4 minutes on my own. I thank the Senator, I was to follow the leaders, as I understand it.

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes and 35 seconds.

Mr. BYRD. Would that help the Senator if he has an additional 5 minutes?

Mr. STENNIS. Yes.

Mr. BYRD. I yield it to the Senator.

Mr. STENNIS. I thank the Senator.

SUPPORT OF A NATIONAL BIPARTISAN COMMISSION ON U.S. POLICY IN CENTRAL AMERICA

Mr. STENNIS. Mr. President, I am pleased to read reports that the President will appoint a national bipartisan commission to address the extremely serious problems which threaten the security of Central America.

The President's actions will be in accordance with the Senate resolution which I was pleased to join in sponsoring with Senators JACKSON, MATHIAS, and others.

Mr. President, I speak with the deepest conviction on this general subject matter and with some experience as it relates, in some ways, at least, to the war in Vietnam. As a Member of this body who objected to involvement in Vietnam 10 years before sending combat troops to that country, and as a witness to the policy development in regard to that country, I urge my colleagues to consider the constitution of a bipartisan commission as a sensible and sound way to address the threat to the stability of this hemisphere posed by Central America.

Mr. President, that is in no way a substitute for any of the duties and responsibilities of the President and of the Congress of the United States. In fact, it is merely an added aid of people that were knowledgeable in that field and related matters to make a bipartisan examination of the facts as they find them and make such recommendations—purely recommendations—as they see fit to the President and to the Congress.

There are massive amendments of matters that we have to pass on, going over and over and over the same thing, once, twice, 5 times, 10 times, that come up in these bills and budget resolutions and everything else—I am talking about the Senate now—with few rules of limitations as to the subject matter's consideration.

These, and the general expansion of our Government, have driven us to seek aid, assistance, from constituted authorites in addition to the regularly constituted authorities of our form of government to get at the facts and to make such recommendations as they see fit to make.

This is a necessary first step in achieving a national consensus on a foreign policy in Central America. The absence of consensus on a policy has already provoked widespread skepticism about the actions taken by our Government in the area. The absense of a consensus policy could give rise to highly partisan, deleterious debate and ultimately could be detrimental to the interest of the Nation as a whole.

I am not one given to predicting the worst, but I hope that I make some contribution sometimes to the realities of the situations. It is in this tone that I intend to speak.

I strongly believe that things may have been different in regard to Vietnam if a bipartisan commission of distinguished experts had been constituted to formulate a coherent policy for that region.

A bipartisan, blue ribbon commission of experts is needed to avoid piecemeal, not fully thought-out proposals. This commission must necessarily address the complex problems of this troubled region in a comprehensive manner and can make a recommendation for the Nation and the Congress to consider. Development of a national policy in this manner would not detract from the constitutional prerogatives of Congress or the President. It simply would make it possible to start with a workable recommendation as a basis for refinement.

Mr. President, what I have said here concerning the volume of matters that we have here in the Senate over and over, from time to time, that pressure of volume applies to the President of the United States with even more emphasis than it could possibly apply to the Senate. There is the case where the responsibilities of that position have almost outgrown human endurance unless the person is given the advantage of every reasonable chance and device and form of assistance that can be had.

Mr. President, I am not extending my speech. I urge my colleagues to support this action by the President. The situtation in Central America poses a very serious threat to the United States. We are talking about close—very close, neighbors. Tens of millions—soon, over a hundred million neighbors, who can walk to the United States. There is no big ocean to shield our borders.

So, Mr. President, I hope that we will have progress here. I want to assist, as one Member of this great body, in helping to give this problem the proper perspective. I know a properly constituted bipartisan commission will be highly helpful and offer timely assistance to all of us.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, I am happy to yield to the Senator from Texas.

Mr. TOWER. Mr. President, I commend the Senator for his remarks. I am inspired that he does have a deep interest in this and a deep concern about it which we all share.

Mr. STENNIS. I thank the Senator.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 1 hour and 15 minutes, with statements therein limited to 5 minutes each.

MEDICAL CARE COSTS

Mr. DURENBERGER. Mr. President, last year, our Nation's spending on medical care rose by 12.5 percent, to total $322 billion. That works out to $1,365 per person, and it accounts for 10.5 percent of the gross national product. It is not too surprising that health care costs are one of our citizens' major concerns.

This week's cover story in Business Week is titled "The Upheaval in Health Care." The article charts the dramatic changes occurring in our country's medical care system, and it sheds some light on the public perception of who is to blame for those high costs.

According to a Harris poll commissioned by Business Week, two-thirds of Americans feel hospitals are exacting unreasonable charges from patients. Eighty-two percent believe that the purchase of expensive new equipment by hospitals and doctors is an important cause of rapidly rising medical costs. Seventy-six percent blame medicare and medicaid, and 69 percent cite doctors ordering more laboratory tests than are necessary. The point is, Americans blame everyone but themselves. Patients seem unwilling to accept any responsibility for controlling medical care costs.

Medical costs will continue to rise. An aging population, our unwillingness to ration care, and rapid improvements in medical technology assure it. But we can stretch our health dollars further. And the best way to do that is to pursue the competitive pressures that Business Week describes. The prospective payment system Congress enacted earlier this year is a step in the right direction, but it will fall short of the mark unless and until patients themselves are involved.

Patients have a critically important role to play. After all, patients are the final consumer in health care. If patients do not care about the cost of their physician or hospital care, it will be hard to convince those health care providers that price is important. Patients must start directing their dollars to those providers who best meet their needs—and that means cost as well as quality.

When it comes to medical care, there is no free lunch. We all pay the bill, and it is time we used our purchasing power as patients and consumers to leverage greater efficiency out of the system. Patients can make informed decisions, and they can make a difference. It is our job to show them the way.

I ask unanimous consent to have the Business Week article printed in the RECORD. It is an excellent description of the changes facing our medical system, and I encourage my colleagues to read it.

There being no objection, the aritiicle was ordered to be printed in the RECORD, as follows:

[From Business Week, July 25, 1983]

THE UPHEAVAL IN HEALTH CARE

In Southern Califorina, full-page newspaper ads and public-service radio spots blare the latest developments in a price war that has broken out between hospitals and independent medical clinics. In Northern California, billboards featuring an EKG pattern that traces the San Francisco skyline, extol the virtues of French Hospital—which "cares for the heart" of the city. In Tulsa, half-empty hospitals are hawking cut-rate health plans to lure potential patients. And in McKinney, Tex., a for profit health care chain urges voters to turn down a bond issue that would bail out a county hospital it wants to buy.

Across the country, health care institutions are flexing long-unused muscles as they adjust to a new world in which market forces, rather than government regulations or charitable urges, start to dominate their $360 billion industry. Pockets of intense competition, created by a glut of doctors and hospital beds, are spreading as both hospitals and other types of care centers get ready to battle for patients and revenues.

Competition will accelerate in September, when administrators who run the nation's approximately 6,000 hospitals learn how much they will get from the government in fiscal 1984 for caring for medicare patients. Many are worried that the payment schedule will be too low. But more important, the government will be setting prospective reimbursement prices for treating specific medical conditions for medicare patients.

DIAGNOSIS CREEP

It will classify illness into 467 so-called diagnosis-related groups (DRGs) and will reimburse hospitals with payments based on the average cost in nine regions of the country. Some hospitals will suffer. For example, if the government sets the price for a simple appendectomy at $1,781 (the rate in one hospital in New Jersey), hospitals, with higher costs will lose money.

Even before they see the numbers, many administrators predict that the system will be unfair or unworkable. A big concern is that rates will be set so low that hospitals will try to do more "cost-shifting" to private patients and will attempt to push patients into higher rate categories—so-called diagnosis creep.

The disparity in reimbursements is already a huge problem. At one hospital in Washington, D.C., according to Health Insurance Association of America figures, the average medicare payment for a broken ankle requiring five days in the hospital in 1981 was $2,520 while commercial insurers paid $3,184 for exactly the same treatment. "If they put a reasonable price on a DRG, it will be a good program," says a Midwest hospital executive, "but if the price is just derived from what the government wants to pay, it will push costs from the medicare patient to the regular patient."

PEOPLE, NOT "WIDGETS"

Administrators also fear the system is not sufficiently sensitive to how sick a patient may be, since costs for any hospital procedure can escalate if a patient has multiple problems or is severely ill. For example, a study at one teaching hospital showed that the costs of a craniotomy (an operation in which the skull is opened) ranged from $1,808 to $155,005. But at a teaching hospital in New Jersey, where DRG pricing is already in effect, the rate for any craniotomy involving a stay of 6 to 36 days is a flat $7,905. Doctors also worry that DRG pricing will accelerate a growing tendency to describe an illness in business terms. "While DRG's can promote fiscal responsibility," says Dr. Peter E. Dans, director of medical practice evaluation at Johns Hopkins Hospital, "we're not making widgets."

Nevertheless, skyrocketing hospital prices are no longer tolerable. And as prospective pricing for medicare is phased in over the next four years and as state and private insurers also pull back from automatic reimbursement of all medical costs, hospitals will be exposed to the full risks and rewards of a competitive market for the first time. This will cause "profound structural changes in how we finance and deliver health care in the U.S.," predicts Paul A. Teslow, president of the Health/West chain of six nonprofit hospitals based in Chatsworth, Calif.

Hospitals are not the only institutions that will have to change. So, too, will health-maintenance organizations (HMOS)— which now offer nearly complete medical services for a prepaid fee—nursing homes, clinics, and other providers of care, as well as the $12 billion medical equipment and supply industry. "The whole industry may well suffer a decline in margins," predicts W. Robert Friedman Jr., a health care analyst for San Francisco-based Montgomery Securities. "We are going into an environment where so many changes are going to take place that you have to question [anyone's] long-range forecasts of growth or profitability."

Already, the outlines of a radically restructured U.S. hospital system are emerging. Due for change are:

Motivation

Prospective pricing will turn incentives upside down. Under the old retrospective reimbursement system, notes Carolyne K. Davis, head of the federal Health Care Financing Administration, "the more spent, the more you were reimbursed." Now, says health care analyst Seth H. Shaw of Lehman Bros. Kuhn Loeb Inc., the link between expenses and revenues will be served. "It will force hospitals to manage costs for the first time," he declares.

Procedures

Because hospital costs are determined by doctors who admit patients, order tests for them, and then decide their length of stay, administrators will have to put new emphasis on monitoring their medical staffs. And because a hospital will get paid on the basis of diagnosed illness rather than on the length of time a patient is hospitalized, there will be an acceleration of diversification into clinics, home health programs, nursing homes, and other, cheaper health care alternatives.

Mergers and ownership

The new environment will speed the pace at which the nation's independent community hospitals move into chains or loose affiliations of national or regional scope. Chains now run one-third of the hospitals in the U.S., up from 12% a decade ago. Investor-owned systems accounted for much of that growth. But henceforth, nonprofit chains and associations also will proliferate. By 1990, 90% of the nation's hospitals will have chosen partners, predicts Don L. Arnwine, president of Voluntary Hospitals of America, a cooperative that links 52 of the largest nonprofits.

Staffing and planning

Internally, hospitals will have to reorganize and restaff as they prepare for the new, cost-sensitive environment. In the last few years, hundreds of nonprofit hospitals have been restructured into holding companies so that they could move into some of the other health care areas being exploited by the for-profits. Now, diversification will force them to strengthen their marketing and long-range-planning departments and, with the advent of fixed payments, to find staff to handle such new needs as cost accounting, labor productivity, and financial-modeling operations. "The health community is putting on a business suit," says Robert P. Brook, a consultant for Ernst & Whinney, the big accounting firm.

Hospitals are not the only health care institutions that have decided they must compete to survive. HMOs are mapping ambitious plans to bolster their claims of being attractive alternative to conventional health-insurance plans. Until recently, most were satisfied to remain local or regional operations. Now, many are trying to set up huge networks so that they can offer services to nationwide employers. "National HMO networks are the wave of the future," says Robert K. Ditmore, president of Share Health Plan, a Minneapolis HMO that is moving into Iowa and Illinois.

Pressures for change have been building in the health care industry for more than a decade as one Administration after another has attempted to control the costs of medicare and medicaid. All sorts of schemes have been tried—limiting hospital construction, encouraging formation of HMOs, and cutting the government's share of the hospital and doctor bills run up by medicare patients. Nothing has worked. Health care costs soared 11.9% in the U.S. last year while the consumer price index rose only 3.9%.

"Under the old system of cost reimbursement," says J. Alexander McMahon, president of the American Hospital Assn., "the incentive was to do more for the patients. When a new technology came on the market, the hospital was encouraged to buy it and try it out."

WAGING WAR

The Reagan Administration's first idea for health-cost containment—when it was clear that the medicare Hospital Insurance Trust Fund would be exhausted by 1990—was to back reimbursement limits as part of last summer's Tax Equity & Fiscal Responsibility Act (TEFRA). By itself, the act might not have had much impact on health care costs, since it left payment mechanisms untouched. But because hospitals considered this an inequitable way to get at the problem, they rallied behind what some now think was an even more revolutionary idea—the prospective payment proposal, with its DRG cost caps, presented in December by former Health & Human Services Secretary Richard S. Schweiker.

Health lobbyists still marvel at how the legislation got past Congress and became law in only four months. The fact that it was attached to the Social Security rescue package meant the only real opposition came from the American Medical Assn. "Prospective pricing looked good next to TEFRA," says the American Hospital Assn.'s McMahon.

The states, meanwhile, are starting to wage their own war against soaring health costs, often in ways that also encourage industry competition. New Jersey hospitals,

for example, have been experimenting for four years with a prospective-payment system that is much more extensive than the government's system (page 48). And Massachusetts hospitals have been struggling since October to adjust to a new law that places a cap on patient-care revenues and will require hospitals to cut costs by 7.5% over the next six years.

However, the hospitals feeling the greatest pressure from the new wave of competition are those in California. Last summer, both the state's medicaid program, called Medi-Cal, and private insurers were granted the right to engage in competitive bidding for contracts with doctors as well as with hospitals.

Results came fast. First, Medi-Cal stirred up a hornet's nest by appointing a special negotiator who signed barebones contracts that initially excluded many hospitals, including those that normally take care of one-third of San Francisco's Medi-Cal patients. Then in March, Blue Cross of California, the state's largest private insurer, offered hospitals and doctors a chance to bid on its new Prudent Buyer Plan, which would exclude two-thirds of the state's providers and would cost employers 10% to 15% less than standard plans with comparable benefits. "A lot of hospitals understand the realities now," says Leona M. Butler, who heads California's new Blue Cross contracting effort.

The new, competive insurance programs, many feel, will make it harder for hospitals to engage in the time-honored practice of cost-shifting. "The cost-shifting rubber band will break as the private sector rebels," predicts Montgomery Securities' Friedman.

Convinced that the old era of cost-reimbursement is ending, many health care managers are putting their strategies on the table. "A lot of big hospitals will be hurt unless they change their ways," says John T. Casey, president of Presbyterian-St. Luke's Health Care Corp., which operates three Denver area hospitals. "A test is coming in terms of our ability to operate at a fixed-price structure, which means a fixed-cost structure, as well."

Even Hospital Corp. of American (HCA), the investor-owned giant that operates more than 350 hospitals in the U.S. and abroad, has been taking a new look at the way it operates. "Our emphasis on health care services will have a subtle change from 'more is better' to more efficient is better,'" admits Dr. Thomas F. Frist Jr., HCA's president and CEO.

The big for-profit chains should have an edge in an increasingly competitive market. "Their size alone is important when it comes to things like adopting sophisticated computer systems," points out Martin J. Cosgrove, who follows the industry for Bateman Eichler, Hill Richards Inc., a Los Angeles broker. "They [also] are more attuned to innovation." But John C. Bedrosian, an executive vice-president at investor-owned National Medical Enterprises Inc., believes that even the big for-profits have room for improvement. "No one in the industry has been working at cost efficiency as hard as, they should have," he says.

THE WILL TO MANAGE

Everyone is going to have to focus on cost-cutting, and one model for success is Humana In., the second-largest investor-owned health care chain in the U.S.—and the most profitable. Over the last four years, Humana, based in Louisville, has raised its pretax profit margin from 8% to 12% of its revenues—partly through use of computers to calculate such things as how many part-time employees it needs to support a shifting patient load at its 98 hospitals.

To improve its productivity further, Humana now is installing centralized inventory management, a system that it expects will save it $85 million over the next three years. And it is automating its business-office procedures to cut paperwork. At the heart of Humana's strategy, says Senior Vice-President Henry J. Werronen, is a maximum use of automation "and the will to manage."

The first step in coping with the government's new DRG system for medicare patient payments, for example, is installation of a micro-costing system to identify all costs—for everything from curing a case of pneumonia to taking an X-ray. That means keeping constant records, much as in an industrial plant. "From a production standpoint," says G. Aubrey Serfling, vice-president for corporate services at Pacific Medical Center, San Francisco, "we are now a job shop. It is going to be very expensive to find out what things cost."

Once a hospital knows its costs, it can start weeding out its money-losing services. Some of this is going on already. "We have started looking at our hospital on a product-line basis," says Jane Hurd, administrator of Children's Hospital in Los Angeles. "We have already found several services that are better provided on an outpatient basis."

Hospitals will also use their new cost data to monitor medical personnel. "We [intend to get] a profile on every doctor on our staff," says Stephen M. Morris, chairman and CEO of SamCor, a Phoenix-based nonprofit. "Some may be [judged] a liability if they are excessive in the way they practice."

The need to measure health care costs will do wonders for consultants and the computer makers who have targeted the field with specialized programs and equipment. It is also attracting entrepreneurs. Dr. Peter J. Farley, 43, who helped found Cetus Corp., the California biotechnology pioneer, is backing a new venture based on a computerized system for classifying DRG categories by severity of illness. Dr. William C. Mohlenbrock, a medical school classmate of Farley's at St. Louis University in the mid-1960s, had been working for almost a decade on better methods of keeping medical records. Farley was interested in the project—but kept advising Mohlenbrock to wait until the market was ready. In May he resigned as vice-chairman of Cetus to finance Mohlenbrock in a company that will market the new system as a cost-control tool.

A SORE POINT

"Timing is everything," Farley explains. "Nine months ago there was no such thing in health care as cost competition. Now, there are transfigured people." Says Mohlenbrock: "If you can give physicians a method of measuring the severity of illness, they will have a tool for self-monitoring. If a hospital has that tool, it can determine which physicians are cost-effective and which are not."

For many doctors, such a prospect is threatening. "Doctors are disturbed by pressures to discharge their patients before they may be ready," complains Dr. William Y. Rial, the AMA's immediate past president. "It's treating the patient as if he were a number—the 62-year-old cardiac in 4B who's been here for 18 days, when the avereage stay should be 13 days." Prospective pricing, he warns, could set up an "adversarial" relationship between doctors and hospitals.

But others take it in stride. "We're not afraid of [cost-effective] data," says Dr. Robert I. Branick, who heads the preferred-provider organization at Pacific Medical Center. "There is even a certain excitment to see where we stand."

Hospital diversification into alternative health care services, such as clinics and home health care, will be a sore point for many medical staffs, however. At San Francisco's St., Francis Hospital recently, doctors were so upset by the prospect that they sought, and won, control of the board of trustees and replaced a president who they felt was pushing a new clinic too aggressively. "Advertising [for the clinic] was offensive," explains a doctor who was involved in the revolt, "and it was competitive with the staff."

SWIFTER DISCHARGES

Most hospitals will have little choice but to diversify into new profit centers as their reimbursement for acute-care cases comes under pressure. "It gets down to a matter of survival," says James E. Cipriano, a vice-president at Chicago's Lutheran General Medical Center, which has moved into alcohol-abuse treatment, psychological counseling, and health consultation programs to supplement its income. Presbyterian-St. Luke's in Denver expects that its revenues from such diversified activites will be contributing 15% to its total revenues and 50% to its profits within five years.

Under the government's new DRG system for medicare patients, notes Teslow of Health/West, hospitals will have to discharge patients as quickly as possible to nursing homes or other providers—or risk financial disaster. "When we first started diversifying into other care systems." he says, "we were looking for alternative revenue sources. Today we see these activities as a vital part of our care-mix management strategy." The company now operates home health business and housing project for the elderly, dialysis centers, and an emergency helicopter service.

As hospitals diversify, they will have to learn management, planning, and marketing techniques from the industrial world. Some are already headed in that direction. For example, when the 722-bed Miami Valley Hospital in Dayton was reorganized last year to create a for-profit holding company to move into management consulting, home health care, and other activities, it used Madison Avenue-style market research, including in-depth consumer investigations, to find out what its patients wanted. Another advocate of modern marketing methods is nonprofit Alta Bates Hospital. The Berkeley (Calif.) hospital is trying to build a new image and expand its market share in a highly competitive area. "We've done a lot of research with firms that usually work for the Taco Bells," admits John C. Stavros, Alta Bates vice-president for corporate development.

ACQUISITION FEVER

Compounding the problems of most hospital executives is a nagging shortage of capital—money needed both to seize new opportunities and to refurbish facilities that often have been neglected for years. Forecasts of capital-investment needs for the nation's hospitals in the 1980s range from $100 billion to almost $200 billion. At the same time, traditional sources of funding, such as government grants and philanthropy, are drying up (page 46). Thus the nonprofit hospitals are being forced increasingly to go into the debt market. But more often than not, the money there is too expensive.

"Raising capital is a real problem," says economist Harold S. Luft of the University of California's Institute for Health Policy Studies. "Investors are shying away from long-term obligations because of increased uncertainty in the industry."

Partly to improve their financial ratings, but also to get economies of scale in purchasing, marketing, and other corporate functions, hospitals are joining chain organizations at an accelerating pace. In the past three years, according to the American Hospital Assn., 27 investor-owned and 229 nonprofit systems added more than 400 hospitals to their networks, bringing to 33% the share of all hospitals now belonging to chains in the U.S.

Not only are the for-profits expanding, notes Philip Flame, senior vice-president for acquisitions at American Healthcare Management Inc., but non-profits also are bidding more aggressively. "Acquisition fever has hit," he says. "A number of nonprofits are acting very much like for-profits."

Seeking a middle ground that will preserve their independence, many nonprofits are joining associations or cooperatives that centralize purchasing and provide support in raising capital. Voluntary Hospitals of America (VHA), the largest of these groups, with 52 members that operate 170 hospitals, is on a membership drive aimed at bringing in 300 to 500 more hospitals by 1987—a size that would rival HCA.

While VHA was set up in 1977 to do volume purchasing for its hospital members, it now provides them with a range of services to improve productivity and also gives them access to capital, President Arnwine notes. One move made by his co-op last year was to take a 25% stake in American Health Capital Inc., a New York-based financial-services concern launched by Thomas W. Reed, former president of Paine Webber Health Care Funding Inc.

Since then, American Health Capital has joined with VHA to set up two new companies—VHA Health Ventures, a for-profit consulting firm that will help VHA members of diversify, and Voluntary Health Enterprises, a company that Reed hopes will allow the nonprofits to gain access to the equity markets. "Voluntary hospitals are borrowing more every year on a finite equity base," he warns. "If they don't become aggressive they will become extinct."

ETHICAL QUESTIONS

As the differences blur between the nonprofit and for-profit hospitals, and as all health care organizations get bigger and more business-like, health-cost inflation should slow. But prospective pricing alone will not be sufficient to halt cost increases entirely. "If the population were not aging and if technology were static, costs could go down," says Flame of American Healthcare Management. "But that's not the case."

In fact, the rising average age of Americans virtually guarantees that the U.S. will continue to demand more medical care. And the advent of modern, high-cost medical techniques means that care is going to cost more.

That raises extremely difficult moral and ethical questions, "including whether Americans want to pay $50,000 to $100,000 for care of an 85-year-old patient whose quality of life is gone," observes Dr. Harvey B. Karsh, a doctor of internal medicine in Denver. People are unwilling to talk about such issues, he maintains. But "someone soon is going to have to make some decisions."

Another key test for a more competitive health care industry will be whether it can get both working people and retirees to accept programs that limit their access to health care and at the same time persuade them to pay a greater share of its cost. Such a change may work as long as no one gets too badly hurt in the process. But as third parties, such as insurers and hospital managers, get to have more say in medical decisions "you are more likely to have a dissatisfied patient," warns Dr. Jean K. Haddad, chief of staff at St. Francis in San Francisco. what may suffer in the attempt to brake the rise in health care costs, agrees R. Bruce Andrews, executive vice-president of American Medical International Inc., an investor-owned chain of more than 100 hospitals and medical centers, "is the current view of what constitutes quality" health care in the U.S.

That could be the greatest danger of all. If the health care industry is not very careful about continuing to give the public the quality of care that it really wants, as it makes the transition to a new way of doing business, says economist Luft, "there could be a sharp political reaction."

FUTURE U.S. POLICY IN CENTRAL AMERICA

Mr. DURENBERGER. Mr. President, last Saturday morning, those of us who were up and about and had a chance to read the Washington Post noticed the headline that the President was being encouraged to appoint—and probably was going to appoint—a special commission to look at and make recommendations about future U.S. policy in Central America.

I understand that earlier this afternoon various people complimented the President on that decision.

I wish to take a couple of minutes to background my own feelings about that recommendation, and I would say that, since I have been in the Senate, Central America and the individual countries and the people of Central America have been of special concern.

It has been very frustrating from time to time, particularly as I viewed the evolution of political evolution in those countries, from the perspective of membership on the Select Committee on Intelligence, that more people in this country were not aware of the evolution that has been taking place in those countries and trying to understand the revolution that now occupies much of our concern and the front pages and the lead minutes of our media coverage of American foreign policy.

I was blessed, if you will, for a period of time in my life to be employed by a company whose name is H. B. Fuller, which has been headquartered in St. Paul, Minn., for almost 100 years and headquartered in San Jose, Costa Rica, for about the last 20 years.

During the period of the early to middle 1970's my employment with that company took me to all of these countries. That is why I was pleased to see in a magazine called Corporate Report, which is published in Minnesota, the July 1983 issue, an article headlined "H. B. Fuller's Caribbean Initiative."

I commend an understanding of this company and their initiative to my colleagues and request unanimous consent to have printed in the RECORD the article to which I have referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Corporate Report, July 1983]

H. B. FULLER'S CARIBBEAN INITIATIVE

(By Charles I. Mundale)

Foreign currency devaluations cost the company more than $2.5 million last year.

Inflation rates in one foreign market are so steep that all invoices specify three-day terms.

Profits accumulate in a foreign bank because the host government will not allow the company to take its earnings out of the country.

Three countries in which the company operates are embroiled in civil war; two others labor under harsh military rule.

Cultural differences that inhibit and obstruct communication have led the company into management impasses and financial loss.

So what is a nice company like H.B. Fuller of St. Paul doing in places like that?

Well, making money, believe it or not. But that explanation—adequate, perhaps, for Wall Street investors and others who like to keep things simple—does not satisfy the men who have built H.B. Fuller into a multinational corporation with operations in 30 countries. For them, profits are not an end in themselves; profits are a discipline that keeps their efforts focused and efficient. For them, business is not a way to make money, but a way to meet social and personal needs, a way to promote human understanding in a world that despartely needs it. For them, business is a civilizing force, justified not by the wealth it brings to the sly and the greedy but the welfare it brings to all.

We are not talking naive visionaries here. We are not talking closet bleeding hearts. We are talking tough-minded decision-makers at the helm of a company that has doubled its sales every five years for the past four decades. These are people who have looked at the future and come away convinced that it can work—but only if American business declares its world citizenship.

Technically, H.B. Fuller declared its world citzenship in 1958, when it set up a small operation in Winnipeg. But the test for full-citizenship status came a short while later, when the company entered into an ill-fated joint venture in Argentina. In the words of Elmer L. Andersen, who commanded Fuller's fortunes until his retirement nine years ago, the Argentina expedition was a "harsh experience" in which the novices from Minnesota were "really taken advantages of." Nonetheless, an important lesson was learned: "We found out that we really had to control the enterprise in order to make a profit." The solution was straightforward: Fuller shed its minority position by buying out its partners, and "Fuller Argentina" is still a going concern, accounting for about 5 percent of the parent's Latin American sales.

The decision to go international and the strategy that has followed it were really extensions of Fuller's decision to go national, made in the 1940s. With sales of only $200,000 in 1940, Fuller was the second-smallest competitor in the country's commercial-glue market. According to Tony Andersen, Elmer's son and Fuller's current president and chief executive officer, it was a grow-or-die decision: "We decided that unless we expanded to become a nationwide company, we'd probably cease to exist."

Fuller's going-national strategy was to enter areas where its strongest national competitors were not strong, and to go there with both manufacturing and service. Decentralizing the company's manufacturing operations provided advantages in shipping charges, Tony Andersen says, but service—high-quality service customized to meet each customer's specific needs—was the edge that really separated Fuller from its competition and finally made it number one in its market. (Sales in 1982 were $332 million.)

Flush with national success, Fuller made a parallel decision to pursue international status with the same strategy and equal vigor. According to Tony Andersen, the company's early market research was simple: They looked for a place where the competition was weak or non-existent—and then they weighed the telephone book. "If the book was thick enough," Andersen explains, "that meant the people were there, and that was enough for us."

Weak competition and a growing population made Latin America more attractive than more-advanced industrialized areas in the early years of H. B. Fuller's international adventures. While things were still being squared away in Argentina, Elmer went exploring in Central America. "It was 1964," he recalls. "We heard that someone in Costa Rica had a new process for manufacturing paint, so Dick Smith (longtime Fuller chemist, now deceased) and I went down to check it out."

The object of their quest was Dr. Frank Jirik, an American chemist who had gone to Costa Rica to work for the United Fruit Company but had wound up establishing his own firm, Kativo, named after a large, beautiful, tropical tree. Jirik had planned to use the copious quantities of resin produced by the kativo tree to manufacture paint. But kativo resin proved unsuitable for paint, so the firm turned to other sources and kept the name.

Actually, Jirik's interests were primarily in research. According to one of his associates, Jirik used to describe Kativo as "a big research department that made paint on the side to pay for the research."

When Andersen and Smith got to San Jose, the Costa Rican capital, they figured out fairly quickly that the "new process" they had heard about was not all it had been touted to be. "That process was just not ready," Andersen says, "but Kativo had an affiliate in Nicaragua that was making glue under a license from Resistol (a well-known name) in Mexico. So, that very day we went to Nicaragua, and before the day was out we agreed to a joint venture. Resistol even agreed to sell the name."

One of the people on that spur-of-the-moment sortie into Nicaragua was Walter Kissling, the son of a Swiss locksmith who had left Europe before Walter was born and come to Costa Rica via New Orleans. Kissling had joined Kativo as sales manager in 1957, and had advanced to general manager by the time he met Elmer Andersen in 1964.

Kissling, too, has memories of the deal in Nicaragua: "They [the Nicaraguans] were not doing well, so Elmer asked them if they'd sell him 50 percent. They said 'Yes, for $25,000,' and he said 'It's a deal.' Jirik and I wondered if this Yankee businessman wasn't being a bit precipitous, not even bothering to look at balance sheets, but Elmer said, 'No, that's the price of my admission ticket to the market. I'm not buying any facilities; they're renting those. And besides, I liked the technical man I saw there.'

"Elmer suggested that Kativo buy the other 50 percent, which we did, and that's how Elmer-Andersen got into business in Costa Rica."

The "technical man" in Nicaragua wasn't the only promising person Andersen met on that trip. He also took note of Walter Kissling, whom he was to "acquire" for Fuller in a similar buyout three years later. What happened in the interval, however, is best told by Kissling:

"In 1963, we had a catastrophic volcanic eruption. Floods let loose by the eruption completely wiped out our plant in five minutes. It was total disaster. But the resolve of Dr. Jirik and his executives to rebuild was great, and we had lots of sympathy from people in Costa Rica.

"The feeling was so strong that it convinced the (Costa Rican) president and congress to help—and, in one week, Congress passed a law to allow the National Bank to finance reconstruction by setting up a government guarantee for a loan to Kativo of 4.3 million colones [the colon is the basic monetary unit of Costa Rica].

"Now, because Jirik was the product man and I was the community guy, I handled most of the negotiations for this. And in Costa Rica, when you sign for a loan like this, you have to give a personal guarantee, and the manager of the bank insisted that I would have to sign along with Dr. Jirik.

"Jirik asked me what my asking price was, and I said I'd sign 'provided you make me general manager.' Well, he said yes, and I took over. I did what had to be done. I made sure there was less money thrown away investigating God-knows-what."

Jirik conceded the necessity of Kissling's directives, but the new policies radically changed the character of Kativo. "He gradually lost interest," Kissling says, "so in one of those dark moods, he asked Andersen if he'd like to buy control. Elmer, the financial genius that he is, said 'Sure.' "

Andersen's next move was to call Kissling for a reading on how he and other Kativo executives would react. Characteristically, Kissling was candid: " 'Shock,' I told him. 'We thought Jirik was our friend. We have worked for low wages and promises.' Elmer asked what he could do to minimize the shock, and I said he could do two things: 'Do not convert us into pencil pushers. You set the policy, but let us act as Jirik has done. And two, I want you to give those 13 executives 10 percent of the company over the next five years.'

"Elmer said yes—without checking with anyone, without asking for more time to think it over. Then he asked me how much I wanted, and I said, 'Nothing . . . because the company you're buying from Jirik isn't worth anything without those guys, so first let's take care of them.'

"Well, we went out to a very nice farm—a sort of retreat—and broke the news to the fellows, and they asked me to go to St. Paul and ask Elmer if they couldn't buy control. Elmer, with all his charm—he's a very charming fellow, you know—he said no. But he made me a board member to reassure the other executives."

Walter Kissling is still on the Fuller board. As senior vice president, he heads up not only Kativo, but all of H.B. Fuller's international operations. Five of the 13 original Kativo executives are still with the company, and Elmer Andersen still smiles broadly as he talks about the acquistion. "It was a very good move because of the people involved, especially Walter Kissling," he says. "He's a very able man. Jirik was something of a genius, but Walter bound it all together. That was just a great move.

The story of how Elmer Andersen acquired a small Central American paint company is necessary reading if one is to understand why a St. Paul, Minnesota, company allows its widely scattered international operations to be run out of a modest one-story building in San Jose, Costa Rica. The reason is, quite simply, Walter Kissling—a man whose charm, candor, and business acumen rival those of Andersen himself.

Kissling's business achievements, like Andersen's, are beyond dispute. At his desk in San Jose, with a Mercator's projection of the world looming behind his head, he says matter-of-factly that Kativo is not your ordinary Costa Rican company. "We have expanded our operations to all of Latin America," he declares. "Very few companies in Latin America have done that, and we have done it with the management that sits right here in this building."

Kissling acknowledges his indebtedness to Fuller technology and the general corporate backing of an aggressive American firm ("With Fuller behind us, we became more bold"), but he is obviously proud of the fact that "most of the expansion has been financed out of our own balance sheet." For Kissling, there have been two secrets to this happy corporation marriage: "For one thing, we were acquired by a small company. We had direct access to the CEO and didn't have to report to some third or fourth level where most of the politicking goes on. Had we been sold to a giant, we would have just quit.

"Second, the human attitude of H. B. Fuller. The company really cares about its people." With that, Kissling launches into a recitation of Fuller's corporate-mission statement and produces a copy of Kativo's 1982 annual report, which devotes a two-page spread to that statement. "We take care of our customers, our employees, our shareholders, and our communities—in that order," he says, reciting a litany that occurs sooner or later in every interview with a high-ranking Fuller executive.

The mix of business with wider human concerns, so characteristic of Elmer Andersen and others at Fuller, fits easily with the personal style of Walter Kissling as well. Like other Fuller executives, he thinks deeply about social problems and the challenge they present to the economic system he would like to preserve. His calls for reform and innovation in business and politics carry a marked resemblance in tone—and often in content—to arguments long associated with Elmer Andersen. And like Andersen, who served for many years in the Minnesota Senate and for one term as the state's governor, Walter Kissling is a public man. He has been president of Costa Rica's Chamber of Industries, was a director of the country's central bank, and admits to thoughts of someday having a go at political office.

Kissling's views on public questions are both provincial and global: provincial in

behalf of Costa Rica—an island of social and political calm in the troubled waters of Central American unrest—and global in his sensitivity to the larger shifts and forces at work in the world. He defends the migration of manufacturing operations from developed to less developed areas of the world, including Costa Rica, as a natural and ultimately beneficial economic phenomenon.

"In the 19th century, the Europeans had Africa to themselves. They took a lot out and put nothing in. It was the same for Latin America. It's a North-South confrontation," he declares, sweeping his hand across the map behind him. "If the northern part of the globe wants to continue its standard of living, it will have to raise the standard of living of the southern part of the globe.

"American businesspeople look at Latin America as a volatile area, so they go to Europe to spend and invest. But that volatility is brought about by the lack of social and economic development. They can't sit in New York on Wall Street and ignore the rest of the world. Businesspeople . . . the decisionmakers, the CEOs . . . have to travel more—get their asses out from behind their desks and see what's happening, not send down some squeaky economist from Harvard who may be brilliant but is not a decisionmaker."

Kissling would like to see more of those decision-makers visting Costa Rica, whose government has a well-developed set of incentives to attract investment—especially in the so-called draw-back industries, in which products intended for sale in more-developed areas are manufactured in less developed countries to take advantage of low labor costs.

"Tonka, Toro, and Graco could come here," he says, dropping Twin Cities names with unexpected ease. But what about American jobs? "The U.S. must go into more-sophisticated manufacturing and service jobs," he replies. "Some of those service market worldwide are huge. The U.S. should be making computers, airplanes, and electronics, not going against Mexican shoes."

But will there be enough of those sophisticated jobs? "You're not looking farther away than your nose. You must remember that for the last five years we have been in a worldwide recession. You are too quarterly-oriented; you are not thinking long-range, like the Japanese or some of the Europeans."

Kissling admits that it will take tough guts and steady nerves to pursue the business and political strategies he thinks necessary, but he argues that anything more timid is unthinkable. "At some stage, the industrialized nations will have to change," he says, "If they don't do it, the Russians will do it by force."

Back in St. Paul Elmer Andersen's views on such questions are less apocalyptic, but no less urgent. "If we combine all the skills and talents in the world, it's beyond anyone's imagination how great a world we could have," he ventures. "We have within our grasp a civilization and world society that would be wounderful, and it would be tragic if we muffed it through crude, aggressive behavior."

It is an article of faith at H. B. Fuller that business must play a vital role in the pursuit of that dream. And it is clearly understood that the pursuit requires great fortitude. Last year's currency fluctuations, for example, were a severe test of Fuller fortitude, but there's no indication that anyone is about to sound the retreat. The company trumpet is quite certain on that matter.

"It really hurts when our profits go down because of currency problems," says chief executive officer Tony Andersen, "but over the long term, I'm optimistic. That sort of thing wouldn't cause us to leave a country, but it does force a lot of attention to the bottom line."

What about triple-digit inflation? "That's something a person in our country has a hard time understanding," Andersen says, "but businesspeople in Latin America understand it. Our inventory policy in Argentina is 'next in, first out.' Terms are three days. You just can't let your money sit out there any longer, and everyone understands it."

Andersen says that that's just one more reason the company is lucky to have Walter Kissling at the international tiller. "If anyone understands international business in this world, it's Walter."

Clearly, the hazards and vagaries of international finance must be faced and dealt with if one hopes to make it in the world marketplace. But Tony Andersen is convinced that the operational strategies that made Fuller a success in the United States will also guarantee growth for the long term overseas.

As noted earlier, domestic expansion was based on the proposition that plants and service must be kept close to the customer. That same assumption governs decisions abroad.

"The really important thing," Tony Andersen explains, "is that we have an infrastructure of people who really know the business. We're recognized as having the basic technology and ability, and we're willing to make specific adjustments for local application anywhere."

Both service and manufacturing are bound up with technology, so Fuller has technical people in every plant in addition to a strong central research-and-development division. (See accompanying story.) It's easy to think of glue as a relatively humble product—and, therefore, as technologically simple—but Andersen insists that the demands are higher than one might think. "In one minute, you can have 6,000 cigarettes on the floor if the glue isn't working," he says. "The expectations of our customers are very high."

For Fuller's international operations, high expectations translate into high investment, both in people and in plant. That kind of investment—the movement of American capital overseas—has drawn sharp criticism from some quarters. In defense of capital exports, Tony Andersen cites the Japanese: "The Japanese are known for their exports. What is not widely understood is the amount of overseas investment Japan has been making. And for the long term, that has as much positive impact on Japan's economy as do exports.

"I think their total investment around the world is about $280 billion. That's up from $70 billion 10 years ago, and that's what's really strong about Japan. Our company's international business is stronger because of the investments we've made around the world. We should be doing this as a country."

David Croonquist's story doesn't take quite so long to tell as Walter Kissling's, but it makes a similar point about how H.B. Fuller gets—and gets to—its people. After graduation from college, Croonquist worked for an accounting firm that assigned him to the H.B. Fuller audit. It was not the company's books, however, that caused him to go home and say to his wife, "That's the company I want to work for." It was the company's people.

When he learned that he'd passed his CPA exams, Croonquist intended to call Fuller about a job. His own phone rang first. It was Elmer Andersen. "He said he was looking for a new financial officer," Croonquist recalls, "and he asked me if I'd like the job."

Croonquist started in October 1951, and has been chief financial officer at H.B. Fuller ever since, so he likes to joke about never having had a promotion. The lack of a promotion, however, has not meant a lack of change. "When we talked about the job," he says, "Elmer told me we were going to be a Fortune 500 company some day. I wondered what kind of stuff he had been smoking. Sales that year were only $2.5 million."

Andersen was neither smoking nor dreaming; he was planning. In 1971, H.B. Fuller broke into Fortune's second 500; it had climbed to number 603 by 1981. Company number 500 in the 1982 list had revenues of $454 million; this year's 500th spot went to a company with $423.6 million; Dave Croonquist is predicting $420 million for Fuller in 1983—and smiling.

It would be understandable if a financial officer with 32 years of number-crunching under his pencil viewed the pronouncements and policies of H.B. Fuller's other executives with some skepticism. But Croonquist is a believer.

"One of our overriding goals is to serve customers," he says, sounding more like a marketing vice president than an accountant. "We can do this throughout the world. There are tremendous opportunities for our kind of know-how, because many areas are behind the U.S. in convenience packaging. You see a need, and you want to fill it. Besides, it's a chance to improve a nation's health through sanitary packages.

"It's also a tremendous experience to deal with people in all kinds of different countries. Maybe some think we're dreaming to think we have any effect on peace in this world. But to me, the better our understanding, the better chance the world has to survive. This is what's back of our business decisions."

Like Tony Andersen, Croonquist is convinced that good, solid business practices can pay off anywhere. "There's no magic formula," he told the 1983 Minnesota World Trade Week conference in May. "it's a matter of responding to the needs of customers. We need more interchange of businesspeople-to-businesspeople to get mutual respect for people in all countries of the world. The more the free-enterprise system does it, the better world we'll have to live in."

Croonquist's remarks echoed Walter Kissling's explanation of why Fuller hangs on in Nicaragua despite the impoundment of its profits: "We want to protect a valuable trade name [Resistol], we want to fulfill our obligations to our employees, and we want to make a statement for free enterprise."

Clearly, H.B. Fuller makes a special kind of statement for free enterprise and for international trade. As the company's elder statesman puts it, "We must make America come true for everybody in America, and make a dignified life possible for everyone in the world. All this has to do with why a company should become international."

The H.B. Fuller Company has more than 8,000 formulas for making glue. The story of its international trade is one of them.

Mr. DURENBERGER. Mr. President, let me say one or two other

things relative to the President's report.

First, when you are involved with a people who live and work and raise families outside your own Nation you sometimes develop a sensitivity to their problems that some people find hard to understand.

I wish to make an observation of how I have myself learned about some of these problems. In the summer of 1975, my oldest son, Charlie, participated in a little innercompany exchange in which the manager of our operation in El Salvador came up and stayed in Minnesota for a while, came to the Nation's Capitol and listened to Senators give speeches during morning business, and then Charlie went to San Salvador.

A month or two ago, when I was deeply involved in disagreeing with my President over covert actions in Nicaragua, I happened to find a letter, the first, I guess, that Charlie sent home in probably about July 1975, and I will just read part of it. It starts out:

Buenos dias, senor y senorita Durenberger, y Daniel:

That is his younger brother. I do not know what happened to the other two brothers. He probably was not getting along with them at that time.

Hola from warm, sunny El Salvador. Since I last wrote——

This must be a second letter——

We went to Eltman's farm. They own about 20 acres about 40 kilometers from San Salvador. On it they grow pineapples, corn, mangoes, oranges, bananas, sugar cane, and lizards. They also have two families of chickens and a cat. Beyond the farm are four volcanoes.

We've been playing a lot of Monopoly, swimming, and tennis.

In San Salvador there are many soldiers with rifles in the streets and police with machetes and pistols. It's kind of scary walking past a 250 lb. soldier with a loaded machine gun in his hands.

Remember, this is July 1975.

We also went to the top of a mountain overlooking a volcano. It was beautiful. You could see the whole country almost. There were villages, twisting highways, small lakes and the Pacific Ocean.

I've also tried new foods, such as crab, crab soup, tortillas, real tacos, tamales, and fried bananas. I also had an orange right from the tree——

That does not happen in Minnesota.

And a mango at the farm.

He goes on to describe some of his other observations. I have felt compelled to share with my colleagues the observations of a 12-year-old because I was perhaps bothered here a little bit more than I should have been a few weeks ago when we went into executive session and a lot of my colleagues had to run up and look at a map in the front of the Senate Chamber so they could find El Salvador.

I think this President, probably more than a lot of other Presidents, understands, even though it does not always come out this way, that there is a lot more to the evolution and the revolution that is going on in Central America than meets the eye.

So the solutions to these problems are much more than throwing out Marxist Communists or Marxist Leninists, or whatever.

There are a lot of Americans who have committed a large part of their lives to furthering the cause of economic and political development in all the countries of Central America. Those people are volunteers, retired agriculture professors who go down as volunteers and work on cooperative farms trying to develop agriculture. It includes Peace Corps volunteers. It includes a lot of religious people who are getting a bad name because they seem to be getting too involved in politics. But actually in large part they have been there in the past to help develop the economics of those countries.

So there are a lot of Americans from whom we and the President and a lot of other people can learn about the future of our relations with the people of Central America.

It was no accident that the first Cubans into Nicaragua after July 1979 were not soldiers but teachers and health care paraprofessionals. A lot of American teachers were there a lot earlier than the Cubans. A lot of American health care professionals were there a lot earlier than the Cubans. There are companies like H. B. Fuller, American companies, that have been there for a long time developing an economic infrastructure in that country.

But there are also a lot of American companies who are very busy in this country making sure they do not have jobs in Central America. If you are in the sugar industry, if you are in the coffee industry, if you are in the rice industry, if you are in the textile industry, if you are in the leather industry, you do not want any of that stuff coming into this country because it is tough enough as it is here.

So there have been an awful lot of very well-intentioned Americans making sure that there is not economic progress in those countries.

Mr. President, I regret taking as much time as I have for the sake of others who might have business to do.

I called Bill Clark on Saturday morning after I saw that article and I told him I thought it was a great idea. It is too bad that a system with 535 professional politicians needs to design commissions to get itself the right answers to problems.

I wish we did not have to have the social security commission. I wish we did not have to have the Scowcroft Commission. But the reality is that probably we are living in a unique time in the history of this country in which we, who are in politics with all conflicting pressures that public opinion brings to bear on our job, need the views of everyone, from my son Charlie and his observation, to American businesses like H. B. Fuller, to those volunteers that I talked about and, yes, even the religious. We need the views of people who are apart from the political system to best suggest to us the appropriate course that we should take.

I have not signed on to the so-called Marshall plan for Central America because to me it is a typical gringo reaction to a problem. I did not sign on the previous year to a notion that we should have a new hemispheric program because it struck me as to something that we do every time we get in trouble: we turn to our neighbors in Canada and the south and say, "You all should help us resolve this problem."

And when we are not in trouble, we go back to sugar quotas, textile quotas, leather quotas, and coffee quotas and use the Central American countries as a nice place to go to the beach if you want to pay money and get out of this country.

So I am convinced that this President, having lived through the experience as he has, the difficulties that he has had in getting congressional consensus and getting an adequate consensus out of the public opinion in this country, is on absolutely the right track in coming up with this commission.

I for one pledge myself as one who believes he has a sensitivity for this area and the people of that area to cooperate with him and with the members of this commission, when it is appointed, to try to bring the people of this country together on a policy that will enable the politicians in this country then to reach out to those in other countries and develop around the world the kind of consideration for the hopes, the aspirations, the education, the health, the economic and political well-being of the people of each of the countries of Central America.

HOLOCAUST AND THE NUCLEAR AGE

Mr. PROXMIRE. Mr. President, for many years I have urged this body to ratify the Genocide Convention. I live in constant wonder why over the past 34 years the Senate has failed to act on this important treaty.

I recently read a piece in the Washington Post entitled, "Morality and the Last and Next Holocausts," which shows the need to make genocide a punishable, international crime. The author, Paul Loeb, writes of a pervasive citizen attitude of passive acceptance during the German Holocaust and the American nuclear age. Loeb writes:

. . . the present threat of a world of death also parallels in many ways the Auschwitz horror. To begin with, both situations strain any framework of rational understanding. As psychologist Robert Jay Lifton points out, they destroy not only human lives, but the contexts which give those lives their meaning.

As Americans reflect on Hitler's murder of 6 millions Jews in Europe before and during World War II, we are shocked and outraged. The crime of mass murder with the intent to destroy an ethnic, religious, or racial group is often too horrible for us to comprehend.

The article in the Washington Post reaffirms the need for immediate ratification of the Genocide Convention. The author asks:

Do we adapt to crisis by seeking private refuge, trusting that things will somehow work out? Or must we learn that because of human choices the unthinkable did in fact occur, and can again? And that, now as then, our actions could decide the outcome.

That choice now belongs to this body. It is my hope that my colleagues in the Senate will see the need for action on this important treaty without further delay.

Mr. President, I ask unanimous consent that a copy of "Morality and the Last and Next Holocausts," which appeared in the July 3 edition of the Washington Post, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORALITY AND THE LAST AND NEXT HOLOCAUSTS

(By Paul Loeb)

In Yad Vasham, Jerusalem's Holocaust Museum, a glass case displays a contract to build a crematorium. It is an ordinary business contract, one written between the German government and a company staffed by men and women who may well not even have known the nature of their product. The corporation creating the device simply served the nation and made a profit. At no point were the choices made by those working on it considered exceptional.

In this context, what does it mean for Seattle's Catholic archbishop to call a nearby Trident submarine base "The Auschwitz of Puget Sound"? For resisters blocking trains carrying thermonuclear warheads to compare them to box cars taking Jews to the ovens? Or for former Nuremburg prosecutor Mary Kauffman to defend the resisters by linking responsibility to challenge the Nazi "crimes against humanity" and that of American citizens in a nuclear age?

There's an image from the recent film "Sophie's Choice" which is useful in comparing our present time with that still incomprehensible other. Sophie is a Polish Christian taken to a concentration camp with her two children. She pleads for their lives, telling an officer, "They are so beautiful. They look like Aryans, not like those Jews, the others." The officer tells her to choose which child will live and which will die.

Because Sophie's choice is an impossible one, she refuses, pleading and begging; then when the man begins to seize both, cries "No! Take my baby! Take my little girl!" Offering a choice only between different deaths, her situation embodies a far point of barbarism, terror and powerlessness. It serves as a model for circumstances where human actions and human responses no longer matter. It is a choice whose very making precludes hope.

America is different, of course, in that those who build cruise missiles, wait in Minuteman silos, or serve on Trident subs, believe they are averting a holocaust, not creating one. The weapons are necessary precisely because we fear death camp terror or equivalent barbarism.

But the present threat of a world of death also parallels in many ways the Auschwitz horror. To begin with, both situations strain any framework of rational understanding. As psychologist Robert Jay Lifton points out, they destroy not only human lives, but the contexts which give those lives their meaning.

It is because the Third Reich collapses rational understandings of history that we tend to view it as a convenant not of individuals but of demons; resurrect it again and again through movies, spy novels and "secret diaries"; vest it with an aura not only of blood but of eros.

Similarly, we never fully believe that the continuity of human existence could be jeopardized by weapons we build, so we trust a Divine Providence (or omnipotent engineering) to assure they never will be launched. And we forget equally unthinkable cataclysms did in fact occur.

The camps, as Hannah Arendt pointed out in "Eichmann In Jerusalem," were the product of a particular type of barbarism—an evil not of mad possession but of banality. Different from oridinary murder, or even from the sacking and leveling of a medieval city, the camps could exist only in a complex technological society. Bureaucratically insulated and geographically distanced from the view of most German citizens, they required the participation not only of the direct executioners but of normal individuals simply going about their business.

This is not to say our society is comparable to Hitler's Germany, but merely to point out that the consequences of our actions may be as terrible. The savagery of the German officer, who took Sophie's children and created a situation where real choice no longer existed, was made possible in large part by the actions of ordinary people of perfectly good will—people living in a time whose difficulties they believed would ultimately pass.

Some Germans knew what they were doing and defended it, in Goering's words, as steeling themselves for a necessary task. But most did not. And their lives proceeded, at least until the Allied saturation bombings, not so differently from the way they always had.

We see this in the prison letters of Deitrich Bonhoeffer, the Lutheran minister executed for his part in the plot to kill Hitler. We find not only a struggle for spirit and connection strong enough to sustain resistance through a time of ultimate peril, but also a mundane account of weddings and births, Bach cantatas and popular novels. In Bonhoeffer's case, daily life was (even viewed from prison) a source of strength to combat barbarism. But we realize that for many citizens this routine world was all that existed.

If we mask the most urgent questions through immersion in the very routines the atomic weapons so fundamentally threaten, are our numbing mechanisms similar? Do we adapt to crisis by seeking private refuge, trusting that things will somehow work out? Or must we learn that because of human choices the unthinkable did in fact occur, and can again? And that, now as then, our actions could decide the outcome.

Sophie encounters another choice preceding that one in the death camp. It is one where Resistance workers ask her to translate some German documents, and she refuses. She has her family, she explains, responsibilities she can't evade. She fears the Gestapo will find out. Her response is reasonable—certainly understandable. Yet she has abdicated choice when it still exists. And it is a similar, more general, abdication which ultimately dooms her children.

If the gravity of the atomic threat in any way parallels that of this previous horror, we are faced—both as individuals and as a society—with some difficult implications. And decisions which, while troubling even to think about, may well lead to a more humane world. Those like the "Trident Nein," who poured blood down the hatches of the USS Florida, are saying we must either challenge the potential disaster or succumb to it. Because there may well be no second chances, and the threatening horror might, therefore, be neither revocable nor redeemable, our present situation is in some respects even more urgent. Again, as in another time, the choices regarding how to respond rest on each of us.

MEMORIAL SERVICE FOR JOHN MINOR MAURY, JR.

Mr. JACKSON. Mr. President, on July 13, at the Washington National Cathedral, family and friends gathered for a memorial service to remember and to celebrate the life of John Minor Maury, Jr.

For many years, I knew Jack Maury as a reliable friend and effective public servant. He gave the greater part of his life to aid the cause of freedom and a just peace—and he died at the age of 71 still active in the service of his country. We shall miss him. He represents the kind of patriot we need today more than ever before.

James Schlesinger spoke for so many of us at the memorial service when he said: "That splendid man—ever cheerful, ever humorous, ever professional, ever dedicated, ever loyal—our friend, John Minor Maury, Jr."

I ask unanimous consent that the complete remarks by James Schlesinger be included in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

JOHN MINOR MAURY, JR.—REMARKS BY JAMES R. SCHLESINGER

We have gathered here today—relatives, friends, and colleagues—to pay our formal respects to Jack Maury—for our own special and individual reasons, too numerous to record, yet united in our collective admiration for that splendid man—ever cheerful, ever humorous, ever professional, ever dedicated, ever loyal—our friend, John Minor Maury, Jr.

John Minor Maury—the seventh in his family to bear that name—was born in

Charlottesville, Virginia, on April 24, 1912. He grew up at Dunlora, the family farm in Albermarle County, part of a royal grant by George II in 1730 to a Dabney forbearer. The main dwelling had been designed by a local archietect, Thomas Jefferson, to whom Jack was collaterally related.

Albermarle and Charlottesville were to remain a recurring theme for the balance of Jack's life. He attended—where else?—the University of Virginia, receiving his law degree in 1936. From 1936 to 1940 Jack served as Assistant and then Acting Commonwealth Attorney. And, displaying the remarkable range of his talents, he also served briefly as the Acting Coroner of Albermarle County.

On June 24, 1939, Jack was married to Mary Francis Stuart in her hometown, Cleveland, Tennessee. His marriage to Stuart, of more than forty-four years, was the monument of his private life—the fixed star in a firmament encompassing many posts, many associations, many places.

Before leaving the University Jack had, in 1935, enlisted as a private in the Marine Corps Reserve, later taking his commission. Ten months before Pearl Harbor, he was ordered to active duty, serving as a Soviet specialist in the Office of Naval Intelligence. From January 1944 to December 1945 he was Commanding Officer of the U.S. Mission in Murmansk, while simultaneously serving as Senior Naval Attache, Representative of the War Shipping Administration, and Acting U.S. Consul. His primary mission involved that long, dangerous, dreary run for Allied ships around the North Cape and into Soviet ports.

Shipping losses ran to 50 percent and higher. Ships making the run had been instructed to search for the survivors, who were then left, with no more than the clothes on their backs, in Jack's charge at Murmansk. With bureaucratic ingenuity, Jack requisitioned a sizable shipment of survivors' supplies from the Persian Gulf Command. The Soviets thoughtfully presented a bill for the storage of the supplies. Young Major Maury, drawing on his best training as legal counsellor, dispatched a polite but firm response, indicating that, while he could understand the Soviet viewpoint, any storage charges would be deducted from reverse Lend-Lease. Nothing further was heard thereafter from the Soviets on the issue.

By all accounts Jack got along fabulously well with the British and adequately well with the Russians. Yet, if the Soviet Union was so obdurate as an ally, what might it be like as a rival? Those early experiences may explain his reflections many years later on Winston Churchill's 'riddle wrapped in a mystery': "No doubt," Jack observed, "he found the Russians exasperating to deal with, and those of us who have tried to do so can sympathize with the frustrations."

It was a natural, almost pre-ordained, step for Jack in 1946 to join the Central Intelligence Group, later the Central Intelligence Agency, as Deputy Chief, Eastern Europe/USSR Branch of what was to become the Intelligence Directorate. He served in the Agency for 28 years. It was the central focus and passion of his professional career, a parallel to his marriage to Stuart in his private life.

Jack's activities at the Agency must perforce remain somewhat veiled. He was later transferred to the operational side of the House (such things were easier then). He served in Berlin, Frankfurt, and Geneva, and also in National Estimates and with the NSC Staff. From 1954 to 1962 he was Chief of the Soviet Division. Suffice it to say that during his tenure the rich vein of intelligence materials provided by Col. Oleg Penkovskiy was acquired and exploited. From 1962 to 1968 he was Chief of Station, Athens.

In 1968 Jack was brought home by Dick Helms to serve as the Agency's Legislative Counsel. No choice could have been better. Jack's blend of graciousness, candor, humor and affability won instant and continuing acclaim on Capitol Hill. He remained for six years a tower of strength to the Agency—always with a light touch to ease the mood, however grave. In the grim atmosphere of the spring of 1973, after some trying days of testimony, I asked Jack to report on the Hill reaction to the Agency's difficulties. "Well," he said cheerfully, "they think you're staying one jump ahead of the sheriff. And," he concluded somewhat doubtfully, "he's not catching up." I found that less than entirely reassuring.

In 1974 I asked Jack to become Assistant Secretary of Defense for Legislative Affairs, believing that the DOD at that time would have more need for his legislative skills than would the Agency. (In retrospect, that judgment may have been less than clairvoyant.) Jack initially expressed concern that he might be too old to shift careers, but was reassured when reminded that at his age Konrad Adenauer had not yet become Buergermeister of Cologne. At his swearing-in, Jack was pleased, amused, and somewhat surprised when I reminded him that henceforth he was entitled to be called "Honorable." "Aha!" said the old intelligence hand, "the ultimate in sheepdipping."

Jack Maury left full-time Federal service in 1976, but for the rest of his days he remained a Consultant to the Department of Defense. He did not become inactive. He taught at the University. He served on the Bar Association's Task Force on Law and National Security. He was mightily pleased and honored to serve for two terms as President of the Association of Former Intelligence Officers. He lectured widely on intelligence—with as much exhortation as analysis. And characteristically he would close his remarks by quoting his fellow Virginian, George Washington:

"The necessity for procuring good intelligence is apparent and need not be further urged—all that remains for me to add is that you keep the whole matter as secret as possible. For upon secrecy, success depends in most enterprises of the kind and for want of it, they are generally defeated however well planned."

What more can we say of Jack Maury, the man? He was, above all else, a man of institutions—his own notable family, the Charlottesville community, the University, the Marine Corps, the Department of Defense, the CIA. All these held his unswerving devotion. Semper Fidelis. For him, life transcended the individual. The complete man was marked by his service to, indeed his immersion in, his many associations, his many platoons.

Proud as he was of his own illustrious lineage, strong as was his affection for the inheritance from the past, Jack Maury knew full well that one must not dedicate himself to the past, but should live for the future. He was not given to looking back, to vain regrets—for what had been, but which could no longer be perpetuated. His central purpose until the end was the change, the adaptation, the growth of those institutions to which he was dedicated—that they might be preserved for future usefulness to his nation.

He remains forever the epitome of the Virginia gentleman . . . in his judgment the highest honor one can attain.

Yet Jack always rejected stuffiness. I can well imagine him now lightening the heavy piety in heaven. In these august surroundings a note of levity may surprise some of you. Jack himself would have had it no other way. For him humor was the indispensable element in God's Kingdom.

And finally, Jack truly exemplified Kennedy's definition of courage, even gallantry: grace under pressure. Some of us, no doubt, are shaken by the suddenness of Jack's departure. More so, perhaps than Jack himself. When he phoned to announce his fatal illness, he said with his usual cheer: "After seventy, there is no bad news. It's just a question of when the good news runs out." He closed the conversation with that most characteristic salutation with which he invariably ended all phone calls: "All the best."

For Stuart and the family, we all share their grief in this sudden departure—however inevitable a termination to so full a life.

Now Jack has returned—for the final time—to his beloved Dunlora—to be forever amid the scenes of his youth.

Farewell, Jack! Godspeed! All the best!

THE LONG STRUGGLE FOR NUCLEAR ARMS CONTROL

Mr. PROXMIRE. Mr. President, a few weeks ago I called the Senate's attention to a meeting of arms control experts from a number of countries who sadly concluded that the prospect of successful negotiations between the United States and the Soviet Union at Geneva on strategic arms control was small and fleeting. In fact, one participant set the odds at 10 to 1 against such an agreement. He then said: "That's my estimate. and I'm the optimist." Keep in mind that even if there is an arms control agreement flowing from the START talks it will be very limited. Those talks have primarily centered on limiting the deployment of intermediate nuclear missiles in Europe. We would still spend more than $50 billion per year in each of the next 5 years for additional nuclear arms. We would proceed with our advanced bombers, with our Trident submarines, our D-5 hard target kill SLBM, with hundreds of cruise missiles, with the MX, and the Midgetman. None of this would be affected by the success in the unlikely event we should achieve it at Geneva. And, of course, as we build up our strategic military capability the Soviets can be expected to do likewise. So where is the progress?

This morning's New York Times thinks it sees some. In the lead editorial, it declares:

There are no longer any insuperable technical obstacles if Presidents Reagan and Andropov want to advance the cause of arms control and can extract agreement from reluctant parties in both societies.

What gives here? Answer: The Times has taken some of the proposals by the Soviet Union and counter proposals by the United States and put them together and foresees the possibility that slowly, gradually over a period of 10 or 20 years, we can come together. Listen to today's editorial:

The Russians suggest cuts by the end of the decade to 1,800 missiles and bombers (from SALT's 2,250); the Americans say 1,200 missiles and 400 bombers. That is a negotiable difference of 200. The Russians propose sublimits of 1,080 multi-warhead weapons on land or sea (from SALT's 820). That would let them keep all SS-18's and 19's but would require dismantling about 100 other large missiles—a significant gesture to the Scowcroft concept.

The Administration no longer seeks to defer discussion of air-based cruise missiles. Both sides would set a sublimit of 120 cruise-bearing bombers, with Washington offering a limit of 2,400 (down from 3,360) cruises. The American proposal to reduce total warheads from about 7,000 to 5,000 is probably acceptable to Moscow if Mr. Reagan drops the demand that no more than half be based on land.

The Times further argues that over a period of years we could negotiate an agreement that would permit both sides to phase out the multiwarhead-land-based missiles that are so destabilizing and replace them with small single warhead, mobile land based missiles.

Mr. President, all of this is so logical, so sensible from the standpoint of both countries that we all must hope and pray we can achieve it. But every Senator must recognize that such an agreement will depend above all on verification, on our ability to know whether the Soviets are keeping the agreement. And on what does that depend? It depends overwhelmingly on satellites. Our satellites monitor every mile of the vast Soviet Union. They can detect testing, production, deployment, in the event of a Soviet missile launch. We can tell instantly its point of origin, its direction, its speed, and plot its course. Our entire deterrence depends on those satellites. We have been told by the most competent Defense Department experts in testimony before our committees that both our warning system and any arms control verification depends absolutely on satellites. Now, Mr. President, the Soviet Union has developed and tested killer satellites. They have them in their arsenal now. In the defense authorization bill before the Senate we have money for developing our own more effective killer satellite program. DOD says it will cost a little more than $3 billion. The GAO says $15 billion. Both the Soviet Union and the United States will have the ability to strike each others deterrents and arms control protection blind.

Obviously over the course of years as this long negotiating process works its way and as the longer period of weapons adjustment hopefully takes place, we will rely for our very national existence on our satellites. So I earnestly hope that an amendment by Senator TSONGAS which would call on the President to deratify to the Congress as a condition of his proceeding with funding our satellite killer technology that we are negotiating with the Soviet Union to eliminate the satellite killers on both sides.

Mr. President, this Congress must push and shove this country and the Soviet Union toward the most comprehensive and effective possible arms control agreement. This is a struggle we will not win this year or next year. It will continue for our lifetime and beyond.

I ask unanimous consent that the lead editorial from this morning's New York Times entitled; "Stirring Toward Arms Control" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 18, 1983]

STIRRINGS TOWARD ARMS CONTROL

New proposals by each side have finally brought the Soviet Union and United States within negotiating range on strategic weapons. Two types of agreement now look feasible.

One would be essentially a modification of the unratified but mutually observed limits written into SALT II in 1979. The missile reductions now offered by Moscow exceed the cuts it refused to make in that treaty or even to promise for SALT III. The Pentagon wants still more, but the present Soviet offer already allows President Reagan to claim a major gain from the treaty terms that he denounced as "fatally flawed."

What such a treaty would not achieve is the total restructuring of Soviet forces that the Administration has been demanding for a few American reductions. To eliminate Moscow's theoretical "first-strike" capability against American land missiles, the Reagan team has been asking the Russians to dismantle more than half their land-based forces, including two-thirds of the 600 heavy SS-18's and SS-19's. Yet they are asked to tolerate America's "First-strike" missile, the ten-warhead MX. This was never a plausible bargaining position.

These "first-strike" fears could, however, be addressed in a second, separate treaty, looking toward gradual restructuring on both sides.

As proposed by the Scowcroft panel and endorsed by President Reagan, the aim would be to replace the most menacing, destabilizing multi-warhead missiles with small, single-warhead weapons. Negotiating that bargain would take a long time. But an early agreement in principle should be possible, setting a target of 10 to 20 years for the retirement of all multi-warhead missiles and a timetable for the transition.

The two types of agreement are easily made compatible. The superpowers could agree to restructure while continuing to observe the present weapons limits in SALT II, or reduce those limits in the manner of some of their Start proposals. If the United States will not insist on an immediate restructuring of Soviet forces, those proposals are clearly converging.

The Russians suggest cuts by the end of the decade to 1,800 missiles and bombers (from SALT's 2,250); the Americans say 1,200 missiles and 400 bombers. That's negotiable difference of 200. The Russians propose sublimits of 1,080 multi-warhead weapons on land or sea (from SALT's 1,200) and of 680 for land alone (from SALT's 820). That would let them keep all SS-18's and 19's but would require dismantling about 100 other large missiles—a significant gesture to the Scowcroft concept.

The Administration no longer seeks to defer discussion of air-based cruise missiles. Both sides would set a sublimit of 120 cruise-bearing bombers, with Washington offering a limit of 2,400 (down from 3,360) cruises. The American proposal to reduce total warheads from about 7,000 to 5,000 is probably acceptable to Moscow if Mr. Reagan drops the demand that no more than half be based on land.

There are other potential sticking points. One is the undefined American demand for better verification. Another is the Soviet threat to retreat from its proposals if American medium-range missiles are deployed in Europe. Such issues can always be exploited by those who think euphoria over treaties would hamper rearmament.

But weapons costs and the obvious political interests in a Reagan-Andropov summit meeting are now counterpressures. There are no longer any insuperable technical obstacles if Presidents Reagan and Andropov want to advance the cause of arms control and can extract agreement from reluctant parties in both societies.

THE PROTECTION OF CHILDREN AGAINST SEXUAL EXPLOITATION ACT OF 1983

Mrs. HAWKINS. Mr. President, I am disgusted and outraged by the ruthless exploitation of our children for pornographic purposes. Each year, hundreds of thousands of children are forced or cajoled into a pornographic underworld that leaves these innocent victims pyschologically scarred for life. Yet, because of the maze-like confusion of the Federal enforcement bureaucracy, only a handful of perveted producers and distributors are brought to justice. That is why I was so pleased that Senator SPECTER and Senator GRASSLEY have worked so diligently to strengthen Federal applicable statutes.

S. 1469, the Protection of Children Against Sexual Exploitation Act of 1983, is an important step in the battle against child pornography. Until now, pornographers who sexually exploited children for private pleasure have been subject only to obscenity laws. Thus, last year 26 out of 43 pornography defendents convicted of sexual exploitation of children were sentenced under this lesser charge. By deleting the requirement that production and distribution of child pornography must be done for commercial purposes before a pornographer can be charged for more serious offenses, S. 1469 increases the penalty for all exploiters of our children.

Additionally, this bill brings existing statutes in line with the recent Supreme Court decision, New York against Ferber. Last session I testified before the Senate Judiciary Subcommittee on Juvenile Justice on the issue of sexual exploitation of children. During that hearing, it was graphically demonstrated that children involved in pornography suffer grievous harm. However, until the Ferber decision, prosecutors had to prove the material was obscene and of no socially redeeming value. Now any sexual exploiter of children is subject to prosecution.

Mr. President, the passage of this bill sends a clear signal that it is the intent of the Senate that this law, and all laws designed to protect our children, are vigorously and aggressively pursued. The passage of this measure must also put the Department of Justice on notice that the Senate expects the investigation and prosecution of child pornographers to be among its highest priorities. Is is absolutely essential that those with the power to protect and correct, do so.

Mr. President, the sexual exploitation of our children is repugnant to a moral society. We must protect our children from these vicious and perverse people. I urge all of my colleagues to join me in support of this bill.

JERRY WEINTRAUB

Mr. METZENBAUM. Mr. President, the July 18 issue of the Washington Post featured an article entitled, "On the Hollywood Express." The article is a profile of Jerry Weintraub, a Hollywood entertainment promoter who handles such clients as John Denver, Neil Diamond, Frank Sinatra, and Bob Dylan.

Jerry Weintraub is my friend and I know that he rightly deserves the accolades paid him in the article.

In addition to his trememdous financial successes, he is widely known for his charitable interests and for his concern for his fellow man. He has time for the Holocaust committee about the Martyrs Memorial and Museum, St. John's Hospital, and a host of other charitable and public service endeavors.

Mr. President, the article is a fine tribute to a fine man, but it only scratches the surface of the fine family man that is Jerry Weintraub. As the article mentions, he gives great credit for his success to his family—to his parents, to his beloved wife Joan, and to his three children.

But that is only part of the story. His dedication, his love of his family and his caring for them far transcends his successes—and, in no small way, contributes to him.

Mr. President, the article is a well-deserved tribute to a deserving American.

I ask unanimous consent that the article be printed in its entirety in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 17, 1983]

ON THE HOLLYWOOD EXPRESS—JERRY WEINTRAUB, PROMOTOR WITH THE MOTOR RUNNING

(By Eric Estrin)

Jerry Weintraub rarely sleeps more than four or five hours a night; he doesn't have time for it. But on the night before tickets went on sale for Neil Diamond's recent Los Angeles concert series, Weintraub was too hopped-up to sleep at all.

He got out of bed at 4:30 as usual and skimmed the paper while watching the morning news, which a receiving dish next to his Malibu home picks up by satellite from New York. Still suffering the effects of a nasty cold, he skipped his five-mile run and customary horseback ride and called his chauffeur for a ride to the concert hall.

At 6:30 or so, when Weintraub's Maserati arrived at the Los Angeles Forum, a line was beginning to form outside the ticket window. Weintraub, who is Diamond's manager, settled some last-minute details at the arena and then, when tickets went on sale at 10 a.m., allowed himself some time in the box office to watch patrons fork over up to $15.50 apiece to watch his client perform.

"Things like this are what motivate me," he explains later that day in his posh Beverly Hills office. "To do $2 million worth of business in one day, in one little place, knowing that I'm probably doing $10 million elsewhere—that motivates me. And I'm right there in the box office watching people throw their money in—to me, that's why I get up in the morning."

It should be noted that despite his enthusiasm, this is not the only big deal on Weintraub's agenda. Already today, after leaving the Forum, he has spent time at MGM Studios overseeing production of a television series based on the film "Diner," which he produced. From there he met with George Hamilton, a client of his, for whom he recently landed a CBS pilot. Next he lunched with old friend James Caan at a meeting of the Holocaust Committee about the Martyrs Memorial and Museum to be established in Washington, a project in which they're both actively involved

Then, after participating in a board meeting at St. John's Hospital, another of his charitable causes, he finally arrived at his office and began returning as many as possible of the 200-odd phone messages that pile up daily. Before meeting with a reporter at 3:30, he found time to arrange a deal for his latest project—a big-budget Broadway play, "Madame Rosa," which he will coproduce later this year.

Incredible as it may seem, this is nothing more than a typical day's work for Weintraub. Arguably the most powerful single figure in California entertainment industry, his wholly owned umbrella company Management III seems to be a vertiable clearing house for all of Hollywood's business.

"The best in the business as far as I'm concerned," says John Denver, a client. And Guy McElwaine, president of Columbia Pictures, puts it this way: "There aren't many people doing what he does, and I don't know any in Jerry's league.

"One thing that's great about Jerry is he never wastes your time . . . He doesn't have time to waste."

So why a man in Weintraub's position would lose sleep over a can't-miss concert promotion like Diamnd's (he sold out seven shows by the weekend, four that first day) probably says something about how he became such a heavy Hollywood power broker in the first place: "I don't care what anybody tells you," he says. "In every successful man that I've met—and I've met a lot of great, successful men—there's a salesman inside him wanting to get out. There's that entrepreneur in there, and he wants to watch the products that he develops hit the marketplace. He wants to watch people buy them.

"I'll bet the chairman of the board of IBM at some point goes into a store and watches somebody buy a typewriter. I know that Lee Iacocca, who's a guy I have a lot of respect for, I know that he must want to sit in a Chrysler showroom and peek out the door and see these convertibles get sold. I have a lot of businesses and I made a lot of money and it's great, but every once in a while you like to get in the trenches and see what the hell's going on out there. You've got to deal with the people."

And deal Weintraub does—from a position of strength. In rapid-fire, 30-second phone conversations starting before dawn sometimes to the East Coast, he speaks in a deliberate, basso profundo reminiscent of his one-time client Sylvester Stallone (they split almost immediately over a "personality thing"). For convenience, Weintraub keeps about 40 telephones, each with six or seven lines, around his Malibu estate, "Blue Heaven"—including the ones in the bathrooms, sauna and whirlpool, but not the ones in the fleet of fancy cars.

Immaculately dressed in European-cut suits, and looking tanned, fit and vigorous at 45, he's obviously come a long way since his youth in the Bronx, though he still retains the accent, the boyish exuberance and an abrupt, down-to-business demeanor. But Weintraub makes it a point to be accessible to almost everyone and never to stand on ceremony. Among the many satisfied clients who appreciate his style to the tune of up to 15 percent of their incomes: Bob Dylan, the Beach Boys, the Moody Blues.

He has staged concerts for the giants of the music business, beginning with Elvis Presley and continuing through Led Zeppelin, Eric Clapton and the Bee Gees all the way to Frank Sinatra.

And music is just the beginning of Weintraub's act. He has also produced quite a few major Hollywood films ("Nashville," "Oh, God") and had a hand in who-knows-how-many more. A company he set up with former NBC sports executive Don Ohlmeyer is shaping up as a pioneering supplier in the young cable television industry. And in a recent coup, he announced his intention to help bring about nothing less than world peace (in addition to earning another bundle of money for himself) by teaming up with industrialist Armand Hammer to promote cultural exchange among the U.S., the Soviet Union and China.

Weintraub won't discuss how wealthy these transactions have made him. (In fact, he seems uninterested in quantifying anything about himself—his PR firm doesn't keep a bio on him; he even disagrees with his wife on their wedding date.) But Weintraub's certainly at no loss for personal com-

fort. The eight-acre ocean-front mansion attests to that, as do the servants, the stable with 11 horses, the other homes in Beverly Hills, New York, Palm Springs and Maine, and the party invitations he and his wife regularly turn down.

"It took me years to be able to get up in front of people and speak," he says. "I'm still very shy." His loner attitude even applies to his industry's most gala event, the Academy Awards ceremony. So despite the fact that his picture "Diner" was up for top screenplay honors in April, Weintraub was at home in bed with a bag of barbecued potato chips and a beer.

Nevertheless, he seems to know everyone in town, and he's willing to make a few positive observations about his celebrity pals:

Bob Dylan—"The most perceptive guy I know. He doesn't miss a thing."

John Denver—"My best friend in the world, a man I go to when I'm troubled."

Frank Sinatra—"The best thing I could say about Frank, besides the fact that he is without question one of our great legends, is that he's a great friend and a stand-up guy."

George Bush, who owns a home near Weintraub's in Maine—"I hope he's president some day. I consider myself a leader, but he's a man I would follow."

And last, of course, his own thumbnail sketch, equally succinct: "I'm perceptive, I think, and persistent. I'm very good with people. I'm a good administrator, a good salesman—well, probably a *great* salesman . . . Hey, these are pretty good quotes I'm giving you, aren't they?"

Inevitably, the self-confidence shows up in his business negotiations. "When you have 'go-to-hell' money," he explains, "it's easy to say 'Go to hell.' It won't mean that you're not gonna eat tonight or your children aren't gonna have an inheritance or all the things that other people have to worry about."

Occasionally, he admits, there have been setbacks—like a production agreement with Universal that spawned a flop movie, "All Night Long," and a couple of TV projects no one's ever heard of. Weintraub took that one hard and vows to wipe the slate clean with a big hit for the studio. He's already made a start: In developing "An Officer and a Gentleman," a film he did *not* produce, he left Universal with a percentage of the profits. The picture turned out to be one of last year's biggest hits.

Weintraub takes solace in that, he says, because he enjoys sharing the wealth. Partner Don Ohlmeyer, with whom he recently formed Intercontinental Broadcast Systems to develop a projected $150 million worth of cable and network television programming, appreciates the way Weintraub does business. "He knows what he wants and will not let anything stand in his way," Ohlmeyer says, "and yet, people aren't alienated by him after they've made a deal."

While Weintraub gladly takes credit where it's due, he never fails to share it with his family for its support. He remembers his childhood as a happy one: A father who could sell anything, a loving mother and brother—they were a close-knit group in an ethnic neighborhood where people had what he calls "a thirst for life."

A streetwise kid, Weintraub used to skip school to watch Dorsey or Sinatra play the Paramount. And though he could always talk his way out of trouble, he also knew how to handle himself in a scrap. His brother, Melvin, who is two years younger and now works with their father selling precious stones, remembers being the safest kid in the Bronx. "Nobody would lay a a hand on me for fear of having Jerry to contend with," Melvin Weintraub says.

Weintraub is still extremely close with the folks back home, but his protective instincts are best left for his three young adopted daughters. (His son by a brief, previous marriage is away at college.) "His whole life is his family," says his wife, the former Jane Morgan, whose career as a torch singer and stage performer he managed in the '60s. "We all feel that total dedication and concern."

It was Weintraub's business sense that originally brought them together. "I saw right away that he was an unusual sort of man and that he was going to be very, very successful," Jane Weintraub recalls of their early professional relationship. "For one thing, he had the creative ability to go with everything else. He could design a wardrobe for me or see a whole set design in his head just as easily as he could pick up a phone and book a date for me in Chicago."

He also had a flair for the dramatic. In the years before they were married, his wife says, her lifelong ambition of starring on Broadway had taken a back seat to her singing career ("Fascination" was her biggest hit). Characteristically, though, her future husband would not let anything drop. "One night after we were married, Jerry said to me, 'Come on, let's go for a walk, I want to show you something,' " she remembers. "It was about midnight, a very cold, blustery night in New York City. It may even have been snowing. We walked about three blocks from our home to Seventh and Broadway, the Winter Garden Theatre, and there it was on the marquee: Jane Morgan in 'Mame.' I just about flipped."

Weintraub at the time was making a name for himself as a gritty promoter and a top-notch handler of musical talent in New York. Only a few years earlier he had finished a stint in the Air Force, straight out of high school, and had taken his first job in the industry—as a page at NBC studios. Within six months he found a job in the mail room at the William Morris agency. Two weeks later, a full-fledged agent's job opened up at rival MCA and Weintraub talked his way in.

Despite his contention that "I learned about the business when the doctor took me out of my mother's womb and slapped me on the behind," it was at MCA that Weintraub first got exposed to big-time wheeling and dealing. Yet after only a couple of years he struck out on his own with such early clients as the Four Seasons and Jane Morgan.

There was another performer Weintraub had his eye on too, a hip-shaking rockabilly singer out of Memphis by the name of Elvis Presley. Weintraub got the number of Presley's manager, Col. Tom Parker, and called him nearly every day for a year. "He would ask me what I wanted," Weintraub recounts, "and I would say, 'I want to promote Elvis Presley.' And he said, 'You're crazy. Why should you promote Elvis?' And I'd say, 'Why not?' "

After a year of this, Parker relented and made Weintraub an offer: Be in Las Vegas tomorrow at 9 o'clock with a cashier's check for a million dollars, and Elvis is yours. "Well, a million dollars was so foreign to me in those days, I couldn't even imagine it. I mean, Rockefeller had a million dollars," Weintraub says. "I didn't know who else. Today I could just write a check . . ."

He must have worked the phones pretty well back then, too, because by 2 p.m. the next day, after petitioning Parker for a five-hour extension, the deal was consummated.

Not only had Weintraub landed the top box-office attraction in the world for a national tour, he had done so at a time when the business of organized concert promotion was in its infancy. Ordinarily, tours were pieced together by a band's manager and dozens of local promoters across the country. Now Weintraub was promising artists uniform, top-quality conditions and an organized promotional campaign for every venue. The clients jumped on board.

And they're still jumping, as evidenced by the gold records lining Weintraub's walls. While album sales are down throughout the struggling music industry, Weintraub hasn't felt the pinch. "My artists are not in any kind of depression, nor will they ever be," he says. "They're a very stable group."

Other promoters have voiced resentment when the acts they help break wind up jumping to Management III or Concerts West, the promotion company Weintraub co-owns, but his rebuttal is simple: "I guess jealousy is just something I have to live with," he says.

His wife is willing to elaborate: "When Jerry first took artists out on the road, he'd go out in advance to two or three cities a day—checking out every arena, every hotel, every room in the hotel. He was his own front man. When it looks easy for him now, it's because he's already done it and he knows all the people. He's paid his dues."

Now his connections are earning him dividends all over the world. Example: When Deng Xiaoping visited Washington during the Carter administration, Weintraub helped arrange a party in his honor. And when a friend in the State Department needed something to send back with Deng as a gift to the Chinese, Weintraub came through with just the thing—500 John Denver albums. Years later he finds himself in a multimillion-dollar enterprise involving a cultural exchange with communist countries, and guess which entertainer heads the Chinese priority list: That's right, the country boy himself.

As usual, Weintraub's venture behind the Iron Curtain does not hurt for grandness of scale. For those wondering why he's been spotted lately jogging atop the Great Wall of China or seated in the front row at Brezhnev's funeral in Moscow, the answer comes in the form of Occidental Petroleum's worldly 85-year-old chairman, Armand Hammer.

Hammer has had close ties with the Russians since he helped save their economy in the early 1920s; his company currently has a $20 billion contract with Moscow for exchange of chemicals. On the entertainment front, a company he formed has, with various partners, made films about Russia's dance and music and the evolution of Chinese society, as well as a recently completed two-hour documentary, "To the Ends of the Earth." When Hammer decided to expand his theatrical operations, he came to Weintraub.

"I told his people that I wasn't interested in piecemealing any kind of deal together," Weintraub recalls. "I said I'd love to sit down with Armand Hammer and make an overall deal." The idea sounded good to Hammer so they did it. "It took about a minute and a half," Weintraub says.

What they accomplished in those 90 seconds will ultimately involve an intermingling of American, Russian and Chinese culture on a scale never before attempted. Though dollar figures have not been announced, all the angles are covered—from actual motion picture production in all

three countries to the trading of concert and dance performances, sporting events, videotapes projects and more.

Naturally, Weintraub likes the action, but he's even more excited about dealing with Hammer, who he says deserves the Nobel Peace Prize. "Look, the United States is not talking with the Russians now, right? Wouldn't it be great if President Reagan and Andropov could go out to a ballet together and then walk out and talk about whatever it is they have to talk about to stop all the bombs from knocking off everbody in the world?" he says.

"He's a terrific guy, a great entrepreneur, a guy I respect and a guy whose advice I can take," Weintraub says of his new mentor. "I've enjoyed every minute of this."

Indeed, ever since the two formed their partnership in September, the normally tireless Weintraub has had to expand his business hours just to keep up. "He calls me on Sundays and he calls me in the middle of the night and then he calls me again at 6 in the morning," he says, shaking his head in amazement. "I don't think he sleeps, actually."

He laughs then, recognizing a little of himself in the man. "We get along like two peas in a pod," he says.

S. 1627, THE COLA LIMITATION ACT

Mr. WALLOP. Mr. President, this year our economy has had a robust recovery. This is a strong contrast to 1982, when every month brought worse news about the unemployment rate and business activity. This year, each month has provided a brighter picture on employment and business expansion. The national unemployment rate peaked at 10.5 percent in the fourth quarter of 1982. It has declined for the last 6 months to the current level of 10 pecent. Business activity has been brisk. The index of leading economic indicators has risen for 11 straight months. The stock market has been very bullish. New corporate stock offerings were only 87 1 year ago, worth $3.3 billion, but have jumped to 407 recently, with a value of $15.9 billion. Even the Chrysler Corp. has demonstrated that reports of its demise are greatly exaggerated.

The most important economic improvement has been the decline in the rate of inflation. When President Reagan came into office, the double-digit inflation rate was disrupting the economic stability of all American families regardless of income level. The Reagan ecomomic program has been extremely successful in reducing the inflation rate through market mechanisms rather than Government controls. The inflation rate was 12.4 percent in 1980, and dropped to 3.9 percent in 1982. It has held at below 4 percent in 1983. This success in curtailing inflation reflects our success in cutting Federal income taxes and reducing the growth in Federal spending.

While the unemployment rate has not declined as quickly as all would prefer, our sticky interest rates are also a disappointment. Economic growth has not proceeded as rapidly as possible because interest rates have remained rather high. This has curtailed both consumption and investment. The main reason interest rates are stuck is that the Federal Government has been running high deficits. The private market is well aware that the Federal deficits will require continued borrowing over the next few years. The demand by the Federal Government for borrowed capital will virtually insure high interest rates. The market has already reacted to this eventuality. Interest rates have not declined with the rate of inflation. The high interest rates resulting from Federal deficit spending threaten to stall our economic recovery.

The effect of interest rates is already being felt. The high rates have meant a very strong U.S. dollar abroad. The result is cheaper imports and expensive exports. We are unable to sell as many products abroad due to the strong dollar. One recent estimate indicated that economic growth is 1 percent lower and the number of unemployed is increased by 1 million because our exports are too expensive. In addition, such products as Japanese autos or German steel are cheaper. The cost of a Japanese car is about 20 percent less than under normal conditions because of the dollar rate exchange.

To keep interest rates at a sensible level, we must reduce Federal spending. The annual report on the budget by the Congressional Budget Office all too graphically describes the problem. Since 1965, Federal spending has increased from 18 percent of gross national product to about 25 percent this year. The growth in Federal spending has been fueled in large part by the increase in income transfer programs.

While the direct purchase of goods and services by the Federal Government has declined from 11 percent of GNP in 1960 to about 7 percent now, Federal income transfer programs have more than doubled during this period from 4 percent of GNP to 10 percent. Even with the modernization of our Armed Forces begun by President Reagan, Federal spending on defense has not rapidly increased. Four years ago, defense spending was 5 percent of GNP, and now it is about 5.9 percent. Interestingly, our spending on defense today is at the level targeted by the last budget of the Carter administration. As OMB Director Dave Stockman pointed out, defense spending, in constant 1983 dollars, will have increased only 36 percent between 1970 and 1988. As a share of GNP, defense spending will have declined by 6 percent for this same period.

Nondefense spending, on the same basis, will increase by 95 percent by 1988. As a share of GNP, such spending will increase, not decrease, by 29 percent. Most nondefense spending is for income transfer programs. In 1981, there were about 182 income transfer programs funded in full or in part by the Federal Government.

This number has declined slightly because some programs have been consolidated in block grants. Our income security programs provide benefits to 50 percent of all families in this country representing about one third of the population. Thirty-five percent of the families receive transfers through social insurance programs, such as social security, while the remaining 15 percent receive welfare benefits.

As the CBO points out, spending on income transfer programs had declined in the late 1970's. But this has been reversed since 1980 because many of these programs are indexed for inflation. The cost has soared. During this period of growth in indexed entitlements, the Congress has sought to control Federal spending by cutbacks in the growth of discretionary spending programs and by reductions in the President's defense budget. But such efforts have left entitlement spending, about 50 percent of total Federal spending, unfettered.

We cannot let this situation persist. It is for this reason that I have joined with the Senator from Missouri (Mr. DANFORTH) and the Senator from Oklahoma (Mr. BOREN) in sponsoring S. 1627. The bill redefined indexing for both the Tax Code and non-needs-tested entitlement programs for the next 4 years. Instead of a full cost of living adjustment in these programs, the COLA will equal the rate of increase in the CPI minus 3 percent. This adjustment in the formula will reduce the Federal deficit by $117.2 billion between 1985 and 1988. About one-half of the savings will result from the application of the CPI-3 formula to the indexation of Federal income taxes. The remaining half of the savings will result from lower spending on social insurance programs through the use of the CPI-3 formula. Thus, the responsibility for reducing the Federal deficit will be equally shared by workers and by recipients of social insurance programs. Our proposal does not reduce spending on our welfare programs.

Our proposal preserves the tax cuts, the last phase of which has just become effective, and it preserves the current benefits anyone receives from such social insurance programs such as social security. By reducing the Federal deficit, the bill will contribute to lower interest rates and higher real economic growth. Earlier this year, I cosponsored the social security financing amendments. But I remember clearly Dr. Greenspan, the Chairman of the Commission which had developed the social security package, telling the Finance Committee that the

package will only work if we have real economic growth over the next few years. S. 1267 will encourage real growth, lower interest rates, lower inflation without requiring unnecessary sacrifice by anyone. It is a sensible proposal which should be enacted by this Congress.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUMPHREY). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Froces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed the consideration of the bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to present a few remarks at this time in conjunction with the amendment which the Senator from Colorado (Mr. HART) and I will offer at the appropriate time relating to the MX missile.

Mr. President, if it were not for the dire implications which this issue entails, the entire affair would really be quite humorous. For today we are once again focused on the question of whether or not to fund the so-called Peacekeeper. More precisely, we are being asked to procure 27 Peacekeepers at a price tag of $2.4 billion. If, in fact, this $2.4 billion would keep the peace—it would be an unprecedented bargain.

Five years ago I would have said that to term this missile the Peacekeeper would have been a cruel illusion.

At that time, I did not believe that the vast majority of the American public realized what dangerous and misguided assumptions were being called into play to justify this and other nuclear-war-fighting systems. But today there is is no illusion. The American people have broken free of the chains of this technocratic slavery. They are no longer in bondage to the previously unquestioned wisdom of the nuclear gladiators. They are too well informed to be led as though they were blind by the reckless technological imperative of unlimited destruction.

There are no illusions of any consequence, Mr. President. There is only Congress. And the margins of victory are filled by men and women who know better—who must know better—but go along anyway as though this were a question no different than an everyday political compromise.

Well, Mr. President, we are not talking about dams. We are not talking about highways. And God knows we are surely not talking about peacekeepers. We are talking about a weapons system and a doctrine of strategic thought which promises to intensify with each passing day the pressures to initiate a nuclear exchange under an array of conditions. The hard fact is that one nation subscribing to this doctrine and pursuing the capability to implement it is danger enough. Two nations playing this game adds an entirely new dimension to the problem. The eye for an eye—tooth for a tooth mentality is bankrupt at every level of warfare below the nuclear threshold. It is insane at the nuclear level. Why anyone would want to radically diminish the time available to react, the number of choices available under difficult circumstances and the psychological deterrent effect of assured destruction, is perplexing indeed. Yet this missile, as one of the pillars of a strategic foundation also supported by the D-5 missile and the Pershing II, contributes immeasurably to this situation.

Our response to this state of affairs defies logic. More weapons equate with better arms control; we need to build up in order to build down; first-strike weapons are necessary for strategic stability; the Soviets will restrain themselves if only we will unleash ourselves, and the list goes on. I have said it before; the MX debate would have provided a veritable gold mine for Orwell were he here with us today.

There is something for everybody here. For those who view themselves as advocates of arms control, the MX is now an indispensable tool in that process. We are told that in order to put the MIRV genie back in the bottle we must first traverse a rather bizarre path. We need to deploy the finest MIRV'd missile our technology is capable of producing in order to get to the point where we can build up our arsenal further with non-MIRV'd missiles. Then we will build down. This is the logic.

Those who are so enthralled with the logic of MX as an instrument of arms control do not bother to demand that before we proceed with this missile we ask the Soviet Union to resurrect their proposal to forgo building a new land-based missile and inquire further as to possible reductions in existing land-based missiles that they would make if we were to forgo building the MX. The State Department does not know what the Soviet position is. That came out in the hearing held in the Appropriations Committee. The Arms Control and Disarmament Agency does not know what the Soviet position is. The Pentagon and the Armed Services Committee do not care what the Soviet position is because they want the MX no matter what. And that came out in the hearing.

Arms control based more on symbol than substance is perhaps more dangerous than no arms control at all. A multitude of proposals introduced in Congress after the nuclear freeze was introduced rely heavily on such symbolism. These proposals are not without some merit—some place quantitative limits on the number of weapons that can be built, some force a reconfiguration of forces, others may yield greater stability than an unbridled arms race—but taken as a whole they do not, Mr. President, represent arms control. The best we seem to get are technocratic variations on failed themes and Madison Avenue pitches to create new markets by repackaging old fears. Any way you look at it, upward arms management, of which the MX is a key component, is not arms control. In my view, the future portends not on arms/control agreement, but rather on arms-escalation agreement cloaked in false notions of stability. We can illustrate the futility of the current approach by comparing it to a group of individuals who have decided that they will go on a diet. I have used this analogy before. I would characterize the so-called injection of flexibility into START and the administration's supposed interest in congressional build-down proposals in this way: The U.S. delegation and the Soviet delegation decide they want a nuclear diet. They agree on an appetizer. They agree on a main course. They agree on a vegetable, and a beverage, and they agree on a desert. They have agreed, Mr. President, but

they have not dieted. They have gorged themselves on mutually agreeable terms and called it a diet. That is what we can expect so long as the Pentagon and its Soviet counterpart are placed in charge of the menu committee.

For those who are concerned about the destabilizing first-strike implications of the MX missile rest assured that we intend to deploy only 100. This, the administration and its supporters assure us, is too few missiles to constitute a first-strike capability. To my total amazement this seems to have reassured a good number of my colleagues. There is no promise that we will only deploy 100—there is nothing in writing that we will deploy only 100—only the expressed intention of this administration. Actually, we will be building a number of MX missiles in excess of 200. But, we are told, there is no reason to worry about this because the extra 100 will be used only for testing purposes. Why we need 100 MX missiles for testing purposes is completely unknown. I submit, Mr. President, that anyone who feels secure that we will shut down the production lines after 200 missiles have been built, at a time when the unit cost is very low, only to turn around and launch into a new system called Midgetman, now estimated to cost $100 billion or more, is dreaming dangerous dreams.

This is so not only because it flies in the face of commonsense and historic experience but because it completely and conveniently ignores a very fundamental aspect of the decisionmaking process we should be utilizing when dealing with strategic matters: While Congress may feel secure in these promises Soviet planners most assuredly will not. They will plan and act accordingly. They will act on the basis of worst-case planning, precisely as we would.

I would like to submit for the RECORD an article which appeared in the Washington Post on July 2. It lends at least limited credibility to the argument that the intended deployment of only 100 MX missiles is a proposition that is difficult, if not impossible, to believe. According to the Post, the Air Force program objectives memorandum, which guides Air Force planning for the next 5-year fiscal period, views the 100 MX plan not as an end in itself, but rather as a first phase. The document envisages not only the deployment of a new, smaller ICBM but an additional 100 MX missiles as well.

In testimony before my Committee on Appropriations, the administration refused to rule out the option of launch on warning. When pressed on the obvious conclusion that following a first strike by the Soviets such a low percentage of ICBM's would survive, even by the most optimistic calculations, as to render the MX useless, there was no meaningful response. The Soviet leadership may be slow, it certainly is worthy of condemnation, but it is not crazy. To deploy this counterforce missile in a vulnerable basing mode is crazy unless you believe that all hope is lost—that we are in the race for the duration and that both superpowers will be ready to strike first in the years ahead. Most significantly, it signals that we tacitly endorse and welcome the new frontier of nuclear madness.

I ask my colleagues who support this system: How many serious false alerts have the Soviets experienced in the last few years? I can tell you how many we have had and I shudder to think of it. Until somebody can convince me that they experience these apocalyptic nightmares far less frequently than we do, I will submit that it is nothing less than insane to deploy a weapon which is useless unless we desire the capability for a first strike or intend to adopt a hair trigger launch-on-warning policy.

We risk subjecting ourselves to a form of progress so advanced and yet so sinister that the very genius which brought us here may be incapable of taking us back.

Perhaps most perplexing, Mr. President, is the fact that, for so many years, we have been barraged with the contention that addressing the vulnerability of our land-based missiles stood among the most paramount security concerns facing this Nation. Now, with the wave of a magic wand, the Scowcroft Commission informs us that this concern was exaggerated. The Secretary of Defense, the chairman of the Senate Armed Services Committee, and a whole range of officials who have been promoting this missile have been telling us unequivocally that a fixed-silo-basing mode for the MX missile would be unacceptable—that it would not address one of the critical concerns which has motivated the last administration and this administration to seek its deployment—that it be survivable. What are we to think, Mr. President? How is it that every one of these individuals could have been so certain—so completely certain in these viewpoints and in the span of a few months completely reverse their policy?

Wrap it all up, Mr. President. Wrap it all up in a package and call it the Peacekeeper. Is it not wonderful. The Peacekeeper: What kind of peace do we keep with it? It was President Eisenhower, Mr. President, who told us:

> What can the world or any nation in it, hope for if no turning is found on this dread road? This is not a way of life at all • • • it is humanity hanging from a cross of iron.

There is no strategy—there is no logic—there is no increase in our security. There is only the endless squandering of funds on whatever the scientists in the weapons laboratory create—and it is all in the name of peace.

The only facet of this missile which could be termed "experimental" is the political salesmanship involved in finding a way for Congress to approve it. It is frighteningly evident now that there was one purpose and one purpose only—and that was to launch this Nation down a path toward a first-strike capability. MX may be commonly known as the acronym for missile experimental but in my book it stands for mindless xenophobia. It is the ultimate symbol of our willingness to set the stage not only for destruction of the enemy but for ourselves as well.

Mr. President, I will not take a backseat to any Member of this body in my condemnation of totalitarianism, or in my support for the President, or our real military needs, but I will never subscribe to the view that every item of military hardware under the Sun deserves my support, however ridiculous, so that I can feel sufficiently macho.

I do not believe there is an American alive today with more experience, stature, and comprehension of the intricacies of our relationship with the Soviet Union than George Kennan. I implore my colleagues in this Chamber to heed his words when he speaks of the counterproductive mentality we employ in our relations with the Soviet Union that: "there is no language they could be expected to understand, other than that of intimidation by superior military force."

This man, of incredible diplomatic experience and historic perspective, tells us that the mentality, which reigns supreme in this Chamber today, "is grotesquely overdrawn • • • inexcusably childish, and unworthy of people charged with the responsibility for conducting the affairs of a great power in an endangered world."

He goes on to say:

> At the end of our present path of unlimited military confrontation lies no visible destination but failure and horror. There are no alternatives to this path that would not be preferable to it. What is needed here is only the will—the courage, the boldness, the affirmation of life—to break out of this evil spell that has been cast upon us • • •

Perhaps the most incredible of all presumptions is that our President needs this missile at the bargaining table to demonstrate that we mean business. This places those of us who desire to support the President in a very difficult bind. On the one hand, we know that there is no individual more able to communicate the willingness of this Nation to do whatever is necessary to deny the Kremlin its pursuit of terror, exploitation, and expansionism. We want to undergird his courage and commitment. On the other hand, he has made it quite clear that without the MX, we will have

become a helpless, impotent giant. It has been said that our negotiators might as well come home if we deny them this important symbol of strength today. The last thing in the world that this President needs to demonstrate the resolve of this Nation is the MX missile.

Who will be fooled? Does anyone in this Chamber honestly believe that the Soviets will be so intimidated that they will reverse centuries of ingrained behavior and abandon their unrelenting quest for security through military prowess? Is there a shred of evidence? If there is, I have not heard it. What I do hear are the wornout admonishments that we are behind, and must catch up, and that the Soviets only respond when threatened with superior strength. The data is not a national security secret. This missile possesses military value only if it is used in a first strike or under launch on warning. Even if we did need to catch up and we do not—what does this contribute? And even if we did need more strength to elicit a response from the Kremlin, what does this add? Mr. President, it adds nothing.

The only increase in strength which we will derive from building this missile is the strength of our case for bankruptcy—moral, spiritual, political, military, and economic bankruptcy. This President does not need an MX—he needs a nation united and coherent in purpose—a military capable of fulfilling its mission and an economy tough and resilient enough to withstand the harsh realities of our world and provide for the needs of its people. This weapon is a hindrance to the attainment of each of these objectives.

We stand at an unparalleled juncture in time. As a student of history, I am all too familiar with bloodshed, blood spilt on the altar of naivete, of well meaning but misguided pleas for peace—of Chamberlain at Munich, and the aborted hopes of men and women in ideas such as the League of Nations. But there has never been a call to courage and action like the one we face today. There has never been so much at stake. For once, we cannot wait for the crises to occur before we acknowledge that an emergency exists. The challenge requires that we resist the temptation to dash off in every conceivable direction in search of escape routes from reality.

When will we learn to say "No" to those who implore us to worship at the false altar of the techological imperative?

How such a miniscule risk for peace can be viewed as an unacceptable liability is incomprehensible to me. To assert that our willingness to stand unabashedly for survival of the human race indicates a weakness more dangerous than the threat of nuclear war itself is as mad as it is inaccurate. We have never been forced to loosen our grip on the trigger. Perhaps we simply do not know how. We must unlearn the dependency we have developed on nuclear weapons or we will surely reach the day when their use will not depend on us. They embody a momentum that defies human control. The weapons we are about to build inject new logic into nuclear war.

If there were ever a time to be bold—this is it. If there were ever a time to abandon political considerations—this is the moment. If there were ever a time to reject the misleading "strangelovian" terminology in which we all indulge for the sake of appearing serious—this is the time. I urge my colleagues to say "No" to this monument to madness.

Mr. President; I ask unanimous consent to have printed in the RECORD the article I referred to earlier.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MEMO CONTRADICTS REAGAN ON MX NUMBERS

(By George C. Wilson)

A month after President Reagan's April announcement that he would be content with only 100 MX missiles, Air Force planners were writing that this was only the first phase in likely MX deployment, according to a secret document obtained by The Washington Post.

The document, called a Program Objectives Memorandum, or POM, is designed to guide Air Force budgeting and planning for the five fiscal year 1985 through 1989.

In an effort to rescue the MX after a disenchanted Congress sidetracked it last winter, Reagan on April 19 announced a new weapons program. He would build only 100 of the 10-warhead MXs and turn in the future toward a smaller, less threatening mobile missile that might be more conducive to arms control.

Congressional moderates hailed this as a sign of restraint and funds for the MX were restored.

But the POM, dated May 11, speaks of the 100-MX deployment as only a first stage, and describes a "phase 3 follow-on deployment of the MX."

The Air Force said yesterday that this POM has been "superseded" by one that conforms fully to the President's 100-MX proposal.

But several lawmakers know about the POM and are expected to make an issue of it in opposing the MX when further defense bills come up for debate after the July 4 recess. They say the POM shows the Air Force still has a secret agenda that calls for deployment of at least 200 of the missiles, the same total sought during the Carter administration.

The POM says: "The need for improved ICBM [intercontinental ballistic missile] capabilities in the mid-1980s and beyond is addressed in the POM as a three-phased approach to ICBM modernization.

"Phase 1 is the near term deployment of 100 Peacekeepers," Reagan's name for the MX, "in Minuteman silos. This phase is essential to redress the existing imbalance in prompt hard target capability by adding 700 warheads."

The 700 are the 1,000 MX warheads minus 300 Minuteman warheads to be lost as 100 Minuteman missiles are taken out of the silos to make room for the MX. "It will demonstrate our resolve and help to ensure meaningful arms control negotiations," the POM says.

"Phase 2 continues R&D [research and development] on options to enhance survivability. These options include superhard silos, deep basing, small missiles and hardened mobile launchers.

"Phase 3 involves a follow-on deployment of additional Peacekeepers, plus research and development on a new, small, follow-on ICBM . . . ." Other parts of the POM indicate that the third phase would involve deploying a second 100 MX missiles.

The Air Force provided this response yesterday when queried about the additional MX missiles described in the May 11 POM:

"The Air Force Program Objectives Memorandum is a classified document, and we are unable to discuss specific elements of it. However, the Air Force fully supports the report of the President's Commission on Strategic Forces which the president endorsed and sent to the Congress.

"This is reflected in the current version of the Air Force Extended Planning Annex, a section of the POM, and was forwarded to the secretary of defense on 22 June. It included the force level of Peacekeeper missiles recommended by the President's Commission on Strategic Forces. Any earlier drafts of the document have since been superseded."

One Air Force official who declined to be identified said the second hundred MXs got into the POM because somebody did not get the word in time about the president's strategic program.

A Pentagon civilian official, who also did not wish to be identified, said he doubted that the policy statements about a follow-on MX deployment got into the Air Force POM inadvertently. He contended that such general policy directions, in contrast to details that are revised as the POMs go through the budget process, are usually written carefully.

Mr. HART. Will the Senator yield?

Mr. HATFIELD. I would be happy to yield to the Senator from Colorado.

Mr. HART. Mr. President, the Senator from Oregon has characteristically developed a very perceptive and very thoughtful analysis of the gigantic mistake this missile system represents. He has been on the forefront of the effort to bring sanity to the madness of nuclear armaments for years and years. By identifying himself with this effort, he once again demonstrates his leadership, his concern, and his thoughtfulness toward a very difficult and complicated set of issues and problems.

I would just like to ask the Senator from Oregon if he can think of one solid, substantive, serious argument for building or producing a missile of this sort and putting it in what everyone admits is perhaps the most vulnerable launching mode that any of the military planners have thought of?

Mr. HATFIELD. I would say no to the Senator's question, and I would only add that it seems to me what we are providing is a real bargain basement deal for the Soviet Union. It becomes a 10 to 1 advantage; where there is a single warhead, they are

going to get 10 for 1 in cases they decide to make a target out of one of these vulnerable silos that we have so frequently heard of in the past and therefore the need to remove that vulnerability. So the only thing I can see is reverse logic; we are handing the Soviets a 10 to 1 bargain.

Mr. HART. Is the Senator aware of any statement made by the Scowcroft Commission in its report or by any of its members since or any of the supporters of placing this missile in these vulnerable silos that indicates how this missile might survive under a first strike Soviet attack?

Mr. HATFIELD. There is nothing in the Scowcroft Commission report that I have read that would indicate the survivability, no.

Mr. HART. Finally, does the Senator from Oregon have any idea how building this missile and putting it in vulnerable silos would strengthen this Nation's hand strategically?

Mr. HATFIELD. No. The only argument I have heard is that it does provide another bargaining chip, but I think we have been through that litany before with the MIRV missile when it was to have been the bargaining chip on previous occasions at the negotiating table. It did not end up becoming a bargaining chip. Rather, the Soviets ended up with the MIRV missile.

Mr. HART. I thank the Senator, and once again I congratulate him for his excellent statement.

Mr. HATFIELD. I thank the Senator for his remarks.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COHEN). The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, I observe that the Chamber is virtually empty, though the distinguished Senator from Iowa is watching affairs from the majority's side of the aisle and the Senator from Colorado is on hand to make certain that the ever present forces of obstruction may not fail to be noticed.

We are in the seventh day, if I am correct, of consideration of this legislation, the authorization of appropriations for the Department of Defense.

Those of us who have wished to debate the central feature of this authorization bill, which is the proposal to deploy in existing Minuteman silos 100 of the missiles called MX, have raised and debated that subject on each day the bill has been before us.

Yet there has been little attention paid to our discussion, although we have said it to be perhaps the most serious issue any of us has raised on the floor of the Senate in our respective periods of service here. I dare to think that one of the reasons we have not been widely attended to is there has been no response to our observations, there has been no answer to our questions, there have been no counterarguments offered by proponents of the President's proposal respecting deployment of the MX.

Before this debate is finished I would hope actually to count the number of lines in the CONGRESSIONAL RECORD in which it would be found that anyone has sought to refute or to amend or correct the statements we have made. We have had virtually none thus far.

On Saturday afternoon, I called attention to the rather large display on the east side of the Chamber illustrating the large increase in Soviet warheads dating from 1974 and 1975, at the time the SS-17, 18 and 19 began to be deployed.

I made the point that if we were to divide the Chamber in terms of support for and against this measure, if we were to put on this side, where the Senator from Colorado is seated, the billboard that respectively advertises our positions, that billboard illustrating the recent proliferation of Soviet warheads belongs on this side. Far from being an argument in favor of the MX deployment, it was precisely the argument against it.

I observe that what literally dozens of national and State and local ordinances have been not able to do, which is to bring down the billboards in the Nation as a whole along our highways, I dare to think my remarks of Saturday did do, that is to bring that billboard down in the Senate Chamber. So there is hope for oratory if not for statute.

Allow me nevertheless to paraphrase those arguments, for they are relevant to what I should like to discuss today. I made the point, Mr. President, that it was precisely because in the mid-1970's the Soviets suddenly brought on line three distinct weapons systems the MX deployment was ill-advised. They are out of sync numerically and chronologically, but the SS-17 was deployed in 1975; it has four warheads, 150 were deployed. The SS-18, deployed in 1974 had ten; 308 of them are now in place. The SS-19 also went on range in 1974, with six warheads, there are 300 each of those missiles.

What this has meant is that the number of warheads in this force, the three sets of ICBM's, approaches 6,400. Accordingly, it is altogether a futile gesture to undertake the deployment of 100 MX missiles in existing targeted silos—silos we may assume each has two warheads dedicated to it. Futile because a handful of Soviet warheads, 200 out of the 6,400, could be assumed to have within 80 to 90 percent probability the capacity to destroy 80 to 90 percent of our MX missile force.

What possible deterrent in any form would that be to Soviet military doctrine, planning, behavior in time of crisis?

None whatever, save that we will proceed to combine these missiles, deployed in a first-strike mode for the first time ever in our history, with other elements of the triad, particularly the new B-1 bomber with the cruise missiles, the new Trident submarines with the D-5 missile—the most powerful sea-launched missile of its kind in history—such that the making of a first-strike capacity would soon exist. It will not materialize today—the day we make that decision—the decision becomes an operational decision in 6 or 7 or 8 years' time. This is not a huge distance in the world's history, and it means that in a period of crisis the Soviet will know that not only do we have these other forces deployed in a mode wholly consistent with deterrence but we have this particular force imminent which is actually incompatible with such a strategic doctrine.

I made the point on Saturday, Mr. President, that it is true the present Minuteman missiles would only be of use in a nuclear war if they were used first because they have now been effectively targeted, overwhelmingly targeted, and of no serious strategic use to a strategic planner thinking in the current mode.

But that is not how we originally deployed them. When we deployed them they were not vulnerable. There were then no SS-17's, 18's, 19's. It is only with the gradual creep of technology, with improving accuracy, and with the great commitment to land-based missiles the Soviets made after the Cuban episode of 1963 that they became vulnerable. And it was because they had become vulnerable that we decided to cease our reliance on them and create a new missile, and so went wandering into the desert for 11 years and returned with an altogether misunderstood idea of compromise. Now we find ourselves deploying our latest and most powerful weapon in the very silos that we had left because they had become vulnerable.

It is perhaps a comment on the character of the American Government and politics that we clearly do not see in this Chamber—and it is not reported in the press and it will not be heard on radio or seen on television—that we are embarking on a new strategic doctrine, not intentionally, but ineluctably. It is not what we say that will matter, it is what we do that will matter most in the minds of these we seek to deter, and we will be seen to have done this thing.

I do not suppose most Americans have been much aware that we have a

strategic doctrine, or what that meant. But we have had such a doctrine. We knew it, the Soviets knew it, and we knew that they knew. And it was coherent, and we held to it for a quarter of a century, and by the only available measure it must be deemed to have been sucessful at deterring aggression along the main front. It kept the nuclear peace for a quarter century.

Now I see we are speaking to an empty Chamber, an evidently indifferent, if not increasingly—well, let me not use words that might raise temperatures, not in July—an indifferent opposition in this Chamber who does not listen to us, perhaps does not comprehend us. I see my friend from Colorado has arisen.

Mr. HART. Will the Senator from New York yield for a question?

Mr. MOYNIHAN. I am happy to yield.

Mr. HART. The Senator is exactly right. The MX missile, as proposed to the Congress in this bill, does, in fact, represent a dramatic departure in this country's traditional nuclear doctrine, but not just in one degree but in two; that is, it is the first-strike weapon, first hard target first-strike weapon to be produced. But, moreover, by the 90-day-old decision to place it in the most vulnerable site to be placed in, it also represents a departure in our launch doctrine, necessarily—necessarily leading to a launch-on-warning change in our doctrine. Is the Senator in agreement on both those accounts?

Mr. MOYNIHAN. I not only agree, I beg to plead with the body to hear what the Senator from Colorado has said. The existence of these weapons in target, vulnerable silos puts us in a launch-on-warning mode. It will force us to, though we will deny it. We will, nonetheless, do it. More importantly, it puts the Soviets in that mode.

I took the liberty to say in this Chamber the other day what has perhaps not been said often enough, but it is known. The Soviets have been repeatedly exercising themselves in exactly this launch-on-warning mode. The go over it, and over it, and over it, and over it.

There was a time when they had but one set of radars and it would have been utterly irresponsible behavior to prepare to launch a retaliatory strike on the basis of one radar's indication that something was on the way—it could be Canadian geese on the way.

They now have at least two checks. They can check at 10 minutes, they check at 20 minutes; or, to run in the pattern of these things, they can check at 30, and they can check at 20. They can pick up at 20, they can pick up at 10, and then it is 9 minutes to blastoff. They have 9 minutes to make the decision. And they practice making that decision, the decision to launch a retaliatory strike. We will end up doing the same.

Can you imagine a real political crisis in Germany, a real political crisis in the gulf, the appearance of intermediate-range missiles on the shore of Lake Managua?

Can you imagine the atmosphere in the Oval Office? You have been there; I have been there. It defies calculation. It puts the world on 30 minutes' notice to annihilation, both sides.

Mr. HART. Will the Senator yield further?

Mr. MOYNIHAN. I am happy to yield.

Mr. HART. I know the Senator from New York is aware of a report prepared by the distinguished Senator from Arizona (Mr. GOLDWATER) and the Senator from Colorado 2 or 3 years ago for the Armed Services Committee which documented a strategic warning system by this Nation which it was agreed by all sides would be much more sophisticated and capable than that possessed by the Soviets and was itself subject to periodic, if not chronic, breakdowns in misrepresenting and that in a period, as I recall, in the late 1970's, a period of some 18 months, that there were in the range of 150 or more false warnings or false reports from the U.S. strategic warning system, most of which, albeit, were minor and self-correcting, but a handful of which were serious warnings that brought about some alteration in the strategic posture of this country, some to a very serious degree.

Mr. MOYNIHAN. I am not only aware of that, but I would like to perhaps extend the possibility by asking the Senator a question in return. Does the Senator, by any chance, have a word processor in his office?

Mr. HART. He does not.

Mr. MOYNIHAN. Well, the day will come when he had better or he will be not thought up to date in Denver. When he does, he will find that one quarter of the time the word processor is in a posture called down.

Now, it is something about the mechanical images which most of us bring to the consideration of technology that eludes the reality of electronic transmission and storage, but it is true, nonetheless, that, for reasons that are understood and are just endemic to the nature of electronic transmission and storage, it will periodically go out on you, will cease to operate.

The axle has not broken. The tire has not burst. The battery did not give out. Nothing happened. It just went down. That is all.

And it gets nursed back the way you talk—well, more the way you talk an animal into behaving, than the way you fix a mechanical machine. You just talk it back, that is all. You try this, try that; this signal, that signal; this reward, that punishment. In the end, it will work and be back on line.

But what if you have 10 minutes to decide whether the computer was functioning or not? Not broken; they do not break. Nothing breaks at all. It is just electrons moving in the wrong direction for a while.

Mr. HART. Well, the Senator is only partly correct. The Senator from Colorado's extremely limited knowledge of high electronics is almost exclusively the product of the education he has received from his 17-year-old son who does, in fact, have a home computer.

The Senator from Colorado is very aware of that. But the Senator from Colorado is also aware that, from the Goldwater-Hart investigation, the thing does break down. It costs tens of millions of dollars, but parts break down.

But it would be serious enough if an axle broke or a tire burst, but one of the most serious warnings this country received that it was in fact under attack at a time certain in the late 1970's was the fault of a malfunctioning $1.89 computer chip in a computer in Cheyenne Mountain, Colorado Springs, Colo., at NORAD. So the system does break down.

Mr. MOYNIHAN. It may very well be that there was an actual physical fracture there. But I am sure the Senator's son spends more than a little time trying to get this computer working again when it has just gone out on him and no wire has been pulled. There is nothing physical that has gone wrong, in the mechanical sense of physics. It is a question of electron flows, and they go off in errant directions, one cannot see, or immediately repair.

You can tell when you have a flat tire. You cannot tell when you have a computer that is not working right.

Mr. HART. It could be the Deity's warning to us not to become too arrogant about high technology.

Mr. MOYNIHAN. Indeed, do not become too arrogant about what you only dimly understand. And do not put the world on 10 minute's notice about the exchange of nuclear weapons depending upon a fact that that machine looks the same way in the morning as it looked last night and must be giving you the same quality of information. It may not be doing so at all.

It was this elemental hubris, if I may say, this Promethean phenomenon of having found the power of nuclear fission and fusion which will never go away—though we destroy every weapon on the Earth, the knowledge will remain there, as the knowledge of fire remain—that has turned the religious organizations of the United States to this in a manner that I do not believe has had any equivalence since the issue of abolition of slavery arose a century and a half ago.

On May 3, the U.S. Catholic Conference, the governing body of the Ameri-

can Catholic Church, adopted by a vote of 238 to 9 of their bishops a pastoral letter on war and peace entitled "The Challenge of Peace: God's Promise and Our Response."

The New York Times reported the next day:

> The Bishops take a forceful and historical position in their letter, breaking some new ground in church thinking and assuming a leadership role in the effort for disarmament. Many of the 50 million Catholics in the United States consider the Bishops' action to be the boldest and most decisive step on social issues in the history of the American hierarchy.

Mr. President, those of us who belong to that religious faith had looked with some concern toward what would be the judgment of the bishops, a new subject for them as it has been for so many of us, and with great and genuine joy read the final document, which deeply encouraged us in the kind of effort we are making on the floor today. As the opening paragraph of the pastoral letter states, the opening sentence:

> The whole human race faces a moment of supreme crisis in its advance toward maturity.

I would repeat that opening statement:

> The whole human race faces a moment of supreme crisis in its advance toward maturity.

I think it is in essence a logical doctrine of some importance that the bishops speak of advance in society as our collective goal, of the capacity of the race to mature, very likely because of the crisis we face, the Promethean challenge of the act.

Mr. President, I say we now find ourselves at this moment of supreme crisis.

What does our doctrine of deterrence assert? It states that the only circumstances in which the use of nuclear weapons can ever be justified is in a defensive mode in retaliation to an earlier attack by an opponent—that in fact the purpose for which we possess nuclear weapons is precisely in order to deter the initial aggression through the credible threat of effective retaliation.

Mr. President, if 2 years' work of the Catholic Conference, "The Challenge of Peace: God's Promise and Our Response," is to be taken seriously, I say to you it cannot be made compatible with the action the silent majority in this Chamber appears intent upon taking.

I say to you what the bishops have said—what, for example, the Presbyterian Church of the United States, in its general assembly on June 15, commended to the members of that denomination. I say to you the bishops' statement on the legitimate and accepted, reluctantly accepted, possession of these weapons, which would be only for the purpose of deterrence, cannot be made compatible with what the Senate is about to do.

Mr. President, lest there be those who think that the bishops are naive about the nature of the world and the forces that seek to assert themselves in it at the present, they write:

> The fact of a Soviet threat, as well as the existence of a Soviet imperial drive for hegemony, at least in regions of major strategic interest, cannot be denied.

They make clear that the dissuasion of a potential adversary from initiating an attack is the only legitimate circumstance in which nuclear weapons is morally acceptable.

They state:

> In current conditions deterrence based on balance, certainly not as an end in itself but as a step on the way toward a progressive disarmament, may still be judged morally acceptable.

As I am closing my remarks, for I know the Senator from Massachusetts has an amendment he wishes to offer, I would like to repeat this:

Invoking His Holiness John Paul II, in his message to the United Nations Special Session on Disarmament of June 1982, the bishops said:

> Deterrence based on balance, certainly not as an end in itself but as a step on the way toward a progressive disarmament, may still be judged morally acceptable.

There is none of us who does not agree. That is why we vote for the B-1 bomber, we vote for the D-5 missile, we vote for the cruise missile, we vote for the Pershing intermediate-range missile. Not because we want to use them but because we believe them necessary to deter aggression. But not this first-strike weapon, this MX, because it is incompatible with deterrence.

As each of us has the right to make his or her own moral judgments, I would say if one is to accept the view of the pastoral letters of the bishops of the Catholic Church that deterrence is morally acceptable in an imperfect world, then one is equally obliged to accept the judgment that the decision to deploy the MX in existing Minuteman silos in a first-strike mode is morally unacceptable.

Mr. HART. Will the Senator yield?

Mr. MOYNIHAN. I would be happy to yield the floor.

Before I do, may I ask the indulgence of the distinguished Presiding Officer, because I believe it is the case that the pastoral letter has not been placed in the CONGRESSIONAL RECORD. Once in that RECORD it is available in every public library in the United States. I ask unanimous consent that the text be printed in the RECORD at this point.

There being no objection, the pastoral letter was ordered to be printed in the RECORD, as follows:

[From Origins May 19, 1983 vol. 13: No. 1]

THE PASTORAL LETTER ON WAR AND PEACE: "THE CHALLENGE OF PEACE: GOD'S PROMISE AND OUR RESPONSE"

INTRODUCTION

"The whole human race faces a moment of supreme crisis in its advance toward maturity." Thus the Second Vatican Council opened its treatment of modern warfare.[1] Since the council, the dynamic of the nuclear arms race has intensified. Apprehension about nuclear war is almost tangible and visible today. As Pope John Paul II said in his message to the United Nations concerning disarmament: "Currently the fear and preoccupation of so many groups in various parts of the world reveal that people are more frightened about what would happen if irresponsible parties unleash some nuclear war." [2]

As bishops and pastors ministering in one of the major nuclear nations, we have encountered this terror in the minds and hearts of our people—indeed, we share it. We write this letter because we agree that the world is at a moment of crisis, the effects of which are evident in people's lives. It is not our intent to play on fears, however, but to speak words of hope and encouragement in time of fear. Faith does not insulate us from the challenges of life; rather, it intensifies our desire to help solve them precisely in light of the good news which has come to us in the person of Jesus, the Lord of history. From the resources of our faith we wish to provide hope and strength to all who seek a world free of the nuclear threat. Hope sustains one's capacity to live with danger without being over-whelmed by it; hope is the will to struggle against obstacles even when they appear insuperable. Ultimately our hope rests in the God who gave us life, sustains the world by his power and has called us to revere the lives of every person and all peoples.

The crisis of which we speak arises from this fact: Nuclear war threatens the existence of our planet; this is a more menacing threat than any the world has known. It is neither tolerable nor necessary that human beings live under this threat. But removing it will require a major effort of intelligence, courage and faith. As Pope John Paul II said at Hiroshima: "From now on it is only through a conscious choice and through a deliberate policy that humanity can survive."[3]

As Americans, citizens of the nation which was first to produce atomic weapons, which has been the only one to use them and which today is one of the handful of nations capable of decisively influencing the course of the nuclear age, we have grave human, moral and political responsibilities to see that a "conscious choice" is made to save humanity. This letter is therefore both an invitation and a challenge to Catholics in the United States to join with others in shaping the conscious choices and deliberate policies required in this "moment of supreme crisis."

I. PEACE IN THE MODERN WORLD: RELIGIOUS PERSPECTIVES AND PRINCIPLES

The global threat of nuclear war is a central concern of the universal church, as the words and deeds of recent popes and the Second Vatican Council vividly demonstrate. In this pastoral letter we speak as bishops of the universal church, heirs of the religious and moral teaching on modern

[1] Footnotes at end of article.

warfare of the last four decades. We also speak as bishops of the church in the United States, who have both the obligation and the opportunity to share and interpret the moral and religious wisdom of the Catholic tradition by applying it to the problems of war and peace today.

The nuclear threat transcends religious, cultural and national boundaries. To confront its danger requires all the resources reason and faith can muster. This letter is a contribution to a wider common effort meant to call Catholics and all members of our political community to dialogue and specific decisions about this awesome question.

The Catholic tradition on war and peace is a long and complex one, reaching from the Sermon on the Mount to the statements of Pope John Paul II. Its development cannot be sketched in a straight line, and it seldom gives a simple answer to complex questions. It speaks through many voices and has produced multiple forms of religious witness. As we locate ourselves in this tradition, seeking to draw from it and to develop it, the document which provides profound inspiration and guidance for us is the Pastoral Constitution on the Church in the Modern World of Vatican II, for it is based on doctrinal principles and addresses the relationship of the church to the world with respect to the most urgent issues of our day.[4]

A rule of interpretation crucial for the pastoral constitution is equally important for this pastoral letter, although the authority inherent in these two documents is quite distinct. Both documents use principles of Catholic moral teaching and apply them to specific contemporary issues. The bishops at Vatican II opened the pastoral consititution with the following guideline on how to relate principles to concrete issues.

"In the first part, the church develops her teaching on man, on the world which is the enveloping context of man's existence, and on man's relations to his fellow men. In Part II, the church gives closer consideration to various aspects of modern life and human society; special consideration is given to those questions and problems which, in this general area, seem to have a greater urgency in our day. As a result, in Part II the subject matter which is viewed in the light of doctrinal principles is made up of diverse elements. Some elements have a permanent value; others, only a transitory one. Consequently, the constitution must be interpreted according to the general norms of theological interpretation. Interpreters must bear in mind—especially in Part II—the changeable circumstances which the subject matter, by its very nature, involves." [5]

In this pastoral letter too we address many concrete questions concerning the arms race, contemporary warfare, weapons systems and negotiating strategies. We do not intend that our treatment of each of these issues carry the same moral authority as our statement of universal moral principles and formal church teaching. Indeed, we stress here at the beginning that not every statement in this letter has the same moral authority. At times we reassert universally binding moral principles (e.g., non-combatant immunity and proportionality). At still other times we reaffirm statements of recent popes and the teaching of Vatican II. Again, at other times we apply moral principles to specific cases.

When making applications of these principles we realize—and we wish readers to recognize—that prudential judgments are involved based on specific circumstances which can change or which can be interpreted differently by people of good will (e.g., the treatment of "no first use"). However, the moral judgments that we make in specific cases, while not binding in conscience, are to be given serious attention and consideration by Catholics as they determine whether their moral judgments are consistent with the Gospel.

We shall do our best to indicate, stylistically and substantively, whenever we make such applications. We believe such specific judgments are an important part of this letter, but they should be interpreted in light of another passage from the pastoral constitution:

"Often enough the Christian view of things will itself suggest some specific solution in certain circumstances. Yet it happens rather frequently, and legitimately so, that with equal sincerity some of the faithful will disagree with others on a given matter. Even against the intention of their proponents, however, solutions proposed on one side or another may be easily confused by many people with the gospel message. Hence it is necessary for people to remember that no one is allowed in the aforementioned situations to appropriate the church's authority for his opinion. They should always try to enlighten one another through honest discussion, preserving mutual charity and caring above all for the common good." [6]

This passage acknowledges that on some complex social questions the church expects a certain diversity of views even though all hold the same universal moral principles. The experience of preparing this pastoral letter has shown us the range of strongly held opinion in the Catholic community on questions of war and peace. Obviously, as bishops we believe that such differences should be expressed within the framework of Catholic moral teaching. We urge mutual respect among different groups in the church as they analyze this letter and the issues it addresses. Not only conviction and commitment are needed in the church, but also civility and charity.

The pastoral constitution calls us to bring the light of the Gospel to bear upon "the signs of the times." Three signs of the times have particularly influenced the writing of this letter. The first, to quote Pope John Paul II at the United Nations, is that "the world wants peace, the world needs peace." [7] The second is the judgment of Vatican II about the arms race: "The arms race is one of the greatest curses on the human race and the harm it inflicts upon the poor is more than can be endured." [8] The third is the way in which the unique dangers and dynamics of the nuclear arms race present qualitatively new problems which must be addressed by fresh applications of traditional moral principles. In light of these three characteristics, we wish to examine Catholic teaching on peace and war.

The Catholic social tradition as exemplified in the pastoral constitution and recent papal teachings is a mix of biblical, theological and philosophical elements which are brought to bear upon the concrete problems of the day. The biblical vision of the world, created and sustained by God, scarred by sin, redeemed in Christ and destined for the Kingdom, is at the heart of our religious heritage. This vision requires elaboration, explanation and application in each age; the important task of theology is to penetrate ever more adequately the nature of the biblical vision of peace and relate it to a world not yet at peace. Consequently, the teaching about peace examines both how to construct a more peaceful world and how to assess the phenomenon of war.

At the center of the church's teaching on peace and at the center of all Catholic social teaching, are the transcendence of God and the dignity of the human person. The human person is the clearest reflection of God's presence in the world; all of the church's work in pursuit of both justice and peace is designed to protect and promote the dignity of every person. For each person not only reflects God, but is the expression of God's creative work and the meaning of Christ's redemptive ministry. Christians approach the problem of war and peace with fear and reverence. God is the Lord of life, and so each human life is sacred; modern warfare threatens the obliteration of human life on a previously unimaginable scale. The sense of awe and "fear of the Lord" which former generations felt in aproaching these issues weighs upon us with new urgency. In the words of the pastoral constitution: "Men of this generation should realize that they will have to render an account of their warlike behavior; the destiny of generations to come depends largely on the decisions they make today." [9]

Catholic teaching on peace and war has had two purposes: to help Catholics form their consciences and to contribute to the public policy debate about the morality of war. These two purposes have led Catholic teaching to address two distinct but overlapping audiences. The first is the Catholic faithful, formed by the premises of the Gospel and the principles of Catholic moral teaching. The second is the wider civil community, a more pluralistic audience, in which our brothers and sisters with whom we share the name Christian, Jews, Moslems, other religious communities, and all people of good will also make up our polity. Since Catholic teaching has traditionally sought to address both audiences, we intend to speak to both in this letter, recognizing that Catholics are also members of the wider political community.

The conviction, rooted in Catholic ecclesiology, that both the community of the faithful and the civil community should be addressed on peace and war has produced two complementary but distinct styles of teaching. The religious community shares a specific perspective of faith and can be called to live out its implications. The wider civil community, although it does not share the same vision of faith, is equally bound by certain key moral principles, for all men and women find in the depth of their consciences a law written on the human heart by God.[10] From this law reason draws moral norms. These norms do not exhaust the gospel vision, but they speak to critical questions affecting the welfare of the human community, the role of states in international relations and the limits of acceptable action by individuals and nations on issues of war and peace.

Examples of these two styles can be found in recent Catholic teaching. At times the emphasis is upon the problems and requirements for a just public policy (e.g., Pope John Paul II at the U.N. Special Session, 1982); at other times the emphasis is on the specific role Christians should play (e.g., Pope John Paul II at Coventry, England, 1982). The same difference of emphasis and orientation can be found in Pope John XXIII's "Peace on Earth" and Vatican II's pastoral constitution.

As bishops we believe that the nature of Catholic moral teaching, the principles of Catholic ecclesiology and the demands of our pastoral ministry require that this letter speak both to Catholics in a specific way and to the wider political community regarding public policy. Neither audience and neither mode of address can be neglected when the issue has the cosmic dimensions of the nuclear arms race.

We propose, therefore, to discuss both the religious vision of peace among peoples and nations and the problems associated with realizing this vision in a world of sovereign states devoid of any central authority and divided by ideology, geography and competing claims. We believe the religious vision has an objective basis and is capable of progressive realization. Christ is our peace, for he has "made us both one, and has broken down the dividing wall of hostility . . . that he might create in himself one new man in place of the two, so making peace, and might reconcile us both to God" (Eph. 2:14-16). We also know that this peace will be achieved fully only in the kingdom of God. The realization of the kingdom, therefore, is a continuing work progressively accomplished, precariously maintained and needing constant effort to preserve the peace achieved and expand its scope in personal and political life.

Building peace within and among nations is the work of many individuals and institutions; it is the fruit of ideas and decisions taken in the political, cultural, economic, social, military and legal sectors of life. We believe that the church, as a community of faith and social institution, has a proper, necessary and distinctive part to play in the pursuit of peace.

The distinctive contribution of the church flows from her religious nature and ministry. The church is called to be in a unique way the instrument of the kingdom of God in history. Since peace is one of the signs of that kingdom present in the world, the church fulfills part of her essential mission by making the peace of the kingdom more visible in our time.

Because peace, like the kingdom of God itself, is both a divine gift and a human work, the church should continually pray for the gift and share in the work. We are called to be a church at the service of peace, precisely because peace is one manifestation of God's word and work in our midst. Recognition of the church's responsibility to join with others in the work of peace is a major force behind the call today to develop a theology of peace. Much of the history of Catholic theology on war and peace has focused on limiting the resort to force in human affairs; this task is still necessary and is reflected later in this pastoral letter, but it is not a sufficient response to Vatican II's challenge "to undertake a completely fresh reappraisal of war."[11]

A fresh reappraisal which includes a developed theology of peace will require contributions from several sectors of the church's life; biblical studies, systematic and moral theology, ecclesiology, and the experience and insights of members of the church who have struggled in various ways to make and keep the peace in this often violent age. This pastoral letter is more an invitation to continue the new appraisal of war and peace than a final synthesis of the results of such an appraisal. We have some sense of the characteristics of a theology of peace, but not a systematic statement of their relationships.

A theology of peace should ground the task of peacemaking solidly in the biblical vision of the kingdom of God, then place it centrally in the ministry of the church. It should specify the obstacles in the way of peace, as these are understood theologically and in the social and political sciences. It should both identify the specific contributions a community of faith can make to the work of peace and relate these to the wider work of peace pursued by other groups and institutions in society. Finally, a theology of peace must include a message of hope. The vision of hope must be available to all, but one source of its content should be found in a church at the service of peace.

We offer now a first step toward a message of peace and hope. It consists of a sketch of the biblical conception of peace; a theological understanding of how peace can be pursued in a world marked by sin; a moral assessment of key issues facing us in the pursuit of peace today; and an assessment of the political and personal tasks required of all people of good will in this most crucial period of history.

A. Peace and the Kingdom

For us as believers, the sacred scriptures provide the foundation for confronting the dilemma of war and peace today. Any use of scripture in this area is conditioned by three factors. *First*, the term "peace" has been understood in different ways at various times and in various contexts. For example, peace can refer to an individual's sense of well-being or security, or it can mean the cessation of armed hostility, producing an atmosphere in which nations can relate to each other and settle conflicts without resorting to the use of arms. For men and women of faith, peace will imply a right relationship with God, which entails forgiveness, reconciliation and union. Finally, the scriptures point to eschatological peace, a final, full realization of God's salvation when all creation will be made whole. Among these various meanings, the last two predominate in the scriptures and provide direction to the first two.

Second, The scriptures as we have them today were written over a long period of time and reflect many varied historical situations, all different from our own. Our understanding of them is both complicated and enhanced by these differences, but not in any way obscured or diminished by them. *Third*, since the scriptures speak primarily of God's intervention in history, they contain no specific treatise on war and peace. Peace and war must always be seen in light of God's intervention in human affairs and our response to that intervention. Both are elements within the ongoing revelation of God's will for creation.

Acknowledging this complexity, we still recognize in the scriptures a unique source of revelation, a word of God which is addressed to us as surely as it has been to all preceding generations. We call upon the Spirit of God who speaks in that word and in our hearts to aid us in our listening. The sacred texts have much to say to us about the ways in which God calls us to live in union with and in fidelity to the divine will. They provide us with direction for our lives and hold out to us an object of hope, a final promise, which guides and directs our actions here and now.

1. The Old Testament

War and peace are significant and highly complex elements within the multilayered accounts of the creation and development of God's people in the Old Testament.

a. War

Violence and war are very much present in the history of the people of God, particularly from the Exodus period to the monarchy. God is often seen as the one who leads the Hebrews in battle, protects them from their enemies, makes them victorious over other armies (see, for example, Dt. 1:30; 20:4; Jos. 2:24; Jgs. 3:28). The metaphor of warrior carried multifaceted connotations for a people who knew themselves to be smaller and weaker than the nations which surrounded them. It also enabled them to express their conviction about God's involvement in their lives and his desire for their growth and development. This metaphor provided the people with a sense of security; they had a God who would protect them even in the face of overwhelming obstacles. It was also a call to faith and to trust; the mighty God was to be obeyed and followed. No one can deny the presence of such images in the Old Testament nor their powerful influence upon the articulation of this people's understanding of the involvement of God in their history. The warrior God was highly significant during long periods of Israel's understanding of its faith. But this image was not the only image, and it was gradually transformed, particularly after the experience of the exile, when God was no longer identified with military victory and might. Other images and other understandings of God's activity became predominant in expressing the faith of God's people.

b. Peace

Several points must be taken into account in considering the image of peace in the Old Testament. First, all notions of peace must be understood in light of Israel's relation to God. Peace is always seen as gift from God and as fruit of God's saving activity. Second, the individual's personal peace is not greatly stressed. The well-being and freedom from fear which result from God's love are viewed primarily as they pertain to the community and its unity and harmony. Furthermore, this unity and harmony extend to all of creation; true peace implied a restoration of the right order not just among peoples, but within all of creation. Third, while the images of war and the warrior God become less dominant as a more profound and complex understanding of God is presented in the texts, the images of peace and the demands upon the people for covenantal fidelity to true peace grow more urgent and more developed.

c. Peace and Fidelity to the Covenant

If Israel obeyed God's law, God would dwell among them. "I will walk among you and will be your God and you shall be my people" (Lv. 26:12). God would strengthen the people against those who opposed them and would give peace in the land. The description of life in these circumstances witnesses to unity among peoples and creation, to freedom from fear and to security (Lv. 26:3-16). The right relationship between the people and God was grounded in and expressed by a covenantal union. The covenant bound the people to God in fidelity and obedience; God was also committed in the covenant to be present with the people, to save them, to lead them to freedom. Peace is a special characteristic of this covenant; when the prophet Ezekiel looked to the establishment of the new, truer covenant, he declared that God would establish an everlasting covenant of peace with the people (Ez. 37:26).

Living in covenantal fidelity with God had ramifications in the lives of the people. It was part of fidelity to care for the needy and helpless; a society living with fidelity was one marked by justice and integrity. Furthermore, covenantal fidelity demanded that Israel put its trust in God alone and look only to him for its security. When Israel tended to forget the obligations of the covenant, prophets arose to remind the people and call them to return to God. True peace is an image which they stressed.

Ezekiel, who promised a covenant of peace, condemned in no uncertain terms the false prophets who said there was peace in the land while idolatry and injustice continued (Ez. 13:16). Jeremiah followed in this tradition and berated those who "healed the wounds of the people lightly" and proclaimed peace while injustice and infidelity prevailed (Jer. 6:14; 8:10-12). Jeremiah and Isaiah both condemned the leaders when, against true security, they depended upon their own strength or alliances with other nations rather than trusting in God (Is. 7:1-9; 30:1-4; Jer. 37:10). The lament of Isaiah 48:18 makes clear the connection between justice, fidelity to God's law and peace; he cries out: "O that you had hearkened to my commandments! Then your peace would have been like a river, and your righteousness like the waves of the sea."

d. Hope for Eschatological Peace

Experience made it clear to the people of God that the covenant of peace and the fullness of salvation had not been realized in their midst. War and enmity were still present, injustices thrived, sin still manifested itself. These same experiences also convinced the people of God's fidelity to a covenant which they often neglected. Because of this fidelity, God's promise of a final salvation involving all peoples and all creation and of an ultimate reign of peace became an integral part of the hope of the Old Testament. In the midst of their failures and sin, God's people strove for greater fidelity to him and closer relationship with him; they did so because, believing in the future they had been promised, they directed their lives and energies toward an eschatological vision for which they longed. Peace is an integral component of that vision.

The final age, the Messianic time, is described as one in which the "Spirit is poured on us from on high." In this age creation will be made whole, "justice will dwell in the wilderness," the effect of righteousness will be peace, and the people will "abide in a peaceful habitation and in secure dwellings and in quiet resting places" (Is. 32:15-20). There will be no need for instruments of war (Is. 2:4; Mi. 4:3),[12] God will speak directly to the people and "righteousness and peace will embrace each other" (Ps. 85:10-11). A Messiah will appear, a servant of God upon whom God has placed his spirit and who will faithfully bring forth justice to the nations: "He will not cry or lift up his voice, or make it heard in the street; a bruised reed he will not break and a dimly burning wick he will not quench; he will faithfully bring forth justice" (Is. 42:2-3).

The Old Testament provides us with the history of a people who portrayed their God as one who intervened in their lives, who protected them and led them to freedom, often as a mighty leader in battle. They also appear as a people who longed constantly for peace. Such peace was always seen as a result of God's gift which came about in fidelity to the covenantal union. Furthermore, in the midst of their unfulfilled longing, God's people clung tenaciously to hope in the promise of an eschatological time when, in the fullness of salvation, peace and justice would embrace and all creation would be secure from harm. The people looked for a Messiah, one whose coming would signal the beginning of that time. In their waiting, they heard the prophets call them to love according to the covenantal vision, to repent and to be ready for God's reign.

2. New Testament

As Christians we believe that Jesus is the Messiah or Christ so long awaited. God's servant (Mt. 12:18-21) prophet and more than prophet (Jn. 4:19-26), the one in whom the fullness of God was pleased to dwell, through whom all things in heaven and on earth were reconciled to God, Jesus made peace by the blood of the cross (Col. 1:19-20). While the characteristics of the *shalom* of the Old Testament (gift from God, inclusive of all creation, grounded in salvation and covenantal fidelity, inextricably bound up with justice) are present in the New Testament traditions, all discussion of war and peace in the New Testament must be seen within the context of the unique revelation of God that is Jesus Christ and of the reign of God which Jesus proclaimed and inaugurated.

a. War

There is no notion of a warrior God who will lead the people in a historical victory over its enemies in the New Testament. The only war spoken of is found in apocalyptic images of the final moments, especially as they are depicted in the Book of Revelation. Here war stands as image of the eschatological struggle between God and Satan. It is a war in which the Lamb is victorious (Rv. 17:14).

Military images appear in terms of the preparedness which one must have for the coming trials (Lk. 14:31; 22:35-38). Swords appear in the New Testament as an image of divison (Mt. 12:34; Heb. 4:12); they are present at the arrest of Jesus, and he rejects their use (Lk. 22:51 and parallel texts); weapons are transformed in Ephesians, when the Christians are urged to put on the whole armor of God which includes the breastplate of righteousness, the helmet of salvation, the sword of the Spirit, "having shod your feet in the equipment of the gospel of peace" (Eph. 6:10-17; cf. 1 Thes. 5:8-9). Soldiers too are present in the New Testament. They are at the crucifixion of Jesus, of course, but they are also recipients of the baptism of John, and one centurion receives the healing of his servant (Mt. 8:5-13 and parallel texts; cf. Jn. 4:46-53).

Jesus challenged everyone to recognize in him the presence of the reign of God and to give themselves over to that reign. Such a radical change of allegiance was difficult for many to accept and families found themselves divided, as if by a sword. Hence, the Gospels tell us that Jesus said he came not to bring peace but rather the sword (Mt. 10:34). The peace which Jesus did not bring was the false peace which the prophets had warned against. The sword which he did bring was that of the division caused by the word of God, which like a two-edged sword "pierces to the division of soul and spirit, of joints and marrow, and discerns the thoughts and intentions of the heart" (Heb. 4:12).

All are invited into the reign of God. Faith in Jesus and trust in God's mercy are the criteria. Living in accord with the demands of the kingdom rather than those of one's specific profession is decisive.[13]

b. Jesus and reign of God

Jesus proclaimed the reign of God in his words and made it present in his actions. His words begin with a call to conversion and a proclamation of the arrival of the kingdom. "The time is fulfilled, and the kingdom of God is at hand; repent, and believe in the Gospel" (Mk. 1:15; Mt. 4:17). The call to conversion was at the same time an invitation to enter God's reign. Jesus went beyond the prophets' cries for conversion when he declared that, in him, the reign of God had begun and was in fact among the people (Lk. 17:20-21; 12:32).

His words, especially as they are preserved for us in the Sermon on the Mount, describe a new reality in which God's power is manifested and the longing of the people is fulfilled. In God's reign the poor are given the kingdom, the mourners are comforted, the meek inherit the earth, those hungry for righteousness are satisfied, the merciful know mercy, the pure see God, the persecuted know the kingdom and peacemakers are called the children of God (Mt. 5:3-10).

Jesus' words also depict for us the conduct of one who lives under God's reign. His words call for a new way of life which fulfills and goes beyond the law. One of the most striking characteristics of this new way is forgiveness. All who hear Jesus are repeatedly called to forgive one another and to do so not just once, but many, many times (Mt. 6:14-15; Lk. 6:37; Mt. 18:21-22; Mk. 11:25; Lk. 11:4; 17:3-4). The forgiveness of God, which is the beginning of salvation, is manifested in communal forgiveness and mercy.

Jesus also described God's reign as one in which love is an active, life-giving, inclusive force. He called for a love which went beyond family ties and bonds of friendship to reach even those who were enemies (Mt. 5:44-48; Lk. 6:27-28). Such a love does not seek revenge, but rather is merciful in the face of threat and opposition (Mt. 5:39-42; Lk. 6:29-31). Disciples are to love one another as Jesus has loved them (Jn. 15:12).

The words of Jesus would remain an impossible, abstract ideal were it not for two things: the actions of Jesus and his gift of the Spirit. In his actions Jesus showed the way of living in God's reign; he manifested the forgiveness which he called for when he accepted all who came to him, forgave their sins, healed them, released them from the demons who possessed them. In doing these things he made the tender mercy of God present in a world which knew violence, oppression and injustice. Jesus pointed out the injustices of his time and opposed those who laid burdens upon the people or defiled true worship. He acted aggressively and dramatically at times, as when he cleansed the temple of those who had made God's house into a "den of robbers" (Mt. 21:12-17 and parallel texts; Jn. 3:13-25).

Most characteristic of Jesus' actions are those in which he showed his love. As he had commanded others, his love led him even to the giving of his own life to effect redemption. Jesus' message and his actions were dangerous ones in his time, and they led to his death—a cruel and viciously inflicted death, a criminal's death (Gal. 3:13). In all of his suffering, as in all of his life and ministry, Jesus refused to defend himself with force or with violence. He endured violence and cruelty so that God's love might be fully manifest and the world might be reconciled to the One from whom it had become estranged. Even at his death Jesus cried out for forgiveness for those

who were his executioners: "Father, forgive them" (Lk. 23:34).

The resurrection of Jesus is the sign to the world that God indeed does reign, does give life in death and that the love of God is stronger even than death (Rom. 8:36-39).

Only in light of this, the fullest demonstration of the power of God's reign, can Jesus' gift of peace—a peace which the world cannot give (Jn. 14:27)—be understood. Jesus gives that peace to his disciples, to those who had witnessed the helplessness of the crucifixion and the power of the resurrection (Jn. 20:19, 20, 26). The peace which he gives to them as he greets them as their risen Lord is the fullness of salvation. It is the reconciliation of the world and God (Rom. 5:1-2, Col. 1:20); the restoration of the unity and harmony of all creation which the Old Testament spoke of with such longing. Because the walls of hostility between God and humankind were broken down in the life and death of the true, perfect servant, union and well-being between God and the world were finally fully possible (Eph. 2:13-22; Gal. 3:28).

c. Jesus and the community of believers

As his first gift to his followers, the risen Jesus gave his gift of peace. This gift permeated the meetings between the risen Jesus and his followers (Jn. 20:19-29). So intense was that gift and so abiding was its power that the remembrance of that gift and the daily living of it became the hallmark of the community of faith. Simultaneously, Jesus gave his Spirit to those who followed him. These two personal and communal gifts are inseparable. In the Spirit of Jesus the community of believers was enabled to recognize and to proclaim the Savior of the world.

Gifted with Jesus' own Spirit, they could recognize what God had done and know in their own lives the power of the One who creates from nothing. The early Christian communities knew that this power and the reconciliation and peace which marked it were not yet fully operative in their world. They struggled with external persecution and with interior sin, as do all people. But their experience of the Spirit of God and their memory of the Christ who was with them nevertheless enabled them to look forward with unshakable confidence to the time when the fullness of God's reign would make itself known in the world. At the same time, they knew that they were called to be ministers of reconciliation (2 Cor. 5:19-20), people who would make the peace which God had established visible through the love and the unity within their own communities.

Jesus Christ, then, is our peace, and in his death-resurrection he gives God's peace to our world. In him God has indeed reconciled the world, made it one, and has manifested definitively that his will is this reconciliation, this unity between God and all peoples, and among the peoples themselves. The way to union has been opened, the covenant of peace established. The risen Lord's gift of peace is inextricably bound to the call to follow Jesus and to continue the proclamation of God's reign. Matthew's Gospel (Mt. 28:16-20; cf. Lk. 24:44-53) tells us that Jesus' last words to his disciples were a sending forth and a promise: "I shall be with you all days." In the continuing presence of Jesus, disciples of all ages find the courage to follow him. To follow Jesus Christ implies continual conversion in one's own life as one seeks to act in ways which are consonant with the justice, forgiveness and love of God's reign. Discipleship reaches out to the ends of the earth and calls for reconciliation among all peoples so that God's purpose, "a plan for the fullness of time, to unite all things in him," (Eph. 1:10) will be fulfilled.

3. Conclusion

Even a brief examination of war and peace in the scriptures makes it clear that they do not provide us with detailed answers to the specifics of the questions which we face today. They do not speak specifically of nuclear war or nuclear weapons, for these were beyond the imagination of the communities in which the scriptures were formed. The sacred texts do, however, provide us with urgent direction when we look at today's concrete realities. The fullness of eschatological peace remains before us in hope, and yet the gift of peace is already ours in the reconciliation effected in Jesus Christ. These two profoundly religious meanings of peace inform and influence all other meanings for Christians. Because we have been gifted with God's peace in the risen Christ, we are called to our own peace and to the making of peace in our world. As disciples and as children of God it is our task to seek for ways in which to make the forgiveness, justice and mercy, and love of God visible in a world where violence and enmity are too often the norm. When we listen to God's word, we hear again and always the call to repentance and to belief: to repentance because, although we are redeemed, we continue to need redemption; to belief because although the reign of God is near, it is still seeking its fullness.

B. Kingdom and History

The Christian understanding of history is hopeful and confident but also sober and realistic. "Christian optimism based on the glorious cross of Christ and the outpouring of the Holy Spirit is no excuse for self-deception. For Christians, peace on earth is always a challenge because of the presence of sin in man's heart." [14] Peace must be built on the basis of justice in a world where the personal and social consequences of sin are evident.

Christian hope about history is rooted in our belief in God as creator and sustainer of our existence and our conviction that the kingdom of God will come in spite of sin, human weakness and failure. It is precisely because sin is part of history that the realization of the peace of the kingdom is never permanent or total. This is the continuing refrain from the patristic period to Pope John Paul II.

"For it was sin and hatred that were an obstacle to peace with God and with others: He destroyed them by the offering of life on the cross; he reconciled in one body those who were hostile (cf. Eph. 2:16; Rom. 12:5) . . .

"Although Christians put all their best energies into preventing war or stopping it, they do not deceive themselves about their ability to cause peace to triumph nor about the effect of their efforts to this end. They therefore concern themselves with all human initiatives in favor of peace and very often take part in them. But they regard them with realism and humility. One could almost say that they relativize them in two senses: They relate them both to the self-deception of humanity and to God's saving plan." [15]

Christians are called to live the tension between the vision of the reign of God and its concrete realization in history. The tension is often described in terms of "already but not yet": i.e., we already live in the grace of the kingdom, but it is not yet the completed kingdom. Hence, we are a pilgrim people in a world marked by conflict and injustice. Christ's grace is at work in the world; his command of love and his call to reconciliation are not purely future ideals but call us to obedience today.

With Pope Paul VI and Pope John Paul II we are convinced that "peace is possible." [16] At the same time experience convinces us that "in this world a totally and permanently peaceful human society is unfortunately a utopia, and that ideologies that hold up that prospect as easily attainable are based on hopes that cannot be realized, whatever the reason behind them." [17]

This recognition—that peace is possible but never assured and that its possibility must be continually protected and preserved in the face of obstacles and attacks upon it—accounts in large measure for the complexity of Catholic teaching on warfare. In the kingdom of God peace and justice will be fully realized. Justice is always the foundation of peace. In history, efforts to pursue both peace and justice are at times in tension, and the struggle for justice may threaten certain forms of peace.

It is within this tension of kingdom and history that Catholic teaching has addressed the problem of war. Wars mark the fabric of human history, distort the life of nations today and, in the form of nuclear weapons, threaten the destruction of the world as we know it and the civilization which has been patiently constructed over centuries. The causes of war are multiple and not easily identified. Christians will find in any violent situation the consequences of sin: not only sinful patterns of domination, oppression or aggression, but the conflict of values and interests which illustrate the limitations of a sinful world. The threat of nuclear war which affects the world today reflects such sinful patterns and conflicts.

In the "already but not yet" of Christian existence, members of the church choose different paths to move toward the realization of the kingdom in history. As we examine both the positions open to individuals for forming their consciences on war and peace and the Catholic teaching on the obligation of the state to defend society, we draw extensively on the pastoral constitution for two reasons.

First, we find its treatment of the nature of peace and the avoidance of war compelling, for it represents the prayerful thinking of bishops of the entire world and calls vigorously for fresh new attitudes while faithfully reflecting traditional church teaching. Second, the council fathers were familiar with more than the horrors of World Wars I and II. They saw conflicts continuing "to produce their devastating effect day by day somewhere in the world," the increasing ferocity of warfare made possible by modern scientific weapons, guerrilla warfare "drawn out by new methods of deceit and subversion" and terrorism regarded as a new way to wage war.[18] The same phenomena mark our day.

For similar reasons we draw heavily upon the popes of the nuclear age, from Pope Pius XII through Pope John Paul II. The teaching of popes and councils must be incarnated by each local church in a manner understandable to its culture. This allows each local church to bring its unique insights and experience to bear on the issues shaping our world. From 1966 to the present, American bishops, individually and collectively, have issued numerous statements on the issues of peace and war, rang-

ing from the Vietnam War to conscientious objection and the use of nuclear weapons. These statements reflect not only the concerns of the hierarchy, but also the voices of our people, who have increasingly expressed to us their alarm over the threat of war. In this letter we wish to continue and develop the teaching on peace and war which we have previously made and which reflects both the teaching of the universal church and the insights and experience of the Catholic community of the United States.

It is significant that explicit treatment of war and peace is reserved for the final chapter of the pastoral constitution. Only after exploring the nature and destiny of the human person does the council take up the nature of peace, which it sees not as an end in itself, but as an indispensable condition for the task "of constructing for all men everywhere a world more genuinely human." [19] And understanding of this task is crucial to understanding the church's view of the moral choices open to us as Christians.

C. The moral choices for the kingdom

In one of its most frequently quoted passages the pastoral constitution declares that it is necessary "to undertake a completely fresh reappraisal of war." [20] The council's teaching situates this call for a "fresh reappraisal" within the context of a broad analysis of the dignity of the human person and the state of the world today. If we lose sight of this broader discussion we cannot grasp the council's wisdom. For the issue of war and peace confronts everyone with a basic question: What contributes to and what impedes the construction of a more genuinely human world? If we are to evaluate war with an entirely new attitude, we must be serious about approaching the human person with an entirely new attitude. The obligation for all of humanity to work toward universal respect for human rights and human dignity is a fundamental imperative of the social, economic and political order.

It is clear then that to evaluate war with a new attitude, we must go far beyond an examination of weapons systems or military strategies. We must probe the meaning of the moral choices which are ours as Christians. In accord with the vision of Vatican II, we need to be sensitive to both the danger of war and the conditions of true freedom within which moral choices can be made.[21] Peace is the setting in which moral choice can be most effectively exercised. How can we move toward that peace which is indispensable for true human freedom? How do we define such peace?

1. The Nature of Peace

The Catholic tradition has always understood the meaning of peace in positive terms. Peace is both a gift of God and a human work. It must be constructed on the basis of central human values: truth, justice, freedom and love. The pastoral constitution states the traditional conception of peace:

"Peace is not merely the absence of war. Nor can it be reduced solely to the maintenance of a balance of power between enemies. Nor is it brought about by dictatorship. Instead, it is rightly and appropriately called 'an enterprise of justice' (Is. 32:7). Peace results from that harmony built into human society by its divine founder and actualized by men as they thirst after ever greater justice."[22]

Pope John Paul II has enhanced this positive conception of peace by relating it with new philosophical depth to the church's teaching on human dignity and human rights. The relationship was articulated in his 1979 Address to the General Assembly of the United Nations and also in his World Day of Peace Message of 1982:

"Unconditional and effective respect for each one's unprescriptable and unalienable rights is the necessary condition in order that peace may reign in a society. Vis-a-vis these basic rights, all others are in a way derivatory and secondary. In a society in which these rights are not protected, the very idea of universality is dead as soon as a small group of individuals set up for their own exclusive advantage a principle of discrimination whereby the rights and even the lives of others are made dependent on the whim of the stronger."[23]

As we have already noted, however, the protection of human rights and the preservation of peace are tasks to be accomplished in a world marked by sin and conflict of various kinds. The church's teaching on war and peace establishes a strong presumption against war which is binding on all; it then examines when this presumption may be overridden, precisely in the name of preserving the kind of peace which protects human dignity and human rights.

2. The Presumption Against War and the Principle of Legitimate Self-Defense

Under the rubric "curbing the savagery of war," the council contemplates the "melancholy state of humanity." It looks at this world as it is, not simply as we would want it to be. The view is stark: ferocious new means of warfare threatening savagery surpassing that of the past, deceit, subversion, terrorism, genocide. This last crime in particular is vehemently condemned as horrendous, but all activities which deliberately conflict with the all-embracing principles of universal natural law, which is permanently binding, are criminal, as are all orders commanding such action. Supreme commendation is due the courage of those who openly and fearlessly resist those who issue such commands. All individuals, especially government officials and experts, are bound to honor and improve upon agreements which are "aimed at making military activity and its consequences less inhuman" and which "better and more workably lead to restraining the frightfulness of war." [24]

This remains a realistic appraisal of the world today. Later in this section the council calls for us "to strain every muscle as we work for the time when all war can be completely outlawed by international consent." We are told, however, that this goal requires the establishment of some universally recognized public authority with effective power "to safeguard, on the behalf of all, security, regard for justice and respect for rights." [25] But what of the present? The council is exceedingly clear, as are the popes:

"Certainly war has not been rooted out of human affairs. As long as the danger of war remains and there is no competent and sufficiently powerful authority at the international level, governments cannot be denied the right to legitimate defense once every means of peaceful settlement has been exhausted. Therefore, government authorities and others who share public responsibility have the duty to protect the welfare of the people entrusted to their care and to conduct such grave matters soberly.

"But it is one thing to undertake military action for the just defense of the people, and something else again to seek the subjugation of other nations. Nor does the posession of war potential make every military or political use of it lawful. Neither does the mere fact that war has unhappily begun mean that all is fair between the warring parties." [26]

The Christian has no choice but to defend peace, properly understood, against aggression. This is an inalienable obligation. It is the *how* of defending peace which offers moral options. We stress this principle again because we observe so much misunderstanding about both those who resist bearing arms and those who bear them. Great numbers from both traditions provide examples the world continues to need.

Of the millions of men and women who have served with integrity in the armed forces, many have laid down their lives. Many others serve today throughout the world in the difficult and demanding task of helping to preserve that "peace of a sort" of which the council speaks.

We see many deeply sincere individuals who, far from being indifferent or apathetic to world evils, believe strongly in conscience that they are best defending true peace by refusing to bear arms. In some cases they are motivated by their understanding of the Gospel and the life and death of Jesus as forbidding all violence. In others, their motivation is simply to give personal example of Christian forbearance as a positive, constructive approach toward living reconciliation with enemies. In still other cases, they propose or engage in "active non-violence" as programed resistance to thwart aggression or to render ineffective any oppression attempted by force of arms. No government, and certainly no Christian, may simply assume that such individuals are mere pawns of conspiratorial forces or guilty of cowardice.

Catholic teaching sees these two distinct moral responses as having a complementary relationship in the sense that both seek to serve the common good. They differ in their perception of how the common good is to be defended most effectively, but both responses testify to the Christian conviction that peace must be pursued and rights defended within moral restraints and in the context of defining other basic human values.

In all of this discussion of distinct choices, of course, we are referring to options open to individuals. The council and the popes have stated clearly that governments threatened by armed, unjust aggression *must* defend their people. This includes defense by armed force if necessary as a last resort. We shall discuss below the conditions and limits imposed on such defense. Even when speaking of individuals, however, the council is careful to preserve the fundamental *right* of defense. Some choose not to vindicate their rights by armed force and adopt other methods of defense, but they do not lose the right of defense nor may they renounce their obligations to others. They are praised by the council, as long as the rights and duties of others or of the community itself are not injured.

Pope Pius XII is especially strong in his conviction about the responsibility of the Christian to resist unjust aggression:

"*A people threatened with an unjust aggression, or already its victim, may not remain passively indifferent, if it would think and act as befits a Christian.* All the more does the solidarity of the family of nations forbid others to behave as mere spectators, in any attitude of apathetic neutrality. Who will ever measure the harm already caused in the past by such indifference to war of aggression, which is quite alien to

the Christian instinct? How much more keenly has it brought any advantage in recompense? On the contrary, it has only reassured and encouraged the authors and fomentors of aggression, while it obliges the several peoples, left to themselves, to increase their armaments indefinitely. . . .

"Among (the) goods (of humanity) some are of such importance for society that it is perfectly lawful to defend them against unjust aggression. *Their defense is even an obligation for the nations as a whole, who have a duty not to abandon a nation that is attacked.*"[27]

None of the above is to suggest, however, that armed force is the only defense against unjust aggression, regardless of circumstances. Well does the council require that grave matters concerning the protection of peoples be conducted soberly. The council fathers were well aware that in today's world, the "horror and perversity of war are immensely magnified by the multiplication of scientific weapons. For acts of war involving these weapons can inflict massive and indiscriminate destruction far exceeding the bounds of legitimate defense."[28] Hence we are warned: "Men of our time must realize that they will have to give a somber reckoning for their deeds of war. For the course of the future will depend largely on the decisions they make today."[29] There must be serious and continuing study and efforts to develop programmed methods for both individuals and nations to defend against unjust aggression without using violence.

We believe work to develop nonviolent means of fending off aggression and resolving conflict best reflects the call of Jesus both to love and to justice. Indeed, each increase in the potential destructiveness of weapons and therefore of war serves to underline the rightness of the way that Jesus mandated to his followers. But, on the other hand, the fact of aggression, oppression and injustice in our world also serves to legitimate the resort to weapons and armed force in defense of justice. We must recognize the reality of the paradox we face as Christians living in the context of the world as it persently exists; we must continue to articulate our belief that love is possible and the only real hope for all human relations, and yet accept that force, even deadly force, is sometimes justified and that nations must provide for their defense. It is the mandate of Christians in the face of this paradox to strive to resolve it through an even greater commitment to Christ and his message. As Pope John Paul II said:

"Christians are aware that plans based on aggression, domination and the manipulation of others lurk in human hearts, and sometimes even secretly nourish human intentions in spite of certain declarations or manifestations of a pacifist nature. For Christians know that in this world a totally and permanently peaceful human society is unfortunately a utopia and that ideologies that hold up that prospect as easily attainable are based on hopes that cannot be realized, whatever the reason behind them.

"It is a question of a mistaken view of the human condition, a lack of application in considering the question as a whole; or it may be a case of evasion in order to calm fear, or in still other cases a matter of calculated self-interest. Christians are convinced, if only because they have learned from personal experience, that these deceptive hopes lead straight to the false peace of totalitarian regimes. But this realistic view in no way prevents Christians from working for peace; instead, it stirs up their ardor, for they also know that Christ's victory over deception, hate and death gives those in love with peace a more decisive motive for action than what the most generous theories about man have to offer; Christ's victory likewise gives a hope more surely based than any hope held out by the most audacious dreams.

"This is why Christians, even as they strive to resist and prevent every form of warfare, have no hesitation in recalling that, in the name of an elementary requirement of justice, peoples have a right and even a duty to protect their existence and freedom by proportionate means against an unjust aggressor."[30]

In light of the framework of Catholic teaching on the nature of peace, the avoidance of war and the state's right of legitimate defense, we can now spell out certain moral principles within the Catholic tradition which provide guidance for public policy and individual choice.

3. The Just-War Criteria

The moral theory of the "just-war" or "limited-war" doctrine begins with the presumption which binds all Christians: We should do no harm to our neighbors; how we treat our enemy is the key test of whether we love our neighbor; and the possibility of taking even one human life is a prospect we should consider in fear and trembling. How is it possible to move from these presumptions to the idea of a justifiable use of lethal force?

Historically and theologically the clearest answer to the question is found in St. Augustine. Augustine was impressed by the fact and the consequences of sin in history—the "not yet" dimension of the kingdom. In his view war was both the result of sin and a tragic remedy for sin in the life of political societies. War arose from disordered ambitions, but it could also be used in some cases at least to restrain evil and protect the innocent. The classic case which illustrated his view was the use of lethal force to prevent aggression against innocent victims. Faced with the fact of attack on the innocent, the presumption that we do no harm even to our enemy yielded to the command of love understood as the need to restrain an enemy who would injure the innocent.

The just-war argument has taken several forms in the history of Catholic theology, but this Augustinian insight is its central premise.[31] In the 20th century, papal teaching has used the logic of Augustine and Aquinas[32] to articulate a right of self-defense for states in a decentralized international order and to state the criteria for exercising that right. The essential position was stated by Vatican II: "As long as the danger of war persists and there is no international authority with the necessary competence and power, governments cannot be denied the right of lawful self-defense, once all peace efforts have failed."[33] We have already indicated the centrality of this principle for understanding Catholic teaching about the state and its duties.

Just-war teaching has evolved, however, as an effort to prevent war; only if war cannot be rationally avoided does the teaching then seek to restrict and reduce its horrors. It does this by establishing a set of rigorous conditions which must be met if the decision to go to war is to be morally permissible. Such a decision, especially today, requires extraordinarily strong reasons for overriding the presumption *in favor of peace* and *against* war. This is one significant reason why valid just-war teaching makes provision for conscientious dissent. It is presumed that all sane people prefer peace, never *want* to initiate war and accept even the most justifiable defensive war only as a sad necessity. Only the most powerful reasons may be permitted to override such objection. In the words of Pope Pius XII:

"The Christian will for peace . . . is very careful to avoid recourse to the force of arms in the defense of rights which, however legitimate, do not offset the risk of kindling a blaze with all its spiritual and material consequences."[34]

The determination of *when* conditions exist which allow the resort to force in spite of the strong presumption against it is made in light of *jus ad bellum* criteria. The determination of *how* even a justified resort to force must be conducted is made in light of the *jus in bello* criteria. We shall briefly explore the meaning of both.[35]

Jus ad Bellum: Why and when recourse to war is permissible.

a. Just cause

War is permissible only to confront "a real and certain danger," i.e., to protect innocent life, to preserve conditions necessary for decent human existence and to secure basic human rights. As both Pope Pius XII and Pope John XXIII made clear, if war of retribution was ever justifiable, the risks of modern war negate such a claim today.

b. Competent authority

In the Catholic tradition the right to use force has always been joined to the common good; war must be declared by those with responsibility for public order, not by private groups or individuals.

The requirement that a decision to go to war must be made by competent authority is particularly important in a democratic society. It needs detailed treatment here since it involves a broad spectrum of related issues. Some of the bitterest divisions of society in our own nation's history, for example, have been provoked over the question of whether or not a president of the United States has acted constitutionally and legally in involving our country in a de facto war, even if—indeed, especially if—war was never formally declared. Equally perplexing problems of conscience can be raised for individuals expected or legally required to go to war even though our duly elected representatives in Congress have in fact voted for war.

The criterion of competent authority is of further importance in a day when revolutionary war has become commonplace. Historically, the just-war tradition has been open to a "just revolution" position, recognizing that an oppressive government may lose its claim to legitimacy. Insufficient analythical attention has been given to the moral issues of revolutionary warfare. The mere possession of sufficient weaponry, for example, does not legitimize the initiation of war by "insurgents" against an established government, any more than the government's systematic oppression of its people can be carried out under the doctrine of "national security."

While the legitimacy of revolution in some circumstances cannot be denied, just-war teachings must be applied as rigorously to revolutionary-counterrevolutionary conflicts as to others. The issue of who constitutes competent authority and how such authority is exercised is essential.

When we consider in this letter the issues of conscientious objection and selective conscientious objection, the issue of competent authority will arise again.

c. Comparative justice

Questions concerning the means of waging war today, particularly in view of the destructive potential of weapons, have tended to override questions concerning the comparative justice of the positions of respective adversaries or enemies. In essence: Which side is sufficiently "right" in a dispute, and are the values at stake critical enough to override the presumption against war? The question in its most basic form is this: Do the rights and values involved justify killing? For whatever the means used, war by definition involves violence, destruction, suffering and death.

The category of comparative justice is designed to emphasize the presumption against war which stands at the beginning of just-war teaching. In a world of sovereign states recognizing neither a common moral authority nor a central political authority comparative justice stresses that no state should act on the basis that it has "absolute justice" on its side. Every party to a conflict should acknowledge the limits of its "just cause" and the consequent requirement to use only limited means in pursuit of its objectives. Far from legitimizing a crusade mentality, comparative justice is designed to relativize absolute claims and to restrain the use of force even in a "justified" conflict.[36]

Given techniques of propaganda and the ease with which nations and individuals either assume or delude themselves into believing that God or right is clearly on their side, the test of comparative justice may be extremely difficult to apply. Clearly, however, this is not the case in every instance of war. Blatant aggression from without and subversion from within are often enough readily identifiable by all reasonably fair-minded people.

d. Right intention

Right intention is related to just cause—war can be legitimately intended only for the reasons set forth above as a just cause. During the conflict, right intention means pursuit of peace and reconciliation, including avoiding unnecessarily destructive acts or imposing unreasonable conditions (e.g., unconditional surrender).

e. Last resort

For resort to war to be justified, all peaceful alternatives must have been exhausted. There are formidable problems in this requirement. No international organization currently in existence has exercised sufficient internationally recognized authority to be able either to mediate effectively in most cases or to prevent conflict by the intervention of U.N. or other peacekeeping forces. Furthermore, there is a tendency for nations or peoples which perceive conflict between or among other nations as advantageous to themselves to attempt to prevent a peaceful settlement rather than advance it.

We regret the apparent unwillingness of some to see in the United Nations organization the potential for world order which exists and to encourage its development. Pope Paul VI called the United Nations the last hope for peace. The loss of this hope cannot be allowed to happen. Pope John Paul II is again instructive on this point:

"I wish above all to repeat my confidence in you, the leaders and members of the international organizations, and in you, the international officials! In the course of the last 10 years your organizations have too often been the object of attempts at manipulation on the part of nations wishing to exploit such bodies. However it remains true that the present multiplicity of violent clashes, divisions and blocks on which bilateral relations founder, offer the great international organizations the opportunity to engage upon the qualitative change in their activities, even to reform on certain points their own structures in order to take into account new realities and to enjoy effective power."[37]

f. Probability of Success

This is a difficult criterion to apply, but its purpose is to prevent irrational resort to force or hopeless resistance when the outcome of either will clearly be disproportionate or futile. The determination includes a recognition that at times defense of key values, even against great odds, may be a "proportionate" witness.

g. Proportionality

In terms of the *jus ad bellum* criteria, proportionality means that the damage to be inflicted and the costs incurred by war must be proportionate to the good expected by taking up arms. Nor should judgments concerning proportionality be limited to the temporal order without regard to a spiritual demension in terms of "damage," "cost" and "the good expected." In today's interdependent world even a local conflict can affect people everywhere; this is particularly the case when the nuclear powers are involved. Hence a nation cannot justly go to war today without considering the effect of its action on others and on the international community.

This principle of proportionality applies throughout the conduct of the war as well as to the decision to begin warfare. During the Vietnam War our bishops' conference ultimately concluded that the conflict had reached such a level of devastation to the adversary and damage to our own society that continuing it could not be justified.[38]

Jus in Bello

Even when the stringent conditions which justify resort to war are met, the conduct of war (i.e., strategy, tactics and individual actions) remains subject to continuous scrutiny in light of two principles which have special significance today precisely because of the destructive capability of modern technological warfare. These principles are proportionality and discrimination. In discussing them here we shall apply them to the question of *jus ad bellum* as well as *jus in bello;* for today it becomes increasingly difficult to make a decision to use any kind of armed force, however limited initially in intention and in the destructive power of the weapons employed, without facing at least the possibility of escalation to broader, or even total, war and to the use of weapons of horrendous destructive potential. This is especially the case when adversaries are "superpowers," as the council clearly envisioned:

"Indeed, if the kind of weapons now stocked in the arsenals of the great powers were to be employed to the fullest, the result would be the almost complete reciprocal slaughter of one side by the other, not to speak of the widespread devastation that would follow in the world and the deadly aftereffects resulting from the use of such weapons." [39]

It should not be thought, of course, that massive slaughter and destruction would result only from the extensive use of nuclear weapons. We recall with horror the carpet and incendiary bombings of World War II, the deaths of hundreds of thousands in various regions of the world through "conventional" arms, the unspeakable use of gas and other forms of chemical warfare, the destruction of homes and of crops, the utter suffering war has wrought during the centuries before and the decades since the use of the "atom bomb." Nevertheless, every honest person must recognize that, especially given the proliferation of modern scientific weapons, we now face possibilities which are appalling to contemplate. Today, as never before, we must ask not merely what will happen but what may happen, especially if major powers embark on war. Pope John Paul II has repeatedly pleaded that world leaders confront this reality:

"(I)n view of the difference between classical warfare and nuclear or bacteriological war—a difference so to speak of nature—and in view of the scandal of the arms race seen against the background of the needs of the Third World, this right (of defense), which is very real in principle, only underlines the urgency of world society to equip itself with effective means of negotiation. In this way the nuclear terror that haunts our time can encourage us to enrich our common heritage with a very simple discovery that is within our reach, namely that war is the most barbarous and least effective way of resolving conflicts." [40]

The Pontifical Academy of Sciences reaffirmed the Holy Father's theme in its November 1981 "Statement on the Consequences of Nuclear War." Then, in a meeting convoked by the pontifical academy, representatives of national academies of science from throughout the world issued a "Declaration on the Prevention of Nuclear War" which specified the meaning of Pope John Paul II's statement that modern warfare differs by nature from previous forms of war. The scientists said:

"Throughout its history humanity has been confronted with war, but since 1945 the nature of warfare has changed so profoundly that the future of the human race, of generations yet unborn, is imperiled. . . . For the first time it is possible to cause damage on such a catastrophic scale as to wipe out a large part of civilization and to endanger its very survival. The large-scale use of such weapons could trigger major and irreversible ecological and genetic changes whose limits cannot be predicted." [41]

And earlier, with such thoughts plainly in mind, the council had made its own "the condemnation of total war already pronounced by recent popes." [42] This condemnation is demanded by the principles of proportionality and discrimination. Response to aggression must not exceed the nature of the aggression. To destroy civilization as we know it by waging a "total war" as today it could be waged would be a monstrously disproportionate response to aggression on the part of any nation.

Moreover, the lives of innocent persons may never be taken directly, regardless of the purpose alleged for doing so. To wage truly "total" war is by definition to take huge numbers of innocent lives. Just response to aggression must be discriminate; it must be directed against unjust aggressors, not against innocent people caught up in a war not of their making. The council therefore issued its memorable declaration:

"Any act of war aimed indiscriminately at the destruction of entire cities or of extensive areas along with their population is a crime against God and man himself. It merits unequivocal and unhesitating condemnation." [43]

When confronting choices among specific military options, the question asked by proportionality is: Once we take into account not only the military advantages that will

be achieved by using this means, but also all the harms reasonably expected to follow from using it, can its use still be justified? We know, of course, that no end can justify means evil in themselves, such as the executing of hostages or the targeting of noncombatants. Nonetheless, even if the means adopted is not evil in itself, it is necessary to take into account the probable harms that will result from using it and the justice of accepting those harms. It is of utmost importance in assessing harms and the justice of accepting them to think about the poor and the helpless, for they are usually the ones who have the least to gain and the most to lose when war's violence touches their lives.

In terms of the arms race, if the *real* end in view is legitimate defense against unjust aggression and the means to this end are not evil in themselves, we must still examine the question of proportionality concerning attendant evils. Do the exorbitant costs, the general climate of insecurity generated, the possibility of accidental detonation of highly destructive weapons, the danger of error and miscalculation that could provoke retaliation and war—do such evils or others attendant upon and indirectly deriving from the arms race make the arms race itself a disproportionate response to aggression? Pope John Paul II is very clear in his insistence that the exercise of the right and duty of a people to protect their existence and freedom is contingent on the use of proportionate means.[44]

Finally, another set of questions concerns the interpretation of the principle of discrimination. The principle prohibits directly intended attacks on non-combatants and non-military targets. It raises a series of questions about the term "intentional," the category of "non-combatant" and the meaning of "military."

These questions merit the debate occurring with increasing frequency today. We encourage such debate, for concise and definitive answers still appear to be wanting. Mobilization of forces in modern war includes not only the military, but to a significant degree the political economic and social sectors. It is not always easy to determine who is directly involved in a "war effort" or to what degree. Plainly, though, not even by the broadest definition can one rationally consider combatants entire classes of human beings such as schoolchildren, hospital patients, the elderly, the ill, the average industrial worker producing goods not directly related to military purposes, farmers and many others. They may never be directly attacked.

Direct attacks on military targets involve similar complexities. Which targets are "military" ones and which are not? To what degree, for instance, does the use (by either revolutionaries or regular military forces) of a village or housing in a civilian populated area invite attack? What of a munitions factory in the heart of a city? Who is directly responsible for the deaths of non-combatants should the attack be carried out? To revert to the question raised earlier, how many deaths of non-combatants are "tolerable" as a result of indirect attacks—attacks directed against combat forces and military targets which nevertheless kill non-combatants at the same time?

These two principles in all their complexity must be applied to the range of weapons—conventional, nuclear, biological and chemical—with which nations are armed today.

4. The Value of Non-violence

Moved by the example of Jesus' life and by his teaching, some Christians have from the earliest days of the church committed themselves to a non-violent lifestyle.[45] Some understood the Gospel of Jesus to prohibit all killing. Some affirmed the use of prayer and other spiritual methods as means of responding to enmity and hostility.

In the middle of the second century St. Justin proclaimed to his pagan readers that Isaiah's prophecy about turning swords into ploughshares and spears into sickles had been fulfilled as a consequence of Christ's coming:

"And we who delighted in war, in the slaughter of one another, and in every other kind of inequity have in every part of the world converted our weapons into implements of peace—our swords into ploughshares, our spears into farmers' tools—and we cultivate piety, justice, brotherly charity, faith and hope, which we derive from the Father through the crucified Savior." [46]

Writing in the third century, St. Cyprian of Carthage struck a similar note when he indicated that the Christians of his day did not fight against their enemies. He himself regarded their conduct as proper:

"They do not even fight against those who are attacking since it is not granted to the innocent to kill even the aggressor, but promptly to deliver up their souls and blood that since so much malice and cruelty are rampant in the world they may more quickly withdraw from the malicious and the cruel." [47]

Some of the early Christian opposition to military service was a response to the idolatrous practices which prevailed in the Roman army. Another powerful motive was the fact that army service involved preparation for fighting and killing. We see this in the case of St. Martin of Tours during the fourth century, who renounced his soldierly profession with the explanation: "Hitherto I have served you as a soldier. Allow me now to become a soldier of God . . . I am a soldier of Christ. It is not lawful for me to fight." [48]

In the centuries between the fourth century and our own day, the theme of Christian non-violence and Christian pacifism has echoed and reechoed, sometimes more strongly, sometimes more faintly. One of the great non-violent figures in those centuries was St. Francis of Assisi. Besides making personal efforts on behalf of reconciliation and peace, Francis stipulated that lay persons who became members of his Third Order were not "to take up lethal weapons, or bear them about, against anybody."

The vision of Christian non-violence is not passive about injustice and the defense of the rights of others; it rather affirms and exemplifies what it means to resist injustice through non-violent methods.

In the 20th century, prescinding from the non-Christian witness of a Mahatma Ghandi and its worldwide impact, the non-violent witness of such figures as Dorothy Day and Martin Luther King has had a profound impact upon the life of the church in the United States. The witness of numerous Christians who had preceded them over the centuries was affirmed in a remarkable way at the Second Vatican Council.

Two of the passages which were included in the final version of the pastoral constitution gave particular encouragement for Catholics in all walks of life to assess their attitudes toward war and military service in the light of Christian pacifism. In Paragraph 79 the council fathers called upon governments to enact laws protecting the rights of those who adopted the position of conscientious objection to all war: "Moreover, it seems right that laws make humane provisions for the case of those who for reasons of conscience refuse to bear arms, provided, however, that they accept some other form of service to the human community." [49] This was the first time a call for legal protection of conscientious objection had appeared in a document of such prominence. In addition to its own profound meaning this statement took on even more significance in light of the praise that the council fathers had given in the preceding section "to those who renounce the use of violence in the vindication of their rights."[50] In "Human Life in Our Day" (1969), we called for legislative provision to recognize selective conscientious objectors as well.[51]

As Catholic bishops it is incumbent upon us to stress to our own community and to the wider society the significance of this support for a pacifist option for individuals in the teaching of Vatican II and the reaffirmation that the popes have given to nonviolent witness since the time of the council.

In the development of a theology of peace and the growth of the Christian pacifist position among Catholics, these words of the pastoral constitution have special significance: "All these factors force us to undertake a completely fresh reappraisal of war."[52] The council fathers had reference to "the development of armaments by modern science (which) has immeasurably magnified the horrors and wickedness of war."[53] While the just-war teaching has clearly been in possession for the past 1,500 years of Catholic thought, the "new moment" in which we find ourselves sees the just-war teaching and non-violence as distinct but interdependent methods of evaluating warfare. They diverge on some specific conclusions, but they share a common presumption against the use of force as a means of settling disputes.

Both find their roots in the Christian theological tradition; each contributes to the full moral vision we need in pursuit of a human peace. We believe the two perspectives support and complement one another, each preserving the other from distortion. Finally, in an age of technological warfare, analysis from the viewpoint of nonviolence and analysis from the viewpoint of the just-war teaching often converge and agree in their opposition to methods of warfare which are in fact indistinguishable from total warfare.

II. WAR AND PEACE IN THE MODERN WORLD: PROBLEMS AND PRINCIPLES

Both the just-war teaching and non-violence are confronted with a unique challenge by nuclear warfare. This must be the starting point of any further moral reflection: Nuclear weapons particularly and nuclear warfare as it is planned today raise new moral questions. No previously conceived moral position escapes the fundamental confrontation posed by contemporary nuclear strategy. Many have noted the similarity of the statements made by eminent scientists and Vatican II's observation that we are forced today "to undertake a completely fresh reappraisal of war." The task before us is not simply to repeat what we have said before; it is first to consider anew whether and how our religious-moral tradition can assess, direct, contain and, we hope, help to eliminate the threat posed to

the human family by the nuclear arsenals of the world. Pope John Paul II captured the essence of the problem during his pilgrimage to Hiroshima: "In the past it was possible to destroy a village, a town, a region, even a country. Now it is the whole planet that has come under threat." [54]

The Holy Father's observation illustrates why the moral problem is also a religious question of the most profound significance. In the nuclear arsenals of the United States or the Soviet Union alone there exists a capacity to do something no other age could imagine: We can threaten the entire planet.[55] For people of faith this means we read the Book of Genesis with a new awareness; the moral issue at stake in nuclear war involves the meaning of sin in its most graphic dimensions. Every sinful act is a confrontation of the creature and the Creator. Today the destructive potential of the nuclear powers threatens the human person, the civilization we have slowly constructed and even the created order itself.

We live today, therefore, in the midst of a cosmic drama; we possess a power which should never be used, but which might be used if we do not reverse our direction. We live with nuclear weapons knowing we cannot afford to make one serious mistake. This fact dramatizes the precariousness of our position, politically, morally and spiritually.

A prominent "sign of the times" today is a sharply increased awareness of the danger of the nuclear arms race. Such awareness has produced a public discussion about nuclear policy here and in other countries which is unprecedented in its scope and depth. What has been accepted for years with almost no question is now being subjected to the sharpest criticism. What previously had been defined as a safe and stable system of deterrence is today viewed with political and moral skepticism. Many forces are at work in this new evaluation, and we believe one of the crucial elements is the gospel vision of peace which guides our work in this pastoral letter. The nuclear age has been the theater of our existence for almost four decades; today it is being evaluated with a new perspective. For many the leaven of the Gospel and the light of the Holy Spirit create the decisive dimension of this new perspective.

A. The new moment

At the center of the new evaluation of the nuclear arms race is a recognition of two elements: the destructive potential of nuclear weapons and the stringent choices which the nuclear age poses for both politics and morals.

The fateful passage into the nuclear age as a military reality began with the bombing of Nagasaki and Hiroshima, events described by Pope Paul VI as a "butchery of untold magnitude." [56] Since then, in spite of efforts at control and plans for disarmament (e.g., the Baruch Plan of 1946), the nuclear arsenals have escalated, particularly in the two superpowers. The qualitative superiority of these two states, however, should not overshadow the fact that four other countries possess nuclear capacity and a score of states are only steps away from becoming "nuclear nations."

This nuclear escalation has been opposed sporadically and selectively, but never effectively. The race has continued in spite of carefully expressed doubts by analysts and other citizens and in the face of forcefully expressed opposition by public rallies. Today the opposition to the arms race is no longer selective or sporadic, it is widespread and sustained. The danger and destructiveness of nuclear weapons are understood and resisted with new urgency and intensity. There is in the public debate today an endorsement of the position submitted by the Holy See at the United Nations in 1976: The arms race is to be condemned as a danger, an act of aggression against the poor, and a folly which does not provide the security it promises.[57]

Papal teaching has consistently addressed the folly and danger of the arms race; but the new perception of it which is now held by the general public is due in large measure to the work of scientists and physicians who have described for citizens the concrete human consequences of a nuclear war.[58]

In a striking demonstration of his personal and pastoral concern for preventing nuclear war, Pope John Paul II commissioned a study by the Pontifical Academy of Sciences which reinforced the findings of other scientific bodies. The Holy Father had the study transmitted by personal representative to the leaders of the United States, the Soviet Union, the United Kingdom and France, and to the president of the General Assembly of the United Nations. One of its conclusions is especially pertinent to the public debate in the United States:

"Recent talk about winning or even surviving a nuclear war must reflect a failure to appreciate a medical reality: Any nuclear war would inevitably cause death, disease and suffering of pandemonic proportions and without the possibility of effective medical intervention. That reality leads to the same conclusion physicians have reached for life-threatening epidemics throughout history: Prevention is essential for control." [59]

This medical conclusion has a moral corollary. Traditionally the church's moral teaching sought first to prevent war and then to limit its consequences if it occurred. Today the possibilities for placing political and moral limits on nuclear war are so minimal that the moral task, like the medical, is prevention: As a people, we must refuse to legitimate the idea of nuclear war. Such a refusal will require not only new ideas and new vision, but what the Gospel calls conversion of the heart.

To say no to nuclear war is both a necessary and a complex task. We are moral teachers in a tradition which has always been prepared to relate moral principles to concrete problems. Particularly in this letter we could not be content with simply restating general moral principles or repeating well-known requirements about the ethics of war. We have had to examine, with the assistance of a broad spectrum of advisers of varying persuasions, the nature of existing and proposed weapons systems, the doctrines which govern their use and the consequences of using them. We have consulted people who engage their lives in protest against the existing nuclear strategy or the United States, and we have consulted others who have held or do hold responsibility for this strategy. It has been a sobering and perplexing experience. In light of the evidence which witnesses presented and in light of our study, reflection and consultation, we must reject nuclear war. But we feel obliged to relate our judgement to the specific elements which comprise the nuclear problem.

Though certain that the dangerous and delicate nuclear relationship the superpowers now maintain should not exist, we understand how it came to exist. In a world of sovereign states devoid of central authority and possessing the knowledge to produce nuclear weapons many choices were made, some clearly objectionable, others well-intended with mixed results, which brought the world to its present dangerous situation.

We see with increasing clarity the political folly of a system which threatens mutual suicide, the psychological damage this does to ordinary people, especially the young, the economic distortion of priorities—billions readily spent for destructive instruments while pitched battles are waged daily in our legislatures over much smaller amounts for the homeless, the hungry and the helpless here and abroad. But it is much less clear how we translate a no to nuclear war into the personal and public choices which can move us in a new direction, toward a national policy and an international system which more adequately reflect the values and vision of the Kingdon of God.

These tensions in our assessment of the politics and strategy of the nuclear age reflect the conflicting elements of the nuclear dilemma and the balance of terror which it has produced. We have said earlier in this letter that the fact of war reflects the existence of sin in the world. The nuclear threat and the danger it poses to human life and civilization exemplify in a qualitatively new way the perennial struggle of the political community to contain the use of force, particularly among states.

Precisely because of the destructive nature of nuclear weapons, strategies have been developed which previous generations would have found unintelligible. Today military preparations are undertaken on a vast and sophisticated scale, but the declared purpose is not to use the weapons produced. Threats are made which would be suicidal to implement. The key to security is no longer only military secrets, for in some instances security may best be served by informing one's adversary publicly what weapons one has and what plans exist for their use. The presumption of the nation-state system that sovereignty implies an ability to protect a nation's territory and population is precisely the presumption denied by the nuclear capacities of both superpowers. In a sense each is at the mercy of the other's perception of what strategy is "rational," what kind of damage is "unacceptable," how "convincing" one side's threat is to the other.

The political paradox of deterrence has also strained our moral conception. May a nation threaten what it may never do? May it possess what it may never use? Who is involved in the threat each superpower makes: government officials? Or military personnel? Or the citizenry in whose defense the threat is made?

In brief, the danger of the situation is clear; but how to prevent the use of nuclear weapons, how to assess deterrence and how to delineate moral responsibility in the nuclear age are less clearly seen or stated. Reflecting the complexity of the nuclear problem, our arguments in this pastoral must be detailed and nuanced; but our no to nuclear war must in the end be definitive and decisive.

B. Religious leadership and the public debate

Because prevention of nuclear war appears from several perspectives to be not only the surest but only way to limit its destructive potential, we see our role as moral teachers precisely in terms of helping to form public opinion with a clear determination to resist resort to nuclear war as an in-

strument of national policy. If "prevention is the only cure," then there are diverse tasks to be performed in preventing what should never occur. As bishops we see a specific task defined for us in Pope John Paul II's 1982 World Day of Peace Message:

"Peace cannot be built by the power of rulers alone. Peace can be firmly constructed only if it corresponds to the resolute determination of all people of good will. Rulers must be supported and enlightened by a public opinion that encourages them or, where necessary, expresses disapproval." [60]

The pope's appeal to form public opinion is not an abstract task. Especially in a democracy, public opinion can passively acquiesce in policies and strategies or it can through a series of measures indicate the limits beyond which a government should not proceed. The "new moment" which exists in the public debate about nuclear weapons provides a creative opportunity and a moral imperative to examine the relationship between public opinion and public policy. We believe it is necessary for the sake of prevention to build a barrier against the concept of nuclear war as a viable strategy for defense. There should be a clear public resistance to the rhetoric of "winnable" nuclear wars, or unrealistic expectations of "surviving" nuclear exchanges and strategies of "protracted nuclear war." We oppose such rhetoric.

We seek to encourage a public attitude which sets stringent limits on the kind of actions our own government and other governments will take on nuclear policy. We believe religious leaders have a task in concert with public officials, analysts, private organizations and the media to set the limits beyond which our military policy should not move in word or action. Charting a moral course in a complex public policy debate involves several steps. We will address four questions, offering our reflections on them as an invitation to a public moral dialogue:

1. The use of nuclear weapons;
2. The policy of deterrence in principle and in practice;
3. Specific steps to reduce the danger of war;
4. Long-term measures of policy and diplomacy.

C. The use of nuclear weapons

Establishing moral guidelines in the nuclear debate means addressing first the question of the use of nuclear weapons. That question has several dimensions.

It is clear that those in the church who interpret the gospel teaching as forbidding all use of violence would oppose any use of nuclear weapons under any conditions. In a sense the existence of these weapons simply confirms and reinforces one of the intial insights of the non-violent position, namely, that Christians should not use lethal force since the hope of using it selectively and restrictively is so often an illusion. Nuclear weapons seem to prove this point in a way heretofore unknown.

For the tradition which acknowledges some legitimate use of force, some important elements of contemporary nuclear strategies move beyond the limits of moral justification. A justifiable use of force must be both discriminatory and proportionate. Certain aspects of both U.S. and Soviet strategies fail both tests as we shall discuss below. The technical literature and the personal testimony of public officials who have been closely associated with U.S. nuclear strategy have both convinced us of the overwhelming probability that major nuclear exchange would have no limits.[61]

On the more complicated issue of "limited" nuclear war, we are aware of the extensive literature and discussion which this topic has generated.[62] As a general statement, it seems to us that public officials would be unable to refute the following conclusion of the study made by the Pontifical Academy of Sciences:

"Even a nuclear attack directed only at military facilities would be devastating to the country as a whole. This is because military facilities are widespread rather than concentrated at only a few points. Thus, many nuclear weapons would be exploded.

"Furthermore, the spread of radiation due to the natural winds and atmospheric mixing would kill vast numbers of people and contaminate large areas. The medical facilities of any nation would be inadequate to care for the survivors. An objective examination of the medical situation that would follow a nuclear war leads to but one conclusion: Prevention is our only recourse." [63]

Moral principles and policy choices

In light of these perspectives we address three questions more explicitly: (1) counterpopulation warfare; (2) initiation of nuclear war; and (3) limited nuclear war.

1. Counterpopulation Warfare

Under no circumstances may nuclear weapons or other instruments of mass slaughter be used for the purpose of destroying population centers or other predominantly civilian targets. Popes have repeatedly condemned "total war," which implies such use. For example, as early as 1954 Pope Pius XII condemned nuclear warfare "when it entirely escapes the control of man" and results in "the pure and simple annihilation of all human life within the radius of action." [64] The condemnation was repeated by the Second Vatican Council:

"Any act of war aimed indiscriminately at the destruction of entire cities or of extensive areas along with their population is a crime against God and man itself. It merits unequivocal and unhesitating condemnation." [65]

Retaliatory action, whether nuclear or conventional, which would indiscriminately take many wholly innocent lives, lives of people who are in no way responsible for reckless actions of their government, must also be condemned. This condemnation, in our judgment, applies even to the retaliatory use of weapons striking enemy cities after our own have already been struck. No Christian can rightfully carry out orders or policies deliberately aimed at killing noncombatants. [66]

We make this judgment at the beginning of our treatment of nuclear strategy precisely because the defense of the principle of non-combatant immunity is so important for an ethic of war and because the nuclear age has posed such extreme problems for the principle. Later in this letter we shall discuss specific aspects of U.S. policy in light of this principle and in light of recent U.S. policy statements stressing the determination not to target directly or strike directly against civilian populations. Our concern about protecting the moral value of non-combatant immunity, however, requires that we make a clear reassertion of the principle our first word on this matter.

2. The Initiation of Nuclear War

We do not perceive any situation in which the deliberate initiation of nuclear warfare on however restricted a scale can be morally justified. Nonnuclear attacks by another state must be resisted by other than nuclear means. Therefore, a serious moral obligation exists to develop non-nuclear defensive strategies as rapidly as possible.

A serious debate is under way on this issue.[67] It is cast in political terms, but it has a significant moral dimension. Some have argued that at the very beginning of a war nuclear weapons might be used, only against military targets, perhaps in limited numbers. Indeed it has long been American and NATO policy that nuclear weapons, especially so-called tactical nuclear weapons, would likely be used if NATO forces in Europe seemed in danger of losing a conflict that until then had been restricted to conventional weapons. Large numbers of tactical nuclear weapons are now deployed in Europe by the NATO forces and about as many by the Soviet Union. Some are substantially smaller than the bomb used on Hiroshima, some are larger. Such weapons, if employed in great numbers, would totally devastate the densely populated countries of Western and Central Europe.

Whether under conditions of war in Europe, parts of Asia or the Middle East, or the exchange of strategic weapons directly between the United States and the Soviet Union, the difficulties of limiting the use of nuclear weapons are immense. A number of expert witnesses advise us that commanders operating under conditions of battle probably would not be able to exercise strict control; the number of weapons used would be expanded beyond the military and the level of civilian casualties would rise enormously.[68] No one can be certain that this escalation would not occur even in the face of political efforts to keep such an exchange "limited." The chances of keeping use limited seem remote, and the consequences of escalation to mass destruction would be appalling. Former public officials have testified that it is improbable that any nuclear war could actually be kept limited. Their testimony and the consequences involved in this problem lead us to conclude that the danger of escalation is so great that it would be morally unjustifiable to initiate nuclear war in any form. The danger is rooted not only in the technology of our weapons systems, but in the weakness and sinfulness of human communities. We find the moral responsibility of beginning nuclear war not justified by rational political objectives.

This judgment affirms that the willingness to initiate nuclear war entails a distinct, weighty moral responsibility; it involves transgressing a fragile barrier—political, psychological and moral—which has been constructed since 1945. We express repeatedly in this letter our extreme skepticism about the prospects for controlling a nuclear exchange, however limited the first use might be. Precisely because of this skepticism, we judge resort to nuclear weapons to counter a conventional attack to be morally unjustifiable.[69] Consequently we seek to reinforce the barrier against any use of nuclear weapons. Our support of a "no first use" policy must be seen in this light.

At the same time we recognize the responsibility the United States has had and continues to have in assisting allied nations in their defense against either a conventional or a nuclear attack. Especially in the European theater, the deterrence of a *nuclear* attack may require nuclear weapons for a time, even though their possession and deployment must be subject to rigid restrictions.

The need to defend against a conventional attack in Europe imposes the political and

moral burden of developing adequate, alternative modes of defense to present reliance on nuclear weapons. Even with the best coordinated effort—hardly likely in view of contemporary political division on this question—development of an alternative defense position will still take time.

In the interim, deterrence against a conventional attack relies upon two factors; the not inconsiderable conventional forces at the disposal of NATO and the recognition by a potential attacker that the outbreak of large-scale conventional war could escalate to the nuclear level through accident or miscalculation by either side. We are aware that NATO's refusal to adopt a "no first use" pledge is to some extent linked to the deterrent effect of this inherent ambiguity. Nonetheless, in light of the probable effects of initiating nuclear war, we urge NATO to move rapidly toward the adoption of a "no first use" policy, but doing so in tandem with development of an adequate alternative defense posture.

3. Limited Nuclear War

It would be possible to agree with our first two conclusions and still not be sure about retaliatory use of nuclear weapons in what is called a "limited exchange." The issue at stake is the *real* as opposed to the *theoretical* possiblity of a "limited nuclear exchange."

We recognize that the policy debate on this question is inconclusive and that all participants are left with hypothetical projections about probable reactions in a nuclear exchange. While not trying to adjudicate the technical debate, we are aware of it and wish to raise a series of questions which challenge the actual meaning of "limited" in this discussion.

Would leaders have sufficient information to know what is happening in a nuclear exchange?

Would they be able under the conditions of stress, time pressures and fragmentary information to make the extraordinarily precise decision needed to keep the exchange limited if this were technically possible?

Would military commanders be able in the midst of the destruction and confusion of a nuclear exchange to maintain a policy of "discriminate targeting"? Can this be done in modern warfare waged across great distances by aircraft and missiles?

Given the accidents we know about in peacetime conditions, what assurances are there that computer errors could be avoided in the midst of a nuclear exchange?

Would not the casualties, even in a war defined as limited by strategists, still run in the millions?

How "limited" would be the long-term effects of radiation, famine, social fragmentation and economic dislocation?

Unless these questions can be answered satisfactorily, we will continue to be highly skeptical about the real meaning of "limited." One of the criteria of the just-war tradition is a reasonable hope of success in bringing about justice and peace. We must ask whether such a reasonable hope can exist once nuclear weapons have been exchanged. The burden of proof remains on those who assert that meaningful limitation is possible.

A nuclear response to either conventional or nuclear attack can cause destruction which goes far beyond "legitimate defense." Such use of nuclear weapons would not be justified.

In the face of this frightening and highly speculative debate on a matter involving millions of human lives, we believe the most effective contribution or moral judgment is to introduce perspectives by which we can assess the empirical debate. Moral perspective should be sensitive not only to the quantitative dimensions of a question, but to its psychological, human and religious characteristics as well. The issue of limited war is not simply the size of weapons contemplated or the strategies projected. The debate should include the psychological and political significance of crossing the boundary from the conventional to the nuclear arena in any form. To cross this divide is to enter a world where we have no experience of control, much testimony against its possibility and therefore no moral justification for submitting the human community to this risk.[70] We therefore express our view that the first imperative is to prevent any use of nuclear weapons and our hope that leaders will resist the notion that nuclear conflict can be limited, contained or won in any traditional sense.

D. Deterrence in Principle and Practice

The moral challenge posed by nuclear weapons is not exhausted by an analysis of their possible uses. Much of the political and moral debate of the nuclear age has concerned the strategy of deterrence. Deterrence is at the heart of the U.S.-Soviet relationship, currently the most dangerous dimension of the nuclear arms race.

1. The concept and development of deterrence policy

The concept of deterrence existed in military strategy long before the nuclear age, but it has taken on a new meaning and significance since 1945. Essentially deterrence means "dissuasion of a potential adversary from initiating an attack or conflict, often by the threat of unacceptable retaliatory damage."[71] In the nuclear age deterrence has become the centerpiece of both U.S. and Soviet policy. Both superpowers have for many years now been able to promise a retaliatory response which can inflict "unacceptable damage." A situation of stable deterrence depends on the ability of each side to deploy its retaliatory forces in ways that are not vulnerable to an attack (i.e., protected against a "first strike"); preserving stability requires a willingness by both sides to refrain from deploying weapons which appear to have a first strike capability.

This general definition of deterrence does not explain either the elements of a deterrence strategy or the evolution of deterrence policy since 1945. A detailed description of either of these subjects would require an extensive essay using materials which can be found in abundance in the technical literature on the subject of deterrence.[72] Particularly significant is the relationship between "declaratory policy" (the public explanation of our strategic intentions and capabilities) and "action policy" (the actual planning and targeting policies to be followed in a nuclear attack).

The evolution of deterrence strategy has passed through several stages of declaratory policy. Using the U.S. case as an example, there is a significant difference between "massive retaliation" and "flexible response," and between "mutual assured destruction" and "countervailing strategy." It is also possible to distinguish between "counterforce" and "countervalue" targeting policies; and to contrast a posture of "minimum deterrence" with "extended deterrence." These terms are well known in the technical debate on nuclear policy' they are less well known and sometimes loosely used in the wider public debate. It is important to recognize that there has been substantial continuity in U.S. action policy in spite of real changes in declaratory policy.[73]

The recognition of these different elements in the deterrent and the evolution of policy means that moral assessment of deterrence requires a series of distinct judgments. They include: an analysis of the factual character of the deterrent (e.g., what is involved in targeting doctrine); analysis of the historical development of the policy (e.g., whether changes have occurred which are significant for moral analysis of the policy); the relationship of deterrence policy and other aspects of U.S.-Soviet affairs; and determination of the key moral questions involved in deterrence policy.

2. The Moral Assessment of Deterrence

The distinctively new dimensions of nuclear deterrence were recognized by policymakers and strategists only after much reflection. Similarly, the moral challenge posed by nuclear deterrence was grasped only after careful deliberation. The moral and political paradox posed by deterrence was concisely stated by Vatican II:

"Undoubtedly, armaments are not amassed merely for use in wartime. Since the defensive strength of any nation is thought to depend on its capacity for immediate retaliation, the stockpiling of arms which grows from year to year serves, in a way hitherto unthought of, as a deterrent to potential attackers. Many people look upon this as the most effective way known at the present time for maintaining some sort of peace among nations. Whatever one may think of this form of deterrent, people are convinced that the arms race, which quite a few countries have entered, is no infallible way of maintaining real peace and that the resulting socalled balance of power is no sure genuine path to achieving it. Rather than eliminate the causes of war, the arms race serves only to aggravate the position. As long as extravagant sums of money are poured into the development of new weapons, it is impossible to devote adequate aid in tackling the misery which prevails at the present day in the world. Instead of eradicating international conflict once and for all, the contagion is spreading to other parts of the world. New approaches, based on reformed attitudes, will have to be chosen in order to remove this stumbling block, to free the earth from its pressing anxieties, and give back to the world a genuine peace."[74]

Without making a specific moral judgment on deterrance, the council clearly designated the elements of the arms race: the tension between "peace of a sort" preserved by deterrence and "genuine peace" required for a stable international life; the contradiction between what is spent for destructive capacity and what is needed for constructive development.

In the post-conciliar assessment of war and peace and specifically of deterrence, different parties to the political-moral debate within the church and in civil society have focused on one or another aspect of the problem. For some, the fact that nuclear weapons have not been used since 1945 means that deterrence has worked, and this fact satisfies the demands of both the political and the moral order. Others contest this assessment by highlighing the risk of failure involved in continued reliance on deterrence and pointing out how politically and morally catastrophic even a single failure would be. Still others note that the absence

of nuclear war is not necessarily proof that the policy of deterrence has prevented it. Indeed, some would find the policy of deterrence the driving force in the superpower arms race. Still other observers, many of them Catholic moralists, have stressed that deterrence may not morally include the intention of deliberately attacking civilian populations or noncombatants.

The statements of the NCCB-USCC over the past several years have both reflected and contributed to the wider moral debate on deterrence. In the NCCB pastoral letter "To Live in Christ Jesus" (1976), we focused on the moral limits of declaratory policy while calling for stronger measures of arms control.[75] In 1979 Cardinal John Krol, speaking for the USCC in support of SALT II ratification, brought into focus the other element of the deterrence problem: The actual use of nuclear weapons may have been prevented (a moral good), but the risk of failure and the physical harm and moral evil resulting from possible nuclear war remained.

"This explains," Cardinal Krol stated, "the Catholic dissatisfaction with nuclear deterrence and the urgency of the Catholic demand that the nuclear arms race be reversed. It is of the utmost importance that negotiations proceed to meaningful and continuing reductions in nuclear stockpiles and eventually to the phasing out altogether of nuclear deterrence and the threat of mutual-assured destruction."[76]

These two texts, along with the conciliar statement, have influenced much of Catholic opinion expressed recently on the nuclear question.

In June 1982, Pope John Paul II provided new impetus and insight to the moral analysis with his statement to the U.N. Second Special Session on Disarmament. The pope first situated the problem of deterrence within the context of world politics. No power, he observes, will admit to wishing to start a war, but each distrusts others and considers it necessary to mount a strong defense against attack. He then discusses the notion of deterrence:

"Many even think that such preparations constitute the way—even the only way—to safeguard peace in some fashion or at least to impede to the utmost in an efficacious way the outbreak of wars, especially major conflicts which might lead to the ultimate holocaust of humanity and the destruction of the civilization that man has constructed so laboriously over the centuries.

"In this approach one can see the 'philosophy of peace' which was proclaimed in the ancient Roman principle: Si vis pacem, para bellum. Put in modern terms, this 'philosophy' has the label of 'deterrence' and one can find it in various guises of the search for a 'balance of forces' which sometimes has been called, and not without reason, the 'balance of terror.'"[77]

Having offered this analysis of the general concept of deterrence, the Holy Father introduces his considerations on disarmament, especially, but not only, nuclear disarmament. Pope John Paul II makes this statement about the morality of deterrence:

"In current conditions 'deterrence' based on balance, certainly not as an end in itself but as a step on the way toward a progressive disarmament, may still be judged morally acceptable. Nonetheless in order to ensure peace, it is indispensable not to be satisfied with this minimum, which is always susceptible to the real danger of explosion."[78]

In Pope John Paul II's assessment we perceive two dimensions of the contemporary dilemma of deterrence. One dimension is the danger of nuclear war with its human and moral costs. The possession of nuclear weapons, the continuing quantitative growth of the arms race and the danger of nuclear proliferation all point to the grave danger of basing "peace of a sort" on deterrence. The other dimension is the independence and freedom of nations and entire peoples, including the need to protect smaller nations from threats to their independence and integrity. Deterrence reflects the radical distrust which marks international politics, a condition identified as a major problem by Pope John XXIII in "Peace on Earth" and reaffirmed by Pope Paul VI and Pope John Paul II. Thus a balance of forces, preventing either side from achieving superiority, can be seen as a means of safeguarding both dimensions.

The moral duty today is to prevent nuclear war from ever occurring *and* to protect and preserve those key values of justice, freedom and independence which are necessary for personal dignity and national integrity. In reference to these issues, Pope John Paul II judges that deterrence may still be judged morally acceptable, "certainly not as an end in itself but as a step on the way toward a progressive disarmament."

On more than one occasion the Holy Father has demonstrated his awareness of the fragility and complexity of the deterrence relations among nations. Speaking to UNESCO in June 1980, he said:

"Up to the present, we are told that nuclear arms are a force of dissuasion which have prevented the eruption of a major war. And that is probably true. Still, we must ask if it will always be this way."[79]

In a more recent and more specific assessment Pope John Paul II told an international meeting of scientists Aug. 23, 1982: "You can more easily ascertain that the logic of nuclear deterrence cannot be considered a final goal or an appropriate and secure means for safeguarding international peace."[80]

Relating Pope John Paul's general statements to the specific policies of the U.S. deterrent requires both judgments of fact and an application of moral principles. In preparing this letter we have tried through a number of sources to determine as precisely as possible the factual character of U.S. deterrence strategy. Two questions have particularly concerned us: (1) the targeting doctrine and strategic plans for the use of the deterrent, particularly their impact on civilian casualties; and (2) the relationship of deterrence strategy and nuclear war-fighting capability to the likelihood that war will in fact be prevented.

Moral Principles and Policy Choices

Targeting doctrine raises significant moral questions because it is a significant determinant of what would occur if nuclear weapons were ever to be used. Although we acknowledge the need for deterrent, not all forms of deterrence are morally acceptable. There are moral limits to deterrence policy as well as to policy regarding use. Specifically, it is not morally acceptable to intend to kill the innocent as part of a strategy of deterring nuclear war. The question of whether U.S. policy involves an intention to strike civilian centers (directly targeting civilian populations) has been one of our factual concerns.

This complex question has always produced a variety of responses, official and unofficial in character. The NCCB committee has received a series of statements of clarification of policy from U.S. government officials.[81] Essentially these statements declare that it is not U.S. strategic policy to target the Soviet civilian population as such or to use nuclear weapons deliberately for the purpose of destroying population centers.

These statements respond, in principle at least, to one moral criterion for assessing deterrence policy: the immunity of non-combatants from direct attack either by conventional on nuclear weapons.

These statements do not address or resolve another very troublesome moral problem, namely, that an attack on military targets or militarily significant industrial targets could involve "indirect" (i.e., unintended) but massive civilian casualties. We are advised, for example, that the U.S. strategic nuclear targeting plan (SIOP—Single Integrated Operational Plan) has identified 60 "military" targets within the city of Moscow alone, and that 40,000 "military" targets for nuclear weapons have been identified in the whole of the Soviet Union.[82] It is important to recognize that Soviet policy is subject to the same moral judgment; attacks on several "industrial targets" or politically significant targets in the United States could produce massive civilian casualties. The number of civilians who would necessarily be killed by such strikes is horrendous.[83] This problem is unavoidable because of the way modern military facilities and production centers are so thoroughly interspersed with civilian living and working areas. It is aggravated if one side deliberately positions military targets in the midst of a civilian population.

In our consultations, administration officials readily admitted that while they hoped any nuclear exchange could be kept limited, they were prepared to retaliate in a massive way if necessary. They also agreed that once any substantial numbers of weapons were used, the civilian casualty levels would quickly become truly catastrophic and that even with attacks limited to "military" targets the number of deaths in a substantial exchange would be almost indistinguishable from what might occur if civilian centers had been deliberately and directly struck. These possibilities pose a different moral question and are to be judged by a different moral criterion: the principle of proportionality.

While any judgment of proportionality is always open to differing evaluations, there are actions which can be decisively judged to be disproportionate. A narrow adherence exclusively to the principle of non-combatant immunity as a criterion for policy is an inadequate moral posture for it ignores some evil and unacceptable consequences. Hence, we cannot be satisfied that the assertion of an intention not to strike civilians directly or even the most honest effort to implement that intention by itself constitutes a "moral policy" for the use of nuclear weapons.

The location of industrial or militarily significant economic targets within heavily populated areas or in those areas affected by radioactive fallout could well involve such massive civilian casualties that in our judgment such a strike would be deemed morally disproportionate, even though not intentionally indiscriminate.

The problem is not simply one of producing highly accurate weapons that might minimize civilian casualties in any single explosion, but one of increasing the likelihood of escalation at a level where many, even "discriminating," weapons would cumulatively kill very large numbers of civilians. Those civilian deaths would occur both im-

mediately and from the long-term effects of social and economic devastation.

A second issue of concern to us is the relationship of deterrence doctrine to war-fighting strategies. We are aware of the argument that war-fighting capabilities enhance the credibility of the deterrent particularly the strategy of extended deterrence. But the development of such capabilities raises other strategic and moral questions. The relationship of war-fighting capabilities and targeting doctrine exemplifies the difficult choices in this area of policy. Targeting civilian populations would violate the principle of discrimination—one of the central moral principles of a Christian ethic of war. But "counterforce targeting," while preferable from the perspective of protecting civilians, is often joined with a declaratory policy which conveys the notion that nuclear war is subject to precise rational and moral limits. We have already expressed our severe doubts about such a concept. Furthermore, a purely counterforce strategy may seem to threaten the viability of other nations' retaliatory forces, making deterrence unstable in a crisis and war more likely.

While we welcome any effort to protect civilian populations, we do not want to legitimize or encourage moves which extend deterrence beyond the specific objective preventing the use of nuclear weapons or other actions which could lead directly to a nuclear exchange.

These considerations of concrete elements of nuclear deterrence policy, made in light of John Paul II's evaluation, but applying it through our own prudential judgments, lead us to a strictly conditioned moral acceptance of nuclear deterrence. We cannot consider it adequate as a long-term basis for peace.

This strictly conditioned judgment yields criteria for morally assessing the elements of deterrence strategy . Clearly, these criterial demonstrate that we cannot approve of every weapons system, strategic doctrine or policy initiative advanced in the name of strengthening deterrence. On the contrary, these criteria require continual public scrutiny of what our government proposes to do with the deterrent.

On the basis of these criteria we wish now to make some specific evaluations:

1. If nuclear deterrence exists only to prevent the use of nuclear weapons by others, then proposals to go beyond this to planning for prolonged periods of repeated nuclear strikes and counterstrikes, or "prevailing" in nuclear war, are not acceptable. They encourage notions that nuclear war can be engaged in with tolerable human and moral consequences. Rather, we must continually say no to the idea of nuclear war.

2. If nuclear deterrence is our goal, "sufficiency" to deter is an adequate strategy; the quest for nuclear superiority must be rejected.

3. Nuclear deterrence should be used as a step on the way toward progressive disarmament. Each proposed addition to our strategic system or change in strategic doctrine must be assessed precisely in light of whether it will render steps toward "progressive disarmament" more or less likely.

Morever, these criteria provide us with the means to make some judgment and recommendations about the present direction of U.S. strategic policy. Progress toward a world freed of dependence on nuclear deterrence must be carefully carried out. But it must be carefully carried out. But it must not be delayed. There is an urgent moral and political responsibility to use the "peace of a sort" we have as a framework to move toward authentic peace through nuclear arms control, reductions and disarmament. Of primary importance in this process is the need to prevent the development and deployment of destabilizing weapons systems on either side; a second requirement is to ensure that the more sophisticated command and control systmes do not become mere hair triggers for automatic launch on warning; a third is the need to prevent the proliferation of nuclear weapons in the international system.

In light of these general judgments we oppose some specific proposals in respect to our present deterrence posture:

1. The addition of weapons which are likely to be vulnerable to attack, yet also possess a "prompt hard-target kill" capability that threatens to make the other side's retaliatory forces vulnerable. Such weapons may seem to be useful primarily in a first strike;[84] we resist such weapons for this reason and we oppose Soviet deployment of such weapons which generate fear of a first strike against U.S. forces.

2. The willingness to foster strategic planning which seeks a nuclear war-fighting capability that goes beyond the limited function of deterrence outlined in this letter.

3. Proposals which have the effect of lowering the nuclear threshold and blurring the difference between nuclear and conventional weapons.

In support of the concept of "sufficiency" as an adequate deterrent and in light of the present size and composition of both the U.S. and Soviet strategic arsenals, we recommend:

1. Support for immediate, bilateral, verifiable agreements to halt the testing, production and deployment of new nuclear weapons systems.[85]

2. Support for negotiated bilateral deep cuts in the arsenals of both superpowers, particularly those weapons systems which have destabilizing characteristics; U.S. proposals like those for START (Strategic Arms Reduction Talks) and INF (Intermediate-Range Nuclear Forces) negotiations in Geneva are said to be designed to achieve deep cuts:[86] our hope is that they will be pursued in a manner which will realize these goals.

3. Support for early and successful conclusion of negotiations of a comprehensive test ban treaty.

4. Removal by all parties of short-range nuclear weapons which multiply dangers disproportionate to their deterrent value.

5. Removal by all parties of nuclear weapons from areas where they are likely to be overrun in the early stages of war, thus forcing rapid and uncontrollable decisions on their use.

6. Strengthening of command and control over nuclear weapons to prevent inadvertent and unauthorized use.

These judgments are meant to exemplify how a lack of unequivocal condemnation of deterrence is meant only to be an attempt to acknowledge the role attributed to deterrence, but not to support its extension beyond the limited purpose discussed above. Some have urged us to condemn all aspects of nuclear deterrence. This urging has been based on a variety of reasons, but has emphasized particularly the high and terrible risks that either deliberate use or accidental detonation of nuclear weapons could quickly escalate to something utterly disproportionate to any acceptable moral purpose. That determination requires highly technical judgments about hypothetical events. Although reasons exist which move some to condemn reliance on nuclear weapons for deterrence, we have not reached this conclusion for the reasons outlined in this letter.

Nevertheless, there must be no misunderstanding of our profound skepticism about the moral acceptability of any use of nuclear weapons. It is obvious that the use of any weapons which violate the principle of discrimination merits unequivocal condemnation. We are told that some weapons are designed for purely "counterforce" use against military forces and targets. The moral issue, however, is not resolved by the design of weapons or the planned intention for use; there are also consequences which must be assessed. It would be a perverted political policy or moral casuistry which tried to justify using a weapon which "indirectly" or "unintentionally" killed a million innocent people because they happened to live near a "militarily significant target."

Even the "indirect effects" of initiating nuclear war are sufficient to make it an unjustifiable moral risk in any form. It is not sufficient, for example, to contend that "our" side has plans for "limited" or "discriminate" use. Modern warfare is not readily contained by good intentions or technological designs. The psychological climate of the world is such that mention of the term "nuclear" generates uneasiness. Many contend that the use of one tactical nuclear weapon could produce panic, with completely unpredictable consequences. It is precisely this mix of political, psychological and technological uncertainty which has moved us in this letter to reinforce with moral prohibitions and prescriptions the prevailing political barrier against resort to nuclear weapons. Our support for enhanced command and control facilities, for major reductions in strategic and tactical nuclear forces, and for a "no first use" policy (as set forth in this letter) is meant to be seen as a complement to our desire to draw a moral line against nuclear war.

Any claim by any government that it is pursuing a morally acceptable policy of deterrence must be scrutinized with the greatest care. We are prepared and eager to participate in our country in the ongoing public debate on moral grounds.

The need to rethink the deterrence policy of our nation, to make the revisions necessary to reduce the possibility of nuclear war and to move toward a more stable system of national and international security will demand a substantial intellectual, political and moral effort. It also will require, we believe, the willingness to open ourselves to the providential care, power and word of God, which call us to recognize our common humanity and the bonds of mutual responsibility which exist in the international community in spite of political differences and nuclear arsenals.

Indeed, we do acknowledge that there are many strong voices within our own episcopal ranks and within the wider Catholic community in the United States which challenge the strategy of deterrence as an adequate response to the arms race today. They highlight the historical evidence that deterrence has not in fact set in motion substantial processes of disarmament.

Moreover, these voices rightly raise the concern that even the conditional acceptance of nuclear deterrence as laid out in a letter such as this might be inappropriately used by some to reinforce the policy of arms buildup. In its stead they call us to raise a prophetic challenge to the community of

faith—a challenge which goes beyond nuclear deterrence, toward more resolute steps to actual bilateral disarmament and peacemaking. We recognize the intellectual ground on which the argument is built and the religious sensibility which gives it its strong force.

The dangers of the nuclear age and the enormous difficulties we face in moving toward a more adequate system of global secuirty, stability and justice require steps beyond our present conceptions of security and defense policy. In the following section we propose a series of steps aimed at a more adequate policy for preserving peace in a nuclear world.

III. THE PROMOTION OF PEACE: PROPOSALS AND POLICIES

In a world which is not yet the fulfillment of God's kingdom, a world where both personal actions and social forces manifest the continuing influence of sin and disorder among us, consistent attention must be paid to preventing and limiting the violence of war. But this task, addressed extensively in the previous section of this letter, does not exhaust Catholic teaching on war and peace. A complementary theme, reflected in the scriptures and the theology of the church and significantly developed by papal teaching in this century, is the building of peace as the way to prevent war. This traditional theme was vividly reasserted by Pope John Paul in his homily at Coventry Cathedral:

"Peace is not just the absence of war. It involves mutual respect and confidence between peoples and nations. It involves collaboration and binding agreements. Like a cathedral, peace must be constructed patiently and with unshakable faith." [87]

This positive conception of peacemaking profoundly influences many people in our time. At the beginning of this letter we affirmed the need for a more fully developed theology of peace. The basis of such a theology is found in the papal teaching of this century. In this section of our pastoral we wish to illustrate how the positive vision of peace contained in Catholic teaching provides direction for policy and personal choices.

A. Specific steps to reduce the danger of war

The dangers of modern war are specific and visible; our teaching must be equally specific about the needs of peace. Effective arms control leading to mutual disarmament, ratification of pending treaties,[88] development of nonviolent alternatives, are but some of the recommendations we would place before the Catholic community and all men and women of good will. These should be part of a foreign policy which recognizes and respects the claims of citizens of every nation to the same inalienable rights we treasure and seeks to ensure an international security based on the awareness that the Creator has provided this world and all its resources for the sustenance and benefit of the entire human family. The truth that the globe is inhabited by a single family in which all have the same basic needs and all have a right to the goods of the earth is a fundamental principle of Catholic teaching which we believe to be of increasing importance today. In an interdependent world all need to affirm their common nature and destiny; such a perspective should inform our policy vision and negotiating posture in pursuit of peace today.

1. Accelerated Work for Arms Control, Reduction and Disarmament

Despite serious efforts starting with the Baruch plans and continuing through SALT I and SALT II, the results have been far too limited and partial to be commensurate with the risks of nuclear war. Yet efforts for negotiated control and reduction of arms must continue. In his 1982 address to the United Nations Pope John Paul II left no doubt about the importance of these efforts: "Today once again before you all I reaffirm my confidence in the power of true negotiations to arrive at just and equitable solutions."[89]

In this same spirit we urge negotiations to halt the testing, production and deployment of new nuclear weapons systems. Not only should steps be taken to end development and deployment, but the numbers of existing weapons must be reduced in a manner which lessens the danger of war.

Arms control disarmament must be a process of verifiable agreements especially between two superpowers. While we do not advocate a policy of unilatered disarmament, we believe the urgent need for control of the arms race requires a willingness for each side to take some first steps. The United States has already taken a number of important independent initiatives to reduce some of the gravest dangers and to encourage a constructive Soviet response; additional initiatives are encouraged. By independent initiatives we mean carefully chosen limited steps which the United States could take for a defined period of time, seeking to elicit a comparable step from the Soviet Union. If an appropriate response is not forthcoming, the United States would no longer be bound by steps taken. Our country has previously taken calculated risks in favor of freedom and of human values; these have included independent steps taken to reduce some of the gravest dangers of nuclear war.[90] Certain risks are required today to help free the world from bondage to nuclear deterrence and the risk of nuclear war. Both sides, for example, have an interest in avoiding deployment of destabilizing weapons systems.

There is some history of successful independent initiatives which have beneficially influenced the arms race without a formal public agreement. In 1963 President Kennedy announced that the United States would unilaterally forgo further nuclear testing; the next month (Soviet Premier Nikita) Khrushchev proposed a limited test ban which eventually became the basis of the U.S.-Soviet partial test ban treaty. Subsequently, both superpowers removed about 10,000 troops from Central Europe and each announced a cut in production of nuclear material for weapons.

a. Negotiation on arms control agreements in isolation, without persistent and parallel efforts to reduce the political tensions which motivate the buildup of armaments, will not suffice. The United States should therefore have a continuing policy of maximum political engagement with governments of potential adversaries, providing for repeated, systematic discussion and negotiation of areas of friction. This policy should be carried out by a system of periodic, carefully prepared meetings at several levels of government, including summit meetings at regular intervals. Such channels of discussion are too important to be regarded by either of the major powers as a concession or an event made dependent on daily shifts in international developments.

b. The Nuclear Non-Proliferation Treaty of 1968 acknowledged that the spread of nuclear weapons to hitherto non-nuclear states (horizontal proliferation) could hardly be prevented in the long run in the absence of serious efforts by the nuclear states to control and reduce their own nuclear arsenals (vertical proliferation). Article VI of the NPT pledged the superpowers to serious efforts to control and to reduce their own nuclear arsenals; unfortunately this promise has not been kept. Moreover, the multinational controls envisaged in the treaty seem to have been gradually relaxed by the states exporting fissionable materials for the production of energy. If these tendencies are not constrained, the treaty may eventually lose its symbolic and practical effectiveness. For this reason the United States should, in concert with other nuclear-exporting states, seriously reexamine its policies and programs and make clear its determination to uphold the spirit as well as the letter of the treaty.

2. Continued Insistence on Efforts to Minimize the Risk of Any War

While it is right and proper that priority be given to reducing and ultimately eliminating the likelihood of nuclear war, this does not of itself remove the threat of other forms of warfare. Indeed, negotiated reduction in nuclear weapons available to the superpowers could conceivably increase the danger of non-nuclear wars.

a. Because of this we strongly support negotiations aimed at reducing and limiting conventional forces and at building confidence between possible adversaries, especially in regions of potential military confrontations. We urge that prohibitions outlawing the production and use of chemical and biological weapons be reaffirmed and observed. Arms control negotiations must take account of the possibility that conventional conflict could trigger the nuclear confrontation the world must avoid.

b. Unfortunately, as is the case with nuclear proliferation, we are witnessing a relaxation of restraints in the international commerce in conventional arms. Sales of increasingly sophisticated military aircraft, missiles, tanks, anti-tank weapons, anti-personnel bombs and other systems by the major supplying countries (especially the Soviet Union, the United States, France and Great Britain) have reached unprecedented levels.

Pope John Paul II took specific note of the problem in his U.N. address:

"The production and sale of conventional weapons throughout the world is a truly alarming and evidently growing phenomenon. . . . Moreover the traffic in these weapons seems to be developing at an increasing rate and seems to be directed most of all toward developing countries." [91]

It is a tragic fact that U.S. arms-sales policies in the last decade have contributed significantly to the trend of the Holy Father deplores. We call for a reversal of this course. The United States should renew earlier efforts to develop multilateral controls on arms exports and should in this case also be willing to take carefully chosen independent initiatives to retrain the arms trade. Such steps would be particularly appropriate where the receiving government faces charges of gross and systematic human rights violations.[92]

c. Nations must accept a limited view of those interests justifying military force. True self-defense may include the protection of weaker states, but does not include

seizing the possessions of others or the domination of other states or peoples. We should remember the caution of Pope John Paul II: "In alleging the threat of a potential enemy, is it really not rather the intention to keep for itself a means of threat, in order to get the upper hand with the aid of one's own arsenal of destruction?" [93] Central to a moral theory of force is the principle that it must be a last resort taken only when *all* other means of redress have been exhausted. Equally important in the age of modern warfare is the recognition that the justifiable reasons for using force have been restricted to instances of self-defense or defense of others under attack.

3. The Relationship of Nuclear and Conventional Defenses

The strong position we have taken against the use of nuclear weapons and particularly the stand against the initiation of nuclear war in any form calls for further clarification of our view of the requirements for conventional defense.

Nuclear threats have often come to take the place of efforts to deter or defend against non-nuclear attack with weapons that are themselves non-nuclear, particularly in the NATO-Warsaw Pack confrontation. Many analysts conclude that in the absence of nucler deterrent threats more troops and conventional (non-nuclear) weapons would be required to protect our allies. Rejection of some forms of nuclear deterrence could therefore conceivably require a willingness to pay higher costs to develop conventional forces. Leaders and peoples of other nations might also have to accept higher costs for their own defense, particularly in Western Europe, if the threat to use nuclear weapons first were withdrawn. We cannot judge the strength of these arguments in particular cases. It may well be that some strengthening of conventional defense would be a proportionate price to pay, if this will reduce the possibility of a nuclear war. We acknowledge this reluctantly, aware as we are of the vast amount of scarce resources expended annually on instruments of defense in a world filled with other urgent, unmet human needs.

It is not for us to settle the technical debate about policy and budgets. From the perspective of a developing theology of peace, however, we feel obliged to contribute a moral dimension to the discussion. We hope that significant reduction in numbers of conventional arms and weaponry would go hand in hand with diminishing reliance on nuclear deterrence. The history of recent wars (even so-called "minor" or "limited" wars) has shown that conventional war can also become indiscriminate in conduct and disproportionate to any valid purpose. We do not want in any way to give encouragement to a notion of "making the world safe for conventional war," which introduces its own horrors.

Hence, we believe that any program directed at reducing reliance on nuclear weapons is not likely to succeed unless it includes measures to reduce tensions and to work for the balanced reduction of conventional forces. We believe that important possibilities exist which, if energetically pursued, would ensure against building up conventional forces as a concomitant of reductions in nuclear weapons. Examples are to be found in the ongoing negotiations for mutual, balanced, force reductions, the prospects for which are certainly not dim and would be enhanced by agreements on strategic weapons, and in the confidence-building measures still envisaged under the Helsinki agreement and review conference.

We must re-emphasize with all our being, nonetheless, that it is not only nuclear war that must be prevented, but war itself. Therefore, with Pope John Paul II we declare:

"Today, the scale and the horror of modern warfare—whether nuclear or not—makes it totally unacceptable as a means of settling differences between nations. War should belong to the tragic past, to history; it should find no place on humanity's agenda for the future." [94]

Reason and experience tell us that a continuing upward spiral even in conventional arms, coupled with an unbridled increase in armed forces, instead of securing true peace will almost certainly be provocative of war.

4. Civil Defense

Attention must be given to existing programs for civil defense against nuclear attack, including blast and fallout shelters and relocation plans. It is unclear in the public mind whether these are intended to offer significant protection against at least some forms of nuclear attack or are being put into place to enhance the credibility of the strategic deterrent forces by demonstrating an ability to survive attack. This confusion has led to public skepticism and even ridicule of the program and casts doubt on the credibility of the government. An independent commission of scientists, engineers and weapons experts is needed to examine if these or any other plans offer a realistic prospect of survival for the nation's population or its cherished values, which a nuclear war would presumably be fought to preserve.

5. Efforts to Develop Non-Violent Means of Conflict Resolution

We affirm a nation's right to defend itself, its citizens and its values. Security is the right of all, but that right, like everything else, must be subject to divine law and the limits defined by that law. We must find means of defending peoples that do not depend upon the threat of annihilation. Immoral means can never be justified by the end sought; no objective, however worthy of good in itself, can justify sinful acts or policies. Though our primary concern through this statement is war and the nuclear threat, these principles apply as well to all forms of violence, including insurgency, counterinsurgency, "destabilization" and the like.

a. The Second Vatican Council praised "those who renounce the use of violence in the vindication of their rights and who resort to methods of defense which are otherwise available to weaker parties, provided that this can be done without injury to the rights and duties of others or of the community itself." [95] To make such renunciation effective and still defend what must be defended, the arts of diplomacy, negotiation and compromise must be developed and fully exercised. Non-violent means of resistance to evil deserve much more study and consideration than they have thus far received. There have been significant instances in which people have successfully resisted oppression without recourse to arms.[96] Non-violence is not the way of the weak, the cowardly or the impatient. Such movements have seldom gained headlines even though they have left their mark on history. The heroic Danes who would not turn Jews over to the Nazis and the Norwegians who would not teach Nazi propaganda in schools serve as inspiring examples in the history of non-violence.

Non-violent resistance, like war, can take many forms depending upon the demands of a given situation. There is, for instance, organized popular defense instituted by government as part of its contingency planning. Citizens would be trained in the techniques of peaceful non-compliance and non-cooperation as a means of hindering an invading force or non-democratic government from imposing its will. Effective non-violent resistance requires the united will of a people and may demand as much patience and sacrifice from those who practice it as is now demanded by war and preparation for war. It may not always succeed. Nevertheless, before the possibility is dismissed as impractical or unrealistic, we urge that it be measured against the almost certain effects of a major war.

b. Non-violent resistance offers a common ground of agreement for those individuals who choose the option of Christian pacifism even to the point of accepting the need to die rather than to kill and those who choose the option of lethal force allowed by the theology of just war. Non-violent resistance makes clear that both are able to be committed to the same objective: defense of their country.

c. Popular defense would go beyond conflict resolution and compromise to a basic synthesis of beliefs and values. In its practice the objective is not only to avoid causing harm or injury to another creature, but, more positively, to seek the good of the other. Blunting the aggression of an adversary or oppressor would not be enough. The goal is winning the other over, making the adversary a friend.

It is useful to point out that these principles are thoroughly compatible with—and to some extent derived from—Christian teachings and must be part of any Christian theology of peace. Spiritual writers have helped trace the theory of non-violence to its roots in scripture and tradition and have illustrated its practice and success in their studies of the church fathers and the age of martyrs. Christ's own teachings and example provide a model way of life incorporating the truth and a refusal to return evil for evil.

Non-violent popular defense does not ensure that lives would not be lost. Nevertheless, once we recognize that the almost certain consequences of existing policies and strategies of war carry with them a very real threat to the future existence of humankind itself, practical reason as well as spiritual faith demands that it be given serious consideration as an alternative course of action.

d. Once again we declare that the only true defense for the world's population is the rejection of nuclear war and the conventional wars which could escalate into nuclear war. With Pope John Paul II, we call upon educational and research institutes to take a lead in conducting peace studies; "Scientific studies on war, its nature, causes, means, objectives and risks have much to teach us on the conditions for peace." [97] To achieve this end, we urge that funds equivalent to a designated percentage (even one-tenth of 1 percent) of current budgetary allotments for military purposes be set aside to support such peace research.

In 1981 the Commission on Proposals for the National Academy of Peace and Conflict Resolution recommended the establishment of the U.S. Academy of Peace, a recommendation nearly as old as this country's Constitution. The commission found that "peace is a legitimate field of learning that encom-

passes rigorous, interdisciplinary research, education and training directed toward peacemaking expertise." [98] We endorse the commission's recommendation and urge all citizens to support training in conflict resolution, non-violent resistance, and programs devoted to service to peace and education for peace. Such an academy would not only provide a center for peace studies and activities, but also be a tangible evidence of our nation's sincerity in its often professed commitment to international peace and the abolition of war. We urge universities, particularly Catholic universities, in our country to develop programs for rigorous interdisciplinary research, education and training directed toward peacemaking expertise.

We too must be prepared to do our part to achieve these ends. We encourage churches and educational institutions, from primary schools to colleges and institutes of higher learning, to undertake similar programs at their own initiative. Every effort must be made to understand and evaluate the arms race, to encourage truly transnational perspectives on disarmament and to explore new forms of international cooperation and exchange. No greater challenge or higher priority can be imagined than the development and perfection of a theology of peace suited to a civilization poised on the brink of self-destruction. It is our prayerful hope that this document will provide to be a starting point and inspiration for that endeavor.

6. The Role of Conscience

A dominant characteristic of the Second Vatican Council's evaluation of the modern warfare was the stress it placed on the requirement for proper formation of conscience. Moral principles are effective restraints on power only when policies reflect them and individuals practice them. The relationship of the authority of the state and the conscience of the individual on matters of war and peace takes a new urgency in the face of the destructive nature of modern war.

a. In this connection we reiterate the position we took in 1980. Catholic teaching does not question the right in principle of a government to require military service of its citizens provided the government shows it is necessary. A citizen may not casually disregard his country's conscientious decision to call its citizens to acts of "legitimate defense." Moreover, the role of Christian citizens in the armed forces is a service to the common good and an exercise of the virtue of patriotism, so long as they fulfill this role within defined moral norms.[99]

b. At the same time, no state may demand blind obedience. Our 1980 statement urged the government to present convincing reasons for draft registration and opposed reinstitution of conscription itself except in the case of a national defense emergency. Moreover, it reiterated our support for conscientious objection in general and for selective conscientious objection to participation in a particular war, either because of the ends being pursued or the means being used. We called selective conscientious objection a moral conclusion which can be validly derived from the classical teaching of just-war principles. We continue to insist upon respect for and legislative protection of the rights of both classes of conscientious objectors. We also approve requiring alternative service to the community—not related to military needs—by such persons.

B. Shaping a peaceful world

Preventing nuclear war is a moral imperative; but the avoidance of war, nuclear or conventional, is not a sufficient conception of international relations today. Nor does it exhaust the content of Catholic teaching. Both the political needs and the moral challenge of our time require a positive conception of peace, based on a vision of a first world order. Pope Paul VI summarized classical Catholic teaching in his encyclical "The Development of Peoples":

"Peace cannot be limited to a mere absence of war, the result of an ever precarious balance of forces. No, peace is something built up day after day, in the pursuit of an order intended by God, which implies a more perfect form of justice among men and women." [100]

1. World Order in Catholic Teaching

This positive conception of peace sees it as the fruit of order; order, in turn, is shaped by the values of justice, truth, freedom and love. The basis of this teaching is found in sacred scripture, St. Augustine and St. Thomas. It has found contemporary expression and development in papal teaching of this century. The popes of the nuclear age, from Pius XII through John Paul II have affirmed pursuit of international order as the way to banish the scourge of war from human affairs.[101]

The fundamental premise of world in Catholic teaching is a theological truth: the unity of the human family—rooted in common creation, destined for the kingdom and united by moral bonds of rights and duties. This basic truth about the unity of the human family pervades the entire teaching on war and peace: For the pacifist position it is one of the reasons why life cannot be taken, while for the just-war position, even in a justified conflict bonds of responsibility remain in spite of the conflict.

Catholic teaching recognizes that in modern history, at least since the Peace of Westphalia (1648) the international community has been governed by union-states. Catholic moral theology, as expressed for example in Chapters 2 and 3 of "Peace on Earth," accords a real but relative moral value to sovereign states. The value is real because of the functions states fulfill as sources of order and authority in the political community; it is relative because boundaries of the sovereign state do not dissolve the deeper relationships of responsibility existing in the human community. Just as within nations the moral fabric of society is described in Catholic teaching in terms of reciprocal rights and duties—between individuals, and then between the individual and the state—so in the international community "Peace on Earth" defines the rights and duties which exist among states.[102]

In the past 20 years Catholic teaching has become increasingly specific about the content of these international rights and duties. In 1963, "Peace on Earth" sketched the political and legal order among states. In 1967, Pope John Paul articulated the human rights basis of international relations in his address to the United Nations.

These documents and others which build upon them outlined a moral order of international relations, i.e., how the international community should be organized. At the same time this teaching has been sensitive to the actual pattern of relations prevailing among states. While not ignoring present geopolitical realities, one of the primary functions of Catholic teaching on world order has been to point the way toward a more integrated international system.

In analyzing this path toward world order, the category increasingly used in Catholic moral teaching (and, more recently, in the social sciences also) is the interdependence of the world today. The theological principle of unity has always affirmed a human interdependence; but today this bond is complemented by the growing political and economic interdependence of the world, manifested in a whole range of international issues.[103]

An important element missing from world order today is a properly constituted political authority with the capacity to shape our material interdependence in the direction of moral interdependence. Pope John XXIII stated the case in the following way:

"Today the universal common good poses problems of worldwide dimensions, which cannot be adequately tackled or solved except by the efforts of public authority endowed with a wideness of powers, structure and means of the same proportions: that is, of public authority which is in a position to operate in an effective manner on a worldwide basis. The moral order itself, therefore, demands that such a form of public authority be established." [104]

Just as the nation-state was a step in the evolution of government at a time when expanding trade and new weapons technologies made the feudal system inadequate to manage conflicts and provide security, so we are now entering an era of new, global interdependencies requiring global systems of goverance to manage the resulting conflicts and ensure our common security. Major global problems such as worldwide inflation, trade and payments deficits, competition over scarce resources, hunger widespread unemployment, global environmental dangers, the growing power of transitional corporations and the treat of international financial collapse, as well as the danger of world war resulting from these growing tensions—cannot be remedied by a single nation-state approach. They shall require the concerted effort of the whole world community. As we shall indicate below, the United Nations should be particularly considered in this effort.

In the nuclear age it is in the regulation of interstate conflicts and ultimately the replacement of military by negotiated solutions that the supreme importance and necessity of a moral as well as a political concept of the international common good can be grasped. The absence of adequate structures for addressing these issues places even greater responsibility on the policies of individual states. By a mix of political vision and moral wisdom, states are called to interpret the national interest in light of the larger global interest.

We are living in a global age with problems and conflicts on a global scale. Either we shall learn to resolve these problems together or we shall destroy one another. Mutual security and survival require a new vision of the world as one interdependent planet. We have rights and duties not only within our diverse national communities, but within the larger world community.

2. The Superpowers in a Disordered World

No relationship more dramatically demonstrates the fragile nature of order in international affairs today than that of the United States and the Soviet Union. These two sovereign states have open war, nuclear or conventional, but they are divided by philosophy, ideology and competing ambitions. Their competition is global in scope and involves everything from comparing nuclear

arsenals to printed propaganda. Both have been criticized in international meetings because of their policies in the nuclear arms race.[105]

In our 1980 pastoral letter on Marxism we sought to portray the significant differences between Christian teaching and Marxism; at the same time we addressed the need for states with different political systems to live together in an interdependent world:

"The church recognizes the depth and dimensions of the ideological differences that divide the human race, but the urgent practical need for cooperative efforts in the human interest overrules these differences. Hence Catholic teaching seeks to avoid exacerbating the ideologial opposition and to focus upon the problems requiring common efforts across the ideological divide: keeping the peace and empowering the poor."[106]

We believe this passage reflects the teaching of "Peace on Earth," the continuing call for dialogue of Pope Paul VI and the 1979 address of Pope John Paul II at the United Nations. We continue to stress this theme even while we recognize the difficulty of realizing its objectives.

The difficulties are particularly severe on the issue of the arms race. For most Americans the danger of war is commonly defined primarily in terms of the threat of Soviet military expansionism and the consequent need to deter or defend against a Soviet military threat. Many assume that the existence of this threat is permanent and that nothing can be done about it except to build and maintain overwhelming or at least countervailing military power.[107]

The fact of a Soviet threat, as well as the existence of a Soviet imperial drive for hegemony, at least in regions of major strategic interest, cannot be denied. The history of the Cold War has produced varying interpretations of which side caused which conflict, but whatever the details of history illustrate the plain fact is that the memories of Soviet policies in Eastern Europe and recent events in Afghanistan and Poland have left their mark in the American political debate. Many peoples are forcibly kept under communist domination despite their manifest wishes to be free. Soviet power is very great. Whether the Soviet Union's pursuit of military might is motivated primarily by defensive or aggressive aims might be debated, but the effect is nevertheless to leave profoundly insecure those who must live in the shadow of that might.

Americans need have no illusions about the Soviet system of repression and the lack of respect in that system for human rights or about Soviet covert operations and prorevolutionary activities. To be sure, our own system is not without flaws. Our government has sometimes supported repressive governments in the name of preserving freedom, has carried out repugnant covert operations of its own and remains imperfect in its domestic record of ensuring equal rights for all. At the same time there is a difference. NATO is an alliance of democratic countries which have freely chosen their association; the Warsaw Pact is not.

To pretend that as a nation we have lived up to all our own ideals would be patently dishonest. To pretend that all evils in the world have been or are now being perpetrated by dictatorial regimes would be both dishonest and absurd. But having said this, and admitting our own faults, it is imperative that we confront reality. The facts simply do not support the invidious comparisons made at times even in our own society between our way of life, in which most basic human rights are at least recognized even if they are not always adequately supported, and those totalitarian and tyrannical regimes in which such rights are either denied or systematically suppressed. Insofar as this is true, however, it makes the promotion of human rights in our foreign policy, as well as our domestic policy, all the more important. It is the acid test of our commitment to our democratic values. In this light, any attempts to justify, for reasons of state, support for regimes that continue to violate human rights is all the more morally reprehensible in its hypocrisy.

A glory of the United States is the range of political freedoms its system permits us. We, as bishops, as Catholics, as citizens, exercise those freedoms in writing this letter, with its share of criticisms of our government. We have true freedom of religion, freedom of speech and access to a free press. We could not exercise the same freedoms in contemporary Eastern Europe or in the Soviet Union. Free people must always pay a proportionate price and run some risks—responsibly—to preserve their freedom.

It is one thing to recognize that the people of the world do not want war. It is quite another thing to attribute the same good motives to regimes or political systems that have consistently demonstrated precisely the opposite in their behavior. There are political philosophies with understandings of morality so radically different from ours that even negotiations proceed from different premises, although identical terminology may be used by both sides. This is no reason for not negotiating. It is a very good reason for not negotiating blindly or naively.

In this regard, Pope John Paul II offers some sober reminders concerning dialog and peace:

"(O)ne must mention the tactical and deliberate lie, which misuses language, which has recourse to the most spohisticated techniques of propaganda, which deceives and distorts dialogue and incites to aggression
* * *

"While certain parties are fostered by ideologies which, in spite of their declarations, are opposed to the dignity of the human person . . . ideologies which see in struggle the motive force of history, that see in force the source of rights, that see in the discernment of the enemy the ABC of politics, dialogue is fixed and sterile. Or, if it still exists, it is a superficial and falsified reality. It becomes very difficult, not to say impossible, therefore. There follows almost a complete lack of communication between countries and blocs. Even the international institutions are paralyzed. And the setback to dialogue then runs the risk of serving the arms race.

"However, even in what can be considered as an impasse to the extent that individuals support such ideologies, the attempt to have a lucid dialogue seems still necessary in order to unblock the situation and to work for the possible establishment of peace on particular points. This is to be done by counting upon common sense, on the possibilities of danger for everyone and on the just aspirations to which the peoples themselves largely adhere." [108]

The cold realism of this text, combined with the conviction that political dialogue and negotiations must be pursued in spite of obstacles, provides solid guidance for U.S.-Soviet relations. Acknowledging all the differences between the two philosophies and political systems, the irreducible truth is that objective mutual interests do exist between the superpowers. Proof of this concrete if limited convergence of interest can be found in some vitally important agreements on nuclear weapons which have already been negotiated in the areas of nuclear testing and nuclear explosions in space as well as the SALT I agreements.

The fact that the Soviet Union now possesses a huge arsenal of strategic weapons as threatening to us as ours may appear to them does not exclude the possibility of success in such negotiations. The conviction of many European observers that a *modus vivendi* (often summarized as "detente") is a practical possibility in political, economic and scientific areas should not be lightly dismissed in our country.

Sensible and successful diplomacy, however, will demand that we avoid the trap of a form of anti-Sovietism which fails to grasp the central danger of a superpower rivalry in which both the United States and the Soviet Union are the players, and fails to recognize the common interest both states have in never using nuclear weapons. Some of those dangers and common interests would exist in any world where two great powers, even relatively benign ones, competed for power, influence and security. The diplomatic requirement for addressing the U.S.-Soviet relationship is not romantic idealism about Soviet intentions and capabilities, but solid realism which recognizes that everyone will lose in a nuclear exchange.

As bishops we are concerned with issues which go beyond diplomatic requirements. It is of some value to keep raising in the realm of the political debate truths which ground our involvement in the affairs of nations and peoples. Diplomatic dialogue usually sees the other as a potential or real adversary. Soviet behavior in some cases merits the adjective reprehensible, but the Soviet people and their leaders are human beings created in the image and likeness of God. To believe we are condemned in the future only to what has been the past of U.S.-Soviet relations is to underestimate both our human potential for creative diplomacy and God's action in our midst which can open the way to changes we could barely imagine. We do not intend to foster illusory ideas that the road ahead in superpower relations will be devoid of tension or that peace will be easily achieved. But we do warn against that "hardness of heart" which can close us or others to the changes needed to make the future different from the past.

3. Interdependence: From Fact to Policy

While the nuclear arms race focuses attention on the U.S.-Soviet relationship, it is neither politically wise nor morally justifiable to ignore the broader international context in which that relationship exists. Public attention, riveted on the big powers, often misses the plight of scores of countries and millions of people simply trying to survive. The interdependence of the world means a set of interrelated human questions. Important as keeping the peace in the nuclear age is, it does not solve or dissolve the other major problems of the day. Among these problems the preeminent issue is the continuing chasm in living standards between the industrialized world (East and West) and the developing world. To quote Pope John Paul II:

"So widespread is the phenomenon that it brings into question the financial, monetary, production and commercial mechanisms that, resting on various political pres-

sures, support the world economy. These are proving incapable either of remedying the unjust social situations inherited from the past or of dealing with the urgent challenges and ethical demands of the present." [109]

The East-West competition, central as it is to world order and important as it is in the foreign policy debate, does not address this moral question which rivals the nuclear issue in its human significance. While the problem of the developing nations would itself require a pastoral letter, Catholic teaching has maintained an analysis of the problem which should be identified here. The analysis acknowledges internal causes of poverty, but also concentrates on the way the larger international economic structures affect the poor nations. These particularly involve trade, monetary, investment and aid policies.

Neither of the superpowers is conspicuous in these areas for initiatives designed to address "the absolute poverty" in which millions live today.[110]

From our perspective and experience as bishops, we believe there is a much greater potential for response to these questions in the mind and hearts of Americans than has been reflected in U.S. policy. As pastors who often appeal to our congregations for funds destined for international programs, we find good will and great generosity the prevailing characteristics. The spirit of generosity which shaped the Marshall Plan is still alive in the American public.

We must discover how to translate this personal sense of generosity and compassion into support for policies which would respond to papal teaching in international economic issues. It is precisely the need to expand our conception of international charity and relief to an understanding of the need for social justice in terms of trade, aid and monetary issues which was reflected in Pope John Paul II's call to American Catholics in Yankee Stadium:

"Within the framework of your national institutions and in cooperation with all your compatriots, you will also want to seek out the structural reasons which foster or cause the different forms of poverty in the world and in your own country, so that you can apply the proper remedies. You will not allow yourselves to be intimidated or discouraged by oversimplified explanations which are more ideological than scientific—explanations which try to account for a complex evil by some single cause. But neither will you recoil before the reforms—even profound ones—of attitudes and structures that may prove necessary in order to recreate over and over again the conditions needed by the disadvantaged if they are to have a fresh chance in the hard struggle of life. The poor of the United States and of the world are your brothers and sisters in Christ." [111]

The pope's words highlight an intellectual, moral and political challenge for the United States. Intellectually there is a need to rethink the meaning of national interest in an interdependent world. Morally there is a need to build upon the spirit of generosity present in the U.S. public, directing it toward a more systematic response to the major issues affecting the poor of the world. Politically there is a need for U.S. policies which promote the profound structural reforms called for by recent papal teaching.

Precisely in the name of international order papal teaching has by word and deed sought to promote multilateral forms of cooperation toward the developing world. The U.S. capacity for leadership in multilateral institutions is very great. We urge much more vigorous and creative response to the needs of the developing countries by the United States in these institutions.

The significant role the United States could play is evident in the daily agenda facing these institutions. Proposals addressing the relationship of the industrialized and developing countries on a broad spectrum of issues, all in need of "profound reforms," are regularly discussed in the United Nations and other international organizations. Without U.S. participation, significant reform and substantial change in the direction of addressing the needs of the poor will not occur. Meeting these needs is an essential element for a peaceful world.

Papal teaching of the last four decades has not only supported international institutions in principle, it has supported the United Nations specifically. Pope Paul VI said to the U.N. General Assembly:

"The edifice which you have constructed must never fail; it must be perfected and made equal to the needs which world history will present. You mark a stage in the development of mankind for which retreat must never be admitted, but from which it is necessary that advance be made." [112]

It is entirely necessary to examine the United Nations carefully, to recognize its limitations and propose changes where needed. Nevertheless, in light of the continuing endorsement found in papal teaching, we urge that the United States adopt a stronger supportive leadership role with respect to the United Nations. The growing interdependence of the nations and peoples of the world, coupled with the extragovernmental presence of multinational corporations, requires new structures of cooperation. As one of the founders of and major financial contributors to the United Nations, the United States can and should assume a more positive and creative role in its life today.

It is in the context of the United Nations that the impact of the arms race on the prospects for economic development is highlighted. The numerous U.N. studies on the relationship of development and disarmament support the judgment of Vatican II cited earlier in this letter: "The arms race is one of the greatest curses on the human race and the harm it inflicts upon the poor is more than can be endured." [113]

We are aware that the precise relationship between disarmament and development is neither easily demonstrated nor easily reoriented. But the fact of a massive distortion of resources in the face of crying human need creates a moral question. In an interdependent world the security of one nation is related to the security of all. When we consider how and what we pay for defense today, we need a broader view than the equation of arms with security.[114] The threats to the security and stability of an interdependent world are not all contained in missiles and bombers.

If the arms race in all its dimensions is not reversed, resources will not be available for the human needs so evident in many parts of the globe and in our own country as well. But we also know that making resources available is a first step; policies of wise use would also have to follow. Part of the process of thinking about the economics of disarmament includes the possibilities of conversion of defense industries to other purposes. Many say the possibilities are great if the political will is present. We say the political will to reorient resources to human needs and redirect industrial, scientific and technological capacity to meet those needs is part of the challenge of the nuclear age. Those whose livelihood is dependent upon industries which can be reoriented should rightfully expect assistance in making the transition to new forms of employment. The economic dimension of the arms race is broader than we can assess here, but these issues we have raised are among the primary questions before the nation.[115]

An interdependent world requires an understanding that key policy questions today involve mutuality of interest. If the monetary and trading systems are not governed by sensitivity to mutual needs, they can be destroyed. If the protection of human rights and the promotion of human needs are left as orphans in the diplomatic arena, the stability we seek in increased armaments will eventually be threatened by rights denied and needs unmet in vast sectors of the globe. If future planning about conservation of and access to resources is relegated to a pure struggle of power, we shall simply guarantee conflict in the future.

The moral challenge of interdependence concerns shaping the relationships and rules of practice which will support our common need for security, welfare and safety. The challenge tests our idea of human community, our policy analysis and our political will. The need to prevent nuclear war is absolutely crucial, but even if this is achieved, there is much more to be done.

IV. THE PASTORAL CHALLENGE AND RESPONSE

A. The church: A community of conscience, prayer and penance

Pope John Paul II, in his first encyclical, recalled with gratitude the teaching of Pius XII on the church. He then went on to say:

"Membership in that body has for its source a particular call, united with the saving action of grace. Therefore, if we wish to keep in mind this community of the people of God, which is so vast and so extremely differentiated, we must see first and foremost Christ saying in a way to each member of the community: 'Follow me.' It is the community of the disciples, each of whom in a different way—at times very consciously and consistently, at other times not very consciously and very consistently—is following Christ. This shows also the deeply 'personal' aspect and dimension of this society." [116]

In the following pages we should like to spell out some of the implications of being a community of Jesus' disciples in a time when our nation is so heavily armed with nuclear weapons and is engaged in a continuing development of new weapons together with strategies for their use.

It is clear today, perhaps more than in previous generations, that convinced Christians are a minority in nearly every country of the world—including nominally Christian and Catholic nations. In our own country we are coming to a fuller awareness that a response to the call of Jesus is both personal and demanding. As believers we can identify rather easily with the early church as a company of witnesses engaged in a difficult mission. To be disciplies of Jesus requires that we continually go beyond where we now are. To obey the call of Jesus means separating ourselves from all attachments and affiliation that could prevent us from hearing and following our authentic vocation. To set out on the road to discipleship is to dispose oneself for a share in the cross (cf. Jn. 16:20). To be a Christian, according

to the New Testament, is not simply to believe with one's mind, but also to become a doer of the word, a wayfarer with and a witness to Jesus. This means, of course, that we never expect complete success within history and that we must regard as normal even the path of persecution and the possibility of martyrdom.

We readily recognize that we live in a world that is becoming increasingly estranged from Christian values. In order to remain a Christian, one must take a resolute stand against many commonly accepted axioms of the world. To become true disciples, we must undergo a demanding course of induction into the adult Christian community. We must continually equip ourselves to profess the full faith of the church in an increasingly secularized society. We must develop a sense of solidarity, cemented by relationships with mature and exemplary Christians who represent Christ and his way of life.

All of these comments about the meaning of being a disciple or a follower of Jesus today are especially relevant to the quest for genuine peace in our time.

B. Elements of a pastoral response

We recommend and endorse for the faithful some practical programs to meet the challenge to their faith in this area of grave concern.

1. Educational Programs and Formation of Conscience

Since war, especially the threat of nuclear war, is one of the central problems of our day, how we seek to solve it could determine the mode and even the possibility of life on earth. God made human beings stewards of the earth; we cannot escape this responsibility. Therefore we urge every diocese and parish to implement balanced and objective educational programs to help people at all age levels to understand better the issues of war and peace. Development and implementation of such programs must receive a high priority during the next several years. They must teach the full impact of our Christian faith. To accomplish this, this pastoral letter in its entirety, including its complexity, should be used as a guide and a framework for such programs, as they lead people to make moral decisions about the problems of war and peace, keeping in mind that the applications of principles in this pastoral letter do not carry the same moral authority as our statements of universal moral principles and formal church teaching.

In developing educational programs we must keep in mind that questions of war and peace have a profoundly moral dimension which responsible Christians cannot ignore. They are questions of life and death. True, they also have a political dimension because they are embedded in public policy. But the fact that they are also political is not excuse for denying the church's obligation to provide its members with the help they need in forming their consciences. We must learn together how to make correct and responsible moral judgments. We reject, therefore, criticism of the church's concern with these issues on the ground that it "Should not become involved in politics." We are called to move from discussion to witness and action.

At the same time we recognize that the church's teaching authority does not carry the same force when it deals with technical solutions involving particular means as it does when it speaks of principles or ends. People may agree in abhorring an injustice, for instance, yet sincerely disagree as to what practical approach will achieve justice. Religious groups are as entitled as others to their opinion in such cases, but they should not claim that their opinions are the only ones that people of good will may hold.

The church's educational programs must explain clearly those principles or teachings about which there is little question. Those teachings, which seek to make explicit the gospel call to peace and the tradition of the church, should then be applied to concrete situations. They must indicate what the possible legitimate options are and what the consequences of those options may be. While this approach should be self-evident, it needs to be emphasized. Some people who have entered the public debate on nuclear warfare, at all points on the spectrum of opinion, appear not to understand or accept some of the clear teachings of the church as contained in papal or conciliar documents. For example, some would place almost no limits on the use of nuclear weapons if they are needed for "self-defense." Some on the other side of the debate insist on conclusions which may be legitimate options but cannot be made obligatory on the basis of actual church teaching.

2. True Peace Calls for "Reverence for Life"

All of the values we are promoting in this letter rest ultimately in the disarmament of the human heart and the conversion of the human spirit to God, who alone can give authentic peace. Indeed, to have peace in our world we must first have peace within ourselves. As Pope John Paul II reminded us in his 1982 World Day of Peace message, world peace will always elude us until peace becomes a reality for each of us personally. "It springs from the dynamism of free wills guided by reason toward the common good that is to be attained in truth, justice and love." [117] Interior peace becomes possible only when we have a conversion of spirit. We cannot have peace with hate in our hearts.

No society can live in peace with itself or with the world without a full awareness of the worth and dignity of every human person and of the sacredness of all human life (Jas. 4: 1-2). When we accept violence in any form as commonplace, our sensitivities become dulled. When we accept violence, war itself can be taken for granted. Violence has many faces: oppression of the poor, deprivation of basic human rights, economic exploitation, sexual exploitation and pornography, neglect or abuse of the aged and the helpless and innumerable other acts of inhumanity. Abortion in particular blunts a sense of the sacredness of human life. In a society where the innocent unborn are killed wantonly, how can we expect people to feel righteous revulsion at the act or threat of killing non-combatants in war?

We are well aware of the differences involved in the taking of human life in warfare and the taking of human life through abortion. As we have discussed throughout this document, even justifiable defense against aggression may result in the indirect or unintended loss of innocent human lives. This is tragic, but may conceivably be proportionate to the values defended. Nothing, however, can justify direct attack on innocent human life in or out of warfare. Abortion is precisely such an attack.

We know that millions of men and women of good will, of all religious persuasions, join us in our commitment to try to reduce the horrors of war and particularly to assure that nuclear weapons will never again be used by any nation, anywhere, for any reason. Millions join us in our no to nuclear war in the certainty that nuclear war would inevitably result in the killing of millions of innocent human beings, directly or indirectly. Yet many part ways with us in our efforts to reduce the horror of abortion and our no to war on innocent human life in the womb, killed not indirectly, but directly.

We must ask how long a nation willing to extend a constitutional guarantee to the "right" to kill defenseless human beings by abortion is likely to refrain from adopting strategic warfare policies deliberately designed to kill millions of defenseless human beings if adopting them should come to seem "expedient." Since 1973, approximately 15 million abortions have been performed in the United States, symptoms of a kind of disease of the human spirit. And we now find ourselves seriously discussing the pros and cons of such questions as infanticide, euthanasia and the involvement of physicians in carrying out the death penalty. Those who would celebrate such a national disaster can only have blinded themselves to its reality.

Pope Paul VI was resolutely clear: If you wish peace, defend life.[118] We plead with all who would work to end the scourge of war to begin by defending life at its most defenseless, the life of the unborn.

3. Prayer

A conversion of our hearts and minds will make it possible for us to enter into a closer communion with our Lord. We nourish that communion by personal and communal prayer, for it is in prayer that we encounter Jesus, who is our peace and learn from him the way to peace.

In prayer we are renewed in faith and confirmed in our hope in God's promise.

The Lord's promise is that he is in our midst when we gather in prayer. Strengthened by this conviction, we beseech the risen Christ to fill the world with his peace. We call upon Mary, the first disciple and the Queen of Peace, to intercede for us and for the people of our time that we may walk in the way of peace. In this context, we encourage devotion to Our Lady of Peace.

As believers, we understand peace as a gift of God. This belief prompts us to pray constantly, personally and communally, particularly through the reading of scripture and devotion to the rosary, especially in the family. Through these means and others we seek the wisdom to begin the search for peace and the courage to sustain us as instruments of Christ's peace in the world.

The practice of contemplative prayer is especially valuable for advancing harmony and peace in the world. For this prayer rises, by divine grace, where there is total disarmament of the heart, and unfolds in an experience of love which is the moving force of peace. Contemplation fosters a vision of the human family as united and interdependent in the mystery of God's love for all people. This silent interior prayer bridges temporarily the "already" and "not yet," this world and God's kingdom of peace.

The Mass in particular is a unique means of seeking God's help to create the conditions essential for true peace in ourselves and in the world. In the eucharist we encounter the risen Lord, who gave us his peace. He shares with us the grace of the redemption, which helps us to preserve and nourish this precious gift. Nowhere is the church's urgent plea for peace more evident in the liturgy than in the Communion Rite. After beginning this rite of the Mass with the Lord's Prayer, praying for reconciliation now and in the kingdom to come, the com-

munity asks God to "grant us peace in our day," not just at some time in the distant future. Even before we are exhorted "to offer each other the sign of peace," the priest continues the church's prayer for peace, recalling the Lord Jesus Christ's own legacy of peace:

"Lord Jesus Christ, you said to your apostles: I leave you peace, my peace I give you. Look not on our sins, but on the faith of your church, and grant us the peace and unity of your kingdom."

Therefore we encourage every Catholic to make the sign of peace at Mass an authentic sign of our reconciliation with God and with one another. This sign of peace is also a visable expression of our commitment to work for peace as a Christian community. We approach the table of the Lord only after having dedicated ourselves as a Christian community to peace and reconciliation. As an added sign of commitment, we suggest that there always be a petition for peace in the general intercessions at every eucharistic celebration.

We implore other Christians and everyone of good will to join us in this continuing prayer for peace, as we beseech God for peace within ourselves, in our families and community, in our nation and in the world.

4. Penance

Prayer by itself is incomplete without penance. Penance directs us toward our goal of putting on the attitudes of Jesus himself. Because we are all capable of violence, we are never totally conformed to Christ and are always in need of conversion. The 20th century alone provides adequate evidence of our violence as individuals and as a nation. Thus, there is continual need for acts of penance and conversion. The worship of the church, particularly through the sacrament of reconciliation and communal penance services, offers us multiple ways to make reparation for the violence in our own lives and in our world.

As a tangible sign of our need and desire to do penance we, for the cause of peace, commit ourselves to fast and abstinence on each Friday of the year. We call upon our people voluntarily to do penance on Friday by eating less food and by abstaining from meat. This return to a traditional practice of penance, once well observed in the U.S. church, should be accompanied by works of charity and service toward our neighbors. Every Friday should be a day significantly devoted to prayer, penance and almsgiving for peace.

It is to such forms of penance and conversion that the scriptures summon us. In the words of the prophet Isaih:

"Is not the sort of fast that pleases me, to break unjust fetters and undo the thongs of the yoke, to let the oppressed go free and break every yoke, to share your bread with the hungry, and shelter the homeless poor, to clothe the person you see to be naked and not turn from your own kin? Then will your light shine like the dawn and your wound be quickly healed over. If you do away with the yoke, the clenched fist, the wicked word, if you give your bread to the hungry and relief to the oppressed, your light will rise in the darkness, and your shadows become like noon" (Is. 58: 6–8; 10).

The present nuclear arms race has distracted us from the words of the prophets, has turned us from peacemaking and has focused our attention on a nuclear buildup leading to annihilation. We are called to turn back from this evil of total destruction and turn instead in prayer and penance toward God, toward our neighbor and toward the building of a peaceful world:

"I set before you life or death, a blessing or a curse. Choose life then, so that you and your descendants may live in the love of Yahweh your God, obeying his voice, clinging to him; for in this your life consists, and on this depends your long stay in the land which Yahweh swore to your fathers Abraham, Isaac and Jacob, he would give them" (Dt. 11:26).

C. Challenge and Hope

The arms race presents questions of conscience we may not evade. As American Catholics we are called to express our loyalty to the deepest values we cherish: peace, justice and security for the entire human family. National goals and policies must be measured against that standard.

We speak here in a specific way to the Catholic community. After the passage of nearly four decades and a concomitant growth in our understanding of the ever growing horror of nuclear war, we must shape the climate of opinion which will make it possible for our country to express profound sorrow over the atomic bombing in 1945. Without that sorrow, there is no possibility of finding a way to repudiate future use of nuclear weapons or of conventional weapons in such military actions as would not fulfill just-war criteria.

To Priests, Deacons, Religious and Pastoral Ministers

We recognize the unique role in the church which belongs to priests and deacons by reason of the sacrament of holy orders and their unique responsibility in the community of believers. We also recognize the valued and indispensable role of men and women religious. To all of them and to all other pastoral ministers we stress that the cultivation of the gospel vision of peace as a way of life for believers and as a leaven in society should be a major objective. As bishops we are aware each day of our dependence upon your efforts. We are aware too that this letter and the new obligations it could present to the faithful may create difficulties for you in dealing with those you serve. We have confidence in your capacity and ability to convert these difficulties into an opportunity to give a fuller witness to our Lord and his message. This letter will be known by the faithful only as well as you know it, preach and teach it, and use it creatively.

To Educators

We have outlined in this letter Catholic teaching on war and peace, but this framework will become a living message only through your work in the Catholic community. To teach the ways of peace is not "to weaken the nations's will," but to be concerned for the nations's soul. We address theologians in a particular way because we know that we have only begun the journey toward a theology of peace; without your specific contributions this desperately needed dimension of our faith will not be realized. Through your help we may provide new visions and wisdom for church and state.

We are confident that all models of Catholic education, which have served the church in our country so well in so many ways, will creatively rise to the challenge of peace.

To Parents

Your role, in our eyes, is unsurpassed by any other; the foundation of society is the family. We are conscious of the continuing sacrifices you make in the efforts to nurture the full human and spiritual growth of your children. Children hear the gospel message first from your lips. Parents who consciously discuss issues of justice in the home and who strive to help children solve conflicts throught non-violent methods enable their children to grow up as peacemakers. We pledge our continuing pastoral support in the common objective we share of building a peaceful world for the future of children everywhere.

To Youth

Pope John Paul II singles you out in every country where he visits as the hope of the future; we agree with him. We call you to choose your future work and professions carefully. How you spend the rest of your lives will determine in large part whether there will any longer be a world as we know it. We ask you to study carefully the teachings of the church and the demands of the Gospel about war and peace. We encourage you to seek careful guidance as you reach conscientious decisions about your civic responsibilities in this age of nuclear military forces.

We speak to you, however, as people of faith. We share with you our deepest conviction that in the midst of the dangers and complexities of our time God is with us working through us and sustaining us all in our effort of building a world of peace with justice for each person.

To Men and Women in Military Service

Millions of you are Catholics serving in the armed forces. We recognize that you carry special responsibilities for the issues we have considered in this letter. Our perspective on your profession is that of Vatican II: "All those who enter the military service in loyalty to their country should look upon themselves as the custodians of the security and freedom of their fellow countrymen; and where they carry out their duty properly, they are contributing to the maintenance of peace." [119]

It is surely not our intention in writing this letter to create problems for Catholics in the armed forces. Every profession, however, has its specific moral questions and it is clear that the teaching on war and peace developed in this letter poses a special challenge and opportunity to those in the military profession. Our pastoral contact with Catholics in military service, either through our direct experience or through our priests, impresses us with the demanding moral standards we already see observed and the commitment to Catholic faith we find. We are convinced that the challenges of this letter will be faced conscientiously. The purpose of defense policy is to defend the peace; military professionals should understand their vocation this way. We believe they do, and we support this view.

We remind all in authority and in the chain of command that their training and field manuals have long prohibited, and still do prohibit, certain actions in the conduct of war, especially those actions which inflict harm on innocent civilians. The question is not whether certain measures are unlawful or forbidden in warfare, but which measures: To refuse to take such actions is not an act of cowardice or treason but one of courage and patriotism.

We address particularly those involved in the exercise of authority over others. We are aware of your responsibilities and impressed by the standard of personal and profesional duty you uphold. We feel, therefore, that we can urge you to do everything

you can to assure that every peaceful alternative is exhausted before war is even remotely considered. In developing battle plans and weapons systems, we urge you to try to ensure that these are designed to reduce violence, destruction, suffering and death to a minimum, keeping in mind especially non-combatants and other innocent persons.

Those who train individuals for military duties must remember that the citizen does not lose his or her basic human rights by entrance into military service. No one, for whatever reason, can justly treat a military person with less dignity and respect than that demanded for and deserved by every human person. One of the most difficult problems of war involves defending a free society without destroying the values that give it meaning and validity. Dehumanization of a nation's military personnel by dulling their sensibilities and generating hatred toward adversaries in an effort to increase their fighting effectiveness robs them of basic human rights and freedoms, degrading them as persons.

Attention must be given to the effects on military personnel themselves of the use of even legitimate means of conducting war. While attacking legitimate targets and wounding or killing opposed combat forces may be morally justified, what happens to military persons required to carry out these actions? Are they treated merely as instruments of war, insensitive as the weapons they use? With what moral or emotional experiences do they return from war and attempt to resume normal civilian lives? How does their experience affect society? How are they treated by society?

It is not only basic human rights of adversaries that must be respected, but those of our own forces as well. We re-emphasize, therefore, the obligation of responsible, authorities to ensure appropriate training and education of combat forces and to provide appropriate support for those who have experienced combat. It is unconscionable to deprive those veterans of combat whose lives have been severely disrupted or traumatized by their combat experiences of proper psychological and other appropriate treatment and support.

Finally, we are grateful for the sacrifice so many in military service must make today and for the service offered in the past by veterans. We urge that those sacrifices be mitigated so far as possible by the provision of appropriate living and working conditions and adequate financial recompense. Military persons and their families must be provided continuing opportunity for full spiritual growth, the exercise of their religious faith and a dignified mode of life.

We especially commend and encourage our priests in military service. In addition to the message already addressed to all priests and religious, we stress the special obligations and opportunities you face in direct pastoral service to the men and women of the armed forces. To complement a teaching document of this scope, we shall need the sensitive and wise pastoral guidance only you can provide. We promise our support in facing this challenge.

To Men and Women in Defense Industries

You also face specific questions because the defense industry is directly involved in the development and production of the weapons of mass destruction which have concerned us in this letter. We do not presume or pretend that clear answers exist to many of the personal, professional and financial choices facing you in your varying responsibilities. In this letter we have ruled out certain uses of nuclear weapons, while also expressing conditional moral acceptance for deterrance. All Catholics, at every level of defense industries, can and should use the moral principles of this letter to form their consciences. We realize that different judgments of conscience will face different people, and we recognize the possibility of diverse concrete judgments being made in this complex area. We seek as moral teachers and pastors to be available to all who confront these questions of personal and vocational choice. Those who in conscience decide that they should no longer be associated with defense activities should find support in the Catholic community. Those who remain in these industries or earn a profit from the weapons industry should find in the church guidance and support for the ongoing evaluation of their work.

To Men and Women of Science

At Hiroshima Pope John Paul said:

"Criticism of science and technology is sometimes so severe that it comes close to condemning science itself. On the contrary, science and technology are a wonderful product of a God-given human creativity, since they have provided us with wonderful possibilities and we all gratefully benefit from them. But we know that this potential is not a neutral one: It can be used either for man's progress or for his degradation."[120]

We appreciate the efforts of scientists, some of whom first unlocked the secret of atomic power and others of whom have devloped it in diverse ways, to turn the enormous power of science to the cause of peace.

Modern history is not lacking scientists who have looked back with deep remorse on the development of weapons to which they contributed, sometimes with the highest motivation, even believing that they were creating weapons that would render all other weapons obsolete and convince the world of the unthinkableness of war. Such efforts have ever proved illusory. Surely equivalent dedication of scientific minds to reverse current trends and to pursue concepts as bold and adventuresome in favor of peace as those which in the past have magnified the risks of war could result in dramatic benefits for all of humanity. We particularly note in this regard the extensive efforts of public education undertaken by physicians and scientists on the medical consequences of nuclear war.

We do not, however, wish to limit our remarks to the physical sciences alone. Nor do we limit our remarks to physical scientists. In his address at the United Nations University in Hiroshima, Pope John Paul II warned about misuse of "the social sciences and the human behavioral sciences when they are utilized to manipulate people, to crush their mind, souls, dignity and freedom."[121] The positive role of social science in overcoming the dangers of the nuclear age is evident in this letter. We have been dependent upon the research and analysis of social scientists in our effort to apply the moral priniciples of the Catholic tradition to the concrete problems of our day. We encourage social scientists to continue this work of relating moral wisdom and political reality. We are in continuing need of your insights.

To Men and Women of the Media

We have directly felt our dependence upon you in writing this letter; all the problems we have confronted have been analyzed daily in the media. As we have grappled with these issues, we have experienced some of the responsbility you bear for interpreting them. On the quality of your efforts depends in great measure the opportunity the general public will have for understanding this letter.

To Public Officials

Vatican II spoke forcefully of "the difficult yet noble art of politics."[122] No public issue is more difficult than avoiding war; no public task more noble than building a secure peace. Public officials in a democracy must both lead and listen; they are ultimately dependent upon a popular consensus to sustain policy. We urge you to lead with courage and to listen to the public debate with sensitivity.

Leadership in a nuclear world means examining with great care and objectivity every potential initiative toward world peace, regardless of how unpromising it might at first appear. One specific initiative which might be taken now would be the establishment of a task force including the public sector, industry, labor, economists and scientists with the mandate to consider the problems and challenges posed by nuclear disarmament to our economic well-being and industrial output. Listening includes being particularly attentive to the consciences of those who sincerely believe that they may not morally support warfare in general, a given war or the exercise of a particular role within the armed forces. Public officials might well serve all of our fellow citizens by proposing and supporting legislation designed to give maximum protection to this precious freedom, true freedom of conscience.

In response to public officials who both lead and listen, we urge citizens to respect the vocation of public service. It is a role easily maligned, but not easily fulfilled. Neither justice nor peace can be achieved with stability in the absence of courageous and creative public servants.

To Catholics as Citizens

All papal teaching on peace has stressed the crucial role of public opinion. Pope John Paul II specified the tasks before us: "There is no justification for not raising the question of the responsibility of each nation and each individual in the face of possible wars and of the nuclear threat."[123] In a democracy the responsibility of the nation and that of its citizens coincide. Nuclear weapons pose especially acute questions of conscience for American Catholics. As citizens we wish to affirm our loyalty to our country and its ideals, yet we are also citizens of the world who must be faithful to the universal principles proclaimed by the church. While some other countries also possess nuclear weapons, we may not forget that the United States was the first to build and to use them. Like the Soviet Union, this country now possesses so many weapons as to imperil the continuation of civilization. Amercians share responsibility for the current situation and cannot evade responsibility for trying to resolve it.

The virtue of patriotism means that as citizens we respect and honor our country, but our very love and loyalty make us examine carefully and regularly its role in world affairs, asking that it live up to its full potential as an agent of peace with justice for all people.

"Citizens must cultivate a generous and loyal spirit of patriotism, but without being narrow-minded. This means that they will always direct their attention to the good of

the whole human family, united by the different ties which bind together races, people and nations."[124]

In a pluralistic democracy like the United States, the church has a unique opportunity, precisely because of the strong constitutional protection of both religious freedom and freedom of speech and the press, to help call attention to the moral dimensions of public issues. In a previous pastoral letter, "Human Life in Our Day," we said:

"In our democratic system, the fundamental right of political dissent cannot be denied nor is rational debate on public policy decisions of government in the light of moral and political principles to be discouraged. It is the duty of the governed to analyze responsibility the concrete issues of public policy."[125]

In fulfilling this role the church helps to create a community of conscience in the wider civil community. It does this in the first instance by teaching clearly within the church the moral principles which bind and shape the Catholic conscience. The church also fulfills a teaching role, however, in striving to share the moral wisdom of the Catholic tradition with the larger society.

In the wider public discussion we look forward in a special way to cooperating with all other Christians with whom we share common traditions. We also treasure cooperative efforts with Jewish and Islamic communities, which possess a long and abiding concern for peace as a religious and human value. Finally, we reaffirm our desire to participate in a common public effort with all men and women of good will who seek to reverse the arms race and secure the peace of the world.

CONCLUSION

As we close this lengthy letter, we try to answer two key questions as directly as we can.

Why do we address these matters fraught with such complexity, controversy and passion? We speak as pastors, not politicians. We are teachers, not technicians. We cannot avoid our responsibility to lift up the moral dimensions of the choices before our world and nation. The nuclear age is an era of moral as well as physicial danger. We are the first generation since Genesis with the power to virtually destroy God's creation. We cannot remain silent in the face of such danger. Why do we address these issues? We are simply trying to live up to the call of Jesus to be peacemakers in our own time and situation.

What are we saying? Fundamentally, we are saying that the decisions about nuclear weapons are among the most pressing moral questions of our age. While these decisions have obvious military and political aspects, they involve fundamental moral choices. In simple terms, we are saying that good ends (defending one's country, protecting freedom, etc.) cannot justify immoral means (the use of weapons which kill indiscriminately and threaten whole societies). We fear that our world and nation are headed in the wrong direction. More weapons with greater destructive potential are produced every day. More and more nations are seeking to become nulcear powers. In our quest for more and more security we fear we are actually becoming less and less secure.

In the words of our Holy Father, we need a "moral about-face." The whole world must summon the moral courage and technical means to say no to nuclear conflict; no to weapons of mass destruction; no to an arms race which robs the poor and the vulnerable; and no to the moral danger of a nuclear age which places before humankind indefensible choices of constant terror or surrender. Peacemaking is not an optional commitment. It is a requirement of our faith. We are called to be peacemakers, not by some movement of the moment, but by our Lord Jesus. The content and context of our peacemaking is set not by some political agenda or ideological program, but by the teaching of his church.

Thus far in this pastoral letter we have made suggestions we hope will be helpful in the present world crisis. Looking ahead to the long and productive future of humanity for which we all hope, we feel that a more all-inclusive and final solution is needed. We speak here of the truly effective international authority for which Pope John XXIII ardently longed in "Peace on Earth"[126] and of which Pope Paul VI spoke to the United Nations on his visit there in 1965.[127] The hope for such a structure is not unrealistic, because the point has been reached where public opinion sees clearly that, with the massive weaponry of the present, war is not longer viable. There *is* a substitute for war. There is negotiation under the supervision of a global body realistically fashioned to do its job. It must be given the equipment to keep constant surveillance on the entire earth. Present technology makes this possible. It must have the authority, freely conferred upon it by all the nations, to investigate what seems to be preparations for war by any one of them. It must be empowered by all the nations to enforce its commands on every nation. It must be so constituted as to pose no threat to any nation's sovereignty. Obviously the creation of such a sophisticated instrumentality is a gigantic task, but is it hoping for too much to believe that the genius of humanity, aided by the grace and guidance of God, is able to accomplish it? To create it may take decades of unrelenting daily toil by the world's best minds and most devoted hearts, but is shall never come into existence unless we make a beginning now.

As we come to the end of our pastoral letter we boldly propose the beginning of this work. The evil of the proliferation of nuclear arms becomes more evident every day to all people. No one is exempt from their danger. If ridding the world of the weapons of war could be done easily, the whole human race would do it gladly tomorrow. Shall we shrink from the task because it is hard?

We turn to our own government and we beg it to propose to the United Nations that it begin this work immediately; that it create an international task force for peace; that this task force, with membership open to every nation, meet daily through the years ahead with one sole agenda: the creation of a world that will one day be safe from war. Freed from the bondage of war that holds it captive in its threat, the world will at last be able to address its problems and to make genuine human progress so that every day there may be more freedom, more food and more opportunity for every human being who walks the face of the earth.

Let us have the courage to believe in the bright future and in a God who wills it for us—not a perfect world, but a better one. The perfect world, we Christians believe, is beyond the horizon in an endless eternity where God will be all in all. But a better world is here for human hands and hearts and minds to make.

For the community of faith the risen Christ is the beginning and end of all things. For all things were created through him and all things will return to the Father through him.

It is our belief in the risen Christ which sustains us in confronting the awesome challenge of the nuclear arms race. Present in the beginning as the word of the Father, present in history as the word incarnate and with us today in his word, sacraments and Spirit, he is the reason for our hope and faith. Respecting our freedom, he does not solve our problems, but sustains us as we take responsibility for his work of creation and try to shape it in the ways of the kingdom. We believe his grace will never fail us. We offer this letter to the church and to all who can draw strength and wisdom from it in the conviction that we must not fail him. We must subordinate the power of the nuclear age to human control and direct it to human benefit. As we do this we are conscious of God's continuing work among us, which will one day issue forth in the beautiful final kingdom prophesied by the seer of the Book of Revelation:

"Then I saw a new heaven and a new earth; for the first heaven and the first earth had passed away and the sea was no more. And I saw the holy city, new Jerusalem, coming down out of heaven from God, prepared as a bride adorned for her husband; and I heard a great voice from the throne saying, 'Behold, the dwelling of God is with men. He will dwell with them, and they shall be his people, and God himself will be with them, he will wipe away every tear from their eyes, and death shall be no more, neither shall there be mourning nor crying nor pain any more, for the former things have passed away.' And he who sat upon the throne said, 'Behold, I make all things new' " (Rv. 21:1-5).

FOOTNOTES

[1] Vatican II, "The Pastoral Constitution on the Church in the Modern World" (hereafter: Pastoral Constitution), 77. Papal and conciliar texts will be referred to by title with paragraph number. Several collections of these texts exist although no single collection is comprehensive; see the following: *Peace and Disarmament: Documents of the World Council of Churches and the Roman Catholic Church*, (Geneva and Rome: 1982) (hereafter: Documents, with page number). J. Gremillion, *The Gospel of Peace and Justice: Catholic Social Teaching Since Pope John*, (Maryknoll, N.Y.: 1976). D. J. O'Brien and T. A. Shannon, eds., *Renewing the Earth: Catholic Documents on Peace, Justice and Liberation*, (N.Y.: 1977). A. Flannery, OP, ed., *Vatican Council II: The Conciliar and Post Conciliar Documents*, (Collegeville, Minn: 1975); W. Abbot, ed., *The Documents of Vatican II*, (N.Y.: 1966). Both the Flannery and Abbot translations of the pastoral constitution are used in this letter.

[2] John Paul II, Message to the Second Special Session of the United Nations General Assembly Devoted to Disarmament, (June 1982), 7 (hereafter: Message U.N. Special Session 1982).

[3] John Paul II, Address to Scientists and Scholars, 4; Origins, 10 (1981) p. 621.

[4] The pastoral constitution is made up of two parts; yet it constitutes an organic unity. By way of explanation: The constitution is called "pastoral" because, while resting on doctrinal principles, it seeks to express the relation of the church to the world and modern mankind. The result is that, on the one hand, a pastoral slant is present in the first part and, on the other hand, a doctrinal slant is present in the second part. Pastoral Constitution, Footnote 1.

[5] Same, Footnote 1.

[6] Same, 43.

[7] John Paul II, Message U.N. Special Session 1982, 2.

[8] Pastoral Constitution, 81.

[9] Same, 80.

[10] Same, 16.

[11] Same, 80.

[12] The exact opposite of this vision is presented in Joel 3:10 where the foreign nations are told that

their weapons will do them no good in face of God's coming wrath.

[13] An omission in the New Testament is significant in this context. Scholars have made us aware of the presence of revolutionary groups in Israel during the time of Jesus. Barabbas, for example, was "among the rebels in prison who had committed murder in the insurrection" (Mk. 15:7). Although Jesus had come to proclaim and to bring about the true reign of God which often stood in opposition to the existing order, he makes no reference to nor does he join in any attempts such as those of the Zealots to overthrow authority by violent means. See M. Smith, "Zealots and Sicarii, Their Origins and Relations," Harvard Theological Review 64 (1971) 1-19.

[14] John Paul II, World Day of Peace Message 1982, 12; Origins, 11 (1982) p. 477.

[15] Same, 11, 12; p. 477, 478.

[16] John Paul II, Message U.N. Special Session 1982, 13; Pope Paul VI, World Day of Peace Message 1973.

[17] John Paul II, World Day of Peace Message 1982, 12, cited p. 478.

[18] Pastoral Constitution, 79.

[19] Same, 77.

[20] Same, 80.

[21] Same, 17.

[22] Same, 78.

[23] John Paul II, World Day of Peace Message 1982, 9. The pastoral constitution stresses that peace is not only the fruit of justice, but also love, which commits us to engage in "the studied practice of brotherhood" (78).

[24] Pastoral Constitution, 79.

[25] Same, 82.

[26] Same, 79.

[27] Pius XII, Christmas Message 1948. The same theme is reiterated in Pius XII's Christmas Message of 1953: "The community of nations must reckon with unprincipled criminals who, in order to realize their ambitious plans, are not afraid to unleash total war. This is the reason why other countries if they wish to preserve their very existence and their most precious possessions, and unless they are prepared to accord free action to international criminals, have no alternative but to get ready for the day when they must defend themselves. This right to be prepared for self-defense cannot be denied, even in these days, to any state."

[28] Pastoral Constitution, 80.

[29] Same, 80.

[30] John Paul II, World Day of Peace Message, 1982, 12; p. 478.

[31] Augustine called it a Manichean heresy to assert that war is intrinsically evil and contrary to Christian charity, and stated: "War and conquest are a sad necessity in the eyes of men of principle, yet it would be still more unfortunate if wrongdoers should dominate just men" (*The City of God*, Book IV, C. 15). Representative surveys of the history and theology of the just-war tradition include: F. H. Russell, *The Just War in the Middle Ages* (N.Y.: 1975); P. Ramsey, *War and the Christian Conscience* (Durham, N.C.: 1961), *The Just War: Force and Political Responsibility* (N.Y.: 1968); J.T. Johnson, *Ideology, Reason and the Limitation of War* (Princeton: 1975), *Just War Tradition and the Restraint of War: A Moral and Historical Inquiry* (Princeton: 1981); L.B. Walters, "Five Classic Just-War Theories" (Ph.D. Dissertation, Yale University, 1971) W. O'Brien, *War and-or Survival* (N.Y.: 1969), *The Conduct of Just and Limited War* (N.Y.: 1981). J.C. Murray, "Remarks on the Moral Problem of War," Theological Studies 20 (1959) p. 40-61.

[32] Aquinas treats the question of war in the *Summa Theologica*, II-IIae, q. 40; also cf. II-IIae, q. 64.

[33] Pastoral Constitution, 79.

[34] Pius XII, Christmas Message, 1948.

[35] For an analysis of the content and relationship of these principles cf: R. Potter, "The Moral Logic of War," McCormick Quarterly 23 (1970) p. 203-233; J. Childress in Shannon, cited, p. 40-58.

[36] James T. Johnson, *The Just War: Force and Political Responsibility*, cited; *Ideology, Reason and the Limitation of War*, cited; W. O'Brien, *The Conduct of Just and Limited War*, cited, p. 13-30; W. Vanderpol, *La doctrine scolastique du droit de guerre*, p. 387ff; J.C. Murray, "Theology and Modern Warfare," in W.J. Nagel, ed., *Morality and Modern Warfare*, p. 80ff.

[37] John Paul II, World Day of Peace Message 1983, 11.

[38] USCC, Resolution on Southeast Asia (Washington: 1971).

[39] Pastoral Constitution, 80.

[40] John Paul II, World Day of Peace Message, 1982, 12.

[41] Declaration on Prevention of Nuclear War (Sept. 24, 1982).

[42] Pastoral Constitution, 80.

[43] Same, 80.

[44] John Paul II, World Day of Peace Message, 1982, 12.

[45] Representative authors in the tradition of Christian pacifism and non-violence include: R. Bainton, *Christian Attitudes Toward War and Peace*, (Abington: 1960) Ch. 4, 5, 10; J. Yoder, *The Politics of Jesus*, (Grand Rapids: 1972), *Nevertheless: Varieties of Religious Pacifism*, (Scottsdale: 1971); T. Merton, *Faith and Violence: Christian Teaching and Christian Practice*, (Notre Dame: 1968); G. Zahn, *Conscience and Dissent*, (N.Y.: 1967); E. Egan, "The Beatitudes of Works of Mercy and Pacifism," in T. Shannon, ed., *War or Peace; The Search for New Answers*, (N.Y.: 1980) p. 169-187; J. Fahey, "The Catholic Church and the Arms Race," Worldview, 22 (1979) p. 38-41; J. Douglass, *The Nonviolent Cross: A Theology of Revolution and Peace*, (N.Y.: 1966).

[46] Justin, "Dialogue With Trypho," Ch. 20; cf. also "The First Apology," Chs. 14, 39.

[47] Cyprian, "Collected Letters"; Letters to Cornelius.

[48] Suplicius Serverus, *The Life of Martin*, 4. 3.

[49] Pastoral Constitution, 79.

[50] Same, 78.

[51] "Human Life in Our Day," Ch. 2, p. 44.

[52] Pastoral Constitution, 80.

[53] Same, 80.

[54] John Paul II, Address to Scientists and Scholars, 4; cited, p. 621.

[55] Cf. Declaration on Prevention of Nuclear War.

[56] Paul VI, World Day of Peace Message, 1967; in Documents, p. 198.

[57] Statement of the Holy See to the United Nations (1976), in *The Church and the Arms Race;* Pax Christi-USA (N.Y.: 1976) p. 23-24.

[58] R. Adams and S. Cullen, *The Final Epidemic: Physicians and Scientists on Nuclear War*, (Chicago: 1981).

[59] Pontifical Academy of Sciences, "Statement on the Consequences of the Use of Nuclear Weapons," in Documents, p. 241.

[60] John Paul II, World Day of Peace Message 1982, 6, cited, p. 476.

[61] The following quotations are from public officials who have served at the highest policy levels in recent administrations of our government:

"It is time to recognize that no one has ever succeeded in advancing any persuasive reason to believe that any use of nuclear weapons, even on the smallest scale, could reliably be expected to remain limited." McG. Bundy, G. F. Kennan, R. S. McNamara and G. Smith, "Nuclear Weapons and the Atlantic Alliance," Foreign Affairs 60 (1982) p. 757.

"From my experience in combat there is no way that (nuclear escalation) . . . can be controlled because of the lack of information, the pressure of time and the deadly results that are taking place on both sides of the battle line." Gen. A. S. Collins Jr. (former deputy commander in chief of U.S. Army in Europe), "Theatre Nuclear Warfare: The Battlefield," in J. F. Reichart and S. R. Sturn, eds., *American Defense Policy*, 5th ed., (Baltimore: 1982) p. 359-360.

"None of this potential flexibility changes my view that a full-scale thermonuclear exchange would be an unprecedented disaster for the Soviet Union as well as for the United States. Nor is it at all clear that an initial use of nuclear weapons—however selectively they might be targeted—could be kept from escalating to a full-scale thermonuclear exchange, especially if command-and-control centers were brought under attack. The odds are high, whether weapons were used against tactical or strategic targets, that control would be lost on both sides and the exchange would become unconstrained." Harold Brown, Department of Defense Annual Report FY 1979 (Washington: 1978). Cf. also: "The Effects of Nuclear War" (Washington: 1979; U.S. Government Printing Office).

[62] For example, cf.: H. A. Kissinger, *Nuclear Weapons and Foreign Policy* (N.Y.: 1957), *The Necessity for Choice* (N.Y.: 1960); R. Osgood and R. Tucker, *Force, Order and Justice* (Baltimore: 1967); R. Aron, *The Great Debate: Theories of Nuclear Strategy* (N.Y.: 1965); D. Ball, "Can Nuclear War Be Controlled?" Adelphi Paper No. 161 (London: 1981); M. Howard, "On Fighting a Nuclear War," International Security 5 (1981) p. 3-17.

[63] Statement on the Consequences of the Use of Nuclear Weapons, in Documents, p. 243.

[64] Pius XII, Address to the VIII Congress of the World Medical Association, in Documents, p. 131.

[65] Pastoral Constitution, 80.

[66] Same, 80.

[67] M. Bundy, *et al.*, "Nuclear Weapons," cited; K. Kaiser, G. Leber, A. Mertes, F. J. Schulze, "Nuclear Weapons and the Preservation of Peace," Foreign Affairs 60 (1982), p. 1157-70: cf. other responses to Bundy article in the same issue of Foreign Affairs.

[68] Testimony given to the NCCB Committee during preparation of this pastoral letter. The testimony is reflected in the quotes found in footnote 61 above.

[69] Our conclusions and judgments in this area although based on carefully study and reflection of the application of moral principles do not have, of course, the same force as the principles themselves and therefore allow for different opinions, as the Precis makes clear.

[70] Undoubtedly aware of the long and detailed technical debate on limited war, Pope John Paul II highlighted the unacceptable moral risk of crossing the threshold to nuclear war in his "Angelus Message" Dec. 13, 1981: "I have in fact the deep conviction that, in the light of a nuclear war's effects, which can be scientifically foreseen as certain, the only choice that is morally and humanly valid is represented by the reduction of nuclear armaments, while waiting for their future complete elimination, carried out simultaneously by all the parties, by means of explicit agreements and with the commitment of accepting effective controls." In Documents, p. 240.

[71] W. H. Kincade and J. D. Porro, *Negotiating Security: An Arms Control Reader* (Washington: 1979).

[72] Several surveys are available, for example cf: J. H. Kahin, *Security in the Nuclear Age: Developing U.S. Strategic Policy*, (Washington: 1975); M. Mandelbaum, *The Nuclear Question: The United States and Nuclear Weapons 1946-1976*, (Cambridge, England: 1979); B. Brodie, "Development of Nuclear Strategy," International Security, 2 (1978) p. 65-83.

[73] The relationship of these two levels of policy is the burden of an article by D. Ball, "U.S. Strategic Forces: How Would They Be Used?" International Security, 7 (1982-83) p. 31-60.

[74] Pastoral Constitution, 81.

[75] USCC, "To Live in Christ Jesus" (Washington: 1976) p. 34.

[76] Cardinal John Krol, Testimony on SALT II, Origins (1979) p. 197.

[77] John Paul II, Message U.N. Special Session, 1982; 3.

[78] Same, 8.

[79] John Paul II, Address to UNESCO, 21, 1980.

[80] John Paul II, Letter to International Seminar on the World Implications of a Nuclear Conflict, Aug. 23, 1982; text in NC News Documentary, Aug. 24, 1982.

[81] Particularly helpful was the letter of Jan. 15, 1983, of William Clark, national security adviser, to Cardinal Bernardin. Clark stated: "For moral, political and military reasons, the United States does not target the Soviet civilian population as such. There is no deliberately opaque meaning conveyed in the last two words. We do not threaten the existence of Soviet civilization by threatening Soviet cities. Rather, we hold at risk the war-making capability of the Soviet Union—its armed forces, and the industrial capacity to sustain war. It would be irresponsible for us to issue policy statements which might suggest to the Soviets that it would be to their advantage to establish privileged sanctuaries within heavily populated areas, thus inducing them to locate much of their war-fighting capability within those urban sanctuaries." A reaffirmation of the administration's policy is also found in Secretary Weinberger's Annual Report to the Congress (Caspar Weinberger, Annual Report to the Congress, Feb. 1, 1983, p. 55): "The Reagan administration's policy is that under no circumstances may such weapons be used deliberately for the purpose of destroying populations." Also the letter of Weinberger to Bishop O'Connor of Feb. 9, 1983, has a similar statement.

[82] Zuckerman, *Nuclear Illusion and Reality*, (N.Y.: 1982); D. Ball, cited, p. 36; T. Powers, "Choosing a Strategy for World War III," The Atlantic Monthly (November 1982) p. 82-110.

[83] Cf. The comments in Pontifical Academy of Sciences, "Statement on the Consequences of the Use of Nuclear Weapons," cited above.

[84] Several experts in strategic theory would place both the MX missile and Pershing II missiles in this category.

[85] In each of the successive drafts of this letter we have tried to state a central moral imperative: that the arms race should be stopped and disarmament begun. The implementation of this imperative is open to a wide variety of approaches. Hence we have chosen our own language in this paragraph, not wanting either to be identified with one specific political initiative or to have our words used against specific political measures.

[86] Cf. President Reagan's Speech to the National Press Club (Nov. 18, 1981) and Address at Eureka College (May 9, 1982). Department of State, "Current Policy" 346 and 387.

[87] John Paul II, Homily at Coventry Cathedral, 2; Origins, 12 (1982), p. 55.

[88] The two treaties are the Threshold Test Ban Treaty signed July 3, 1974, and the Treaty on Nuclear Explosions for Peaceful Purposes, signed May 13, 1976.

[89] John Paul II, Message to U.N. Special Session 1982, 8.

[90] Weinberger's letter to Bishop O'Connor specifies actions taken on command and control facilities designed to reduce the chance of unauthorized firing of nuclear weapons.

[91] Same, 9. CF USCC, At Issue 2: Arms Export Policies—Ethical Choices, (Washington: 1978) for suggestions about controlling the conventional arms trade.

[92] The International Security Act of 1976 provides for such human rights review.

[93] John Paul II, Address to the U.N. General Assembly, Origins, 9 (1979), p. 268.

[94] John Paul II, Homily at Coventry Cathedral, cited., p. 55.

[95] Pastoral Constitution, 78.

[96] G. Sharp, *The Politics of Nonviolent Action*, (Boston: 1978); R. Fisher and W. Ury, *Getting to yes: Negotiating Agreement Without Giving In* (Boston: 1981).

[97] John Paul II, World Day of Peace Message 1982, 7, cited; p. 476.

[98] To Establish the U.S. Academy of Peace: Report of the Commission on Proposals for the National Academy of Peace and Conflict Resolution," (Washington: 1981) p. 119-120.

[99] USCC, "Statement on Registration and Conscription for Military Service" (Washington: 1980): cf. also "Human Life in Our Day," cited, p. 42-45.

[100] Paul VI, "The Development of Peoples" (1966), 76.

[101] Cf. V. Yzermans, ed., *Major Addresses of Pius XII*, 2 vols., (St. Paul: 1961) and J. Gremillion, *The Gospel of Peace and Justice*, cited.

[102] Cf. John XXIII, "Peace on Earth" (1963) esp. 80-145.

[103] A sampling of the policy problems and possibilities posed by interdependence can be found in: R. O. Keohane and J. S. Nye Jr., *Power and Interdependence* (Boston: 1977); S. Hoffmann, *Primacy or World Order* (N.Y.: 1978); The Overseas Development Council, The U.S. and World Development 1979; 1980; 1982, (Washington, D.C.).

[104] John XXIII, "Peace on Earth," 137.

[105] This has particularly been the case in the two U.N. Special Sessions on Disarmament, 1979, 1982.

[106] USCC, "Marxist Communism" (Washington: 1980) p. 19.

[107] The debate on U.S.-Soviet relations is extensive; recent examples of it are found in: A. Ulam, "U.S.-Soviet Relations: Unhappy Coexistence: America and the World, 1978," Foreign Affairs 57 (1979 p. 556-571; W. G. Hyland, "U.S.-Soviet Relations: The Long Road Back: America and The World, 1981," Foreign Affairs 60 (1982) p. 525-550; R. Legvold, "Containment Without Confrontation," Foreign Policy, 40 (1980) p. 74-98; S. Hoffmann, "Muscle and Brains," Foreign Policy 37 (1979-80) p. 3-27; P. Hassner, "Moscow and the Western Alliance," Problems of Communism, 30 (1981) p. 37-54; S. Bialer, "The Harsh Decade: Soviet Policies in the 1980s," Foreign Affairs 59 (1981) p. 999-1020; G. Kennan, *The Nuclear Delusion: Soviet-American Relations in the Atomic Age* (N.Y.: 1982); N. Podhoretz, *The Present Danger* (N.Y.: 1980); P. Nitze, "Strategy in the 1980's," Foreign Affairs 59 (1980) p. 82-101; R. Strode and C. Gray, "The Imperial Dimension of Soviet Military Power," Problems of Communism 30 (1981) p. 1-15; International Institute for Strategic Studies, "Prospects of Soviet Power in the 1980's," Parts I and II; Adelphi Papers, 151 and 152; (London: 1979); S. S. Kaplan ed., *Diplomacy of Power: Soviet Armed Forces as a Political Instrument* (Washington: 1981) R. Barnet, *The Giants: Russia and America* (N.Y.: 1977); M. McGwire, *Soviet Military Requirements*, the Brookings Institute (Washington: 1982); R. Tucker, "The Purposes of American Power," Foreign Affairs 59 (1980-81) p. 241-274. A. Geyer, *The Idea of Disarmament: Rethinking the Unthinkable* (Washington: 1982). For a review of Soviet adherence to treaties cf.: "The SALT Syndrome Charges and Facts: Analysis of an 'Anti-SALT Documentary,'" Report prepared by U.S. government agencies (State, Defense, CIA, ACDA and NSC). Reprinted in The Defense Monitor, Vol. 10; No. 8A. Center for Defense Information.

[108] John Paul II, World Day of Peace Message 1983; 7.

[109] John Paul II, "The Redeemer of Man," 16, Origins, 8 (1980) p. 635.

[110] The phrase and its description are found in R.S. McNamara, Report to the Board of Governors of the World Bank 1978; cf. also 1979; 1980 (Washington, D.C.).

[111] John Paul II, Homily at Yankee Stadium, 4 Origins, 9 (1979), p. 311.

[112] Paul VI, Address to the General Assembly of the United Nations (1965), 2.

[113] Pastoral Constitution, 81.

[114] Cf. Hoffman, cited; *Independent Commission on Disarmament and Security Issues, Common Security* (N.Y.: 1982).

[115] For an analysis of the policy problems of reallocating resources, cf: Bruce M. Russett, *The Prisoners of Insecurity*, (San Francisco: 1983). Cf: *Common Security*, cited; Russett, cited; U.N. Report on Disarmament and Development (N.Y.: 1982); United Nations, "The Relationship Between Disarmament and Development: A Summary;" Fact Sheet 21; (N.Y.: 1982).

[116] John Paul II, "The Redeemer of Man," 21, cited; p. 641. Much of the following reflects the content of A. Dulles, *A Church to Believe In: Discipleship and the Dynamics of Freedom*, (N.Y.: 1982) Ch. 1.

[117] John Paul II, World Day of Peace Message 1982, 4, cited; p. 475.

[118] Paul VI, World Day of Peace Message, 1976.

[119] Pastoral Constitution, 79.

[120] John Paul II, Address to Scientists and Scholars, 3, cited; p. 621.

[121] Same, 3.

[122] Pastoral Constitution, 75.

[123] John Paul II, Address at Hiroshima, 2; Origins, 10 (1981) p. 620.

[124] Pastoral Constitution, 75.

[125] "Human Life in Our Day," cited, p. 41.

[126] John XXIII, "Peace on Earth," 137, (1963).

[127] Paul VI, Address to General Assembly of the United Nations, 2 (1965).

Mr. HART. Mr. President, I wish to congratulate the Senator from New York on his usual fine summary and statement directed at this issue. Very cogently, over the past several days and past couple of weeks, he has called attention to the fatal flaws surrounding this system and its deployment.

I would like to call the attention of my colleagues to a superb address that my colleague from New York delivered in a commencement address at Daemen College, Buffalo, N.Y., on May 15, 1983, entitled "The Nuclear Challenge." It deals also with the bishops' pastoral letter.

As with his current statement, it raises, and appropriately so, the moral dimension of this issue. I ask unanimous consent that that excellent commencement speech be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE NUCLEAR CHALLENGE

(By Senator Daniel Patrick Moynihan)

I am going to try to complicate your lives a bit this afternoon. I propose to examine the nature of the relationship between the teaching of moral values in America in this last quarter of the 20th Century and the formulation of public policy in an area with as much potential for immoral result as any I can imagine: nuclear weapons and strategic policy.

That the matter of strategic doctrine should be considered in the light of moral teaching is to my mind self-evident: as man is God's most cherished creation, so preservation of His gift of life to us must be our most urgent duty. Pope John Paul said it best, in his moving address at Hiroshima (on February 25, 1981):

"In the past, it was possible to destroy a village, a town, a region, even a country. Now it is the whole planet that has come under threat. This fact should finally compel everyone to face a basic moral consideration: From now on, it is only through a conscious choice and through a deliberate policy that humanity can survive.[1]

We cannot simply hope for the best. "It is only through a conscious choice and a deliberate policy that humanity can survive."

What therefore shall be our "deliberate policy?" Where may we look for guidance?

It may fairly be said that for doctinal intricacy and duration of debate, as well as for its enduring value, Christian theology occupies a special place in the history of ideas. From the earliest times, the debate has been characterized by men of great learning and texts of intimidating complexity. Indeed, there could scarcely have been greater contrast than that which obtained at the advent of the Middle Ages between clergy reading and writing in ancient, unspoken languages and an all but illiterate laity. Even so, through all those centuries, and down to the present time, the theologians conceded great authority in matters of doctrine to the *sensum fidelium*, the belief of the faithful. Be it ever so uninformed at the technical level, it was held even so to be a repository of truth.

May I suggest that something comparable is to be encountered in the American people today in their suddenly aroused concern about nuclear weapons? There is in this perception of terrible danger a kind of ultimate truth which the experts must acknowledge, and to which they must in the end defer.

In the history of mankind, there cannot ever have been a subject of such importance as nuclear arms control that was for so long the domain of such a tiny band of specialists. Interestingly, historians of the subject frequently turn to theological analogies when discussing these men and their work. Thus John Newhouse writers, in his book "Cola Dawn", about SALT I:

As in the case of the early Church, contending schools form around antagonistic strategic concepts. The most relevant of thses are known as assured destruction and damage limitation, and each can claim broad support and intellectual respectability. Debates between the two schools recall those between the Thomists and the essentially Franciscan followers of Duns Scotus."[2]

For most of the period since Hiroshima, the public simply has not been involved, nor has it felt involved. I offer an example. In the course of 1979, the year the SALT II Treaty was considered in the Senate, I received more letters from New Yorkers about the plight of the Alaskan timberwolf than about SALT II. People some how did not feel their views mattered. Now they do: Al-

Footnotes at end of article.

ready in 1983 (as of May 6) I have heard in writing from 134,890 New Yorkers about the Nuclear Freeze resolution.

The fear exists, and it should be acknowledged, that a mass movement calling for nuclear arms reductions must inevitably have greater influence on the Democratic Party to the negotiations than on the totalitarian party. Such concerns are not to be dismissed. Persons demanding an "immediate" end to the arms race could usefully be reminded that, in this life, good will is not always rewarded in kind.

Those of retentive memory will recall events which occurred during the Holy Year 1500. Cesare Borgia, at the head of the forces of Pope Alexander VI (who happened also to be his parent), had set out to lay siege to Camerino in an outlying region of the Papal States. His march took him in the direction of the prosperous city of Urbino, whose Duke happened to possess the finest artillery in Italy at the time. Borgia asked to borrow this new weapon system and the Duke, by all accounts a pious and scholarly man, agreed. Whereupon Borgia laid siege to Urbino instead, and forced the Duke to flee into exile.

There is a responsibility, then, to speak to the freeze movement, as well as for it. It is a responsibility that requires not only the closest attention to diplomatic history and political science but that may benefit, as well, from certain insights put forward recently by the national conference of Catholic Bishops in a pastoral letter distinguished by its scholarly competence. The Bishops remind us that nuclear war is not merely a mathematical problem of percentages and trajectories and megatonnage: that arms control is something more than a matter of arranging for sufficient sessions in Geneva among arms control negotiators. They are trying to teach us something about the very difficult moral choices that currently confront us in the matter of nuclear weapons and strategic policy—not only those of us in the United States or in government, but all persons of good will everywhere.

Far from simplifying things for us, however, the letter challenges us each to choose among morally desirable goals, to decide among morally unacceptable means and to wade through situations where the options can only be described as morally ambiguous. It is intentionally done. As the letter states near the outset,

"In all of this discussion of distinct choices, of course, we are referring to options open to individuals." [3]

We each have to make our own decisions about what is right in this matter; together, 230 million of us will help shape American policy. In order for the collective policy to be morally the correct one, the individual reflections must be honest and thoughtful.

I bring to your attention the Bishop's treatment of two issues that are currently the object of much attention: our fundamental doctrine of deterrence, firstly; and secondly, the question of whether we in the western alliance should, as some prominent persons have suggested, renounce the first use of nuclear weapons.

The Bishops' letter emphasizes, in particular, the moral ambiguity associated with NATO's policy of "strategic deterrence." Now deterrence means essentially (according to a basic arms control reader):

"Dissuasion of a potential adversary from initiating an attack or conflict, often by threat of unacceptable retaliatory damage." [4]

In this nuclear age, it means that we try to deter the Soviets, or any other nuclear power, from attacking us or our allies by making clear that, if ever they do, we will launch our nuclear weapons, and so many millions of their citizens would be killed that they would never dare attack.

The Bishops very clearly tell us that it would be wrong to inflict this damage on civilians, on innocent women and children (and men)—even in retaliation for an attack on the United States. The pastoral letter says:

"Retaliatory action, whether nuclear or conventional, which would indiscriminately take many wholly innocent lives, lives of people who are in no way responsible for reckless actions of their government, must . . . be condemned. This condemnation, in our judgment, applies even to the retaliatory use of weapons striking enemy cities after our own have already been struck." [5]

The purpose of the doctrine of deterrence, however, is precisely to prevent any such war, any such devastation, from occurring. And the fact that there has been no nuclear war since 1945 provides some evidence that this threat to devastate innocent population has succeeded in preserving nuclear peace, and the lives of those very same people.

Yet the morality of a position or doctrine derives also from the intentions that underlie it. It is clearly—publicly and officially the intention of the United States and NATO to unleash this devastation on the population of the Soviet Union if it should attack us. Is that moral?

The Bishops quote the message by Pope John Paul II to the United Nations second special session on disarmament last June, in which he said:

"In current conditions, 'deterrence' based on balance, certainly not as an end in itself but as a step on the way toward a progressive disarmament, may still be judged morally acceptable. Nonetheless in order to ensure peace, it is indispensible not to be satisfied with this minimum . . . ." [6]

Terence Cardinal Cooke put it similarly when he said:

"Government leaders and peoples of all nations have a grave moral obligation to come up with alternatives (to deterrence). But as long as our nation is sincerely trying to work with other nations to find a better way, the church considers the strategy of nuclear deterrence morally tolerable; not satisfactory, but tolerable." [7]

This seems to me sound; deterrence is not desirable in and of itself but it is "morally tolerable" (or, in the words of His Holiness, "morally acceptable") as long as it is a step on the way toward a progressive disarmament.

Regarding first use of nuclear weapons, the moral obligation seems easier to discern, but the likelihood of actually realizing that morally correct posture seems distinctly more remote.

Yet the bishops last week said:

"We do not perceive any situation in which the deliberate initiation of nuclear warfare on however restricted a scale can be morally justified. . . . We find the moral responsibility of beginning nuclear war not justified by rational political objectives. . . . We judge resort to nuclear weapons to counter a conventional attack to be morally unjustifiable." [8]

Which clearly says that our policy of threatening to use nuclear weapons in response to an overwhelming conventional attack is simply not morally justified.

I am inclined to agree. Here is the dilemma, our dilemma: are we willing to pay what it would cost for the West to adopt the morally correct (what I personally believe would be the morally correct) policy of renouncing the first use of nuclear weapons? The bishops do note that:

"The need to defend against a conventional attack in Europe imposes the political and moral burden of developing adequate, alternative modes of defense to present reliance on nuclear weapons." [9]

Remember, we will continue to have a responsibility to protect the independence of our nation, and the freedoms that flourish here, from likely threats. And our freedom, whether we like it or not, is inextricably bound to the survival of kindred democratic societies, in the Middle East, in Asia, not least in Western Europe. Here again I would quote the American bishops, who have drafted an extraordinarily sober-minded and far-seeing document in this pastoral letter:

"The fact of a Soviet threat, as well as the existence of a Soviet imperial drive for hegemony, at least in regions of major strategic interest, cannot be denied . . . Many peoples are forcibly kept under communist domination despite their manifest wishes to be free." [10]

We see this most obviously today in Poland; it is no less true in a score of other nations where Soviet forces continue to try to suppress the peoples' will to be free. We must never lose sight of the nature of the Soviet state with which we must of necessity try to negotiate arms control agreements.

It happens that my first speech in the Senate (on March 4, 1977) was on the subject of arms control. I said then:

"One's view of strategic arms limitation is informed by, in truth should be controlled by, one's prior judgment about the state of world politics, and the nature of relations between the Soviet Union and the United States." [11]

Cold realism must govern the conduct of our negotiations with the Soviet Union. Yet, though our relations today be close to their historical nadir, this is not either a time for despair. If I could leave you with a single thought today, this would be it: do not despair. And do not fear. Rather hope, and be confident. The Bishops remind us that: "Hope sustains one's capacity to live with danger without being overwhelmed by it." [12] You have the vote, and you have learned how to speak your minds. Speak about keeping the peace, work for it, get started today.

FOOTNOTES

[1] John Paul II, "Address to Scientists and Scholars," delivered at Hiroshima, Japan, February 25, 1981; found in "Origins" (the documentary service of the National Conference of Catholic Bishops); Vol. 10, No. 4, p. 621.

[2] John Newhouse, "Cold Dawn; the Story of SALT" (New York: Holt, Rinehart and Winston), 1973, p. 9.

[3] "The Challenge of Peace; God's Promise and Our Response," (The Pastoral Letter of the U.S. Bishops on War and Peace); "Origins," Vol. 13, No. 1, p. 9.

[4] William H. Kincade and Jeffery D. Porro, eds., "Negotiating Security: An Arms Control Reader" (Washington: Carnegie Endowment for International Peace, 1979), p. 269.

[5] "The Challenge of Peace," "Origins," Vol. 13, No. 1, p. 15.

[6] John Paul II, "Message to the Second Special Session of the United Nations General Assembly Devoted to Disarmament," (June 1982).

[7] Terence Cardinal Cooke, annual letter to the chaplains of the Armed Forces, December 14, 1981, (from The New York Times, December 15, 1981, Section 2, p. 16).

[8] "The Challenge of Peace," "Origins," Vol. 13, No. 1, p. 15.

[9] Same.

[10] Same, p. 23.

[11] Daniel Patrick Moynihan, statement in the United States Senate, March 4, 1977.

[12] "The Challenge of Peace," "Origins," Vol. 13, No. 1, p. 2.

Mr. MOYNIHAN. I thank my distinguished friend from Colorado.

AMENDMENT NO. 1518

(Purpose: To establish criteria governing the testing of antisatellite warheads)

Mr. TSONGAS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts (Mr. TSONGAS), for himself, Mr. PELL, Mr. MATHIAS, Mr. HART, Mr. CRANSTON, Mr. PROXMIRE, Mr. KENNEDY, Mr. MELCHER, Mr. SARBANES, Mr. RIEGLE, Mr. METZENBAUM, and Mr. PRESSLER, proposes an amendment numbered 1518.

At the appropriate place in the bill insert the following:

SEC. . Notwithstanding any other provision of this Act or any other Act, none of the funds appropriated pursuant to an authorization contained in this Act or any other Act may be obligated or expended to test any explosive or inert anti-satellite warheads against objects in space unless the President determines and certifies to the Congress (a) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable ban on anti-satellite weapons; and (b) that, pending agreement on such a ban, testing of explosive or inert anti-satellite warheads against objects in space by the United States is necessary to avert clear and irrevocable harm to the national security.

Mr. TSONGAS. Mr. President, I ask unanimous consent that Senators PELL, MATHIAS, HART, CRANSTON, PROXMIRE, KENNEDY, MELCHER, SARBANES, RIEGLE, PRESSLER, and METZENBAUM be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. Mr. President, this should not take a great deal of time, since I think we have worked out an accommodation among all the parties.

This amendment which I offer to the defense authorization bill is essential because of the administration's failure to negotiate a halt in the development of antisatellite weapons by the Soviet Union.

Let me indicate for the RECORD that the original amendment talked on line 5 about "any antisatellite weapon, against objects in space." This has now been changed to reflect the language which has been read by the clerk, so that those who had seen the original amendment which had been sent out over the weekend should not be unaware of the change, that "weapons" has been struck and "explosive or inert antisatellite warheads" is the replacement language.

Unless such development is stopped, the day is imminent when our most important and sensitive military satellites will be in jeopardy. A costly and debilitating arms race is indeed beginning in space. Yet we move blindly toward a test of various weapons which may preclude stopping this race. The amendment which I am offering does not—I repeat does not—seek to stop that test. Perhaps it should, but that is an issue for another day. It seeks only to make the President and the Congress aware of the implications of this testing. The amendment asks that, prior to testing an explosive or inert antisatellite warhead against space targets, the President try to negotiate a treaty with the Soviet Union. It also requires that the President certify that testing is necessary to avert harm to our security.

I add that the definition of the term, "endeavoring to negotiate" is a matter that Senator WARNER and I shall deal with at the end of my remarks.

At stake, of course, is the fundamental American interest in stopping Soviet testing and development of their antisatellite weapons. The Soviet Union now possesses an antisatellite weapon capable of striking our satellites in low Earth orbit. But it is a bulky, cumbersome weapon, launched from a fixed site, requiring extensive support facilities. It is launched by a ground-based missile booster, the SS-9, into an orbit close to that of the target satellite. After a few orbits, it crosses the target's path, exploding, and destroying the target with shrapnel. Not only is this system limited to satellites in orbits below about 1,500 miles, but it cannot destroy those satellites without first orbiting the Earth a few times. A full-scale attack on our satellites with such a system would take more than a day to complete. Our most vital satellites, those needed for military communications, early warning, and treaty verification, as most people know, are far beyond the range of this current Soviet antisatellite weapon. But if we do not stop their testing and reach an agreement soon, the Soviets will achieve the ability to destroy these vital satellites.

The administration's position on this issue is clear. On May 18, the Director of the Arms Control and Disarmament Agency, Ambassador Kenneth Adelman, testified before the Subcommittee on Arms Control, Oceans, International Operations, and Environment of the Senate Foreign Relations Committee. He outlined the Reagan administration's opposition to negotiations limiting antisatellite weapons. The administration is against negotiations until verification of compliance with the treaty to be negotiated is assured. But no such assurance can be obtained without negotiations—a fact that even Ambassador Adelman admits. This is a classic "Catch-22" situation we are in. The message is obvious. The administration has no intention of trying to avoid an arms race in space.

This position is indefensible and jeopardizes our national security. A halt in testing of antisatellite weapons is of the utmost importance to the security of the United States. Satellites provide us with vital information on Soviet military activities and monitor Soviet compliance with arms control accords. Satellites provide us with early warning of a Soviet nuclear attack. Satellites provide us with 70 percent of our military communications. To defend ourselves effectively on Earth, we need our eyes and ears in space. We need our network of increasingly sophisticated satellites.

The United States has more to gain by a treaty protecting the integrity of satellites than does the Soviet Union. The Soviets rely less upon satellites than we do. If all satellites were destroyed the Soviets would gain a significant military advantage. They do not need satellites to communicate with their military forces in Europe and Asia; we do. They do not need satellites to verify treaty compliance; we do. They do not need satellites to warn of a preemptive nuclear strike; we do. I am concerned that the myopic views expressed by Ambassador Adelman will prevent this Nation from taking the steps necessary to protect our satellites.

If the administration has its way, our Nation will squander vast sums to fuel its counterproductive arms race in space. The antisatellite weapon now in the works at the Pentagon will cost $3.6 billion. It will reach only 25 percent of the necessary targets. The General Accounting Office estimates a cost in the tens of billions to achieve a full capability, but that estimate does not take into account the vast expense of preventing our satellites from being destroyed.

Not only our military satellites will need protection. According to a report in Aviation Week and Space Technology, the administration has already begun developing plans to harden commercial satellites. Lt. Gen. William Hilsman, head of the Defense Communications Agency, is quoted as saying that enhancing the survivability of commercial communications satellites "is the highest priority of all projects." In these times of enormous budget deficits, it is folly to enter a costly arms race that we can prevent through treaty. A full-scale arms race in space can only siphon resources away from more vital military programs.

There is another serious drawback for the United States in an unfettered contest with the Soviets to develop antisatellite weapons. On March 23, the President announced a new effort aimed at developing the capability to protect the United States from nuclear attack. In that speech, Mr. Reagan correctly stated that any such ABM system, when coupled with offensive capabilities, could lead to nuclear instability. Much of the technology

needed to develop and advanced antisatellite system has equal use in ABM systems. Without an antisatellite weapon treaty, the Soviets could test an ABM system under the guise of testing an antisatellite weapon system.

I do not agree with the President's desire to develop a defensive system for the United States, but at a minimum, the Soviet Union should not be allowed to do so unilaterally. The deployment of a comprehensive antiballistic missile weapon system envisioned by the President is already banned by the 1972 ABM Treaty, as is the testing of any space-based antiballistic missile weapon systems. So a ban on antisatellite weapons testing will have no effect on any program which the administration intends to initiate. A ban can only serve to prevent the Soviets from achieving an advantage in this area by cheating.

The antisatellite weapon that the United States is developing is a small missile carried by an F-15 fighter. It is small enough to be easily concealed. It poses extremely difficult problems of verification. If the United States moves ahead with the development of this antisatellite weapon, it is not clear that a verifiable treaty can be negotiated. Instead of studying the issue to death, as Mr. Adelman proposes, we should challenge the Soviet Union to enter negotiations toward achieving a ban on antisatellite weapons, and insist upon a moratorium on testing while the negotiations are in progress.

In 1978 and 1979, the United States and the Soviet Union held talks aimed at achieving a treaty banning antisatellite weapons. Those talks were suspended due to Soviet aggression in Afghanistan. The Soviet Union observed a unilateral moratorium on the testing of its antisatellite weapon during the negotiations with the Carter administration; indeed, the Soviet Union observed that moratorium until it was clear that the talks would not be resumed. In 1981, the Soviet Union presented a draft treaty banning weapons in space. In other words, the Soviet Union seems ready to negotiate a treaty, and we are refusing to do so. Not only are we refusing to negotiate, but it is clear from the statements by Mr. Adelman and others that the administration intends to make our antisatellite weapon operational without any regard to arms control.

Mr. President, perhaps I should be offering an amendment today to establish a moratorium on antisatellite weapon testing, as I said earlier. I would favor such a moratorium only if the Soviets observed it de facto. I am reluctant, however, to pin the fate of an American weapon on Soviet actions. Instead, I am offering an amendment which is designed to make the President, the Congress, and the people of America aware that we are approaching a point of no return. If we proceed with testing of antisatellite weapons, we stand to lose forever the chance we have of negotiating an end to the arms race in space.

Mr. President, we must take action now to protect our vital space assets. I urge my colleagues to vote in favor of this amendment, and, in so doing, take a major step toward ending this arms race in space before it gets off the ground.

Mr. President, I shall be pleased at this point to engage in a colloquy with the distinguished Senator from Virginia.

Mr. WARNER. Mr. President, our distinguished colleague from Massachusetts (Mr. TSONGAS) and myself, the Senator from Texas, the chairman of the Armed Services Committee (Mr. TOWER), and others have engaged in an extensive analysis of this amendment. Indeed, the Senator from Massachusetts has been quite willing to modify in certain respects the amendment in such a way that I believe we are prepared to accept it subject to some clarification.

One concern of mine which I must express to the Senator is a reservation stemming from line 6 of the amendment. The amendment requires in part that the President certify, before testing explosive or inert warheads or antisatellite weapons against targets in space, that the United States is "endeavoring in good faith to negotiate a ban" on such weapons.

It is my understanding, Mr. President, that during the course of our discussions, the principal sponsor of the amendment, the distinguished Senator from Massachusetts, has agreed that the intent of this language is not to require before such certification is in order that the United States be actually engaged in bilateral negotiations with the Soviet Union on an antisatellite weapon ban. Is that understanding accurate?

Mr. TSONGAS. If I may respond, Mr. President, the Senator is correct. This language is intended simply to require certification by the President attesting to the fact that the U.S. Government is actively assessing the possibility of negotiating on issues with the Soviet Union of a verifiable effective ban on antisatellite weaponry and is willing to negotiate such a ban with the Soviet Union.

Obviously, it would be my preference to have actual bilateral negotiations on the subject underway already. It is my belief, however, that in recognition of the many complex and difficult issues that are involved, a certification that a serious examination of the issues relevant to a verifiable antisatellite weapons ban was underway, coupled with a certification of willingness on the part of the U.S. Government to negotiate such a ban, would indeed suffice for the purpose of satisfying the requirements of this amendment.

Mr. WARNER. In view of that, I wish to advise the distinguished Senator from Massachusetts that with that clarification of the modification incorporated in the amendment, namely those concerning explosive or inert antisatellite warhead flight testing against space objects, the managers of the bill are prepared to accept the amendment.

Mr. TSONGAS. I thank the Senator from Virginia.

Mr. PELL. Mr. President. I am pleased to join the Senator from Massachusetts (Mr. TSONGAS) as a cosponsor of his amendment establishing criteria governing the testing of antisatellite weapons. The Senator should be commended for his initiative.

The amendment establishes two criteria which must be met before funds are spent for testing of antisatellite warheads against objects in space:

First, the President must certify to the Congress that the administration is endeavoring in good faith to negotiate a mutual and verifiable ban on antisatellite weapons.

Second, the President must certify that, pending agreement on such a ban, ASAT testing is necessary to avert clear and irrevocable harm to the national security.

Mr. President, this amendment will serve the very important purpose of focusing the administration's attention at the highest levels on antisatellite programs now in progress. The President and his closest advisers will have to weigh the national security aspects of antisatellite programs, and they will have to press somewhat more strongly to get negotiations back on track. The amendment is completely consistent with the administration's stated interest in ASAT talks.

More than a decade ago, as the United States and the Soviet Union were preparing to embark on a massive program to deploy Multiple Independently Targetable Reentry Vehicles (MIRV's), the Senate cautioned that such a step should not be taken. Unfortunately, the advice was ignored, and a prohibition on MIRV's was never treated seriously in the SALT talks. As a result, we now face the problem of trying to control and reduce arsenals which include thousands of strategic nuclear warheads.

The current debate over the MX missile reminds us once again how weapons programs once started, acquire a life of their own and are so hard to stop, even when the rationale for them has virtually vanished. We do not want to have the same thing happen with regard to space weapons. If we do not have controls soon, there is no doubt in my mind that the situation will get out of hand, and we and the Soviet Union will develop and

deploy a plethora of weapons we do not need and would be hard pressed to afford.

Weapons in space are an intriguing subject for comic book treatment but they are not something to be treated lightly or capriciously when our future national security could be put in risk by such weapons.

Mr. President, I hope that we will not be blind to the threat that would be posed by the deployment of antisatellite weapons and by an arms race in space. Accordingly, I hope the Senate will act today to put the United States on the path toward control of antisatellite weapons.

Mr. KENNEDY. Mr. President, as an original cosponsor, I would like to express my strong support for Senator TSONGAS's amendment requiring the President to begin negotiations with the Soviet Union to ban antisatellite weaponry. As a nation that is highly dependent upon satellites for a range of scientific communication and verification activities, it is in the United States' national security interest to prevent the militarization of space. Yet, as in other areas of defense policy, the Reagan administration has accelerated the pace of its military buildup and ignored the potential for arms control to strengthen our national security. Once again it is Congress that must provide the impetus for arms control while the Administration charges ahead with requests for new and destablizing weapons systems.

We are now at a point where the opportunity for arms control in space must be seized—or yet another genie will have been let out of the bottle. First, as more and more antisatellite weapons on both sides are tested, it will become harder and harder to negotiate mutually satisfactory verification arrangements. Second, our command and control, reconnaissance, and early warning systems, which are all far more dependent on satellites than their Soviet counterparts. We therefore have much more to lose from an antisatellite race than the Soviets. Third, many of our satellites are in geosynchronous orbit, where they are currently beyond the range of Soviet ASAT weaponry, but could become vulnerable to the next generation of Soviet antisatellite weapons. We must secure a ban on ASAT weaponry now, before the Soviets deploy a capability that could threaten our most valuable space systems.

I urge my colleagues to support this effort to move toward negotiation, and away from confrontation, over antisatellite weaponry.

Mr. TSONGAS. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement by Yuriy Andropov on April 28 of this year relative to their willingness to negotiate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Yuriy Andropov—April 28, 1983, in response to petition from American scientists:

Now a crucial moment is really coming: Either the interested parties will sit down at the negotiating table without delay to begin drawing up a treaty prohibiting the placement in space of weapons of any kind, or the arms race will spill over into space.

Mr. JACKSON. Mr. President, I commend the Senator from Massachusetts for the time and effort that he has expended in working with us to have an agreeable amendment. The original amendment has been modified, and as modified I can support it. This is a very complicated and difficult area, as the Senator from Massachusetts knows; it involves many considerations.

I commend the Senator from Virginia for his assistance as well in working out what I think is an agreed-upon amendment which will achieve the objective that we all seek.

We hope there will never be a movement to conflict in outer space. We want to do everything we can to reach an accord which is verifiable, which will be fair to both sides, and which will protect the interests of those mortals living on this planet.

Mr. WARNER. Mr. President, I thank the distinguished Senator from Washington for those remarks.

Mr. TSONGAS. Mr. President, I express my appreciation to the managers of the bill and the Senator from Virginia for their willingness to sit down and try to work out an accommodation.

Mr. President, I would like to request the yeas and nays on this amendment. However, I do not see any need to bring Senators over at this juncture, and I request that the vote take place subsequent to whenever the vote on the next amendment occurs.

Mr. TOWER. Will the Senator yield?

Mr. TSONGAS. Yes.

Mr. TOWER. May I suggest that we go ahead and have a vote on this because there are one or two other amendments sequenced that might require record votes and the majority leader I think is reluctant to stack votes. To do so we would have to get both the majority and minority leaders on the floor. I suggest that we go ahead and have a vote on this.

Mr. TSONGAS. Fine with me.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk called the roll.

Mr. BAKER. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. PACKWOOD), the Senator from Alaska (Mr. STEVENS), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from New Jersey (Mr. LAUTENBERG) are necessarily absent.

The PRESIDING OFFICER (Mr. TRIBLE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 0, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—91

Abdnor	Grassley	Moynihan
Andrews	Hart	Murkowski
Armstrong	Hatch	Nickles
Baker	Hatfield	Nunn
Baucus	Hawkins	Pell
Bentsen	Hecht	Percy
Biden	Heflin	Pressler
Bingaman	Heinz	Proxmire
Boren	Helms	Pryor
Boschwitz	Hollings	Quayle
Bradley	Huddleston	Randolph
Burdick	Humphrey	Riegle
Byrd	Inouye	Roth
Chafee	Jackson	Rudman
Chiles	Jepsen	Sarbanes
Cochran	Johnston	Sasser
Cohen	Kassebaum	Simpson
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
DeConcini	Laxalt	Stennis
Denton	Leahy	Thurmond
Dixon	Levin	Tower
Dodd	Long	Trible
Dole	Lugar	Tsongas
Durenberger	Mathias	Wallop
Eagleton	Matsunaga	Warner
East	Mattingly	Weicker
Exon	McClure	Wilson
Ford	Melcher	Zorinsky
Garn	Metzenbaum	
Gorton	Mitchell	

NOT VOTING—9

Bumpers	Glenn	Packwood
Cranston	Goldwater	Stevens
Domenici	Lautenberg	Symms

So Mr. TSONGAS' amendment (No. 1518) was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the Senator from Ohio is waiting to introduce an amendment which can be disposed of in a short period of time. Then the Senator from Vermont is prepared to offer an amendment which I do not think will require a rollcall vote, which should not take a great deal of time. So Members should be on notice that we can expect other rollcall votes this evening.

I cannot promise what the time is going to be in between.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 1519

(Purpose: To require the Air Force to use competitive bid procedures for the lease of CT-39 replacement aircraft)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The acting assistant legislative clerk read as follows:

The Senator from Ohio (Mr. METZENBAUM) proposes an amendment numbered 1519.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of part L of title I of the bill, insert the following new section:

REQUIREMENT FOR THE USE OF COMPETITIVE BIDDING PROCEDURES FOR THE LEASE OF CT-39 REPLACEMENT AIRCRAFT

SEC. ——. None of the funds appropriated pursuant to an authorization of funds contained in this Act may be used by the Air Force for the lease of any CT-39 replacement aircraft unless competitive bidding procedures are followed in the awarding of the lease for such aircraft and the bidding on the lease is open to all qualified domestic firms.

Mr. METZENBAUM. Mr. President, on July 14, 1977, 6 years ago almost to the day, Senator GOLDWATER and I came to the floor to express our concern about a proposed noncompetitive aircraft procurement by the Navy. That aircraft, then called the CTX and now known as the C-12, is an off-the-shelf item. There was then and there is today no reason to acquire this aircraft without price competition.

Mr. President, I must confess to my colleagues that I regret the fact that I find it necessary to call this amendment up at a time when the distinguished Senator from Arizona cannot be on the floor with me because no Member of this body has tried harder than have he and I to see to it that this particular airplane be purchased by competitive bidding.

During the 1977 colloquy, the subject of which was the meaning of conference report language on this procurement, I thought we had made very clear the Senate's intent that competition be fully utilized.

Senator GOLDWATER pointed out that at least five different aircraft could do the job.

Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senator from Ohio is entitled to be heard. The Senator from Ohio.

Mr. METZENBAUM. For the information of my colleagues, I want to read into the record Senator GOLDWATER's comments in connection with this subject relative to the need for competitive bidding for this plane. Said Senator GOLDWATER on June 14, 1977:

I left the room thinking it had been accepted. But after I left, it had been changed. I can read that language in the bill now. To me it is competitive bidding, but I want to pin it down absolutely.

Replied Senator STENNIS:

I thank the Senator for his interpretation. There is no doubt that it is an open bid for any manufacturer who can meet these requirements. But it does not give them any authority to have a new plane built with new specifications, and to get a plush plane and come back later for more money.

At that point, the distinguished chairman of the Armed Services Committee, who at that time was the ranking minority member, Senator TOWER, stated:

Mr. President, will the Senator yield?

To which Senator STENNIS indicated:

I yield.

Said Senator TOWER:

Mr. President, my understanding certainly is consistent with that of the distinguished chairman that this is to be competitive. I was part of the deliberations on this. That was the intention.

That seems about as clear as the U.S. Senate could possibly be; Senator GOLDWATER, Senator STENNIS, Senator TOWER, and the Senator from Ohio, myself. But, Mr. President, the Navy chose to ignore the clearly expressed will of this body, and almost immediately after the conference report was signed into law, the Navy proceeded to procure this C-12 without competition.

As a matter of fact, Senator GOLDWATER and I were so unhappy about that result that we took the Navy to court, and although we did not prevail in court because we were thrown out on a technical basis, it is an indication of the audacity, of the arrogance, of the impertinence, on how impudent the U.S. Navy is in its recommendations with the U.S. Senate and the Congress.

It was clear there was to be competitive bidding. But the U.S. Navy thinks they are more powerful than anybody in the whole world, and they have no responsibility to the Congress of the United States. The U.S. Navy flaunted the will of Congress, and when my staff called congressional liaison with respect to this matter, what was the response? I will tell you. He was told that the admiral said:

Go out and get that blank blank airplane.

And they did, without competitive bidding.

Now, I ask you: Who is it that thinks they are so powerful, so important, so definite in their rightness that they do not have to use competitive bidding when they procure an airplane?

Ninety-five percent of the procurement dollars are spent without competitive bidding. And we go back to the Secretary of Defense and we pound at the door, and we tell him: "We need to use competitive bidding," and he says, "I agree," and then they still do not use competitive bidding. And the Secretary of Defense, the very powerful "Cap the Knife," who is going to come in and put some economies in place for the U.S. Navy, well, he just does not do that. He is not inclined to. And "Cap the Knife" is "Cap the Pussycat" when it comes to the matter of competitive bidding. He has failed to meet his responsibilities.

As a matter of fact, we tried to work with the Secretary of Defense and Deputy Secretary of Defense Carlucci. And I give Mr. Carlucci credit. He came out with 31 new initiatives in response to an 8-page letter that Senator GOLDWATER and I sent to the Secretary of Defense. And some of those initiatives were definitely steps in the right direction.

But do you know what? They forgot one. They forgot to put in the matter of competitive bidding. And when I called that to the attention of Mr. Carlucci, I am pleased to say that there was a 32d initiative.

But I do not understand why—except that which Eisenhower called, after he had left office, the military industrial complex—it is so difficult to get the Department of Defense to do that which they should do.

What is so absurd, what is so unusual, what is so wrong about competitive bidding? Every Member of this body represents a constituency that has within it little communities, towns and townships, counties and States, and whatever kind of political body, city councils. And they require competitive bidding of anything that is over $5,000 or $10,000, whatever the number.

And do you know something, that is in the law, too, as far as Federal procurement is concerned as pertains to the Department of Defense.

But do you know why they do not do it? Because there are 17 separate exceptions. And when I went to the Department of Defense, to Caspar Weinberger, I said, "Mr. Weinberger, why don't you make the decision as to using one of those 17 exceptions? Why don't you do something about it? Why don't you see to it that somebody is at your right arm and that only he or she can sign off if you are not going to use competitive bidding?" I failed to get an adequate response.

As a consequence, the people of this country are charged billions and billions of dollars additional where noncompetitive bidding is used. I wish I could say to my colleagues in the Senate that this amendment is going to solve that problem, but I would be kidding you because, in all honesty, this amendment is just a little tip of the iceberg with respect to the problem of competitive bidding by the military.

Everybody talks about how much money we ought to spend for the Department of Defense. Shall we go up 5 percent or 10 percent or 3 percent or whatever? If we were to take a strong position and require competitive bidding, you could probably pick up $15 billion a year additional.

Senator PROXMIRE did a study at one time and it was absolutely unbelievable how much money could be saved if competitive bidding was used. And other committees and the GAO and the Comptroller General have made studies as to how many millions and billions of dollars could be saved if competitive bidding was used. But there is a kind of arrogance over there in that Department of Defense that is not to be believed. Incidents like this should not happen, having to do with this particular plane.

But I say to the Armed Services Committee and I say to every Member of this body who is concerned about cutting the budget, who is concerned about providing enough dollars for the Department of Defense: "If you put your shoulder to the wheel, if you would quit worrying about particular contractors that are within your own State and worry about the country and require competitive bidding, except where the technology is so complicated that competitive bidding is not feasible, we would be saving this Nation billions of dollars."

Now I say to my colleagues that the facts are that the Department of Defense and the Army and Navy and the Air Force are unwilling to be good citizens with respect to this issue. If they were good citizens, they would bite the bullet and they would require competitive bidding, except in those few instances when it is obvious that you need such new technology that it cannot be done. But now they buy everything under the Sun without competitive bidding. I must say that it is not unusual that those from whom they buy quite often wind up being the employers of those who were the procurement officers in connection with those purchases.

I am concerned with language that appears on page 180 of the committee report with regard to turboprop component of the CT-39 replacement program. That language now reads "Priority consideration shall be given to aircraft of a type and model currently in the inventory."

My concern, Mr. President, is that this language could be construed as justification for yet another sole source procurement of the C-12 which, happens to be the only aircraft that meets the "in the inventory" test.

Mr. President, my amendment is designed to insure that this acquisition will, in fact, be competitive.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I shall not detain the Senate but a few minutes. The Senator's amendment touches on an important principle of management and expenditure of public funds requiring of competitive bidding procedures. I am not contesting that one bit. It is a fine procedure and often necessary, as he said.

I do not think that it is an absolute guarantee to all evils. There has to be adjustments. I want to submit to the body one of those special conditions for what I hope will be a modification of this amendment in the present form.

I believe it is covered best in this way, Mr. President. To give an illustration, we have a fine maintenance and logistic facility there in Jackson, Miss., which has been doing some work on this type of aircraft. And I want the little service institution that it has become, rather than just to jump out in the street and everybody fired, I want the consideration—not a relief program in any way, but what will be the low bid after all—in this case, to be one that takes into consideration the added cost that the Government will have in maintenance, logistics, and training costs.

Those are the three things that I was thinking about.

I am going to propose the following amendment, or maybe it can be a modification by the Senator:

Such bidding procedures shall include consideration of the total costs to the Government of leasing such aircraft, including maintenance, logistics, and training costs.

Mr. President, many years ago I was the chairman of the Military Construction Subcommittee. We handled hundreds and hundreds of items. I found out then that the total cost to the Government of a change that was going to be made was the true guide, not just what might be the cost of putting up a building or building a plane, but what was the total amount that the Government was going to have to pay. I found that these auxiliary payments and outside things that had to be done to make the change often ran into large sums of money.

I know, too, that is a problem even today.

These words here are just to make it more competitive so that the outgoing dollar of the Federal Government, before it is paid out, will have consideration given to that local situation. Nobody pays anything or anything of that kind, but that is what the Government will face if we make a change and that would have to be considered.

I might inquire if the Senator would modify his amendment just to include that last sentance that I read.

Mr. METZENBAUM. I am always pleased to accommodate the distinguished Senator from Mississippi.

As I read the language proposed, it will strengthen the requirements of competition by insuring that the Air Force will seek competitive bids on the total package.

Does the Senator from Mississippi understand clearly that if I accept his amendment, there will be a definite requirement for competitive bidding on the total package?

Mr. STENNIS. Yes; that is what I would expect, that there would be competitive bidding on the total package, if this addendum that I suggest is added.

Mr. METZENBAUM. Mr. President, I would like to inquire of the distinguished manager of the bill as to whether or not he shares my interpretation of the meaning of this language.

Mr. TOWER. The interpretation of the Senator from Ohio is correct. I can assure the Senator that it is the intention of the committee that fully competitive procedures be followed with regard to this CT-39 replacement or leasing program and the language proposed by the Senator from Mississippi will in no way inhibit full and open competition.

Mr. METZENBAUM. I thank the Senator.

I would like to inquire of the distinguished Ranking Minority Member of the Armed Services Committee his view on this proposed addition. Specifically I would be interested in his views on what effect this language would have on competition.

Mr. JACKSON. I would be happy to respond to the Senator from Ohio. The Senior Senator from Mississippi and I have discussed this amendment and his proposed language. I would like to assure the Senator that, in my view, the effect of this additional language would be to insure that the competition required for leasing the CT39 replacements include an assessment of the full costs of such leasing and would in no way limit competiton.

Mr. TOWER. Mr. President, I am prepared to accept the amendment of the Senator from Ohio. I think it has been worked out to everybody's satisfaction.

Mr. STENNIS. Will the Senator yield? The amendment, as modified.

Mr. TOWER. The amendment, as modified. As I understand, the Senator from Ohio has accepted the modification.

Mr. METZENBAUM. With the understanding that there is no limitation provided for competitive bidding.

Mr. STENNIS. I think the Senator from Texas made it clear in the preceding colloquy that that was the case.

The PRESIDING OFFICER. Will the Senator from Mississippi send the modification to the desk?

The amendment has been so modified.

The amendment, as modified, is as follows:

At the end of part L of title I of the bill insert the following new section:

REQUIREMENT FOR THE USE OF COMPETITIVE BIDDING PROCEDURES FOR THE LEASE OF CT-39 REPLACEMENT AIRCRAFT

SEC. . None of the funds appropriated pursuant to an authorization of funds contained in this Act may be used by the Air Force for the lease of any CT-39 replace-

ment aircraft unless competitive bidding procedures are followed in the awarding of the lease for such aircraft and the bidding on the lease is open to all qualified domestic firms. Such bidding procedures shall include consideration of the total costs to the government of leasing such aircraft, including maintenance, logistics and training costs.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The Senator from Washington.

Mr. JACKSON. Mr. President, I merely want to join the distinguished chairman of the committee (Mr. TOWER) in saying that I heartily support Senator METZENBAUM's amendment, and as modified by the distinguished senior Senator from Mississippi.

Mr. METZENBAUM. Mr. President——

Mr. FORD. Will the Senator yield?

Mr. METZENBAUM. I yield.

Mr. FORD. Will the Senator add me as a cosponsor of his amendment?

Mr. METZENBAUM. Certainly.

Mr. PRYOR. I was an original cosponsor. I would like to be added as a cosponsor of this amendment, as modified.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the Senator from Arkansas (Mr. PRYOR) and the Senator from Kentucky (Mr. FORD) be added as cosponsors.

Mr. PRYOR. I believe the Senator from Ohio has done fine work in this amendment, with Senator STENNIS' addition.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that both Senator FORD and Senator PRYOR be added as cosponsors of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I was about to ask for a rollcall vote on this amendment, with the feeling being that it would be helpful in keeping this amendment in the bill in the conference. If I can be assured by the chairman of the Armed Services Committee that he will do everything humanly possible to retain the amendment in the conference committee as if the matter had been passed unanimously, if I am assured by him that he can wield the strength of a total vote without actually going to a rollcall vote, I will withhold my request.

Mr. TOWER. I can give every assurance to the Senator from Ohio that I will pursue acceptance by the House conferees of this amendment with great diligence. I believe in the amendment strongly myself. The Senator from Ohio has that assurance. I have reason to believe that we can probably get the House to accept that.

Mr. JACKSON. I join in that assurance.

Mr. METZENBAUM. With the assurance of the chairman and the ranking minority member, I will not seek a rollcall vote.

The PRESIDING OFFICER (Mr. KASTEN). The question is on agreeing to the amendment, as modified.

The amendment (No. 1519), as modified, was agreed to.

Mr. TOWER. I move to reconsider the vote by which the amendment was agreed to.

Mr. JACKSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, the distinguished Senator from Vermont has been patiently waiting to offer his amendment. It is my understanding that this amendment will probably have to be disposed of with a rollcall vote.

AMENDMENT NO. 1520

(Purpose: To extend the period for the transfer of the defense dependents education system to the Department of Education)

Mr. STAFFORD. Mr. President, I send an unprinted amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The acting legislative clerk read as follows:

The Senator from Vermont (Mr. STAFFORD), for himself, Mr. ROTH, Mr. PELL, and Mr. RANDOLPH, proposes an amendment numbered 1520.

On page 128, beginning with line 11, strike out all through page 131, line 6, and insert in lieu thereof the following:

EXTENSION OF PERIOD FOR TRANSFER OF DEFENSE DEPENDENTS' EDUCATION SYSTEM TO DEPARTMENT OF EDUCATION

SEC. 1006. The first sentence of section 302(a) of the Department of Education Organization Act (20 U.S.C. 3442) is amended by striking out "May 4, 1984" and inserting in lieu thereof "May 4, 1986".

Mr. STAFFORD. Mr. President, today I join the distinguished Senator from Delaware, Mr. ROTH, in offering an amendment dealing with the operation of the Department of Defense dependent school system, known concisely as DODDS, which is the system that provides for the education of the children of those who serve in the armed services overseas. This amendment would permit continued authority for the transfer of administration of DOD dependents schools, as required by the Department of Education Organization Act. This amendment would also postpone the effective date of transfer until May 4, 1986.

Mr. President, the DOD dependents schools have operated for more than 25 years as the primary source of elementary and secondary instruction for children in our military installations in every corner of the world. Given statutory authority in 1978, the overseas school system is now operated by the Office of Overseas Dependents within the Department of Defense. Congress, in creating the Department of Education in 1979, required the transfer of responsibility for the operation of DODDS from the Department of Defense to the Department of Education. This transfer was to have occurred by May 4, 1983—a delay of 3 years after passage of the Department of Education Organization Act—in order to give the Departments of Defense and Education time to work out an orderly and effective transfer of jurisdiction and delineation of responsibility. Mindful that such a transfer should not proceed hastily, Congress last year agreed to a 1 year extension of the transfer date—from May 4, 1983 to May 4, 1984.

Mr. President, we have before us today a provision in this defense authorization bill to prohibit the transfer of responsibility for this system as mandated some 4 years ago. This provision, if enacted, would effect a major policy change in the operation of two of our Federal agencies—obivously, the Department of Education and the Department of Defense.

Yet, Mr. President, this provision has never received any consideration at all by the committee with appopriate jurisdiction in this matter, the Committee on Governmental Affairs, chaired by my most distinguished friend, the Senator from Delaware (Mr. ROTH) who is a cosponsor of this amendment.

This DODDS provision in an omnibus defense authorization bill is an unwarranted end run around the comittee system of this body.

I suppose we should not be surprised by something like that occurring, Mr. President, because we seem to be endrunning most of our committees these days. Sometimes, the Senator from Vermont has considered the possibility that the Senate should adopt the House system of going to a committee of the whole and eliminating committees in the Senate altogether and do everything as a committee of the whole.

I hope that my colleagues will reject the DODDS provision of the bill before us so that the committee with relevant jurisidiction could review the transfer through the normal legislative process. In this way, all interested parties would have the opportunity to let their views be known.

Beyond this there are some very strong reasons for keeping the transfer of responsibility for the overseas schools on track. First, a system as large as that of DODDS—a system whose student enrollment would be the 11th largest in the Nation—should be under the jurisdiction of an education agency rather than a defense agency. Second, during deliberations over the creation of the Department of Education, representatives of DODDS testified in favor of the trans-

fer. The National Education Association, the Overseas Education Association—representing over 80 percent of the teachers in DODDS—the National School Boards Association, the American Association of School Administrators, and the National PTA all support the amendment which Senator ROTH and I offer today.

Mr. President, I might also note that the wisdom of Congress in requiring this transfer has been substantiated by many of the findings included in a transfer plan prepared by the Department of Education in May of 1981. The report detailed numerous deficiencies in the management of the system and detailed the necessary administrative and organizational improvements to be carried out during the transfer to the Department of Education.

Permit me to list a few.

In the area of compensatory education—programs available to many of this Nation's stateside schools through the States or the Department of Education—the report detailed deficiencies in parental participation, the lack of individualized education plans, and the absence of specific complaint procedures. All of these are necessary to insure successful implementation of compensatory education programs. Some estimates suggest that a full 23 percent of the students in the DOD dependent's system in grades 1 and 2 need compensatory education, yet only a quarter of these students who need it have access to it.

Handicapped children must confront similar institutional obstacles. The absence of a system of internal monitoring procedures, parental involvement in individualized education program meetings, or access to the programs of handicapped education through the Department of Education are problems common to handicapped students in the DODDS system.

Personnel management under DODDS is also hampered with some very serious problems, not the least of which are the often heard complaints that transfer opportunties for teachers are limited and that transfer procedures are, at best, cumbersome. Further management difficulties range from a lack of comprehensive systems to collect accurate data on students and personnel to the inability to pay teachers on time. Also noted is the absence of complete information explaining the cost of the DODD system as well as the lack of specific budgeting procedures to determine the level of funding necessary to operate individual schools.

While it is obvious that there is much positive to say about our overseas schools, there is much we need to do to insure that the children of those defending this Nation overseas have access to the range of educational programs that the local, State, and Federal authorities have provided to our stateside schools. Transfer to the Department of Education—the agency with authority over programs to educate this Nation's youth—something Congress has decided to do, will promote the maintenance and expansion of quality education programs.

Yet the transfer of a school system this large should not proceed hastily, nor should it proceed in the absence of the ongoing preparatory work required for an orderly transfer. To date, the necessary level of preparation and followup have not been carried out. Reorganization carried out in the absence of this preparation would jeopardize the quality of DODDS programs and detract from the educational experience in these schools.

For these reasons, I offer this amendment together with my colleagues, which preserves the transfer which the Senate previously has voted for—indeed, Congress has voted for—yet postpones the effective transfer date until May 4 of 1986. I urge my colleagues to join Senator ROTH and me in voting to accept this amendment.

Mr. President, I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I support the amendment offered by Senator STAFFORD, the distinguished Senator from Vermont.

Language now in the Department of Defense authorization bill would prohibit the transfer of the Department of Defense Dependents School system from Defense to the Department of Education. This transfer is required by Public Law 96-88, the Department of Education Organization Act.

As Senator STAFFORD correctly pointed out in his statement, the reorganization provision now in the legislation before us would bring about a major policy change affecting two Federal Departments. Yet the Committee of Jurisdiction for Reorganization Matters, Governmental Affairs, has not had the opportunity to review this proposal. The Governmental Affairs Committee members take their responsibility for the oversight of Government organization and management concerns very seriously. I am troubled, therefore, by the prospect that a reorganization proposal such as that included in the DOD authorization bill might be accepted without consideration by the appropriate committee of jurisdiction.

Beyond these procedural concerns, however, it strikes me that we have good substantive reasons for striking the relevant language in the DOD authorization bill and accepting the proposed amendment.

One might reasonably begin by asking what link a school system has with the Department of Defense. These schools do not relate directly to national security or defense preparedness. They do not teach subjects or skills related to the military. In short, the schools are not tied to the mission of the military.

Rather, the purpose of these schools is to educate the dependents of our military personnel overseas. As educational units, they far more logically belong in the Department of Education. This is precisely the conclusion that the Committee on Governmental Affairs reached in the course of its debate over the Department of Education Organization Act. The committee's determination was based upon the broad-based support of the individuals and organizations affected by the transfer.

And the shift of the schools to the Department of Education as now required by law makes good sense. Once in the DOE, the overseas schools will have complete and direct access to the best educational resources and the most current teaching techniques that our Federal Government can offer. The schools that are now somewhat isolated in the Defense Department will be brought into the mainstream of our educational system. This placement in DOE will improve the quality of education overseas and will facilitate the transition of students who alternate between schools overseas and those here at home.

As the 1981 report to the Congress by the Department of Education on overseas schools indicates, serious program and management problems do exist under the current Defense Department arrangement. The transfer of these schools to the Department of Education will provide the opportunity to implement the remedial actions recommended in the DOE transfer report.

It is clear to me, however, that the steps required to prepare for an orderly transfer of the overseas schools have not occurred. To reorganize without completing this groundwork would serve only to damage the schools and harm the quality of the education they provide.

The amendment now before the Senate represents a desirable compromise. It preserves the requirement that the transfer to the Education Department occur but delays the effective date for the transfer to May 4, 1986. This will permit us to satisfy the current provision of the Department of Education Act while allowing ample time for an appropriate transfer procedure to be developed and implemented.

I urge my colleagues to join Senator STAFFORD and myself in voting to accept this amendment.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. QUAYLE. Mr. President, I am delighted that the proponents and authors of this amendment used in their remarks the phrase "quality education," because I believe quality education is an issue, perhaps the most important issue, that we ought to be discussing, whether the DOD schools transfer to the Department of Education or whether they will be retained in the Department of Defense, which has a history going back to the 1880's.

So often we in the Senate get bogged down in jurisdictional battles, trying to see how many employees we have, our turf confrontations, things of that matter. I can well remember that the fight on the Department of Education itself came down more on bricks and mortar than being concerned about quality education for our children.

That is the issue, quality education for our children. I think it is incumbent upon those who want to change the present system and move the overseas schools into the Department of Education to prove somehow that they are not receiving quality education. There ought to be a little bit of proof that somehow the 132,000 students in this program are not receiving a quality education.

Mr. President, that case cannot be made by the proponents of this amendment. They know it. I know it. Anybody who cares about the facts of this issue knows full well that they cannot make the case for quality education because quality education is already in the overseas schools. Quality education is there. If you want to do a disservice to quality education for those overseas school children, I believe that this would be a good way to do it. It is not going to affect the school children in Indiana or Vermont or Delaware or Maine. That is already taken care of. But it is going to affect the quality of education for those students overseas.

Mr. President, I ask unanimous consent to insert into the RECORD a comparison of the SAT scores by the DOD dependents schools and the rest of the Nation from 1976 to 1982.

You will see, Mr. President, that in every single category the DOD schools do better than the statewide schools every single year.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SCHOLASTIC APTITUDE TEST 1976–82—AVERAGE SCORES FOR DOD DEPENDENTS SCHOOLS AND THE NATION

Year	Verbal		Mathematics	
	DOD dependents schools	Nation	DOD dependents schools	Nation
1976	439	431	482	472
1977	443	429	486	470
1978	445	429	484	468
1979	443	427	482	467
1980	435	424	474	466

SCHOLASTIC APTITUDE TEST 1976–82—AVERAGE SCORES FOR DOD DEPENDENTS SCHOOLS AND THE NATION—Continued

Year	Verbal		Mathematics	
	DOD dependents schools	Nation	DOD dependents schools	Nation
1981	435	424	478	466
1982	437	426	477	467

AMERICAN COLLEGE TESTING PROGRAM, SCHOOL YEAR 1981–82—AVERAGE SCORES FOR DOD DEPENDENTS SCHOOLS AND THE NATION

Test	DOD dependents schools	Nation
English usage	19.1	17.9
Mathematics usage	18.6	17.2
Social studies reading	18.8	17.3
Natural sciences reading	22.4	20.8
Composite	19.9	18.4

Mr. QUAYLE. Mr. President, we talk about quality education and I think we ought to. This is, I suppose, one of the first issues we are going to have on quality education as reported by the National Commission on Excellence, which did not get into this particular issue; it was much more concerned about what was happening in the States. But I believe we are at sometime, Mr. President, going to have to look at quality education; we are going to have to get rid of all the encumbrances we have on us, commitments here and there special interests this and that, and just examine quality education on its merits. I daresay that if this issue were examined on its merits, we would not be taking up the Senate's time discussing it.

We had this matter before the Senate Armed Services Committee. It was put in the subcommittee without dissent. It went through the full committee. Not one Senator on that committee raised the issue. I do not know why they did not raise the issue. I suppose one of the reasons they did not want to raise the issue is because when you get in close combat on these types of situations they know full well the merits of the case support retaining the status quo and leaving the overseas schools within the jurisdiction of the Department of Defense. So do not debate it there where we have to get into the merits.

Now we have a situation where we are not going to delete it; we are just going to defer it for 2 years. I believe it is important to address that particular point.

Mr. President, I also think it is important to figure out where we are. We passed the Department of Education back in 1979 and included therein was the transfer of the DOD schools to the Department of Education by May 1983, if my memory of the statistics is correct. It was deferred for logical reasons. There was a loss of concern over transferring these students. There was some concern over whether, in our wisdom of making sure that we created the Department, overseas students should be included.

Well, in 1982, last year, the Senate went on record, 59 to 38, in support of leaving the DOD schools within the Department of Defense. We got to conference committee and the people in the House said, "Well, we have not had hearings, and therefore we ought to at least have some hearings on it even though we agree that the Senate's position is probably right." So we said, "OK, fair enough; we will go ahead and extend it for 1 year and have some hearings."

We have had hearings, and I would think that the hearings spelled out, quite frankly, very clearly that the DOD schools ought to be left alone and that is the reason that no one on the committee—we have Republicans, Democrats, liberals, and conservatives from all walks of life representing various States of this great country of ours—raised the issue but let it go. They knew full well that those hearings bore out, and that was that they ought to be retained within the Department of Defense.

And so here we are today with a deferral of 2 years. I believe that the deferral is perhaps more disruptive—quite frankly, I hoped that the Senate would not reverse itself and say that they wanted to see this transfer to the Department of Education, but it is going to be disruptive. If, in fact, it would pass, and I do not think it will, but just take the hypothetical that it would pass, then all of these teachers, students, and parents overseas, thousands and thousands of them, are not going to know the certainty of the DOD schools.

They will see a bureaucratic fight in Washington, certain groups saying it has to be over here because of—I do not know what reason—but they say it has to be over here. Other people in the Defense Department and the Department of Education will say it should be over there. There will be uncertainty for 2 more years. I do not think that is really what we want to do.

I hope that the Senate will take constructive action and resolve, once and for all, the question of where our overseas children are going to receive their education—through the Department of Defense overseas schools, which has an outstanding record, or is it going to be transferred to the Department of Defense?

Mr. President, we have heard some statements that the leadership—OEO and NEA—support this amendment. They came before the committee, and they do support it. But I have before me a number of unsolicited communi-

cations from teachers in the overseas school system. I think it might be instructive to read some of these communications into the RECORD, to show that even though the leadership supports a certain position, that does not necessarily mean that the people they represent support that position. I should like to read one communication:

Wish to inform you that many European PTA/PTSA convention, delegates overwhelmingly passed a resolution supporting DODDS schools remaining with Department of Defense. Heartily support and endorse your bill.

Another telegram, from Athens, Greece:

Conversely we foresee an erosion of our educational support which would make overseas assignments even less acceptable to military families. Our children's futures are too important to experiment with. We wish you every success.

That is what these people are concerned about—"our children's future."

Here is a letter from Panama:

Prevent low morale, avoid administrative logistics nightmare, keep quality education. Chairman of school advisory committee.

Mr. President, I have a number of other communications. I will read a couple.

The teachers at the Brussels American School feel it would be a tragic mistake to make this change. Our concerns are: Who will provide payroll, communications, APO privileges, logistics, SOFA entitlements, tax free concessions, banking privileges, and all of the other essential services now provided by local military commanders?

Here is another handwritten letter:

As an 18-year member of NEA, let me inform you that not one single teacher that I know wants to lose DODDS to the education department.

Don't let anyone try to tell you that teachers in the DODDS system want a change. If in doubt, try polling the teachers!

If we polled the teachers, it is my opinion that it would show overwhelmingly that they want to stay in the DODDS system because, as the record has pointed out, they have provided exceptional education in this matter—exceptional education that is exemplified by at least a comparison in the SAT scores. They do much better than those stateside.

Here is a letter from Upper Heyford, England:

Transfer of the DOD Schools into the Department of Education would be a monumental travesty against reason, perpetuated by self-interest seeking individuals, and encouraged by a teachers' organization more concerned with its affectations of prestige and grandeur than with the welfare of its members serving overseas.

Another handwritten letter:

I am a teacher with the DODDS schools stationed in Woodbridge, England. We have just been told that our association president . . . has said, "All his teachers want to become a part of the Department of Education."

That is categorically not true. Not only do I not want to see that happen, but I have talked to no teacher who does, whether they are association members or not.

Mr. President, that is just a handful of a number of letters we have received from teachers in the DODDS schools, all saying that they do not want to be transferred. As a matter of fact, they do not know of any teachers who are pushing that.

It is admitted, as had been pointed out, that the national organization supports this, and I suppose from purely a political point of view, it is not a difficult decision. It is not going to affect our individual States. But it does affect 132,000 students, 9,000 professional educators in kindergarten through 12th grade, in 273 schools located in 25 countries.

Mr. President, I oppose this amendment and favor the clear position of the committee on this important issue.

Mr. President, the committee bill as reported has the simple effect of maintaining the status quo in the Department of Defense dependent schools (DODDS). Currently, these schools are managed by the Department of Defense, but legislation enacted by the Congress at the time of the creation of the Department of Education would transfer these schools to the Department of Education by May of 1984. Mr. President, that transfer would be a grievious mistake and cannot be allowed to take place. The proposed amendment would ultimately require that the transfer occur in May of 1986.

The Department of Defense dependent schools have a long history of association with the Department of Defense. The dependents' school system dates back to the early 1800's when the U.S. Army moved large numbers of troops and their families westward to establish posts along America's isolated frontiers. At that time Congress authorized funds to set up schools at western Army posts. Much later, after World War II, it became clear that American troops and their families would continue to be stationed abroad. In order to provide American-style education for the military dependents, the individual services established their own elementary and secondary schools around the world in 1946. The individual military services operated these schools until 1976.

At that time, Congress mandated that the schools then operated by the three military services be consolidated and placed within the Department of Defense to establish one cohesive, uniform school system. The DODDS organization was formed from that mandate and became a field activity in the office of the Secretary of Defense.

Today DODDS enrolls more than 132,000 students in grades kindergarten through 12 in 273 schools located in more than 20 foreign countries. The DODDS schools are accredited by the North Central Association of Colleges and Schools, an American school commission which conducts on-site reviews every 5 years.

The DODDS faculty numbers over 9,000 professional educators. These are highly qualified American teachers who are recruited to live overseas and teach in the DODDS schools on a long-term basis. This system has provided a large measure of educational stability to a highly transient military population. DODDS students achieve higher scholastic aptitude test scores on the average than their stateside counterparts. Because they are academically competitive, they also receive a very fair share of scholarships, grants, and academic awards.

As a separate DOD activity, the DODDS schools are centralized with respect to administration and curriculum, and thus a student's transfer from a European school to a Pacific school, for example, results in very little disruption in the educational process. From top to bottom, the DODDS schools are administered, staffed, and operated by professional civilian educators, although the military services provide important assistance in their support role.

Parents are able to have a voice in school policies through local education advisory committees established for each DODDS school. Additionally, teachers participate in these committees, which are designed to give parents and teachers an opportunity to make recommendations to administrators regarding school matters in the military community overseas. Furthermore, the Department of Defense regularly convenes a national advisory council composed of educators, administrators, and parents, who provide policy recommendations at the agency level.

Mr. President, I would like to outline four compelling reasons for keeping these schools within the Department of Defense and for opposing this amendment:

First, the DODDS schools are now providing a high quality education to military dependents, meeting and even exceeding congressional expectations which were set forth in the charter legislation. There is little likelihood that the Department of Education's administration would significantly improve upon DODDS successes. The Defense schools have established a good record for efficiency, sound management, educational quality, and acceptance by the military community. There are simply no compelling reasons to justify the turbulence and gross inefficiencies which would inevitably accompany a major transfer of control.

Second, Mr. President, defense planning and coordination on a worldwide

basis requires a high degree of flexibility. These plans, potentially involving restationing of forces on a large scale, must also take into account family movements and changes in dependent educational facilities. Under the present structure, a closely coordinated relationship exists between DODDS educators and the military services to facilitate these plans as they relate to military readiness and efficiency.

There is great concern in our Nation at this time for the Voluntary Army and its effectiveness. We have struggled to build opportunities for the men and women who join our Armed Forces to educate themselves and their families, to have pride in their work, and to build a better life for themselves. The Department of Defense overseas schools are a vital part of these opportunities and, because of their excellence, make a very positive contribution to morale. We cannot allow the administrative morass that would be created by making a change now in the DOD schools interfere with the success of our Volunteer Army.

Third, retention of the Defense schools within DOD is in keeping with modern educational philosophy calling for more local control of schools. Operation of the DOD schools by a separate Federal education agency would result in a concentration of school authority far removed from practical daily experience.

Mr. President, what reason could there possibly be behind the plan to move DODDS schools to the Department of Education? I suspect I know. There are over 9,000 professional educators—teachers and administrators—within the DODDS faculty. There are only 5,000 employees in all of the Department of Education today and that number is dropping. The implication is clear. Political supporters of the Department of Education are seeking to more than double its number of employees. To me, this is not justification enough for the harm we are about to do to the quality of education of the dependents of our military personnel.

Fourth, Mr. President, I can see only unavoidable complications should the DODDS schools be transferred to the Department of Education. Transfer of the Defense schools will introduce divided control, which will result in unnecessary complexities in school operations. The cost of operating the schools will increase significantly. Delays, inefficiencies, and confusion will arise out of the school system serving two masters. These adverse effects are unavoidable and will continue indefinitely because of the blurred lines of authority and responsibility within the schools.

Further, the transfer of the Defense school teachers would raise questions involving protection and benefits under the NATO Status of Forces Agreement. Under the terms of the NATO SOFA, the Defense teachers, as DOD employees, are afforded special protections and advantages only so long as they are actually employed by the Department of Defense. A transfer of their employment to the Department of Education will generate questions by our allies which may result in a loss of these host nation benefits. In this regard, I ask that a letter from DOD Counsel William Taft to me be inserted at this point in the RECORD.

Mr. President, I would only say in conclusion that the committee bill as reported is supported by the administration, by the teachers in the system, and by the parents of the children. I have received hundreds of letters, telegrams, and petitions from parents and teachers calling for Congress to keep DODDS within the Department of Defense.

Finally, Mr. President, is it not time we set aside the crude politics of special interests—the politics of interest groups, unions, labor and management, and the Federal bureaucracy—and listen instead to the needs of the children?

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Assistant Secretary of Defense Lawrence J. Korb, an article published in the Los Angeles Times, an article published in the Stars and Stripes, and a letter from the Overseas Federation of Teachers.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., May 24, 1983.

Hon. DAN QUAYLE,
U.S. Senate,
Washington, D.C.

DEAR DAN: The cost information on the enclosed fact sheet was developed by my staff to assist in your efforts to retain the Department of Defense Dependents Schools (DODDS) in the Department of Defense. The fact sheet identifies estimates of yearly net additional costs which could reasonably be expected if DODDS transfers to the Department of Education. In most cases, the Department of Education Report to the Congress was used to identify additional requirements, new programs, or the expansion of existing ones. These program plans generally were not well defined; therefore, it was necessary to estimate the extent to which they would be implemented and their associated costs. Conservative estimates were made in both cases.

If additional information is needed, please call on me. Your support in retaining DODDS in the Department of Defense is appreciated.

Sincerely,

LAWRENCE J. KORB,
Assistant Secretary of Defense.

FACT SHEET

Subject: Estimate of net additional costs which would result from the transfer of the Department of Defense Dependents Schools to the Department of Education.

Discussion: This fact sheet identifies new areas and existing areas of the Department of Defense Dependents Schools (DODDS) educational program which, according to the Department of Education (ED) Report to the Congress, would be recommended for fiscal support upon the transition of DODDS from the Department of Defense to the Department of Education. Estimates are made of the net additional cost which would be required to achieve the indicated level of support.

Area	Basis for calculation of net dollar increase	Net dollar increase
Sharing ideas	Establish one additional ERIC collection and search service. Material and staff cost for center in CONSUS	$100,000
Research and Development (R&D)	Establish one R&D lab similar to those in CONUS. Average NIE support cost for such a lab	500,000
Evaluation program	Provide a "comprehensive" program of evaluation. The evaluation budget for Montgomery County schools is $1.9m; for DODDS it is $6M. The net increasee is shown	1,300,000
Increase host nation contact	$20 per student for field trips and other contact would triple estimated present programs	2,620,000
Increase ESL Services	DODDS spends $100 per student compared to Washington, D.C., cost of $699 per student. Net cost increase of $600 per student for identified 8,000 DODDS students	4,800,000
Increase compensatory education services	Ed identifies a student population of 17 percent of 130,000 or 22,000 students DODDS identifies slightly less than 7 percent or 9,000 students, Difference in teachers 114—$3,420,000; aides: 171—1,710,000.	5,130,000
Do.	Ed wants to test all students in a target school, not just those recommended. Test costs $4 per student	260,000
Do.	Ed wants to provide $455 per student support	6,518,000
	$455 × 13,000	5,915,000
	$67 × 9,000	603,000
Increase talented and gifted services	ED would serve 3–5 percent of the DODDS population. DODDS would serve 1½–2½ percent	2,557,000
	Teacher cost (81)	2,430,000
	Materials cost $14 per pupil	100,000
	Test costs $4 per pupil	27,000
Special education program oversight	Addition of nine persons to existing ED unit (OSERS)	341,000
	1 GS–14 (45K)	45,000
	5 GS–13 (35K)	175,000
	1 GS 7/9 (20K)	20,000

Area	Basis for calculation of net dollar increase	Net dollar increase
	2 GS4/5 (14K)	$28,000
	Benefits (54K)	54,000
Legal Services	JAG legal services would diminish, and ED would be compelled to provide DODDS its own internal legal support. It is estimated that five attorneys, two paralegals, and three legal secretaries would be required to properly service DODDs at a cost of $320,000 for salaries, benefits, and travel.	320,000
Management of Panama Canal College	Four additional personnel spaces	100,000
Personnel	Transfer all professional personnel at least every 5 years. Twenty percent of the approximately 9,000 professionals would be 1,800 moves, as compared to approximately 200 now transferred each year. Additional unmeasured costs would be a greater teacher turnover resulting from the policy of frequent, involuntary transfers..	16,000,000
Travel costs	Inability to use the Defense Transportation system will double PCS costs and increase TDY costs by 25 percent	(PCS) 36,600,000 (TDY) 500,000
Nonreimbursable support services	Services presently received for which no reimbursement is currently provided; e.g., fire and police protection, communications, and postal services	15,000,000
Above-school-level staffing	Based upon data contained in the budget prepared by the Department of Education, 42 above-school-level spaces would be added.	1,028,000
Total		93,674,000

[From the Los Angeles Times, Monday, Jan. 3, 1983]

U.S. Schools Overseas Get High Marks

(By Lee May)

WASHINGTON.—In Naples, Italy, Air Force Maj. Gary Hawksworth tells the story of an Italian neighbor who asked why the Hawksworths have no television in their home.

"I told him it's because my son has started reading a lot more than he did when we were in the States," said Hawksworth, whose 12-year-old son, Kirk, attended a Monterey, Calif., public school before transferring to the Forrest Sherman High School in Naples, part of the worldwide network of educational facilities operated by the Defense Department for the children of U.S. servicemen stationed abroad.

And a greater taste for reading is not the only thing Kirk Hawksworth picked up in his overseas classroom. For a complex set of reasons, students like Kirk seem to be getting significantly better educations than students at schools in this country.

HIGHER THAN COUNTERPARTS

For seven straight years the seniors in the 63 high schools maintained by the Pentagon in 20 countries have scored higher than their stateside counterparts on both the Scholastic Aptitude Test and the American College Testing Program.

In the SATs for the 1981-82 school year, the most recent ones available, the Pentagon reported that overseas high school students averaged 437 in verbal testing, 11 points higher than students in the United States. In mathematics testing, the Pentagon said students abroad averaged 477, 10 points higher than the average in the United States. The highest possible SAT score in each category is 800.

According to the Pentagon, overseas students outscored those in this country in all areas of the ACTP—including natural sciences, reading, English, mathematics and social studies. The composite score for the military school students was 19.9, compared with the national average of 18.4, the Pentagon said.

OTHER REASONS CITED

Students, parents, educators and testing officials in this country and abroad say students overseas perform better not only because of the television factor—in some places programs are not broadcast in English; others receive Armed Forces programming—but for a variety of other reasons, including:

Greater discipline. In stark contrast to the classroom chaos many U.S. teachers complain about, schools overseas usually get high marks. Sanford Jameson, director of the international arm of the College Entrance Examination Board who helps overseas seniors select colleges, says, "although the schools aren't run like the Army, they are orderly."

More parental involvement. Often sporadic or non-existent in stateside schools, educators say parental participation is expected—even demanded—overseas. Elizabeth Filosa, academic administrator of the American High School in Naples, said military fathers are ordered to ride as monitors on school buses. "And there are no exceptions and no excuses," she said, "even if the father is an admiral."

More highly qualified teachers. The 271-school system employs teachers whose certification requirements are uniformly high. Also, because of the desirability of foreign travel, the pool of applicants is deep and wide. For instance, the recent announcement of 531 vacancies in the system drew applications from 5,000 teachers.

A no-frills curriculum. The 134,000 students in defense schools overseas get a "three-Rs" program that is "standardized," Jameson said. "A student can transfer from one part of the world to another without missing a beat."

The list of reasons goes on. Several experts mentioned the relative sophistication of students abroad compared with those in this country.

An example: For Andrea Mogenis, one of the more exasperating things about going to school overseas is coming home.

The 17-year-old senior at Bonn American High School in West Germany returned to Virginia last summer and found that her five years in Europe had made some of her old friends seem painfully backward. Now back in Bonn, Mogenis recalled recently that "sometimes I felt I was a little less American than they were, but I felt I was better off for having lived overseas.

Exposure to varying cultures and travel helps broaden students, many experts say. Filosa in Naples said such experience makes overseas students "more enriched." She added: "Our students take field trips to The Hague, which would be hard to do from Madison, Wis."

Despite the high praise, the military-run system is not without controversy.

Even some who praise the schools concede that some schools are afflicted with some of the same problems confronting educators back home. Most often mentioned are drug use among students. Also, administrators said, they need new buildings at some schools to replace antiquated structures.

Some critics contend that the $402-million-a-year system with its 11,000 employees (8,000 of them teachers) should be taken away from the Department of Defense and placed in the Education Department. Education is not a high priority for the military, the argument goes.

Jack Rollins, president of the Overseas Education Assn., an affiliate of the National Education Assn., puts it this way: "As long as (the Department of Defense) maintains control, you're not going to get quality education."

As for the test scores, Rollins said, "I doubt those statistics." He called the release of the test data "a snow job every year."

Beth Stephens, director of the system, which is based in Alexandria, Va., defends the statistics, saying the examinations are standardized and impartially administered. "We are operating a very good system right now, as evidenced by our test scores," she said.

The dispute over whether to move the system—which was consolidated from individual service schools in 1976—into the Education Department has spilled over into the halls of Congress. The schools had been scheduled by law to go to Education in May, 1983, but that was delayed for a year, and supporters of the status quo are confident that Congress will again push back the transfer date. Their confidence stems from the fact that the Reagan Administration is adamantly against transferring the military schools into a department that it does not want anyway.

Because the Administration wants to dismantle the Education Department, it has lobbied hard to prevent any move that would further entrench it in the federal government. The Administration and supporters for its position argue that the military, because it already has bases scattered around the world, can best provide supplies and other crucial support for the huge school system.

Giving the Education Department control of the system would be "a logistical nightmare," Greg Humphries, director of legislation for the American Federation of Teachers, said. The assessment aside, the test scores seem a powerful argument in favor of leaving the schools where they are. So powerful is this argument, in fact, that stateside educators are looking at the system to determine what techniques they can apply to their own systems.

Many say the "basics-only" curriculum should be copied. Others say higher teacher standards should be adapted. (California recently began testing new teachers, administrators and aides in reading, writing and mathematics.)

But the lesson most stateside educators said they learned from looking abroad is summed up in just one word: money.

In the 1982 school year, the Defense Department schools spent an average of $3,063 to educate each student, according to Kay Garvey, spokesman for the schools.

California spent $2,000, Alexander Law, chief of program evaluation and research in the Education Department, said. With hard economic times, shrinking state budgets and

cutbacks in federal aid to education, Law said, most state systems have to struggle "to get through the year."

The disparity between the SAT scores of overseas students and those in California was even greater than that for the rest of the country, as California was the only state to show a decline in the scores on the last test. The 99,000 Californians who took the test averaged a one point decline on the verbal section and a one point drop in math scores as well.

Of the 12- and 11-point gaps, respectively, Law said: "I'm surprised it isn't more."

[From the Stars and Stripes, May 17, 1983]

PTSA CONVENTION COMES OUT AGAINST TRANSFER OF DODDS

(By Charlie Bowden)

BERCHTESGADEN, GERMANY.—The European Parents, Teachers and Students Association last week threw its support behind a move to block the proposed transfer of the Department of Defense Dependents Schools to the Department of Education.

The move was among 10 resolutions adopted Thursday at the 25th annual convention of the European Congress of American Parents, Teachers and Students (ECAPTS).

Dr. Beth Stephens, DODDS director, addressed the group May 10 and said that DODDS is opposed to the transfer. She told the delegates representing 41 schools in three European school regions that such a move would only "add one more bureaucratic layer to the paperwork required to run the school system."

The transfer was scheduled to take effect May 1, but was postponed until May 1, 1984. The Department of Education is also opposed to the transfer of responsibility.

The 26,000-member organization also adopted a resolution asking DODDS to alter its curriculum requirements to include at least one year of host-nation language and a semester of host-nation culture and history for junior and senior high school students. Principals could grant exceptions to this policy, according to the PTSA resolution.

One proposed resolution, which was tabled after lively debate, concerned religious programs in the overseas school system. The resolution asked that DODDS adopt a policy and a set of rules governing the observance of religious beliefs, customs and holidays.

However, it was pointed out that DODDS, at least in the Germany Region, has a policy, which was issued May 12, 1982. The policy prohibits DODDS employees from advocating or supporting any particular religion.

The regulation states that, "to maintain neutrality, schools will avoid exposing students to any form of indoctrination in any particular religious belief. Therefore, official prayer, posing materials, displaying symbols, using film or tapes, verbal instruction and any other form of communication which promotes any religion are not sanctioned during the school day on the premises and at school-sponsored functions."

Chuck Jennings, who was re-elected unopposed to a second term as president, said the organization will begin a letters campaign to key congressional leaders promoting the PTSA's position. Jennings is an elementary school teacher at Rhein-Main AB, Germany.

Other officers elected at the convention were: Lt. Col. D. C. Gilley, Wuerzburg, 1st vice president; Angela Pfeifer, a student at Kaiserslautern high school, 2nd vice president; Phyllis Avella, Wildflecken, Germany, secretary; and Sallee Johnson, Frankfurt, treasurer.

Regional vice presidents elected were: Gail Hanson, Alconbury, England, Atlantic region; Kathy Peters, Spangdahlem, Germany, Germany Region; and Elizabeth Filosa, Naples, Mediterranean Region.

The PTSA honored Lorraine Bates, a kindergarten teacher-aide at Bitburg AB, as educator of the year. Pat Coleman, new president of the Naples elementary school PTSA, was chosen parent-volunteer of the year. The Giessen PTSA was named the honor unit of the year.

OVERSEAS FEDERATION OF TEACHERS, AMERICAN FEDERATION OF TEACHERS (AFL-CIO),
Verona, ES, January 31, 1983.

Dr. E. BETH STEPHENS,
Director, Department of Defense, Office of Dependents Schools, Alexandria, Va.

DEAR DR. STEPHENS: The letter to the Stars & Stripes editor by Dr. Albert Baxley, teacher at H.H. Arnold High School (Wiesbaden, Germany) accurately reflects the OFT's position regarding the proposed transfer of the Department of Defense Dependents Schools to the Department of Education.

Outside of being a highly respected teacher at H.H. Arnold High School, Dr. Baxley is also a charter member of the OFT and is serving as the President of Wiesbaden Local of the OFT.

Sincerely yours,

ERNEST J. LEHMANN,
President.

SAYS SUPPORT FOR DODDS TRANSFER LIMITED

Parents of students in Department of Defense Dependents Schools (DODDS) must be mystified by the recent article entitled, "System's transfer could hurt teachers."

The teachers they know firsthand do not want these schools to leave the Department of Defense (DOD) and go to the Department of Education. DOD opposes the move; even the Department of Education is against it.

Informal polls indicate that over 95 percent of the teachers want DODDS to stay in DOD and not go to the Department of Education. Teachers are convinced that such a move to the Department of Education would mean a loss in quality of education for the students, as well as personal losses for themselves.

Why, then, does the president of Overseas Education Association keep pushing this transfer?

The mystery clears up when one knows the origin of the Department of Education. In the presidential campaign of 1976 candidate Jimmy Carter promised the National Education Association, the mother organization of OEA, that he would establish a separate Department of Education, if the NEA would officially support his candidacy.

The NEA did support Carter and, as president of the United States, he did establish the Department of Education. The NEA regards the Department of Education as its own baby and claims to enjoy great influence in and on that department.

The NEA wants its baby to grow. A quickie fix to the growth problem is to transfer 10,000 or so DODDS teachers and non-teaching personnel into the Department of Education. Since this is what NEA wants, it is also what some OEA officials want.

What is good for the NEA, however, is not necessarily good for students and teachers in DODDS; in this case, it would be a great loss for students as well as for those of us who teach in DODDS and those of us who have children in DODDS.

Another reason given for the transfer is that DOD has not managed DODDS as well as it should have. Dr. Lawrence Korb himself pointed out that these schools are suffering from 20 years of neglect by DOD (The Stars and Stripes, Sept. 9, 1982).

There are serious managerial deficiencies in DODDS at present. DODDS does not contain internal corrective mechanisms to balance off its bureaucratic bias. The DODDS hierarchy has not lived up to its mission of helping teachers to teach.

Despite the many flaws in the DODDS organization, the probability of achieving a higher-quality education for students is greater with DOD than Department of Education. Teachers think so; parents think so.

How, then, can OEA President Rollins contradict teachers and parents by indicating that, "Members of the teachers' union could not possibly support the school system's transfer if they thought they might lose benefits"?

His words are misleading. The teachers' union does NOT support the transfer. There are just a few officials of one lonely association who support the transfer.

The members of that association oppose the transfer. Rollins has not polled the members, as he should; this lobbying of his is not authorized by his constituents.

What can parents do to keep DODDS in DOD? We must write our congressional representatives promptly, succinctly, and unequivocally that we want these schools to remain in DOD; we do not want them transferred to the Department of Education.

What can members of the union and the non-alined teachers do to prevent this transfer? The same as parents; write to our congressional representatives. In addition, however, we can ask individual members of that association (which elected Rollins) to join in the campaign to keep DODDS in DOD.

Those members paid dues of $209 this year; that should entitle them to a voice in the crucial decisions of their own organization. They should write Rollins and tell him briefly and unmistakably what they stand for; it will be a truly "professional" learning experience for all involved.

The letters will help keep these schools in DOD.

Dr. ALBERT BAXLEY,
Teacher, H. H. Arnold High School, Wiesbaden, Germany.

Mr. STAFFORD. Mr. President, unless my colleague and cosponsor wishes to speak or someone else wishes to speak on this amendment, we are prepared to go to a vote.

Mr. JEPSEN addressed the Chair.

Mr. QUAYLE. Mr. President, will the Senator yield?

Mr. STAFFORD. I yield.

Mr. QUAYLE. Mr. President, I have told a couple of Members how long I was going to speak, and I said we would try to vote around 5:50. Maybe we can do it without a rollcall vote.

Mr. STAFFORD. There should be a rollcall vote. In fact, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, here we go again. There has been 35 years quality education delivered to military dependants overseas that by all standards is head and shoulders above the education that is provided in the public school systems in this country.

There are a number of ways that we evaluate schools, school systems, public education or education period. One of them is how the students are doing academically. Another is what the opinions of the parents surveyed are. Another is how efficiently the schools operate on a cost basis. A final one is how the teachers themselves view it.

Since the distinguished Senator from Indiana has covered most of these points rather well, I wish only to summarize each one to try and create a better understanding of why we are debating an issue again for which the evidence overwhelmingly supports leaving things as they are. Why fix it if it is not broken? We merely have another instance of a power grab by the leaders of the National Education Association that is not even supported by the membership.

As chairman of the Manpower and Personnel Subcommittee, I might add that we have had analyses presented in a report that show the intentions of military members to reenlist and their willingness to accept other overseas tours are significantly related to their perceptions of the quality of the Department of Defense dependents schools.

This finding alone shows the close relationship between the schools and the military community they serve.

But first of all let us ask, how are the students doing? What is happening? And in any school system we have to look at what the students are pursuing academically. Students in the DODDS high schools tend to take more academic course work, especially in math and science, than stateside students.

This advantage was reflected in the larger proportions of DODDS students meeting newly proposed admission standards for various colleges and universities.

When we compare the information in the recently published report on the National Commission on Excellence in Education with the result of the comprehensive studies of the DODDS, very few American school systems could state they are providing as good an education for their students as DOD dependent schools.

For the seventh consecutive year, Mr. President, DOD scholastic aptitude test scores have been significantly higher than the national averages. While some schools are beginning to encourage back to the basics, DOD's response is "We never left them."

Second, what do the parents think of this? The survey in the Gallup Poll on the public attitude toward public schools in this country indicates that, compared with the same survey made of the parents in the overseas school system, the approval rating was half that of parents with children in DODDS schools. In fact, over 50 percent of the parents surveyed in the DODDS school system as compared to only 23 percent in this country would grade the schools with an A or a B.

Third, school costs are a factor. The evidence shows that DOD schools have lower costs than stateside schools.

Fourth and finally, what of the teachers themselves? The teachers themselves have shown overwhelmingly in both communications and telegrams, that they do now want to be transferred to the Department of Education. It is quite ironic that according to the volume of mail which has been received, the teachers are opposed to transfer to the Department of Education because of a number of issues, not the least of which is the potential loss of the status of forces benefits that are now available to the DODDS teachers. I might also point out that a large majority of these same teachers are affiliated with the Overseas Educational Association which is the overseas affiliate of the NEA.

In summary, Mr. President, let us get this issue behind us and vote for continued excellence in the education of children of our military personnel.

I urge Senators to support the committee proposal to permanently block the transfer of these schools to the DOE.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the DOD general counsel concerning the loss of SOFA benefits.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF
THE DEPARTMENT OF DEFENSE,
Washington, D.C., July 12, 1983.

Hon. DAN QUAYLE,
U.S. Senate, Washington, D.C.

DEAR SENATOR QUAYLE: I am informed that you recently introduced legislation that would rescind the transfer of the Defense overseas schools to the Department of Education, a move which would otherwise occur by May 1984. The Secretary of Defense fully supports your proposal, and it is hoped that Congress will act expeditiously to retain the overseas schools within this department.

You have asked whether a transfer of our overseas educators and administrators to the Department of Education might raise questions with respect to their status under the NATO Status of Forces Agreement (SOFA). While this is a matter within the primary jurisdiction of the State Department, it is my opinion that such questions might indeed arise.

Under the NATO SOFA, civilian educators employed overseas by the Department of Defense currently receive NATO host nation benefits and exemptions that are not extended to the overseas employees of other Federal agencies. This is because such employees come within the term "civilian component" defined in Article I of the Agreement. However, if not employed by DoD, such personnel would no longer qualify as members of the "civilian component" and the NATO SOFA would no longer apply.

As it stands now under the SOFA, overseas educators are afforded special privileges, including access to military post exchanges, commissaries, and medical facilities, again only so long as the educators are employed by the Department of Defense. Should the Defense schools be transferred to the Department of Education, each NATO host nation would have no further obligation to continue to grant teachers these beneficial privileges.

I am aware that in section 401(f) and 419(a)(2) of Pub. L. No. 96-88 Congress has provided that SOFA benefits for the teachers should be preserved following a transfer of the overseas schools to the Department of Education. However, while these provisions may serve as a clear expression of congressional intent, they are not binding upon the other sovereign nations that are parties to the NATO Treaty. No assurances can be given that each NATO nation will continue granting SOFA benefits to the teachers if they are transferred from the Department of Defense.

Should these SOFA benefits be lost to civilian educators in one or more countries, it would be most difficult to remedy the situation. Many teachers would be financially unable to live overseas in the absence of these entitlements. Moreover, it would be unwise to reopen treaty negotiations over this issue because of the likelihood that concessions deterimental to the United States might be required in other areas of the agreement. Furthermore, it would be prohibitively expensive to raise each teacher's pay by an amount that would offset the reduction in his or her SOFA benefits, if such a reduction should occur.

It is our experience, however, that NATO countries have strictly construed the SOFA entitlements of teachers in the past and might be expected to do so in the future. Consequently, the Department of Defense urges that no action be taken that might jeopardize the favorable SOFA benefits currently enjoyed by the overseas educators.

Sincerely,

WILLIAM H. TAFT, IV.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

Mr. TOWER. Mr. President, I am one of the few Members of this body who is a professional educator by trade. I was privileged to teach in college for several years before I came to the Senate.

My concern always was that students be adequately prepared in the elementary and secondary schools. I found that many of the students whom I taught, although willing and eager, were woefully unprepared for college work.

I think that the DOD schools have had an excellent record in preparing young people in what has been called the basics, in my view, based not only on the facts that have already been presented here by the distinguished Senator from Indiana (Mr. QUAYLE) and the Senator from Iowa (Mr. JEPSEN), but I have had the privilege of visiting the students in these schools overseas, addressing the student bodies of some of these schools, responding to questions from the students, and I believe that they are getting an excellent preparation for college beyond the secondary level.

I think it would be a great mistake to transfer this function ultimately to the Department of Education which, by the way, might not even exist 2 or 3 years hence. In fact, there is a lot of sentiment for dismantling the Department of Education considering that education is in fact primarily a function of State government, not of National Government, and State governments provide most of the funding for and all of the administration for the public school systems in this country. It is primarily the State responsibility.

But whatever the fate of that department might be, I strongly suggest that these schools are doing well. I thank that the current management of them should not be tampered with, and it is my fervent hope that the amendment of the Senator from Vermont will be rejected.

SEVERAL SENATORS. Vote!

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Vermont.

Mr. STAFFORD. Mr. President, before the Senator moves, I hope the Senator would give us an up and down vote on this particular amendment. We had an up and down vote 2 years ago on the same amendment, and I implore the Senator to allow this important issue to be decided on an up and down vote.

Mr. TOWER. Mr. President, I am always very receptive to the entreaties of my distinguished friend from Vermont in whose State my great-grandfather was born. I have always valued his splendid mind, his solid New England character, and his good judgment.

I also feel, however, that I have an obligation to defend the bill, and if indeed my tabling motion failed, I would want the opportunity to perhaps devise an amendment to the measure. Therefore, I would have to reiterate my motion.

Mr. QUAYLE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I yield.

Mr. QUAYLE. Mr. President, I always like to amplify a little bit what my distinguished chairman says and obviously the Senator from Indiana would give enthusiastic support to any kind of an amendment that the chairman would have to offer if in fact this tabling motion should fail.

I hope the tabling motion succeeds because if the tabling motion does fail, then we are going to be into a situation on trying to come up with some amendment.

So I think the Senator from Texas is right on target and I hope for that reason and many other reasons that we just table this amendment and get on with the business of this bill.

Mr. TOWER. Mr. President, I believe probably there is a great deal of strength on the side of the Senator from Vermont and because I fear that awesome strength, I must, therefore, reiterate my motion to table the amendment of the Senator from Vermont.

Mr. MATHIAS. Vote.

The PRESIDING OFFICER. The question recurs on the tabling motion.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee to lay on the table the amendment of the Senator from Vermont.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. BAKER. Mr. President, before the rollcall is answered, this is the last vote. There may be other amendments offered and dealt with by voice vote. There will be no more record votes tonight.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. BAKER. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

Mr. BYRD. I announce that the Senator from North Dakota (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from New Jersey (Mr. LAUTENBERG) are necessarily absent.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any Senators in the Chamber desiring to vote?

The result was announced—yeas 42, nays 50, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—42

Abdnor	East	Humphrey
Baker	Exon	Jepsen
Cochran	Garn	Kassebaum
Cohen	Gorton	Kasten
D'Amato	Grassley	Kennedy
Danforth	Hatch	Laxalt
Denton	Hawkins	Levin
Dole	Hecht	Long
Durenberger	Helms	Lugar
Mattingly	Pressler	Symms
McClure	Quayle	Thurmond
Moynihan	Rudman	Tower
Murkowski	Simpson	Wallop
Nickles	Stennis	Wilson

NAYS—50

Andrews	Ford	Pell
Armstrong	Hart	Percy
Baucus	Hatfield	Proxmire
Bentsen	Heflin	Pryor
Biden	Heinz	Randolph
Bingaman	Hollings	Riegle
Boren	Huddleston	Roth
Boschwitz	Inouye	Sarbanes
Bradley	Jackson	Sasser
Burdick	Johnston	Specter
Byrd	Leahy	Stafford
Chafee	Mathias	Trible
Chiles	Matsunaga	Tsongas
DeConcini	Melcher	Warner
Dixon	Metzenbaum	Weicker
Dodd	Mitchell	Zorinsky
Eagleton	Nunn	

NOT VOTING—8

Bumpers	Glenn	Packwood
Cranston	Goldwater	Stevens
Domenici	Lautenberg	

So Mr. TOWER's motion to lay on the table amendment No. 1520 was rejected.

Mr. STAFFORD. Madam President, I move to reconsider the vote by which the motion was rejected.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, may I say the motion to table did not prevail. As I announced earlier, that would be the last rollcall vote tonight, as indeed it will be.

THE MX MISSILE

Mr. HOLLINGS. Madam President, once more the Congress is being asked to approve a completely unacceptable basing mode for the MX. It has now reached the point of absurdity as the DOD, having depleted all previous basing options for "closing the window of vulnerability" and "enhancing our ICBM survivability," has reached back to the past and resurfaced the discredited notion of fixed-silo basing.

I used the term discredited advisedly because it is the Air Force itself that has sold those bill of goods to the Congress and the American public.

It is not necessary to restate all the criticisms about the MX in Minuteman silos. The misgivings come often and from every source—within the DOD and throughout the Congress. As I have stated repeatedly to my colleagues, it should be sufficient to state that the Senate Armed Services Committee totally rejected such a basing mode during its review of the fiscal year 1983 defense budget request. It concluded at that time that no further work should be done in support of such a basing scheme. The chairman of the Armed Services Committee has stated that "by stuffing the MXs into fixed silos, we're creating just so many more sitting ducks for the Russians to shoot at * * *."

The question is posed repeatedly by those opponents of MX in Minuteman silos as to the justification of such actions. Faint replies by MX proponents of a need for arms control and a show of U.S. resolve are not enough. It is no longer a question simply of the President negotiating arms controls and reductions with the Soviet Union. The negotiations are now held on two fronts. Before phoning the Russians and asking for their ideas on arms control, the President must first negotiate with the Congress. So my colleagues that favor MX say, "Madam President, are you or are you not serious about arms control? Please tell us on order to justify the waste of $30 billion for this program."

I have no doubt that the President would like an arms control pact. What American would not? The question is whether he is capable of putting together a proposal that is acceptable to all parties. That I do have doubts about. But that is the issue with MX. The MX is a missile that time has passed by.

If we are serious about retaining the triad—if we are serious about ICBM survivability—then we should forgo the MX and move to new technologies and new capabilities. A small, single-warhead missile with options for mobile and deceptive basing should be our goal. If we turn American industrial ingenuity free in this regard, I believe that a 1989 to 1990 IOC for a small missile is well within our grasp.

But that cannot happen as long as we are manacled to the doomed theories of MX.

We have every critical needs in both strategic and conventional force areas. We should be concerned about the priorities of each—rather than tilt in the direction of strategic. The defense budgets of the second half of the 1980's decade will not be large enough to accommodate the entire spectrum of the President's strategic modernization program and the conventional needs of our land forces, our air forces, and our naval forces. Beyond this must come an equal concern of having sufficient funds for all areas of readiness and personnel. Approving the MX only exacerbates our forthcoming defense budget dilemma.

Foregoing the MX is not a signal of abandonment of ICBM modernization or of the concept of the strategic triad. Coupled with cancellation of the MX should be a firm commitment for urgent and favorable congressional action on deployment of the Trident D-5 missile and a small, single-warhead missile as rapidly as possible. Further, an upgrade should commence this fall on the current Minuteman III force to provide comparable range, accuracy, and hard-target capability as proposed for MX. According to the Air Force, such an improved Minuteman force can be available within the same time frame suggested for MX deployment. The cost estimate for a Minuteman force comparable to the MX is $12.8 billion including warhead. The cost for MX is $22.7 billion without a warhead. The warhead cost should easily place the total MX system cost over the $25 billion level. Madam President, I ask unanimous consent that tables illustrating these estimates provided by the Air Force be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

MINUTEMAN UPGRADE

[Then-year dollars, in millions]

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	Total
R&D	634.25	733.2	579.67	346.36	206.88	0	0	0	0	0	2,500.36
MSL procurement	0	1,850.58	1,672.59	1,520.55	1,403.15	1,391.07	1,406.75	928.03	37.06	39.2	10,248.98
Milcon	0	11.79	24.68	25.8	26.96	0	0	0	0	0	89.23
Total	634.25	2,595.57	2,276.94	1,892.71	1,636.99	1,391.07	1,406.75	928.03	37.06	39.2	12,838.57

Notes.—(1) 48 months IOC after go ahead; 24 months later for full operational capability. Thus, July 1983 go ahead equals July 1987 IOC and July 1989 FOC. (2) Approximately 350 Minuteman III with AIRS guidance and MK 12A warhead.

Source: Air Staff.

MX PROGRAM COSTS—SCOWCROFT COMMISSION RECOMMENDATION

[Then-year dollars, in millions]

	Fiscal year—							
	1983	1984	1985	1986	1987	1988	1989	Total
RDT&E	2,506	2,034	1,676	897	410	0	0	7,523
Procurement	0	2,536	3,476	3,042	2,878	2,130	661	14,723
Milcon	17	72	141	98	78	71	0	477
Total	2,523	4,642	5,293	4,037	3,366	2,201	661	22,723
Missile buy		27	37	48	48	48	15	

Note.—Excludes Department of Energy costs.

Mr. HOLLINGS. Mr. President, over a long period of time the wisdom of basing MX in fixed silos has been severely questioned. It has been virtually a unanimous position that we should not do it. I have previously provided to the Senate numerous quotes from leading authorities on defense matters that provide sound judgments for opposing MX. I ask unanimous consent that these quotes be placed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MX QUOTES WITH REFERENCES

Sen. John Tower, November 2, 1981—Interview in the U.S. News & World Report:

"By stuffing the MX's into fixed silos, we're creating just so many more sitting ducks for the Russians to shoot at . . . True, the MX missile itself will be more powerful, more accurate—and we need that kind of weapon. But it's of little use to us unless the Soviets are convinced that it can survive an attack. Without that, the Russians will have no incentive to start serious arms-control talks."

Caspar Weinberger, Secretary of Defense, January 6, 1981—Confirmation hearings in front ot the Senate Armed Services Committee:

"I would feel that simply putting it [the MX] into existing silos would not answer two or three of the concerns that I have: Namely, that [the location of] these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces."

Sen. Henry Jackson, October 5, 1981—SASC hearings, "Modernization of the U.S. Strategic Deterrent," page 11:

"My main criticism—and I criticized the Carter administration—is that in the 1980's Minuteman and Titan are vulnerable in those silos. I think you and others properly have criticized that deployment. Then after 8 months we come back here; we have looked at all these other things supposedly,

but it took 8 months to do that, and we end up with what we have now . . . We have given the Soviets a better target to shoot at."

Senate Armed Services Committee report on the fiscal year 1983 Defense Authorization Bill, April 13, 1982:

"The planned interim basing of MX does not redress the problem of the vulnerability of the land-based ICBM force. . . . The $715 million requested for research and development on interim basing of the MX is denied. No further work is to be undertaken in support of fixed-point silos basing of MX."

Sen. William Cohen, December 16, 1982—Congressional Record, page 31518:

"The reason Sam Nunn and I proposed our amendment a year ago was that we were frustrated with what we perceived to be an intention to move forward with an interim basing mode—placing the initial missiles in superhardened silos—that was not survivable, but was costly and probably in violation of the terms of SALT I and II. We specified that the MX funds could not be used for that purpose . . . ."

Rep. Melvin Price, October 6, 1981—Opening statement HASC hearings, Military Posture, part 2, pg. 2:

"What is to be gained by deploying just 36 MX missiles in existing silos? If 4,600 silos of the MPS mode would be too vulnerable to proliferation of Soviet ICBMS, how are 36 or even 100 MXs in fixed silos to be more survivable? What technical knowledge do we have now as to the feasibility of deep silos basing?"

William Perry, Former Undersecretary of Defense, November 13, 1981—SASC hearings, Strategic Force Modernization Programs, pages 441 and 447:

"My concern is that if we had the very accurate, very theatening missile in unprotected silos, and if they do not go to a survivable system themselves . . . that simply increases the hair trigger . . . on both sides."

"I agonized over that and said on balance I would not go ahead with that [MX in silos] because I don't believe we will come up with a survivable basing mode that is acceptable.

"Since I am pessimistic that we will get a basing mode that is both survivable and acceptable, I am opposed to putting a weapon that lethal in an unsurvivable mode, for reasons I have described in terms of hair triggering the alert."

Senate Strategic and Theater Nuclear Forces Subcommittee Report on fiscal year 1983 Defense Authorization Bill, March 24, 1984—(endorsed by Sens. Thurmond, Goldwater, Cohen, Quayle, Jackson, Nunn, Hart and Exon):

"The number of additional warheads that would survive an attack upon MX missiles so deployed [in Minuteman silos] does not appear to justify the costs—assessed at $2.6 billion over the next five years—associated with this basing scheme.

"The Committee also is concerned that the possibility may exist that strategic deterrence and crisis-stability could be jeopardized, rather than enhanced, by the deployment of high-value, military important weapons in so small a number of realtively-easily destroyed shelters."

General Lew Allen, Chief of Staff, U.S. Air Force, January 29, 1981 SASC hearings:

". . . An essential feature of the MX deployment is that the basing mode be survivable. One does not obtain that through placing it in Minuteman silos. Therefore, I do not favor such a deployment."

Dr. James P. Wade, Principal Deputy Undersecretary of Defense, October 27, 1981—SASC hearings "Strategic Force Modernization Programs" p. 42:

". . . If you focus just on the survivability aspect of the value gained by placing the MX in a hardened silo . . . the value is at best marginal."

Harold Brown, former Secretary of Defense, November 13, 1981—Washington Post, op-ed page:

"The Oct. 2 decision adopts an admittedly very vulnerable basing system, and indicates an intention to continue to explore other possibilities for some time in the future. . . . There is talk of further hardening of existing silos for a much-truncated MX force, but since the MX will not be available until 1986, that further hardening, if it is at all feasible, will not be available before the Soviets can install a new generation of guidance systems. The Soviets, using technology that they have already developed, will surely be able by that time to improve the accuracy of their ICBMs further, so that in the case of a nuclear war the hardened MX silos will find themselves in the fireball and in the crater left by the nuclear explosion of Soviet warheads; the silos would not survive such an experience."

Sen. Sam Nunn, December 2, 1981—Congressional Record page 29358:

"The experts who have testified before the Armed Services Committee, and I am sure other committees have had similar testimony, agree that the Soviets today have the combination of yield and accuracy necessary to overcome the levels of hardness contemplated. The MX simply is not survivable in existing silos, whether they are hardened or unhardened. This fact is confirmed by every expert witness who has testified, and it includes also not only governmental witnesses but also knowledgeable outside witnesses, including the Air Force and our intelligence community."

Rep. William Dickinson, October 6, 1981—HASC hearings on Military Posture, part 2, Pg. 4:

"From my understanding of the physics of the problem it is almost impossible to guarantee a respectable level of survivability with missiles encased in a silo of ICBM's. In other words, we are trying to address our so-called window of vulnerability, and I am concerned that we are not closing that window of vulnerability but simply pulling down the shade."

Sen. William Cohen, December 2, 1981—Congressional Record, pages 29338-29341:

"If you believe in the window of vulnerability, then putting those missiles [the MX] in unprotected, immobile silos is a very dangerous move. It's inviting of the very kind of Russian strike that we fear . . .

"It also, I think can be agreed upon that the hardening of missile silos, as has been recommended by the administration on an interim basis, does very little to improve missile survivability, and that such hardening does not reduce the threat of nuclear conflict or strengthen nuclear deterrence . . .

"I think inherently in any decision about having fixed silos, we must deal with the question as to whether or not, by putting these new, bigger, more destructive missiles in a fixed mode we thereby lower that threshold and make them much more targetable, much more attractive for the Soviets to attack in a moment of strategic error, miscalculation, and madness."

Dr. Richard DeLauer, Undersecretary of Defense for Research and Engineering, March 11, 1982—HASC hearings on Military Posture, Part 5, pp. 387, 388.

"The reason that I did not relate interim basing [of the MX missile in Minuteman silos] to the survivability problem is that the resulting survivability will be no better than it is now."

Caspar Weinberger, Secretary of Defense, October 5, 1981—SASC hearings, Modernization of the U.S. Strategic Deterrent, page 21.

"I don't think they (Minuteman silos) can be hardened enough on a permanent basis to warrant putting (MX missiles) in fixed and known silos. I think they can be hardened enough to give added strength for a few years."

Lt. Gen. Kelly Burke, Deputy Chief of Staff, U.S. Air Force, March 15, 1982.

". . . I testified earlier that the Air Force had recommended, irrespective of congressional action, that superhardening was not worth the cost. It had some value. It also had a very big price tag and our recommendation was not to do that."

Sen. Dennis DeConcini, December 3, 1981—Congressional Record, page 29543:

"By placing our most advanced strategic weapon—the MX—in silos which belong to an earlier era of nuclear technology, the President has reduced—perhaps even eliminated—the usefulness of the MX. Hardened existing silos would make a nice target for Soviet planners; it might even encourage them to contemplate a pre-emptive attack because the payoff—America's MX missile—would be so attractive."

Sen. Dan Quayle, December 3, 1981—Congressional Record, page 29498:

"The primary justification for a new land-based missile must be that it is relatively invulnerable to a Soviet first strike. If it is not, it will lose its deterrent value, which is the position we are facing with our Minuteman missiles.

"It continues to distress me that, despite years of discussion and debate, we still lack an acceptable basing mode for the MX."

Sen. James Exon, December 3, 1981—Congressional Record, page 29501:

"Probably the most serious of all is the ill-conceived placing of the 10-warhead MX missile in place of the 3-warhead Minuteman III missile or the single-warhead Minuteman II and Titan missiles which would contribute to the unstable "launch-on-warning" doctrine we should instead be trying to avoid. It makes no sense to this Senator to place a more valuable weapon such as the MX in silos which are becoming more vulnerable with each passing month. During time of tension or warning of actual Soviet missile launch there will be a greater tendency to "use them or lose them" rather than having our land-based missiles attempt to "ride out" an attack and then retaliate. This situation does not contribute to crisis stability—one of the administration's own properly stated goals."

General David Jones, then Joint Chief of Staff, October 5, 1981—SASC hearings, Modernization of the U.S. Strategic Deterent, page 19:

"In my own view, I consider the MX in a very survivable mode to be extremely important to the security of the Nation. I remain to be convinced there is a survivable mode other than MPS. So, if forced with the difficult choice, B-1, ATB, and MX, I would put MX last under the current program slice."

Sen. Sam Nunn, December 2, 1981.—Congressional Record, page 29358:

"There is considerable doubt in my mind about the wisdom of proceeding with an MX program at all if we cannot, at some point,

come up with a reasonable opportunity for survivability of the missile."

Conference report on the fiscal year 1977 Defense Department Authorization Bill, June 1976:

"The rationale behind the development of a new missile system (MX) is to provide a land based survivable strategic force. The development of an alternate basing mode as opposed to a fixed or silo based mode is the key element in insuring this survivable force. The conferees are in agreement that providing a survivable system should not be constrained for silo basing; that none of this program's funds shall be expended in fixed or silo basing for MX; and that none of the program reduction shall reduce the Department's proposed investigations of mobile deployment."

Sen. John Warner, March 24, 1982—Baltimore Sun:

"The MX would be too vulnerable to a Soviet first strike under that arrangement [MX in existing silos] and the Subcommittee saw no point in building the missiles until the permanent basing decision was made."

Sen. John Tower, October 2, 1981:

"I am enormously skeptical to the point of feeling that this plan [MX in Minuteman silos] doesn't give us enough added capability for the money involved and leaves us with a highly vulnerable land-based system."

Sen. Mark Andrews, December 2, 1981—Congressional Record, page 29346:

"If we spend over $300 million to harden a bunch of silos, to put a 10-warhead missile in a fixed point because we are afraid that the Russians are targeting 3-warhead missiles in a fixed point all we do is step up the opportunity for them to take out 10 warheads at a time instead of 3 warheads at a time."

Sen. Alan Dixon, December 2, 1981—Congressional Record, page 14293:

"I support the MX missile. I think hardening of the silos in permanent basing modes, as presently contemplated, invites disaster and is a terrible mistake."

Adm. Stansfield Turner, former Director of the C.I.A., March 13, 1983—New York Times Magazine:

"For several years now, the immediate problem with the MX has been how to base it. Placed in existing silos, it would be vulnerable to surprise attack by the Soviet Union's beefed-up strategic forces—just as vulnerable as our present generation of land-based missiles."

General Ellis, then Commander-in-Chief of the Strategic Air Command, February 18, 1981:

"We must correct our vulnerability by deploying the MX in a mobile basing configuration. . . .

"Senator, if we had the mobility in the Minuteman force that we are building into the MX force we wouldn't need an MX force."

Mr. HOLLINGS. You understand, Madam President, the evidence is overwhelming against the MX. The snow job that MX is a bargaining chip makes the case for the missile even more laughable. I remember the time that Senator Mike Mansfield and I met in Helsinki with the SALT I negotiating team headed by Ambassador Jerry Smith. One of the first things he said to us was:

Gentleman, do not concern yourselves with bargaining chips. The Russians are very sophisticated. They know weaponry. They know every piece of the United States arsenal, its effectiveness and its usefulness. They immediately can see through the attempt to launch a particular defense program as a bargaining chip. If you need it for defense, then you should proceed because it enhances the security of the country. If you do not need it but buy it merely as a bargaining chip, the Soviet negotiators will immediately discount it. It would not have a bargaining effect.

At least then the bargaining was between the United States and the Soviets. I never thought I would see the day when the bargaining chips would be between the Congress and our President. This is a very unfortunate occurrence, one brought on by the hard-line rhetoric of the administration. We do not need militancy. We do not need the confrontational attack. We need understanding. We need credibility. We need to be serious about arms control and let our citizens, our allies, and our adversaries know that.

In the spring of 1982, the Senate Armed Services Committee filed its report on the 1983 defense authorization bill. On March 24, 1982, Senators THURMOND, GOLDWATER, COHEN, QUAYLE, JACKSON, NUNN, HART, and EXON all joined in the report which said:

The number of additional warheads that would survive an attack upon MX missiles so deployed (in Minuteman silos) does not appear to justify the costs—assessed at $2.6 billion over the next five years—associated with this basing scheme.

The Committee also is concerned that the possibility may exist that strategic deterrence and crisis-stability could be jeopardized rather than enhanced by the deployment of high value, militarily important weapons in so small a number of relatively easily destroyed shelters.

Last year we were jeopardizing our security and crisis stability by placing MX in Minuteman silos. What has happened since then to let us wander down such a dangerous and wasteful path?

It is absurd to suggest that the MX is a bargaining chip. The only bargaining position it enhances is that of the Soviet Union, not that of the United States.

The Soviet negotiators must be gratified at the good fortune dropped in their laps. Their counterparts agree to waste $30 billion by taking and dispersing missiles in silos that only make for a bigger bull's-eye to shoot at since the Russians do not even have to change their aim points at all. They do not have to spend any additional money to destroy our ICBM force, and we offer them the scrumptious targets of missiles with 10 warheads rather than missiles with three warheads. Mr. President, if the Surgeon General was asked to comment on this kind of military planning, his words could be summarized as follows: "Warning: fixed-based MX deployment should be considered hazardous to your national security."

I have stated time and again that my first preference before MX would be the Trident II D-5 missile. The idea is to find a survivable missile with a hard target kill capacity and the accuracy envisioned for the MX missile. We will have such a weapon in the arsenal of the United States of America by 1989, and that is the Trident D-5 missile. Several years ago when the Navy came forward with the D-5, some of us were interested in a common missile for different missions. Our question was why should not the D-5 be the common missile—for both land and sea deployment? We could stop the MX and use the D-5 on land as well as in the Trident submarine.

But there was a definite understanding between the Navy and Air Force. We had two branches of the armed services wanting their own missiles and their own contracts. They had to have their own and forget the idea of saving funds by going with a common system. Since they would not join together, we have duplication in effort, we have added cost, and we have an extravagance that we cannot afford.

We have essentially doubled the defense budget from $145 billion in 1980 to $270 in 1984—a span of only 4 years. And now we are running $200 billion deficits and treating them and gigantic revenue losses as the gilded path to an economic utopia. Well the President's economic program is a path all right—the path to economic ruin and the path to economic deprivation for all but the wealthiest—and an uncontrolled defense budget must share in the blame for our economic abyss. The duplication in the Air Force and Navy efforts with strategic missiles only exacerbates the whole mess.

I was emphasizing the hard target kill capability and accuracy I would prefer. I would go from the 15 Trident II submarines in the DOD's 5-year plan to at least 22 Trident submarines. These seven additional submarines—with the D-5 missile on each—would not only provide hundreds of warheads more than the MX provides but at one-half the cost. Let me emphasize that—at one half the cost. Let me further emphasize the bottom line. It would be survivable. As a matter of fact, one Trident sub may likely provide more warheads than the entire 100 proposed MX missiles after a Soviet first strike since it is survivable and the MX fades away in a cloud of radioactive dust.

With Trident, we will have beefed up survivability at one-half the cost, saving $15 billion so we could move to the Midgetman, to the single warhead missile.

But if we cannot accept the approach of canceling MX and moving out rapidly with the D-5 and a small missile

within the next 6 to 7 years, at least we could save the difference between $12 billion by upgrading the Minuteman III in their silos and the $25 billion minimum for MX. If we could go forward and modernize Minuteman with the proper warhead and the proper guidance system, that is, the MK-12A warhead and the AIRS, which is the acronym for the guidance system—on 350 Minuteman III's, we could do that at a cost of $12.8 billion whereas the MX program without the warhead costs $22.7 billion. With the warhead, that MX cost would be far in excess of $25 billion. I have already inserted tables on these costs earlier in the RECORD.

Madam President, a September 1982 Air Force report severely criticized deploying MX in Minuteman silos. The report entitled "MX Permanent Basing (Draft)" found that deploying the MX missile in Minuteman silos fails to meet three primary Air Force requirements: Survivability, strategic stability, and resilience.

The report, classified secret until recently, has been placed in the record of the hearings of the Senate Appropriations Committee on the latest MX plan.

On the failure of the MX in Minuteman silos to guarantee survivability, the report stated:

5.3.3.1 (U) The Soviet's strategic arsenal is sufficient to destroy the majority of the present Minuteman force, while expending a relatively small proportion of their force in the process. If MX is based in Minuteman silos, the incentive for a Soviet first strike and the survivability from a first strike remain the same. The Soviets could attack MX in Minuteman silos in the same manner as they can our present Minuteman force; and, consequently, the MX missile would be at risk.

On the failure of the MX in Minuteman silos to provide resilience against long-term threats, the report stated:

5.3.6.1 (U) The ability of current Minuteman basing (for MX) to respond to the Soviet threat is poor. First, the Soviets are not driven by this basing option to make any type of technological countermoves, save perhaps improving missile accuracy. Second, the effectiveness of technological improvements that can be made, such as additional hardening or BMD, is diluted by the wide spacing.

The section on the failure of the MX in Minuteman silos to encourage strategic stability remains secret.

The summary of this report on basing MX in Minuteman silos concludes:

5.4.2. (U) The use of current Minuteman silos has obvious advantages in environmental and programmatic areas since existing land and facilities would be used. This option would be least costly and cause the least schedule risk. However, it does not provide the required prelaunch survivability to withstand a Soviet first strike and promote strategic stability. It is also not resilient to future threats.

It is fallacious to state that MX deployment is a cornerstone of the United States resolve and will to maintain an effective deterrent capability. Our entire modernization effort is a forceful illustration of United States will. These is an abundance of will and resolve in the Trident with D-5, a new single warhead missile, B-1 and Stealth bombers, Pershing II and GLCM, ALCM, and Stealth cruise missiles, strategic C3, research and development on a BMD system, and a significantly improved Minuteman III force.

The MX in a vulnerable basing mode does not deserve our support. Savings from MX cancellation should be used for higher priority defense needs—the strategic modernization programs discussed above (except for the B-1)—and those critical requirements of our conventional forces and for personnel and readiness items. Unless we address the balance of priorities between strategic and conventional forces today, our options may be severely limited in future years.

A few years ago several of us now in the Senate, and on opposite sides of this issue, were successful in securing defense budgets that provided for 5-percent real growth. Our thrust at that time was to speed up severely needed improvements in conventional forces and to improve the readiness and personnel activities of the DOD.

When we are forced to spend—and waste—billions on the MX, B-1 and nuclear carriers, we are devasting from our earlier hard-fought victory.

We need defense. We need more defense. But, there is a wide range of reform that must happen in the Pentagon before we can get an accurate picture of what must be done to improve our armed services. The establishment of an independent test and evaluation office working for the Secretary of Defense is one step. Thankfully, the Senate has approved that. But there are many others. The staffs within the OSD, the Service Secretariats and headquarters, and the defense agencies need to be reshaped. There should be an independent cost estimate for each system that is totally free from the bonds of a program's advocate whether from the military or industry.

We need more competition at every level of procurement within the DOD.

We need to stop letting the defense industry set American defense policy by pawning off on the military every gold-plated idea for a new or modified system.

We need to tell every Senator and Congressman that kowtowing to the parochial interests of our States and districts because a contractor has set up a business there and then cries for jobs does not mean we are furthering our national security—we may be weakening it.

Madam President, I believe that every Member in the Senate and House realizes these facts. Unfortunately, the institution seems paralyzed to act. I believe that the problem is equally recognized in the Pentagon.

A transformation in policy and actions must occur, and we must have leadership. In my view, this President and his Secretary of Defense are unable to lead. They cannot see the problem so they have become the problem. Spending billions on defense does not mean we are stronger militarily.

There must be a higher commitment for fiscal responsibility to the people of this land. There will be no economy to defend if we do not start cutting these $200 billion deficits. We must all show a shared sacrifice across the board in social programs, in defense programs, in entitlement programs, and in tax spending programs.

I believe that we must get our economy moving, becoming fiscally sound and building a strong defense. We can take the funds saved from programs that are a waste such as the MX missile and the B-1 program and all other programs that are a waste in our national defense effort and throw out the bad ones that do not work, that duplicate others, and that serve no mission.

The savings can be divided among out critical conventional needs such as the rapid deployment force and beefing up the Reserve and Guard—that are now 400,000 people shy of requirements.

I would also emphasize that this is a Senator who has sponsored for the last several years legislation to reinstitute the draft. The voluntary Army is lacking. We have the bodies, but we do not have the skills. From a national government and country standpoint, it is a dangerous anachronism for the most affluent of nations to depend for its defenses on the least advantaged in its society. Our Armed Forces are not receiving that cross section of American population, of America's young people at every level in life. What we need more than a demonstration of military power in this country is a demonstration of will power—that all citizens share in the defense of this Nation.

Madam President, we must find a way to fashion a discipline to hold the line on social programs, on entitlements and on tax spending programs. But when the distinguished President comes and says, "I want my billions more in national defense," even though he has received—since he has come to Washington—about $100 billion in defense add-ons and wants $40 billion more, he loses credibility and no one can hold the spending line if he will not. The American people want leadership not TV gimmicks. The

President should be leading the way toward prosperity, not toward austerity; toward sacrifice, not selfishness; toward discipline not uncontrollability; toward economic sanity, not economic collapse.

For economic commonsense, for military commonsense—we should stop the MX program now.

Mr. MITCHELL. Madam President, I oppose the MX because I believe that its deployment will accelerate the nuclear arms race, will not enhance American security, and will waste over $20 billion at a time when we face already much-too-large Federal budget deficits.

For 12 years—since the Strategic Air Command outlined the need to develop a missile which could survive an attack of accurate Soviet missiles—our Government has been seeking a new system which would make U.S. land-based missiles invulnerable.

The threat was called the window of vulnerability. The Nixon, Ford, and Carter administrations attempted to close it by developing a missile which could be moved rapidly or hidden and thus could not be targeted accurately by the Soviets.

In 1980, as a candidate, Ronald Reagan charged that his opponent had failed to eliminate this threat to our land-based missiles. Unless they were again made invulnerable, our country would be susceptible to Soviet intimidation, Mr. Reagan told the American electorate in 1980.

As President, Mr. Reagan has had no more success in dealing with the invulnerability problem than did his predecessors. What sets him apart, however, is his decision to place the powerful new weapon in the very same silos whose increasing vulnerability had heretofore driven us to seek a survivable new missile.

The President's plan runs counter to logic and to nearly a decade of decision by Congress.

As early as 1976, the Congress concurred with the Air Force's view that the MX should be developed solely to counter the growing problem of ICBM invulnerability. The conference report on the Fiscal Year 1977 Defense Authorization Act stated:

> The rationale behind the development of a new missile system, MX, is to provide a land-based survivable strategic force. The development of an alternate basing mode as opposed to a fixed- or silo-based mode, is the key element in insuring this survivable force. Providing a survivable system should be the only purpose of this effort; none of this program's funds shall be expended in fixed- or silo-basing for MX.

In May 1977, the Senate Committee on Armed Services reaffirmed that view.

In 1981, Secretary of Defense Weinberger voiced the opinion that a vulnerable MX would accomplish little:

> • • • simply putting it (the MX missile) into the existing silos would not answer two or three of the concerns that I have; namely that these are well-known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our force.

The Chief of Staff of the Air Force, which will have operational control of the MX, agreed. General Allen said

> • • • an essential feature of the MX deployment is that the basing made be survivable. One does not obtain that through placing it in Minuteman silos. Therefore, I do not favor such a deployment.

But a reversal in policy has occurred. President Reagan now argues that we need the MX even though it does not solve the problem which it was supposed to solve. He says that to terminate the MX program at this point will demonstrate a lack of resolve to our allies and adversaries, and will undermine the ability of our negotiators to achieve meaningful nuclear arms reductions in Geneva.

Briefly, let us examine these arguments.

The United States, since fiscal year 1980, has increased its defense spending by 25 percent. A further increase of 5 percent is expected this year. The United States has committed itself to produce a new bomber—the B-1—and to develop an even newer hard-to-detect strategic bomber, the Stealth. The United States is adding over 5,000 land, sea and air-launched cruise missiles to the force. The United States is rapidly developing a Trident II missile, which will be more accurate, carry more warheads, deliver a greater payload and have a 50-percent greater range than the currently deployed Trident I missile. In the midst of all the rhetoric about alleged American "weakness", it should be noted that, when fully deployed, a single Trident submarine will have the capacity to carry 24 missiles, each armed with up to 14 nuclear warheads. That will be 336 nuclear warheads, each many times more powerful than the bombs dropped on Hiroshima and Nagasaki, carried by one American submarine; that one submarine will be able to destroy every Russian city with a population of over 70,000—that's every city of about the size of Portland, Maine on up. These are not the actions and plans of a nation lacking in will and suffering from weakness.

As conservative columnist James J. Kilpatrick has stressed,

> The United States now has deployed 1,047 missile launchers with about 2,150 warheads. We have 34 submarines carrying 568 missiles with about 5,000 warheads. We have 270 bombers capable of delivering hundreds of additional missiles and warheads • • • it seems to me "illusory," to suppose that our development of one more missile system will do much to alter the Soviet perception of American will.

The arms control argument for MX in Minuteman silos is equally spurious. The Soviets agreed to the SALT II Treaty which permitted the United States to shufffle 200 mobile MX missiles among 4,600 locations. It is inconceivable that the deployment of 100 MX missiles in 100 existing—and vulnerable—Minuteman silos would gain any strength for U.S. negotiators at the bargaining table.

Each MX missile would carry 10 warheads. The Minuteman missiles which the MX would replace each carry three warheads. While the number of warheads would increase from 300 to 1,000, the threat would not increase as long as Soviet planners possess reasonable certainty that they can destroy the new missiles before they leave U.S. soil. It simply does not offer greater deterrence for the more than $20 billion it would cost.

In 1981, President Reagan wanted to place the MX in Minuteman silos on an interim basis. This effort was blocked when my colleague, Senator COHEN, successfully offered an amendment barring this stopgap measure.

I supported the Cohen amendment in 1981 because I agreed with Senator TOWER, the chairman of the Senate Armed Services Committee, who stated that—

> By stuffing the MX's into fixed silos we're creating just so many more sitting ducks for the Russians to shoot at • • •. It's of little use to us unless the Soviets are convinced that it can survive an attack.

Senator TOWER was right in 1981. His comment on the costs and benefits of MX deployment in Minuteman silos is just as relevant today.

Senator DOMENICI expressed a similar view:

> By placing our most advanced strategic weapon—the MX—in silos which belong to an earlier era of nuclear technology, the President has reduced—perhaps even eliminated—the usefulness of the MX.

If it made no sense in 1981 to put MX missiles in vulnerable silos—as Senators TOWER and DOMENICI, General Allen and Secretary Weinberger, and many others then emphasized—it makes even less sense now.

While the MX missile based in Minuteman silos fails to solve the problem for which it was intended, it moves the United States closer toward adoption of a new policy concerning the way the United States would react to Soviet actions during a period of heightened tension.

The former Defense Director of Program Analysis and Evaluation, Mr. Russell Murray, has put the problem this way:

> The MX, in silos and unable to ride out a Soviet attack, would be useful to us only if we intend to rely on the highly unreliable and immensely dangerous policy of launch-on-warning, or if we intend to initiate thermonuclear war. The decision to build a weapon that would be as devastating in a first strike as it would be useless in retaliation marks a fundamental and ominous change in national security policy.

Some proponents of the new missile claim that it will encourage progress at the Geneva START negotiations. However, nothing to date suggests that President Reagan has any intention of even using MX at the bargaining table. In fact, on December 10, 1982, President Reagan stated flatly: "I am not going to bargain away the MX missile."

And the historical record is replete with instances in which the arms race has been accelerated by the production of new systems approved by governments seeking leverage in arms control negotiations.

We must separate ourselves from rhetoric and face reality. Effective and lasting arms control will not result from the deployment of more missile systems, and a reduction in warheads will not be achieved while the United States and the Soviet Union substantially increase the number of warheads in their arsenals. In the nuclear arms race more is not less.

I believe in a strong America. Plainly, American military strength plays an important role in deterring aggression. But maintaining, even improving our strength is not inconsistent with reaching fair, balanced, verifiable agreements with the Soviet Union to halt the increase in nuclear weapons and bring about a reduction of such weapons.

We are overprepared to fight a nuclear war, but we are underprepared to defend ourselves against a conventional attack. Rather than escalate the nuclear arms race by pouring billions of dollars into ever-more nuclear weapons, we should be improving the ability of our Army and our Navy. We should be paying attention to the less glamorous aspects of defense like modern tactics, ammunition, trucks, refueling vehicles and our rapid deployment capability. We should be more concerned with the proper training of our personnel than with more complex weaponry that may be unusable in actual combat.

There is no security for anyone, anywhere, in a continuing escalation of the nuclear arms race. Our national interest will best be served by improving our conventional defenses while we engage in meaningful negotiations to achieve a fair, balanced and verifiable agreement to first halt the increase and then bring about a reduction in nuclear weapons.

Thank you Madam President.

ROUTINE MORNING BUSINESS

Mr. BAKER. Madam President, I now ask that there be a period for the transaction of routine morning business to extend not past the hour of 6:30 p.m., in which Senators may speak for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed in the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, with amendments:

S. 869. A bill to amend the Export-Import Bank Act of 1945 (Rept. No. 98-183).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WALLOP (for himself, Mr. BINGAMAN, Mr. DOMENICI, Mr. HECHT, Mr. MURKOWSKI, Mr. NICKLES, and Mr. SIMPSON):

S. 1634. A bill to amend the Mineral Lands Leasing Act of 1920 and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM (for himself and Mr. KENNEDY):

S. 1635. A bill to amend title XVIII of the Social Security Act to require that physicians who provide services under part B of such title shall be paid for such services only on the basis of an assignment, and for other purposes; to the Committee on Finance.

By Mrs. HAWKINS (for herself and Mr. CHILES):

S. 1636. A bill to amend the Tariff Schedules of the United States to establish equal and equitable classification and duty rates for certain imported citrus products; to the Committee on Finance.

By Mr. BENTSEN (for himself, Mr. GRASSLEY, Mr. HEINZ, Mr. MOYNIHAN, and Mr. WALLOP):

S. 1637. A bill to amend the Social Security Act to provide an improved system for determining and monitoring the need for a representative payee with respect to benefits paid under titles II and XVI of such Act; to the Committee on Finance.

By Mr. MELCHER:

S. 1638: A bill to amend the Act of June 24, 1938, to allow the Secretary of the Interior to invest certain funds collected by Indian irrigation and power projects; to the Select Committee on Indian Affairs.

By Mr. BOREN:

S. 1639. A bill to provide for the prompt review of Farmers Home Administration loans; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MOYNIHAN:

S. 1640. A bill to provide reimbursement to States and their political subdivisions for revenues lost by virtue of the exemption from taxation of foreign diplomatic and consular missions and international organizations located within their jurisdictions; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SASSER:

S. Con. Res. 53. A concurrent resolution expressing the sense of the Congress that the Tennessee Valley Authority should operate the Ocoee numbered 2 hydro project on the Ocoee River in Tennessee so that water is not diverted from the riverbed for a minimum of one hundred and ten days per calendar year; to the Committee on environment and Public Works.

By Mr. QUAYLE:

S. Con. Res. 54. A concurrent resolution expressing the sense of Congress that the President, the Board of Governors of the Federal Reserve System, the Secretary of the Treasury, and the Chairman of the Council of Economic Advisors should insure the compatibility of fiscal and monetary policy in order to achieve a stable and vigorous economic recovery and a significant reduction in the rate of unemployment; to the Committee on Banking, Housing, and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WALLOP (for himself, Mr. BINGAMAN, Mr. DOMENICI, Mr. HECHT, Mr. MURKOWSKI, Mr. NICKLES, and Mr. SIMPSON):

S. 1634. A bill to amend the Mineral Lands Leasing Act of 1920, and for other purposes; to the Committee on Energy and Natural Resources.

MINERAL LANDS LEASING ACT AMENDMENTS

● Mr. WALLOP. Mr. President, today I am introducing, with several cosponsors, a bill to amend the Mineral Lands Leasing Act of 1920. The purpose of the bill is to correct several flaws in the act which were created by provisions included in the Federal Coal Leasing Act amendments of 1976.

This short bill has only three provisions. The first, and most important, repeals the punitive "Section 3" of FCLAA. Retention of this section will not only limit competition for Federal energy resource leases (including onshore oil and gas, oil shale, tar sands, and coal), but will ultimately work to the detriment of our Nation's energy supply. Also, the bill would repeal two minor FCLAA provisions (requirements that lands within a logical mining unit be contiguous, and that a mine plan be submitted not later than 3 years after a lease is issued) which

can, in some instances, interfere with the complete and efficient recovery of coal reserves.

These three provisions were contained in S. 2704, which was introduced in the 97th Congress and on which hearings were held by the Senate Energy and Natural Resources Committee last year. Unlike that legislation, however, my bill does not address the controversial "diligence" issue, leaving intact the 10-year diligence requirements of section 7 of FCLAA covering new and readjusted leases.

I should also stress that this legislation is not related to the ongoing debate over the current Federal coal leasing program, since its primary concern is with leases issued prior to the 1976 enactment of FCLAA.

Section 3 of the FCLAA generally has been interpreted as prohibiting the Secretary of the Interior from issuing future Federal leases authorized under the Mineral Leasing Act of 1920 to a firm which holds and has held a Federal coal lease for a period of 10 years and is not "producing coal * * * in commercial quantities." This type of punitive provision is found nowhere else in the Federal mineral leasing program, nor in any State mineral leasing program, and goes far beyond the standard lease termination penalty for nonproduction of a mineral lease. Since the Mineral Leasing Act governs the leasing of onshore oil and gas, oil shale, tar sands, phosphate, sodium, potassium, native asphalt, solid and semisolid bitumen and bituminous rock as well as coal, imposition of the section 3 prohibition could potentially affect a multimineral developer's ability to secure new resources, the production of which is vital to the country's economy and security.

A recent study prepared for the National Coal Association by Harry Perry, a distinguished mineral economist with a long career in government and now associated with Resources for the Future, concluded that imposition of the section 3 penalty would:

Upset the equilibrium of the western coal markets by forcing more production by a specified date than the market can absorb at that time;

Diminish competition for Federal coal and other mineral leases by precluding many of the multimineral and coal-only producers most likely to bid on Federal leases from bidding; and

Reduce Federal and State revenues by precluding development of other Federal mineral resources through the elimination of competition for such resources.

The legislative history of section 3 makes it clear that this provision was a reaction to perceived speculation in Federal coal lease holdings, and was an attempt to bring then-existing Federal coal leases into production and to prevent them from being held indefinitely for speculative purposes. In retrospect, the large inventory of Federal lease holdings in private hands by 1970, which was thought to be one indication of speculation, was not excessive, considering the wide ranges of uncertainty regarding future demand for western coals, the variety of coals of different qualties for which reserves had to be maintained, and the requirement of reserves for a mine life of 30 years or more. Historically, the coal industry and others dependent on depletable resources for their marketable products have tried to maintain large inventories to assure long-term supplies. In this respect, the size of the western Federal coal reserves that had been leased by 1970 was similar to the privately owned eastern reserves of coal, after adjusting for differences in anticipated future production rates.

In addition to attempting to address a speculation problem which was more perceived than real, section 3 may foster speculation should its penalty be implemented. As written, section 3 does not force forfeiture of a nonproducing lease, but exacts a penalty only on those leaseholders who wish to acquire new Federal leases. Since bona fide developers who hold pre-1976 coal leases are likely to be desirous of additional mineral leases, section 3 would severely impact those firms; on the other hand, speculators holding pre-1976 leases with no intention of acquiring new Federal leases would remain unaffected by section 3.

A logical question which might be asked is, why can't all or almost all pre-1976 leases be brought into compliance with the commercial production requirements—set by regulation at 1 percent of reserves—by the 1985 deadline? The answer is the current (and projected) "soft" market for coal. According to the Harry Perry report cited earlier, if all pre-1976 leases were producing at 1 percent of this recoverable reserves in 1986, there would be an excess capacity of 120 million tons of coal in that year. Because of this probable supply-demand situation, many pre-1976 leases will not be in commercial production by the 1986 deadline.

While electric utilities and coal companies will be severely impacted should section 3 not be repealed, perhaps the greatest economic impacts will be felt through section 3's effect on diversified energy and mineral companies. A 1981 study by the Office of Technology Assessment reveals that two-thirds of the lessees in the Western States hold at least one lease that is unlikely or uncertain to meet the section 3 commercial production deadline by 1986. Of the 72 publicly owned companies holding Federal coal leases, 49 are also involved in oil and gas development; 4 are involved in Federal oil shale leases. Since the Federal tar sands leasing and the permanent oil shale leasing programs are just beginning, the extent of any conflict with these programs is unclear but would be significant. Many companies, therefore, are faced with the section 3 sanctions which could disrupt oil, gas, coal, synthetic fuels, and other mineral operations.

If a company does not expect section 3 to be changed, it must decide soon to either, one, retain Federal coal leases and risk losing the right to obtain other MLA leases for onshore oil and gas, coal, tar sands, oil shale, and so forth, or two, retain the right to obtain other MLA leases and sell or relinquish currently held Federal coal leases. However, sale or relinquishment may be illusory alternatives. First, the coal lease may have little or no market value. Second, relinquishing coal leases may not be an alternative. Current and proposed Federal coal-leasing regulations permit relinquishment on the condition that there is a "satisfactory showing that the public interest shall not be impaired" by surrendering the lease. This condition has not been defined by DOI, but an adverse interpretation of the language could nullify relinquishment as a method of avoiding the section 3 sanction.

The direct result of section 3 could well be reduced competition, either for Federal coal leases, or for other MLA leases, or—most likely—both. Companies now holding leases subject to section 3 may be forced to choose between continuing to hold coal leases or obtaining future Federal leases for other minerals leasable under the MLA as well as coal. Even companies which may be interested in becoming diversified synthetic fuels producers will find themselves limited to pre-deadline Federal reserves only since new Federal leases for coal and other synthetic fuel resources—oil shale and tar sands—will be unobtainable. Such a situation not only limits competition, but also constricts the range of technological diversity and innovation essential in the early stages of a new industry's emergence.

Certainly, the harshest impact of imposing the section 3 sanctions falls on companies which are presently developing a pre-1976 lease, but are uncertain of their compliance with section 3. This can best be illustrated by an example in my own State.

A diversified coal developer in Wyoming holds a pre-FCLAA Federal coal lease on which a producing mine has been established. This lease contains approximately 4,000 acres in northern Wyoming. In late 1982, after 10 years of exploration, permitting, and construction activity, coal shipments began under two long-term utility supply contracts. The company's capital investment in development of this

lease exceed $100 million to date, and coal production for 1983 is expected to be in the range of 1.5 million tons. Despite these extensive financial and supply commitments, it cannot be certain of meeting the section 3 requirements of producing "in commercial quantities." Thus, the company may be confronted with the dilemma of whether it might have to relinquish its Federal coal lease, to avoid loss of its right to be awarded any further leases under the Mineral Leasing Act. If it were found to be in violation of section 3, this would have a severe impact on the company's ability to continue its ongoing programs in oil and gas, oil shale, and tar sands. Even if the company were to elect to relinquish its coal lease, it is not certain that the company would not still be found in violation of section 3 since it is not clear that relinquishment enables a company to avoid the penalty. It is ridiculous that a producer of coal which has invested $100 million in a Federal lease should be subject to the substantial additional risk created by this provision of the law.

It is important to stress that the Congress cannot wait until the 1986 deadline draws nearer to address this issue. The normal lead times required by companies planning the acquisition and development of Federal resources are upon us. Uncertainty about the implementation of section 3 is already affecting planning by coal lessees and their potential customers. Active sales, exchanges, and mergers of coal properties have always been and will continue to be essential to the development of a sound domestic coal industry. The ability to engage in such activities to consolidate holdings suitable to a particular market need is already being adversely affected by section 3. Additionally, few lessees can now undertake the substantial expense of opening a mine with the threat of section 3 penalty lying in wait if actual development cannot be achieved by 1986. Looking beyond the Federal coal reserves, those diversified concerns holding pre-1976 leases who are planning their future activities involving other Federal leaseable minerals must get a clear go-ahead signal from the Congress in the form of this proposed legislation.

In summary, the major failings of section 3 which dictate its repeal are threefold:

Section 3's rigid commercial production requirements ignore the realities of supply and demand, and assume coal can be produced even in the absence of market demand.

Section 3's language is inherently ambiguous and has generated needless uncertainty and confusion. Leaseholders are unable to determine how to comply with the requirements of the statute with confidence. The statute and implementing regulations are also silent on the crucial question of how a leaseholder can cure or avoid contravention of section 3.

Section 3's penalty which prohibits a leaseholder found in violation from participating in all subsequent leases available under the Mineral Leasing Act has created considerable uncertainty in the energy industry. This has made companies reluctant to buy, exchange, or merge into Federal coal leases, actions which have always been an essential part of development. Potential developers have become increasingly reluctant to consider investing in producing facilities on Federal coal leases as 1986 approaches because of uncertainty about their ability to satisfy section 3's requirements.

By 1986, the threat posed by section 3 could seriously undermine the entire Federal mineral leasing program as companies find themselves in violation of section 3 or under threat of a legal challenge to the Secretary's authority to award leases to those companies. Such an event would have an extensive and highly adverse impact on the Nation's future energy production capacity. Recognizing the disruptive impact section 3 can have on energy development, and thus on national security, the legislation which I introduced today to repeal section 3 is essential.

The second provision of this bill relates to logical mining units, or LMU's. Section 5 of the FCLAA requires that all lands placed within an LMU be contiguous. An LMU is created when legally separate Federal coal leases are unitized, or made into one "unit" for mining purposes, to insure that the coal under each lease is developed in a manner that maximizes recovery, minimizes cost, and promotes efficient recovery of coal on all the leases in the unit. As a general rule, contiguity in the creation or maintenance of an LMU makes sense. However, there are conditions under which the actual physical separation of leases caused by artificial surface impediments such as roads or easements, or geological conditions, may not necessarily interfere with the "logic" of including a physically separated lease from a nearby LMU. This amendment simply promotes the overall intent of the logical mining unit provision by removing this artificial constraint.

Lastly, the bill amends section 6 of the FCLAA to delete the requirement that an operation and reclamation plan be submitted within 3 years from the date of the issuance of the lease. Experience has proved that this requirement is overly stringent since the plan of operation of a new mine is frequently dictated by the rates of production necessary to fulfill contracts. The consummation of contracts for the production and sale of coal is obviously dependent on a host of market factors out of the lessee's control. Contracts for production and sale may not be in effect within the 3-year period. This forces the formulation of a plan based more on hypothesis than on the realities of the contracts. In any case, in view of the other requirements applicable to such leases—for example, permit applications under the Surface Mining Act—the mine plan requirement is now unnecessary.

Finally, this same legislation has been introduced in the House of Representatives by Congressman RAY KOGOVSEK as H.R. 1350, where it has attracted strong bipartisan support in the Interior Subcommittee on Mining, Forestry, and Bonneville Power Administration. Let me add that I intend to ask that hearings be scheduled on this bill in the near future so that we can resume consideration of this important issue and proceed to deal with the pressing problems which section 3 is creating in a timely and balanced manner.

Mr. President, I ask unanimous consent that the bill be printed in the CONGRESSIONAL RECORD following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1634

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision of the Mineral Lands Leasing Act, the reference shall be considered to be made to a section or other provision of the Act of February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain", as amended (30 U.S.C. 181 et seq.).

SEC. 2. Section 2(a)(2) (30 U.S.C 201(a)(2)) of the Mineral Lands Leasing Act is amended by deleting subparagraph (A) in its entirety and redesignating appropriately.

SEC. 3. The last sentence of section 2(d)(1) (30 U.S.C. 202(1)) of the Mineral Lands Leasing Act is amended by striking the comma after "operator" and inserting in lieu thereof "and" and by striking "and be contiguous".

SEC. 4. The first sentence of section 7(c) (30 U.S.C. 207(c)) of the Mineral Lands Leasing Act is amended by striking "and not later than three years after a lease is issued,".●

By Mr. METZENBAUM (for himself and Mr. KENNEDY):

S. 1635. A bill to amend title XVIII of the Social Security Act to require that physicians who provide services under part B of such title shall be paid for such services only on the basis of an assignment, and for other purposes; to the Committee on Finance.

PAYMENT FOR MEDICARE SERVICES ON AN ASSIGNMENT BASIS

● Mr. METZENBAUM. Mr. President, Senator KENNEDY joins me today in introducing legislation designed to bring

to an end a widespread abuse of the medicare program and of the elderly and disabled people who depend upon it. That abuse is the refusal by a large number of physicians to accept medicare reimbursement rates as payment in full for health care services. As a result, elderly and disabled patients are often required to make large out-of-pocket payments for health care. They must pay the difference between the amount their doctors choose to charge and medicare's lower assessment of a reasonable fee for the service performed. That charge to the patient is over and above the $75 annual deductible and the 20 percent per visit copayment now required by law.

Often that difference is enough to create real financial hardship for senior citizens. In addition, it discourages elderly patients from seeking necessary medical attention.

Mr. President, medicare today meets only 44 percent of the health-care needs of elderly Americans. On the average, out-of-pocket health-care costs already consume 20 percent of the income of the average senior citizens.

The statistics of physician services under medicare are even more staggering. Older Americans pay more than 70 percent of the costs of doctors' services out of their own pockets—a perversion of the concept of medicare. Each visit to a doctor who does not accept assignment costs the senior citizen approximately $25 extra.

How widespread is the practice of refusing medicare assignment?

Nationally, only 52 percent of physicians accept assignment, but close to 100 percent are willing to accept medicare payments. In some States, the figure for assignment is as low as 18 percent.

Only one doctor in five accepts assignment in all cases. And fully 35 percent of the Nation's physicians never accept assignment under any circumstances.

Mr. President, these are truly shocking figures—and they send to us a very sad message about the medical profession. And if the profession itself cannot find a way to deliver affordable health care to medicare beneficiaries, then I believe that the time has come to make accepting assignment a precondition for participation by physicians in the medicare program. Our bill does precisely that.

I am aware of the argument that if mandatory assignment goes into effect doctors will simply refuse to participate.

Perhaps some will.

But in fact, there is no reason to believe that mandatory assignment would lead to a large scale exodus by physicians from the medicare program.

For the average doctor, the elderly now represent 35 percent of patient load. And as the elderly population grows from today's 11 percent of our population to 22 percent by the year 2000, elderly patients will make up an even larger percentage of the patients seen by virtually every doctor. And we should also note that, according to HHS, we will by 1990 have a shortage of doctors.

The botton line, Mr. President, is that economic reality, if nothing else, will insure that doctors will continue to treat elderly patients, even for fees defined by medicare as reasonable.

Our bill also recognizes the fact that for many doctors, the barriers to accepting medicare assignment are more than financial. The bill includes provisions intended to reduce burdensome paperwork and to speed up payments. In addition, the Secretary of Health and Human Services will establish an advisory committee of physicians and consumers to review all aspects of the present physician reimbursement system. The committee will be charged with making recommendations for change in order to insure that the Federal reimbursement for physician services is, in fact, fair and reasonable.

The bill also does the following:

First, requires all payments to physicians to be made within 30 days of submission of proper claims;

Second, provides for payment of interest on claims not paid in a timely manner;

Third, allows carriers to utilize direct electronic funds transfers to physicians;

Fourth, requires the Secretary of HHS to develop a uniform claims form to make billing easier;

Fifth, requires a single identification number for each individual for all billing and payment procedures;

Sixth, requires the Secretary of HHS to publish and distribute a list of all participating physicians.

Mr. President, a decrease in the number of doctors who charge only what medicare will pay, coupled with rapidly escalating doctors' fees, has placed an enormous financial burden on medicare recipients. The medicare program should serve the elderly and disabled Americans as it was intended. There is no excuse, Mr. President, for permitting the program to continue to enrich those in the medical profession who place profit above the obligation to meet human needs.

I ask that the attached letter from the National Council of Senior Citizens be printed in the RECORD following my remarks and that the text of the bill be printed in full.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1635

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part B of title XVIII of the Social Security Act is amended by adding at the end thereof the following new section:

"PAYMENT FOR PHYSICIANS' SERVICES

"SEC. 1845. (a)(1) Payment for physicians' services under section 1832(a)(1) shall be made, except as otherwise provided under subsection (b), only to a participating physician, and in accordance with the provisions of this section.

"(2) For purposes of this section, the term 'participating physician' means a physician who enters into an agreement with the Secretary which shall provide that the physician shall be paid only on the basis of an assignment described in section 1842(b)(3)(B)(ii) for physicians' services, and for medical and other health services commonly included in physicians' bills, provided to individuals enrolled under this part. Such agreement shall be for a term of at least twelve months, and may be made automatically renewable from term to term in the absence of notice, given in writing at least thirty days prior to the end of the term, by either party of intention to terminate at the end of a term; except that the Secretary may terminate such agreement at any time (after such reasonable notice and opportunity for a hearing to the physician involved as may be provided in regulations) if the Secretary finds that the physician has failed substantially to carry out the agreement or is carrying out the agreement in a manner inconsistent with the provisions of this section or inconsistent with the efficient and effective administration of this part.

"(3) The Secretary shall publish a list of all participating physicians at least once each year and shall make such list, or portions thereof relating to specific localities, available to the public, at no (or minimal) cost.

"(b) Payment under this part may be made for physicians' services and medical and other health services commonly included in physicians' bills, with respect to which benefits are otherwise payable under this part, performed by a physician who is not a participating physician, only in the case of emergency services or services provided outside the United States (but only as provided in section 1862(a)(4)). The amount and manner of such payment for emergency services or services performed outside the United States shall be determined as if such services were performed by participating physicians.

"(c)(1) The Secretary shall develop a uniform claims form for use by all participating physicians. Such form shall provide for multiple listing of patients if the physician desires to submit claims in that format.

"(2) In any case in which a carrier having an agreement with the Secretary under section 1842 is able to develop a system for making payments under this part to physicians utilizing direct account transfers, such carrier may institute such system, and any participating physician may bill the carrier and receive payments using a remote terminal access system for the transfer of funds.

"(3) All billing and payment procedures shall utilize an identification number for the individual enrolled under this part, which shall be the same number as the account number assigned to such individual for purposes of title II of this Act. The Secretary shall issue identification cards to all individuals enrolled under this part which shall include such identification number.

"(d) All payments to participating physicians under this part shall be made within

thirty days after receipt by the Secretary or carrier of properly completed claims submitted by the physician. In any case in which such payment is not made within such thirty-day period, except in the case of amounts which are contested by the carrier or by the Secretary, interest shall be paid to such physician on the unpaid amount of such claim, beginning on the day following the end of such thirty-day period, at a monthly rate of one per centum. Such interest shall be paid by the carrier, or, in the case of claims submitted directly to the Secretary, by the Secretary.".

(b)(1) Not later than 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall establish an advisory committee on physician reimbursement, which shall—

(A) study the methods used to determine the rates and amounts of payments made to physicians under part B of title XVIII of the Social Security Act for physicians' services and medical and other health services commonly included in physicians' bills; and

(B) make recommendations to the Secretary with respect to changes in such methods, or in the provisions of law governing such methods, or both, that the committee determines to be necessary or desirable to ensure that payments made under such part for such services are reasonable.

(2) The committee shall be composed of physicians, individuals enrolled in the insurance program established under such part, representatives of the aged and disabled, and representatives of carriers.

(3) The Committee shall submit to the Secretary a written report setting forth its findings and recommendations not later than one year after the date of the enactment of this Act and shall cease to exist not later than 30 days after it submits such report to the Secretary.

(4) The members of the committee shall receive no compensation for their services on the committee. The members of the committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the committee.

(5) The Secretary shall furnish to the committee such personnel and services as are necessary to carry out the purposes of this subsection.

(c) The amendment made by subsection (a) shall apply with respect to services provided on or after the first day of the sixth month following the month in which this Act is enacted.

NATIONAL COUNCIL OF SENIOR CITIZENS,
Washington, D.C., July 13, 1983.

Hon. HOWARD M. METZENBAUM,
U.S. Senate,
Washington, D.C.

DEAR SENATOR METZENBAUM: As representative of over 4.5 million elderly people throughout the country, the National Council of Senior Citizens is very concerned about the increasing financial burden that the elderly must bear for receiving health care. Our members tell us that, in spite of Medicare, their out-of-pocket costs are very high. They frequently express dismay and anger at the fees they must pay after Medicare has reimbursed their doctors. I have enclosed the text of a letter we recently received from one of our members.

We believe that the problem of physician "assignment", that is, the fact that too many doctors refuse to accept Medicare's reasonable fees as 80 percent of full payment, is a major cause of the elderly's increasing out-of-pocket expenditures. When physicians refuse to accept assignment, they are free to pass additional costs onto the Medicare beneficiary. The cost of receiving physician services, therefore, becomes far greater for the elderly than the mandated 20 percent.

We are very pleased that you recognize this serious problem. We commend you for introducing, with Senator Kennedy, a bill which would not only require that doctors accept assignment, but also would include provisions to encourage doctors to do so. We view both steps as important beneficiary protections.

The National Council of Senior Citizens believes that the timing of your bill is critical. Elderly people are spending increasingly large amounts out-of-pocket for physician services. Yet the Reagan Administration is calling for additional cost-sharing to help the government control rising Part B expenditures caused primarily by inflated physician fees. This is simply unfair, and it is not the cost-containment we desperately need.

The Health Care Financing Administration reports that of all Medicare Part B claims that are filed, only one-half are assigned, and only one-third of all physicians accept assignment at any time. Consequently, HCFA reports, the Medicare beneficiaries actually pay 70 percent of total physicians' fees—a far cry from the mandated 20 percent cost-sharing level. The assignment problem for the elderly becomes more severe as physicians' fees continue to rise at annual rates double the CPI.

Unfortunately, President Reagan and many members of Congress do not appear to view assignment as the problem it really is. They look only at the impact that rising physicians' fees have on Part B expenditures. They seek spending reductions, including increased beneficiary co-payments, deductibles, and premiums, as well as a freeze on physician reimbursement levels, which would impose further financial burdens on the elderly. To effectively control Part B costs, they should be calling for ways to control physicians' fees rather than ways to make the elderly pay more for these increasing fees. Requiring assignment would contribute to effective control.

Viewing such proposals, we ask, Do the supporters of these proposals not know that when physicians refuse to accept assignment:

the beneficiary must pay not only the $75 Part B deductible, but also 20 percent of the Medicare allowable fee plus 100 percent of the doctor's fee in excess of this allowable level;

inflation is encouraged; regardless of what fee Medicare considers reasonable, physicians are free to charge whatever fee they wish;

the beneficiary bears higher costs not only for physicians' office visits, but also for hospital care ranging from daily visits to fees for surgery and specialists' consultations; the latter fees can exceed Medicare reasonable fees by hundreds of dollars, yet the beneficiary has little or no control over the selection of such doctors;

doctors get the best of both worlds: they enjoy both Medicare and patient reimbursement, and they shift additional financial and paperwork burdens onto their elderly patients?

The National Council of Senior Citizens believes that the assignment problem represents just one of the misperceptions the public has about Medicare. They seem to believe that Medicare covers all of the elderly's medical expenditures. This is far from the truth. Overall, Medicare covers only about 44 percent of these costs and, as HCFA has shown, only 30 percent of physician costs. Your assignment legislation would not only help reduce a large financial barrier to receiving health care, but would also help dispel the myths which are barriers to effective changes in Medicare. As long as the public thinks that the elderly receive a far better deal from Medicare than they actually do, needed reform and beneficiary protection will be difficult to achieve.

The National Council of Senior Citizens urges your colleagues in the Senate to support this important Medicare assignment bill.

Sincerely,

WILLIAM R. HUTTON,
Executive Director.

Enclosure.

Excerpt from letter sent to William R. Hutton, Executive Director, National Council of Senior Citizens. It was a copy of a letter sent by a member of NCSC to the editor of The New York Times:

"I am writing to correct a gross inaccuracy in your editorial of October 12, entitled 'What's Fair in Medicare,' in which you state that Medicare 'pays 80% of physicians fees'. This is a popular misconception, and does violence to the interests of senior citizens.

"Let me give you the facts: on 6/23/82, my physician performed a skin biopsy for which I paid his fee of $125. Medicare approved a fee of $62.50 of which I was reimbursed 80%, namely $50. On 7/6/82, surgery to remove a skin cancer was performed, for which I paid a fee of $350; Medicare approved a fee of $316.90, for which I received the 80% reimbursement of $253.52. I believe that your accountant will testify that total reimbursement was very much less than the 80% you claim."●

● Mr. KENNEDY. Mr. President, I am pleased to join with Senator METZENBAUM in introducing legislation that is critical to the health and welfare of our senior and disabled citizens—a bill that will require doctors who treat medicare patients to accept assignment.

The enactment of medicare was a solemn commitment by the Federal Government to meet the health care needs of the elderly, who have worked throughout their lives to defend our Nation and make this country great. Despite this promise, however, the elderly and disabled must pay substantial and rising out-of-pocket costs for health care. And many vital health care needs, such as prescription drugs, eyeglasses and hearing aids, and long-term care are simply uncovered by medicare. All in all, medicare pays only 44 percent of the elderly's health care costs. Seniors now spend 20 percent of their income on health care, the same proportion paid when medicare was first enacted.

Congress failure to require doctors to accept assignment is a critical component of rising out-of-pocket costs. Approximately half of the doctors in the United States charge medicare patients more than what medicare con-

siders a reasonable fee. As a result, according to the Health Care Financing Administration, medicare beneficiaries actually pay 70 percent of total physician fees—well beyond the statutory 20 percent of copayment required by medicare.

William Hutton, the executive director of the National Council of Senior Citizens, has brought to my attention a letter sent to the editor of the New York Times.

I am writing to correct a gross inaccuracy in your editorial of October 12, entitled "What's Fair in Medicare," in which you state that Medicare "pays 80 percent of physicians fees". This is a popular misconception and does violence to the interests of senior citiznes.

Let me give you the facts: on 6/23/82, my physician performed a skin biopsy for which I paid his fee of $125. Medicare approved a fee of $62.50 of which I was reimbursed 80 percent, namely $50. On 7/6/82, surgery to remove a skin cancer was performed, for which I paid a fee of $350; medicare approved a fee of $316.90, for which I received the 80 percent reimbursement of $253.52. I believe that your accountant will testify that total reimbursement was very much less than the 80 percent you claim.

This case is typical of the situation faced by millions of the elderly and disabled. According to estimates from HCFA, doctors who do not accept assignment bill medicare patients more than $2 billion in excess of what medicare recognizes as a reasonable fee.

We in Congress have protected the Federal budget by limiting the amount medicare will pay for physician services. But we have failed to take the necessary steps to shield the elderly from excessive physician charges. We already require hospitals, nursing homes and home health agencies to accept medicare reimbursement as payment in full; the time has come to stop treating physicians differently than other providers.

Some argue that requiring assignment will lead doctors to refuse to participate in medicare altogether, limiting the freedom of medicare recipients to choose their own health care providers.

I do not believe that the physicians of America will cavalierly turn their backs on the elderly. Medical ethics and professional responsibility to the public welfare are powerful factors which will lead most physicians to continue to treat elderly patients at a reasonable fee. Moreover, the changing economics of medical practice, including the growing numbers of physicians and the new, vigorous competition among providers, make it increasingly unlikely that doctors will refuse elderly and disabled medicare patients.

Our bill recognizes that physicians are entitled to fair, reasonable and prompt compensation from medicare. Our proposal would remove some of the existing bureaucratic barriers that discourage physicians from accepting assignment, such as burdensome paperwork requirements, cash flow difficulties, and the lengthy time lag in receiving reimbursement.

The bill also directs the Secretary of Health and Human Services to establish an advisory committee of physicians and consumers, to review all aspects of the present physician reimbursement system under medicare and to make recommendations for change to insure that the Federal Government is truly paying a fair and reasonable fee for physicians' services.

Requiring assignment is only one step in the process of reforming physician reimbursement. The time has come to move promptly to include in-hospital physician fees in the DRG payment to hospitals. We need to take across-the-board steps to control rising physician costs, not only for medicare, but for all payers. This bill is an important first step in protecting our elderly from ruinous out-of-pocket health costs. I urge my colleagues to join us in moving for quick enactment of this bill.●

By Mrs. HAWKINS (for herself and Mr. CHILES):

S. 1636. A bill to amend the tariff schedules of the United States to establish equal and equitable classification and duty rates for certain imported citrus products; to the Committee on Finance.

CLASSIFICATION AND DUTY ON CITRUS PRODUCTS

● Mrs. HAWKINS. Mr. President, for myself and Senator CHILES, I am introducing legislation to plug a loophole in our tariff laws to eliminate a serious threat to our Nation's citrus industry and to stop an unnecessary drain on the Federal Treasury.

As you know, the citrus industry is a major contributor to the economy of the State of Florida, as well as California, Arizona, and Texas. In fact, it is the second largest industry in Florida, directly employing over 85,000 people. In recent years, imports of orange juice concentrate have increased dramatically, primarily due to freezes experienced by Florida, but also due to an unintended loophole in our tariff laws.

Under current law, the tariff applied to imported orange juice varies with its level of concentration. Orange juice imported in concentrated form faces a tariff equal to 35 cents per single strength gallon. Meanwhile, less concentrated product requires a tariff of 20 cents per gallon. To avoid the higher rate, some highly concentrated orange juice, however, is being brought into U.S. foreign trade zones and bonded warehouses for processing by the addition of water. This product is then entered into the customs territory of the United States as a product that is "not concentrated," dutiable at a rate of only 20 cents per gallon. There have been recent reports of other transformations taking place in Canada and Mexico, adjacent to major U.S. marketing areas, to avoid the 35-cent tariff.

This technique violates the understanding our negotiators reached on how citrus products should be treated. U.S. tariff concessions granted to our trading partners were made for nonconcentrated product assuming that they applied only to natural orange juice. Concessions were not granted for the concentrated product. Nevertheless, an increasing volume of imported concentrate, through the process of dilution and reconstitution, is evading the tariff rate established under item 165.35, at 35 cents per gallon.

With this ability of importers to circumvent the intent of the law, vast quantities of product may be imported at a lower rate than intended. This harms the Treasury as well as domestic producers. Statistics show that if only concentrated products were shipped to the United States, the Treasury would receive 75 percent more revenue than if all product were taxed in unconcentrated form. Until this loophole is closed, the loss to the Treasury will be measured in millions of dollars.

To defend the Treasury and domestic producers, our bill revises the tariff classifications so that it reflects the results intended by our negotiators. This is done by defining concentrated product as product that left its place of origin in concentrated form. In that way, the shell game will end, and the Treasury will receive the full revenue previously anticipated. An importer can still ship concentrated or unconcentrated product, in any manner he wishes, but he cannot artificially lower the landed price of this product through legal subterfuge.

While this bill corrects an anomalous classification discrepancy that has arisen under recent practices, it will not affect the classification of other fruit juices in the tariff schedules. Nor will the bill modify the application of the headnotes of this subpart pertaining to any other citrus or noncitrus products.

I urge my colleagues to join Senator CHILES and me in support of this proposal to advance fair trade in the citrus industry and to stop an unintended run on our Treasury. Mr. President, I ask unanimous consent that a copy of this legislation be printed following these remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subpart A of part 12 of schedule 1 of the Tariff Schedules of the United States (12 U.S.C. 1202) is amended by inserting after item 165.25 the following new items:

" 165.27	Orange: Not concentrated and not made from a juice having a degree of concentration of 1.5 or more (as determined before correction to the nearest 0.5 degrees)	20¢ per gal.	70¢ per gal.
165.29	Other	35¢ per gal.	70¢ per gal. ".

(b) The amendment made by this section shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after the date of enactment of this Act.●

● Mr. CHILES. Mr. President, it is a pleasure to join with my colleague from Florida in introducing a bill of considerable interest to Florida's citrus industry. This legislation seeks to correct a situation that has arisen in recent years regarding importation of blended, reconstituted orange juice product.

We have a situation now where certain processors have hit upon a loophole in the tariff schedules of the United States in order to receive more favorable tariff treatment for blended, reconstituted product. What is happening is that imports of highly concentrated orange juice are brought into U.S. foreign trade zones for processing and upon their entrance into U.S. Customs territory are dutiable at 20 cents per gallon rather than the 35 cents per gallon that is applicable to imported concentrates. I have also heard reports that similar operations are taking place in Canadian and Mexican border regions and the reconstituted products made there are also entered at the lower duty rate.

Why is this situation of concern? It is of concern because the sale of this reconstituted product which is subject to considerably lower duty, has a severe price depressing effect on U.S. production. It is also of concern because the principal foreign suppliers of frozen concentrated orange juice to the United States do not engage in this activity and enter their product at the 35-cent-per-gallon rate.

The bill Senator HAWKINS and I are offering today would correct the anomalous customs treatment of the increasing importation of orange juice at the 20-cent-per-gallon rate. It would restate the intention of Congress that this lower rate of duty be applied only to fresh, natural orange juice and orange juice under 17.3° Brix, not concentrated orange juice products or their derivatives. It would maintain the tariff schedules for concentrates and their derivatives at the 35-cent-per-gallon rate of duty.

This bill would create a separate classification for unconcentrated orange juice. It would not include in this classification juice made from concentrated product with a degree of concentration of 1.5 or greater. Juice with a concentration greater than 1.5 would be classified as "other" as would be imports of concentrated orange juice.

This proposal would not affect the classification and duty status of any other fruit juice classified under part 12 and subpart A. In addition, it would not affect the current tariff classification or rates of duty applied to other imported citrus juice concentrate or fresh natural citrus juice.

I urge my colleagues to support this legislation.●

By Mr. BENTSEN (for himself, Mr. GRASSLEY, Mr. HEINZ, Mr. MOYNIHAN, and Mr. WALLOP):

S. 1637. A bill to amend the Social Security Act to provide an improved system for determining and monitoring the need for a representative payee with respect to benefits paid under titles II and XVI of such Act; to the Committee on Finance.

REPRESENTATIVE PAYEES

● Mr. BENTSEN. Mr. President, today I am introducing legislation to reduce fraud and waste in a critical area of Government responsibility, the social security program. This bill will help insure that money to which thousands of beneficiaries are entitled is actually received and used in their best interests.

The Social Security Administration (SSA) seeks to protect the rights of beneficiaries unable to manage their own benefit payments—primarily because of age or disability—by allowing representative payees to act as agents on their behalf. Rep-payees are appointed if the beneficiary is a minor, is adjudged legally incompetent, has mental or physical impairments that prevent proper benefit management, or is medically determined to be a drug addict or alcoholic. Determinations are made by a court of law, a medical examination, or evidence compiled by the social security field office.

There are 5 million rep-payees under SSA's jurisdiction, according to data compiled by GAO at my request. In most cases, rep-payees are members of the beneficiary's family. However, according to SSA, for an estimated 1.5 million beneficiaries, the rep-payee is either a private citizen or an employee of an agency with some interest in the beneficiary.

Though the rep-payee program is designed to protect beneficiaries, without adequate auditing there is potential for abuse. Several studies of the rep-payee population indicate that ongoing monitoring is needed. According to testimony given by GAO at a June 1981 hearing by the House Committee on Aging, a survey of five States and the District of Columbia revealed serious deficiencies in accounting for the benefits paid and widespread misuse of funds among rep-payees who operated boarding homes where beneficiaries sometimes reside. Some boarding home operators collected and expended checks after residents had died or moved away. Information compiled by the House Aging Committee suggests that as many as 100,000 board and care homes, 1 million residents, and payments of $12 to $20 billion per year may be involved in rep-payee controlled revenues to board and care facilities.

The Inspector General of the Department of Health and Human Services, in an April 1982 study on the best practices of States in regulating board and care homes, cited the potential for serious misuse of funds by rep-payees. In a study currently being conducted by the GAO, investigators expect to identify further evidence of fraud among rep-payees.

In addition to the potential for abuse, there are serious gaps in available information on rep-payees under title II and XVI in particular—the old age, survivors, and disability insurance program and aid to the aged, blind, and disabled. For instance, SSA indicates that records are not maintained on the number or location of title XVI beneficiaries for whom a nonfamily member serves as rep-payee. GAO found that the SSA does not collect information on overpayments to beneficiaries with rep-payees. The only figures SSA could provide were for known misuse in title II since 1978—and no data for title XVI.

Substantial public sums, as well as the well-being of very vulnerable members of society, are at risk here. SSA told the House Committee on Aging in 1982 that approximately 10 percent of all rep-payeeships are "problem arrangements" involving "questionable practices." Based on this estimate, $3.6 billion may be diverted annually from beneficiaries. These figures may actually understate the current situation. A 1983 internal report prepared by SSA cites data from a sample of rep-payees surveyed by the agency. Among those who responded to SSA inquiries about how they expend beneficiaries' funds, there was "some problem" in payee performance in 18 percent of the payees studied. In a followup sample of those who did not respond to the initial SSA inquiry, deficiencies involving operational performance were identified for nearly 36 percent of these cases. Yet SSA has monitored title II accounts systematically only during 6 of the last 12 years, and title XVI reviews are limited to institutionalized beneficiaries, despite extensive deinstitutionalization in recent years.

The sporadic reviews that have been done led to the identification of over 1,400 cases of fraudulent misuse of funds by rep-payees in title II and XVI since 1974—yet only 122 were referred to the U.S. attorney for prosecution, resulting in a paltry 29 convictions. Through its review of Justice Department referrals, the GAO was unable to find a single instance of boarding home-related fraud among the cases

referred to the Department for prosecution. Typically, the Justice Department initiated investigations because of family members suspecting improprieties rather than the vigilance of agency oversight.

Mr. President, the legislation I am proposing mandates regular review of the rep-payee program, increased accountability, and strong remedies for those who abuse social security beneficiaries. The bill instructs the Secretary of HHS to develop and present to the Congress, within 6 months, procedures to strengthen the appointment of rep-payees and a system to regularly monitor accounts. Once a monitoring system has been established, the Secretary would be required to include in the annual HHS report to the Congress information about the disposition of cases involving inappropriate use of social security funds. Agency review of rep-payees will be limited by targeting audit and monitoring resources to those cases considered to hold the highest risk. As under current law, rep-payees who act as agents for family members will continue to submit annual reports on major expenditures to the SSA, and enhanced monitoring of these cases will only be required where there is serious reason to suspect misuse of funds. Relatives acting as rep-payees are specifically excluded from intensive scrutiny in order to protect families from unwarranted intrusion by the Federal Government.

As a further deterrent, my bill retains current statutory provisions governing first offense prosecution while preserving a range of prosecution options for the Department of Justice. In these cases "willful misuse of funds" will be treated as misdemeanors punishable by up to a year in prison, but the permissable fine is increased from $1,000 to $5,000. Repeat offenders will be charged with a felony offense, punishable by a prison term of 5 years and a fine of up to $25,000. The severity of the fines and jail sentences closely parallel those assessed in other programs under the Social Security Act, specifically the survivors and disability provisions under title II and the medicare program under title XVIII. The bill also permits the court to prescribe restitution for beneficiaries in cases of willful misuse of social security funds.

Mr. President, we must act decisively to protect our most vulnerable citizens such as the elderly and the mentally handicapped. While the caring individual who accepts responsibility for acting on behalf of another should be commended for his dedication, it is a disgrace that some abuse such trust to their own advantage by preying on those least able to protect themselves. We cannot permit this, particularly when we are all concerned about the fiscal well-being of social security and welfare programs such as title XVI. It is costly to both the beneficiary and the taxpayer. We must act to curtail those who would cheat and rob the social security system. I ask that the full text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DETERMINATION AND MONITORING OF NEED FOR REPRESENTATIVE PAYEE

SECTION 1. (a) Section 205(j) of the Social Security Act is amended by inserting "(1)" after "(j)" and by adding at the end thereof the following new paragraphs:

"(2)(A) Any certification made under paragraph (1) for payment to a person other than the individual entitled to such payment must be made on the basis of an investigation, carried out either prior to such certification or within forty-five days after such certification, and on the basis of adequate evidence that such certification is in the interest of the individual entitled to such payment (as determined by the Secretary in regulations). The Secretary shall ensure that such certifications are adequately reviewed at the field or district office level.

"(B) Subparagraph (A) shall not apply where such other person is a relative of the individual entitled to such payment or where the individual entitled to such payment has been determined to be legally incompetent.

"(3)(A) In any case where payment under this title is made to a person other than the individual entitled to such payment, the Secretary shall establish a system of accountability monitoring whereby such person shall report on an annual basis with respect to the use of such payments, or on a more frequent basis where the Secretary determines, on a case-by-case basis, that more frequent reporting is required.

"(B) Subparagraph (A) shall not apply in any case where the other person to whom such payment is made is a relative of the individual entitled to such payment who lives in the same household as such individual.

"(4)(A) The Secretary shall establish a system of monitoring and periodic review of a statistically significant number of all payments made under this title for the purpose of ensuring that payments are being made to the proper parties in accordance with the provisions of this title and whether any need exists to certify or decertify any such payments to relatives or other persons in accordance with paragraph (1), including institutional and noninstitutional payees. Such system shall include periodic verification that, where payments are being made to a certified payee, the beneficiary is alive and remains in contact with the payee.

"(B) The Secretary shall make an initial report to the Congress on the establishment of such system within six months after the date of the enactment of this paragraph with respect to the implementation of such system. Such report shall include—

"(i) the estimated cost of implementing such system and the number of personnel required;

"(ii) the numbers and types of beneficiary categories to be monitored, based upon type of benefit and the relationship of the payee to the beneficiary;

"(iii) the extent to which such system will add to the burden of reporting otherwise required under this title by the beneficiary and the payee;

"(iv) the methods employed by the Secretary in determining how to select cases to be monitored and reviewed so as to ensure that the system will focus upon those cases where the risk of fraud or abuse is greatest;

"(v) how often a particular type of case will be reviewed;

"(vi) the office or division which will carry out the monitoring and reviews;

"(vii) any types or categories of beneficiaries which would be excluded from such monitoring and reviews;

"(viii) how such system relates to other review systems under this title, including any review system for beneficiaries in institutions; and

"(ix) such other information as the Secretary determines to be appropriate.

"(C) The Secretary shall include as a part of the annual report information with respect to the implementation of such system, including the number of cases discovered where payment was being made to an inappropriate payee, how any such cases were dealt with by the Secretary, the final disposition of such cases, including any criminal penalties imposed, and such other information as the Secretary determines to be appropriate.".

(b) Section 1631(a)(2) of such Act is amended by inserting "(A)" after "(2)" and by adding at the end thereof the following new subparagraphs:

"(B)(i) Any determination made under subparagraph (A) that payment should be made to a person other than the individual or spouse entitled to such payment must be made on the basis of an investigation, carried out either prior to such determination or within forty-five days after such determination, and on the basis of adequate evidence that such determination is in the interest of the individual or spouse entitled to such payment (as determined by the Secretary in regulations). The Secretary shall ensure that such certifications are adequately reviewed at the field or district office level.

"(ii) Clause (i) shall not apply where such other person is a relative of the individual or spouse entitled to such payment, where the individual or spouse entitled to such payment has been determined to be legally incompetent, or in the case of an individual or spouse referred to in section 1611(e)(3)(A).

"(C)(i) In any case where payment is made under this title to a person other than the individual or spouse entitled to such payment, the Secretary shall establish a system of accountability monitoring whereby such person shall report on an annual basis with respect to the use of such payments, or on a more frequent basis where the Secretary determines, on a case-by-case basis, that more frequent reporting is required.

"(ii) Clause (i) shall not apply in any case where the other person to whom such payment is made is a relative of the individual or spouse entitled to such payment who lives in the same household as such individual or spouse.

"(D)(i) The Secretary shall establish a system of monitoring and periodic review of a statistically significant number of all payments made under this title for the purpose of ensuring that payments are being made to the proper parties in accordance with the provisions of this title and whether any need exists to change the payee in accord-

ance with subparagraph (A), including institutional and noninstitutional payees. Such system shall include periodic verification that, where payments are being made to a certified payee, the beneficiary is alive and remains in contact with the payee.

"(ii) The Secretary shall make an initial report to the Congress on the establishment of such system within six months after the date of the enactment of this subparagraph with respect to the implementation of such system, including the same factors as are required to be included in the Secretary's report under section 205(j)(4)(B). The Secretary shall include in the annual report information with respect to such system, including the same factors as are required to be included in the Secretary's report under section 205(j)(4)(C).".

CRIMINAL PENALITIES AMENDMENTS

SEC. 2. (a) Section 1632 of the Social Security Act is amended by inserting "(a)" after "Sec. 1632." and by adding at the end thereof the following new subsection:

"(b)(1) Any person or other entity who is convicted of a violation of any of the provisions of paragraphs (1) through (4) of subsection (a), if such violation is committed by such person or entity in his role as, or in applying to become, a certified payee under section 1631(a)(2) on behalf of another individual (other than such person's eligible spouse), in lieu of the penalty set forth in subsection (a)—

"(A) upon his first such conviction, shall be guilty of a misdemeanor and shall be fined not more than $5,000 or imprisoned for not more than one year, or both; and

"(B) upon his second or any subsequent such conviction, shall be guilty of a felony and shall be fined not more than $25,000 or imprisoned for not more than five years, or both.

"(2) In any case in which the court determines that a violation described in paragraph (1) includes a willful misuse of funds by such person or entity, the court may also require that full or partial restitution of such finds be made to the individual for whom such person or entity was the certified payee.

"(3) Any person or entity convicted of a felony under this section may not be certified as a payee under section 1631(a)(2) or section 205(j).".

(b) Section 208 of such Act is amended by adding at the end thereof the following unnumbered paragraphs:

"Any person or other entity who is convicted of a violation of any of the provisions of this section, if such violation is committed by such person or entity in his role as, or in applying to become, a certified payee under section 205(j) on behalf of another individual (other than such person's spouse), upon his second or any subsequent such conviction shall, in lieu of the penalty set forth in the preceding provisions of this section, be guilty of a felony and shall be fined not more than $25,000 or imprisoned for not more than five years, or both. In the case of any violation described in the preceding sentence, including a first such violation, if the court determines that such violation includes a willful misuse of funds by such person or entity, the court may also require that full or partial restitution of such funds be made to the individual for whom such person or entity was the certified payee.

"Any individual or entity convicted of a felony under this section may not be certified as a payee under section 205(j) or section 1631(a)(2).".

EFFECTIVE DATE

SEC. 3. The amendments made by this Act shall become effective on the date of the enactment of this Act, and, in the case of the amendments made by section 2, shall apply with respect to violations occurring on or after such date.●

By Mr. BOREN:

S. 1639. A bill to provide for the prompt review of Farmers Home Administration loans; to the Committee on Agriculture, Nutrition, and Forestry.

PROMPT REVIEW OF FHA LOANS

● Mr. BOREN. Mr. President, the American farmer is important to our Nation's economy. He produces the food which nurtures our people and the fibers which are woven to clothe our Nation. In order for many American farmers to continue production, they must rely on loans.

Many of our farmers turn to the Farmers Home Administration (FmHA) for loans with which to finance the purchase of their farms and production of their livestock and crops. FmHA has provided loans to America's farmers for many years.

It has recently come to my attention that many farmers are not receiving prompt notification of the status of their loan applications from FmHA. Farmers from my home State of Oklahoma have reported waiting 6 to 10 months before being notified of the approval or denial of their loans. Further, even after they have received approval, many have waited several additional months to receive the loan proceeds.

While farmers are waiting to hear from FmHA, they have to pay interest on their current loans. If they are trying to refinance, the old loan probably carriers a higher interest rate. This means that farmers continue to pay around 18 percent when they could be paying 12 percent. Differences in such percentages are quite substantial when applied to loans of $100,000 or more.

There is no question that the unreasonable time delays result in higher interest costs. Additionally, farmers lose valuable time if they cannot get their operating money in time to plant their crops. This is particularly true for farmers who must deal on a cash basis.

The legislation I am introducing today will require the FmHA to give prompt notification of the approval or denial of loan applications. Further, this legislation will require the disbursement of loan proceeds in a timely manner. Whenever the application is not acted upon in a timely fashion, the borrower will receive a reduction in total interest due on the loan. The interest reduction will serve to compensate the borrower for the delay, as for every day that passes by, it costs the borrower more money. Therefore, the longer the delay, the greater the compensation.

This legislation will help make government more responsive to the people it serves. I urge my colleagues to support this necessary legislation.

I ask unanimous consent that the text of the bill and a staff summary of the bill be included in the RECORD at the conclusion of my remarks.

There being no objection, the material ordered to be printed in the RECORD, as follows:

S. 1639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the FmHA Prompt Loan Review Act of 1983".

SEC. 2. The Consolidated Farm and Rural Development Act is amended by inserting, after section 333 (7 U.S.C. 1983), a new section as follows:

"SEC. 333A. Effective with respect to applications for loans or loan guarantees under this title received by the Secretary after the date of enactment of this section—

"(a) the Secretary shall reach a decision on an application for a loan or loan guarantee under this title and provide the applicant with notice of the approval or denial of the application within one hundred and twenty days after the Secretary's receipt of the completed application, except that, for applications for loans for farm real estate purposes under subtitle A of this title, for loans for farm operating purposes under subtitle B of this title, for loans for disaster emergency purposes under subtitle C of this title, or for guarantees of such types of loans, the Secretary shall reach a decision on the application and provide notice to the applicant within ninety days after receipt of the completed application. If an application for a loan or loan guarantee under this title is denied by the Secretary, the Secretary's notice to the applicant must state the reasons for the denial.

"(b) If an application for an insured loan under this title is approved by the Secretary, except as otherwise agreed to by the applicant, the Secretary shall provide the loan proceeds to the applicant within thirty days after the application for the loan is approved by the Secretary, except that, if the Secretary is unable to provide the loan proceeds to the applicant during such thirty-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable, but not in excess of thirty days after sufficient funds for that purpose become available to the Secretary.

"(c) If an application for a loan or loan guarantees under this title is denied by the Secretary, but such decision is reversed or revised on appeal within the Department of Agriculture or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall reach a decision on the application being reconsidered and provide the applicant with notice of the approval or denial of the application within 30 days after return of the application to the Secretary.

"(d) Whenever the Secretary fails to comply with any of the time deadlines provided in subsections (a), (b), and (c) of this section on an application for a loan or loan guarantee that is approved by the Secretary, the Secretary shall—

"(1) for insured loans, reduce the interest payments due on the loan, or

"(2) for loan guarantees, make payments on behalf of the borrower to cover interest due to the lender on the loan, in an amount calculated by multiplying the outstanding principal of the loan by that part of the annual rate of interest being charged for the loan that bears the same proportion to the full annual rate of interest as the period during which the Secretary was not in compliance with the deadline bears to a full year.".

STAFF SUMMARY OF "THE FmHA PROMPT LOAN REVIEW ACT OF 1983"

1. Requires approval or denial of all FmHA non-farm loans or loan guarantees under the Consolidated Farm and Rural Development Act within 120 days after receipt of the completed application.

2. Requires approval or denial of all FmHA farmer program loans or loan guarantees under the Consolidated Farm and Rural Development Act within 90 days after receipt of the completed application.

3. If an application is denied, the Secretary of Agriculture's notice of the denial must include the reasons for the denial.

4. The Secretary would be required to disburse the loan proceeds within 30 days of the approval, unless sufficient funds are not available. If sufficient funds are not available, the Secretary shall disburse the loan proceeds as soon as practicable (but before the end of 30 days) after the availability of funds.

5. If an application for a loan or loan guarantee is denied, but the decision is later reversed through an administrative appeal or through a U.S. Court and returned to the Secretary for reconsideration, the Secretary will have 30 days to reconsider the application and provide the applicant with notice of the approval or denial of the application.

6. If the Secretary fails to comply with the time deadlines under the bill, the Secretary will be required (a) to reduce the interest payments due on insured loans; or (b) make payments on behalf of the borrower to cover interest due on loan guarantees. The amount of interest reduced or paid will be calculated by multiplying the outstanding principal of the loan by that part of the annual rate of interest being charged for the loan that bears the same proportion to the full annual rate of interest as the period during which the Secretary was not in compliance with the deadline bears to the full year.●

By Mr. MOYNIHAN:

S. 1640. A bill to provide reimbursement to States and their political subdivisions for revenues lost by virtue of the exemption from taxation of foreign diplomatic and consular missions and international organizations located within their jurisdictions; to the Committee on Governmental Affairs.

REIMBURSEMENT FOR TAX LOSS

● Mr. MOYNIHAN. Mr. President, I rise to introduce a bill which would require the Secretary of the Treasury to reimburse State and local governments for the revenues they lose by virtue of the exemption from real estate taxes for foreign diplomatic missions and consulates and international organizations required by Federal statute or treaty or other international agreement to which the United States is a party.

It has long been international practice for host governments to accord exemptions to the premises of foreign missions and consulates and international organizations, as well as to residences of certain personnel attached to them. This is as it should be. Indeed, this principle is the supreme law of the land as a consequence of various multilaterial and bilateral treaties to which the United States is a party. However, these treaties do not require that the local governments of our country shoulder the burden of the lost revenues occasioned by these tax exemptions. Unfortunately, this has been the case. Thus, we find many American municipalities which host diplomatic establishments and residences, in effect subsidizing a fundamentally national function. We are talking of millions of dollars which could be spent on education, roads, parks, fire, and police departments, and a vast array of other public health and human services which contribute to the quality of life which the diplomatic community enjoys. It is this inequity which this legislation seeks to alleviate.

Mr. President, it should come as no surprise to this Chamber to hear that the burden of this inequity falls especially heavy on the city of New York. The city's diplomatic community of 32,000 is the largest in the world. This site of the United Nations, many of the 157 missions to the United Nations, the 88 or so consulates, and many of residences of their respective personnel are located on prime real estate which is tax exempt. The New York Office of Management and Budget reports that there are 102 of such properties valued at $159 million with an estimated annual revenue loss of about $14.2 million.

The presence of these foreign establishments is not without some substantial indirect economic benefits—tourism and the like. But many businesses contribute even greater direct economic benefits in terms of employment and the city receives taxes on the property they own. By any measure, the loss of the revenue on the diplomatic property represents an increase in the taxes of other property owners at a time when the property tax base is already under great pressure to support vital public services.

As my colleagues know, New York receives a modest reimbursement from the Federal Treasury for a part of the police protection it provides. This pays for only a fraction of the overall cost, covering only certain extraordinary needs such as protecting official visitors to the United Nations. These visits have imposed an enormous strain on the New York Police Department's resources. Last year we were successful in amending the law to permit payment for motorcade protection and raised the authorization from $3.5 to $7 million. (Public Law 97-418, January 4, 1983.) This is an extremely cost effective arrangement for the Federal Government: The city pays most of the cost of regular police protection of the diplomatic community to discharge essentially national obligations. As to the small portion reimbursed, the Treasury Department estimates that it would cost the Secret Service two times as much to have one of its personnel do the work of one of New York's finest.

I mention the police reimbursement measure only to demonstrate that it in no way mitigates the problem of lost real estate taxes; rather it is a very limited contribution to protect U.N. diplomats from terrorist attacks—a partial payment for a service which otherwise would have to be provided by the Federal Government.

The problem this bill seeks to address is not confined to the city limits of New York or even to the State's larger cities, such as Buffalo where there is tax exempt property which would yield about $5,000 in taxes. For example, the revenue base of the small Long Island city of Glen Cove has been significantly adversely affected since the residence of the Soviet Ambassador to the United Nations came off the tax rolls in the mid-1950's, as required by a bilateral treaty between our two countries. The city reports that this luxurious estate is worth about $25,000 in property taxes for the city, $50,000 in assessments for the school district and another $25,000 in Nassau County taxes.

Mr. President, I have not surveyed the situation outside of New York, but there is every reason to believe that additional millions of dollars of tax revenues are lost by the more than 60 cities in 31 States and territories which host over 450 consulates. I ask unanimous consent that a list compiled by the State Department showing the location of career consular posts by State and city be printed in the RECORD at the conclusion of my remarks. I believe that my colleagues from those States will want to consider the favorable impact of this bill on their constituencies. In this connection, I intend to write to the Comptroller General and request that the General Accounting Office make a study of the estimated cost of implementing this legislation.

Finally, a word about Washington, D.C. As our Nation's Capital, the District of Columbia is host to foreign diplomatic missions from all over the world. Many of these missions, as well as some international organizations, are located on tax exempt property. The estimated tax loss is in the neighborhood of $8.2 million for foreign missions alone. However, this loss is

taken into consideration by Congress in setting the annual Federal payment to the District. So my bill may be viewed as a simple extension of the principle of equity reflected in the Federal payment process. In this connection, I should note that the bill has a special provision for the District of Columbia which provides for a downward adjustment in the reimbursement to avoid any duplication of the allowance for lost taxes in the Federal payment.

Mr. President, I believe this is a fair and reasonable bill and strongly urge my colleagues to support its enactment. I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That (a) the Secretary of the Treasury shall, upon request and as provided in this Act, reimburse each State and each political subdivision of a State for the amount of revenues lost by such State or political subdivision by virtue of the exemption from taxation required by United States law or by a treaty or other international agreement to which the United States is a party in respect of the premises of a foreign diplomatic or consular mission or of an international organization located within such State or within the jurisdiction of such political subdivision.

(b)(1) Any State or political subdivision of a State seeking reimbursement as provided in subsection (a) shall submit not later than thirty days after the close of each fiscal year to the Secretary of the Treasury an application setting forth, with respect to a tax period ending in such fiscal year—

(A) the assessed value during such period of the premises of the foreign diplomatic or consular mission or of an international organization located within its jurisdiction;

(B) the rate of taxation for each dollar of assessed value imposed on comparable property during such period; and

(C) the amount claimed for reimbursement.

(2) Not later than ten days after the beginning of each fiscal year, the Secretary of State shall provide the Secretary of the Treasury with a list of States and political subdivisions of States in which are located the premises of foreign diplomatic and consular missions and international organizations.

(3) Except as provided in subsection (c), the Secretary of the Treasury shall approve for reimbursement each application providing the information described in paragraph (1), as verified by the list described in paragraph (2).

(c) The Secretary of the Treasury, after consultation with the chairmen of the appropriate committees of the Congress, shall deduct from any claim for reimbursement made by the District of Columbia for a tax period under subsection (b) any amount contained in an appropriation Act which is available only for the District of Columbia and which provides reimbursement in whole or in part for revenues lost by the District of Columbia for such tax period by virtue of the exemption from taxation described in subsection (a).

(d)(1) Each State and political subdivision of a State receiving payments under this section shall, not less often than once every two years, audit its expenditures from amounts received under this section. Such audits by a State or a political subdivision of a State shall be conducted by an entity independent of an agency of such State or political subdivision administering a program funded by a reimbursement made under this Act in accordance with the Comptroller General's standards for auditing governmental organizations, programs, activities, and functions and generally accepted auditing standards. Within thirty days following the completion of each audit report, the State or political subdivision of a State, as the case may be, shall submit a copy of that audit report to the Secretary of the Treasury.

(2) Each such State or political subdivision shall repay to the United States amounts found by the Secretary of the Treasury, after notice and opportunity for a hearing to the State or political subdivision, not to have been expended for public purposes and, if such repayment is not made, the Secretary of the Treasury may offset such amounts against the amount of any allotment to which the State or political subdivision is or may become entitled under this Act or may otherwise recover such amounts.

(e) As used in this Act—

(1) the term "international organization" has the meaning given to it by the first section of the International Organizations Immunities Act (22 U.S.C. 288);

(2) the term "premises of a foreign diplomatic or consular mission" includes—

(A) the meaning ascribed to the term "premises of the mission", as defined by Article 1(i) of the Vienna Convention on Diplomatic Relations, done on April 18, 1961, except that the term "mission" shall be deemed to the residences of personnel attached to such mission and the residences and offices or personnel attached to diplomatic missions to an international organization; and

(B) the meaning ascribed to the term "consular premises", as defined by Article 1(j) of the Vienna Convention on Consular Relations, done April 24, 1963, except that the term "consular premises" shall be deemed to include the residences of personnel attached to a consular establishment.

(3) the term "State" means any of the several States, the District of Columbia, Puerto Rico, Guam or the Virgin Islands of the United States.

(f)(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(2) If the sums appropriated for any fiscal year for making payments to States and political subdivisions of States under this Act are not sufficient to pay in full the total amounts which all States and their political subdivisions are to receive under this Act for such fiscal year, the maximum amounts which all States and their political subdivisions are to receive under this Act for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amounts shall be increased on the same basis as they were reduced.

(3) Amounts payable as reimbursements under this Act shall be effective for a fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(g) This Act shall take effect on October 1, 1983.

SECTION-BY-SECTION ANALYSIS

Section (a) requires the Secretary of the Treasury to reimburse each State and political subdivision for the amount of real estate tax revenues lost by virtue of the exemption from taxation required by U.S. law or by a treaty or other international agreement to which the United States is a party for premises of a foreign diplomatic or consular mission or of an international organization.

The property covered by the bill includes (1) the premises of an international organization as defined by the International Organizations Immunities Act; (2) the premises of a foreign diplomatic mission within the meaning of the Vienna Convention on Diplomatic Relations, done on April 18, 1961, and the residence of personnel attached to such mission or to diplomatic missions to an international organization; and (3) consular premises within the meaning of the Vienna Convention on Consular Relations, done April 24, 1963, and the residences of personnel attached to a consulate.

Section (b) sets forth the procedures relating to applications for reimbursement. Applications must be submitted to the Secretary within 30 days after the close of the fiscal year with respect to a tax period ending in such fiscal year. They must state the assessed value of tax exempt premises, the rate of taxation on comparable property, and the amount claimed. In addition, the Secretary of State must provide the Secretary of Treasury a list of the States and political subdivisions in which are located the premises of foreign diplomatic and consular missions and international organizations.

Section (c) is a special provision which is intended to avoid duplication of the allowance for lost taxes on diplomatic property which is reflected in the federal payment to the District. This section requires the Secretary of Treasury, after consultation with the Chairmen of the Appropriation and other relevant Committees of Congress, to deduct from any claim for reimbursement by the District, any amount contained in an appropriation Act which provides in whole or part for lost revenues on tax exempt diplomatic property.

Section (d) provides for audits of expenditures of reimbursements to assure that they are used for public purposes.

Section (e) contains definitions.

Section (f) authorizes such sums as may be necessary to carry out the Act, with a provision for proration of reimbursements in the event appropriations are less than reimbursement applications.

Location of consular posts—Headed by career consular officers

Alabama: Mobile	1
Alaska: Anchorage	2
Arizona:	
Douglas	1
Nogales	1
Phoenix	1
California:	
Beverly Hills	1
Calexico	1
Fresno	1
Los Angeles	43
Sacramento	1
San Bernardino	1
San Diego	4
San Francisco	44
San Jose	1

Colorado: Denver	1
Florida:	
Fort Lauderdale	2
Jacksonville	2
Miami	24
Orlando	2
Tampa	3
Georgia: Atlanta	13
Hawaii: Honolulu	5
Illinois: Chicago	39
Louisiana:	
Baton Rouge	1
New Orleans	25
Maine: Portland	1
Maryland: Baltimore	4
Massachusetts:	
Boston	17
Harwich	1
New Bedford	1
Michigan:	
Detroit	11
Lansing	1
Minnesota: Minneapolis-St. Paul	6
Missouri:	
Kansas City	3
St. Louis	1
New York:	
Buffalo	1
New York	81
North Carolina: Raleigh	1
New Jersey: Newark	2
New Mexico: Albuquerque	2
Ohio: Cleveland	3
Oregon: Portland	2
Pennsylvania:	
Philadelphia	10
Pittsburgh	2
Rhode Island: Providence	1
Texas:	
Austin	1
Brownsville	1
Corpus Christi	1
Dallas	6
Del Rio	1
Eagle Pass	1
El Paso	1
Houston	36
Laredo	1
Lubbock	1
McAllen	1
Presidio	1
San Antonio	2
Utah: Salt Lake City	1
Washington: Seattle	7

The following consular posts are not located in the United States but have jurisdiction over U.S. territory:

American Samoa:	
Pago Pago	1
Wellington, New Zealand	1
American Virgin Islands: Santo Domingo, Dominican Republic	1
Pacific islands:	
Agana, Guam	3
Hong Kong	1
Manila, Philippines	2
Nuku'alofa, Tonga	1
Saipan	1
Puerto Rico:	
Mayaguez	1
Ponce	1
San Juan	11

The totals of these figures are: 457.●

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. MOYNIHAN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of S. 27, a bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes.

S. 123

At the request of Mr. INOUYE, the name of the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 123, a bill to amend titles XVIII and XIX of the Social Security Act to provide that clinical psychologist services shall be covered under part B of medicare and shall be required service under medicaid.

S. 337

At the request of Mr. MOYNIHAN, the names of the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Arizona (Mr. DECONCINI), and the Senator from Montana (Mr. MELCHER) were added as cosponsors of S. 337, a bill to amend the Internal Revenue Code of 1954 to make permanent the deduction for charitable contributions by nonitemizers.

S. 563

At the request of Mr. CHILES, the name of the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 563, a bill to reform the laws relating to former Presidents.

S. 591

At the request of Mr. INOUYE, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 591, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the U.S. Olympic Committee.

S. 995

At the request of Mr. EXON, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 995, a bill to amend title 38, United States Code, to modify the rule for the commencement of the period of payment of certain adjustments in compensation in the case of hospitalized veterans.

S. 1090

At the request of Mr. WALLOP, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 1090, a bill to establish a National Outdoor Recreation Resources Review Commission to study and recommend appropriate policies and activities for Government agencies at the Federal, State, and local levels and for the private sector, to assure the continued availability of quality outdoor recreation experiences in America to the year 2000, and for other purposes.

S. 1200

At the request of Mr. TRIBLE, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1200, a bill entitled the "National Right to Work Bill."

S. 1271

At the request of Mr. CHAFEE, the name of the Senator from West Virginia (Mr. BYRD), the Senator from Maryland (Mr. SARBANES), the Senator from Vermont (Mr. LEAHY), the Senator from Kentucky (Mr. FORD), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 1271, a bill to encourage citizen participation in wildlife conservation programs and to establish the National Fish and Wildlife Foundation.

S. 1285

At the request of Mr. HATCH, the names of the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Delaware (Mr. BIDEN), and the Senator from New Jersey (Mr. LAUTENBERG) were added as cosponsors of S. 1285, an original bill to improve the quality of mathematics and science teaching and instruction in the United States, and for other purposes.

S. 1348

At the request of Mr. MOYNIHAN, the names of the Senator from Pennsylvania (Mr. HEINZ), the Senator from Missouri (Mr. EAGLETON), and the Senator from New Mexico (Mr. BINGHAM) were added as cosponsors of S. 1348, a bill to authorize the President of the United States to present on behalf of Congress a specially struck gold medal to the widow of Roy Wilkins.

S. 1581

At the request of Mr. DOLE, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1581, a bill granting the consent of Congress to the Central Interstate Low-Level Radioactive Waste Compact.

S. 1592

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 1592, a bill to amend title XVIII of the Social Security Act to correct provisions relating to the cap for hospice care.

S. 1596

At the request of Mr. TRIBLE, the names of the Senator from South Dakota (Mr. ABDNOR), and the Senator from South Dakota (Mr. PRESSLER), were added as cosponsors of S. 1596, a bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles.

S. 1613

At the request of Mr. TRIBLE, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 1613, a bill to amend title 10, United States Code, with respect to the provision of medical benefits and post and base exchange and commissary store privileges to certain former spouses of certain members or former members of the Armed Forces.

SENATE JOINT RESOLUTION 54

At the request of Mr. NICKLES, the names of the Senator from Alabama

(Mr. HEFLIN), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Joint Resolution 54, a joint resolution to authorize and request the President to designate the month of January 1984 as "National Eye Health Care Month."

SENATE JOINT RESOLUTION 106

At the request of Mr. SIMPSON, the name of the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of Senate Joint Resolution 106, a joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

SENATE JOINT RESOLUTION 116

At the request of Mr. KASTEN, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 116, a joint resolution to designate the week of September 4, 1983, through September 10, 1983, as "Youth of America Week."

SENATE JOINT RESOLUTION 131

At the request of Mr. DOLE, the name of the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 131, a joint resolution designating "National Cystic Fibrosis Week."

SENATE RESOLUTION 119

At the request of Mr. D'AMATO, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of Senate Resolution 119, a resolution expressing the sense of the Senate that the United States should proceed with the sale and delivery of F-16 aircraft to Israel.

SENATE RESOLUTION 122

At the request of Mr. MOYNIHAN, the names of the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Washington (Mr. JACKSON) were added as a cosponsor of Senate Resolution 122, a resolution expressing the sense of the Senate that the President should reduce imports of apparel so that imported apparel comprises no more than 25 percent of the American apparel market.

SENATE RESOLUTION 174

At the request of Mr. BAKER, his name and the names of the Senator from Illinois (Mr. PERCY), the Senator from Rhode Island (Mr. PELL), the Senator from Florida (Mr. CHILES), the Senator from Maine (Mr. COHEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Rhode Island (Mr. CHAFEE), the Senator from New Hampshire (Mr. RUDMAN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from New York (Mr. MOYNIHAN), the Senator from Georgia (Mr. NUNN), the Senator from Washington (Mr. JACKSON), the Senator from Wisconsin (Mr. KASTEN), the Senator from Wyoming (Mr. WALLOP), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Connecticut (Mr. WEICKER), the Senator from Washington (Mr. GORTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. LEVIN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Indiana (Mr. LUGAR), the Senator from Delaware (Mr. ROTH), the Senator from Maine (Mr. MITCHELL), the Senator from Nevada (Mr. HECHT), the Senator from Vermont (Mr. STAFFORD), the Senator from Mississippi (Mr. COCHRAN), the Senator from Maryland (Mr. SARBANES), the Senator from South Dakota (Mr. ABDNOR), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Montana (Mr. BAUCUS), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from Florida (Mrs. HAWKINS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Virginia (Mr. WARNER), the Senator from Arkansas (Mr. PRYOR), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Arizona (Mr. DECONCINI), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Montana (Mr. MELCHER), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Resolution 174, a resolution to reaffirm support for the International Whaling Commission moratorium on commercial whaling.

AMENDMENT NO. 1299

At the request of Mr. BOSCHWITZ, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of amendment No. 1299 intended to be proposed to S. 869, a bill to amend the Export-Import Bank Act of 1945.

SENATE CONCURRENT RESOLUTION 53—RELATING TO DIVERSION OF WATER IN THE OCOEE RIVER IN TENNESSEE

Mr. SASSER submitted the following concurrent resolution; which was referred to the Committee on Environment and Public Works:

S. CON. RES. 53

Whereas the Ocoee River is a navigable waterway of the State of Tennessee;

Whereas commerce on the Ocoee River in the form of whitewater recreation and rafting attracted ninety-three thousand four hundred visitors in 1982;

Whereas the Ocoee River is used for racing and training by members of the United States whitewater racing team;

Whereas the Ocoee River accounts for over $3,000,000 in total annual tourist revenues; and

Whereas the Ocoee numbered 2 project will account for one-tenth of 1 per centum of the Tennessee Valley Authority's total annual power production: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the Tennessee Valley Authority should operate the Ocoee numbered 2 hydro project on the Ocoee River, Tennessee, for multiple purposes, to include sufficient flows for the continued use of the river for whitewater recreation for a minimum of one hundred and ten days per year between April 1 and October 30 of each calendar year, and that user fees, if necessary, be collected to pay for the maintenance of recreation facilities and not for replacement power.

● Mr. SASSER. Mr. President, today I am joining with my distinguished colleagues in the House of Representatives, Mr. DUNCAN and Mr. COOPER, in recognizing the tremendous recreational and economic value of the Ocoee River in southeastern Tennessee. I am submitting Senate Concurrent Resolution 53 today because I believe that the over 90,000 visitors who last year experienced the thrill and excitment of rafting down the white waters of Ocoee River were not wrong. Indeed, as one of those 90,000 I can personally attest to the unique and magnificent quality of white-water rafting on the Ocoee. I believe that it is high time that even greater numbers of recreational enthusiasts were allowed to share in the Ocoee rafting experience.

Mr. President, the quality of white-water rafting on the Ocoee River has received national acclaim. In the last 4 years, the Ocoee River has been twice chosen as the site of the national championship of white-water racing competition. The Ocoee River has well served our United States white-water racing team. There is absolutely no reason why the Ocoee River should not be available to increasing number of Americans who would enjoy riding the waves of the Ocoee rapids.

Unfortunately, in the past, there has been little opportunity for rafting enthusiasts to enjoy fully the quality of rafting on the Ocoee. The Tennessee Valley Authority owns a dam and flume which are located on the Ocoee River. TVA purchased this property in 1939, and in 1979 planned a $26 million rehabilitation program on the dam and flume. The purpose of rehabilitating this dam and flume was to aid in providing continuous power service to the people of the Tennessee Valley.

Mr. President, it has become increasingly evident that TVA no longer needs the power which it originally anticipated from the Ocoee. Indeed, of the 17 reactors in TVA's original nuclear power program, four have been canceled and four deferred because of a declining demand for electricity. The Ocoee No. 2 represented less than one-tenth of 1 percent of TVA's generating power.

Mr. President, what has become even more evident in this situation is the tremendous difference which

white-water rafting has made on the economic well-being of southeastern Tennessee. In 1981, over 70,000 visitors experienced first hand the white-water rapids of the Ocoee River. According to the Tennessee Department of Tourism, these visitors accounted for approximately $3.8 million to the Polk County area.

Mr. President, the Tennessee Valley Authority was created in 1933 to provide power to the people of the Tennessee Valley at the lowest possible cost. Fifty years later, local, State, and Federal officials recently joined in recognition of the expanding role of the Tennessee Valley Authority in the Tennessee Valley and throughout the Nation. Fifty years later, the enhancement of the lives and well-being of Tennesseans and others throughout this Nation remains a guiding principle at the Tennessee Valley Authority.

I, therefore urge TVA to join me and those of my colleagues in the House of Representatives in recognizing the recreational value of the Ocoee River for white-water rafting.●

SENATE CONCURRENT RESOLUTION 54—RELATING TO THE ECONOMIC RECOVERY

Mr. QUAYLE submitted a concurrent resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. CON. RES. 54

Whereas long-term and short-term interest rates have remained substantially above the current rate of inflation for the past two years;

Whereas high real rates of interest have discouraged the investment in plant, equipment, and research needed to maintain a competitive and growing economy;

Whereas high real rates of interest have discouraged the type of vigorous and sustained recovery in cyclical industries such as housing and automobiles that is needed to lead a general economic recovery;

Whereas the continuation of high real rates of interest has caused unacceptably high rates of small business bankruptcies and foreclosures on family farms;

Whereas high interest rates will inhibit international currency flows and exacerbate the international debt crises;

Whereas current economic conditions no longer warrant the high interest rates called for under a tight monetary policy;

Whereas high interest rates cause uncertainty in the investment community's ability to plan long-term growth and productivity;

Whereas high interest rates have kept the value of the dollar at levels too high to permit a recovery in the competitiveness of United States products in export markets thus further adding to the national trade deficit;

Whereas the continuation of high real rates of interest is caused by uncertainties concerning future fiscal and monetary policy; and

Whereas stability and moderation in interest rates can only be achieved through the close coordination of fiscal and monetary policy: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) United States monetary and fiscal policy should be conducted in a manner to achieve a stable and vigorous economic recovery and a significant reduction in the rate of unemployment;

(2) the Board of Governors of the Federal Reserve System should work closely with the Secretary of the Treasury and the Chairman of the Council of Economic Advisors to ensure the compatibility of fiscal and monetary policy;

(3) the Open Market Committee of the Federal Reserve System should use its authority in conducting open market operations to promote the progressive reduction and stabilization of real interest rates to a level commensurate with stable and vigorous economic growth and reduction in the level of unemployment; and

(4) the Chairman of the Board of Governors and the Secretary of the Treasury should report to the Congress within 90 days what measures they are taking to achieve the goals set forth in this resolution.

● Mr. QUAYLE. Mr. President, today our Nation is enjoying a strong economic recovery. Housing starts have been increasing since January of this year and inflation has decreased from 13.3 percent in 1979 to 3.9 percent in 1982. In addition, interest rates have steadily decreased from 21.5 percent in 1980 to 10.5 percent, an important factor in our current economic expansion.

However, we must recall that the pain of this most recent recession has been felt in every area of our country. In 1981, housing starts fell to their lowest level since 1946, and housing construction fell even further in 1982. Many farmers lost their life's work and businesses went bankrupt before the economy began to recover. In my State of Indiana alone the recession peaked in January of this year leaving 13.9 percent of all Hoosiers unemployed.

Because of the severity of the recession on all Americans, I believe Congress must take steps to insure a continued and stable economic recovery. This means Congress must not tolerate an increase in interest rates. Neither current economic conditions nor the accuracy of economic theory justify the continuation of tight monetary policy. The Federal Reserve Board must take a realistic look at current economic and fiscal conditions and then design a monetary policy capable of sustaining economic growth in these conditions. If an appropriate monetary policy is not implemented and maintained in a consistant manner, the current economic recovery will be stalled or even shut off.

In the spring of last year, when businesses were facing interest rates of 16.5 percent, I introduced Senate Concurrent Resolution 71, a concurrent resolution calling on the President and the Federal Reserve Board to work together to stabilize real interest rates at a level much closer to the historical averages, levels that would allow vigorous but stable economic growth. In May of last year, language inspired by this and similar resolutions became part of the first concurrent budget resolution. This resolution addressed my concern that tight monetary policy may cut short the kind of economic recovery needed to put millions of Americans back to work and save millions of American farms and businesses from ruin.

Though the economy today is recovering, we must continue to be vigilant that high interest rates do not return. It will be necessary to keep interest rates at a reasonably low level so that people may buy homes and cars, and businesses may invest in plants and equipment. With recovery, we can expect inflation to return to more normal levels, when judged by historical standards. We must, however, be concerned that interest rates do not increase too rapidly so the recovery is cut short.

In recent years, some economists have observed that there is a fairly constant relationship between inflation and interest rates. Historically, savers and investors have expected a return on their lending 2 to 4 percent above the inflation rate. However, investors of today are requiring so-called inflation premiums of between 6 and 10 percent. If the economy is to continue on its present course of recovery, these high inflation premiums must be reduced.

I believe there are three major causes for high interest rates: Uncontrolled and expanding Federal deficits, excessively restrictive monetary policy, and fears about the future course of inflation. If we do not attack these two problems together, we exacerbate the third and run the risk of cutting short our economic recovery.

There has been a great deal of debate recently about the effects of Government deficits on interest rates. Some think that Federal borrowing crowds out private borrowing and some think that the relationship between the Federal debt and the GNP has some immutable tie to interest rates. One thing is fairly clear: The Federal deficits projected over the next 5 years have fueled the inflationary expectations of most investors. Even though I am not a psychologist, and would not venture to analyze the psychology of Wall Street, I believe that these expectations are a reality. They clearly cause investors major anxieties, a factor in their demand for high premiums in terms of real interest rates. We will not see a sustained recovery unless these anxieties are reduced.

The first thing we have to do is to bring these projected budget deficits down substantially, to accomplish this

we must reduce the rate of growth in the Federal Government.

I, for one, am prepared to consider some hard choices to achieve this goal. For example, I was unable to support the first concurrent budget resolution for fiscal year 1984 on both the Senate floor and earlier in the Senate Budget Committee. It is my feeling that the budget resolution did not present a spending-reduction plan that will lead to the sustained economic recovery which should be our country's No. 1 goal. I am prepared to look at all aspects of the Federal budget, including entitlements and defense spending as well as the revenue side, in order to reduce the Federal deficit.

Mr. President, the Federal Reserve Board too must be willing to play a part in facilitating reduced interest rates and economic growth. The Federal Reserve Board must be realistic enough to allow the level of growth in the money supply to accommodate the lower interest rates so badly needed for our economic recovery to be maintained. I realize that the tight monetary policy of the last 3½ years has helped us to lower inflation, but we must not kill the patient with the cure to this disease.

I am not convinced that some easing of monetary policy will inevitably lead to the type of inflation we saw in the 1970's. For one thing, capacity utilization, labor supply and inventories are all at levels indicating that structural inflationary pressures will not be repeated. For another, some of the exogenous factors causing inflation, such as quadrupling of oil prices and a spiralling series of wage settlements, are not likely to be repeated in so extreme a fashion in the near future.

Finally, it is not entirely clear to me that the Federal Reserve Board can really control the supply of money as closely as it would like. Changes in the financial services industry over the past few years have made the definition of money itself questionable, and have made it difficult for the Fed to control the creation and growth of what it calls money. In these circumstances, I do not believe we should devote our exclusive attention to keeping monetary growth within very narrow limits. It is a goal very hard to achieve, and success in accomplishing it can lead to very mixed results.

Mr. President, the tight money policy of the early eighties is no longer necessary or even healthy for our economy. I believe that the No. 1 objective of the Federal Reserve Board, along with the President of the United States, is to insure a substantial and sustained recovery for our Nation. With unemployment holding at 10 percent, the status of our recovery is too delicate to be tampered with. I am convinced that monetary policy must be conducted in a way to acheve the lower level of interest rates so vital to our economic recovery and long term economic growth.

Mr. President, today I am introducing a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System, along with the Secretary of the Treasury and the Chairman of the Council of Economic Advisers, should work together to insure the compatibility of fiscal and monetary policy and thereby to achieve a stable and vigorous economic recovery and a significant reduction in the rate of unemployment. In addition, the Open Market Committee of the Federal Reserve System is directed to use its authority in conducting open market operations to promote the progressive reduction and stabilization of real interest rates to a level commensurate with stable and vigorous economic growth and reduction in the level of unemployment. Our Nation's economic health is endangered by the continuing collision of our fiscal and monetary policies. Therefore, I believe that it is urgent for all policymaking groups to coordinate their decisions and activities with the single goal of economic recovery foremost in their minds.●

AMENDMENTS SUBMITTED

MILITARY PROCUREMENT AUTHORIZATION, 1984

TSONGAS (AND OTHERS) AMENDMENT NO. 1518

Mr. TSONGAS (for himself, Mr. PELL, Mr. MATHIAS, Mr. HART, Mr. CRANSTON, Mr. PROXMIRE, Mr. KENNEDY, Mr. MELCHER, Mr. SARBANES, Mr. RIEGLE, Mr. PRESSLER, and Mr. METZENBAUM) proposed an amendment to the bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operations and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; as follows:

At the appropriate place in the bill insert the following:

SEC. . Notwithstanding any other provision of this Act or any other Act, none of the funds appropriated pursuant to an authorization contained in this Act or any other Act may be obligated or expended to test any explosive or inert anti-satellite warheads against objects in space unless the President determines and certifies to the Congress (a) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable ban on anti-satellite weapons; and (b) that, pending agreement on such a ban, testing of explosive or inert anti-satellite warheads against objects in space by the United States is necessary to avert clear and irrevocable harm to the national security.

METZENBAUM (AND OTHERS) AMENDMENT NO. 1519

Mr. METZENBAUM (for himself, Mr. PRYOR, and Mr. FORD) proposed an amendment to the bill S. 675, supra; as follows:

At the end of part L of title I of the bill insert the following new section:

REQUIREMENT FOR THE USE OF COMPETITIVE BIDDING PROCEDURES FOR THE LEASE OF CT-39 REPLACEMENT AIRCRAFT

SEC. . None of the funds appropriated pursuant to an authorization of funds contained in this Act may be used by the Air Force for the lease of any CT-39 replacement aircraft unless competitive bidding procedures are followed in the awarding of the lease for such aircraft and the bidding on the lease is open to all qualified domestic firms. Such bidding procedures shall include consideration of the total costs to the government of leasing such aircraft, including maintenance, logistics and training costs.

STAFFORD (AND OTHERS) AMENDMENT NO. 1520

Mr. STAFFORD (for himself, Mr. ROTH, Mr. PELL, and Mr. RANDOLPH) proposed an amendment to the bill S. 675, supra; as follows:

On page 128, beginning with line 11, strike out all through page 131, line 6, and insert in lieu thereof the following:

EXTENSION OF PERIOD FOR TRANSFER OF DEFENSE DEPENDENTS' EDUCATION SYSTEM TO DEPARTMENT OF EDUCATION

SEC. 1006. The first sentence of section 302(a) of the Department of Education Organization Act (20 U.S.C. 3442) is amended by striking out "May 4, 1984" and inserting in lieu thereof "May 4, 1986".

SUPPORT FOR MORATORIUM ON COMMERCIAL WHALING

PACKWOOD AMENDMENT NO. 1521

Mr. BAKER (for Mr. PACKWOOD) proposed an amendment to the resolution (S. Res. 174) to reaffirm support for the International Whaling Commission moratorium on commercial whaling; as follows:

On page 2, line 2, in the resolving clause of such resolution, strike "directed" and insert in lieu thereof "urged".

COMMISSION ON THE BICENTENNIAL OF THE CONSTITUTION

HATCH AMENDMENT NO. 1522

Mr. BAKER (for Mr. HATCH) proposed an amendment to the bill (S. 118) to provide for the establishment of a Commission on the Bicentennial of the Constitution; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That there is established A commission on the Bicentennial of the United States Con-

stitution, hereinafter referred to as the 'Commission'.".

FINDINGS

SEC. 2. The Congress finds that——

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution occurs on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights, and the timeless principles of individual liberty and responsibility, and equality before law, for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our Republic depend upon a knowledge and understanding of their roots and origins.

PURPOSE

SEC. 3. It is the purpose of this Act to establish a Commission to promote and coordinate activities to commemorate the bicentennial of the Constitution.

MEMBERSHIP

SEC. 4. (a) The Commission shall be composed of sixteen members as follows:

(1) thirteen members appointed by the President, three of whom shall be appointed from among the recommendations made by the Speaker of the House of Representatives (in consultation with the minority leader of the House of Representatives), three of whom shall be appointed from among the recommendations made by the President pro tempore of the Senate, in consultation with the majority leader and minority leader of the Senate, and three of whom shall be appointed from among the recommendations made by the Chief Justice of the United States;

(2) the Chief Justice of the United States, or his designee;

(3) the President pro tempore of the Senate, or his designee; and

(4) the Speaker of the House of Representatives, or his designee.

(b) Each of the individuals making recommendations to the President regarding appointments shall seek to achieve a balanced membership representing, to the maximum extent practicable, the Nation as a whole. The Commission members shall be chosen from among individuals who have demonstrated scholarship, a strong sense of public service, expertise in the learned professions, and abilities likely to contribute to the fulfillment of the duties of the Commission.

(c) Members of the Commission shall be appointed for the life of the Commission.

(d) The Commission shall select a chairman from among its members who shall serve as Chairman for the life of the Commission.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct meetings.

(f) A vacancy in the Commission resulting from the death or resignation of a member shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

ADMINISTRATIVE PROVISIONS AND POWERS

SEC. 5. (a) The Commission shall appoint a staff director who shall be paid at a rate not to exceed the rate of basic pay provided for level I of the Executive Schedule pursuant to section 5312 of title 5, United States Code.

(b) The Commission is authorized to appoint and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of such additional publicly paid personnel up to five persons, as the Chairman finds necessary to carry out the purposes of this title. Such personnel shall be compensated at a rate not to exceed a rate equal to the maximum rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) Subject to the provisions of this subsection, the Commission may appoint and fix the pay of such additional personnel to be paid out of private donations. An individual appointed to a position funded in such manner shall be so designated at the time of such individual's appointment. The Chairman may appoint such additional personnel as he deems appropriate, not to exceed thirty staff members. If the Chairman deems it appropriate to make appointments in excess of such thirty-person limit, he shall notify the Chairman of the Committee on Post Office and Civil Service in the House of Representatives and the Chairman of the Committee on the Judiciary in the Senate. If neither House Committee disapproves the appointments in excess of the limit by an affirmative vote of the full committee within sixty days after receiving notice of the appointments, the personnel appointed in excess of the limit to be paid out of private donations shall become permanent personnel.

(d) Each member of the Commission shall serve without being compensated as a member of such Commission, except that each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e)(1) Upon request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act. Details under this subsection shall be without reimbursement by the Commission to the agency from which the employee concerned was detailed.

(2) The Commission may accept the services of not to exceed twenty employees under this subsection at any time.

(f) The Commission is authorized to procure supplies, services, and property, and make contracts, in any fiscal year, only to such extent or in such amounts as are provided in appropriation Acts or are donated pursuant to subsection (h) of this section.

(g) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

(h)(1) The Commission is authorized to accept, use, solicit, and dispose of donations of money, property, or personal services.

(2) The Commission shall prescribe regulations under which the Commission may accept donations of money, property, or personal services, except that under such regulations, the Commission may not accept donations—

(A) the value of which exceeds $25,000 annually, in the case of donations from an individual; or

(B) the value of which exceeds $100,000 annually, in the case of donations from a corporation, partnership, or other business organization.

(3) The regulations prescribed under this subsection shall include procedures for determining the value of donations of property or personal services.

(4) The limitations set forth in this subsection shall not apply in the case of an organization if it is an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)) and exempt from taxation under section 501(a) of such Code.

(i) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(j) The Commission shall have the authority to design and use a logo as the offficial emblem of the bicentennial. The Commission shall issue rules and regulations, including penalties for unauthorized use, regarding the use of such logo, except that under those regulations, the Commission shall be prohibited from selling, leasing, or otherwise granting to any corporation or private person the right to use the logo in connection with the production or manufacture of any commercial goods, as part of an advertisement promoting any commercial goods or services, or as part of an endorsement for any such goods or services.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall—

(1) plan and develop activities appropriate to commemorate the bicentennial of the Constitution, including a limited number of projects to be undertaken by the Federal Government seeking to harmonize and balance the important goals of ceremony and celebration with the equally important goals of scholarship and education;

(2) encourage private organizations, and State and local governments to organize and participate in bicentennial activities commemorating or examining the drafting, ratification, and history of the Constitution and the specific features of the document;

(3) coordinate, generally, activities throughout all of the States; and

(4) serve as a clearinghouse for the collection and dissemination of information about bicentennial events and plans.

(b) In planning and implementing appropriate activities to commemorate the bicentennial, the Commission shall give due consideration to—

(1) the historical setting in which the Constitution was developed and ratified, including such antecedents as the Federalist Papers, the Articles of the Confederation, and the ratification debates in the States;

(2) the contribution of diverse ethnic and racial groups;

(3) the relationship and historical development of the three branches of the Government;

(4) the importance of activities concerning the Constitution and citizenship education throughout all of the States regardless of when such States achieved statehood;

(5) the unique achievements and contributions of the participants in the Constitutional Convention of 1787 and the State ratification proceedings;

(6) the diverse legal and philosophical views regarding the Constitution;

(7) the need for reflection upon both academic and scholarly views of the Constitution and the principle that the document must be understood by the general public;

(8) the substantive provisions of the Constitution itself;

(9) the impact of the Constitution on American life and government;

(10) the need to encourage appropriate educational curriculums designed to educate students at all levels of learning on the drafting, ratification, and history of the Constitution and the specific provisions of that document; and

(11) the significance of the principles and institutions of the Constitution to other nations and their citizens.

(c) The Commission shall seek the cooperation, advice, and assistance from both private and governmental agencies and organizations, including the National Endowment for the Arts, the National Endowment for the Humanities, the Library of Congress, the Smithsonian Institution, the National Archives, the Department of the Interior, State and local governments, learned societies, academic institutions, and historical, patriotic, philanthropic, civic, and professional groups, and bar associations.

(d) The Commission may, in carrying out the purposes of this Act, delegate authority to State advisory commissions to assist in implementing this Act.

(c) Within two years after the date of enactment of this Act, the Commission shall submit to the President and each House of the Congress and the Judicial Conference of the United States a comprehensive report incorporating specific recommendations of the Commission for commemoration and coordination of the bicentennial and related activities. Such report shall include recommendations for publications, scholarly projects, conferences, programs, films, libraries, exhibits, ceremonies, and other projects, competitions and awards, and a calendar of major activities and events planned to commemorate specific historical dates. Each year after such comprehensive report, the Commission shall submit an annual report to the President, each House of the Congress, and the Judicial Conference until such Commission terminates.

TERMINATION

SEC. 7. The Commission shall terminate on December 31, 1989.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated to carry out the purposes of this Act $300,000 for fiscal year 1984 and such sums as may be necessary for the subsequent fiscal years through fiscal year 1989.

EFFECTIVE DATE

SEC. 9. This Act shall become effective on the date of enactment.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Western Hemisphere Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, July 18, to receive a top secret briefing from Ambassador Stone on the topic of Central America.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs, of the Foreign Relations Committee be authorized to meet during the session of the Senate on Tuesday, July 19, to hold a hearing entitled "Export of Alaskan Crude Oil—Foreign Policy Implications."

The PRESIDING OFFICER. Without objection, is is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, July 19, to hold a hearing on non-point source water pollution.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs be authorized to meet on Tuesday, July 19, to hold a hearing on S. 1152, the Consumer Lease and Rental Purchase Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TELEPHONE RATE INCREASES

● Mr. SASSER. Mr. President, because of the wave of telephone-rate-increase requests now pending across the Nation—requests which will send local telephone bills skyrocketing—I have found it necessary to introduce S. 1626, a bill designed to insure continued universal telephone service at reasonable rates for American consumers. I am pleased that Senator STAFFORD, Senator FORD, and Senator BINGAMAN are joining me in this legislative initiative.

States across the country are facing requests for tremendous increases in telephone rates. In my my own State of Tennessee, South Central Bell has asked for a $280 million increase. This would mean in many cases a doubling of phone bills. In Texas, Southwest Bell is asking for over $1 billion in rate hikes. There is a $233 million increase pending in Missouri. Nationwide, as of May, some $4.5 billion in rate increases were pending. And the amount has continued to increase.

There are several reasons behind these requests. One is the tremendous surge in the pace of technology. The state of the art today is passé in 4 or 5 years. In the phrase used to describe space technology: if it works it is obsolete. Telephone companies, faced with the need to constantly upgrade their equipment, have included modernization of equipment as a large portion of the rate increase requests.

A second issue, related to technology, is the desire of the phone companies to depreciate their equipment at a faster pace. The Federal Communications Commission has issued a rule that under divestiture equipment will be depreciated at a national average. This, however, fails to take into account local conditions and needs. While phone companies must, of course, respond to expanding technology the exact rate of depreciation can best be set by State officials reflecting local situations.

A third part of the rate increases requests is due to the Federal Communications Commission's decision last year that an access charge for the cost of linking local with long distance service would be placed on the local customer—whether or not they ever make a long distance call. The goal of the FCC rule—to remove incentives to bypass the telephone system—is laudable. In attempting to solve one problem, however, the FCC has accentuated another—the cost of phone service to the local customer.

One of the basic tenets of our national telecommunications policy has always been universal service at affordable rates. And we have always achieved both and in the bargain developed the finest telephone system in the world.

The AT&T divestiture case and the resulting FCC rules have called into question the affordability of that service. It is plain fact that residential service has always been, in effect, subsidized by higher profit services—such as long distance. In the new, unregulated world of telecommunications that will exist after next January much of the cost of residential and small business service will be borne by those customers.

I think it would be foolish of us to think that we can deal with all the side issues of divestiture without considering their impact on our basic national policy. If we wish to maintain universal service at affordable rates then we must honestly admit that a mechanism must be found to offset the high costs of residential service. Most of the legislation which has been introduced so far has capped phone rates at some percentage of the national rate—110 or 115 percent.

The underlying question remains to be addressed, however, 110 percent of what? We can put a phone into virtually every house in this country. The question is: Will anybody be able to afford to pick it up?

Mr. President, I am under no illusion that S. 1626, or indeed any bill, is a panacea for the problem of increased phone rates. Phone rates will go up whatever Congress does. What we can do is mitigate those increased and to

reverse agency decisions which have the effect of undoing our national telephone policy of universal service at affordable rates.

I have developed this legislation at the request of the Tennessee Public Service Commission. It addresses the major concerns they have raised. I am sure that if my colleagues will check with the utilities officials in their States they will find the same problems.

There are, of course, others. My colleagues, Senator PACKWOOD and Senator STEVENS, have also introduced legislation. The Commerce Committee will soon be holding hearings on this legislation where the issues will be thoroughly explored. My bill offers certain approaches which, I believe, need to be considered in the context of any comprehensive bill. Specifically, my bill will:

Maintain current policy with respect to apportioning of access charges and not implement the FCC's proposed rules.

Provide that rates of depreciation on equipment owned by telephone companies be regulated on a State, rather than national, basis so that such rates reflect local economic conditions: and

Prohibit long-distance communications carriers from bypassing local telephone companies, so that local companies have adequate sources of revenue—not just residential user charges—with which to operate.

This measure is intended to complement, not supplant, the half-dozen measures affecting telephone rates which have already been introduced in Congress. Certain aspects of my bill may require refinement and amendment as it is discussed and considered. The point is we have little time to act. The fact that a landmark piece of litigation was settled through a consent agreement will provide little solace next year when the average American household will have to pay $5, $10, $15 or more each month for telephones, but experience no improvement or increase in service.

I look forward to working with the Commerce Committee as we grapple with these issues. And I trust that the committee's hearings will result in early legislation.

Mr. President, there has been a great deal of editorial comment on the AT&T divestiture case and its consequences, but nothing speaks to the issue as graphically as the people who are going to be affected by the telephone rate increases. I have received hundreds of letters on this issue, each of them an argument for this legislation. I ask that the text of S. 1626 be printed in the RECORD following my remarks.

I further ask that the constituent letters be printed in the RECORD.

S. 1626

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

DEFINITIONS

SEC. 2. Section 153 of the Communications Act of 1934 is amended by adding at the end thereof the following:

"(hh) 'Exchange access' means the provision of facilities and services for the origination or termination of interexchange communication, and shall include the provision of circuits terminating at the premises of a customer.

"(ii) 'Exchange area' means the area within which telephone exchange service is provided, except that (1) an exchange area may not include an entire State, and (2) an exchange area that includes any part or all of any standard metropolitan statistical area may not include any substantial part of any other standard metropolitan statistical area.

"(jj) 'Exchange carrier' and 'exchange common carrier' mean a carrier that provides telephone exchange service on a universal basis.

"(kk) 'Inerexchange carrier' means a carrier or other person that provides interexchange service.

"(ll) 'Interexchange service' means communication service provided among points in more than one exchange area.".

ACCESS CHARGES

SEC. 3. Section 221 of the Communications Act of 1934 is amended by adding at the end thereof the following new subsection:

"(e)(2) The Commission shall establish a system of charges to compensate exchange common carriers for exchange access, and to reform the system of jurisdictional separation of property and expenses in force on the date of the enactment of this subsection.

"(A) The Commission shall, by regulation, ascertain and apportion the costs incurred by exchange carriers to provide exchange access. Such regulation shall be prescribed in accordance with section 410(c) of this Act, and shall provide for the ascertainment and apportionment of the costs of exchange access between exchange service and interexchange service in a manner that ensures the universal availability of reliable and efficient basic communications service at reasonable rates.

"(B) In ascertaining and apportioning the costs of exchange access under such regulation, the Commission shall ensure that the costs of non-traffic-sensitive facilities used to provide exchange access are allocated to interexchange service in an ratio no less than that which would be determined on the basis of the relative use of such facilities for interexchange service, in accordance with the methodology in effect on December 1, 1982. The Commission shall establish uniform practices that ensure that the costs allocated to interexchange service under this subsection are recovered from interexchange carriers and customers of interexchange services.".

CUSTOMER PREMISES EQUIPMENT

SEC. 4. The Communications Act of 1934 is amended by inserting after Section 224 the following new section:

"TELECOMMUNICATIONS COMPETITION

"SEC. 225. (a) Any exchange carrier shall retain any terminal equipment which it provided on December 31, 1982, which equipment shall continue to be made available to customers under tariffs in force as of such date, until such equipment is removed from service in accordance with schedules in effect on the effective date of this section, except that—

"(1) State commissions shall permit increases in such tariffs to reflect any reasonable increases in the costs of providing such equipment; and

"(2) such customer may purchase such equipment from such carrier at any time for a price fixed by the State commission involved after considering the value of such equipment.

"(b) Any exchange carrier may offer terminal equipment not designated in subsection (a) to the public at any time after January 1, 1984, if such equipment (1) is manufactured by unaffiliated persons; and (2) is offered through a separate subsidiary which (A) ensures that no cost of participating in the market for such equipment is borne by the users of exchange services or exchange access; (B) prevents any anticompetitive practice between such market and the offering of exchange services or exchange access; and (C) meets such other requirements as the Commission shall establish by rule.

BYPASS PROHIBITED

SEC. 5. Section 221 of the Communications Act of 1934 is amended by adding at the end thereof the following new section:

"(f) In the administration of this Act, the Commission shall issue such rules and regulations as may be necessary to assure that all telecommunications services provided by an interexchange carrier certified by the Commission shall originate and terminate over the facilities of a local exchange common carrier.

STATE JURISDICTION

SEC. 6. Section 221 of the Communications Act of 1934 is amended by adding at the end thereof the following new sections:

"(g) In the administration of this Act the Commission shall have no jurisdiction with respect to the regulation by any State of depreciation rates for telephone equipment used for the provision of intrastate telephone service.

"(h) Notwithstanding any other provision of law, the States shall have exclusive jurisdiction over the provision of intrastate telecommunication services which shall include all telecommunications which both originate and terminate within a single State regardless of the manner or route by which said telecommunications are transmitted.".

TULLAHOMA, TENN.,
July 11, 1983.

Re telephone increase.

Hon. JAMES SASSER,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR SASSER: We the people of Autumn Manor Apartment Complex, Tullahoma, Tn. are writing to ask a favor of you. All the people of Autumn Manor are required to be sixty-two years of age before they are eligible to live in the complex. All are on fixed incomes with federal subsidized rent.

We are very concerned about the new telephone rates that are to be increased double in amount. There is no way that most of the people in this area will be able to have a telephone at the rates they will have to pay when they are increased.

We would appreciate very much anything you could do to help keep the telephone rates down. At the ages these people are in this building it is imperative that they have phones.

11-059 O-87-40 (Pt. 14)

Our many thanks to you for what you have already done for us, and for your help in regards to the above matter.

Sincerely yours,

OTHENIA MCWHIRTER,
Social Service Director.

JULY 11, 1983.

Senator JIM SASSER,
Washington, D.C.

SENATOR SASSER: I'm writing to strongly protest the requested telephone rate increase!

The hike would more than double the basic rate of service for me and my parents, and that being for the simplest phone service which I feel is needed especially for older people. I might add also, that my parents are on a very fixed income.

It would put the basic service out of reach for many low-income and middle-income families . . . especially fixed income individuals.

I do not think the burden should be put on this range of people. I feel our utilities should continue to be regulated for the public benefit. Services protected, should mean service provided . . . . and this would certainly not be the case.

I feel this is a poorly planned break up of a public service monopoly. I urge you to work with the Tennessee Service Commission to return this service to the peoples benefit.

We the average American are sick of taking the brunt of tax increases and utility hikes—something has to be done—and now!

GALIA R. GROSS.

I am writing this letter about the raise in the telephones, I think it would be awful to raise it, so many old people don't have any way to get help when they need it only by the telephone, they do not get enough money in their check's to pay more. I think that would hurt everybody because we all have people that we are concerned about. Please don't let this happen.

Mrs. J. W. KING.

JULY 12, 1983.

CONGRESSMAN SASSER: The people of America depend on our Congressmen to protect our interests. We are asking your support in fighting the rate increase in the telephone bills. This affects the entire country. Many will not be able to afford a phone, which is a necessity in these times. Crime, fire, illness and the aged.

We have been served many years satisfactorily, by American Tel. & Tel., at a reasonable rate.

Your consideration on this matter will be greatly appreciated.

Thank you,

Mr. and Mrs. H. B. DOBBINS.

MADISON, TENN.,
July 5, 1983.

DEAR MR. SASSER: I hope you can do something about the proposed telephone rates—getting higher. The rates are too high now—and especially for us older people on checks. We need our phones.

Yours truly,

Mr. and Mrs. BILL GREER.

JULY 9, 1983.

Senator JAMES R. SASSER.

DEAR SENATOR: I am writing on behalf of the elderly who are on a fixed income, and will not be able to afford telephones when the prices double the first of the year. The company has already warned us this will happen.

My primary concern is the welfare of my elderly parents, who are both ninety years old, living in another state. Communication is a necessity. This I'm sure is a problem many others have.

The phone company takes care of their retirees well. They are given a year's salary, free hospitalization insurance, and free phone service. This does not appear that they are in any financial bind.

Please see if you can do something concerning this.

Yours Respectfully,

Mrs. HELEN L. JONES.●

COSPONSORSHIP OF S. 1592, AMENDING THE SOCIAL SECURITY ACT

● Mr. D'AMATO. Mr. President, I am pleased today to add my name as a cosponsor of S. 1592, a bill to amend title XVIII of the Social Security Act to correct provisions relating to the current cap on hospice care. I commend my distinguished colleague, Mr. DOLE, on offering this piece of legislation to correct a statistical miscalculation.

My support of the concept of hospice care as an alternative way of caring for the terminally ill is strong. This is why I was a cosponsor of the Senate amendment to the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 which provided hospice care for persons judged to be in the last 6 months of their lives. In such a situation, a medicare beneficiary can elect to receive hospice care for up to 210 days.

In providing for hospice coverage under TEFRA, a payment cap was set at 40 percent of medicare's average per capita costs for nonhospice services provided in the last 6 months of life to beneficiaries dying of cancer. Information available at that time indicated that the payment cap would be about $7,600. However, due to two statistical miscalculations by the Congressional Budget Office, the cap amount for 1984, based on this statute, turned out to be barely over $4,300.

In addition to newspaper articles in the New York Time and the Wall Street Journal, I received numerous telephone calls and letters from New Yorkers requesting legislative action to correct this cap. Also, hospice providers have told me of their inability to provide comprehensive inpatient and homecare hospice services for that minimal level of reimbursement.

This bill recognizes the consequences of basing the limit on a per-capita-cost estimate which is quite different than that available when the legislation was being considered. It provides for a cap amount of $6,500 for fiscal year 1984, and permits the cap to be adjusted in subsequent years by the same percentage as the percentage increase or decrease in the medical care expenditures category of the Consumer Price Index for all urban consumers. I urge this bill's speedy adoption.●

40TH ANNIVERSARY OF THE 442D INFANTRY REGIMENTAL COMBAT TEAM

● Mr. INOUYE. Mr. President, this year marks the 40th anniversary of the founding of the 442d Infantry Regimental Combat Team, a unit of the U.S. Army that consisted of Japanese Americans.

The members of this unit served with honor and distinction, giving a full measure of life to the words of President Franklin D. Roosevelt when he approved its formation:

The proposal of the War Department to organize a combat team of loyal Americans of Japanese descent has my full approval. No loyal citizen of the United States should be denied the democratic right to exercise the responsibilities of this citizenship, regardless of his ancestry. Americanism is a matter of the mind and heart; Americanism is not, and never was, a matter of race or ancestry.

A special Memorial Day service at the Arlington National Cemetery this year commemorated the 40th anniversary of the 442d. On this occasion, Maj. Orville C. Shirey, AUS (Retired), eloquently captured the sense of pride that I and my comrades of the 442d deeply feel.

I might note that Major Shirey served with the 442d from its earliest beginning until well after VJ-Day, and in 1946 authored the first published history of the unit, "Americans, the Story of the 442d Combat Team."

I ask that Major Shirey's remarks be reprinted in the RECORD.

The remarks follow:

REMARKS OF MAJ. ORVILLE C. SHIREY, AUS (RETIRED)

I am honored and very happy to be with you on this 40th Memorial Day since the founding of the 442nd Combat Team. Memorials and Memorial Day gatherings like this one are intended very literally to preserve memories . . . memories of heroes and memories of great deed. But they can also be a guide to the future. From the perspective of these 40 years, I want to look back but also I want to look ahead into the future I believe Japanese Americans have built for themselves.

There is surely no lack of memories. Almost 30 years ago, I stood on this green hilltop, perhaps with some of you, and with others who may no longer be with us. I talked then from my own memories of the fighting years of the 442nd and especially about the Combat Team's bitter, unbelievably costly battle to save a surrounded battalion of the 36th Division. I'm sure that there will be memorial services in Texas villages and towns today and tomorrow where the 442nd will be thankfully remembered.

These stories of a time that called for extraordinary courage and steadfastness are part of the legend of the 442nd. They are part of Americans, its first combat history and also part of "Go for Broke," a new book that Chester Tanake and his associates completed that taps the memories of living vet-

erans for recollections not only of combat, but of the trauma of relocation. So I'll not review these stories here.

However, I should go back to the long winter of 1943 in Italy, under the shadow of Monte Cassino, when the 100th Battalion, fighting under the banner of the veteran 34th Division, helped to write an astonishing chapter in American military history. The 100th, and other gallant combat battalions, mounted an attack that nearly broke German defenses which later yielded only to the attack of five able, well-trained divisions.

And most of us have learned only recently of the devotion and courage of more than 6,000 Japanese Americans who served with every fighting unit in the Pacific war against Japan. They were Japanese language specialists of the Military Intelligence Service. And they too were gallant, loyal, often decorated soldiers working under fire.

It is surely right and proper that we especially honor today—and every day in our hearts—the gallant soldiers of these units who fought and died under the guns. They had an extraordinary purpose—a purpose that President Harry S. Truman recognized as he tied the last of seven streamers depicting Presidential Unit Citations to the colors of the 442nd Combat Team. He said: "You fought not only the enemy, but prejudice, and you won."

It is those two words that I want to speak about especially from the perspective of 40 years. "You won."

Was this brisk, gray, feisty old soldier right? Had you really won by that July day in 1946? Was it enough that a unit whose base strength was about 3,500 men had won more than 18,000 individual decorations?

I was honored to serve with the 442nd Combat Team. It was one of the great privileges of my life. Yet I would have to say, from the perspective of one whose roots are other than your own, that if nothing more had been done—if, in a sense, time had stopped in 1946—President Truman would have been wrong. You had not won.

It has taken at least 35 years of careful, thoughtful, unremitting work to reach the point of winning—to reach the point where many cities all over America want to see the exhibit that displays the record and achievements of Japanese American soldiers—where people want to understand your long and often lonely battle through the years since World War II. It has taken those years to create a climate in which the Commission on Wartime Relocation and Internment of Civilians could exist . . . much less open an often shameful record of otherwise distinguished men who looked for the easy way out of a problem that existed only in our wartime hysteria.

I do not know when that Commission is scheduled to complete its work or what its report will say. But it is at least possible that the sacrifices of Japanese American soldiers who died, and the determination and toll of those who lived, have made it possible that something like the relocation and internment cannot happen again to any American.

I believe without reservation that you, more than most of us, have taken to heart the words of an American of great gentleness and iron will whose memorial stands just across the river . . . Abraham Lincoln.

Mr. Lincoln said: "Fellow citizens, we cannot escape history. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation."

In combat, and in the long years since then, whether you have achieved emience in politics, like Daniel Inouye and Spark Matsunaga or carved careers in less conspicuous fields, you have always taken the high road of honor. Heroism in battle is a perishable commodity, but the sacrifices of Japanese American soldiers have continued to have meaning in the 40 years you have given America since then.

My friends, I think Mr. Truman was a prophet because you made him one. I believed, finally, that you have won. I hope that, as generations go by, you will always remember the shining page that Japanese American soldiers have written in American history . . . and remember also that human freedom is a perishable flower. You have more reason to know than most of us.

At the same time, pray and work for peace.●

AUTOMOBILE AIRBAGS

● Mr. HATCH. Mr. President, today I bring to the attention of the Senate an article written by the columnist George F. Will, and published in the Washington Post on June 30, 1983, entitled, "Airbags: There Ought To Be a Law." I feel Mr. Will has expressed many concerns about passive restraints which the Congress must address. I ask that the article be printed in the RECORD.

The article follows:

AIRBAGS: THERE OUGHTA BE A LAW

(By George F. Will)

Government in Washington often is war carried on by other means. It is an interminable war of indecisive battles between factions of the government. Government needs more battles like those at Thermopylae, Tours, Hastings, Waterloo—battles where issues were settled.

Consider the war over automobile airbags, a war now in its second decade. If you think the Supreme Court ruling last week settled things, think again.

The ruling came a few days after the court's decision striking down the legislative veto. That decision focused attention on how much of the legislating process is delegated by the legislature to the executive branch: Congress expresses sentiments and asks an executive department or independent agency to turn the sentiment into law—into rules regulating behavior.

In 1966 Congress directed the secretary of transportation to issue safety standards that "shall be practicable, shall meet the need for motor-vehicle safety, and shall be stated in objective terms." Congress authorized judicial review of all regulations. Such semilegislation is an invitation to protract conflict, and many parties—insurance organizations, auto manufacturers, consumerists, medical groups—accepted the invitation.

There have been approximately 60 separate rule-making actions in the history of Standard 208, issued in 1967. In 1967 seatbelts were required. When it became clear that few persons used belts, DOT began considering "passive restraints." Those are devices the effectiveness of which does not depend on any action by occupants of a vehicle. Automatic seatbelts fasten to doors and secure occupants when the doors close. Air bags are inflatable devices carried in dashboards and steering columns. They inflate when deceleration forces become severe; then they quickly deflate.

In 1969 the Nixon administration proposed passive restraints. In 1972 it said such restraints would be required in vehicles manufactured after Aug. 15, 1975. Challenged in court, that decision was upheld. Manufacturers opted for the "ignition interlock"—cars would not start until belts were buckled. An enraged public began performing appendectomies on their cars, dismantling the interlocks. The loud complaints awoke Congress, which, acting with a speed not seen since Pearl Harbor, forbade the interlock and, for good measure, gave itself a legislative veto (deceased) over subsequent standards.

The bureaucratic machinery clanked on, producing (to touch only high points) President Carter's requirement of passive restraints and President Reagan's rescinding thereof. The Reagan administration argued that the life-saving potential of airbags, which is not disputed, would not be realized. This because in 99 percent of all cases manufacturers would satisfy the "passive restraint" requirement with automatic seatbelts designed to be easy to detach, and most of these would be detached by the cars' owners.

The court concluded (all nine justices concurring, at least in part) that this decision was capricious. So? So "further consideration of the issue is required." World without end, amen. Victoria Will, age 2, may become a lawyer—don't almost all American children?—and earn her living litigating the airbag war.

And yet . . .

The court said that a minimal requirement of Congress' directive is consideration by DOT of the possibility that the logical response to the faults of detachable seatbelts is to require nondetachable belts, or airbags. At the risk of seeming radical, or perhaps reactionary, I suggest it is time for the lawmakers to make law.

Sen. John Danforth (R-Mo.) is prepared to play the part of Charles Martel, who at Tours in 732 A.D. sent the Moors packing. Danforth's bill says, among other things: "Each manufacturer of passenger automobiles shall install airbags in each passenger automobile manufactured on or after Sept. 1, 1985." That is what a law looks like.

And after 14 years the evidence is in and vindicates passive restraints. Spending on medicine—often on attempts to recover health lost unnecessarily—is becoming a threat to the nation's economic health. The only substantial and immediately achievable improvements of public health would cost the public treasury nothing. They would come from less smoking, less drinking, less overeating, more exercise. And more use of seatbelts. Use of seatbelts would cut fatalities in half and injuries by two-thirds.

For 54 years motor vehicles have been the nation's leading cause of accidental deaths and injuries. Last year an average of 126 Americans a day died on highways. A conservative estimate is that if airbags had been required during the last decade, the lives saved would number many more than the lives lost in Vietnam. The savings to the private economy and the public treasury would have been scores of billions of dollars.

Honorable persons can disagree about what the law ought to be. But surely it is time for Congress to say what the law shall be.●

AMBASSADOR ARTHUR HARTMAN ON U.S.-SOVIET RELATIONS

● Mr. BINGAMAN. Mr. President, earlier this year the distinguished American Ambassador to the Soviet Union, Arthur Hartman, delivered a speech at Harvard University's Russian Research Center which I would like to commend to the attention of my colleagues.

Ambassador Hartman provided an interesting and thought-provoking analysis of the elements of competition and coexistence which intertwine to form the complex relationship between the world's two superpowers. Ambassador Hartman's experience in Moscow, particularly at this time of tension in Soviet-American relations and transition in the leadership of the Soviet Union itself, marks him as a man whose thoughts deserve the careful scrutiny of all Members of this body.

I would also note that, in Ambassador Hartman's words, "there is simply no substitute for the carefully nurtured expertise" of Soviet specialists such as those at Harvard's Russian Research Center. However, our national commitment to produce such specialists has fallen dramatically over the past two decades. For that reason, I urge my colleagues to support S. 873, the Soviet-Eastern European Research and Training Act of 1983. This legislation, introduced by the distinguished Senators from Indiana (Mr. LUGAR) and Delaware (Mr. BIDEN,) would establish a $50 million trust fund, the proceeds from which would be devoted to the education of a new generation of students of Soviet area studies. Whether we talk about competition or coexistence, our Nation will be at a disadvantage if it does not have a sufficient reservoir of trained specialists knowledgeable about the Soviet Union.

Mr. President, I ask that the text of Ambassador Hartman's remarks be printed in the RECORD.

The text follows:

STRENGTH, CONSISTENCY AND CONSTANCY—THE BASICS FOR A POLICY TOWARD THE SOVIET UNION

November 16 of this year is the 50th anniversary of diplomatic relations between the United States and the Soviet Union. The fact that we will mark that anniversary, rather than celebrating it, already says a lot about the first half-century of our relationship. William Bullitt, our first Ambassador to Moscow—a man who was an early proponent of what is now called détente—had these sobering words to say in looking back on his mission: "We would not cherish for a moment the illusion that it is possible to establish really friendly relations with the Soviet Government or with any Communist Party or any Communist individual."

Bullitt's own personal odyssey—from youthful enthusiasm and activism to frustration and bitterness and finally to disillusion and pessimism—is a pretty good archetype for the course of our bilateral relationship as a whole. Indeed, that pattern has repeated itself several times during those 50 years. In fact there is no country in this century with which our relations have been more complex than Soviet Russia.

Our relations with Russia were complex even before the Soviet period. Consider, for example, the irony that autocratic Russia under Catherine the Great was instrumental in aiding our 13 Colonies against Britain in their struggle for liberty and independence. Recall that during our Civil War the Russian Empire, with its millions of serfs, supported the North in its battle over slavery and preservation of the Union; and that we returned the favor by fighting on the Russian side during World War I.

Remember also that our bilateral problems predate Lenin. Let me cite a passage with a contemporary ring: "Russia, for a number of years, has treated the United States . . . badly . . . her diplomatists lied to us with brazen and contemptuous effrontery and showed with cynical indifference their intentions to organize China against our interests . . . I should have liked to be friendly with her; but she simply would not permit it. And those responsible for managing her foreign policy betrayed a brutality and ignorance, an arrogance and shortsightedness, which are not often combined." That was Theodore Roosevelt in 1905. And in 1911 the House of Representatives passed a resolution calling on the President to cut off trade with the Russia of Nicholas II because of its treatment of Jews. The one dissenting vote was cast by a congressman, whose name was neither Jackson nor Vanek, who argued that the resolution would hurt trade without helping Jews in Russia.

In the Soviet period our bilateral economic relationship has always been pulled back and forth between great expectations and big disappointments. In 1918—some 50 years before Brezhnev's détente policy—the new Soviet Government invited the United States to participate in the exploitation of the marine riches of Siberia and of the coal resources of the Ukraine, in the construction of railways, and in the development of Soviet agriculture. Our reaction was, to say the least, sluggish. We measured these Soviet economic offers against the young regime's parallel calls for the overthrow of our political system—a contradiction, by the way, which has never bothered them, and still doesn't. The U.S. position was summed up in a Government directive in 1920 which, while removing trade restrictions, instructed our diplomats to take no action which "officially or unofficially, directly or indirectly, assists or facilitates commercial or other dealings between American citizens and the Soviet Union."

On a higher level, President Wilson's Secretary of State, Bainbridge Colby, remarked in the same year, "the present rulers of Russia are not a government with which relations common to friendly governments can be maintained." Even Bullitt, a businessman himself, drew up this melancholy balance sheet following his ambassadorship: "We should have no illusion that our trade with the Soviet Union may ever be stable or permanent. It may be cut off for political reasons at any moment. Therefore, we should not make loans or give long-term credits to the Soviet Union and should advise American industrialists against putting in expensive American machinery to produce for the Soviet market."

During the early Soviet period and after it, humanitarian concerns also played a major role in the U.S. aproach to the Soviet Union. Herbert Hoover's famine relief operation in the Ukraine during the 1920's undeniably saved many lives. Lend-lease helped produce victory during the World War II. But even here the Soviet reaction has been mixed—at times some gratitude on the one hand but also contempt that Americans would help an ideological enemy and embarrassment that the Soviets would have to accept charity from a capitalist lady bountiful.

Yet there are other elements which should have strengthened the cooperative side of our relationship. We are both continental powers, buffered for the most part by great distances and expanses of ocean. We share a frontier tradition as well as a taste for grandiosity; Paul Bunyan undoubtedly had a Russian grandmother. And the enormous military arsenals which each of us has amassed have exerted some restraining influence and, so far at least, kept us short of direct conflict, though sometimes the margin has been too close for comfort.

One other apparent similarity, however, is actually a major basis for the differences between us: The fact that we have both had revolutions with global and universal implications. Each time I sit down for a conversation in the foreign office in Moscow I am struck by the gulf created by our two revolutionary traditions. When the subject is human rights, the American speaks from the conviction that "all men (not just all Americans) are created equal;" the Soviet speaks from the fear of internal subversion by hostile outside powers and the potential for rebellion against single party oppression.

When the subject is activity in third countries, we call forth a tradition of sovereignty and self-government; they rationalize with appeals to the class struggle and the socialist commonwealth. We examine their conduct—and invite their examination of ours—in terms of a system of contracts known as international law; they judge us not so much for what we do but for what we are. We complain that they are seeking through illegal means to change the status quo worldwide; they complain that we are seeking, through interference in their internal affairs, to change the status quo in their own country or in neighboring areas which bear the attachment to Soviet power with difficulty.

I am not a relativist because I believe in our revolution, our tradition, and our dream, and not in theirs. Yet it remains true that at the heart of our problems with the Soviet Union is a paradox—the paradox of competition and coexistence. As usual, nobody described it better than Toclueville, though he was writing long before Lenin was born. "There are," he said, "two great nations of the world which seem to tend toward the same end, although they started from different points . . . the Russians and the Americans . . . the American . . . gives free scope to the unguided exertions and commonsense of the citizens; the Russian centers all the authority of society in a single arm; the principal instrument of the former is freedom; of the latter, servitude. Their starting point is different, and their courses are not the same; yet each of them seems to be marked out by the will of heaven to sway the destinies of half the globe."

One hundred fifty years later that paradox is weighted down and made more dangerous by an ideology and military power that gives our major rival a capacity and will to attempt to impose its system on the destinies of many nations.

Our competing power, particularly in the nuclear age, and our competing ideologies make it perversely necessary, however, for us to deal with each other. That is the paradox of competition and coexistence. Every U.S. administration since World War II has had to seek approaches for both sides of that paradox. Typically, when the competitive aspect of the relationship spills into confrontation, a corrective is applied; the Cuban missile crisis was followed a year later by the Limited Test Ban Treaty. But just as typically, when coexistence expands into cooperation, that too cannot be sustained; detente proved illusory because political leaders could not keep it balanced and two-way; and it was followed by the colder period we are now in.

Of course, there is nothing automatic about these oscillations which characterize competition and coexistence. They are the product of the perceptions and the actions of each side. I am impressed by the enormous role played by our perceptions about each other, often the wrong ones. We see the Soviet Union as essentially expansionist—a cause as well as a nation-state. Soviets, on the other hand, profess to view things more defensively, remembering that Russia has been invaded five times from the west since Napoleonic times. It doesn't matter very much whether the unfortunate people of Hungary, Czechoslovakia, or Poland have been the victims of offensive or defensive designs. But Americans ought at least to understand how the Soviets look at things.

Other misconceptions abound. Not having a system with either separation of powers or provisions for regular periodic changes in leadership, the Soviets expect from us a much greater consistency on policy formulation and implementation than we seem able to provide. We, on the other hand, tend to see their highly centralized change-resistant system as reflecting, not so much consistency or continuity in any positive sense, but immobilism, inflexibility, and a relentless pursuit of expansionist dogmas.

We have a picture of Soviet leaders spending every waking hour thinking about how to do us in. Some may. But my reading of current priorities is that the new leadership knows that it has a critical problem with its system. They are not going to fall on their faces but the system is not working in the Soviet Union and the reforms tried elsewhere in their empire are not deemed suitable because they depart too dangerously from received Communist dogma. These are the highest priorities for the changing generation of leadership in the Soviet Union.

On the international consequence of ideological debate, there is another basic misperception. Ever since the creation of the Comintern in 1919 the Soviets have been saying the most outrageous things about the United States and what it represents. Nor have they agreed to abate this attack during periods of détente. When my friend, President Giscard D'Estaing—misguidedly in my view—proposed a truce in the war of ideas several years ago, he met with a brusque refusal. Yet now, when an American administration is ready and willing to reply in kind, the Soviets cry "foul" and ask how they can do business with such an ideological opponent. Just last week I was struck by General Secretary Andropov's statement, which I quote; "We believe that the historical competition of our two social systems and the struggle of ideas are a fully legitimate phenomenon, stemming from the very fact of the existence of socialism and capitalism."

Well, we believe it, too. Although we in the West would put fundamental rivalry in terms of the 18th century concept—that missed taking root in Russia—of an individual's right to dispose of his destiny no matter what economic system he chooses.

There is also a perception cap in how we look at the content of our foreign policies. While we may both view the objective of "peace" as paramount, we mean different things by that word. For the United States a more peaceful, stable world in the nuclear age requires nations to act with restraint, curb adventurism in third countries, and behave with a modicum of decency toward their own citizens—as well as being prepared to enter into negotiations which limit arms competition between the major powers.

For the Soviets, the last item—arms control negotiations—is the only one that really counts, and they claim that it must be considered independently of the other elements of the bilateral relationship. The fate of SALT II should have convinced the Soviet leadership that arms control cannot take place in a vacuum. Unfortunately it has not convinced them. Afghanistan and Poland are not divisible from our overall relationship.

Finally, I would like to refer to one other aspect of the perception gap—how each of us mobilizes support for our policies. In the Soviet Union the process of consensus-building is done entirely behind the walls of the Kremlin and a wall of secrecy, since public opinion does not count for much except as it is molded by the Soviet leadership. With us, public debate is essential to the achievement of a viable outcome on virtually every major issue from the Middle East to strategic arms. Yet I have discovered that it is very difficult for my Soviet interlocutors to understand the role of the Congress and of public opinion as a whole. They welcome these elements when—as with the freeze movement—it seems to work against administration policies which the Soviets dislike. But they fail to understand that opinion in Congress and of the public are essential to any genuine American consensus on how the bilateral relationship fits into the search for a more stable and peaceful world.

This brings me to the main point I wanted to leave with you tonight—the need for the United States to develop a means to pursue a policy of strength, consistency and constancy toward the Soviet Union. The deficiencies of perception which I have discussed are not all on the Soviet side. What we Americans need, it seems to me, is a better appreciation of the Soviet challenge and its historical roots, a better understanding of the tools (and not just military ones) for meeting it, and a consistent, publicly accepted strategy which can reduce the ups-and-downs which have been a feature of our approach to the Soviet Union since World War II. Even as the importance of our relationship with the Soviet Union becomes more clearly understood by the American people, the rational management of that relationship becomes more difficult. To the extent that the Soviet issue becomes the main foreign policy issue in every presidential campaign (and campaigns for nomination as well), the time for doing constructive business within each four-year framework is correspondingly reduced.

And the Soviets are tempted to take tactical and dangerous advantage of divisions which they assume are signs of weakness.

This is not a plea that our policy toward the Soviet Union be insulated from the political process and left to the experts. Nor is it a criticism of any particular administration since the war. In fact it is a national problem with roots which go deeply into our history and the understanding of the American electorate itself.

All of us who have participated in the democratic process of forging a foreign policy in the postwar period have seen the successes come when bipartisan agreement is reached on fundamentals and when this consensus is extended to the alliance of free nations. We can argue over tactics and means but if we achieve a genuine understanding of basic principles our ability to maintain our strength and pursue policies with consistency and constancy will be freed from the buffetings of the normal debate on tactics.

It seems to me in the recent exchanges between the President and the Congress that we are once again reaching that consensus point that is so essential to a successful policy.

We appear in our debates on policy toward the Soviet Union to be uniting around a few simple propositions:

That we need a strong defense against Soviet power;

That arms control is an essential element in reducing tensions;

That restraint in third areas is a necessary element of a desirable U.S.-Soviet relationship;

That human rights cannot be separated from our overall relationship;

And that an approach to the Soviet Union that emphasizes trade and other contacts (with the necessary strategic safeguards) offers better prospects for a more peaceful world than trying to seal the Soviets off from all dealings with us.

The trick, which has eluded policymakers for decades, is to make such propositions as these into more detailed action plans and then to weave them into a consistent national strategy. How, for example, to obtain the support of Americans and the public of our democratic allies for adequate, long-term defense programs without building periodic crisis points that are sometimes unrelated to or perhaps exaggerate reality.

The sine qua non for this is an informed, confident public opinion which can see the long-term interests of the United States and can be counted on to be tempting territory for the demagogues. This leads me to my final point: The role of institutes like the Harvard Russian Research Center.

Stalin once remarked that "cadres decide everything" and for once he had a point. Producing a cadre of professionals in any field is not a simple task; as you know better than anybody, in the Soviet field the obsessive protection of information in the Soviet Union makes the study of that country an uncommonly difficult task. We need a mix of qualified experts who seek facts, analyze trends and present issues both for specialists and informed laymen. We also need good positions in government, business and academic institutions for the products of our training. For while it is true that funding for Soviet studies has dropped 70 percent from 1965 to 1980, so too have the number of places for qualified experts. This is only partly due to decreased funding. Unfortunately, we tend to be "faddist" in our approaches even to so vital a field as Soviet studies.

That is why the role of the center is so important. There is simply no substitute for the carefully nurtured expertise of center fellows in the long process of informing ourselves and training our future specialists.

And being a non-Soviet specialist myself, I can attest to the value of specialists on my own Embassy staff. Most of our best officers are either products of the exchanges programs or former exhibit guides (we currently have 11 of them). And nearly all of these specialists have been trained by institutions like yours.

That gives me a special reason to speak warmly on behalf of your work. But there is a larger reason, which leads back to the need for an informed public opinion. Institutions like the Russian Research Center are neccessary because it is they who put the word "informed" before the words "public opinion." Your center is a vital national resource, because it contributes the most essential ingredient—knowledge—to the development of a national consensus which we will if we are to develop a viable and stable approach to the Soviet Union. That, above all, is why you deserve our genuine appreciation and our continuing support.

And now let me leave you with a conundrum put by the Marquis de Custine in 1839: "I don't blame the Russians for what they are. I blame them for pretending to be what we are!"●

REMEMBERING A GRACIOUS KANSAN—THE LEGEND OF C. BENJAMIN FRANKLIN

● Mr. DOLE. Mr. President, Americans are a charitable people. All of us no doubt have been touched by the unselfish generosity of our fellow Americans whose greatest pleasure is a simple act of kindness. They seek no reward or fame, and we may not even know their names, but collectively they make this Nation great.

On the Nation's recent birthday, one of Kansas' most charitable citizens died at the age of 91. He was C. Benjamin Franklin, of Topeka, and he will be greatly missed by his many friends, as well as by many thousands of people who never even met him but were touched by his work.

It is, I suppose, fitting that Mr. Franklin left us on the Fourth of July, for he spent his 91 years on Earth dedicating himself to the betterment of his fellow countrymen—or whatever cause that needed help.

He graduated from Topeka's Washburn University in 1913. He spent the next 70 years helping his alma mater whenever and however he could. That was typical of Mr. Franklin.

He was an author and editor of books, a State governmental official, public speaker, and an extensive traveler. Mr. Franklin received numerous public service awards, as well as a master's degree from Harvard University.

But he was best known in our capital city for his unselfish contributions to the community. He had been owner and president of associated clubs for close to half a century, and had at various times been president of several other charity-oriented groups from which his civic contributions could be funneled. His work for the International Platform Association took him all over the world, bringing with him a bit of Kansas sunshine. But, it was Topeka and that city's organizations that took most of his time and attention. And, because they knew him best, it is the people of Topeka who will miss him most.

His survivors include his loving wife, Margaret, two daughters, and one son.

Mr. President, I ask that Mr. Franklin's obituary and an editorial from the Topeka Capital-Journal praising this outstanding Kansan be printed in the RECORD.

The material follows:

[From the Topeka Capital-Journal, July 5, 1983]

WELL-KNOWN CLUB ORGANIZER IS DEAD AT 91

C. Benjamin Franklin, 91, 4808 West Hills Drive, died Monday, July 4, at a Topeka hospital.

He was born Oct. 15, 1891 in Jefferson County, the son of Joseph Manning and Lucy Kunkel Franklin. He lived in the Topeka area all his life.

Mr. Franklin graduated from Washburn Academy, Topeka in 1910 and received an A.B. degree from Washburn College in 1913. He attended Columbia University in 1924 and received his master's degree from Harvard University in 1927.

Mr. Franklin was formerly president of the Knife and Fork Club International and was president of Associated Clubs, Inc. since 1936. He was also president of the Associated Chautauquas from 1919-1932, president of the Native Sons of Kansas in 1928-1929 and president of Rotary Club of Topeka in 1929-1930. Mr. Franklin was formerly a director of the International Platform Association. He was the state business manager of Kansas from 1933-1936 and was a director of the American Platform Guild from 1945-1947.

He published the Jayhawk Magazine in 1922-1923. He was editor of the books "Famous After Dinner Speeches" in 1949 and "The Dinner Club Movement" in 1954.

He was an active Republican in the state. In Topeka he was an active member of the Central Congregational Church, a 50-year member of Siloam Lodge No. 225 AF&AM, and a life member of York Right Bodies, Scottish Right Bodies and the Kansas State Historical Society. Mr. Franklin was a former member of the American Legion and The 40 and 8. He was a charter and former member of the Arab Shrine Temple in Topeka.

While attending Washburn College Mr. Franklin helped win several interschool debates. He also won the State Prohibition Oratorial Contest. He held key No. 12 of Pi Kappa Delta fraternity. He also helped organize and served as the first president of the Student Council at the college.

Mr. Franklin helped organize Sagamore at the college and was the last living charter member of the group. He is a former president of the Washburn Alumni Association and is a former member of the Washburn Board of Regents and the Washburn Board of Trustees.

Mr. Franklin made numerous trips abroad, including a trip around the world to interview leading national statesmen as a representative of Platform Associated Editors and Commentators.

He was presented with an award for outstanding service to the American Platform Guild by the International Platform Association at its annual convention in 1964. He also received an award for outstanding service from the International Knife and Fork Club in 1982. Mr. Franklin was presented with the Rotary Club's highest award, the Paul Harris Fellowship Award, in December 1982.

He was listed in Who's Who in America and in 2000 Men of Achievement, an English publication.

He served as a second lieutenant in the Air Service during World War I.

On Jan. 20, 1940 he married Margaret Lavona Barnum at Marshalltown, Iowa. She survives.

Other survivors include two daughters, Margaret Lee Felso, Moraga, Calif. and Elizabeth Logan Burg, Metairie, La.; a son, Benjamin Barnaum Franklin, at home; three sisters, Miriam Anna Franklin and Mrs. Myrnah Rachael McIntyre, both of Topeka and Mrs. Monita Woodburn Cox, Cedar Vale and five grandchildren.

Services will be at 2:30 p.m. Thursday at Central Congregational Church. Burial will be in Mount Hope Cemetery. Memorial contributions may be made to the Benjamin Franklin Lecture Series in care of Washburn University, 1700 College, Topeka, 66621 or to the donor's church or favorite charity.

[From the Topeka Capital-Journal, July 7, 1983]

DECADES OF SERVICE

Uncounted thousands of people got a lot of enjoyment and benefit out of what C. Benjamin Franklin helped give them, even though they may not have known him.

Franklin, who died Monday at the age of 91, is survived by a decades-long legacy of service to Topeka.

His organization of the Knife and Fork Club International, and his contributions to the Amertican Platform Guild, and Rotary earned him the highest award each organization can bestow.

Franklin gave tirelessly of his time to Topeka and Washburn University, his alma mater, where he served on the board of regents, board of trustees, and as former president of the alumni association.

As a student at Washburn, he helped organize the schools' student council and served as its first president.

The civic contributions Franklin made during his long life comprise a varied list, but one common thread runs through all of them: service to, and enjoyment for, others. Wherever he saw a need, he worked to fill the void.●

RED SKELTON'S 70TH BIRTHDAY

● Mr. LUGAR. Mr. President, I rise today to ask the Senate to join with me in recognizing a great American. Mr. Red Skelton was born in Vincennes, Ind., 70 years ago today and has since warmed the hearts of millions of Americans with his rambunctious humor.

Beginning his professional entertaining career at age 10, the energetic boy with the shock of red hair had already been earning his keep as a newsboy by hounding customers with unending jibes until in exasperation they paid the cost of a paper to be rid of him. Since those days in which he was forced into the streets to help fend for his family due to the death of his

father, Red Skelton has made people laugh in many ways.

Beginning with tent shows, he moved to minstrel shows, was a showboat comedian, a master of ceremonies, and a Broadway performer. He filled the airwaves with his characteristic laugh and wit, appearing on radio and television shows of his own and others. He is a winner of three Emmy Awards and a Golden Globe Award for his screenplay excellence.

Deeper than his many and varied accomplishments is Red Skelton's sincerity and dedication. During the Second World War, he selflessly gave of himself, entertaining American servicemen 7 days a week, in addition to his duties in the Army. Since those days, he has been a supporter of the needy and disabled. His commitment to needy children no doubt stems from his identification with their hurts and struggles.

Now, today on Red Skelton's 70th birthday, I consider it a great honor to commend him as an entertainer extraordinaire, a comic writer, and composer without equal, a sincere humanitarian, and above all an American with whom we identify all the precious and goodly qualities our people and our Nation humbly hope to possess.●

CAPTIVE NATIONS

● Mr. RIEGLE. Mr. President, since 1959, when President Eisenhower called for observance of Captive Nations Week, the Congress has each year paid tribute to those nations living under imposed foreign rule. Today marks the 23d anniversary of this observance, giving us yet another opportunity to reaffirm our commitment to national self-determination and basic human rights for all people.

Currently, there are 31 captive nations, 13 of which have been fully absorbed into the Soviet Union. It is often hard for those of us enjoying freedom in the United States to conceive of the persecution and repression endured by the peoples of these captive nations. The Soviet invasion and occupation of Afghanistan and the martial law imposed in Poland are two recent examples which come to mind. Despite several setbacks, the Polish Solidarity movement has bravely continued its fight. The incarceration of many of its leaders has failed to suppress the drive and persistence of the workers to resist such oppression. It is evident that the hopes and dreams of the captive peoples for freedom and independence is still very much alive, and may only be restrained by force. This restraint alone, however, cannot maintain a government which denies its citizens the opportunity to govern themselves.

Despite tragic developments such as those in Eastern Europe and elsewhere around the world, we should not allow ourselves to succumb to pessimism or believe that our attempts to remedy these problems are futile. I am hopeful that with the continued dedication and commitment of Members of this Congress, we may be able to alleviate some of the hardship and injustice inflicted upon peoples of the Captive Nations. The eminent conclusion of the Madrid Conference on European Security and Cooperation is a signal that with persistence, we do make progress. In addition, our continuing insistence on upholding the principles of the Helsinki Accords may serve to reinforce our determination to defend the rights of oppressed peoples, while at the same time, reaffirming a universal intent to strive for peace.

Mr. President, by repeatedly expressing our opposition to expansionism and denial of freedom, we give further meaning and appreciation to the democratic principles by which we stand, and to our belief in the rights of all men and women for genuine liberty and independence. I urge my colleagues and American citizens to continue that effort.●

THE FIRST USFL CHAMPIONS

● Mr. RIEGLE. Mr. President, I would like to take this opportunity to congratulate the Michigan Panthers for their thrilling victory in the first U.S. Football League championship game. Recognition should be given to the entire Panther organization including owner Al Taubman, head coach Jim Stanly, most valuable player, Bobby Hebert, standouts Derek Holloway, and Anthony Carter, and the whole Panther team, which proved that they are champions in every sense of the word.

The Panthers are only 1 year old, but they are a source of immense pride to the State of Michigan. They began the season with a 1-4 record, but with great coaching, hard work and a belief in themselves this Michigan team has taken the crown.

We should all look upon this fine Panther team as an example of what a combination of youth, experience, and tremendous effort can accomplish. I know that the people of Michigan have adopted this team and these fans will share in the success. The State of Michigan is proud of our team and we hope for many championships to come.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in two of the covering letters are available to Senators in the office of the Foreign Relations Committee, SD-423.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 15, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-43, concerning the American Institute in Taiwan's proposed Letter of Offer to the Coordination Council for North American Affairs for defense articles and services estimated to cost $80 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 83-43—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)

(i) Prospective Purchaser: Coordination Council for North American Affairs (CCNAA) pursuant to P.L. 96-8.

(ii) Total estimated Value:

	Millions
Major defense equipment [1]	0
Other	$80
Total	80

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Cooperative Logistics Supply Support Arrangement for spare parts and supplies to support U.S. origin aircraft now in Taiwan's inventory.

(iv) Military Department: American Institute in Taiwan for the U.S. Air Force (KCE).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: July 15, 1983.

POLICY JUSTIFICATION—COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS—COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENT

This proposed Letter of Offer and Acceptance provides for the sale of spare parts and supplies to support U.S. origin aircraft now in Taiwan's inventory. The estimated value of the proposed sale is $80 million.

The proposed sale of these spare parts and supplies is consistent with United States law and policy, as expressed in Public Law 96-8.

This sale will provide the spare parts necessary for Taiwan to maintain its U.S. origin aircraft and represents the Taiwan Air Force's estimated annual logistical support requirements.

The sale of this equipment and support will not affect the basic military situation in the region.

Procurement of these items and services will be from private contractors.

Implementation of this sale will not require the assignment of any U.S. Government or contractor personnel to Taiwan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 15, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-44 and under separate cover the classified annex thereto. This Transmittal concerns the American Institute in Taiwan's proposed Letter of Offer to the Coordination Council for North American Affairs for defense articles and services estimated to cost $291 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 83-44—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Coordination Council for North American Affairs (CCNAA) pursuant to P.L. 96-8.

(ii) Total Estimated Value:

	Millions
Major defense equipment[1]	$127
Other	164
Total	291

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 309 tank conversion kits, 384 MIN-72F I-CHAPARRAL missiles and 24 launchers with vehicles, 120 MIM-72F I-SEA CHAPARRAL missiles, and 18 MIM-72F I-CHAPARRAL missiles for lot acceptance.

(iv) Military Department: American Institute in Taiwan for the U.S. Army (YFG and YFF).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1983.

(viii) Date Report Delivered to Congress: July 15, 1983.

POLICY JUSTIFICATION—COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS—TANK CONVERSION KITS, I-CHAPARRAL MISSILES AND LAUNCHERS WITH VEHICLES, AND I-SEA CHAPARRAL MISSILES

This proposed Letter of Offer and Acceptance provides for the sale of a quantity of 309 tank conversion kits, 384 MIM-72F I-CHAPARRAL missiles and 24 launchers with vehicles, 120 MIM-72F I-SEA CHAPARRAL missiles, and 18 MIM-72F I-CHAPARRAL missiles for lot acceptance at an estimated cost of $291 million.

The proposed sale of these conversion kits, missiles, and launchers is consistent with United States law and policy, as expressed in Public Law 96-8,

The tank conversion kits will be used to upgrade M-48A1 tanks to the M-38A5 configuration. The I-CHAPARRAL and the I-SEA CHAPARRAL missiles and launchers will be used for air defense purposes. The purchaser will have no difficulty in using the tank conversion kits or in maintaining the converted tanks, missiles, or launchers.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for the tank conversion kits will be General Dynamics of Warren, Michigan. The prime contractor for the I-CHAPARRAL and the I-SEA CHAPARRAL missiles and launchers will be the Ford Aerospace and Communications Corporation of Newport Beach, California.

Implementation of this sale will require the assignment of five additional U.S. Government personnel to Taiwan for six weeks to provide quality assurance of the missiles and launchers and five U.S. Government personnel for eight weeks for the tank conversion kits.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 15, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-45 and under separate cover the classified annex thereto. This Transmittal concerns the American Institute in Taiwan's proposed Letter of Offer to the Coordination Council for North American Affairs for defense articles and services estimated to cost $105 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 83-45—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Coordination Council for North American Affairs (CCNAA) pursuant to P.L. 96-8.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	79
Other	26
Total	105

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 170 SM-1 STANDARD missiles with associated support and 100 AIM-7F SPARROW missiles with spare and repair parts, technical data and assistance, engineering support training, and publications.

(iv) Military Department: American Institute in Taiwan for the U.S. Navy (LDB and LDC).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 30 June 1983.

(viii) Data Report Delivered to Congress: July 15, 1983.

POLICY JUSTIFICATION—COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS—STANDARD AND SPARROW MISSILES

This proposed Letter of Offer and Acceptance provides for the sale of 170 SM-1 STANDARD missiles with associated support and 100 AIM-7F SPARROW missiles with spare and repair parts, technical data and assistance, engineering support training, and publications at an estimated cost of $105 million.

The proposed sale of these missiles is consistent with United States law and policy, as expressed in Public Law 96-8.

Taiwan intends to install the STANDARD missiles on ex-U.S. navy destroyers. The system will complement the SEA CHAPARRAL, a low altitude, point defense anti-aircraft missile system, which the U.S. Government has previously provided to Taiwan. Taiwan intends to use the SPARROW surface-to-air missiles as a part of a ground based air defense system. Taiwan has the capability to absorb these missiles.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor for the STANDARD missile will be General Dynamics of Pomona, California. The prime contractor for the SPARROW missile will be either the Raytheon Company of Lowell, Massachusetts, or General Dynamics of Pomona, California.

Implementation of the sale of the STANDARD missiles will not require the assignment of any additional U.S. Government personnel or contractor representatives to Taiwan. Implementation of the sale of the SAPRROW missiles will require one U.S. contractor representative for three months for missile maintenance training and one representative for six months for technical assistance.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 15, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-49, concerning the American Institute in Taiwan's proposed Letter of Offer to the Coordination Council for North American Affairs for defense articles and services estimated to cost $54 million. Shortly after this letter is deliv-

ered to your office, we plan to notify the news media.

Sincerely,

PHILIP C. GAST,
Director.

TRANSMITTAL NO. 83-49—NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Coordination Council for North American Affairs (CCNAA) pursuant to P.L. 96-8.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$34
Other	20
Total	54

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 33 M88A1 tank recovery vehicles with support and ancillary equipment.

(iv) Military Department: American Institute in Taiwan for the U.S. Army (YFJ).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: None.

(vii) Section 28 Report: Case not included in Section 28 report.

(viii) Date Report Delivered to Congress: July 15, 1983.

POLICY JUSTIFICATION—COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS—TANK RECOVERY VEHICLES

This proposed Letter of Offer and Acceptance provides for the sale of 33 M88A1 tank recovery vehicles with support and ancillary equipment at an estimated cost of $54 million.

The proposed sale of these items is consistent with United States law and policy, as expressed in Public Law 96-8.

The M88A1 is a full-tracked, armored vehicle designed to facilitate the rapid recovery and repair of tanks and other heavy vehicles in all types of terrain and under all weather conditions. These vehicles will be employed in support of Taiwan's mechanized and armor units. Taiwan currently uses tanks as recovery vehicles, a method which detracts from the operational potential of Taiwan's armored forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the BMY Corporation of York Pennsylvania.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Taiwan.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

RELATIONSHIPS BETWEEN NEW YORK CITY POLICE DEPARTMENT AND THE MINORITY COMMUNITY

● Mr. D'AMATO. Mr. President, today in New York there was scheduled to be held hearings by the House Judiciary Committee on relationships between the New York City Police Department and the minority community in New York City. The hearings were adjourned before testimony was taken from city officials, including the mayor of the city of New York, the police commissioner, and the former chief of patrol, William Bracey. I believe, however, Members of the Senate will be interested in this testimony. I thus ask that this testimony be printed in the RECORD in its entirety.

The material follows:

TESTIMONY OF EDWARD I. KOCH

I want to speak to you candidly about the relations of the police and the minority communities of this City. I want to tell you flatly that even one incident of police brutality is utterly intolerable. I also want to share with you my pride in what New York City has done and is doing institutionally to keep our standards of police behavior high—and tell you further that we are doing better than is the rest of the nation. I want to assure our minority citizens that I fully understand their reasons for their special concern with police power. Finally, I hope this hearing today will be used not to inflame, but to heal. I believe that the record will demonstrate that we are doing well, but also that we can always do better. For our future as a City we must build upon the good, and I for one intend to do precisely that.

In my comments today I intend to provide an overview of this Administration's policy. The police officials who follow me will address the statistics and the factual record at greater length.

Let me begin by saying minority communities have had a central place in my constituency as a member of the City Council, a Congressman and Mayor. Citizens in these communities are among the most courageous, resilient and civic-minded in New York. Disproportionately plagued by crime and proverty, these are citizens who, often in the face of depressing and destabilizing conditions, resolutely affirm religious faith, devotion of family, and neighborhood pride.

In turn, the New York City Police Department is widely admired as one of the finest law enforcement institutions in the world. Bob McGuire, who is a symbol of my commitment to excellence, has established a national reputation for integrity, intelligence and decency that is a source of pride for me and I trust for all New Yorkers. The Department's current professional leadership is without peer in America, and many of its former members have become outstanding commissioners and chiefs in cities and towns all across the nation. The overwhelming majority of the rank and file men and women of our Police Force are consistently brave and humane, often in the face of the most awful and distressing conditions of life.

The relationship between our police and our minority communities is in general sound. This is not to say that there is no friction, no resentment or no abuses that—coming from either direction—necessarily affect the relationship. Such a position would be naive, given the complexity and dimension of the problems with which both must contend. But I repeat: this is a productive and mutually dependent relationship which is vital to the City's harmony, safety and growth.

The reasons for this basically sound relationship are not hard to discover. To start, all citizens of whatever race or religion welcome the police in times of trouble, and all law-abiding citizens want freedom from the curse of crime. In addition, the Department has focused specifically on improving its relationship with minorities and seeks to confront both real difficulties, and the perception of difficulties. Efforts have been undertaken to make precinct houses places of dialogue and cooperation in our communities. The Department has the largest, most comprehensive and best funded community outreach program in the country. The Department has increased it representation of Blacks and Hispanics. The Department's restraint in the use of firearms is superior to that of every major American city. Cases of excessive force involving nightsticks, fists or other weapons, though small in number, are punished with severity.

The Department's Civilian Complaint Review Board, although unable, since it was created in the 1960's, to satisfy everybody's conception of what its structure and functions should be, nonetheless provides direct public access to an investigative process supervised by civilians. Few cities provide even this type of recourse. This administration has devised many other auxiliary precautions. Thus, the Police Academy now devotes almost half of its curriculum to courses in human relations and legal rights, which include special attention to racial and ethnic sensitivity. Under Bob McGuire, the Police Department now has psychological screening procedures for recruits, and violence-prone identification mechanisms for those already on the Force. Both are critical instruments for enhancing public confidence. And the Bias Incident Investigation Unit, created in 1980 as the first permanent police commnad of its type in the Nation, demonstrates the energetic concern of this Admininstration, that every criminal act based upon racial prejudice or religious bigotry be vigorously investigated and prosecuted.

The police have also substantially reduced violent crime in the minority neighborhoods of the City. We are rebuilding the police forces, after the hard times of fiscal austerity and the serious erosion of police presence in the streets, the parks and public places of our neighborhoods. We have significant numbers of cops back on the beat in this City, and dramatic increases in quality-of-life enforcement in every thing from street pushers of marijuana to red light runners. Direct contact of younger and more energetic police officers with the public is expanding enormously.

* * * * *

Turning now to the specific questions of police misconduct, let me say at the outset that I have been distressed to see an increase in complaints about lack of courtesy and offensive language from our police officers. Some of these complaints relate to racially offensive remarks. There may be explanations for this, but no explanation is satisfactory. I personally know that words do sting and words of prejudice sting worst of all. Any racial remark by any officer of the law is intolerable. I know Bob McGuire shares this view, and accordingly the most vigorous administrative, supervisory and disciplinary measures must be implemented to see to it that this problem is rooted out.

Let me turn now to the subject of use of excessive force by the Police. Bob McGuire will deal with the statistics. For my part, I want to make clear that—whatever the statistics—even one incident is too many.

Let it plainly be said that inevitably some policemen will abuse their powers. Such deeds are the deeds of individual men or women, which must be rooted out, condemned, and punished by the Department. I

have repeatedly expressed the view that such deviations from decent, professional, and law-abiding behavior will not be tolerated. As Mayor of the City, it is my responsibility to ensure that abusive, brutal or corrupt acts of police officers be investigated, exposed and severely punished. As long as I am Mayor, the law will be rigorously observed and enforced in New York City with respect to officers and citizens alike. I know that the City officials who are with me here today care deeply about this.

Critical to public confidence that justice will be done in cases of questionable shootings or other use of excessive force by police, is the establishment of procedures that ensure independent and objective fact-finding. Of equal importance is the appearance of fairness and objectivity in such investigations. As Madison taught us, our whole theory of Government is built upon the recognition that men are not angels. And because they are not, we must devise and daily nurture procedural protections. The history of liberty is the history of procedural safeguards, and the integrity of procedure is at the vital center of the lawful exercise of the police power in any enlightened state.

In New York City, the internal procedures of the Police Department, the offices of the District Attorneys and the Special Prosecutor, the United States Attorneys and the Criminal Unit of the Civil Rights Division of the United States Department of Justice, constitute a three-tiered, mutually independent, and broadly respected judicial process. In addition, individual citizens have full access to the courts through civil law suits.

Over the years indictments have been returned for the excessive use of force by some police officers. In certain of these cases, officers were convicted, and in other cases officers were exonerated. In some cases where there were exonerations in the courts, the Police Department, under a less stringent burden of proof, has fired officers for acts of misconduct.

Although I have generally deferred reference to specific facts to the testimony of the Police Commissioner, I believe that the Department's record here is sufficiently important to warrant some specifics. In four cases in my Administration, police officers have been indicted for homicide but then exonerated by the court but, nevertheless, the Department pursued disciplinary proceedings and dismissed the officer in question.

* * * * *

What is critical in a controversial case is for those who have a complaint to take part in the process and not to avoid it. Merely to accuse is not responsible. To refuse to participate is to consciously injure the fragile equilibrium so vital to municipal harmony. What is called for is not generalized rhetoric designed to convince a community that it has been betrayed by its institutions of justice, but a systematic analysis thoughtfully carried out of the facts of every controversy, and—most fundamentally—of the institutions in place to deal with the problem.

* * * * *

When dealing with a problem as complex and critical as that before us, we must proceed beyond the reality, which I believe is being honestly and comprehensively addressed, and confront the perception. I know that there are understandable and honestly held fears in the minority community about police policy and the exercise of police power. Some of this is rooted in experiences in other places where the police are not servants of the people but of oppressive or discriminatory governments. And some of this is an echo of the ugly history of racism in our own country. Neither our country, nor our City, has yet overcome this history. But we are going to keep on moving to do so.

So to those who share this perception, I say, let's find ways to deal with it together, first, by acquainting everyone with the facts, and then through the laborious process of building confidence and civic pride through mutual respect and understanding. The policeman on the beat and the citizen on the street cannot be safe without each other. The one cannot secure justice without the other. To sow division and to subvert this crucial alliance is wrong, it is dangerous, it can levy a terrible cost upon the community.

I believe, and I believe most New Yorkers believe, that there is less police brutality here now than there was 5 years ago, or 10 years ago, or 50 or a hundred years ago. I welcome this improvement as I welcome our substantial recent improvement in fighting robbery and other violent crimes. But we must constantly raise our standards, constantly raise our expectations.

* * * * *

Now to conclude. I am 58 years old and God has blessed me with opportunities that few will receive during their lifetime, the most important one of which is being the Mayor of this extraordinary City.

I have only one goal, and that is to strive to be the best Mayor this City has ever had. How close I come to that goal is a judgment for future historians. But in seeking that goal, I have always believed that public service is the noblest of professions if it is done honestly and if it is done well. My honesty is not under attack, and even my bitterest opponents concede me that. So let me talk about doing the job well.

There is not other job that brings you so close to people each and every day. In the course of a year, I touch hands with every segment of our population—Whites and Blacks, Hispanics and Asians. I have as my credo that ethic of my fathers which is: "Justice, justice shalt thou render." Justice for me, in the words of a United States Supreme Court justice, must be color-blind. And that is how I manage my personal and professional life.

I believe that all citizens have a right to be safe in their homes and on the streets. And I also believe that they have every right to look at a police officer and expect not only protection but restraint, professionalism and courtesy. I have said to the police officers graduating from the Academy, "I will stand up and support you when you are right and I will denounce you when you are wrong". I have also said to those graduating, "There are some rotten apples amongest you now who will disgrace us with corruption or brutality". And I have said to them, "When we discover that bad apple and he or she after due process is found guilty, we will discipline you, suspend you and fire you". If that message for whatever reason has not been sufficiently known to citizens, then let me assure you that I will emphasize it on every occasion.

This is a remarkable City. There is none like it in the world. And its uniqueness stems from the diversity of its people—the races, the religions, the ethnic backgrounds and the nationalities, all of which make up the mosaic of this City and all of which must be respected. There are undoubtedly some who believe that I have not sufficiently articulated this philosophy. If I have offended them I am truly sorry. I have tried to have that message ring loud and clear throughout this City and will continue to do so.

TESTIMONY OF ROBERT J. MCGUIRE

When I became New York City's Police Commissioner in 1978, I accepted charge of one of the world's great law enforcement institutions. It had achieved international eminence because of the excellence of its professional work. Its facility for dealing with and resolving problems of vast scale, had given it a primacy in the work of policing. But more than anything else, its public policy, its philosophy of policing, its attitude toward police power, marked it as a progressive institution worthy of the people of New York City.

There are three fundamental components of this public policy: restraint in the use of force because of a respect for human life; the treatment of all citizens on an even-handed basis; and the imposition of uncompromising standards of probity and discipline upon officers of the law, because abuse of authority is repugnant to the social order.

Given the size and scope of our Department, there will always be officers who might not live up to their oaths. I have repeatedly asserted, in the most unambiguous and uncompromising terms, my intolerance of any deviation from the high standards of conduct and fairness required of a New York City police officer.

With reference to the use of excessive force or brutality, I regard it as the most egregious violation of a police officer's oath.

Let me share with you some of the results of our efforts to prevent misconduct. Since the adoption of stringent control mechanisms in 1973, the total number of yearly shootings by police officers has dropped by 39.2 percent. In 1982, the number of complaints to the Police Department of excessive force involving injury dropped by 31.4 percent. Studies of police shootings across the country reveal that New York City has the lowest incidence of police shootings of any major American city. At the same time, the number of arrests is up, while the incidence of violent crimes is significantly down.

I believe that these positive figures are largely the result of an institutional commitment by the Police Department to actively promote racial understanding, community outreach and a police force representative of New York's diverse population. This direction is evident in the current composition of the Police Force and the measures which we have taken to train all officers in the proper use of force.

HIRING AND COMPOSITION OF THE POLICE FORCE

Over 8,000 new, young officers have been hired by this Administration. Since 1978, minority membership in New York's police force has risen by almost 50 percent, from 2,729 to 4,077. As a percentage of the force, we have increased minority participation from 11.1 to 17.6 percent. In part, this increase is due to court-ordered quotas imposed in 1979. More recent hirings, however, have not been pursuant to any quota and have still reflected increased minority hiring. I believe part of the reason lies in the changed perception of the Police Department as a good place for blacks and Hispanics to be employed. We have actively en-

couraged this perception through an aggressive affirmative action program.

The Department conducted extensive publicity campaigns in minority areas and expended almost a quarter-of-a-million dollars to set up and conduct tutorial classes at decentralized locations across the City in connection with civil service examinations in 1979, 81 and 82. This enabled us to assist over 18,000 minority candidates in preparing for the qualifying examinations. Partly as a result of these efforts, the most recent examination, conducted last year, has resulted in a passing "pool" including over 30 percent black and Hispanic candidates.

I have also appointed during my administration three minority Deputy Commissioners, one minority Bureau Chief, one minority borough chief, three minority deputy chiefs, and seven minority inspectors and deputy inspectors. I also appointed a minority as the Department's Chief Surgeon. These appointments represent a welcome increase of influence for blacks and Hispanics in the command structure of the Department. I beleive that this increased representation of minoritites in all ranks will and should continue. Meanwhile, our Civilianization Program has placed more than 3,000 black and Hispanic civilians in stationhouses and other facilities throughout the City.

SCREENING OF POLICE OFFICERS

The training and selection of these new officers has been rigorously designed to insure that we have the most capable, racially sensitive and professional officers on the street. When the Department resumed large scale recruiting in 1977 after the City's hard times of fiscal austerity, it became one of the few policy agencies in the nation to screen recruits not only for physical and intellectual fitness, but for psychological fitness to exercise the sensitive public authority inherent in police power. A Candidate Fitness Review Board, was established to carefully review the overall fitness of new applicants. Our procedures, which have withstood repeated court challenges, have since 1979 identified and weeded out unqualified recruits. We regard this screening process as a responsible step to insulate the public from the potential hazards of police power in the hands of persons fundamentally unsuitable to be trusted with it.

I have also instituted an ongoing review of the fitness of our present force. In October 1981, I established the Violence Prone Officer Review Committee, thereby placing directly upon the Department's First Deputy Commissioner the responsibility for removing from public contact officers with personality difficulties that might give rise to violent behavior, even though no established or provable violent conduct had occurred. Many of the officers identified by this program have been referred to our respected Psychological Services Counseling Unit.

ACADEMY AND ONGOING TRAINING

The recruit training program in our Department is another example of the importance accorded to human relations sensitivity in policing. Almost half of the five-month training curriculum in the Police Academy is devoted to courses in psychology and human rights. Every recruit receives instruction on the evils of racial and religious bigotry. All recruits also receive thorough training in the proper use of firearms and non-lethal force. Special emphasis is also given to the Department's strong intolerance of police abuse of any kind, including discourtesy and verbal abuse.

One area of police procedural reform of particular relevance to this hearing is in the method with which officers deal with emotionally disturbed persons, who often figure in violent or potentially violent situations.

Field procedures for dealing with emotionally disturbed persons were broadly revised in April of 1981 to ensure safe and humane treatment of such persons. First units arriving on the scene are required to send for and await a superior officer before attempting any physical contact with the individual in question. The use of mace, tear gas, restraining instruments, baton and all alternatives to deadly force must be pursued. Only where there is imminent danger of death to the officer or others in the vicinity is deadly force authorized.

In 1982 police officers removed 10,678 emotionally disturbed persons to hospitals, without loss of life either to those aided or to police officers.

POLICY AND RESTRAINT IN THE USE OF FIREARMS AND OTHER DEADLY FORCE

The most relevant measure of respect for human life in the New York City Police Department is, I believe, its record and procedures regarding restraint in the use of firearms. In 1973, the Police Department adopted an exhaustive series of "Guidelines" for the discharge of weapons. These Guidelines, which went far beyond the Penal Code of New York State, provide that an officer may fire his weapon only to defend his own life, or the life of another. He may not fire at a fleeing suspect or automobile. Indeed, even warning shots are prohibited.

In 1973, the Department created its Firearms Discharge Review Board, a three-tiered investigative, assessment and disciplinary process under which every shot fired by a New York City police officer, is formally investigated be it accidental or intentional, whether a bullet hits someone or not. The investigation begins at the precinct or squad level, then by a Borough Board comprised of both senior and junior officers, and finally by a Headquarters Board of the most senior and responsible service and civilian officials of the Department. This procedure administers the formal firearms discharge guidelines of the Department, and determines whether each firing was acceptable under the guidelines. In the case of violators, it orders retraining of the officer or the filing of formal disciplinary charges against him. As I indicated earlier, since the creation of the Firearms guidelines and the Review Board in 1973, shooting incidents involving New York City Police have declined by 39.2 percent.

The firearms discharge, control and disciplinary mechanism of the Department has been the subject of wide commentary in the professional journals. Professor James Fyfe of American University has done extensive research in this area. The primary conclusion of his study of New York police shooting patterns, which was concurred in by Professor James Q. Wilson of Harvard in a 1981 article, was that racial antagonism plays no part in the record of police shooting incidents in New York City. The geographical distribution of shootings across the City was found to be directly related to those areas in which there is a high incidence of violent crime. In addition, Fyfe also concluded that the guidelines have resulted in a significant reduction in overall police shootings.

In 1980, a nationally televised documentary highlighted the conclusions of a study commissioned by the United States Department of Justice. That documentary, which compared police shootings of unarmed persons who had not assaulted officers and were fleeing, concluded that Philadelphia police shot at a rate 34 times higher than New York police. In overall shootings, their rate was 50 percent higher.

Consistent with these findings, a study commissioned by the International Association of Chiefs of Police and released in 1982 found that New York City was a leader in firearms restraint among 54 major metropolitan police departments. Among its conclusions are the following, some of which are graphically illustrated on a set of charts to which I direct your attention.

"The rate of police homicide per 100,000 population is at least 50 percent lower in New York than in Chicago, Los Angeles and Philadelphia, 100 percent lower in New York than in Cleveland, Washington, Baltimore and Houston, 150 percent lower in New York than in Detroit, and 200 percent lower in New York than in New Orleans.

"The rate of police homicide per number of violent crimes, demonstrated that police in Los Angeles, Chicago, Philadelphia and Detroit fire their weapons at least 2½ times the frequency of New York police. In Houston the rate is six times higher.

"The rate of homicide per 100 police officers further showed that the individual Los Angeles officer is 2½ times, the individual Detroit officer three times and the individual New Orleans officer five times as likely to have killed a citizen as an individual New York officer."

As measured by these indicators, therefore, it is apparent that the number of deaths resulting from police shootings within the City of New York is substantially less than that of other comparable major American Cities.

Finally, it must be noted that the absolute as well as the comparative number of police shooting incidents has dramatically declined in recent years. The Firearms Discharge Review Board's annual report for 1982 shows 23.2 percent reduction in shooting incidents over 1981, a 32 percent reduction in violations of the Guidelines, and a 19.4 percent decrease in the number of members involved in shooting incidents. These results were achieved in spite of a significant increase in injuries to officers and weapons recovered from offenders involved in these incidents. The reductions have further occurred despite the fact that, during my service as Police Commissioner, 27 officers have been killed and 113 wounded by offenders in the course of commission of crimes.

I now direct your attention to a chart which summarizes, for the period 1970–1973, the period 1974–1978 and the period 1978 to the present, shooting homicides by Police. In overall shooting homicides, you will note that during the years 1978–1983 there was a 46.3 percent decrease on an annual average basis when compared to the 1970–73 period. And virtually no change when compared to the 1974–77 period.

With respect to shooting homicides of Blacks, there was an 18.9 percent decrease during the period 1978 to the present when compared with the period 1974–1977.

With respect to shooting homicides of all minorities, during the period 1978 to the present, there has been a 5.8 percent decrease when compared to the period 1974–1977.

CIVILIAN COMPLAINT REVIEW BOARD

Another valuable institutional innovation for the restraint and inhibition of improper police conduct is the Department's Civilian

Complaint Review Board, which provides our citizens with complaint access to an investigative process supervised by civilians. Many American cities provide their citizens with no such machinery of this type. The Board's Director, Assistant Commissioner Charles Adams, is here with us today. Let me say that this Board is not in all respects satisfactory to all those with differing and understandable interests in its function and operation. There are many people who believe that the Board's disciplinary authority should be independent of the Police Department. That is a political judgment, however, which has previously been passed upon by the voters of New York City. The seven member Board includes three minority persons. All members are civilian employees of the Department entirely outside the membership and command structure of the police force, and as long as I have been Police Commissioner, I have not heard or received any complaint questioning their integrity, diligence or objectivity. The Board has been increasingly utilized by citizens over the past several years, in part, I believe, as the result of our distribution in 1981 of 300,000 pamphlets describing its location and function.

In functional and practical terms, this is what the Board does: it receives complaints directly from the public and initiates investigations of police misconduct. In many cases, the Board is able to conciliate complaints in an informal manner. The Board also serves as a vital identifier of problem officers who may have difficulties in dealing with the public. It provides pertinent information where patterns of questionable behavior suggest that social or psychological counseling may be necessary. I want to emphasize that this may occur even in cases where complaints against an officer may be unsubstantiated because of lack of evidence, or failure of complainants to press their complaints.

A critical role of the Civilian Complaint Review Board is thus to provide yet another layer of control, monitoring and investigation of alleged police misconduct. Like other measurements I have referred to, the number and analysis of cases prosecuted by the Board indicates that the Department has been generally successful in this area, although some problems remain.

The 1982 statistics, for example, show a disturbing overall increase of 33 percent in complaints filed. The increase, has come predominantly in the category of discourtesy and offensive ethnic, racial or obsecene language of these there were 115 ethnic or racial slur complaints. However, allegations of force where some injury is claimed have dropped by 31.4 percent from 1296 to 869.

Of course, 869 incidents of excessive force, if proven, are far too many. But it must be borne in mind that 664 of these cases, or 80 percent, involved cases where there was no documented injury. Furthermore, of the 869 cases filed, 393 of the complainants did not choose to follow through, or formally withdrew their complaints. Another 125 cases were conciliated by the parties.

The primary mechanism for maintaining discipline in the Department in these and other similar cases in the Advocates Office, which brings charges and specifications before Trial Commissioners against any officer who is found to have violated the Rules and Procedures of the Department. Final disciplinary and penalty authority rests with me. I have made it unmistakeably clear to all members of the Department that excessive force will be met with severe punishment.

Indeed, during the past 5½ years, 54 police officers were arrested for a variety of assault-related crimes, including homicide, assault and reckless endangerment. Nine of these officers were convicted in the criminal courts and dismissed from the police service by the Department. Four other police officers who were acquitted in the criminal courts were nonetheless dismissed from the Department. Six of these cases are still pending in the criminal courts. Furthermore, in 64 other cases involving allegations of unnecessary force, but no criminal proceedings, five officers were fired and 59 officers were disciplined with penalties including suspensions or fines.

Beyond the internal, investigative and disciplinary mechanisms of the Police Department, there are numerous external governmental entities that monitor and punish police misconduct. The five District Attorneys Offices, Grand Juries, the United States Attorneys offices, and the United States Justice Department play critical roles in this area.

However, no mechanism, internal or external, can effectively serve the public if those who have complaints refuse to submit to lawful and systematic procedures designed to assess such complaints. In one recently celebrated case, the Reverend Lee Johnson refused to submit himself to the formal processes of the Civilian Complaint Review Board, the District Attorney, or the FBI. While the department has instituted its own complaint and investigation in this case, our efforts have been stymied by Rev. Johnson's failure to cooperate.

THE INCREASED EFFECTIVENESS OF POLICE ACTIVITY

As Police Commissioner, I believe that any complaints of police misconduct are cause for concern. However, in evaluating the number of complaints, it must be borne in mind that the 24,000 New York City Police Officers have many millions of documented contacts with the public. Indeed, if one compares the total number of complaints of police misconduct against the approximately one million arrests made and summonses issued, the approximately one million moving violations in traffic incidents, the approximately three million responses to 911 calls, and the many millions of daily contacts, the rate of complaint is placed in some perspective. The increase in some of our activities in these areas is illustrated on another chart to which I direct your attention.

Beyond the sheer size of the police effort in 1982, the central point is that at the same time that force complaints and shooting incidents were down, violent crime in this city was vigorously attacked and substantially reduced. This reduction has been accomplished with a minimum of force. In 1982, for example, the police seized 9,864 handguns from individuals without shots being fired by anyone. This reflects the professional restraint of New York City officers even when they are at risk.

While these results against violent crime were being achieved, a broad-based campaign was undertaken to win back the streets, the parks and the public areas of our neighborhoods for their residents. As Harvard Professor James Q. Wilson noted in the March, 1982 issue of The Atlantic, when visible police street presence and patrols disappear from the public life of the City, the whole range of petty offenders from red light runners and marijuana pushers, to prostitutes, derelicts and disorderly youths will seize the streets. No one can deny this happened to the quality of life in many sections of our City as the Police Force dwindled, by 30 percent in the lean years of the late 1970's. New Yorkers became accustomed to ignoring quality of life laws because there was so little enforcement. That long ordeal, for the Department and for the City, has come to an end. The rebuilding of the Force is underway. Overall, the number of arrests for narcotics, prostitution, disorderly conduct and gambling has increased by over 50 percent during the past two years.

This substantial effort was not made without a clash of wills between police officers and the loiterers, disorderly teenagers and traffic offenders. I believe that this increased activity with respect to both major and minor offenses, combined with the relative youth and unquestionable zeal of our new officers, is at least one of the causes for the increase in "discourtesy" complaints at the Civilian Complaint Review Board. This is a problem which we can and must address through additional training, close supervision and, where necessary, appropriate discipline.

COMMUNITY OUTREACH

Finally, I would like to describe the specific community outreach programs which we have created to directly improve the Department's relationship with the public.

The comprehensive community relations program maintained by the Department reinforces the strong policy encouraging racial sensitivity and community understanding. In sheer size and scope, the community outreach program of this Department has no equal in the country. Our community relations operations have an annual budget of $16.9 million. The full-time staff involved in these efforts is 399 persons. New York City's budget and staff commitment are larger than those of Los Angeles, Chicago, Detroit, Baltimore and Houston combined. We have a Deputy Commissioner, William Perry, whose responsibilities are exclusively devoted to hearing and assisting the communities and neighborhoods of the City as they struggle to deal with crime and its consequences. His direct contacts with almost all major community organizations in the City, through visits, telephone conversations and letters, number in the thousands each year.

Parenthetically, it has been suggested that I have personally been unavailable to community groups and leaders. This is not true. Since assuming office, I have had over 200 formal meetings with such groups, and my door remains open.

We have during the past five years doubled the size of the Auxiliary Police, to the imposing number of 8,000 members, over 50% of whom are minority citizens. The participation of these officers has brought enormous mutual benefits to all City neighorhood and the members of the regular police force.

Our community youth programs are large and diverse. Eight hundred eighty-five disadvantaged youths have been provided with jobs in the Police Department this summer. Our Youth Dialogue Program, which seeks to put concerned officers and minority boys and girls together for constructive discussion about self-improvement, the value of education and the importance of community service, involves aproximately 4,000 young people and 350 police officers. The Summer Youth Recreation Program has ongoing sports, crafts and day trips for over 43,000 youngsters, three-quarters of whom are from minority families.

Our Model Block Program in the minority neighborhoods of northern Brooklyn is a joint police-community program to reduce crime and eliminate destabilizing features of inner city life.

In every precinct of our City we foster dialogue and involvement with the police through our community councils. Our files are full of letters from neighborhood merchants, businessmen, parents, teachers and young people praising our commanders and our patrol officers for their bravery, their courtesy and their concern for the neighborhoods they protect. These expressions of support come no less from minority communities than from other neighborhoods.

One of the most innovative programs which we have created to preserve good community relations and effective law enforcement is the Bias Incident Investigation Unit established in 1980. To my knowledge, it is the first permanently staffed, single mission command of its type in the nation. Since its creation it has successfully investigated numerous incidents of racial, ethnic or religiously biased criminal behavior. The BIAS Unit is a concrete manifestation of this Administration's commitment to racial, ethnic and religious harmony in this city.

This has been a long statement on a very serious subject. I would like to close with a quotation from a speech I gave this Spring to over 1,600 new police recruits in a graduation ceremony held at Madison Square Garden:

"You are members of the finest police department in the world, which provides key services in the most complicated city in the world, with the most diverse population of any city in the history of the world. As such, you are the personal representative of your department in your everyday relationship with our citizens and with visitors to our city. It is essential that you always remember, whether you are on or off duty, that you are a police officer. You have taken an oath to enforce the law. Equally important and implicit in your oath is the obligation to obey the law in your own lives. You will be held to a higher standard of conduct than your fellow citizens, and by the Department, and this is how it must be. For you alone have been given the legal authority backed up by a shield and a gun to enforce the law, to arrest people and, if necessary to take a life in the performance of your duties. No other group in our society has that power and it is an awesome responsibility. Thus it is perfectly appropriate for your fellow citizens to demand that their police officers demonstrate, both in their public and private lives, good judgment, restraint in the use of force, the highest level of integrity, and respect for the law and for legal process. How can we ask the public to place its confidence in a police officer who is either unwilling or unable to live up to these high standards. How can we ask our fellow citizens to support a police officer who violates the narcotics laws or the vehicle and traffic laws, or uses excessive or unnecessary force in the execution of his or her duties; who is unable to control the use of alcohol, or is rude and vulgar, or engages in the use of ethnic or racial slurs. Make no mistake about it, you will be held to very high standards, and the reason for this is clear. You are the law enforcers and the peace keepers in our society and your fellow citizens are willing to trust you with that power only so long as you demonstrate that you are capable of handling it properly and with professional restraint."

Thank you for your attention.

Exhibit to the testimony of Robert J. McGuire, House Committee on the Judiciary, Subcommittee on Criminal Justice, July 18, 1983:

Total firearm discharges by police

Period 1970 to 1973:	
1970	634
1971	810
1972	994
1973	665
Total	3,103

Note.—Annual average 776.

Period 1974 to 1978:	
1974	526
1975	454
1976	378
1977	434
Total	1,792

Note.—Annual average 448.

Period 1978 to present:	
1978	418
1979	394
1980	425
1981	452
1982	375
1983	(1)
Total	2,064

[1] 1983 statistics unavailable.

Note: Annual average 413. Decline of 46.8 percent from 1970 to 1973 average. Decline of 7.8 percent from 1977 to 1978.

Shooting homicides by police

Period 1970 to 1973:	
1970	50
1971	93
1972	66
1973	58
Total	267

Note.—Annual average 66.7.

Period 1974 to 1978:	
1974	43
1975	42
1976	27
1977	30
Total	142

Note.—Annual average 35.5.

Period 1978 to present:	
1978	40
1979	36
1980	28
1981	36
1982	39
1983 (to date)	18
Total	197

Note: Annual average 35.8. An 46.3 percent decrease from 1970–73 average. A 0.8 percent increase from 1974–78 average.

Shooting homicide of blacks by police (Hispanics excluded) [1]

Period 1974 to 1978:	
1974	26
1975	25
1976	14
1977	14
Total	79

Note.—Annual average 19.75.

Period 1978 to present:	
1978	18
1979	18
1980	19
1981	13
1982	10
1983 (to date)	10
Total	88

[1] Statistics on race of shooting opponents unavailable prior to 1974.

Note: Annual average 16.0. An 18.9 percent decrease from 1974 to 1978.

Shooting homicides of minorities (blacks and Hispanics) [1]

Period 1974 to 1978:	
1974	40
1975	37
1976	22
1977	23
Total	122

Note.—Annual average 30.5.

Period 1978 to present:	
1978	30
1979	32
1980	24
1981	27
1982	30
1983 (to date)	15
Total	158

[1] Statistics on race of shooting opponents unavailable prior to 1974.

Note: Annual average 28.72. An 5.8 percent decrease from 1974 to 1978.

[Exhibit to Testimony of Robert J. McGuire, House Committee on the Judiciary, Subcommittee on Criminal Justice, July 18, 1983]

NAACP COMMENTS ON POLICE MISCONDUCT

On Thursday, July 14 United Press International reported that the NAACP General Counsel Thomas I. Atkins had given a speech to the NAACP Convention in New Orleans decrying an increase in police brutality. Mr. Atkins reportedly singled out New York and Milwaukee "particular problems" and stated that Mayor Koch had exacerbated the problem by "shooting off his mouth without the facts."

The actual NAACP report on which Mr. Atkins reportedly based his speech contradicts his statements with regard to New York. Rather than reporting on incidents of police violence, the NAACP project was merely an "organizing guide for community leaders" which, (1) in fact, contains no criticism whatsoever of New York City, and (2) indicates that New York City's procedures for the dealing with misconduct are in accordance with what NAACP would recommend. in particular:

1. The report implicitly recognizes the validity of New York City model by stating that "it is significant that data shows that a more restrictive deadly force policy does not lead to increased injuries to police officers. In New York City, average monthly injuries dropped 43 percent after the more restrictive deadly force policy was adopted." (p. 8) The report further notes at a later point that shootings by New York City police officers dropped "dramatically" after the adoption of Firearms Discharge Guidelines. (NAACP Report, p. 66)

2. The report specifically chronicles three instances of effective changes in firearms policy. The first such example cited is New York City. (NAACP Report, p. 65) The two other examples of changes of policy were Kansas City and Seattle, both of which were headed by police commissioners who had gained their experience as veterans of the New York City Police Department.

3. The organizing guide sets forth 20 specific recommendations for a "model police department policy on use of deadly force

and firearms." (NAACP Report, p. 14) Eighteen of the 20 suggestions describe the existing policy utilized by the New York City Police Department and its firearms discharge control board.

Finally, it should be noted that the report gives instructions to NAACP officers on how to handle specific incidents of police misconduct which indicate that the comments made by Union Theological Seminary President Donald Shriver in response to the alleged beating of Reverend Johnson are precisely what should not be done. As it is stated in the report: "do not make declarative statements such as 'police officer John Doe murdered this boy' . . . for example you may say 'if it is shown that the incident was a deliberate action on the part of the police officer or if this is to be found an unnecessary shooting or crime that we insist that disciplinary action be taken'." The report emphasizes that anyone making statements should seek to "dispel rumors and cause the legal rights of all parties to be respected." (NAACP Report, p. 16). The Rev. Shriver's categorical statements that Rev. Johnson was repeatedly struck, that he was verbally abused, and that "while handcuffed, he was again beaten, choked and kicked" in the 28th Precinct stationhouse unfortunately violated these precepts at every turn.

ATTACHMENTS

(1) NAACP Report, "Police-Citizen Violence: An Organizing Guide for Community Leaders," July, 1982.

(2) Comparison of NAACP Model Policy with New York City Guidelines.

(3) United Press International Wire story regarding Speech by Thomas Atkins, Esq., NAACP General Counsel, dated July 14, 1983.

(4) Press Release by Rev. Donald W. Shriver, Jr., May 5, 1983.

COMPARISON OF THE NAACP'S MODEL POLICY ON USE OF DEADLY FORCE WITH NEW YORK CITY POLICE DEPARTMENT GUIDELINES

On page 36 of its manual on policy citizen violence, the Association lists 20 features that ought to characterize a governing policy of a police agency with respect to the use of deadly force and the use of firearms.

Of these 20 characteristics, 18 are incorporated in the New York City Police Department's pioneering procedures in this area. Indeed, the Department's leadership in this regard is acknowledged by the manual on pages 65–66.

The Association's 2 characteristics that are not incorporated in the Department's procedures:

(a) Require all officers who discharge firearms to attend post-shooting psychological counselling. New York procedures include such counselling as one of a range of possible measures in cases where officers have been found to have violated the guidelines; and

(b) Require the Police Chief or Commissioner to act upon the recommendations of the Firearms Discharge Review Board. In New York, the City Charter places sole disciplinary authority upon the Police Commissioner, who may not legally share it with the Firearms Board, or indeed any other component of the Department. However, the present Police Commissioner cannot recall a single instance where he rejected a recommendation of the Department's Firearms Control Board.

[From the Daily News, July 14, 1983]

NAACP REPORT HITS VIOLENCE BY POLICEMEN

NEW ORLEANS.—Police violence and killing of blacks is increasing because of racism, poor police training and refusal of federal authorities to prosecute officers, an NAACP official said yesterday.

"Policemen feel they have the authority to execute street justice," said general counsel Thomas Atkins.

"They make a determination a person is guilty and needs to be punished. And sometimes the punishment results in death."

Atkins released the results of a major NAACP study that concluded that nonwhite Americans comprised 47% to 50% of persons who were killed by police.

"The incidence of police violence has been growing around the country," he said. "A disproportionate percentage of those victimized by police violence are minorities and the highest proportion are black males."

Officials said the study was based on federal crime reports, research and interviews with victims and local officials in each of the NAACP's seven regions.

Atkins said vestiges of traditional racism, poor training procedures and ineffective leadership by police chiefs contributed to the growing problem of police violence toward citizens.

The federal government's decision not to prosecute officers involved in shootings has exacerbated the problem, Atkins said.

The study recommends that police be prevented from shooting at fleeing felons and discontinue the policy of shooting at speeding cars, which sometimes results in injuries to innocent bystanders.

Atkins called for firm state laws, local ordinances and departmental policies "to provide incentive for policemen to think rather than shoot, talk rather than choke and reason with people rather than to harass, intimidate and engage in other forms of street justice."

Atkins singled out Milwaukee and New York as particular problems.

He accused New York's Mayor Koch of "shooting off his mouth without the facts" when he dismissed statistics showing increased police violence against blacks.

In Milwaukee, Atkins said, the problem is severe because the police chief serves for life and a poor attitude exists among department leaders.

STATEMENT BY THE REVEREND DONALD W. SHRIVER, JR., PRESIDENT, UNION THEOLOGICAL SEMINARY, NEW YORK

I am Donald Shriver, the President of Union Theological Seminary in the City of New York.

I am speaking to you today as head of Union Seminary, an institution of higher learning whose life and history have been intertwined with those of New York City for nearly 150 years. I am speaking also as a teacher and pastor. In all three of these ways I have very central responsibilities toward Union's students. And I am speaking, too, as a citizen of this city.

Early last Saturday evening, a first-year graduate student at Union Theological Seminary, the Reverend Lee Johnson, was stopped by two New York City police officers as he, accompanied by two friends, was driving his car on Lenox Avenue.

One of the police officers approached the Reverend Mr. Johnson's stopped car and requested his driver's license, registration, and insurance card. Mr. Johnson asked to be allowed to get out of the car in order to get at the documents; the request was denied and the officer locked the car door. Mr. Johnson asked why he had been stopped; his question received only profanity in response. Mr. Johnson identified himself as a clergyman and remarked that the officer must be inexperienced if he addressed any citizen in that way.

The officer unlocked and opened the car door, attempted to strike Mr. Johnson in the face, then struck him repeatedly on the leg with a flashlight, and ultimately pulled him from the car.

A second officer joined the first. Mr. Johnson was handcuffed and, while handcuffed, was repeatedly struck with a nightstick and thrown against the car.

He was put into the front seat of a police van and told that he was under arrest. He was not told his offense.

At the 28th Precinct Mr. Johnson was attacked verbally, both with explicit racial epithets such as "nigger" and with disparaging remarks about his religious beliefs and affiliations ("I don't believe in that —— anyway, Reverend" and "You don't pay no taxes anyway").

He was removed to a stairwell and then taken upstairs to a room containing a cell; in both places, while handcuffed, he was again beaten, choked, and kicked by the same two officers who had arrested him. He was told, "I am going to teach you a lesson, nigger" and "When you open your mouth, nigger, you had better say Sir."

Mr. Johnson was released by the police at about 9:30 that evening. As far as he knows, he is not charged with any crime. He was, however, given three summonses for motor vehicle violations.

Mr. Johnson was then able to return to his apartment at Union Seminary and to his wife and baby daughter. Accompanied by a Seminary security guard, he then sought and received treatment of his injuries at the emergency room at St. Luke's Hospital.

I hardly know how to express to you the degree of outrage, shame and despair that I feel as I recount these events.

I feel outrage that this young man was threatened, insulted, humilitated and beaten by the police of this city.

I feel shame that my institution, which had invited this young man to join its community, is unable to assure him of protection by the police, protection of life and limb and of dignity. Shame, too, that I cannot assure our other students, who are from all over this country and from 18 countries around the world, of this same protection.

And I feel despair that yet again, yet again, a black person in this city has been subjected to unlawful violence, carried out by those appointed to uphold the law.

There is no question but that because Lee Johnson is black it was assumed that he was a troublemaker, a public danger, that he was not worthy of respect, that his civil and human rights could be denied him, and that he could be physically injured with impunity.

Nothing in the minor traffic violations with which he was ultimately charged could in any way justify the treatment accorded him by New York City police officers. Such physical and emotional abuse is unprofessional; it is unmoral; it is inexcusable.

I cannot restore to Lee Johnson what has been taken away from him by this police attack. I cannot alleviate his rage, his frustration, his despair.

I can only state that Union Theological Seminary will bend every effort, will use

whatever influence and resource it has available to help ensure that this kind of event will not be tolerated and will not recur. In this effort, we will, at the start, do all we can to make sure that the two arresting officers, who have demonstrated such hatred, contempt, and fear in their attack on Lee Johnson, do not continue to serve on the police force of the City of New York.

[Graphs and charts mentioned in text of article not reproduced in RECORD.]

TESTIMONY OF WILLIAM R. BRACY

I was the chief of patrol in the N.Y.C.P.D. from March 23, 1979 to July 15, 1982. I supervised the Patrol Services bureau and commanded over 16,000 police officers and 3,000 civilians that comprised approximately 70% of the personnel within the department. Patrol services bureau handled all types of police services particularly those performed by uniformed personnel.

I worked as a police officer for thirty-six years. I began my career in 1946, working as a police officer in Bedford Stuyvesant, Brooklyn. After eight years I was promoted to sergeant and transferred to the Borough of Queens, then a predominately white neighborhood. In 1959 I was promoted to lieutenant and assigned as a desk officer in a precinct on the East Side of Manhattan. In 1970 I was promoted to captain and in 1971 was assigned as commanding officer of the 32 pct. in Central Harlem. One year later I was promoted to the rank of deputy inspector and in 1973 was promoted to inspector and returned to Bedford Stuyvesant in the Borough of Brooklyn. Later in 1973 I was promoted to deputy chief, becoming second in command of the police force in Brooklyn North, a force of 2,500 officers charged with serving a population of approximately two million people. On July 1, 1977 I was elevated to the rank of assistant chief and assumed the role of borough commander of that area. On March 23, 1979 I was appointed to the post of chief of patrol where I remained until I retired.

During my career I have belonged to a number of professional law enforcement organizations. I was one of the founders in 1976 of NOBLE, the National Organization of Black Law Enforcement Executives, and for three years served as its recording and corresponding secretary. Presently I serve as NOBLE's assistant to the national president and am a member of the national executive board. One of the purposes of NOBLE is "to establish effective means and strategies for dealing with racism in the field of criminal justice."

I am also a member of the IACP, the international association of chiefs of police. I served on its arson committee, and have addressed IACP workshops on the unnecessary use of deadly force, using the N.Y.C.P.D. as an example of what can be accomplished by proper guidelines while at the same time holding supervising ranking officers accountable for compliance with the guidelines.

I am also a life member of the Guardians Association, an organization of black policemen that I served as president of in 1958 and 1959.

Commencing in 1980 I've participated at the request of Martin A. Walsh, regional director of community relations service of the Dept. of Justice as a consultant and panelist at various forums and workshops. On December 9th and 10th I participated in a two day workshop on "police use of force" and "remedies to excessive use of force" which included successful methods used by the N.Y.C.P.D. to deal with the unnecessary use of force by the police. This seminar was held in Meriden, Conn., and was attended by chiefs of police and four members of their command staff along with ten community representatives from 14 cities in New England. (11 from Conn., 2 from Mass., 1 from Rhode Island.)

On May 21, 1981 I participated at the request of Martin Walsh of C.R.S.—Dept. of Justice as consultant and resource person in a forum in Lawrence, Mass. The workshop was sponsored by the Dept. of Justice and the city of Lawrence and involved "improving relations between the city of Lawrence and the Hispanic community." (See exhibit A letter from Martin Walsh to me.)

Commencing in 1980 with the approval of P.C. Robert McGuire, I've worked as a consultant and expert witness for the NAACP legal defense and educational fund at their request. This was done because of our mutual concern about the issue of police use of deadly force and its effect on the minority community. I have given "expert testimony" on many occasions in cases in the Federal district courts involving Memphis, Tenn., Springfield, Ohio and other cities, using N.Y.C.P.D. regulations, policies, training methods, etc. related to the use of deadly force, stressing the inappropriateness of less stringent policies, regulations and training. (See exhibit B—letter from NAACP, legal defense fund to P.C. McGuire and endorsements, B-1 endorsement, B-2 letter from NAACP to Alderman, City Hall, Toronto, Ontario.)

In 1981 at the request of Thomas Atkins, general counsel, NAACP, I served as a consultant and advisor on the NAACP project for their region V training institute in Atlanta, Georgia. In attendance were two NAACP leaders from Miami and Pensacola, Florida, Birmingham, Alabama, Jackson, Mississippi, Memphis and Nashville, Tennessee, Greenville and Spartanburg, South Carolina and Charlotte, North Carolina. The focus of the session was to provide this core group with sufficient background information to enable them to work in their respective communities on the problem of police violence. (See exhibit C—letter from Martha Fleetwood, NAACP to Chief Bracey—Aug. 20, 1981.)

My two foremost priorities upon assuming command of the 32nd Pct in 1971 were (1) courteous and effective police service, (2) holding supervisory officers accountable for that which they had authority to monitor, and control. These priorities have never changed.

As chief of patrol 7 boro commanders reported directly to me. 17 zone commanders reported directly to the boro commanders and 73 precinct commanders reported to the zone commanders. I personally assigned, transferred and made recommendations for promotion of all of these commanders. I was aware of their strengths and weaknesses and had formal and informal means of assessing and evaluating their performances.

Most contacts by the police with people in the community are made by uniformed police officers assigned on foot patrol or in radio cars. Therefore, most civilian complaints related to police violence—abuse—discourtesy—ethnic slurs, etc. are against uniform personnel. I was aware of the problem as I spent most of my 36 years of police service as a member of the uniformed Patrol Services Bureau and as Chief of patrol of the entire city of New York. I used all of my authority to improve conditions by holding all commanders accountable for all incidents in their commands including the immediate, proper and effective investigation of each incident.

There were also other units such as the departments internal affairs division, trial advocate office, field internal affairs units that did an effective job in surfacing poor and improper performing officers of all ranks.

During my tenure as Chief of Patrol I restructured the investigation & evaluation section. I assigned an inspector in command and had incidents that I considered of high priority, investigated by this unit with the inspector reporting directly to me. This increased my ability to deal quickly and effectively with many problems and also assured greater integrity in all investigations.

My authority and influence extended in many instances beyond the patrol services bureau.

I was a member of the violence prone committee. This committee evaluated police officers who accumulated an inordinate amount of civilian complaints whether substantiated or not to determine if the police officer was suitable to remain on patrol.

I was one of a group that revamped the department's rules and regulations regarding our handling of emotionally disturbed persons in 1979. Police officers responding to a call involving an emotionally disturbed person that had potential for violence were required under certain circumstances to call for assistance including the sgt. on patrol and emergency service personnel. This change in procedure reduced unnecessary confrontation between emotionally disturbed persons and police officers with limited expertise in such matters.

I also served as chairman of the candidate review board. This board was established in 1979 to review cases of candidates who were disapproved for appointments as recruits to the N.Y.C.P.D. by the application investigation unit of the personnel bureau for reasons usually relating to their character or personal behavior. An inordinate amount of candidates rejected were members of minority groups. Over a 3 year period of reviewing the rejected applicants and interviewing them at the board hearings about 30% of the candidates originally disapproved were approved and subsequently appointed.

However, the key to the success of the N.Y.C.P.D. in the past 5 years was due primarily to the leadership of police commissioner Robert J. McGuire. He is an intelligent, talented, sincere, compassionate man with a great feeling and love for people. All people and no matter what their race, creed or color he is concerned about them. He formed a team of police executives who could work together, and he permitted them to do their job. He had no hang-ups or insecurities and brought a fresh enlightened civilian oriented approach to police work. He effectively established and maintained the proper standards of discipline and professional restraint that he expected and demanded. He not only articulated this in speeches at large ceremonial affairs or while conversing with small groups of police personnel of all ranks, but he meted out stiff penalties when required to those who failed to comply with his demands. He set a tone for racial equality and racial harmony by his actions, including appointments and promotions whether they involved promotions to detective positions, or to the executive Corp. where a great emphasis was made to assign the limited number of middle management black executives to important and sensitive positions. A very significant ap-

pointment of a black was of Dr. Clarence Robinson on January 1, 1980, as the first full-time chief surgeon in the history of the N.Y.C.P.D.

Dr. Robinson, who holds the rank of a three star chief, is responsible for the physical well being of the entire police dept. As such, he monitors the medical care given during the 10,000 line-of duty injuries incurred annually by N.Y.P.D. officers. He also oversees the sick reports of police officers to ensure their rapid return to duty. Chief Robinson supervises a staff of 23 surgeons and 200 honorary surgeons.

Police commissioner McGuire was accessible at all times to any and all responsible groups and met with them at police headquarters or at their community meetings. This also set the tone for field commanders who were also very accessible to responsible groups.

I finally want to address the question of police brutality. In any police organization, there will always be some officers who are brutal, racially insensitive or personally prejudiced against ethnic racial or religious minorities. What is essential is that the institution, the command staff and the civilian leadership of the department unreservedly condemn and punish such attitudes and behavior. The New York City Police Department, under Commissioner McGuire has adopted such a policy, and made it a cardinal facet of its training, discipline and community relations.

EXHIBITS

U.S. DEPARTMENT OF JUSTICE, COMMUNITY RELATIONS SERVICE, NEW ENGLAND REGION,
Boston, Mass., May 18, 1981.

Mr. WILLIAM BRACEY,
Chief of Uniformed Police, New York City Police Department, New York City, N.Y.

DEAR CHIEF BRACEY: On Thursday, May 21, 1981, the Community Relations Service, U.S. Department of Justice, along with the City of Lawrence, MA, is co-sponsoring a police/community relations forum on improving relations particularly between the City of Lawrence's Police Department and the Hispanic community.

On behalf of the sponsors of this important effort, I wish to thank you for agreeing to be one of the principal resource persons. Your part of the seminar will be addressing "Measures Police Departments Can Adopt in Addressing Charges of Police Abuse." During other parts of the seminar you will be participating as a resource person to facilitate productive dialogue between police officials and other citizens.

The Community Relations Service, U.S. Department of Justice, continues to be proud of your work both in New York and during those occasions when you served as a consultant. I was most impressed with your excellent, professional and most stimulating contributions at the Tri-State Conference held December 9-10, 1981, in Meriden, CT.

I look forward to working with you again during this seminar. If there is any additional information required or assistance needed, please call upon us as soon as possible.

Sincerely,

MARTIN A. WALSH,
Regional Director.

NAACP LEGAL DEFENSE AND EDUCATIONAL FUND, INC.,
November 12, 1979.

ROBERT J. MCGUIRE,
Commissioner, New York Police Department, New York, N.Y.

DEAR COMMISSIONER MCGUIRE: As you may bc aware, the Legal Defense Fund has for many years been concerned with the legal aspects of police/minority community relations. As part of that concern, we have focused on the issue of police use of deadly force. Over the last decade, we have brought several cases in Memphis regarding police use of deadly force. Under Tennessee law, the police are authorized to use deadly force in any case involving a fleeing felon. In the past, Memphis police officers have used deadly force in cases in which we believe it was totally inappropriate.

A recent case has opened the way for a new challenge to the deadly force policies of the Memphis Police Department. Currently, we have two cases before this federal district court in Memphis that involve this issue. The first will go to trial on January 2, 1980. In each of these cases, we are seeking to show that the regulations, policies, and training related to the use of deadly force by Memphis Police officers fall short of those adopted by other major police departments and police professionals. To do so, we will need the help of expert testimony. We are desirous of retaining Chief William R. Bracey as such an expert. He has indicated that he might be interested in assisting us in that manner. His involvement in the case would consist of approximately two to three days' work; of course, the Legal Defense Fund would cover his expenses.

Both cases involve the shooting deaths of juveniles. In one, the victim was involved in an auto theft. In the other, the victim had burglarized an occupied residence. Neither of the victims were armed, nor did they commit any acts of violence toward third persons. I am enclosing some materials which more fully explicate the facts of these cases.

Thank you for your consideration of this matter.

Sincerely,

STEVEN L. WINTER,
Assistant-Counsel.

2ND ENDORSEMENT

Deputy Commissioner, Legal Matters to Chief of Patrol. January 11, 1980. Please note the attached. I suggest that you respond to Mr. Winter. I have asked Lt. Flanagan to be available should you wish to have his assistance in this matter.

KENNETH CONBOY,
Deputy Commissioner, Legal Matters.

NAACP SPECIAL CONTRIBUTION FUND,
New York, N.Y., November 19, 1980.

Mr. ALLAN SPARROW,
Alderman's Office,
City Hall, Toronto, Ontario.

DEAR MR. SPARROW: Your letter to our Executive Director, Benjamin L. Hooks, has been referred to me for response.

Probably the most prestigious name that we could offer to you as a qualified criminologist who can be called upon to testify on critical police operations is Chief William Bracey of the New York City Police Department. Chief Bracey can be reached at the New York City Police Department, 1 Police Plaza, New York, New York.

I am enclosing a copy of an Affidavit supplied by Chief Bracey in the case in the United States District Court, Western Division of Ohio.

If you have any further questions in this matter, please feel free to contact me.

Respectfully,

CHARLES E. CARTER,
Associate General Counsel.

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
New York, N.Y., August 20, 1981.

Police-Citizen Violence Project

Chief WILLIAM BRACEY,
Patrol Bureau, New York Police Department, New York, N.Y.

DEAR MR. BRACEY: I appreciate your willingness to serve as a consultant to this project for our Region V Training Institute. That session will be held in Atlanta, Georgia on August 29th, from 9 a.m. to 6 p.m. In attendance will be two N.A.A.C.P. leaders from each of our local units in the site cities where this project is operating. These cities include: Miami and Pensacola, Florida; Birmingham, Alabama; Jackson, Mississippi; Memphis and Nashville, Tennessee; Greenville-Spartanburg, South Carolina; and Charlotte, North Carolina. The focus of the session will be to provide this core group with sufficient background information to enable them to work in their respective communities on the problem of police violence.

MARTY FLEETWOOD,
Project Director.●

BLIND TRUST AND CIA DIRECTOR CASEY

Mr. LEVIN. Madam President, over the past week, I have privately talked to many Members of this body about my strongly felt and long publicly expressed belief that Central Intelligence Agency Director William Casey should place his large stock portfolio into a blind trust.

I feel so strongly about this that, last week I privately notified many of the members of the Intelligence Committee on both sides of the aisle that I planned to offer an amendment to the pending defense authorization bill expressing the sense of the Senate that Director Casey should put his stocks in a blind trust. This legislation would be an appropriate vehicle for such an expression, since it includes programs over which Mr. Casey exercises policy and budget direction.

I have also personally urged the CIA Director on a number of occasions to establish a blind trust.

Setting up such a trust now would not be an admission of poor judgment; it would be an expression of good judgment, a judgment that both he and his agency would be better off if he eliminated the undesirable appearance.

In his 1982 financial disclosure form, Mr. Casey showed that he had made 19 purchases and 26 sales of stocks worth some $1.5 million to $3.5 million. In his 1983 statement, Mr. Casey disclosed transactions involving 48 purchases of stock valued between $1.5

million and $4 million and 27 sales valued between $1 million and $2 million. That does not include some 28 purchases and 32 sales of bonds, Treasury bills, and money market funds.

There should not be criticism of a decision by CIA Director Casey to establish a blind trust—there should be applause for a number of reasons, not the least of which is that members of the CIA staff could now return to their normal intelligence agency duties instead of spending time screening matters going to Mr. Casey for decision to try to avoid a conflict with his large stock holdings.

As I said earlier, it was my intention to offer an amendment to this bill. But, based on conversations with Mr. Casey Saturday and today, I now believe that we can look forward to the prompt and correct conclusion of this matter without the need for legislation.

Madam President, before I yield, I do want to add that my concern about Mr. Casey's screening arrangement and the extent of his stock trading developed during hearings of the Subcommittee on Oversight and Government Management of the Governmental Affairs Committee, of which I am the ranking minority member, and Senator COHEN is the chairman—and I do note that Senator COHEN is on the floor this afternoon.

Mr. COHEN. Madam President, I just wish to add that, as the Senator from Michigan has indicated, the entire discussion of the blind trusts came up in the context of our oversight committee's hearings on the reauthorization of the Office of Government Ethics. It was during the course of those hearings that the Senator from Michigan (Mr. LEVIN) indicated to me that he wanted to pursue the issue of Mr. Casey's particular holdings.

Frankly, I believe that he has pursued this in a very responsible way. I know he has worked very diligently on it. I also serve on the Intelligence Committee and he has brought this to my attention in that capacity as well. I commend him for his initiative.

I also commend him for withholding the introduction of any legislation at this time. I am hopeful that this matter can be resolved in a satisfactory way in the near future.

Mr. LEVIN. I thank the Senator for his remarks and I yield the floor, Madam President.

THE CALENDAR

Mr. BAKER. Mr. President, I believe there are some wrap-up items to be taken care of. Then, if the minority leader is prepared to address those items, I have a fat folder of them.

Madam President, the first item I propose to bring to the attention of the Senate would be Senate Resolution 174, the whaling moratorium resolution. Would the minority leader indicate to me whether he can approve consideration of this matter at this time?

Mr. BYRD. Madam President, that matter has been cleared on this side.

REAFFIRMATION OF SUPPORT FOR MORATORIUM ON COMMERCIAL WHALING

Mr. BAKER. Madam President, I ask unanimous consent that all previous action of the Senate on Senate Resolution 174 be vitiated and that this resolution once again be placed before the Senate for its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A Senate resolution (S. Res. 174) to reaffirm support for the International Whaling Commission moratorium on commercial whaling.

AMENDMENT NO. 1521

(Purpose: To provide for encouragement to achieve compliance with the International Whaling Commission moratorium on commercial whaling)

Mr. BAKER. Madam President, on behalf of the Senator from Oregon (Mr. PACKWOOD), I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. PACKWOOD, proposes an amendment numbered 1521:

In the resolving clause of such resolution, strike "directed" and insert in lieu thereof "urged".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1521) was agreed to.

Mr. BAKER. Madam President, I have a list of cosponsors to this bill, and I ask unanimous consent that the named Senators be added as cosponsors and that their names appear in the RECORD in conjunction with the consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

The cosponsors are as follows:

COSPONSORS FOR SENATE RESOLUTION 174

Senators Percy, Pell, Chiles, Cohen, Bumpers, Heinz, Chafee, Rudman, Randolph, Riegle, Moynihan, Nunn, Jackson, Kasten, Wallop, Huddleston, Weicker, Gorton, Inouye, Goldwater, Levin, Pressler, Lugar, Roth, Mitchell, Hecht, Stafford, Cochran, Sarbanes, Abdnor, Specter, Baucus, Cranston, Dodd, Hawkins, Hatfield, Kassebaum, Warner, Pryor, Boschwitz, DeConcini, Proxmire, Matsunaga, Baker, Melcher, Metzenbaum, and Dole.

● Mr. PACKWOOD. Mr. President, I am today asking for Senate passage of Senate Resolution 174, a resolution regarding commercial whaling. A great many of my colleagues and I have been working on this issue for many years. A major victory was won last year at the annual meeting of the International Whaling Commission when that body voted to impose a moratorium on commercial whaling. This moratorium is set to begin in late 1985.

Unfortunately, four nations filed objections to the moratorium decision, an action which threatens the effectiveness of the decision. Those four nations are Japan, Norway, Peru, and the Soviet Union. It is important that we let these nations know that the resolve of the United States remains firm and that we are committed to seeing the moratorium through to its complete implementation.

For this reason, I ask that the Senate act favorably on Senate Resolution 174. The resolution does not break any new ground on the whaling front. It simply reaffirms 12 years of U.S. support for a cessation of commercial whaling. It also calls on the Secretaries of State and Commerce to continue their diligent efforts to see that the moratorium is effectively implemented and observed. There are a variety of sanctions in U.S. law which are available to us if the moratorium is threatened, and it is my view that we should not hesitate to use these measures.

This year's International Whaling Commission meeting begins on Monday, July 18, in Brighton, England. It is my hope that the full Senate will agree to send a message that the United States has not altered its policy regarding a whaling moratorium. We should also be willing to make it clear to all IWC members that we intend to back up this policy with positive action if necessary.

Let me also say that it is my sincere hope that such action will never be necessary. The ideal outcome on this issue would be for the nations which have filed objections to realize that their best course lies in cooperating with the majority of nations who have decided that commercial whaling should cease. This issue continues to be a major irritant to relations between the United States and those nations which have filed objections. Given the economic insignificance of commercial whaling when compared to our other economic relations with those nations, it seems to me that it would be wise for them to accede to the will of the majority on this matter.

I thank my colleagues for this opportunity and I ask for their support of Senate Resolution 174.●

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

The preamble was agreed to.

The resolution, as amended, with its preamble, is as follows:

S. RES. 174

Whereas millions of American citizens and millions of citizens worldwide have demanded an end to the destruction of whales by commercial whalers;

Whereas, in 1971, the Senate and the House passed concurrent resolutions calling for negotiation of a moratorium on commercial whaling;

Whereas a similar whaling resolution was adopted by the Stockholm Conference on the Human Environment in 1972;

Whereas every President since 1971 has emphatically reaffirmed United States support for a moratorium on commercial whaling in letters to the International Whaling Commission;

Whereas President Reagan also sent such a letter to the International Whaling Commission on July 17, 1981;

Whereas the epochal decision of the International Whaling Commission in July 1982 to indefinitely halt commercial whaling beginning in 1986 has been threatened by the Soviet Union, Japan, Norway, and Peru who have filed objections to the decision; and

Whereas sixty-six United States Senators joined in a letter to the Secretary of Commerce in August 1982 calling for use of the Pelly and Packwood-Magnuson amendments and other means available to us to obtain worldwide compliance with the International Whaling Commission decision and a similar view has been expressed by Members of the House of Representatives: Now, therefore, be it

Resolved, That the Secretary of State and the Secretary of Commerce are urged to continue to use all diplomatic and legal means to achieve worldwide compliance with the International Whaling Commission moratorium decision, including use of the Pelly amendment to the Fishermen's Protective Act, the Packwood-Magnuson amendment to the Magnuson Fishery Conservation and Management Act, and any other appropriate legal tools.

Mr. BAKER. Madam President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

STAR PRINT—S. 979

Mr. BAKER. Madam President, I ask unanimous consent that S. 979 be star printed to reflect the following changes, which I send to the desk.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

BICENTENNIAL OF THE CONSTITUTION

Mr. BAKER. Madam President, I say to the minority leader that I propose to proceed to the consideration of S. 118, if that matter is cleared on his side of the aisle.

Mr. BYRD. Madam President, that matter is cleared.

Mr. BAKER. I thank the Senator.

Madam President, I ask that the Chair lay before the Senate Calendar Order No. 108, S. 118.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 118) to provide for the establishment of a Commission on the Bicentennial of the Constitution.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments.

Mr. BAKER. Madam President, there are committee amendments which I am instructed to request be withdrawn.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 1522

(Purpose: To make technical and other amendments)

Mr. BAKER. Madam President, I send to the desk an amendment on behalf of the distinguished Senator from Utah (Mr. HATCH).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), on behalf of Mr. HATCH, proposes an amendment numbered 1522.

Mr. BAKER. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That there is established a Commission on the Bicentennial of the United States Constitution, hereinafter referred to as the "Commission".

FINDINGS

SEC. 2. The Congress finds that—

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution occurs on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights, and the timeless principles of individual liberty and responsibility, and equality before law, for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our Republic depend upon a knowledge and understanding of their roots and origins.

PURPOSE

SEC. 3. It is the purpose of this act to establish a Commission to promote and coordinate activities to commemorate the bicentennial of the Constitution.

MEMBERSHIP

SEC. 4. (a) The Commission shall be composed of sixteen members as follows:

(1) thirteen members appointed by the President, three of whom shall be appointed from among the recommendations made by the Speaker of the House of Representatives (in consultation with the minority leader of the House of Representatives), three of whom shall be appointed from among the recommendations made by the President pro tempore of the Senate, in consultation with the majority leader and minority leader of the Senate, and three of whom shall be appointed from among the recommendations made by the Chief Justice of the United States;

(2) the Chief Justice of the United States, or his designee;

(3) the President pro tempore of the Senate, or his designee; and

(4) the Speaker of the House of Representatives, or his designee.

(b) Each of the individuals making recommendations to the President regarding appointments shall seek to achieve a balanced membership representing, to the maximum extent practicable, the Nation as a whole. The Commission members shall be chosen from among individuals who have demonstrated scholarship, a strong sense of public service, expertise in the learned professions, and abilities likely to contribute to the fulfillment of the duties of the Commission.

(c) Members of the Commission shall be appointed for the life of the Commission.

(d) The Commission shall select a chairman from among its members who shall serve as Chairman for the life of the Commission.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct meetings.

(f) A vacancy in the Commission resulting from the death or resignation of a member shall not affect its powers, and shall be filled in the same manner in which the original appointment was made.

ADMINISTRATIVE PROVISIONS AND POWERS

SEC. 5. (a) The Commission shall appoint a staff director who shall be paid at a rate not to exceed the rate of basic pay provided for level I of the Executive Schedule pursuant to section 5312 of title 5, United States Code.

(b) The Commission is authorized to appoint and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of such additional publicly paid personnel up to five persons, as the Chairman finds necessary to carry out the purposes of this title. Such personnel shall be compensated at a rate not to exceed a rate equal to the maximum rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) Subject to the provisions of this subsection, the Commission may appoint and

fix the pay of such additional personnel to be paid out of private donations. An individual appointed to a position funded in such manner shall be so designated at the time of such individual's appointment. The Chairman may appoint such additional personnel as he deems appropriate, not to exceed thirty staff members. If the Chairman deems it appropriate to make appointments in excess of such thirty-person limit, he shall notify the Chairman of the Committee on Post Office and Civil Service in the House of Representatives and the Chairman of the Committee on the Judiciary in the Senate. If neither House Committee disapproves the appointments in excess of the limit by an affirmative vote of the full committee within sixty days after receiving notice of the appointments, the personnel appointed in excess of the limit to be paid out of private donations shall become permanent personnel.

(d) Each member of the Commission shall serve without being compensated as a member of such Commission, except that each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e)(1) Upon request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act. Details under this subsection shall be without reimbursement by the Commission to the agency from which the employee concerned was detailed.

(2) The Commission may accept the services of not to exceed twenty employees under this subsection at any time.

(f) The Commission is authorized to procure supplies, services, and property, and make contracts, in any fiscal year, only to such extent or in such amounts as are provided in appropriation Acts or are donated pursuant to subsection (h) of this section.

(g) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

(h)(1) The Commission is authorized to accept, use, solicit, and dispose of donations of money, property, or personal services.

(2) The Commission shall prescribe regulations under which the Commission may accept donations of money, property, or personal services, except that under such regulations, the Commission may not accept donations—

(A) the value of which exceeds $25,000 annually, in the case of donations from an individual; or

(B) the value of which exceeds $100,000 annually, in the case of donations from a corporation, partnership, or other business organization.

(3) The regulations prescribed under this subsection shall include procedures for determining the value of donations of property or personal services.

(4) The limitations set forth in this subsection shall not apply in the case of an organization if it is an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)), and exempt from taxation under section 501(a) of such Code.

(i) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(j) The Commission shall have the authority to design and use a logo as the official emblem of the bicentennial. The Commission shall issue rules and regulations, including penalties for unauthorized use, regarding the use of such logo, except that under those regulations, the Commission shall be prohibited from selling, leasing, or otherwise granting to any corporation or private person the right to use the logo in connection with the production or manufacture of any commercial goods, as part of an advertisement promoting any commercial goods or services, or as part of an endorsement for any such goods or services.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall—

(1) plan and develop activities appropriate to commemorate the bicentennial of the Constitution, including a limited number of projects to by undertaken by the Federal Government seeking to harmonize and balance the important goals of ceremony and celebration with the equaly important goals of scholarship and education;

(2) encourage private organizations, and State and local governments to organize and participate in bicentennial activities commemorating or examining the drafting, ratification, and history of the Constitution and the specific features of the document;

(3) coordinate, generally, activities throughout all of the States; and

(4) serve as a clearinghouse for the collection and dissemination of information about bicentennial events and plans.

(b) In planning and implementing appropriate activities to commemorate the bicentennial, the Commission shall give due consideration to—

(1) the historical setting in which the Constitution was developed and ratified, including such antecedents as the Federalist Papers, the Articles of the Confederation, and the ratification debate in the States;

(2) the contribution of diverse ethnic and racial groups;

(3) the relationship and historical development of the three branches of the Government;

(4) the importance of activities concerning the Constitution and citizenship education throughout all of the States regardless of when such State achieved statehood;

(5) the unique achievements and contributions of the participants in the Constitutional Convention of 1787 and the State ratification proceedings;

(6) the diverse legal and philosophical views regarding the Constitution;

(7) the need for reflection upon both academic and scholarly views of the Constitution and the principle that the document must be understood by the general public;

(8) the substantive provisions of the Constitution itself;

(9) the impact of the Constitution on American life and government;

(10) the need to encourage appropriate educational curriculums designed to educate students at all levels of learning on the drafting, ratification, and history of the Constitution and the specific provisions of that document; and

(11) the significance of the principles and institutions of the Constitution to other nations and their citizens.

(c) The Commission shall seek the cooperation, advice, and assistance from both private and governmental agencies and organizations, including the National Endowment for the Arts, the National Endowment for the Humanities, the Library of Congress, the Smithsonian Institution, the National Archives, the Department of the Interior, State and local governments, learned societies, academic institutions, and historical, patriotic, philanthropic, civic, and professional groups, and bar associations.

(d) The Commission may, in carrying out the purposes of this Act, delegate authority to State advisory commissions to assist in implementing this Act.

(c) Within two years after the date of enactment of this Act, the Commission shall submit to the President and each House of the Congress and the Judicial Conference of the United States a comprehensive report incorporating specific recommendations of the Commission for commemoration and coordination of the bicentennial and related activities. Such report shall include recommendations for publications, scholarly projects, conferences, programs, films, libraries, exhibits, ceremonies, and other projects, competitions and awards, and a calendar of major activities and events planned to commemorate specific historical dates. Each year after such comprehensive report, the Commission shall submit an annual report to the President, each House of the Congress, and the Judicial Conference until such Commission terminates.

TERMINATION

SEC. 7. The Commission shall terminate on December 31, 1989.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated to carry out the purposes of this Act $300,000 for fiscal year 1984 and such sums as may be necessary for the subsequent fiscal years through fiscal year 1989.

EFFECTIVE DATE

SEC. 9. This Act shall become effective on the date of enactment.

Mr. BAKER. I might say that the amendment just sent to the desk on behalf of Senator HATCH is in the nature of a substitute, and I am told it includes the substance of the committee amendments which were withdrawn.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1522) was agreed to.

Mr. HATCH. Mr. President, this bicentennial commemoration draws nigh at a time when it is desperately needed to reinvigorate our national understanding and commitment to the basic principles that animate our Republic. During hearings held last Congress this subcommittee learned that test scores measuring the basic comprehension of the duties of citizenship had declined from 1969 to 1976. For example, only a little more than half of the 17-year-olds and 32 percent of the 13-year-olds knew that each State has two Senators. Thus, students who are within a year of voting do not know some of the most rudimentary aspects of the master plan developed in 1789 to protect the liberties enunciated by the Declaration of Independence.

This bicentennial presents a once-in-a-lifetime opportunity to correct these

dire educational deficiencies and foster a better understanding of our representative government. Because ours is a "government of the people, by the people, for the people," its function and survival depend very directly on the capacity of those people to convert an understanding of our constitutional system into self-government and citizen participation. Our free Republic depends on citizens to vote responsibly, to hold public offices, to serve in the Armed Forces, to give testimony at public hearings, to participate in trials as jurors or witnesses, to engage in discussions of public affairs, to offer voluntary service within their communities, and to raise the responsible citizens of the future within their families.

Without a working knowledge of our charter of freedoms and voluntary activities in conjunction with such understanding, our participatory government would soon perish. Our Government is only as strong as the understanding and will of the people who comprise it. In a real sense, I would maintain, the educational prospects of this bicentennial comprise a national defense program.

With this in mind, the bicentennial celebration contemplated by S. 118 consists of more enduring activities than a series of pyrotechnic displays and parades. While celebrative activities are important to rekindle our national pride in the Constitution, a national reexamination of our Nation's common principles and their embodiment in the language of the Constitution is perhaps more important.

The bicentennial contemplated by S. 118 is true to the Constitution's principle of federalism in that it recognizes a pivotal role for the States. The Federal Bicentennial Commission will indeed play an important role as a coordinator, but will undertake only a limited number of worthy projects. States, on the other hand, should perceive no limits on the activities within the will of their citizens.

The bicentennial contemplated by S. 118 is also true to the Constitution's principle of limited national government in that it recognizes a leading role for the private sector. Private organizations throughout the Nation will perhaps carry the greatest weight in making this commemoration significant. Indeed even the Commission itself will depend on the contributions of private citizens and organizations to finance many of its activities. The Federal Commission should encourage private activities to make the Constitution's message meaningful in each of America's communities and homes.

The bicentennial contemplated by S. 118 is also true to the Constitution's respect for a diversity of thought and expression. The Federal Commission will not espouse any single, narrow view of what is most important about the Constitution or its development. The Federal Commission's focus should be on the men and women of 1787 and the events that shaped the provisions of our Nation's foundational document, not the proposed legislative agenda of any single party or group.

The single most important key to a successful national celebration is an expression from the entity that represents all of the people of the United States. In short, Congress, by creating a Federal Bicentennial Commission, must acknowledge our need to reeducate and rededicate ourselves to the principles of the document that has guaranteed the longevity of our grand experiment in self-government. S. 118 does not ask for vast resources, but it does ask us to recognize what Prime Minister William Gladstone of Britain, on the occasion of the Constitution's centennial, called "the most remarkable work known to me in modern times to have been produced by the human intellect."

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established a Commission on the Bicentennial of the United States Constitution, hereinafter referred to as the "Commission".

FINDINGS

SEC. 2. The Congress finds that—

(1) the bicentennial of the Constitutional Convention's adoption of the Constitution on September 17, 1987;

(2) the Constitution enunciates the limitations on government, the inalienable rights, and the timeless principles of individual liberty and responsibility, and equality before law, for the people of the United States of America;

(3) this document has set an enduring example of representative democracy for the world; and

(4) the maintenance of the common principles that animate our Republic depend upon a knowledge and understanding of their roots and origins.

PURPOSE

SEC. 3. It is the purpose of this Act to establish a Commission to promote and coordinate activities to commemorate the bicentennial of the Constitution.

MEMBERSHIP

SEC. 4. (a) The Commission shall be composed of sixteen members as follows:

(1) thirteen members appointed by the President, three of whom shall be appointed from among the recommendations made by the Speaker of the House of Representatives (in consultation with the minority leader of the House of Representatives), three of whom shall be appointed from among the recommendations made by the President pro tempore of the Senate, in consultation with the majority leader and minority leader of the Senate, and three of whom shall be appointed from among the recommendations made by the Chief Justice of the United States;

(2) the Chief Justice of the United States, or his designee;

(3) the President pro tempore of the Senate, or his designee; and

(4) the Speaker of the House of Representatives, or his designee.

(b) Each of the individuals making recommendations to the President regarding appointments shall seek to achieve a balanced membership representing, to the maximum extent practicable, the Nation as a whole. The Commission members shall be chosen from among individuals who have demonstrated scholarship, a strong sense of public service, expertise in the learned professions, and abilities likely to contribute to the fulfillment of the duties of the Commission.

(c) members of the duties of the Commission shall be appointed for the life of the Commission.

(d) The Commission shall select a chairman from among its members who shall serve as Chairman for the life of the Commission.

(e) Eight members of the Commission shall constitute a quorum, but a lesser number may conduct meetings.

(f) A vacancy in the Commission resulting from the death or resignation of a member shall not affect its powers, and shall be filled in the manner in which the original appointment was made.

ADMINISTRATIVE PROVISIONS AND POWERS

SEC. 5. (a) The Commission shall appoint a staff director who shall be paid at a rate not to exceed the rate of basic pay provided for level I of the Executive Schedule pursuant to section 5312 of title 5, United States Code.

(b) The Commission is authorized to appoint and fix the compensation, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, of such additional publicly paid personnel up to five persons, as the Chairman finds necessary to carry out the purposes of this title. Such personnel shall be compensated at a rate not to exceed a rate equal to the maximum rate of pay for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) Subject to the provisions of this subsection, the Commission may appoint and fix the pay of such additional personnel to be paid out of private donations. An individual appointed to a position funded in such manner shall be so designated at the time of such individual's appointment. The Chairman may appoint such additional personnel as he deems appropriate, not to exceed thirty staff members. If the Chairman deems it appropriate to make appointments in excess of such thirty-person limit, he shall notify the Chairman of the Committee on Post Office and Civil Service in the House of Representatives and the Chairman of the Committee on the Judiciary in the Senate. If neither House Committee disapproves the appointments in excess of the limit by an affirmative vote of the full committee within sixty days after receiving notice of the appointments, the personnel appointed in excess of the limit to be paid

out of private donations shall become permanent personnel.

(d) Each member of the Commission shall serve without being compensated as a member of such Commission, except that each member shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(e)(1) Upon request of the Commission, the head of any Federal agency may detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act. Details under this subsection shall be without reimbursement by the Commission to the agency from which the employee concerned was detailed.

(2) The Commission may accept the services of not to exceed twenty employees under this subsection at any time.

(f) The Commission is authorized to procure supplies, services, and property, and make contracts, in any fiscal year, only to such extent or in such amounts as are provided in appropriation acts or are donated pursuant to subsection (h) of this section.

(g) The Commission is authorized to enter into agreements with the General Services Administration for procurement of necessary financial and administrative services, for which payment shall be made by reimbursement from funds of the Commission in such amounts as may be agreed upon by the Chairman and the Administrator of the General Services Administration.

(h)(1) The Commission is authorized to accept, use, solicit, and dispose of donations of money, property, or personal services.

(2) The Commission shall prescribe regulations under which the Commission may accept donations of money, property, or personal services, except that under such regulations, the Commission may not accept donations—

(A) the value of which exceeds $25,000 annually, in the case of donations from an individual; or

(B) the value of which exceeds $100,000 annually, in the case of donations from a corporation, partnership, or other business organization.

(3) The regulations prescribed under this subsection shall include procedures for determing the value of donations of property or personal services.

(4) The limitations set forth in this subsection shall not apply in the case of an organization if it is an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3)), and exempt from taxation under section 501(a) of such Code.

(i) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(j) The Commission shall have the authority to design and use a logo as the official emblem of the bicentennial. The Commission shall issue rules and regulations, including penalties for unauthorized use, regarding the use of such logo, except that under those regulations, the Commission shall be prohibited from selling, leasing, or otherwise granting to any corporation or private person the right to use the logo in connection with the production or manufacture of any commercial goods, as part of an advertisement promoting any commercial goods or services, or as part of an endorsement for any such goods or services.

DUTIES OF THE COMMISSION

SEC. 6. (a) The Commission shall—

(1) plan and develop activities appropriate to commemorate the bicentennial of the Constitution, including a limited number of projects to be undertaken by the Federal Government seeking to harmonize and balance the important goals of ceremony and celebration with the equally important goals of scholarship and education;

(2) encourage private organizations, and State and local governments to organize and participate in bicentennial activities commemorating or examining the drafting, ratification, and history of the Constitution and the specific features of the document;

(3) coordinate, generally, activities throughout all of the States; and

(4) serve as a clearinghouse for the collection and dissemination of information about bicentennial events and plans.

(b) In planning and implementing appropriate activities to commemorate the bicentennial, the Commission shall give due consideration to—

(1) the historical setting in which the Constitution was developed and ratified, including such antecedents as the Federalist Papers, the Articles of the Confederation, and the ratification debates in the States;

(2) the contribution of diverse ethnic and racial groups;

(3) the relationship and historical development of the three branches of the Government;

(4) the importance of activities concerning the Constitution and citizenship education throughout all of the States regardless of when such State achieved statehood;

(5) the unique achievements and contributions of the participants in the Constitutional Convention of 1787 and the State ratification proceedings;

(6) the diverse legal and philosophical views regarding the Constitution;

(7) the need for reflection upon both academic and scholarly views of the Constitution and the principle that the document must be understood by the general public;

(8) the substantive provisions of the Constitution itself;

(9) the impact of the Constitution on American life and government;

(10) the need to encourage appropriate educational curriculums designed to educate students at all levels of learning on the drafting, ratification, and history of the Constitution and the specific provisions of that document; and

(11) the significance of the principles and institutions of the Constitution to other nations and their citizens.

(c) The Commission shall seek the cooperation, advice, and assistance from both private and governmental agencies and organizations, including the National Endowment for the Arts, the National Endowment for the Humanities, the Library of Congress, the Smithsonian Institution, the National Archives, the Department of the Interior, State and local governments, learned societies, academic institutions, and historical, patriotic, philanthropic, civic, and professional groups, and bar associations.

(d) The Commission may, in carrying out the purposes of this Act, delegate authority to State advisory commissions to assist in implementing this Act.

(c) Within two years after the date of enactment of this Act, the Commission shall submit to the President and each House of the Congress and the Judicial Conference of the United States a comprehensive report incorporating specific recommendations of the Commission for commemoration and coordination of the bicentennial and related activities. Such report shall include recommendations for publications, scholarly projects, conferences, programs, films, libraries, exhibits, ceremonies, and other projects, competitions and awards, and a calendar of major activities and events planned to commemorate specific historical dates. Each year after such comprehensive report, the Commission shall submit an annual report to the President, each House of the Congress, and the Judicial Conference until such Commission terminates.

TERMINATION

SEC. 7. The Commission shall terminate on December 31, 1989.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. There are authorized to be appropriated to carry out the purposes of this Act $300,000 for fiscal year 1984 and such sums as may be necessary for the subsequent fiscal years through fiscal year 1989.

EFFECTIVE DATE

SEC. 9. This Act shall become effective on the date of enactment.

Mr. BAKER. Madam President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BAKER. Madam President, I note that my Executive Calendar is clear for action at this time in certain respects.

I inquire of the minority leader if he is prepared to consider nominations beginning on page 3 under the judiciary, to include all those nominations under the judiciary and the Department of Justice on page 3.

Mr. BYRD. Madam President, all items on page 3 have been cleared on this side.

Mr. BAKER. I thank the minority leader.

Madam President, I must report that they have not all been cleared on this side at this time.

I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations on page 3 under the judiciary, being Calendar Nos. 229, 230, and 231, and under the Department of Justice, Calendar No. 232.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. BAKER. Madam President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nomination considered and confirmed en bloc are as follows:

THE JUDICIARY

Pasco M. Bowman II, of Missouri, to be U.S. circuit judge for the eighth circuit.

Peter C. Dorsey, of Connecticut, to be U.S. district judge for the district of Connecticut.

Stephen N. Limbaugh, of Missouri, to be U.S. district judge for the eastern and western districts of Missouri.

DEPARTMENT OF JUSTICE

Stephen S. Trott, of California, to be an Assistant Attorney General.

Mr. BAKER. Madam President, I ask unanimous consent that it be in order to move en bloc to reconsider the vote by which the nominations were confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Madam President, I make that motion.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Madam President, I take the floor to ask the majority leader as to the program for tomorrow and the rest of the week.

Mr. BAKER. Madam President, I thank the minority leader.

Madam President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The majority leader is recognized.

Mr. BAKER. First, by way of an answer, let me put a request.

ORDER FOR RECESS UNTIL 10 A.M.

Madam President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF S. 675

Mr. BAKER. Madam President, on tomorrow, after certain other routine matters that I will describe are provided for, the Senate will resume consideration of this bill. Tomorrow is Tuesday and I anticipate that we will recess the Senate between the hours of 12 noon and 2 p.m. in order to accommodate the caucuses on both sides of the aisle.

The Senate will then continue on this measure as long as the managers deem it worthwhile and productive.

On Wednesday, Madam President, if we have not finished this bill, we will still be on the bill, and on Thursday. I would hope we can finish before that, but we will take whatever time is necessary to finish the measure. It is entirely possible that at some point this week a cloture petition or petitions will be filed. None has been filed so far. We will address that question again tomorrow and from time to time.

It is essential that we finish the bill as soon as we can.

After this bill is finished, I anticipate that the Senate will be asked to turn to the consideration of the target price bill, as previously announced.

If we take all of this week on this bill, and that is a distinct possibility, we will be about a week behind the schedule I had hoped for. Therefore, any remarks I may have made privately or on the floor of the Senate about easy Fridays I guess I better rescind. It looks like we are going to be in for a full 5 days at least for the weeks remaining between now and August 5.

After we do the target price bill, Madam President, there are a number of other matters on the list of must items that I have supplied to the minority leader and discussed with other Senators. Such things as revenue-sharing reauthorization, such as Radio Marti, the Outer Continental Shelf bill. My memory fails me at this point, but there are about six or eight must items. I still intend, to the extent I can do so, to try to follow that list.

To summarize, Madam President, I would expect that beginning tomorrow we may have late evenings depending on whether the Senate can utilize the time effectively. We will try very hard to finish this bill as early this week as possible and then go to the target price bill. We will be in session, as I anticipate matters at this time, on Friday. Beyond that I cannot say.

Mr. TOWER. Will the majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. TOWER. I suspect that in the morning when we return to the consideration of this bill at least one Senator will be prepared to offer his amendment. I know of no one else who has stated their desire. I think we should expect record votes before we go out for the noon recess.

Mr. BAKER. Madam President, I would urge Senators to consider that. I think there is a high probability that we will have record votes before the 12 noon recess, either on the Stafford amendment or on other matters.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON TOMORROW

Mr. BAKER. Madam President, let me put two more requests, if I may, and then I will yield.

Madam President, I ask unanimous consent that after the recognition of the two leaders under the standing order on tomorrow, that two Senators be recognized on special orders of not to exceed 15 minutes each in this order: Senators PROXIMIRE and BUMPERS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON TOMORROW

Mr. BAKER. Madam President, I ask unanimous consent that after the execution of the special orders, that there be a period of not to exceed 10 minutes for the transaction of routine morning business in which Senators may speak for not more than 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SCHEDULE FOR TUESDAY

Mr. BAKER. Madam President, tomorrow, the Senate will convene at 10 a.m. After the recognition of the two leaders under the standing order, two Senators will be recognized on special orders of not to exceed 15 minutes each.

After the execution of the special orders, there will be a very brief period for the transaction of routine morning business, not longer than 10 minutes, in which Senators may speak for not more than 1 minute each.

At the conclusion of the period for the transaction of routine morning business, the Senate will resume consideration of the Department of Defense authorization bill.

Votes are expected early in the day and in advance of the time for recess of the Senate for the caucuses of the two parties.

ORDER FOR RECESS TOMORROW FROM 12 NOON UNTIL 2 P.M.

Madam President, I ask unanimous consent that tomorrow, at 12 noon, the Senate stand in recess until 2 p.m., in order to accommodate the caucuses of Senators of both parties off the floor of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Madam President, I move, in accordance with the order previously entered, that the Senate stand in recess until 10 a.m. tomorrow.

The motion was agreed to; and at 6:32 p.m. the Senate recessed until tomorrow, Tuesday, July 19, 1983, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 18, 1983:

DEPARTMENT OF COMMERCE

David John Markey, of the District of Columbia, to be Assistant Secretary of Commerce for Communications and Information, vice Bernard J. Wunder, Jr., resigned.

DEPARTMENT OF EDUCATION

A. Wayne Roberts, of Massachusetts, to be Deputy Under Secretary for Intergovernmental and Interagency Affairs, Department of Education, vice John H. Rodriguez, resigned.

AFRICAN DEVELOPMENT FOUNDATION

Charles G. Wells, of Illinois, to be a member of the Board of Directors, of the African Development Foundation for a term of 4 years (new position).

FEDERAL COUNCIL ON THE AGING

Albert Lee Smith, Jr., of Alabama, to be a member of the Federal Council on the Aging for a term expiring December 19, 1985, vice Jacob Clayman, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1983:

THE JUDICIARY

Pasco M. Bowman II, of Missouri, to be U.S. circuit judge for the eighth circuit.

Peter C. Dorsey, of Connecticut, to be U.S. district judge for the district of Connecticut.

Stephen N. Limbaugh, of Missouri, to be U.S. district judge for the eastern and western districts of Missouri.

DEPARTMENT OF JUSTICE

Stephen S. Trott, of California, to be an assistant attorney general.

EXTENSIONS OF REMARKS

CONTRACTING OUT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. IRELAND. Mr. Speaker, this week the House will again consider H.R. 2969, the Defense Department Authorization Act. I expect that, unfortunately, we will again be confronted with attempts to limit contracting out by DOD. On July 13, Mr. James Montgomery, president and chief executive officer of Pan Am World Services, Inc., spoke to a congressional luncheon. In a short speech Mr. Montgomery addressed this issue and the blatant inadequacies of such amendments. I ask all Members to review his comments.

REMARKS BY JAMES MONTGOMERY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PAN AM WORLD SERVICES, INC.

I am pleased to be here with some of my colleagues from the Business Alliance on Government Competition, which was formed earlier this year to disseminate information on the benefits of contracting out and to block further prohibition of private sector involvement in government services. A number of the most prestigious associations in the country, representing both business interests and the labor unions, have joined this organization. We are hopeful that their efforts will get results.

Pan Am World Services—a subsidiary of Pan American World Airways—is proud to be among those private companies that provide management and technical services for government and commercial projects both in the United States and abroad. During the past 30 years, we have received a growing number of U.S. Government assignments, and today our contracts with NASA and the Army, Navy and Air Force make us a leading supplier of services to the Federal Government. This year, we will do over $300 million of government service contract work.

We feel that our many years of experience as a contractor working closely and successfully with the Government in a wide range of programs qualifies us to speak on the subject of contracting out. However, I would like to make it clear that I am here today not just as a representative of Pan Am World Services. I am here also on behalf of the many other large service companies that are currently under contract to the Government or hope to be in the future.

My purpose is to emphasize the benefits to our country of contracting out and to dispel some myths that have been getting in the way of the facts—and thereby, I hope, present a convincing case that Congress should not hastily enact legislation that would prevent the Department of Defense and other government agencies from continuing to work with the private sector.

It has been demonstrated over and over again that private industry can deliver support services efficiently and economically and at the same time meet high government standards. Or to phrase it another way, contracting out ensures that the American taxpayer is getting the most and the best for his money.

In case after case, government contracting officers have stated that the quality of services under contracting out is at least equal to, and in many instances superior to that which government employees deliver. And that is not because private sector employees are more skilled or work harder. In fact, frequently the employees of a contracting company are former government workers. The reason is that the factor of competition leads almost invariably to better supervision and better management by a contractor than by the Government, and this in turn leads to greater worker efficiency and productivity.

A good example is the fire prevention and fire suppression services that our company has been providing 24 hours a day for over 7 years at the Trident naval submarine base in Bangor. The base's commanding officer said in his recent testimony before the Senate Armed Service Committee that we are not ony technically competent and cost-effective, but are providing excellent service as well. Our fire department has received outstanding monthly ratings from the technical representative of the commanding officer from the very first month after our takeover in 1976. It has also received numerous commendations from the Navy commands there and from the civilian community outside the boundaries of the base. Our contract security department at the Trident base, which has been subjected to many public protest demonstrations, has earned the same measure of respect for professionalism and competence as our fire department, as have our security forces at other military bases.

I used the Trident base example only because I am familiar with it, not because it is unique. In fact, most large companies that have been working with the Government have been similarly commended—not just once, but many times, attesting to the consistent excellence of their work.

These companies have also proved, just as conclusively, that private contractors can effect substantial savings through their more efficient operations. At Fort Gordon in Georgia, the Army estimated that its contract with us would result in savings to the Government over a period of almost 5 years of $31.9 million. But in the first year of contract operation, $8.8 million was saved—indicating that the total savings will be considerably more than Army's estimate. At the Sacramento Army Depot in California, the saving to the Government for fiscal years 1979–81 was approximately $11.2 million after conversion to contractor performance. Other Army installations—served both by Pan Am World Services and other private companies—have reported similar savings. Over a 3-year period, the Army figured it had saved over $312 million as a result of converting to contract operations.

An important benefit of contracting out that is often overlooked is the substantial contribution it makes to tax revenues. For instance, a firm with 200 employees and $10 million annual gross from a government contract would return about $1.2 million in taxes each year to local, State, and Federal governments.

But despite this record of good performance, significant savings and generation of tax revenues, there are still critics who advocate restrictions or even a general moratorium on contracting out. Their reasons for taking this position are almost always traceable to misconceptions and misinformation. Let's examine four of the most common myths about contracting out that are too often accepted as the truth.

First is the myth that workers in the private sector are more likely to be organized and are therefore more likely to strike. Actually, it is in the Government sector that we have seen the largest growth in the percentage of workers who are organized. During the last 10 years or so, the percentage of organized government employees has increased to well over 70 percent of the total. And the claim that government workers are less likely to strike surely has no validity after the much-publicized strikes by the air traffic controllers and the postal employees—not to mention the unrest of firemen, police, teachers, and even medical support personnel in the civil service who have called strikes or have threatened to do so. Since 1971, there have been more than 20 separate work stoppages by Federal employees in direct violation of Congress. On the other hand, Pan Am World Services, during its 30 years as a Government contractor, has had only one wildcat strike, and that was many years ago and lasted only 3 hours. Our union employees—like those of other firms working for the Government—have consistently honored the non-strike agreements we have at all of our government operations.

A second misconception is that contracting out takes jobs away from Federal employees. The fact is: under the OMB regulations in circular A-76 a successful bidder on a conversion must offer incumbent jobholders the right of first refusal on all jobs for which they are qualified. Even if it were not required, most contractors want to hire former employees to gain the benefits of their experience and their knowledge of day-to-day operations. And most incumbent civil servants want to join the contracting company. To date, 85 percent of affected government employees have been hired by contractors when conversions occurred. The others took early retirement or accepted other jobs that were offered to them. What has not happened is widespread unemployment of government workers forced out by conversions to contract operations.

A third myth is that contracting out weakens our country's "war readiness." The argument is that most functions currently performed by government personnel are inherently governmental in nature and therefore cannot be performed reliably or efficiently by contract workers. We all know, however, that contractors have frequently

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

undertaken government functions during wartime, and in fact have more flexibility to respond when government resources and manpower are not available. Civilians have regularly been assigned to depot maintenance activities and many other support tasks, such as the maintenance of communications, equipment repair, the fueling of aircraft, the operation of airlifts and the construction of air bases. Very often, they have performed these and many other duties in war zones, exposed to the dangers there. In recent years, contractors have developed and maintained major critical weapons systems, including missiles, aircraft, and submarines. They are now training pilots, conducting nuclear weapons tests, repairing and overhauling Navy combat ships, working on high-technology equipment aboard aircraft carriers in forward areas and providing physical security at critical mission installations.

It is important to keep in mind that using contract personnel for support activities at a military base frees the uniformed personnel for more direct readiness duties, and for combat assignments in wartime. At Fort Gordon, for example, the conversion to a contract operation released over 450 servicemen—about the size of a small battalion—for assignment to more vital military jobs. And readiness at this installation has improved since the conversion. Combat readiness was evaluated at 84.5 percent at the beginning of the contract, and had risen to 88.4 percent by the end of the first year.

Let me just add here that the responsibility for our Nation's military readiness has been clearly delegated to the Department of Defense and the armed services. We have to believe that they are competent to make individual procurement judgments consistent with this primary objective—and that, when they turn to the private sector for support services, they are convinced that they are not jeopardizing our country's security but are strengthening it.

The last criticism of contracting out that I would like to discuss is the charge that small businesses—that is, firms with 20 or fewer employees—are not being fully utilized on government projects by prime contractors. Of course, without contracting out there would be no small business participation at all. And even when contracting out is unrestricted, there are ample protections in existing regulations to insure whatever level of small business involvement the Government desires. This is accomplished by requiring large umbrella contractors to develop subcontracting plans that specify the extent of small business participation. This process has worked well. It has demonstrated that big business can work successfully with small business, to the advantage of both. We who manage large service companies believe that small business should participate in government assignments—that it should get its share. And we also feel and have proved, that umbrella contracts are a workable way both to expand small business participation and to maximize job efficiency. The splitting up of umbrella contracts into small packages, which some critics of the present system have said would increase the opportunities for small business, actually has the potential for achieving just the opposite. A small business cannot win against many of the in-house bids on small, fragmented contracts. Thus, the possibilities for conversion would be minimal. In umbrella contracts, on the other hand, the economy of scale favors conversion to contract, and small business would be assured of participation. An example of the extent of that participation is Fort Gordon. In our subcontracting plan, we proposed to subcontract over 53 percent of the prime contract. By the end of June 1982, we had actually subcontracted 67 percent to small business. This is representative of the commitment to small business participation that has been shown by the large contractors.

In conclusion, let me remind you that service contracting is a fact. Many companies, large and small, have been working successfully with the Government for over 40 years. And during that long period, it has been proved beyond any doubt that contracting out gets the job done well and efficiently, saves the taxpayers millions of dollars, introduces useful new ideas to Government agencies, and helps small business—and does all this without creating widespread unemployment or impairing military readiness. In short, contracting out has proved that it works.

We in business feel strongly that legislation is not the way to determine who should perform support services—government workers or private contractors. This would, in effect, tie the hands of those who use the services and are responsible for the results. Instead, the Department of Defense and other Government agencies should have the freedom to decide for themselves which section is best qualified to perform a specific assignment. This position was well expressed last year by Gen. John Vessey, Chairman of the Joint Chiefs of Staff, who wrote that "the armed services should not be required to work under legislation that would hamper efforts to improve efficiency, but should be allowed to contract for goods and services in a way that saves money while enhancing military capabilities and preserving security."

On June 27, the Senate Armed Services Committee defeated an amendment that would have extended the curtailment of the contracting out of firefighting and security services by the Defense Department. We applaud that vote. In the words of Secretary of Defense Caspar Weinberger: "We have successfully contracted both functions for several years and have received excellent service, even at our most sensitive installations." The Department estimated last year that the 1-year moratorium on the contracting out of firefighting and security services would cost the Government approximately $50 million. We are also against this curtailment because it could lead to attempts to add other functions that would be debarred from performance by private contractors. This would have the unfortunate consequence of depriving the American taxpayer of satisfactory and often superior service at a lower cost in still other areas.

It is expected that an amendment similar to the one that was brought before the Senate will be introduced when the House votes on the upcoming defense authorization bill. We urge the House Members here to join Congressmen Crane and Ireland to defeat this measure, and we will be grateful for any comments you make on the floor in opposition to the amendment.

Thank you for giving me this opportunity to present the views of the service industry on this very important subject.●

LITUANICA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. LIPINSKI. Mr. Speaker, 50 years ago today, on July 18, 1933, a tiny single engine plane called "Lituanica" took off at dawn from Floyd Bennett Airfield in New York with Captain Stephen Darius and Lt. Stanley Girenas at the controls. The flight was to have been the longest "nonstop" flight on record.

The flight ended in tragedy and death for the two brave Lithuanian-American flyers, whose aim was to cement friendly relations between the United States and the land of their parents, Lithuania. Their flight ended in a fiery crash in Soldan, Germany.

The "ill fated" crash was suffered by the entire population of Lithuania. Darius and Girenas became National heroes in every Luthuanian community, and captured the hearts of all Americans.

The Nazis of Germany placed the flyers' bodies in coffins and had them flown to Kaunas, the capital of Lithuania, where a state of mourning was proclaimed.

In the Bridgeport neighborhood of Chicago, a street was rededicated "Lituanica" and a monument was erected in the Lithuanian community of Marquette Park on Chicago's southwest side. An American Legion post in Marquette Park was renamed the Darius-Girenas American Legion post.

The observance of the 50th anniversary of the "Tragic Deaths" have been led by the present post commander Stanley Walters and the present ladies auxiliary president, Bernice Graves.

Past commanders of the post include Joseph A. Mickels, William J. Kareiva, B. R. Pietkiewica, Dr. Victor S. Nares, John Yuska, William Sebastian, Anthony H. Kasper, Joseph A. Kibort, John A. Mason and Frank T. Pumputis.

Other post commanders are Joseph A. Rachus, Joseph M. Judickas, John J. Karalaitis, Lawrence F. Gubista, Frank P. Zelis, John E. Vicount, John L. Paukstis, Stephen G. Gay, Bill P. Jarvis, Bruno A. Prankus, Joseph G. Kamin, Adophe L. Grigas and John W. Pachankis. Florian J. Simanonis, Frank A. Gray, Stanley J. Rastutis, Raymond P. Mikalajunas, Vito A. Rumchek, Cleveland Lee, Ray J. Krasauskis and Paul Bagwell have commanded the post.

Additional past commanders are William J. Degutis, Ben J. Pocius, Aloysius Dzieginski, Frank W. Navas, Jules Corbett, Casimir Stukonis, Adam Paplawskas, Lawrence Graves, Charles Gustafson, Edward Tyszka, Chester Stachyra, Joseph Martikonis, Walter

Kalvaitis, Harry Gembara, Bruce Neberieza and Casimir Noga, Jr.

The chairman of the 50th Anniversary of the "Tragic Deaths" of Captain Darius and Lt. Girenas, past Cook County Commander John L. Paukstis, led the anniversary ceremonies on July 4. The parade marshall for the ceremonies was past commander Bruce Neberieza. At the ceremony, special recognition awards were presented to Stanley Pieza, former religion editor of the Chicago-American and the Chicago Today, and Algerd Brazis, nationally known Metropolitan Opera star.

The bravery and dedication of Captain Darius and Lt. Girenas is an inspiration to us all, and it is uplifting to see that there are celebrations such as the 50th anniversary to insure that the ideals and goals of these two great men live on.●

ECONOMIC RECOVERY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. MURTHA. Mr. Speaker, no one ever predicted the road to full economic recovery would be totally smooth. The present state of the economy is a mix of progress and remaining problems. The challenge facing Congress in the second half of 1983 is to consolidate the economic grains and attack the areas where progress lags.

Certainly, the administration deserves credit for the progress against inflation, growth in the economy, and increase in retail sales. Those are all good signs. But we must address the problem spots. It is necessary for the President and Congress to work together in the coming months in a spirit of economic cooperation to develop plans to attack those areas.

While economic trouble spots will continue to arise, I want to mention four specific areas where I think work is needed in the second half of 1983.

UNEMPLOYMENT

The largest problem continuing to face our economy is unemployment. Even optimistic predictions keep the unemployment level in the 9- to 9.5-percent range by the end of the year. That is entirely unacceptable.

While those numbers may be an improvement over past months, we can never forget the human suffering of unemployment. At each of my workshops I meet with people who want to work to help their families and children, but there are no jobs available.

Indicators show the recovery is not strong enough to produce the jobs we need. Early in 1981 the White House testified it would add 13 million jobs to the economy by 1986; the record shows that 1 million jobs were added in 1981, and 900,000 lost in 1982, a net gain of 100,000.

Some of the steps I believe are now necessary are:

Continuing to create jobs through Government programs, particularly in the areas where we rebuild America's decaying infrastructure, such as highways, bridges, water, and sewer systems;

Continuing to extend unemployment benefits and support legislation to help the unemployed with health care and home payment loans until jobs return; and

Continuing to attack the pockets of unemployment. This includes industry groups such as steel, coal, airlines, and other industries where we need coordinated national policies to insure recovery. And it includes individual groups such as the 23-percent unemployment rate among teenagers; the 48-percent unemployment rate among minority youth; the special needs of Vietnam veterans; and the retraining needs of the middle-aged unemployed.

DEFICIT

A second area of concern is the Federal budget deficit.

I voted for the congressional budget resolution which projected a deficit for the next fiscal year between $170 and $179 billion, down from the Reagan administration's budget which had a deficit of $190 billion, following what is now projected at a deficit of $210 billion this year.

The fear I have with such deficits is that Government borrowing combined with a tightening money policy by the Federal Reserve will combine to send interest rates back up, halting the progress that has started in auto sales, home buying, and consumer purchases. That, in turn, will choke economic growth and add to unemployment. Conversely, my research shows moving toward a balanced budget over the next 4 years could reduce interest rates by 3 to 4 percent, which would spark business investment which has lagged, and continue to stimulate consumer spending.

The solutions here are difficult. The deficits come after 2 years of record budget cutting. We need agreement on areas of further budget cuts. We need to raise the revenue called for in the budget resolution. And this ties in with the first discussion area—we need to get people back to work because for each percentage point of unemployment the Federal Treasury loses $35 billion in lost taxes and payments to unemployed families.

TRADE

A third area where agreement is needed is in the trade area. Recently, I joined as head of the Steel Caucus in supporting President Reagan's move for a new Trade Agency to coordinate our import and export policy. Such a step could give a boost to the changes we need.

I have supported legislation such as the "content" law to protect our domestic auto industry and import restrictions to aid the steel and textile industries. Behind those moves must be an effort to let our trading partners know we will demand more fairness. We cannot tolerate subsidized foreign imports and targeting of American industries for destruction by foreign countries and their industries.

The other side of the effort must be steps to develop more exports of our own products. We have not been as aggressive as we should have been in this area.

I have joined in sponsoring new legislation backed by an alliance of U.S. companies and unions in chemicals, footwear, leather goods, metal working, nonferrous metals, steel, television, and textile/apparel industries representing some $265 billion in annual sales and 4½ million workers. This legislation calls for prompter, stricter enforcement of trade laws on the books, lowering costs to groups that bring successful trade suits, and guards against dumping and targeting.

We need to work toward this type of legislation in the coming months.

INVESTMENT

I have also joined in cosponsoring a new approach on the investment tax credit which is aimed at stimulating investment and modernization by industry. The problem is this tax credit only triggers when a company makes a profit, and 20 percent of the top 500 American corporations and two-thirds of the major transportation industries have not been profitable in recent years. The bill would open the door for these industries, and would also require reinvestment in that industry as well as setting aside 15 percent of the benefits to assist workers in hard-hit industries.

Behind this move is the realization that the high-tech promise is a limited one. We must have an industrial development policy for our basic industries. We cannot abandon heavy production; nor can we expect high-tech to employ all the people presently in basic manufacturing; nor can we expect to meet our national goal of an American defense second to none, if we are a second-rate industrial power.

Being realistic about our economic future will require a strong role for basic, smokestack industries.

This list does not cover every area that will come before Congress, but it represents four areas where I hope the administration and Congress will work together in the remainder of 1983. If the economic recovery is to continue, progress in these areas will be essential.●

H.R. 100

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. AuCOIN. Mr. Speaker, the Supreme Court's July 6, 1983, ruling against sex discrimination in employer-sponsored retirement plans lends new support to the need for H.R. 100—the Nondiscrimination in Insurance Act.

H.R. 100 is part of the Economic Equity Act. I raise the issue separately today because despite heated and lengthy debate in both House and Senate hearings, this critical section of the EEA is now being held hostage to tactics of delay and misinformation on the part of some in the insurance industry.

This bill seeks to eliminate sex discrimination in health, disability, auto, and life insurance policies and annuities, in access and availability of coverage and underwriting of terms, conditions, rates, benefits, and in how these are determined.

As a sponsor of the bill, I firmly believe that adequate, afforable, and equitable insurance should be available to men and to women. I commend my colleague, Mr. Dingell, for unfailing diligence in introducing and promoting this important legislation. He had taken every opportunity to reach a compromise, only to have the principal trade association reverse itself and launch a well-funded advertising campaign against H.R. 100.

In the wake of this negative media blitz and with action on the bill currently postponed, the Supreme Court decision becomes that much more important. The Court based its ruling on the paramount civil rights principle that people should be treated as individuals—not as a group. The Court emphasized that women's longer lifespan should not and does not allow employers to sponsor insurance plans which pay lower monthly benefits to women. Justice Thurgood Marshall's opinion for the Court noted that:

> The classification of employees on the basis of sex is no more permissible at the pay-out stage of a retirement plan than at the pay-in stage." . . . "for under the statute 'even a true generalization about a class' cannot justify class-based treatment.

Insurance is a type of economic security. When based on sex it tends to minimize the benefits available to women and maximizes their rates. For instance, in disability, many types of insurance available to men are not offered for women. Where available, it tends to be much more expensive for women. In health insurance women often pay more than men for identical coverage. Pregnancy is frequently excluded as voluntary—even when those same policies cover voluntary vasectomies. In life insurance, using sex as the only criterion to determine longevity is patently unfair—to women, and to men. As a class, women tend to live longer. But 86 percent of all men and women die at the same age. In auto insurance, women get a break on rates only until they reach age 25 even though they still have better driving records, as a group, than men do.

Individuals should not be prejudged on the basis of sex or in lieu of personal characteristics. Smoking, medical history, driving record, and occupation are more accurate indicators of risk potential than is sex. Mary Gray, president of Women's Equity Action League, put it very well once when she said:

> I have one life expectancy as an American, a longer life expectancy as a women, a shorter life expectancy as one who works in the District of Columbia, a longer life expectancy as a nonsmoker, a shorter life expectancy as one who is overweight and who never stays home to go to the doctor.

Discriminatory insurance costs women money, contributes to their lower economic status, and inevitably impacts on the fact that women are the largest and fastest growing poverty group in America.

A report by the U.S. Commission on Civil Rights—"A Growing Crisis: Disadvantaged Women and Their Children"—points out that the number of single female heads of households has increased 97 percent since 1970. And the National Advisory Council on Economic Opportunity noted:

> All other things being equal, if the proportion of the poor who are in female-headed families were to increase at the same rate as it did from 1967-1977, the poverty population would be composed solely of women and their children by the year 2000.

Even though strong antidiscrimination and equal pay laws have been on the books for years, women still earn less than men doing the same job, and remain concentrated in low-paying occupations with few advancement opportunities. For example, in 1981 women represented 80 percent of all clerical workers and only 4 percent of all engineers.

Women represent 43 percent of the American work force. In 1982, two-thirds of these women were single, widowed, divorced, or separated or had husbands whose earnings were less than $15,000. Men and women work for the same reason—economic necessity. And, women need insurance for the same reason as men—economic necessity. For themselves. And for their families.

The insurance industry is one of the last areas of public concern where we still allow individuals to be discriminated against on the basis of sex. It is now illegal to discriminate on the basis of race, sex, and religion in employment, credit, housing, public accommodations, transportation, recreation, voting, and athletics. Why should the insurance industry be exempt?●

IMPROVING U.S. EXPORT POLICY

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. KOSTMAYER. Mr. Speaker, the House will soon consider the extension and revision of the Export Administration Act of 1979. The state of our domestic economy is now, more than ever, dependent on our trade relations with the rest of the world. The significance of this legislation to an economic recovery cannot be overemphasized.

Mr. Ayhan Hakimoglu, chairman and president of Aydin Corp. of Fort Washington, Pa., has made a very thoughtful contribution to the discussion of our export policy. While Mr. Hakimoglu and I do not agree on every issue or even on every aspect of U.S. trade and export policy, I found his article entitled "Improving U.S. Export Policy" in the June 20, 1983, issue of Electrical Engineering Times to be insightful and worthwhile. I am inserting it into the CONGRESSIONAL RECORD and recommend it to my colleagues.

[From the Electronic Times, June 20, 1983]

IMPROVING U.S. EXPORT POLICY

It is estimated that the U.S. trade deficit for 1982 will be around $75 billion. In my own estimation, $75 billion worth of manufacturing in the U.S. means about 3 million jobs directly. And it means many more indirectly.

I know there is a recession worldwide. However, if we had broken even on our foreign trade by exporting an additional $75 billion worth of high-technology products, our own recession would not have taken place. To blame the Japanese and/or OPEC for this situation, in my opinion, is inappropriate. We should blame our own government policies.

We should stop being naive and accept the fact that most products are manufactured less expensively abroad, except high-technology and agricultural products. We should further understand, or accept, the fact that when high-technology products are exported, it is done either for military use or, when purchased by industrial or transportation concerns, for potential military applications. Commercial airplanes can be used to carry soldiers. Telecommunication and computer equipment may be installed for military purposes.

Government policies that were instituted by the Carter administration to limit our exports to non-NATO countries of military equipment or equipment that has military applications have hurt U.S. exports.

Additionally, the U.S. government or Congress tries to punish foreign countries because of their so-called "human rights" violations by not permitting them to buy U.S. products. This is also very detrimental. Almost all of the countries in the world except Western European countries have been accused of "human rights" violations

at one time or another. Complicated "anti-boycott" legislation and an unclear "Foreign Corrupt Practices Act" do not help, either.

Western European countries such as the U.K., West Germany and France have always been ready to sell aerospace products, including airplanes, to any country, regardless of whether the sale is for military use now or possibly at a later date. These Western European countries can always develop aerospace products on their own or with some help from the U.S. companies through licensing agreements and/or by reverse engineering. The same situation applies for other high-technology products in telecommunications, computers, etc.

The Japanese do not manufacture equipment directly for military applications. However, they do manufacture, at very competitive prices, telecommunications and computer products and other industrial high-technology equipment. All these are sold worldwide for industrial use and sometimes for military applications.

The continuing U.S. government policy to use export control for foreign-policy purposes is completely ineffective and counter-productive. It weakens the U.S. economy and, as a result, U.S. defense. It is my belief that the U.S. should reverse this situation and use foreign policy to improve its exports and follow the example of most of the other industrial nations.

Other industrial nations such as Western Europe and Japan encourage their exports by offering low-interest-rate credits and other export incentives.

But most important, their governments take a direct hand in supporting their export companies in making deals with foreign governments by introducing their exporting organizations to the foreign customers. This indicates that these companies have the support of their governments. Further, in case there is a problem in the delivery of the goods or performance of the contract, these governments help in resolving such problems.

The U.S. government policy on issuing export licenses is very risky for exporters. The licensing procedures take too long, sometimes up to six months. On the license itself, it is specified that the license can be canceled at any time. In practice, most licenses are not canceled by the U.S. government. However, this licensing procedure and the uncertainty represents an additional risk to U.S. companies.

In the international-export business, for equipment to be manufactured, the issuing of bid bonds and performance bonds in the forms of letters of credit, payable upon demand, is an additional risk factor to all exporters worldwide. Marketing abroad is expensive and time-consuming.

Also, the risk associated with export licenses is difficult for many U.S. manufacturers to handle. These risks and marketing costs would look considerably less, or more manageable to exporters, if they knew the U.S. government was behind them and if they had the assurance that the government will try to help them out by direct contact with the foreign government if a problem develops.

Here, I am referring to the foreign customers as foreign governments. This is not a misstatement, but a fact of life. Most foreign customers of aerospace and high-technology products are either foreign governments or companies wholly owned by foreign governments. Almost all foreign railroads, telephone and telex operations, steel manufacturing, petrochemical and oil companies and many other industrial concerns are owned or controlled by foreign governments.

Corporations that export should be given incentives in higher after-tax profits because of the higher risks associated with the export business. Reduction of the taxes by Domestic International Sales Corporations (DISC) is the minimum that we should have in the U.S.

The U.S. Commerce Department's sponsorship of trade shows is useful. But these do not solve the problems. Export financing through low competitive interest rates is important. Export-Import Bank funding should be increased.

In summary, anti-boycott legislation should be simplified. The Foreign Corrupt Practices Act should be abolished or at least clarified. The U.S. should never limit or try to control any sales to any country perhaps with the exception of the Soviet bloc of nations. U.S. foreign-policy aims should include increasing exports and helping U.S. companies to reduce their risks in doing business in foreign countries. The U.S. should continue DISC. Competitive export financing with adequate funding must be guaranteed for credit-worthy customers.

Encouraging exports may cost the U.S. government money, and abolishing most government controls may look risky. However, greater exports will mean much greater employment, higher tax receipts, less unemployment payments, less welfare, smaller budget deficits, in short, a stronger U.S.●

CONGRESSIONAL BASEBALL GAME

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. CHAPPELL. Mr. Speaker, I rise today in response to the recently reported Republican rhetoric of my renowned and respected colleague representing one of the original Colonies—Massachusetts. Undoubtedly, Mr. CONTE, having served in a representative capacity during much of the history of this fine country, must recall the "whites of their eyes" theory practiced on a certain hill in Beantown. However, by releasing information in our esteemed CONGRESSIONAL RECORD which makes allegory to "moles" and "purloined playbooks" and others, Mr. CONTE has inspired me to work up a small southern rhyme with which to offer the Democratic commitment to the Annual Charity Congressional Baseball Game to be played on July 27. This is offered at this time with sincerest wishes to our pachyderm patrons whose expressed goal it is to defeat the members of the team representing the senior political party in the United States of America—to wit: the Democrats. The verse:

Dear Mr. Conte, your victorious goals,
Are based on premise; chocked full of holes!
For one thing, your ballteam (interns and vets),
Has been known to imbibe and smoke cigarettes!
Thus, dear friend Conte, tho' you seek the fruit,
Your goals I commend; the result I refute!
For no, Silvio, you won't get the "gold Apple,"
Instead you will get—defeat from Bill Chappell!
For Democrats are always united and strong,
(After all we were here before you came along).
So prepare, dear friend Conte, to head for perdition,
You'll soon be dispatched in Jeffersonian tradition!
We'll bat you, we'll hit you, outrun you, so fleet:
And leave you, defeated, resembling ground meat!
Come July twenty-seven, that great Baseball Day,
For your ramblings and taunts, oh how dearly you'll pay!
For try as you might and fight, as you must!
The most you will see, is the cloud of our dust!
As we leave you recorded, in Sports his-toree,
As the Whigs who went down, in such ig-nomin-eee!●

TESTIMONY OF JOSEPH M. CRONIN, PRESIDENT, MASSACHUSETTS HIGHER EDUCATION ASSISTANCE CORP.

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. MARKEY. Mr. Speaker, on July 1, 1983, Mr. Joseph Cronin, president of the Massachusetts Higher Education Assistance Corp., testified on the reauthorization of the higher education programs. I submit his testimony and urge my colleagues to study it. Mr. Cronin states that "this testimony is preliminary and proposes a framework for consideration of issues so that the administration and Congress can work on priorities and price tags in 1983-84." His testimony is studious and perceptive and certainly worthy of our attention.

REAUTHORIZATION OF THE HIGHER EDUCATION PROGRAMS

My testimony is preliminary and proposes a framework for consideration of issues so that the Administration and Congress can work on priorities and price tags in 1983-84. Neither the Board of the Massachusetts Higher Education Assistance Corporation nor of the National Council of Higher Education Loan Programs has voted on specific proposals. This is for all of us the very beginning of a process of discussion and debate.

I will in my remarks make specific suggestions about the mechanics of the student financial aid delivery system including such issues as origination fee, loan consolidation, loan limits, and prevention of default. I want to emphasize, however, that I think reauthorization ought to be seen as an opportunity to think more broadly than mere mechanics. We have all been challenged by

many recent reports including the Secretary's own, "A Nation at Risk." We should remember that there are numerous creative and imaginative ways in which the Higher Education Act can help us reach the "excellence" so many find so desirous. Reauthorization of the Higher Education Act will determine the extent to which our students and our post-secondary institutions can respond positively to the current administration's call for excellence.

Let me make two suggestions of purposes for which the Guaranteed Student Loan Program could be extended. It could provide low cost loans toward:

A. The cost of a personal computer if required by a university. Many colleges are calling for a $3,000 expenditure for computers for use by students in mathematics, science, business and engineering programs. Computer literacy is one of the "new basics" recommended by the Commission on Excellence. The hardware costs should be included in Title IV program eligibility.

B. The cost of educational study in another nation, either a summer or semester or year of organized instruction tied to a degree program. If we are to avoid the label "Tongue-tied Americans" and regain our world leadership, our young persons should have a choice—regardless of family wealth—to study abroad.

These are examples of how the system could be enhanced. I would like to propose some principles and some criticism of existing Title IV programs from a state perspective.

First. Higher Education is and should be financed by a combination of resources: savings, family contributions, grants, work and loans. The mixture of these will vary by size of family, age of parents, and cost of education. For example, I support the Educational Savings Account as a concept, but it serves best those parents in their thirties with money to save. Parents like myself with two or three children in college already have all we can do to pay semester term bills. For us it is too late for ESA or Clifford Trusts; nor could tuition tax credits of a few hundred dollars meet the need for up to ten or twelve thousand dollars per year per dependent student.

Second. Guaranteed Student Loans have become more important than anyone thought possible. Guaranteed Student Loans helped 100,000 families a year in Massachusetts during the last three years. Although the participation of students in loan programs from upper-income communities has dropped by from 50 to 30 percent, the participation rate of working class families has increased by from 15 to 20 percent since 1981. Loan limits of $2,500 in 1976 provided as much as half the cost of education. The 1980 loan limits of $12,500 for up to five years of undergraduate education have proven reasonable and useful. These limits, however, will not suffice in 1984 and 1985. Massachusetts has two dozen superb colleges with tuitions of from $6,000 to $9,000 with total cost of education of from $9,000 to $13,000. Even students in our lower cost public universities now rely heavily on the GSL program. The University of Massachusetts at Amherst is the single largest participant in the program in our state. The cost of education for undergraduates even at a public university is more than twice the $2,500 loan limit.

The current loan limits are insufficient largely because inflation and energy costs and a long tradition of excellence as expressed in libraries, laboratories, and other expensive facilities have driven up the cost of higher education. The $25,000 figure must be raised again to approach half-cost. The maximum loan limit should be at least $4,000 in 1984 and $5,000 by 1987.

Graduate and professional school studies should be financed in the same ratio that prevails now—the $5,000 figure should rise to $8,000 in 1984, $10,000 in 1987. We note that several of the Graduate Schools of Business in this region now estimate a $15,000 cost of education, that the Tufts-New England School of Veterinary Medicine costs a student $19,000 a year. These revised loan limits will not stimulate tuition increases or costs; indeed they will barely catch up with the costs already incurred.

Third. Several hastily constructed measures enacted in 1981 should be reconsidered and repealed:

A. The origination fee deducts $125 of every $2,500 from undergraduate students and $250 from every $5,000 graduate student loan. This 5-percent fee in Massachusetts during 1982 took $12.5 million away from students and schools.

B. The six-month grace period is too short for many recent college graduates, especially in the liberal arts. Restore the nine-month grace period. The money lost will be saved from reduced default rates which have begun to climb due in part to the shortened grace period.

Fourth. Student loan consolidation is urgently needed by our students who have multiple loans—NDSL, GSB from several banks, and loans of $7,500, $10,000 or higher. We have students with as many as 12, even 16 loans. State guarantee agencies and secondary markets view loan consolidation as a student service, a way to reduce defaults, we can hold the number of years in repayment to a responsible level, adjust the interest rate upward if needed, and consolidate loans without any additional fee or administrative cost allowance, and achieve a comparable result with less special allowance than Sallie Mae now earns.

Fifth. Can money be saved? It would be "pound foolish" to skimp on the investment of educated talent. The origination fee is a good example of a mindless economy measure. However, state and federal agencies should increase the pressure on defaulters to avoid excessive default rates. I suggest the following:

A. Keep the 80-90-100 percent reinsurance formula which helps state agencies and corporations strive to keep a default rate below 5 percent.

B. Allow the IRS to share with guarantee agencies current addresses of delinquent borrowers (prior to default) as is done for NDSL loans.

C. Stimulate and encourage the use of federal and state income tax setoffs as a device to deter defaults and recover the funds.

D. Also, eliminate the post-deferment grace period which is both expensive and redundant.

Sixth. A final word on the versatility of the GSL program, especially in response to the question of whether a substitute or supplementary program is needed.

A. GSL produces $1.00 for students for every 17 cents of federal money, the bulk of funds comimg from banks each year.

B. Banks could make small loans—those of less than $1,000—with a modest adjustment in the special allowance.

C. Loan repayments can be graduated with the help of computer technology and some careful adaptation of interest subsidy and special allowance rates.

D. PLUS loans already exists as a supplementary program, at much less risk and less cost to the government than student loans, and can gradually be expanded for use by parents.

E. During the last five years the fifty states, the District of Columbia and the Trust Territories completed the establishment of student loan guarantee agencies. This has brought back into the programs lenders that had withdrawn from the old Federal Insured Student Loan (FISL) program. The state-federal partnership is working. The Congress and Administration should be commended for implementing the incentives needed to provide every student with access to guaranteed loans, to recruit lenders and work cooperatively with schools and government agencies. The GSL program should be continued, expanded and improved.●

SOVIETS PLAN TO SURVIVE NUCLEAR EXCHANGE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. GINGRICH. Mr. Speaker, the Soviet Union's master manipulators of public opinion have succeeded again.

If they can convince Western news networks that a Russian zoo elephant talks, it is not hard to believe they can manipulate our impression of their civil defense efforts. They have perpetuated a strange paradox in the minds of the public. They say Soviet civil defense is OK since they are only responding to the U.S. nuclear threat, but America's meager civil defense preparations "prove" our aggressive intentions.

But, in fact, the public's understanding is flawed. Soviet civil defense preparations are significantly more substantial than our own. The Communist leaders seriously plan to survive a nuclear exchange.

The Soviets strive for a situation in which their citizens will be prepared to survive a nuclear exchange and our citizens will remain unprepared. When that happens they have us over a barrel—we could not afford to challenge any threat from them. And then the war will have been settled without a single shot.

I commend the following article from the July 11, 1983, issue of the Christian Science Monitor. The article highlights the extent of the Soviet Government's dedication to preparing its people for nuclear war. I would hope my colleagues will read this enlightening article for our future depends on understanding our adversary.

The article follows:

[From the Christian Science Monitor, July 11, 1983]

SOVIETS TRY FOR "SURVIVABILITY" IN WAR

(By Ned Temko)

From children's gas-mask drills to instruction on protecting clothes from radiation,

the Soviet Union is working on civil defense for a nuclear age.

For foreign ears, the Soviets play down their civil defense program. They blast more modest U.S. efforts as proof of American war fever or, as a Moscow radio report puts it, of "paranoid delusion."

President Reagan's talk of upgrading U.S. civil defense is, the Soviets charge, a reflection of an "insane" belief that nuclear conflict is survivable.

A 1978 CIA study said that although Soviet civil defense efforts had increased since the 1960s, the program is "not a crash effort." It is seen by the Kremlin as a way of reducing nuclear casualties, yet not sufficiently advanced to make Moscow significantly more likely to risk atomic war, the study concluded.

Still, virtually all Western analyses concur that Moscow's civil defense efforts far outweigh recent programs in the West. Various studies have held that Soviet "survivability" in nuclear war is likely to be correspondingly higher than that of the U.S.

And, as a sampling of domestic radio reports over the past two years or so suggests, there has been a serious Soviet bid to protect the population and economy from the weapons of the 1980s.

There are, for instance, "civil defense corners." These are displays that are typically found on farms and in factories in the Baltic state of Lithuania.

"The contents of the civil defense corner," a recent local radio program said, "must convince people of the real possibility of reliable defense against modern means of destruction."

The official Kremlin line is that there can be no such defense.

A broadcast in neighboring Estonia spoke of civil defense "instruction classroooms at practically all farms and enterprises," and added: "As we know, new housing is being equipped, as required, with protective structures."

Another Estonian broadcast reported a civil defense inspection in one area, adding that prime attention had been paid to shelter facilities and, "most important, whether establishments are capable of continuing regular production in an emergency."

A Lithuanian experiment involved organizing Communist Party meetings, meetings with workers, and broadcasts on an internal factory radio station so that "the overall training in this enterprise took place in an atmosphere closely resembling battle conditions."

But an official radio commentary lamented that the exercise had proven only atmospheric, with "few workers and employees involved," and that "practical measures were not carried out. Even dispersals were carried out only theoretically."

In the Asian state of Kazakhstan, the local radio spoke of the population's being "trained morally, politically, and psychologically to take action in circumstances where modern means of attack are used."

And a Lithuanian radio report seemed to provide a guide as to what to wear for nuclear war. The broadcast was aimed at people who "are not members of civilian civil defense units," and thus not supplied with special protective garb.

"Everyday clothing and footwear may be used as protection for the skin against radioactive dust and bacteriological weapons. . . .

"Clothing made of synthetic and rubberized fabric, rubber footwear, and gloves have the best protective qualities," the report said, adding: "In order to increase the protective properties of everyday clothing, it must be subjected to additional sealing . . . fastened tightly.

"It is recommended that extra flaps be sewn into openings. . . . A cowl can be sewn to protect the neck and exposed part of the head.

"The population is obliged to know that, on announcement of the threat of attack, means of personal protection must be kept constantly at hand," the report concluded.

Soviet Turkmenia, in Central Asia, has set up "support schools" for civil defense training. As of late last year, 59 such establishments were in place, complete with "children's gas masks."

At about the same time a children's hospital in Estonia held a special civil defense exercise that included handing out gas masks or protective gauze to child patients.

Civil defense "competitions" are held in various areas across the country. A report from Estonia late last year said the "results" in the "traditional" competition there had improved, with a shorter gap separating "the winners . . . from last place."

In at least some parts of the Soviet Union, efforts may also have expanded since the advent in 1981 of a US administration portrayed here as bent on "unleashing nuclear war."

In the Ukraine, a "mass defense month" was held shortly after Ronald Reagan took office. It focused attention on "checking the condition and use of protective structures and the civil defense training and material base, as well as the storage and condition of means of human protection."

A radio report detailing the campaign added: "The role and tasks of civil defense have immensely increased in the present complicated political atmosphere, due to aggressive imperialist circles led by the USA."●

SENIOR CITIZEN WEEKLY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. MATSUI. Mr. Speaker, it is with great pride that I bring to your attention the outstanding example of public service represented by Senior Citizen Weekly, in my district of Sacramento, Calif., which is now celebrating its 10th anniversary. In its decade of publication, this community newspaper has become a mainstay of news, commentary, and social activities for the more than 120,000 senior citizens in the Sacramento area.

Senior Citizen Weekly was founded in 1973 by Fred and Rita Evicci. Fred, who was then 57 years old, had spent 30 years in the newspaper circulation business and planned to go into semiretirement. But Rita convinced him there was a great need for a newspaper in Sacramento geared toward the needs of senior citizens. Armed with $100 in capital and their collective newspaper and business know-how, the Eviccis developed a community publication that now boasts a paid circulation of 30,000, along with the respect and attention of the entire community.

Readers are treated to news of State and Federal legislation that is important to seniors, as well as to information about local political developments, health care, travel, and social activities. Through these services, Senior Citizen Weekly has helped create a sense of community among senior citizens in Sacramento. From those in nursing homes and other facilities, to those living on their own or with their families, the newspaper provides seniors with a friendly connection to the outside world and keeps them informed of key community events.

Once again, I would like to commend Senior Citizen Weekly for its fine public service. I know that my colleagues in the House of Representatives will join me in wishing Fred and Rita Evicci another 10 years of success.●

TRIBUTE TO THE LATE FRED J. KROLL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. RODINO. Mr. Speaker, on May 19, I had the honor of attending a tribute to a great American, the late Fred J. Kroll. This truly remarkable man left an indelible mark on this country. His strong leadership of the Brotherhood of Railway & Airline Clerks and his membership on the AFL-CIO's executive council earned him a well-deserved place as a giant of American labor. And he will certainly be remembered by all of those who knew him, for the contributions he made to the union and the workers he fought for.

But perhaps more significant is the way Fred Kroll will be commemorated by the establishment of a clinical center in his name at Hahnemann Hospital in Philadelphia. For it was there, under the care of Drs. Isadore Brodsky and William Carter, that Fred agreed to become a test case for an experimental treatment for leukemia. After being told that he had 90 days to live in 1976, with the treatment and his incredible strength, Fred lived for 5 more productive years.

Mr. Speaker, there is a great deal more than I can say about Fred Kroll, but instead I will insert into the RECORD some of the remarks which were presented at the 19th luncheon, by Senator EDWARD KENNEDY and AFL-CIO President Lane Kirkland. Their eloquent thoughts about Fred are a tribute to the man himself. The event was made even more memorable by the lovely remembrance of Fred that his wife gave that day, and I am certain that no one in that audience

went away untouched by her unforgettable words.

The remarks follow:

REMARKS OF SENATOR EDWARD M. KENNEDY AT FRED KROLL MEMORIAL

We gather here today, as a family, to remember one of us. We pay tribute to an extraordinary life, to an extraordinary man. It has been almost two years since Fred Kroll was taken from us. I remember him as a brave friend and a loving spirit.

He was very close to me, and these two years have not diminished my sense of loss. When I needed him, he was there—and I will always be proud of that. His family, his friends, his union, his country, have all suffered from his death. Fred gave us strength; he steeled our commitment and resolve; sometimes he even made us feel that we could accomplish miracles.

There is a quotation from Franklin Roosevelt which describes Fred so well. In 1938, President Roosevelt said: "Remember, always remember, that you and I are descended from immigrants and revolutionists."

Fred didn't have to be reminded—he was always the immigrant, always the revolutionary. His name was German, but three-quarters of his blood was Irish. From his Irish stock, he got more than just his powerful appearance. He got his determination and his incredible stubborness. He was the proud descendant of immigrants, the proud son of Our Lady of Mercy Parish. He was quintessential Philadephia. He was born, raised and died in that great city. Without pretension, without haughtiness, no matter how high he went, he was a worker, a father, a husband, a fighter.

And Fred Kroll truly was a revolutionary. Tough, questioning, he never accepted "no" as an answer when he thought "yes" was within the realm of possibility. My brother Bob is often remembered as saying "Some men see things as they are and ask why; others dream things that never were, and ask why not?"

Fred Kroll always asked "why." He asked union officials. He asked union presidents. He asked Presidents of the United States. He didn't hesitate to tell them when he thought they were wrong. And to skeptics and doubters he always said: "why not?".

Fred Kroll, a young and tough local labor official, had the audacity to challenge an incumbent president of an international labor union. I took his example to heart. The difference is that Fred challenged an incumbent president, he won.

Fred Kroll also had the toughness to challenge a virulent form leukemia that was supposed to kill him within 90 days. With Isadore Brodsky and the staff of the Orlowitz Institute at Hahnemann Hospital, Fred waged an epoch struggle which may permanently alter the protocol and treatment of leukemia.

Chemotherapy, various forms of experimental interferon—Fred turned to whatever treatment the brilliant creative minds of Dr. Brodsky and his colleagues at Hahnemann could devise—and his treatment had a remarkable success.

Fred Kroll did not live for 90 days. Fred Kroll lived for five years. And what a five years they were.

As he was being racked by disease and by radical, exhausting treatment, almost always in pain, knowing the prognosis, Fred continued to work 18-hour days. Few people knew the ordeal he was suffering. Fred Kroll was too busy being a great leader in a great union to let cancer get in the way. He had too much to do to take time out to rest or ever pity himself.

Fred Kroll sought the leadership of his union—and despite seemingly unsurmountable odds, he won.

Fred Kroll took on the railroads of America. And he not only won a great battle, but the resolution of that conflict became a strikeless model of labor-management relations that has reshaped the entire rail industry of the United States.

Fred Kroll has a dreaded form of cancer—and defying all the odds, he lived far longer than he was expected to.

He is an inspiration, and his presence surrounds us today.

To Frankie, and to Karin, Anita and Michele, I can only say how proud I am to call him my friend, and how better all of us are that we had a place and a part in his life that was all too brief.

Fred and I shared many things. We shared a common Irish heritage. We shared a commitment to the dreams of the working families of America.

We also shared, from time to time, language and rhetoric. On April 29th, 1981, Fred delivered his valedictory speech on the steps of the United States Capitol. I was more honored than I can ever say by the words he chose for the message that he left:

"Let us go forward knowing that our work goes on, our cause endures, our hopes still live and our dreams never die."

REMARKS OF AFL-CIO PRESIDENT LANE KIRKLAND AT THE FRED J. KROLL CLINICAL CENTER BENEFIT

As much as any modern American institution, we in the trade union movement cherish our tradition, learn from our past, and immortalize the best of the ideas and leadership which went before us.

Thus, Fred Kroll's work still lives and will live.

He was a brother and we learned from him, and we have no higher tribute to pay. We valued his advice and his friendship as a member of the AFL-CIO Executive Council. Like BRAC, we mourned that we had him with us for so short a time.

Mostly we learned from his courage.

We saw him take on the entire railroad industry as an outgrowth of the Norfolk and Western strike, and he got the railroad industry's attention. The rest of the disputes in the rail industry that year were settled quickly.

We saw him take on the federal government in those first critical days of the Reagan Administration. He protested budget cuts with a highly successful 1981 Rail Labor Rally here in Washington. That effort helped to preserve the existence of Conrail, and it was accomplished by astute legislative work by the Rail Labor Executives' Association, which Fred also headed.

Fred Kroll displayed the best of what is oldest and the best of what is newest to us. He tapped the roots of solidarity within our movement in general and the railroad industry in particular.

He was much a product of the best of our roots—born of a union family in a union city, Philadelphia. He took pride in both of the urban ethnic groups he represented—three-quarters Irish with a German name—and in that heritage, he represented a wellspring of strength for American trade unionists.

But he was equally the child of a modern setting of trade unionism. His first railroad job was at an IBM terminal, and he cut his teeth on trade union leadership by protecting workers' rights in the sophisticated labyrinth of the reorganization of Penn Central.

As such, Fred Kroll embodied the best of what Samuel Gompers called our two interdependent methods of action—the method of collective bargaining and the method of legislative enactment.

In the best of those traditions, Fred Kroll fulfilled our historic mission to agitate, to educate, and to organize.

He lived up to what he called himself: a reasonable militant.

But it was in his personal battle that he most clearly left us a legacy of courage. He took on the tough duty of leading his union in the same year, 1976, he was told that he had leukemia.

He was told he had a few months to live. We thank God that it was more—because the five years we had him were an indelible impression of his putting his people ahead of his personal needs. Because of that, Fred J. Kroll will live in the memory of American trade unionists through generations yet unborn.

On behalf of all of your brothers and sisters in the other 97 AFL-CIO unions, I thank all of you in the Brotherhood of Railway and Airline Clerks for keeping alive the memory of this leader who is so important to us. We are privileged to participate, and we thank all of you whose presence here contributes to the work of the Fred J. Kroll Clinical Center.

On behalf of those same trade unionists, Frankie, I thank you and your daughters for sharing Fred with us.

We are a better movement because he walked this way with us.●

CIVIL SERVICE ISSUES MUST BE RESOLVED TO BE EQUITABLE TO ALL CONCERNED

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. LOWERY of California. Mr. Speaker, I have recently agreed to become a cosponsor of H.R. 2097, which would establish a Commission on the Centennial Review of the Civil Service. This legislation was introduced by my friend and colleague, Mr. WOLF, and is currently cosponsored by close to 40 other Members of the House of Representatives. I would like to urge further support and enactment of this measure.

This legislation is particularly timely for two reasons. First, this year marks the 100th anniversary of the creation of today's civil service. Second, because of administration proposals affecting all civil service personnel, and the inclusion of "new hires" in the social security system beginning in January 1984, decisions for the future should not only be made soon, but they should also be made in a coordinated rather than a piecemeal fashion. In addition, as I am sure many of you know, there is precedent for this legislation in the two commissions appointed by President Truman in 1947 and 1952.

We have a much more recent precedent, however, in the National Commission for Social Security Reform. While I did not agree with all of the recommendations of this Commission, I think we can call agree that its establishment was vital to achieving enactment of the necessary legislation. The Commission which would be established under H.R. 2097 is identical to the Social Security Commission in the bipartisan nature of its members and the requirement that both the public and private sector be represented.

The Commission on the Centennial Review of the Civil Service is directed to consider "current private and public sector practices and cost concerns" and to address the following areas: "Civil service retirement, pay and benefits, Federal personnel practices, labor-management relations and other issues of concern as they arise during the Commission's considerations." In its final report, due 10 days after the convening of the next Congress, the Commission is directed to accompany its recommendations with "provisions specifying the method and period of time over which such recommendations may be phased in without causing undue interruption to government operations and specifying what individuals are affected by these recommendations." In short, I feel that H.R. 2097 is a particularly thoughful and well-drafted proposal, and that Mr. WOLF is to be commended.

Some may contend that another commission would only duplicate the efforts of the commission and groups which have already been established to investigate civil service matters. None of the groups which have been setup, however, have been bipartisan in nature or appointed by three different leaders. Congress must resolve the questions surrounding civil service issues. Mr. WOLF's proposal, enactment of H.R. 2097, is the most equitable way to do this, and I urge my colleagues to support this effort.●

THE 50TH ANNIVERSARY OF THE UKRAINIAN GENOCIDAL FAMINE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. HERTEL. Mr. Speaker, I would like to call to the attention of my colleagues the 50th anniversary of the genocidal famine which occurred in the Ukraine from 1932-33. The famine resulted in the death of at least 6 million Ukrainians; 50 years ago, Joseph Stalin announced the collectivization of agriculture, and set out to implement this plan with particular ruthlessness toward the peasant farming communities of the Ukraine. If the peasant had produced only enough for his own subsistance, leaving none for the state, local enforcement under the orders of Stalin, took away their grain, and kept it for state use. In short, all food in the peasant's possession was requisitioned by authorities. Food was available in the cities, but the army and police kept starving peasants from entering them. State agents removed the last sacks of grain from the barns of peasant farmers. Those who resisted the seizure of food were immediately deported to Siberia.

As a result of Stalin's actions, a mass famine came about and in consequence, over 6 million men, women, and children in Ukraine died of hunger.

The famine can be blamed quite flatly on Stalin. The crop in 1932 was about 12 percent below average. This was far from being famine level. But State procurements of food from the peasantry were up by 44 percent. The result was, and could not have been other than, large scale starvation. It is perhaps the only case in history of a purely manmade famine.

It is also the only major famine whose very existence was ignored or denied by the Soviet governmental authorities, and even to a large degree, successfully concealed from world opinion. The Soviet authorities, as far as can be seen, let through only one accidential admission to creating the famine—an accusation that members of the People's Commissariat of Agriculture then on trial for sabotage, had used their positions to "create a famine in the country." The Ukrainian President Petrosky told a Western correspondent that millions were dying. Thirty years later, there was a brief lifting of the curtain in the Soviet press—as in the serial "People are not Angels," by Ivan Stadyuk, who sums up: "The men died first, then the children and finally the women."

I need not underscore the importance in recognizing and remembering the tragedy of this manmade famine which was so successfully concealed from world opinion. It must never be forgotten that one of Stalin's main objectives in the collectivization of agriculture was to crush, destroy, and eliminate the Ukrainian peasantry at any cost.

To commemorate the anniversary, the Ukrainian Community Committee of Metropolitan Detroit was established in the fall of last year. Chaired by Dr. Mary V. Beck, the committee made plans for a series of commemorative events to take place throughout this year. So far, the committee has held a series of lectures—one for the Ukrainian community, and another for the general public. Both lectures described the tragic events that transpired in the Ukraine from 1932 to 1933.

The highlight of the commemorative events took place Sunday, June 12, 1983, when more than 1,000 people filed into Kennedy Square to mourn the 50th anniversary of the genocidal famine that caused the death of over 6 million people.

Young and old members of the Ukrainian community in the Detroit area, which numbers about 50,000, circled the park's stage to listen to ecumenical services celebrated by Ukrainian Catholic, Orthodox, and Baptist Church leaders who asked for strength and freedom for the Ukrainian people.

The crowd marched from Grand Circus Park to Kennedy Square for the services, which lasted about half an hour, then continued to Veterans Memorial Building for a "Feast of Famine," consisting of bread and water. Some at the service passed out fliers and told stories to younger members of the group so that the experience would not be forgotten. According to Dr. Beck, plans are being made for future commemorative events. Among these plans are a memorial concert, and an art exhibit at the University of Michigan.

"It is our intention to disseminate the truth about this tragedy throughout the whole nation so that the genocide will be remembered and never forgotten," Beck said. Mr. Speaker, I would like to take the opportunity to commend the Ukrainian Community Committee of Metropolitan Detroit, for their observance of the anniversary of the 1932-33 famine. By bringing into the light of truth the Soviet starvation of over 6 million Ukrainians under the Stalin regime, the committee makes a significant contribution to the world's view of the agony and horror that can be perpetrated by one nation upon another.

The tragic saga of the Ukrainian struggle for freedom and human rights has been a continuing testimony to the indomitable spirit of the Ukrainian people. The commemoration of the genocidal famine provides a display of faith and nationalism which will be the source of consolation for descendants of the famine victims as well as a source of encouragement to those friends and relatives who still labor under the shadow of communism.

From time immemorial, the human spirit has longed to be free and to be able to take pride in its origins. I sincerely hope that we will all one day see freedom become a reality for Ukrainian people.●

RESEARCH ON RAOUL WALLENBERG, RESCUER OF 100,000 HUNGARIAN JEWS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. SOLARZ. Mr. Speaker, on March 19, 1944, Nazis launch operation Margarete 1, the occupation of Hungary, in part to protect their southern flank against advancing Russians, but also to finish the job of eliminating European Jewry.

On April 7, the Nazis order ghettoizing of Jews near railway stations. Each is allowed to take the clothes on their backs, two changes of underwear, a 14-day supply of food, and 50 kilos of baggage. All valuables are seized. Thousands are crammed into quarters large enough for hundreds. Life in the ghetto is designed to weaken the victims so that they cannot resist deportation.

On April 18, Norbert Masur, a businessman and representative of the World Jewish Congress, writes a letter to Marcus Ehrenpreis, chief rabbi of Stockholm, suggesting that a competent, non-Jewish individual be sent to Budapest to direct a rescue campaign for Hungarian Jewry.

In mid-May, Rabbi Ehrenpreis invites Dr. Kalaman Lauer, a Jewish businessman, to discuss the rescue mission proposal. Lauer suggests Raoul Wallenberg, the 32-year-old heir to Sweden's foremost banking empire, to head the mission.

Wallenberg—carrying two backpacks, a sleeping bag, a raincoat, and a revolver—arrives in Budapest on July 9, 1944. In the backpacks are lists of names compiled by Swedes seeking information about friends and relatives in Hungary and lists of underground agents and pro-Allied officials in the Hungarian Government.

Wallenberg convinces the Swedish legation to extend issuance of protective passports to any Hungarian Jew who applies, despite legation's concerns that such action will negate the value of the passport. Such passports, which had been established only for those Jews with family or business links to Sweden, actually have no precedent or standing in international law.

He meets with the tall, imposing Regent Horthy on August 12, and convinces him to recognize the new protective passport.

An estimated 15,000 to 20,000 passports are eventually in circulation, probably saving 50,000 lives.

Other neutral countries, inspired by Wallenberg's efforts, begin to set up meaningful rescue operations. The Portuguese charges d'affaires in Budapest obtains permission of his government to issue safe-conduct passes. The Swiss issue 8,000 protective passes.

Typing teams work 24 hours a day filling out passes.

Wallenberg and his colleagues set up 32 Swedish houses in Budapest, into which up to 15,000 bearers of the protective passes are sneaked during the night, to wait for departure for Sweden.

Wallenberg makes sure that houses are supplied.

He works 20 hours a day.

Assembles staff of Jewish volunteers, with Horthy agreement that they do not have to wear yellow star.

Giselle Friedman, now in her 80's and living in Hamilton, Ontario, writes:

In September, 1944, I went with my 9-month-old baby and 9-year-old son to the Swedish embassy to get a protection passport. The line in front of me was hopelessly long and we had only an hour of freedom from the ghetto. I was depressed and went around to the back garden, leaned on the wooden fence and cried. Miraculously, Wallenberg came out of the embassy with a pencil and paper in his hand. Fifteen minutes later I had the life-saving document in my hand.

On November 2, 1944, the Red army breaks through to the south of Budapest, but cannot capture the city.

Hundreds of Jews are chased into the Dohany Street synagogue. Joseph Kovacs remembers:

In the afternoon of Nov. 4, Wallenberg burst into the temple and stood himself in front of the altar and made this announcement: "All those who have Swedish protective passports should stand up." That same night a few hundred Jews were freed and returned to their houses under the protection of Hungarian policemen. People often ask me, "Why did Raoul Wallenberg succeed?" The way I saw it, Raoul Wallenberg was forceful, determined and never hesitated in saying what he had to say and doing what he had to do.

Wallenberg discovers that the wife of Foreign Minister Baron Gabor Kemeny was born Elizabeth Fuchs, a Jew. He blackmails the Foreign Minister into restoring privileges of Wallenberg's Jewish staff members, including their exemption from wearing the yellow star, and certifying the validity of protective passes.

Susan Tabor, now a librarian at the Hebrew Union College in New York, encounters Wallenberg while on a death march:

My mother, my husband and I had been two nights without food. Then we heard words, human words, the first we had heard in what seemed like an eternity. It was Raoul Wallenberg. He gave us the needed sense that we were still human beings * * * Wallenberg told us that he would try to return with safe passes * * * What stands out most about Raoul Wallenberg is that he came himself. He talked to us and, most important, he showed us that there was a human being who cared about us.

Berg writes:

The persecuted Jews only hope was Wallenberg. Like a rescuing angel he often appeared at the very last moment. Just when a deportation was about to start * * * he used to arrive with a written—false or genuine—permission to separate and set free all Jews with Swedish protection passes. If his proteges had already been brought out of the city, he hurried after them and conducted back as many as he could on hastily procured trucks.

He drives up to a column, shouts in German that he has permission to take back so many Jews, then takes the batch closest to him, with the Arrow Cross—the Hungarian Nazis—standing there dumbfounded.

He dresses Aryan-looking Jews in Arrow Cross uniforms and raids the deportation camps. Sometimes they stop real Arrow Cross on the street, demand to see their papers, declare the papers false and confiscate them—to be used later for rescue missions.

Wallenberg bribes officials to get what he wants.

Thomas Veres, one of Wallenberg's drivers, writes:

He always overwhelmed the German SS with double-talk. Wallenberg would threaten to call their superiors if they didn't cooperate. We used every possible deception and trick, including bribing them and telling the SS he would write a favorable report about them after Germany lost the war * * * He was a great actor. He could imitate brilliantly. If he wanted to be, he could be more German than a Prussian general. Shouting louder, sounding more authoritative than the higher-ups.

Gideon Hausner, who prosecuted Eichman after he was kidnaped and brought to trial in Israel, said:

Wallenberg followed the column of people with truckloads of food, clothing and medicine. He removed from the marching columns anyone who could for any reason be declared Swedish and encouraged the local peasants to supply water and hot meals to the women and children. Eichman was furious.

On November 28, 1944, Nyilas attack the protected house at 35 Pozsonyi Street. Several hundred Jews are dragged from the house and either shot or placed in the central ghetto.

On November 29, the Ministry of the Interior and Home Defense signs an agreement with the Gestapo to deliver 17,000 Jewish laborers. Wallenberg manages to save those with passes, but several thousand are taken away.

Early in January, Wallenberg foils a plot to kill 70,000 people in the central ghetto. Just before the Russians were about to take over the city, 500 Nazis plan to machinegun all the inhabitants. A report on the plan goes before an Arrow Cross Officer, Pal Szalay, who is also a Wallenberg spy. Wallenberg, informed of the plan, goes to Gen. August Schmidthuber, commander of the SS panzer division, to stop the massacre. He threatens to have him executed by the Russians when they come. Schmidthuber calls in the plotters and orders them to cancel the plan.

Jeno Levai, a writer himself saved by Wallenberg, writes:

It is of the utmost importance that the Nazis and the Arrow Cross were not able to ravage unhindered—they were compelled to see that every step they took was being watched and followed by the young Swedish diplomat. From Wallenberg, they could keep no secrets * * * They could not operate freely. They were held responsbile for the persecuted and condemned. Wallenberg was the "world's observing eye," the one who continually called the criminals to account.

On January 12-13, Russian troops push into Budapest.

On January 17, Wallenberg and his chauffeur drive 137 miles east of Budapest to Debrecen to meet with Russian authorities. Except for numerous reports from former prisoners in the Gulag, the latest as recently as 1975, Wallenberg is never heard from again.

Wallenberg expects to be the honored guest of Marshal Rodion Malinovsky at Debrecen. His fate would be different.

Wallenberg and his driver, Vilmos Langfelder, are placed on a train bound for Moscow.

By January 31, he occupies cell 123 of the former Moscow Hotel, transformed into a fortress for political prisoners.

In his first interrogation by the NKVD, the plainclothes major says to him: "Ah, yes, Wallenberg. That capitalist family is well known to us."

On March 7, 1945, Radio Kossuth, the voice of Soviet-occupied Budapest, broadcasts that Wallenberg and his driver were shot by a Gestapo agent on their way to Debrecen.

In August 1947, Soviet Deputy Foreign Minister Andrei Vyshinsky tells the United Nations that an extensive search in the Soviet Union fails to locate Wallenberg. Vyshinsky speculates that Wallenberg has been kidnapped by Hungarian Nazis.

Between 1945 and 1947, the Swedish Government receives 19 sworn testimonies from former cellmates or others who saw Wallenberg either in Lubyanka or Lefortovo prisons in Moscow.

In 1961, a Swedish professor of medicine, Nanna Svartz, brings up the Wallenberg matter with one of her Soviet colleagues, Dr. A. L. Myasnikov, during an international scientific congress. Myasnikov tells Svartz he knew of Wallenberg and had heard he was in a mental institution and in poor health. Myasnikov is subsequently called before Khrushchev and recants.

In 1977, Dr. Anna Bilder, a Tel Aviv dentist who had never before heard of Wallenberg, receives a phone call from her father, Jan Kaplan, a Moscow Jew just released from a Soviet prison camp. Kaplan had been jailed in 1975 on charges of black marketeering following his request for an exit visa to Israel. Kaplan tells his daughter it is possible to survive in the Gulag:

In fact, I met a Swede in the Butyrki prison in Moscow who has survived 30 years.

In 1980, the Swedish Government says it has reports from prisoners coming out of the Mordvinia prison in the Republic of Moldavia that they have seen Wallenberg in a special prison for those inmates who are supposed to be officially dead.

Later, in 1980, 35 years after taking him prisoner, the Soviets produce one piece of paper relating to the Wallenberg case. Dated February 6, 1957, it admits that Wallenberg had been taken prisoner in the 1940's and claims that recently found prison records show that he died of heart failure on July 17, 1947, in Lubyanka. The memo blames the affair on the Stalinists and is signed by the then-Deputy Foreign Minister—now Foreign Minister—Andrei Gromyko.* * *●

MALCOLM BROWN—IN MEMORIAL

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. CLAY. Mr. Speaker, it is with great sadness that I note the passing of Malcolm Brown, who faithfully served this body as supervisor of barber shops for almost 20 years, on July 11, 1983, as a result of congestive heart failure.

Brownie was not only responsible for the supervision of all House barbers, manicurists, and attendants but for accommodating the special and often demanding needs of his customers—Members of Congress, staff, and others. Notwithstanding the stresses of his position, Brownie was always ready to go to great lengths to please his customers, while conducting himself in a cheerful, pleasant, and efficient manner.

Soft-spoken, understated, and discreet, Brownie took great pride in his family and satisfaction in passing weekends on his boat in the Chesapeake Bay. I was privileged to spend literally hundreds of hours with him over the years, talking about these and other sundry matters that had little to do with weighty affairs of state but much to do with one's relationships with others. I know that whatever confidences and offhand remarks that Brownie was privy to under these circumstances went no further.

It was no secret that Brownie reluctantly retired from the House for health reasons earlier this year. Like others, I missed him but anticipated the opportunity to meet with him during one of his return visits to the House. Regretfully, this was not to be.

I extend my deepest sympathies to his widow, Daphne, and his daughters. I know that they are strengthened in this difficult period by the knowledge that Brownie's memory will live through the thousands of people who had the opportunity to meet with him over his many years of service to this body.●

CENTRAL AMERICA: DO OR DIE

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. WEBER. Mr. Speaker, Tom Langhorne, a promising young writer with the American Conservative Union, has written an excellent article in the Spring 1983 edition of the ACU newsletter, Battleline.

Mr. Longhorne has succinctly made the case that the issue of Central America is more than just a question of social justice. It is in fact a struggle between Democratic pluralism and totalitarianism. Mr. Langhorne points to specific examples of Soviet and Cuban intervention into Central America, as well describing the force behind Nicaragua's Marxist-Leninist revolution.

I would commend this article to my colleagues.

[From Battleline, Spring 1983]

CENTRAL AMERICA: DO OR DIE

(By Tom Langhorne)

"We guide ourselves by the scientific doctrines of the Revolution, by Marxism-Leninism . . . our political force is Sandinismo and our doctrine is Marxist-Leninism." That's not Yuri Andropov or Fidel Castro talking, it's the Minister of Defense for Nicaragua. Another member of the Sandinista junta which rules that country, Victor Turado Lopez, put it this way, "Marxism-Leninism is a fundamental part of the Sandinista ideology." The Nicaraguan government has gone to such lengths to spread the Communist doctrine that it has even issued a new stamp featuring the likeness of Karl Marx and excerpts from the Communist Manifesto.

What is to be made of this? History shows us that where Communism goes, so goes war—and there is one whale of a war raging in Central America right now which poses a new and serious security. It is obvious now that the Soviet Union, both directly, and through its regional surrogates Cuba and Nicaragua, has launched a major new strategic campaign to destabilize and eventually subjugate all of Central America to Communist influence.

The difference this time is that we have fewer illusions about who the enemy is and more hard information. We know what the Communist government of Nicaragua is, who its friends are, and what they intend to do. And we should be scared.

Those who have looked hard at Nicaragua know that its government is not a "people's revolution," but a military dictatorship. It refuses to hold free elections as promised, it has suppressed free speech and heavily censored the media, it has smothered the pri-

vate sector and independent trade unions, it has forcibly driven the Miskito, Sumo and Rama Indians from their homelands on the Atlantic coast, and its followers have heckled and insulted the Pope.

As UN Ambassador Jeane Kirkpatrick noted in an April 17 article for the Washington Post, "The pretense that the FMLN is an indigenous guerrilla movement without significant foreign support has been largely abandoned. Too many truckloads, planeloads, boatloads of arms from Cuba, Nicaragua, and the Eastern bloc have been found; too many documents have been captured, too many pictures taken, too many bold announcements made from Managua."

"The facts about the FMLN," Ambassador Kirkpatrick continued, "are that it is a professional guerrilla operation directed from command and control centers in Nicaragua, armed with Soviet bloc arms delivered through Cuba and Nicaragua, bent on establishing in El Salvador the kind of one-party dictatorship linked to the Soviet Union that already exists in Nicaragua."

The Nicaraguan government, which has an armed force far in excess of any legitimate need, is building a series of airfields—with the assistance of its friends in Moscow and Havana—that almost certainly will be used to land Soviet jet attack aircraft.

This last development makes Nicaragua a threat not just to its immediate neighbors, but to the entire Caribbean Basin as well. More American oil is carried through the Caribbean Basin than the entire Persian Gulf. Should there be some kind of European conflict, vital U.S. supply lines would run through the Caribbean. The implications of that are staggering.

Here are the facts about the extent of the Soviet military commitment to destabilizing Central America:

The Soviets have an army brigade (2,600-3,000 troops), 2,500 military advisers (up 500 from last year) and 6-8,000 civilian advisers in Cuba. Cuba has 200 MiGs, including two squadrons of MiG-23 Floggers, nearly 700 tanks and 100 attack helicopters, a Koni-class frigate, two Foxtrot attack submarines, at least 50 torpedo attack boats and two amphibious assault ships. The Soviet Union is currently spending 20 times more on military supplies for Cuba than we are spending in all of Latin America.

In Nicaragua, four of 10 males over 18 are in uniform, and the regime intends to build an armed force of a quarter of a million. That would mean one in 10 Nicaraguan citizens would be in the army. The Sandinistas there have built 36 new military bases and garrisons (as opposed to 13 for the Somoza regime), they have received 50 Soviet tanks, a thousand East German trucks, 100 anti-aircraft guns, Soviet 152-millimeter howitzers with a 17-mile range.

Cuba has approximately 5,000 civilian advisers in Nicaragua, plus 2,000 military and security advisers. In El Salvador, our 52 military advisers pale in comparison to the nearly 10,000 Cuban, East German, Bulgarian, and PLO terrorists in the region who oppose elections ("vote today, die tonight" was their motto in the last one), murder members of the electorate, and wreak havoc on the economy. Add to that thousands of tons of Soviet tanks, warplanes, howitzers, SAMs, and other Eastern bloc arms, and there is obviously a strategic mismatch of gargantuan proportions in El Salvador.

All of this is particularly alarming because of the proximity of the region to the United States. Central America, lest anyone forget, is on the mainland of the North American continent—very close to home. As President Reagan noted in his speech to Congress last April, "El Salvador is nearer to Texas than Texas is to Massachusetts. Nicaragua is just as close to Miami, San Antonio, San Diego, and Tucson as those cities are to Washington." There is no longer any doubt that the control of Central America by hostile forces would pose a direct strategic threat to the United States.

Events in Central America are spinning rapidly to the point where the U.S. will have to act against Moscow and its cohorts or the region will be lost, and with it American credibility. None of the rationalizations that were used to justify acceptance of defeat in Southeast Asia can be applied to Central America. The threat there is close to home, dangerous, and undeniably Communist. It is south of the border that the United States will find out if it still has the will to act as a superpower.

We are to the point now that there can be no acceptable solution to the Central American problem if that solution entails accommodation of opponents of U.S. policy there. America has been on the defensive so far in the Cold War, and that will have to change. If the United States is to prevent a Vietnam-style Communist takeover in Central America, its policy toward that region must be one of stiffer resolve with more emphasis on a military solution.

Guns and ammunition alone, however, won't do it. El Salvador needs agricultural advisers and medical teams to treat its soldiers and refugees. President Reagan's recent decision to send an Army medical unit to San Salvador is certainly a welcome step in the right direction. The Communists surely are not waging this all-out war for the sake of a few minor cabinet posts; and if history is any indication, El Salvador and Nicaragua will not be their last territoral demands either.

If we have learned anything since the end of World War II, it is that "negotiated settlements" with Communists do not work. Malaya, the Philippines, Greece, China, Vietnam, Cambodia, Nicaragua; each required a "military solution," a total commitment to victory. Our own revolution some 200 years ago could never have succeeded without the help of France, Poland and others. Given the vicious nature of the Communist presence in Central America, any "political solution" would confer upon the guerrillas and terrorists a legitimacy they do not deserve and have not been able to achieve either through elections or force of arms. U.S. assistance to Central America must be conditional then upon such a commitment to victory.

There is no time left for uncertainty. In El Salvador, the government's position has deteriorated to the point that the guerrillas very likely will score major gains—possibly even a successful attack on the capital—by early fall. The recent murder of an American military adviser there is an ominous sign that anti-government guerrillas—with an eye on American public opinion—have changed their tactics to accentuate assassinations and executions of American and Salvadoran government soldiers.

In Nicaragua, the government is nothing less than a stalking horse for the Soviet Union, and a standing threat to the vital security interests of the United States. The Sandinista regime there must be overthrown.

Where the American government has sought to stem the tide of totalitarianism, to aggressively repel the forces of tyranny, it has been successful. That strategy will work in Central America too, if it is given a chance. The stakes are high indeed; many experts agree that the United States will simply be finished as a world-class superpower if that region succumbs to Communism.

It is not too late to turn things around. Given the strategic vitality of Central America, the conflict raging there now could yet mirror that of Marathon, where history changed because a small band of Greeks withstood everything their Persian invaders could throw at them—but only if the proper commitments are made.●

REMEMBERING THE GERMAN FREEDOM FIGHTERS THIRTY YEARS LATER

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. SILJANDER. Mr. Speaker, 30 years ago in June 1953, hundreds of thousands of East German workers took to the streets to fight their oppressive Communist rulers. Their revolt was brutally crushed by Russian tanks and machine guns, and sadly, that country is still enslaved today.

I believe that we must never forget the great demonstration of courage and sacrifice by these German freedom fighters. We must never forget the struggle for freedom in all of Eastern Europe for that struggle will not end.

I would like to place in the RECORD an excellent article on the East German revolt. It was written by Curtis W. Casewit and is entitled "The Revolt That Shook the Red World." The article appeared in the June 24 issue of the National Review magazine.

THE REVOLT THAT SHOOK THE RED WORLD

(By Curtis W. Casewit)

Thirty years ago, in June 1953, Communist East Germany was shaken by a revolt of some two million people who suddenly defied the Soviet tyranny. For three days, the workers warred against their oppressors; they dynamited factories, tore open prison gates, fought Russian tanks with rocks, and faced machine guns with sticks. Some 300,000 men laid down their tools in one of the biggest strikes ever to occur behind the Iron Curtain.

The first demonstrations started on Tuesday, June 16, when a group of East Berlin construction workers were told their work quotas had been increased by another 10 per cent. At the same time, wages would be lowered by almost a third, and there would be no extra food for them.

On the Stalinallee, a few bricklayers walked off the job in protest, joined by a dozen carpenters and laborers. At 9 a.m., eighty angry men marched toward the Communist "trade-union" office. The doors were locked. Within an hour, their number had swelled to a thousand. Mechanics rushed out of garages; painters climbed down scaffoldings as the marchers called: "Mates! Come with us!" The throng pushed toward

the Alexanderplatz, a large square in the center of East Berlin. Yet it was only the beginning. By noon, the human river had become a torrent. Pale welders, goggles still covering their foreheads; tired lathe operators and pipe fitters in their overalls; black-garbed chimney sweeps; stonemasons wearing wooden boots, flanked by children on rusty bicycles and housewives in clean, threadbare aprons.

That day, 15,000 people moved along Unter den Linden; ten thousand others gathered spontaneously throughout the city. Like a mighty flood, the crowd swept aside the Vopos ("People's Policemen") and Party officials. "To the Wilhelmstrasse!" workmen called. The masses surged toward the government headquarters.

For years, they had endured the regime's oppression with patience. Like the Czechs in Pilsen, who had risen up a few months earlier, and the much more patient Poles of 1982, these East Germans were rebels with a cause. Even the tiniest farm belonged to the state. Religion had been quashed and the jails were bursting with the innocent. Conditions in factories had become intolerable. No worker was allowed to move or change jobs. There were 12-hour shifts, including most Sundays.

THE DAM BREAKS

Food was scarce and the workmen's stomachs growled. "Down with the Red clique!" read one banner. "We want freedom!" read another. The dam had broken; the waters lapped against government offices. But the Vopos locked the gates in the demonstrators' faces.

A delegation asked to see some Communist officials. When none dared come out of the building, the people cried: "Cowards!" Finally one official emerged as a representative of Walter Ulbricht, the head of the puppet regime.

"I'm one of you!" the official said.

"What do you know about work?" a bricklayer cried. "Show the people your hands!"

By afternoon, 35,000 workers were striking in East Berlin. Apprentices on bikes raced to other towns, and the rebellion—still without plan or leadership—spread to dozens of East German communities, much as Solidarity's resistance did last year. In Leipzig workers picked up the news of the revolt on West Berlin radio. When Vopos attacked the strikers, their rifles were smashed against curbstones. Workers then rushed to the city and county courts, which had meted out harsh punishments to non-Communists. In Magdeburg a train carriage full of political prisoners was quickly disconnected and the convicts freed. One was a 74-year-old farmer sentenced for withholding two eggs from the state.

The Soviets were stunned; they made no move while, the next morning, June 17, in the midst of a drenching thunderstorm, ten thousand East Berliners attacked the seat of government. It was well guarded by Vopos, whose rubber truncheons beat back the first wave of attackers. The men withdrew a few yards, as rain pelted their chests and shoulders. But behind them a new mass of attackers had formed. Among them were women, mostly seamstresses, who fought the policemen with umbrellas. The crowds shouted their messages: "More butter and less police! Better working conditions!" Thousands yelled in unison: "Freedom!"

Communist bosses locked steelworkers into a factory like slaves, but the gates were pried open and the men started their march to the capital. Their wretched boots came apart; they slogged on barefoot, wet to the skin, too bitter to feel the cold. Tractors carried hundreds of farm workers into East Berlin.

On their way to Berlin, other newcomers set fire to the barracks of the hated Vopos. Quarry laborers, still grey with dust, silenced radio stations, assailed Communist Party headquarters, smashed German-Soviet Friendship offices. Propaganda leaflets were hurled into the streets, Communist papers burned. At the women's penitentiary five hundred housewives demanded the release of political prisoners. They succeeded.

DEFYING THE TANKS

Indeed, victory seemed to be in the hands of the crowds. White flags of surrender waved in several police headquarters. Some Communists were so swayed by calls for freedom that they ripped off Party insignia or tore up their Party books. Two young people climbed the Brandenburg Gate and, in the most symbolic gesture of all, pulled down the hammer-and-sickle flag. Under the noses of Red soldiers, the cloth was shredded.

Suddenly the first Soviet T-34 tank appeared; it fired into the throng. Men reached for the only weapons they could find—they threw rocks at the tanks. By mid-afternoon dozens of Soviet armored vehicles were rattling across East Berlin's cobblestones.

Despite machine-gun bursts, brave East Berliners climbed the turrets of the metal monsters and tore off their radio antennas. On Leipzigerstrasse, two bold youths stuck a metal pole between the steel belts. The tank stopped dead. Other East Berliners pushed fence posts into a T-34's gun barrel or strewed the ground with boulders. At one point, workers advanced arm-in-arm against a firing Soviet machine gun. They marched on, holding the wounded up between them.

FACING THE WALL

Tanks were everywhere now. So was martial law. The whole scene was like Budapest, three years later, when Soviet tanks again battled with civilians, or Prague in 1968.

"The East Berliners had the courage of despair," said James Conant, then U.S. High Commissioner in Germany.

Armored vehicles and artillery eventually guarded all major intersections. Russian machine guns were trained on government buildings. Whenever more than three people gathered, Soviet troops started shooting. At least six hundred East Germans were killed, 1,800 wounded. Backed by bayonets, Communist courts swung into vicious action. While the West protested, some 19,000 people were jailed in the style of the Solidarity arrests almost thirty years later. Communists lashed out at the workers, the very men in whose name they ruled.

In time, hundreds of Communist officials were purged. Many East Germans were sentenced to death as leaders of the revolt. "They rebelled against a system that had disguised slavery under the shabby cloak of socialism," Willy Brandt told West Germans.

Eight years later, in August 1961, the Communists built the Berlin Wall. Some thirty miles of barbed wire, rock, bricks, and death-strip ditches cut off East from West. And 17 million East Germans found themselves imprisoned once again.

But the rebellion is not forgotten by the world. June 17 was proclaimed a national holiday in West Germany. It is still a holiday thirty years later.●

FINANCIAL AID FOR STUDENTS

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. BEDELL. Mr. Speaker, a study released last week illustrates the important need for financial assistance for our college students. Occasionally we hear that financial aid only goes to well-to-do families, but information made available by the Brookings Institute at their student aid seminar show this notion to be false. With such a substantial amount spent each year on school expenses, I feel it is necessary to set the record straight.

Mr. Speaker, you should be aware that for the most part, student aid recipients come from families earning less than $24,000 a year. It is interesting to note that the average age of the recipient at independent colleges and universities was 21 years old and 87 percent were dependent on their parents.

About 57 percent of all students, or 1.4 million attending independent colleges and universities received financial aid and another 27 percent received need-based assistance. The average cost of attendance—including tuition, fees, room, board, and other expenses—at these campuses was $7,283. The fact that I find the most interesting from the study was the overwhelming majority of independent campus students receiving financial aid have incomes of less than $6,000 annually.

Mr. Speaker, there are two points we all should consider: First, we can see from this research that Federal student loans are helping millions of low-income students so they can attend the college or university of their choice. Second, the Reagan administration has submitted to Congress a 1984 budget request asking for a deduction 14 percent below the 1983 funding level. One of the major programs affected by this cut is the guaranteed student loan program which the President has proposed to reduce 34 percent for fiscal year 1984.

If we accept the budget cuts of the administration, low- and middle-income students will be in big trouble and ultimately the country will suffer in future years. Only recently President Reagan said, "Certainly there are a few areas of American life as important to our society, to our people, and to our families as our schools and colleges." There seems to be a big gap between Presidential rhetoric and reality.●

HOW TO BEAT THE UPCOMING INCREASES IN LOCAL PHONE BILLS

HON. EDWARD J. MARKEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. MARKEY. Mr. Speaker, on four previous Mondays, I have offered suggestions for possible congressional action to beat the upcoming increases in local phone bills. Today, I offer a fifth recommendation for a possible House initiative to deal with this pressing problem.

Allow me to examine a basic question in this debate: Who should beat the upcoming increases in local phone bills? Put another way, we must recognize that due to depreciation, advancing technology, and the costs of providing universal service, there is a phone bill to be paid, somehow, by someone in the country. The question we must first answer is: Who should pay it, and who should pay less?

Many of my colleagues from rural areas are especially concerned about how big a bill their constituents are going to have to pay. It costs more to serve these areas, as residences are far apart and it requires a greater amount of the basic phone system plant, like wiring and equipment, to hook each consumer to the phone network. As we move to a cost-based pricing system, how much more are these consumers going to pay?

Of course, everyone agrees that some subsidies must be provided to keep rural phone bills down. Otherwise, some users will have bills over $100 per month. But how much subsidy should rural users receive?

After all, someone has to pay for these subsidies. To keep a rural consumer's bill down, an urban consumer's bill must go up. This is the central issue in the debate over who should pay.

Some of my colleagues suggest that we should commit to massive subsidies—well over $1 billion a year—to make sure that no rural consumer, rich or poor, pays $3 a month more than his urban counterpart. It is this approach that I disagree with, for it is this approach which may well add to the basic phone bills of every consumer, rural and urban, in the long run.

A complete, 100-percent subsidization of costs borne by rural phone companies for their expenses in providing phone service raises several serious questions. If we subsidize all costs over 115 percent of the national average cost, what happens to the phone company with service costs at 114 percent of the national average? What incentive do they have to keep their costs from rising? In fact, this 100-percent subsidy plan provides little—indeed, no—incentive for phone companies to lower current costs or to prevent future increases. This type of heavily subsidized phone system will lead to higher and higher national service costs, and the total national phone bill will go up and up.

In the end, then, rural phone bills will rise—as the national average rises, 115 percent of that average rises as well—and urban phone bills will also increase. No one is well-served by this massive subsidy plan.

There is a second serious question that such a subsidy plan raises, and it is the question of fairness. How fair is it to ask the urban poor to pay more so that the rural rich pay less? Admittedly, there are urban rich consumers and rural poor consumers. But the point is this: untargeted subsidies help rich and poor, while taking from rich and poor. Simply put, Nelson Bunker Hunt in Texas can afford to pay more for basic phone service. Yet there are people in Boston, or New York, or Los Angeles who cannot afford to pay more to keep his phone bill down.

What is needed to fight the upcoming increases in local phone bills is a two-tracked approach. The first track would include measures like those I have outlined in previous weeks to make everyone's phone bill lower. These measures would make our system more competitive, more efficient, and would improve the quality of service to all consumers.

A second track would go beyond the first one. It would address the special needs of those for whom the first track is not sufficient. That is, after we take measures to keep everyone's phone bill down, we should then consider measures to keep phone bills low for those in our society who cannot afford the charges that they face. Targetted aid—going to people who need it, not to those who merely live in one area or another—should be our object. If Federal efforts are neded to save universal service, they should be focused on those who cannot afford service without such help.

Some object of this approach. They malign it, calling it phone stamps, or some similar derisive name. But the choice they offer is one of larger, more extensive covert subsidies, flushed through the phone system, to those who may or may not need such aid. They are critical of my approach which gives assistance to those in need, while they brandish an approach which gives more aid to more people, needy or not.

Answering "who?" should pay, and who should pay less, is the fifth thing we can do to beat the upcoming increases in local phone bills.●

LEGISLATION TO AMEND THE TARIFF SCHEDULES OF THE UNITED STATES

HON. ANDY IRELAND
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. IRELAND. Mr. Speaker, today I am introducing, along with the chairman of the House Agriculture Committee, Mr. DE LA GARZA, and several of our distinguished colleagues, legislation to provide for the equitable tariff classification of imports of orange juice products into the United States.

As representatives of the major citrus producing areas of the country we have been apprised of a serious loophole in the Tariff Schedules of the United States (TSUS) with regard to the importation of orange juice concentrate. The situation threatens to severely suppress the price of normal U.S. production.

Current practice would allow for the import of orange juice concentrate into, for example, Canada where there is no domestic citrus industry. There it is blended and mixed with water. The result is a reconstituted product which enters the United States at a dutiable rate of 20 cents per gallon. Orange juice concentrate imported directly into the United States is dutiable at a rate of 35 cents per gallon. In addition, similar border operations may exist in Mexico along the States of Texas, California, and Arizona.

The United States granted tariff concessions on not concentrated juice under the assumption that this provision applies mainly to fresh, natural juice. However, since 1981, it has become increasingly apparent that imported orange juice in reconstituted forms has been classified as the equivalent of natural orange juice, thus taking advantage of lower U.S. tariff treatment for which no reciprocal concessions were received. The practice is contrary to congressional intention to separately classify natural or single strength orange juice as a not concentrated product at the specific rate of 20 cents per gallon and to classify orange juice made from concentrate at the specific rate of 35 cents per gallon.

The Florida Department of Citrus estimates that in calendar year 1982 there were nearly 400 single strength equivalent gallons of frozen concentrated orange juice (FCOJ) imported into the United States. Assuming that the concentrate duty rate of 35 cents per gallon applied, the duties amounted to almost $140 million. If the FCOJ had been imported as single strength, the duties would have been reduced by about $60 million.

The result of our bill would be that orange juice imported as not concentrated would include only orange juice

in its natural form. The proposal would not affect the classification and duty status of any other fruit juices classified under this part of the Tariff Schedule. In addition the bill will not affect commercial balances of trade in citrus products and, consequently, will not necessitate compensation benefits to the trading partners of the United States.

The Florida citrus industry constitutes a major and vital segment of Florida's entire economy. According to information compiled by the U.S. Department of Agriculture, the citrus industry accounted for over one-third of the farm receipts in Florida during the 1980–81 season. It is estimated that some 18,000 growers are engaged in the production of citrus crops in the State. There are 38 firms actively engaged in processing citrus products, and these provide employment for 15,000 persons. In addition, the industry offers employment to some 52,000 persons engaged in grove care, picking, harvesting, and fresh fruit packing. Ancillary research, inspection and service organizations provide employment for about 1,200 persons. The University of Florida estimates that the indirect employment in the citrus sector is 87,000 workers, bringing the total to about 173,000.

Obviously, any unfair advantage in the importation of citrus products could severly depress the domestic industry. As further evidence of the industry's vulnerability to unfair trading practices, a recent International Trade Commission decision ordered the continuation of a 3.5-percent export tax on frozen concentrated orange juice exports from Brazil to the United States. It has been determined that certain benefits constituting subsidies are provided to Brazilian manufacturers, producers or exporters by their Government. The subsidies include preferential financing and income tax exemption for export earnings.

This bill is critically important to the producers of citrus products in the United States, and to the orderly marketing of both domestic juice and the vast majority of the volume of imported concentrate, which is properly classified. I urge my colleagues to join in support of this legislation.●

TRIBUTE TO R. BUCKMINSTER FULLER

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. RITTER. Mr. Speaker, on July 1, 1983, this Nation and world was saddened to hear of the passing of R. Buckminster Fuller. Here was a man whose ideas and inventions were fresh, innovative, and ahead of his time. He was a magnificent teacher who gave us new ideas to ponder and dreams to pursue. His influence was evident around the world and penetrated all aspects of our lives, whether it was through his architecture or his philosophy. He loved to share his knowledge with college students and others and maintained an ambitious lecture schedule. He possessed a rare creativity, a sense of belonging within the universe, and a perspective from which to view the future.

We will all remember "Bucky" for his genius as evidenced by the geodesic dome, the U.S. Pavilion at EXPO '67 in Montreal, and his 25 books which include "Operating Manual for Spaceship Earth." He has correctly been referred to as the "Leonardo da Vinci of our time." His imprint will certainly live on as will his words:

> Nature has . . . some sort of arithmetical geometrical coordinate system, because nature has all kinds of models, and all of nature's models are so beautiful. It struck me that nature's system must be a real beauty, because in chemistry we find that the associations are always in beautiful whole numbers—there are no fractions.—(From "In the Outlaw Area"; profile by Calvin Tomkins in the New Yorker, January 8, 1966.)

Mr. Speaker, let us hope that one day our grandchildren can be fortunate enough to have an individual in their generation who they can look up to as we have Fuller. It was only this past February that "Bucky" was presented the Presidential Medal of Freedom in recognition of his service to this Nation over the past 87 years of his life. I know all Members join with me in sending their heartfelt sympathies to the Fuller family for the loss of this distinguished American.●

THE CASE FOR ENTERPRISE ZONES IN BENTON HARBOR

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. SILJANDER. Mr. Speaker, it is my privilege to insert into the RECORD an article written from the Journal of Legislation, published under the auspices of the Thomas J. and Alberta White Center for Law and Government, at the Notre Dame Law School in Indiana.

It gives me further pleasure to point out that the author is not only a constituent of mine, but a former intern as well. Abe L. Frank served in my Washington, D.C., office in the summer of 1982 and distinguished himself as a hard worker and innovative thinker.

In light of the current stalemate over the repeal of tax withholding, in which the Senate version includes legislation to enact enterprise zone legislation, I hope my colleagues will consider this well-thought-out article.

FEDERAL ENTERPRISE ZONE PROPOSALS: INCENTIVES TO REVIVE OUR DECAYING INNER CITIES

(By Abe L. Frank)

The enterprise zone concept represents a new urban policy based upon tax incentives rather than federal funds. The primary objective of this concept is to promote business and thereby stop the social decay of our urban centers. To achieve this objective, enterprise zone legislation contains a package of incentives premised upon simplicity.

The chief components of this package are tax incentives for employers to establish businesses and create jobs in the enterprise zone area. These incentives also encourage unemployed individuals to accept jobs and increase their work effort. In sum, these incentives reduce the risk involved in starting up a business in the inner city.

The enterprise zone concept is a bold departure from past solutions to our inner city problems. The zone concept requires no new federal bureaucracies nor the appropriation of federal dollars. Instead, the zone concept relies upon the ingenuity of private entrepreneurs willing to risk their own money on the recovery of inner cities. Dr. Stuart Butler most aptly defines the enterprise zone concept as "a geographic area with specified boundaries that would offer special government (central and local) incentives to owners of land and capital stock in the zone, with the aim of stimulating private investment in the zone." A comparative definition elaborates that "the enterprise zone concept is based on utilizing the market to solve urban problems, relying primarily on private sector institutions. The idea is to create a productive free market environment in economically depressed areas by reducing taxes, regulations and other government burdens on economic activity. The removal of these burdens will create and expand economic opportunity within the zone areas, allowing private sector firms and entrepreneurs to create jobs—particularly for disadvantaged workers—and expand economic activity." In theory, the American enterprise zone concept creates an open market where economic activity can flourish.

A BRIEF HISTORY OF ENTERPRISE ZONES

The concept of enterprise zones originated in England in the late 1970's. Professor Peter Hall, after viewing the entrepreneurial activity in Hong Kong and Taiwan, sought to create zones in depressed English cities that would be free of taxes and government regulation. The general purpose of these zones would be to stimulate business investment and create jobs in problem urban areas. The original proponents were aware of the zones' experimental status and suggested that initial application be tested on a small scale.

Hong Kong has the characteristics necessary to support a successful enterprise zone: low tax rates, few government regulations, and a specified life which draws large numbers of investors. The enterprise zone in Hong Kong has resulted in a six percent per year rise in per capita income and an unusually low hourly wage for its production workers in manufacturing. The increased standard of living in the targeted areas clearly benefits all urban dwellers and users.

The Congressional bills supporting implementation of these zones in the United States have arisen out of the Federal Gov-

ernment's need to reduce unemployment, promote urban renewal, and offer job training programs. Under the enterprise zone theory, industries are encouraged by tax rate reductions at the federal and local levels to play a leading role in the revitalization of our depressed urban centers.

PROPOSALS BEFORE THE 97TH CONGRESS

Six major bills were introduced in the 97th Congress regarding enterprise zones. For comparative purposes, eight sections can be extracted from each bill. By using H.R. 6009, the Conable Bill, as a standard, this note will examine the language of these bills and the significance, if any, of their differences. An analysis of the potential effects of the implementation of the various sections of the proposed legislation on a small midwestern community, Benton Harbor, Michigan, will serve as an example to appraise the potential success of enterprise zones.

Many members of Congress have shown great interest in the zone concept. In March, 1982, the Reagan Administration, an avid supporter of these zones, submitted an enterprise zone proposal to Congress. Soon thereafter, Representative BARBER CONABLE (R-N.Y.) introduced H.R. 6009, which is identical to the Administration's proposal. The bill had numerous sponsors including Representatives JACK KEMP (R-N.Y.) and ROBERT GARCIA (D-N.Y.), sponsors of their own enterprise zone bill.

Senator RUDY BOSCHWITZ of Minnesota and JOHN CHAFEE of Rhode Island sponsored a companion bill, S. 2298, which differed only slightly from the Reagan Administration's proposal. Because the basis of these bills and others introduced in the 97th Congress are founded upon a strong desire to achieve economic growth in many depressed urban communities, the 98th Congress will be forced to take notice.

CHARACTERISTICS OF THE ZONES

Eight basic sections differentiate the various bills introduced in the 97th Congress. Three of these eight sections may be classified as being concerned with the characteristics of the zone: number of zones, time duration of the zones, and size of the zones. The differences in the bills in all three instances are extremely clear, as the bills state numerical standards.

With regard to the number of zones, the majority of the bills followed the criteria set out in the Conable bill and allow up to twenty-five zones a year for three years. Due to the experimental nature of the enterprise zone concept, this approach appears quite practical. The number of zones, however, may have been chosen for other reasons. The limitation on the number of zones allowed would create competition among the cities desiring their implementation. Although careful investigation will assure the most depressed areas of zone status, many areas will be denied zone status due to this arbitrary number. Further, clever political maneuvering by high-powered Congressmen may cause unfairness in the distribution of the zones.

Though the life span of the zones varies greatly, the effects of such differences do not warrant much attention. The time periods extend from a minimum of five years to a maximum of twenty-four years. There is little empirical evidence, however, to suggest the time frames which would best serve the purpose behind the zone concept. The cities must have enough time to operate all phases of their development plan while not overextending these benefits to the eventual harm of the community.

H.R. 6009 sets a minimum population of 4,000 for the zone size. Only H.R. 2965 would have raised the minimum level to 5,000 people. The choice of 4,000 people representing a minimum zone size is an apparently arbitrary figure. The intended objective of this section, however, must be to set a standard low enough to include a majority of the eligible depressed areas, yet high enough to make the risk of a designated zone result in having a meaningful effect on the community.

REGULATIONS

The majority of the bills, including H.R. 6009, yield the regulating power to the Secretary of Housing and Urban Development. Other bills designate the Secretary of Commerce or the Governor of the State as the appropriate regulating authority. As long as the proper exercise of power is set forth, the agency which administers the zone will not be of great importance. Under the President's "Enterprise Zone Tax Act of 1982," the President stated that a "key criterion selection in this competitive [process] will be the nature and strength of the state and local incentive to be established to the zones." The success of the enterprise zone concept will depend heavily upon state and local commitment. Several of the bills do not specify the extent and nature of state and local requirements. These conditions will be of vital importance in meeting the zones' objectives. The Conable bill details these requirements. If the state and local governments do not agree to reduce some of the burdens incurred by the employers, the number of businesses attracted to the zone will be limited. H.R. 6009 describes, in the most detail, the elements to be supported by local government: an increase in the level of local services; a streamlining of existing regulations; involvement by private neighborhood associations; and community groups to provide job training and technical or financial assistance. The achievement of these elements is essential to the success of the enterprise zone concept and, therefore, should be included in all the bills.

Before even qualifying for enterprise zone consideration, however, urban areas must meet the eligibility requirements as stated in the bills. H.R. 6009 requires unemployment to be at least one and a half times the national average for the most recent period of serviceable data, or a poverty rate of twenty percent or more for each census tract; or seventy percent of households have income below eighty percent of those in the area; or the population must have decreased twenty percent or more between 1970 and 1980, according to the Census. The other bills have eligibility requirements similar to H.R. 6009 in somewhat more ambiguous terms. Such ambiguity should be avoided to prevent rivalries between interested areas, a competition which would defeat the purpose of enterprise zones.

INCENTIVES

Each of the bills offers several important tax incentives to attract businesses to enterprise zones. First, there is a ten percent income tax credit for the qualified increase employment expenditure of the taxpayer for the taxable year. Second, there is a fifty percent income tax credit to employers for wages paid to workers who were disadvantaged at the time of the hiring. This incentive allows for declining percentages of tax breaks over the first seven years. Third, there are nonrefundable five percent income tax credits available to qualified zone employees. Fourth, there is a nonrefundable investment tax credit for investments in zones for all their depreciable life. The bill also allows for an operating loss carryover for firms in the zone for fifteen years or for the life of the zone, whichever is longer.

One can only project the effect that enterprise zones will have on State and local tax revenues at this early stage. Each of the communities will need to study the impact of tax incentives on its particular area. A variety of factors contribute to the determination of whether the State and local governments will actually lose revenues. With the incentives, the value of property may rise and sales taxes may increase from the development of businesses. These intangible recoupment elements only spark the controversy over the effect of enterprise zones on state and local tax revenues.

APPLICATION TO BENTON HARBOR, MICH.

Communities, such as Benton Harbor, Michigan, intending to participate in the enterprise zone experiment will be required to submit well-documented applications soon after the zone qualifications are established. Benton Harbor safely falls within the size standards set by any of the previously proposed bills. The minimum population standards suggested are far below the City's present population of 14,657.

The city of Benton Harbor has repeatedly tried to stimulate investment and has undertaken a variety of economic development plans to address its problems. The people of the community are clearly dedicated to bringing what has been called the "Worst City in America" out of its depression. There is great desire to return Benton Harbor, once the hub of southwestern Michigan, into a thriving community.

Benton Harbor has had a population loss of 10.8 percent in the last decade. In December 1982, the Michigan Employment Security Commission statistics indicated an 18.6 percent city unemployment rate which is well over 1½ times the national average. Also, the 1980 Census had shown that 11.1 percent of the families in Berrien County had incomes below the poverty level. In addition, the large percentage of city residents on government program assistance leaves Benton Harbor far beyond the eligibility requirements.

Once the eligibility requirements are met, the success of the enterprise zone would be dependent upon local assistance. A package of incentives would help the zone manager attract a particular type of business. The Benton Harbor officials should promote the sales of these zone companies. The city should also offer low cost land and reduced rates to the designated areas. Any loss in land tax revenues would be offset by increased business within the city. Extra security in the area would reduce the risk of opening a downtown business, and thereby add an incentive to local businesses. Financially distressed communities have almost everything to gain and nothing to lose in their current economic situation. With an enterprise zone, the city of Benton Harbor could serve as a model for the nation.

EFFECT ON A NATIONWIDE SCALE

The implementation of the zones on a nationwide scale could prove to be the long-awaited solution to urban decline. The goal to bring the urban poor and their communities to a level of self-sufficiency is most commendable. The possibility of turning blocks of vacant land and whole "ghost towns" into productive areas seems clearly to outweigh

the risk of harm feared by the zones' opponents.

A major hurdle to overcome is the detrimental effect that the enterprise zones may have on businesses outside of the zone. The job of line-drawing will be difficult. Only after thorough research and analysis should the determination of zone boundaries be made. Many fear that the faithful, long established firms located immediately outside the zone may be unable to compete with new firms within the zone.

The general increase in economic activity in the area, however, may result in an upswing for all businesses in the area. An increase in employment may serve to increase the sales for all businesses. Besides having this positive effect on particular industries, there would be equally beneficial results for the entire city. New businesses may be intrigued by the rapid growth of the area and may choose to relocate. The enterprise zone concept can, with time, be the catalyst to "bring 'em back alive."

Many critics of the zone concept argue that no amount of subsidy will bring business to the inner city. Business managers are aware that previously unemployed workers often have problems adjusting to reemployment. Employers are reluctant to employ those workers they fear may be unproductive. Support services, including skill and job training, job counseling, and day care centers, however, would assist in improving the productive capacity of the reemployed worker. If the incentives are to work, they must be comprehensive enough to offset any peripheral difficulties.

CONCLUSION

Even if only a slight impact is achieved, this innovative alternative to revitalize our urban centers should be promoted to enable the concept to reach its maximum potential. Similar to the admittance of "evidence" in our American courtroom trials, enterprise zones should be tested, with society determining the credibility of the program. H.R. 6009 has formed a solid foundation for future federal legislation regrading enterprise zones.●

A TRIBUTE TO MR. MANOLO REYES

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. PEPPER. Mr. Speaker, through my years as a public servant I have had the opportunity to serve many remarkable and outstanding constituents. One who is constantly being praised for his dedication to helping people and for his love of America is Mr. Manolo Reyes.

Leaving behind a law practice and position at a Cuban radio station, Mr. Reyes and his family immigrated to the United States in 1960 practically penniless. Mr. Reyes believed in America from the start and began his service to his country long before he became an American citizen. He has had an everlasting impact on the Miami community in his work as a news broadcaster and hospital administrator, and in his numerous civic activities to help other Miami Latins and to make Miami a better and safer community for all its people. He has testified before congressional committees on many occasions regarding the grave threat communism poses to the world and particularly about its impact upon and presence in his beloved homeland.

I would like to take this time to call your attention to an excerpt from a noteworthy article, "5 Who Make America Great" (Parade magazine—Roy Blount) conveying the story of Mr. Reyes' dedication and service to his community and to our country. Though Cuban by birth, Manolo Reyes is truly a great American. I respectfully submit the text of this article to be included in the body of the RECORD following my remarks.

FIVE WHO MAKE AMERICA GREAT

(By Roy Blount, Jr.)

In Florida, you can buy a bumper sticker that says "Will the Last American to Leave Miami Bring the Flag With Him?" Whoever conceived that anti-Hispanic sentiment must not have met Miami's Dr. Manuel de Jesus Reyes Xiques—who has been the founder or the chairman or a director of everything from the local Cuban Sertoma Club to the Crime Commission of Greater Miami. If there is any classic example in this country of the civic booster-organizer, it is Manolo Reyes.

"When I left Cuba in 1960, I had a law practice and was sales manager of radio station CMQ, making 800 pesos a month when a peso was worth a dollar," he says. "I came here with a wife and three children and one dollar in my pocket. I flew into Miami on the morning of Aug. 23 and analyzed the market

"I didn't have the diction for radio. So, TV. What was the best channel? I went directly that morning to the purchasing agent of Channel 4. I presented him with the idea of a Latin news show in Spanish. That was about 10 a.m. I told him if I hadn't heard from him by 1 o'clock, I'd go to Channel 7. They hired me at $100 a week. I put on the first program two weeks later. I did a daily show for 18 years. I was the first to announce in the United States the presence of Soviet troops in Cuba. If you were caught listening to my show in Cuba, you went to jail.

"Castro and I were at the University of Havana together, always tangling. He had his viewpoint, I had mine. He was always running around with a gun in his belt. You never saw him in class.

"I was never part of the Batista government. Batista was a dictator. Under Batista, the people saw with one eye. Under Castro, they are blind. The Cuban people want to see with two eyes."

In 1977, Manolo's news show won an Emmy. He had a juris doctor degree from the University of Havana, but he decided to get one from the University of Miami too. While he was at it, he left television to become vice president in charge of public relations at Palmetto General Hospital, which was regarded as inhospitable by Hispanics in the surrounding community. He changed that perception.

"I said I would become a citizen the day I heard the national anthem and tears came to my eyes." he says. "I wanted to feel it. I was one of the guys who founded the Latin YMCA here. We held a party for Vietnamese refugee children in Miami. People said. 'Manolo, they won't understand.' I said, 'There is an international language of balloons and gum and little rabbits.' And I told those children and their parents, 'This is a nation formed by refugees. You are in the first chapter of American history.'

"And I saw the flag. And I thought of my children: Manny Reyes, a middle linebacker drafted by the Dolphins; his neck is 20 inches, he's a monster. Now he runs a jewelry store. My daughter Grace is in speech pathology. My son Charlie is a private pilot. Where would they be if we'd stayed in Cuba?

"I asked myself, 'Manolo, are you still in that first chapter?' No. I have taken the main steam. I now realize what is the American dream. I became an American citizen." That was in 1975.

In 1976 and 1977, he headed a citizenship drive among Miami Latins. On July 4, 1976, the largest swearing-in ceremony in U.S. history naturalized 7,149 Miamians. In 1977, about 22,000 more became citizens.●

THE FBI'S WAR ON MARTIN LUTHER KING

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. GARCIA. Mr. Speaker, from Inquiry, one of the few magazines advocating freedom, especially freedoms as basic as outlined in the first amendment, comes an article I recommend to my colleagues. The article is particularly relevant in light of the Reagan administration's new guidelines unleashing the FBI to "investigate" any person or organization it believes is advocating "criminal activity."

The Inquiry article is typical of the magazine's concern and advocacy of the freedom Martin Luther King was denied from birth. King courageously resisted the police-state machinations so loosely advocated by both liberals and conservatives in the name of law and order, efficiency and "freedom." I commend the following quote by Thomas Jefferson to my colleagues to consider while reading the Inquiry piece: "A bill of rights is what the people are entitled to against every government on earth, general or particular, and what no just government should refuse, or rest on inference."

[From Inquiry, August 1983]

THE MASTERS OF DECEIT: THE FBI'S WAR ON KING

Twenty years ago this month, 250,000 Americans massed at the base of the Lincoln Memorial to serve notice that the revolution of 1776 was not complete. Millions more watched the historic "March on Washington" on television and listened as civil-rights leaders A. Philip Randolph, Whitney Young, John Lewis, Roy Wilkins, and Ralph Abernathy gave speeches demanding the full extension of civil liberties to blacks and an end to segregation and discrimination. The climax of the march came when Martin Luther King, Jr., delivered his "I Have a Dream" speech and called for freedom to ring from the mountains of New York to

every hill and molehill in Mississippi. The black leaders met with the president after the march, but little did King and his associates know how closely the powers of Washington were listening. King's hotel room was bugged, and a tape recording of the post-march celebration made its way to J. Edgar Hoover, the director of the Federal Bureau of Investigation.

But it is not only the twentieth anniversary of the March on Washington that makes a review of King's life timely. As recently detailed in these pages by Nat Hentoff ["The Devil and William Webster," June], the Reagan administration has repealed the restrictive FBI guidelines laid down by the Ford administration. Under the new guidelines the FBI is unleashed to "investigate" any person or organization it believes is advocating "criminal activity."

King was one such individual suspected by an earlier FBI of advocating "criminal activity." On this suspicion the FBI carried out a war not only against King and his organization, the Southern Christian Leadership Conference (SCLC), but also against the very right to free speech and assembly. King's "crimes" were legion—he cited the shame of Jim Crow laws in the South and demanded their end. He pointed to and damned the existence of poll taxes and bogus literacy tests, which robbed blacks of the right to vote. He led boycotts against discrimination—public and private—and faced the fanged dogs of Birmingham, Alabama, Police Commissioner Eugene "Bull" Connor in nonviolent civil disobedience. He opposed the Vietnam War before it was fashionable. He shook the power structure to its base.

King's story illustrates how an agency infused with unchecked power, such as the FBI, quickly goes out of control and detects "criminals" like King and punishes them. The FBI war on King actually began during the liberal Kennedy administration, and it followed King to his grave. Kennedy apologists argue that Hoover bullied the Kennedys into making his personal vendetta against King public policy. The fact remains that the Kennedys okayed FBI wiretaps of King's home and office phones. They then read the tape transcripts and used the contents in their dealings with the civil-rights leader.

The assault on King intensified when Lyndon Johnson became president and the FBI goal to "neutralize King as an effective leader" was set. In the Johnson years, the FBI:

Monitored thousands of King's phone calls and made thousands of separate recordings of King from wiretaps and bugs.

Conducted photographic surveillance.

Smeared King in briefings to religious leaders, civil-rights leaders, members of Congress, and foreign leaders.

Disrupted his fundraising.

Recruited a SCLC bookkeeper as a paid informant.

Tried to kill articles favorable to him and successfully planted derogatory ones on him in the press.

Schemed to replace him with a moderate black leader picked by the Bureau.

Anonymously suggested in a blackmail note that King commit suicide lest it be revealed that he was an adulterer.

Lyndon Johnson further availed himself of the talents of the FBI at the 1964 Democratic National Convention, when Johnson aides Walter Jenkins and Bill Moyers (now with CBS News) used FBI surveillance to deny credentials to the integrated Mississippi Freedom Democratic Party. Bill Moyers gave the Bureau permission to circulate its negative monograph on King, "Communism and the Negro Movement: A Current Analysis," throughout the federal government. Even before King broke with Johnson over the Vietnam War, the Johnson administration was trying to peddle the FBI's "sex tapes" on King to *Newsweek*. When King finally denounced the Vietnam War (Johnson instructed him to stick to civil rights and stay out of foreign policy), King was treated to double entry in FBI dossiers as an antiwar leader.

When King was assassinated in Memphis, the FBI, which could just as easily have been at the head of the list of suspects, bungled the case. Almost as soon as James Earl Ray was apprehended, the FBI wound down its investigation, ignoring the possibility of conspiracy. But the war on King went on. His widow, Coretta, was marked as a potential target for a 1969 Cointelpro operation, and the FBI maligned him on Capitol Hill in 1969 when legislation to declare King's birthday a holiday was considered.

During his life King was bombed, beaten, stabbed, jailed, spied on, and harassed, but he never stopped struggling for that which should have been his at birth. Castigated as too radical by other black leaders for his tactics during the Montgomery bus boycott in 1955, King remained true to his nonviolent principles even in the turbulent sixties when blacks like Stokely Carmichael called for bloody retaliation. But even greater than his role in the repeal of Jim Crow laws and the enactment of the Voting Rights Act is his lasting stature as a moral leader. King made an entire nation consult its conscience. Wherever racial harmony exists in the country, wherever racism has lost its allure and people have grown more tolerant, King's influence must be acknowledged.

(King's vision, let us admit, was not perfect: As a leftist he called for an "Economic Bill of Rights," and the populist in him made the corporation a major symbol of evil. And, in his impatience to correct 400 years of black servitude, he naively believed that the same state that had enslaved his people should have its powers expanded to cure racism, private discrimination, and poverty by fiat.)

King courageously resisted the police-state machinations of the FBI throughout his life, and if alive today he would denounce the broadening of the FBI's domestic-security powers for what they are—a threat to our First Amendment rights of free speech and association. Many civil libertarians have suggested corralling the FBI with a new, tough charter, but even this fails to take into account the potential for abuse under a Hoover, a Kennedy, a Johnson . . . or a Reagan. Whatever legitimate peace-keeping functions the FBI now performs can be handled by other agencies; a free society does not need a national police force. No monument or holiday could be a more fitting honor to Martin Luther King and his struggle for freedom than to dismantle the FBI in his name.●

SIXTY YEARS OF HEALTH SERVICE TO COMMUNITY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. MATSUI. Mr. Speaker, I would like to bring to the attention of the House the fact that Sutter Community Hospitals will this week celebrate 60 years of high quality health care services in the Sacramento area.

This week, ground breakings will be held at two different locations for new and renovated state-of-the-art health facilities.

This occasion highlights the fact that in the Sacramento community, there exists a strong, broad-based public commitment to advanced health care which is representative of this community's willingness to look forward, not backward.

I congratulate the community and the supporters and staff of Sutter Community Hospitals as they begin their second 60 years of service to people.●

RESULTS OF THE SPRING 1983 42D CONGRESSIONAL DISTRICT QUESTIONNAIRE

HON. DAN LUNGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. LUNGREN. Mr. Speaker, in our representative democracy it is essential to know the views and concerns of those being represented. Earlier this year, the 1983 spring questionnaire was sent to the residents of the 42d Congressional District requesting their opinions of various issues relating to important legislation being considered by the Congress.

While this is by no means a random scientific survey, my staff has gone to considerable effort, with the help of the Congressional Research Service and the House Information Systems to assure that the questions would be the most accurate reflections of what was on the minds of many of the constituents of the 42d District. The information which the survey has provided me with has been useful in letting me know some of my constituents' stands on many sensitive and critical issues.

My ability to accurately represent my constituents' interests depends, to a large degree, on this type of communication. I wish to publicly thank the more than 2,000 residents who took the time to let me know their opinions on these important matters, as well as the many that provided additional comments with their questionnaires. As the results of the spring 1983 42d

Congressional District questionnaire seem to agree with the professional polling results from across the country, I commend them to the attention of my colleagues:

TAXES

As it was last year at this time, the economy remains the main concern of my constituents. The results of the survey show that of those households responding, 70% favored both the 10% July tax cut and tax indexing. 75% felt they weren't getting their tax dollar's worth in federal services. Further analysis of this 75% indicated that the largest percentages favored increased spending on law enforcement (53%) and general sciences (56%), decreased spending on welfare (81%) and foreign aid (80%), and maintaining spending on veteran's benefits (63%) and social security (54%)

In another question, 70% felt they were overtaxed. From the people in my district the message is clear, the tax burden must not be increased. Of this 70% which felt overtaxed, 66% agreed that the current graduated income tax should be replaced by a flat rate tax that would eliminate deductions, and tax everyone at the same percentage to their income. This compares to national polls (the NBC/Associated Press Poll) which showed that 58% favored the July 10% cut, while only 3% opposed it.

FEDERAL SPENDING

On a separate question, the only areas where a majority of those responding favored increased spending were law enforcement and education. In direct response to a question which asked whether or not the federal government should increase, decrease, or leave spending the same, 77% wanted to decrease foreign aid, and 73% favored a cutback in welfare spending. 61% favored a balanced Budget be mandated by a Constitutional Amendment, compared with 75% in a Gallup Poll. Of this 61%, 64% felt the budget deficit should be reduced through cuts in non-defense areas. Of the 67% who wanted at least gradual growth in spending on President Reagan's defense plan, 82% wanted a reduction in welfare spending, while 52% wanted a reduction in public jobs programs spending.

CRIME

Asked to select the best means by which Congress can combat violent crime, 34% ranked enactment of a Federal death penalty as the most important measure, while 30% selected greater certainty in sentencing in Federal crimes, 9% for state and local law enforcement funding increases, and 8% for federal law enforcement funding raises. Even among the 75% who felt they weren't getting their federal tax dollar's worth in services, 53% favored increased law enforcement spending, while another 36% favored at least maintaining current levels of law enforcement spending.

GENERAL ISSUES

Question: From the following list of issues, please rank the most important issue critical to the nation in 1983, as well as the second, third and fourth most important issues.

Ranked:	Percent
1. Economy	33.6
2. Threat to World Peace	24.7
3. Crime	15.9
4. Unemployment	11.4
5. Other	13.3

CRIME

Question: From the following list of issues, please rank the most important action Congress could take in the battle against violent crime?

Ranked:	Percent
1. Enactment of a Federal death penalty	33.6
2. Greater certainty in sentencing for Federal Crimes	30.5
3. Other	12.2
4. Increased Federal funding of state and local law enforcement	9.0
5. Increased funding for FBI and DEA	7.5

TAXES

Question: With regard to the amount of federal taxes you are paying, do you feel you are getting your dollers worth in federal service?

	Percent
Yes	21.9
No	74.5
Undecided	3.4

Question: Which best describes your present federal tax situation?

	Percent
Undertaxed	2.2
Overtaxed	70.2
About right	25.2
No answer	1.8

Question: A 10% cut in federal income tax rates is scheduled for next July. Some people argue that this tax rate cut should be postponed or eliminated in order to reduce the federal deficit. Other people argue that the tax rate cut should go into effect as scheduled in order to stimulate the economy and create jobs (and ultimately tax revenues). What do you think—should the tax rate cut be postponed or go into effect as scheduled?

	Percent
As scheduled	69.2
Postponed	12.9
Eliminated	1.2
Not sure	4.5
No answer	1.0

Question: Do you favor or oppose tax indexing (which would adjust the tax brackets and the personal exemptions amount for changes in inflation)?

	Percent
Favor	70.0
Oppose	10.6
Not sure	15.7
No answer	2.0

Question: Do you agree or disagree that the current graduated income tax should be replaced by a flat-rate tax that would eliminate deductions, and tax everyone at the same percentage to their income?

	Percent
Agree	59.8
Disagree	24.1
Not sure	13.9
No answer	2.0

BUDGET QUESTIONS

Question: In a short while, the Congress is going to consider the budget. In the following areas do you think federal spending should be increased, decreased or kept the same?

[In percent]

	Increase	Decrease	Same
National Defense	47.3	28.0	23.3
Law enforcement	53.6	5.1	35.8
Veterans benefits	13.7	17.0	65.3
Social security	16.3	23.5	56.5
Foreign aid	2.6	76.6	17.2
Local governments	17.6	39.7	34.8
Public jobs	22.5	47.3	24.1
Welfare	5.7	73.1	19.0
Energy	33.1	22.5	36.4
Environment	32.5	23.1	41.3
Transportation	28.4	23.7	42.6
Education	40.5	20.9	35.8
Health	30.1	19.4	47.5
Agriculture	13.7	44.2	35.6
General sciences	57.3	9.4	29.5

Question: Some propose an across-the-board freeze on all government spending including defense. Do you favor or oppose the concept of an across-the-board freeze on all government spending?

	Percent
Favor	30.9
Oppose	55.9
Not sure	11.6
No answer	1.4

Question: Would you favor or oppose a balanced Budget be mandated by Constitutional Amendment?

	Percent
Favor	61.2
Oppose	22.9
Not sure	14.5
No answer	1.2

Question: Should the Federal budget deficit be reduced which of the following methods?

	Percent
Raise taxes	3.0
Cut defense spending	23.3
Cut non-defense spending	52.6
Other	19.2
No answer	1.6

Question: What action should the Congress take on President Reagan's defense program.

	Percent
Provide for major increases	22.3
Provide for gradual growth in defense spending	44.2
Provide for gradual decrease in defense spending	14.5
Make major reductions	15.7
No answer	2.8

Spring 1983 Questionnaire-cross reference analysis (All spending refers to Federal spending).

NATIONAL DEFENSE

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 54% favored increasing spending on national defense, 20% favored a decrease, and 26% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 14% favored increased defense spending, while 42% favored a decrease, and 18% favored leaving spending the same.)

2. Of those favoring an increase in national defense spending, 69% favored a balanced Budget Amendment, 14% opposed.

Of those favoring a decrease in national defense spending, 43% favored a balanced Budget Amendment, 42% opposed.

Of those favoring leaving spending the same on national defense, 68% favored a balanced Budget Amendment, 10% opposed.

FOREIGN AID

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 2% favored increasing spending on foreign aid, 80% favored a decrease, and 16% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 38% favored increased foreign aid, 21% favored a decrease, and 26% favored leaving spending the same.)

2. Of those favoring an increase in foreign aid spending, 38% favored a balanced Budget Amendment, 38% opposed.

Of those favoring a decrease in foreign aid spending, 64% favored a balanced Budget Amendment, 21% opposed.

Of those favoring leaving foreign aid spending the same, 58% favored a balanced Budget Amendment, 26% opposed.

ENERGY

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 26% favored increasing spending on energy, 28% favored a decrease, and 44% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 49% favored increased energy spending, 18% favored a decrease, and 28% favored leaving spending the same.)

2. Of those favoring an increase in energy spending, 48% favored a balanced Budget Amendment, 34% opposed.

Of those favoring a decrease in energy spending, 75% favored a balanced Budget Amendment, 18% opposed.

Of those favoring leaving energy spending the same, 65% favored a balanced Budget Amendment, 17% opposed.

NATURAL RESOURCES AND THE ENVIRONMENT

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 24% favored increasing spending on natural resources and the environment, 29% favored a decrease, and 44% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 57% favored increased natural resources and environment spending, 12% favored a decrease, and 30% favored leaving spending the same.)

2. Of those favoring increased spending on natural resources and the environment, 45% favor a balanced Budget Amendment, 40% opposed.

Of those favoring a decrease in natural resource and environment spending, 76% favored a balanced Budget Amendment, 12% opposed.

Of those favoring leaving natural resource and environment spending the same, 65% favored a balanced Budget Amendment, 17% opposed.

TRANSPORTATION

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 24% favored increasing spending on transportation, 27% favored a decrease, and 44% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 42% favored an increase in federal transportation spending, 18% favored a decrease, and 36% favored leaving spending the same.)

2. Of those favoring increased spending on transportation, 53% favored a balanced Budget Amendment, 34% opposed.

Of those favoring a decreased in transportation spending, 70% favored a balanced Budget Amendment, 17% opposed.

Of those favoring leaving tranportation spending the same, 64% favored a balanced budget Amendment, 19% opposed.

EDUCATION

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 30% favored increasing spending on education, 16% favored a decrease, and 41% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 67% favored an increase in education spending, 9% favored a decrease, and 22% favored leaving spending the same.)

2. Of those favoring increased spending on education 45% favored a balanced Budget Amendment, 38% opposed.

Of those favoring decreased spending on education 77% favored a balanced Budget Amendment, 10% opposed.

Of those favoring leaving spending on education the same, 70% favored a balanced budget Amendment, 14% opposed.

HEALTH

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 25% favored increased spending on health, 24% favored a decrease, and 48% favored leaving spending the same.

(Of those oppposed to a balanced Budget Amendment, 43% favored an increase in health spending, 13% favored a decrease, and 44% favored leaving spending the same.)

2. Of those favoring increased health spending, 50% favored a balanced budget Amendment, 33% opposed.

Of those favoring decreased health spending, 76% favored a balanced Budget Amendment, 15% opposed.

Of those favoring leaving health spending the same, 62% favored a balanced Budget Amendment, 21% opposed.

LAW ENFORCEMENT

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 55% favored increased law enforcement spending, 5% favored a decrease, and 36% favored leaving spending the same.

(Of those opposed to a balanced budget Amendment, 43% favored increased law enforcement spending, 8% favored a decrease, and 44% favored leaving spending the same.)

2. Of those favoring increased law enforcement spending, 63% favored a balanced Budget Amendment, 18% opposed.

Of those favoring decreased law enforcement spending, 56% favored a balanced Budget Amendment, 36% opposed.

Of those favoring leaving law enforcement spending the same, 61% favored a balanced Budget Amendment, 28% opposed.

AGRICULTURE

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 49% favored increased agriculture spending, 10% favored decreased spending, and 34% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 21% favored increased agriculture spending, 42% favored a decrease, and 32% favored leaving spending the same.

2. Of those favoring increased agriculture spending, 46% favored a balanced Budget Amendment, 36% opposed.

Of those favoring decreased agriculture spending, 68% favored a balanced Budget Amendment, 22% opposed.

Of those favoring leaving agriculture spending the same, 59% favored a balanced Budget Amendment, 21% opposed.

WELFARE

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 2% favored increased welfare spending, 85% favored decreased spending, and 12% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 15% favored increased welfare spending, 44% favored a decrease, and 38% favored leaving spending the same.)

2. Of those favoring increased welfare spending, 18% favor a balanced Budget Amendment, 61% opposed.

Of those favoring decreased welfare spending, 71% favor a balanced Budget Amendment, 14% opposed.

Of those favoring leaving welfare spending the same, 40% favor a balanced Budget Amendment, 45% opposed.

SOCIAL SECURITY

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 15% favored increased social security spending, 28% favored decreased spending, and 54% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 17% favored increased social security spending, 15% favored decreased spending, and 65% favored leaving spending the same.)

2. Of those who favored increased social security spending, 55% favored a balanced Budget Amendment, 24% opposed.

Of those favoring decreased social security spending, 74% favored a balanced Budget Amendment, 15% opposed.

Of those favoring leaving social security spending the same, 58% favored a balanced Budget Amendment, 26% opposed.

SCIENCE, SPACE, AND TECHNOLOGY

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 56% favored increased spending on general sciences, 11% favored a decrease, and 30% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 61% favored increased general sciences spending, 7% favored decreased spending, and 30% favored leaving spending the same.)

2. Of those who favored increased general sciences spending, 60% favored a balanced Budget Amendment, 24% opposed.

Of those who favored a decrease in general sciences spending, 72% favored a balanced Budget Amendment, 17% opposed.

Of those who favored leaving spending on general sciences the same, 62% favored the balanced Budget Amendment, 23% opposed.

PUBLIC EMPLOYEE PROGRAMS

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 15% favor increased spending on public employee programs 57% favor a decrease, and 23% favor leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 43% favored increased spending on public programs, 28% favor a decrease, and 21% favor leaving spending the same.)

2. Of those favoring increasing public employee programs spending, 41% favor a balanced Budget Amendment, 44% oppose.

Of those favoring decreases in public employees programs spending, 74% favor the balanced Budget Amendment, 13% oppose.

Of those favoring leaving public employee the same, 58% favor the balance Budget Amendment, 20% oppose.

PAY TO STATE AND LOCAL GOVERNMENTS

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 12% favor increased spending on state and local governments, 48% favor decreased spending, and 33% favored leaving spending the same.

(Of those opposed to a balanced Budget Amendment, 31% favored increased spending on state and local governments, 26% favor a decrease, and 36% favor leaving spending the same.)

2. Of those favoring increasing spending on state and local governments, 43% favored a balanced Budget Amendment, 41% opposed.

Of those favoring a decrease in spending on state local governments, 75% favored a balance Budget Amendment, 15% opposed.

Of those favoring leaving spending on state and local government the same, 58% favored a balanced Budget Amendment, 24% opposed.

VETERAN'S BENEFITS

1. Of those favoring a balanced Budget be mandated by a Constitutional Amendment, 18% favor increased spending on veteran's benefits, 14% favor decreased spending, and 65% favor leaving spending the same.

(Of those opposing a balanced Budget Amendment, 11% favor increased veteran's benefits spending, 20% favor decreases, and 65% favor leaving spending the same.)

2. Of those favoring increases in veteran's benefits, 64% favor a balanced Budget Amendment, 18% oppose.

Of those favoring decreases in veteran's benefits spending, 64% favor a balanced Budget Amendment, 27% oppose.

Of those in favor of leaving veteran's benefits spending the same, 61% favor the balanced Budget Amendment, 23% oppose.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, July 19, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 20

9:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on the nomination of Warren T. Lindquist, of Maine, to be an Assistant Secretary of Housing and Urban Development.
SD-538

Labor and Human Resources
To hold hearings on the nomination of James B. Hyland, of Virginia, to be Inspector General, Department of Labor.
SD-430

9:30 a.m.

Agriculture, Nutrition, and Forestry
To hold hearings on S. 657, to insure the proper treatment of laboratory animals.
SR-328A

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1538, to modify and improve the patent law.
SD-226

Labor and Human Resources
Business meeting, to resume markup of S. 564, to establish the U.S. Academy of Peace.
SD-430

Joint Economic
To hold hearings on structural changes and the future of the American economy.
SD-628

10:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings to review the policies and administration of the District of Columbia Parole Board as they relate to the criminal justice system.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to resume markup of S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act.
SD-406

Foreign Relations
To hold hearings on the nomination of Millicent Fenwick, of New Jersey, for the rank of Ambassador during the tenure of her service as U.S. Representative to the Food and Agriculture Organizations in Rome.
SD-419

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on the recent Supreme Court ruling to repeal the legislative veto.
SD-106

2:00 p.m.

Finance
Business meeting, to consider the administration's spending reduction proposals for fiscal year 1984 for those programs which fall within the committee's jurisdiction.
SD-215

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To continue hearings to review foreign policy implications relating to the export of Alaskan crude oil.
SD-419

Governmental Affairs
To hold hearings on the nominations of Bruce D. Beaudin, and A. Franklin Burgess, each to be an associate judge of the Superior Court of the District of Columbia, and Judith W. Rogers, to be an associate judge of the District of Columbia Court of Appeals.
SD-342

JULY 21

9:30 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Paul A. Volcker, of New Jersey, to be Chairman of the Board of Governors of the Federal Reserve System, to be followed by oversight hearings on the conduct of monetary policy.
SD-538

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1146, to combat the use of aircraft in illegal drug trafficking.
SR-232A

Environment and Public Works
Transportation Subcommittee
To hold oversight hearings on emergency relief programs administered by the Farmers Home Administration.
SD-406

Small Business
To hold oversight hearings on the Small Business Administration's program delivery.
SR-428A

10:00 a.m.

Agriculture, Nutrition, and Forestry
To hold hearings on S. 593, to permit distribution in interstate commerce of certain State-inspected meat and poultry products.
SR-328A

Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1984 for certain defense programs, focusing on manpower requirements.
SD-192

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 1356, to authorize certain Federal agencies to contract with private law firms for the litigation of Federal Government debt.
SD-562

Judiciary
Business meeting, on pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on a Presidential commission report on excellence in education.
SD-430

Veterans' Affairs
Business meeting, to mark up S. 1388, to increase the rates of disability compensation for disabled veterans and to increase the rate of dependency and indemnity compensation for surviving spouses and children of veterans.
SR-418

Select on Indian Affairs
To hold oversight hearings on certain activities of the Branch of Federal Acknowledgment within the Bureau of Indian Affairs.
SD-608

10:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on S. 1525, authorizing funds through fiscal year 1986 for administrative expenses of the Federal Emergency Management Agency and for emergency and disaster relief assistance, and to revise procedures concerning State requests for assistance.
SD-406

11:00 a.m.
Joint Economic
To resume hearings to review the gross national product for the second quarter of 1983.
SD-628

2:00 p.m.
Foreign Relations
To hold hearings on recent developments with respect to the U.S. Information Agency.
SD-419

Small Business
Business meeting, to mark up S. 628, to remove agricultural enterprises from eligibility for assistance under the Small Business Administration's disaster and business loan programs, and S. 1022, to insure that Indian tribal businesses are treated as minority enterprises by the Small Business Administration and eligible for the SBA 8(a) program.
SR-428A

JULY 22

9:30 a.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To hold hearings on the future of U.S. basic industries.
SD-215

Labor and Human Resources
To hold hearings to receive a task force report on the vaccine Pertussis.
SD-430

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
To hold hearings on the nominations of William F. Pickard, of Michigan, Patsy Baker Blackshear, of Maryland, Chester A. Crocker, an Assistant Secretary of State, and Francis S. Ruddy, an Assistant Administrator of the Agency for International Development, each to be a member of the Board of Directors of the African Development Foundation.
SD-419

*Judiciary
To hold hearings on pending nominations.
SD-226

10:30 a.m.
Rules and Administration
Business meeting, to consider the nominations of Joan D. Aikens, of Pennsylvania, and John W. McGarry, of Massachusetts, each to be a member of the Federal Election Commission, Senate Joint Resolution 103, to provide for the appointment of Jeannine Smith Clark as a Citizen Regent of the Smithsonian Institution, H.R. 3034, to provide for the appointment and education of congressional pages, Senate Concurrent Resolution 33, to provide for the commemoration of the 100th anniversary of the birth of Harry S. Truman, Senate Resolution 150, to authorize the printing of additional copies of the Joint Economic Committee print entitled "Changing Economics of Agriculture: Challenge and Preparation for the 1980's," and other pending executive, legislative, and administrative business.
SR-301

2:00 p.m.
Energy and Natural Resources
To resume oversight hearings on the geopolitics of strategic and critical minerals.
SD-366

JULY 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Joint Economic
Economic Goals and Intergovernmental Policy Subcommittee
To hold hearings on foreign industrial targeting policies.
SD-138

1:30 p.m.
Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To resume hearings on the future of U.S. basic industries.
SD-215

2:00 p.m.
Energy and Natural Resources
To hold hearings on S. 1132, to establish a maximum ceiling on the annual charge to be fixed by the Federal Energy Regulatory Commission for a licensee's use of a Government dam or other structures owned by the United States.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on the proposed Alien Education Assistance Act.
SD-430

JULY 26

9:00 a.m.
Office of Technology Assessment
The Board to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

*Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1173, proposed Federal mine safety and health amendments.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1984 for certain defense programs, focusing on Navy and Air Force weapons procurement programs.
SD-192

Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
Business meeting, to mark up proposed budget estimates for fiscal year 1984 for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies.
S-146, Capitol

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Business meeting, to mark up S. 757, authorizing funds for fiscal years 1983 through 1987 for programs of the Solid Waste Disposal Act; to be followed with a business meeting by the Subcommittee on Environmental Pollution, to mark up S. 1329, to provide financial assistance to States for wetlands conservation
SD-406

Select on Indian Affairs
To hold hearings on S. 1151, to compensate heirs of deceased Indians for improper payments from trust estates to States or political subdivisions thereof as reimbursements for old age assistance received by decedents during their lifetime, and House Joint Resolution 158, to make a technical amendment to the Indian Land Consolidation Act (P.L. 97-459); to be followed by a business meeting, to mark up the aforementioned measures and S. 1499, to provide for the settlement of certain claims of the Mashantucket Pequot Indians, and S. 1196, to confer jurisdiction on the U.S. Claims Court with respect to certain claims of the Navajo Indian Tribe.
SD-608

2:00 p.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold oversight hearings on the acquisition of land, and acquisition and termination of grazing permits or licenses issued by the Bureau of Land Management at the White Sands missile range in New Mexico.
SD-366

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on a Presidential commission report on excellence in education.
SD-430

JULY 27

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue oversight hearings on the implementation of the Staggers Rail Act (P.L. 96-448).
SR-253

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on the Environmental Protection Agency's implementation of laws regulating the manufacture, distribution and use of toxic chemicals.
SD-406

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on the management of the U.S. Synthetic Fuels Corporation.
SD-342

Judiciary
Juvenile Justice Subcommittee
To hold hearings on proposed Federal financial assistance to State and local law enforcement agencies.
SD-226

Labor and Human Resources
Business meeting, to consider S. 1133, to authorize funds for fiscal years 1984, 1985, and 1986 for the Legal Services Corporation, and the nomination of James B. Hyland, of Virginia, to be Inspector General, Department of Labor.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for certain defense programs, focusing on intelligence programs.
SD-116

Appropriations
District of Columbia Subcommittee
To hold oversight hearings on the District of Columbia court system, focusing on the prosecution of repeat offenders.
SD-138

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on S. 1520, to authorize redress payments to certain residents of the United States of Japanese-American, Aleut, or other ancestry who were interned, detained, or forcibly relocated by the U.S. Government during World War II.
SD-562

JULY 28

9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the proposed Universal Telephone Service Preservation Act of 1983.
SR-253

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 5, to designate certain public lands in the State of California as wilderness, and H.R. 1437 and S. 1515, bills entitled the "California Wilderness Act of 1983."
SD-366

9:30 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To continue oversight hearings on the Environmental Protection Agency's implementation of laws regulating the manufacture, distribution and use of toxic chemicals.
SD-406

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 19 and S. 918, bills to revise current Federal pension law with respect to the rights and benefits of working and nonworking women, and related measures.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1984 for certain defense programs, focusing on Navy and Air Force aircraft procurement programs.
SD-192

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To resume oversight hearings on Government management of natural gas import issues.
SD-342

Select on Indian Affairs
To hold oversight hearings on Indian health issues.
SR-485

2:00 p.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold hearings on S. 960, to assist women in making career choices in the home or the labor force.
SD-215

JULY 29

9:30 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To continue oversight hearings on the Environmental Protection Agency's implementation of laws regulating the manufacture, distribution and use of toxic chemicals.
SD-406

Finance
International Trade Subcommittee
To hold hearings on the President's authority to waive the freedom of immigration provisions of the Trade Act of 1974 (P.L. 93-618).
SD-215

10:00 a.m.
Commerce, Science, and Transportation
To continue hearings on the proposed Universal Telephone Service Preservation Act of 1983.
SR-253

AUGUST 1

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, including S. 1600, S. 1579, S. 108, S. 1464, and S. 1549.
SD-215

2:00 p.m.
Finance
Taxation and Debt Management Subcommittee
To continue hearings on miscellaneous tax bills, including S. 1600, S. 1579, S. 108, S. 1464, and S. 1549.
SD-215

3:00 p.m.
Finance
Savings, Pensions and Investment Policy Subcommittee
To hold oversight hearings on the extended unemployment benefits program, and S. 1113, to provide that tax-exempt interest shall not be taken into account in determining the amount of social security benefits to be taxed.
SD-215

AUGUST 2

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
D-366

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings to review the economic state of the inland waterway industry.
SR-253

Labor and Human Resources
To resume oversight hearings on the Department of Labor's law enforcement activities, focusing on the organized crime and racketeering section of the Department of Labor's Office of Inspector General's investigation of allegations involving the International Brotherhood of Boilermakers.
SD-430

10:00 a.m.
Environment and Public Works
Water Resources Subcommittee
Business meeting, to markup pending calendar business.
SD-406

AUGUST 3

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

9:30 a.m.
Labor and Human Resources
To resume hearings on health care cost issues.
SD-430

10:00 a.m.
Environment and Public Works
Business meeting, to markup pending calendar business.
SD-406

AUGUST 4

8:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

SEPTEMBER 8

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on the historical perspective and societal implications.
SD-430

SEPTEMBER 15

10:00 a.m.
Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the breakdown of the traditional family unit, focusing on causes and remedies.
SD-430

OCTOBER 18

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on vocational education programs administreed by the Department of Education.
SD-430

SEPTEMBER 20

10:00 a.m.
Foreign Relations
Business meeting, to consider certain arms reduction proposals, including Senate Resolution 57, Senate Joint Resolution 2, Senate Joint Resolution 29, Senate Resolution 159, Senate Joint Resolution 74, Senate Concurrent Resolution 46, Senate Resolution 107, and Senate Resolution 83.
SD-419

11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the American Legion.
SR-325

OCTOBER 25

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on vocational education programs administreed by the Department of Education.
SD-430

CANCELLATIONS

JULY 20

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on Federal nonproliferation policy.
SD-562
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

JULY 21

10:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings to investigate alledged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

JULY 26

10:00 a.m.
Labor and Human Resources
Aging Subcommittees
To hold hearings on proposed legislation authorizing funds for nutrition programs of the Older Americans Act.
SD-430

AUGUST 2

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the Department of Labor's law enforcement activities, focusing on organized crime and racketeering section of the Department of Labor's Office of Inspector General's investigation of allegations involving the International Brotherhood of Boilermakers.
SD-430

AUGUST 3

9:30 a.m.
Labor and Human Resources
To resume hearings on health care cost issues.
SD-430

SENATE—*Tuesday, July 19, 1983*

(Legislative day of Monday, July 18, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Truth and Wisdom, our world suffers from the knowledge explosion which is fragmenting our society. There is so much to know, it is impossible for anyone to know everything on any single subject. Hence, specialists in one discipline are isolated from specialists in other disciplines.

And Father, nowhere is this phenomenon more apparent than in the Senate. We are overwhelmed with a glut of information. Like an avalanche, data inundates the Senate and its committees, so that however long and hard staffs work and Senators try to process the material, they face an impossible task which would challenge the most sophisticated computers.

Gracious Father, give all who are involved in this information overkill Thy wisdom and discernment. In the name of Him who is Truth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the two leaders are recognized under the standing order, two Senators will be recognized on special order, Senators PROXMIRE and BUMPERS. Then there will be a period for the transaction of routine morning business. After that, S. 675, the Defense authorization bill, will recur as the pending business, and the Stafford amendment No. 1520 will be the pending question.

Members will recall that the tabling motion against the Stafford amendment yesterday did not pass. Therefore, the amendment itself will be before the Senate.

We will recess at noon today for the usual 2 hours on Tuesdays to permit Members to caucus. Those caucuses are held separately off the floor and are an essential part of the functioning of the Senate. They deserve the special attention that the recess for 2 hours accords to them.

Mr. President, I do not know yet how long the Senate will be in session today. I have not yet talked to the two managers of the bill. But I do anticipate that if we have not finished the bill tomorrow or Thursday the Senate may be in late both evenings. I will have a further announcement to make about this evening as soon as possible.

I hope we can finish this measure this week, perhaps even early this week, but in any event this week.

Two matters will most likely be placed before the Senate after we finish this bill, the agriculture target price bill, which I have announced a number of times before, and the military construction appropriations, which I have not announced before but which I wish to do. It is one of the regular appropriations bills. It is here. And after we pass this authorization bill, I am told that the appropriations bill might not take more than 30 minutes or an hour. So I hope we can do that quickly and probably in advance of the time we go to target prices.

I do anticipate that the Senate will be in on Friday and I hope Members can make their plans accordingly.

I believe that is about all I can think of at the moment.

SPECIAL COMMISSION ON U.S. POLICY IN CENTRAL AMERICA

Mr. BAKER. Mr. President, I announced to the press a few moments ago and I will say it for the benefit of my colleagues that on yesterday I commended the President for his decision to go forward with the bipartisan Commission on the long-range problems of our relationships in Central America and I commend Dr. Kissinger for his agreeing to chair that Commission.

I believe the remainder of the Commission members will be announced today, and I anticipate that they will be most distinguished Americans, and I applaud them for their willingness to accept this assignment.

The proposal as advanced by the President, after the good initiative of Senators JACKSON and MATHIAS, to whom I offer my congratulations and sincere thanks, also contemplates the appointment of congressional counselors, four from the House of Representatives and four from the Senate.

On yesterday, the distinguished minority leader appointed Senators JACKSON and BENTSEN from the Democratic side. Today I will appoint Senators MATHIAS and DOMENICI.

A number of other Senators have expressed an interest in this. Some have special interest by reason of the jurisdiction of their committees or subcommittees, and I am fully sensitive to their positions. Some have a special interest in a particular aspect of the affairs of the nations of that region.

But in choosing a member I tried to take account of all of the several factors, including those States which are most immediately affected by affairs in Central America, and they are, of course, those States that border with our Central American neighbors.

Senator DOMENICI and Senator MATHIAS I am sure will make a major contribution to the success of that commission.

Mr. President, I believe I have nothing further to say today and I am now prepared to yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. PRESSLER). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. I thank the Chair.

THE APPOINTMENT OF COMMISSIONS

Mr. BYRD. Mr. President, I have somewhat mixed emotions with respect to the appointment of commissions, and what I am about to say is not intended to be in any way a reaction or a response to what the majority leader has said. I certainly would be the last to want to throw any cold water on this Commission.

The appointment of commissions is not something that is entirely new, but it seems that increasingly we are seeing commissions appointed, and I am a little concerned about that.

We just saw a commission appointed on social security. We saw a commission appointed on the MX.

I think in the final analysis the elected leaders, those who are elected by the people, have to make the final decisions, and while the advice and counsel of commissions can be helpful to us in reaching those decisions sometimes I am concerned that the reports of commissions may pretty much lock us into whatever decisions are reached by the Commission.

In the case of the Scowcroft Commission we all very well understood that the recommendation was in the large sense a political one and there

was no attempt to avoid that impression.

I think the members of the Commission themselves said that the decision was in great measure dictated by the politics of the situation. One of the problems with the Commission reports is that they are often so fragile that the argument can be made that if this little piece of that little piece is taken out the whole thing will unravel.

There can be bipartisanship without commissions.

I did not come to the floor intending to say that. I just have an uneasiness about government by commissions and it seems that we are observing an increasing tendency to move in the direction of commissions for very controversial and difficult questions involved.

This is not to say that such commissions cannot render valuable service to the Members of Congress.

Another danger in the matter of commissions is that they can be to a considerable extent established to reflect the philosophy or the direction in which a particular administration wants to go. We have had many commissions. The earliest one that I remember at the moment is the Hoover Commission, and they do render great service.

Insofar as the Members of the Senate who have been appointed I think that there is every justification for their appointment. Senator JACKSON, for example, was one of the principal cosponsors, as was Senator MATHIAS, of the resolution calling for a commission. Senator BENTSEN represents the State of Texas which has a border with Mexico. So Senator BENTSEN is very, very close to the situation by virtue of his representing that State which borders on one of the great Central American countries.

I simply want to reflect this dichotomy of feelings that I have with respect to commissions.

Let me say again that what I am saying is not intended to throw any cold water, throw water, on this Commission in this instance. I am simply trying to say that I am becoming a little disturbed about the trend toward what I shall call government by commission but which term does not accurately reflect the situation. The Government is still by the elected leaders of the country, the President, the Vice President, the Members of both Houses of the Congress, and I am not saying this Commission should not be appointed or will not produce some very helpful results. I think the Commission on Social Security probably was very helpful in our resolution of that sticky problem.

The Scowcroft Commission by virtue of its having rendered a decision that was to a considerable extent based on politics bothers me more. I have supported the MX. More lately I have become more half hearted in my support of it because of the particular mode that was decided upon. But again and again we are told if we do not accept this little strand or that little strand of a commission for it the whole thing may become unraveled.

I think we have to face up to the hard questions, and I am glad that Congress has been offered an opportunity to appoint consultants. I think there could be more consulting between the administration and this Congress without the vehicle of a commission.

I must say that I personally am disappointed with the consulting that goes on between the minority in the Senate and the administration. Perhaps that is not all the fault of the administration but there could be more consulting between the administration and the minority; and I must say that I have been here, I think, under about eight Presidents, and there is the least amount of consulting between the administration, under this administration, and the Democrats than in any administration in which I have served. There was a great deal more consulting when Mr. Nixon was President, and when Mr. Ford was President.

I can recall with respect to the Eisenhower administration, I was not in any way a Member of the leadership at that time, I was in the House of Representatives, a new Member who came in when Mr. Eisenhower came in.

I always insisted in talking to President Carter that he talk with Mr. BAKER, that he alert Mr. BAKER to this or that decision, and also Mr. STEVENS, and maybe he did not do as much of it as even I would have liked, but he did consult with them and I insisted that he do it. But I must say that I think this is the most partisan White House that I have seen since I have been in Washington, and I have been here now going on 31 years, and I am talking about both Democrats and Republicans.

I do not say this to create any animosity anywhere. I do not say it to be provocative. I say it because I believe it. I must say that in the Senate itself there never has been better consultation between the two parties than I have experienced in working with Mr. BAKER and Mr. STEVENS as majority leader and as minority leader, and I think consultation has been good. We have been able to move things along. The legislative process generally has worked very well. There has been little delay or holdup, so I have no problem whatsoever with my friends on the other side of the aisle. If I had, I would say so. I could be wrong and, of course, perhaps there would be a legitimate response. But the reason I do not say so is that it is just not that way, and I cannot think of a time when any majority leader has gone out of his way to accommodate the Members of the minority more than the majority leader that we now have.

That is all I am going to say at this point. I probably should have reflected on the matter more before I spoke. Sometimes I think it is better to say but little and think a long time before saying even a little, but I suppose after thinking this through carefully for another 24 hours or 48 hours I probably would have reached the same conclusion that I have in a desultory way attempted to express here.

Mr. BAKER. Mr. President, may I reclaim 2 minutes of my time?

Mr. BYRD. Mr. President, if I have any time left, I would be glad to yield to the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I express my compliments to the minority leader. I have often commended him for the excellent presentation he makes on the history of the Senate. In doing so, I usually refer to his feel for this institution and his insight about the arrangements that make this body function. I think we were given a glimpse of that insight today.

I do not share the Senator's concern about commissions. As a matter of fact, I think we are seeing a genesis in the beginning of something that may be terribly important politically in this country. But it is an arguable point and it is a legitimate point that the minority leader makes. It is one that we have to follow as it evolves and develops. What is the role of an extragovernmental group, whether it is appointed by the President or the President and the leadership of the Congress? What is the role and how does that relate to the structures that the Constitution give us? I am not sure we are certain how that will work.

But I must also say that I feel that it is an important new approach that is gaining prominence, as the minority leader pointed out, and may offer great promise for trying to diffuse some of the terribly sensitive political issues that sometimes virtually immobilize the Government from a decisionmaking standpoint. It may not work that way, but it may. Indeed, I think it did in social security. I will not go into that in detail. I think it did.

I think it did with the Hoover Commission, although its recommendations were not as well implemented as perhaps they should have been. I think it did with the National Water Quality Commission, as chaired by then Governor Rockefeller.

It is not absolutely clear how this new Commission will work out. But when Senator JACKSON and Senator MATHIAS decided to introduce this resolution, I decided, for my part, at least, that there was enough promise in this approach to support it. I freely

acknowledge that I urged them to go forward with their initiative and I urged the President to accept that challenge and to realize on that opportunity.

So I have great faith in the Commission. I think that when the names of the members of the Commission are announced today—and the list may not be absolutely complete even now—but when the names are announced, it will represent such a cross section of opinion by substantial Americans that most people will acknowledge that they have a great deal to contribute. There is no suggestion any place that they are preempting the rights of Congress. Obviously, we will have to consider whatever they recommend and act on it. They cannot act.

True, as the minority leader pointed out, perhaps it makes a package that is a little too neat, but it need not necessarily be that way. That is a precedent that we are still evolving—how we view that and how we treat those recommendations.

So I rise now, Mr. President, only to say once again that I hear and understand what the minority leader is saying. I respect his insight and judgment and that special perspective that he brings to the functional arrangement of the Senate. I commend him for that.

But I wanted to say that I have confidence that this is going to make a major contribution. I acknowledge that there are concerns, and we will, I am sure, wait and wish together for the success of this effort.

Mr. BYRD. Will the majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. BYRD. Mr. President, I have two things to say, and I think I have already said them. I just want to underline them.

One, perhaps the Commission on Social Security was a good example of a way in which to deal with a very sensitive, controversial, and heated issue. I am not at all sure, in my own mind, that, had we not had such a commission, we would have reached a resolution of that problem.

Second, I would not want what I have said to indicate that this Commission we are now talking about does not have my support. As both the majority leader and I have said, the Congress, in the final analysis, and the President, make the final decisions.

I do think the majority leader touched upon a strand here which is extremely important, and that is that the Commission not only be balanced, but that it also be viewed as balanced, because thoughts and viewpoints on this subject matter run the entire spectrum from left to right. But that is vitally important, if the report of the Commission, when it is submitted is to be supported, is to have credence, and is entitled to proper respect.

Mr. BAKER. Mr. President, I ask unanimous consent that there be 4 minutes of additional leader time, equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have listened with keen interest to the remarks by the majority leader and the minority leader regarding the Commission proposal once again.

I hope and pray that the Commission is successful, because if there is one thing that I think is crystal clear today, it is the fact that if we have a policy in Central America, it is not understood—it is not understood on the floor of the U.S. Senate, it is not understood in the House of Representatives, and I am certain it is not understood by the people as a whole.

There are no individuals that I have more confidence in and respect for than Senator MATHIAS and Senator JACKSON, who originally suggested this idea that now has been embraced by the majority leader and minority leader.

I hope it works out. Certainly, we are going to have people like Senator JACKSON from Washington State and Senator BENTSEN from Texas, again, top, thoughtful people that I have the greatest of confidence in.

I am very pleased to see the issue raised with regard to commission. We had a commission on social security that we could not solve between the executive and the legislative branches. We had a Scowcroft Commission on defense policy because we could not solve it here. Now we have another commission.

Reference was made to commissions. I think there are entirely too many commissions being formed. I think probably, as has been indicated in one way or another by both the majority leader and the minority leader, that this is something we should watch.

I was also pleased to see assurance from two leaders that this would be a broad-based commission. That might be the most dangerous part of all, a broad-based commission. That represents all points of view and too often becomes a commission whose recommendations cannot be turned down even by the President of the United States, let alone the Members of the U.S. Senate or the House of Representatives. I think we are on a rather different and dangerous course regarding the very principles of the institution and separation of powers. I hope this works. I probably will support it. But I am delighted to see the concern expressed by the majority and minority leaders in the discussion here this morning.

The PRESIDING OFFICER. Does the leader yield back all of his time?

Mr. BAKER. Mr. President, I yield back any time I have remaining.

ACID DEPOSITION AND THE NATIONAL ACADEMY OF SCIENCES REPORT

Mr. BYRD. Mr. President, there has been a great deal of recent public attention given to the issuance of the National Academy of Science's long-awaited report on acid rain. The report, entitled "Acid Deposition: Atmospheric Processes in Eastern North America," concluded that reducing emissions of SO_2 and NO_x would result in a proportionate reduction in the deposition of sulfates and nitrates. However, in addition to this important conclusion, it must be understood that the report also included a number of other very important related points. For example, the Academy also concluded that:

> All sources in eastern North America must be considered as contribution in one degree or another to the phenomenon of acid deposition. Evidence exists for long-range transport of pollutants leading to acid deposition, but the relative contributions of specific source regions to specific receptor sites currently remain unknown.

In other words, Mr. President, proposals to control acid deposition in the Northeast by requiring coal-fired powerplants in the Midwest and Appalachia to significiantly reduce their emissions of SO_2 are not based upon the conclusions of the National Academy of Sciences.

The Academy report further states that air-quality computer models, which have been used to justify such control strategies:

> Have not provided results that enable us to have confidence in their ability to translate SO_2 emissions from specific receptors. Little has been done in models to translate NO_x emissions into nitrate deposition or to link sulfate and nitrate to acid deposition. These capabilities are considered essential for models to be used to study the consequences of alternative control strategies in circumstances in which long-range transport processes are involved.

In other words, Mr. President, even the theoretical bases upon which acid rain control proposals have been based are considered by the Academy to be only "useful research tools." They have not been developed sufficiently or verified adequately to be able to predict changes in acid deposition patterns in the Northeast as the result of a reduction of SO_2 emissions from coal-fired powerplants in the Midwest and Appalachia.

The Academy also pointed out that:

> The relative importance for deposition at specific sites of long-range transport from distant sources as compared with more direct influences of local sources cannot be determined from currently available data or reliably estimated using currently available models.

Furthermore, the Academy concludes that:

It appears that the atmospheric processes in eastern North America lead to a thorough mixing of pollutants, making it difficult to distinguish between effects of distant and local sources.

In other words, Mr. President, the Academy report says that scientists cannot tell how much acid deposition in the Northeast is the result of long-range transport from the Midwest and Appalachia, and how much comes from oil-fired powerplants and automobiles in the Northeast. Thus, Mr. President, proposals to control acid rain which implicitly blame coal-fired powerplants in the Midwest and Appalachia, are not based on the conclusions of the National Academy of Sciences.

In fact, the Academy report contains an observation which has very interesting implications regarding the premises upon which current acid rain proposals are based. The report notes:

It can be stated as a rule of thumb that the farther a source is from a given receptor site, the smaller its influence on that site will be per unit mass emitted.

Thus, while the Midwestern and Appalachian States have been assigned prime responsibility for acid deposition in the Northeast, it is very possible that the Northeastern States have been playing a much larger role in the problem than one would think from reading current acid rain control proposals.

Mr. President, the report by the National Academy of Sciences does not conclude the scientific debate over the causes and consequences of acid deposition. The report does point out that there is still much scientific work that needs to be done before we can use science as a basis for a costly new regulatory program to reduce SO_2 emissions in one region of the Nation, which may well have only a minimum benefit for the Northeast.

The Academy's report does not, of course, answer the many fundamental questions about the costs and benefits of acid deposition control. But these are the questions which are of great concern to me and many of my colleagues. Until satisfactory answers can be found, we must not act in a manner which would impose further hardship upon the economies of States like West Virginia, Ohio, Kentucky, and Indiana. We have the time to act with due deliberation and caution. We must seek to be fair and equitable in the distribution of costs and benefits. We must insure the judicious application of scientific knowledge, balanced against the costs and benefits, in the development of any approach to the problem of acid deposition.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Huntington, W. Va., Herald Dispatch of July 6, 1983, entitled "Acid Rain Studies Too Sketchy to Support Expensive Actions."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Huntington (W. Va.) Herald-Dispatch, July 6, 1983]

ACID RAIN STUDIES TOO SKETCHY TO SUPPORT EXPENSIVE ACTIONS

The newly released report of the National Academy of Sciences/National Research Council is being widely touted as justification for stringent acid rain controls. But the report in fact casts considerable doubt on the wisdom of the acid rain control proposals now before Congress.

While offering the strongest evidence yet linking sulfur dioxide emissions with acid rain, the report nevertheless states: "The relative contributions of specific source regions to specific receptor sites currently remain unknown.

"In plain English," says Carl E. Bagge, president of the National Coal Association, "scientists can't yet determine the relative importance of Midwestern emissions to rainfall in the sensitive areas of the Northeast."

The acid rain bills currently before Congress focus mainly on sulfur dioxide emissions from coal-fired power plants and ignore emissions from other sources. As Bagge notes, "Because coal-fired plants are predominantly located in Appalachia, the Midwest and the South, the proposed legislation would force a high percentage of emission reductions on those areas and little or no reduction in other areas."

But perhaps the most telling paragraph in the NAS/NRC report is this one:

"Continuing research on acid deposition is needed to resolve or reduce the uncertainties and thereby to provide information useful in making more informed public-policy decisions regarding acid deposition."

Without that information, any action would be clearly foolhardy.

The various control measures now proposed in Congress carry enormous costs, figured in the billions of dollars. It would be irresponsible in the extreme to impose those costs on the American public when so many questions about acid rain remain unanswered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 15 minutes.

MORE EVIDENCE THAT ECONOMICS IS NOT ONLY A DISMAL SCIENCE BUT AN INACCURATE ONE, TOO

Mr. PROXMIRE. Mr. President, later on this month the Office of Management and Budget will present its revised budget estimates for fiscal years 1983 and 1984. To say business and government experts from all over the country will be waiting with baited breath will be no exaggeration. These forecasts will directly affect the behavior of our country's economic policymakers. Consider: These predictions of future levels of Federal deficits, outlays, revenues, level of unemployment, growth in the gross national product, and changes in the Consumer Price Index are among the most widely discussed and anticipated statistics in this data-crazed Capitol. Everybody wants to know what is going to happen. But should they be? I wonder. Here is why: It is ironic that these widely publicized and influential statistics should be so chronically inaccurate and even misleading.

A recent study by Randolph H. Boehm released by the Cato Institute clearly indicate how large, in fact, how incredibly large, are the errors in the economic and budget forecast contained in the annual budget message submitted to Congress by the President of the United States, any President, over the past decade.

Just how bad are these forecasts? Hold on to your hat: Mr. Boehm found that forecasts of the change in the Federal deficit for the next fiscal year were off by an overage of, get this over 500 percent. Not 10 percent, not 40 percent, not 100 percent, but 500 percent. Only three times between 1971 and 1982 was the estimate within 75 percent of the actual deficit. The rest of the time it was wider than that. In three-fourths of the cases the forecasts were too low and underestimated the deficits.

The study found that the forecasts of change in Federal outlays, while off by an average of 29 percent, concealed much larger errors in specific Federal programs that partially or totally offset one another. It is interesting to note that in 3 out of 4 years the size of the growth in total Federal spending was underestimated in the President's budget.

The forecast for the change in Federal receipts was off by an average of 87 percent.

The Office of Management and Budget's murky crystal ball was just as cracked in its forecasts of major economic statistics such as the changes in the gross national product and changes in the Consumer Price Index.

Clearly estimates of spending revenues and economic conditions all contain more than a small dab of artistic brushwork. Those involved find it all too easy to make a series of questionable assumptions which will result in the kind of projected figures most pleasing to any administration.

If our goal is to reduce projected deficits we can assume high rates of growth of GNP and lower inflation. These optimistic assumptions reduce the projected deficit by lowering the rate of growth of spending and raising the level of revenues coming into the Treasury.

Frankly, I do not consider it too harsh to say that these forecasts were worse than useless. They were counterproductive. We would have been

better off with no forecasts at all. But why are these forecasts so bad and why do they usually forecast good economic news? First, because the forecaster can please his boss easily by telling him just what he wants to hear. Like Woody Allen's Zelig, the forecaster assumes the identity of his boss and cooks up whatever forecast will make him happy.

Spending estimates can be easily manipulated. The administration can reduce the deficit by assuming the Defense Department will be a little slower in buying new ships, missiles, airplanes, and tanks.

It is clear that the deficit is extremely sensitive to assumed changes in the economy. For example, a 1-percent change in the unemployment rate can add or subtract more than $25 billion from the deficit.

Economics obviously is not just an inexact "science." It is about as advanced as phrenology—the reading of character by feeling the bumps on a person's head. Forecasting is the court jester, the beloved fool of economics.

You see, Mr. President, there is a special reason why the Office of Management and Budget will almost always be wrong, way, way wrong. And the genius of Woody Allen reveals it. I earlier referred to Woody Allen's "Zelig." In his new movie Allen plays the part of a man named Zelig who is a human chameleon. To refresh memories a chameleon is that little lizard-like creature who may start out green but when he climbs on a leaf that is yellow, he turns yellow. When the leaf is brown, you have a brown chameleon; black—a black chameleon. It is a miraculous way in which nature protects this little creature by a changing color camouflage. Now, Allen recognizes that each of us has a chameleon tendency. We all like to be liked so we tend to pander to the interest, the views, the attitude of the people we associate with, politicians most or all. Senators more than almost any other breed of people. Allen picks up this idea in "Zelig" and really runs with it. With Indians, Zelig becomes an Indian. With fat men, he is fat; with eminent psychiatrists, he is an eminent psychiatrist. Allen uses the old newsreels of the 1920's and 1930's to cozy up to Herbert Hoover, and then Adolph Hitler. He becomes so good at it that he takes on their personality and becomes absolutely indistinguishable from them.

Mr. President, I tell this story because Government economic forecasters are true Zeligs. If the boss wants a pessimistic forecast for whatever reason, a pessimistic forecast he gets. Most of the time of course, he wants an optimistic forecast, and the government forecaster, like good old Available Jones in the comic strip "Li'l Abner," comes up with a rosy forecast.

This is forecasting not as an objective, attempt to weigh the current economic developments and project where they might lead, but a bald effort to achieve a particular public attitude that will advance the administration's interests. Economic forecasting is so uncertain, so easily subject to error under the best of circumstances, but when a Zelig with an administration to please takes charge, the result will tell you nothing about the future. All it can tell you is what the administration at the particular time the forecast was made wants you to think.

And what are the consequences?

Too often the President and Congress exploit the sensitivity of the budget to achieve support for pet economic policies. Unfortunately, the usual tactic is to minimize the political costs of reducing spending growth and the accompanying large deficit by manipulating the numbers in a manner which results in a lower projected deficit and Federal spending. This has been the case 75 percent of the time in OMB forecasts.

I believe that the Cato Institute and Mr. Boehm have done a great public service in reviewing the serious problem of economic forecasting and I commend them for their work.

I ask unanimous consent that three tables from Randolph H. Boehm's paper, "Forecasting the Economy: Do Presidents Get It Right?", be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—FEDERAL BUDGET DEFICIT PROJECTIONS, 1971–82

[In billions]

Budget	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
1971	+1.3											
1972		11.6										
1973			25.5									
1974				12.7								
1975					9.4							
1976						51.9						
1977							43.0					
1978								47.0	11.6			
1979									60.6	37.5	8.6	
1980										29.0	1.2	+36.0
1981											15.8	+5.0
1982												29.7
Actual deficit	23.0	23.4	14.9	4.7	45.2	66.4	44.9	48.8	27.7	59.6	57.9	110.6
Error in billions of dollars	24.3	11.8	10.6	8.0	35.8	14.5	1.9	1.8	32.9	30.6	42.1	80.9
Error as percent of total budget	11.2	5.0	4.3	2.9	11.0	3.9	0.4	0.3	6.6	5.2	8.6	9.0
Error as percent of year-to-year change	99.0	2,950.0	125.0	78.0	88.0	68.0	8.0	46.0	156.0	96.0	2,476.0	154.0
Error as percent of projection	1,869.0	102.0	42.0	63.0	381.0	28.0	4.0	4.0	54.0	106.0	266.0	272.0

TABLE 2.—FEDERAL BUDGET OUTLAYS

[In billions]

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Estimated	200.8	229.2	246.3	268.7	304.4	349.4	394.2	440	500	532.0	616.0	739.0
Actual	211.4	231.9	246.5	268.4	324.6	366.5	402.0	451	494	579.6	657.2	728.4
Error in billions of dollars	−10.6	−2.7	−.2	+.3	20.2	−17.1	−7.8	−11	+6	−47.6	−41.2	+10.6
Error in estimating percent change	72	13	1	1	36	41	22	22	14	56	53	15
Error as percent of projected change	252	15	1	1	56	69	28	29	12	125	113	13

TABLE 3.—FEDERAL BUDGET RECEIPTS

[Dollars in billions]

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Estimated	$202.1	$217.6	$220.8	$256.0	$295	$297.5	$351.3	$393	$440	$503	$600.0	$711.8
Actual	188.4	208.6	232.2	264.9	281	300.0	357.8	402	466	520	599.2	617.8
Error in billions of dollars	+13.7	+9.0	−11.4	−8.9	+14	−2.5	−6.5	−9	−26	−17	+.8	+94.0
Error in estimating percent change	[1] 258	45	48	27	87	13	11	20	41	31	1	505
Error as percent of projected change	163	31	93	37	47	15	13	26	68	46	1	83

[1] Based on actual change of −$5.3 billion from $193.7 fiscal year 1970 receipts.

GENERAL TAYLOR TELLS US TO SCRUB THE MX AND MAKE THE ARMS FIT THE TASK

Mr. PROXMIRE. Mr. President, it appears very likely that regardless of our success or lack of it in negotiating nuclear arms limitation with the Soviets at Geneva in the START talks, we will still be spending $50 billion a year or more for additional nuclear arms in each of the next 5 years. We will be paying for an MX, for a fleet of B-1B, bombers, and starting on a new high technology so-called Stealth bomber. We will be building 20 or more Trident submarines equipped with a devastating new hard target kill D-5 missile. We will be producing hundreds of additional cruise missiles to carry our nuclear warheads.

Some of these weapons systems make sense. Some do not. A former extraordinarily wise Chief of Staff of our Armed Forces, Gen. Maxwell Taylor, has written a direct challenge to the Congress and the President in an article which appeared in yesterday's Washington Post. General Taylor calls on us to define the threat to our national security and then to formulate a policy to meet it. And why not? Why in the name of commonsense should we simply wander down the arms mart boulevard as we do, picking up whatever weapons system has been sold to each of the Armed Forces, without any centralized, coherent notion of what constitutes our most urgent national interests and what weapons are best designed to meet them?

As General Taylor puts it:

Pentagon spokesmen would need to explain the rationale behind (the defense budget's) formulation and show how the big money items and programs would contribute to the success of one or more of the strategic tasks assigned to the Armed Forces. They must also make clear how the new weapons systems all passed the test of essentiality—that is, they not only contributed substantially to a strategic task but did so at a tolerable cost and excelled in quality all competitive systems.

General Taylor suggests these as advantages of this system:

1. There would be no further justification for an arms race with the Soviet Union. "In cases where Soviet Armed Forces, nuclear or conventional, threatened an important national interest, there would be one or more task forces maintained in readiness to counter the danger."

2. Many costly service programs would probably come a cropper. The Air Force would have difficulty in proving the continued relevance of the "triad" dogma. The Navy would have difficulty demonstrating that there are essential tasks that require two additional supercarriers to fulfill. The Army and Marines would have trouble defending the maintenance of ready divisions for which there is insufficient sea and air transport to convey them to an overseas theater of operations in time and no existent supply system to maintain them in action once there.

3. The MX issue would never have taken its present form. The weapon system could not have passed the essentiality test because (a) the "window of vulnerability" has not been proved an urgent threat; (b) the missile would add little if anything to the survivability or deterrent effectiveness of our strategic forces; and (c) there are competitive alternatives, notably submarine-launched and cruise missiles, that justify further consideration.

General Taylor offers some very welcome advice for those of us who question military officials when they come before Congress to make their case for additional funding of their weapons. He tells us to ask each of these pleaders this question: "If funded, how will your project contribute to the strategic tasks that all the Armed Forces must be ready and able to perform?"

Mr. President, I ask unanimous consent that the article by Gen. Maxwell Taylor be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 18, 1983]

MAKE THE ARMS FIT THE TASK

(By Maxwell D. Taylor)

Having long and openly lamented the absence of a rational military policy, I am occasionally asked what such a policy would be like and what it might be expected to accomplish. The purpose of this article is to answer these questions.

The dominant characteristic of the policy I have in mind is task-orientation—that is, it would specify the strategic tasks that the Armed Forces should be able to perform and cause these forces to be designed accordingly. Expanded into a definition, a task-oriented policy is one that generates and maintains forces adequate to carry out the strategic tasks made necessary by urgent threats to important national interests.

To be urgent, such a threat must have a high probability of occurrence and a high damage potential if it occurs. A national interest in this context may be an asset, goal, advantage or source of power for the attainment or protection of which the government is willing to expand substantial resources and risk the consequences of failure.

Obviously, the formulation of such a policy would entail extremely difficult judgments and decisions on the part of the responsible officials. The most demanding would include the identification of the interests requiring military protection, the threats that might endanger these interests, the tasks that would fall to the Armed Forces, and the size, organization, equipment and readiness of forces requisite for the tasks.

Even if the right decisions were taken on these points and a task-oriented policy formulated, there would remain the problem of convincing Congress of its merits. In the case of the defense budget, Pentagon spokesmen would need to explain the rationale behind its formulation and show how the big-money items and programs would contribute to the success of one or more of the strategic tasks assigned to the Armed Forces. They must also make clear how the new weapons systems all passed the test of essentiality—that is, they not only contributed substantially to a strategic task but did so at a tolerable cost and excelled in quality all competitive weapon systems.

What advantages would such a rational, task-oriented policy offer? For the first time in history, we would have a military policy designed specifically to satisfy the military needs of approved foreign policy. The policy designers would have taken into account many more threats than those attributable to the Soviet Union and possible theaters of operations beyond the familiar ones in Western Europe.

Such an expanded survey, reinforced by the lessons afforded by our current experience in Central America, should lead to a better appreciation of our growing interests in Third World countries, particularly those that are or promise to become important trading partners needed to provide our economy with essential raw materials. It should also make for a better understanding of the malignant consequences of excessive population growth in these undeveloped countries, especially those that will double their population in two to three decades. The resultant chaotic conditions would not only interrupt our trade but would further roil the troubled waters, inviting Soviet fishermen to throw in their line.

Another way to appreciate the advantages of a task-oriented policy is to consider past governmental errors which, under the new policy, would probably be avoided. For example:

There would be no further justification for an arms race with the Soviets, if one ever existed. In cases where Soviet armed

forces, nuclear or conventional, threatened an important national interest, there would be one or more task forces maintained in readiness to counter the danger. Unless reinforced by strong allies, we would make no effort, I hope, to match Soviet military might in regions close to the Soviet periphery. Our national planners could hardly forget the price Khrushchev paid for his mistake in putting offensive missiles in Cuba on our very doorstep.

By the same token, we would expect no repetition of the Carter Doctrine blunder, when, without discussion with the Joint Chiefs of Staff, the president proclaimed an intention to resist, by military means if necessary, any third-party intervention in the region of the Persian Gulf. Under our new policy, it is unlikely that there would be an official statement on the subject unless or until we had a task force in being that would at least symbolize impressively our intention to preserve our access to Middle East oil. But the region would remain too far away to permit a major commitment on our part.

The MX issue would never have taken its present form. The weapon system could not have passed the essentiality test because (a) the "window of vulnerability" has not been proved an urgent threat; (b) the missile would add little if anything to the survivability or deterrent effectiveness of our strategic forces; and (c) there are competitive alternatives, notably submarine-launched and cruise missiles, that justify further consideration.

Many costly service programs would probably come a cropper. The Air Force would have difficulty in proving the continued relevance of the "triad" dogma. The Navy would have difficulty demonstrating that there are essential tasks that require two additional supercarriers to fulfill. The Army and Marines would have trouble defending the maintenance of ready divisions for which there is insufficient sea and air transport to convey them to an overseas theater of operation in time and no existent supply system to maintain them in action once there.

Even if the advantages to expect from a task-oriented policy are conceded, what chance is there of its adoption? Shortly after the end of the fighting in Korea, a prominent official asked Gen. George Marshall whether it would be naive to believe that the American people had learned a great deal from the war. Marshall's reply was immediate. "No, not naive—incredibly naive."

But one may hope without necessarily being naive. It is true that a proposal to adopt this kind of task-oriented military policy would encounter opposition from many sources—Pentagon bureaucrats, service interest partisans, congressional committees fearing for their turf and defense industries fearing for their contracts. But hard times are ahead when enormous federal deficits will force deep cuts in all federal budgets, military and civilian. If they are to be carried out with minimum damage to genuine national interests, such cuts must begin by eliminating the items with the least claim to essentiality.

In the case of the military budget, I know of no better way to forestall the lean years ahead than by adopting a task-oriented policy and budget. Furthermore, the change could be initiated without delay if the appropriate committees of Congress would henceforth greet all Pentagon officials arriving to defend their budget with a single question. "If funded, how will your project contribute to the strategic tasks that the Armed Forces must be ready and able to perform?"

FUENTES SPEAKS OUT ON FOREIGN POLICY

Mr. PROXMIRE. Mr. President, when the moral thing to do coincides with the strategic thing to do—when idealism merges with realism—the moment must be seized. The Genocide Convention involves that special blend of the "ought" and the "good." Yet, for 34 years, the Senate has failed to act upon it, to ratify it.

Now, the Senate has new reason to consider the treaty. Carlos Fuentes, the brilliant Mexican writer and diplomat, has given a convincing argument that in foreign policy, the hard line is not always the best line.

In his commencement address at Harvard University last month, Fuentes persuasively argued that a principled foreign policy is prudent. I agree with him that the way to win allies and influence nations is through a foreign policy that is consistently grounded in the strong moral fiber that supports our Nation.

Fuentes fears that the current administration too often fails to support human rights, including the outlawing of genocide. Fuentes laments:

> • • • more and more, over the past two years, I have heard North Americans in responsible positions speak of not caring whether the United States is loved, but whether it is feared; not whether it is admired for its cultural and political accomplishments, but respected for its material power . . . These are inclinations that we have come to associate with the brutal diplomacy of the Soviet Union.

I wholeheartedly agree with Carlos Fuentes. Unabashed, raw, cold warrior foreign policy forfeits the U.S. advantage over the Soviet Union in the eyes of much of the world.

Mr. Fuentes' sentiments are typical of those living in the Third World, I believe. He wants to have faith in the moral fortitude of U.S. foreign policy, but is disappointed by many of the administration's initiatives. Swift ratification of the Genocide Convention would send the right message to Mr. Fuentes—and the rest of the world.

Mr. President, I yield to my friend from Arkansas.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. Under the previous order, the Senator from Arkansas (Mr. BUMPERS) is recognized for not to exceed 15 minutes.

S. 1641—THE NONPARTISAN SCIENTIFIC ADVISORY COMMITTEE ACT OF 1983

Mr. BUMPERS. Mr. President, I am today introducing the Nonpartisan Scientific Advisory Committee Act of 1983. The purpose of the bill is to make clear that the selection or rejection of scientists for Federal advisory committees based on their political affiliation will, in the future, be a violation of Federal law.

I introduce this bill on behalf of myself and Senators JACKSON, HART, and EAGLETON.

Several months ago, Mr. President, I wrote to the Department of the Interior and asked them, under the Freedom of Information Act, to send me any information they had on whether or not Secretary Watt was permitting—indeed encouraging, indeed, making it a matter of policy—the clearance of all appointments of scientists to his advisory committees by using some kind of ideological litmus test. They wrote back saying that they had looked in every place where they thought such information might be found and could not find it.

Mr. President, I knew immediately that what I thought had been going on was in fact going on, because a simple "No, we have not been doing this," or, "Yes, we have been doing it and here's the information on it," would have been so easy. Instead, they said, "We have looked everywhere where one might reasonably expect to find that information, and we cannot find it."

I had a memorandum in my possession at the time I requested this information that was written by a special assistant to James Watt to the Republican National Committee asking for clearance of a list of scientists for appointment to the Scientific Advisory Committee of the Department of the Interior. This memo pointed up that the response from the Republican National Committee to Interior consisted, out beside each person's name that was to be considered for this advisory committee, of "yes" or "no." So the Republican National Committee put "yes" if this fellow or woman met the litmus test, and all of those who had "yes" beside their names had been appointed. And all those who had "no" beside their names were not appointed.

As we say in Arkansas, "You don't have to be broke out in brilliance" to know what is going on over there. I think that the same thing is going on throughout the entire Federal Government.

Secretary Watt was questioned about this on "Face the Nation" on March 27, 1983, and his response must have dumbfounded the scientific community of this country. He said:

> Generally, we have sought to bring massive change to the Department of the Interior, and I no longer want the dozens and dozens and dozens of advisory committees to give me the kind of advice they gave Mondale and Carter • • • I don't want that kind of advice, so I gave generally to my folks—

"Well, let's clean up the advisory groups. Let's get good advisors that want us to be successful * * * and I would hope that we would check with the Republican National Committee * * *"

One reason that the scientific community must be mystified by this whole business is that it is so contrary to an action taken by the President less than 8 months ago. Last fall the scientific community, represented by the American Association for the Advancement of Science (AAAS), expressed to the President its strong disagreement with a bill passed by the Congress entitled the Environmental Research, Development, and Demonstration Act of 1983 because it would have mandated that the membership of the Science Advisory Board for the Environmental Protection Agency include representatives from States, industry, labor, academia, consumers, and the general public.

The AAAS urged the President at least to state his opposition to the inclusion of such special interests on the scientific advisory board. The President went further than that. On October 22, 1982, he vetoed the bill, explaining:

This requirement runs counter to the basic premise of modern scientific thought as an objective undertaking in which the views of special interests have no role. The purpose of the Science Advisory Board is to apply the universally accepted principles of scientific peer review to the research conclusions that will form the basis for EPA regulations, a function that must remain above interest group politics.

The President continued his veto message with an historical reference that scientists would readily understand:

The maintenance of a free, essentially self-governing scientific research community is one of the great strengths of our Nation. To undermine this tradition by requiring that the scientists appointed to the EPA Science Advisory Board wear the label of "industry" or "labor" or "consumer" is a modern-day version of Lysenkoism to which I must strongly object.

Scientists, if not the general public, would recall that Trofim Denisovich Lysenko was the Soviet agriculturalist who rejected the science of genetics, developed his own scientific, but more politically convenient theory of plant breeding, and convinced Stalin to decree this theory as the official state view and to dismiss or exile the scientists who disagreed with the official doctrine. Lysenko so politicized the science of biology that its development in the Soviet Union was stunted for 30 years.

The baffling thing about Secretary Watt's defense of the RNC memorandum and the political scrutiny of scientists on the Interior advisory committee is that it more resembles what President Reagan called a modern-day version of Lysenkoism than it does the President's stated views.

I fully expected that the glaring light of national exposure would have embarrassed Secretary Watt and his lieutenants into halting their political blackballing of scientists at the Department.

I should note here that the DOI submitted pursuant to my second Freedom of Information Act request 1,336 pages of documents which show:

First. That the Republican National Committee routinely screened candidates for most, if not all, of the advisory committees at the Department.

Second. That the flow of paper between DOI and the RNC was substantial. Status reports were sent to the RNC on a biweekly basis.

Third. That the format of the original memorandum which I requested in my first Freedom of Information Act request, and which DOI said they were unable to locate, was commonly used to report to the RNC on DOI advisory committees.

So, Mr. President, political Lysenkoism is not dead in the Department of the Interior. Last week the Committee on Energy and Natural Resources held a confirmation hearing for Mr. Perry Pendley, to be the Assistant Secretary for Energy and Minerals.

Mr. Pendley was an aide to Senator Cliff Hansen of Wyoming, who served so ably in this body for many years. I had a long visit with Mr. Pendley. I liked him. He is a very engaging, seemingly innocuous, appointee. But subsequent to my meeting with him in my office, we asked him a couple of questions for the record:

Question. Once confirmed for the position for which you are nominated will you have any authority over or role in the selection of nominees for OCS advisory committees?

Answer. Yes.

Question. If so, can you assure this Committee that scientists considered for OCS Advisory Committees will no longer be subjected to any political screening by the Republican National Committee?

Answer. The Department of the Interior will continue to seek the appointment of highly qualified candidates for service on those Committees. As in the past, views as to those appointments will be received from a number of diverse entities.

You see, Mr. President, all Mr. Pendley had to say, in answer to the question "Will you see that they are no longer subjected to political tests?" was just a simple "Yes," which would have confirmed my belief that I ought to vote for him. His answer tells me that, no, he is not going to discontinue the practice and, yes, only good Republican scientists will be appointed in the future. Finally, he has confirmed that I will not be able to vote for him because of that, unless he recants or explains that answer.

In the past our scientists have had the notion that Federal advisory committees charged with advising on scientific matters consisted of the Nation's leading experts in their field, convened to provide objective advice to our Government. The prestige associated with membership on such panels overcame the drawbacks of the time commitments required and insufficient remuneration. Now such notions have been called into question. I fear that unless our scientists have some guarantee that political Lysenkoism is dead in Federal advisory committees, the Government will soon lose a vital resource. Mr. President, the public official charged with the management of the Nation's mineral resources will need the advice of the Nation's leading scientific experts, regardless of their political affiliation.

This is one of those rare occasions when I agree with President Reagan on this point. Partisan politics and science do not mix. They did not mix in the Soviet Union under Stalin and they did not mix in Germany under Hitler. In an effort to deal definitively with this problem, I am introducing this legislation today that will remove any ambiguity as to the fact that the practice of selecting or rejecting scientists for advisory committees based on their political affiliation is dead and illegal.

We in the Congress simply cannot sit idly by and allow the prestige of our many scientific and technical advisory committees to erode. The exceptional men and women who serve need confirmation that what matters is their scientific expertise and not their political affiliation. Scientists provide data and objective analysis about the causes of air and water pollution, and they sometimes disagree, but their political affiliation should be totally irrelevant. Scientists provide data and analysis about the hazards associated with chemical and nuclear wastes, and their political affiliation is irrelevant. Scientists provide opinions and analysis about industrial workplace hazards—whether they are Republicans, or Democrats, or are without party affiliation, is irrelevant.

The President had a right, because he is ultimately accountable to the American people, to appoint key people of his ideological stripe, his political affiliation, based on whatever he may like or dislike about them, and I understand that. But I wonder: would we today have a vaccine that would prevent polio or measles or smallpox or typhoid or any of the dozens and dozens of other health hazards if the Government in giving out grants to find those vaccines had said, "You may only find a cure, you may only develop a vaccine if you are a Democrat or if you are a Republican. And we will not accept vaccines from anybody who discovers a cure if he is a Democrat?"

Where would we be? Unless we are willing to allow science to become tainted by partisan politics—and I

think this would be anathema to every Member of this body—we must adopt a law which states as its basic premise that the ancient spoils system has no place in filling vacancies on scientific boards and commissions.

Mr. President, I urge my colleagues to take a close look at this bill. It is not a partisan matter. Someday—I hope sooner rather than later—a Democrat will occupy the White House, and this measure will constrain a Democratic President just as much as it will a Republican President.

The point is that scientists ought to be evaluated on the basis of factors other than their political affiliation. I challenge any Member of this body to take issue with this basic premise. I do not believe anybody would.

If any future political blackballing occurs in the selection of the candidates for a scientific advisory committee, then this bill would require that the entire membership of the scientific advisory committee be voided and new members validly appointed. In essence, the political screening of any individual candidates would taint the whole committee.

The bill does not apply to all Federal advisory committees, only those which have any of the following terms in their official designation—"science," "scientific," "technical," "research," or "economic." It is my hope that upon enactment if by virtue of their official title there are any scientific advisory committees which are not covered by this bill, then their members will insist that the official designation of their advisory committee be amended to include one of the terms that trigger coverage by the act.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD following my remarks.

There being no objection, the bill and section-by-section analysis were ordered to be printed in the RECORD, as follows:

S. 1641

Be it enbacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nonpartisan Scientific Advisory Committee Act".

SEC. 2. The Federal Advisory Committee Act (88 Stat. 770) is amended by adding a new section 15 as follows:

"SCIENTIFIC ADVISORY COMMITTEES

"SEC. 15. (a) No selection for appointment to a scientific advisory committee may be based in whole or in part on the political affiliation of any candidate nor shall any person employed in the executive branch of the Federal Government who has authority to take or recommend any action on such appointment make any inquiry concerning the political affiliation of such candidate.

"(b) For the purpose of this section the term "scientific advisory committee" is defined to be an advisory committee, including any committee, board, commission, council, conference, panel, task force, or other similar group or any subcommittee thereof, the official designation of which contains any of the terms 'science', 'scientific', 'technical', 'research', or 'economic'.

"(c) If at any time after the date of enactment any person is selected for appointment or denied appointment to the membership of any scientific advisory committee in a manner prohibited by subsection (a), then the appointing authority shall declare the appointment of all the members of that scientific advisory committee to be null and void and the appointing authority shall as soon as possible appoint members to that scientific advisory committee in a manner that complies with subsection (a).

"(d) No person whose appointment is declared null and void under this section shall be required to reimburse the Federal Government for compensation otherwise lawfully received for periods of service prior to such declaration.

"(e)(1) Any person may commence a civil action against any Federal agency whose employee is alleged to have violated subsection (a) or where there is an alleged failure of an employee of such Federal agency to perform a duty under subsection (c). The United States district courts shall have jurisdiction without regard to the amount in controversy to enforce such provision.

"(2) The court in issuing any final order in any action brought pursuant to paragraph (1) may award costs of litigation including reasonable attorney fees to any party whenever the court determines such award is appropriate.

"(3) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this section or to seek any other relief.

"(f) The date of effectiveness of this section shall be the date of enactment of this section."

SECTION-BY-SECTION ANALYSIS

SEC. 2. Creates a new section in the Federal Advisory Committee Act.

Subsection (a).—This subsection prohibits basing the selection of appointments to a scientific advisory committee on the political affiliation of the candidate. Political affiliation is intended to mean the candidate's affiliation with a political party. This subsection also prohibits federal officials involved in the appointment from even inquiring as to the candidate's political affiliation.

Subsection (b).—Defines the term "scientific advisory committee" to be those advisory committees (and subgroups thereof) which have any of certain terms in their official titles. Thus, if a subcommittee of an advisory committee has any of the designated terms in their title, then it falls under the definition of "scientific advisory committee".

Subsection (c) contains the sanction for violating subsection (a). It also limits the prohibited acts to prospective violations.

Subsection (d) simply ensures that in the event the appointments to a scientific advisory committee are declared null and void pursuant to subsection (c) then no compensation received lawfully prior to the declaration need be reimbursed to the government.

Subsection (e) gives a right of action to any person to enforce this section. A court may award costs of litigation including reasonable attorneys fees if the Court determines such award is appropriate. Prevailing and non-prevailing parties could theoretically recover the costs of litigation under this provision, if the court determines such award is appropriate. The intention here is that potential litigants, who will most likely be private individuals, should not be deterred from filing their claim because of the uncertainty of prevailing in their claim. (However, as this legislation moves through the legislative process I might be persuaded that the award of court costs should be limited to prevailing parties.)

Mr. EAGLETON. Mr. President, I join with Senator BUMPERS in cosponsoring legislation to amend the Federal Advisory Committee Act by preventing any administration from considering political affiliation in its appointment of scientists to nonpartisan scientific advisery boards.

Newspaper reports make it clear that this administration has required—to an extent unprecedented by any previous administration—a litmus test of party loyalty as a prerequisite for appointment of scientists. As a result, the people of this country are being dangerously shortchanged. They are not getting the quality of technically trained personnel their Government needs in so many areas of its most critical and complex work. Moreover, professionals, often renowned in their fields, are being rejected from Government service on the basis of an entirely irrelevant ideological screening.

Examples of the administration politicising ostensibly nonpartisan appointments abound, with nearly every agency involved. According to newspaper accounts:

Under the ill-fated tenure of Administrator Gorsuch, the EPA in 1981 broke a decade of tradition in refusing to reappoint several dozen members of science advisory panels when their fixed terms expired. Even EPA officials confirmed that these appointees were deliberately let go with the purpose of replacing them with political conservatives.

FDA officials have conceded that their political appointees tried to stack the selection of a panel of science advisors on vaccine policies, retreating only after FDA civil servants raised an outcry about how the individuals were obviously unqualified.

The Agriculture Department routinely sought Republican National Committee political clearance, until hostile outside pressure forced Secretary Block to curtail such practices.

Interior Secretary Watt has imposed political screening with perhaps the greatest vengeance. For example, even though the mandate of the offshore oil board, which advises the Secretary, restricts its activity to recommending ways to improve the scientific quality of studies, all nominees under consideration were submitted to the RNC, whereupon 10 names were struck

RNC Chairman Frank J. Fahrenkopf, Jr., has stated that he believes that all Federal departments but three—State, Justice and Defense—rely on the RNC political check as a matter of course.

The effort to fill scientific posts with those bearing the proper political stripe is not a case of "merely the spoils system at its best." Past administrations certainly rewarded loyal

supporters or those with like political views with key positions. But this practice has normally been confined to appointees for political and policy posts. By contrast, this administration is politicizing the appointments of advisors who are relied upon exclusively for their informed judgments on scientific and technical matters. Accordingly, what is occurring is an unabashed attempt to stack advisory committees with ideological look-alikes of the administration, at the expense of selection on the basis of professional achievement and scientific knowledge. When you come from a State like mine—Missouri—where the threat of dioxin has affected the lives of so many, you care a great deal about the scientific intelligence and not one whit about the political leanings of those who are charged with proposing scientific solutions. The administration does not agree. So, unfortunately Dr. Matthew Meselson, a biochemistry professor at Harvard University, who happened to be responsible for developing the technique for measuring dioxin, was included in the EPA "hit list" and described as "poison * * * he is a Nader on toxics."

The evidence is clear that the Federal Advisory Committee Act should be amended to prevent this kind of distortion of the selection process. The bill we introduce today would provide that as a matter of law, with regard to scientific advisory committees: "no selection for appointment to a scientific advisory committee may be based in whole or in part on the political affiliation of any candidate." The amendment would further provide that no political appointee with authority to influence the appointment of such a person may "make any inquiry concerning the political affiliation of such candidate."

The importance of this bill cannot be overstated. The American people deserve to have the brightest and the most qualified individuals advising their Government. At no time have the objective contributions of the scientific community been so vital as now, when the complexity of health, environmental, and other protections so clearly call for specialized knowledge from the best minds we have. When political screening routs out those who were, as the EPA has been known to conclude "invidious environmental activists," "pure ecology types," and when it rejects someone who is "a Nader on toxics," it is time the process was subject to some standards.

The American people should be clear about the pattern at work here. This stacking of the science advisery panels is part of a systematic and tragically misguided effort by the Reagan administration to undermine the Government's ability to protect the American people through health and environmental safety regulations. We have witnessed the appointment of agency heads and regulators who are openly hostile to the laws they are charged with enforcing. This has been followed by administration efforts to cut the budgets of health and environmental regulatory agencies—resulting in an end run around the process to accomplish serious policy changes. The budget cuts, coupled with low morale and the contempt with which this administration views public service, have driven some of the best people out of Government. Consequently, it comes as no surprise that the Reagan administration has also worked to dismantle the effectiveness of outside scientific advisery committees—to insure that there would be absolutely no effective counterweight to its objective of rolling back health and environmental regulation.

I urge my colleagues to support this legislation.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 10 minutes with statements therein limited to 1 minute each.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The Senator from Texas is recognized.

LEGISLATIVE VETO AND THE REGULATORY AGENCIES

Mr. FORD. Madam President, as the Senate Commerce Committee is the authorizing committee for many of the regulatory agencies, the members of the committee have been faced with the controversy over the legislative veto for a number of years. The issue, from this perspective, is not how to rein in the executive branch and the President through the War Powers Act or the Budget Act; rather, the issue has been how to control unelected, unaccountable Federal officials in a constitutional and effective manner. Viewing the issue from this perspective as chairman and then ranking Democrat of the Commerce Committee's Consumer Subcommittee, I have been an outspoken opponent of the legislative veto, as I believed this procedure to be not only unconstitutional but also ineffective.

Therefore, I am pleased that on July 6, 1983, the Supreme Court gave further breadth to its earlier June 23, 1983, ruling in the INS against Chadha case declaring the legislative veto unconstitutional. This latest Court action, affirming lower court decisions striking a one-House veto provision in the Natural Gas Policy Act of 1978 and a two-House legislative veto in the Federal Trade Commission Improvements Act of 1980—hereinafter FTC Act of 1980—doom all such legislative vetoes.

The Court's constitutional analysis in Chadha gave a strong indication that its action of last week would follow. In Chadha, the Court rejected out of hand many of the theories put forward by my colleagues in arguing that the veto was necessary to control the agencies. The Court said that the efficiency, convenience, or utility of such devices in facilitating the functions of Government were insufficient bases for the veto in the face of explicit and unambiguous provisions prescribing the separate and distinct functions of the branches.

The Court decided that the use of the veto was a lawmaking action and must conform to the traditional lawmaking process provided by article I, section 7 of the Constitution to insure the separation of powers. The Court discussed the importance of passage of legislation by both Houses of Congress, stating that bicameralism assures careful consideration by the Nation's elected officials, satisfies the "need to divide and disperse power in order to protect liberty," and protects the respective interests of the small and large States.

But it was the Court's discussion of the presentment clause that spelled the death knell for the FTC two-House veto, a veto that would have survived the bicameralism requirement alone. The majority opinion said that presentment of legislation to the President for his approval or disapproval provides a defensive weapon against potential legislative intrusions on the powers of the Executive or on ill-considered measures. It allows the presence of a national perspective that might be provided by the one official elected by a national constituency.

Madam President, as Senate floor manager of the FTC authorization in 1980, I stated during that debate on the legislative veto issue:

> The only way Congress can be assured that this agency—or, for that matter, any agency—is following through, is through regular and vigorous oversight. If it is determined that Congressional intent is not being met, then [legislative] steps must be taken to put the agency back on the proper course.

The following quote from a pamphlet written by John R. Bolton under the auspices of the American Enterprise Institute in 1977 entitled "The Legislative Veto, Unseparating the Powers" spells out the tasks that Congress must undertake in performing its constitutional and political functions. The veto as a legislative short cut to these tasks is, as Mr. Bolton points out, an illusion:

> The story of the legislative veto is a depressing story—depressing because, although the goals sought through the use of the device are commendable, the device

itself is, almost necessarily, unconstitutional. Moreover, the goals—greater agency accountability and less arbitrary governmental interference in people's lives—might be harder to reach with the legislative veto than without it because it tends to give the false impression that the agencies are under control. In order for those worthy goals to be achieved, Congress must be willing (or be forced) to make difficult political choices. Statutory grants of discretion must be more carefully structured and periodically reviewed. More attention must be paid to specifics, closer scrutiny must be given to presidential nominees, and there needs to be greater resistance to calls for "immediate legislative action" from interested pressure groups.

Though the two-House legislative veto was finally attached to the FTC Act of 1980, I continue to believe there is no substitute for more carefully considered statutes. I recognize this process imposes more work, some delay, and may be politically more difficult. But let me offer as an example of just such a legislative approach the effort to define the term "unfair" in the FTC Act. The FTC has had authority since the Wheeler-Lea amendment to the FTC Act in 1938 to protect consumers against "unfair or deceptive acts or practices." The Congress had, through broad, ambiguous language, given five Commissioners the sweeping power to regulate anything they believed to be, in their discretion, unfair, but Congress became increasingly concerned in the 1970's about some FTC actions under this broad mandate. My distinguished colleague from Missouri, Senator DANFORTH, and I wrote to request the FTC to develop a statutory definition of "unfair" to put boundaries around this term. The Senate Commerce Committee collected outside views on the issue, held extensive hearings, and proposed statutory language to better clarify and define the term. The committee also determined, through this process, to decline to further define the term "deceptive acts or practices," since case law had placed limits on the term which were deemed appropriately specific.

Though it is now almost 5 years since this process began, I feel certain that the next FTC authorization bill to become law will contain this definition of "unfair." I am also pleased to note that Commissioners are already applying this proposed analysis to form their opinions as to what is an unfair act, such as with the recently considered credit practices rule.

I contrast this slower, admittedly more tedious approach of reasoned lawmaking to that of the unconstitutional FTC congressional veto procedure. That procedure provided no opportunity for amendment, simply an up or down vote on a rule. Congress could find some aspects of a rule it liked and some it disliked but would be forced to weigh its likes and dislikes in an absolute way. Congress could say no to what the agency did but could not take upon itself to say what the agency should have done.

Madam President, with the Supreme Court's recent decisions, Congress must revisit the issue of its role in insuring responsible regulatory agencies. Finding a remedy for the frustrations of a large and often times ineffective Federal Government is an important challenge.

I am convinced that we must refrain from a reactionary response to the Supreme Court's decision as we look at individual agency authorizations and at proposed omnibus regulatory reform bills. Rather, we must focus our efforts on strengthening the authorization process. Nor can we reasonably attempt the task of reviewing each and every regulation for sufficient evidence. That is the task of the courts.

On June 29, 1983, the House of Representatives adopted two restrictions to the Consumer Product Safety Commission (CPSC) authorization legislation in response to the Court's Chadha decision. This House action was the first Congressional response to the Supreme Court decision and amendment sponsors suggested that conferees on the CPSC bill should choose between the two restrictions.

One restriction would provide that no agency rule could take effect until adopted by a joint resolution and signed by the President—a sweeping restriction that would totally alter the role of the regulatory agency, reducing it to an advisory commission. This amendment represents as significant a change in administrative law as passage of the Administrative Procedure Act of 1946. It would transform the character of administrative agencies, making them investigatory bodies only and leaving to the Congress all their regulatory duties.

Over the years, the CPSC's most important authority has been its authority to recall hazardous products and not its regulatory authority. Thus, the amendment as applied to the CPSC is largely symbolic in effect. However, if this procedure were extended to all the regulatory agencies through an omnibus regulatory reform bill or attached to each and every authorization bill—then Congress becomes the regulator without the benefit of the formal procedures of the agencies for insuring due process to the regulated parties. The agencies would become mere extensions of congressional staff.

The Supreme Court noted in the Chadha decision that provisions which required agencies to report to Congress and wait before implementing proposed actions are constitutional. The other restriction adopted by the House during the CPSC debate provided such a report and wait provision—no agency rule could take effect for a certain period of days. In this time, Congress could follow a formalized procedure to enact a joint resolution of disapproval. Although this procedure, like the veto, provides only for an up or down vote, it passes Constitutional muster by requiring a Presidential signature. This process permits Congress to focus its attention on those matters that are truly controversial or that constitute an abuse of authority.

As the Senate considers authorization legislation for the FTC and the CPSC in the next few months, I will work to insure that any new agency procedure enacted in response to the recent Supreme Court decisions strikes a proper balance between improved agency accountability while the traditional regulatory process is maintained. However, any legislative response must be coupled with regular and periodic oversight of the agencies, for there simply can be no legislative substitute for this congressional responsibility.

CORPORATE SENTRY

Mr. LEAHY. Madam President, when I was a young State's attorney, I was approached by a man even younger who wanted to begin a detective and security agency in Vermont. There was no precedent for the organization he intended to start, and singlehandedly, Randy Brock wrote the book.

I am proud of the association I have had with him as State's attorney, but I am even more proud of what Randy has accomplished during the intervening years. His success is a testimonial not only to perseverance, tireless work, and professionalism, but ultimately to the high standards of integrity and commitment he set right from the start.

I ask unanimous consent that this article from Money magazine be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CORPORATE SENTRY—RANDY BROCK RUNS A THRIVING ARMY OF SECURITY GUARDS

Like most smart cops, Randy Brock, 39, guards his thoughts, often concealing them behind a broad, even-toothed grin. But a moderate thickening at his midsection suggests that a career in private police work has been good to him. For most of its 13 years, his company, Brock International Security, has been one of the fastest-growing security services in the country. Its employees once guarded the Declaration of Independence and the Constitution and now watch over a number of Fortune 500 companies.

Brock's interest in protecting other people's property began at age 17, when he spent a summer tracking down missing books for the Philadelphia Public Library. "I found myself particularly suited to investigative work—all it really demanded of me was common sense," he recalls. After graduating from Middlebury College in Vermont, he was offered a commission in the Army and became a military policeman. He

found the training invaluable. "Fort Dix was really a city of 45,000, and every crime that could happen happened," he says. He left the Army as a captain in 1970 and returned to his college town to set up a security business. The early years were downhill, but his military background eventually helped him get government contracts protecting the Philadelphia Naval Yards and the Department of Energy's nuclear project in Oak Ridge, Tenn. Last year Brock International Security, with 800 employees, took in revenues of $9 million, up 50 percent from 1981's $6 million.

Brock's management style still has something in it of the MP. For example, he'll show up at a job at 3 a.m. to see that his guards are on duty and alert. "I convinced my men in the Army that I never slept," he recalls. But he's learned, the hard way, to delegate authority. When his company was still small, he put his name and number first on a roster of people for employees and customers to call 24 hours a day in case of serious problems. "The point came when I realized, 'Hey, wait a minute, my name should be last.' That was when the light came on."

In five years Brock expects to be competing head on with Pinkerton and Burns, the giants of his industry. He just reached another goal seven months ahead of schedule: to amass a net worth of $1 million by the time he turns 40.

SPACE ARMS CONTROL RESOLUTION, ENDORSED BY FOREIGN RELATIONS COMMITTEE

Mr. PRESSLER. Madam President, I am pleased to inform my colleagues that at today's Foreign Relations Committee business meeting, the committee voted its endorsement of Senate Joint Resolution 129. This joint resolution calls upon the President to seek a mutual and verifiable ban on weapons in space and on weapons designed to attack objects in space.

The issue raised by this resolution is a key priority for this Senator and for members of the Foreign Relations Committee. Space arms control must become a top priority of this administration and of the Soviet leadership, if we are to avert a potentially dangerous and costly space weapons race. Unless action is taken very quickly, verification problems could well prevent efforts to reverse this competition in the future. Therefore, we in the Senate must act now on this important issue. I ask that the Senate leadership act now to place this resolution at the top of the Senate Calendar.

Madam President, I ask for unanimous consent that Senate Joint Resolution 129 be printed in the RECORD, together with my remarks at the markup this morning, explaining the intent of Senate Joint Resolution 129. I also ask that two letters endorsing this resolution, from the Union of Concerned Scientists and the American Federation of Scientists, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 129

Whereas the United States depends upon satellites for preserving the peace through command and control of United States forces worldwide and through early warning of strategic attack, among other functions;

Whereas satellites are vital for verification of arms control agreements;

Whereas the United States and other nations rely increasingly on space-based systems for weather forecasting, communications, natural resource exploration and other important commercial activities;

Whereas the maximum utilization of space technology for commerce and science is assured only under peaceful conditions;

Whereas the safety of such important missions including those performed by the space shuttle would be compromised by the threat posed by antisatellite weapons;

Whereas an uncontrolled space arms race would undermine strategic stability and divert resources needed to maintain strong and balanced defenses; and

Whereas the present pace of military developments, including weapons tests, will soon reduce the prospects of avoiding the weaponization of outer space: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President should seek agreement with the Soviet Union to—

(1) declare an immediate, mutual and verifiable moratorium of limited duration on the testing in space of antisatellite weapons;

(2) immediately resume negotiations on a mutual and verifiable ban on the testing, production, deployment, and use of any antisatellite weapon;

(3) seek, on an urgent basis, a comprehensive verifiably treaty prohibiting the testing, production, deployment, and use of any space-directed or space-based weapons system which is designed to inflict injury or cause any other form of damage on the Earth, in the atmosphere, or on objects placed in space.

SEC. 2. Such agreements should not restrict operations in space not involving weapons, such as the United States space shuttle program.

SPACE ARMS CONTROL RESOLUTION MARKUP

(Statement by Senator Larry Pressler)

I am pleased to offer for mark-up a compromise resolution on space arms control, S.J. Res. 129, that I introduced in the Senate last Thursday. S.J. Res. 129 represents the outcome of an extensive series of hearings on space arms control. Hearings were held in September, 1982 and in April and May of this year. It is the successor of several resolutions on this issue, the first of which was offered on the Senate floor in May, 1981.

Joining me as cosponsors of this resolution are Senators Tsongas, Percy, Pell, Mathias and Cranston.

(1) Provision 1 of the resolved clause calls on the President to seek an immediate, mutual and verifiable moratorium of limited duration on testing in space of anti-satellite weapons (ASATs) with the Soviet Union.

This is an important provision, given the severe verification problems that will arise once the F-15 ASAT is tested against a space-deployed target; this provision would buy time to find a solution to the ASAT arms control problem, but not so much time as to allow the Soviets to permanently maintain their ASAT system without an American response. The duration of the moratorium is to be determined by the President.

(a) Provision 2 of the resolution calls for the immediate resumption of talks directed at banning the testing, production, deployment and use of any anti-satellite weapon.

Talks on ASATs were suspended in the wake of the Soviet invasion of Afghanistan. While other major arms control talks have since resumed, ASAT talks have not. Unless action is taken quickly, the issue of verification may make achieving agreement all but impossible.

Let us note that the United States initiated the F-15 ASAT program as part of a dual-track approach to the problem posed by the Soviet ASAT. Development of our ASAT was to give the Soviets incentive to bargain on their active ASAT, only if negotiations failed was actual deployment envisioned. Since the invasion of Afghanistan, the second track—the arms control track—has not been tried. At the very moment when its imminent testing and deployment should provide the very incentive the Soviets need to bargain in earnest, the ASAT system has seemingly acquired a life of its own.

The intent of this provision is to urge that negotiations seek to ban all ASATs. Given the Soviet Union's current ASAT capability, we would expect that an agreement provide for its dismantlement.

(3) Provision 3 of this resolution urges the President to seek, on an urgent basis, a comprehensive verifiable treaty prohibiting space-directed and space-based weapons.

This provision would deal with future systems in, or directed at space with capabilities beyond those of ASATs;

In 1967, the United States, the Soviet Union and a large number of other nations signed the Outer Space Treaty. This agreement was to have solved our security problems in space. Unfortunately, the Outer Space Treaty deals only with nuclear weapons and other weapons of mass destruction, creating a loophole for ASATs;

Our intent here is to fill loopholes that would allow deployment of new types of weapons in space.

(4) Finally, let me note that section two of this resolution specifies that agreements should not restrict operations in space not involving weapons.

This provision was designed to protect the Space Shuttle and other vital national programs that the Soviets might seek to constrain through arms control talks. The Soviets reportedly have sought to use ASAT talks for this purpose.

It is our intent to send a clear signal to the President and to the Soviets that the Congress finds such restrictions unacceptable.

This resolution does not, in any way, limit research and development on ASATs and on Ballistic Missile Defenses. This is the only prudent course of action in guarding against a Soviet technological breakthrough. Verification must be a key concern of arms control agreements. We expect that any agreement on space weapons will have provisions that assure full verification. Finally, let me state that arms control must be a two-way street. Any constraints placed upon U.S. space operations must be matched by equal constraint on the Soviet space program. Should the Soviets fail to make the necessary concessions at the bargaining table,

and simply seek to use talks as a device to halt U.S. programs, we fully expect the United States to move forward on its space weapons options.

UNION OF CONCERNED SCIENTISTS,
Washington, D.C., July 18, 1983.

Senator LARRY PRESSLER,
Chairman, Subcommittee on Arms Control, U.S. Senate, Washington, D.C.

DEAR SENATOR PRESSLER: The Union of Concerned Scientists and its more than 100,000 sponsors wish to endorse S.J. Res. 129, the resolution you recently introduced which would slow the movement toward a U.S.-Soviet arms race in space.

U.C.S. supports all three of the resolution's major provisions. We believe that the mutual moratorium on the testing in space of all anti-satellite weapons (Section 1, Clause 1) would provide us with the breathing space needed to resume the vital negotiations to limit these weapons (Section 1, Clause 2). Finally, the request that the Administration seek negotiations to limit space-based and space-directed weapons (Section 1, Clause 3) is urgently needed to demonstrate that there is support within the Senate for efforts to limit these new weapons technologies.

U.C.S. strongly supports S.J. Res. 129. We urge the Senate Foreign Relations Committee to approve the resolution for consideration by the full Senate.

Sincerely,

HOWARD C. RIS, Jr.,
Director, Nuclear Arms Program.

FEDERATION OF AMERICAN SCIENTISTS,
Washington, D.C., July 19, 1983.

DEAR SENATOR: I am writing to express support for the provisions of Senate Joint Resolution 129, which calls for an immediate moratorium on the testing of anti-satellite weapons, resumption of negotiations to limit such weapons, and the initiation of talks to ban all space weapons.

Of most immediate importance is the initiation of a mutual and verifiable moratorium on the testing of anti-satellite weapons against objects in space. Such a moratorium would be readily verified, and would provide the time needed to move toward more comprehensive and definitive arms control measures.

I recently completed a study of the major questions raised by a mutual moratorium on the testing of anti-satellite weapons, and I have attached a copy for your information. If I can be of any further assistance to you or your staff, please feel free to call.

Sincerely,

JOHN PIKE,
Staff Assistant for Space Policy.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 675, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 675) to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 1520

(Purpose: To extend the period for the transfer of the defense dependents education system to the Department of Education)

Mr. TOWER. Madam President, what is the pending business?

The PRESIDING OFFICER. The pending question is the Stafford amendment.

Mr. TOWER. Madam President, it was the original intention of the manager of the bill to ask unanimous consent to satisfy the Stafford amendment and proceed to the consideration of the Wallop amendment. However, there has been objection lodged with me and I will not propound that request.

So the pending business will be the amendment of the Senator from Vermont on which there was a motion to table last evening which failed.

Hopefully we can dispose of that issue this morning. There may be a record vote then before the Senate goes to recess at noon. I say that for the information of Members of the Senate, Madam President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The acting assistant legislative clerk proceeded to call the roll.

Mr. HART. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE MX MISSILE

Mr. HART. Madam President, with the forbearance of the floor managers of the bill and the Senator from Vermont, the Senator from Colorado will take a few minutes of time that is transpiring while we await other Senators' presence on the floor to make a few remarks regarding an issue underscoring this bill, perhaps overriding, and that has to do with the MX, and then be prepared to yield the floor at such time as the managers are prepared to go forward.

Madam President, the Senator from Colorado said last week, when the debate on this bill began, that this bill represented the opportunity for a very serious discussion and debate over the future defenses of this Nation; that, to a certain degree, the MX missile proposal was symptomatic of even broader problems that were represented by this bill and by the Senate's approach toward our national defenses.

It had never been the intent of this Senator to prohibit debate on this bill. In fact, it has been the purpose of this Senator to encourage debate—serious, wide-ranging, broadly based discussion—about where our national security is headed and where our defenses are headed.

The Senate, at its best, throughout its history on occasion has been the forum which enabled the American people to understand serious issues regarding their country's future; in which, at its best, Senators engaged with each other over fundamentally different philosophies and policies. And those debates have had profound impact on the course of this Nation, whether having to do with the rights of our citizens, having to do with the economic structure and direction of this Nation, having to do with the environmental quality of this country, or, on occasion, having to do with this Nation's foreign, diplomatic, and military policies.

The Senator from Colorado strongly believes that this Nation is at a turning point in many ways, not the least of those has to do with our role in the world and the role that our military and defense policies play in this Nation's relationships with other countries. It is regrettable that in now 8 days there has really been no serious engagement of Senators over that watershed position in which this Nation now finds itself. There has been ample time. We are all aware of that.

Amendments have been taken up, amendments have been debated, and amendments have been disposed of. But there has never really been in this 8-day period any engagement over the fundamental concept or philosophy or policy of this Nation's national defense.

Senators have been too willing to let the Armed Services Committee take care of this issue, been too willing to vote up or down on the bill as a whole, and been too willing to let issues be treated as isolated matters; been unwilling—unwilling—to engage themselves as U.S. Senators and constitutional officers in a deep and profound discussion of serious defense issues.

The Senator from Colorado strongly believes that the defense of this Nation cannot be gaged merely quantitatively; that issues having to do with whether we are spending 3 percent, 5 percent, or even 10 percent in terms of growth of spending on defense budgets are increasingly becoming irrelevant to the question of quality capability of this Nation.

An issue such as the MX missile enables this body not to divide but to engage, to discuss seriously the nature of our strategic forces, whether a new hard-target, first-strike weapon placed in vulnerable silos in fact enhances this Nation's security; not to give our

proxies to the President of the United States and say, "Well, the President says we need it," or indeed to give our proxies to a temporary body, a commission, formed and now put on the shelf for all practical purposes, which has rendered a political judgment not a military judgment, on the issue of the MX missile.

We are required by oath to take this issue more seriously, indeed, to take all these defense issues more seriously, that I think they have been taken this week or last week.

It would be well for the Senate to take out the better part of this week, have Senators on the floor and discuss the future security of this Nation.

The Senator from Texas and others have repeatedly said there is nothing more important under the Constitution of the United States than for the Congress and the executive branch to defend this Nation. In a very large degree I agree with that statement.

We have a profound obligation to our constitutents, indeed to all citizens of this country, to defend this Nation.

But that is not the issue. The issue is whether building this missile and putting it in silos that are vulnerable to a first-strike attack in fact defends this Nation. The broader issue is whether this defense bill represents a thoroughgoing conceptual examination of the defenses of this Nation and the realities of the 1980's and 1990's. There is a strong opinion, as the Senator from Colorado has previously stated, that this bill does not accomplish that mission or that task.

Much has been written and much has been said on the floor about filibusters, tactics, and, if you will, the almost sports analogy that we use often around here about who is winning and who is losing, who is gaining advantage and who is not. I think so long as we approach these issues on that basis, everyone loses. The American people lose because they think that all that is going on on the floor of the Senate is some sort of a partisan tug of war; that, at the very best, what is going on is a struggle between liberals and conservatives.

I think that misses the entire point. I would hope what would go on in the closing hours and days of this bill would be for the first time really, since this Senator has come to the U.S. Senate, a wide open, wide ranging, thorough discussion of the future security of this Nation in serious terms.

We are now at almost noon on Tuesday in the second week of this bill and no fairminded person can claim that that has happened over the MX missile specifically, over broad defense issues generally.

It is not too late. I encourage my colleagues who are opposed to the MX missile, who may or may not be supporting the bill, to engage in that kind of debate. I encourage my colleagues, for whom I have great respect, both the managers of this bill and supporters on their side, to engage in that kind of debate as well.

What about our personnel policies? Are we educating, training, and promoting our officers to perform on the battlefields of the future or, rather, to become managers and desk operators and not battlefield commanders? What about cohesion in our conventional forces? Are our land and sea forces prepared to fight together a challenge? What about the shipbuilding program? Are we building the right kind of ships? There has not been a serious discussion on the floor of the Senate last week or this week about the adequacy of the direction of our shipbuilding program.

What about, indeed, our strategic forces as well? How does the MX missile fit into those strategic forces? Does it add or detract from the long-range strategic planning for the security of this Nation?

Mr. President, the Senator from Colorado once again appeals to his colleagues to take the difficult step of addressing, if you will, the policy of defense and not individual weapons systems. It is not easy; it is difficult. It is a lot easier to raise issues about where the dependents of our Armed Forces personnel should be educated, whether that ought to be run by the Department of Education or the Department of Defense. It is a serious issue. It affects people's lives. The Senator from Colorado does not intend to demean that. But how central is that to the long-range security of this country?

There will be a debate today on the issue of placing weapons in space. That is a serious issue. It does represent one of the major issues that will face our country in the future. I hope that amendment becomes the occasion to discuss not just space lasers but the issue of other weapons, both conventional and nuclear, in space. That is a serious discussion that the people of this country are entitled to have.

We have had weapons systems up and down in the last few days. Again, they were isolated, random, ad hoc. It would be helpful in the discussion of the MX missile itself it that debate represented a serious consideration of the premises of the Scowcroft Commission, the premises of this administration's strategic doctrine and philosophy; indeed, the history of our strategic doctrine, to find out where, in fact, a new 10-warhead, hard-target-kill, vulnerable, land-based missile fits into the future arsenal of this country.

The President has said it is not a bargaining chip. It is a serious aspect, as the Senator from Texas has said, of our nuclear force modernization program.

Well, it cannot be both, clearly. It cannot be required to defend this country in the eighties and nineties and 21st century and become a bargaining chip at the same time.

I think Senators ought to require an answer from the administration as to what it is. Is it a bargaining chip or is it not? Is the President prepared to negotiate a way or is he? Will he deploy 100 or will he eventually deploy the full 235 or 240 or more that are proposed to be purchased by this authorization request?

Mr. President, if we do not seriously discuss this issue this week, the judgments of history will rest heavily upon our heads. We will have not performed our task.

I fully expect a number of Senators to come forward and deliver statements as to their opposition to the MX missile. I hope in the process those of us who oppose the missile, not only on the specific grounds of what the missile itself represents, but on the grounds that it does not contribute to the overall strategic security of this country in the future, will receive that I think we are due. That is an adequate response from the other side that seriously addresses the questions raised. To date, that has not happened.

I think we can safely say that the justification for the MX missile has been summarized in a statement that could not have occupied more than 3 minutes by the Senator from Texas on Friday evening. That, to me, is not a serious justification for this missile

Mr. President, as the morning hour wars on and we go out for our respective caucuses at noon and then come back in the afternoon, there are opponents of the MX missile who will take the floor this afternoon, whether on their own or just to fill up time—as the Senator from Colorado is doing here this morning—who will lay down their arguments against this missile, against this decision, a very serious concern represented by these statements.

I am hopeful that those Senators in opposition can engage each other and that, in fact, we shall engage the opponents of the missile and supporters of its production and deployment in some sort of serious debate, if not today, then tomorrow or the next day.

Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I think I can assure the Senator from Colorado that we shall indeed debate this matter today, because we have just about winnowed away all of the amendments that I know of in this matter. I fully expect that we shall be on MX today and will have some extensive discussion on it.

The Senator from Texas has already delivered himself of a few thoughts on MX and will expand on that this afternoon.

Mr. President, we are trying to work out an agreement between the Senator

from Vermont (Mr. STAFFORD) and the Senator from Indiana (Mr. QUAYLE) on the matter of DOD schools. I think there is some reasonable prospect that that will be worked out and we shall be able, then, to act on the pending amendment by voice vote. However, there is still the possibility of a rollcall before 12 o'clock and Senators should on notice that that is the case.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1523

Mr. QUAYLE. Mr. President, I send an amendment in the nature of a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE) proposes an amendment numbered 1523.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out lines 1 to 9 and insert the following:

On page 128, beginning with line 11, strike out all through page 131, line 6, and insert in lieu thereof the following:

EXTENSION OF PERIOD FOR TRANSFER OF DEFENSE DEPENDENTS' EDUCATION SYSTEM TO DEPARTMENT OF EDUCATION

SEC. 1006. Section 302(a) of the Department of Education Organization Act (20 U.S.C. 3442(a)) is amended by—

(1) striking out "not later than May 4, 1984" and inserting in lieu thereof "not earlier than May 4, 1986"; and

(2) adding at the end thereof the following: "The transfers contemplated by this section shall occur only if the President or Congress determines that such transfers will not be detrimental to the quality of education available to dependent children if military personnel stationed overseas, to the protection and benefits available to teachers under various status of forces agreements, and to the morale and welfare of military personnel stationed overseas whose dependent children attend overseas schools operated by the Department of Defense.".

Mr. QUAYLE. May I ask the Senator from Texas, if we are prepared to go out at noon, would it be all right for me to proceed for 4 or 5 minutes?

Mr. TOWER. Mr. President, under the previous order, we are supposed to go into recess at noon. I would not anticipate there will be a vote on the amendment of the Senator from Indiana until after the Senate reconvenes at 2 p.m.

Mr. QUAYLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. QUAYLE. Mr. President, we had a vote last night on the motion to table the amendment of the Senator from Vermont and the Senator from Delaware. That tabling motion failed 50 to 42, I believe.

Having seen that vote, it is apparent that at least the Senate would like a little more time to study this issue on transferring the DOD schools to the Department of Education, with I do not believe should happen. As a matter of fact, I do not believe it will ultimately happen.

This is a substitute amendment going along with the desires of the majority of the Senators, which I believe was an unfortunate choice, but it is a choice that we all ought to accept. This would agree to the 2-year additional time from May 4, 1984, to May 4, 1986. It also places a burden on those who want to see the transfer take place to show that the transfer will enhance quality education.

Mr. President, that is the issue. The issue is quality education of 132,000 children overseas. They have higher SAT scores, higher academic achievement than those stateside. It is beyond my comprehension how anyone can say that they are not receiving quality education. I do not believe the opponents of the amendment would say that they are not receiving quality education.

What we need to do, Mr. President, is to put into perspective where we are. The Department of Education was created in 1979. Debate took place over a number of years. Those supporting the creation won. Included in that Department of Education were the overseas schools, the DOD schools, but because of the problems of the status of forces, because there were certain bureaucratic entanglements, and because there was certainly a question of whether the DOD schools should be transferred to the DOE, there was a time—May 1983—a holding period to see whether this transfer should go forth.

Since that time, the Senate, last year, by a vote of 59 to 38, said that the DOD schools should remain within the Department of Defense. We went to conference and in conference said, "We really ought to have more hearings on this," so we agreed to have more hearings, which we did in late 1982. And then in the committee bill we required that the DOD schools should be retained within the Department of Defense where they should be, where they have been. They go back historically to the 1800's. These children are receiving a good education.

I wish that we could focus on the merits of this issue.

Now, if we have to give more time, which we are going to give in this substitute, so be it. But I hope that individual Senators will take a little bit of time to focus on this issue. I realize it is a minor issue; it is not an issue of constituency pressure back home. Senators are not going to get any plaudits or letters from people back home supporting the Quayle substitute, but Senators ought to become familiar with what we are talking about. We are talking about quality education.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Would the Senator withhold?

Pursuant to the order previously entered, the Senate will stand in recess until 2 p.m.

Thereupon, at 12 noon, the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mrs. HAWKINS).

Mr. TOWER. Madam President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Madam President, it is my understanding the pending business is the amendment in the nature of a substitute of the Senator from Indiana to the amendment of the Senator from Vermont; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. TOWER. I think Senators should be on notice to expect a rollcall vote on this issue. I believe there will be a little more debate, not much.

Mr. STAFFORD. If the distinguished manager of the bill will yield for just a second, I anticipate there will be some added debate but I think it is reasonable to assume we could be voting on this by 2:30 if not sooner.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STAFFORD. Madam President——

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Madam President, as the Senator from Vermont understands the issue at the present time, yesterday in the late afternoon the Senate refused to table the amendment which was offered by the Senator from Vermont for himself, Mr. ROTH, the chairman of the Governmental Affairs Committee, Mr. PELL and Mr. RANDOLPH. That amendment—which is the pending business of the Senate and is now subject to an amendment in the nature of a substitute by the Senator from Indiana (Mr. QUAYLE) struck out certain language

in the defense authorization bill and provided that the transfer of the Department of Defense dependents' schools around the world be transferred to the Department of Education by May 4, 1986, instead of the present May 4, 1984, deadline.

To go back for just a minute, I remind my colleagues that the Congress voted by very large majorities, in the recollection of this Senator, to transfer the Department of Defense dependents' schools to the Department of Education at the time the Department of Education was created. This legislation, as I said, had the solid support of both the House and the Senate of this Congress and was signed into law.

In order to allow a reasonable time for the intricacies to be worked out in connection with the transfer the transfer was scheduled to take place not later than May 4, 1983.

Last year, as my distinguished friend, the Senator from Indiana has pointed out, the Senate made a different decision on this matter by the vote that Senator QUAYLE mentioned earlier today, but I remind my colleagues that that was only a one-body decision.

The Congress in its final product, Senate and the House concurring on a conference report, voted to extend the time for the transfer from the Department of Defense to the Department of Education for the DOD schools by 1 year from May 4, 1983, to May 4, 1984, and this is current law.

Now, the amendment of the Senator from Vermont and his colleagues would extend that transfer to May 4, 1986. The Senator from Indiana has offered to my amendment a substitute which would change the phrase "not later than 1986" to "not earlier than May 4, 1986." The Senator from Indiana also proposes that there be some findings on the part of the President with respect to the quality of education, the integrity of benefits for teachers, and so on, before the transfer is allowed to occur.

It is the opinion of the Senator from Vermont and his colleagues who offered the original amendment that we should stay with the Stafford-Roth-Pell-Randolph amendment and that it should not be changed by the substitute offered by the Senator from Indiana, which, in our judgment, would simply confuse this issue further by providing, in effect, veto power to the President to halt this transfer, even though Congress had approved such a transfer.

Madam President, I know of no others who wish to speak on this subject on this side. Whenever the Senator from Indiana wishes to do so, I am prepared to submit the matter to a vote.

Mr. QUAYLE. I thank the distinguished Senator from Vermont. I find myself in the somewhat awkward position of having to oppose my illustrious chairman of the Education Subcommittee, who has the hazardous duty of putting up with the Senator from Indiana on that subcommittee and in the full committee—and in this body, for that matter.

I submit that the substitute that is being offered is a genuine compromise. Last night, after a relatively brief debate, the motion to table the amendment of the Senator from Vermont failed on a fairly close vote. Therefore, a majority of the Senators want to delay the transfer until 1986. This substitute agrees with that delay to 1986, but it is shifting the words: "not earlier than May 4, 1986," instead of "not later than May 4, 1986." So there is a change there.

Then, at the end, what we add is that the transfer contemplated in other sections will occur if it is determined that quality education and other issues will be resolved.

Madam President, this does not take away any of the mechanisms that are in the law right now for the transfer of the overseas schools to the Department of Education. It does, in fact, give time which the Senate now apparently wants to have—I did not think the time was needed—for planning for the transfer, which is the basis of the Stafford amendment.

The 2-year period provided under the substitute also gives the President and Congress additional time to focus on the issues of quality education and teacher-parent concerns, matters which I believe are resolved right now, but obviously a majority of the Senate does not agree with that. They would like to see the 2-year extension. So we will go along with the 2-year extension; but it will be placing the burden of proof, shall we say, on those who want to see the transfer going forward, as to why the transfer should go forward. This is the issue, Madam President.

The teachers overseas, from my communications, do not support the transfer. The parents do not support the transfer. The students do not support the transfer. The Department of Education does not support the transfer. The Department of Defense does not support the transfer. There is overwhelming opposition to the transfer.

That is unfortunate, because if you want to look at quality education, the quality education comes down squarely on the side of the overseas schools, because they have demonstrated, in the last decade, higher scores on any standardized tests in comparison with the stateside schools.

It was facetiously suggested to me by one of my colleagues, privately, that perhaps we should take all the education systems and place them under the DOD school management, that they seem to get better results. It was said facetiously, but the remark has a basis to it, that these schools are performing very well.

I also point out that the FAT opposes this transfer.

Obviously, we are not going to resolve this matter today. But I hope that Senators who have looked into this issue and have come down on the other side of what the Senator from Indiana wants to do will give it more attention. We will finish it today, but it will probably be back with us next year and the year after, until we finally resolve the situation.

That is why I do not like to have to offer this substitute, but I realize that compromise is part of the legislative process. I think we should make a determination today on where those schools should be.

It is interesting to note that just 1 year ago, the Senate went on record foursquare to have the DOD schools remain in the Department of Defense. We can change our mind—that is one of the prerogatives around here; minds have been changed.

Last night, the tabling motion failed. But I hope we can adopt this substitute. It should offer relief to any of those people who feel that they do not want to make a firm decision today on where those schools should be, and this gives them time to study the situation further. It goes along with the thrust and the theme of the Stafford amendment, and that is that we will not make that determination until 1986. I believe it is a substitute that should engender a good deal of bipartisan support, and I hope it will be adopted.

Mr. STAFFORD. Madam President, one final word: I realize that there are a number of organizations involved in this sort of issue. I think the statement should be made that there are various organizations who support what the Senator from Vermont proposes to do. I point out that the Overseas Education Association, which I am advised represents over 80 percent of the teachers in DOD; the National Schoolboards Association; the American Association of School Administrators; and the National Parent-Teachers Association do support the amendment offered by the Senator from Vermont and the Senator from Delaware (Mr. ROTH).

Mr. QUAYLE. Mr. President, will the Senator yield for a question?

Mr. STAFFORD. I yield.

Mr. QUAYLE. I know that the OEO supports that, but I wonder if the Senator can give me any kind of figure as to how many teachers who are members of OEO support the transfer to the Department of Defense.

Mr. STAFFORD. The Senator from Vermont can only tell the Senator from Indiana that the information

available to me is that 80 percent of the OEA Association has voted, I presume, to elect leaders who support the transfer.

Mr. QUAYLE. So that in the opinion of the Senator from Vermont, a majority of the teachers in OEO support the transfer to the Department of Education?

Mr. STAFFORD. Otherwise, the Senator from Vermont would not use that phrase.

Mr. QUAYLE. I certainly take the Senator's opinion and judgment at face value.

I only state that a number of letters we have received from teachers contradict that assertion, that a majority of the teachers support the transfer to the Department of Education. As a matter of fact, we have had petitions and have communications from several hundred teachers saying that they do not support it, despite the leadership position of OEO that they want to see this transfer take place. One handwritten communication says:

I am a teacher with the DODDS schools stationed in Woodbridge, England. We have just been told that our association president . . . has said. "All his teachers want to become a part of the Department of Education."

That is categorically not true. Not only do I not want to see that happen, but I have talked to no teacher who does, whether they are association members or not.

We have other letters on the same point, people saying that despite the leadership position, they, as teachers, oppose the transfer. So I say that the teachers who are teaching in overseas schools do not support the transfer.

If the OEO contends that there is a majority of support, perhaps they should poll their teachers and find out. As a matter of fact, one of the letters suggested that they should poll the teachers.

So by adopting the Quayle substitute, which will put this off until 1986, we can perhaps get better information, and an overwhelming number of them would oppose going into the Department of Education for various reasons.

It will be a logistic nightmare. The quality of life will be questioned. They know they have a good system right now. They do not know what other kind of system they would have otherwise.

There is a longstanding tradition the overseas schools would be with the Department of Defense. There are all sorts of reasons that the teachers themselves are opposed to it. The teachers are opposed to it, the students are opposed to it, the Department of Defense is opposed to it, the AFT is opposed to it. A lot of people are opposed to it. I hope we adopt this compromise substitute and get on with the matters at hand.

Mr. STAFFORD. Madam President, a parliamentary inquiry. Has a rollcall been requested?

The PRESIDING OFFICER. It has not.

Mr. STAFFORD. Madam President, I ask for the yeas and nays on the Quayle substitute.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senate from Indiana (Mr. QUAYLE). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RANDOLPH. Madam President, a point of order. The Senate is not in order.

The PRESIDING OFFICER. The point of order is well taken. The Senate will be in order. Will Senators in the well please take their seats? Will Senators carrying on conversations, please retire to the cloakrooms?

Mr. RANDOLPH. Madam President, I may violate the rules, but I commend the Chair for what she is trying to do. I hope Senators will comply with your request.

The PRESIDING OFFICER. Will Senators please comply with the request of the Chair? Will Senators desiring to converse please retire to the cloakrooms?

Mr. RANDOLPH. Madam President, I renew my point of order that the Senate is not in order.

The PRESIDING OFFICER. The Senate is not in order. The Chair asks those Senators who are conducting conversations to please do so elsewhere.

Mr. RANDOLPH. Madam President, I renew my point of order. The Senate is not in order. All any Senator has to do is just to look around the Chamber and they will see that I am correct.

The PRESIDING OFFICER. Senators will please take their seats. The well will be cleared.

Mr. RANDOLPH. Madam President, we will wait for another day.

The PRESIDING OFFICER. The clerk will resume the call of the roll.

The assistant legislative clerk resumed and concluded the call of the roll.

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Virginia (Mr. WARNER) are necessarily absent.

I also announce that the Senator from New Mexico (Mr. DOMENICI) is absent due to illness.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 47, nays 46, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—47

Abdnor	Hatch	Moynihan
Armstrong	Hawkins	Murkowski
Baker	Hecht	Nickles
Bumpers	Helms	Pressler
Cochran	Huddleston	Quayle
Cohen	Humphrey	Rudman
D'Amato	Jepsen	Simpson
Danforth	Johnston	Stennis
Denton	Kassebaum	Stevens
Dole	Kasten	Symms
Durenberger	Kennedy	Thurmond
East	Laxalt	Tower
Exon	Levin	Trible
Garn	Lugar	Wallop
Gorton	Mattingly	Wilson
Grassley	McClure	

NAYS—46

Andrews	Ford	Pell
Baucus	Hart	Percy
Bentsen	Hatfield	Proxmire
Biden	Heflin	Pryor
Bingaman	Heinz	Randolph
Boren	Hollings	Riegle
Boschwitz	Inouye	Roth
Bradley	Jackson	Sarbanes
Burdick	Lautenberg	Sasser
Byrd	Leahy	Specter
Chafee	Long	Stafford
Chiles	Mathias	Tsongas
DeConcini	Matsunaga	Weicker
Dixon	Metzenbaum	Zorinsky
Dodd	Mitchell	
Eagleton	Nunn	

NOT VOTING—7

Cranston	Goldwater	Warner
Domenici	Melcher	
Glenn	Packwood	

So Mr. QUAYLE's amendment (No. 1523) was agreed to.

Mr. QUAYLE. I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1520

Mr. TOWER. Madam President, I believe that it is agreeable to all parties to have final disposition of the Stafford amendment by voice vote. If there is no objection, I move the question.

The PRESIDING OFFICER. It takes unanimous consent to vitiate an order for the yeas and nays.

Mr. TOWER. Madam President, I ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Vermont (Mr. STAFFORD), as amended.

The amendment (No. 1520) was agreed to.

Mr. TOWER. I move to reconsider the vote.

Mr. QUAYLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Madam President, I have a matter I would like to dispose of now, if I may. I have just talked with the minority leader, who indicates he has cleared in his caucus the unanimous-consent request I am about to make. I have cleared it on our side with respect to the reconciliation bill.

EXTENSION OF REPORTING DEADLINE FOR RECONCILIATION RESOLUTION

Mr. BAKER. Madam President, I ask unanimous consent that the Senate committees instructed pursuant to House Concurrent Resolution 91 be given until September 23, 1983, to report their recommendations to the Senate Committee on the Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

VISIT TO THE SENATE BY MEMBERS OF THE NATIONAL ASSEMBLY OF FRANCE

Mr. TOWER. Madam President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. We have some visitors today. We ask that the Senate be in order.

Mr. TOWER. Madam President, I ask unanimous consent that I may yield to the distinguished senior Senator from Maryland (Mr. MATHIAS) for the purpose of introducing the distinguished guests, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. Madam President, as you have noted, we do have visitors in the Chamber. We have a distinguished delegation of colleagues from France, Members of the National Assembly of France. I hope we shall all join in welcoming them to the U.S. Senate.

[Applause, Senators rising.]

RECESS FOR 3 MINUTES

Mr. TOWER. Madam President, I ask unanimous consent that the Senate stand in recess for 3 minutes so our colleagues may greet our visitors.

There being no objection, the Senate, at 2:47 p.m., recessed for 3 minutes; whereupon, at 2:50 p.m., the Senate reassembled when called to order by the Presiding Officer (Mrs. HAWKINS).

OMNIBUS DEFENSE AUTHORIZATIONS, 1984

The Senate continued consideration of S. 675.

Mr. TOWER. Madam President, the distinguished Senator from Wyoming is on the floor and is prepared to offer his amendment which, I might say, is a very important amendment, one of the more important amendments to be offered to the bill today. I think we can expect a record vote at some point in the afternoon, and I would guess possibly within the hour.

AMENDMENT NO. 1524

(Purpose: To reapportion funds among certain research and development programs)

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The acting assistant legislative clerk read as follows:

The Senator from Wyoming (Mr. WALLOP), for himself, Mr. HEFLIN, Mr. D'AMATO, Mrs. HAWKINS, Mr. HECHT, Mr. ARMSTRONG, Mr. HELMS, Mr. HATCH, and Mr. SYMMS, proposes an amendment numbered 1524.

Mr. WALLOP. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 8, strike out "$4,193,364,000" and insert in lieu thereof "$4,489,461,000".

On page 24, line 10, strike out "$7,652,642,000" and insert in lieu thereof "$7,582,740,000".

On page 24, line 11, strike out "$12,499,166,000" and insert in lieu thereof "$12,420,021,000".

On page 24, line 12, strike out "$2,468,537,000" and insert in lieu thereof "$2,321,437,000".

On page 26, between lines 8 and 9, insert the following new section:

LIMITATIONS ON FUNDS FOR THE ARMY

SEC. 114. (a) Of the amount authorized to be appropriated in section 111 for the Army—

(1) $187,600,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of accelerating and redirecting the main on-going space laser programs for cylindrical chemical lasers (Alpha), pointer trackers (Talon Gold), and large optics (LODE) in order to achieve space qualified technologies for space-based directed energy ballistic missile defense system conceps as early as practical. These directed energy concepts shall be developed in an evolutionary manner with the ongoing conventional ballistic missile defense technologies.

(2) $15,000,000 shall be available to the Ballistic Missile Defense Program Office only for the purposes of developing computers and software for command, control, and communications and fire control, to develop target acquisition sensors, to develop large, segmented adaptive mirrors, to develop advanced resonators and optical coating facilities, and to develop follow-on advanced high-brightness lasers.

(3) $30,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the development of free electron lasers, excimer laser, x-ray lasers, and visible lasers.

(4) $10,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the sub-scale and full-scale testing of the precise interaction between lasers and ballistic missile targets.

(5) $60,866,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of expanding the Space Laser Technology Program, which through fiscal year 1983 has been administered by the Air Force Space Division. The Ballistic Missile Defense Programs Office shall define the tasks necessary to integrate all technology elements of a space-based directed energy ballistic missile defense system into a battle capable system, leading to a design decision as soon as practical.

(6) $15,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of designing and developing a battle managment system for space based lasers, ground support systems, and the means by which the hostile targets will interact with the laser system.

(7) $10,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the design of measures to enhance the survivability of space based laser defense systems, including the preparation of underground testing of nuclear effects.

Mr. WALLOP. Mr. President, I introduce this amendment on behalf of Senators HEFLIN, D'AMATO, HAWKINS, HECHT, ARMSTRONG, HELMS, HATCH, and SYMMS. I am offering the amendment to get various space laser programs out of the bureaucratic doldrums and funding constraints in which they are today and on the way to a successful demonstration of space in this decade.

Let me now explain briefly what we want to do, why we want to do it, and why those who oppose us are insufficiently informed or should reexamine their priorities and why we as a country should act quickly.

Since 1981 the Senate has voted twice, by 91 to 3 and unanimously, to tell the Department of Defense to build a space-based laser weapon as quickly as possible. Pursuant to these votes the Air Force established a small program office within its R&D establishment for this purpose. But, the politics of R&D being what they are, neither the necessary funds nor the essential direction have been brought to this area.

In fact, over the past year, despite the obvious sense of the Senate and despite an unbroken string of technical success, the overall effort in this area has lost what little orientation toward an early success the Carter administration had given it. The three basic technology programs in the Defense Advanced Research Projects Agency (DARPA) have been reduced in scope. The Alpha laser has been arbitrarily reduced in power. The big mirror project, Lode, has been arbitrarily shorn of the features which connect it to the pointer-tracker. The Talon Gold pointer-tracker has had one of its two telescopes removed. The Air Force has acted to deny it a long-planned ride on the shuttle, thus downgrading it to a ground-based experiment; that is to say, well-nigh kill-

ing it. This has resulted in delay. The Carter administration's schedule, insufficient as it was, provided for an on-orbit demonstration of a 5-megawatt/4-meter laser weapon in 1991. In 1980, Robert Fossum, President Carter's director of DARPA stated officially that the demonstration could take place in 1987. But while the technology now permits us to test a 10-megawatt, 10-meter weapon in the 1980's, mismanagement and shortsighted funding have resulted in an official schedule that will not permit a five-four to be tested before 1993. This is not what the Senate wanted nor should it be now. Delayed protection is not what the American people want.

I urge the Members to read the classified answers which Dr. Cooper, Director of DARPA, gave to the Defense Appropriations Subcommittee's questions. Dr. Cooper admits that each of these programs, and the integration of them, could be pushed much faster, but that he is not interested in doing the pushing.

Last fall, after the Senate had voted to build a laser weapon as quickly as possible, and while he was cutting the scope of the programs, Cooper was testifying that these programs were more than amply funded, and that they were proceeding as quickly as possible. It is not tolerable to toy so with the American people's safety. He and many members of the R&D community seem to have a bias for doing long-term research and for delaying again and again the decision actually to build weapons. This is not in the American people's interest. The Congress will not go along with R&D for its own sake. We do not want and shall not have a repeat of the MX, whose gestation period is a whole generation.

In brief, in order not to repeat the mistakes of MX, in order to make sure that an American laser is in orbit not too long after a Soviet laser gets there, we have to put more money into these programs. Above all we have to give them a sense of direction. I believe I have found reasonable ways of doing both these things.

First the money. Because I know that we must stay within this budget, I have arranged the amendment to result in no net increase. I have proposed unspecified reductions in several R&D accounts by the amounts of some less critical directed energy programs, as well as corresponding increases of $125 million in the three main space laser programs, in the effort to integrate them, and in several long-range, short-wavelength laser programs. This amendment thus provides a net inflow of money and direction into the programs that are oriented toward success. There is flexibility as regards the corresponding reductions. I must note that the senior Senator from Texas specifically urged this approach upon me.

Second, the amendment takes all of these critical, success-oriented programs out of DARPA, and the Air Force R&D establishment, and places them in the Army's ballistic missile defense organization. This is the organization charged by the Secretary of Defense with the mission to defend the United States against ballistic missiles. It has a large program management staff. Above all, it has the right attitude.

I ask unanimous consent that an exchange of letters on this subject between the Assistant Secretary of the Army and me be printed in RECORD in full.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 12, 1983.

Hon. JOHN MARSH,
Secretary of the Army, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: In the next few days, the Senate will consider whether the space laser technology programs should be taken out of the R&D organizations which now administer them and be placed in a military service command which would be responsible for operating the weapons system. The Army's Ballistic Missile Defense Command, which exercises the BMD mission entrusted to the Army, is one possibility.

Would you let me know as quickly as possible whether, if the Congress were to give the space laser programs to the Army's BMD organization, together with the appropriate funds, that organization would be capable of administering them and of producing a space laser weapon demonstration on an accelerated schedule?

Sincerely,

MALCOLM WALLOP,
U.S. Senator.

DEPARTMENT OF THE ARMY,
Washington, D.C., July 14, 1983.

Hon. MALCOLM WALLOP,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WALLOP: The Army, through its Ballistic Missile Defense Program Office, has been engaged in strategic defense systems development for more than two decades. Although it has concentrated much of its effort over this time on active radar terminal defense systems, it has also carried on a broad research and development program of other technologies, including exoatmospheric optical systems. It is a participant in the current laser weapon technologies efforts.

These efforts, combined with a general focus on the defensive system operational requirements and an in-being large program management staff would appear to make it a suitable organization to perform, as assigned, the development of any future strategic defense system.

Hence, the short answer to the question you posed in your letter of July 12, 1983 is *yes.*

Of course, as I am sure you are aware, the future direction and the extent of strategic defense development effort is under current intensive study by DOD. Pending completion of these studies, and acceptance and funding of a specific plan, it is not possible to make an accurate assessment of the relative merits of assignment of such a plan to the Ballistic Missile Defense Program Office vs. other alternatives.

Sincerely,

JAMES R. AMBROSE,
Under Secretary of the Army.

Mr. WALLOP. The essence of that exchange is the question—would the Army's BMD organization be up to taking over these programs and pushing them to a successful test? And the answer is "Yes." I ask my colleagues to remember that this very same Army organization first led the United States into space in 1958. They know what they are doing.

The task they must accomplish is straightforward. The three main programs, Alpha, Talon Gold, and Lode, all run by very competent aerospace contractors, have to be reoriented toward both integration and toward space qualification. That means not only adding back features recently removed, like Talon Gold's infrared telescope, restoring the original length of the Alpha laser, and adding new nozzles, but also doing a host of mundane but important things like designing the fuel supply tubes as appropriate for testing in space rather than on the ground. Above all, this reorientation would mean developing the parts of the weapon with a view to putting them together. The amendment also provides direction and money for subsystems such as surveillance, data processing for battle management, physical hardening, and so on. With some exception—for example, hardened fast computers—these do not provide technical challenges. But they simply must be done if we are to have a weapon.

The amendment does not provide all the money needed in fiscal year 1984. The programs will remain about $150 million short of what they need. I understand however that in October the executive branch is going to send us a supplemental request for well over a half billion dollars for R&D in directed energy. A vote for this amendment will signal that 150 of those millions should be earmarked for systems integration of a chemical laser weapon in this decade.

WHY WE WANT THIS

The American people are now defenseless against Soviet ballistic missiles and nearly defenseless against Soviet bombers. This is not by necessity but by choice. This choice is morally and strategically indefensible. Politically, it has resulted in the American people's growing feeling that military spending cannot make their lives safer. Nevertheless out of ideology, illusion or inertia most of our Military Establishment continues to hope against hope that we will be able to establish forever a stable "balance of terror" between the United States and the U.S.S.R., behind which we will be able to live thoughtlessly ever after.

But reality is quite different. The Soviets never for one moment accepted that they should be vulnerable. They have built the infrastructure for nationwide ballistic missile defense. I urge all Members to come down to the Intelligence Committee and see for themselves the latest pieces of evidence in this regard. Today there is unanimity that the Soviets have a superior counterforce sword. Come and see the incontrovertible evidence that the Soviets are building a formidable shield too. We can count on the Soviet shield to be multilayered. At the very bottom they have the SA-12, a multipurpose ground-based missile each of which is capable of intercepting one or two reentry vehicles in its area. Above it they have the ABMX-3 system, much like the Spartan-Sprint system we foolishly abandoned, but directed by a vastly superior network of huge, protected battle-management radars of the Pechora class. At the very top they will soon have space-based lasers. The official publication of the DOD says the Soviets are spending three to five times what we spend on space lasers. The New York Times quotes a national intelligence estimate to the effect that the Soviets plan to test a space laser weapon in the mid-1980's. Come and see the evidence. Without ever seeing anything secret, however, you know very well that the Soviets are determined to protect themselves. Their highest officials speak to their own people—and spend billions—to, as General Altunin says "liquidate the consequences of any enemy attack." What will we Americans do a few years hence with an inferior sword and no shield?

We can all imagine. But I for one do not wish to find out. Like most Americans, I want as big and as multilayered a shield over me as we can manage, as soon as we can manage it. There is no pressure from the American people—none—against acting quickly to save American lives. Those who will speak against this amendment will do so not because they have been urged to do so by constituents but because they have been contacted by bureaucrats who fear lest their strategic predilections might be upset or their favorite budgets touched.

So far removed are these bureaucrats from the American people's concerns that one, specifically Dr. Robert Cooper, the man now in charge of this effort, told the press that instead of trying to offset a Soviet space laser with an American one we should shoot it down. This shows much greater regard for the foolish mental construct of MAD than for peace itself. So set is he against actually building a defensive weapon that he is willing to start a war instead. Hence, his remarks, and those of other similar people, that we are not interested in near-term defensive weapons, and should build nothing until we are sure of a virtually leak-proof defense should be seen for what they are—programs the pursuit of which will keep us defenseless indefinitely.

Mr. President, I believe the American people want an American laser weapon in orbit in this decade, because that laser will be able to do good things for us. Let me explain.

A 10-megawatt laser with a 10-meter main mirror is capable of projecting about 7,000 watts per second (joules) per square centimeter to about 1,000 miles. At 5,000 kilometers, its beam would still carry almost 1,000 joules per square centimeter. That is a lot of power, given the targets it would be shooting at. Note well that liquid-fueled missile, the kind which the Soviet leaders have impoverished a generation of their own people in order to build so massively, will blow up after receiving as little as 80 joules per square centimeter. Thus, the effective protective range of a first-generation American space laser against the main threat is well beyond 5,000 miles. The hardest solid-fueled missiles we know of will blow up with 1,000 joules per square centimeter. That means a 1-second shot at 3,000 miles, and a few seconds at 5,000.

Just one of these American weapons in the right place at the right time during a necessary staggered counterforce attack by Soviet liquid fueled missiles could shoot down some 125 between the time the first lifted off and the last stopped its boost phase 500 seconds later, leaving more than ample time for retargeting between shots. If 8 were in the right place at the right time, 1,000 missiles would be destroyed. They would never hurt the United States. Their warheads would drop back onto Soviet soil or Arctic ice. Of course 1,000 missiles is a number greater than would be used in a rational counterforce attack. That means such an attack would be made irrational. That is deterrence—deterrence far better and more effective than anything we have yet argued over in this bill; but together with the proposals of this bill, Americans could again begin to sense some safety.

Of course, in order to have eight such weapons in range of the Soviet ICBM fields at any time we would have to have three times as many in orbit. There is nothing magical about the number 24. More weapons will give us more protection, fewer will give less. The ones not in range of the ICBM fields would be in position to intercept Soviet submarine-launched missiles. These would pose smaller difficulties to the lasers since we are told they could only be launched seriatim. High-altitude bombers would also be very vulnerable to the lasers. Unfortunately, they could not touch low-flying bombers and cruise missiles.

Twenty-four such lasers would not be—and I state it clearly—a guaranteed, leak-proof defense. If we were to do things right, we would couple their deployment with the deployment of a serious network of ground-based antiballistic missiles. Of course, we would try to approach perfection. But commonsense tells us that absence of a guarantee of success is less an excuse for despair than a spur to continuing effort.

Some have misrepresented me as being exclusively concerned with hydrogen flouride chemical lasers—as if they were being made in Wyoming. Believe me, they are made everywhere but Wyoming. In fact, this amendment, like every other I have submitted, puts extra money into other, advanced kinds of lasers as well. However, I am not suggesting systems integration for these other lasers for the same reason no one else does. They are not ready. I believe, as commonsense suggests, that we should do what we can with what we have which is very good indeed, and provide for future advances, but in heaven's name, we must not hold ourselves hostage to their sweet but uncertain promise.

In short, we want to build space-based chemical lasers now because they would be useful for our protection and because we know how. I invite anyone to challenge either of those propositions.

WHY OUR OPPONENTS ARE WRONG

The facts unambiguously support these two propositions: We know how to build these lasers, and they would offer us substantial protection. They also support a third: We are not doing what we could and should to reap their promise. Any number of people claim I am wrong. But they do so in general terms, without joining the issue. I am not an expert, but I have taken the trouble to inform myself, and I have taken up the burden of explaining the case in detail. Anyone who opposes the case should assume a corresponding burden. It is not enough to cite the name of this or that so-called expert who does not want to build lasers. One must consider the arguments on their own merits.

For example, in a hearing before the Armed Services Committee, Dr. Edward Teller, the noted nuclear physicist, said the chemical space-based lasers, which he admitted we know well how to make, should not be made because they are not powerful enough. Instead, he wants money for his own laboratory to build lasers driven by nuclear explosions. Now, Dr. Teller is a great man. The country is in his debt. But this does not change the facts. Not powerful enough? Absurd both technically and tactically 10/10 chemical laser puts out about 7,000 joules at 1,000 miles. Liquid-fueled missiles blow up at 80, the hard-

est solids go at 1,000 joules. Not powerful enough for what? Reputations do not excuse error.

Let me be clear. A number of people in and around the technical community are approaching the question of ballistic missile defense in a destructive way. They push one particular scheme, one sole solution only, and try to show that all others can surely be countered. This is an unworthy argument. The back-of-the-envelope countermeasures which are always supposed to work perfectly, but which their advocates do not wish our country to buy, and therefore subject to scrutiny, in order to counter Soviet lasers are transparent ploys. They really do not merit serious attention.

I refer specifically to the articles in Scientific American and similar publications by Kosta Tsipis and Richard Garwin. They contain figures wrong by a factor of 10, regarding the amount of fuel that chemical lasers consume, and ignorant conjecture about the effects of nonexistent antilaser shields glued onto existing missiles, clouds of antilaser gas, and so on. Some of this unscientific nonsense has even been used by antilaser people within the DOD. Fortunately President Carter's director of DD R&D, Dr. William Perry, disavowed and reprimanded those people on scientific grounds and this from a man who does not want to build them, and he was so appalled by the lack of scientific quality that he ordered corrections to be made.

The article from the current Aviation Week which I have distributed merits being read not only because of the information about what the real technologists in industry are prepared to do to build a laser weapon in this decade, but also because it quotes, accurately, the confused and self-contradictory technology managers here in Washington, led by the President's science adviser, Jay Keyworth. On the one hand they wax eloquent about the technology—indeed they sound wildly optimistic about doing tricks—such as pointing to five targets within 1 second or compensating for atmospheric diffraction in a millisecond, or building mirrors with 100 percent reflectivity—which have not been demonstrated and which no one knows how to do. On the other hand, however, they doggedly resist building the only laser systems we know how to build. Who can make sense of this methodical skepticism against the things we can do coupled with a reckless suspension of doubt in the fact of things we do not know how to do?

Mr. President, I ask unanimous consent that a copy of the article from Aviation Week be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. HUMPHREY). Without objection, it is so ordered.

(See exhibit 1.)

Mr. WALLOP. Let me just give one example of how unenlightened the debate sometimes is. Much has been made of whether we should have shortwave or longwave lasers. But there simply are no short wavelength lasers now capable of doing the job. One leading shortwave candidate—one, by the way to which this amendment would give some extra funds, called the free election laser—has only been tested at a wavelength that is much longer than that of the long-wavelength chemical lasers, 10.6 microns as opposed to 2.7. It will not be tested at any shorter length for the indefinite future because nobody yet knows how to make a resonating mirror reflective enough to take that beam. It is a great idea. It needs more funds. But let us not kid ourselves. It truly is a long way off.

Now take Dr. Teller's idea—the nuclear-pumped X-ray laser. It should also get more funds because it is really promising. But no physicist on Earth will tell you he knows how to "columnate," or narrow that X-ray beam to a usable extent. We are in the preliminary stages on this one. We know how to generate the beam. But no one knows whether we will ever be able to squeeze it into something effective at 5,000 miles. We should try.

To sum up, when honest and prudent men go into a new field, they do so by a variety of approaches. That is what we did with ballistic missile guidance in the 1950's. We tried four wholly different approaches. They all worked. In this field we should reject the urging of special pleaders that theirs is the only way, especially when that way consists first of all in doing nothing, and especially when they have compiled as self-contradictory a record as Drs. Cooper and Keyworth have compiled.

WHY WE MUST ACT QUICKLY

The world does not wait kindly for people inattentive to technical developments. The debate on MX should have convinced both sides that over the past 15 years the United States has simply missed out on the counterforce revolutions in strategic missilery. We have sat on the sidelines, watched it happen, and have yet to figure out what to do about it. We are sitting on the sidelines of a great technical revolution in defensive systems. We have already missed out on phase I of that revolution. The Soviets have a network of huge, defended phased-array radars capable of impact prediction and target handoff. We do not. The Soviets have a dual-purpose, anti-air and anti-warhead weapon. We do not. For all we know they are stockpiling SL-4 and SL-8 missiles, plus flat-twin guidance radars. We are doing nothing of the kind. We are already into phase II of this revolution. Space lasers are coming. Whether Jay Keyworth or Bob Cooper or the Fletcher Panel want them or not, Soviet space lasers are coming. Are we going to sit on the sidelines dreaming and debating as the Fletcher Panel has ordered industry to do—about leakage rates of 0.0025? At a certain point, Soviet strategic superiority is going to become irreversible. This self-indulgent procrastination is going to catch up with us. All the dithering around of the past week heightens my fear that this is not just possible, but likely.

Let us not fiddle with these questions while the American people's lives grow ever-less secure. The President on March 23 held out to the American people the hope of physical safety. Without that hope, there can be no confidence in the political system, no confidence in us, who are its stewards. If we and the President, regardless of party, do not start to deliver to the people first the concrete expectation, and then an ever-growing measure of physical safety from enemy ballistic missiles, even as the Soviet people gain protection, they will be right to judge us too small for the jobs we hold.

The Soviet leaders have made the basic choice to protect their homeland and their population with what they have got at any given time and to add layer upon layer of capabilities.

We can do that, Mr. President. We can make our choice. Let us build an American space laser while we can, and begin to meet the most basic responsibility of any government—to protect its people. I urge the passage of this amendment.

[From Aviation Week & Space Technology, July 18, 1983]

EXHIBIT 1

BEAM WEAPON ADVANCES EMERGE

(By Clarence A. Robinson, Jr.)

WASHINGTON.—Technological advances in directed-energy weapons development—high-energy lasers and particle beams—provide increasing confidence that a ballistic missile defense system can be deployed to defend the U.S. against nuclear weapons attack, fundamentally altering national strategy.

While debate continues to boil within the scientific community over which areas of technology should be emphasized and funded to effect a ballistic missile defense system, a number of factors are emerging. These are:

Use of a hydrogen Raman cell with short wavelength excimer lasers to improve beam quality. This technology is considered a scientific breakthrough to enhance laser weapons performance in several areas, leading to scaling of very high average power defraction-limited capability. The Raman technology is expected to permit ways to process the beam that enable construction of relatively small, inexpensive excimer laser devices coupled in banks or arrays that could be ground based for direct target engagement. This could possibly remove the need

for orbiting costly and vulnerable relay mirrors.

Technology advances that prove in the laboratory ways to compensate for atmospheric turbulence in propagating a laser bean through the use of adaptive optics. Field tests are scheduled over the next two years to demonstrate the capability to compensate for turbulence, and some proponents believe the capability already has been demonstrated passively through the use of orbiting beacons transmitting to sensors on the ground.

Successful nuclear-pumped X-ray laser experiment at the Nevada underground test site that included use of a small, low-yield nuclear warhead as the pumping mechanism. A number of lasing experiments were conducted simultaneously. This is the second in a series of tests that could lead toward eventual mobile ground basing of an X-ray laser developed by Lawrence Livermore Laboratory (AW&ST June 13, p. 15; Feb. 23, 1981, p. 25). The Midgetman small intercontinental ballistic missile would house the defensive laser system and fire it into space for deployment on command. Part of the 1,000-missile Midgetman force would be dedicated to offense with single nuclear-armed reentry vehicles and part to defense housing the X-ray laser. Funding is expected to be increased for X-ray laser technology development, coupling the laser with long wavelength infrared telescopes operating on high-altitude, long-endurance aircraft or fired into space on boosters as optical probes.

High extraction efficiency using free electron laser devices. Free electron lasers are being used with the Lawrence Livermore Laboratory experimental test accelerator and also will be used with the advanced test accelerator to explore new parameters for free electron lasers. Theoretical predictions suggest energy to light conversion efficiency as high as 25% in a single pass through the wiggler magnetic field. Proof-of-principle experiments with the 5-Mev. electron beam experimental accelerator could lead to short wavelength experiments with the 50-Mev. advanced accelerator with lasing in the 5-10 micrometer wavelength regime.

Extensive ballistic missile engagement analyses by industry based on the application of space-based chemical lasers against ballistic missile targets at current hardness levels and at second and third orders of hardness. Determination has been made by Lockheed and TRW that sufficient flux is available from a 5-megawatt, 4-meter-dia. chemical laser weapon for target destruction, and that technology is available for acquisition, pointing and tracking, wave-front and jitter control (AW&ST Sept. 27, 1982, p. 14). This has led to an inhouse systems-integration study and proposal to conduct an orbital feasibility demonstration by 1987 against a liquid-fueled ICBM, a solid-fueled SLBM, a high-altitude bomber aircraft and spacecraft. The cost would be approximately $3.5 billion, if approved by October.

Addition of funding proposed by Congress to the Defense Dept.'s Fiscal 1984 budget for laser weapons technology development, with added funding for a near-term feasibility demonstration and acceleration of short wavelength laser development.

Defensive technologies study organization formed to develop a plan based on a review of current work, identification of advanced technical approaches and an overall research and development program for ballistic missile defense based on lasers and particle beam weapons.

Advanced technical approaches were to be completed by mid-July, and the first draft of the overall research and development plan ready by Aug. 1.

The defensive technologies study team, directed by former National Aeronautics and Space Administrator James C. Fletcher, has written to aerospace companies calling for long-term as opposed to near-term solutions for ballistic defense.

"The presidential initiative of Mar. 23 established the studies team, which is charged with the responsibility of providing a long-term research and development program plan—a militarily effective ballistic missile defense plan," a Defense Dept. official said. "We want concepts of technology, physical limits and identification of possible show stoppers."

The study team told aerospace companies that emphasis should be on fundamental technology limits rather than dwelling on present-day engineering limitations, which are not likely to be relevant in the future. "Keep in mind that we are charged with developing a long-term (20-30 years) research plan," the panel said. It added that it is interested in new and innovative directed-energy weapons technology. The charter of the panel tends to ordain the outcome of the research program, the Defense Dept. official said. "The tone of its approach to industry is research forever, making a lifetime career out of research and development," he said.

The President needs a feasibility demonstration soon, and even though there are breakthroughs in a number of areas being claimed in short-wavelength lasers—excimers and free electron—total solutions may be a long way off for these devices, the Pentagon official added.

George A. Keyworth, 2nd, science adviser to the President, said there is no technical basis yet for systems definition, and that the key to developing a research program for directed energy weapons "is to get the competition going with the finest minds working on it."

He added that there is a lot of scientific competence available for application to defense across the board, and that he is enthusiastic about the technology.

Keyworth said the White House Science Panel spent the past year delving into the major fundamental problems in every area had been removed."

He also explained that the opportunity or option exists to put expensive defensive assets such as the laser device and pointing, tracking and data processing equipment on the ground. "This would put to rest the argument that is difficult to counter that any space-based assets suffer from vulnerability."

The capability to handle almost unimaginable amounts of data rapidly exists to permit battle management through evolving technology, Keyworth said, adding that command, control and communications must be improved for use with directed-energy weapons defenses. "But these advances are evolutionary," he said.

In the past, Keyworth explained, ballistic missile defense layering included an endoatmospheric and exoatmospheric interceptor missile system. "But now if we have mirrors at geosynchronous altitude, and mirrors at mid-altitudes of 400 naut. mi., mirrors based on the ground for launch on warning and lasers on the ground, we have a layered system."

Western Research is a company that is expected to be funded to demonstrate the feasibility of using a hydrogen Raman cell as the lasing medium for excimer lasers for ground-based weapons and communications.

A House committee has added approximately $80 million to the Fiscal 1984 budget with the money earmarked for the Air Force Space Command for visible/ultraviolet strategic laser technology.

This would include funding for the Western Research excimer laser demonstration, which could take place as early as 1988.

If this approach is demonstrated, using an electron beam to pump a xenon chloride laser which in turn pumps the hydrogen Raman cell medium, it is believed that weapons based at approximately 10 locations throughout the world could be used to directly engage ballistic missiles in the boost, midcourse and terminal phases.

These excimer devices, despite the recent technology breakthrough permitting the extraction of a high quality beam, have unresolved technological problems in areas such as laser cavity acoustics, power conditioning, switching and pulsed power.

In recent experiments using a xenon chloride excimer laser at 0.31 microns impulse coupling does not decrease, permitting longer pulse duration with a non-nuclear pumped laser.

This technology may permit generation of high power levels by combining the outputs from many relatively small excimer lasers. Because excimer lasers are excited electrically and multiple lasers would require considerable power, they would be used on the ground.

COMBINED OUTPUT

In this area, where a technology breakthrough is being claimed, the output from several excimer laser cavities "would be put into a device to produce a beam of high quality, but this state of technology is at the point chemical lasers were about 10 years ago," an Administration official said.

The technology advances to overcome atmospheric turbulence, according to advocates, have been demonstrated passively already sensing the atmospheric turbulence. This would "permit warping large optics for beam control aspects, but the root mean square (RMS) wavefront error requirements are difficult to achieve," a member of the defensive technologies study group said. "One concept is to put a beacon on a spacecraft at geostationary orbit to transmit to a ground station through the isoplanatic angle or path. The volume of atmosphere tends to be constant in density and in motion for approximately 1 millisec. Beam propagation from the ground would have the same reaction through the isoplanatic angle and adaptive optics would be used to correct for atmospheric turbulence. Itek and Avco are developing this technology (AW&ST Aug. 24, 1981, p. 61).

HIGH-POWER ENVIRONMENT

"The question is how soon technology and engineering could be applied to this and what can be accomplished in a high-power environment," the official continued. "We would need mirrors that reflect 100% of the beam, but mirrors now absorb some of the beam and are warped, and correction is beyond the state of the art."

Another official argued that ground-based lasers at various locations could be vulnerable to attack, but others believe the laser could be used for self-protection.

Space-based chemical laser weapons physicists and engineers, in an effort to overcome vulnerability criticism of spacecraft, have examined defending the laser

battle station against a 5-megaton nuclear warhead on a Soviet antisatellite spacecraft hardened with an ablator to 10 orders of magnitude above present boosters. "The Asat nuclear weapon could be killed with a 10-megawatt, 10-meter-dia. laser beyond survivable keep-out range."

Other ground-based laser technology issues include wavefront and jitter control, especially if a beam is propagated to geostationary mirrors for relay to fighting mirrors at an altitude of 400 naut. mi.

The best laboratory experiments accomplished without high power loading that would occur with a weapon are 1/50 to 1/100 of a wave in the visible or 2×10^{-5} meters. Jitter requirement is 20 microradians, and mirrors have to be slewed to engage targets at a rate of 5 deg./sec., or slewing at 20 milliradians/ses.

The defensive study team called for effectiveness of an in-depth defense that would allow only 0.025 percent of hostile reentry vehicles to survive a layered defense.

Keyworth said the way to approach the strategic defense problem is to start with technology and build a system. "We need to address system integration and battle management to understand, but we don't want to start there," he said. "Let's not start with leakage rates and work backward, let's not start with a system, let's start with technology."

He stressed the importance of what has been learned from chemical laser development, adding that the time scale that President Reagan offered the nation "is the next generation."

Emerging instabilities in relation to land-based ballistic missiles, Keyworth continued, will mean that the U.S. will have to exercise a bolder approach, "and the President exercised this Mar. 23 in his speech." He added that the nation should not underestimate the complexity of developing directed-energy defensive systems, and that there is not sufficient information available now to know how soon it can be done. "But we need to move as rapidly as we can," he continued.

He said he expects an imaginative program with competing alternatives to emerge from the defensive technologies study team. "What we will propose to build as a system, we don't now know about," Keyworth said. "That makes it hard to talk about short wavelength lasers; we don't want to fence that technology in, but the highest potential breakthrough is in this area of atmospheric compensation correcting optically for atmospheric distortions—removing the twinkle from a star."

He said it would be difficult to build 100-meter mirrors, but "10-meter-dia. mirrors are do-able and cheap. With short wavelength lasers we get small optics. Mirrors would be aimed at targets electromechanically, a la phased-array radar technology.

"It is possible with short wavelength lasers to achieve impulse as opposed to thermal target kill. And it is difficult to counter this capability."

Keyworth said the biggest breakthroughs that would allow advancement of ballistic missile defense are data processing rates, information transfer rates—"rates that were inconceivable a few years ago brought about by micro and integrated circuits."

R&D FUNDING

He is more concerned about research manpower than funding for directed-energy weapons advancement, adding that $1 billion out of an approximately $7-billion annual basic research and development effort in the U.S. would "buy a lot of talent to exploit technology."

Keyworth expects the path to be pursued for ballistic missile defense to be defined in "a few years". The study group is not guilty of a program to occupy white-coated scientists for years to come. It is important to establish near-term milestones.

"One is a geosynchronous antisatellite capability. It may not necessarily be the best way for the Asat mission, but a geosynchronous antisatellite capability is important to test the technology to destroy missiles in each of the three layers.

"With emphasis, this can be done in less than five years. The near-term versus long-term arguments are over fears of procrastination by scientists, and the difference in systems development and proof of technology," he said.

Mr. TOWER. Mr. President, it is with heavy heart that I oppose my good friend from Wyoming, who always makes such an enormous contribution to the national security debates in this Chamber, whose heart has always been in the right place and whose instincts are virtually flawless. I do not know of any time I have been more reluctant to oppose an amendment.

I do so for two principal reasons. First, I believe that it is inappropriate for the Senate to undertake so significant a redirection of our present research and development efforts on laser weapons programs at precisely the same time that a distinguished, blue-ribbon panel of scientists and engineers is—at the express request of President Reagan—considering the optimum approach for the country to pursue in this area.

Mr. President, I am concerned greatly that the adoption of the Wallop amendment would be at best premature; at worst, it could undermine the ability of this Presidential Commission, chaired by Dr. James Fletcher, to reach a sound and responsible approach to the President's concept of space-oriented strategic defense.

In my view, the extremely technical and complex questions involved and the national security implications at stake are sufficiently critical that we cannot prudently take steps at this time that might interfere with the Fletcher Commission's deliberations.

Second, I wish to express serious reservations about the sources of the funds recommended for reallocation to the purposes proposed by the Senator. The weapons programs under development by the Army and the Navy are the most mature of the directed energy systems now being worked on by the Department of Defense. If one supports the aggressive exploration of the potential of these technologies for weapon applications, then it should be understood that the cancellation of the Army's tactical laser, the Navy's "Miracle" laser and the complete elimination of funds for the Air Force's airborne laser laboratory (ALL) will set back that effort by several years.

What is more, the reductions proposed by Senator WALLOP's amendment replicate cuts made by the House Armed Services Committee. If the amendment were to be adopted, there would be no possibility of providing appropriate funding authority in conference for these promising research and development activities.

I also believe that it is ill advised for the Senate to recommend the transfer of assigned responsibility for development of specific space laser components or integration thereof to any agency at this time. It is impossible, in my view, to separate out the very significant technological and programmatic questions under review by the Fletcher Commission from the related issue of the optimal bureaucratic and resource management structure for implementing the President's program once it has been defined.

For these reasons, I urge my colleagues to reject the Wallop amendment. Let us be clear on one point: In so doing, we are not making a judgment on the technological or management approach advocated by the distinguished Senator from Wyoming. Rather, we are simply affording an opportunity for the President's Commission to perform its assigned task of assessing and recommending the optimal course or courses of action which we, as a nation, should pursue in this arena.

To do otherwise would be irresponsible and could well be counterproductive to the effort to realize the goal articulated by President Reagan of an improved strategic defensive posture—a goal which I fully support.

Mr. President, reference has been made to a letter by Secretary Ambrose, the Under Secretary of the Army. I would like to read a subsequent letter from him.

DEAR MR. CHAIRMAN: I have recently responded to a question regarding space laser technology and its applicability to the Army's Ballistic Missile Defense (BMD) research and development program. My answer, based on BMD's extensive experience over two decades in radar terminal defense and exoatmospheric optical systems, was that this organization would appear to be suitable to perform, as assigned, the development of any future strategic defense system.

As you know, the Department of Defense is currently conducting an extensive study on the future direction of strategic defense efforts in this area. Pending completion of these studies, it is not possible to make an assessment of the relative merits of assigning such programs to BMD vs. other alternatives, or the degree to which acceleration of an unspecified program could be accomplished by BMD or any other organization. My previous response to specific questions on the capability of the Army's BMD organization was not intended to state an official Army position on the merits of the several alternatives which may result from the

ongoing studies. There can be no official Army position until these studies have been completed and a specific plan approved.

Mr. President, let me again emphasize the fact that failure to adopt the amendment of the Senator from Wyoming will not prejudice what he wants to do. We could still do that in the future. We could do it in next year's authorization bill.

But, on the other hand, adoption of the amendment of the Senator from Wyoming would prejudice existing programs which are very progressive programs and it would prejudge the issue of how these programs should be managed. It would foreclose the President in exercising certain options that might flow from the Fletcher Commission report. It is only prudent that we await the outcome of that report and then act.

Again, let me emphasize that defeat of this amendment will not prejudice the position of the Senator from Wyoming, but acceptance of the amendment would prejudice ongoing programs and an ongoing study.

Let us understand the scientific community is not in complete agreement. I do not think that we have the technical expertise here on the floor of the Senate to side with one element of that community or another. I do not think we can do that.

This matter was carefully considered by the Armed Services Committee. We do have a balanced program. I hope that the Armed Services Committee will be sustained on this issue.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, reluctantly, I must rise in opposition to my distinguished colleague and good friend from the State of Wyoming.

As chairman of the Strategic and Theater Nuclear Forces Subcommittee of the Committee on Armed Services, which has within its jurisdiction responsibility for strategic defense systems, I must advise the Senate that it would be most ill-advised to undertake at this time the action recommended by the Wallop amendment.

The subcommittee in two separate sessions earlier this year took testimony concerning the technology and policy issues involved in the development and deployment of an advanced strategic defense system. Of particular interest, of course, in our deliberations was the President's policy address of March 23, 1983, in which he embraced the realization of such a concept as a personal and national priority.

Based upon the record we have compiled, I can tell my colleagues that the bringing to fruition of the President's vision will be no minor undertaking. A range of technologies currently exist or are under development which could be utilized as a component of a high technology ballistic missile defense system. Based upon our subcommittee's records, I can safely say that choosing between and among the various options available is a matter that requires significant technical competence and considered decisionmaking.

Fortunately, subsequent to his March address to the Nation, President Reagan chartered a distinguished group of technicians, scientists, and engineers chaired by Dr. James Fletcher to conduct such a thoughtful and detailed review of the various options available. This panel has been given until October 1983, to conduct its assessment and to report to the President. Based upon the oversight of this area performed by the Strategic and Theater Nuclear Forces Subcommittee to date, I strongly support the work of the Fletcher Commission and feel obliged to counsel my colleagues against taking precipitous action at this time designed to select, prior to the Commission's report, a particular technology and direct rather draconian reorganizations in management of this program.

Mr. President, in conclusion, let me say to my colleagues that ample opportunity will be available to the Senate to consider in detail the findings and recommendations of the Fletcher Commission. It may well be that subsequent to submission of that panel's report the President and the Senate will wish to pursue precisely the course of action being advocated by my good friend from Wyoming. I believe, however, until such considered expert judgments on these complex issues are available to the Senate, we should defer action—without prejudice—of the nature proposed by Senator WALLOP in the pending amendment.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, first I would like to compliment my colleague from the neighboring State of Wyoming and just say to my colleagues that one thing that the Senator from Wyoming did not say was the fact that he probably has spent more time than anyone on this issue, or as much, anyway, in in-depth studies, to find out what the technological possibilities are for laser beam technology, if it can, in fact, be used to successfully provide for defense instead of always coming out with we always have to build a bigger and better blast.

We are talking about some way from the moral standpoint where we can actually have a system that sets about to save lives instead of mutual assured destruction, or the MAD policy, to try to deter war.

I compliment Senator WALLOP on that.

I know Senator WALLOP has spent many weeks in traveling to different places, like Los Alamos and other places, to study what is available, and he made that information available to many of us. I thank him for doing that.

Mr. President, I mentioned the fact of the moral issue. I think this subject addresses directly to the same general theory of defense that many people are very aware of, the advocacy by many people in this Chamber of the high frontier project which has been so widely talked about by General Graham and others. This happens to be chemical laser technology that Senator WALLOP is talking about.

From a moral standpoint, we are talking about an attitude that the United States is going to be able to come up with a system that can actually defend people and save lives instead of having the solution be that we are going to use the threat or deterrence of blowing up more people.

Mr. President, most Americans are surprised to learn that while the U.S. Government has been spending money for every imaginable offensive military purpose, it has consciously decided to do nothing to prevent Soviet ballistic missiles from hitting any targets in the United States that Soviet leaders might choose. If you visit the headquarters for the defense of North America (NORAD), inside Cheyenne Mountain, you are treated to a sobering simulation of Soviet attack. Our infrared satellites which stare at the Soviet Union from an altitude of 22,000 miles, see the Soviet missiles' exhaust. The ballistic missile early warning radars see the cloud of warheads and decoys in midcourse. As the minutes pass, awesome and accurate predictions are made of which targets the missiles will hit.

Invariably the visitors will ask at which point the U.S. Government will shoot down these engines of destruction. They are shocked to hear that the U.S. Government intends to do no such thing. Rather, by threatening to devastate the Soviet Union, even as we are devastated, the U.S. Government hopes by threatening, to avoid war.

Obviously, this hope provides no comfort at all once the Soviets have decided for whatever reason, to attack. Normal human beings instinctively feel there is something wrong with relying for their safety on hopes concerning their enemy's state of mind. That is what we are doing today. They also instinctively recoil from acts of destruction which are clearly unrelated to their own protection.

That is why President Reagan on March 23 boldy told the country that, henceforth, the U.S. Government would try to intercept any missile the Soviets sent our way. This is a philosophy that I have urged for several years, but it will involve a basic change in attitudes even more than change in weaponry.

The notion that any reasonable defense is impossible and that defensive systems are destabilizing is wrong and ill-founded. Since the mid-1960's, we have lived under a unilateral assumption, as I said earlier, called mutual assured destruction (MAD). Under this assumption, we built enough nuclear weapons to threaten destruction of Soviet cities, and assumed that as the Soviets built their strategic arsenal, they would only try to achieve equality in destructive power. Our military and civilian bureaucrats who thought this up were so sure that this threat would bring perpetual peace that they chose to leave the American people, our industrial centers, and our military installations defenseless against any form of nuclear attack.

But to the surprise of only those who failed to read Soviet military literature and who failed to study the characteristics of their weapons, the Soviets have constructed a massive arsenal designed to fight and win a nuclear war. With but one-fifth of their ICBM force they can now destroy the vast majority of our land-based ICBM's and bombers, plus that half of our missile submarines which is in port at any given time. The remaining Soviet missile force is then availale for blackmail. Of course, the Soviets have built a nationwide infrastructure for ground-based ballistic missile defense, and are building space lasers. Their program is three to five times the size of ours, and is oriented toward early results.

Our doctrine of MAD and our Forces designed to implement it, simply cannot cope with this threat. After a Soviet first strike no rational human being, certainly no President, could or would use our remaining anticity forces. Why should he? Such forces, if used, would not in any way diminish the Soviet's ability to do us further harm. If we were to use our remaining missiles, we would only make certain our own destruction. This situation is intolerable because it invites greater Soviet boldness in international affairs and because it continues to lower the price to the Soviets of military aggression. Moreover, it is unnecessary.

HOW WE CAN OVERCOME OUR STRATEGIC PREDICAMENT

This situation is unnecessary because it is now possible for the United States to build weapons and adopt strategies that will give the American people real hope of physical safety, and of overturning the present unfavorable strategic balance. This is what the President was talking about. The technology is available for doing this.

BUREAUCRATIC OBSTACLES

But even though the President has spoken, it is by no means certain that anything very new or different will happen. Note that the President of the United States, in order to speak on this subject, had to overrule his senior officials for military R&D, Richard De Lauer and Robert Cooper. The R&D bureaucracy will soon propose that we spend about a half billion dollars more than we are now spending vaguely in the field of directed energy weapons. This is being touted as a 20- to 30-year R&D effort. It is emphatically not now oriented to producing any actual device to protect us from Soviet ballistic missiles. Anything and everything will be done—except building protective weapons. It is R&D forever. That is to say, I fear it will be a waste of money.

This is not what the President wanted, but this is what the bureaucracy wants. Why this reticence, this prejudice against actually building defensive weapons?

The bureaucracy's attitude arises mostly from prosaic factors. Many senior officers in the Armed Forces are wary of any new large undertaking because the fear the diversion of funds from current activities. The military bias against new things is anything but new. But history teaches us the sad fate of military forces which succumb to that bias. In addition, over the past 15 to 20 years our military R&D establishment has become habituated to spending lots of money in slow-paced projects, the archtype of which is MX. Leaders of the R&D communities simply do not want to risk reputations by trying to produce something quickly. Research without a commitment to an early payoff is attractive to many and threatening to no one—except the country, which pays but does not benefit.

Often, not so prosaic factors also contribute to this bureaucratic attitude. One of those is an outlandish desire to build the perfect weapon which will take care of all problems once and for all. There really is no excuse for this attitude. It has cost this country dearly. While we debated about the perfect follow on for the Minuteman missile, the Soviets have built a forth and are well on the road to a fifth generation of missiles which do the job of MX better than MX. We have also seen the Soviets add new defensive systems—the SA-12 dual-purpose missile and the ABMX-3 transportable antimissile systems—while improving old ones. The so-called Moscow ABM system now bears no resemblance to the crude installation we first saw in the 1960's. The Soviets do what they can with what they have. More to the point, they achieve significant results. In the field of lasers, the Soviets are clearly trying to put a system into orbit as quickly as possible.

The New York Times has quoted a national intelligence estimate to the effect that the Soviets will test a laser weapon in orbit in the mid-1980's. Clearly, we cannot afford to wait for the one perfect laser while the Soviets add a defensive monopoly to their already impressive offensive superiority.

Finally, and most importantly, bureaucratic reticence comes from a residual attachment to the theory of mutual assured destruction. This commitment has led us to a contrived vulnerability which today fuels the campaigns for nuclear disarmament.

All of this is to say that left to its own devices the bureaucracy will not do the right thing. If the Congress wants to see defensive weapons built in this generation it will have to take matters into its own hands and order that it be done.

I do not like to come in here and take a position in opposition to our good chairman, Senator WARNER, and others who have worked on this because I generally agree with what they are saying. But in my opinion, if they leave the bureaucracy to its own devices—and the military bureaucracy is very similar to other forms of bureaucracy in this town—we will be waiting and waiting and waiting.

I have been talking about this for years and we still have never seen anything done with all these billions of dollars.

What we are trying to say now is to make a positive statement that we want a defense apparatus built for the United States of America using the technology that we know we have.

I think if Congress ever wants to see this system built, we have to speak to the issue now. I compliment the Senator from Wyoming for bringing this issue to the floor. I urge all my colleagues to cast a vote in favor of the Senator's amendment. I think that that vote will be one that will stand this country in good stead for a long time to come because it is, in fact, a way to avoid some kind of nuclear confrontation that we want to avoid. It is a way to do it in a fashion that will be saving millions and millions of lives of human beings on the face of this Earth.

Mr. President, I yield the floor.

Mr. HEFLIN. Mr. President, I support the amendment of the destinguished Senator from Wyoming (Mr. WALLOP) to redirect the Nation's space-based laser research for ballistic missile defense.

On April 27 of this year, I spoke on the evolutionary development of strategic defensive systems as a concept whose time has come. Also, in the last Congress, I introduced a bill whose purpose was to establish a mechanism to improve the coordination of the Federal efforts in laser research and technology. I believe that this amendment complements these objectives and I am therefore pleased to express my support for it.

The Army's ballistic missile defense program office has an exemplary record for developing and demonstrat-

ing advanced technologies for defending this Nation against ballistic missiles. It is appropriate that they maintain their charter of ballistic missile defense technology development by continuing the development of conventional BMD technologies while integrating this with the space-based directed energy technologies. This evolutionary approach within one Federal agency will insure the orderly and efficient development of strategic defense systems for defense of this Nation.

We need to step up the pace of research and development on both advanced near-term and long-term ballistic missile defense concepts and this amendment is a step in the right direction. This amendment in no way alters the U.S. policy or intentions with regard to the ABM Treaty and will not be destablizing. I am very encouraged that this amendment will provide the stimulus to fully challenge our Nation's creative scientific capabilities for success and breakthrough as well as our political willingness to seek visionary solutions.

Mr. President, in 1979 and 1980, the Subcommittee on Science, Technology, and Space of the Committee on Commerce held four hearings on laser technology. These hearings were most enlightening to the members of that subcommittee. They were conducted by Senator SCHMITT, who was then in the Senate and, as we know, a former astronaut, a man with a scientific background, and myself. We explored laser technology and its future. It was interesting to see the great potential that lies in laser technology. Laser technology today is being used in many different ways. It is being used as a surgical scalpel to remove cataracts from the human eye; it is being used now in connection with open-heart surgery. Rather than having bypasses, laser beams would clean out areas of blockage. It has vast potential in many and diverse ways.

The subcommittee received testimony from a professor of engineering at the University of Washington, who testifed that it was possible above the cloud layers to have a propulsion system developed by laser technology by which the speed of aircraft could be many times increased. Testimony to the subcommittee also revealed that it will be possible someday to build a propulsion system based upon laser technolgy by which spacecraft could approach the speed of light—which, as we know, is 186,000 miles per second.

It is rather mindboggling to think what laser technology offers for the future. It may provide for a scientific revolution that can change the lives of every human being on Earth. It can mean that there will be interplanetary exploration beyond the present vision of mankind. It is a technology that is developing and developing fast. While there is some controversy as to how fast it can develop, there is general acceptance that there exists basic knowledge of laser technology that can prove that it can have many types of application.

Testimony was also received in a classified manner, which I am not allowed to reveal, but I urge every Senator to have a briefing on laser technology and its future; have, also, a briefing on where Russia is in regard to laser technology and how far ahead of the United States Russia is in regard to laser technology.

I also think it is very important that each Senator receive a briefing on ballistic missile defense and to explore where Russia is today on ballistic missile defense and how far ahead of us they are in this regard.

Last Congress I introduced a bill, in which I called for a national laser institute designed primarily to bring about coordination in the area of laser technology that is now being undertaken by our various Government agencies. There is laser research and development and application of that technology taking place in the Army, in the Air Force, in the Navy, or in the Department of Defense, in the Department of Energy, and in NASA. All of these need coordination. I think that the step that Senator WALLOP has taken here is a good step in that direction. It will help to coordinate and to fix a responsibility within the Ballistic Missile Defense Organization or research and development of space based laser weapons. It will start research where we need it, with a direction which the President has previously articulated and which has been referred to several times in the speeches today. I think that this is a step that is needed.

We can sit around and not take the proper steps and, one of these days, find that a new technology is developed that we will be extremely fearful of. One of the reasons, I think, that today, we have at least military equality with Russia is that we have some weapons of sophisticated high technology that they do not have and that they are fearful of. They are fearful of the deployment of these weapons. We could be put into a situation where we would look back and say, "Well, we wanted to study it further." I think the time has come for us to move on this.

There may be various and sundry things that we will have to do. I do not really see that this amendment is in competition with the study commission that is pursuing the area of laser weapons. It seems to me that with this move forward—it takes a while to get started—it can dovetail in and be coordinated with the studies.

But laser is with us. The Russians are very cognizant of it. Unless we set a goal, as the Wallop amendment sets and as the President's speech in March set, we could be way behind, further behind than we are today. I think it is a message that needs to be sent to the Executive—let us expedite your studies but let us move forward. Sometimes the Executive is slower than Congress. Sometimes they get bogged down in all of the details and distinctions on distinctions on distinctions that the scientific community may make.

So I urge the Senate to act favorably on the Wallop amendment and let the world know that the President was not just speaking about a fanciful dream into the future but, instead, about putting the United States in the forefront of the laser technology revolution that is upon us.

It may well be that laser weapons will be extremely expensive in the future. It may be a reason why we should pursue an arms limitation treaty. Weapons of high technology can cost billions and can cost trillions, but I think it is to our advantage that through vigorous research and development we have the technology available, and at the same time to pursue an arms limitation treaty concerning weapons of high technology that we may see in the not too distinct future, certainly in the next 5, 10, 15, and 20 years.

I think that the Wallop movement is a forward step and that we ought to support it because of its concept, where we are today, where the Russians are today, and with the hope that an arms limitation treaty can be developed and we can bargain on a basis of strength rather than from any position of weakness in the future.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. I will not be long, but I think there are some things that need to be said in response to the chairman's remarks and those of the Senator from Virginia.

Let us begin with the Fletcher Commission words, almost the words of a poet: A commission is a commission is a commission. The standard way to do nothing in this world is to have yet another study. But given the fact that this Commission is underway, it has been Dr. Ikle's position—and nothing in this amendment and nothing we seek to do would harm either the conclusions of that Commission or the course on which it is underway—the Commission's indications early are that they are going to recommend R&D forever; another way to do nothing.

In the Aviation Week article appears the following statement, and that is:

> The study team told aerospace companies that emphasis should be on fundamental technology limits rather than dwelling on present day engineering limitations which are not likely to be relevant in the future.

"Keep in mind that we are charged with developing a long-term, 20 to 30 years, research program," the panel said. It added that:

It is interested in the * * * weapons technology.

"The charter of the panel tends to ordain the outcome of the research program," a Defense Department official said. The tone of its approach to industry is research forever making a lifetime career out of research and development.

Mr. President, the Constitution of the United States charges Congress with a very specific duty. Article I, section 8:

Congress' job is to raise and support armies, and to make rules for the Government and regulation of the land and naval forces.

That means it is our job to shape the tool that the President will wield.

One of the best things that this country's defense possesses is the nuclear submarine. The Congress of the United States, taking hold of its vision of the future and its desire to protect the people of the United States, told the navy to build it. It is now one of the bulwarks of this Nation's defense. These are technologies that are ripe for integration and I would not be recommending them were they not.

I regret the words of Dr. Teller and his quote but I had hoped that perhaps the chairman was listening when I said that Dr. Teller was factually wrong when he said these lasers do not have enough power to deal with the mission assigned them. Factually wrong. Dr. Teller wants money for his project, as do others, I have recommended in my remarks and in my amendment funds be directed to that, but it is not ready now. Must this country sit by while we do nothing with a commission form of government that cannot make up our minds?

I mentioned Dr. Ikle's statement that this amendment would fit right into any conclusions that that study came up with. I have talked with the President of the United States. He is not against this amendment. What we have in the letter from the Secretary of the Army that was read is not an administration position. It is a letter that says it is not possible for them to focus at this time. The word more clearly used in the English language is that they "may" not focus at this time. Of course, it is possible.

Now, I did not quote the letter from Under Secretary Ambrose with the idea in mind of the Army's endorsement. I merely posed the question, could the Army do it? Do they have the command structure? The answer is clear and unequivocal. Yes, they do.

I did not claim an official position for the Army. I did not claim an official position for the administration because there is none, neither for nor against this amendment.

The point really comes down to are we going to do something and can we do something in our wisdom with the information that we have. My answer is "Yes."

Now, the Senator from Texas made the point that the sources of funds devastate the R&D accounts of the various services and the Defense Agency. In point of fact, in my opening remarks I said that specifically we do not touch the funds of any program. What we do is reduce those spending amounts by amounts that correspond with spending programs but there is nothing that would direct the Army, the Navy or the Air Force to take them out of those programs if they feel there is a higher priority. But let us take them specifically.

The Army's $12.5 million corresponds to a laser program cut already made by the House.

The Navy's nearly $70 million corresponds to the Navy chemical laser program. This has been an excellent program, of great benefit to this country. We could not have the Alpha laser had we not had this. But the Navy has done its job, and we would not learn anything significant from it we will not learn from Alpha.

The Air Force's $43 million corresponds to the airborne laser process that perhaps should never have been started. It is without strategic or tactical usefulness. It is not a useful learning vehicle.

The other $23 million corresponds to the advanced radiation technology program, which is ancillary to the airborne laser lab. This includes some of the activities of the Air Force's weapons lab, such as weapons vulnerability to laser radiation, which would be funded under my amendment, and it is essentially a transfer of functions.

Cuts of $36 million from the Air Force's Space Laser Technology Office and $147.1 million from DARPA triad are simply transfers. Nothing in my amendment obliges the services to cut those programs if their priority dictates otherwise. I propose cutting amounts, not programs.

Senator TOWER says that failing to adopt my amendment will not prejudice at a later date, and I find that welcome news, but it prejudices the present safety of the American people by whatever length of time we delay.

He says that the adoption of it would prejudice existing programs. I have just spoken to that issue, and I do not believe it would. The amendment is looked to in detail.

So, Mr. President, I believe that this is a serious effort to do a serious thing for the American people that needs to be done. The high talk against it is never, never, never directed toward the technical capabilities, because they know if they do that, the argument falls. It is directed to a bureaucratic transfer of energies to do anything but something, to research and develop forever, while this country goes less and less protected.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Mr. President, I should like to speak on this issue because I think the amendment is a unique amendment, in the sense that it is probably the only issue that has ever come along in which Hans Bethe and Edward Teller agree. They both agree that this is hogwash. Something that unites those two polar opposites deserves a lot of attention. When you get Bethe, Teller, and Weisner to agree that this is not the way to go, it tells us something.

I can understand why someone would like this amendment to be adopted because it affects his State, and I have no problem with that; but I have a problem with the argument that this represents a technological nirvana that is going to save the United States. Let me speak to particular elements of that.

First of all, it was stated in the debate that the Soviets are going to test their comparable system in the mid 1980's I make reference to the report put out by the Department of Defense this year that refers to potential testing in the mid to lat 1980's and early 1990's. The latter date was never mentioned by the distinguished Senator from Wyoming.

If you look at it carefully, what they are talking about is not an antiballistic missile system. They are talking about an antisatellite system. There is an order of magnitude different in the difficulty of knocking out a moving missile rather than an orbiting satellite. I make reference to page 68 of the report entitled "Soviet Military Power," put out by the Defense Department this year.

So let us not scare people by implying that the testing that the Soviets may or may not do is against ballistic missiles. It is not. It is against satellites. I think it takes nothing more than a third-grade education in mathematics to understand the difference between knocking out a moving ballistic missile and an orbiting satellite. That is No. 1.

No. 2, we are talking about a 10-meter mirror. Before anybody becomes too excited about how effective such a mirror can be, let me point out one of the problems.

If you are going to hit a mirror with a laser, that mirror has to be flawless; because if you have any imperfections in that mirror, the laser does to the mirror what it is supposed to do to the missile. You have a couple of problems with that.

One, there is no way you can legislate micrometeorites away from the system. We could pass a sense of Congress resolution that meteors shall not hit the mirror because we intend it to be flawless. Unfortunately, the cosmos is unlikely to agree to that. So any micrometeorite that hits the mirror raises the possibility that the laser will destroy the mirror.

No. 2, there is no such thing as a 30-foot or a 10-meter Space Shuttle. You have to take the mirror up in sections, which means that our astronauts will have to assemble the mirror up there, which raises the concerns of size and the seam. If the laser hits the seam, you have the same problem in which the laser would destroy the seam and therefore the mirror. So, technically and theoretically, the system becomes less intriguing as one gets into the mechanics of it.

The third major problem is one of the psychology. Let us picture a situation.

The evil empire referred to by some as the Soviet Union decides that they are going to attack the United States, and we have adopted this amendment. We have in space 25 or 24, or whatever, of these marvelous systems that are going to knock out all the Soviet missile forces.

Put yourself in the position of a Soveit military planner. Your whole strategy to knock out the United States is thwarted by the 25 chemical laser systems in space. What are you going to do?

Any halfwit could figure out that what they are going to do is knock out the laser systems. You are not going to send a thousand missiles flying that could be knocked out, when all you have to do is send out 25 satellite weapons to co-orbit with our systems and simply knock them out. So before you fire your ICBM's you simply knock out the satellites. So much for defense.

Third, let us say that the Soviets were not bright enough to figure that out. What they could do, since these systems require the use of chemicals, is simply to send up SS-20's with dummy warheads. The lasers would shoot down—theoretically, anyway—the SS-20's and use up their chemicals. Once that is done, off go the ICBM's. I suppose we could also refuel, and that would take only about a month or so. If there is anything left of the world by then, I am sure the lasers would be very effective.

These are the kinds of reasons that caused Bethe and Teller to join forces in opposition. I think it is fascinating that two of the most eminent scientists in the United States, who are in absolute disagreement on virtually every issue that I have heard of, could unite in this area and say that this system does not work. Teller, who is the so-called father of the "Star Wars" love affair, says that the problem with the chemical lasers is that they are far more expensive than the counterequipment that would be necessary and he is very negative in moving in this direction.

I am not a physicist, but when Weisner, Bethe, and Teller move in one direction, as does virtually everybody else, it should give us pause.

The other argument is obvious, that we are putting our eggs into one basket. The argument is made this is not going to cost anything. We take it out of other programs but it does not hurt other programs. That would be a unique precedent, that we ravage other programs but we do not affect them.

I think the flaw in that argument is obvious, and I think even those of us who are not enamored with the Star Wars scenario would be far more comfortable with the United States at least doing the research and development in various options and not putting our eggs in one basket, a basket that has been denigrated by virtually every eminent scientist at least I am aware of.

So I think not only is the alternative of chemical lasers not workable but it also harms the people we are here to protect in this country by limiting their options by definition of allocating resources away from the other programs.

The final point I would make is this: Putting the systems into space is a very difficult task just in sheer and mere tonnage, with the problem of leakage, and so forth and so on.

Since the orbit we would be talking about is not geosynchronous, it means by definition you need far more systems in space than your theoretical capacity to knock out the missiles.

If we accept the argument, which I do not, but let us accept it for the sake of argument, that you could knock out 125 missiles per weapon, and that means you could knock out 1,000 missiles per 8 weapons, then you would have to figure out how these weapons would be put into space. They are not geosynchronous and something like 24,000 miles up. These systems would simply be circling the Earth, phasing in and phasing out of the capacity to affect the Soviets missiles firing up at them, so many more than eight are needed.

Remember, these things have to hit the Soviet missiles before they MIRV, which limits their capacity to affect any kind of defense.

So for all these reasons, I think the amendment raises the serious hope that there is a Star Wars answer to our problems, and I do not think that is true. But even if you accept that scenario, this is the last alternative that you would want to embrace prematurely, and I think the principal requirement of judgment is to let the Commission work its will as the Senator from Texas has suggested.

I would like to associate myself with the remarks of the distinguished chairman of the committee. I thank the Chair.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from California.

Mr. WILSON. Mr. President, I rise to first commend my friend from Wyoming. I think he deserves the thanks of all of us on this floor, and all of those whom we represent.

I share his concern and that expressed by the Senator from Alabama that the United States not suffer a disadvantage. Space laser technology is applied to ballistic defense. It is critical we not do so. We are in his debt for focusing attention on this problem.

However, I think it is clear that the chairman of this committee, the distinguished manager of the bill, the Senator from Texas, not only shares that concern, he has been a leader, as has the Senator from Virginia, in seeing to it that in virtually every line of defense the United States suffers no disadvantage.

Our quarrel with this amendment is simply in its timing. It may very well be that the panel is due to report to the President on October 1, the Fletcher panel, will recommend precisely the route the Senator from Wyoming proposes. This is late July, almost August. That report is due October 1. Upon that report this body will conduct deliberations that will lead us into the next steps necessary to assure that we do not suffer the disadvantage feared by the Senator from Wyoming.

I would simply say that I agree we cannot afford to be in a lesser position in bargaining power, and we may very well wind up in support of precisely the reorganization he is now proposing. I would only suggest we are slightly premature. His concern certainly is not premature, and I commend him for that.

I thank him for it, but I would agree we should await the October 1 report of the Fletcher panel and not at this point reduce funding for other programs upon which I think we are agreed there is a need.

So with that I will assure him that he has not only my thanks, he has my attention, and he will continue to have it. We may very well be back on this floor shortly engaged in this same discussion. But at this time, for the present, I will follow the chairman and the chairman of the subcommittee, the Senator from Texas and the Senator from Virginia.

Mr. WALLOP. Mr. President, I will not be long in summarizing and countering some of these arguments.

I regret my friend from California's decision because if his quarrel were only with the timing then he should listen to Dr. Iklé, who says that there is nothing in my amendment which would be offensive to any of the findings that the Fletcher Commission may come out with.

Let me talk to my friend from Massachusetts for just a minute. First of all, he misquotes me. I did not say that the Soviets would have a laser in orbit. I said the New York Times reported that.

Second, I would say to the Senator he is dead, dead, dead wrong if he thinks this is solely an antisatellite system that the Soviets may orbit. Just look at the command under which that system is placed. Is the Senator aware of what the command is? It is P.V.O. Strany, whose mission is BMD, ballistic-missile defense.

The Senator speaks of mirrors. A representative of the Kodak Corp. told me we could order a segmented mirror, and they could build it. The only question would be the volume and number of mirrors. That is the only complication.

He worries about the little objects, meteorites, in space. I think those worries are misplaced as has been countered by any scientist who has studied it.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. WALLOP. Yes.

Mr. TSONGAS. Did the gentleman from Kodak indicate the mirrors they can supply to the United States that they could withstand the impact of the lasers and of meteorites?

Mr. WALLOP. Absolutely.

Mr. TSONGAS. He will guarantee to us the mirror will work?

Mr. WALLOP. I will guarantee it. I will pass on the guarantee that I have been given. They are the ones who are going to build it.

Mr. TSONGAS. Can you give me the names so that we can have those people——

Mr. WALLOP. ITEK would substantiate it as well as their contracts.

Mr. TSONGAS. I am sure that just because they told the Senator their judgment would not necessarily mean it is valid.

Mr. WALLOP. Let me suggest that both Dr. Teller and Dr. Cooper are entitled to their own beliefs. But their facts happen to be influenced more by their beliefs than reality. Dr. Teller's statement is wrong when he says they are not powerful enough, just plainly wrong. I do not know what more to say about it. I admire the man, but in this instance he just is not right.

I would say to the Senator, too, and the Senate as well, why should we, the United States, oblige the Soviet planners? Why should we make their life easier? How many SS-20's do you think they would be willing to sacrifice to use up all that we could have? It would take 12,500 SS-20's to foil such a system. That is a great sacrifice and probably would put us in a better situation than we are in anyway, and we can enforce a keep-out zone.

Mr. TSONGAS. Mr. President, if the Senator will yield at that point, the Teller argument is that it would be cheaper for the Soviets to counter this system by putting up coorbital satellites to simply destroy them, that was his argument.

Mr. WALLOP. We can enforce a keep-out zone clearly easily. If the thing can shoot down a ballistic missile rising before it occurs, it clearly can shoot down something that is approaching it as coorbital.

The defense arguments clearly have been made by the defense contractor, and the Defense Department, if the Senator wants to know——

Mr. TSONGAS. Let us pursue that option. If the Soviets put up a coorbital satellite whose function is to destroy, explode and destroy, the mirror can simply follow for a considerable period of time. Is the Senator saying as soon as the Soviet satellite approaches the mirror we are going to shoot it down?

Mr. WALLOP. Shoot down from an area in the first place, enforce the keep-out zone.

Mr. TSONGAS. How do you shoot it down?

Mr. WALLOP. You shoot it down before it approaches it, and enforce the keep-out zone.

Mr. TSONGAS. You would shoot down the Soviet satellite without knowing what its intent would be? That is an interesting version.

Mr. WALLOP. Mr. President, I and I believe others who have studied this more than from the perspective of the Department of Defense bureaucracy—not all in the Department of Defense because there are significant numbers of people in there who clearly subscribe to the notion I do—are comfortable that these things are defensible.

● Mr. KENNEDY. Mr. President, in March of this year, President Reagan called his proposal for a space-based weapon system "a vision of the future which offers hope." This is not a vision; it is a mirage. And far from offering hope, the President's proposal is a certain prescription for an arms race in outer space.

The picture conjured up by the President is so reassuring that it is a shame to spoil it with facts. But there are three very serious flaws in the President's proposal.

First, and foremost, a space-based system would be physically impossible to develop. We cannot overcome the technical reality that inexpensive offensive nuclear weapons can eventually overwhelm any defense. Given this inescapable fact, the president's plan is irresponsible because it offers false hopes for certain security. Dr. Jack P. Ruina, an MIT professor who has served on weapons panels for over 25 years concludes that there is zero promise for this system right now. To mislead and misguide the public on so important an issue is a tragedy.

Second, the President is dangerously close to opening a whole new chapter in the nuclear arms race. The enormously expensive weapons envisioned by this scheme should be outlawed, not rushed through to development. It does not take an Isaac Newton to understand that the first law of the nuclear arms race is that for every action there is an equal and opposite reaction. This star wars plan would be no exception. The Soviets would match us laser for laser, particle beam for particle beam. The predictable result of this science-fiction fantasy would be waste and broken promises of a perfect defense that could never be achieved.

Third, Mr. Reagan's space-based defense strategy is irresponsible because it undermines the basic principle of nuclear deterrence upon which the nuclear balance has rested for over 30 years. By creating the illusion that one nation might be invulnerable to attack it might give that nation the false confidence that it could launch a first strike without fear of retaliation. Dr. Wolfgang Panofsky, the director of the Stanford linear accelerator, has argued that the Presidential intitiative is ill advised because—

> Should a secure defense umbrella against nuclear weapons over the entire country be accepted as a realistic concept, then this could support the view that nuclear war fighting under the cover of that umbrella might become acceptable.

In sum, we must reject the preposterous notion of a lone ranger in the sky, firing silver laser bullets and shooting missiles out of the hands of Soviet outlaws. The best defense against nuclear war is arms control that will limit offensive nuclear arsenals and ban fantastic and illusory schemes for ballistic missile defense. I urge my colleagues to join the distinguished chairman of the Armed Services Committee and reject this amendment.●

● Mr. D'AMATO. Mr. President, I support the amendment offered by the distinguished senior Senator from Wyoming. I am pleased to join with him as an original cosponsor of this measure. Largely through his dogged persistence in the face of great odds, we have maintained our national efforts to move from an offensive nuclear balance of terror toward a condition of stable active strategic defense. I commend him for his efforts, which I believe will be recognized in the future as of fundamental historic importance to the preservation of world peace, the

prevention of nuclear war, and the protection of our national security.

This amendment moves $125.84 million from other research and development accounts into an orderly but intensive effort to produce a workable space laser weapons system at an early date. The amendment's authors intend this money to be taken from lower priority laser efforts, though this is not specified in the language of the amendment itself. In light of the President's call for development of an active strategic defense, I believe this amendment is timely and well-designed.

The major importance of this move is to signal the clear beginning of a change in strategic emphasis from offensive strategic nuclear systems toward primarily nonnuclear systems intended to actually defend the citizens and territory of the United States from nuclear attack. Science and technology have advanced to the point at which such a defense is feasible. The sooner we begin, the sooner we will have in operation an active strategic defense which will restore a measure of stability and sanity to the international military balance.

It is vitally important for Americans to realize that we are still suffering from the mistaken strategic doctrine called mutually assured destruction, or "MAD," which was based on the concept that both the United States and the U.S.S.R. would leave their populations undefended against each other's offensive strategic nuclear forces, insuring that any nuclear attack would be the equivalent of a murder/suicide. The difficulty is that the Soviet Union never accepted the basic concept of MAD. They have a working active and passive defense which will greatly limit the damage they would suffer from a U.S. response to a Soviet first strike, We, on the contrary, have a badly flawed remnant of a civil defense system, an air defense system which largely dates from the late 1950's, and no ballistic missile defense at all. As a practical matter, we have almost no ability to limit damage to ourselves in a nuclear exchange.

This situation has had two major consequences. It has placed an overly great emphasis on the development of offensive strategic nuclear system to insure that Soviet military planners remain convinced that no matter how well they may execute a first strike against us, enough of our systems will survive with the proper mix of capabilities to be able to destroy a clearly unacceptably large number of the targets the Soviet leadership values most. It has also fostered a psychological feeling of helplessness among the people of the United States and the western democracies in general. As a natural product of this feeling of being helpless in the face of a civilization ending threat, we find millions of people crying out for an end to the balance of terror.

While I am a strong supporter of our efforts to achieve arms control agreements with the Soviet Union, I believe that we must also be prepared in case these efforts do not succeed. We have it within our power to develop truly defensive systems which destroy only nuclear weapons-carrying missiles and bombers enroute to kill our citizens and devastate our country. The space laser program will not produce weapons of mass destruction which threaten millions of innocent civilians with death and the destruction of their very civilizations. The space laser program will begin the process of ending war on the surface of this planet. It will discourage the further expenditure of scarce resources on offensive strategic nuclear systems. It will encourage the development of space flight.

I am aware of concerns that the development of a space-based antiballistic missile defense would be destabilizing. All of my questions on this subject have not been answered. But they do not need to be answered now. Since actual deployment of such a system is several years away, we have time to negotiate with the Soviets a phased deployment regime which will insure that neither side will gain a decisive but transient advantage which will threaten the other side's fundamental national security interests. Indeed, information in our possession indicates that the Soviet Union has been moving ahead for years on an intensive program to develop directed energy weapons technologies of all sorts, and is itself on the threshold of testing a space laser system. After carefully reviewing Soviet public statements on this subject, I have concluded that they are most interested in restraining our developments in this area while remaining free to press ahead with their own.

The course of action we will be adopting when we approve this amendment is a moral course of action. It is long overdue. It is feasible now because we have the technology to build a system which may not be perfect when it is first deployed, but which will improve over time, as all military systems do. This amendment is a first step in the direction of a comprehensive spacebased active defense against strategic nuclear attack. It will save lives, not take them. It should capture the imagination of the people of the world. It is a bold stroke which, when it is successful, will lift the enormous weight of nuclear terror from the minds of the people of all nations.

In closing, I urge my colleagues to vote for this amendment and take a vital step forward to make our future as a nation secure and to make a beginning of the process which will end the balance of nuclear terror.●

Mr. WALLOP. Mr. President, I think I have made my argument. I can make no more argument than I have made.

I believe the American people are entitled to the protection sought under this amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I want to join with others in commending Senator WALLOP for his continuing interest in the laser systems. I think he has served a useful function year after year when we have considered our authorization bills in bringing this to the attention of many people through the Department of Defense.

Again, I say with complete reluctance that I oppose his amendment. But, in fact, the intent of the amendment is clear. It does ravage existing programs and it does take all programs which contribute to space-based lasers out of DARPA and USAF R&D establishments and puts them into a user command which has the mission to defend against ballistic missiles; that is, the Army BMD program.

Let me simply submit, Mr. President, that operating commands are not organized to effectively conduct research and development. We do not put research and development for any system, even our most strategic systems, into an operating command.

Now, that is a significant reason alone for defeating the amendment of the Senator from Wyoming, along with many others.

Again, I submit that it does foreclose options for the President, and I do not know why we cannot wait until the October 1 report. I think it is prudent to wait until the October 1 report.

Mr. WALLOP. Will my colleague yield for a second?

Mr. TOWER. I yield to my colleague for a question.

Mr. WALLOP. Mr. President, I would just say one other thing in response to the Senator from Massachusetts. Self-defense has never been considered provocative as a matter of national policy.

Mr. TOWER. Mr. President, just to put into the RECORD the position of the administration, I will read into the RECORD a letter from Richard DeLauer, Under Secretary of Defense for Research and Development, to me.

DEAR MR. CHAIRMAN: We have reviewed Senator Wallop's proposed amendment to S. 675 and while we appreciate his view and the support he has given us in the past, we believe that the program he is advocating is so detailed that it might preempt the recommendations of the Defense Technologies Study Group to the Secretary of Defense, and in turn, Mr. Weinberger's recommendations to the President.

As you and Senator Wallop are aware, the President's initiative is one that will be placing greater emphasis on advanced technology for ballistic missile defense, an initiative Senator Wallop has been advocating for some time. Accordingly, we must object to the particular language that is being proposed in S. 675.

We suggest that no action to change current space laser programs be taken and request your support of the President's budget request for Directed Energy Programs.

Mr. President, that should be viewed as the administration's position. It reinforces conversations that I have had directly with the White House. It was at the White House insistance that I undertook to actively oppose the amendment of the Senator from Wyoming. I hope ultimately he is proven right, and he may be. But we can address ourselves to that at a later date.

The fact is that if we plunge into this without adequate knowledge of what we are doing and place a great deal of funding into a program that might not live up to its promise, it could ultimately prejudice all of our programs here in the Congress.

Congress has a tendency to lose programs sometimes when a great deal of money is on something that does not turn out as promised by either underfunding the program subsequently or canceling it out altogether. I think that perhaps by trying to force the issue here Senator WALLOP prejudices his own program.

Mr. President, I move to table the amendment of the Senator from Wyoming.

Mr. WALLOP. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER) to table the amendment of the Senator from Wyoming (Mr. WALLOP) the yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I also announce that the Senator from New Mexico (Mr. DOMENICI) is absent due to illness.

Mr. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I further announce that, if present and voting, the Senator from Montana (Mr. MELCHER) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 65, nays 27, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—65

Baucus	Hart	Pressler
Bentsen	Hatfield	Proxmire
Biden	Heinz	Pryor
Bingaman	Huddleston	Quayle
Boschwitz	Inouye	Randolph
Bradley	Jackson	Riegle
Bumpers	Jepsen	Roth
Burdick	Johnston	Sarbanes
Chafee	Kassebaum	Sasser
Chiles	Kennedy	Specter
Cochran	Lautenberg	Stafford
Cohen	Leahy	Stennis
Danforth	Levin	Stevens
DeConcini	Long	Thurmond
Dixon	Lugar	Tower
Dodd	Mathias	Trible
Durenberger	Matsunaga	Tsongas
Eagleton	Metzenbaum	Warner
East	Mitchell	Weicker
Exon	Nunn	Wilson
Gorton	Pell	Zorinsky
Grassley	Percy	

NAYS—27

Abdnor	Garn	Mattingly
Andrews	Hatch	McClure
Armstrong	Hawkins	Moynihan
Boren	Hecht	Murkowski
Byrd	Heflin	Nickles
D'Amato	Helms	Rudman
Denton	Humphrey	Simpson
Dole	Kasten	Symms
Ford	Laxalt	Wallop

NOT VOTING—8

Baker	Glenn	Melcher
Cranston	Goldwater	Packwood
Domenici	Hollings	

So the motion to lay on the table amendment No. 1524 was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. TSONGAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1525

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an amendment numbered 1525.

Mr. TOWER. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senate will be in order. Will Senators please clear the well?

Mr. TOWER. Mr. President, I am sure that the Senate will have an interest in this, so I would suggest we have complete order.

The PRESIDING OFFICER. Will Senators cease all conversation. Will Senators in the well please retire from the well.

Mr. TOWER. Regular order, Mr. President.

The PRESIDING OFFICER. Will Senators please cease all conversation and afford the Senator from Texas the right to be heard.

The Senate is in order.

Mr. TOWER. Mr. President, has the clerk reported the amendment?

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

At the appropriate place in the bill, insert the following:

It is the sense of the Senate that the President's Commission on Strategic Forces, popularly known as the Scowcroft Commission, has rendered an outstanding public service and that its report, comprised of a balanced program of strategic force modernization and arms control initiatives, is a sound blueprint for maintaining effective deterrent and international stability for the future. The Senate endorses the deployment of MX missiles in existing Minuteman silos and the associated authorization of appropriations in this Act as being, under present circumstances, an indispensable component of a sound national security posture.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. TOWER. Mr. President, I have permitted the clerk to read the amendment because I believe it is self-explanatory. It is a sense of the Senate that we endorse the recommendation of the Scowcroft Commission for Strategic Policy relative to deterrence, and it does endorse the deployment of the MX and expresses the sense of the Senate that it is an indispensable component of sound national security policy.

Mr. President, I have a fairly lengthy address to make on this subject. However, I see other Senators seeking the floor. The Senator from Vermont had asked earlier if he could get in. I would be delighted to yield to the Senator from Vermont for 7 minutes if it is understood that I do not lose my right to the floor.

I ask unanimous consent that I may yield to him for 7 minutes for a statement.

Mr. HART. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. TOWER. I am sorry, I say to the Senator from Vermont, but the objection is heard on his side of the House. Therefore, I will make a few remarks.

Mr. President, I hope that we can bring this to an early vote. I would be prepared to vote on it at a time certain this evening. I would be prepared to limit debate 1 hour to a side, 2 hours to a side, and not much more than that. Of course, amendments may be offered to this and votes could occur on amendments to the amendment that I have submitted.

In that we have not had the opportunity really to debate an amendment—incidentally, I will not move to table my own amendment in this in-

stance. Therefore, it will be out here for Senators to address themselves to. I think it can set us off on the debate that should have actually occurred before now.

Mr. President, I strongly support the MX peacekeeper program. We have debated this program on numerous previous occasions, and I think we are all familiar with the arguments. Nonetheless, because of the determination of the opponents of the MX to obfuscate the issues involved, I feel obliged to challenge once again several of the most popular arguments which, while refutable, continue to be put forward by this program's opponents.

First of all, let me once again try to dispel the notion that the MX provides the United States with a first-strike capability. There is no magic as to what constitutes a first-strike capability. To have a first-strike capability, we must have sufficient numbers of weapons with the necessary characteristics—characteristics such as short flight times and the requisite combination of yield and accuracy—to give exceptionally high confidence that a preemptive attack would effectively disarm your opponent.

Mr. President, this is a matter of arithmetic. How many weapons with the necessary capability do you have? How many targets do you need to attack to achieve your objective?

To conduct such an assessment, you must have access to highly classified analyses that lay out the range of targets and detailed calculations about the types and quantities of weapons required to destroy them.

Unfortunately, it is not possible to discuss such data in public session. The Senate Armed Services Committee's Subcommittee on Strategic and Theater Nuclear Forces, however, had an in-depth hearing on this matter earlier this year in which information of this nature was carefully reviewed. On the basis of this information, I can say quite confidently that the introduction of 100 MX missiles into our inventory will not provide the United States the kind of capability needed for a first strike against the Soviet Union.

Aside from the numbers involved, there is a much more fundamental answer to this allegation. The United States does not seek a first-strike capability. We possess nuclear weapons to maintain peace and defend freedom through a strategy of deterrence. Deterrence is a defensive strategy. We have no operational plans to launch a first strike and never will. It is against our nature as a people.

As a matter of fact, the fact that it is against our nature has been well-proven when at a time we possessed a nuclear monopoly we did not launch a preemptive war against the Soviet Union, even though we were on many occasions and in many circumstances severely provoked. How can anyone believe that if we would not resort to first strike at a time when we had immeasurable superiority, we would resort to one now when in fact the Soviet intercontinental ballistic missile systems, in terms of numbers, certainly in terms of urgent hard target kill capability, is superior to our own.

The second major argument advanced by the opponents of the MX is that its deployment will be destabilizing. This argument has little merit. The current strategic equation in which the Soviet Union has deployed some 800 modern MIRV'd ICBM's since the United States deployed its last Minuteman III is characterized by instability.

I would like at this time to quote directly from the report of the President's Commission on Strategic Forces:

> The serious imbalance between the Soviets' massive ability to destroy hardened land-based military targets with their ballistic missile force and our lack of such a capability must be redressed promptly. Our ability to assure our allies that we have the capability and will to stand with them, with whatever forces are necessary, if the alliance is threatened by massive conventional, chemical or biological, or limited nuclear attack is in question as long as this imbalance exists. Even before the Soviet leaders, in a grave crisis, considered using the first tank regiment or the first SS-20 missile against NATO, they must be required to face what war would mean to them.
>
> In order to augment what we would hope would be an inherent sense of conservatism and caution on their part, we must have a credible capability for controlled, prompt, limited attack on hard targets ourselves. This capability casts a shadow over the calculus of Soviet risk-taking at any level of confrontation with the West. Consequently, in the interest of the alliance as a whole, we cannot safely permit a situation to continue wherein the Soviets have the capability promptly to destroy a range of hardened military targets and we do not.

The deployment of 100 Peacekeeper missiles will strengthen deterrence by redressing the current Soviet advantage in prompt, hard-target kill capability. This program to redress the current imbalance, and thus to establish a more stable strategic equation, is designed to enhance stability. I wish the opponents of our ICBM modernization program were as concerned about the instability associated with the Soviet acquisition of a bona fide first-strike capability, as they are about our efforts to redress it.

Finally, I should like to address the link between the deployment of the MX and progress toward our arms control objectives. Opponents of the MX tend to belittle the importance of that missile in terms of arms control. Once again let me refer to the text of the report by the distinguished Scowcroft Commission, which clearly and convincingly articulated the link between arms control and an on-going U.S. strategic force modernization program.

> Arms control negotiations—in particular the Soviets' willingness to enter agreements that will enhance stability—are heavily influenced by ongoing programs. The ABM Treaty of 1972, for example, came about only because the United States maintained an ongoing ABM program and indeed made a decision to make a limited deployment. It is illusory to believe that we could obtain a satisfactory agreement with the Soviets limiting ICBM deployments if we unilaterally terminated the only new U.S. ICBM program that could lead to deployment in this decade. Such a termination would effectively communicate to the Soviets that we were unable to neutralize their advantage in multiple-warhead ICBMs.
>
> Abandoning the MX at this time in search of a substitute would jeopardize, not enhance, the likelihood of reaching a stabilizing and equitable agreement. It would also undermine the incentives to the Soviets to change the nature of their own ICBM force and thus the environment most conducive to the deployment of a small missile.

History has repeatedly demonstrated that the Soviets do not enter into arms control out of some benevolent desire for peace. They enter into arms control negotiations when they are convinced that there is a compelling military rationale to do so. My distinguished colleague from Washington, Senator JACKSON, and I were actively involved in the Congressional approval of the U.S. ABM program mentioned by the Commission. I can only reiterate that the Senate's action in support of that program was instrumental in securing Soviet agreement to the ABM treaty.

When I say that Senator JACKSON and I were actively involved, Senator JACKSON carried the brunt of the argument on the ABM, and I had the privilege of turning the charts for him. I have learned a great deal about strategic systems at his feet.

Mr. President, I believe that the arguments advanced by the opponents of the MX lack credibility. The modernization of our land-based missile force is long overdue. The MX missile force in the short term, while a small ICBM could provide, in a modified arms control arena, the promise of long-term survivability for our strategic deterrent. Since our last vote on this program, the first flight test of the MX took place. I am pleased to report that this initial test was extremely successful. We have a system ready for production that has demonstrated its capabilities.

I think it is necessary to reiterate one of the most important findings of the Scowcroft Commission, that is the need for a greater degree of national concensus on these important strategic modernization and arms control issues. In their own words:

> The Commission is particularly mindful of the importance of achieving a greater degree of national consensus with respect to our strategic deployments and arms control.

For the last decade, each successive administration has made proposals for arms control of strategic offensive systems that have become embroiled in political controversy between the executive branch and Congress and between political parties. None has produced a ratified treaty covering such systems or a politically-sustainable strategic modernization program for the U.S. ICBM force. Such a performance, as a nation, has produced neither agreement among ourselves, restraint by the Soviets, nor lasting mutual limitations on strategic offensive weapons.

Mr. President, I believe that we witnessed the first indication of just such an emerging bipartisan consensus on May 25, 1983, when the Senate endorsed the recommendations of the Scowcroft Commission by a vote of 59 to 39, in the interest of restoring strategic stability and thus enhancing the security of our great Nation.

I urge my colleagues to continue to support this program in the context of the totality of the recommendations of the Scowcroft Commission which have been endorsed by the Reagan administration, and incorporated into the pending legislation. I further urge my colleagues to resist amendments which would impair this consensus by undercutting the programs central to it.

I urge the Senate to reinforce the strategic policy of the administration to further endorse the bipartisan approach adopted by the Scowcroft Commission, and to provide our negotiators with additional negotiating leverage by endorsing the amendment I have offered.

Mr. HART addressed the Chair.

The PRESIDING OFFICER (Mr. JEPSEN). The Senator from Colorado.

Mr. HART. Mr. President, I should like to call the attention of the Senate to several facts.

First of all, even after the discussion that evolved with the Senator from Ohio on the floor a day or so ago about recognition, the Senator from Colorado received recognition after the amendment was reported, when the floor was open, and the previous occupant of the chair at that time did not recognize the Senator from Colorado.

So the discussion which the Senator from Ohio, the Senator from Louisiana, the Senator from Maryland, and others had over the question of recognition recurred here today, and I think the record should reflect that.

The rules and precedents of the Senate provide that after an amendment is reported, the floor is open. The recognition does not go back to the Senator moving the amendment.

Second, Mr. President—if I may have the attention of the floor manager—I take note of the fact that, at the request of the distinguished floor manager, the Senator from Texas, it has been my practice, since early last week, to make available to the floor manager amendments offered by the Senator from Colorado, filed at the desk, made available to the committee staff. This is the second time in 2 or 3 days that the Senator from Texas has filed an amendment, without the courtesy of making that amendment available to those opposed to the MX missile.

Third, clearly the Senator from Texas, the floor manager of the bill, is seeking to precipitate a vote on the MX issue before there has in fact been a debate.

The Senator from Texas says it is time for debate on the MX. As he well knows, there has been nothing but cooperation from the opponents of this missile in the terms of the flow of legislation and amendments being offered on this bill. Indeed, there are still pending amendments. Indeed, there are amendments that are pending that will be brought up tomorrow. There has been ample opportunity for anyone wishing to respond to arguments made in opposition to this missile to respond.

Up until this very moment, the only response that has been made on behalf of the MX missile or the Scowcroft Commission report was a rather truncated statement by the Senator from Texas on the occasion of offering the other preemptive amendment on Friday night.

So those opposed to this missile welcome the debate. It would have been nice to have had it scheduled and notice put to those who are opposed. But the Senator from Texas seems for some reason not inclined to do that.

Mr. President, I suggest the absence of a quorum.

Mr. TOWER. Mr. President, will the Senator yield at this point?

Mr. HART. I yield for a question.

Mr. TOWER. Has the Senator from Texas not urged the opponents of the MX to bring up their amendment? Has he not said from time to time that this is what we should get on with, that the longer the bill hangs around the more it occurs to other Senators who might have other amendments to offer them? And did not the Senator from Texas also suggest to the Senator from Colorado that he was prepared to enter into a time agreement? Does the Senator from Colorado recognize that on Friday he was not prepared to give the time agreement to vote any time this week and said that at that time he intended to do anything that he could to prevent the authorization bill passing containing an MX authorization in it? So that leads me to believe the Senator from Colorado is stringing things out.

Mr. HART. The Senator from Texas is only partly correct. The Senator from Texas has indeed asked for a time certain for a vote. The Senator from Texas has indeed said on several occasion that he would like to have votes on the MX issue. But the opponents of the missile have felt that it is in the best interest of this debate to have it whenever time is available and be the principal engagement after other business was taken care of. That seems to be perfectly within the agreement of the floor managers of the bill.

The Senator from Colorado would like to call to the attention of the Senate the fact that at least 2 hours went by this morning with no votes on an amendment where negotiations went on off the floor. Two or three hours went by yesterday on an amendment that passed 91 to 0.

There has been a lot of delay on this bill, but it has not come from the opponents of the MX.

This is a serious question. It deserves serious treatment. It does not deserve to be peremptorily brought forward by the floor manager when other business is pending and without notice to the opponents of the MX missile.

Mr. President, I think when the floor is cleared of other business, when the supporters of the MX missile deployment decision affecting silos are prepared to defend their case we can in fact have that genuine debate. I hope it occurs under circumstances more amenable than this, but whether it does or not depends more on the floor manager than it does on the Senator from Colorado or other Senators.

Mr. President, I suggest the absence of a quorum.

Mr. LEAHY. Mr. President, will the Senator withhold that and yield to me?

Mr. HART. I yield to the Senator without losing, asking unanimous consent that I not lose my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

Mr. TOWER. Mr. President, reserving the right to object, the Senator from Colorado objected when I wanted to do the same thing to accommodate the Senator from Vermont. Let the record show that I will not object to the request of the Senator from Colorado.

Mr. LEAHY. Mr. President, I am delighted no one is objecting.

Mr. HART. Mr. President, I ask unanimous consent that I may yield without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, reserving the right to object and I will not object, what is the request?

Mr. HART. The Senator from Colorado asked unanimous consent to be able to yield to the Senator from Vermont without losing his right to the floor. The request was not ruled on.

Mr. TOWER. For what purpose and for how long?

The PRESIDING OFFICER. The request has been ruled on. The Chair advises the request was stated and it was without objection, so ordered.

Mr. LEAHY. Mr. President, I invite my colleague's attention to the fact that we Vermonters try not to talk too long. I apprise the distinguished minority leader I will not speak for more than about 10 minutes, if no one has any objection to that.

Mr. President, I rise to state my categorical opposition to proceeding with the development and deployment of the MX missile, and I may well indicate my feelings on a particular matter before us in this bill.

If a weapons system could improve with age, or by being debated over and over again, then the MX would be flawless. Unfortunately, this is not the case.

As my friend and colleague from Colorado so eloquently reminded us, we as a nation are at a crossroad. On the one hand, we can continue on our current course, toward a world of counterforce weapons, plans for protracted nuclear conflict, and exotic theories of deterrence. If that is the kind of world we want, we should approve the MX missile. We will find ourselves in a world of fear and instability, where powerful, yet vulnerable weapons will be on hair trigger alert for launch under attack.

On the other hand, we can recognize that to go ahead with the MX would be a mistake almost without parallel in the history of the nuclear arms race. We could turn toward reshaping our strategic force posture to respond to the military realities of the final years of this century and beyond.

Let us set aside our differences and ask: What are the fundamental purposes of the U.S. strategic forces? I believe there are two purposes and only two: First, to deter a deliberate nuclear attack against the United States and our allies; and second, to maintain strategic stability in a crisis. In my judgment, the greatest risk of a nuclear exchange is from fear, miscalculation or an accident during a crisis, rather than from a rational Soviet decision to attack.

I am profoundly convinced there is no other legitimate rationale for nuclear weapons than deterrence and stability.

It is against this conviction that I weigh the case for basing 100 super-accurate, 10 warhead MX missiles in vulnerable Minuteman silos.

With it hard target kill capabilities, and its vulnerability to Soviet missiles, the MX will be the antithesis of strategic stability. Without gaining anything in the credibility of our deterrent, we will dramatically increase the likelihood that the Soviet Union could be frightened into attack in time of acute crisis. Because our leaders will not be confident that the silo-based MX will survive for a second strike, the Soviets can only view it as a first-strike threat to their own land-based missiles. They will conclude that in a deep crisis we will have to use it or lose it.

Let us understand the differences between American and Soviet strategic force structures. We can rely for deterrence on our invulnerable sea-based missiles and bombers, which constitute over 70 percent of U.S. forces. For historical, geographical, and technological reasons, the Soviets are in exactly the reverse situation from what we care. More than two-thirds of their nuclear weapons are on fixed, land-based missiles.

Clearly, the advent of silo-based missile vulnerability, however theoretical—after all, no one has had a way of testing it empirically—will impact far more greatly on the Soviets than on us, especially if we go ahead with a first strike silo killer like the MX—which itself will be vulnerable.

The hard logic of this analysis certainly has not escaped some MX supporters. They have turned to using the President's determination to have this weapon as a way to prod him on arms control. They reason that in order to make the President serious about arms control, we must give him 100 MX missiles in vulnerable silos.

There is no longer even the pretext that the MX will be used for what it was originally intended—that is, to redress the vulnerability in the land-based leg of the strategic triad. When the President first proposed deploying the MX in silos as an interim measure, Congress overwhelmingly rejected it. Now that he has dressed up the same plan again and tied it to some vague and unenforceable promises about more seriousness in arms control, he has managed to stitch together a coalition. . . . a coalition composed of those who appear to believe we really do need this missile and those who seem to think they can use it to bargain with him on arms control.

The President's record of opposition to every arms control agreement ever negotiated, his nonnegotiable proposal in START, and his appointment of arms control opponents to key policy positions gives me no confidence in this bargain.

Some MX supporters argue that it is needed to increase our leverage at the negotiating table. This is an argument I cannot accept. The so-called bargaining chip theory of arms control has a sorry history. One person's bargaining chip turns into someone else's vital system. Once procurement has begun, a major weapons program is almost impossible to stop. Really when you come right down to it, we should only build weapons which enhance deterrence and stability. Only if an agreement warrants, may such weapons safely be given up or reduced.

But, even in the leverage argument, does anyone here really believe the President is serious? According to Ambassador Kenneth Adelman, we will not deploy the 100 MX missiles only if the Soviets will destroy 650 of the most powerful ICBMs.

As I said in a radio speech this past weekend, in Vermont we call that offering to swap a moo for a cow.

Let me say finally, Mr. President, that we are talking about an issue—deterrence and stability—on which there is no room for partisanship. I have repeatedly called for the development of a genuine bipartisan consensus on strategic policy, including modernization and arms control. I have stated in many places, on this floor, in public speeches, in letters to the Scowcroft Commission and to the President himself, that I believe the conditions exist for such a consensus. The basis for it lies in the analysis in the Scowcroft Report, minus its illogical and contradictory conclusions on the MX.

The Scowcroft Commission lucidly outlined the reasons why it is in this country's security interests to eliminate MIRV'd ICBM's. The Senate without the bill before it right now has made it clear that it accepts the analysis of the Commission. No matter how individual Senators vote on the amendment offered by the Senator from Texas to endorse all of the Scowcroft report, including its recommendation to deploy MX, the Senate has said that it accepts the basic analysis of the Commission. That analysis concludes that it is in this country's security interests to eliminate all MIRV'd ICBM's, not to build more. We have accepted that analysis. Not only is the window of vulnerability shut, but the Scowcroft Commission makes clear it was never open at all except in political rhetoric during a Presidential campaign.

We should use the Scowcroft report as the foundation for structuring a realistic arms control proposal to the Soviets. Both sides should agree to begin moving toward a future force of highly survivable, nonthreatening and stabilizing mobile, single-warhead ICBM's.

Even if the Soviets will not agree, we should do this unilaterally. A serious, fully funded, top priority research and development program for this missile should be started immediately. This is an approach which would have my full support.

We do have a path to follow that could strengthen strategic stability and deterrence. Rejecting the MX would be a giant step in this direction. The MX will not make stability and arms control more likely. The effect will be exactly the opposite.

Mr. President, it is distressing for those of us who are so concerned, who want so much to have bilateral, verifi-

able arms control, leading to greater security not only for our country but for the rest of the world, to see another lost opportunity.

I realize, as I stated before, that the President in his career has rejected every arms control agreement ever entered into by Republican or Democratic Presidents. I wonder if it might not be wise for him to ask himself, could it possibly be that not all those Presidents were wrong, but perhaps that he himself may have been wrong? We have to ask ourselves as a Senate how long we can continue to miss arms control opportunities. Every time we miss an opportunity for real arms control, the stakes get greater and greater.

Time does not go backward for us in arms control. Each time we miss an opportunity for real arms control we push ourselves closer to the threshold of the most unimaginable Armageddon. This is something realized by everybody in this country and, I expect, throughout the rest of the world. It is something with which we, as a Senate, must concern ourselves. Because of its critical importance to the future of strategic stability, I am glad we are finally beginning a serious debate on the MX itself.

We have had a week or so of debate on the Department of Defense authorization, but very little, only a tiny fraction, of that time has been spent on the MX. This is tragic because, if we do have an arms control agreement entered into by this or any other President, there are only 100 people in the United States who will get to vote on that treaty. Even though an agreement will affect the lives of 230 million Americans, only 100 Americans will ever get to vote on that treaty, and they are the 100 men and women who serve in this body. We must understand thoroughly the awesome issues of deterrence and stability when we consider the implications of a weapon like the MX, or the impact of a future arms agreement.

Senators must start asking the President whether time for arms control is running out, because indeed it is. They must ask him if there are opportunities for arms control that are being missed, because, in my estimation, there are.

I said in 1974 when I first ran for the Senate, and many times since then, that I have three children who will live most of their lives in the next century, if there is to be one.

Mr. President, a question we all must ask ourselves is, will there be a next century for us, for our children, and for our grandchildren? Time to gain control of the implements of mankind's destruction continues to run out. If we continue to miss opportunities between now and the year 2000, I question whether there will be a next century for the great bulk of the world's population.

Mr. President, that is all I will say on this issue tonight. But, I expect to say more.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Colorado is recognized.

Mr. WARNER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Colorado yield for a parliamentary inquiry?

Mr. HART. The Senator does not yield for that purpose.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. HART. Mr. President, I first want to congratulate the Senator from Vermont for his excellent statement of the risks and hazards by going forward with the decision to deploy a qualitative land-based ICBM in a mode that threatens both the security of this country and the nuclear balance and stability of the world.

The Senator is well known as a strong advocate of a sound defense and an opponent of an unnecessary arms race. His statement in opposition to the bill, the provision of the bill, that would implement one of the recommendations of the Scowcroft Commission is welcomed and has reaffirmed his long commitment to the process of negotiating reductions of nuclear weapons.

I would like to supplement what he had to say and reassume the thread of thought I put forward to the Senate previously in this debate about how this bill does not really address the fundamental structural problems of our national security, either in the conventional or strategic force sense, and further relate those thoughts to this decision and how a decision to produce and deploy the MX missile in vulnerable silos diminishes this country's security.

And to do so, it might be helpful to consider a situation which existed in Great Britain earlier in this century when, at that time, the British Navy underwent a series of dramatic and very controversial reforms at the hands of Admiral Sir John Fisher.

In his 1923 book, entitled "The World Crisis, Part I," covering the period from 1911 to 1914, Winston Churchill wrote of these reforms that Admiral Fisher undertook. He said:

> There is no doubt whatever that Fisher was right in nine-tenths of what he fought for. His great reforms sustained the power of the Royal Navy at the most critical period in its history. He gave the Navy the kind of shock which the British Army received at the time of the South African War. After a long period of serene and unchallenged complacency, the mutter of distant thunder could be heard. It was Fisher who hoisted the storm signals and beat all hands to quarters. He forced every department of the Naval Service to review its position and question its own existence. He shook them and beat them and cajoled them out of slumber into intense activity. But the Navy was not a pleasant place while this was going on.

Mr. President, in this connection, it seems to me the Senate of the United States has a fundamental choice; that is, to take the easy course, the course of providing every service everything it wants and the President everything he asks for, or the difficult course of asking difficult questions and making hard choices.

The easy course is obviously to vote for essentially the bill that the administration submits and the Defense Department requests, with a few minor changes on the edges having to do with some weapons systems that are built in our home States or affect some jobs in our districts or that we have been heavily lobbied for or against by the services. Sometimes, in fact, we add things to the defense bill that the services do not even want. Congress is guilty of that. The services have a legitimate complaint.

On the other hand, sometimes we do not ask hard questions about weapons systems. There is one presently before us presented by this bill and recommended by the administration that is fundamentally new and fundamentally different in the history of warfare—indeed, certainly perhaps in the history of nuclear warfare and perhaps in the history of all warfare—and that is, in fact, the MX missile. And I think it has to be looked at in the context of what it represents historically.

This bill that is before us with its approval of what essentially the Pentagon asks for, essentially, if not always, in the quantity it wanted, is not likely to either shake or beat or cajole the Navy or anyone else into much activity in reviewing their position or questioning their own role and mission.

This bill should make the Pentagon as pleasant a place to be as possible and allow business to go forward in the same old way. One has difficulty imagining Churchill thinking very much of it and one suspects that Admiral Fisher's comment would be less than flattering.

What could this bill do differently? How might it look if we were serious about fundamental questions of the military institution, if we were serious about a stronger defense, true stronger defense, and about forces that could actually win in combat, not just intimidate or threaten our opponents?

It seems to me there are at least four areas where there would be major differences from what is before us here. The balance between readiness and procurement funding, a very serious issue, is not discussed at all in this debate or brought up at all in this bill; a balance between conventional and nuclear forces; a balance fundamentally brought to question by the decision

to go forward with the MX with the kind of weapons systems that are being funded; and the way the committee put the bill together.

The balance, first of all, between readiness and procurement funding is critical to the future effectiveness of this Nation's forces.

When this bill came to us in the form of the administration's proposed defense budget, it contained three separate built-in future financial crises, which, combined, added up to a future financial catastrophe. Those crises were as follows:

First, the procurement crisis. The procurement crisis had—and still has—two elements. One is the probability that most of the weapons in this bill are underfunded and underpriced. We have seen a great deal of evidence of that in the past and there are serious students of the defense procurement policies of this Nation that believe that very strongly and have so testified before the committees of Congress and before the American public that there is systematic underpricing of major new procurement accounts. Underpricing means that the estimates of what a weapon will cost over a lifetime of a program are too low.

In a joint session with the Senate Budget Committee, the Armed Services Committee heard Mr. Franklin Spinney's history of underpricing. If Mr. Spinney is correct—and many believe he is—the weapons programs in this bill are probably underpriced by around 30 percent overall.

What will be the future effect of this underpricing, the systematic across-the-board underpricing? The 5-year defense program does not allow for it, nor does the 5-year projection of the Budget Committee. In other words, the money to pay the real cost of these weapons is not budgeted, either in 1984 fiscal year or, indeed, in the projections in the out years. It can only be found by increasing future defense budgets above projected levels by cutting money from other areas within the defense budget.

Nor is this the whole of the procurement crisis. Procurement programs have differing spendout rates; that is, the rate at which the money authorized and appropriated is actually spent over a period of years. When we authorize and appropriate, we do so in budget authority. When the money is spent, it becomes an outlay. It is outlays we count when we calculate the deficit.

Mr. President, over the next 3 to 5 years many of the major procurement programs we have approved—such as two nuclear aircraft carriers—and those we are being asked to approve here—such as the MX missile and the B-1 bomber—will translate into very, very heavy outlays in 2, 3, 4, and 5 years. People talk about the cost of this defense budget, the amount of money it contains. Wait until they look at 1985, 1986, and 1987, when, if this bill goes forward and a commitment is made to start assembly lines on those two new carriers, on the B-1 bomber, on the MX missile, on a whole range of new ships and new tactical and strategic systems, when that bill comes due. The American public are in for a real shock.

They do not know what budget deficits are. We are going to see some deficits in the late 1980's, if this bill passes, that will stagger the imagination and shock the financial houses and the institutions of Wall Street and, most of all, the poor American taxpayer who is going to be called upon to put up the money for that kind of major massive new spending.

People are already complaining. Most of the polls show that the vast majority of the people think we are wasting money on defense today. Wait until these accounts come due. Wait until 1985, 1986, and 1987. They do not know what spending on defense really is.

In fact, if we pass these bills and these programs go forward, we may, in fact, achieve the President's stated goal of driving the percentage of the defense budget, in the context of the overall national budget, up to 40 to 45 percent, where he says he wants it to go. We will see how the American people feel about that at the time, particularly when they are still plagued with 10, 20, 30, and more percent cost overruns, when they not only have to deal with the scandals on the deck and on the table today, but some scandals they have not even seen the likes of since perhaps World War II.

The "credit card" of budget authority we use in a bill like this to authorize and appropriate will translate into a demand for real cash dollars down the road, real taxpayer dollars. We will see how they feel about the MX when the budget deficits are running $250 billion to $300 billion in the outyears and there are no more domestic programs to cut except if we want to do away completely with medicare and medicaid. I would like to see the vote on that proposal.

I would like to see the vote on that proposal, because that is exactly the magnitude of the issue we are facing if this bill passes and if this program is enacted.

It is a credit card approach. These are not real dollars we are talking about here. We are talking about authorizing a program. Indeed, if there are $2 billion, $3 billion, $4 billion, or $5 billion for the MX in this bill, wait until you see what it really costs down the road. This is a $30 billion program.

Wait until this bill passes and a year from now the President says, "You know, putting this missile in fixed silos, we have thought about it a lot and it was not such a good idea after all. What we have to do is violate the ABM treaty and surround these silos with an antiballistic missile defense."

We are talking then about real dollars. We will not be talking about $30 billion for the MX but about $30 billion, $40 billion, or $50 billion on top of that for ballistic missile defense. Survivability or vulnerability, let us not talk about that. Let us talk about the budget, about deficits, about squeezing the American taxpayer.

I want to be around when the President of the United States says, "Well, we have authorized $30 billion for the MX. Those people in the Congress and outside the Congress who were telling us how vulnerable this $30 billion investment was going to be in the silos, they may or may not have been right." I doubt if he will say it that way but that will be the implication.

So our response to that will be to spend another $30 billion or $40 billion with a new scheme. Hit a bullet with a bullet. The great debate of the 1960's and early 1970, antiballistic missile forces.

Forget about the treaty that limits this, what is a treaty anyway, except a piece of paper to be broken? Let us go forward and double the money, at the very least double it. Antiballistic missile defenses.

Well, the credit card will come due. Then we will feel the full effect of our actions on the size of the Federal deficit. Of course, the outlays will be higher than we expected because of the systematic underpricing.

Gee whiz, we did not know concrete was going to be so expensive. That little bolt we needed for this missile that you could buy at Sears for 25 cents, we will spend $17 apiece on them.

That is called underpricing.

Simultaneously, we will have another crisis on our hands when we face that procurement crisis, and we will face it. We will face it.

We will have a readiness crisis at the same time.

Over the past several years Congress has made a bipartisan effort to improve the readiness of our Armed Forces. Readiness is basic to the ability of our military to win in combat. It includes, among other things, training, ammunition, spare parts for weapons, things that make the difference between a paper military and one that actually can win if it is challenged.

Without adequate readiness we do not have a real defense. Unfortunately, the administration is budgeting for declining readiness. That is a great unknown factor in this great defense bill we have before us. The administration is budgeting for declining readiness.

At any other time, Mr. President, I would say perhaps under a Presidency of my party, my colleagues on the other side of the aisle would be crying

"Scandal. The Democrats are weakening this Nation's defenses. The Democrats are not spending enough money to prepare our forces for combat."

Well, that charge cannot be leveled against a Democratic President, Mr. President. It can be leveled against a so-called pro-defense Republican President.

We are, in fact, in this bill underfunding readiness. In fact, we have declining readiness in this bill.

According to its long-term plan, readiness, that is, the operations and maintenance accounts in the bill, will drop as a percentage of the defense budget—will drop as a percentage of the defense budget—from 30 percent in fiscal 1981 to only 25 percent in fiscal 1988. At the same time, procurement plans will rise as a percentage of the budget, procurement for new weapons systems, all more sophisticated and more costly to maintain, procurement of new weapons will rise as a percentage of the defense budget from 26 percent in 1981 to 30 percent in 1988.

Unless these plans are altered and some sense is brought to the balance between procurement and readiness, each new weapon will have proportionately fewer dollars to keep it and its crew ready for combat.

I think that is an important point to be made, Mr. President, for the record if nowhere else. One of these days, perhaps not too far in the future, people are going to want to know how this happened.

Unless the imbalance in the present and projected defense budgets between procurement and readiness are righted, each new weapon will have proportionately fewer dollars to keep it and its crew ready for combat.

That is a happy prospect. Let us buy some more weapons. Let us buy the MX. Let us not pay the people who are going to have to sit near that silo and launch that missile, perhaps, what they should be paid. Let us cut their salaries.

That is what we have done when we have referred to their pay increases.

Let us not really provide the funds necessary to maintain the installations thereabouts.

The same is true of maintaining the M-1 tank in Europe, keeping the F-15's, F-16's, F-18 aircraft, keeping our ships at sea and properly maintained. We are steadily declining in terms of the amount of money we are putting into readiness, and it is to pay for the MX missile.

I made an economic argument a few minutes ago. This is a defense argument. This is a defense argument, Mr. President.

Mr. President, the argument the Senator from Colorado was in the process of making had to do with the defense implications of purchasing the MX missile, and there are some. The implications are profound. The dollars come from accounts that are seriously underfunded accounts, having to do with personnel and their pay and benefits, and accounts having to do with readiness of our conventional, perhaps even our strategic, forces.

We should make no mistake. There are not infinite numbers of dollars. There are finite numbers of dollars. We have taken a lot of them from the needs of our citizens, their nutrition programs, their health programs, their education programs, their housing programs.

For those who claim to be for a strong defense, we are also taking money from defense programs to pay for the MX missile. We are taking it from military personnel, their well-being. We are also taking it from the readiness of our conventional forces.

The procurement accounts are bleeding the readiness accounts and they are bringing our forces to a point where the claimed commitment of the Government to maintain them in an operational status is seriously in question. So there is a crisis in procurement, there is a crisis in readiness, but there is an additional crisis as well in this budget submission and in this bill. We also face a major retention crisis.

Several years ago, Mr. President, the armed services faced a serious shortage of skilled personnel. Skilled people were leaving the services faster than replacements could be recruited and trained. Ships were tied up at piers for want of crews. The quality of small unit leadership and technical services declined sharply. The Chiefs of the services gave the Congress a bleak picture of our ability to fight. That was the record of the 1970's.

Since that time, retention of skilled personnel has improved greatly. Enough trained, skilled people are now likely to continue their service careers. Why is that? In large part, it is because Congress has both supported and initiated major improvements in military pay. Equally important, it has convinced servicemen and women they can plan on a secure future in the service. It has made promises of adequate future pay credible to our military personnel.

The administration's proposed budget would shatter that credibility. This bill does as well. The administration proposed budget would have shattered that credibility when the administration proposed that there be no military pay increase this year. One could argue that military personnel would not be devastated economically by failure to provide a pay increase this year, at least as long as inflation continues at a relatively low level. But the key to retention is not just what happens in 1 year. The key is whether those in the service can feel confident of their long-range future, sufficiently confident to stay in.

People do make long-range decisions about these things, not spur-of-the-moment, 3-month decisions. The key to retention is whether those in the services can feel confident of a long-range future in the services, sufficiently confident to stay in. If military pay becomes a political football, with increases eliminated whenever financial problems threaten, how can they plan securely?

How can those in our services feel secure and really plan their future and know what to depend on? If we do not keep faith with these people, they will vote with their feet. An improving economy will give them the option of building a more secure future in the civilian world. Many will take that option, and the retention crisis of the 1970's will be upon us again.

Added together, these crises add up to a future disaster. What has the committee done to avoid that disaster? It moved decisively to deal with the prospective retention problem by inviting a pay increase. I would like to commend the distinguished chairman of the committee (Mr. TOWER) for his leadership in this matter. The committee has recommended an adequate pay raise, and I am happy to add my voice to that recommendation.

Unfortunately, the other two crises still loom. While the committee did attempt, in its markup of the bill, to make reductions less heavily in the operations and maintenance accounts than in procurement, O&M was still cut, and the balance between them remains deficient.

Worse, the committee's actions do nothing to solve future problems. The only way to do that is to act now to cancel some major weapons programs—programs that drive the cost overruns and heavy outlays—and to reallocate some of the money saved from them to readiness.

This the committee has not done. No major weapons program has been canceled.

Programs that drive the cost overruns and heavy outlays, those kind of programs are the ones that need to be substituted and to reallocate some of the money saved from those programs to the readiness account and personnel accounts.

As far as readiness goes, the committee bill has not done that. No major weapons program has been canceled. So two of the three crises prepared for us by the administration are still waiting for us down the road.

What will their combined effect be? Unable to pay for the cost increase in weapons programs by increasing the defense budget because the planned levels are already more than the economy can bear, we shall have to make further cuts in readiness, readiness that will be already inadequate. Probably, we shall also have to cut force

structure—divisions, ships, and airplanes. We shall end up with a weaker, not stronger, military, despite the additional spending the President has demanded.

Mr. President, I notice the presence of the majority leader on the floor. I wonder if there might be some way—first, whether he seeks recognition or if there might be some way I could accommodate him without jeopardizing my own right to the floor.

(Mr. DANFORTH assumed the chair.)

Mr. BAKER. Mr. President, I thank the distinguished Senator. I would like some time in about 5 minutes, if I may. I have just sent word to the minority leader that it will be my plan at approximately 6 p.m. to offer a cloture motion—in fact, two cloture motions, one against the substitute and one against the bill. The minority leader has not had an opportunity to respond. I do not know whether he wants to come to the floor or not.

The Senator is very kind. I wonder if he will permit me another 5 minutes or so and maybe consider it over again.

Mr. HART. I shall certainly be more than happy to do that.

Mr. BAKER. I thank the Senator.

Mr. HART. Mr. President, the different approach to the defense budget would tackle the future problems this year. It would cancel or offer a more cost-effective substitute for a number of the major weapons programs, including the B-1, and a few other of the weapons systems proposed in this account, including the MX. They may or may not cost much this year, but they have very high future costs. Simultaneously, an alternative approach would add money to readiness to restore the proper balance between readiness and procurement.

Specifically, that alternative approach would cancel or replace enough weapons programs and add enough to readiness so that readiness spending would increase relative procurement as a percentage of a serious defense budget. As long as we continue buying equipment that is harder to maintain and harder to operate than what it replaces—and, I might say, more costly as well—this is the only way to avoid decline in combat readiness.

The second major difference between this bill and an alternative defense approach would be in the proportionate funding between the conventional nuclear weapons. This is a fundamental issue, one that comes back to the reasons why we have a defense bill and a defense establishment.

The principal task of our Armed Forces is reducing the likelihood of war. That is what we mean by deterrence. Within that broad task, there is a specific task of overriding importance—reducing the likelihood of nuclear war. This we have been calling strategic deterrence. There are several means available to us for strengthening deterrence. I have already discussed one of them at length during the debate on this bill. That is arms control—in fact, arms reduction.

Another is the development and procurement of strategic nuclear weapons that can survive an enemy's first strike and that, accordingly, do not appear to threaten a first strike themselves. That is a very important distinction, Mr. President, a weapon that can survive an enemy's first strike without, at the same time, representing a first strike itself.

There is a third means and that is improving the effectiveness of our conventional forces. How do more effective and more capable conventional forces strengthen deterrence? They do that in several ways. Very powerful conventional forces can deter some nuclear forces. For example, immediately after World War II, the United States possessed the atomic bomb and the Soviet Union did not. Even after the Soviets developed the atomic capability and then the hydrogen bomb, their nuclear arsenal and nuclear delivery capability were far smaller than those of the United States.

(The following occurred during the foregoing remarks by Mr. HART:)

Mr. JACKSON. Will my good friend from Colorado yield to me for a short statement with the understanding, of course, that he will not lose his right to the floor.

Mr. HART. If the Senator is prepared to make that request.

Mr. JACKSON. Yes, I will make it.

Mr. President, I ask unanimous consent that the distinguished Senator from Colorado may yield to me to make a brief statement with the stipulation that he shall not lose his right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. HART. Reserving the right to object, will the request also be put that the statement not appear in the middle of my statement?

Mr. JACKSON. I further ask unanimous consent that my remarks appear at the conclusion of the remarks of the Senator form Colorado.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

Mr. JACKSON. Mr. President, the existence of a triad of strategic nuclear forces—land-based missiles, strategic bombers, and sea-based nuclear missiles—complicates the problem of Soviet war planners who cannot focus their efforts on any one leg of the traid. Deterrence is thus strengthened. The strongest leg of the U.S. strategic triad has been until recently the land-based ICBM force. However, the Soviets have hardened their important military assets which we would plan to target.

Thus, our Minuteman III force is no longer sufficiently effective as a counterforce to a first strike by the Soviets. Modernization of our land-based ICBM force through procurement of the MX missile is required to maintain deterrence by restoring our ability to retaliate promptly against hardened targets such as the Soviet command and control centers. Such a capability will make it clear to Moscow that a nuclear attack would never pay off in any circumstances.

A failure to modernize our land-based strategic systems would significantly affect the survivability of the other legs of the triad by enabling our adversary to concentrate on their destruction. The result would be the unravelling of deterrence. The MX is thus an essential program if the credibility of our deterrent is to be maintained.

I would remind my distinguished colleagues that the entire history of the Soviet Union and of tsarist Russia suggests that the Russian leaders almost always respect strength. The leadership of the Kremlin is a generally prudent group that carefully assesses risk when confronted with military strength and political will.

Mr. President, I believe the Soviets will seriously negotiate on mutual reductions in strategic arms only with our modernization program going forward. This is testified to by experience when the ABM treaty was negotiated only after the Congress approved a limited deployment of an ABM system. It is interesting to note that the distinguished Soviet physicist and advocate of arms control, Andrei Sakharov, in a recent article in Foreign Affairs has suggested that it may be necessary to spend a few billion dollars on the MX missile in order to convince the Soviet leadership to negotiate limitation and reductions of its heavy, land-based missiles.

Mr. President, termination of the MX program would signal a faltering resolve on our part and might seriously weaken the hand of the United States in the strategic arms reduction talks with the U.S.S.R. The MX is an important program both for maintaining a credible deterrent into the next century and for demonstrating the national will that is fundamental to all good diplomacy and to the pursuit of arms reductions. I urge my distinguished colleagues to support the MX program and to retain it in the defense authorization bill.

I thank the distinguished Senator from Colorado for his courtesy in this matter. I now yield back to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

(Conclusion of earlier remarks.)

ANNOUNCEMENT WITH RESPECT TO VOTE ON QUAYLE AMENDMENT NO. 1523

Mr. WARNER. Mr. President, today I regrettably missed my first vote in this Congress. Although I arrived in the Chamber less than a minute following conclusion of this vote and the announcement of the Presiding Officer of the tally, the call for "regular order" was honored by the Presiding Officer, even though Senate staff were aware that I was en route. I was addressing the American Trial Lawyers Association at the Sheraton-Washington Hotel in the Nation's Capitol, the communications link with the hotel proved faulty, and I did not receive adequate warning of the vote having been called earlier than anticipated.

Mr. BAKER. Mr. President, I wonder if the Senator would be good enough now to remake his offer to yield to me without losing his right to the floor?

Mr. HART. Mr. President, I ask unanimous consent to yield to the majority leader without losing my right to the floor.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I thank the Senator.

Mr. President, first let me say that I hope no one will think—and I do not believe anyone will—that we have been precipitous in trying to bring debate to a close on this matter.

The Journal clerk has just given me the statistics. We have been 8 days on this matter after today, and at 6 p.m. approximately—5:59 actually, at this moment, we will have spent 57 hours on the bill. There have been 29 rollcall votes. We have considered 55 amendments and motions; 38 were agreed to, 12 were tabled, 1 withdrawn, 2 were ruled out of order, and 2 are pending.

Mr. HART. Will the majority leader yield for a question?

Mr. TOWER. Would the majority leader yield? We have disposed of 49 amendments.

Mr. BAKER. Forty-nine, all right. Yes; I yield.

Mr. HART. Will the majority leader also insert in the RECORD how much of this time has been occupied on the MX debate?

Mr. BAKER. Not very much, which is a matter of grievous concern to me.

Mr. HART. Will the majority leader also insert in the RECORD how many other non-MX amendments are pending?

Mr. BAKER. Mr. President, I do not have those figures. I am not trying to make a critical analysis. All I am trying to say is we have been on this bill a long time, and I think there is ample justification now for trying to arrange for its final completion. Believe me, there is no element of criticism of the Senator from Colorado in those remarks but, rather, to point out that last year we spent 8 days on this bill. Eight days is a long time on a bill. I guess that is all the statistics say.

CLOTURE MOTION

Mr. BAKER. At this point, Mr. President, I send a cloture motion to the desk and ask that it be stated by the clerk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the committee amendment, in the nature of a substitute, to S. 675, a bill to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

Senators Howard Baker, John Tower, Dan Quayle, John Warner, Roger Jepsen, Warren B. Rudman, John P. East, Jake Garn, Robert T. Stafford, Paul Trible, Alan Cranston, David Durenberger, Malcolm Wallop, Chic Hecht, Paula Hawkins, Bob Kasten, and William Cohen.

(Note.—The name of Mr. CRANSTON was incorrectly read as one of the signatories to the motion. As developed in subsequent colloquy the correct name in lieu of Mr. CRANSTON is Mr. ARMSTRONG.)

CLOTURE MOTION

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I send another cloture motion to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on S. 675, a bill to authorize appropriations for fiscal year 1984 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes.

Senators Howard Baker, John Tower, Bob Kasten, Robert T. Stafford, Roger Jepsen, Paula Hawkins, Warren Rudman, David Durenberger, John Warner, Lowell Weicker, Jesse Helms, Strom Thurmond, Jake Garn, Thad Cochran, Frank Murkowski, and Ted Stevens.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, the net effect of this pair of motions will be to provide a cloture vote under the provisions of rule XXII an hour after we convene on Thursday on the substitute. If the cloture vote is in the affirmative, then we will continue to debate the substitute, I believe, until it is disposed of. The vote on cloture on the bill itself would be tolled until the substitute is disposed of.

May I inquire of the Chair, is that a correct interpretation of rule XXII?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Mr. President, as soon as the substitute is disposed of, whenever that is, then the vote would occur automatically on cloture on the bill itself.

Mr. President, if the cloture vote does not succeed on the substitute, then a vote would occur immediately on cloture on the bill itself; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. And on Thursday 1 hour after we convene and after the vote has occurred on cloture on the substitute.

Now, Mr. President, I do not know what will happen on the cloture votes, but I hope that this will provide a certain way and a certain time for the disposition of these matters and final passage of this bill.

I believe there is a chance that cloture will be invoked on Thursday on the substitute. If it is not, then I anticipate that a cloture motion may be filed on tomorrow, or two cloture motions may be filed on tomorrow, which would produce a vote on Friday.

I wanted to say this at this point so Senators will understand what the schedule might be for the next day or two.

Mr. BYRD. Mr. President, will the majority leader yield with the same understanding as heretofore ordered with respect to the yielding by the Senator from Colorado?

Mr. BAKER. Yes; I yield.

Mr. BYRD. I have two questions.

I heard the name of Mr. CRANSTON on the first cloture motion. Was that correct?

The PRESIDING OFFICER. That was in error. It should have been Senator ARMSTRONG.

PROGRAM

Mr. BYRD. Second, will the majority leader state the program for the rest of the day and into the future as far as he can foresee? He has already talked about the votes on the cloture motions.

Mr. BAKER. Yes, Mr. President. I thank the minority leader.

I think it is clear now that unless cloture is invoked and we dispose of this bill on Thursday, we will be in on Friday. Whether we are in on Saturday or not will depend on how things develop after cloture is invoked, if indeed cloture is invoked, and we see what we are faced with at that point.

I do not want a Saturday session, but, as I said this morning, I would like to reserve judgment on that until at the latest sometime early on Thursday.

Mr. President, after the bill is disposed of, I hope we can go briefly to the military construction appropriation bill. I am told that will not take very long.

Then we will go to agriculture target prices next week. I expect that will be a long debate as well and there may be a need for cloture on that measure also.

As far as today is concerned, I would prefer to yield to the distinguished majority manager. I have indicated to him today, as I have on previous days, I am willing to ask the Senate to remain in as long as we can do useful work.

If I may on the same terms and conditions now inquire of the distinguished Senator from Texas if he could give us an estimate of this day?

Mr. TOWER. It all depends on whether or not one construes listening to the distinguished Senator from Colorado as useful work. If one construes that in the affirmative, then I think the question would lie with the distinguished Senator from Colorado as to how long he would like to continue his useful work this evening.

Mr. BAKER. Mr. President, before the Senator from Colorado answers, I have to make a confession. I must tell you that I have been vehemently opposed to the position of the Senator from Colorado, as I still am, and I am going to work as hard as I can to defeat him. But I ran across something in Congressional Quarterly that did a compilation of votes of all 100 Members of the Senate and rated them according to their support for the majority leader. I discovered something that had a remarkable mellowing effect on me. I discovered, according to CQ, that the one Democrat in the Senate who has supported me most often is none other than the Senator from Colorado.

As strange as it may seem to some who have engaged in this debate, it is here in black and white. I do not know what basis they used for their judgment, but it is here and it has indeed had a mellowing effect on me. It has not lessened my opposition to his position, but it has a certain endearing quality.

Mr. TOWER. Do not get overwhelmingly mellow.

Mr. BAKER. And I do not want any aspersions cast on the speeches of the Senator from Colorado at this time.

Mr. BYRD. Mr. President, I thank the majority leader for yielding. May we have some better understanding as to today?

Mr. BAKER. Mr. President, let me pitch this out and see how the principals react to it. How would that be?

Mr. TOWER. That would be agreeable to me. When the Senator from Colorado concludes, I should like to have 2 or 3 minutes for brief remarks. It is apparent that we will not reach any resolution or a vote on the issue tonight. I would not intend to offer any motions or amendments at that time.

Mr. BAKER. In view of that, if the Senator from Colorado feels that he can conclude his remarks in the next 15 minutes or so, we should be out at 6:30. I am prepared now to announce that there will be no more rollcall votes tonight, unless the Senator from Colorado or the minority leader see the need for that.

Mr. TOWER. If the Senator from Colorado wants one, I would be glad to have one.

Mr. BYRD. I thank the distinguished majority leader for his response to my question.

Mr. HART. Mr. President, if I may respond to the majority leader and the floor manager, the Senator from Colorado would like to put this matter over until tomorrow. A number of other Senators who still have to be heard on this issue have withheld their statements out of deference to the floor manager and the need to move on with other business.

Mr. TOWER. Let me correct the record on that point. I have implored Senators to offer amendments, so do not give me that jazz.

Mr. HART. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. The Senator from Colorado is not giving anyone any jazz, and I wish the Senator from Texas would follow the rules of procedure of the Senate and not interrupt when someone else holds the floor.

The Senator from Texas well knows that he has received nothing but cooperation from this side. It does no good to suggest otherwise.

All I am intent on saying is that we are not going to get all the arguments on this amendment or any other MX amendment completed in 20 minutes, including this Senator's. So far as I am concerned, we can go out now, or I can continue with my statement, or we can hear from other Senators until 6:30 whatever the majority leader pleases.

It would interest the Senator from Colorado to hear from the majority leader in the context of the cloture motions, as to whether in his judgment the motions are necessary to close off debate on the MX issue or on all defense issues.

Mr. BAKER. Mr. President, the cloture motion is filed against the substitute, not against the MX amendment.

Mr. President, I hope we might wind up. I sort of sense that it is time to quit. If the Senator from Colorado is prepared to do so, I am perfectly willing to ask the Senator from Texas to conclude his remarks and then to take us into a brief period for the transaction of routine morning business, and there will be no more action tonight on the defense bill.

Mr. HART. What would be the disposition of the pending matter upon the Senate resuming the session tomorrow?

Mr. BAKER. We will be right back where we left off; that is, the Tower amendment would be the pending question.

Mr. HART. Would there be any understanding as to whether or not the Senator from Colorado would be recognized, or is it, as we say, a "jump ball"?

Mr. BAKER. It is a jump ball, in the sense that I have not anticipated offering a provision for anybody to be recognized. If I do not seek recognition, the Chair would recognize the minority leader.

If the minority leader does not seek recognition, the Chair would recognize the manager of the bill. If the manager of the bill does not seek recognition, the Chair would recognize some other Senator. I believe that is a correct statement of the precedent.

The PRESIDING OFFICER. The minority manager does have priority.

Mr. BYRD. Mr. President, this statement by the majority leader, as I understand it, is correct, with one possible addendum—that is, if another Senator seeks recognition, clearly seeks recognition, before the manager of the bill or the ranking manager or before the majority leader or the minority leader, and especially in the case of the manager and the ranking member, and perchance either of the managers is slow to seek recognition, is it not true that that Senator who seeks recognition is entitled under the rules to be recognized?

The PRESIDING OFFICER. The priority in recognition is dependent on the simultaneous seeking of recognition.

Mr. BAKER. Mr. President, I agree with the statement made by the minority leader. The priority of recognition would apply only in the case of the jump ball, as the Senator from Colorado described it. If one Senator clearly is seeking recognition before another, it does not make any difference who that is—the first Senator seeking recognition should be recognized by the Chair.

Mr. BYRD. I thank the majority leader.

Mr. HART. Is it within the precedents of the Senate for the Senator from Colorado to ask unanimous consent to be recognized?

Mr. BAKER. That is perfectly proper. That is ordinarily done by one of the two leaders, but I will inquire of the manager of the bill.

Mr. TOWER. I would object to that unanimous-consent request.

Mr. BYRD. In other words, it is perfectly proper for the Senator to make the request, but an objection can be made thereto.

Mr. BAKER. There is an old saying in Tennessee, "Let's not borrow trouble," and I think that is what we are doing. I think we should go out and start afresh in the morning.

Mr. TOWER. I will be glad to withhold my remarks and save them for tomorrow morning.

Mr. HART. Mr. President, I suggest the absence of a quorum, just briefly.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, could I inquire of the distinguished Senator from Colorado if he is prepared now to relinquish the floor so that we can go into morning business?

Mr. HART. Yes.

Mr. BAKER. I thank the Senator.

Mr. President, is the Senator from Texas prepared to do that at this time?

Mr. TOWER. I am prepared.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past 6:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 10:58 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 459. An act to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in, and to, certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls, out of the area flooded by the American Falls Reservoir.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3329) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1984, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. LEHMAN of Florida, Mr. SABO, Mr. GRAY, Mr. RATCHFORD, Mr. CARR, Mr. MRAZEK, Mr. WHITTEN, Mr. COUGHLIN, Mr. CONTE, Mr. EDWARDS of Alabama, and Mr. PURCELL as managers of the conference on the part of the House.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2769. An act to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

At 3:53 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its clerks, announced that the Speaker has signed the following enrolled bills and joint resolution:

S. 459. An act to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the City of American Falls out of the area flooded by the American Falls Reservior;

H.R. 3392. An act to amend the Agricultural Act of 1949; and

H.J. Res. 258. Joint Resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE MEASURE REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2769. An act to promote economic revitalization and facilitate expansion of economic opportunities in the Caribbean Basin region; to the Committee on Finance.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1472. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on the properties, assets, and liabilities of the Alaska Railroad and other aspects of the proposed transfer of the railroad to the State of Alaska; to the Committee on Commerce, Science, and Transportation.

EC-1473. A communication from the Acting Director of the Minerals Management Service transmitting, pursuant to law, a report on a refund of excess royalty payments to the Superior Oil Company; to the Committee on Energy and Natural Resources.

EC-1474. A communication from the Acting Director of the Minerals Management Service transmitting, pursuant to law, a report on a refund of excess royalty payments to Chevron U.S.A.; to the Committee on Energy and Natural Resources.

EC-1475. A communication from the Acting Director of the Minerals Management Service transmitting, pursuant to law, a report on a refund of excess royalty payments to Chevron U.S.A.; to the Committee on Energy and Natural Resources.

EC-1476. A communication from the Acting Director of the Minerals Management Service transmitting, pursuant to law, a report on a refund of excess royalty payments to Murphy Oil Corp., Hunt Oil Co., Chevron U.S.A., and Mobil Oil Corp.; to the Committee on Energy and Natural Resources.

EC-1477. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to July 14, 1983; to the Committee on Foreign Relations.

EC-1478. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the American Institute in Taiwan's proposed letter of offer to the Coordination Council for North American Affairs for defense articles estimated to cost in excess of $50 million; to the Committee on Armed Services.

EC-1479. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, a report on the review and appraisal of transportation safety activities 1981-82; to the Committee on Commerce, Science, and Transportation.

EC-1480. A communication from the General Counsel of the Department of Energy, transmitting a draft of proposed legislation to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1481. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the public pension offset plan, and the recommendations of the Department with respect to the plan; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. Res. 176. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1129; referred to the Committee on the Budget.

By Mr. McCLURE, from the Committee on Appropriations, with amendments:

H.R. 3363. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1984, and for other purposes (Rept. No. 98-184).

By Mr. SPECTER, from the Committee on Appropriations, with amendments:

H.R. 3415. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1984, and for other purposes (Rept. No. 98-185).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. JACKSON, Mr. HART, and Mr. EAGLETON):

S. 1641. A bill to amend the Federal Advisory Committee Act to add a new section prohibiting scientific advisory committee membership from being based on the political affiliation of any candidate; to the Committee on Governmental Affairs.

By Mr. MATSUNAGA:

S. 1642. A bill relating to the tariff treatment of certain telescopes not designed for use with infrared light; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HATCH:

S. Res. 176. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1129; from the Committee on Labor and Human Resources; to the Committee on the Budget.

By Mr. DECONCINI:

S. Res. 177. A resolution to investigate President Reagan's campaign organization; to the Committee on Rules and Administration.

By Mr. TSONGAS (for himself, Mr. PERCY, Mr. PELL, Mr. METZENBAUM, Mr. CRANSTON, Mr. DODD, Mr. KENNEDY, Mr. MOYNIHAN, Mr. SARBANES, and Mr. LEVIN):

S. Con. Res. 55. A concurrent resolution expressing the grave concern of the Congress regarding the plight of Ethiopian Jews; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. JACKSON, Mr. HART, and Mr. EAGLETON):

S. 1641. A bill to amend the Federal Advisory Committee Act to add a new section prohibiting scientific advisory committeee membership from being based on the political affiliation of any candidate; to the Committee on Governmental Affairs.

(The remarks of Mr. BUMPERS and the text of this legislation appear earlier in today's RECORD.)

ADDITIONAL COSPONSORS

S. 553

At the request of Mr. HART, the name of the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 553, a bill to authorize a national program of improving the quality of education.

S. 786

At the request of Mr. PRESSLER, the name of the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 786, a bill to amend title 38, United States Code, to establish a service-connection presumption for certain diseases caused by exposure to herbicides or other environmental hazards or conditions in veterans who served in Southeast Asia during the Vietnam era.

S. 842

At the request of Mr. WEICKER, the name of the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 842, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the issuance of small business participating debentures.

S. 865

At the request of Mr. BYRD, the name of the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 865, a bill to establish a nationally uniform deep-draft vessel tax for the purpose of financing operations and maintenance of deep-draft commercial channels and harbors; to fund a percentage of new channel improvements; and to provide an expedited procedure for the authorization and permitting of navigation improvement projects and related landside facilities in deep-draft ports, and for other purposes.

S. 1115

At the request of Mr. MATSUNAGA, the names of the Senator from Hawaii (Mr. INOUYE) and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of S. 1115, a bill to amend titles XVIII and XIX of the Social Security Act to treat certain sensory and communication aids as medical and other health services, and for other purposes.

S. 1256

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1256, a bill to authorize special assistance for desegregation activities.

S. 1465

At the request of Mr. LUGAR, the name of the Senator from Alabama (Mr. HEFLIN) was added as a cosponsor of S. 1456, a bill to designate the Federal Building at Fourth and Ferry Streets, Lafayette, Ind., as the "Charles A. Halleck Federal Building".

S. 1587

At the request of Mr. HELMS, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 1587, a bill to amend the Internal Revenue Code of 1954 with respect to deductions for the payment of certain expenses by ministers who receive housing allowances.

S. 1596

At the request of Mr. TRIBLE, the name of the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 1596, a bill to amend the Internal Revenue Code of 1954 to exempt farm trucks from the heavy truck use tax where use on public highways does not exceed 10,000 miles.

SENATE JOINT RESOLUTION 84

At the request of Mr. GARN, the names of the Senator from Washington (Mr. GORTON), the Senator from Virginia (Mr. TRIBLE), the Senator from Nevada (Mr. HECHT), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Joint Resolution 84, a joint resolution to designate the week beginning June 24, 1984, as "Federal Credit Union Week".

SENATE JOINT RESOLUTION 97

At the request of Mr. BOSCHWITZ, the names of the Senator from Wyoming (Mr. SIMPSON) and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of Senate Joint Resolution 97, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States and the allied forces who served in the Korean war.

SENATE RESOLUTION 115

At the request of Mr. PRESSLER, the name of the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of Senate Resolution 115, a resolution to express the sense of the Senate on the need to facilitate U.S. exports by opposing international restrictions on the marketing and distribution of such exports.

SENATE RESOLUTION 171

At the request of Mr. HELMS, the names of the Senator from North Carolina (Mr. EAST) and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Resolution 171, a resolution prohibiting the extension of waiver authority under section 402 of the Trade Act of 1974 with respect to Romania.

SENATE CONCURRENT RESOLUTION 55—RELATING TO THE PLIGHT OF ETHIOPIAN JEWS

Mr. TSONGAS (for himself, Mr. PERCY, Mr. METZENBAUM, Mr. CRANSTON, Mr. DODD, Mr. KENNEDY, Mr. MOYNIHAN, Mr. SARBANES, and Mr. LEVIN) submitted the following concurrent resolution;

S. CON. RES. 55

Resolved by the Senate (the House of Representatives concurring),

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantees to all persons the right to freedom of religion, the right to hold opinions without

interference, the right to freedom from expulsion, and the right to emigrate;

Whereas Ethiopian Jews are among the oldest continuous Jewish communities in existence, their history extending back for three thousand years;

Whereas this community once numbered several hundred thousand persons, but the scourge of wars, pestilence, persecution, and famine over the years has reduced it to some twenty-five thousand people, several thousand of whom have sought refuge in nearby countries;

Whereas the American people are becoming increasingly aware of the difficulties facing Ethiopian Jews and are seeking ways to assist them; and

Whereas the plight of Ethiopian Jews demands that the American people and all people of good will do everything possible to alleviate their suffering: Now, therefore, be it

Resolved by the United States Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) express to relevant foreign governments the United States concern for the welfare of Ethiopian Jews, in particular their right to emigrate

(2) seek ways to assist Ethiopian Jews through every available means so that they may be able to emigrate freely, and

(3) express the concern of the American people for the welfare of the Ethiopian Jewish community in every appropriate forum

● Mr. TSONGAS. Mr. President, I am very proud indeed to introduce today a resolution urging the President to respond to the plight of Ethiopian Jews, known in Ethiopia as Falasha. I am pleased to name as original cosponsors of this resolution, Senators PELL, SARBANES, CRANSTON, DODD, PERCY, KENNEDY, MOYNIHAN, METZENBAUM, and LEVIN.

The Falasha—which means stranger or landless person—have lived in Ethiopia for over 2,000 years. They have maintained their Jewish traditions intact over this time, still speaking Hebrew, maintaining their Jewish faith, and even observing dietary laws. Although the Falasha are not the victims today of targeted government persecution, their plight in Ethiopia is one of poverty, isolation, and insecurity. Many Falasha wish to make the aliyah to Israel. They are barred from doing so by Ethiopian law, which restricts emigration very tightly. Many Falasha have been arrested for violation of their law.

Yet, in spite of the enormous obstacles facing the Ethiopian Jews, many undertake the arduous journey to Israel, where I met with a community of Falasha in January of this year.

It is very important for the Senate to recognize and lend our support to the courageous efforts of Falasha to settle in Israel where they can practice their religion freely and fully.

The resolution I am introducing today is identical to that introduced by Congressmen SOLARZ and FRANK in the House of Representatives. It calls upon the President to "express to relevant governments the United States concern for the welfare of Ethiopian Jews, in particular their right to emigrate," to seek ways to assist Ethiopian Jews so that they may emigrate freely, and to express the concern of the American people for the welfare of the Ethiopian Jews at every available forum.

There are, at last count, some 25,000 Falasha left in Ethiopia. Once there were several hundred thousand Ethiopian Jews, but over the years war and pestilence have drastically reduced their number. As one of the oldest continuous Jewish communities in the world, the Falasha are of special importance to us all.

I will never forget my meeting with Falasha immigrants in Israel. I spoke with the leader of their group, a priest or "cohen," through interpreters who translated my English into Hebrew. At one point I became impatient with the slow pace of translated conversations, and I spoke in Amharic, the dominant language of Ethiopia. My host was both surprised and delighted to speak his second language once again. It was for me a particularly poignant experience, because it made very clear how much the Falasha cherish their country, Ethiopia, but whose longing to live in the Jewish State of Israel is even stronger.

This is a timeless and irresistible theme. I strongly believe the Senate should register its firm support.●

● Mr. PERCY. Mr. President, I am pleased to join Senator TSONGAS in sponsoring a Senate concurrent resolution which expresses the grave concern of the Congress regarding the plight of Ethiopian Jews. The House Foreign Affairs Committee will soon consider an identical resolution by Congressman SOLARZ and I will urge that the Foreign Relations Committee schedule speedy consideration of the resolution.

Approximately 25,000 Ethiopian Jews are presently in Ethiopia and in neighboring refugee camps. They are descendants of a community which once numbered several hundred thousand. One of the oldest continuous Jewish communities in existence, with a heritage dating back 3,000 years, its survival is today threatened by war, pestilence, famine and neglect. Many of the Ethiopian Jews—the Falashas—want to emigrate, and need help to do so.

Through the work of the American Association for Ethiopian Jews and other concerned groups and individuals, many people are becoming aware of the critical state of this precious community of Jews. The AAEJ has also played a leading role in garnering support for increased U.S assistance to the victims of the drought now plaguing Ethiopia.

The U.S. Agency for International Development has been responsive to several requests for emergency disaster relief and additional contributions are still under review. It is hoped that they will be promptly approved.

The resolution expresses the interest of the Congress and asks the President to bring this U.S. concern to the attention of relevant foreign governments, especially regarding their right to emigrate. I hope that my colleagues will give their support to the resolution.●

SENATE RESOLUTION 176—ORIGINAL RESOLUTION REPORTED AUTHORIZING ADDITIONAL EXPENDITURES

Mr. HATCH, from the Committee on Labor and Human Resources, reported the following original resolution, which was referred to the Committee on the Budget.

S. RES. 176

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to the consideration of S. 1129, a bill to authorize appropriations to provide for revision and extension of the Domestic Volunteer Service Act and for other purposes. Such waiver is necessary to allow the authorization of an appropriation of $147,993,000 for extension of the Domestic Volunteer Service Act for fiscal year 1984.

The waiver of Section 402(a) is necessary to permit congressional consideration of statutory authority to provide resources for programs serving individuals through volunteers.

Compliance with Section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1983, deadline because the May 13, 1983, full committee markup was cancelled.

The effect of not considering this authorization would be to deny services provided by volunteers to the recipients of these programs.

The desired authorization will not delay the appropriations process and can be accommodated in a fiscal year 1984 appropriations bill.

SENATE RESOLUTION 177—RELATING TO INVESTIGATION OF PRESIDENT REAGAN'S CAMPAIGN ORGANIZATION

Mr. DECONCINI submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 177

Whereas allegations have arisen that top-level members of the administration engaged in serious improprieties and possible criminal activities while serving in the President's campaign organization;

Whereas these allegations have raised suspicions and doubts about the honesty and ethics of certain members of the administration;

Whereas members of the administration must have credibility in carrying out their responsibilities;

Whereas an investigation of members of the administration by other members of the

administration is, by its very nature, suspect;

Whereas the Reagan administration both deserves and owes the American people a speedy and unimpeachable explanation and resolution of the allegations;

Resolved, That a subcommittee of the Committee on the Judiciary, consisting of 4 Republicans and 3 Democrats, to be selected by the Chairman of the Committee on the Judiciary, be established immediately for the purpose of conducting an investigation into the allegations relating to members of President Reagan's campaign organization; and be it further

Resolved, That the extent and scope of the investigation shall be determined by the subcommittee.

Mr. DECONCINI. Mr. President, during the Presidency of Jimmy Carter, the Senate Judiciary Committee undertook two major investigations of allegations of misconduct by members of the administration. Those investigations were demanded and authorized by Democrats because of their belief that to be effective, an administration must be without significant blemish. Having endured the ordeal of Watergate, we then concluded—and, I believe, rightly so—that it is the obligation of Congress to help maintain the credibility of the White House.

Today, Mr. President, we are faced with another potential scandal affecting the White House. While I sincerely hope that it turns out to be "much ado about nothing," some very serious allegations have been made. Rather than clearing up these allegations, a number of White House officials have made contradictory and questionable statements that demand clarification.

To date, the matters in question are:

William Casey's statement to reporters that he and Ed Meese were carrying out an "intelligence operation" into Carter foreign policy;

Ed Meese's involvement in the possession and use of White House documents;

Possession by Richard Allen of national security documents when he was a campaign aide;

Where the briefing book came from, who had it, and what use was made of it;

David Stockman's comment that he had accepted debate documents that had been pilfered;

David Gergen's disclosure after denying that he had seen any debate book, of 1,000 pages of White House documents; and

Bob Jones' possession of memos prepared by Anne Wexler and Al McDonald for the Carter Cabinet on White House stationery with the scripted heading "Bob—Report from White House Mole."

I am offering a resolution to authorize the Senate Judiciary Committee to undertake an independent, bipartisan investigation into these allegations. Such an investigation can only assist the President in his efforts to dispel the questions that have been raised both by the allegations and by the administration officials' failure to adequately answer them.

The record of the Justice Department in investigating and acting upon allegations involving the White House is not good. It was not good during Watergate, it was not good during the Vesco scandal, and it was not good in "Billygate," in the investigation of Billy Carter. Regardless of how well-intentioned individuals within the Justice Department might be, a Justice Department investigation into the White House raises suspicions about evenhandedness.

A congressional investigation is, by its very nature, a more public affair. A conclusion that nothing illegal or questionable occurred will be more readily accepted by the public and the press. Also, looking back upon prior investigations, I am confident that Congress can undertake this task with a minimum of disruptive publicity.

Regardless of whether actual wrongdoing occurred in the last Presidential campaign, I believe that the revelations do raise questions about how we run our political campaigns. The overemphasis on television tends to exaggerate certain events such as the debate, to the point where it can easily spell the difference between victory and defeat. Under such circumstances, it is not surprising that campaign workers might go to extraordinary lengths to gain a tactical advantage. Perhaps one very positive result from a Judiciary Committee investigation could be some recommendations for campaign guidelines to be followed in the future.

Mr. President, I offer this resolution in order to speedily dispose of the questions raised and allow the administration to put its efforts back into governing rather than defending itself.

AMENDMENTS SUBMITTED

MILITARY PROCUREMENT AUTHORIZATION, 1984

QUAYLE AMENDMENT NO. 1523

Mr. QUAYLE proposed an amendment to amendment No. 1520 proposed by Mr. STAFFORD to the bill (S. 675) to authorize appropriations for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, and for other purposes; as follows:

Strike out lines 1-9 and insert the following:

On page 128, beginning with line 11, strike out all through page 131, line 6, and insert in lieu thereof the following: extension of period for transfer of Defense Dependents' education system to Department of Education.

SEC. 1006. Section 302(a) of the Department of Education Organization Act (20 U.S.C. 3442(a)) is amended by—

(1) striking out "not later than May 4, 1984" and inserting in lieu thereof "not earlier than May 4, 1986"; and

(2) adding at the end thereof the following: "The transfers contemplated by this section shall occur only if the President, or Congress determines that such transfers will not be detrimental to the quality of education available to dependent children of military personnel stationed overseas, to the protections and benefits available to teachers under various status of forces agreements, and to the morale and welfare of military personnel stationed overseas whose dependent children attend overseas schools operated by the Department of Defense.".

WALLOP AMENDMENT NO. 1524

Mr. WALLOP proposed an amendment to the bill, S. 675, supra, as follows:

On page 24, line 8, strike out "$4,193,364,000" and insert in lieu thereof "$4,489,461,000".

On page 24, line 18, strike out "$7,652,642,000" and insert in lieu thereof "$7,582,740,000".

On page 24, line 11, strike out "$12,499,116,000" and insert in lieu thereof "$12,420,021,000".

On page 24, line 12, strike out "$2,468,537,000" and insert in lieu thereof "$2,321,437,000".

On page 26, between lines 8 and 9, insert the following new section:

LIMITATIONS ON FUNDS FOR THE ARMY

SEC. 114. (a) Of the amount authorized to be appropriated in section 111 for the Army—

(1) $187,600,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of accelerating and redirecting the main on-going space laser programs for cylindrical chemical lasers (Alpha), pointer trackers (Talon Gold), and large optics (LODE) in order to achieve space qualified technologies for space-based directed energy ballistic missile defense system concepts as early as practical. These directed energy concepts shall be developed in an evolutionary manner with the on-going conventional ballistic missile defense technologies.

(2) $15,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of developing computers and software for command, control, and communications and fire control, to develop target acquisition sensors, to develop large, segmented adaptive mirrors, to develop advanced resonators and optical coating facilities, and to develop follow-on advanced high-brightness lasers.

(3) $30,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the development of free electron lasers, excimer laser, x-ray lasers, and visible lasers.

(4) $10,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the sub-scale and full-scale testing of the precise interaction between lasers and ballistic missile targets.

(5) $60,866,000 shall be available to the Ballistic Missile Defense Programs Office

only for the purpose of expanding the Space Laser Technology Program, which through fiscal year 1983 has been administered by the Air Force Space Division. The Ballistic Missile Defense Programs Office shall define the tasks necessary to integrate all technology elements of a space-based directed energy ballistic missile defense system into a battle capable system, leading to a design decision as soon as practical.

(6) $15,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the purpose of designing and developing a battle management system for space based lasers, ground support systems, and the means by which the hostile targets will interact with the laser system.

(7) $10,000,000 shall be available to the Ballistic Missile Defense Programs Office only for the design of measures to enhance the survivability of space based laser defense systems, including the preparation of underground testing of nuclear effects.

TOWER AMENDMENT NO. 1525

Mr. TOWER proposed an amendment to the bill, S. 675, supra, as follows:

At the appropriate place in the bill, insert the following:

"It is the sense of the Senate that the President's Commission on Strategic Forces, popularly known as the Scowcroft Commission, has rendered an outstanding public service and that its report, comprised of a balanced program of strategic force modernization and arms control initiatives, is a sound blueprint for maintaining effective deterrent and international stability for the future. The Senate endorses the deployment of MX missiles in existing Minuteman silos and the associated authorization of appropriations in this Act as being, under present circumstances, an indispensable component of a sound national security posture.".

NOTICES OF HEARINGS.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that the subcommittee hearing previously scheduled for Tuesday, July 26, regarding acquisition of land, and acquisition and termination of grazing permits or licenses issued by the Bureau of Land Management at the White Sands Missile Range, N. Mex., has been canceled and will be rescheduled at a later date.

For further information regarding this hearing you may wish to contract Mr. Tony Bevinetto of the subcommittee staff at 224-5161.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that the field hearing scheduled before the Subcommittee on Energy and Mineral Resources on Tuesday, August 9, in Blacksburg, Va., will begin at 10 a.m. instead of 1 p.m. in the auditorium of the Donaldson Brown Center for Continuing Education, Virginia Polytechnic Institute, Blacksburg. The subcommittee will receive testimony on enhanced coal technology: Coal's Market for the 1980's.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-5205.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON SMALL BUSINESS

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Tuesday, July 19, to hold an oversight hearing on the small business development center program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANNIVERSARIES OF THE SENTENCING OF SOVIET DISSIDENTS

● Mr. DOLE. Mr. President, the month of July marks the anniversary dates of the sentencing of three courageous individuals whose crimes consist of nothing more than voicing a desire for freedom. I take this opportunity to again commend the valiant perseverance of Mykola Rudenko, Viktoras Petkus, and Anatoly Shcharansky, all members of the Soviet Helsinki monitoring groups. These prisoners of conscience are unceasingly persecuted and oppressed by a regime which views even the honest voice of Shcharansky, the simple faith of Petkus, and the pen of the Poet Rudenko, as weapons against the state.

Mykola Rudenko, ironically, was originally a Communist war hero, wounded in the siege of Leningrad. He began his literary career after the war. As a writer, Rudenko soon felt the oppressive hand of the Soviet regime upon his work. Dissenting themes increasingly entered into his poetry. He went on to cofound the Ukrainian Helsinki Monitoring Group and was consequently labeled an "enemy of the state." Rudenko was given a 12-year sentence on July 1, 1977. In 1982, his disabled status was removed. He was then subjected to heavy labor which, owing to his severe back injuries, is inhumanely torturous and places his life in jeopardy.

Viktoras Petkus has been an energetic activist for human and religious rights since the 1940's. He was sentenced the first time in 1947 for his activities in a Roman Catholic youth organization which opposed Lithuania's annexation by the U.S.S.R. He served 6 years of hard labor. In 1958 he was arrested and sentenced to 7 years in prison for anti-Soviet agitation and propaganda, mainly the distribution of religious works. In 1976, he helped form the Lithuanian Helsinki Group. On July 13, 1977, he was tried and given his third sentence: 10 years of heavy labor and 5 years of exile.

Anatoly Shcharansky, after being refused an exit visa from the U.S.S.R. in 1973, became actively involved in the affairs of Jewish "refuseniks." He joined a seminar of scientist-refuseniks and with his high intelligence and natural leadership abilities, was propelled to unofficial leadership of Jewish activists. His fluency in English made him a natural link to Western journalists. He was also an active member of the Moscow Helsinki Group. In 1977, an article was published in Izvestia in which Shcharansky was accused of being a CIA agent. He was arrested and on July 14, 1978, was sentenced to 3 years in jail and 10 years of hard labor.

STRUGGLE CONTINUES

The cases of Rudenko, Petkus, and Shcharansky, further present us with irrefutable manifestations of the Soviet Government's disregard for its international commitments. By signing the Helsinki accords in 1975, the Soviet Union pledged to "respect human rights and fundamental freedoms including the freedom of thought, conscience, religion, or belief."

These three men, along with countless other prisoners of conscience, persist in their struggle to achieve their dreams of freedom for all men. Shcharansky in his closing trial statement said, "now I am further than ever from my dream," but he went on to proclaim, "I never compromised my soul, even under the threat of death." We must look to the example set by these men and proceed with unwavering dedication toward our goal of bringing human dignity and liberty to all men. As we commemorate the struggles of Mykola Rudenko, Viktoras Petkus, and Anatoly Shcharansky, I urge my colleagues to persist in their active support of prisoners of conscience in the Soviet Union, that they may one day taste the fruit of their inherent right to freedom.●

STATUS REPORT ON THE BUDGET

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1983 pursuant to section 311 of the Congressional Budget Act.

Since my last report the Congress has completed action on H.R. 3392 to amend the Agricultural Act of 1949, to freeze tobacco price supports.

The report follows:

REPORT No. 83-7

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET, STATUS OF THE FISCAL YEAR 1983 CONGRESSIONAL BUDGET, ADOPTED IN HOUSE CONCURRENT RESOLUTION 91—REFLECTING COMPLETED ACTION AS OF JULY 14, 1983

[In millions of dollars]

	Budget authority	Outlays	Revenues
Revised second budget resolution level	877,200	807,400	604,300
Current level	865,128	805,514	604,400
Amount remaining	12,072	1,886	100

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $12,072 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 91 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $1,886 million for fiscal year 1983, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 91 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $100 million for fiscal year 1983, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 91.●

EMERGENCY SCHOOL AID ACT OF 1983

● Mr. HEINZ. Mr. President, I am today announcing my cosponsorship of S. 1256, the Emergency School Aid Act of 1983, earlier introduced by Senators MOYNIHAN and DANFORTH. The original act, first adopted by Congress in 1972, was last funded for the 1981-82 school year at approximately $125 million. Through 1981, the Emergency School Aid Act (ESAA) had authorized some $2.2 billion for the purpose of voluntary desegregation efforts.

This school year, 1982-83, is the first under the new block grant program and without ESAA. Because of the consolidation of ESAA and State allocation of chapter II funds, districts that have previously benefited from ESAA have suffered enormous funding cuts, some in excess of 75 percent. Many of these districts had arranged multiyear funding agreements with the Department of Education and must still meet the mandates of their desegregation plans, often at the expense of the regular program.

In fiscal year 1980, Philadelphia received $8.9 million for activities eventually subsumed under chapter II block grant, of which $5.2 million was for ESAA programs. In fiscal year 1982, Philadelphia received just $3.4 million for all chapter II activities, a total cut of 38 percent for fiscal year 1980, a significant blow to the city's desegregation efforts. Similar reductions have been suffered by Erie, Pottstown, and West Chester, Pa. Additionally, I am pleased to note that my hometown of Pittsburgh has recently become eligible for ESAA funding because its desegregation plans have finally been approved.

S. 1256 does not reconstitute the original Emergency School Aid Act, but offers a less expensive and scaled-down version of the original legislation, without dismantling the recently enacted block grant itself. Furthermore, rather than create any new automatic entitlement the bill would authorize funding on a competitive basis only, with $125 million for fiscal year 1983, and such sums as necessary for the succeeding 3 fiscal years. Funds would be used for desegregation activities such as the operation of magnet schools, in-service training for teachers and staff, and other innovative educational programs design to involve the joint participation of minority group and other children. As I stated earlier, eligibility for such funds will be determined by the Secretary of Education and based on a competitive awards process with priority given to school districts with a demonstrated need for assistance, those having a high promise of success, and those with a recent desegregation plan.

Mr. President, this bill has received the endorsement of many major educational organizations as well as the support of a number of my colleagues. I join them in urging those on the Subcommittee on Education and the Members of the Senate to carefully consider this responsible piece of legislation and to enact it into law.●

COMMISSION ON BICENTENNIAL OF THE CONSTITUTION

● Mr. SPECTER. Mr. President, I rise to commend Senator HATCH for his leadership and diligence in developing S. 118, a bill to establish the Commission on the Bicentennial of the Constitution.

As we approach the second centennial of our Constitution it is incumbent upon us that we focus attention on the principles upon which our Nation was founded over 200 years ago and on the responsibility each of us has to protect these principles for the generations ahead. Our form of government is only as strong as the quality and breadth of the participation of its citizens.

The Commission established by this legislation offers a nationwide education of our system of constitutional freedoms and will provide the people of the United States and perhaps the world, a better understanding of our representative government.

One of the primary duties of the Commission shall be to plan and develop activities appropriate to commemorate the bicentennial, including the funding of a limited number of projects to be undertaken by the Commission on behalf of the Federal Government. The Committee on the Judiciary determined that consideration should be given to a variety of principles in planning and implementing bicentennial activities. The first of these principles is, "the historical setting in which the Constitution was developed and ratified . . .," another is "the unique achievements and contributions of the participants in the Constitutional Convention. . . ." The experience of Pennsylvania, dating back to the Quaker colony established in 1682 by William Penn, greatly influenced the framers of our Constitution. The early Pennsylvania system provided a model of religious freedom and majority rule as well as a system of separation of power and checks and balances. Pennsylvania has played a central role in the founding of our Nation. The Declaration of Independence was signed in Philadelphia and the Constitution was written and adopted by the Constitutional Convention meeting there on September 17, 1787. As I understand the intent of the committee's report language, settings in the city of Philadelphia and other historical locations in Pennsylvania should play a pivotal role in, and receive priority and special consideration in the funding of, activities commemorating the bicentennial of the Constitution. I urge my colleagues to support this important piece of legislation.

Mr. HATCH. I wish to thank Senator SPECTER for his kind words concerning the work of this committee. Further, I want to state that Philadelphia, as the historical setting for the Constitutional Convention, and other Pennsylvania historical settings should indeed play a central role in the bicentennial of the Constitution and that the important historical settings of Pennsylvania should indeed receive consideration as the Commission exercises its discretion relative to funding activities.●

NATIONAL HANSEN'S DISEASE CENTER AT CARVILLE, LA.

(By request of Mr. BAKER, the following statement was ordered to be printed in the RECORD:)

● Mr. DOMENICI. Mr. President, the following resolution was sent to members of the Senate Budget Committee from the Louisiana House of Representatives. I ask that the resolution be printed in the RECORD for the information of all Senators.

The resolution follows:

A CONCURRENT RESOLUTION

Whereas, the Hansen's Disease Center at Carville, Louisiana was established in 1893 by the State of Louisiana and control of the hospital was given to the United States Public Health Service in 1921; and

Whereas, the three hundred fifty-seven bed hospital is the United States' principal center for the treatment of Hansen's Disease; and

Whereas, President Reagan's Fiscal Year 1984 Budget Resolution has deleted $438,000 from the budget of the National Hansen's Disease Center at Carville, Louisiana; and

Whereas, there is a great possibility that the funds cut from the hospital's budget will result in reductions of hospital personnel and not just reductions in the amount of funds allocated for supplies; and

Whereas, the Subcommittee on Health and the Environment of the Committee on Energy and Commerce of the United States House of Representatives conducted a hearing at the hospital on September 3, 1982, and concluded that no reductions in personnel should be made:

Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the United States Congress is hereby memorialized to reinstate the four hundred thirty-eight thousand dollars cut from the budget of the National Hansen's Disease Center at Carville, Louisiana by President Reagan's Office of Management and Budget.

Be it further resolved that copies of this Resolution be forwarded to the members of the Louisiana Congressional delegation, the members of the congressional budget committees, and to the President's Office of Management and Budget.●

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order four Senators be recognized on special orders of not to exceed 15 minutes each in the following order: Senators ARMSTRONG, DURENBERGER, ZORINSKY, and NUNN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that any time remaining after the execution of the special orders and prior to the hour of 11 a.m. be devoted to the transaction of routine morning business in which Senators may speak for not more than 2 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM CONCLUSION OF BUSINESS ON TOMORROW UNTIL 10 A.M. THURSDAY, JULY 21, 1983

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 10 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business this evening we will recess until 9:30 a.m.

At 11 a.m., after the two leaders, after the special orders, and after morning business, the Senate will resume consideration of the Department of Defense authorization bill. At that time the Tower amendment will be the pending question.

I anticipate that tomorrow will be a full day and perhaps a late day. As I indicated earlier this week and reiterated this morning, Wednesdays and Thursdays in this sequence should be considered as serious candidates for late evenings.

When we finish on Wednesday, the Senate will come in at 10 a.m. and under the provisions of rule XXII, unless other arrangements are made by unanimous consent, the vote on cloture against further debate on the substitute will occur at 11 a.m. after first ascertaining the presence of a quorum.

If cloture is invoked, the Senate will continue to deal with the substitute amendment until it is disposed of. If cloture is not invoked, a rollcall vote on cloture will occur on the second motion which is against the bill itself.

Mr. President, I yield to the Senator from Colorado.

Mr. HART. Mr. President, I ask unanimous consent that any remarks the Senator from Colorado makes tomorrow will not be considered as a second speech under rule XIX of the Senate rules.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, that is all I have to address to the Senate.

I inquire of the minority leader if he has anything further he wishes to bring up at this time.

RECOGNITION OF SENATORS

Mr. BYRD. Mr. President, the majority leader has characteristically been courteous in this regard.

I wish to take 2 or 3 minutes to say that increasingly there has been some irritation, may I say, on this side of the aisle with respect to recognition by the Chair, and I chose this moment to speak because the present occupant of the chair has not been in the chair at those times and so I do not direct my remarks toward any individual Senator. However, I think it should be made clear for the record that the rules require that the first Senator who stands and addresses the Chair is entitled to recognition.

Customarily, if one or more other Senators are seeking the Chair at the same time the majority leader seeks it, the majority leader is entitled to recognition, not by the rules but by custom, and I will certainly defend that custom strongly, as I have in the past. He is entitled to recognition over any other Senator who may be seeking the floor at that time.

I have never challenged him on that. I have seen in the past minority leaders who have attempted to get recognition when the majority leader was seeking recognition. I know better than that and I would be very surprised to be recognized at that time, and I think I would yield to the majority leader if I were so wrongly recognized.

With the exception of the majority leader, the minority leader is likewise customarily recognized ahead of other Senators. Following that, it has been the custom—and that is why we have the manager of the bill and the ranking minority manager take seats right here where normally the majority and minority leaders sit so they are right in the line of sight of the Presiding Officer—if either manager seeks recognition in competition with other Senators who are seeking recognition, the managers are to be recognized, with the exception of the attempts by the majority and/or the minority leaders.

But if another Senator clearly is seeking recognition before any one of the four heretofore mentioned, under the rules that Senator is entitled to be recognized.

There have been some cases in which Members on my side have sought recognition clearly, and in some cases repeatedly sought recognition, prior to recognition having been sought by a Member of the majority, and I have noted that the Chair has taken time to see if a Member of the majority wishes to be recognized before the Chair recognizes the Member of the minority.

I hope that we would not have problems with recognition. It is a powerful weapon. It is probably the most powerful weapon the majority leader has, with the exception of his also having the votes as well to back him up.

But the decisions of the Chair are discretionary in this regard and cannot be appealed, and that means that the Chair can, if he so wishes, be somewhat arbitrary in the recognition of Senators.

I am not going to say that any presiding Senator is being intentionally arbitrary, but I do think the minority has to be treated fairly in the matter of recognition, and I know of no one who would support that statement

that I have just made more strongly than would the majority leader for whom I do not presume to speak.

I would not want the situation to deteriorate to the point that the majority leader would not be able to get time agreements because of some wounded feeling on the part of a Member of the minority who senses that he has been arbitrarily denied recognition, when under the rules it is clear in a given instance that he should have been recognized because he was the first to stand and clearly address the Chair. I can recognize the difficulty of the Chair. I once sat in the chair 22 hours at one sitting, and sometimes it is difficult for the Chair to determine where the call for recognition is coming from, whether it is over here, over there, or somewhere else, back here, with a number of Senators around the floor talking, and disorder in the Senate. I can appreciate the problem the Chair has in instances of that kind, and for that reason sometimes I have not raised any question because I can understand how difficult it would be at times when a number of Senators are standing, moving around, talking, and it is difficult for the Chair to ascertain where the call for recognition is coming from.

But the Senate, under the rules, cannot make progress if there is not courtesy and fairness in the recognition of Senators.

The Senate really operates a great deal on the basis of unanimous consent, and if a Senator is irritated to the point that he may say, "Well, for the next month I will not give unanimous consent to any time agreements that would impinge greatly on the majority leader's efforts and desires to get on with the Senate's business." I know the majority leader does not want to see that happen.

But here of late, and I have watched this for quite a long time, and I do not think it is done with any malicious intent but I rather suspect that it may be done through misunderstanding on the part of Senators who are new in the Senate, perhaps, in respect to the rules. So I have been slow to say anything about this, but I hear complaints increasingly and I have seen it happen particularly within the last few days. I meant to talk to the majority leader about this and perhaps should have done so before addressing the matter on the floor. I know that he would certainly take care to talk with his colleagues to make sure they understood the rules better governing recognition.

There is another thing I should say in this regard and it is that upon the offering of an amendment, technically the offeror of that amendment loses the floor. The moment he offers an amendment he has lost the floor.

Now, customarily, here the Chair, under Democratic control and Republican control, automatically has often gone back to the offeror of the amendment and recognized him. That is all right so long as no other Senator seeks recognition first. But in actuality the recognition of the Senator who offers the amendment is not automatic. I say these things hoping that Senators will read the RECORD and may find this discussion helpful.

There may be some who, in presiding, feel that the offeror of the amendment automatically is entitled to be recognized after the amendment is read by the clerk but that is not technically correct.

Once the amendment is offered by a Senator then the floor is open to any Senator who may wish to seek recognition.

I do not want to appear to be overly pressing this matter. I merely mean it to be instructive—not that I know all there is to know about the rules and precedents—but I think it might be instructive to Senators because it might prevent acerbity and ill feeling if we have the understanding that the rules provide that the floor is open once a Senator offers an amendment. If he asks unanimous consent that the reading of the amendment be dispensed with it is my judgment that he again technically loses the floor.

Normally in the asking of unanimous consent a Senator does not lose the floor but in this one instance when he has offered an amendment, and if he is again recognized, he has the floor and I should think that his asking unanimous consent that the reading of the amendment be dispensed with does not then cost him the floor under those circumstances. I would like to ask the Chair if that is correct.

The PRESIDING OFFICER. While an amendment is being read, no Senator can gain the floor. Thus, if unanimous consent is granted to dispense with reading of the amendment, the floor is opened up.

Mr. BYRD. So he does gain the floor, if he asks unanimous consent that the reading of the amendment be dispensed with?

The PRESIDING OFFICER. He has already lost the floor by offering the amendment and he cannot regain the floor unless the amendment has either been read or unanimous consent has been granted.

Mr. BYRD. But how is he to ask unanimous consent to dispense with the reading of the amendment if he does not have some kind of recognition?

The PRESIDING OFFICER. It is in the same manner that the Senator can ask unanimous consent for suspension of the quorum call. It is not a question of actually having the floor.

Mr. BYRD. Ordinarily, however, the posing of a unanimous-consent request does not cause a Senator to lose the floor, am I correct?

The PRESIDING OFFICER. That is correct.

Mr. BYRD. But in the instance of his having offered an amendment the clerk having begun to state it, a Senator who offers the amendment and who asks unanimous consent that further reading of the amendment be dispensed with, by so doing does not retain the floor, is that correct?

The PRESIDING OFFICER. That is correct. He does not retain it.

Mr. BYRD. So in that instance there is an exception to the rule that the posing of a unanimous-consent request does not automatically lose the floor for that Senator.

The PRESIDING OFFICER. It is not the posing of the request that loses the floor but rather it is the offering of the amendment that loses the floor.

Mr. BYRD. I thank the Chair and I hope the discussion has been helpful.

Mr. BAKER. Mr. President, I thank the minority leader. I have remarked more than once he is the undisputed authority on the rules and precedents of the Senate, and I am grateful for that.

I will also tell him from time to time what little I know about the rules of the Senate I perhaps learned from him. It is no slight intended to the Parliamentarian. I listen intently to these matters, and I soak up these matters. From time to time I learn a little about the elaborate rules and precedents of this body.

I join with the minority leader in pointing out, as indeed I have pointed out, to occupants of the chair from this side of the aisle that the Senator first seeking recognition must be recognized regardless of his party affiliation and his location on the floor or his seniority. If more than one Senator is seeking recognition at the same time that the Chair should recognize the Senators in the order of precedence we have established. I will admonish Members on this side to do this once more, and I thank the Senator for bringing it to my attention.

Mr. BYRD. I thank the Senator, and may I say I have never had any problem, as minority leader, in being recognized. Every occupant of the chair has been most courteous and has recognized me, and I think I know why, because I suspect that the majority leader has made that matter very clear to his membership.

I feel the discussion has been good in that the majority leader's attention has been called to the matter which I think has been increasingly impressed upon me over here. I should have mentioned it to the majority leader first, because I know it would have been taken care of then and there.

But I think there is a purpose to be served in saying this for the record, as well.

Mr. BAKER. Mr. President, I agree with the minority leader.

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I am advised the Senator from Arizona is on the way to the floor to speak in morning business.

I ask unanimous consent that the time for the transaction of routine morning business be extended for 10 minutes under the same terms and conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECTION OF DR. KISSINGER TO HEAD THE BIPARTISAN COMMISSION ON CENTRAL AMERICAN POLICY

Mr. DECONCINI. Mr. President, I applaud President Reagan for establishing a bipartisan commission on Central American policy. I believe that to be an important step toward the formulation and, ultimately, the implementation of policies in that region which will serve the best interests of the United States and the hemisphere during this period of turmoil and change.

I do not believe, however, that the choice of Dr. Henry Kissinger to head that Commission is a wise one. Although Dr. Kissinger is certainly experienced in international affairs and has held high and diverse offices within our Government, his record is not one which suggests that he will succeed in formulating lasting and effective policies for Central America that would be bipartisan, as suggested by the President.

Dr. Kissinger is unquestionably an international personality—indeed, an international celebrity—whose individual style has done more to promote himself than it has to forward the national interests of the United States, in my judgment.

We should not forget that under the foreign policy leadership of Dr. Kissinger, the United States forged the now-defunct policy of detente with the Soviet Union—a policy which was suffused with defeatism and which led to a massive downgrading of American defenses which today has come back to haunt us. It is unclear to this Senator—and, I believe to most Americans—exactly how we benefited from detente. In truth, it allowed the Soviet Union to catch up with us technologically and surpass us militarily. Detente lulled America into a false sense of security which was rudely shattered when jack-booted Soviet troops marched through the streets of Afghanistan and Soviet combat forces were discovered 90 miles from our coast in Cuba.

Nor should we simply regard Dr. Kissinger as the architect of one of the most disastrous foreign policy formulations in recent memory. We can also see Dr. Kissinger in a different role during the Vietnam war. Then he acted to subvert the democratic process through secret bombings in Cambodia and a host of other actions which, according to many scholars and critics, prolonged the war without creating an honorable end to it. In the final analysis, the Kissinger policies in Vietnam caused America to tuck its tail between its legs and make an unceremonious retreat from the country where 50,000 young American men lost their lives.

I do not blame the war in Vietnam on Dr. Kissinger. I point out that his foreign policy directions were wrong and I think that is recognized today.

I recognize that Dr. Kissinger has his fan club, here on Capitol Hill as much as anywhere. And perhaps, because of this, the President was clever in choosing him. But from the point of view of putting together a sound foreign policy where serious American interests can be preserved, Dr. Kissinger is associated, in my mind, with some of the worst and most disastrous foreign policy initiatives in the history of this Republic.

The President would be well advised to put public relations considerations aside, and put Dr. Kissinger aside.

I am sure he can find someone equal to the task to be used effectively in the best interests of this country in forming a bipartisan commission such as on social security and the MX missile.

I thank the Chair.

RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and the Senate, at 6:52 p.m., recessed until Wednesday, July 20, 1983, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, July 19, 1983*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We acknowledge, O God, that You have called us to be of service to others, whatever our task. On this day we remember all those who labor in this place who use their skill and talent in ways that help others and ease the burden of each day. We commend to You those whose kindness and friendly spirit make such a contribution to our common effort and whose faithfulness enriches our lives.

May Your blessing be upon us this day and every day we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed joint resolutions of the following titles, in which the concurrence of the House is requested:

S.J. Res. 19. Joint resolution to authorize and request the President to designate the period August 26, 1983, through August 30, 1983, as "National Psychology Days";

S.J. Res. 56. Joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month";

S.J. Res. 77. Joint resolution designating "National Animal Agriculture Week";

S.J. Res. 85. Joint resolution to designate September 26, 1983, as "National Historically Black Colleges Day";

S.J. Res. 98. Joint resolution to designate October 2 through October 9, 1983, as "National Housing Week";

S.J. Res. 102. Joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week";

S.J. Res. 119. Joint resolution to designate the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week"; and

S.J. Res. 127. Joint resolution designating the week of May 27, 1984, as "National Tourism Week."

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

CONVEYANCE OF THE LIBERTY SHIP "JOHN W. BROWN"

The Clerk called the bill (H.R. 1556) to authorize the conveyance of the liberty ship *John W. Brown* to the John W. Brown preservation project.

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

PREDICTING RESULTS OF "BIPARTISAN" COMMISSION TO STUDY PROBLEMS IN LATIN AMERICA

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, I see in the press that the administration is appointing a "bipartisan" commission to study the problems in Latin America, and whether we should persist in our military efforts there.

I do not know how much the commission plans to spend on itself of public money but I think we can save every penny of it because I will give you now exactly what the recommendation will be. More U.S. men, more U.S. money and more U.S. prestige spent in Latin America. I understand they are picking the Honorable Henry Kissinger to head the commission and I must say, Mr. Speaker, I did not realize the Rockefellers had quite that many investments in South America.

I yield back the balance of my time.

TO KDKA'S BILL BURNS: "GOOD NIGHT, GOOD LUCK, AND GOOD NEWS TOMORROW!"

(Mr. WALGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALGREN. Mr. Speaker, today is a very special day for many of us in western Pennsylvania, for today is "Bill Burns Day"—a day to recognize the "Walter Cronkite" of Pittsburgh television, Bill Burns.

Thirty years ago today Bill Burns gave his first news telecast for KDKA-TV, then known as WDTV, and he has been on the air in Pittsburgh ever since.

In an industry where loyalty is measured in months, Bill Burns' commitment to Pittsburgh and KDKA is a testament to the unique relationship he has with the people of our area. The fact that his "Noon News" television show is the highest rated program at noon in the United States only tells a small part of all that Bill Burns means to Pittsburgh.

Bill is a man who worked his way to the top of his profession. Born in Houtzdale, Pa., he earned a degree in journalism at St. Joseph's College in Philadelphia. Before his career could really take off, World War II began, and injuries during the Normandy invasion put him in a hospital for 18 months.

After his recovery, Bill spent 7 years with the Pittsburgh radio station, KQV, before switching to television on July 19, 1953, 30 years ago today.

In the television industry, Bill Burns has done a little bit of everything—reporter, editor, anchorman, and news director. When his daughter Patti joined the KDKA news team, Bill and Patti became the first father-daughter evening news anchor team.

His news accomplishments have earned him the respect of professionals, but his personal qualities have won him the affection of the people of Pittsburgh. He is known for literally talking people out of jumping off bridges. The children of western Pennsylvania can never forget the 30 years Bill Burns has given to Children's Hospital and its annual fundraising drive every Christmas.

Bill Burns is a Pittsburgh institution who we hope will give us the news for many more years. So, Bill, as you have said to us so many times, today it is our turn to say to you, "Good night, good luck, and good news tomorrow."

ASAT TEST MORATORIUM

(Mr. KRAMER asked was given permission to address the House for 1 minute.)

Mr. KRAMER. Mr. Speaker, earlier today a number of our colleagues—well intentioned but misguided—called for a United States-Soviet moratorium on antisatellite weapons testing in space. Later this week, an amendment will be offered to the fiscal year 1984 defense authorization bill to prohibit U.S. ASAT flight testing—in effect imposing a unilateral moratorium.

A moratorium would not enhance the cause of peace. It would trap the United States in a position of dangerous military inferiority to the Soviet Union. The question is not whether we are going to introduce weapons in

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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space as some of my colleagues have charged. The Soviets have already done that. They have a fully tested, fully operational ASAT system with which they can knock out our military satellites at will. We have no such system. A moratorium on ASAT testing would leave the United States without a capacity to deal with Soviet military spacecraft in time of war and with no leverage to apply in ASAT-related arms control talks.

We must flight-test our system to maintain an already delayed deployment date. We must perform actual flight-test intercepts to prove to the Soviets that we will not stand idly by while they race ahead in military space operations and continue to stall meaningful ASAT treaty talks to gain an insurmountable negotiating advantage over us.

In the interest of both strategic defense and arms control, we must go forward with our ASAT program. Any test moratorium, direct or indirect, must be rejected.

REESTABLISHING CONTROL OF THE EDUCATION AND LABOR COMMITTEE BY ELECTED MEMBERS OF THIS BODY

(Mr. ERLENBORN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ERLENBORN. Mr. Speaker, this body is investigating the alteration of official transcripts of 1982 hearings of House committees. This is proper in light of the discovery of tampering with the words and intent of the Members of the House and the witnesses who appeared before them.

Recently, I testified before the Rules Committee on a 67-word amendment which grew to 386 words between the time it was ordered reported from the Education and Labor Committee and the time it was printed.

Sadly, I must report yet another incident where the official orders of elected Members of the House of Representatives have been thwarted. On Wednesday, July 13, 1983, the Education and Labor Committee considered a motion of instructions for communication between our chairman and chairmen of the Appropriations Committee and its Labor-HHS-Education Subcommittee.

A substitute motion was offered and was defeated on a straight party-line vote. At that time, I requested 3 days for the filing of minority views. The committee granted these 3 days to the minority by unanimous consent.

A curious thing happened next, Mr. Speaker: Apparently, the communication called for in the motion was immediately sent to the Appropriations Subcommittee. The majority did not wait 3 days * * * 3 hours * * * or, from what we could see, 3 minutes * * * to transmit an official communication of the committee without the minority views authorized by the committee.

Clearly, some staff aide or aides took it upon themselves to overrule the elected representatives of the people of this land. This is a clear affront to the chairman of the Education and Labor Committee and his colleagues in that body. It must not go unreported or unchallenged. To do so would be to diminish the legal authority of the committee and the respect it must command to enact the will of our citizens.

Furthermore, in spite of the official nature of this communication, a courtesy copy was not provided to the Republican Members. The Republicans received this document several hours after it was requested. After reviewing the transmittal letter, it was discovered that reference was made to "findings and recommendations of the subcommittee." The truth is that the subcommittee never met for the purpose of making "findings and recommendations."

I wonder how staff could overule the committee, and how the committee could communicate findings which were not reached, and which contradict the clear statements of witnesses on an important matter. I offer the chairman my full cooperation in reestablishing control of the Education and Labor Committee by elected Members of this body.

FALSE SYMMETRY

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I would like to warn my colleagues about a proposal for deficit reduction which is floating around both Houses of Congress. This proposal would reduce the indexing of income tax rates from a full adjustment based on the Consumer Price Index to an adjustment of the Consumer Price Index minus 3 percentage points, effective for the years 1985 through 1988. This would increase revenue for this 4-year period by $57 billion. Such an adjustment would be balanced by a reduction of the cost-of-living adjustment for non-means-tested entitlement programs using the Consumer Price Index minus 3 percentage points. It is alleged that this would reduce outlays by $62 billion. Therefore, the net effect of the superficially symmetrical reductions of indexation by 3 percentge points would be a reduction of the deficit of $117.2 billion over a 4-year period.

The problem with this proposal is that $48.4 billion of the outlay reduction comes in social security. We are not going to revisit social security, unless I misunderstand this institution, particularly to cut benefits over a 4-year period by $48.4 billion. Eliminating the social security from the changed entitlement programs, then, would mean that this proposal would reduce outlays by $11.8 billion only over 4 years, while increasing taxes by $57 billion.

When I voted for indexing I knew I was probably having to vote eventually for tax increases. But, Mr. Speaker, let us not confuse real tax reform with the level of taxation, and let us not play games with apparently symmetrical proposals which, in fact, are transparent tax increases unmatched by any reasonable expenditure reduction. We followed that course in last year's budget, to our sorrow.

□ 1210

A CLOSED SESSION IS UNNECESSARY

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, shortly this House will engage in a historic closed session on the subject of covert operations in Nicaragua. I submit that it is unnecessary to close this session and I submit that the American people should be aware of precisely what is happening in Nicaragua. I submit the American people should be made aware of the devastation of the Monroe Doctrine and the imposition of the Brezhnev doctrine right here at our southern borders.

The American people should be aware of the presence of a Soviet international fighting force composed of Soviets, Cubans, Bulgarians, East Germans, Czechs, and PLO. The American people should understand the grave threat to this hemisphere posed by this Soviet international fighting force operating on the Central American mainland.

There are no secrets any longer as to what is going on in Nicaragua. Why close the session?

NOTICE OF SPECIAL ORDER ON NICARAGUA

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute.)

Mr. EDWARDS of California. Mr. Speaker, I want to remind our colleagues that this evening, after regular business has been completed, there will be a 3-hour public debate on our intervention in Central America.

A number of us have just returned from 4 days in El Salvador and in Nicaragua. And, believe me, Mr. Speaker, there is a major invasion of Nicaragua, a tiny Third World country, one-hundredth the size of the

United States. This invasion is sponsored and paid for by the United States and is taking place from the border of Honduras, of Costa Rica, and on the Atlantic coast.

Mr. Speaker, Members of the House of Representatives have the opportunity tonight to tell the American public about the true facts of this large-scale invasion of this neighboring country.

HEARINGS ON AIDS TO BE HELD

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the AIDS epidemic, showing no signs of abating, continues to rob countless individuals of their health and their lives.

During recent months, the seriousness of this health crisis has finally captured the attention of the press and the public; and this growing air of national emergency has fueled some increased efforts to fight AIDS. At the same time, unfortunately, rumors and misperceptions have unleased a massive hysteria that threatens to upset the work that needs to be done to reverse the epidemic.

The Subcommittee on Intergovernmental Relations and Human Resources, which I am privileged to chair, will begin hearings on the Federal response to AIDS on August 2. In doing so, the subcommittee wants to assure that sufficient resources are being made available to solve this health emergency, that the Federal effort is sensitive to the needs of communities at risk, and that the confidentiality concerns of AIDS victims are being addressed. I am hopeful that this hearing will focus attention on urgent issues that will strengthen our collective response to this epidemic.

THE APPOINTMENT OF HENRY KISSINGER IS INAPPROPRIATE

(Mr. OBEY asked and was given permission to address the House for 1 minute.)

Mr. OBEY. Mr. Speaker, the appointment of Henry Kissinger as chairman of a Commission on Central America could not be more inappropriate. Henry Kissinger is personally identified with past policies which involve the covert overthrow of an elected government in that region. His cynical past in Chile makes him less useful and credible in defending or designing American policy in Central or South America than anyone else I know.

I do not trust his instincts about that part of the world. I do not trust his words.

By all means use him in the Middle East, use him in great power in negotiations, where he has considerable talents to offer, but do not use him in Latin America, he has too much baggage to overcome.

THE QUESTION OF FRAUD, WASTE, AND ABUSE

(Mr. HARRISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARRISON. Mr. Speaker, we all hear a lot about fraud, waste, and abuse. Usually in conjunction with food stamps and social programs.

This morning on the CBS News, I heard an employee of the Federal Government say that the Department of Defense had spent a $112 for a dial that was available in its own supplies at a cost of 4 cents.

And so I have a multiple choice test for my colleagues in the House this morning. Does that constitute fraud, waste, abuse, or all of the above? And, Mr. Speaker, if we do not know, I suggest we ought to find out and do something about it.

ZERO OVERPRICING PROGRAM

(Mr. VALENTINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VALENTINE. Mr. Speaker, in recent months there has been a considerable amount of publicity regarding enormous overpricing of spare parts procured by the Defense Establishment. One particularly notable example involved a plastic cap for the navigator's stool on board the AWACS radar plane. The Air Force bought three such caps for the unbelievable price of $1,118.26. But thanks to this service branch's innovative zero overpricing program, future caps will cost less than $10.

Overpricing can occur for any one of a number of reasons, including noncompetitive bidding, lack of proprietary information, the sheer complexity of implementing multibillion-dollar budgets, and, of course, the ongoing problems of waste, fraud, and abuse from which no Government department is immune.

The zero overpricing program provides an excellent opportunity for uniformed men and women, those who deal with weapons systems and spare parts every day, to make an important contribution toward controlling the spiraling cost of defending our Nation. It permits grassroots involvement in the defense procurement process.

Mr. Speaker, I have written to the Secretary of the Air Force, urging that he act to boost incentives to encourage more service personnel to participate in this important program.

□ 1220

AMERICAN EDUCATION

(Mr. MOODY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. MOODY. Mr. Speaker, President Reagan recently blamed the courts for the decline in American education, saying that 20 years of court orders have required schools to take the lead in addressing "longstanding injustices our society: racial segregation, sex discrimination, lack of opportunity for the handicapped."

This is a very misleading and unfortunate explanation of educational woes in America. Let me make three brief points.

First, as a former teacher, I know that the key to successful education is motivation of students and relevancy of curricula. Schools must not ignore or disengage from the burning social issues of our day. If they do, how motivated and relevant will our educational system be?

Second, it would be both morally inappropriate and legally impermissible to spend public funds to support and perpetuate racial segregation and other violations of our Constitution, even if it were educationally sound to do so.

Third, schools are the major institution in our society bringing enlightenment to young minds. As such, they have an absolute and affirmative obligation to inform our students on every aspect of society, including—and perhaps especially—the "longstanding injustices" of which Mr. Reagan speaks. If schools do not provide this, who will?

Recently in my district I observed the crippling effects that the Reagan administration's cuts are having on education in both the basic and speciality programs. Reading and math specialists have been cut by 50 percent—from 16 to 8—and career training high-tech teachers in the magnet schools have been cut by 80 percent—from 40 down to 8. Teacher development and retraining programs have been virtually eliminated.

School lunch cuts have reduced the number of participating children by at least 5 percent, or 1,000 per day from last year. Studies show that diet directly impacts learning, and academic performance falls when school feeding is cut.

The cause of our Nation's descent to educational mediocrity lies not with the courts, for they are fulfilling their constitutional mandate. If anything, forcing education to participate in solving the pressing social issues makes public education more relevant and hence better. Educational problems flow from a whole series of

causes, including funding cuts over the last 2 years.

PRESIDENT'S COMMISSION ON CENTRAL AMERICA

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, the President's proposed Commission on Central America is looking more and more like a seesaw, with all of the participants on one side; for it has been released in today's newspapers source in the administration have said there will be no opponents of the President's policies in Central America on the Commission.

The great division in the Commission will occur between strong proponents of the President's policies and moderate proponents of the President's policies. And the precedent of the Social Security Commission is not apropos because there were people like Greenspan and defenders of social security like CLAUDE PEPPER, who were diametrically opposed in their views on the same Commission. They came out with a report that many of us accepted, and that is why it was successful.

I am calling upon the President today to appoint to his Commission known opponents of his program in Central America, and only then will the Commission's report have any validity before this Congress.

KISSINGER COMMISSION LACKS CREDIBILITY TO FORMULATE POLICY OF DEMOCRACY IN CENTRAL AMERICA

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, two of the darkest periods of American diplomacy were the secret bombing of Cambodia during the Vietnam war, and the CIA-backed overthrow of President Salvador Allende in Chile. It was Henry Kissinger who directed the bombing of Cambodia, which was kept secret from the American people but which was certainly no secret to the Cambodians. And it was Henry Kissinger who directed the U.S. role in the violent overthrow in 1973 of the democratically elected President of Chile, Salvador Allende. Today, when Chile still chafes under the yoke of a violently repressive right-wing dictatorship, I don't think that a Reagan-appointed Kissinger Commission has sufficient credibility to formulate a policy of democracy and peaceful settlement in Central America.

What we are seeing is just a replay of the same stacked-deck approach the administration arranged with the Scowcroft Commission—appoint a bipartisan Commission, but make sure the Commission recommends what you want it to recommend, which in the Scowcroft Commission's case was the MX.

I can guarantee that with Dr. Kissinger as its head, the administration's new Commission will recommend just what the White House wants it to recommend—and that is increased overt and covert aid to Central America.

The last thing the United States needs is a return to the failures of the Vietnam era.

What is needed is a change in policy, not an exercise in evasive tactics. Dr. Kissinger is not the man to develop a fresh, credible approach to the problem. For that reason we should not sit on our hands and wait for this Commission to issue its report.

We are already working on forming a separate bipartisan Commission that will have a mandate to get at the real story in Central America, and to formulate a policy solution that brings peace to Central America and does not answer failure with military escalation.

CENTRAL AMERICAN POLICY

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, in the short run, the President tells us, we must continue a policy of military aid to Central America—and we may see a 40 percent increase in U.S. arms, a doubling of CIA backing for forces seeking to overthrow the Nicaraguan Government, and new U.S. military exercises. In the long run, we are told to wait for the conclusions of the Kissinger Commission to address the root of the region's problems.

We all hope a bipartisan approach can be devised to lay the foundation for peace. But no policy can succeed unless it recognizes that our military aid, our history of gunboat diplomacy and our decades of support for repressive regimes—like we now aid in El Salvador, like we aided under Somoza and are now arming for return to Nicaragua—are important long-term causes of turmoil in the region.

Interest in the Kissinger Commission must not obscure our most promising opportunities. The Contadora countries last weekend called upon the United States and Cuba to help end militarization and foreign intervention. We must embrace this chance to work with these leaders, and we must begin to end our own military intervention by supporting the Boland-Zablocki bill.

COMMUNICATION FROM THE HONORABLE PATRICIA SCHROEDER

The SPEAKER pro tempore laid before the House the following communication from the Honorable PATRICIA SCHROEDER:

HOUSE OF REPRESENTATIVES,
Washington, D.C.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives, Attn.: L. Kirk O'Donnell, Washington, D.C.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L(50) of the Rules of the House that Luis Jaramillo, a member of my district office staff received a subpoena from the U.S. District Court for the District of Colorado.

After consulting with counsel, I have determined that compliance with the subpoena is consistent with the privileges and rights of the House.

Sincerely,

PATRICIA SCHROEDER,
Congresswoman.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair will now put the question on the motion and the question of adopting a resolution on which further proceedings were postponed on Monday, July 18, 1983, in the order in which the motion and the resolution were considered.

Votes will be taken in the following order:

H.R. 3385, by the yeas and nays; and the House Resolution 268, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

UPLAND COTTON PIK PROGRAM

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3385, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. DE LA GARZA) that the House suspend the rules and pass the bill, H.R. 3385, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 312, nays 97, answered "present" 1, not voting 23, as follows:

[Roll No. 254]

YEAS—312

Ackerman	AuCoin	Billey
Addabbo	Barnard	Boehlert
Akaka	Barnes	Boggs
Albosta	Bartlett	Boland
Alexander	Bedell	Boner
Andrews (TX)	Bennett	Bonior
Annunzio	Bereuter	Bonker
Anthony	Bethune	Bosco
Applegate	Bevill	Boucher
Aspin	Bilirakis	Boxer

Breaux	Ireland	Quillen
Britt	Jeffords	Rahall
Brooks	Jenkins	Ratchford
Brown (CA)	Johnson	Ray
Broyhill	Jones (NC)	Regula
Bryant	Jones (OK)	Reid
Burton (CA)	Kaptur	Richardson
Byron	Kastenmeier	Ridge
Campbell	Kazen	Roberts
Carr	Kemp	Robinson
Chandler	Kennelly	Roe
Chappell	Kildee	Rogers
Clarke	Kogovsek	Rose
Clinger	Kolter	Rostenkowski
Coats	Kostmayer	Roth
Coelho	LaFalce	Rowland
Coleman (MO)	Lantos	Roybal
Coleman (TX)	Latta	Rudd
Cooper	Leath	Russo
Coyne	Lehman (CA)	Sabo
Crockett	Lehman (FL)	Savage
Daniel	Leland	Sawyer
Daschle	Lent	Scheuer
Daub	Levin	Schroeder
Davis	Levine	Schulze
de la Garza	Levitas	Schumer
Derrick	Lewis (CA)	Seiberling
Dickinson	Lewis (FL)	Sharp
Dicks	Livingston	Shaw
Dingell	Lloyd	Shelby
Dixon	Loeffler	Sikorski
Donnelly	Long (LA)	Siljander
Dorgan	Long (MD)	Sisisky
Dowdy	Lott	Skeen
Duncan	Lowery (CA)	Skelton
Durbin	Lowry (WA)	Slattery
Dwyer	Lujan	Smith (FL)
Dymally	Luken	Smith (IA)
Dyson	Lundine	Smith (NE)
Early	Mack	Smith (NJ)
Edwards (AL)	MacKay	Snyder
Edwards (CA)	Madigan	Solarz
Edwards (OK)	Markey	Spence
Emerson	Marlenee	Spratt
English	Martin (NC)	St Germain
Erdreich	Martin (NY)	Staggers
Erlenborn	Martinez	Stangeland
Evans (IL)	Matsui	Stenholm
Fascell	Mavroules	Stokes
Fazio	Mazzoli	Studds
Feighan	McCain	Stump
Ferraro	McCandless	Sundquist
Fiedler	McCloskey	Swift
Fish	McCollum	Synar
Flippo	McCurdy	Tallon
Foley	McEwen	Tauzin
Ford (TN)	McGrath	Taylor
Fowler	McHugh	Thomas (CA)
Franklin	McKinney	Thomas (GA)
Frost	McNulty	Torres
Fuqua	Mica	Torricelli
Garcia	Mikulski	Towns
Gaydos	Mineta	Traxler
Gejdenson	Moakley	Udall
Gephardt	Molinari	Valentine
Gibbons	Mollohan	Vander Jagt
Gilman	Montgomery	Vandergriff
Gingrich	Moore	Vento
Glickman	Morrison (WA)	Volkmer
Gonzalez	Murphy	Watkins
Gramm	Murtha	Weaver
Gray	Myers	Weber
Guarini	Natcher	Weiss
Gunderson	Neal	Wheat
Hall (OH)	Nichols	Whitehurst
Hall, Ralph	Nowak	Whitley
Hamilton	O'Brien	Whittaker
Hammerschmidt	Oakar	Whitten
Hance	Oberstar	Williams (MT)
Hansen (ID)	Obey	Williams (OH)
Harkin	Olin	Wilson
Harrison	Ortiz	Winn
Hartnett	Owens	Wirth
Hatcher	Panetta	Wise
Hightower	Parris	Wolf
Hillis	Pashayan	Wolpe
Hopkins	Patman	Wortley
Horton	Patterson	Wright
Howard	Pease	Wyden
Hoyer	Penny	Yatron
Hubbard	Pepper	Young (AK)
Huckaby	Perkins	Young (FL)
Hunter	Pickle	Young (MO)
Hutto	Price	Zablocki

NAYS—97

Anderson	Frank	Nielson
Archer	Frenzel	Ottinger
Badham	Gekas	Oxley
Bateman	Gradison	Packard
Bates	Green	Paul
Beilenson	Gregg	Petri
Broomfield	Hansen (UT)	Porter
Brown (CO)	Hertel	Pritchard
Burton (IN)	Hiler	Pursell
Carney	Holt	Rinaldo
Carper	Hughes	Ritter
Chappie	Hyde	Roukema
Cheney	Jacobs	Schaefer
Conable	Kasich	Schneider
Conte	Kindness	Sensenbrenner
Corcoran	Kramer	Shumway
Coughlin	Lagomarsino	Shuster
Courter	Leach	Smith, Denny
Craig	Lipinski	Smith, Robert
Crane, Daniel	Lungren	Snowe
Crane, Philip	Marriott	Solomon
D'Amours	Martin (IL)	Stark
Dannemeyer	McDade	Stratton
Dellums	McKernan	Tauke
DeWine	Michel	Vucanovich
Dreier	Miller (CA)	Walgren
Eckart	Miller (OH)	Walker
Edgar	Minish	Waxman
Evans (IA)	Moody	Wylie
Fields	Moorhead	Yates
Florio	Morrison (CT)	Zschau
Foglietta	Mrazek	
Forsythe	Nelson	

ANSWERED "PRESENT"—1

Roemer

NOT VOTING—23

Andrews (NC)	Ford (MI)	Jones (TN)
Berman	Goodling	McDonald
Biaggi	Gore	Mitchell
Borski	Hall (IN)	Rangel
Clay	Hall, Sam	Rodino
Collins	Hawkins	Shannon
Conyers	Hefner	Simon
Downey	Heftel	

□ 1240

The Clerk announced the following pairs:

On this vote:

Mr. Rodino and Mr. Jones of Tennessee for, with Mr. McDonald against.

Messrs. CRAIG, MOODY, FOGLIETTA, STARK, BEILENSON, and HERTEL of Michigan changed their votes from "yea" to "nay."

Mr. ROEMER changed his vote from "nay" to "present."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ROEMER. Mr. Speaker, I voted "present" on H.R. 3385 because my family operates a cotton farm in Louisiana and would be directly advantaged monetarily by the passage of this legislation.

The rules of the House and of ethical standards require that I abstain from casting a vote that would directly and knowingly advantage me personally.

Frankly, without this personal constraint, I would have voted in favor of this bill because it represents an equitable conclusion to our previous commitment made in the PIK program.

Furthermore, it is unfortunate to be forced to honor our commitment in this expensive manner, but such costly action is usually the result of a poor plan, too hastily made—such is surely the case with the PIK program.

ELECTION OF MEMBER TO CERTAIN STANDING COMMITTEES

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 268).

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution (H. Res. 268), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 298, nays 112, answered "present" 1, not voting 22, as follows:

[Roll No. 255]

YEAS—298

Ackerman	Derrick	Hertel
Addabbo	Dicks	Hightower
Akaka	Dingell	Hopkins
Albosta	Dixon	Horton
Alexander	Donnelly	Howard
Anderson	Dorgan	Hoyer
Andrews (TX)	Dowdy	Hubbard
Annunzio	Dreier	Huckaby
Anthony	Duncan	Hughes
Applegate	Durbin	Hunter
Aspin	Dwyer	Hutto
AuCoin	Dymally	Ireland
Badham	Dyson	Jacobs
Barnard	Early	Jenkins
Barnes	Eckart	Jones (NC)
Bates	Edgar	Jones (OK)
Bedell	Edwards (CA)	Kaptur
Beilenson	Edwards (OK)	Kastenmeier
Bennett	English	Kazen
Bereuter	Erdreich	Kennelly
Berman	Evans (IL)	Kildee
Bevill	Fascell	Kogovsek
Boggs	Fazio	Kolter
Boland	Feighan	Kostmayer
Boner	Ferraro	Kramer
Bonior	Fiedler	LaFalce
Bonker	Flippo	Lagomarsino
Bosco	Florio	Lantos
Boucher	Foglietta	Latta
Boxer	Foley	Leath
Breaux	Ford (MI)	Lehman (CA)
Britt	Ford (TN)	Lehman (FL)
Brooks	Forsythe	Leland
Brown (CA)	Fowler	Lent
Bryant	Frank	Levin
Burton (CA)	Frenzel	Levine
Byron	Frost	Levitas
Carney	Fuqua	Lewis (CA)
Carper	Garcia	Lipinski
Carr	Gaydos	Lloyd
Chappell	Gejdenson	Long (LA)
Chappie	Gephardt	Lowery (CA)
Clarke	Gibbons	Lowry (WA)
Coelho	Gilman	Luken
Coleman (MO)	Glickman	Lundine
Coleman (TX)	Gonzalez	MacKay
Collins	Gradison	Markey
Conable	Gray	Marriott
Conte	Green	Martinez
Conyers	Guarini	Matsui
Cooper	Hall (IN)	Mavroules
Coyne	Hall (OH)	Mazzoli
Crockett	Hall, Ralph	McCandless
D'Amours	Hamilton	McCloskey
Daniel	Hammerschmidt	McCurdy
Daschle	Hance	McGrath
Davis	Harkin	McHugh
de la Garza	Harrison	McNulty
Dellums	Hatcher	Mica

Mikulski	Ray	Stratton
Miller (CA)	Regula	Studds
Mineta	Reid	Stump
Minish	Richardson	Sundquist
Moakley	Rinaldo	Swift
Mollohan	Roe	Synar
Montgomery	Roemer	Tallon
Moody	Rose	Tauzin
Moorhead	Rostenkowski	Taylor
Morrison (CT)	Roth	Thomas (GA)
Mrazek	Roukema	Torres
Murphy	Rowland	Towns
Murtha	Roybal	Traxler
Natcher	Rudd	Udall
Neal	Russo	Valentine
Nelson	Sabo	Vandergriff
Nichols	Savage	Vento
Nowak	Sawyer	Volkmer
O'Brien	Scheuer	Walgren
Oakar	Schroeder	Watkins
Oberstar	Schumer	Waxman
Obey	Seiberling	Weaver
Olin	Sharp	Weiss
Ortiz	Shelby	Wheat
Ottinger	Shumway	Whitley
Owens	Sikorski	Whitten
Packard	Sisisky	Williams (MT)
Panetta	Skelton	Williams (OH)
Patman	Slattery	Wilson
Patterson	Smith (FL)	Wirth
Pease	Smith (IA)	Wise
Penny	Smith (NJ)	Wolpe
Pepper	Smith, Robert	Wright
Perkins	Snowe	Wyden
Petri	Solarz	Yates
Pickle	Spence	Yatron
Price	Spratt	Young (MO)
Pritchard	St Germain	Zablocki
Quillen	Staggers	Zschau
Rahall	Stenholm	
Ratchford	Stokes	

NAYS—112

Archer	Hansen (ID)	Parris
Bartlett	Hansen (UT)	Pashayan
Bateman	Hartnett	Paul
Bethune	Hiler	Porter
Bilirakis	Hillis	Pursell
Bliley	Holt	Ridge
Boehlert	Hyde	Ritter
Broomfield	Johnson	Roberts
Brown (CO)	Kasich	Robinson
Broyhill	Kemp	Rogers
Burton (IN)	Kindness	Schaefer
Campbell	Leach	Schneider
Chandler	Lewis (FL)	Schulze
Cheney	Livingston	Sensenbrenner
Clinger	Loeffler	Shaw
Coats	Lott	Shuster
Corcoran	Lujan	Siljander
Coughlin	Lungren	Skeen
Courter	Mack	Smith (NE)
Craig	Madigan	Smith, Denny
Crane, Daniel	Marlenee	Snyder
Crane, Philip	Martin (IL)	Solomon
Dannemeyer	Martin (NC)	Stangeland
Daub	Martin (NY)	Tauke
DeWine	McCain	Thomas (CA)
Dickinson	McCollum	Vander Jagt
Edwards (AL)	McDade	Vucanovich
Emerson	McEwen	Walker
Erlenborn	McKernan	Weber
Evans (IA)	McKinney	Whitehurst
Fields	Michel	Whittaker
Fish	Miller (OH)	Winn
Franklin	Molinari	Wolf
Gekas	Moore	Wortley
Gingrich	Morrison (WA)	Wylie
Gramm	Myers	Young (AK)
Gregg	Nielson	
Gunderson	Oxley	

ANSWERED "PRESENT"—1

Jeffords

NOT VOTING—22

Andrews (NC)	Hawkins	Rodino
Biaggi	Hefner	Shannon
Borski	Heftel	Simon
Clay	Jones (TN)	Stark
Downey	Long (MD)	Torricelli
Goodling	McDonald	Young (FL)
Gore	Mitchell	
Hall, Sam	Rangel	

□ 1250

Mr. LUJAN changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to House Resolution 261, the Chair will make statement.

The Chair desires to read to the Members the contents of rule XXIX of the Rules of the House of Representatives.

Rule XXIX reads as follows:

Whenever confidential communications are received from the President of the United States, or whenever the Speaker or any Member shall inform the House that he has communications which he believes ought to be kept secret for the present, the House shall be cleared of all persons except the Members and officers thereof, and so continue during the reading of such communications, the debates, and proceedings thereon, unless otherwise ordered by the House.

According to the rule of the House, the Chair is now going to order that the galleries and the House Chamber shall be cleared of all persons except the Members of the House and those officers and employees as specified by the Speaker whose attendance on the floor is essential to the functioning of the secret session of the House.

Every employee and officer present in the Chamber during the secret session pursuant to my order will sign an oath of secrecy, which is in the Speaker's lobby to the Chair's right.

All proceedings in the House during such consideration shall be kept secret until otherwise ordered opened by the House.

The Chair is going to declare a recess long enough for this order to be carried out.

The Chair will ask all Members to leave the Chamber temporarily until the security check is so completed.

Three bells will be rung approximately 15 minutes before the House reconvenes to go into secret session.

We anticipate that the bells will be rung in 30 minutes.

RECESS

The SPEAKER. The House will be in recess.

Accordingly (at 1 o'clock p.m.), the House stood in recess subject to the call of the Chair.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 2 o'clock and 10 minutes p.m.

AMENDMENT TO THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1983

The SPEAKER. Pursuant to House Resolution 261, rule XXIII and rule XXIX, the Chair declares the House in a secret session of the Committee of the Whole House on the State of the Union for consideration of the bill, H.R. 2760.

The Chair appoints the gentleman from Kentucky (Mr. NATCHER) to preside over the Committee of the Whole.

(Proceedings held in secret session in the Committee of the Whole.)

Accordingly (at 6 o'clock and 12 minutes p.m.), the Committee rose; and the Speaker, having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2760) to amend the Intelligence Authorization Act for fiscal year 1983 to prohibit U.S. support for military or paramilitary operations in Nicaragua and to authorize assistance, to be openly provided to governments of countries in Central America, to interdict the supply of military equipment from Nicaragua and Cuba to individuals, groups, organizations, or movements seeking to overthrow governments of countries in Central America, had come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to House Resolution 261, the Chair will make the following statement:

The Chair would remind the Members that the House has not at this point voted to remove the injunction of secrecy and that Members are bound not to release, revise, or to make public any of the transcript of the closed session or any of the classified information made available therein until further order of the House.

Pursuant to House Resolution 261, to enable the House to evaluate the transcript of the secret session, the Chair will refer the transcript to the Permanent Select Committee on Intelligence and to the Committee on Foreign Affairs for their report thereon as soon as possible. The committees' report will remain executive session record of those committees for examination by the Members and ultimate disposition by the House.

The SPEAKER. The Chair would further announce that having consulted with the leadership on the other side of the aisle, the first item of business tomorrow is expected to be the

privileged reports of the Standards Committee filed last week.

There well be no further business today except the special order.

RECESS

The SPEAKER. Pursuant to House Resolution 261, the Chair declares the House in recess just long enough to prepare the Chamber for an open session. There will be no further legislative business today.

Accordingly (at 6 o'clock and 15 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1830

AFTER RECESS

The recess having expired, at 6 o'clock and 34 minutes p.m., the House was called to order by the Speaker pro tempore (Mr. MINETA).

GENERAL LEAVE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speeches today by the gentleman from Illinois (Mr. ROSTENKOWSKI) and the gentleman from California (Mr. STARK).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

THE RISE OF HUNGER IN THIS COUNTRY

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, in today's New York Times on the front page there is a lead article of hunger in this country despite increasing food surpluses.

As the committee I chair on the Committee on Agriculture, the Subcommittee on Nutrition, has reported time and time again, there is a growing shadow of shame in this country as increasing numbers of Americans go hungry.

At the same time, we have an increasing hoard of surpluses that are filling our storage bins instead of the stomachs of those who are in need.

The House has acted overwhelmingly, 389 to 18, to encourage the distribution of surpluses through H.R. 1590. The subcommittee this morning that I chair reported out House Concurrent Resolution 40 to assert the will of the Congress that there not be any further cutbacks on nutrition programs.

Action is required now—now, not later—to reverse this dangerous trend backwards.

The article follows:

[From the New York Times, July 19, 1983]

U.S. HUNGER ON RISE DESPITE SWELLING OF FOOD SURPLUSES

PROBLEM BECOMES MAJOR ISSUE AS ADMINISTRATION CURTAILS FREE FOOD FOR THE POOR

(By Robert Pear)

WASHINGTON, July 18.—Hunger is emerging again as a national issue even as Government stocks of surplus dairy products rise to record levels.

The United States Conference of Mayors recently declared that hunger had become "the most prevalent and the most insidious" problem facing the nation's cities.

The General Accounting Office, an investigative arm of Congress, reported that while "no one knows precisely how many Americans are going hungry," visits to food distribution centers across the country found that hunger had increased in the last two years, partly as a result of high unemployment.

The National Association of Counties, pleading for Federal help in dealing with a heavy human services caseload, called Sunday for expanded Federal food distribution programs and restortion of food stamp cutbacks.

Both Houses of Congress are moving to require the Secretary of Agriculture to distribute more food to people hard hit by the recession. Despite the indications of need, the Agriculture Department recently cut back distribution of free cheese, saying it was adversely affecting sales in the commercial market.

"A PATTERN OF SHAME"

Department officials said the Government was now holding 473 million pounds of butter, 1.3 billion pounds of nonfat dry milk and 876 million pounds of cheese. Since President Reagan announced the first cheese giveaway in December 1981, the Government's inventory of butter has more than doubled, and the stockpiles of cheese and milk have increased more than 50 percent.

Representative Tony P. Hall, Democrat of Ohio, said, "These numbers represent a pattern of shame while so many people go hungry." Dr. Jean Mayer a nutritionist who is president of Tufts University, said: "We are seeing hunger reappear in the United States and I am very worried that some of the conquests of the 70's are going to be lost. There is a danger that the one social problem that we had eliminated may be coming back."

Senator Bob Dole, Republican of Kansas, and Representative Leon E. Panetta, Democrat of California, are leading a bipartisn effort to increase the distribution of surplus Government commodities. The Reagan Administration opposed the Panetta bill, saying it already had "sufficient authority" to distribute stocks of commodities. But at a series of hearings held by Mr. Panetta, local officals said they needed a more orderly, predictable program.

The House approved the Panetta bill last month by a vote of 389 to 18. The Senate Agriculture Committee has approved Senator Dole's bill, which is similar.

CHEESE SALES DECLINE

Since December 1981, the Government has distributed 146 million pounds of butter, 12 million pounds of nonfat dry milk and 450 million pounds of cheese. Monthly cheese distribution increased until last March, when 60 million pounds were given away. Cheese distributions are now limited to a total of 25 million to 35 million pounds a month.

Explaining this cutback, John W. Bode, a deputy assistant secretary of agriculture, observed that commercial sales of American cheese declined 5.1 percent in the last quarter of 1982 and more than 15 percent in the first quarter of 1983, compared with the same period a year earlier. "We are convinced," he said, that the distribution of cheese by the Government was responsible for these declines. Cheese sales had been rising until late 1982.

However, some economists have questioned this interpretation. They note that people who genuinely need emergency food assistance have little money to spend and therefore represent a small share of the market. In areas where distributing of commodities has been tightly controlled, there has reportedly been little effect on retail cheese sales.

Representative Cooper Evans, an Iowa Republican, said the decision to curtail distribution of surplus dairy products "ran counter to a growing bipartisan consensus in Congress to expand rather than contract the Government's efforts in feeding those who were down on their luck." The Government buys the products under the Federal dairy price support program. Agriculture officials said the Government was obliged to pay high prices that gave dairy farmers an incentive to produce more milk even though demand was not increasing.

"HUNGER EVERYWHERE WE WENT"

After the hearings this year, Mr. Panetta, who is chairman of the House Agriculture subcommittee on nutrition, concluded: "This country faces a very serious problem with regard to hunger. Everywhere we went, whether it was Cleveland, Ohio, Birmingham, Ala., or Los Angeles, Calif., we heard the same story. The use of soup kitchens, food pantries and hunger centers is up dramatically in the past two years, in some areas by 400 and 500 percent."

Representative Mary Rose Oakar, an Ohio Democrat, said the Administration seemed "blind to the problem," which she sees every week when she goes home to Cleveland. "It's so depressing to me to see people come from 10 to 15 miles just to stand in line waiting for food," she said.

Representative Marcy Kaptur, another Ohio Democrat, said, "It is unconscionable and incomprehensible that Americans are suffering from the kind of hunger that once plagued our society before the advent of Federal nutrition programs."

Representative James M. Jeffords, Republican of Vermont, said he could not understand "why food was withheld and destroyed even as people went hungry." Representative Steven C. Gunderson, a Republican from a big milk-producing district of Wisconsin, said it was "perhaps the greatest paradox that we face in this country today."

The General Accounting Office said that Federal spending on food stamps and other food assistance programs, after rising steadily from $1.1 billion in the fiscal year 1969 to $16 billion in 1981, declined to $15.4 billion last year. The total is expected to rise to $17.8 billion this year and then drop to $16.6 billion in 1984. Federal officials said they had been able to hold down costs by more accurately targeting benefits to the "truly needy." Antipoverty groups said the cutbacks had forced many people to seek food handouts at soup kitchens.

More than 240 House members are cosponsoring a resolution to create a Select

Committee on Hunger. An unsual coalition of religious, antipoverty, farm and labor organizations supports the idea.

Earlier this year the Agriculture Department, eager to show that it was not "sitting on" surplus commodities, began distributing surplus rice, flour, honey and corn meal, as well as dairy products. Each state's share of these commodities is based on the number of people who are unemployed and the number below the poverty line.

BEWARE THE NUCLEAR GUILT-SLINGERS

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANIEL. Mr. Speaker, I insert in the RECORD a commentary from the Roanoke Times and World News. I believe the Members will be interested in the subject matter, which deals with miseducation.

BEWARE THE NUCLEAR GUILT SLINGERS

(By Harold Sugg)

I hope that a 13-year-old boy of a Wisconsin city has well-informed parents. He has been exposed to a short course on nuclear weapons distributed by the National Education Association, and he has gotten the point the course-writers wanted him to get: The United States is a very guilty country. But some parents may want to undo the effects of the simplified education, if education is the right word.

As quoted by The Richmond Times-Dispatch June 26, the boy has now concluded: "Everybody thinks that Russia is the bad guy. We found out that the U.S.A. is just as bad because we're doing a lot of things like they are, like making nuclear weapons, like we dropped the first bomb . . . We got the whole thing started."

An impatient father might wish, I suppose, that the schools would teach elementary grammar before presuming to teach complex nuclear history. But the patient father would start with a partial history of German science and proceed to Adolf Hitler. He would then relate that President Roosevelt ordered A-bomb development in response to an appeal signed by Albert Einstein and other distinguished European refugees from Hitler. They urged immediate development to get ahead of German efforts in the same direction. The United States did not "get the whole thing started."

Hitler, fortunately for his enemies, deflected German research on the A-bomb, and Germany was defeated before the American A-bomb was ready for use. But the United States still faced, in the summer of 1945, an invasion of Japan and the calculation of a million casualties just from the first stage. Among these could have been some of this boy's grandfathers. Two A-bombs were dropped and that war was over. Should the lad feel guilty about the performance of his grandfathers or their government?

At this point in the conversation, a neighborly revisionist historian (first wave) could drop by. Yes, he would say, but I have spent years studying documents, some of them formerly secret ones. They show that the naval blockade, the fire bombs and other forms of conventional warfare had already taken their toll and the end was to be foreseen. It was NOT necessary to drop those bombs, he would say.

The patient, much put-upon father would reply that responsible people must act on information available at the time. Responsible people, especially if they are in government, do not act on the Ifs and Buts, on facts found later or on unproved, hindsight hypotheses developed later. If the young man has not learned that by age 13, he must certainly learn it very soon.

At this stage, the father would have been clearly ahead but for the arrival of another neighbor, a revisionist historian of the second wave. (What a neighborhood this must be!)

I have studied the papers, especially the diplomatic papers and the informal correspondence, the second-wave revisionist says, adding: They disclose much satisfaction with the bomb and much disagreement with Stalin. From this I conclude that the whole purpose of dropping the A-bomb was to impress Stalin—not the Japanese who were already defeated, as our good neighbor here has found, even though he is not as smart as I am.

The father by now resembles the biblical Job, surrounded by irritating comforters. But if he is patient enough and calm enough, he would recall that when the A-bomb decision was made, in July of 1945, the Soviet Union had already broken the Yalta agreement on Poland. This was known to President Roosevelt before he died in April and it worried him greatly. The Iron Curtain had already begun to descend. Even responsible people are human, the father would say, and I would not begrudge them some expression of hope that the A-bomb might have had a secondary effect of impressing the Soviet Union.

The father also would note that the revisionists share a characteristic: They have not seen, and probably will never see, half of the necessary documents—those locked up in the Kremlin. They are willing to give the most charitable interpretations to documents they have never seen. But they give the most uncharitable interpretation of the American documents which they have seen. They do not inspire confidence.

On the nuclear "education" issue itself, still another caution is necessary: The guilt thesis is part of the manipulation process, not a part of a reasoning process which seeks a logical end. Even after you reject the guilt manipulation—as it should be rejected—you are left back at the very beginning, trying to figure out how to meet a dilemma both forks of which seem to promise disaster. It is a shame that one of the great issues of our times, of all times, is now dominated by the manipulators, cursed by demonstrations, not clarified by honest debate.

The principal result, and sole value, of examining the guilt argument in the light it sheds on the kind of judgment used by those who wallow in it. The patient person might conclude that the guilt-slingers are not to be relied upon in serious matters. Impatient ones, like myself, would not leave them in charge of a pet dog or a bowl of goldfish. At the critical times, they would be somewhere else, out posturing.

THE REAGAN POLICY IN CENTRAL AMERICA IS WRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. BOXER) is recognized for 60 minutes.

Mrs. BOXER. Mr. Speaker, the purpose of this special order is to inform the American people that there is a strong feeling among many Members of Congress that the Reagan policy in Central America is wrong; that is leading us down the same path as we were led in Vietnam; that not only are we hearing the echoes of Vietnam, we are now seeing the ghosts of Vietnam return to the scene—with Henry Kissinger the architect of the secret bombing of Cambodia leading the way; that today in this special order we have set aside time for Members to comment on our Central America policy and that we believe out of this discussion will come an alternative policy to that of the Reagan administration and we will take that policy to the American people.

In my district the voters are working on a ballot measure calling for the end of military escalation in Central America. In Vietnam by the time we ended that military involvement too many had died, too many had been maimed and the tragic results of agent orange and trauma are still with us. We want to tell the American people today that we are aware of these parallels and we will work in the Congress to turn this policy around.

My personal involvement in politics began in the late 1960's when I sensed that our Government's part in the Vietnam war was wrong. It took many years of grassroots effort and many lives lost to end that policy. Now, as a Member of Congress, I hear echoes of those days.

Such echoes are reflected in the CONGRESSIONAL RECORD from the 1960's. Here are a few examples:

July 14, 1965, Mr. Cohelan:

We must be prepared to persist and persevere. We must continue our willingness to join in the defense of independence where it is threatened and where our help is asked. And we must continue to press our adversaries and pursue every opportunity for negotiations, for a ceasefire and for a settlement that will guarantee the people of South Vietnam freedom to determine their own future without fear or coercion.

September 13, 1965, Mr. Smathers:

This aid has become the cornerstone of free world support for Vietnam. As the major free world power this is a responsibility our Nation must not and cannot shirk. The history of America itself is the fulfillment of a dream against odds which at times seemed overwhelming. In the face of that history, we cannot abandon any free nation which seeks similar goals. Following our lead, 36 other free world nations are already contributing military or economic assistance to South Vietnam, or are pledged to do so in the near future.

Even while the forces of freedom have been increasing military efforts to counter the growing Communist aggression, we have continued our work in the economic and social fields. And, most important of all, we have again and again stated our willingness to enter into discussions or negotiations leading to peace and stability in Vietnam.

February 28, 1966, Mr. Sikes:

The American people have always responded to crisis and to emergency. Now is the time to remind them of this Nation's great mission and of the essentiality of victory. Regardless of the reason we are in Vietnam, we are there and we must win.

May 3, 1966, Mr. Ervin:

If we withdraw under existing circumstances, we shall lose the confidence of the free world to which we have pledged our aid against Communist aggression. Moreover, all of southeast Asia, and possibly India and Pakistan, will immediately fall under Red Chinese domination. One hesitates to think what this would portend for the freedom of Malaysia, the Philippines, Australia, and New Zealand, and even for that of the United States itself.

March 8, 1967, Mr. Purcell:

To reach that limited objective, our President has used carefully controlled means. One of the cardinal rules of a military leader is to use that force which will obtain the objective at the least cost to his own forces. This is exactly what the President has skillfully and adroitly done. We are using that force and only that force that will, with the least cost in lives and resources, stop the aggressive actions of North Vietnam.

March 8, 1967, Mr. Edmondson:

The President of the United States is not only carrying out an inherited commitment in using our forces to block a Communist takeover in South Vietnam—he is also using our forces to increase the security of our Nation and all others who value freedom.

I hear those echos today. The Reagan administration is escalating our military solution to the Central American situation and it is trying to get public opinion on its side. That is the whole idea behind the President's Commission.

We in the Congress have a duty to call for and propose a political solution to the problems in Central America.

We in the Congress have a duty to call for an economic solution to the problems in Central America.

We in the Congress have a duty not to make the mistakes of Vietnam.

Those mistakes are so much a part of our growth as a nation. Congress has a duty and it is not a duty of a commission.

First. America cannot win friends by participating in bloodshed.

Second. America cannot win friends by talking peace and aiding war.

Third. America cannot win friends by covertly attacking a sovereign nation.

Fourth. America cannot win friends by imposing itself and its power on a region that should be encouraged to solve its own problems.

America can win friends by changing course; by encouraging a regional solution to the problems; by encouraging peace by using all the economic and political leverage we have.

It is the definite responsibility of this Congress to heed the echos of Vietnam and work to change our Central American policy toward one of peace, not war.

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Mr. Speaker, I yield to the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. I thank the gentlewoman from California very much for being the major arranger of this important debate this evening.

Mr. Speaker, a number of us just returned over the weekend from a trip to Central America to El Salvador and to Nicaragua. We learned a lot. And, Mr. Speaker, I certainly do not hold myself out as an expert on foreign affairs. I have spent most of my years here in Congress on the Judiciary Committee, trying to get the Federal Government and local and State governments to comply with the law insofar as our oversight responsibilities are concerned.

I am speaking tonight on foreign affairs out of my concern for law, international law, and American law insofar as our foreign affairs are concerned, because there is strong evidence that laws and treaties of the United States are being violated. Not only the Boland amendment and Article XVIII of the OAS Treaty, but other laws also.

Indeed, there are allegations of some European parliamentarians that international laws are being violated and at this time, Mr. Speaker, I wish to include in the RECORD a letter to the U.S. Congress from Western European politicians and parliamentarians.

Even worse, Mr. Speaker, than the violation of our own laws and treaties is the fact that this policy in Central America is not working. It is encouraging Central American nations to look toward Cuba and Russia as their leaders and this is certainly true in the country that we just visited over the weekend, Nicaragua.

This current invasion, sponsored and paid for by the United States, will be the third time in this century that the United States has been engaged in an invasion of Nicaragua. We sent troops to Nicaragua in 1910, again in 1912. Then in 1926 we invaded again, and continued our occupation of Nicaragua until 1933.

And for the edification of the American people, this war that is going on in Nicaragua today is a big war. And I think we should point out that it is a big war against a tiny Third World nation with a population that is hardly larger than the two counties that I represent in California, a total of not much more than 2½ million people. The invasion is going on in at least three places—from Honduras, one or two places from Costa Rica, and there is another invasion on the east coast.

In addition to that, there is sort of a James Bond 007-type of operation that goes on day after day where saboteurs are sent in from Honduras and these saboteurs are armed with all kinds of sophisticated machinery, flashlights that have explosives inside; there are frogmen, Claymore mines with writing on them, "Point this toward the enemy," and such things as that. Certainly not the kind of things that we should be doing in this modern age.

As I said, Mr. Speaker, it is not working. It never works. Covert, paramilitary operations, they have not worked any time in our history and I regret to say that we have been engaged in them in many instances, starting back with the Philippines in 1953 and running clear through Chile, where for 10 years we had extensive and continuous CIA covert action to overthrow the popularly elected President Salvador Allende. The result was that Allende was overthrown. He died. And the military junta that remains is run by General Pinochet.

Mr. Speaker, at this point I would like to include in the RECORD the background paper on U.S. covert paramilitary operations.

The information follows:

BACKGROUND PAPER ON U.S. COVERT PARAMILITARY OPERATIONS

Recent press reports indicating that the Central Intelligence Agency is financing a destabilization campaign against the government of Nicaragua have again raised public concerns about American-sponsored covert activity.

As a result, the following brief fact sheet is provided, outlining past U.S. involvement in covert paramilitary and other similar activity. The descriptions included are based on press reports and other public analyses, including the 1976 report of the Senate Select Committee on Intelligence.

The Senate Select Committee's 651-page report was signed by nine of the 11 committee members, and concluded that covert action, which had begun in the late 1940's as "limited ad hoc responses" to the Cold War, had become a "routine program" of influencing governments and events. More specifically, the report judged paramilitary operations to be "on balance . . . a failure," noting that such operations had either failed in their objectives or had lost their covert aspect so that U.S. involvement became apparent. The committee also asserted that paramilitary operations have "great potential for escalating into major military commitments."

A House Select Committee chaired by Rep. Otis Pike also issued a report in 1976, which among other things recommended prohibiting paramilitary operations except in times of war. Although the House voted not to release the report, it was printed in the press. The Committee concluded that the covert operations engaged in by U.S. intelligence agencies reflected "a general lack of long-term direction in U.S. foreign policy."

After unsuccessful attempts by the CIA to "roll back the Iron Curtain" were abandoned by the early 1950's, covert operations moved for the most part to the Third World. The following examples are provided for illustrative purposes; they do not represent a complete listing or a detailed analysis.

EXAMPLES OF COVERT PARAMILITARY AND OTHER OPERATIONS

Date	Country	Brief description of covert operations	Update
1953	Iran	CIA covert operations and financing, masterminded by Kermit Roosevelt, succeeded in overthrowing popular but left-leaning Premier Mohammed Mossadegh, and in installing to power Shah Reza Pahlavi.	The Shah ruled for 26 years, when popular discontent, religious fanatacism and political upheaval against U.S. domination forced the Shah's exile, and replaced him with Ayatollah Khomeini.
1953	Philippines	Under CIA auspices, Col. Edward Landsdale went to the Philippines in the early 1950's to aid in the defeat of local communist guerrillas (the Huks), and to help engineer the 1953 election of President Magsaysay.	Magsaysay, a progressive, was killed in a plane crash in 1957. After several moderate leaders intervened, Ferdinand Marcos was elected in 1965. He declared martial law in 1972.
1954	Guatemala	The CIA is generally perceived and credited with masterminding and financing the coup which ended 10 years of progressive governments which had sought to promote labor unions, social measures, and land reform (a majority of the land was owned by the United Fruit Co.). The CIA's rebels attacked from Honduras, and with the help of the Army, forced the President from office and set up a military government.	Political confusion and instability has continued since the 1950's, with both army and civilian governments in power. Since 1970, the government has been run by military leaders, amidst charges of fraudulent elections. The most recent coup d'etat (this month) raises further questions about the future of U.S.-Guatemalan relations.
1950's	China	The CIA supported, on its own and in cooperation with Chiang-Kai-shek, guerrilla operations against China. Operations were reduced or eliminated after the shooting down in 1954 of two agents Richard Fecteau and John Downey.	Paramilitary operations against China were short-lived and without positive result. President Nixon visited China in 1972, paving the way to full diplomatic relations.
1955	Vietnam	Agents had been present in Vietnam through the early 1950's, although not in paramilitary operations. Col. Lansdale (see above) is generally credited with eliminating the political rivals of Ngo Dinh Diem, and designing the election ballots which elected him in 1955.	Diem's victory and tenure lasted approximately 8 years (see Covert Operations, 1963).
1958	Indonesia	CIA agents and operatives sought to overthrow the government of President Sukarno; operations included B–26 bombing missions in support of insurgents on Sumatra.	Sukarno soldified power by defeating the insurgents, and balancing the Army and the Communist Party. He was replaced in 1965 by President Suharto.
1959–64	Tibet	After the Chinese takeover of Tibet and the escape of the Dalai Lama to exile in India, the CIA secretly trained and equipped his troops, also in exile in India, for operations against the Chinese in Tibet.	Several raids into Tibet did yield the capture of important Chinese documents, but the Chinese hold over Tibet remains today. Serious destabilization efforts were abandoned by 1964.
1960	Guatemala	While training Cuban exiles for the CIA's planned overthrow of Castro, the CIA used Guatemalan territory as its "jumping off point" for the Cuban operation. When a rebellion grew against the Guatemalan government, the CIA sent in B–26's to crush the insurgency and to insure the secrecy of its operations.	As noted above, Guatemala remains one of the most repressive nations in Central America, and continues to experience violence.
1960	Congo	Two CIA officials were dispatched to assassinate Congolese leader Lumumba, who had threatened to bring the Congo under Soviet influence after independence. This particular attempt was never made, but Lumumba was killed in 1961 by the orders of CIA-supported Congolese officials.	Civil disorder, along with a secession movement by the Katanga Province, followed in 1961. After UN troops restored order and a coalition government was formed and then deposed, President Mobutu took over.
Early 1960's	Laos	One of the largest secret operations in CIA history was the "secret war" in Laos. Some 50 CIA agents and hired contractors recruited over 35,000 Meo and other Lao tribesmen into a secret "L'Armee Clandestine," and financed some 17,000 Thai mercenaries, to oppose Communism in Indochina.	The war in Laos eventually lost its "secret" nature, but the country remained a battleground between the U.S. and Vietnam for years. Vietnamese-supported forces eventually prevailed. Even now, turmoil continues amidst charges of the use of chemical weapons in Laos.
1961	Dominican Republic	Dictator Trujillo was shot to death by Dominicans who had received weapons and support from the CIA, according to the Senate Select Committee report.	Efforts at economic development in the early 1960's came to a halt in 1965, when President Johnson sent in U.S. troops. The peaceful transfer of power in 1978 to President Guzman has resulted in some progress in promoting civil and political rights, but poverty and unemployment remain.
1961	Cuba	The Bay of Pigs operation against Castro, which had entailed massive planning, training and financing, is generally regarded as the CIA's most notable failure.	The Bay of Pigs operation resulted in the departure of Allen Dulles as CIA director, and continued deterioration of U.S.-Cuban relations.
1961–67	Congo	After Lumumba's death, the CIA sought to influence politics with payments to candidates. By 1964, CIA B–26 aircraft were in bombing missions, with Cuban pilots on contract to the CIA.	President Mobutu's takeover, with CIA help, has lasted through the present, although charges of corruption and excessive authoritarianism recurrently threaten stability.
1963	Vietnam	President Diem, elected in 1955 with CIA help, was overthrown and assassinated by a military coup about which the CIA knew, but in which they did not participate, according to the Senate Select Committee.	Diem was replaced by President Thieu and Gen. Ky, who remained in power until the Communist takeover in 1975.
1960–65	Cuba	The CIA concocted "at least eight plots" according to the Senate Committee, to assassinate Castro, involving exotic devices such as poison pens, pills and cigars, and powder designed to make Castro's beard fall out—thus "ruining his charismatic image." Sabotage raids against oil refineries and other industrial targets also existed in the early 1960's.	All the assassination and covert plots failed; and Castro's image and standing in the Third World was enhanced, in the eyes of many.
Mid-sixties	Peru	According to at least one former CIA agent, the CIA, at the request of the Peruvian Government facing guerrilla insurrection, financed construction of a major military installation in the jungle, furnished helicopters, arms and other equipment, and provided training of forces by Green Berets on loan from the Army.	The Peruvian guerrillas were defeated by a government generally regarded as an oligarchy. In 1968, a coup installed a "revolutionary government of the armed forces, which has since become more moderate.
1965	Vietnam	In a disinformation (but not paramilitary) campaign, according to a recent Washington Post story, the CIA allegedly planned to "con" public opinion by taking Communist-made weapons from CIA warehouses, planting them in a Vietnamese battle, and calling in reporters to see the captured weapons as proof of Communist weapons in South Vietnam.	This particular plan was not implemented in 1965, but the ex-agent making the claim in the Post suggested that the same concept might be being used in El Salvador today.
1960's	Vietnam	CIA involvement in Vietnam continued with development and implementation of the Phoenix Program, which allegedly "neutralized" (killed) some 20,000 Viet-Cong.	The Phoenix Program apparently ended by 1970, but the war continued until the Communist takeover in 1975.
1963–73	Chile	For 10 years, "extensive and continuous" CIA covert action aimed at influencing Chile's elections and overthrowing the government of popularly elected Salvador Allende. Although there were no paramilitary operations, some $3 million went into the 1964 election, resulting in the presidency of Eduardo Frei, and some $8 million opposed Allende after his 1970 election.	Allende's overthrow and death resulted in the succession of Gen. Pinochet in a military junta government.
1967	Bolivia	The CIA provided aid to Bolivian President Barrientos to deal with rebel guerrilla forces soon discovered to be being led by Che Guevara.	Che Guevara was killed by Bolivian forces. Barrientos' death in a plane crash was followed by two leftist military governments, and then by other military leaders.
1972–75	Iraq	At the request of the Shah of Iran, the CIA provided arms to Kurdish rebels fighting for autonomy in Iraq.	Iranian and U.S. aid apparently ended in 1975, but the Kurds are generally perceived today as a potentially de-stabilizing element in Iran, Iraq and Turkey.
1974–76	Angola	Covert activities during transition to independence sought to help two factions. One of these factions, headed by Jonas Savimbi, is still seeking power.	Overt Cuban involvement helped shift the balance from South African and CIA-backed forces, and the Clark Amendment ended covert U.S. activities. Angola's government is now officially Marxist, but allows U.S. businesses to operate in its country.

Mr. EDWARDS of California. The latest, of course, is Nicaragua, gunboat diplomacy once more, the third time in this century by the United States. It is not working, it never has worked and it is driving Nicaragua further into the arms of Cuba and Russia. And it has resulted in further restrictions on the liberties of the people in Nicaragua, requiring both Nicaragua and Honduras to put themselves on a war footing.

Now we are going to have a vote next week on the Boland-Zablocki bill. I urge my colleagues to vote "aye" on this bill. It simply must be approved. A defeat would mean carte blanche approval for the CIA and for the White House. It would say, "Continue what you are doing in Central America."

"And if 15,000 or whatever, 12,000, whatever number of mercenaries is not enough, you can hire more. You can hire another 20,000 or 30,000."

That is what a "no" vote would mean. It would be a signal to the CIA to do as they please. And that is what a "no" vote would mean to President Reagan. And that would be a sure route to a general war in Central America involving Nicaragua, El Salvador, Honduras, and Costa Rica and, yes, it certainly could involve the United States, Cuba, and ultimately even Russia.

My other colleagues tonight will discuss the proper course of action. I am sure sincere and honest negotiations have not been tried and I regret to say that high officials in the United States have even refused to deal with the high Nicaraguan officials.

So I hope this debate tonight not only will help our colleagues decide to vote "aye" next week on the Boland-Zablocki resolution, but will also result in a change of direction on the part of President Reagan.

Again I thank the gentlewoman from California.

The letter referred to follows:

LETTER TO THE U.S. CONGRESS FROM WESTERN EUROPEAN POLITICIANS AND PARLIAMENTARIANS IN SUPPORT OF NICARAGUA

To: Speaker of the House of Representatives and President Pro Tempore of the Senate.

DEAR SIR: I, Eveliene Herfkens, Member of the Dutch Parliament and Chairperson of the Committee of Western European Politicians and Parliamentarians in Support of Nicaragua, would like to bring to your attention the joint statement issued by the Committee in Amsterdam.

The Committee welcomes the efforts that have been made in the United States Congress to end a policy of covert intervention against the government and people of Nicaragua, a policy which is contrary to international law as embodied in the Charter of the United Nations. These efforts are of vital importance and we offer our support for the attempts to put them into effect.

The Committee condemns the concept of an ideological polarization of the world between the United States and the Soviet Union, and supports the right of every country to decide on its own future in order that the world community may live together in peace and harmony and that humanity may enjoy security and economic and social progress.

We are deeply concerned that the United States, the most powerful country in the Western world, is becoming further embroiled in the Nicaraguan conflict, a conflict which risks becoming protracted and internationalized in the Central American region and which is so inimical to the interests of the American people.

The following is the text of the joint statement formulated by Committee members and signed by many prominent members of the Western European political community. We request that you circulate these documents to: (a) Members of the House of Representatives, (b) Members of the Senate.

Yours sincerely,

EVELIENE HERFKENS.

JOINT STATEMENT FROM THE COMMITTEE OF WESTERN EUROPEAN POLITICIANS AND PARLIAMENTARIANS IN SUPPORT OF NICARAGUA

We the undersigned, the Committee of Western European Politicians and Parliamentarians in Support of Nicaragua, recognize that it is not yet four years since the people of Nicaragua overthrew at huge cost in terms of lives and resources, one of the most barbarous tyrannies ever witnesses in Latin, America, whose hall mark was murder, disappearances and torture and which perpetuated a grotesque inequality without a hint of pluralism.

Against this background, coupled with natural disasters of flood and drought, it is utterly remarkable that in so short a time, the Nicaraguan government has promoted a successful programme of land reform, provided better nutritional standards, the beginnings of a health service, purified water supplies, substantially reduced illiteracy, made advances providing for the advancement of women, established an independent judiciary and done so much to improve the lives of the people.

It is unacceptable that attempts are being made to strangle the people of Nicaragua by economic isolation and military attack. And we accordingly declare:

That the continual aggressive acts to which Nicaragua has been and still is subjected, constitute a grave violation of international law as embodied in the United Nations Charter. Furthermore, Nicaragua, like all sovereign states, has the right to defend itself as stated in Article 51 of the United Nations Charter.

That such military, political and economic acts of aggression inevitably inhibit the ability of Nicaragua to pursue its objectives of social justice and economic development for the benefit of its people and to promote the pluralism to which it is committeed.

That we are appalled that regardless of humanitarian conditions, the financial support provided for Nicaragua immediately after the revolution has been curtailed as an act of deliberate policy by the Reagan administration and moreover, Nicaragua additionally has been deprived of financial resources from the private banks.

And we resolve:

That Western European governments seek to participate in and stimulate Western European initiatives intended to promote dialogue and peaceful resolution of the conflicts in Central America.

That Western European governments lend their support to bilateral negotiations to restore peace on Nicaragua's borders.

That the Nicaraguan government be given political, financial, economic and technical support by the international community and by private sources and, in particular, that Nicaragua be supported actively in the following ways for which we are committed to work: equitable treatment for Nicaragua from our respective governments, the European Economic Community, development and other banks, export credit institutions, aid donors and international financial institutions such as the European Investment Bank, the World Bank and the Inter-American Development Bank.

That the Nicaraguan government be given fair treatment from the media.

We think that such steps will result in the establishment of justice and peace in Central America.

The letter has been signed by 474 Parliamentarians (including some Senators and Lords) from eleven countries, including: West Germany, the Netherlands, France, Spain, Sweden, Norway, Denmark, Belgium, England, Republic of Ireland, and Greece.

Among the more prominent signatories are:

Hans Jochen Vogel, leader of the West German Socialist Party.

Pierre Joxe, President of the Socialist Group in the French National Assembly.

David Steele, leader of the British Liberal Party.

Joop Den Uyl, leader of the Dutch Socialist Party.

Gro Harlem Brundtland, Chairperson, Norwegian Labour Party.

Lasse Budtz, President of the Foreign Affairs Committee of the Danish Parliament.

Michael Higgings, Chairperson of the Labour Party of the Republic of Ireland.

Jan Nico Scholten, Christian Democratic Member of Dutch Parliament.

Uwe Holtz, Chairperson of the West German Parliamentary Committee of Development Cooperation.

Jose Prat, Senator and President of the Foreign Affairs Committee for Spanish-American Affairs in the Spanish Senate.

Manuel Medina, President of the Foreign Affairs Committee of the Spanish Congress.

Karel Van Miert, Leader, Belgian Socialist Party.

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Mrs. BOXER. I thank the gentleman from California. (Mr. EDWARDS) for his fine leadership on this issue.

Mr. Speaker, I yield to the gentleman from California (Mr. FAZIO).

Mr. FAZIO. Mr. Speaker, it is a great honor for me to rise today with my colleagues to call for a new U.S. policy in Central America, one that accurately addresses the true cause of the turmoil and instability in this critically important region of the world and thereby leads to a more secure Western Hemisphere.

I would like to take particular time to emphasize the role that my good friends and colleagues from northern California, Mrs. BOXER, Mr. EDWARDS, and Mr. MILLER, have devoted to this very significant effort. I am hopeful that all of the comments that are made here during the next several hours will end up in a compendium which reflects the strong feeling of a vast majority of those on the majority side of the House about this very crucial issue.

The Reagan administration's policy in Central America is a failed policy. It is a failed policy because it is based almost exclusively on the erroneous premise that the underlying problem in Central America is the spread of Marxist movements backed by the Soviet Union and Cuba. This premise has led the Reagan administration to rely primarily on a military solution to the problems of the region.

Just yesterday, President Reagan characterized Nicaragua's Sandinista regime as "the first real Communist aggression of the American mainland." Reagan went on to suggest a recent decline in public support for his policies was due to a lack of understanding of "the seriousness of the situation" in

Central America, where, he said, a war fueled by the Soviet Union and Cuba is spreading insurgency and threatening budding democracy in El Salvador.

The root causes of instability in the region, however, are neither of a military nature nor externally motivated, but economic, social, and political causes that are primarily dictated by the conditions which exist within each country.

The "Inter-American Dialogue," came to a similar conclusion. Made up of American representatives of such disparate viewpoints as David Rockefeller, former chairman of the Joint Chiefs, Gen. David Jones and Frank Shakespeare, the conservative former head of the U.S. Information Agency, and former Secretary of State Cyrus Vance and former Secretary of Defense and President of the World Bank, Robert McNamara, the group concluded the following in its final report: "On two important points, we all agreed: The basic roots of insecurity—and the basic problems of security in this hemisphere are primarily economic, social, and political, not military; and the sources of insecurity are mainly internal to each nation. . . . External influences are secondary."

To help us address the real problems of the Central American nations, as outlined by the "Inter-American Dialogue" and by others, I support the concept of creating a bipartisan national commission, as outlined in the resolution introduced by Representatives MICHAEL BARNES and JACK KEMP and which I have cosponsored. I think such a commission would be useful in developing a public consensus about what our policy in Central America should be.

But more specifically the United States also must:

First, develop a new economic plan for Central America to encourage growth with equity. Such a plan should be based not only on an increase in bilateral aid, but also on support from the Inter-American Development Bank, close cooperation with other regional donors, and a greater reliance on private voluntary agencies in the region.

Further, the focus of such an economic plan should be on generating the kind of economic growth that will help alleviate the massive unemployment problems which exist in these nations as well as the severe income disparity. However, modernizing agriculture production and increasing agriculture output must be a cornerstone of any economic development program, for without greater food self-sufficiency labor-intensive industrialization cannot occur.

Second, take immediate steps to reject the search for a military solution to the region's problems, and take longer term steps to form a multilateral consensus on regional security issues.

Toward this end, I strongly support the immediate withdrawal of all financial, military, and/or paramilitary support for covert military operations in Nicaragua. I also believe that there is a great deal of merit in creating a joint United States-Latin American Commission to study the military aid and security needs of the region, based on a minimum reliance on outside military aid and maximum cooperation with the Organization of American States.

Third, pursue a regional peace plan based on a ceasefire agreement and comprehensive negotiations aimed at including all political groups in an election process. Both the cease-fire and the electoral process would be monitored by international peacekeeping forces, possibly created from among the Contradora group of Latin American nations.

Particularly in El Salvador, we should use our extensive influence to bring about an immediate cease-fire, to be enforced by an OAS or United Nations peace-keeping force, and open, public elections at the earliest possible date, also monitored by outside parties.

In essence, the Reagan administration would like for us all to believe that it is either us or them; that we either provide military aid to those most supportive of our Government or give up and assume a political victory for the far left.

Our options, however, are not nearly so narrow. There is still the political and economic solution, the peaceful solution that seeks an end to the violence. A solution that promises long-term stability and economic growth. A solution that seeks open and fair elections, and guarantees and protects the rights of all of the people of Central America. Peace negotiations, economic development, and political stability, these should be our goals; we can settle for no less.

Mrs. BOXER. Mr. Speaker, I thank my colleague, the gentleman from California (Mr. FAZIO).

Mr. Speaker, I yield to the gentleman from Michigan (Mr. WOLPE), a voice on the Foreign Affairs Committee.

Mr. WOLPE. Mr. Speaker, I first want to pay tribute to our colleagues from California for requesting this special order.

As a member of the Foreign Affairs Committee, I have been deeply involved in the past several months in the debates on aid to El Salvador and the legislation that was before us on the House floor today which would terminate this administration's "covert" effort to overthrow the Nicaraguan Government.

The more I have participated in those debates, the more I have become deeply concerned about the direction of American foreign policy and, more especially, about the congressional response to that policy.

The debate in committee, as on this House floor, has really been taking place at two different levels. On the one hand, there is the very public kind of discussion that focuses upon the merits or demerits of specific administration policies in Central America. At another level of discussion, however, attention has focused on the political ramifications of a critical congressional response to administration policy. And what I saw occurring in committee was the political agenda too frequently shaping the public discussion of policy.

Within our House Foreign Affairs Committee, I venture to say, there was little question among a very large majority of the Members that the present policies that are being pursued in Central America are directly counterproductive to American interests in securing greater stability within that region. They are creating great harm to American influence, prestige and respect, not only in Central America but throughout the world. That critical consensus on policy, however, was tempered by a concern expressed more often privately than publicly that to voice criticism of the policies was to take a political risk.

I have heard colleagues privately express the fear that the Members of this body could be called soft on communism if they rejected policies that the President has argued are designed to prevent the spread of communism within Central America.

It is a terribly sad commentary on the state of affairs within this body and within this country that that particular fear should compromise the integrity of the public debate. Nothing, of course, could be further from the truth. We who are critics of administration policy have no desire to see the emergence of Marxist regimes in Central America. We are not enamored with the abridgment of human freedoms by the Sandanistas in Nicaragua. We have no desire, certainly, to see countries within Central America emerge as bases for the projection of Soviet power. There is no debate between the critics or the supporters of the policy with respect to the important interests that the United States has in Central America: economic interests, political interests, strategic interests, and cultural interests.

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What is at issue, however, is whether or not the policies that are being pursued by this administration are in fact advancing American interests within Central America. In my judgment, the policies that are being pursued place the United States on the side of re-

pressive right wing regimes or on the side of those who are allied with right wing repressive forces within these societies we are allied with the forces of repression and the status quo in opposition to demands for political change and economic and social justice. This posture of support for a repressive status quo encourage the expansion of communism within the region than anything the Soviets or the Cubans could contemplate.

The harsh reality is that our policies are undermining the ability of moderate forces within Nicaragua, inside and outside the government. We are undermining the ability of moderate forces within El Salvador to provide a genuine, effective alternative to the extremism of the right, and to the extremism of the left.

It is said frequently that Central America is not Vietnam, and that is certainly true. These are regions that are culturally vary dissimilar. It is also true that Central America is far closer to the United States, and for that reason the United States has far greater immediate interests in Central America than we did in Southeast Asia.

But the more I hear the debate, both below-the-surface debate as well as the public debate, the more I am persuaded that the parallels to the Vietnam tragedy are real. I think it is a matter of grave urgency that Members of this body and our constituents alike begin to understand that the mistakes that are being made we made earlier in Vietnam are now being repeated in Central America. We are on the road to the same inexorable escalation of American involvement that will ultimately produce a commitment of American ground forces in Central America, and which will not in the end produce the conditions of stability or social justice that we profess to be seeking.

Let me spell out very briefly four parallels between the debate that is presently occurring on Central American policy, and that which occurred during the Vietnam period.

First of all, the argument was advanced in our committee that we cannot alter decisions that have already been made. How can we suddenly change course the administration asks, how can we reverse decisions that have already been made? What we saw in Vietnam was a number of instances in which people, having made decisions, acquired a vested interest in proving the correctness of those decision. As the debate continued over the years of our involvement in Vietnam, the advocates of the policy argued that there was nothing wrong with the policy, we just were not doing enough. A little bit more, they said, and we will suddenly see the light at the end of the tunnel.

We are seeing the very same kind of logic in Central America with people acquiring vested interests, in decisions—with people not having the courage, the wisdom, to shift course even when the failure of those policies is manifest.

Second, in Central America, as in South Vietnam, there is the tendency to misinterpret what is fundamentally an internal struggle as primarily the consequence of outside intervention. Certainly there are external forces intervening in Central America. Clearly, the Soviets and the Cubans would like nothing better than to take advantage of the revolutionary ferment in the region and are arming both the Nicaraguan Government and the insurgency in El Salvador. But the root causes are internal. They are economic and political. They are bred from decades of colonialism and tyranny. The longer we persist in concentrating solely on the external threat and ignoring the internal root causes, the greater likelihood that we will seek military solutions instead of solutions to internal national problems.

The third parallel: We are being told we are supporting the anti-Communists. Remember that? We were told two decades ago that Mr. Diem of South Vietnam was an anti-Communist and, therefore, we had to support him, no matter what the nature of the policies that the Diem regime was pursuing in Vietnam. There were people early on in the Vietnamese experience who were trying to tell us that Mr. Diem's anticommunism was really a cloak for an enormously repressive operation. Anyone who dissented from the Diem regime was branded a Communist, was thrown into jail, was tortured, was killed.

We continued our support of a government that was inherently incapable of generating the public support necessary to sustain its own power because of the brutal policies of that regime. Likewise, today in El Salvador we are being played, if I may gently suggest, for suckers, once again in the name of anticommunism. We are supporting rightwing military forces within that particular country. Elsewhere in Central America we are supporting rightwing regimes who profess to be anti-Communist because they know that that is a surefire means of getting the United States, like Pavolov's dog, to come to the rescue.

How absurd that we cannot be more discriminating in identifying our true friends within the region. At some point we better begin to understand that when we support a government that is responsible for the killing of the vast majority of the 30,000 civilians who have died in El Salvador in the last few years that we are undermining American influence and prestige among the population in El Salvador. We are playing into the hands of the more radical elements of the opposition within El Salvador. We are doing absolutely nothing to stabilize the conditions in El Salvador or to advance American interests within the region.

We need to begin to be more discriminating in Central America, as we should have been earlier with respect to our support for the Diem regime in Vietnam.

Fourth, in Central America, as in Vietnam, we are continuing to totally disregard nationalism as an authentic political force. We continue to see all developments within the region as exclusively the product of external manipulation by the Soviets and the Cubans. We continue to think that the United States can be equally effective in manipulating the situation by our own intervention.

Does it not occur to our policymakers that people within El Salvador or Nicaragua—or any nation of this world that has any aspirations for sovereignty—has a desire to be viewed as something other than a pawn to be manipulated by superpowers? I am convinced that if we had only a bit more faith in our own philosophy, in our own system of government, in democracy as an institution, we would be able to be more effective in our dealings and our relationships within Central America. We would very quickly undermine the extremists of the right and the left who offer neither hope nor opportunity nor social justice, but simply politics based upon fear and coercion.

We need to understand that the people of El Salvador are fundamentally concerned about El Salvador. They are nationalists in the same way that we in the United States feel deeply our own patriotic commitments to our country. We need to respect the patriotic commitments of other peoples as we expect them to respect ours.

Unhappily, if we go over the history of America's involvement in Latin America, there have been too many instances, as my colleague from California (Mr. EDWARDS) just explained, in which U.S. intervention has been more accurately characterized by the phrase, "gunboat diplomacy," than it has by the concept of mutual respect among nations. So people within Central America are very sensitive to the role that the United States has played historically in that region.

For that reason, we may not always be the most credible force to mediate conflicts within either El Salvador, or between Nicaragua and its neighbors. For that reason, I think the comments of the gentleman from California (Mr. FAZIO) a moment ago are so apt. We ought to be throwing our full weight and support behind the efforts of countries of the region, the Contadora

group, to achieve a negotiation of political differences.

□ 1910

Let me make two final points. The first has been made before, but it requires restating. In the end, there is no military solution to the conflicts being waged by those Central American countries. These are conflicts that must be politically negotiated. Otherwise, we will only be moving from crisis to crisis and from military intervention to military intervention with constant escalation.

It is time for us to actively promote freedom and justice for people within the region so indispensable for long-term regional stability and mutually beneficial relationships between the United States and the countries of the region.

Finally, we Members of this body are not going to be able to run and hide on the issue of Central American policy. I say that because it is my personal belief that the concept of the bipartisan commission that was advanced by Members of this body on a bipartisan basis has been totally distorted by the administration.

It is my judgment that the Kissinger commission announced by the President is for this administration nothing more than an effort to provide an opportunity for Members of this body to seek cover, and abandon our responsibilities. I think it would be a terrible, terrible disservice to our constituents if we were to allow the Kissinger commission to divert attention away from the need to immediately terminate our illegal covert efforts to destabilize the Nicaraguan Government. I think it would be tragic if we were to allcw the commission to divert us from the effort of winding down the military support that is flowing to El Salvador. If this bipartisan commission, had been presented as a genuine effort to reexamine the fundamental premises underlying our policy, it would be one thing. I think it is clear, however, that with Mr. Kissinger's appointment this commission represents nothing but a public relations gesture on the part of the administration to attempt to mobilize support for its policies.

Members of the administration have acknowledged that they have no intention whatsoever of placing people who have been explicitly critical of its policies on that commission. What a travesty. And what a travesty it is to think that the chairman of the commission, Mr. Kissinger, should be the man who served as National Security Council Adviser and Secretary of State during the time when the United States was enthusiastically supporting Anastasio Somoza as dictator in Nicaragua. What a travesty it is to think that it was that the individual designated to serve as the commission's chairman serving as National Security Adviser when the United States was engaged in an effort to overthrow the Allende regime in Chile.

In short, I submit that Mr. Kissinger is not the person who is best suited to help this body and this country develop the kind of enlightened Central American policy that will sustain a national consensus on Central America and the kind of policy that can sustain that consensus.

Mr. Speaker, again I want to thank the gentlewoman from California (Mrs. BOXER), the gentleman from California (Mr. EDWARDS), and my other colleagues who have convened this special order. I just hope that we can begin today the process of focusing attention on this critical question of Central American policy for our constituents. We need to mobilize public sentiment as directly, as forcefully, and as quickly as we can.

Mrs. BOXER. Mr. Speaker, I thank the gentleman from Michigan (Mr. WOLPE) for his remarks.

Mr. ALEXANDER. Mr. Speaker, will the gentlewoman yield?

Mrs. BOXER. I yield to the distinguished chief majority deputy whip, the gentleman from Arkansas (Mr. ALEXANDER), who has been a continual source of support on this entire issue.

Mr. ALEXANDER. Mr. Speaker, I thank the gentlewoman for yielding.

Mr. Speaker, I want to thank my friend, the gentlewoman from California (Mrs. BOXER), as well as other Members who have spoken this evening and who continue to speak on this serious problem of the growing crisis in Central America.

I hope that millions of Americans are watching tonight, and it would be my wish that every citizen could have heard the remarks of the gentleman from Michigan (Mr. WOLPE), who preceded me with a brilliant and eloquent statement and analysis of the problems in Central America. Maybe it would be a good idea to transcribe his remarks and send them to the President because obviously the administration needs the benefit of that analysis in further developing and formulating policy on Central America. Clearly, the voices of democracy are being heard this evening during this special order.

I believe that the administration has made over the last 2½ years, and continues to make, a serious mistake in Central America. The secret war of President Reagan has made a bad situation worse in Central America. The covert policy has not worked. In fact, it has been counterproductive by strengthening the hand of the Sandinistas in rallying the support of the Nicaraguan people, at least half or maybe even 60 percent of whom did not support the Sandinista government prior to the Reagan administration. It has strengthened the Sandinista government by rallying the Latin American people against what is perceived by them to be a policy of Yankee imperialism, which is a return to the past policies of oligarchy and of oppression. I fear, after continuous revelations of the works of this administration, that beneath the talk of bipartisanship lies a secret policy that seeks a military victory in Central America.

I fear that we stand on the threshold, as the Contadora heads of state recently suggested, of a major military escalation that could lead to a regional war of expanded bloodshed in the Central American region.

The administration can lay all of these fears to rest. We need not mobilize the American military might. We need not threaten the future and the lives of the young men and women of our country who would fight this war. We can resolve all of the problems in the very near future. All the President has to do is to guarantee bipartisanship by putting America's prestige and power behind negotiations.

The Reagan administration can win the support and respect of the Nation. It can strengthen its policy in Central America. All it needs to do is to clearly, publicly, unequivocally, and wisely place America's prestige and power behind the proposed negotiations of the Contadora nations to end the bloodshed in Central America.

Negotiations and American support for negotiations for a political solution are essential. They are a fundamental prerequisite for bipartisanship and for peace in the region.

I urge the President of the United States to take strong action to demonstrate to the American people and to the people of Central America that we seek a diplomatic settlement of the hostilities, and I urge him to reconsider his opposition to the Zablocki-Boland bill.

We will never win bipartisan support for a program that is so dependent upon covert action. Let us think about it. What the President is asking the Congress to do is to declare an undeclared war against Nicaragua by using covert action. It is simply that. He is asking us to declare an undeclared war by using covert action to overthrow the Sandinista government. That is simply what the President is asking us to do. In fact, such a program poses grave dangers not only for the Nation and not only for the youth of the Nation who would fight this war, but also for the intelligence community itself.

I have always supported the intelligence community and will continue to do so. I recognize the Soviet threat that exists around the world. I think we must resist the Cuban influence and the spread of communism in Central America, but we cannot do it at the point of a bayonet.

□ 1920

What the President offers is a policy that is in reality a fig leaf, that hides and covers the blunt end of an American bayonet.

Our intelligence community needs the strong support of the American people. I remember the hostilities in Vietnam. I remember the difficulties of the intelligence community caused by the failures there.

I remember when Dr. Henry Kissinger presided over the overthrow of a duly elected regime in Chile.

I remember the problems that resulted to the CIA as a result of its failures in Cambodia and elsewhere around the world. The American people as a result lost confidence and we have been paying the price ever since.

The American people simply lost confidence in the CIA and its ability to advise the administration and the Government of facts that would result in policies that were in the best interests of the American people, and I repeat, we have been paying the price ever since.

And what are we doing today? We are repeating the mistakes, the follies, and the failures of the past, of the 1970's. It is almost another chapter in the book of the 1970's. I urge my colleagues to keep that in mind.

The worst thing that we can do is to misuse the CIA again and to bring the CIA into disrepute with the American people and our allies around the world.

Mr. Speaker, we should base our policy on our fundamental national values. We heard the gentleman from Michigan (Mr. WOLPE) a minute ago talk about policies based upon fear and oppression. That is what we are doing in this country. We are following the example of the Soviet Union, attempting to emulate the covert operations that that nation uses based upon its values: We should be trying to export our own fundamental values that are embraced in our Constitution and that every American subscribes to.

We should boldly support democratic change, remembering that our own revolution fired a shot for democracy that is still heard around the world. Somehow we have become deafened to the values of our own revolution and our own Constitution by attempting to emulate the tactics of fear and the rationalizing of oppression of the Soviet Union.

We should stand clearly and strongly behind the policy of human rights, not one that provides pro forma certification, but one that clearly realizes a movement toward justice and freedom for all people who aspire to freedom around the world.

We should work together with our democratic allies in the world and in the region, to develop a program to feed the hungry, to clothe the poor, to cure the ill, to bring hope to the Central Americans who have simple prayers and worthy dreams that we should share as fellow Americans in the Western Hemisphere.

We should make our stand based upon an American ideal, not machines of war, not covert action.

Most of all, the President of the United States should take the lead in supporting the Contadora initiative for negotiations. There should be no doubt about his position. There should be no doubt about our position. There should be no hesitation. There should be no reservation. There should be no question about where America stands on the side of rights and of freedom. That is a simple first step, an important first step, an immediate step toward a bipartisan policy that all Americans can be proud of in Central American.

We should not fear to pursue an open policy. What is all this talk about Congress adopting and approving a covert policy in Central America? We should not be afraid of negotiations. This is the United States of America that stands for freedom and for human rights and for values of all people. We should not tarnish the ideal of the American dream with a policy of fear and coercion which is perceived by our Latin brothers and sisters as a return to oligarchy and oppression in Central America.

Mrs. BOXER. Mr. Speaker, I thank the gentleman for his fine remarks and for his continued leadership in this area.

Mr. Speaker, I yield to the gentleman from Washington (Mr. LOWRY).

Mr. LOWRY of Washington. Mr. Speaker, I thank the gentlewoman for yielding and for her leadership and for the short period of time she has been in this House, the effect she has had on the policies of this House and I congratulate her.

Mr. EDGAR. Mr. Speaker, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Speaker, I thank the gentleman for yielding and I thank my colleagues for their patience in letting me slip in for just a moment.

I, too, would like to thank the gentlewoman from California and the others who have brought our attention to this issue once again.

In 1981 I had the privilege to spend some time in Central America and from that time on I spent many hours thinking and worrying about the problems that we face in Nicaragua, El Salvador, Guatemala, and the other nations in the region.

I share many of the points that my colleagues have made and I do not plan to repeat them. I appreciate your sharing them.

One point I would like to make. I think that it is important to bring to the attention of our colleagues one simple step we need to take to affect the lives of those suffering from the instability in Central America. Up to this point, the administration has declined to grant extended voluntary departure status for refugees from El Salvador. I believe that extended voluntary departure status is not the equivalent of asylum and does not involve any type of immigration status. Rather, it is a temporary standing granted by the Departments of Justice and State, which would allow Salvadorans to stay in the United States until such time as the administration determines that it is safe for them to return to their own country. It is a humanitarian action which I am sure many of my colleagues would support. I urge the administration to allow this, given the large number of deaths and missing that occurred in both El Salvador and Nicaragua. I think it is important for us to provide this particular service.

On April 27 the President addressed a joint session of Congress to offer his views on the Central American region. On Monday of this week, he made his latest proposal, the Kissinger Commission to study the "underlying problems" of the region. The morning after the President's April speech I also commented on the underlying problems faced by El Salvador, Nicaragua, Guatemala, Honduras, and other nations in Central America. Those remarks remain relevant:

> . . . the President clearly does not see or understand the underlying problems in Central America which have led to widespread poverty, inequality, and finally, to resistance to oppression. American dollars cannot buy military success in Central America; we must make positive contributions to peace and justice if we are to end the fighting and bring democracy to these troubled countries.

The facts are the same. Inequality and poverty persist in Central America. We should focus on these problems if we are to promote true, viable democracy in the region. I condemn Soviet and Cuban adventurism in the area, but I also condemn continued U.S. aid to governments and guerrilla groups which murder and terrorize the citizens of these nations.

We should give aid to governments which assist their people with education, which make sure that they have sufficient food, and which respect human rights. In this connection, I urge my colleagues and the administration to consider the proposal made last week by the Contadora group for an end to both Cuban and United States military intervention in the region. The Boland-Zablocki bill, which calls for a halt in U.S. covert aid to Nicaraguan rebels, is also deserving of our strong support.

Mr. Speaker, I thank my colleague for yielding and I hope that a couple

minutes of my time might be yielded to the gentleman.

Mr. LOWRY of Washington. Mr. Speaker, I am proud of the statement our colleague, the gentleman from Pennsylvania, has made and I want to thank him for his continued long leadership on this question.

Mr. Speaker, just briefly, I would like to speak directly to Nicaragua, the country that I just saw the President of the United States on television about 45 minutes ago say is a threat to the national security of the United States, a country whose population is the same as the size of the State of Oregon, 2½ million people, that has 25,000 maximum people in its armed services is a threat to the security of the United States.

I was just in Nicaragua with the outstanding leadership of the gentleman from California (Mr. EDWARDS), with the gentleman from Oregon (Mr. AUCOIN), and the gentleman from California (Mr. MILLER), all three of whom, I tell you, the Congress of the United States can be proud of the way they represented us down there in those talks.

One thing was abundantly clear. The entire policy now being pursued by the United States through this administration is a policy specifically aimed to overthrow the existing Government of Nicaragua. It is a policy that has set aside arms interdiction. Every person we talked to that both supported and opposed the existing Government in Nicaragua said clearly the CIA-backed action that we are pursuing in Nicaragua is specifically aimed at overthrowing the existing Government of Nicaragua.

The United States of America, who should be and has been the leader of the world, cannot have a policy aimed at overthrowing the government of another sovereign government, regardless of our opinion of that specific government.

I thank the gentlewoman for giving me this time.

Mrs. BOXER. Mr. Speaker, I yield to the gentleman from Oregon (Mr. AUCOIN).

Mr. AUCOIN. Mr. Speaker, I want to join in congratulating the gentlewoman from California and my other California colleagues who have arranged this special order this evening.

I particularly want to acknowledge the gentlemen from California (Mr. EDWARDS) and (Mr. MILLER) and the gentleman from Washington (Mr. LOWRY), who I joined over the weekend in a trip to Nicaragua and to El Salvador, a timely trip, if I may say so, prior to today's secret debate on the House floor and prior to the vote which this body will make within a few days on the critical questions in Central America.

It is hard for me, coming back from a trip of that kind, to put into words my absolute feelings of disgust when it is explained to me, as it was in Central America, and as it was explained to all of us today in a secret session, just what the objectives, the real objectives are, in the covert action to Nicaragua.

□ 1930

It is disgusting because in so many ways it absolutely violates the basic principles and real character of this country.

I do not think this country is a country of international outlaws. But what we are doing in Nicaragua today is in violation of international law—and it makes us an outlaw. What we are doing in Nicaragua today is in violation of U.S. law—and that makes us an outlaw.

What we are doing in Nicaragua today is not interdicting arms. As the gentleman from Washington State just explained, we search in vain over the weekend, and the gentleman from California (Mr. EDWARDS), who is here tonight, would confirm this, we searched in vain to find anyone who could give us a shred of evidence that arms have been interdicted as a result of the covert action that the United States is bankrolling in Central America. Arms are not being interdicted.

What is happening is that through U.S. taxpayers' dollars an invasion is being mounted against the Government of Nicaragua which this Member of Congress is not particularly fond of, as a matter of fact. I do not have any great warmth in my heart for the Sandinista government. I do not have any warmth in my heart for tyrannies of the left or the right.

But I do have a respect for this country and its tradition of following international law. And I have a respect for the taxpayers of this country and the citizens of this country and for this Congress who have been lied to, in my judgment, or at least have been deceived. They have been deceived because they were told that an action involving a very small number of people was going to be funded in an effort to interdict arms going into El Salvador, and from that justification we had a steady escalation of the numbers of people involved, a steady escalation in the dollars that were being spent, a steady changing of the rationale for the project. Ultimately we find that rationale is beginning to change and that what we are really dealing with is a war designed by proxy, but nevertheless our war designed to change the political and economic structure of the Government in Nicaragua.

We may wish that it would change. But I guarantee you if there is any way to insure the success of the Sandinista government, to harden the line of the Sandinista government, it is to put money in the hands of Somoza elements, the remnants, the debris of the previous rightwing tyranny which is now in command of the contra movement in Nicaragua. If there is anything that unifies the people of Nicaragua today it is their hatred for the Somoza government and the crimes that were perpetrated by the people of the Sandinista government.

Now, to think that this Government, our Government, is trying, and is in fact aiding and abetting those very same elements in an effort to overthrow that government to me is the very worst possible policy to follow, even if it were legal, which it is not.

That brings me, I think, to the major point that I would like to make this evening and that is this: what a tragedy it is. What a tragedy it has been for decades, for generations that this Govenment, under Democratic administrations and under Republican administrations, has been willing to welcome with open arms and to embrace with open arms any government, any tyranny that happens to be clever enough to say the requisite lines. Those lines are "Hey, I am anti-Communist."

What does the United States do? It rushes to their aid.

My friends, Hitler was anti-Communist and no one rushed to give him aid, and I do not think it is in the interests of the Government of the United States to be giving aid and comfort to his imitators in Central America today.

I believe we are doing that in El Salvador, and tonight as we have this special order we are debating the opening up of a whole new dimension of that question, a secret war designed to bring down a neighboring government as an adjunct to our support for the right-wing elements in El Salvador.

A lot is going to be said, and a lot of partisanship and red baiting is going to take place between now and the time of the vote in a couple of days, and I am as sure as I am standing here tonight that there will be more who have said, as we heard today, that we are supporting freedom fighters in Nicaragua. You tell me that a former Somoza national guardsman is a freedom fighter and I will tell you that you do not know what end of the world is up and what end of the world is down.

Freedom is not Somoza and freedom will not be found in the rightwing elements of El Salvador, I might say, rightwing elements either that are in power or influence power in El Salvador today, with our support.

This weekend, and I will conclude with this, this weekend we were shown photographs by a human rights organization in the archdiocese of San Salvador, photographs of atrocities that are so brutal, so unspeakable, that the American people would absolutely recoil if they had access to that evidence, perpetrated against people sus-

pected of being sympathetic to the insurgency in El Salvador by elements that can only be identified with the government, or death squads and rightwing elements that are sympathetic to the government.

Decapitations, my friends; bodies slit top to botton in a cross, with the insides coming out, with the heads decapitated and severed from their bodies and placed at the feet of those bodies. This is what some people I guess would call the freedom fighting elements of Central America.

I do not think the issue, when we come to a vote on this question, is going to be who is soft on communism. It seems to me that the issue is there have been people for too long in this country that have been too close to fascism and too close to feudalism in Central America.

I think the current administration is both of those things and unless this administration and this Congress understands the way to stop communism is to eradicate feudal approaches, and to not encourage rightwing fascism and fascist elements, we will see leftwing insurgencies time and time again and we will be picking up the debris for years to come.

I thank the gentlewoman from California for arranging this special order. I appreciate the companionship of my colleagues identified earlier who joined with me on the trip we took this weekend. I hope very much that in this instance the Members of Congress will look at the history of Central America and realize that repeatedly, repeatedly, as reforms of a democratic nature have been attempted in decade after decade in our history, they have been thwarted in many instances by the U.S. Government itself.

Now we wonder why it is that people down there suspect us.

In Nicaragua itself the United States has invaded three times in the last 100 years. Is it any surprise that they hold us out with such contempt now?

It seems to me that we win friends in this world by standing for human rights, for encouraging moderate people who are committed to a democratic process, and you will not find democracy in the hearts or the minds of fascists anywhere in the world.

Our policy needs to be redirected for all of these reasons.

EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. EDWARDS) is recognized for 60 minutes.

Mr. EDWARDS of California. Mr. Speaker, I yield to the gentleman from Iowa (Mr. BEDELL).

□ 1940

Mr. BEDELL. I thank the Speaker.

I, like everyone else, would like to first of all thank those who are responsible for this special order and as is customary here would like to say I would like to associate myself with the remarks made by the speaker from Oregon.

It was recently my opportunity to visit Honduras and Nicaragua. One of the most moving experiences I have had in my life was the Sunday that I spent in Nicaragua, where I had a chance to get out and talk to the common people of Nicaragua.

We went up to a city called Esteli, which is two-thirds up the way to where the fighting is occurring on the border. We met in a church with a group of members of that church. The grandmother in that group said to us since she had lost her grandson who had been killed by those forces that we are supporting, "We cannot understand why Mr. Reagan wants to see our women and children killed. We do not feel we have done anything to him."

We went from that church to where we found a work crew that was repairing the city streets. It was very, very difficult, because they knew I was a member of the U.S. Government and they seemed to think that as a member of the Government I would be able to go back home and stop this killing of their women and children.

And then we met with some people in their Government. As we met with those people they said, "If the United States really wants to see freedom and democracy in Nicaragua, we cannot understand why it would be that you would want to see Somoza's security guards take over the Government of our country."

It was very frustrating as I realized that as these people thought I could go back and do something about it, I really was in no position to do so. Then I came home and I recently had a telephone call from my son, a minister on the Eastern Shore. He said, "Dad, what are you going to do about it?" I said, "What do you mean, Ken?" He said, "What are you going to do about the fact that the President is breaking the law? Are you going to just sit by and let him break the law? And how do you expect others in our country to pay any attention to our laws if you are going to sit there and let the President obviously move forward and simply break the law?"

And I was equally frustrated as a Member of Congress that I did not know what I could do to really make the President obey the laws that we passed and that he signed into law.

We have some opportunity now in the next few days to have our voices heard and that is one reason I am so thankful to those who have called this special order. It at least gives us some opportunity to be heard as individuals. No longer does anyone claim that we are interdicting arms supply from Nicaragua into El Salvador. But surely everyone knows that not only are we breaking the law of this land, we are breaking the treaties that we are a party to. And I believe that if we are really going to stand for what we believe and if we are going to set an example for the world, then surely it is up to us to have the courage to set that example and to say that when we sign a treaty it does mean something and when you sign a treaty we expect it to mean something as well.

Our policy is first of all legally wrong in that we are not abiding by the treaties we have signed and that we are not obeying the laws of our country. It is certainly morally wrong. If you could have been with me and talked with the family whose young men had escaped from the Contras and whose parents had been murdered by those Contras simply because they would be of no benefit to them, you would realize what we are doing here.

Finally, it certainly is pragmatically wrong. Surely we are doing nothing except pushing that government into the hands of the Soviet bloc countries. And if you really want somebody to turn to you instead of somebody else, the last thing you do is to invade them or take military action against them, surely.

People say, "Well, all you are saying is what we should not do. What should we do?"

I will tell you what we should do. First of all, we should end support of these crazy raiding parties into Nicaragua which are indiscriminately killing and kidnaping and murdering innocent civilians. Certainly they are led by Somoza's guard who are despised by the people of that country. Surely we are pushing them toward the Soviet bloc.

What we should do is we should negotiate with them. They told us very carefully they would love to talk to the leaders of our governments so they had that opportunity. Surely what we should try to do, if we really want to keep communism from moving forward more and more into that area of Central America, is to first of all, conduct ourselves in a manner that people would like to emulate and say "we would like to be like you". Certainly, thirdly, we should say "we are going to try to get you to come our way by being the types of people that you would want to be and that we are not going to finance these crazy, crazy raiding parties into the countryside to indiscriminately murder and kill innocent civilians."

I thank you very much for this opportunity, Mr. EDWARDS and Mrs. BOXER.

I thank God we have people who care enough to bring us an opportuni-

ty for people to know what is happening in this area.

Mr. EDWARDS of California. We thank the gentleman from Iowa for his eloquent statement.

I yield 5 minutes to the gentleman from California (Mr. TORRES).

Mr. TORRES. Mr. Speaker, I want to commend my distinguished colleagues from California, Representatives BARBARA BOXER, DON EDWARDS, and GEORGE MILLER, for requesting this special order session at a most timely period in our history. In the most recent years, we have agonized over the issues at stake in Central America.

The agonizing is reminiscent of another period in our history, that of Vietnam, for indeed there is a striking parallel. The most glaring parallel is the American public's lack of knowledge about developments in Central America equaling that of what was known about conflicts in Indochina in 1965.

In both cases, our President's, first Mr. Johnson, now Mr. Reagan, stirred by passions of containing communism have largely misunderstood the causes of the conflict first in Vietnam and now in Central America.

As a result, President Reagan is seeking a simplistic, military solution to what are serious problems of social, economic, and political magnitude.

Not to belabor the point of Vietnam and much has been said about it here about Vietnam, but you will recall that prior to our involvement in Vietnam, our citizens had not heard of it, much less know anything about its history, culture, or people. We knew one thing, there was a Vietcong, they had to be stopped.

Being a patriotic people we thus followed a President down a terrible, costly quagmire.

Mr. Speaker, that experience I hope would have taught our Nation a lesson in how to correct the conditions that foment revolutions.

The United States cannot afford to abrogate its stated Central American policy for failing to understand the oppressive conditions that breed revolution; namely, hunger, poverty, illiteracy, and the yoke of dictatorships.

Alining ourselves with despots gives no credibility to our country and isolates us from our friends.

To covertly support former Somosa's hated national guardsmen in overthrowing the Sandinista government is contrary to what U.S. goals should be in Central America. As the distinguished gentleman from Arkansas (Mr. ALEXANDER) stated, fighting a secret war against Nicaragua violates U.S. law as defined by the Boland amendment. The amendment explicitly prohibits the Defense Department and the CIA from aiding groups for the purpose of overthrowing the Government of Nicaragua or provoking a military exchange between Nicaragua and Honduras. By covertly assisting the anti-Sandinista guerrillas we are risking the destabilization of Honduras and thus risking a full-scale war, bringing in military assistance from other countries. The President is asking us in Congress to adopt and fund a covert action.

The result would be wider instability in the region which is directly contrary to our interests in Central America. Here the specter of Vietnam appears for full-scale warfare invariably means committing American troops to another jungle war. I want to speak up now in opposition of this prospect. We are in clear violation of the Boland amendment and tenets of international law.

Just this weekend our important allies in Latin America, the Contadora group met in Cancun, Mexico, to discuss solutions to the problems of Nicaragua and El Salvador. We should express a greater measure of cooperation and reliance on this group since the Reagan administration policy risks alienating not only the Contadora group but important allies in Latin America and in Western Europe.

Mr. Speaker, the United States must develop a new economic plan for Central America, one that reduces our military involvement in exchange for a regional peace plan based on cease-fire agreements and comprehensive negotiations aimed at including all political groups in an election process. I realize this is easier said than done, but we must begin to initiate the leadership that is required.

Then we can begin to redress the economic and social imbalances that are part of our current U.S. aid programs. Such an economic plan would not only be a bilateral effort but bring into play other regional donors and agencies in the region. The Inter-American Development Bank should convene an emergency session in the region and propose a $1 billion aid program for Central America over the next 3 years to be financed not only by the United States and wealthier countries of the region, but also by Japan and Western Europe.

I applaud the current approach offered by Senator JACKSON that of effecting a Marshall plan for the region. Such a plan was instrumental in raising a war-torn Europe from the ashes of a horrendous world war. In Central America it could give a profound meaning to the quest by Central Americans for bread, peace, and freedom.

□ 1950

Mr. EDWARDS of California. I thank the gentleman from California.

At this time, Mr. Speaker, I yield to the gentleman from California (Mr. LEHMAN).

Mr. LEHMAN of California. Mr. Speaker, I thank the gentleman from California for yielding and I congratulate both him and Mrs. BOXER for arranging the special order.

In the last few years, the United States has been reminded of the enduring importance of Central America to our basic national interests. The ranking of Central America as a significant item on the national agenda is a welcome replacement for our traditional policy of benign neglect. America's emergence after World War II as a major world power focused our national attention on Europe, Asia, and the Middle East, at the expense of our own Western Hemisphere.

While I welcome our recognition of the significance of Central America to the United States, I have grave doubts about the wisdom of our current policy. This administration appears to be pursuing a "quick fix" military solution to the ever-increasing political strife and turmoil in the region. If I felt that the turbulence we are witnessing in Central America was attributable to military problems, I would welcome this approach. However, I believe that the trouble is a reflection of fundamental, age-old socioeconomic inequities that have never been adequately addressed.

When I was growing up our social studies textbooks indicated the following concerning Central America:

Its people were underfed and poorly housed.

They had inadequate health care, high illiteracy rates and no social mobility.

In short, there was little hope for a better future.

Indeed, this has been the situation in the region for several decades. Central American governments have historically been more responsive to the interests of American businessmen than they have to their own people.

In all the tumult and controversy we witness today, one fact strikes me the hardest—the administration's present interest in uplifting the status and spirits of our neighbors to the south is primarily stimulated by a desire to stem the tide of communism. Poverty, hunger, and disease do not get our attention, but guerrillas do. This fact is not lost on anyone in Central America. The Reagan administration's current interest in the region is defined and motivated by this reality.

The social structure and economic landscape in Central America appears very little changed by the political events of the past 30 years. In El Salvador, with an annual population growth that still exceeds 3 percent, the environment is being heavily taxed to support the large population. Seventy-eight percent of the country's land still sits in the hands of the top 10 percent of the population, while

the lower 10 percent owns a meager 0.4 percent of the land. Mothers still watch almost 1 out of 16 babies die at birth and those children that do survive still risk dying before the age of 10 due to unsafe water and lack of adequate health care and nutrition. Young people still flock to the cities in hopes of finding employment and a better life and end up living at subsistence levels in shantytowns throughout the city. Some things, however, have changed. For example, since 1979 the suicide rate has more than doubled.

In short, the people of El Salvador have no positive vision or hope for the future. As President Harry Truman said upon endorsing the Marshall Plan for Western Europe:

> The seeds of totalitarian regimes are nurtured by misery and want. They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died.

The only way the United States can truly achieve the President's objective of fostering democracy for the people of Central America is to help them establish the basis for a positive future. This can best be accomplished by turning to our own proud history of generosity and formulating a realistic long-term U.S. policy in helping Central America deal with poverty, economic development, agrarian inequities, and human rights. The concept of a Marshall plan for the region is a positive step in this direction.

Our current militaristic approach will almost surely prove to be self-defeating. Central American nations have an ever-growing and dissatisfied population trying to eke out a living on an ever-dwindling resource base. The agrarian, health, and educational infrastructures are not sufficiently developed to satisfy the basic human needs of the region's people. War is destroying what fragile support systems that do exist, communication and transportation networks and ruining harvests. More urgently, an increasing reliance on war and bloodshed drains the lifeblood of the area by killing off the youthful generation of men and women desperately needed to put their respective countries back on their feet again. I urge my colleagues and this administration to learn from history and choose a peaceful, productive path in Central America.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman from California for a really wonderful statement.

I now yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I, too, want to thank the gentlewoman from California for calling this special order.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding.

Mr. Speaker, I, too, am pleased to join in this special order and compliment our colleagues from California for their foresight in organizing this effort and my colleague from Iowa, with whom I have had the privilege to travel in Central America, particularly in El Salvador and Nicaragua.

Mr. Speaker, El Salvador is torn by a civil war in which more people die by murder than in combat. The Salvadoran Army has taken less than 40 prisoners during the course of the war. In the past 6 months, approximately 2,500 noncombatant deaths have been attributed to the army and security forces as opposed to about 50 to the guerrillas.

To certify that human rights conditions in El Salvador have improved would be absurd. According to statistics compiled by such sources as the U.S. Embassy in El Salvador, the number of noncombatant deaths in El Salvador increased in the period January to June of this year compared to the same period of last year. The majority of these deaths have been attributed to the Salvadoran Army and security forces.

Certification would further diminish the legitimacy of the certification process. It has become a deceptive means by which the Reagan administration justifies continued military aid to El Salvador to the American people. I have been to El Salvador during the period which President Reagan has just certified and have firsthand knowledge that El Salvador has not made significant human rights progress.

As a result of the continued violence some 500,000 people have fled in fear of death or imprisonment. Because of reluctance on the part of Mexico and Honduras to accept Salvadoran refugees, most have been forced to find their way to the United States. We can not ignore this situation, nor can we force these people to return to El Salvador at this time.

To claim that Salvadoran refugees have no reasonable fear of persecution is a serious misconception. Many members are familiar with Senor Fermin Garcia, treasurer of the Association Nacional Indigena Salvadorena (ANIS), and the action which the Salvadoran Government took upon his return to El Salvador; Senor Garcia is now in prison, his health deteriorating. Senor Garcia met with me and other Members of Congress both in this country and in El Salvador. To force the Salvadoran refugees now in this country to return to El Salvador at this time would be the same as sending some of them to a death camp.

We should act by granting extended voluntary departure status (EVDS) for Salvadoran refugees. EVDS is not permanent asylum; it is a mechanism by which we can allow the Salvadoran refugees to remain legally in this country until conditions are such that they can return to El Salvador without fear of death or imprisonment.

I was pleased that sense of Congress language supporting Salvadoran EVDS was included in the State Department fiscal 1984 authorization. I am also pleased that similar language is included in the Immigration Reform and Control Act of 1983. We have granted EVDS to refugees from Poland, Iran, Ethiopia, Uganda, Laos, Vietnam, and Nicaragua. If we were willing to recognize that the refugees from these countries faced life-threatening situations if forced to return, we must recognize that Salvadoran refugees face an equal if not more dangerous situation if forced to return as well.

Ironically, the President is concerned about the influx of refugees if a Marxist takeover in Central America occurs, yet the hundreds of thousands of refugees who have fled El Salvador have not done so in fear of the leftist rebels; on the contrary, they have fled in fear of the Salvadoran Army and security forces. Continued military aid to El Salvador will only increase the flow of refugees. The refugee situation will not be solved by forcing them to return to El Salvador, nor will it be solved by continued military aid to the very forces they are fleeing. The solution to the problem lies in a negotiated political settlement to the civil war in El Salvador with a significant improvement in human rights. Until this occurs, we should grant EVDS for Salvadoran refugees currently in this country.

While EVDS is not a solution to the problems in El Salvador, it is one way that we can demonstrate our commitment to the improvement of human rights in El Salvador. I urge my colleagues to recognize the plight of Salvadoran refugees and act in a humanitarian way.

Mr. HARKIN. Mr. Speaker, I want to pick up on a theme talked about by my colleague from California (Mr. TORRES), and make some comparisons with our Vietnamese policy.

I want to ask outright. Is it right to hear an echo from Vietnam when we listen to our policymakers talking about Central America? I think it is. Because I think the stakes are the same. Our policies deeply touch the lives of the Central American people and our policies deeply affect how we view ourselves as a Nation.

Now those who run Central American policy for this administration are not what I would call the "best and the brightest." But they do share a common failing with "the best and the brightest" of 20 years ago. Like those who fashioned Vietnam policy, those

who are creating Central American policy for this administration do not understand what is happening in the Third World. They are trying to create a solution rooted in ideology, and not in fact. They are most likely to produce the very outcome they say they oppose: the radicalization of the region.

Listen to the words of the former President of Mexico, President Lopez Portillo, from a speech given in Managua in February of 1982:

> The distinguishing feature that today marks the destiny of the Central American people and the Caribbean is their struggle for the profound political transformation of the . . . social, economic and political conditions that have imposed on them poverty, tyranny, and oppression. Whoever does not understand this will not manage to understand the dramatic convulsions that are agitating the area.

□ 2000

Now, the people of South Vietnam, like the people of El Salvador and Nicaragua today, wanted something different. They wanted an honest government, a government close to the people and a government that would help them meet their aspirations for a better life.

French colonialism is gone. So is the American presence in Vietnam. But the Vietnamese people do not have a better life.

In that same speech, Lopez Portillo spoke as to why that is so. And again I quote from his speech:

> That is why we reiterate what has been said . . . the Central American and Caribbean revolutions underway are, above all, struggles of the poor and oppressed to live better and more freely. To say they are something else and to act as if they were is counterproductive: one ends up by achieving that which he wanted to avoid.

And looking back at Vietnam, we now see what happened. During the period of direct U.S. involvement, from 1961 to 1975, 57,000 Americans died. Probably as many as 2 million Vietnamese died. With our Phoenix program, which was designed to destroy the Vietcong political infrastructure, combined with the regular fighting, I think it is safe to say that most of two generations of South Vietnamese leadership were killed. And the justification and the goals of U.S. policy were constantly changing in Vietnam, just as they are changing from day to day, month to month, in Central America.

Now, did Vietnam have to end up this way? I do not believe so. Was a Communist victory inevitable? Again, I do not believe so. But after so much warfare, so many killings, people turn hard, they become more intolerant, they lose, over time, the very humanity that made them become revolutionaries in the first place.

And what happened in Vietnam is exactly what Lopez Portillo predicts will happen in Central America—if we do not change our course.

And this similar process is going on in El Salvador. Those favoring a political solution are at present a majority among the guerrilla leadership. But already 35,000 noncombatants have been killed by the Salvadoran armed forces and related death squads. Each death leads to more hate, the less likelihood of reconciliation, a hardening of the heart against one's enemies.

Last Sunday, Reverend Delgado, in a homily at the Metropolitan Cathedral in San Salvador, said that 2,500 civilians have been killed by the army and paramilitary forces this year, compared to 50 civilians killed by the guerrillas. That relative degree of restraint by the guerrillas will change, unless we change our policy now and allow the Salvadoran people to have a genuine political solution.

As I have often said, if I were to draw a blueprint to push the Central American peoples into the hardest of hard-line Marxist-Leninist dictatorships, I could do no better than to implement the policy being implemented by President Reagan.

Finally, I am concerned today about what we are doing to ourselves with our policies in Central America. Anthony Lewis, in a reflection on Robert Kennedy, put it this way:

> The result of (the Reagan policies) will be as Senator KENNEDY predicted: to make communism more attractive to the dispossessed of Latin America, and improve the prospects for a revolution that is not humane. And there is another result, about which he would have cared as much: the darkening of the vision we have of ourselves as a nation.

And that is a real danger: "the darkening of the vision we have of ourselves as a nation."

Reflecting on the recent history of human rights policy under Reagan and, I believe, the legacy of Vietnam, Anthony Lewis continued:

> How many of us assume now that our government acts in the world on moral principle? How many expect it to oppose inhumanity wherever it is found? In this age of cynicism, how many think that real change is possible? How many think that America is the land of becoming?

What we are, indeed, as a people is at stake in Central America. Two million Vietnamese had to die during the direct period of U.S. involvement to force us to consider how to conduct foreign affairs. Will a million Central Americans then have to die before this Government will base policy on common decency and humanity and an understanding of what is truly occurring in the Third World? I hope not.

Mr. EDWARDS of California. Mr. Speaker, we all are grateful to the gentleman from Iowa (Mr. HARKIN).

Mr. Speaker, I yield to the gentleman from Illinois (Mr. EVANS).

Mr. EVANS of Illinois. Mr. Speaker, I want to thank and commend the Members who have pulled this special order together, as well as associate myself with remarks of the previous speakers. That is because the echo of Vietnam resonates through the current national debate on our Government's policy in Central America. Tonight I want to briefly focus on the crossroads this Nation stood at 20 years ago tonight on the continuation of our involvement in Vietnam.

Twenty years ago this very day, July 19, 1963, President Diem of South Vietnam delivered a brief radio address, granting only very minor concessions to the growing Buddhist movement in his country. Diem reluctantly acted under pressure from the U.S. Embassy, which was attempting to show the moderation and flexibility of the regime. On that same day, Secretary of Defense Robert McNamara held a press conference here in Washington and assured the Nation that the war was progressing well. Yesterday the high command in El Salvador assured us that the rebels were on the run. And this week the President will attempt to certify that progress on human rights and moderation is the order of the day in San Salvador. And then, as now, policymakers were and are in a quandary as to what we should do.

By midsummer of 1963, America's years of strong commitment to Diem had become a problem. Diem's authoritarianism and strong-arm tactics had made his administration extremely unpopular with the people of his country. Violence and repression against the Buddhists had become government policy, and 80 percent of the population of South Vietnam was Buddhist. The first Buddhist suicide by fire took place on June 11, 1973, and that fiery protest shocked the world and electrified the opposition to the Diem regime. Diem responded with even harsher attacks. On June 27, President Kennedy announced the appointment of Henry Cabot Lodge as ambassador to South Vietnam, replacing the more conciliatory Frederick Nolting.

Lodge was set to arrive in Saigon on August 22. On August 21, special forces and police under the command of South Vietnamese Vice President Nhu attacked Buddhist pagodas throughout Vietnam, arresting monks and sacking sacred buildings. The U.S. Embassy had not been forewarned of the attack and, indeed, when Lodge made inquiries upon his arrival, he received confusing and contradictory explanations that these forces made the raids independent of the regime's leadership.

These violations and attacks on religious movements, the lies and deceptions from the regime in power to

cover their cruel and unpopular acts, and a U.S. Government faced with stark alternatives that ultimately led to military involvement must sound eerily familiar to my colleagues in Congress.

President Kennedy told Walter Cronkite on September 2, 1963: "The repressions against the Buddhists, we felt, were very unwise."

In that same interview, the President made his famous statement that "in the final analysis, it is their war. They are the ones who will have to win it or loss it."

But, more importantly, President Kennedy went on to say:

> I don't think that the war can be won unless the people support the effort, and, in my opinion, in the last 2 months the government has gotten out of touch with the people.

Tonight let us stop and think of the social and political realities of Vietnam in 1963 and the social and political realities of Central America in 1983. We learned in Vietnam, to our sorrow, that military might does not always prevail. A handful of U.S. policy makers by 1963 were beginning to reach the conclusion that the Vietnam War could not be won by a government out of touch with its own people. Unfortunately, these voices were not heard.

□ 2010

Today let us not make that same mistake again. We face a choice. We are at a crossroads in the same kind of struggle we so completely failed to understand in the 1960's. A policy of increased aid to Central America is a prescription for disaster, and as an American serviceman who strives to understand the history of our war in Vietnam, where so many of my fellow marines died, I cannot stand by idly and watch us make the same mistake twice.

I recently spoke with the nephew of the President of El Salvador. He vigorously opposes the government that his family is part of. He told me of a regime that is a flagrant violator of human rights, a regime that has massacred over 35,000 of its own civilians, a regime that has a cruel alliance with vigilante death squads that terrorize the countryside.

Can we not see that the situation in El Salvador stems from poverty and an unjust social and economic system that the Salvadoran Government has not adequately addressed? Can we not learn, after our tragic experience in Vietnam, that there can be no military solution in Central America?

Again, I want to thank all the people who have been involved in this special order, and the organizers, my distinguished colleagues from California, Mrs. BOXER and Mr. EDWARDS.

Mr. EDWARDS of California. We are grateful to the gentleman from Illinois for a very eloquent statement.

Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. DYMALLY). The Chair will advise the gentleman from California (Mr. EDWARDS) that he has approximately 28 minutes remaining.

Mr. EDWARDS of California. Mr. Speaker, at this time I yield to the gentleman from New York (Mr. WEISS).

Mr. WEISS. I thank the gentleman for yielding this time to me.

Mr. Speaker, I too want to express my commendation of our colleagues from California, Mrs. BOXER, Mr. EDWARDS, and Mr. MILLER, for taking this special order at this time. If 20 years ago Congress had held a similar debate on our foreign policy in Southeat Asia to that which we are holding today on legislation to prohibit U.S. support for covert operations in Nicaragua, then perhaps our country would not have had to live through the anguish and nightmare of Vietnam itself.

It is the echo of that war and of the over 55,000 Americans killed and missing in action, whose names are engraved on the black granite walls of the Vietnam Memorial, that has prompted many of us in the Congress to be resolute in opposing an extended American military presence in Central America.

Only some 10 weeks ago, Mr. Speaker, in this same Chamber, President Reagan urged further U.S. military assistance to Central America to halt what he said was the spread of Marxist movements backed by the Soviet Union and Cuba. The President's message was an echo of the pleas of past administrations, heard over a 30-year period, for stepped up U.S. military involvement in Southeast Asia.

The President also echoes the same mistakes in logic suffered by those past administrations. Except for a few years in the 1970's our policy toward the Third World has been based on combating the spread of Marxist subversion. It was, and is, as our colleague from Iowa stated, a view of the world rooted in ideology, not in fact.

In attempting to implement that policy, high American public officials adopted the very same methods used by our adversaries—covert activities, deceit, cloak-and-dagger techniques, and reliance on military rather than political or economic solutions. Not only did this version of foreign policy violate international law, not to mention the principles of our Constitution, but it was ineffective.

Take a look at Southeast Asia today. After pouring billions of dollars into a war in which over 50,000 Americans and nearly 2 million Vietnamese have died, our military adventure in Vietnam produced the very results that we were trying to avoid in getting involved there in the first place.

Vietnam is now under the control of a rigid and authoritarian regime, which has close ties to the Soviet Union.

Nearly a million people have fled Vietnam because of its government's repressive policies, while over 200,000 have drowned while attempting to escape from their homeland by sea.

There is no need to mention what we did to Cambodia, where genocide mounting perhaps to as many as 3 million Cambodians killed, resulted from our forcing that nation to become involved in the war in Southeast Asia.

There is something tragic and perverse in the present Administration's efforts to apply the same policy that has proven so ineffective in Southeast Asia to the current turmoil in Central America.

We should learn from our mistakes, not repeat them. That is why it is so deeply disturbing to have the President announce his appointment of Henry Kissinger, of all people, as chairman of the newly created National Bipartisan Commission on Central America.

In appointing Mr. Kissinger to that post, President Reagan referred to the former Secretary of State and National Security Affairs Adviser to Presidents Nixon and Ford, as "virtually a legend" in diplomacy.

To the peoples of South America, Southeast Asia, and the Americans who lived through the Vietnam War, Mr. Kissinger has been a legend all right, but not the kind associated with trust and peaceful solutions to international conflicts. Mr. Kissinger's reign as Foreign Affairs Adviser to President Nixon was characterized by duplicity, mistrust, and covert involvement in the internal affairs of other countries.

It was Mr. Kissinger who spearheaded the secret bombings into Cambodia in the spring of 1970. And it was Mr. Kissinger who help engineer the coup that led to the overthrow and death of Salvador Allende in 1973.

It is ironic that on a day when so much of the time of Congress has been spent considering a bill to cut off U.S. support for covert activities in Nicaragua that we are also forced to discuss the appointment to a commission responsible for defining our Central American policy of a man who pioneered covert operations a decade earlier.

In shaping our policy in Central America, this country should avoid the mistakes of the dark days of the Nixon administration and the Vietnam era; nor do we need the counsel of the advocates of military power and might as the solutions to our international problems.

Mr. Speaker, I want to thank my colleagues for taking this special order.

Mr. EDWARDS of California. I thank the gentleman from New York for a splendid statement.

Madam Speaker, I yield to the gentleman from California (Mr. DYMALLY).

Mr. DYMALLY. I thank the chairman of the California delegation, Mr. EDWARDS; Mrs. BOXER—the people of San Francisco, Marin County, can be justly proud of her work in the Congress—and Mr. MILLER, my friend from California.

There is apparently agreement between the Executive and some members of the legislative branch about setting up a bipartisan blue ribbon commission to recommend the course of our Central American policy, such a commission to be headed by Dr. Kissinger, a hawk of the first order, and a man who has great contempt for the people of the Third World.

Such an announcement apparently overlooks the existence of the "Inter-American Dialogue" Commission which numbers Sol Linowitz, Cyrus Vance, Edmund Muskie, Gen. David Jones, Frank Shakespeare, David Rockefeller, and Robert McNamara among its U.S. members. No one would dispute that these people are of the blue-ribbon variety. The recent report of that commission states the following with respect to Latin America:

* * * the basic root of insecurity—and the basic problems of security—in this hemisphere are primarily economic, social, and political, not military; and the sources of insecurity are mainly internal to each nation. * * * External influences are secondary.

That single, rich statement contains the seeds for what ought to be U.S. foreign policy with respect to Central America.

Our policy must being with a recognition that Central America cannot be treated as a single entity, as though it were an amorphous mass. Central America is Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, and Belize—seven countries, seven histories, seven societies, seven governments, seven very different sets of needs. And I might add that Central America is not the Caribbean.

Second, we must realize that our recent tendency to think there is a Communist with a gun behind every bush in Central America just waiting for the opportunity to topple Mexico and invade the United States is a perception which we have manufactured, a perception that is secondary to the real problems—the economic, social, and political problems—that would exist in Central America whether or not there were Soviet or U.S. military intervention. It is those problems—unique to each country—that we must address, not the Soviet-United States war-by-proxy that we seem bent on stirring up wherever the opportunity presents itself.

If, as the Inter-American Commission maintains, the root of insecurity in Central America is not military, then the United States has done a tragic disservice to the countries of Central America by forcing military consideration to become a primary concern. We have actively worked to destabilize the Nicaraguan Government through covert military intervention. We have used one country as a base for military forays into another country, contributing to the instability of each. We support the military regime in El Salvador in a way that makes the possibility of a negotiated settlement to the conflict more remote every day. In fact, the Reagan administration has recently proposed to set up a base in Honduras to provide military training for Salvadorans and Hondurans.

In one country, Guatemala, we took a proper and honorable stand against violations of human rights by cutting off aid. Yet we are not asked to reverse that honorable stand and renew aid to an oppressive government; and, I presume, some of that proposed aid will be of the military variety.

Our present Central American policy is simply wrong. Our one-dimensional, hard-line stance has made the struggles in Central America appear to be single struggle between democracy and communism. In fact, there are several struggles, each engendered by the particular economic, social, and political conditions of the country in which it is occurring.

We in the United States must come to understand that our form of government is not the only possible form of good government, and that a government that does not mirror ours is not automatically Communist. Each Central American state should have the freedom of self-determination unhampered by United States or Soviet military intervention. Armed conflict in Central America should not long persist were it not for outside suppliers.

Let us, therefore, aim to stop the supply of armaments so that the peoples of Central America can truly begin to solve their problems. If we are to offer aid, then let it be aid of a sort that will rebuild the economic base of each country and that will serve to right the great social imbalances that exist in each country. Let us join Mexico and those other Latin American countries which have recently been working to stop the violence and restore order in Central America.

We occasionally give lip service to cooperation with our Latin American neighbors. We now have an opportunity to do more. We can join with them to return peace, stability, prosperity, and free choice to Central America. It is imperative that we in this Nation abandon the policy of speaking softly and carrying a big stick.

We must come to terms with the fact that countries in the Caribbean and the rest of Latin America will sometimes follow paths of development with which we will not always agree. We have to keep reminding ourselves that the real problems—poverty and underdevelopment—will not be eliminated even if we overthrow Cuba, Nicaragua, and Grenada. By the same token, the real problems will persist even if we turn Honduras into an armed camp and prop up the regimes in El Salvador and Guatemala.

It is my hope that—this time—the United States will see that there are ways of solving problems other than by shooting at them and support the Contadora proposal to bring peace and stability in the region.

□ 2020

Mr. EDWARDS of California. Madam Speaker, I thank the gentleman from California (Mr. DYMALLY).

Mr. PATTERSON. Madam Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from California.

Mr. PATTERSON. Madam Speaker, I want to praise my colleagues from California, BARBARA BOXER and DON EDWARDS, for organizing this special order on Central America. I believe that the decisions we will make in this body over the next weeks and months will determine the course of U.S. actions in Central America for many years to come. We are at a critical point and it is important to know it. Too many lives are at stake for us to slide into a difficult-to-reverse course of action without fully realizing how we have committed ourselves.

It is especially fitting that we are speaking on one of the days when the House is debatting a proposal to cut off covert assistance to groups making war on Nicaragua. Especially in light of the return of Mr. Kissinger to a policy position in our foreign affairs, covert action is a good place to begin our discussion.

It is impossible to think of Mr. Kissinger without remembering Chile. As Tom Wicker said in this morning's New York Times. "A less appropriate person to act as arbiter of policy anywhere in Latin America could not be found this side of General Pinochet." Mr. Kissinger's commitment to the electoral process, as demonstrated by his successful scheming to destabilize the elected government of Chile 10 years ago, is very weak and his commitment to clandestine operations, not subject to congressional or public scrutiny, is very strong. The hopes some held for a commission to provide new directions for Central America policy must be fading fast.

Mr. Kissinger unfortunately shares with the President a frightening tendency to see the Third World only in East-West-terms, as though the varied peoples of Latin America are markers in a game we are playing with the Russians. We need to look at the situation in north-south terms.

We need to look at the economic and social problems of the region. We need to realize that the problems of central America have little to do with Russia—although the Russians would like to take advantage of them—and much to do with commodity prices, interest rates, IMF terms and next year's crop. What our Central America policy needs and what I am afraid the Kissinger Commission cannot give, is a clearer sense of what kinds of actions in Central America are in our national interest, as well as what kinds of actions will be effective.

To answer these questions, we first need to regain our moral compass. We need to decide whose side we are on and why. To respond that "any enemy of our enemy must be our friend" is not enough.

This administration cannot seem to decide what makes a good Latin American government and what makes a bad one. The definition cannot rest on holding elections, because El Salvador did and Chile did not, and the administration likes them both. It cannot rest on nationalizing the banks because El Salvador did and Mexico did and Nicaragua did, and the President likes El Salvador and Mexico, and he hates Nicaragua. It cannot rest on taking land from the rich and giving it to the poor because that is what we told El Salvador to do and it is also one of things we are mad at Nicaragua for doing. It cannot be a question of whether or not Indians are forcefully relocated, because that happened in Nicaragua and in Guatemala and the President condemned Nicaragua and said Guatemala was getting a bum rap. It cannot be a question of whether the government tramples the human rights of its people, because we support Chile, Argentina, Guatemala, and half a dozen other countries where people are tortured or killed or disappear. Sadly, it does not even seem to rest on whether a country is starting wars of aggression against our allies, since we made up to the Argentines so quickly and criticized them so mildly for their unprovoked attack on British territory.

The first requirement is to straighten out this mass of contradictions and to decide what the requirements are for U.S. support. And, being anti-Communist is not enough. If a government is anti-Communist in its rhetoric, but refuses its people a say in their government and even tortures and kills them, mismanages its economy, threatens its neighbors, and contributes to instability in the region, it is not much of a bargain. We cannot fight communism with friends who do not provide their own people with a government that is clearly superior to what the Communists have to offer. If we want to win, we have to go with winners. Governments whose own people hate them are not going to be effective allies in the fight against Communists.

We also have to determine what will help those countries we do support. The President should cooperate with our allies in Europe and in the contadora group of Latin American democracies—Mexico, Venezuela, Colombia, and Panama—to use diplomacy, economic assistance, and if all else fails, military aid to deter aggression. In 1980, U.S. military aid to all of Latin America was $25 million. The fiscal year 1983 request is for $214.9 million—an 860-percent increase. At the same time, economic assistance has been relatively constant—$273.5 million in fiscal year 1980, $302 million in fiscal year 1982, and $300 million requested for fiscal year 1984. There is a clear and disturbing trend here and the trend looks worse when ESF is factored in. What we need is a trend just as sharply upward in economic assistance and a trend as sharply upward in sincere and innovative diplomacy.

What we are doing now in Central America is not right and it is not working. In our search for military solutions to complex problems, we are losing the high ground. The people of the United States are frustrated and fearful and the people of Central America are losing hope. In a few days, the President will certify that progress is being made toward ending human rights abuses in El Salvador, even though the number of political murders is actually increasing and the system is unreformed. Another set of military exercises will be carried out within the next month to demonstrate U.S. military strength to the Cubans and Nicaraguans. Congress does not have time to turn this around. But the actions we will take this week can do a great deal to move us in the right direction.

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Mr. EDWARDS of California. Madam Speaker, we all thank the gentleman from California (Mr. PATTERSON) for a very creative statement. I hope it is widely listened to and widely read.

Now it is a privilege to yield to the gentleman from Indiana (Mr. McCLOSKEY).

Mr. McCLOSKEY. Madam Speaker, I thank the gentleman.

Madam Speaker, I, too, would like to join the previous speakers who spoke with sincere gratitude about the fine work that has been done in arranging this special order this evening, especially so important with the Boland-Zablocki amendment being considered this week.

You know, I guess Vietnam and Latin America and Central America have many analogies. One of the things I sense is that we get so many different images, both from the past and the present. The historians right now are working on what really did happen in Vietnam. Did we do the right thing? Were we on the right side?

Today, working out here in the Congress and as citizens of the United States, we get varying images. One image, of course, is the military and intelligence briefing with all the charts basically in all different colors showing the entire central part of the Western Hemisphere about to fall to the Soviet-Russian menace.

Of course, another image has been well discussed tonight and that is the basic and I think much more substantive concern as to what happens to real people that are affected in these countries involved.

I think we have heard about that very well tonight as to the torture and the maimings and the idea that somehow we are not complicitly or implicitly guilty of aiding or abetting all that. Surely that has to be bothering many people at all levels.

I particularly commend the gentleman from Iowa (Mr. HARKIN) for talking to that concern.

Tonight, due to the policies of the Reagan administration, we stand potentially on the verge of a massive United States-Soviet military conflagration in Central America.

Whatever the signposts, it seems we have learned little from history. Whether these lessons are those drawn from our dismal experience in Southeast Asia or our interventions in Latin America in the past 50 years, we seem doomed to repeat the mistakes of the past.

In El Salvador, we are backing an inept, albeit elected, right-wing government that not only does not provide for the safety of its citizens, but almost routinely menaces, mangles, and murders them.

A 17-year-old girl jailed and maimed because of a report of a neighborhood acquaintance, and the nonexistent prosecution of the murderers of four U.S. churchwomen are but two examples of the dedication of the El Salvadoran Government's ability to uphold the human rights of those in their country.

Some 30,000 are dead already, primarily from Government-backed forces and death squads roaming the countryside out of Government control. And the killing of noncombatants goes on. Recent reports are that the number of civilian deaths has been increasing again despite the administra-

tion's plans to certify El Salvador's human rights efforts.

Respected observers tell us that most of the military does not want to fight. Much of our arms aid ends up in the hands of the rebels.

Mr. Chairman, there is no doubt at this point that the Soviet Union and Cuba are actively involved in supplying arms and training rebel forces. But the major underlying causes of massive poverty, which brutal and repressive regimes only exploited, were there long before any Marxist influence.

Can any Salvadoran disinclined to support social justice really respect the human rights concern expressed by the U.S. Government and Congress who keep supplying military aid despite ongoing murders of Salvador's citizens?

As for Nicaragua, it is a hardening Marxist regime that stifles civil liberties and has yet to set a date for elections promised long ago. Experienced observers report that our own ineptitude in efforts to overthrow the Government in Managua only reinforces their resolve.

Still, we have reports that the community and physical well-being of the people of Nicaragua are an improvement over the Somoza regime.

And is there any real doubt that the Reagan administration has flaunted the will of the Congress in subsidizing an active insurgent movement to overthrow the Sandinistas? I think not.

Does our willingness to subsidize the Somozistas and substantially ignore the Pastora rebels in the south provide an inkling of the administration's concern for democratic values? I think so.

Yes, both the Salvadoran the Nicaraguan Government are less than ideal. In San Salvador, Archbishop Romero was slain on the altar, reportedly at the behest of a high-ranking political official. In Nicaragua, the archbishop is denied permission to utilize television to make anti-Government criticisms.

Regardless of who is worse than whom on the scale of human outrage, we must break this cycle of tragedy—now. All parties must be involved in the negotiations to end this nightmare from which we may not awaken. All parties in the region must be involved and consulted. This obviously means the serious and sustained engagement of the Contadora group. It seems that, so far, we have given only lipservice to their unique utility and expertise. This also means all arms aid should be stopped. All foreign military advisers should leave. The United States, in effective concert with the Contadora group, must exercise influence and leadership in order to assure that civil security, economic development, and democracy can be implanted and flourish.

Mr. EDWARDS of California. Madam Speaker, all of us thank the gentleman from Indiana (Mr. McCLOSKEY) for an eloquent statement.

Ms. KAPTUR. Madam Speaker, I agree the time has come when we must squarely address the role of the United States in Central America, or we risk creating another Vietnam. We must develop a new response to unique and troubling events that escalate daily in this hemisphere. This new response must move away from the Reagan administration's approaches that increasingly propel the United States toward war.

I would like to read excerpts from an article in the New Yorker, July 4, 1983, which provide an analysis of our current predicament. Once we are able to comprehend the quagmire we are in, our chances of moving forward to deal with this unique situation, in cooperation with our allies in Central America will increase dramatically. The article is entitled, "The Role of the United States in Central America."

The excerpts follow:

[Excerpts from the New Yorker, July 4, 1983]

We Americans seem to be living in a repetitious, derivative time. With repetition comes staleness, and with staleness comes a certain exhaustion or indifference—even in matters in which the stakes are high and the outcome is fateful for our country. In no public issue is the sense of déjà vu more intense than in the debate about American intervention in Latin America, which (as someone has said before) bears a strong resemblance to the debate about Vietnam in the nineteen-sixties. Though one or two local peculiarities are sometimes taken into account, there is hardly an argument in favor of the intervention which was not also made at that earlier time. Sometimes it seems as though the policymakers had dug up old speeches of the Vietnam period and merely substituted the name El Salvador or Nicaragua for Vietnam. Thus, we are once again told that if we don't stop "Communism" in one small country it will spread like a disease to others, until, finally, our own country is threatened; that the appearance of a failure of our "resolve" to oppose Communism in this one instance will destroy confidence everywhere in our resolve to oppose Communism in any instance; that negotiation is a sign of weakness and can lead only to defeat; that local rebellions are in reality episodes devised to advance a plan for domination of the world by Moscow (though not any longer, apparently, by Peking); that in spite of these apocalyptic stakes no large effort is required, and just a little more military and economic aid, together with a modest clandestine subversive program, will suffice to do the job; that anyone who opposes these efforts is at the very least "soft" on Communism, if not actually in favor of it. With these well-worn arguments, the Administration propels the country toward war in Central America • • •.

The peril of war in Central America is worrisome enough in itself, but the fact that the whole debate is a rerun of the Vietnam debate adds a new dimension to the worry. It suggests that our country is in the grip of an idee fixe, and has grown immune both to new experience and to new thought. In this unoriginal period, we seem to be derivative even in our mistakes . . . (W)e suffer from a compulsion to repeat our disasters, as though we hoped that they would semehow come out differently this time. When individuals engage in repetitious, destructive, and self-destructive behavior, we suspect mental disorder and call them neurotic. When a nation does the same thing, we need to look to the soundness of the domestic body politic, and start asking ourselves • • •.

Why, then are there so many real problems in the world for us to solve and when the problems in Central America cry out for a nonmilitary solution for negotiation through and with our Central American neighboring nations—why do we feel compelled to repeat our past mistakes by getting involved in another tragedy?

In conclusion, I admonish those who do not understand history for they are doomed to repeat it.

● Mr. IRELAND. Madam Speaker, a simple look at a map will show us how important Central America is to the security of the United States. It is close to our borders and overlooks vital sealanes. Half our trade flows through the Caribbean.

Nicaragua's southern border is 300 miles from the Panama Canal. Its northern border is 300 miles from Mexico.

If Nicaragua's "resolution without borders" spreads, our interests could be seriously imperiled. And great instability could percipitate an unprecedented flow of refugees into the United States. Even worse, the Sandinista government is actively supporting insurrection and exporting revolution throughout Central America and particularly in El Salvador.

The United States is pursuing a policy in this region to help stop this export of revolution and bolster our friends. It is imperative that we continue this aid. I also believe we must initiate another track at the same time—devising a comprehensive program of aid to put our Central American neighbors on their feet.

The underlying problems of poverty and backwardness in this region have been allowed to fester for far too long.

I am convinced that it is vital for the United States to help develop Central America. As long as the majority of the people remain mired in abject poverty, the problem of armed rebellion will be present.

Our goal should not be to impose our culture on these countries, but to help them develop their own freedom from the threat of external and internal aggression. This would be the best guarantee against Soviet and Cuban adventurism.

Therefore, I strongly urge that the United States continue its policy of preventing the spread of Marxist insurrection in our hemisphere, and, in

addition, start seriously addressing the long-term problems of this strategic region and its people.●

● Mr. WHEAT. Madam Speaker, the news that the White House has once again appointed a national Commission is no cause for applause. This so-called bipartisan Commission will study U.S. policy in Central America. It is the third such Commission appointed by President Reagan. However, there is a stark difference between this Commission and the other two.

The appointment of Henry Kissinger to chair this Commission is as inappropriate as putting James Watt in charge of protecting our environment. Mr. Kissinger is tied too closely with the failure of our past policies in Vietnam to offer any hope for an alternative policy in Central America. Calling this Commission "bipartisan" will not make it fair when advocates of Mr. Reagan's policies are in a position to chart the strategy for Central America. This Commission will recommend exactly what the administration wants it to recommend.

It is imperative that we adopt an alternative strategy in Central America. The American public has already made up its mind about the President's policies and the House of Representatives has a change to reach the same conclusion by voting to cut off aid to support covert military operations in Nicaragua. It is abundantly clear that the administration's policies in Central America are a proven prescription for failure.

The administration is pursuing a path that dangerously raises the risk of American military involvement in the region. The path of military escalation can only lead to a repeat of our painful past. American dollars cannot alone buy military victory in Central America.

And yet despite administration claims to the contrary, our Government is following such a policy. For every U.S. dollar spent in development aid for Central America, our Government spends about $2½ for military aid. The ante is increasing, but there is no hope in sight for real change. It is imperative that we must withdraw from such a high-risk, no-win game.

We must discontinue our financial support for covert military operations in Nicaragua. We must put an end to our increased spending for military assistance in El Salvador. And we must stop pursuing a path that will ultimately lead to a commitment of U.S. military forces in the region.

All Americans agree that a stable, democratic Central America is vital to our national security. Those of us who oppose the President's policies believe his methods will not achieve that goal. We must use our power and influence in the region to promote a cease-fire in El Salvador and Nicaragua and begin the negotiations to bring permanent peace to the region. Already in both countries too many people have died. It is time to put an end to the bloodshed of Central Americans and to end the fear of U.S. citizens that their sons and daughters will again be called upon to die in foreign lands.

A new plan to promote economic growth in Central America must become the cornerstone of U.S. policy. That policy must correct the extreme income inequities, the chronic neglect of the agricultural sector and the massive unemployment in the region.

We must use our influence to work for negotiated political settlements in the region. We must bring all political groups to the bargaining table and involve them in the electoral process.

A commission that echoes the President's repeated appeals for more American money and a greater commitment to military solutions is useless. We must adopt new strategies in Central America or we are doomed to repeat our past mistakes.●

● Mr. PANETTA. Madam Speaker, in his address to the joint session of Congress last April, President Reagan spoke of acting in the hope of preventing a crisis in Central America. As today's briefing made clear, a crisis already exists in the region and daily is made more acute by U.S. policies which emphasize military solutions to problems rooted in economic and political injustice.

U.S.-sponsored covert action against Nicaragua is among the most dangerous aspects of the administration's policy in Central America. Armed rebels bent on overthrowing the Sandinista junta have freely admitted that the Central Intelligence Agency is not only arming their members, but also supplying them with the necessary logistic and financial support to continue their struggle inside Nicaragua. Not only is this policy contrary to the principles of national sovereignty we are pledged to uphold, but it also risks provoking a wider regional conflict.

It is difficult to believe, as the administration has insisted, that we are seeking only to "interdict" the flow of military supplies from Nicaragua to El Salvador. The very size and scope of our present involvement calls into question the administration's intentions. As has been widely reported in the press, the number of anti-Sandinista forces trained and armed by the CIA has increased twenty fold since 1981 when it was first reported that a commando force of 500 Nicaraguans was being assembled in Honduras. In fact, it has been reported that the U.S.-backed anti-Sandinista guerrillas now outnumber the Communist-backed rebels in El Salvador by almost 2-to-1. Frankly, the sheer size of this commitment cannot be justified solely on the basis of curtailing arms shipments to El Salvador.

Madam Speaker, regardless of the administration's intentions, the nature and consequences of U.S. involvement are clear. In effect, the administration is assisting in the waging of a war against the new government of Nicaragua, a government it legally recognizes in international affairs. I need not remind my colleagues that Congress sought to halt this involvement last December, when an amendment was unanimously adopted in the House to prohibit funding of covert operations against Nicaragua. Yet our involvement has continued to escalate. This intervention into the affairs of another nation cannot be allowed to continue.

The issues are too complex for military solutions alone. The call is out for dialog among the nations of Central America, and it is imperative that the United States mount a diplomatic effort, both bilaterally and multilaterally, to fashion an agreement aimed at enhancing the collective security of the entire region. Moreover, by making unequivocally clear our commitment to respect national sovereignty and regional dialog, we can do much to foster a climate of security in this hemisphere.

I therefore urge my colleagues to join me in supporting H.R. 2760, the Boland-Zablocki bill to terminate covert action against Nicaragua.●

● Mr. GARCIA. Madam Speaker, when I entered office in 1978, because of problems there, Central America began to appear in the news with some frequency. In July 1979, the Sandinistas marched into Managua declaring victory. In December of that same year there was a coup in El Salvador. In March of 1982 there was a coup in Guatemala.

It is clear that the nations of Central America are in a state of crisis, and that this crisis will not go away with a quick-fix military operation; nor will massive infusions of economic aid solve regional problems. What is needed is a fresh approach to the issue that is realistic but at the same time creative.

I believe this is possible. Since the French-Mexican initiative in 1981, Central America's problems have become an international concern. Intelligent and dynamic world leaders such as Spain's Felipe Gonzalez have thought about these nations and their difficulties, trying to effect a change. The Contadora group—Mexico, Venezuela, Colombia, and Panama have developed a workable program for achieving regional stability.

Their emphasis on limiting arms buildup and trafficking in Central America, along with eliminating all foreign military advisers from the region, offer a cornerstone on which to build a workable policy. The Contadora group, as well as Prime Minister

Gonzalez, rightly blame the disequilibrium in the region on the lack of social, economic, and political development.

The call for dialog among Salvador's warring factions, and the Mexican-Venezuelan initiative, suggesting that the United States begin talks with Nicaragua are also two feasible and creative steps for achieving an equilibrium in Central America. There are alternatives to the President's emphasis on a military-oriented solution.

The new special Commission for Central America has received mixed reviews, and understandably so. It is comprised of capable men, but it remains to be seen whether these individuals will be able to bring a freshness and clarity of perspective to the situation, and if they can, whether or not that perspective will be considered by the administration.

Further, government by commission is not the best way to conduct the Nation's business. Perhaps it would be better for the President to face up to the unpopularity of his Central American policy. The White House recently reported that there has not been a favorable reaction to that policy from the American people.

Even Army brass has not been receptive to a military solution as long as it lacks the backing of the American people. We must protect our strategic interests, but to do so we must fundamentally change our approach to regional difficulties. This issue is much more a result of indigenous problems than it is of outside agitation. The sooner the White House faces up to this, the sooner we will be able to begin building the trust and developing credibility with Central American nations.

The United States cannot afford to be sucked into a situation that will further strain and polarize our society. We have done that; it is time we learned from our mistakes. Congress must act now to protect the interests of the American people. We must change the President's course in Central America to better reflect our long-term interests and those of the region's people.●

● Mr. OTTINGER. Madam Speaker, I would like to thank my colleague BARBARA BOXER for holding this special order today on a subject gravely in need of attention. The situation in Central America is one I have watched with the greatest personal interest and concern. Since helping to start the Peace Corps in Latin America, I have seen the need to help the countries of Central America establish autonomy and political stability. I join the special order to emphasize the fact that our current policies in that region can lead to nothing besides continued strife and unnecessary hardship and bloodshed.

It was reported yesterday that the administration is considering a 40-percent increase in military aid to Central America. Even if one puts aside for the moment the rather alarming parallels with our military involvement in Vietnam—a parallel none of us should lose sight of—increasing the United States already burgeoning military involvement is not the road to Central American peace and stability. Our focus, rather, should be on nonmilitary options, on aid that encourages economic development and advancement.

The Caribbean Basin Initiative is a good start. A country cannot be strong without a strong economy. By encouraging production and to some degree guaranteeing a market for the goods, we can help these countries build their infrastructure and grant a level of security unavailable solely through arms. Our current 2-to-1 ratio of arms support to development support should be reversed. We should put an end to the economic boycotts. Where is the sense in aiming destablizing efforts at countries we claim to want to stabilize? The United States should withdraw its opposition to Inter-American Development Bank loans to Nicaragua and channel development funds into land reform programs so badly needed in Honduras, Guatemala, and El Salvador.

This aid need not be a handout. Development aid could be contingent on constructive negotiations for peace among the nations involved, including the United States and Cuba. We must also recognize the potential of the Contadora group in formulating plans to encourage and monitor a dialog between Honduras and Nicaragua, and to look toward a time when borders are jointly patrolled, and territorial boundaries are respected.

Economic development of the region is contingent on a drastic cutback in military aid. All aid for covert actions in Nicaragua should be immediately stopped. The House has the chance this week to take that strong and rightful stand. The upsurge in military advisers flowing into Honduras should be stopped, and the more than 100 Green Berets now there should be recalled. The escalating aid to stop the insurgents in El Salvador should be curtailed, and an attempt made there to implement a cease-fire. Moreover, the United States must demonstrate a willingness to negotiate, both with the Government of Nicaragua and the Government of Cuba. To fight the Government of Nicaragua with force and economic sanctions is to insure their increased reliance on Communist support. Useful negotiations starting now are our only hope for a reasonable nonantagonistic relationship in the future.

Finally, until the political situation has stabilized to a much greater degree, particularly in El Salvador where the threat of death-squads terrorizes the populace, the United States should show the same compassion and understanding we have shown in other cases of political terrorism. More than 500,000 Salvadoran citizens have been forced to leave their homes. Half that number now seek temporary safe haven outside of their home country. But though we granted refugee statute to those who sought safe haven here from Indochina, the State Department will not recognize the identical needs of those people fleeing El Salvador. Extended voluntary departure status is a temporary solution for Salvadoran refugees. These people have no wish to emigrate, they want to live in their homeland. By granting them refugee status, we grant them the opportunity to live to see their countries safe again. By deporting them, as the Immigration Service is now told to do, we sign many of their death warrants.

Providing a temporary safe haven for these displaced people, while actively pursuing an end to the conflict and the development of strong economies in the region is the only sane, humane road for the United States to take. Our military involvement must not be allowed to continue on its present course; our ends cannot be met by such measures, and progress will certainly not be served.●

● Mr. STARK. Madam Speaker, we are deeply entrenched in Central America, and what do we have to show for it? The only friends we have in the region are governments controlled by rightest dictatorial factions, with no real representative democracy. The other countries in the region simply despise us; with good reason, I might add. Our policies heretofore have proven totally ineffective. We are in a worse position in Central America with every passing day.

The solution—a total revamping of our policies toward Central America. We do not have time to wait for the results of Presidential blue ribbon commissions. We need to act now before it is too late.

We must stop immediately our support for rightest leaders in the region. We know they are guilty of putting together death squads to terrorize their citizens, and this should not be condoned. No matter what the administration believes about it being better to have bad friends than no friends at all, we do not need another Iran. Similarly, we should not be supporting antigovernment forces such as those along the Honduran border who seek support for their cause through terrorism.

Instead, we should concentrate our efforts on providing economic assistance and seek to act as a moderator in the ongoing conflicts, instead of as an antagonist. My colleagues have voiced

many good ideas here today, and I believe we must follow through on these alternatives. In the long run we would make more friends and create stronger bonds than those created through arms deals.

We are talking about a part of the world that is incredibly poor, where many thousands of children die every year from malnutrition, and where a great percentage of the population is illiterate. And our contribution thus far has been guns and ammunition. Guns and ammunition do not raise the economic levels for these people, they do not feed hungry children, and they do not teach people to read—they only kill. Is this the kind of contribution we want to be remembered for?

If we were to forget our fear of labels, such as communism, Marxist-Leninism, and the domino principle, and began helping the people of Central America for no reason or personal gain other than the satisfaction of knowing that we were helping our neighbors, I believe we would be amazed at the results.

I believe the people of Central America do not like to hate us. If we only gave them a reason not to. We are neighbors; we have many things in common; we can help each other. Let us try for once.●

● Mr. BATES. Madam Speaker, it is time for this Congress and the American people to embark on a new direction in American policy in Central America. The established policies of this administration have obviously not been successful, and in many places have actually made the situation worse.

The interventionist attitude on the part of the Reagan administration has further destabilized and impoverished the nations of Central America and set back the cause of human rights in this region so critical to American interests.

We can point to the dubious gains of the last 2½ years:

Despite the more than $400 million in military and economic aid sent to El Salvador in 1982 and 1983, the guerrilla insurgents still pose a serious threat to the Managua government.

There is increasing evidence that American involvement in the conflict has, in fact, alienated may Salvadorans from their government, and strengthened the internal position of the guerrillas. We have seen dramatic evidence of how indiscriminate bombings, repressive agricultural and political policies and terrorist activity on the part of the government has increased as our aid had increased.

In Nicaragua, we have witnessed the virtual crumbling of democracy over the past few years. Reagan administration proposals for improved relations between our two nations seem only to have speeded the Cubanization of Nicaragua. With nearly 6,000 Cuban advisers currently on Nicaraguan soil, our own failure to positively affect the course of events there could hardly be more evident.

In both Guatemala and Honduras, the governments in power face serious threats to that nations' internal stability and economic solvency as local guerrillas gain strength. In reaction these governments have turned to increasingly repressive measures against their civilian populations. Both nations have amassed deplorable human rights records in recent years.

Clearly, President Reagan's policy of buying peace with arms is a bankrupt policy. A completely new approach to the problems of this sensitive area is needed. It is essential that this new policy strive to address not only political unrest, but also the social and economic turmoil that lie at the root of Central America's instability.

The objectives of this policy should be:

First, to achieve genuine economic development throughout the region. Only through solid agricultural reform and direct aid to small business and industries will our dollars improve the self-sufficiency and stability of this region.

Second, to quell the social unrest that fuels insurgencies, this nation must be willing to help these nations underwrite the solutions to the problems of the masses of the people including health care, educational programs.

Third, we must recognize that aid in and of itself will not solve the problems of this region. It is essential that we help the peoples of Central America to help themselves, to become independent of all foreign powers. Our assistance must be tailored to reach independence, not further dependence on handouts from this Government.

Fourth, we must make every effort to curb the human rights abuses in these nations. Stricter verification procedures must be established to insure that consistent and substantial improvements are made in the records of all Central American nations receiving American aid.

These goals and objectives point with certainty at what we must not continue to do:

The Reagan administration's reliance upon military aid produces little more than heavily armed, hungry peoples.

We must not continue to finance covert operations against Central American nations. The hypocrisy of this practice removes any moral ground from beneath our Nation.

We cannot continue to throw money at the problem and assume that eventually we will be able to buy our way to democracy and stability in this area.●

● Mr. FEIGHAN. Madam Speaker, this week the President will give the Salvadoran Government another "A" for effort in human rights reform, despite that regime's feeble and failed effort to control its army and protect its people. For the fourth time in 2 years, the administration has chosen to ignore the killing of over 400 civilians a month—and the intimidation of thousands more—by officially sanctioned death squads. Once again, Presidential certification of human rights progress is telling the Salvadoran Government and military that they can act with impunity—aid will continue to flow even if repression persists.

The people of El Salvador and all of Central America are trapped by this duplicitous diplomacy. This administration and its counterparts in Salvador pay lipservice to a regional peace, but reject negotiations to reach that end for fear that the guerrillas would "shoot their way into power and carve it up behind the people's back." Democratic elections, they argue, offer the only path to peace. Meanwhile, members of the democratic opposition in El Salvador risk their lives every time they walk down a San Salvador street; and more guns enter the region daily, making sure that any election will bear the mark of a military solution, not a freely determined popular mandate.

The left's record is not much better. Each day another battle is fought, another power line is cut, and another bridge blows up. The war is worsening the conditions that the guerrillas seek to change and terrorizing the peasants that they claim to protect. "Negotiations without preconditions"—a phrase meaning different things to different people—provides diplomatic cover for their intransigence.

Compromise and accommodation—the keys to lasting peace—are lost in this sea of catchy slogans. Serving the cause of extremists on either side, these clever words—to paraphrase Conrad—"deal destruction through time as the bullets go flying through space."

Only a policy that cuts through the political posturing to encompass both negotiations and elections can bridge the wide gulf separating the government and the guerrillas in El Salvador. As the bipartisan Inter-American Dialog noted in its report, "Americas at the Crossroads":

> Democratization requires not just elected officials taking office but the long-term building of civil and social institutions supportive of open and participatory politics.

To get there, we need to begin immediate discussions on a ceasefire agreement, followed by bargaining to define the terms and conditions that will allow for free and fair elections in the future. This formula will test the credibility of both sides. Free elections are the guiding principle of the initiative, but the actual terms of the elec-

tions will be negotiated without preconditions. Neither side can back off of this formula without exposing a preference for military victory over political reconciliation. Robert Pastor, a former member of the National Security Council, examines the possibilities of such a plan in a recent Washington Post editorial that I would like to introduce into the RECORD. As Pastor points out, this plan offers no guarantee of success, but it does present one constructive alternative to the current impasse. I urge all of my colleagues to consider his recommendations.

Finally, and most importantly, economic aid must underpin any attempt at a political solution to Central America's problems. Whether you blame the current conflicts on rightist repression or leftist insurgency, everyone agrees that there can be no end to the Central American crisis without a comprehensive program of reconstruction and redevelopment. Up to now, military assistance has been our top priority, and most economic aid has been programed on a short-term crisis management basis. We in the House must take the lead in reversing that trend and setting U.S. policy on a new course that will boost economic growth and insure the long-range stability, security, and independence of Central America.

Our colleagues, Mr. BARNES and Mr. KEMP, should be lauded for their vigorous efforts urging President Reagan to appoint a commission that will focus on the longer term problems of economic recovery and development. And as this panel begins to study the possibility of a new "Marshall plan" for Central America, we should continue to express the need for a comprehensive and regional approach to the problems in that troubled region. Major emphasis should be placed on enlisting multilateral support for an economic recovery program, an effort that many of our allies would support.

The Contadora group—Mexico, Panama, Venezuela, and Colombia—have been promoting a regionwide dialog for months, and Ambassador Orfila of the Organization of American States has stated that he would support such a plan. Spain and other Western European nations, like West Germany, Sweden, and France, have also expressed an interest in participating. Cooperation with these countries would lend both credibility and currency to our efforts; without their help, we have little chance for success.

Our policy toward Central America should address the needs of the countless people left homeless, penniless, and hopeless by the violence—the individuals tired of the fighting, tired of the terrorism, and tired of the fear that comes with a life of endless civil war. More than anything else, they seek peace and the chance to earn a decent living. Helping them will not be easy. It will tax the diplomatic skill and political will of all parties to the conflict. But the alternative—many more years of bloodshed and poverty—will cost much more in human suffering and degradation. We can help break the current military, political, and economic stalemate by restoring the credibility of our diplomacy and demonstrating a steadfast commitment to peace, political reconciliation, and economic recovery. More empty promises and loaded guns will only perpetuate misguided policies—both here and abroad—that have traumatized Central America and paralyzed U.S. diplomacy.

[From the Washington Post, July 5, 1983]

AN 8-POINT PEACE PLAN FOR CENTRAL AMERICA

(By Robert Pastor)

There has been a lot of pressure on the Reagan administration to negotiate in Central America, but few specific ideas on how or what to negotiate. Here's a proposal.

Besides improving the Salvadoran armed forces, the strategy of the Reagan administration and the Salvadoran government relies on elections. The left is invited to participate or to talk about the elections in the Peace Commission. The left (FDR/FMLN) says that elections under the government's auspices would be meaningless at best; more likely, they would be suicidal. Even if bodyguards would protect rather than "terminate" leftist candidates, who would ensure the results? So the left proposes "negotiations without preconditions" as a way to resolve the conflict, and the government, interpreting this proposal rather liberally and disingenuously as a demand for power-sharing, blocks negotiations. The war grows worse, and there is little prospect that the government's elections will discourage the guerrillas or reduce the rightist violence. The elections could provide a modicum of legitimacy to the government, but if the right wins the election, that won't last long or be worth much.

There is room enough and reason enough to compromise. War strengthens extremists, particularly in countries like El Salvador where the middle—both moderates and the spirit of moderation—is precarious and democracy is embryonic. Only at the bargaining table can moderates on both sides be put in a position where they could begin calling the tune rather than dancing to it or running from it.

Instead of elections without negotiations or negotiations without elections, why not wide-ranging negotiations leading to elections? Both sides—and the Reagan administration—should announce their support of the following compromise proposition: "Elections remain the best way to test the will of the people, but they are impossible in the current climate of violence. Negotiations should begin immediately to define the terms and the conditions that will permit the elections to be free and fair and, if possible, held in December 1983." "Terms and conditions" could be defined broadly enough to include the reorganization of the military, guarantees on electoral results, an interim government—whatever, the point is that the conditions for free elections would be negotiated without preconditions, thus satisfying the current position of both sides.

Who can refuse such a proposition and retain international credibility? Having insisted that elections are the "political solution," the Reagan administration can hardly reject honest negotiations aimed at making the elections fair. Having asked to talk about a reorganization of the military and a provisional governing structure as a way to guarantee the rights of the left, the FDR/FMLN can hardly retreat, without implying its opposition to elections in principle. Certainly, the Christian Democrats, who have their own good reasons to fear that the right will erase them either during or after the election, should welcome negotiations that guarantee their safety and return them to the middle of the Salvadoran political spectrum where they belong. The right will participate in negotiations only if the Reagan administration can persuade them that they have no alternative. Failure to apply U.S. leverage on the right will doom negotiations from the beginning.

Assuming the proposition is accepted by the government and the left, both sides would issue an invitation to international "sponsors" to oversee the negotiations, the elections and the outcome. The Contadora Group should be the principal sponsors, but it should be expanded. One idea would be for the left to be sponsored by Mexico, Spain, France, and Colombia, and the government to be sponsored by the United States, Venezuela, Panama, and the Dominican Republic. Representatives of these countries would sit at the bargaining table and play an active, facilitative role in the negotiations and in implementing an agreement of eight points.

1. For purposes of building confidence and trust as much as for stopping the war, the first item on the agenda should be the negotiation of a cease-fire, say for one day in one area. As negotiations proceed, the cease-fire should be extended over time and space.

2. Both sides would negotiate a two-month electoral period, in which all parties would register and participate and have equal access to the media. An electoral board would be broadly representative of both sides and would oversee the election, assisted by a large number of international observers. To dispel suspicion, the Reagan administration would state clearly that it would fully respect the outcome if the Communists won the election. Parallel statements could be solicited from other sponsors and also from Cuba and the Soviet Union.

3. Both sides would agree to a constitution, which would make minor modifications of the existing one, but would institutionalize the land reform (phases I and III), guarantee economic and political pluralism and pledge a nonaligned foreign policy.

4. During the electoral period, the armed guerrillas would stay in their camps, and the military would cease operations in these areas—thus reducing and ultimately ceasing military contact. Security would be guaranteed by an "election-protection peace force" composed of soldiers from most or all of the eight sponsors. This force would remain in place for at least three months after the elections in order to ensure continuity and guarantee the results.

5. Both sides would accept some responsibility for the repression—the killing of innocent civilians—and, supervised by the peace force, would dissolve the most repressive elements of both forces, say, the government's Treasury Policy and National Guard and the two most brutal of the five guerrilla armies.

6. A plan for integrating the guerrillas into a reorganized armed force would be negotiated and would come into force two months after the election and one month after the inauguration of the new government.

7. A negotiated interim government would come into being at the signing of the agreement and the beginning of the electoral period. This interim government would give representatives of the various groups the first opportunity to comunicate directly with one another and to work together. It would also preclude government assistance to any party.

8. The sponsoring nations would agree to continue a total of $2 billion in economic aid directly (and encourage another $2 billion by other donors) for a five-year period to help El Salvador recover, implement the reforms, and contribute to a rejuvenated Central America Common Market. It is well to recall that before the war, El Salvador demonstrated its capacity for economic growth (5.3 percent per year sustained over 20 years), social progress (the distribution of income improved from 1965 to 1977) and expanded education. With outside help and inside peace, El Salvador could be a economic engine for Central America.

In addition, the sponsors would agree to provide $50 million in military aid during the same five-year period, but *all* economic and military aid would be negotiated directly and exclusively with the civilian government and would be turned on or off by the civilians, or off by the sponsors if the military should interfere with the government. It is essential that in the postwar period, all outside democratic governments do everything they can to keep the military out of politics.

These are the rough and radical elements of *one* peace plan. It is offered not as the only plan but only to demonstrate that if the administration used half as much energy in pursuing negotiations as it does in trying to get Congress to fully fund its military aid program, hundreds of possible variations would suggest themselves.

Negotiations will not be easy, and no one should expect that all those on the left or right will remain a part of the process; they won't. However, it is essential to test the sincerity of both groups and to divide those who want democracy from those who only want power. The aim is to narrow the base of those who prefer fighting to compromise, rather than to squeeze the middle, which is the consequence of the current strategy. The government that emerges from negotiations will be able to stand on its own and fight the remaining guerrillas from real strength—not the kind that comes from guns, but the kind that comes from popular support.

If this negotiation succeeds, the same formula could be applied to Nicaragua. The same eight nation sponsors could oversee a negotiation between the Sandinista government and the rebel groups. If the Sandinistas believe that their revolution is worth exporting to El Salvador, perhaps they can be persuaded to import a solution for peace from their neighbor and Common Market partner.

While the Contadora Group endlessly debates the shape of the negotiating table, and the Reagan administration insists on regional rather than bilateral talks, this proposal cuts through the Central American knot by going to the real source of the problem, which is not external support but internal division.

The best part of this plan is that everyone is welcome to take the first step; there is no reason why Spain, the Socialist International, the Contadora Group or the Salvadoran government should wait for the Reagan administration. The administration is hardly alone in making negotiations more difficult; this proposal offers everyone the chance of making them more likely. Spain, for example, could announce support of the first proposition and try to persuade the FDR/FMLN to accept it as well. By doing so, the burden would be passed to the Salvadoran government and the Reagan administration to accept full-scale negotiations on elections.

The administration has found a hundred disingenuous reasons to reject negotiations, but the Salvadoran left is not the Vietcong. It is an extremely heterogenous group, which includes disaffected Christian and Social Democrats, and quite possibly the only thing holding them together is the war and the absence of negotiations. Because the sponsors are democratic countries and the negotiator of the left might well be Guillermo Ungo, the Social Democratic leader of the FDR, the United States and its friends are better positioned to take advantage of negotiations than is the left. For that reason, I hope President Reagan takes the first step. Congress is right to insist on it.

Only through such a plan can the divisions that are opening in our country and have already opened between the United States and our friends begin to be healed. Most important, for El Salvador, it is vitally important that the action move quickly from the battlefield to the bargaining table before culminating at the ballot box.

[The writer, who teaches at the University of Maryland, was a member of the National Security Council staff from 1977 to 1981.]●

Mr. EDWARDS of California. Madam Speaker, I would like to point out that I believe the speakers tonight in this series of speeches have made a splendid record that I hope will be read and pondered by the American people. It is tragic that our beloved country, the great United States of America that is looked upon with such respect throughout the world is engaged in this tragic enterprise that can only bring disapprobation on us if it continues and if it is escalated, as it has been escalating in the last few weeks.

One fact that was not brought out tonight with regard to the casualties in Nicaragua is that the casualties, the deaths of Nicaraguan people in the war to date have been double that proportionately than the losses suffered by Americans in Vietnam.

Last, I trust, Madam Speaker, that the vote next week on the Boland-Zablocki resolution is a resounding "aye."

It is one of the last chances we will have to keep a bridle on the President with regard to going to war. That is one of our constitutional responsibilities referred to over and over again by our founders. That a bridle is necessary is emphasized by the splendid research work that was done by the gentlewoman from California (Mrs. BOXER) in researching some statements made by our President when he was Governor of California. The statements, Madam Speaker, are ominous.

He was asked when he was Governor during the Vietnam war, "Should the United States use nuclear weapons?"

The Governor replied: "We all agree we hope these nuclear weapons will not have to be resorted to."

And then Governor Reagan was asked what we should do, and he favored sharp escalation, and he said in answer to the question, "What kind of escalation?"

And Governor Reagan said: "That decision properly should be left up to the military."

Those are his exact words and I believe, Madam Speaker, we all know that war is too important to be left to the generals.

GENERAL LEAVE

Mr. EDWARDS of California. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order tonight and include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 2040

THE PRESIDENT AND IMF: A FAILURE OF LEADERSHIP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 20 minutes.

● Mr. LAFALCE. Madam. Speaker, during the course of recent weeks much has been said in the House Chamber and in the national press regarding the wisdom of approving legislation to increase the U.S. contribution to the International Monetary Fund (IMF). While I have found the debate useful in many respects, I feel that one important aspect of the proposed quote increase has been overlooked: The political necessity for approval of the President's request for IMF funding.

As a supporter of the legislation soon to come to the House floor, I see three important political reasons for the Congress to act in a bipartisan manner and vote in favor of the President's initiative.

First, support for a quota increase is not just expedient, but symbolizes an American commitment to promoting world growth and development. All of the agruments about "bailing out" or "bailing in" and banks, while important, distract our attention from the essential fact that improving the flow of world goods and services through supporting the global financial system

is in our best interest—both politically and economically.

Second, approval of the President's legislation is strategically important. An increase in the IMF's contributed resources is the product of carefully crafted international negotiation, and congressional agreement is warranted to underscore the willingness of the U.S. public to support the international policy goals of American leaders. In voting for the quota legislation, we are joining our counterparts in the industrial world to insure that the benefits of economic recovery accrue to the full spectrum of market participants—this is an important goal in terms of our standing in the world community.

Third, support for the IMF symbolizes a concrete statement of our understanding that the world economy has entered a new era. We now live in an age of a vast network of global economic activity created by changes in transportation, technologies, and communications and maintained only through a commitment by all parties that national economic policies serve not only domestic ends, but the interests of all. International leaders meeting in Williamsburg stressed "the widespread and pressing need for more economic growth * * *" throughout the world. This need for growing, stable economies in the developing world is not just an end in itself, but must be perceived as one important aspect of an international commitment to improving individual opportunity. It is no longer enough for the United States to struggle in domestic policy or foreign assistance to promote individual dignity and potential—the interrelatedness of the global economy now demands that we work together with other nations for the peace and prosperity of all.

POLITICAL CONCERNS AT HOME

Madam Speaker, I believe that it is the sense of the President at this time that international support for the IMF is essential to global prosperity and U.S. interests. In a recent letter to Members of Congress, Mr. Reagan emphasized that:

> The legislation I have requested to fulfill our share of the increase in IMF resources is necessary to protect our own interests in a stable financial system, a growing world economy, and sustained economic recovery and higher employment levels. It is also necessary to help protect U.S. foreign policy and security interests overseas.

Ironically, some of the President's most ardent supporters are leading the opposition to a quota increase. Activity in the House is building to a violent crescendo of charges, arguments, briefings, and statements regarding the economic and political justifications for a quota increase, and the President has been forced to join with many who are usual political opponents to combat the efforts of members of his own party to defeat the legislation. As Representative CHALMERS WYLIE, ranking Republican on the House Banking Committee, has said, "The IMF quota increase has become a lightning rod for all points on the political spectrum."

How has this happened? Madam Speaker, I believe that the President is largely culpable for this political confusion. The President has failed to act aggressively and speak purposefully about the need for U.S. support for the IMF. In fact, the President has cultivated a national climate against this legislation through espousal of the idea that the markets should be left to work without international interference, through a set of priorities that leave multilateral activities at the bottom of the political wish list, and through contradictory and changing opinions on the need for a quota increase.

The irony of Republican opposition to the President's policies becomes clear when it is known that in past debates on funding the IMF, David Stockman has said, "This is bad legislation * * * the American public should not be called on to fork over (funds) to the IMF." The irony disappears when one realizes that it was not until international leaders pressured the administration at Toronto that the President became willing to fully consider the arguments for a stronger IMF. It was not until members of the administration experienced firsthand the risk to the international system exposed last August with the Mexican crisis that the President was convinced of the need for action, and yet he still has not exercised the powers at his disposal—both personal and political—to convince the American people of the arguments that convinced him.

A NEED FOR LEADERSHIP

Madam Speaker, there are many of us here who are willing to support the President on this issue. But he has to take the lead. He must tell the American people that he is convinced of the need for this legislation, not merely send a form letter to Members of Congress.

We all know that the bill increasing the U.S. quota is complex and we understand that the functions of the IMF are complex, just as the international economic system represents the complexity of millions of transactions and the creativity of human enterprise. But the message that the American people and the members of the President's party need to get is simple. The message is that the President supports U.S. contributions to the IMF because it is the best shot we have at getting through a crisis in the international system, and it is the best shot we have at promoting world growth and our own international interests.

Madam Speaker, it is time for the President to go to the people. He has done so before—in promoting his economic policies, in his support of higher defense spending, in outlining foreign policy objectives. If the President wants congressional approval of his legislation to buttress the IMF, it is a message he must put to the people.

Presidential leadership on this issue is essential. Secretary of State George Shultz, who recently joined other former Secretaries of the Treasury in appealing to the President for strong support of the quota increase, has stated eloquently the demand for leadership:

> More than three-quarters of the world's population live in what we call the developing world (and) * * * much of the world's future is being shaped by what happens in those hundred-odd nations embracing the broad majority of humanity. * * *. The evolution of the developing countries and the problems they encounter challenge much of our conventional thinking about both political and economic development. And these events and trends in the developing world affect our own lives more directly than most of us realize.
>
> In an era of technological advance, instant communications, and giant strides in public health, we have before us the prospect of a world spreading opportunity and prosperity. But in an era of nuclear weapons, political instability, and aggressive ideologies, we simultaneously face the possibility of spreading anarchy and conflict. Which prospect will dominate the future? That depends on what choices are made now, both by the industrial and the developing nations—choices about the international order and choices about national policies. The vision and statesmanship of nations and leaders will be tested as never before.

Madam Speaker, the issue of U.S. participation in the IMF and the issue of our commitment to international economic progress brings us to a test of Presidential leadership. The President has said to the Senate that:

> Passage of this legislation is of the utmost importance to the world economy, to the strength of the recovery, and to the U.S. position in world affairs.

I believe that we must support the IMF and we must play a leading role in the world economic recovery, for our own sake as well as the developing world's sake. It is the greatest responsibility of the President to convince the American people of that truth.

H.R. 3592, THE MINOR TAX EQUITY IMPROVEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 15 minutes.

● Mr. ROSTENKOWSKI. Madam Speaker, the Honorable BARBER CONABLE and I are introducing today a measure developed by our congressional staffs which contains provisions designed to improve the equity of the tax laws in three minor, but nevertheless important areas. In addition, a technical correction is included that

was necessitated when two bills passed in the last Congress were signed in the wrong order.

The first provision in the bill would greatly assist taxpayers who receive a partial distribution from their pension plans and thus fail to qualify for tax-free rollover treatment under the rules of present law. The timing and amount of such distributions are rarely within the control of the taxpayer and if a plan does not meet the Internal Revenue Code requirements in making a distribution, the taxpayer is seriously disadvantaged. To prevent any abuse, however, the bill allows tax-free rollovers at the employee's election, only when at least 50 percent of the balance to the credit of the employee is distributed. Under the bill, once an election is made, the present 10-year averaging rule and capital gains treatment would not be available for any further distribution from that plan. Distributions made to spouses of deceased employees also would be eligible for this treatment.

The second provision in the bill relates to the deduction of expenses paid to related parties under Internal Revenue Code section 267. This section would be amended to provide a rule requiring the matching of the deduction with the inclusion of income for these transactions between related taxpayers. The present law rule denies such deductions for expenses to accrual basis taxpayers where paid to a related taxpayer later than 2½ months after the end of the taxable year. This rule has been criticized as arbitrary and a trap for the unwary. The American Bar Association and the American Institute of Certified Public Accountants had recommended a review of this rule. Under the bill, the revised rule would also be extended to apply to two corporations which are members of the same controlled group as well as to partnerships and subchapter S corporations under common control.

The third provision in the bill involves Code section 1244 which provides special treatment for losses on small business common stock. In 1981, the tax bill reported by the Committee on Ways and Means would have extended this rule to preferred stock as well. The bill introduced today again proposes that change.

Finally, a technical correction is included in the bill to reinstate the amendments to Code section 103 enacted in the Highway Revenue Act of 1982. These provisions relate to the treatment of certain tax-exempt interest income by mutual funds and are necessitated by the order in which that legislation was signed by the President.

A technical explanation of each of these provisions follows:

TECHNICAL EXPLANATION OF H.R. 3592, THE MINOR TAX EQUITY IMPROVEMENT ACT

SECTION 1. ROLLOVER OF PARTIAL DISTRIBUTIONS

Present law

If a lump sum distribution is paid to an employee (or the spouse of a deceased employee) under a qualified pension, profit-sharing, or stock bonus plan, tax is deferred on the portion of the distribution rolled over to another qualified plan or to an IRA (an individual retirement account, individual retirement annuity, or retirement bond). Tax-free rollovers are also provided for certain distributions from terminated qualified pension plans. In addition, certain total distributions under a tax-sheltered annuity contract may be rolled over, tax-free, to another such contract or to an IRA. Tax-sheltered annuity contracts (including custodial accounts investing in shares of a regulated investment company) may be purchased for employees by certain tax-exempt organizations or by public educational organizations.

The tax deferral provided for distributions from qualified plans and tax-sheltered annuity programs (Code sections 402 and 403) applies only if the rollover contribution to an IRA, etc., is made within 60 days after the distribution is received. A distribution from a qualified plan is a lump sum distribution only if it consists of the balance to the credit of the employee under the plan, is made within one taxable year of the recipient, and is made on account of the employee's separation from service or death, or after the employee attains age 59½. In the case of a self-employed individual the separation from service test does not apply. A distribution to a self-employed individual who has become disabled may, however, qualify as a lump-sum distribution. In lieu of qualifying for rollover treatment, a lump-sum distribution under a qualified plan is accorded special income tax treatment under which all or a portion of the distribution may be taxable to the recipient as long-term capital gain or under a 10-year forward income averaging formula. Also, under the qualified plan rules, all or a portion of the unrealized appreciation in employer securities included in a distribution is excluded from gross income for the taxable year of the distribution.

If an employer maintains more than one qualified plan of the same type, the plans generally are aggregated for the purpose of determining whether the balance to the credit of the employee has been distributed. For example, all profit-sharing plans maintained by the employer are treated as a single plan.

In the case of tax-sheltered annuities, the aggregation rules provide that all annuity contracts purchased for an employee by one employer are treated as a single contract.

A distribution from a qualified plan is also eligible for rollover treatment if it constitutes the balance to the credit of the employee under the plan and is paid to the recipient within one taxable year on account of termination of the plan, or, in the case of a profit-sharing or stock bonus plan, on account of a complete discontinuance of contributions under the plan.

Explanation of provision

Under the bill, special rules are provided for rollovers of partial distributions. In general, the present law rollover rules (section 402(a)(5)(A) of the Code) that apply to lump-sum distributions would be expanded to apply to a partial distribution if (1) the distribution is equal to at least 50-percent of the employee's balance, (2) it is not one of a series of periodic payments and (3) the employee elects such treatment. The provision would limit the special partial rollover rules to rollovers into individual retirement accounts or annuities (section 408(a), (b)). Once an election is made, the 10-year averaging rule, capital gains treatment, and the special rule for unrealized appreciation on employer securities, would not be available for any distribution (paid after the partial distribution) from the plan. Distributions made to the spouse of an employee after the employee's death also would be eligible for partial distribution rollover treatment (section 402(a)(7)).

In general, the amendments made by the provision would apply to distributions made after December 31, 1983, in taxable years ending after such date.

SECTION 2. TREATMENT OF CERTAIN TRANSACTIONS BETWEEN RELATED PARTIES

Present law

Under present law, a taxpayer, in order to obtain a deduction for business expenses or interest payable to a cash-basis person related (within the meaning of Code section 267(b)) to the taxpayer, must ordinarily pay such items not later than 2½ months after the close of its taxable year. In the case of a Subchapter S. corporation, payments owed to a related party cash-basis taxpayer, including a shareholder who owns at least 2 percent of the stock of the corporation, are deductible only when paid (whether or not paid after the expiration of the 2½-month period).

Also, present law denies losses on sales or exchanges of property between related parties.

Explanation of provision

The bill would amend the related party rules under Code section 267 so that a payor would be placed on the cash method of accounting for purposes of deducting business expenses and interest owed to a related party cash-basis taxpayer. Also, the present law rules relating to payments by Subchapter S corporation would be extended to payments by partnerships. Thus, a partnership could not deduct unpaid amounts accrued to any cash-basis partner (or person related to the partner) and any deduction for those amounts would be allowable only when paid. This rule would not apply to guaranteed payments (within the meaning of section 707(c)) made to a partner.

Finally, the bill would extend the loss disallowance and accrual provisions of section 267 to transaction between corporations which are members of a controlled group of corporations (within the meaning of section 1563, using a 50-percent control test).

These amendments would apply to taxable years beginning after 1983.

SECTION 3. LOSSES ON SMALL BUSINESS CORPORATION STOCK

Present law

Under present law, a taxpayer is allowed to deduct, as an ordinary loss, up to $50,000 ($100,000 in the case of a joint return) of loss on the disposition of "section 1244 stock." Generally, "section 1244 stock" means certain common stock of a domestic small business corporation.

Explanation of provision

The bill would extend the definition of "section 1244 stock" to include preferred stock of qualified small business corporations. The bill would apply to stock issued after the date of enactment of the bill.

SECTION 4. COORDINATION OF CERTAIN 1982 PROVISIONS

Present law

The signing order of the Highway Revenue Act of 1982 (P.L. 97-424) and P.L. 97-473 arguably resulted in an inadvertant deletion of the amendments to Code section 103 contained in the Highway Revenue Act of 1982.

Explanation of provision.

A technical correction would be made to reinstate the provisions amending Code section 103 as enacted in the Highway Revenue Act of 1982. The provisions relate to the treatment of certain tax-exempt interest income of mutual funds.●

● Mr. CONABLE. Madam Speaker, Mr. ROSTENKOWSKI and I are introducing today, as a separate bill, a measure developed by our congressional staffs which contains provisions designed to improve the equity of the tax laws in three minor, but nevertheless important areas. In addition, a technical correction is included that was necessitated when two bills passed in the last Congress were signed in the wrong order.

The first provision in the bill would greatly assist taxpayers who receive less than a total distribution from their pension plans and thus fail to qualify for tax-free rollover treatment under the rules of present law.

The second provision in the bill relates to the deduction of expenses paid to related parties under Internal Revenue Code section 267. This section would be amended to provide a rule requiring the matching of the deduction with the inclusion of income for these transactions between related taxpayers.

The third provision involves Code section 1244 which provides special treatment for losses on small business common stock. In 1981, the tax bill reported by the Committee on Ways and Means would have extended this rule to preferred stock as well. This bill again proposes that change.

Finally, a technical correction is included to reinstate the amendments to Code section 103 enacted in the Highway Revenue Act of 1982. These provisions relate to the treatment of certain tax-exempt interest income by mutual funds and are necessitated by the order in which that legislation was signed by the President.●

TAX TREATMENT OF OUTPATIENT MEDICAL EXPENSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 15 minutes.

● Mr. STARK. Madam Speaker, the Honorable BARBER CONABLE and I are introducing today H.R. 3593, a measure developed by our congressional staffs which contains provisions designed to improve equity in an important area of the tax law, the medical expense deduction. Under present law, a bias exists for receiving medical care in a hospital, since all hospital costs, including those for meals and lodging, are considered medical expenses and are deductible to the extent exceeding 5 percent of adjusted gross income. However, if patients must travel away from home to receive care on an outpatient basis, then only the cost of transportation is included as a deductible expense, in addition to direct medical costs. Necessary expenses for lodging or meals are not deductible. Today, outpatient care received away from home at hospitals or specialized treatment centers is increasingly common and, in most instances, such care is more cost efficient than that received in a hospital.

The bill proposes to improve tax neutrality between inpatient and outpatient care by allowing necessary lodging expenses to be included as deductible medical expenses in certain circumstances where the taxpayer travels away from home to receive medical care on an outpatient basis. Restrictions are included to prevent abuse and, as under present law, only medical expenses in excess of 5 percent of adjusted gross income are deductible. This proposal is intended to improve tax equity for taxpayers and to further cost conscious medical care.

TECHNICAL EXPLANATION OF H.R. 3593, RELATING TO OUTPATIENT MEDICAL EXPENSES

PRESENT LAW

Internal Revenue Code section 213 permits the deduction of unreimbursed medical care expenses which exceed 5 percent of adjusted gross income. Such expenses include those for transportation (but not meals and lodging) which is primarily for and essential to medical care. There are no other restrictions in the law concerning medical care received while away from home. If such care is received in a hospital, all costs are deductible, including those for meals and lodging.

Under a Supreme Court case and IRS regulations, meals and lodging are not deductible as part of transportation expenses. Further, if care is received in an institution other than a hospital, deductibility of meals and lodging depends upon whether the medical care is the primary reason for being at the institution and whether meals and lodging are furnished as a necessary incident to such care.

IRS regulations also clarify when travel expenses are deductible under the primary and essential tests. While travel expenses may be deductible where a doctor prescribes travel to another climate to alleviate a chronic condition, travel undertaken for general health improvement would not be deductible. Also, if a doctor prescribes an operation or other treatment and the patient decides for personal reasons to have the operation in another locality, such as a resort area, the transportation would not be deductible (the cost of the medical care, including all hospital expenses would be deductible). Also, under Revenue Ruling 58-110, a patient who was unable to travel alone could deduct the travel expenses of a companion as well. It is understood that the IRS generally permits the deduction of the travel expenses of a parent accompanying a minor child and a spouse accompanying a spouse under similar circumstances.

EXPLANATION OF PROVISION

Amounts paid for lodging, as well as transportation, would be deductible as medical expenses when incurred while away from home primarily for and essential to receiving medical care. Additional restrictions on the deduction would also be included. The lodging must not be lavish or extravagant, borrowing a standard from the Code section 162 context with regard to expenses incurred while away from home in the pursuit of a trade or business.

Further, the care must be provided by a physician in a hospital or a nationally or regionally recognized medical facility in which substantially all the services provided are medical. The purpose of this restriction is to deny the deduction where a taxpayer prefers, for personal reasons, to see a doctor in a location away from home. The deduction would be allowed in cases where the patient must travel to a specialized center or other facility to receive medical treatments on an outpatient basis. National or regional recognition is intended to restrict the deduction to medical facilities that are known in the health care profession; regional recognition is intended to cover facilities known as providers of medical care in the region (without imposing a requirement that the facility have a national reputation). These facilities must provide services substantially all of which are medical. This standard will preclude deduction for expenses incurred in situations where the medical care is incidental or anything other than the major purpose of the activity.

Finally, the proposal would impose a requirement that there be no significant element of personal pleasure, recreation, or vacation in the travel away from home. The intent of this restriction is to make clear to taxpayers and the IRS that medical care must be the major and critical element in the expenditure. However, it does not mean that there be no pleasure or recreation undertaken at all in the trip.

It is intended that determinations about the deductibility of lodging for person accompanying the patient would be based on the standards applied under present law for transportation. The IRS may require reasonable substantiation by taxpayers of the reasons for and nature of the travel away from home, the medical care received and the activities undertaken during the travel and treatment. It is expected that the nature of the substantiation required will be reasonable in relation to the nature and size of the deductions involved.

The amendments made by the provision would apply to taxable years beginning after December 31, 1983.●

STANSFIELD TURNER ON THE FOLLY OF THE MX MISSILE

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Madam Speaker, the New York Times for March 11, 1983, contained an article by Adm. Stansfield Turner, former Director of the Central Intelligence Agency, making a powerful case against deployment of the MX missile. Admiral Turner argued that MX makes sense only as the instrument of a nuclear war-fighting strategy whose adoption

would threaten America's security. Because of its pertinence to the debate scheduled to resume this week on the defense authorization bill, and the MX missile in particular, I am offering Admiral Turner's article for printing in the RECORD.

The basic issue is posed by Admiral Turner as follows:

The fundamental choice, then, is not between weapons of greater or lesser potency but between greater stability or less. The so-called nuclear experts, however, are finding it difficult to shed conventional military thinking, which sees advantages in "superiority" in weapons and holds that defeating the enemy's military forces is the end objective if war should break out.

Admiral Turner's lucid analysis is relevant not only to MX but to the question of deploying the Pershing II in Western Europe:

If, in the event of a nuclear attack against the United States, the President's readiness to retaliate against Soviet cities lacks credibility, as the war-fighters contend, what makes them believe that the President would attack the Soviet Union with nuclear weapons in retaliation for a conventional attack on Western Europe? The United States certainly should not and would not expose its own cities to nuclear devastation in order to compensate for NATO's weaknesses in conventional forces. It should be clear that if the West's conventional defenses in Europe ever reach the point where they cannot stand on their own, the Russians will soon detect that, and we can expect troubles that a "nuclear war-fighting capability" could not counter.

The full text of the Turner article follows:

THE "FOLLY" OF THE MX MISSILE

(By Stansfield Turner)

The United States has reached a watershed in its nuclear defense strategy. President Reagan and Congress are trying to decide what to do about the MX, the new intercontinental ballistic missile that is larger, more expensive, more powerful and more accurate than anything in our military arsenal. The issue, however, goes beyond the costs and proficiency of a new weapons system. The question is whether deploying the MX would enhance our security or detract from it.

For several years now, the immediate problem with the MX has been how to base it. Placed in existing silos, it would be vulnerable to surprise attack by the Soviet Union's beefed-up strategic forces—just as vulnerable as our present generation of land-based missiles. There have been various schemes for making the MX less vulnerable, including the ingenious "dense pack" notion of placing them so close together that incoming Soviet missiles would knock each other out. These proposals have all been fended off or left in abeyance, largely on the instinct, shared by Congress and the public, that the ideas made little sense.

Yet it is unlikely that anyone will be able to find a basing scheme any more acceptable than dense pack, not even the special commission of experts appointed by the President to study the problem. Only two weeks ago, several alternative basing schemes that seem to be no more practical than dense pack were offered by the Congressional Research Service, an agency specializing in analysis for Capitol Hill. One of these was to place the missiles in planes that can remain airborne for long periods. Another was to dump the missiles into the oceans in canisters at times of tension, and to trigger them by remote control.

It is apparent that any basing solution for this large a missile is going to require highly unusual procedures and will be highly controversial. In this circumstance, it is only natural to ask whether the MX missile is essential to our national security. Are there no alternatives? Reaching a judgment on this life-or-death issue, it seems to me, involves two basic questions:

(1) What kind of nuclear capability do we need? Do we want an ability to retaliate against Soviet cities? Or do we seek the capacity to destroy the Soviet Union's principal military targets?

(2) How large a nuclear force do we require? Must it be bigger than the Soviet Union's, or about the same, or can it be smaller and still suffice?

How our leaders answer these questions will determine whether we proceed toward greater stability in the "balance of terror" between the United States and the Soviet Union or toward heightened instability, with all the new dangers that would entail.

There are, as we know, four types of delivery systems in our nuclear-weapons arsenal.

First, there are the intercontinental ballistic missiles (ICBM's)—large, land-based, relatively immobile missiles that travel to their targets by leaving the earth's atmosphere and re-entering it on a precalculated trajectory.

Then there are the submarine-launched ballistic missiles (SLBM's), which follow the same trajectory as the ICBM's but are based in specially designed, nuclear-powered submarines.

Third, we have the bombers—traditional, large, long-range aircraft, such as the B-52's, the core of our bomber force—carrying nuclear bombs.

Finally, there are those recent additions to our inventory, the cruise missiles—unmanned small aircraft that are transported to their launch points on bombers, submarines or trucks and that fly at a very low altitude.

Of these four systems, the land-based missiles are the most vulnerable to a Soviet attack and the submarines the least vulnerable. We should understand that there will never be a perfectly invulnerable weapons system, and trying to achieve one will be progressively difficult in the future. We must, instead, count on making it so complicated for the Russians to knock out all our nuclear forces in a short period of time that they will never feel confident of their ability to do it.

The way to increase survivability is to emphasize mobility, numbers of weapons and concealment. Bombers are mobile, and reasonably safe from attack when on airborne alert. Submarines are mobile and readily concealed at sea. Even if there should be a breakthrough in submarine detection—and no such breakthrough is foreseeable at present—submarines will certainly remain more difficult to locate than ICBM's or bombers. Cruise missiles are mobile, and small enough to be concealed, and we could have large numbers of them. Thus, for assurance that we won't be knocked out by surprise, our intercontinental nuclear forces should be built around these three systems.

What I am proposing, therefore, is a shift of emphasis in our mix of nuclear weapons—a shift away from large ICBM's, like our present land-based missiles and the projected MX, to small, multibased cruise missiles.

Such a move would not only make our deterrent forces more survivable but would serve to reduce the elements of instability in the American-Soviet nuclear confrontation. For the more we rely on ICBM's, the more nervous we will be about the threat of a surprise attack on them; our finger will have to be on the trigger. And because the MX—added to the capability of our existing ICBM's—would give us the potential for a surprise attack on Soviet ICBM's, it would make the Russians nervous; their finger, too, would have to be on the trigger. Cruise missiles, on the other hand, are too slow to threaten a surprise attack and too small to be targeted in a surprise attack by the Russians. Hence, if the United States shifted away from ICBM's and toward cruise missiles, both sides would relax somewhat and the nuclear balance would be stabilized.

The same combination would also give us as much assurance as possible that our weapons would penetrate any Soviet defense. The Russians would have to construct both ballistic missile defenses (against our submarine-launched missiles) and antiaircraft defenses (against bombers and cruise missiles traveling in the atmosphere). Both sets of defenses would have to be nearly impregnable.

It is true that because cruise missiles are small and easily concealed, it would be very difficult to verify the number of these weapons deployed by each side. Because of this, it is sometimes argued that shifting to cruise missiles would kill the chances for a new strategic arms-control agreement and thus increase tensions. But that is a specious argument.

The key objective of arms control is not control of the number of weapons but a lessening of the likelihood of anyone starting a nuclear war, either deliberately or accidentally. The critical step toward that goal is a reduction of the number of weapons that put people on edge by posing the threat of a surprise attack—and those weapons, by and large, are the ICBM's. There is no reason why ICBM's cannot be controlled by agreement—and bombers and submarines as well—even if cruise missiles cannot be counted.

The fundamental choice, then, is not between weapons of greater or lesser potency but between greater stability or less. The so-called nuclear experts, however, are finding it difficult to shed conventional military thinking, which sees advantages in "superiority" in weapons and holds that defeating the enemy's military forces is the end objective if war should break out.

Such emphasis on the power and number of weapons is misplaced. The levels of damage in intercontinental nuclear war are likely to be so high that most of the weapons we and the Russians possess will exceed any conceivable usefulness. A common nuclear weapon today has an explosive power about 40 times greater than the bomb that killed 100,000 people in Hiroshima. The United States and the Soviet Union each has about 270 urban areas with a population of more than 100,000. Imagine what several hundred such warheads could do to either country.

The United States has about 9,500 nuclear warheads and the Soviet Union about 8,000, all capable of being delivered over intercontinental distances. Some of these warheads are powerful and accurate enough to destroy "hard" targets, like ICBM silos, which are built of reinforced concrete. The re-

mainder of these warheads are only capable of destroying "soft" targets, like cities, industries and basic military facilities. Some of the systems could hit their targets very quickly, because their time of flight to the Soviet Union is quite short and because the communications link to them is swift and sure. Others either have relatively long flight times or, in the case of submarines, are not always within reach of quick communications.

The advantages of the large land-based missiles is that they can not only hit "hard" targets but get there fast. Bombers and cruise missiles, while also capable of destroying "hard" targets, would take longer to reach their objectives. And we cannot be sure how long it will take for our nuclear-armed submarines to receive instructions and carry them out; furthermore, submarine-launched missiles are not accurate enough to be effective against "hard" targets. By about 1990, however, the undersea system will become as accurate as the other three, and the principal distinction between the four systems, in terms of their striking power, will be that bombers and cruise missiles will take longer to get there and submarine-based missiles may take longer to be launched. What difference will that make?

The question is of fundamental importance. For the answer determines which of two basic nuclear doctrines or strategies we adopt.

The first is the doctrine of retaliation. The two premises here are that we can deter the Russians from attacking us with nuclear weapons by the threat of a devastating nuclear counterblow against their urban and industrial centers; and that if, against all rational expectations, deterrence fails, we require only a limited capability to fight an intercontinental nuclear war.

The second is the doctrine of nuclear-war fighting. The premises here are that we can deter the Russians only if we are capable of waging and "prevailing" in a nuclear war; and that we require a capability to outlast the Russians in protracted nuclear war if deterrence fails.

The most critical point in deciding between these different approaches is which is the more likely to prevent the outbreak of intercontinental nuclear hostilities.

For many years, the United States relied on the first doctrine—that an assured capability to retaliate with nuclear weapons provided adequate deterrence. This view rested on the enormous destructiveness of nuclear weapons and the very high probability that they would penetrate enemy defenses. Today, there is no meaningful defense against ballistic missiles and little against cruise missiles; only bombers are vulnerable to serious attrition. Defenses will improve in the future, but since only a few nuclear weapons need arrive on target to do high levels of damage, defense will continue to be a difficult proposition.

What this means is that any Soviet leader contemplating initiating nuclear war must do more than estimate whether his nuclear forces could do greater damage to the United States than ours could do to the Soviet Union, or whether he could destroy all American nuclear forces and still have some of his own left. He must ask what might be the absolute level of damage to the Soviet Union. There would be little satisfaction to him in doing more damage to the United States or eliminating our nuclear strength if the damage suffered by the Soviet Union were unbearable.

This kind of calculation—that a preponderance of nuclear force is meaningless if the opponent retains the capacity for massive retaliation—is, of course, an entirely new way of looking at wars, and it is probably because of its newness that it came under challenge in the United States some years ago. As one critic, Colin S. Gray, put the argument in an article last fall, "Deterrence cannot be simply based upon the ability to bring on a holocaust." "For a threat to be believable, and thus an effective deterrent," he wrote, "it has to posit purposive military actions, and those actions have to be directed against targets that are of very high value to Soviet leaders."

More specifically, Mr. Gray and others of his persuasion worry about what would happen if the Soviet leaders were to unleash a nuclear attack aimed not at America's cities but at its nuclear forces. Their contention is that no American President would be likely to implement the longstanding doctrine of retaliation against Soviet cities, because he would know that this would invite the devastation of American cities by the Soviet Union's remaining store of missiles. Out of such reasoning the war-fighting doctrine was born.

This doctrine says we need nuclear forces powerful enough not only to devastate the Soviet Union's cities but to destroy its intercontinental nuclear forces, however long it takes. Such a capability, it is argued, would place the Soviet leaders in the position of knowing that they could not "prevail" if they were to start a nuclear war with the United States.

In my view, the doctrine of nuclear war-fighting is wrong in denying the credibility of the threat of retaliation against Soviet cities and industry. The argument, to repeat, rests on the contention that the Soviet leaders might well order a strike at our nuclear forces in the belief that the American President was not likely to retaliate with a blow against Soviet cities. What this overlooks is the great uncertainty as to how anyone would react in such a situation. There is no precedent on which to base a judgment.

Can anyone say with any certainty that a President would not launch all the weapons we have if the Russians were to launch even a limited attack on our nuclear weapons sites? Rationality may not prevail in such circumstances; or the President may react before it is clear that the attack is of a limited nature; or he may act in the belief that the Russians had launched a full-scale attack; or he may believe that any nuclear war is bound to escalate, and that our best move is to go all-out right away and hope to limit the Russians' ability to strike a second time.

Beyond guessing how the President might react, the Russians would have to worry about a complete breakdown in our chain of command. What would the commanders of our nuclear submarines do if, knowing that the United States had been attacked, they lost all contact with headquarters? Just half a dozen submarines could place almost 1,000 nuclear warheads on the Soviet Union.

In short, any neat calculation as to how the United States might respond could be wrong in so many ways that no Soviet leader could feel confident of the outcome of his launching even a small-scale nuclear attack on our country. Even gamblers grow cautious as the stakes rise, and a Soviet leader contemplating a nuclear attack on the United States would know that he would be gambling the very survival of his society. In my view, only if we were to push the Soviet Union into a desperate situation threatening its existence as a Communist state could a Soviet leader conceivably decide on the gamble of a nuclear attack on the United States.

The war-fighting school also argues that the Russians are going ahead on their own to build a nuclear war-fighting capability; that this makes nuclear war a likely eventuality; and that the Russians can be deterred from initiating such a war only if we demonstrate to them that we have the same kind of capability and could successfully outfight them in such a conflict.

There is ample evidence that the Russians are making very substantial investments in intercontinental nuclear forces, and that they are paying attention to all the components of a war-fighting capability. There is a world of difference, however, between preparing for the possibility of nuclear war and preparing deliberately to start one. Nothing I have seen persuades me that the Soviet leaders' intention in building their nuclear war machine is to use it offensively.

In any case, we don't have to go beyond a strategy of retaliation to be able to wage war against the Soviet Union's nuclear forces, if forced to. We already have a considerable capacity to engage in that kind of conflict. As I have noted, all of our four nuclear weapons systems are either capable of striking hard military targets or will acquire that capability before long. A President, then, could choose to retaliate only against cities, or only against hardened targets, or against both.

What he could not do with the bombers, cruise missiles and submarine-based missiles is to strike back rapidly. The key difference between the war-fighting concept and the retaliatory strategy hinges on whether we need an ability to retaliate quickly. If we do, ICBM's are clearly essential and cannot be replaced by cruise missiles. In my view, rapid response, in the event that deterrence breaks down, is essential, and is even dangerous.

It is a natural military instinct to want to counterattack as rapidly as possible, in the hope of slowing the enemy's offensive. In nuclear war, however, a rapid response would have the opposite effect. If the Russians were to launch a nuclear attack against us, they would certainly be on the alert for our response. If we were to strike back at their nuclear forces, especially their vulnerable land-based missiles, they would have the option of launching those missiles while our attacking force was still in flight.

It would make no difference whether we counterattacked with ICBM's that could get to their targets in 30 minutes or with cruise missiles that took as long as 12 hours (including the time it took to transport them to within launching distance). The Russians would see us coming and have ample time to launch their missiles while ours were on the way. There is no way to gain surprise once the nuclear genie is out of the bottle.

By setting an objective of attacking the Soviet Union's remaining nuclear weapons after a Soviet surprise attack, the war-fighting school would confront the Russians with the alternative of launching those remaining weapons quickly or seeing them destroyed. Yet the last thing we would want to do in that kind of situation is force the Russians to launch even more weapons against us. Instead, our objective should be to retaliate not by going after just their remaining missiles but by hitting both military and civilian targets intensively enough to demonstrate that continuing this war would lead to escalation and disaster.

The object of our counterattack would be to persuade the Soviet leaders to absorb the blow and negotiate. That would not be an easy decision for them to make. It would be more difficult to make in the 30 minutes' warning they would have of an attack by our ICBM's than in the four to 12 hours it would take our cruise missiles to reach their targets.

Thus, it would be preferable to conduct such a counterattack with "slow" cruise missiles or bombers and give the Russians as much time as possible to make their decision. In fact, we would want to use that time to let the Russians know exactly what we were doing—that a counterattack of the same proportion as their attack on us was irretrievably on the way; that we hoped they would absorb it and then negotiate; and that if they fired one more missile at the United States, our entire remaining arsenal would be immediately launched in a devastating blow. This would provide more margin for reason to reassert itself than would the momentum of a war-fighting strategy, which would propel us both into successive rounds of nuclear exchanges and would probably lead to mutual, if not global, destruction.

It is folly to talk, as the war-fighters do, of prolonging intercontinental nuclear exchanges until the Soviet side was exhausted. Of what value would it be to us to have some nuclear forces left after 8,000 nuclear warheads have been fired in each direction? Neither nation would be thinking of "victory" after sustaining 8,000 nuclear blasts, each 10 to 100 times more powerful than the one at Hiroshima. In fact, long before anything like 8,000 weapons had been exploded, a nuclear war would become entirely unmanageable. It is interesting to note that prior to his recent retirement as chairman of the Joint Chiefs of Staff, Gen. David C. Jones said publicly that he did not consider protracted nuclear war feasible. It is largely civilian nuclear theologians like Colin Gray who do.

There is another line of reasoning put forward by the war-fighting school that may be paraphrased as follows:

"The forces of NATO and the Warsaw Pact that face each other in Europe are armed with conventional weapons, and our side has always been outgunned. We have tried to compensate by placing short-range 'tactical,' or battlefield, nuclear weapons behind our conventional forces, in case we needed to make a special effort to turn the tide of battle. In turn, we have always backed up these tactical nuclear forces with the threat that our ICBM's in the United States would enter the fray, if necessary. Hence, these intercontinental forces of last resort must be capable of war-fighting, including quick response."

The argument is pure sophistry. If, in the event of a nuclear attack against the United States, the President's readiness to retaliate against Soviet cities lacks credibility, as the war-fighters contend, what makes them believe that the President would attack the Soviet Union with nuclear weapons in retaliation for a conventional attack on Western Europe? The United States certainly should not and would not expose its own cities to nuclear devastation in order to compensate for NATO's weaknesses in conventional forces. It should be clear that if the West's conventional defenses in Europe ever reach the point where they cannot stand on their own, the Russians will soon detect that, and we can expect troubles that a "nuclear war-fighting capability" could not counter.

This examination of our strategic problems leads, I suggest, to the following conclusions:

We need weapons with a high degree of invulnerability to enemy attack, so that a large part of our deterrent can be depended on to survive a Soviet strike of no matter what intensity. These weapons should be able to retaliate in a deliberate, preferably slow, manner against either hard military targets or soft targets, including ordinary military installations, as well as cities and industries. We should have enough of these weapons to be certain of being able to inflict an unacceptable level of damage on the Soviet Union, but not necessarily to match the Russians weapon by weapon.

In other words, we must recommit ourselves to a doctrine of assured retaliation, relying principally on submarine-based missiles, bombers and cruise missiles, and rejecting the MX as unsuited to our needs. And we must reject the nuclear war-fighting doctrine as misconceived and dangerous to our security.

It may seem curious that a war-fighting theory with such lapses in logic should have gained such credence in the United States, and that, as a result, we are on the brink of going ahead with the MX missile at great financial cost and at great risk of nuclear instability. Yet the reasons are not hard to identify.

Perhaps the main reason is that war-fighting theorems are in accord with normal military reflexes in war, which are to strike quickly at the enemy's military forces. Another explanation lies in interservice politics: The Air Force sees the MX missile as a means of preventing its predominance in the intercontinental-nuclear field slipping away to the Navy. And there are, undoubtedly, the usual pressures from the military industrial community to continue production of weapons under contract today.

Another factor, in my view, is that, over the years, the uniformed military in our country have virtually abdicated the formulation of nuclear doctrine to civilians. After all, military men cannot claim any particular operational expertise with nuclear weapons that has been denied to civilian specialists. It is good to have civilians thinking in all areas of military endeavor, but that there should be so few military men who can hold their own in debate on these matters is disturbing. Unrealistic concepts like that of nuclear war-fighting are a direct consequence of this lack.

Finally, the war-fighting doctrine has made inroads into official policies because it has not had to stand the test of full-scale public scrutiny and debate. This deficiency is being corrected: The American public displayed considerable skepticism over the dense-pack scheme, and the Congress, properly responsive to the public's views, voted in December to postpone any decision on the MX. Now, with the subject coming up for resolution, a still more difficult test of our democratic process is at hand.

It is doubly important for the public to involve itself in the final judgment on whether we need the MX missile. Of course, there are many technical details and some secret matters that must be left to the experts, but the broad purposes of acquiring or forgoing specific nuclear weapons like the MX are quite within the public's ability to comprehend. In no other area today is it more important for the principle of public control over public officials to be exercised.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of a death in the family.

Mr. HEFNER (at the request of Mr. WRIGHT), for July 19, 20, and 21, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request Mr. EDWARDS of California) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes today.

Mr. ROSTENKOWSKI, for 15 minutes today.

Mr. STARK, for 15 minutes today.

Mr. WEAVER on July 20, 21, and 22 for 30 minutes each day.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ERLENBORN, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,294.25.

Mr. SEIBERLING, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,207.50.

Mr. ROEMER, immediately following the vote on H.R. 3385.

(The following Members (at the request of Mr. SKEEN) and to include extraneous matter:)

Mr. BROOMFIELD in three instances.

Mrs. JOHNSON.

Mr. WALKER.

Ms. SNOWE in two instances.

Mr. ROGERS.

Mr. HILLIS.

Mr. THOMAS of California.

Mr. MARTIN of North Carolina in two instances.

Mr. COATS.

Mr. CONABLE.

Mr. LAGOMARSINO.

Mr. WINN.

Mrs. HOLT.

(The following Members (at the request of Mr. EDWARDS of California) and to include extraneous matter:)

Mr. ROYBAL.

Mr. FAZIO.

Mr. LANTOS.

Mr. TRAXLER.

Mr. MAZZOLI.

Mr. FLORIO.

Mr. YOUNG of Missouri.

Mr. CHAPPELL.

Mr. JACOBS.
Mr. GARCIA in three instances.
Mr. PATTERSON.
Mr. MARKEY.
Mr. MACKAY.
Mr. EDWARDS of California.
Ms. OAKAR.
Mr. BERMAN.
Mr. WAXMAN.
Mr. DYSON.
Mr. DELLUMS in two instances.
Mr. AUCOIN.
Mr. WRIGHT.
Mr. EDGAR.
Mr. MOODY.

SENATE JOINT RESOLUTIONS REFERRED

Joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 19. Joint resolution to authorize and request the President to designate the period August 26, 1983, through August 30, 1983, as "National Psychology Days"; to the Committee on Post Office and Civil Service.

S.J. Res. 56. Joint resolution to designate the month of August 1983 as "National Child Support Enforcement Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 77. Joint resolution designating "National Animal Agriculture Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 85. Joint resolution to designate September 26, 1983, as "National Historically Black Colleges Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 98. Joint resolution to designate October 2 through October 9, 1983, as "National Housing Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 102. Joint resolution to designate the week of October 16, 1983, through October 22, 1983, as "Lupus Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 119. Joint resolution to designate the week of December 11, 1983, through December 17, 1983, as "National Drunk and Drugged Driving Awareness Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 127. Joint resolution designating the week of May 27, 1984, as "National Tourism Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3392. An act to amend the Agricultural Act of 1949; and

H.J. Res. 258. Joint resolution designating August 3, 1983, as "National Paralyzed Veterans Recognition Day."

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 459. An act to authorize and direct the Secretary of the Interior to convey, by quitclaim deed, all right, title, and interest of the United States in and to certain lands that were withdrawn or acquired for the purpose of relocating a portion of the city of American Falls out of the area flooded by the American Falls Reservoir.

ADJOURNMENT

Ms. KAPTUR. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 46 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 20, 1983, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1553. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1983 and amendments to the request for appropriations for fiscal year 1984 (H. Doc. No. 98-85); to the Committee on Appropriations and ordered to be printed.

1554. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the American Institute in Taiwan's proposed offer to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-43), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1555. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the American Institute in Taiwan's proposed offer to sell defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-44), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1556. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the American Institute in Taiwan's proposed offer to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-45), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1557. A letter from the Director, Defense Security Assistance Agency, transmitting a report on the impact of U.S. readiness of the American Institute in Taiwan's proposed offer to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-49), pursuant to 10 U.S.C. 133b; to the Committee on Armed Services.

1558. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to reduce regulatory burdens and authorize the waiver of licensing requirements with respect to certain non-Federal hydroelectric power projects, and for other purposes; to the Committee on Energy and Commerce.

1559. A letter from the Secretary of State, transmitting notice of the President's intention to exercise his authority under section 506(a) of the Foreign Assistance Act of 1961 in order to authorize the furnishing of certain emergency military assistance to Chad, pursuant to sections 506(b)(1) and 652 of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1560. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the American Institute in Taiwan's proposed intention to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-43), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1561. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the American Institute in Taiwan's proposed intention to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-44), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1562. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the American Institute in Taiwan's proposed intention to sell certain defense articles and services to the Coordination Council for North American Affairs (Transmittal No. 83-45), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1563. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the American Institute in Taiwan's proposed intention to sell certain defense articles to the Coordination Council for North American Affairs (Transmittal No. 83-49), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1564. A letter from the Employee Benefits and Risk Manager, Fourth District Farm Credit Institutions, transmitting the annual report of the district's amended retirement plan for fiscal year 1982, pursuant to section 121(a)(2) of the Budget and Accounting Procedures Act of 1950, as amended; to the Committee on Government Operations.

1565. A letter from the Secretary of the Interior, transmitting the list of areas of national significance included in the National Register of Historic Places, which exhibit known or anticipated damage or threats to the integrity of their resources, pursuant to section 8(a) of Public Law 91-383 as amended and section 108 of Public Law 97-100; to the Committee on Interior and Insular Affairs.

1566. A letter from the Acting Director, Minerals Management Service, Department of the Interior transmitting notice of the proposed refund of excess royalty payments totaling $59,681.56 to ARCO Oil and Gas Co., Mobil Oil Exploration, Chevron U.S.A., Inc., and Mobil Oil Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1567. A letter from the Acting Director, Minerals Management Service, Department of the Interior, notice of the proposed refund of excess royalty payments totaling $94,224.20 to Chevron U.S.A., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1568. A letter from the Acting Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of excess royalty payments totaling $45,814.62 to Murphy Oil Corp., Hunt Oil Co., Chevron U.S.A., Inc., and

Mobil Oil Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1569. A letter from the Acting Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of excess royalty payments totaling $35,303.23 to Mobil Oil Corp., Chevron U.S.A., Inc., Gulf Oil Exploration and Production Co., and Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1570. A letter from the Acting Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of excess royalty payments totaling $12,129.52 to Chevron U.S.A., Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1571. A letter from the Acting Director, Minerals Management Service, Department of the Interior, transmitting notice of the proposed refund of excess royalty payments totaling $788,836.78 to Superior Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1572. A letter from the Acting Director, Minerals Management Service, Department of the Interior, transmitting notice of proposed refund of excess royalty payments totaling $170,732.91 to Chevron U.S.A. Inc., Mobil Oil Corp., and Columbia Gas Development Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

1573. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the patent laws of the United States; to the Committee on the Judiciary.

1574. A letter from the Secretary of Commerce, transmitting the first biennial report regarding bluefin tuna for the period covering 1981 and 1982, pursuant to section 3 of Public Law 96-339; to the Committee on Merchant Marine and Fisheries.

1575. A letter from the Deputy Director, Office of Management and Budget, transmitting a draft of proposed legislation to transfer custodianship and operating responsibility for Pershing Hall in Paris, France, and provide for its administration as a memorial; to the Committee on Veterans' Affairs.

1576. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting the comprehensive study of the Department's dependents' education system, pursuant to section 1412(c) of Public Law 95-561; jointly, to the Committees on Armed Services and Education and Labor.

1577. A letter from the Chairman, National Transportation Safety Board, transmitting the annual report of the activities of the Board covering 1981 and 1982, pursuant to section 305 of Public Law 93-633; jointly, to the Committees on Public Works and Transportation, Energy and Commerce, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PERKINS: Committee on Education and Labor. H.R. 3520. A bill to extend and improve the Rehabilitation Act of 1973, to provide for the operation of the Helen Keller National Center for Deaf-Blind Youths and Adults, to create a select commission on Federal assistance to disabled Americans, and to increase certain authorizations of appropriations for programs within the jurisdiction of the Committee on Education and Labor; with an amendment (Rept. No. 98-298). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. Report on allocation of budget totals for fiscal year 1984 (Rept. No. 98-299). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 727. An act to authorize the Secretary of the Interior to set aside certain judgment funds of the Three Affiliated Tribes of Fort Berthold Reservation in North Dakota, and for other purposes. (Rept. No. 98-300). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLORIO (for himself, Mr. OTTINGER, Mr. BEILENSON, Mr. DOWDY of Mississippi, Mr. FEIGHAN, Mr. GORE, Mr. LELAND, Mr. LONG of Maryland, Mr. MCGRATH, Mr. MITCHELL, Mr. SHELBY, and Mr. WALGREN):

H.R. 3591. A bill to correct inequities in the relationship between sales representatives and their principals, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ROSTENKOWSKI (for himself and Mr. CONABLE):

H.R. 3592. A bill to amend the Internal Revenue Code of 1954 to permit the rollover of certain partial distributions from qualified plans, and for other purposes; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. CONABLE):

H.R. 3593. A bill to amend the Internal Revenue Code of 1954 to allow the medical care deduction for lodging away from home in certain cases; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. PICKLE, Mr. GRADISON, Mr. THOMAS of California, and Mr. VANDER JAGT):

H.R. 3594. A bill to amend the Internal Revenue Code of 1954 to provide a credit against tax for interest on home mortgages in cases where State or local authorities elect not to use mortgage subsidy bonds; to the Committee on Ways and Means.

By Mr. D'AMOURS:

H.R. 3595. A bill to amend the Outer Continental Shelf Lands Act (Public Law 83-212), as amended, to provide that the Secretary of the Interior give equal consideration in making leasing decisions to the potential for environmental damage and the potential for adverse impact on the coastal zone, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Merchant Marine and Fisheries.

By Mr. DELLUMS (for himself, Mr. FAUNTROY, and Mr. MCKINNEY):

H.R. 3596. A bill to amend the District of Columbia Stadium Act of 1957 to direct the Secretary of the Interior to convey to the Government of the District of Columbia all right, title, and interest to the Robert F. Kennedy Memorial Stadium vested in the United States; to the Committee on the District of Columbia.

By Mr. FUQUA (for himself, Mr. JONES of North Carolina, Mr. SCHEUER, Mr. D'AMOURS, Mrs. SCHNEIDER, and Mr. LEWIS of Florida):

H.R. 3597. A bill to authorize appropriations for atmospheric, climatic, and ocean research activities of the National Oceanic and Atmospheric Administration for the fiscal years 1984 and 1985, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

By Mr. HIGHTOWER:

H.R. 3598. A bill to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct a project for flood protection for Lake Wichita and Holliday Creek, Tex.; to the Committee on Public Works and Transportation.

By Mr. HILLIS (for himself, Mrs. HALL of Indiana, Mr. SHARP, Mr. HILER, Mr. COATS, Mr. BURTON of Indiana, Mr. MYERS, Mr. MCCLOSKEY, Mr. HAMILTON, and Mr. JACOBS):

H.R. 3599. A bill to designate the Veterans' Administration Outpatient Clinic to be located in Crown Point, Ind., as the "Adam Benjamin Veterans' Administration Outpatient Clinic"; to the Committee on Veterans' Affairs.

By Mr. KRAMER:

H.R. 3600. A bill to amend section 204 of the Federal Property and Administrative Services Act of 1949 to authorize the deposits of cash proceeds from the disposal of surplus real property into the general fund of the Treasury to be used to retire the national debt of the United States; to the Committee on Government Operations.

By Mr. KRAMER (by request):

H.R. 3601. A bill to modify the boundary of the Pike National Forest in the State of Colorado, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. LLOYD:

H.R. 3602. A bill to amend the Communications Act of 1934 to insure the availability of basic telephone service at reasonable rates; to the Committee on Energy and Commerce.

By Ms. SNOWE (for herself, Mr. PEPPER, Mr. BIAGGI, and Mr. HAMMERSCHMIDT):

H.R. 3603. A bill to amend title XVIII of the Social Security Act to permit physicians serving without compensation on the governing or advisory boards of home health agencies to make patient certifications for home health services furnished by such agencies; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. TAUZIN (for himself, Mr. BREAUX, Mr. LONG of Louisiana, Mr. MOORE, Mr. HUCKABY, and Mr. ROEMER):

H.R. 3604. A bill to amend section 98 of title 28, United States Code, to permit Federal district court to be held in Houma, La.; to the Committee on the Judiciary.

By Mr. WAXMAN (for himself, Mr. MADIGAN, Mr. WYDEN, Mr. SIKORSKI, Mr. WIRTH, Mr. LELAND, Mr.

MARKEY, Mr. SWIFT, Mr. BRYANT, and Mr. WEISS):

H.R. 3605. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize an abbreviated new drug application under section 505 of that act for generic new drugs equivalent to approved new drugs; to the Committee on Energy and Commerce.

By Mr. BILIRAKIS:

H.J. Res. 323. Joint resolution designating the week beginning December 4, 1983, as "National Senior Citizens Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. KASICH:

H.J. Res. 324. Joint resolution to designate the week beginning October 16, 1983, as "National Fetal Alcohol Syndrome Awareness Week"; to the Committee on Post Office and Civil Service.

H. Con. Res. 146. Concurrent resolution expressing the sense of the Congress with regard to the mutual security efforts of the United States and Japan; to the Committee on Foreign Affairs.

By Mr. ROE:

H. Res. 270. Resolution authorizing printing of the transcript of proceedings of the Committee on Science and Technology incident to presentation of a portrait of the Honorable Don Fuqua; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

222. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the community development block grant program; to the Committee on Banking, Finance and Urban Affairs.

223. Also, memorial of the Legislature of the State of California, relative to the urban development action grant program; to the Committee on Banking, Finance and Urban Affairs.

224. Also, memorial of the Legislature of the State of Louisiana, relative to the Vietnam Veterans Agent Orange Relief Act; to the Committee on Veterans' Affairs.

225. Also, memorial of the Legislature of the State of California, relative to mortgage subsidy bonds; to the Committee on Ways and Means.

226. Also, memorial of the Senate of the State of Illinois, relative to home security; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLINGER:

H.R. 3606. A bill for the relief of Dennis D. Jones; to the Committee on the Judiciary.

By Mr. DYMALLY:

H.R. 3607. A bill for the relief of Whiteworth Inc., of Gardena, Calif.; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 379: Mr. NOWAK.

H.R. 459: Mr. RIDGE.

H.R. 567: Mr. HYDE.

H.R. 943: Mr. BENNETT and Mr. HARTNETT.

H.R. 951: Mr. ALBOSTA

H.R. 965: Mr. MCGRATH and Mr. TALLON.

H.R. 1098: Mr. BENNETT and Mr. RAHALL.

H.R. 1249: Mr. TORRES.

H.R. 1531: Mr. SCHEUER.

H.R. 1657: Mr. GOODLING.

H.R. 1693: Mr. BORSKI, Mrs. HALL of Indiana, and Mr. SEIBERLING.

H.R. 1706: Mr. KOSTMAYER, Mr. HANSEN of Utah, Mr. BONIOR of Michigan, Mr. RINALDO, Mr. SUNDQUIST, Mr. NATCHER, Mr. NIELSON of Utah, and Mr. PERKINS.

H.R. 1727: Mr. OTTINGER, Mr. BERMAN, and Mr. FAUNTROY.

H.R. 1925: Mr. FISH, Mr. KEMP, Mr. NIELSON of Utah, Mr. BROWN of Colorado, Mr. BLILEY, Mr. ROBINSON, Mr. KASICH, Mr. SUNIA, Mrs. MARTIN of Illinois, Mr. STOKES, Mr. MCGRATH, Mr. KINDNESS, Mr. STANGELAND, Mr. RATCHFORD, Mr. DAUB, and Mr. MCEWEN.

H.R. 1955: Mr. FLIPPO, Mr. GEPHARDT, Mr. HUCKABY, Mr. IRELAND, Mr. PRITCHARD, and Mr. HUNTER.

H.R. 1991: Mrs. BURTON of California.

H.R. 2053: Mr. UDALL and Mrs. VUCANOVICH.

H.R. 2095: Mr. CHAPPIE and Mr. DREIER of California.

H.R. 2225: Mr. HANSEN of Idaho, Mr. GREGG, Mr. LENT, Mr. MARRIOTT, Mr. TAUKE, Mr. DEWINE, Mr. CLINGER, and Mr. GRAMM.

H.R. 2382: Mr. STAGGERS, Mr. WALKER, Mr. FUQUA, and Mr. HUTTO.

H.R. 2412: Mr. RUDD.

H.R. 2468: Mr. BLILEY, Mr. LEVINE of California, Mr. JACOBS, and Mr. DEWINE.

H.R. 2483: Mr. MORRISON of Connecticut, Mr. WEAVER, Mr. TRAXLER, and Mr. LELAND.

H.R. 2490: Mr. TORRES and Mr. BATES.

H.R. 2563: Mr. SPRATT.

H.R. 2584: Mr. OBERSTAR, Mr. FRANK, and Mr. LAFALCE.

H.R. 2624: Mr. MOODY, Mr. WON PAT, Mr. ACKERMAN, Mr. OWENS, Mr. BEILENSON, Mr. MARKEY, Mr. HAWKINS, Mr. KASTENMEIER, and Mrs. BURTON of California.

H.R. 2732: Mr. GOODLING, Mr. BARTLETT, Mr. PACKARD, and Mr. KASICH.

H.R. 2778: Mr. GREGG, Mrs. HALL of Indiana, Mr. HORTON, Mr. RATCHFORD, Mr. MCGRATH, Mr. LANTOS, Mr. EVANS of Illinois, and Mr. GEJDENSON.

H.R. 2887: Mr. MCNULTY.

H.R. 2916: Mr. BROWN of California.

H.R. 2991: Ms. KAPTUR and Mr. CONYERS.

H.R. 2993: Mrs. BURTON of California.

H.R. 3043: Mr. CAMPBELL, Mr. CLARKE, Mr. COELHO, Mr. MARKEY, Mr. PASHAYAN, Mr. MATSUI, Mr. WOLPE, and Mrs. KENNELLY.

H.R. 3072: Mr. LEWIS of California, Mr. DORGAN, Mr. MCCANDLESS, and Mr. BROWN of California.

H.R. 3170: Mr. ROSE.

H.R. 3292: Mr. WISE.

H.R. 3300: Mr. GRAY, Mr. ACKERMAN, Mr. DICKS, Mr. GUARINI, Mr. WEISS, Mr. FROST, Mr. YATES, Mr. FAZIO, Mr. DOWNEY of New York, Mr. TALLON, Mr. MURPHY, Ms. OAKAR, Mrs. HALL of Indiana, Mr. GLICKMAN, Mr. DAVIS, Mr. WON PAT, Mr. MITCHELL, Mr. SUNIA, Mr. LUKEN, and Mr. GEJDENSON.

H.R. 3309: Mr. STOKES, Mr. BETHUNE, and Mr. GREEN.

H.R. 3446: Mr. HANCE.

H.R. 3532: Mr. FAZIO.

H.R. 3546: Mr. CAMPBELL, Mr. FRENZEL, Mrs. ROUKEMA, Mrs. JOHNSON, Ms. FIEDLER, Ms. SNOWE, and Mrs. MARTIN of Illinois.

H.J. Res. 253: Mr. TAUKE, Mrs. KENNELLY, Mr. BATEMAN, Mr. BEVILL, Mr. O'BRIEN, Mr. BOLAND, Mr. PHILIP M. CRANE, Mr. DIXON, Mr. PEPPER, Mr. CHAPPIE, Mr. SUNIA, Mrs. BOXER, Mr. WINN, Mr. LUKEN, Mr. VANDERGRIFF, Mr. DAUB, Mr. RAHALL, Mr. BLILEY, Mr. CONYERS, Mrs. BOGGS, Mr. OXLEY, Mr. VENTO, Mr. MARKEY, Mr. HOYER, Mr. FAZIO, Mr. TALLON, Mr. LOWRY of Washington, Mr. ASPIN, Mr. SHANNON, Ms. KAPTUR, Mr. MARTIN of North Carolina, Mr. ANDREWS of TEXAS, Mr. LAFALCE, Mr. LENT, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. NICHOLS, and Mr. CONTE.

H.J. Res. 266: Mrs. BOGGS, Mr. FASCELL, and Mr. HERTEL of Michigan.

H.J. Res. 313: Mr. FORSYTHE, Mr. SUNIA, Mr. MONTGOMERY, Mr. COELHO, Mr. RATCHFORD, Mr. MURPHY, Mr. WISE, Mr. NICHOLS, Mr. KAZEN, and Mr. ENGLISH.

H. Con. Res. 107: Mr. ACKERMAN, Mr. KILDEE, Mr. PATTERSON, Mrs. MARTIN of Illinois, Mr. BORSKI, Mr. ANNUNZIO, Mr. JEFFORDS, and Mr. DURBIN.

H. Con. Res. 140: Mr. DWYER of New Jersey, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FEIGHAN, Mr. MOAKLEY, Mr. FRANK, Mr. FORSYTHE, Mr. FASCELL, Mr. FRENZEL, Mr. REID, Mr. MARKEY, Mr. FAZIO, Mr. GREEN, Mr. BEILENSON, Mr. WAXMAN, Mr. SPRATT, Ms. KAPTUR, Mr. HUGHES, Mr. OWENS, Mr. WYDEN, Mr. BERMAN, Mr. BARNES, Mr. PATTERSON, Mr. JEFFORDS, Mr. BOUCHER, Mr. WEAVER, and Mrs. BOXER.

H. Res. 118: Mrs. BURTON of California.

H. Res. 155: Mr. ERDREICH, Ms. FIEDLER, and Mr. KRAMER.

H. Res. 190: Mr. SLATTERY, Mr. GILMAN, Mr. HORTON, Mr. PURSELL, Mr. GUNDERSON, Mr. FORSYTHE, Mr. MARTIN of North Carolina, Mr. ROBERTS, Mr. LUNDINE, Mr. MCCURDY, Mr. SUNDQUIST, Mr. BILIRAKIS, and Mr. DREIER of California.

H. Res. 258: Mr. SOLOMON.

H. Res. 269: Mr. CHAPPELL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

168. By the SPEAKER: Petition of the Wixom City Council, Mich., relative to the Telecommunications Act of 1983; to the Committee on Energy and Commerce.

169. Also, petition of the Lutheran Church in America, New York, N.Y., relative to imprisonment of Americans of Japanese ancestry; to the Committee on the Judiciary.

170. Also, petition of the Lutheran Church in America, New York, N.Y., relative to Dr. Martin Luther King, Jr.; to the Committee on Post Office and Civil Service.

171. Also, petition of Hilongos Veterans Federation, Hilongos, Leyte, Philippines, relative to Filipino World War II Veterans; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2760

By Mr. WEISS:

—Page 2, line 18, after "in", insert "or against"; and line 18, after "nation", insert "(except a nation action in self-defense in the event of a military invasion by Nicaragua)".

By Mr. ZSCHAU:

—Page 2, beginning in line 8, strike out ", AUTHORIZATION OF OVERT INTERDICATION AS-

SISTANCE"; and page 3, strike out line 9 and all that follows through line 10 on page 5 and insert in lieu thereof the following:

"(c)(1) The President shall, in consultation with the Congress, prepare a new plan designed to stop those activities of the Government of Nicaragua which provide arms, training, command and control facilities, or logistical support to military or paramilitary operations in or against any country in Central America. In formulating such plan, the President shall consider whether it would be useful to pursue (A) direct bilateral negotiations between the United States and the Government of Nicaragua; (B) multilateral negotiations among selected Western Hemispheric countries; (C) involving the Organization of American States, the United Nations, or any other nation or nations in a diplomatic or peacekeeping role; (D) involving other countries in the process of arms interdiction using United States military supplies and training; and (E) any other policy designed to stop those activities of the Government of Nicaragua which provide arms, training, command and control facilities, or logistical support to military or paramilitary operations in or against any country in Central America. The plan shall not include activities designed to destabilize or overthrow the Government of Nicaragua.

"(2) The President shall submit the plan prepared pursuant to paragraph (1) of this subsection to the Speaker of the House of Representatives and the President pro tempore of the Senate not later than 60 days after the date of enactment of this section. The President shall submit a preliminary draft of that plan to the Congress for its review and comments not later than 30 days after the date of enactment of this section.

"(d) The Congress may adopt a concurrent resolution urging the President to modify the plan prepared pursuant to subsection (c). If such a resolution is adopted, it shall not be in order in the Senate or the House of Representatives to consider any provision of an appropriations measure for the fiscal year 1984 which would make funds available for any activity which is not consistent with the modifications urged by the Congress. The report to accompany any appropriations measure for the fiscal year 1984 which is reported after such a resolution is adopted shall state whether that measure makes funds available for any activity which is not consistent with the modifications urged by the Congress.

"(e) If a plan submitted pursuant to this section (including modifications adopted by the President in accordance with recommendations by the Congress under subsection (d)) provides for activities described in subsection (a), those activities may be carried out in accordance with the plan notwithstanding subsection (a) unless the Congress denies funds for such activities, as provided for under subsection (d).

"(f)(1) Resolutions under subsection (d) shall be considered in the Senate in accordance with section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

"(2) For the purpose of expediting the consideration and adoption of resolutions under subsection (d), a motion by any Member of the House of Representatives to proceed to the consideration of such a resolution after it has been reported by the Permanent Select Committee on Intelligence, or after a motion to discharge under this paragraph has been agreed to, shall be highly privileged. If the Permanent Select Committee on Intelligence has not reported a resolution under this section within ten days after such resolution is introduced (excluding days on which either House is not in session because of an adjournment of more than three days to a day certain), it shall be in order to move to discharge that committee from further consideration of that resolution and such motion shall be highly privileged, except that such a motion shall not be in order after a resolution with respect to the same plan has been reported.".

H.R. 2957

By Mr. DANNEMEYER:

—Page 19, line 16, insert "(a)" after "SEC. 40."

Page 19, after line 20, insert the following:

"(b)(1) Not later than eighteen months after the date of the enactment of this section, the Secretary of the Treasury shall establish a par value for the dollar in gold and thereafter shall redeem in gold at such price all Federal Reserve notes which are presented to the Secretary for redemption.

"(2) Subsection (a) shall not take effect until the date on which the Secretary of the Treasury transmits a notice to both Houses of the Congress specifying that the Secretary has complied with the provisions of paragraph (1).".

By Mr. PANETTA:

—Page 27, after line 5, insert the following:

NON-PROLIFERATION OF NUCLEAR WEAPONS

SEC. 307. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"NON-PROLIFERATION OF NUCLEAR WEAPONS

"SEC. 46. The United States Executive Director of the Fund shall consider, in carrying out his duties, whether a recipient country has detonated a nuclear device or is not a State Party to the Treaty on Non-Proliferation of Nuclear Weapons, or both.".

By Mr. PAUL:

—Page 28, after line 8, insert the following:

CONGRESSIONAL AUTHORIZATION OF CERTAIN ACTIONS

SEC. 308. Section 5 of the Bretton Woods Agreements Act (22 U.S.C. 286c) is amended by adding at the end thereof the following: "Unless Congress, in advance and by law, authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, make any commitments whatsoever (1) regarding any request for, or the granting of consent to, any change in the quota of the United States under article III, section 2(a), of the Articles of Agreement of the Fund, or (2) regarding the making of any loan to the Fund or the Bank.".

—Page 18, strike out line 17 and all that follows through page 19, line 3.

—Page 19, line 4, strike out "(3)" and insert in lieu thereof "(1)".

—Page 19, strike out line 15 and all that follows through line 20, and insert in lieu thereof the following:

(2) by adding at the end thereof the following:

"SEC. 40. The United States Governor of the Fund shall request the Fund to sell part of the Fund's gold reserve in order to provide such amounts as are necessary to alleviate the current problems of international borrowers.".

—Page 28, after line 8, insert the following:

SURPLUS SPECIAL DRAWING RIGHTS

SEC. 308. The Bretton Woods Agreements Act (22 U.S.C. 286 et seq.) is amended by adding at the end thereof the following:

"SEC. 46. The Secretary of the Treasury shall instruct the United States Executive Director of the Fund to request the Fund to establish a procedure to provide that countries with surplus holdings of Special Drawing Rights may redeem such Special Drawing Rights for an amount of gold from the Fund equal to the value, at a market related price, of such Special Drawing Rights.".

—Page 19, after line 20, insert the following:

"(b) The United States Governor of the Fund shall not consent to the increase in the quota specified in subsection (a) unless each country which contributes to the quota increase involved is given an amount of gold from the Fund which is equal, at a market related price, to the value of such country's quota contribution.".

—Page 19, line 16, strike out "The United States" and insert in lieu thereof "(a) Subject to subsection (b), the United States".

H.R. 2969

By Mr. ASPIN:

—Page 16, after line 18, insert the following new section:

LIMITATION ON EXPENDITURE OF FUNDS

SEC. 303. (a) None of the funds authorized by clause (2) of section 302(a) may be obligated or expended for research development, test, or evaluation for an intercontinental-range mobile ballistic missile that would weigh more than 33,000 pounds or that would carry more than a single warhead.

(b) The Secretary of Defense may not deploy more than 10 MX missiles until—

(1) demonstration of subsystems and testing of components of the small mobile intercontinental ballistic missile system (including missile guidance and propulsion subsystems) have occurred; and

(2) nuclear effects tests on the components and subsystems of the prototype mobile transports-launches basing system and a fixed basing system for the small missile have been carried out using full-scale tests, when practicable, and otherwise using scaled tests.

(c) The Secretary of Defense may not deploy more than 40 MX missiles until—

(1) the major elements (including the guidance and control subsystems) of a mobile missile weighing less than 33,000 pounds as a part of an intercontinental ballistic missile system have been flight tested;

(2) the major elements of the prototype small mobile intercontinental ballistic missile system (including the missile, the basing mode, and the command, control, and communications system) have been designed and functionally integrated and the system has been validated;

(3) contractors for the full-scale engineering development of such a missile system have been selected and contracts have been awarded to those contractors; and

(4) full-scale engineering development of such a missile system has begun.

(d)(1) Not later than January 15 of each year from 1984 through 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report—

(A) on the progress being made with respect to the development and deployment of the MX missile system;

(B) on the progress being made with respect to the development and testing of a small mobile intercontinental ballistic missile system; and

(C) on developments related to silo-hardening technology.

(2) In each report under paragraph (1), the Secretary shall certify whether the Department of Defense is developing a small mobile intercontinental ballistic missile system with a missile that weighs no more than 33,000 pounds and that is planned to carry no more than a single warhead.

(e) If at any time during the development of the small mobile intercontinental ballistic missile it appears that the weight of the missile when deployed will exceed 30,000 pounds, the Secretary of Defense shall submit a report to Congress stating the projected weight of the missile and providing an explanation of the reasons for the weight exceeding 30,000 pounds and the anticipated effects that weight could have on the mobility and blast resistance of the missile system.

By Mr. BILIRAKIS:

—Page 69, after line 18, insert the following new section:

EXTENSION OF "FORGOTTEN-WIDOWS" PROVISION

SEC. 1043. (a) Clause (B) of section 5(a)(1) of the Uniformed Services Survivor Benefits Amendments of 1980 (10 U.S.C. 1448 note) is amended to read as follows:

"(B) had served on active duty in the uniformed services for a period of not less than twenty years; and".

(b)(1) The amendment made by subsection (a) shall take effect on the first day of the second calendar month following the month in which this Act is enacted and shall apply to annuities payable by virtue of such amendment for months beginning on or after such date.

(2) No benefits shall accrue to any person by virtue of the enactment of this section for any period before the effective date of this section.

By Mr. GORE:

—Page 15, line 20: strike out $2,557,800,000", and insert in lieu thereof $2,200,000,000."

H.R. 3021

By Mr. TAUKE:

(Amendment to the amendment in the nature of a substitute (text of H.R. 3521).)

—Page 2, strike out line 4 and all that follows through page 29, line 15, and insert in lieu thereof the following:

"AUTHORIZATION OF APPROPRIATION

"SEC. 2101. For the purpose of making allotments to States under section 2102 there are authorized to be appropriated for—

"(1) fiscal year 1984, $900,000,000, and

"(2) fiscal year 1985, $900,000,000, to carry out this part for that fiscal year.

"ALLOTMENTS

"SEC. 2102. (a) From the amounts appropriated under section 2101 for each calendar quarter in fiscal year 1984 and 1985, the Secretary shall allot to each State an amount which bears the same ratio to one-quarter of the amount appropriated for that fiscal year as the average number of individuals residing in the State who received unemployment compensation (as defined and estimated by the Secretary) or were otherwise unemployed (as defined and estimated by the Secretary) during the previous calendar quarter in that State bears to the sum of such average numbers of such individuals in all the States in that previous quarter.

"(b) To the extent that all the funds appropriated under section 2101 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 2105 for that fiscal year,

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment, or

"(3) some State allotments are offset or repaid pursuant to the operation of section 2106(b),

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for the fiscal year without regard to this subsection.

"PAYMENTS TO STATES

"SEC. 2103. (a) For calendar quarters in fiscal years 1984 and 1985, the Secretary shall make payments, as provided by section 203 of the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4213), to each State from its allotment under section 2102 from the amounts appropriated for that fiscal year.

"(b) Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(c) As a condition of payment to the State under this part, the State must provide assurances satisfactory to the Secretary that each group health plan offered by the State, by any political subdivision thereof, or by any agency or instrumentality of the State or a political subdivision thereof, meets the requirements of part B as they would apply if section 2125(1)(A) did not apply with respect to that State, subdivision, agency, or instrumentality. If the Secretary, after reasonable notice and opportunity for a hearing to a State, finds that it or any of its political subdivisions, or any agency or instrumentality of the State or its political subdivisions, has failed to comply with the previous sentence, the Secretary shall terminate payments to such State under this part and notify the chief executive officer of such State that further payments under this part will not be made to the State until the Secretary is satisfied that there will no longer be any such failure to comply.

"USE OF ALLOTMENTS

"SEC. 2104. (a) Except as otherwise provided in this section, a State may use amounts paid to it under section 2103 to provide health care or other health care benefits or coverage for unemployed workers and their family members and for related activities.

"(b)(1) Under this part each State may choose, as it determines to be appropriate—

"(A) those groups of individuals (and their immediate families) who shall be provided health care coverage with funds available under this part;

"(B) the period of time during which such coverage is provided;

"(C) the particular type, duration, and scope of services with respect to which such coverage is provided;

"(D) any standards for financial participation (whether through premiums, deductibles, copayments, or otherwise) by beneficiaries, which standards may vary with respect to different groupings of beneficiaries, different types of services, different provider arrangements, and varying coverage periods; and

"(E) the amount of State funds to be made available for such coverage, if any.

The State may provide, with the consent of the individual, for the deduction of the amount of a premium described in subparagraph (D) from the amount of unemployment compensation benefits paid to the individual.

"(2) Such coverage may be provided through varying arrangements, which include—

"(A) financial assistance in the purchase of continued health benefits coverage under an employer's or other health benefits plan,

"(B) payment of money or credits toward premiums of eligible organizations under section 1876 or health maintenance organizations under section 1903(m);

"(C) provision of care and services by providers under arrangements negotiated by the State; or

"(D) any insurance or health benefits plan approved by the State for purposes of this part.

"(3) The State may provide that the payment for any care and services received by an individual under this part is reduced by the amount of any other payment which is or could be made with respect to such care and services under any other health plan or public program, or from a third party, and may require each such individual beneficiary to assign all rights to such payments as he may have to the State as a condition of receipt of benefits under this part from the State.

"(4) Payment by the State for care and services provided to individuals under this part may be made through the same administrative mechanisms through which payments are generally made under the State plan for medical assistance under title XIX, or any other such mechanism as the State deems appropriate.

"(c) The State may not use funds provided under this part to provide health care coverage—

"(1) to an individual (or to the immediate family members of such an individual) unless the individual (i) is receiving unemployment compensation benefits (as defined by the State), (ii) is unemployed and has exhausted such benefits within a previous period established by the State, or (iii) was eligible within the previous 30-day period for such benefits but lost such eligibility on account of employment;

"(2) to an individual who is eligible for medical assistance under the State plan under title XIX;

"(3) to an individual who is covered (or could have been covered, if an election had been made and any premiums required paid on a timely basis) under a group health plan (as defined in section 162(i)(2) of the Internal Revenue Code of 1954) for which a contribution toward the cost of the plan is being made by an employer, union, or entity other than the individual or the individual's spouse (regardless of whether or not the individual also makes such a contribution);

"(4) to an individual who is (or could be, if an enrollment after the date of the enactment of this part had been made and any premiums required paid on a timely basis after the individual became unemployed) covered under a group health plan (as so defined) for the individual's spouse for which a contribution toward the cost of the plan is being made by an employer, union, or entity other than the individual or the individual's spouse (regardless of whether or not the individual or spouse also makes such a contribution); or

"(5) with respect to care and services other than care and services for which medical assistance may be made available under section 1905(a).

"(d) Of the amount paid to any State under this part, not more than 10 percent

may be used for administering the funds made available to the State under this part.

"APPLICATION AND DESCRIPTION OF ACTIVITIES

"SEC. 2105. In order to receive an allotment for a fiscal year under section 2102 each State must prepare and transmit to the Secretary—

"(1) a description, certified by the chief executive officer of the State, of the intended use of payments the State is to receive under this part for the fiscal year, including information respecting the items described in section 2104(a); and

"(2) a statement of assurances that represents to the Secretary that—

"(A) funds allotted to the State under this part will only be used, consistent with section 2106(a), in accordance with the provisions of this part;

"(B) the State will permit and cooperate with Federal investigations undertaken in accordance with section 2106(b); and

"(C) the funds made available under this part for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under this part and will in no event supplant such State, local, and other non-Federal funds.

The description and statement shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during the development of the description and statement and after its transmittal. The description and statement shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in any element of such description or statement, and any revision shall be subject to the requirements of the preceding sentence.

"REPORTS AND AUDITS; WITHHOLDING; NONDISCRIMINATION; AND CRIMINAL PENALTY FOR FALSE STATEMENTS

"SEC. 2106. (a) The provisions of sections 506, 507 (other than subsection (b) thereof), and 508 of the Social Security Act (relating to reports and audits, criminal penalties, and nondiscrimination, respectively, under the maternal and child health services block grant) shall apply to activities, funds made available, and allotments under this part in the same manner as those provisions apply to activities, funds made available, and allotments under title V of such Act; and for this purpose—

"(1) any reference to title V of such Act in any of those sections shall be deemed a reference to this part, and

"(2) a reference to section 502(a) or 502(b) or to section 505 in any of those sections shall be deemed to be a reference to section 2102 or to section 2105, respectively.

"(b) The provisions of section 1907 of the Public Health Service Act (relating to withholding of misspent funds) shall apply to the requirements of this part in the same manner as those provisions apply to the requirements of part A of title XIX of that Act; and for this purpose any reference to section 1905 in any of those provisions shall be deemed to be a reference to section 2105.".

—Page 31, line 7, strike out "2102(d)(4)" and insert in lieu thereof "2103(c)".

—Page 36, line 22, insert after the period closing quotation marks.

—Page 37, strike out line 1 and all that follows through page 39, line 13.=

—Page 39, line 17, strike out "July 1, 1983" and insert in lieu thereof "October 1, 1983".

—Page 39, beginning on line 18, strike out "for services furnished on or after" and insert in lieu thereof "on".

—Page 40, strike out line 15 and all that follows through page 41, line 12, and insert in lieu thereof the following:

(d) Section 1101(a)(1) of the Social Security Act (42 U.S.C. 1301(a)) is amended by striking out "and XIX" and inserting in lieu thereof "XIX, and XXI" and by striking out "title XIX" and inserting in lieu thereof "titles XIX and XXI".

EXTENSIONS OF REMARKS

PEARL S. BUCK, AUTHOR AND HUMANITARIAN, HONORED IN COMMEMORATIVE STAMP CEREMONY

HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES

Tuesday, July 19, 1983

● Mr. RANDOLPH. Mr. President, today our media are literally reaching into outer space to find role models for America's young women.

It is fitting, I think, to look backward occasionally to recognize women who have contributed much of value to our society. Such an occasion came recently when the United States Postal Service issued a Pearl Buck stamp in meaningful ceremonies at Hillsboro, W. Va., birthplace of the world renowned author and humanitarian. This native daughter of our State was honored with a special 5-cent stamp as part of the Great Americans series. She is the 30th American woman to be memorialized on a postage stamp.

The first day of issue ceremonies, in which I was privileged to participate, expressed tribute to a great lady, Pearl Comfort Sydenstricker Buck, who in her long and fruitful life became a citizen of the world and a servant of humankind.

Pearl Buck had a constant passion and concern for humanity. She loved people the world over, all races and kinds; the young and old, the rich and poor, the retarded and the genius, the educated and the uneducated.

She said:

Why do I ponder over the lives of so many? I have everything for happiness and am very happy, and yet in the night, or a dozen times a day, I find myself thinking furiously about the people of the world as if they were my personal responsibilities.

Pearl Buck was the only American woman to receive the Nobel Prize for literature. She also was awarded the Pulitzer Prize and hundreds of other distinguished honors for literature and her accomplishments.

It is this latter work which brought her new fame and acclaim in her later years. In establishing such humane agencies as Welcome House and the Pearl S. Buck Foundation, she served as a bridge of understanding between East and West long before it became politically acceptable.

Her devotion to worthwhile causes has earned the gratitude of peoples throughout the world. Her selfless service to humanity will continue to bear fruit long into the future.

In 1966, the West Virginia Society of the District of Columbia honored Pearl as its Distinguished Daughter of the Year. In that same year, the Pearl S. Buck Birthplace Foundation, through sponsorship of the West Virginia Federation of Women's Clubs, purchased the homesite which was her birthplace.

Following her death on March 6, 1973, I joined in a campaign with other admirers to create a Pearl Buck stamp.

The process is not easy. The Postal Service follows a rule not to honor persons on postage stamps—other than former Presidents—until at least 10 years after death.

So here we are 10 years later—celebrating the issuance of a Pearl Buck stamp in the area of her birthplace.

She told an interviewer:

Had I been given the choice of place for my birth, I would have chosen exactly where I was born—my grandfather's large white house.

Pearl Buck was a woman who bridged the world with understanding. because of the lifetime of love she showered upon others; because of her selfless, never-ending dedication to people, she was one of America's wonderful women whom we are happy to share with the world.

Pearl wrote that precious book, "The Good Earth." The Earth is better because she walked on it. Pearl Buck is genuinely deserving of this honor—to be stamped for immortality in the hearts of her admirers and friends.

The ceremonies at her birthplace, Hillsboro in lovely Pocahontas County, were impressive but simple. Mrs. Buck would have liked that. The Oak Grove Presbyterian Church choir gave the musical prelude; F. David Doran, sectional center manager and postmaster at Bluefield, presided. The Marlinton American Legion Post color guard, under Comdr. Ed Stemple, presented the colors, and Mrs. Jane D. Meadows, accompanied by Mrs. Willard Eskridge, sang the National Anthem.

The Rev. John D. Arbuckle, pastor of Oak Grove Presbyterian Church, gave the invocation, and Mrs. George T. Hoylman, president of the Pearl S. Buck Birthplace Foundation, delivered welcoming remarks. Former Gov. Cecil H. Underwood, a director of the foundation, introduced honored guests.

They included:

Janice Walsh, daughter of Pearl Buck; Jim Comstock, historian and author; David C. Hyer, executive director of the foundation; Robert S. Jacobson, former executive director of the foundation; David H. Corcoran, newspaper publisher and former foundation executive director; and Lucille Zinn, State chairman of the Pearl S. Buck Stamp Committee.

Sylvia Mathews, first place winner in the 1982-83 West Virginia high school Pearl Buck speech contest, presented "Pearl S. Buck; An Inspiration to West Virginia's Youth," and Rodney Pyles, director of the West Virginia Department of Culture and History's archives and history division, made additional remarks.

I spoke in tribute to this distinguished native daughter of West Virginia. Assistant Postmaster General Eugene C. Hagburg addressed the celebrants and presented souvenir albums to selected guests. The Reverend Verlin E. Butcher, pastor of the United Methodist Wesley Chapel, closed the program with his benediction.

Mr. President, I ask that Mr. Hagburg's excellent remarks about Pearl Buck and his explanation of the stamp honoring her be placed in the RECORD so that my colleagues and others may share knowledge of her creative life.

The material follows:

REMARKS BY EUGENE C. HAGBURG, ASSISTANT POSTMASTER GENERAL

It was Mrs. Buck's insistence on justice, truth, the recognition of that which is right and respect for each human being as a human being that might have made some people uncomfortable. But, in my opinion, she was a comfort. Her very being, her work, which was an expression of that being, spoke of hope and faith in the ability of people to do better, to be better, to make the world a better place in which to live.

It is important—especially today—to call attention to the achievements of outstanding men and women who have contributed to the growth and development of our nation.

Perhaps now, more than ever before, we all need to be reminded of what human beings can do to help themselves and to improve the quality of life for all human kind. That, in my opinion, is what Pearl Buck was all about.

She once said that her mother endowed her with the best of the West and growing up in the Far East fostered her love for, and understanding of, its people and ancient culture.

Pearl Buck's academic credentials were superior, and she was a respected scholar. But, more importantly, in her life and in her work, she related not only to her peers in academia, but to all people. She empathized with those educated only by life itself—and often by life's most painful experiences. It was her ability to communicate that empathy to others that made her work more than entertainment. It made of her life a profound and inspiring message, calling for action to help the most deprived—the bewil-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

dered and suffering children—to help them find hope and health and a chance for some happiness.

She was a woman of thought and imagination, but she was not an "ivory tower" recluse. She was very much involved with the world, and the joys and sorrows of the people in this world, having the rare gift of being able to bring individuals to life through her writings.

As those of you in this audience well know, she won the Pulitzer Prize in 1931 for "The Good Earth." It took her only two months to write it, but ten years to develop it. A New York Times reviewer said it was "less a comment on life in China than upon the meaning and tragedy of life as it is lived in any age."

In the book, she achieved a union of the regional and the universal. When she was awarded the Nobel Prize for literature in 1938 (the first American woman to be so honored) it was not for one work, but for the body of her work, and her (quote), "masterpieces of biography."

Pearl Buck saw it as the duty of mankind to discover that most people long for the same things: for love and home and children, for work to sustain our material needs and human rights . . . and for peace and for freedom in which to live and think and grow.

Her purpose was not to portray conditions, but rather to be concerned with people. Her later works, as well as her earlier ones, helped people see those qualities of thought and feeling which unite us as human beings.

But, the treasure that was Pearl Buck did not end with the written page. Her words were borne out in deeds to promote the understanding she saw as essential to the ultimate dream of peace and the development of practical tools to bring about visionary goals. She sought to help deprived children . . . in whose tortured eyes she saw human potential for accomplishment and joy.

While she was unquestionably a great writer, she was also a very great American. She loved this country, and spoke often of the freedom it gave . . . a freedom that encouraged creativity in general and writing for her in particular.

That she loved this country and took pride in being an American did not mean she blinded herself to problems that cried out for solutions. She would not ignore injustice, nor endure disorder without trying to right it.

Pearl Buck was not one to speak of love for humanity, without doing something to help human beings.

When she organized the Pearl S. Buck Foundation in Philadelphia, she said it was because she wanted other Americans to have a tool through which they could assume responsibility for children whom many wished to ignore, children about whom many felt uncomfortable, children who suffered humiliation and deprivation—children with little hope.

Pearl Buck believed other Americans would feel as she did when they knew the situation these children faced. "We are Americans," she said, "and the world expects more of us than of other people."

I do not know about the world, but I know about Pearl Buck, and she expected Americans to do the right thing. She believed in American generosity and American caring.

She did much toward the realization of her dream, and even knowing that she might not be able to accomplish it during her lifetime she was not deterred from doing all she could to advance it. In this way, she left all of us a legacy of inspiration.

And that is why I am so pleased that the Postal Service is honoring this great lady with a stamp in the Great Americans series.

Our nation has many ways of honoring distinguished men and women, and I think portrayal on a United States postage stamp is one of the highest and most enduring tributes. Indeed, the names of those so honored make up a distinguished, as well as distinct, honor roll. It is one on which the name Pearl Buck rightly belongs.

While the size of a postage stamp is not great, its sphere of influence is. And as the stamps bearing her name and her face travel throughout our nation—and the world—they will serve as tributes to remind everyone of her words and her works.

Stamps are seen and used and saved by millions of people in all parts of the world, the most humble as well as the most high. In this way, they have a universal quality and belong to all of us. They form a tribute in which all human beings can participate. And, especially in the case of Pearl Buck, this is as it should be.

One of Pearl Buck's biographers wrote her Bucks County neighbor, John M. Miller, asking if the letter Mr. Miller had written to Miss Buck on the occasion of her 71st birthday could be printed in his work, Mr. Miller gave his approval, adding:

"You have indeed chosen a monumental task, which when completed, will, I am sure, help to tell the world's people now, and in the time to come, of one who cared enough to put into action the commandment, 'Love thy neighbor as thyself.' And my hope is that not only will it stand as a monument to her, but will inspire more of us to be more conscious of our obligations in like manner."

The stamp we are issuing today honors Pearl Buck. However, it also salutes each of you who are here today. You who are admirers of Pearl Buck are helping not only to keep her name alive, but her spirit as well. And that, indeed, is the highest tribute you could offer.

I am sure she would be pleased and proud to have this stamp honoring her issued here at her place of birth which is now being preserved by the Pearl S. Buck Birthplace Foundation.

Few people realize that stamp design is a unique and demanding art form. To capture the essence of a personality in the small space of a stamp is a difficult task. But, it is one which the designer, Paul Calle, has mastered very well.

Mr. Calle is one of our country's most distinguished artists and stamp designers. His previous designs range from the Moon Landing stamp of 1969 to the "Volunteer, Lend a Hand" stamp issued at the White House this April. I am sure that you will agree that Mr. Calle has done a fine job with the Pearl Buck stamp, and I am sorry that he could not be here with us today.

By issuing this stamp here today, we are making philatelic history. The annals will state for all time that we came together here in Hillsboro to honor one of our country's most gifted and talented people—Pearl Buck.

And now, it gives me great pleasure to present souvenir albums containing the Pearl Buck stamps to the following distinguished persons. The first, by tradition, goes to the President of the United States, and Mr. Reagan's will be delivered to the White House.●

A TRIBUTE TO BEARL HAYNES

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. ROGERS. Mr. Speaker, I want to commend the attention of my colleagues to a true hero, a veteran whose recognition is long overdue.

The year was 1942, and young GI Bearl Haynes, of Burnside, Ky., is in Italy as part of the American troops fighting there. A German machinegun nest was creating havoc for Allied forces, and it needed to be destroyed. Bearl Haynes, together with 2 other soldiers, rushed the nest and tossed grenades, destroying the structure and killing 10 German soldiers. This was an act of bravery that saved dozens of lives. Yet, for 41 years, it went unrewarded.

A few months ago, Bearl Haynes, who had lost his Purple Heart Medal, wrote away to the Pentagon for a replacement. At that time, his brave act back in 1942 was rediscovered, and it was decided that he should be also given the Bronze Star for his bravery under fire.

Mr. Speaker, Bearl Haynes is the kind of man that all of us can be proud of, and to whom we all owe a great debt of gratitude. Men like Bearl Haynes risked their lives in the cause of freedom, the same freedom many of us sometimes take for granted.

That is why it gives me so much pleasure to tell you about this true patriot and great American, Bearl Haynes. Mr. Speaker, I ask my fellow Members of Congress to join me in saluting Bearl Haynes, and to congratulate him on his receipt of the Bronze Star, a medal that is but a small token of the great debt all of us owe him and millions more of our veterans for their sacrifices for liberty.●

SENOR VILLALOBOS TALKS ABOUT POWER SHARING WITH THE GUERRILLAS IN EL SALVADOR

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BROOMFIELD. Mr. Speaker, I believe that there is ample evidence to show that the United States would like a negotiated settlement to the war in El Salvador and the problems in other parts of Central America. The President clearly knows that diplomacy, and sitting down at the bargaining table, has in the past been an effective technique for resolving difficult and complex problems around the world. The key to fruitful negotiations is

honestly and good faith on the part of the negotiators.

As a gesture of good faith in this regard, President Reagan recently dispatched U.S. Special Envoy Richard Stone to talk with Salvadoran guerrilla leaders about the possibility of holding open and free elections in that war-torn country. In light of the observations contained in a recent Wall Street Journal article, it is not surprising that the scheduled meeting failed to materialize.

I believe that the comments of Senor Villalobos represent the real position of many Communist leaders concerning the future political orientations of many Central American countries. To Mr. Villalobos and many of his conferees, elections do not really matter. The Salvadoran guerrillas do not want the electoral process to determine what their role will be in that nation's future. They want a lot of power and control in El Salvador now without the formalities of legitimizing their role in the government.

Even though they are a ragtag outfit of less than 6,000 people and professional Communists and revolutionaries by trade, they are insisting that the current El Salvadoran Government share power with them without really testing how much popular support this group actually has.

I suspect that with one foot in the door, Mr. Villalobos would use Soviet, Cuban, and Nicaraguan help to blast it fully open. He would turn El Salvador into what Nicaragua has become, a clone based on the Cuban and Soviet model. A Communist government in El Salvador would promise everything to the down-trodden masses, yet deliver nothing more than a full-blown police state in the end.

Should the guerrillas prevail in El Salvador, a sorry situation will ultimately prevail in that country. There will be neither free elections nor a real multiparty state. There will be neither personal nor religious freedom. Neither will there be effective social and economic reforms that the poor masses are now being promised. Moderates would be driven out of the Salvadoran Government, and opponents of the regime would be jailed or disappear. Thought control would prevail with Cuban trained police and intelligence services monitoring and watching everything and everybody.

This is the sad reality of what men like Mr. Villalobos would bring to El Salvador and to all Central America. It is interesting to note that Mr. Villalobos made his comments over Managua-based Radio Venceremos. The English translation of this station's name is, "We will overcome." It does not say anything about power sharing. This is certainly food for thought.

With these thoughts in mind, let me recommend the following article to all of you:

[From the Wall Street Journal, July 13, 1983]

TALKS ABOUT WHAT?

Joaquin Villalobos, one of the Salvadoran guerrilla leaders, knows how to get to the heart of an issue. Senor Villalobos, broadcasting on Nicaragua-based Radio Venceremos Monday, told why talks between guerrilla representatives and U.S. special envoy Richard Stone failed to come off last weekend. Said Villalobos: Ambassador Stone wanted to talk about elections, the guerrillas about sharing power.

"We have made it very clear that elections are not a solution to the war," the guerrilla chieftain declared. "The solution lies in the recognition of the political-military force of the FMLN [the guerrilla front] in the establishment of a new government, the formation of an army in which the FMLN is incorporated and the end of U.S. intervention."

What could be clearer than that? This is not now nor has it ever been a war waged by disgruntled peasants. Mr. Villalobos and the other field commanders are professional revolutionaries. They work with fellow professionals in the Sandinista Directorate in Managua and Soviet-Cuban strategy headquarters in Havana. They haven't been risking their lives out there in the jungle all these years to promote democracy. They are communists. They want ony one thing, total control of El Salvador.

There is a strong body of opinion in the U.S. insisting that Mr. Villalobos is just being coy when he tells us he is a hard-liner. One Piero Gleijeses, a Johns Hopkins Professor, writes in the latest Foreign Affairs that Salvador is different from Nicaragua. The Sandinistas were able to grab total power because they had scored a total victory over Somoza. If the elected government of Salvador "shared" power with the FMLN it would continue to be strong enough to resist the FMLN's tendencies toward absolutism.

Let's just sketch another possibility: The elected government of El Salvador (remember that election when all those Salvadorans risked communist bullets to cast their ballots?) negotiates a "power sharing" deal with Villalobos and friends. With newfound legitimacy, Mr. Villalobos and his troops stage a grand victory march through downtown San Salvador, conveying to the world with all the drama of revolutionary theater that they have won the war. The Salvadoran middle class, which has been notably resilient so far, starts heading for the exits on the assumption that it has been sold out. The political base for the elected democratic parties begins eroding. Soon Mr. Villalobos insists on having some Cuban "teachers" to fan out and start organizing political reeducation. Then a big Soviet embassy opens and offers economic aid, conveying the message that a new big power has taken over.

Of course Mr. Villalobos wants power sharing. The man is no fool.

But he must wonder at the gullibility of those American politicians who have insisted that President Reagan send Ambassador Stone down to make a deal. If the U.S. wants to sell out democracy and talk power sharing, of course there can be a deal. If not, we have it directly from Radio Venceremos that there's no point in talking.●

AN ODE TO THE SOCIETY FOR THE PRESERVATION OF ELEPHANTS

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. CHAPPELL. Mr. Speaker, I rise today to enter into the RECORD 2½ dozen lines of meaningful verse. The purpose of this verse is to respond to words of encouragement issued from those of the pachyderm set who inhabit the distant side of the aisle.

It appears, Mr. Speaker, that the optimism of the junior political party of these great United States, has overcome their senses to the point that they are having a specific delusion of grandeur, to wit: That their team has a macrochance of victory in the forthcoming 22d Annual Charity Congressional Baseball Game, scheduled for Four Mile Run Park, on July 27.

It has, for some time, been a fact that dueling in the United States of America is illegal in all the States of our Nation. However, Mr. Chairman, there can be no violation of the law in the instance of this face-off, because there will simply be no contest. We of the Senior Political Party, intend to treat those members, long of trunk, to a broken-tusked experience which will echo through the chambers of their memories for years to come.

Perhaps this can better be connoted from the following verse to which I have set my hand and seal this date:

The verse follows:

AN ODE TO THE SOCIETY FOR THE PRESERVATION OF ELEPHANTS

(By Congressman Bill Chappell)

Epochs have been recorded, some large and some small
Concerning the subject of "How to Play Ball"
But a Minority opinion is currently afloat
Certain "elephants" feel they can "weigh" down our boat!
Yet, as in years past, to our record we'll stick;
These elephants will find we have not lost our kick!
And reporters whose job it is to generate big news,
Can write reams the day after, on: "How elephants lose!"
We shall soundly defeat them, but with grace and aplomb,
In the "show-biz" vernacular their "elephant act will bomb"
Our pitcher, "Old Ironsides", with curveball and knuckle,
Will dazzle those "trunkers"; those klunkers will buckle!
T'will be strike-outs and fly-outs, our men will not fudge-it;
Those boys would be better-off, tryin' to balance their budget!
Ah yes, "deficits" those Republicans ignore,
Will vividly depict their side of the score!
Now those men, long-of-trunk, should establish their goal,

So they don't finish up too far down in the hole!
We know they are handicapped, somewhat, goodness knows:
Who else eats peanuts, breaking shells with their nose?
But we Democrats, renowned as great men of good cheer,
Will, with sense of fair play, say "better luck next year".
As with bats sadly bent, and balls stained with tears,
Trunks drooping, tusks sagging, morale in arrears,
They drag from the field, praying time will rebuild,
Their spirits, their hopes, their dreams . . . unfulfilled;
A yes, "bone-yard-boys" you can take it from me:
We Democrats will win, in the year Eighty-three;
But be not dismayed—we're not insensitive lunks; we brake for animals: even those with long trunks!●

STRATEGIC MINERALS SHORTAGE

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. HILLIS. Mr. Speaker, I want to bring to the attention of my colleagues an article in the AAPG Explorer (American Association of Petroleum Geologists) entitled "Strategic Minerals Imports Create Vulnerability." The authors of the article, Ernest E. Angino and Robert W. McColl, have placed in perspective our growing dependency on imports for our strategic and critical materials.

While we are considering the more day-to-day problems of the Nation, I urge every Member to read and digest the article which outlines the long range strategic minerals dilemma faced by the United States.

The article follows:

[From the AAPG Explorer]

STRATEGIC MINERALS IMPORTS CREATE VULNERABILITY

(By Ernest E. Angino and Robert W. McColl)

A critical issue facing the United States today is the availability of strategic minerals.

Many arguments result from different definitions of what constitutes a strategic mineral or what constitutes dependency. Our definition of "strategic materials" comes from AGI's *Glossary of Geology.* "Materials that are vital to the security of a nation but that must be procured entirely or in large part from foreign sources because available domestic production will not meet the nation's requirements in time of war." A strategic mineral is a strategic material. A useful brief definition of a strategic mineral is "one essential in the event of a national emergency."

Controversies surrounding this topic fall into basically three categories. One, there exists no problem. Two, what is needed will be available at the right time. Three, the problem exists, but it can be solved by prudent action. Before we examine these three positions, let's review some facts. Some incontrovertible and uncomfortable facts must be faced:

Minerals are found where nature placed them, not where we would necessarily like to have them. This simple fact is not appreciated by many.

No modern and technological society can function without access to strategic minerals.

If an undeveloped country is to evolve into a modern state, it either must have these materials within its border or have access to them.

A modern industrially developed nation requires large amounts of mineral resources to operate effectively. Minerals and their use are fundamental to the successful operations of a modern society to an extent not commonly appreciated.

There exists only five major sources for most strategic minerals:

An assured domestic supply from whatever source available (e.g., recycling, low grade deposits or old and new mines)

Importation to meet needs (which may be unreliable)

Stockpiles

Substitutes (e.g., nylon cable in place of steel cable)

Development of new materials using plentiful or readily accessible minerals or sources (sand for glass fiber wires, syntherials, liquid metals, etc.)

The strategic minerals position of the United States, or of any country, is the result of its past mineral exploration, production and consumption history. The strategic minerals position of the United States for the next five to 15 years is already set—a result of the lead-time concept of production and decisions already made.

Of the minerals essential to a modern society, the United States is self-sufficient in very few. In recent years, over 75 metals and materials have been stockpiled (deemed strategic) for future use with a one- to five-year supply available, depending on the minerals. Unfortunately, for several key metals, the United States is essentially dependent on foreign sources to meet our needs. These key materials are manganese, chromium, cobalt, titanium, nickel and the platinum group metals. This problem clearly needs attention. Our need for these metals is exemplified by the following partial metal requirements (in pounds) needed to build one F-100 jet engine: aluminum, 670; chromium, 1,485; cobalt, 885; manganese, 23; nickel, 4,505; titanium, 5,440.

The United States, dependence on imports of these metals or minerals from which they are derived ranges between 77 and 100 percent. Furthermore, the extraction, refining, fabricating and shaping of these metals for use in our strategic industries are extremely energy intensive operations. Consequently, a direct link exists between any future energy gap and the availability of strategic minerals. For example, we cannot produce any oil and gas without using metals.

Of the individual minerals or groups of minerals defined by Congress as strategic, at least 36 are absolutely necessary to the operation of our industrial base. We are forced to import 50 percent or more of many of these since we produce little or none of them within the United States.

The use of synthetics, though a long way off yet, can lead to lessening of our national dependency on outside sources of supply. In many instances substitutes can be used for key minerals but almost always at a penalty in cost and performance.

We return now to the three basic positions regarding strategic minerals. We do not accept the position that no problem exists nor the position that materials will always be available when we want them. The strategic minerals problem is real, and we need to develop all five major sources for such minerals at the same time. Two of those sources, substitutes and new materials, are strongly dependent on research, with no predictable time table on which to expect materials as needed.

The United States is completely vulnerable unless we focus on imports and stockpiles. Even the latter source is dependent on import availability. Therefore, the key to meeting our critical minerals needs over the next five to 10 years is importation.

This conclusion forces us to consider two important related facts. First, the real possibility of a resource war with the Soviet Union and its allies and second, the geopolitical realities related to the global distribution of strategic minerals.

We are indeed engaged in a "resource war" whether or not we as a country accept this point. The Soviet Union produces more than 50 percent of the world's strategic minerals, including much of that bought by the United States (for example, titanium and platinum), and the Soviet share of the market is increasing.

Geopolitically, there are only three positions available to any nation that must import basic raw materials. One, import and stockpile a sufficient strategic reserve to withstand any conceivable emergency. Two, maintain access to as many different suppliers as close by as possible. Three, engage in a mixture of stockpiling and supplier protection.

Option one could be a built-in disaster. Who can tell how long any emergency could last? The possibility of running out of critical supplies would force a decision to capitulate or to resort to force.

Option two is more complex than might appear. First, there are only a few geographic areas that can provide sufficient supplies of critical materials to meet the world's needs. Secondly, the matter of guaranteeing supply might be attainable, but only at the cost of providing little or no supplies to other nations or allies.

Any dependency upon external suppliers implies a number of necessary corollaries.

Imports of raw materials from sources without contiguous land connections must rely upon sea routes.

Sea routes are useless unless safe passage can be provided for ship convoys.

It is easier to interdict sea traffic at choke points of land narrows than to harass an entire route or ocean basin.

The larger the ocean area, the greater number of potential routes and the easier to avoid interdiction.

The greater the number of "choke points," the less useful a route is in times of conflict.

The fewer the number of countries along a route, or the greater the number of friendly allies along the route, the cheaper the economic and political cost of protecting the route.

Should the United States opt for a combination of strategic reserves and protected sea routes, certain geographic realities are immediately notable.

First, the greatest concentration of essential raw materials occurs in the South Atlantic area. This includes both South America and southern Africa, especially South Africa.

Second, any sea route that must use the Atlantic Ocean (both the South Atlantic and the North Atlantic) is vulnerable to unfriendly states. In addition, the South Atlantic is an area of maximum ignorance to most Americans. It also contains a number of states with less than cordial relations with the United States.

Third, the optimal sea route for safe passage would be the Pacific Ocean. It also contains the greatest number of countries friendly to the United States. However, this route would effectively cut Europe off from access to these materials except via transcontinental shipping and then ocean freight from the northeast United States.

The U.S. government's awareness of strategic geopolitical realities necessary for guaranteeing our access to strategic materials may be measured by the attention given to such exotic places as Palau, Diego Garcia and concern over a possible Soviet air or naval presence in the Gulf of Fonseca.

From every perspective, the actual impending strategic minerals shortage may potentially be more destructive to our nation's national security than our excessive dependence of foreign oil. The United States should have a workable coordinated national minerals policy that considers a national trade-off between environmental benefits and needs and a rise in production of domestic resources. We need to reassess our risky dependency on raw materials from politically unstable areas. Also, extensive recycling of critical materials is wise and inevitable.

John Roid (AC '50), director of the Colorado Geological Survey, wrote in 1981, "No single policy or course of action will avert the crisis." Roid offered six recommendations to "mitigate, postpone or even prevent the impending crisis":

Government policy should encourage the exploration for and development of our domestic sources of mineral supply.

National policy should encourage those methods of minerals extraction that are environmentally acceptable and economically realistic.

Recycling of mineral-derived waste materials should be greatly encouraged.

Stockpiling of essential mineral materials should continue to be expanded.

A vigorous information program by both public and private sectors should be instituted to make the general public and decisionmakers aware that minerals recovery properly conducted is a critical component of both environmental and resource conservation.

All mineral resource policy should be consistent with the framework of a minerals-resource conservation ethic which acknowledges the overriding importance of a sound mineral policy to the future well-being of the United States.

We support these recommendations and realize the importance of making the general public aware of our strategic minerals dependency and our national vulnerability.●

DOROTHY SUTHERLAND IS HONORED FOR 29 YEARS OF SERVICE TO ORANGE COUNTY MARCH OF DIMES

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. PATTERSON. Mr. Speaker, I invite my colleagues to join me in commending an individual who has had a major influence in the lives of innumerable people in Orange County.

Dorothy Sutherland is being honored on July 27, 1983, for her 29 years of dedicated service as executive director of the Orange County Chapter of the March of Dimes. Mrs. Sutherland has contributed greatly to the March of Dimes organization by her pioneering spirit in the organization and direction of countywide immunization clinics, an effort which saved the lives of thousands of potential polio victims.

Dorothy Sutherland's influence has been the catalyst that has inspired thousands of volunteers. These volunteers have made the Orange County Chapter of the March of Dimes one of the most outstanding in the Nation starting from the days when polio was prevalent through today's multifaceted efforts to help guarantee that every child will be born healthy. Mrs. Sutherland's dedicated efforts to further the welfare of both young and old have earned her the highest respect from all of those who have had the pleasure of working with her.

For her outstanding dedication and commitment, Dorothy Sutherland is to be highly commended. Mr. Speaker, it is with great pride that I ask my colleagues to join me and my community in honoring Dorothy Sutherland for her 29 years of commitment and exemplary service to the Orange County Chapter of the March of Dimes.●

DEATH IN INDIA: A TRIBUTE TO THOSE WHO SERVE

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BROOMFIELD. Mr. Speaker, all too often, I learn of tragedies overseas involving members of the Foreign Service and the Department of Defense. The untimely assassination, a few months ago, of Lieutenant Commander Shaufelberger in El Salvador, and the horrible bombing of our Embassy in Beirut, which claimed the lives of so many fine Americans and Lebanese Foreign Service national employees, are timely and brutal reminders of the real dangers which face official Americans working overseas these days.

Over the years, members of the Foreign Service, and our military personnel in the field have fallen victim to terrorism, crime, disease, and accidents in the line of duty. Occasionally, their wives and children are also exposed to the same dangers. I believe that the record well shows that many have paid a high price for answering their Nation's call to service in the remote and often hostile corners of the world.

On June 30, 1983, a young Foreign Service employee, Mr. Charles F. Soper, was killed in India. A truck crossed the road and crashed head-on into the Embassy vehicle in which he was riding. Chuck passed away a few hours after the crash in a small Methodist hospital in Jaisinghpura, Mathura, U.P., India. An Embassy Foreign Service national driver was also killed and two USIA officers, Ms. Virginia Warfield and Mr. Mike Pipkin, were seriously injured in the accident.

Mr. Soper was on official business and was returning to New Delhi from Agra, where he provided technical support for Secretary of State George Shultz's recent visit to India. Chuck was the agent-in-charge of the Engineering Services Office at the American Embassy in New Delhi since 1980, and was responsible for providing technical services to U.S. diplomatic facilities in a large region.

He had previously worked as a security engineering officer in Athens, Greece, after joining the Foreign Service in 1976. Prior to his affiliation with the Department, Chuck had worked as an engineer with a number of engineering firms on the west coast. He served with distinction in the U.S. Navy from 1962 to 1965, and received his engineering degree from California State University in Long Beach in 1971. Chuck was born in Santa Monica, Calif., on January 29, 1939. He had a home in Redmond, Wash., and planned to live there after he retired from the Foreign Service.

Chuck was held in the highest esteem by his colleagues in the Department and his close friends in New Delhi. He was recognized for his professionalism, his energy, his dedication, and his high personal integrity.

My heart goes out to his parents, his wife Nancy, and his two children. I share their grief in this hour of supreme sadness.

I am certain that all of my colleagues in the House will join me in pausing to pay tribute to the memory of Chuck Soper and others before him who have served their Nation well all around the world. America needs more dedicated high-caliber public servants like him.●

IVOR WELCH—MARATHON MAN

HON. TOM LANTOS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. LANTOS. Mr. Speaker, I rise today to bring to the attention of my colleagues the exploits of an extraordinary constituent of mine.

Ivor Welch, who is 88 years young and a marathon runner, is in the forefront of the move to eliminate the stereotype of our senior citizens as being rocking chair bound. He did not start to run until he was 82; yet in the last 5 years, he has regularly run in San Francisco's famed Bay to Breakers race and the San Francisco-Marin Marathon. Every time he runs in a race, Ivor sets a record for being the oldest runner.

I commend to my colleagues the article from the San Francisco Examiner about our marathon man—Ivor Welch:

[From the San Francisco Sunday Examiner & Chronicle, Apr. 3, 1983]

88 AND RUNNING STRONG

AFTER 5 MARATHONS, IVOR WELCH ISN'T INTIMIDATED BY A ROMP ACROSS S.F.

(By Glenn Kramon)

"You can do anything," Ivor Welch always told his children. "Somebody else might do it better, but with experience, you'll do it better."

Welch followed his own advice 5 years ago by taking up running—at the age of 83.

Now 88, the World War I sergeant from Pacifica is by far the oldest of the 70,000 marathoners in the United States. He's completed five of the 26.2 mile races, running his first on a San Francisco-Marin marathon course so hilly that many runners 60 years younger avoid it.

His best marathon time, which he has improved four times, is 5 hours and 40 minutes.

Welch also has jogged up Pikes Peak (a 7,600-foot altitude gain over 14.3 miles). So he is not intimidated by the 7.5-mile Examiner Bay to Breakers, which he plans to run for the fifth straight year on May 15 (he'll be wearing No. 88). He's run the race in 90 minutes.

One of the few runners older than the 72-year-old Bay to Breakers, Welch took up running shortly after his wife of 57 years, Mamie, died of cancer. "During the last couple of years she required a lot of attention," Welch said. "After she died I was sort of at loose ends, and that was when I became conscious of the latest fad, which was running. Being an old man, I wondered whether I could do it.

"I was a walker, so when I was out walking I'd run a bit. I gradually decreased the walking and increased the running."

When he decided to attempt a marathon, "I had no idea whether I could finish it or how long it would take. So I arranged with the race director to start four hours early—at 4 a.m. instead of 8 a.m."

Welch did so much better than he expected—about 6 hours and 30 minutes—that he crossed the finish line in third place, shocking the many spectators who didn't know of his head start. "It was kind of odd, this old man finishing third," Welch said.

Welch, a great-grandfather of six, is not the only runner in his 80s. Rudy Fahl of Exeter, N.H., who is 84, ran up Pikes Peak last year. Dr. Paul Spangler of San Luis Obispo, also 84, has completed many Examiner Bay to Breakers runs. Noel Johnson of San Diego is a marathoner at 83. And the guru of Bay Area runners, 75-year-old Walt Stack of San Francisco runs 17 miles a day and not too long ago ran a 100-mile race.

Welch believes other people his age could run. "I try in speaking to older people to tell them I'm not doing anything they couldn't do too."

He acknowledges that in terms of his own health, "God has been better to me than I ever deserved or expected." But Welch also says that he has stayed in good shape through a lifetime of outdoor activities—backpacking, hiking, hunting—as well as a balanced diet. "I eat a lot of raw vegetables, fruit, nuts, cereals and milk products, and try to limit my intake of fats, sugars and salts."

Despite his efforts, he had a weight problem until he started running five years ago. At that time, the 5-foot-6½ Welch weighed 165. Now he's at 148, and he's been as low as 135.

Welch, who retired 28 years ago as an administrator for the federal government, sets a record every time he runs—as oldest runner (born Jan. 19, 1895). A familiar face at local races with his white goatee, he is often asked by kids whether he's Colonel Sanders.

Of the dozens of trophies and medals he displays in his living room, he says: "It hasn't gone to my head . . . I get trophies not because I'm a good runner but because I'm the oldest runner. I have no competition, so therefore I win."

CRUM AND FORSTER'S OCCUPATIONAL DISEASE REPORT

HON. JOHN N. ERLENBORN
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. ERLENBORN. Mr. Speaker, the Crum and Forster Corp. has produced a valuable analysis of the capacity of State workers' compensation laws to compensate for occupational diseases. Presented at the just-concluded 7th Annual National Symposium on Workers' Compensation at the University of Maine-Orono was Crum and Forster's Occupational Disease Task Force report, "Role of the State Workers' Compensation System in Compensating Occupational Disease."

The task force undertook its 2-year analysis against a backdrop of continual charges that State workers' compensation laws have not accommodated themselves to occupational diseases, especially latent diseases, notwithstanding statutory coverage of all diseases. Moreover, the task force recognized that the numbers of occupational disease claims will be affected in the future by an aging population, technological advances in controlling workplace hazards and in automation, the long latency of certain diseases, the financial stability of social security, and public perceptions of occupational disease incidence and attitudes of broadened entitlement to benefits.

The report follows by 11 years that of the National Commission on State Workmen's Compensation Laws, considered by many as a watershed in the evolution of workers' compensation laws. That report included five occupational disease recommendations, one of which was deemed essential (providing full coverage) and was adopted by all States. This latest report builds on these five recommendations. The task force states:

State experience with the problems of compensating victims of occupational disease suggests that the National Commission's broad occupational disease recommendations should be redrawn to provide sufficient detail to guide legislative and administrative bodies toward a system that will function as smoothly for victims of workplace disease as they do for the victims of workplace injury. The balance of this report provides that detail.

The task force's recommendations address the definition of occupational disease, exclusive remedy problems, statutes of limitation, benefit levels, a wage-loss system, coordination of benefits, retiree benefits, apportionment of disability, administrative standards, funding alternatives, and prospective application of benefit changes.

Of particular interest to me in view of the asbestos litigation controversy and legislation before the Labor Standards Subcommittee on that issue are the recommendations concerning exclusivity. They strike at the heart of what I see as the source of the asbestos litigation explosion—a products liability rather than a workers' compensation failure. The evolution of products liability law over the past decade, combined with incentives to bypass the workers' compensation system in lieu of the tort system, has effectively shifted the primary costs of compensating workplace injuries from employers to parties outside the employer-employee relationship. These third parties are paying, in addition to pain and suffering damages, the burden of wage-loss benefits which should be compensated through workers' compensation.

Further aggravating this cost misallocation are the attendant extensive transaction costs. For asbestos diseases, some employees have been successful in bringing tort actions against their employers. This violates the exclusivity doctrine, part of the compromise by which employees ceded their right to sue their employer for negligence—with the employer giving up traditional negligence defenses—in lieu of the no-fault benefits of workers' compensation. Moreover, third party defendants can bring actions against employers for contribution or indemnification for the plaintiff-employee's third party award. If workers'

compensation benefits are paid, employers can exercise their subrogation lien rights to recover the value of those benefits from third party defendants.

Given this litigious tangle, perhaps serious consideration should be given, in particular, to the task force's recommendations segregating the workers' compensation and products liability systems, through reinforcing exclusivity (and, thus, the original employer-employee bargain), offsetting a third party award by the amount of workers' compensation benefits, and abolishing subrogation as well as contribution and indemnification actions.

Although not part of the task force's recommendations, thought also should be given to finding a means to force occupational injury claims through the workers' compensation system, to assure that employers pay the primary dollar for workplace injuries. Some have suggested preventing adjudication of a third party action prior to adjudication of a workers' compensation claim.

Finally, I should emphasize what this report does not say. It does not advocate the Federal Government setting Federal workers' compensation standards or preempting State workers' compensation laws. Clearly, and properly so, it places the burden of improving these laws on the States. Equally as clear, however, is the implication that failure by the States to do so could lead to increased pressure for a Federal remedy. That is a course I hope Congress never follows but one which the States, employers, insurers, and the plaintiffs' bar will invite should they not seriously address the issues raised in the task force's report. To me the choice is clear.

Following are the preface, introduction, and summary of recommendations to the report.

ROLE OF THE STATE WORKERS' COMPENSATION SYSTEM IN COMPENSATING OCCUPATIONAL DISEASE VICTIMS

I. PREFACE

Although the workers' compensation system today appears to be compensating occupational disease victims adequately where such diseases arise out of and in the course of employment, there is a need to determine whether the present system can continue to respond adequately to occupational disease claims in the future, particularly with the expected influx of more complicated occupational disease claims.

The numbers of occupational disease claims handled by the state workers' compensation system in the future will undoubtedly be affected by several factors.

One such factor is demographics. The average age of the working population in the United States is expected to increase, as fewer young workers enter the workplace. An older working population with more experience can be expected to sustain fewer traumatic injuries but substantially more cumulative injury and occupational disease claims.

A second factor is technology. The nature of work is changing in many industries. With the advance of automation in factories, the use of robotics can reduce occupational disease by replacing humans in potentially harmful work environments. Other technological developments could have a detrimental effect. The increase in cancer rates in certain occupations and the concurrent proliferation of new industrial chemicals are thought to be more than coincidental. These developments, along with the possibly harmful synergistic effects of these new chemical combinations and processes, suggest a potential source of increased occupational disease exposure.

Another potentially harmful, though less serious, technological factor is the use of word processors and video display terminals. With office automation, new and unexpected occupational diseases may appear.

A third factor is the long latency of some diseases, especially cancer. Substances commonly found in the workplace are just now being recognized as health hazards and present a substantial potential for future claims. This threat exists despite increased medical attention to possible carcinogens, radiation exposures and occupational safety in general. At the same time, scientific advances in identifying and protecting employees from hazardous substances used in the workplace environment may reduce the likelihood that those exposures will cause illness among unwary employees. These discoveries may also encourage employers to seek alternative substances or processes not identified as hazardous.

A fourth factor is the Social Security system's financial trouble. Solutions to the financial problems of the Social Security program may lead to alternative sources of funds. This could put pressure on the workers' compensation system to pay a larger share of the costs of occupational diseases, which, even though not directly work-related are, nonetheless, aggravated or induced by conditions in the workplace.

A fifth factor is the rapidly changing attitude of the public toward compensation for injury and public perception of health hazards in the workplace.

Media attention focused on health hazards associated with the production, use, storage, treatment and disposal of hazardous substances has created widespread fear of injury or disease resulting from exposure to these substances. This fear, combined with a growing sense that compensation for any injury is an entitlement, has inspired various legislative proposals to provide benefits for persons alleging injury from exposure to hazardous substances. Some proposals would actually award damages to persons who merely fear they will be hurt, as well as to those with demonstrable injury.

Public perception of a growing incidence of long-latency diseases from exposure to hazardous substances contradicts epidemiological data showing that the overall incidence of occupational disease and of all cancers (except respiratory cancer) has held steady or declined since 1933.

Moreover, the public's belief that causal relationships are well established between exposure to hazardous substances and long-latency diseases is not based in fact. Science and medicine have been unable to identify single causes for many occupational diseases.

While experienced workers' compensation boards and commissions can often distinguish claims for diseases that are clearly not occupational in origin, these bodies are political creatures. If not given adequate medical and scientific support for their decisions on compensability of disease claims, they may be influenced by public perception of disease causation. Lacking scientific support, workers' compensation boards may broaden the range of compensable occupational disease in response to fear, not fact.

For the future, we see a mixture of favorable and unfavorable possibilities for the compensation of occupational diseases within state workers' compensation systems. Long-term, the outlook is uncertain. A great deal depends on whether science and technology continue to address the reduction of occupational disease exposures and whether the workers' compensation system can handle the expected increase in occupational disease claims.

The constantly changing character of occupational diseases strongly suggests a need for creating conditions under which the state workers' compensation system can gradually adapt to the variety of occupational disease claims that will surface in the future. Admittedly, no matter where the line is drawn between an occupational disease and an ordinary disease of life, litigation and contention will continue. Nevertheless, these lines must be drawn to meet the essential goals of the system, at controllable costs for employers and reasonable profitability for insurers.

We recognize that implementating many of our recommendations will result, at least initially, in an increase in the number of paid claims for occupational disease in a number of jurisdictions. However, we believe that today, statutory limitations and administrative challenges notwithstanding, courts and state agencies are progressively broadening the definition of compensable injury. It is our judgment that we should seek to standardize the process by incorporating within the system claims not traditionally found compensable as work-related injuries—for example, cumulative trauma and occupational health claims, including heart and back cases. Given the likelihood that courts and compensation boards, if left to their own devices, will find that any illness is compensable so long as a recognizable link exists between the disease and some aspect of an occupatior, we think it makes sense to develop uniform, clear and fair standards for the compensation of truly occupational diseases. And we should waste no time in doing so.

Clearly, resistance to change will be the main obstacle in restructuring the worker's compensation system to accommodate future occupational disease claims. Some argue that change cannot be considered until enough statistical evidence has been gathered to measure the scope of the occupational disease phenomenon. This argument, however, ignores the changing nature of the occupational disease issue. Trying to measure it is like trying to photograph a runner—every snapshot shows a different position. No matter how good the industry's statistical capabilities become, it is unlikely that the incidence of occupational disease or specific work-related illnesses can be predicted with any degree of accuracy.

In analyzing the long-term need for restructuring the state workers' compensation system, it is important to recognize that much of the criticism leveled against the workers' compensation system comes from parties outside the employer-employee relationship (e.g., manufacturers and suppliers of toxic materials). A great deal of this criticism is an attempt to recast third party liability problems as workers' compensation problems. Even in instances where the

workers' compensation is thought to be working, employees are electing to pursue available tort remedies rather than seek compensation from the workers' compensation system. These criticisms fail to differentiate accurately between the function of the tort liability system—to allocate responsibility among tortfeasors—and the function of the workers' compensation system—to provide no fault compensation to injured workers.

The introduction which follows provides necessary background to this study. It is followed by a summary of recommendations.

II. INTRODUCTION

The effectiveness of the state-administered workers' compensation system in dealing with the claims of occupational disease victims is under attack from several sides. Recent federal reports using highly questionable data allege that many individuals disabled or killed by occupational diseases are not being compensated under workers' compensation laws.

Public concern stirred by these reports has been heightened by publicity attending tort claims filed by victims of work-related asbestos diseases against asbestos manufacturers and suppliers. And, introduction of specific and general occupational disease compensation legislation in the U.S. Congress (see Appendix A) has increased public interest. The Manville Corporation's petition for protection under the Federal Bankruptcy Act focused attention not only on the enormous costs of compensating victims of asbestos-related diseases but also the inability of the nation's tort liability system to compensate large numbers of injured people in a fair and timely fashion.

In January of this year, the AFL-CIO's Industrial Union Department adopted a resolution calling for congressional enactment of a "comprehensive program to identify, notify, screen, diagnose, aid and compensate populations of both workers and their families who are at high risk of dying or becoming disabled as a result of an occupationally attributable disease," arguing that "only a very small percentage . . . of even the most severely disabled workers receive benefits from state workers' compensation systems."

Ten years ago, the National Commission on State Workmen's Compensation Laws recommended that workers' compensation should provide "full coverage of work-related disease". Now all state statutes generally cover occupational diseases. Although occupational disease claims are being paid in most, if not all, jurisdictions, the states vary in statutory and administrative provisions and how those provisions are interpreted, producing variations in compensation for occupational diseases.

For example, some state laws still include unrealistic time and exposure limitation rules; imprecise definitions of compensable occupational diseases; and arbitrary limits on benefits for certain types of diseases. Other state laws eliminate certain illinesses due to their "ordinariness" and require evaluation of claims for the presence of an accidental occurrence. Some states require that toxic materials or working conditions causing a disease must be wholly responsible for it, apart from any other cause. Other states require that a worker be exposed to a toxic substance for a minimum of five out of the last ten years preceding the claim and that at least two of those five years were in the state where the claim is made.

Administrative barriers, often a result of statutory ambiguity, also abound.

Employers frequently contest occupational disease claims, not only because of the difficulty of defining diseases and proving their work-relatedness, but also because they fear that accepting the claim may widen the scope of coverage under the law.

Recent court decisions suggest that despite statutory limitations and administrative challenges the courts are gradually widening the scope of coverage under occupational disease provisions of state statutes.

If courts and workers' compenstion boards continue to find that any illness is compensable as long as a recognizable link exists between the disease and some aspect of an occupation, a large number of cases of cancer and cardiovascular disease will have to be dealt with by the workers' compensation system, absent the development of uniform, clear and fair rules for the compensation of occupational diseases under state workers' compensation laws.

This study sets forth, for states where the workers' compensation system is clearly deficient in dealing with occupational disease claims, a series of statutory and administrative proposals. We believe these proposals balance the right of an employee to prompt, fair and adequate compensation with the ability of the employer to pay. The proposals build upon extensive analysis of technical and medical literature in the occupational disease compensation field and evaulation of state-by-state experience in dealing with occupational disease claims.

The proposals build upon the five occupational disease-related recommendations in the report of the National Commission on State Workers' Compensation Laws. Those recommendations were as follows:

(1) All states should provide full coverage for work-related diseases (R2.13).

(2) The "arising out of and in the course of the employment" test should be used to determine coverage of injuries and diseases (R2.14).

(3) The etiology of a disease, being a medical question, should be determined by a disability evaluation unit under the control and supervision of the workers' compensation agency (R2.15).

(4) For death and impairment apparently caused by a combination of work-related and nonwork-related sources, issues of causation should be determined by the disability evaluation unit (R2.16).

(5) Full workers' compensation benefits should be paid for an impairment or death resulting from both work-related and nonwork-related causes if work-related factor was a significant cause of the impairment of death (R2.17).

Although these recommendations were sound when made and are to a large extent still valid, they are deliberately broad, allowing states to try different methods for implementing their objectives. In the decade since the publication of the National Commission report, states have focused primarily on the 19 recommendations deemed essential by the Commission, only one of which (R2.13) related to occupational disease and most of which concerned benefit levels and coverage in traumatic injury cases.

State experience with the problems of compensating victims of occupational disease suggests that the National Commission's broad occupational disease recommendations should be redrawn to provide sufficient detail to guide legislative and administrative bodies toward a system that will function as smoothly for the victims of workplace disease as they do for the victims of workplace injury. The balance of this report provides that detail.

III. SUMMARY OF RECOMMENDATIONS

In structuring state workers' compensation systems to accommodate the future incidence of occupational disease claims, it is important that to the extent possible certain basic principles be followed:

Occupational diseases compensable under state workers' compensation systems, as well as the level and duration of benefits paid to occupational disease victims, should be clearly defined.

The workers' compensation system should provide compensation benefits in all instances where the nature of employment or workplace environment is found to be the predominant cause of a compensable occupational disease.

Administrative standards that facilitate prompt, efficient and fair processing of occupational disease claims, without unduly burdening the system from either a procedural or cost standpoint, should be prescribed.

A delicate balance needs to be maintained between providing workers' compensation coverage to occupational disease victims and the ability of employers to finance occupational disease benefits within the context of a system whose costs are measurable.

In developing recommendations that build upon these basic principles, Crum and Forster has attempted to define more precisely the role of the workers' compensation system in compensating occupational disease victims and formulate systematic changes that will enable the system to respond effectively to occupational disease claims in the future.

The 12 recommendations discussed in this report comprise a comprehensive approach to strengthening the occupational disease provisions in state workers' compensation systems. They are the result of an effort to achieve a necessary balance between the right of workers to be promptly, fairly and efficiently compensated for the effects of occupational exposures and the need of the business community for a system that is predictable, manageable and economically supportable. That balance can only be achieved if the funds available are distributed by a system relatively free of the economic cost of uncertainty and excessive litigation. An effectively administered system would reduce litigation by letting workers know what benefits are available and how to claim them.

The recommendations assure workers equitable, efficient benefits by broadly defining compensable occupational diseases, placing responsibility for payment on the last employer who exposed the worker to an injurious substance or condition without apportionment, and by providing equality of benefits and payment of wage loss as compensation for impairment.

Recommendations such as exclusive remedy (under which employers lose their subrogation right); administrative standards (which proposes a structure as originally recommended in the all important 1972 National Commission report, with state level disability evaluation units and compensation evaluation units); and the limiting of benefits to retirees and prospective application of broadened benefits, are examples of the measures needed to provide employers with a predictable, manageable and affordable system.

Underlying the 12 explicit recommendations is an unstated but essential 13. These

recommendations are so interrelated they must generally be taken as a whole and not as separate items subject to selection. We recognize that some state systems already incorporate some of our recommendations. In such cases, modifications are in order. In other instances, particular circumstances may make certain proposals unacceptable. But before any element is removed from the package, its relationship to the rest must be considered. For example, our definition of compensable occupational disease is broad and would remove in some states the narrow concept of occupational disease as embodied in lists of specific compensable diseases. However, this proposal could lead to severe cost problems if not linked to the recommendations on exclusive remedy, coordination of benefits, administrative standards and application of benefits.

Likewise, the recommendation on employer responsibility for benefits is not appropriate without the recommendation on administrative standards which replace legal conjecture and perception with scientifically-established empirical evidence. In specific cases, an organized body of knowledge is needed to answer the crucial questions:

Does the claimant have the disease alleged?

Can the agent or exposure cause the disease affecting the claimant?

Did the agent or exposure cause it in this claimant?

Other examples of interrelatedness can easily be found. The point is, we believe the recommendations must generally stand together.

DEFINITION OF COMPENSABLE OCCUPATIONAL DISEASE

The workers' compensation system should respond in all cases where the nature of employment of workplace environment was a predominant cause of the employee's illness. The definition of compensable occupational disease is critical to the proper operation of the workers' compensation system. A workable definition should furnish guidance and clarification to those evaluating the compensability of individual cases and provide the flexiblity needed to allow the system to adapt to changing conditions.

The definition of compensable occupational disease under state workers' compensation laws should be:

(1) An occupational disease is a disease which arises out of and in the course of employment.

(2) For the purpose of this section, the term "disease" shall include injury caused by repeated physical motion or physical pressure, as distinguished from emotional stress or strain. [1]

(3) A disease shall be considered to arise out of and in the course of employment only if the risk of contracting such disease is increased by the nature or condition of the employment and:

It is caused by ingestion of, absorption of, inhalation of, contact with, or other exposure to harmful substances, dust, fumes, vapors, gases, noise or radiation, or to other harmful conditions in the employment; or

It is due to multiple causes, and occupational exposures are the predominant factor of causation; or

It results from a nondisabling, preexisting condition, not caused by the employment but aggravated by ingestion of, absorption of, inhalation of, contact with, or other exposure to a harmful substance, dust, fumes, vapors, gases, noise, or radiation, or to other harmful conditions in the employment so as to cause disability or death which, but for such exposure, would not have occurred.

EXCLUSIVE REMEDY

The creation of exceptions to the exclusive remedy doctrine in the workers' compensation system attacks the cornerstone of the system and denies to employers elements of the quid pro quo for their acceptance of liability without fault for the work-related injuries and diseases of employees.

The exclusive remedy for employees against their employers under workers' compensation should be reinforced as follows:

(1) Workers' compensation benefits should be the exclusive liability of an employer when an employee is disabled or dies because of occupational injury or disease.

(2) Suits by employees against third parties other than the employer's workers' compensation insurer and those performing the normal functions of the employer should be permitted, but the law should require a deduction from a tort plaintiff's judgment of the amount of workers' compensation benefits either paid or payable.

(3) We support legislation that would: (a) abolish the workers' compensation lien of the employer or the employer's insurer; (b) provide immunity to the employer, the employer's insurer, and co-employees from direct and derivative legal actions for indemnity or contribution by defendants or other parties in workplace-related products liability cases; and (c) provide that no person entitled to file a claim for benefits pursuant to applicable state or federal workers' compensation laws against a present or former employer, or who would have been entitled to file such a claim, or any other person whose claims would be derivative from such a claim, shall be allowed to recover in a liability action against such present or former employer or workers' compensation insurer of the employer or any co-employee.

STATUTE OF LIMITATIONS

The value of prompt reporting of claims must be balanced against the equitable treatment of employees and the potential of overburdening the system with claims from workers having no need for medical treatment nor any disability. We believe a "discovery" test is a reasonable compromise among these objectives.

Time limitations imposed on the filing of occupational disease claims should not begin to run until the date the employee discovers or, with the exercise of reasonable diligence, should have discovered the disease and its relationship to the employment. In no instance should the statute of limitations begin to run until the disease manifests itself in disability or death.

EMPLOYER RESPONSIBILITY FOR BENEFITS

The employer who last exposed the worker(s) to the claimed injurious substance(s) or condition(s) in the workplace, and the insurance carrier on the risk at that time, should be liable for all workers' compensation benefits due workers and their dependents.

This approach relieves prior employers and their insurance carriers of long-delayed liability not contemplated in the rates in effect at the time of exposure. It also promotes prompt claim settlement and discourages unnecessary litigation. Attaching employer responsibility for benefits to the last exposure also creates incentives to employers to protect workers from exposure to known harmful substances. In most cases, the last exposure rule will bring workers' compensation costs relatively close to pricing mechanisms so they will be reflected in future rate adjustments.

BENEFIT LEVELS

The long-latency period associated with some occupational diseases raises the question of which benefit levels should be paid: benefits in effect at the time of the last exposure, or those in effect when the disease results in disability. Under a wage loss system, the question is to whether the benefit should be based on the employee's wage level at the time of last exposure or at the time of disability.

Because responsibility for benefits would attach as of the time of last exposure, it can be argued that the level of benefits should be fixed as of that time. On the other hand, the concept of providing full benefits to disabled workers argues for benefits based on wage levels at the time of disability.

We recommend a fair compromise between these extremes: Occupational disease benefits payable at the time of disability should be determined by the ratio between the employee's eligible benefits at time of last exposure and the minimum and maximum benefits payable at that time. To fix the actual level of benefits payable to the employee, this ratio would then be applied to the minimum/maximum benefits payable at the time of disability.

WAGE LOSS

A properly administered wage loss system is appropriate, although not essential, for occupational disease claims. The advantages of a wage loss system include equity and ease in determining disability benefits, factual determination of those benefits, and an incentive for employers to participate in rehabilitation. However, since special handling of certain conditions is necessary, provision should be made for scheduled benefits, lump sum settlements and compensation for loss of hearing.

The wage loss concept rather than scheduled benefits should be used as the basis for occupational disease compensation, consistent with the following principles:

(1) Wage loss benefits should be determined on the percentage of actual lost wages, subject to appropriate minimums and maximums based upon statewide average weekly wages.

(2) Scheduled benefits should be awarded in addition to wage loss benefits only where there is amputation or total loss of use of a member, total loss of hearing or sight, or serious, permanent disfigurement of the head, neck or face.

(3) The right to wage loss benefits for partial disability should terminate at some specific period after claimants reach maximum medical improvement and no longer have enough continuing wage loss to receive wage loss benefits.

(4) After claimants reach maximum medical improvement, provision should be made for discounting their actual post-injury earnings to adjust for inflation in order to avoid premature termination of their eligibility for wage loss benefits.

(5) Permanent total disability benefits should be payable only where the claimants are incapable of work or in cases where total permanent impairment is obvious, e.g., major paralysis.

(6) Approved lump sum cash settlement should be restricted to specific instances in

[1] This subsection brings cumulative injury under the definition of occupational disease. It can be deleted if a particular state wishes to address the cumulative injury issue separately.

which such a settlement is clearly in the best interests of the injured worker.

COORDINATION OF BENEFITS

Workers' compensation as a primary benefits system is an important element in internalizing costs of industrial accidents and diseases directly to the industries generating them. This direct connection with costs is a strong motivator for employers and their workers' compensation insurers to strive for safer work environments and improved rehabilitation for injured employees.

Coordination of workers' compensation benefits with other systems would create administrative problems, unnecessary litigation and likely increase overall costs. Duplication of benefits can be avoided by retaining the primacy of workers' compensation.

Workers' compensation should be the primary source of benefits for occupational diseases, except for workers receiving Social Security retirement benefits.

RETIREES

A function of the workers' compensation system is to place employees in the same position when they begin to receive retirement benefits as they would have been had they continued to work up until retirement age. Thus, if workers were injured or disabled due to occupational diseases and their Social Security retirement benefits were reduced because of a related reduction in their actual earnings, workers' compensation should replace the lost portion of their Social Security retirement benefits. If, however, employees suffering from occupational disease were able to work with no reduction in earnings until retirement, then the workers' compensation system should contribute only medical benefits for employment-related diseases.

(1) For states using a wage loss system, wage loss benefits should terminate at the time employees begin to receive retirement benefits under any Social Security retirement program. For employees who suffer wage loss prior to and continuing up to the time they begin to receive Social Security retirement benefits, a retirement supplement equal to the diminution of any Social Security retirement benefits should be paid.

(2) For states not adopting a wage loss system, eligibility for indemnity payments shall terminate at the time employees begin to receive retirement program. For employees who are receiving partial or total disability benefits at the time they begin to receive retirement benefits, the disability benefits shall be adjusted to reflect only the amount of diminution of Social Security retirement benefits.

(3) Retired employees should be eligible for medical and physical rehabilitation benefits under workers' compensation upon establishment of a causal relationship between their previous employment and need for medical treatment.

(4) In states where it has been decided that additional costs of providing wage loss benefits to retirees can and should be borne by the workers' compensation system, a rebuttable presumption that there can be no established loss due to occupational disease should be established for workers who have begun to receive retirement benefits under the Social Security retirement program.

APPORTIONMENT OF DISABILITY

There should be no apportionment of disability between employer and employee in cases which involve both work-related and nonwork-related causes. We recommend defining a compensable occupational disease as any disease due to multiple causes where occupational exposures are found to be the predominant factor of causation. This clearly defines which conditions are considered compensable, then assumes full coverage for compensable diseases under workers' compensation.

Some segments of the insurance industry believe employers should be liable only for that portion of a disability due to workplace exposure and that employees should not be compensated where nonemployment factors contributed to the disability. This approach violates the principle that workers' compensation should be the primary source of coverage for workers' injuries or disabilities. To the extent that the workers' compensation system fails to pay full benefits in compensable cases, it will invite criticism of unfairness to workers and invite intrusion from other funding systems. It will also encourage judicial exceptions to the exclusive remedy feature of workers' compensation.

Full workers' compensation benefits should be paid for any disability or death resulting from work-related and nonwork-related causes if the work-related factor was the predominant cause of the disability or death.

ADMINISTRATIVE STANDARDS

Establishing compensability and extent of disability in occupational disease cases is inherently complex and controversial. Administrative standards need to be developed that will facilitate prompt, efficient and equitable processing of occupational disease claims.

There is a corresponding need for a national organization to identify and coordinate medical and scientific research and channel this information to workers' compensation decision makers.

In its 1972 report, the National Commission on State Workmen's Compensation Laws called for the establishment of a "disability evaluation unit" to determine the issues of causation and disability. We believe that separate compensability evaluation units are necessary, especially for handling occupational disease claims with problems of complicated etiology, multiple causation and subjective disability determinations. Such units, used by state workers' compensation agencies in conjunction with a broad definition of a compensable occupational disease, would provide a flexible system that could adapt as we learn more about the etiology of diseases.

(1) A national, independent, nonprofit organization should be established to compile relevant data from the various medical and scientific disciplines and provide this information to the states for use in administering their workers' compensation systems;

(2) States should establish separate Compensability Evaluation Units (CEUs) and Disability Evaluation Units (DEUs) for disposition of occupational disease cases within the state's workers' compensation administrative agency. The CEUs will develop medical guidelines and procedures for determining the compensability of occupational disease claims.

(a) The Compensability Evaluation Unit (CEU) should consist of qualified medical and administrative personnel knowledgeable in the state's workers' compensation law and occupational diseases generally.

(b) The CEU will make an initial case evaluation regarding compensability of all occupational disease claims presented.

(c) The CEU will have the option of securing independent medical reports to help determine compensability.

(d) The determination of the CEU on questions of medical causation would be deemed presumptively valid in any later judicial or administrative proceedings. This presumption of validity would apply to issues of compensability, current disability status and the need for medical treatment.

(e) The issue of permanent disability should be left for later proceedings under the jurisdiction of a Disability Evaluation Unit.

(f) Once the CEU determines a case is compensable, the employer last exposing the worker to the substances or conditions causing the occupational disease and resulting disability is responsible for the immediate provision of temporary disability benefits and medical treatment.

FUNDING ALTERNATIVES

Any review or restructuring of the state workers' compensation system's role in compensating occupational disease victims ultimately must consider the question of funding.

In our opinion, any proposed funding mechanism must meet the following criteria:

Administrative costs should be kept as low as possible.

There should be some provision for profit to provide an incentive to the insurance industry to participate.

The costs of the system should be spread equitably over society.

A reinsurance pool for occupational disease meets the above criteria. Administration would be relatively simple and low cost. A pool would limit individual insurer liability, and collective occupational disease experience would facilitate adequate premium collection. The underlying premium collection system, to the extent it reflects loss, would provide equity. The pooling concept would allow for the accumulation of "exposed but not reported" reserves sheltered from federal income taxes, i.e., individual insurers would have a liability offsetting any cash distribution. An established and tested model for such a pool is the National Workers' Compensation Reinsurance Pool.

(1) Statistical systems should be developed to facilitate identifying and reporting data for each classification having an identified occupational disease exposure, thereby providing a basis for needed changes in the rating system.

(2) A voluntary occupational disease reinsurance pool should be established with the following features:

(a) All occupational disease premiums collected by member companies would be ceded to the pool, and all occupational disease losses would be reinsured by the pool.

(b) The pool would be established on a similar basis as the National Workers' Compensation Reinsurance Pool, with operating results reported and cash distributions made on a quarterly basis.

(c) Member companies would receive ceding commissions from the pool to cover expenses, such as underwriting expenses directly related to occupational disease premiums and loss adjustment expenses directly related to occupational disease losses.

APPLYING BROADENED BENEFITS

The recommendations in this study, although intended to clarify issues rather than broaden benefits, may result in broadening benefits or eligibility for benefits in some states. Applying these broadened benefits should be approached carefully. The lack of reliable statistics to measure the unfunded liability for such retroactive benefits

would make adequate funding difficult, if not impossible.

Any broadened benefits or eligibility for benefits brought about by legislative changes in occupational disease coverage should be applied prospectively and only where the last exposure occurred after the effective date of such changes.

However, some states may believe that broadened benefits should be applied retroactively. Funding in these cases should be through a fund created specifically for that purpose with a built-in sunset provision, so the fund will terminate once all losses have been paid.

CONCLUSION

The present state-administered workers' compensation system performs well in compensating employees injured as a result of traumatic injuries. It performs adequately for many occupational disease and health situations. However, the nature of some occupational diseases is such that the present system is unable to cope adequately with the complicated claims that result from them. Unfortunately, the incidence of these claims is likely to increase.

There are areas where change is indicated if the workers' compensation system is to meet the needs of occupational disease claimants, employers and regulators in the future. Although it is unlikely that the changes outlined in this report will be adopted wholesale by any state, we believe the adoption of these proposals will, over a long period of time, assure the responsiveness of the state workers' compensation systems to the needs of workers suffering from compensable occupational diseases. The recommendations set forth in this report are intended as a guide for bringing about this change.●

PENTAGON CONTINUES TO WASTE TAXPAYERS' MONEY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. GARCIA. Mr. Speaker, military experts, Members of Congress, and John Q. Citizen have been saying for years what Secretary Caspar Weinberger has only recently and reluctantly been able to see; namely that Pentagon officials have been wasting millions of taxpayers' money with cost overruns, overpayment for spare parts, and anticompetitive bidding practices. These actions, detailed in the following Washington Post article, add credence to the perception and argument that the Reagan administration's defense budget is spending too much money the wrong way. In this regard, the administration has failed to establish a solid link between U.S. defense needs and the forces it plans to buy. Many of the weapons the administration plans to buy provide little practical utility at great expense. The Reagan defense budget fails to balance operations and maintenance accounts with its huge procurement account. U.S. Armed Forces will lack sufficient personnel and supporting equipment to use all its new weapons effectively. All this and the Reagan administration continues lemming-like, drowning the American public in the largest deficit in U.S. history.

The article follows:

WEINBERGER ACKNOWLEDGES PENTAGON OVERPAID ON SPARE PARTS

(By Fred Hiatt)

Defense Secretary Caspar W. Weinberger acknowledged yesterday that the Pentagon has paid "far more than we needed to" for spare parts, and said the Navy has replaced one commander and would discipline other officials because of the problem.

Weinberger blamed most of the embarrassing overcharges on spending practices and contracts of previous administrations. He said he has taken aggressive action to increase competition and cost-consciousness in purchasing of spare parts.

"We're going to take whatever corrective action is necessary," he said. "There certainly have been some horror stories. . . ."

Weinberger held a Pentagon news conference to respond to recent reports from his inspector general's office, which found a pattern of rapid and unexplained price increases in spare parts purchased from monopoly suppliers.

Auditors found, for instance, that last year the Air Force paid $17.59 for a bolt that cost 67 cents in 1980, and that the Navy spent $110 for a diode it could have bought for 4 cents from its stockrooms.

Those reports, coupled with a conclusion by the President's Private Sector Survey on Cost Control that the Pentagon could save $28 billion each year, have put the Pentagon on the defensive as Congress resumes debate on its $99 billion military procurement request. A draft report from the office of Defense Inspector General Joseph H. Sherick found that in many cases "little effort was being made to limit exorbitant cost growth."

The reports, which examined Air Force and Navy purchases of spare parts for jet engines and Navy purchases of F/A18 jet flight-simulator parts, said the Pentagon has done little to stimulate competition among suppliers and has emphasized speed instead of cost.

"Nobody has paid too much attention, or nearly enough attention, to price or additional sources of supply," Weinberger said yesterday. "So cost-consciousness has to be and is being instilled very rapidly in the personnel who are involved in the process."

Weinberger said Navy Secretary John F. Lehman Jr. yesterday relieved of command the officer in charge of the F/A flight-simulator program. Navy officials said later that they do not know if the officer has been reassigned.

In addition, the former chief of the Navy Training and Equipment Center will be disciplined, Navy officials said. That captain was routinely reassigned in March to one of the top purchasing jobs in the Navy's material headquarters, officials said, and had heard nothing about a proposed reprimand until after Weinberger's news conference.

Weinberger blamed many of the parts purchasing problems on "bad contracts that we found when we came" and on the dwindling number of defense suppliers resulting from decreased military spending during the 1970's. He said his administration has increased the proportion of aviation parts purchased competitively from 6 percent to 17 percent and the share of competitive shipbuilding contracts from 27 percent to 60 percent.

The inspector general's report criticized the Pentagon for not seeking available competition and for claiming competition when one contractor bids against an affiliated licensee.

Weinberger also said the Pentagon would seek to recover funds by withholding future payments and might disqualify some suppliers and discipline more employees. "There will be nobody who is free from careful examination of all of his activities during all the time," he said.●

RESTORING CONSIDERATION OF THE MARINE ENVIRONMENT IN OCS OIL AND GAS DECISIONMAKING

HON. NORMAN E. D'AMOURS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. D'AMOURS. Mr. Speaker, this afternoon I have introduced a bill aimed at tightening up environmental provisions of the Outer Continental Shelf Lands Act Amendments of 1978.

A central premise of the 1978 act was that OCS management decisions should be made after a good faith balancing of the potential for environmental harm, the potential for adverse impacts to the coastal zone and the potential for discovery of oil and gas.

In the past 3 years, however, Secretary of the Interior Watt has made a mockery of that balancing requirement. He has pushed ahead with lease sales in environmentally fragile areas even when resource estimates have indicated modest reserves. He has also introduced the concept of "inventory leasing," that is, the offering of enormous ocean areas for leasing, irrespective of the presence or absence of geological formations of mineral potential.

Up until now, litigation has been at least partially successful in holding up the most egregious of Mr. Watt's actions. However, a recent legal decision by the Federal Court of Appeals for the District of Columbia upholding the Watt 5-year plan has interpreted Watt's balancing obligations extremely loosely, casting doubt on the use of litigation as a satisfactory redress.

The bill I am introducing today seeks to reaffirm Congress' commitment to a meaningful balancing of environmental interests and the need to produce oil and gas.

First, it specifies that decisions on the management of the OCS will be based on a balancing test which gives equal weight to the environment and to the potential for oil and gas recovery.

Second, it seeks to curtail the practice of inventory leasing by specifying that decisions relating to the size of a lease sale will be dependent on these same balancing considerations (poten-

tial for environmental harm versus potential for oil and gas recovery).

Last, it reaffirms in the strongest possible language that the best available and safest equipment will be used in the pursuit of oil and gas and it extends that assurance to include the best available and safest procedures. In this way, I hope to prevent economic cost cutting in the pursuit of marginal finds of oil and gas when such cost cutting might jeopardize the environment.

Mr. Speaker, the OCS Lands Act Amendments of 1978 was a sound piece of legislation but its purposes have been perverted over the last 3 years by a Secretary of Interior determined to push ahead with oil and gas activities in the face of legitimate environmental concerns. The bill I have introduced today helps to restore the proper balance. I hope my colleagues will join with me in supporting it. Anyone wishing to cosponsor the bill, or needing further information about it, should contact Tony Mazzaschi of the House Oceanography Subcommittee staff at 226-3513.●

WOMEN AND FAMILIES FOR DEFENCE

HON. JAMES G. MARTIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. MARTIN of North Carolina. Mr. Speaker, a movement has grown rapidly in Great Britain, called Women and Families for Defence, which is based on the understanding that the path to true peace lies in strength and resolve. The movement is campaigning in favor of deployment of U.S. cruise missiles in Britain in the event no agreement is reached with the Soviet Union in Geneva for dismantling their SS-20's.

The organizer and leader of this organization, Lady Olga Maitland, on the Fourth of July delivered the following letter to Ambassador Louis in London, expressing gratitude for past American efforts and support for current American policies. The spirited Lady Maitland, and the many women and families she represents, recognize that unstinting defense of our common values is the only avenue for insuring the security, happiness, and freedom of all our loved ones. Notably, her presentation of this letter to our Embassy in London clearly superseded, in media attention, a contrary petition for disarmament presented by theatrical personalities there.

I am pleased to have the opportunity to convey to my colleagues in the Congress, as Lady Maitland requested Ambassador Louis convey to President Reagan, the solidarity of Women and Families for Defence with the American people in our united defense of freedom. And I wish to pay my own tribute, and to extend my thanks, to Lady Maitland and Women and Families for Defence.

WOMEN & FAMILIES FOR DEFENCE,
London, July 4, 1983.

Mr. JOHN LOUIS,
The American Embassy,
Grosvenor Square, London.

DEAR MR. LOUIS: Women and Families for Defence wish to express on American Independence Day the gratitude we feel for American support for NATO and Britain.

We remember that without American backup and aid we would not be the free society we are today. The Americans have always been our trusted allies who have never let us down.

In the last two wars, the United States came to our rescue to secure the peace and freedom we enjoy today. Since then you have played a vital role in maintaining peace in Europe by bearing the greater burden in defence spending. Over 400,000 troops together with their families are based in Europe—a sure demonstration of your willingness to help guarantee our safety.

It was in response to a call from former Chancellor Schmidt and former Prime Minister James Callaghan that the NATO Council asked the Americans to help respond to the massive unprovoked Soviet nuclear build-up. The Americans have spent over $200 million to provide Cruise missiles for Britain alone.

With American aid, NATO has acquired a strength which made it imperative for the Soviets to take note of the West's resolute stand. This paves the way for a positive response in the arms control talks on medium range nuclear weapons in Geneva. Never in history has recognised strength invited attack on a country by a foe.

There is a great danger of miscalculation by the Russians through debates in the west. But fortified by the very vital presence of your country—talks in arms reduction will be able to proceed to the bitter end strong in the knowledge that strength will prevail in finding a peaceful solution to the arms build-up.

We ask you to convey these deep felt feelings of the men and women of Great Britain to President Reagan. Despite the carefully orchestrated propaganda by the one-sided disarmers, who represent a minority of the people, we want to show as we did in the General Election, that we appreciate all the unstinting support and generosity that the United States has shown us.

Yours sincerely,

LADY OLGA MAITLAND.●

SALES REPRESENTATIVES BILL INTRODUCED IN REVISED FORM

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. FLORIO. Mr. Speaker, today I am introducing a bill entitled the "Sales Representation Contractual Relations Act."

This bill is a revised version of legislation considered in the last Congress, H.R. 3496, by the Subcommittee on Commerce, Transportation and Tourism. As a result of a June 1981 hearing, the subcommittee received many comments and recommendations for ways to improve the bill. Many of these were incorporated into a substitute bill I proposed in markup this past December. With further discussions, I propose this new bill today.

This legislation is designed to correct inequities in the relationship between independent, wholesale sales representatives and the manufacturers for whom they sell products. The bill encourages the existence of contracts to define the relationship. It seeks to prevent unfair treatment of representatives, such as sudden termination and extreme reductions of commissions or territory, without burdening fair manufacturers or those reps and agents who do not need its coverage.

The bill provides minimum standards for a contract between the two parties. In the absence of a conforming contract, a sales rep who believes that he has been unfairly treated may bring an action in Federal court, with a possible result of being awarded an indemnity if the court finds in the rep's favor. If the rep has not met his own obligations as outlined in the bill and his own contract, or if it is necessary to "meet competition," the rep can be terminated without rights to this indemnification.

Several significant changes have been made in this legislation.

One. A new title was adopted to reflect the two-way nature of the relationship between a sales representative and the manufacturer, who is usually referred to as the "principal."

Two. The statement of findings now notes that principals also invest time and money in developing territory and market.

Three. The amended definiton of "good cause" for termination clearly allows for termination where it is a good faith effort by the principal to meet competition. Dismissals for incompetence or nonperformance would also be allowed.

Four. A new definition of "merchandise" limits this to a product that does not require any further manufacture, fabrication or installation by a distributor or dealer, is resold without any express warranty of the manufacturer or principal involved, and is not business products or equipment.

Five. The amended definition of "sales representative" notes that the rep covered by the bill is compensated predominantly by commission. Excluded are in-house sales employees and any person who is an employee of a sales representative.

Six. The contract terms now provide for a reciprocal obligation for the sales rep to notify the principal that he intends to drop a line or terminate the relationship.

Seven. A limitation was placed on the principal's obligation to provide paperwork to the rep. The rep need only be provided data on sales of similar products rather than everything a diversified manufacturer might be selling in a given territory.

Eight. The amended bill makes clear that a sales representative may not bring an action for indemnification if there is in effect a written contract which meets the requirements of section 202. It also states clearly that a sales rep must have solicited orders for the principal for at least 18 months to be eligible to bring an indemnification action. I would note that this legislation is entirely prospective. All sales rep-principal relationships meeting the definitions under the bill would start the clock from date of enactment.

Nine. The district court jurisdictional amount waiver in H.R. 3496, "without regard to the amount in controversy" has been deleted.

Ten. The new burden of proof language clarifies that the rep, as plaintiff, must first show that he has made a good faith effort to solicit orders and that he has upheld his part of the contractual relationship. The new bill spells out several duties of a sales rep. The principal would then have the burden of proof of showing that his own action was taken with good cause.

Eleven. The time in which an action may be brought has been reduced from 6 to 4 years.

Twelve. The new bill has been modified to allow the court to award attorney fees to the prevailing party, rather than only to the rep if the court finds in his favor.

Mr. Speaker, these many changes were made after a careful review of the testimony of witnesses in previous hearings. The subcommittee has tentatively scheduled a hearing on this new bill for Tuesday, August 2. I hope that the revisions in this bill will be carefully studied by all interested parties. I believe there will be a general acknowledgment that this legislation has been greatly improved and I look forward to further discussions in this Congress.●

APSA'S CONGRESSIONAL FELLOWSHIP PROGRAM CELEBRATES 30TH ANNIVERSARY

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. WRIGHT. Mr. Speaker, this year the American Political Science Association celebrates the 30th anniversary of its congressional fellowship program. I am pleased to call the attention of my colleagues to this valuable program.

In its 30 years, the congressional fellowship program has placed in congressional offices more than 1,000 professional level civil servants, journalists, academicians, and even foreign nationals. Fellows have served as assistants to Congressmen, Senators, and committees, bringing to these jobs a great deal of expertise from their respective fields.

Through this fellowship program, the American Political Science Association has contributed the expertise of professionals to the deliberations of the Congress and, at the same time, has helped these professionals to gain first-hand knowledge of the legislative process. All parties have benefitted from the program.

In my own office I have had the privilege of working with several very able and dedicated congressional fellows. Recently, Dr. Eugene J. Alpert, associate professor of political science at Texas Christian University in Fort Worth, worked on my staff, then helped out at the Senate Democratic Policy Committee. During 1981–82, Dr. Robert C. Logan, legislative analyst in the Division of Congressional Affairs at the Department of Health and Human Services, brought to my office his broad knowledge of matters relating to HHS. Earlier, Dr. Barbara D. Sinclair, professor of political science at the University of California at Riverside, provided invaluable assistance to me during 1978–79.

What I value most about the congressional fellows program is its cross fertilization of knowledge and experience. Agency executives often bring much-needed information to congressional offices about just how programs are implemented in the executive branch. Journalists in the program help us to understand how congressional actions are covered and perceived in the media. Foreign professionals bring a cross national perspective to policymaking. And academics have at their disposal information gleaned from long years of dedicated research.

When the APSA fellows return to their respective positions after 9 months on Capitol Hill, they have learned in detail about the "dance of legislation" here in the Congress.

And so I salute the American Political Science Association and commend the organization for the public service it performs by conducting the congressional fellowship program.●

MORE TROUBLE AHEAD FOR THE BARGE INDUSTRY

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. YOUNG of Missouri. Mr. Speaker, I want to bring to the attention of my colleagues the continued depressed state of our inland waterway barge industry. The St. Louis Business Journal recently carried an excellent article succinctly spotlighting the depressed state of the barge industry, which has resulted from the current recession coinciding with the sharp decline in grain and coal exports. I include the article in the RECORD at this point.

ANOTHER "TERRIBLE" YEAR AHEAD ON THE RIVER

(By Barry Murov)

Chromalloy American Corp. owned about 900 barges at the beginning of this decade.

Since then, Chromalloy has spent more than $90 million in expanding its barge fleet to more than 1,300 barges.

The expansion was ill-timed.

During the expansion, the nation's economy slipped into a recession, grain exports dropped significantly and the barge industry entered a depression that has kept about one-third of the nation's inland barges tied to shore.

And several St. Louis firms, including Chromalloy, CLC of America Inc. and National Marine Service Inc., have been hit hard by that depression. Apparently no St. Louis barge firm has gone out of business.

Operating earnings for Chromalloy's transportation segment dropped from $52.6 million in 1981 to $8.8 million last year. Those figures don't take into account general corporate expenses, income taxes and interest expenses.

And while that transportation segment includes the barge group, a bus company, a transit management firm and an oil tanker business, the barge group's problems accounted for the big drop in operating profits, industry experts and stock analysts said.

Chromalloy's 1982 annual report states that the Valley Line Co., the largest unit in the firm's Inland Barge Group, incurred its first loss in 53 years of operations.

The Valley Line Co. wasn't alone.

CLC's Wisconsin Barge Line reported pretax profits of $13.3 million in 1980 and $1.5 million in 1981.

In 1982, CLC's river transportation business reported a pre-tax loss of $12.6 million. Sales for the firm's barge business dropped from $66 million in 1981 to $43 million last year.

And National Marine Service Inc., a subsidiary of the utility and natural gas holding company, Nicor Inc., showed a loss last year. That loss was largely responsible for a drop in net income of Nicor's marine segment from $13.9 million in 1981 to $6.1 million last year, said William Creelman, president of National Marine.

Area banks were affected, too.

Centerre Bancorporation Inc. said its nonperforming loans were about $106 million at the end of last year, as compared to $52 million at the end of 1981. Provisions for loan losses rose from $11 million in 1981 to $26 million in 1982.

That increase, Centerre said, was due to commercial borrowers, "especially companies in the transportation and agriculture industries." Centerre is known to be a heavy lender to the barge industry. Overall loan problems caused Centerre's profits a share to drop almost 34 percent in 1982, the annual report shows.

What's the outlook for this year? Said National Marine's Creelman: "It's going to be a

terrible year." But it won't be quite as bad as last year, he said.

The problems that have afflicted the barge industry have caused industry revenues to drop from $2.7 billion to perhaps as low as $1.4 billion, industry sources said.

Bob Goodwin, vice president of the Midwest region of the American Waterways Operators, a trade group, said, "This is as bad as we've ever seen it in our industry."

Oliver Corlett, a stock analyst with Value Line Inc. in New York, said the main reason for the barge industry doldrums is the drop in grain shipments. That drop started when former President Jimmy Carter ordered an embargo on U.S. grain shipments to the Soviet Union.

Prior to the embargo, the Soviet Union purchased about 70 percent of its grain from the U.S., Corlett said. The Soviets have sought other suppliers, such as Argentina, since then, and now U.S. grain accounts for 20 percent of Soviet imports.

Grain shipments may be starting to increase, said Harry N. Cook, president of the National Waterways Conference Inc., a waterways industry trade association. But even as they begin to improve the payment-in-kind (PIK) program started earlier this year by the Reagan administration may stifle shipments.

Under the payment-in-kind program, farmers are paid to keep their land out of production. Grain surpluses had grown so large that the government gave the farmers an incentive to plant less.

For the barge industry, that means less grain will be shipped. And the amount of fertilizer shipped by barge will drop also, industry sources said.

The drop in grain shipments affects both CLC and Chromalloy.

CLC's annual report shows that 71 percent of its river transportation revenues are from grain shipments. Revenues from grain shipments dropped by $16.6 million in 1982 as compared to 1981, the annual report states.

And Chromalloy's Inland Barge Group holds the largest share of the grain transportation market, though Chromalloy officials wouldn't say how big that share is.

Adding to the problems caused by the drop in grain shipments was the general economic recession. Petroleum products, steel, coal and industrial chemicals are shipped by barge, and the recession reduced the demand for those products.

The drop in barge shipments coincided with an increase in the number of barges. Goodwin of the American Waterways Operators said that in 1976, there were 26,787 barges in the U.S. That figure rose to 31,592 last year, he said.

Lee McKinney of the water transportation and engineering consulting firm, McKinney Associates, said there had been a shortage of barges in the mid-1970s. The industry began building barges to ease that shortage. Investors also put money into barges for tax shelters.

The number of barges peaked just as demand for barge services bottomed out. The result, according to officials at the trade publication, Waterways Journal, is that about one-third of the nation's barges are out of use.

Competition to garner what business exists has sent shipping rates plunging, said Harry Cook of the National Waterways Conference. CLC said its grain shipping rates dropped 40 percent in 1982. Chromalloy reported that its grain rates dropped 50 percent to 60 percent below 1981 rates.

The companies have tried to fight the recession by cutting costs.

CLC has instituted a wage freeze on all employees. In fact, CLC proxy statements show that top officers earned less in 1982 than in 1981.

Warren Golden, president and chief operating officer of CLC, had a salary and bonus of $175,000 in 1982. He made $200,000 in 1981. CLC's chairman and chief executive officer, Donald Peiser, had a salary and bonus of $115,000 in 1982, compared to $135,000 in 1981.

CLC also said it reduced staff, though company officials wouldn't specify the size of the cuts. The annual reports filed on Form 10-K to the Securities and Exchange Commission show that CLC employed 1,100 persons in 1981 and 1,000 in 1982.

Chromalloy's annual report stated that the firm's Inland Barge Group has tried to minimize fuel costs, improve productivity and increase operating efficiencies, though Chromalloy officials wouldn't give any specifics.

Chromalloy's 10-K report shows that employment in its transportation segment dropped from 4,300 in 1981 to 4,275 in 1982. The report doesn't break the figures down to show whether those layoffs occurred in the barge business or in other transportation businesses.

George Matz, business agent for the National Maritime Union of America, said the union has about 1,000 workers in this area. His members' working time has been cut as much as 40 percent to 50 percent during the last year or so, Matz said.

The barge industry so far hasn't felt the effects of the economic recovery, industry officials said. CLC reported a loss from its barge business of $4.8 million for the first quarter. For last year's first quarter, the barge business had a loss of $4.6 million, but that loss would have been $1.4 million greater had CLC not benefited from the sale of tax benefits.

Goodwin of the American Waterways Operators said, "I don't see a substantial upturn before late next summer at the earliest." The barge business recovers later than the general economy, he explained.

A Centerre Bank loan official said it's just too difficult to predict when the industry will turn around.

But William Creelman of National Marine Service said, "We look toward the end of the third quarter" for some recovery. National Marine's barges carry liquid products, including petroleum products and liquid chemicals.

Creelman said the firm is "seeing some recovery in our basic chemical movements," especially in industrial chemicals. The recent federal gas tax of five cents a gallon, the funds of which will be used to repair the nation's roads and bridges, should help the movement of asphalt, and that should benefit National Marine, Creelman said.

But the payment-in-kind program will reduce the need for liquid fertilizer shipped by National Marine, he said.

With the barge industry problems now more than two years old, some officials are wondering whether companies can survive until business gets better, Goodwin said.

And even if business improves, the industry faces a potential problem in the issue of user fees. The Reagan administration wants to levy user fees on barge operators to help the government defray costs of upkeep on the nation's waterways. Barge operators now pay a federal fuel tax of 6 cents a gallon, a figure that will increase to 10 cents a gallon in 1985, Goodwin said.

Reagan's user fee proposal, when added to that fuel tax, would mean barge operators would be paying the equivalent of 30 cents to 35 cents a gallon extra to the government.

CLC paid an average of $1 a gallon for barge fuel in 1982.●

THE 25TH ANNIVERSARY OF THE BILLERICA LODGE OF ELKS

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. MARKEY. Mr. Speaker, I would like to ask my colleagues to join me in saluting one of the most successful and most valuable charitable community organizations in my congressional district.

Last month, the Billerica Lodge of Elks celebrated its 25th anniversary. I view this occasion as a significant point in the Elks' history, as it reflects the growth and progress of this concerned and caring group of individuals. Although the Elks is a nationwide organization, the true measure of its success lies in the individual, local lodges. The Billerica Lodge of Elks represents a microcosm of what the national organization has always stood for. Each year, the Billerica Lodge contributes tens of thousands of dollars to charitable causes such as civic, youth and veterans groups. However, this particular Lodge has not limited itself to financial contributions. It also sponsors many community affairs, including local sports leagues, senior citizens groups, Boy and Girl Scout Troops, and Junior Reserve Officer Training Corps activities.

For the past quarter of a century, the Billerica Lodge has readily extended itself outward, culminating all of its activities into the overall goal of helping others without expecting something in return.

With its membership climbing to over 1,800, the Billerica Lodge of Elks is continuing to involve itself in community affairs, offering its undivided time and efforts as it serves the people of Billerica.

Organizations like the Billerica Elks play an important role in our society, helping America and its people to thrive and prosper. Now more than ever before we need these organizations, and for this reason, the Billerica Elks deserve our full commendation.●

FUEL ECONOMY AND THE AUTO INDUSTRY

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. TRAXLER. Mr. Speaker, there is no question that our national policies have often been faced with conflicting goals. Several years ago, Congress adopted policies dealing with the Corporate Average Fuel Economy (CAFE) that we expected our auto manufacturers to meet in light of our energy concerns. Everyone knows, of course, that an average is simply a combination of abilities of different units, and that averages can be skewed depending upon which units are purchased.

Our auto industry is faced with a problem whereby as a result of dramatically altered buying patterns of American automobile purchasers that they will be unable to meet the standards which took effect in 1978 in their new models as a result of sales pattern projections. The Chicago Tribune recently published an article which outlines the problems with the CAFE requirement. This article is worthy of all of our colleagues' attention, and I would like to submit this article for inclusion in the RECORD at this point.

The CAFE requirement will certainly be an issue before us in the near future, and it is important that all of us be fully informed. As one of the cochairmen of the Congressional Automotive Caucus, I want all of my colleagues to know that the Caucus will do all that it can to keep the House advised on issues of importance to the automotive industry.

[From the Chicago Tribune, July 14, 1983]

HOW TO KEEP DETROIT DEPRESSED

(By Stephen Chapman)

Just as they're driving away from the worst stretch of economic road they've ever seen, American automakers now see a brick wall looming ahead. A federal law says they must raise the gas mileage of the cars they sell, or else pay millions of dollars in fines. In other words, it is the policy of the federal government to hobble General Motors and Ford, keep a lot of auto workers unemployed and provide a windfall to Toyota and Datsun.

The problem arises from the Corporate Average Fuel Economy (CAFE) standards, a relic of the days when everyone in Washington assumed the world would run out of oil by, oh, 1983 or so. They were supposed to induce Detroit to stop forcing gas-guzzlers on American consumers. The rules, which took effect in 1978, required the fleet of domestically-produced cars sold by each automaker to attain an average of 18 miles per gallon, rising to 26 this year, 27 next year, and 27.5 in 1985.

During the 1979 gasoline crisis, the Carter administration spent a lot of time congratulating itself for its foresight in compelling Detroit to begin the shift to smaller, higher-mileage cars. Never mind that, at the same time, it was maintaining price controls on gasoline, thus discouraging consumers from buying such cars.

Although they may have speeded the transition slightly, the CAFE standards were much less a factor than the Ayatollah Khomeini. Nothing enhances the appeal of an ugly little econobox like a doubling of gasoline prices.

So rapidly did the automakers move to meet the new demand that until this year, they had exceeded the federal requirements. But in their 1983 model year both General Motors and Ford, which account for 82 percent of domestic auto sales, will fall about two miles per gallon below the required minimum.

They only reason they won't have to pay fines this year is the "credits" accumulated in past years. Otherwise, GM would owe some $420 million, Ford about $135 million. Next year or the year after, when the fines will be even bigger, those credits will run out. Barring a hefty increase in gasoline prices which sends buyers scurrying after Citations and Escorts, the bills will add up fast.

Critics will reply that if these companies want to avoid fines, they should simply sell fewer big cars and more small ones. But that would be no different from what consumerists damned Detroit for in the past: forcing Americans to buy cars they don't want. Now that gasoline prices are comparatively low, buyers are less attracted to high-mileage cars. As Yogi Berra said, "If people don't want to come out to the park, nobody's going to stop 'em."

The only way Ford and GM automakers can induce consumers to change their buying preferences is to charge more for big cars and less for small ones. That means making less money on either. Selling fewer big cars at higher prices will mean lower overall profits—else they'd be sold at the higher prices already. Selling more small cars at lower prices, ditto.

Reducing the profits of automakers and restricting the sales of those cars that are in demand is an unconventional strategy for reviving Detroit and other automaking cities. Higher fuel economy will be purchased only at the price of lower employment in the auto industry. Given the current abundance of oil and scarcity of assembly-line jobs, maybe the tradeoff should go in the opposite direction.

The CAFE rules make even less sense next to the proposed domestic content law for foreign automakers. If the goal is more domestic production, the place to start is letting Detroit make the cars Americans want. If the problem is competition from Japan, it achieves nothing to penalize U.S. firms for selling those cars in which they lead the world, while forcing them to sell those that are Japan's forte.

Nor are the mileage rules needed to keep American buying habits in accord with reality. Now that drivers are no longer shielded from paying the true cost of gasoline, they can decide rationally for themselves how much fuel efficiency to buy.

So our lawmakers have a choice. If they want to restore consumer sovereignty and the health of the auto industry, they can repeal CAFE, at minimal cost to the progress of energy conservation. If they want to elevate fuel efficiency to the highest national priority, they can keep the standards and hasten that progress modestly. But while they're at it, they should kiss Detroit goodbye.●

POWER CORRUPTS

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. WALKER. Mr. Speaker, for many weeks now, several of my colleagues and I have been urging a full and open investigation into the alteration of an official hearing record—alterations which are so extensive that we believe they threaten the integrity of all proceedings in this House. In its infinite wisdom, this House has determined that this matter should be the subject of investigation by the Committee on Standards of Official Conduct. I have made known my reservations about this approach on several occasions and will not review them in their entirety here. However, one serious concern my colleagues and I had about referring this matter to the Committee on Standards of Official Conduct was the limited scope of jurisdiction granted to the committee. The fact that an amendment to a major funding bill for education was secretly rewritten after full committee markup on that bill had been completed just last week bears out this point. Such blatant abuses of power simply cannot be tolerated and I call to the attention of my colleagues the following article written by Congressman JOHN ERLENBORN which details his latest instance of highly questionable ethics:

POWER CORRUPTS

When the Chairman of a House committee abuses the legislative process, it is time to conclude he has been in power too long.

Recently I appeared before the House Rules Committee to protest changes made in an amendment to the Rehabilitation Act Reauthorization bill by Education and Labor Committee Chairman Carl Perkins.

I challenged the amendment when it came before the committee, on which I am the Ranking Republican member. The amendment would increase budget levels for all programs under the committee's jurisdiction and could cost us taxpayers an additional $1.3 billion. It totally disregards budget ceilings set by the 1981 Reconciliation Act.

That's why I objected to the amendment as it was before our committee, but that is not what prompted my unusual protest before the Rules Committee. It got worse.

When we received printed copies of the bill as approved by the committee, I was flabbergasted to find the amendment adopted by the committee had grown from 67 to 386 words, in the time between the committee's action and the report of the bill to the House.

Of course, the impact on costs had climbed, and the additional wording considerably changed the meaning of the measure. Spending would now be based on the House's higher, inflationary First Budget Resolution and not the lower Conference Report version. Every program would be more costly.

The chairman admitted he had changed the amendment but claimed that it was just a "technical and conforming" change.

This kind of maneuvering destroys the integrity of the legislative process. It makes a sham of committee meetings. So I went before the House Rules Committee and told how a veteran of 34 years in Congress, Carl Perkins of Kentucky, wrote new meaning into an amendment without committee review or approval. In my 19 years in the House, this is the first time I've encountered this kind of distortion.

In a move to save the chairman's face, a member of the Education and Labor Committee suggested we take the amendment back and rework it, and the Rules Committee consented.

We still have the same majority on the committee, and the same chairman, however. Not surprisingly, the majority went along with the chairman.

We still have the same Ranking Republican member as well, and I won't give up our right to object loud and clear to underhanded ploys that have no place in the democratic process.

The spenders have tried all kinds of tactics to get more tax money for their favorite programs, but this is a new low.●

NEW TAXES AND EQUITY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. DOWNEY. Mr. Speaker, the 1981 supply side tax cut was so large and inequitable that even the current administration was embarrassed by it. Therefore, in 1982 Congress enacted several revenue increases which included phasing out the safe harbor leasing scheme, strengthening compliance and broadening the minimum tax so that those with large amounts of tax sheltered income would shoulder at least minimal burden.

Still, our Nation is $200 billion in the red. Clearly we are going to have to do more on the revenue side. Therefore, I introduced a bill yesterday which embodies many of the proposals of the AFL-CIO as well as ideas I have offered in past reform bills.

I am putting this approach (H.R. 3585) on the table just prior to the Ways and Means Committee hearings on revenue sources in the hope it will stimulate debate on equity.

There is more than $120 million in revenue here—over the next 3 years—for those of us who are serious about reversing the current trend toward increasing deficits and know that nondefense spending cuts will not yield the billions we need.

If money is to be raised, these controversial tax loopholes have to be studied. My interest is in pointing out that the money does not always have to come from working peoples' wages.

I look forward to lively and candid discussions with my colleagues on this bill, both in general and on its specifics.●

HOSPICE NURSE SUBCONTRACTING LEGISLATION

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Ms. SNOWE. Mr. Speaker, I am lending my support today to H.R. 3588 in an effort to correct one provision of the medicare reimbursed hospice program which goes into effect October 1983. The provision in question prevents hospices from subcontracting nursing services.

The Health Care Financing Administration (HCFA) has indicated that flexibility to subcontract for nursing services cannot be granted by regulation. Corrective legislation is necessary and soon.

The law, originally written to prevent possible fraud and substandard services, stipulates that a hospice must "routinely provide directly substantially all" of four basic core services including nursing care. Many in the long-term health field believe the law is actually too restrictive, preventing hospice care in many areas of the country—especially rural areas.

I understand most hospices must routinely subcontract nursing services. There are some regions where there is only one, or a few, nurses. They may already be affiliated with a local doctor or hospital in some capacity and could not be hired directly by a hospice. No hospice will exist in such an area if subcontracting is not permitted.

Ellen Rogers, secretary of the Coalition of Maine Hospices, estimated that 80 percent of the approximatley 18 hospices in Maine would be adversely affected by being unable to subcontract for nursing services.

Mr. Speaker, I would like to add at this point that H.R. 3588 requires that any nurse subcontracting program in a given area be coordinated with a medicare certified provider. It is not the bill's sponsors' intent to relax service standards in the law. Rather, we hope that, by recognizing the special recruiting problems in many regions of the country, a certain flexibility can be allowed while at the same time require appropriate safeguards and guidelines.

In conclusion, I would like to have inserted in the RECORD a thoughtful letter from Executive Director Betsy J. Perry, RN, MPH, Androscoggin Home Health Services, Inc., Auburn, Maine. Ms. Perry succinctly outlines the specific problems incorporated in the present law, especially in rural States such as Maine. I believe her comments merit the review of my colleagues prior to the program's implementation later this year.

The letter follows:

ANDROSCOGGIN HOME HEALTH SERVICES, INC.,
Auburn, Maine, June 29, 1983.

Representative OLYMPIA J. SNOWE,
Cannon House Office Building,
Washington, D.C.

DEAR OLYMPIA: I appreciate the opportunity to offer the perspective of a rural homecare agency on the hospice issue of contracting of nursing services. Speaking on behalf of this Agency, I also appreciate your concern and time spent on this issue. As you know so very well, hospice care could significantly ease the burden of dying for many Maine citizens.

As I understand the development of the original legislation, the requirement for nursing services to be offered directly by the hospice as intended to encourage community-based rather than hospital-based hospices. Some feel that if nursing services could be contracted for, then hospitals are in the driver's seat due to the relative ease with which an institution can establish a new program as compared to a community-based, often very small, home health agency. To me, it appears that the power rests in hospital hands anyway. Most hospitals are in a much better position financially to go through Certificate of Need to establish a hospice than are freestanding home health agencies.

In thinking this dilemma through, I must reflect on the joint planning efforts in the Lewiston/Auburn community. As the major homecare provider, Androscoggin Home Health Services has committed its resources to seeing that hospice care is a reality for the people of our communities. Central Maine Medical Center also recognizes their key role in the care of cancer patients in particular. Therefore, we have joined together in early planning efforts. Our initial task was to identify shared beliefs and goals about hospice care. This was a thoughtful and rewarding experience in view of the potential difference a community-based hospice could make for many dying people and their families in this rural area.

With these shared beliefs and goals as our foundation, the logical extension of our collaborative efforts is to seriously consider the coalition model of providing hospice care. Androscoggin Home Health Services and Central Maine Medical Center might jointly establish a community hospice which would contract with community organizations, including ourselves, for the needed services.

The law as it presently stands would not allow this. In pursuing models of hospice programming which exclude contractual arrangements for nursing services, this community is faced with the following dilemmas:

(1) duplication of nursing services coupled with an already evident shortage of R.N.'s and L.P.N.'s.

(2) burnout of nurses assigned exclusiveiy to the care of hospice patients and their families; and

(3) unattactive, if not impossible, financial risks.

The first area of duplication should be of great concern to the payors as well as providers. Franklin County with 888 square miles and 27,013 people, has a population density of 30 people per square mile. On an average, a full-time nurse travels 14,000 miles per year to provide nursing services to residents of Franklin County. Currently, there are nearly four full-time equivalent nurses assigned geographically and providing care to patients with all types of diseases including the terminally ill. If a dupli-

cate nursing service was set up to care for hospice patients only (which would be a relatively small number), the costs would be extremely high in view of the extensive travel and duplicative administrative costs.

In addition, our most recent attempts to recruit licensed nurses (both R.N.'s and L.P.N.'s) for Oxford and Franklin Counties have been frustrating as we face few or no applicants. What applicants we have very often have no experience in home health care in general, not to mention care of the terminally ill or elderly.

The second dilemma facing this community is a quality issue. Even with plenty of nursing personnel available for homecare, burnout of nurses who must deal exclusively with dying patients day after day becomes a major problem. With contracting of nursing services, personnel can be assigned part-time to full-time to hospice care which allows individual needs to be met more effectively, and quality of care certainly would not suffer.

The third dilemma of financial risk presents itself in several ways. If a home health agency becomes the Medicare-certified hospice to avoid contracting of nursing services and/or costly duplication of home nursing services through another hospice entity, the financial risks belong squarely on the shoulders of that agency.

Possessing relative financial health, A.H.H.S. would be willing to assume a certain degree of financial risk in providing hospice care. However, the risks that come with the total administrative and clinical control over hospice required under the present law are well beyond reasonable. The risks fall in the categories of Title XVIII step-down methods of accounting, cap amounts, continuous care assurances, mandatory nonreimbursed services, and physician trust and usage of the program. Without the coalition model in this community, whereby two health institutions can share in those financial risks, Medicare-covered hospice care may be a short-lived reality at best.

I hope these comments have been helpful. Androscoggin Home Health Services is very determined to provide hospice care built upon community resources and strengths. How else can it be available for all people in this rural area? We would like to see certified hospice care including contracting of nursing services become a permanent addition to health care in Maine. Please let me know what further steps we might take to make this a reality.

Thank you again for your time and concern regarding this issue.

Sincerely yours,

BETSY J. PERRY, RN, MPH,
Executive Director.●

ZONTA INTERNATIONAL CHAPTER ESTABLISHED IN ANTELOPE VALLEY, CALIF.

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. THOMAS of California. Mr. Speaker, on Sunday, July 24, 1983, Zonta International Club charters a new chapter in Antelope Valley, Calif.

Zonta International Club is a service organization of executive and professional women, with clubs in over 48 countries. Emphasizing volunteer service in order to improve the status of women, Zonta International is currently involved in such international projects as supplying wells in Sri Lanka, and offering fellowships to women studying aerospace engineering. The local chapters of Zonta clubs are also involved in community services and charitable projects, such as visiting homes for the aged and adopting homeless children.

I am honored to recognize the establishment of such a worthwhile organization in Antelope Valley, and I know the club will benefit the community tremendously.●

MAKING MONTHLY REPORTING AND RETROSPECTIVE BUDGETING OPTIONAL FOR THE FOOD STAMP PROGRAM

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. MOODY. Mr. Speaker, last week 12 colleagues joined me in introducing H.R. 3557, a bill to give States some essential flexibility in administering the food stamp program by allowing them the option of applying the monthly reporting with retrospective budgeting—the so-called MR/RB—requirement which is mandated to go into effect this October 1.

MR/RB was one of the sweeping changes made by the Gramm-Latta Omnibus Budget Reconciliation Act of 1981. In the food stamps area, it is now clear that Gramm-Latta will result in massive extra paperwork, great caseload churning, and additional administrative cost and effort for relatively small savings in actual benefit payout. It will also bring needless hardship and difficulty to eligible families.

Under MR/RB, food stamp recipients must fill out and return a lengthy questionnaire on income and household circumstances each and every month—the MR part of MR/RB. This is what produces so much extra paperwork. Studies show that only a few families change circumstances so frequently and so dramatically as to need monthly monitoring.

Retrospective budgeting—the RB part—requires that each recipient's benefits for the next month be based on the data provided in the report for the previous month. This causes families who lose employment to wait an additional month to receive food stamp help—often needlessly forcing them onto local general assistance—supported by the local property tax—again causing extra paperwork. It also keeps families on food stamps an extra month after they have regained employment.

Studies conducted since Gramm-Latta's enactment indicate that monthly reporting is not in fact particularly cost effective if applied indiscriminately to all recipient types. Some very fragmentary research before Gramm-Latta had suggested that significant reductions in food stamp program costs might be achieved through MR/RB—as much as $257 million according to one CBO estimate. Update evidence, however, shows that MR/RB provides no real long-term savings but mainly just front-end savings as a lot of families are temporarily thrown off the rolls for primarily paperwork reasons. CBO has since retreated from its earlier estimate of $257 million in savings. It estimates that except for an initial short-term reduction in benefit payouts, there would be few if any loss in savings from making MR/RB a State option.

The key problem with MR/RB requirements is the overwhelming administrative task they present for many States. Because of the huge additional volume of paperwork required by MR/RB, State and local resources are diverted from other important activities and from other administrative methods to reduce errors and assure accurate and timely benefit payments.

In those cases where monthly reporting or retrospective budgeting actually does increase program efficiency for certain categories of food stamp recipients—such as transient low-income families—States can be trusted to employ it. However, where it is inefficient, States will have the flexibility to opt for a locally designed and more efficient process. Thus, the effects of this bill would only apply to those States where MR/RB requirements simply do not make for good public policy.

State option for MR/RB has widespread support. Thirty-two State social services commissioners have already expressed their strong support for making MR/RB a State option. Of course, State option would also comply with the Reagan administration's announced policy of giving States maximum flexibility.

Mr. Speaker, if MR/RB goes into effect this October 1, State and local administration of the food stamp program will be made unnecessarily complex and considerably less efficient. States need the flexibility to design and administer the program in a cost-effective manner. This legislation allows that flexibility.

I invite my colleagues to review the following section-by-section analysis of this bill and join us in cosponsorship.

SECTION-BY-SECTION

Section 1. Section 1 maintains periodic reporting and retrospective budgeting as state options in the food stamp program, so that states may determine whether these administrative systems are effective and would serve the needs of the program in their states. Periodic reporting and retrospective

budgeting are currently state options in the food stamp program, but under the Omnibus Reconciliation Act of 1981, these state option provisions expire on October 1, 1983. After that, the state option turns into a federal mandate with all states required to institute these systems by October 1. Recent research data and program experience indicates that in many jurisdictions, these systems do not reduce errors or improve program performance, but do increase administrative costs and result in denial of benefits to some households in legitimate need. Section 1 therefore retains state flexibility by making the state option provisions permanent and by repealing the provision turning the state option into a federal mandatory requirement on October 1.

Section 2. Under current law, states are prohibited from recertifying households subject to periodic reporting/retrospective budgeting systems any more frequently than once every six months. Section 2 allows states to select categories of households (with the approval of the Secretary) to be recertified at more frequent intervals. This is intended to allow states to use more frequent recertifications where the state can show this would be likely to reduce errors.

Section 2 also makes a technical correction in the statute to permit the Secretary to authorize certification periods of longer than 2 months for households not subject to periodic reporting where he finds this would improve the administration of the program. This will allow the Secretary to make food stamp certification periods coterminous with SSI certification periods for SSI households (especially for SSI households who apply for and are recertified for food stamps at Social Security offices). The statute already allows the Secretary to permit certification periods of more than 12 months for households who are subject to periodic reporting, but due to a technical drafting error made in the statute during enactment of the Omnibus Reconciliation Act of 1981, this language fails to apply to SSI households. That Congress had intended this provision to apply to SSI households is clearly shown by the 1981 Senate Agriculture Committee report.

Section 3. Section 3(a) corrects another technical drafting error. Currently, the statute excludes migrant farmworker households from both periodic reporting and retrospective budgeting. However, due to a drafting oversight, all other categories of households excluded from periodic reporting—such as elderly households with no earnings—are not similarly excluded from retrospective budgeting. It is administratively impractical to use retrospective budgeting for households not subject to periodic reporting. This part of section 3 rectifies this technical problem by clarifying that those categories of households excluded from periodic reporting are similarly exempt from retrospective budgeting.

Section 3(b) would provide states an option to provide temporary supplemental benefits for those households subject to periodic reporting/retrospective budgeting who experience a sudden and significant loss of income. Under periodic reporting and retrospective budgeting, a household's benefits for a given month are normally based on the household's income during the second preceding month (e.g., a household's July benefits are based on its income back in May). If such a household were to experience a major income loss after the end of May, its food stamp benefits would not be increased to reflect the income loss for at least two months—creating hardship in the meantime. Prior to the 1981 Reconciliation Act, the Food Stamp Act required that in cases where a household experienced an income loss of more than $50 a month, supplemental benefits would be provided during the interim period so that the household did not face hardship in getting enough food. However, the 1981 Act repealed the supplemental benefits provision and no assistance whatsoever is now provided to deal with these hardships. Section 3(b) of this bill is designed to address this issue. It stakes out a middle ground by providing states an option to supplement the benefits of those households who suffer an income loss of more than $100 a month.

Section 4. This section removes from the law the detailed prescription of which categories of households have to report in states using periodic reporting/retrospective budgeting. Instead, states would select the categories of households to report periodically (and to be subject to retrospective budgeting), with the approval of the Secretary. As noted above, the exclusion of migrant and elderly and disabled households is retained. In addition, an exclusion is provided for those categories of households whose inclusion in periodic reporting/retrospective budgeting can be shown by a state to result in unwarranted administrative costs. This is intended to give states with greater flexibility to select the categories of households to be subject to periodic reporting/retrospective budgeting, so that states may target on those households where this system would be most effective.

Section 5. This section provides that the provisions of the bill, except for section 1, are effective upon enactment. Section 1, which extends the current state option regarding the use of periodic reporting and retrospective budgeting, would be effective October 1, 1983.●

THE IMPORTANCE OF AFFIRMATIVE ACTION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. GARCIA. Mr. Speaker, Sunday's New York Times had an article by Jack Rosenthal on affirmative action. In that article Mr. Rosenthal discussed this subject in the context of Morris Abram's testimony on his appointment to the U.S. Commission on Civil Rights.

Mr. Abram's position on affirmative action is a reflection of a moral rigidity on an issue that is crucial to the progress and well-being of minority communities. Affirmative action programs give minorities an equal chance. These programs do not push blacks or Hispanics to the head of the line; they simply provide them with the opportunity to compete effectively.

This is a great country. We have come a long way in trying to address discrimination and racism, but we cannot let down now. We cannot deny the scars of history. We have made some progress, but as long as black and Hispanic unemployment is significantly higher than that of the white community; as long as our income range is considerably lower; as long as discrimination, subtle or otherwise, exists, we will need affirmative action programs.

I submit for the RECORD Mr. Rosenthal's editorial for my colleagues to examine and consider.

MORRIS ABRAM, LBJ AND NEUTRALITY

(By Jack Rosenthal)

They were nervous, milling about in Lyndon Johnson's White House. When was the last time a President had called together the press secretaries of all the departments? What did he want? He marched in, big, brown-suited and angry, and told them.

He was tired, he said, of being compared unfavorably with John Kennedy, especially on civil rights. JFK had a fine record, he said. But so, damn it, did he. "Some day," he thundered, "you'll tell your grandchildren you were proud to have been part of the Johnson Administration."

His words came to mind last week when Morris Abram testified on his nomination to the U.S. Commission on Civil Rights. The testimony, like Lyndon Johnson's civil rights record, turns on one of the great unsettled issues of our time: affirmative action.

It underlies almost every aspect of modern race relations—and it remains open, an unstable equilibrium as America struggles over how much to do to relieve the enduring effects of slavery and bigotry.

Morris Abram is a lifelong enemy of that bigotry. To imply otherwise does injustice to a man of public, and private, courage. But the respect due a man of principle need not extend to his every principle. And when it comes to affirmative action, the position he enunciated again last week is technical, bloodless, uncharacteristically ungenerous.

To him, affirmative action is permissible only if neutral. He believes "it is morally and legally wrong to discriminate against any person or to discriminate in favor of any person." To do otherwise is to concur in "governmentally enforced quotas."

Quotas offend him deeply because the power to prefer one group today is the power to prefer another tomorrow. Other aggrieved minorities, including white ethnic groups, will demand special treatment, setting the stage "for conflict—and tragedy." Government must be neutral, he insists, citing as authority an order by Lyndon Johnson that called on contractors to be color-blind in hiring.

Do other minorities have grounds for complaint? Of course. American life is punctuated with signs that read "No Irish Need Apply" or with anti-Jewish quotas at medical schools. But Mr. Abram evidently finds it hard to distinguish these grievances from the relentless racism of centuries.

Even conceding that, Mr. Abram still thinks it wrong for government to give preference to one group. Yet government does that all the time. As Justice Blackmun observed in the Bakke case, government regularly gives preferences to veterans, the handicapped, Indians and, with the progressive income tax, to many others. "In order to get beyond racism," he wrote, "we must first take account of race. There is no other way. And in order to treat some persons equally, we must treat them differently."

There's every reason for the present generation of Americans to try conscientiously to redress the enduring wrongs of our past.

And, if we want more than proclamations of virtue, we need a way of keeping score.

Mr. Abram does not oppose remedial action. He insists that he is for, if not affirmative action, at least "social assistance." For instance, he would provide job training to all who would work but lack the skills. But then why shrink from devising ways to open up jobs, too? To Mr. Abram, that raises the hateful idea of quotas.

Attaching numbers to affirmative action need not—should not—mean guaranteed numerical outcomes. It is a way to make institutions accountable, to measure honest effort to find minority employees, students, applicants.

Mr. Abram is entitled to his chilly neutrality. What he is not entitled to do is cite Lyndon Johnson in its defense. If one really wants to know what Lyndon Johnson thought of affirmative action, head and heart, one should not stop at the technical language of an executive order. One should recall his words at Howard University in 1965, words that have not been improved on since:

"Freedom is not enough . . . You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'you are free to compete with all the others,' and still justly believe that you have been completely fair. Thus it is not enough just to open the gates of opportunity. All our citizens must have the ability to walk through those gates . . . .

"To this end equal opportunity is essential, but not enough, not enough. Men and women of all races are born with the same range of abilities. But ability is not just the product of birth . . . It is the product of a hundred unseen forces playing upon the little infant, the child, and finally the man."

Freedom is not enough, Mr. Abram. Equal opportunity is not enough. Neither is neutrality.

SUPPLEMENTAL COMPENSATION UNEMPLOYMENT INSURANCE PROGRAM

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Ms. KAPTUR. Mr. Speaker, Congressman PEASE and I, along with 32 of our colleagues, have introduced legislation to revise and extend the Federal supplemental compensation unemployment insurance program. This legislation, H.R. 3573, demands immediate consideration by the Congress. The recent upturn in the economy will not alleviate the problems of the long-term unemployed, at least not in the foreseeable future. As Paul Manchester of the Joint Economic Committee notes: "The current surge in employment is not helping those who have been out of work the longest." After the June increase in the number of employed, two key figures of employment dislocation hit postwar highs. The numbers of persons out of work for 27 weeks or more surged to nearly 3 million, while the total weeks of unemployment—calculated by multiplying the number of unemployed by the average duration of their joblessness—also reached a postwar high.

The Federal supplemental compensation program provides much needed relief to the long-term unemployed. This federally financed program provides benefits to individuals who have exhausted their basic and extended unemployment benefits.

H.R. 3573 extends the FSC program 6 months beyond its current September 30 expiration date. The long-term unemployed desperately need this assistance until they are able to obtain new jobs.

H.R. 3573 also alters the formula which determines the length of a State's FSC benefits. The current formula does not include the number of long-term unemployed. As a result, the unemployed in States where economic dislocation is greatest and has lasted longest often do not receive the maximum available weeks of FSC benefits.

The number of weeks of FSC benefits for which individuals are eligible depends on a State's insured unemployment rate (IUR): the higher the IUR, the more weeks of FSC benefits individuals can receive. Currently, a State's IUR is calculated by dividing the number of individuals receiving basic State unemployment benefits by the number of individuals working in jobs covered by unemployment insurance.

Unemployed individuals who have exhausted their basic benefits are currently excluded from the IUR calculations. Thus, in States where economic dislocation has been most severe and long-term unemployment is on the rise, the IUR may actually be dropping. As examples of how inaccurately the IUR now reflects a State's unemployment picture, Michigan has the 2d highest unemployment rate in the Nation, but its IUR is the 14th highest. Alabama has the 3d highest unemployment rate, but its IUR is the 20th highest.

H.R. 3573 would include in the IUR formula individuals filing claims for any type of unemployment compensation. States with a large number of long-term unemployed would thus qualify, as they should, for the maximum weeks of FSC benefits.

I urge my colleagues to support and cosponsor H.R. 3573. As the following article from Business Week illustrates, the long-term unemployed will continue to need help for some time to come.

THE NUMBERS BRING LITTLE JOY TO THE LONG-TERM JOBLESS

Today's report that the all-worker unemployment rate fell to 9.8 percent in June suggests that job-market conditions are improving significantly, but that does not mean that the hardships associated with joblessness are starting to fade. In fact, one key measure of labor-market distress—total weeks of unemployment—is still rising rapidly.

The measure, developed by economist Paul Manchester of the Joint Economic Committee on Congress, is calculated by multiplying the number of unemployed by the average duration of joblessness. Manchester points out that the measure's big jump in June resulted entirely from a sizable increase in the average length of time without a job—to a postwar record of 22 weeks. "Since the ranks of the jobless actually fell in June," he says, "the indicator is telling us that the current surge in employment is not helping those who have been out of work the longest."

Manchester notes that at last count 1.6 million people had been without employment for a year or more, nearly 30 times the number in a similar plight as recently as 1969. And the number of persons out of work for 27 weeks or more climbed to a new postwar peak of 2.95 million in June.

"Our labor-market distress indicator suggests that the emotional and economic trauma of joblessness may be with us for some time to come," observes Manchester. "We appear to be faced with a new pool of long-term unemployed workers whose age and experience place them at a disadvantage in an economy that is undergoing rapid structural change."●

HOUSE RESOLUTION COMMEMORATING THE LATE PRESIDENT CALVIN COOLIDGE

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. CONTE. Mr. Speaker, I rise today to introduce a House resolution commemorating the life accomplishments, distinguished political career, and 30 years of dedicated public service of the late President Calvin Coolidge. This resolution also encourages the people of the United States to observe a "First Annual President Calvin Coolidge Week" during the period of August 1 through 7, 1983.

It seems to me that the time is ripe for this resolution. August 3 will mark the 60th anniversary of Calvin Coolidge's succession to the Presidency and this year marks the 50th anniversary of his death. What better time to recognize the special contributions of this great man? What more appropriate time to bestow this much deserved and long overdue honor?

Perhaps no other President in our history has been more unjustly "put on the back shelf" than Calvin Coolidge. The political career of Calvin Coolidge spanned some 30 years and encompassed a wide variety of local, State, and national offices. Coolidge was first elected to public office in 1898 as city councilor in Northampton, Mass. He later went on to become city solicitor and mayor of Northampton as well as State representative, State senator, president of the Massachusetts Senate, Lieutenant Governor and Governor of Massachusetts.

As Governor, Coolidge rose to prominence with his resolution of the Boston police strike in 1919. When

Samuel Gompers, president of the American Federation of Labor, requested the reinstatement of the policemen-strikers, Coolidge made his celebrated reply: "There is no right to strike against the public safety by anybody, anywhere, any time." This statement earned him a national reputation and the following year Coolidge became the Republican nominee for Vice President.

Upon the sudden death of President Harding in 1923, Coolidge succeeded to the Presidency on August 3 and took the oath of office from his father in his family home located in Plymouth, Vt. Asked later what he thought when he came so unexpectedly to the Presidency, Coolidge replied, "I thought I could swing it."

In retrospect, it would be difficult to refute the proposition that Coolidge did indeed "swing it." Always known for his honesty and integrity, Coolidge soon had the opportunity to firmly establish that reputation. His swift and judicious handling of the Teapot Dome oil-lease scandal—a scandal which had plagued the Harding administration—restored the people's faith in their National Government.

Coolidge's finer qualities did not stop with honesty and integrity, however. His personal commitment to thrift, caution, and industry helped foster an unprecedented period of economic growth and fiscal responsibility. Coolidge preferred to attribute the Nation's prosperity during the 1920's to the "commonsense" of his policies. As Coolidge himself stated:

It has always seemed to me that commonsense is the real solvent for the Nation's problems at all times—commonsense and hard work.

While keeping both inflation and unemployment at remarkably low levels, the Coolidge administration was able to reduce the size of the Federal budget and the national debt as well as realize 17.5 percent growth in the gross national product. This combination of ideals may never be realized again.

Finally, although President Coolidge is not prominently recognized as a leader in the area of world peace, he did undertake some important initiatives to this end. In 1927, for instance, Coolidge convened an International Naval Disarmament Conference in Geneva, Switzerland, with the purpose of averting the ugly occurrence of another world war. Great Britain, France, Italy, and Japan were among the nations invited to attend, but, unfortunately, France and Italy declined thus bringing the Conference to a halt. Coolidge did, however leave us with an enduring thought on the subject of world peace which is perhaps more relevant today than it was when Coolidge wrote it. He said:

The world has had enough of the curse of hatred and selfishness, of destruction and war. It has had enough of the wrong use of material power. For the healing of the nations there must be good will and charity, confidence and peace. The time has come for a more practical use of moral power, and more reliance on the principle that right makes its own might.

I hope you will all join with me in supporting a proper and meaningful tribute to this extraordinary man. The special contributions of President Coolidge to the betterment of self-government and the human condition deserve our recognition at this time.●

NATIONAL ATOMIC VETERANS' DAY

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. EDGAR. Mr. Speaker, on July 16, 1945, President Harry Truman was en route to Berlin to begin the "Big Three Talks" with Churchill and Stalin, the Washington Senators had a double header with St. Louis rained out, and the weather in Washington was cool and partly cloudy. In many respects it was a day not unlike July 16, 1983. However, there is one very striking difference between July 16 then and July 16 now.

Thirty-eight years ago this past Saturday, in a dry New Mexican desert at dawn 19 kilotons of explosive force and radioactivity were released into the atmosphere. An unsuspecting, unknowing world had been catapulted into the nuclear age. The servicemen who observed this and 234 subsequent nuclear detonations know better than anyone just how irrevocably one's life can change when touched by these awesome instruments of war. This past Saturday the President signed into law "National Atomic Veterans' Day" in recognition of these veterans.

For 38 years atomic veterans have lived with leukemia, rare forms of bone and organ cancers, and birth defects in their children. For 38 years due to a lack of concern for and investigation into the issue, no one has been able to tell them whether or not the fiery blast they witnessed so long ago may still be shaping their lives today. The mounting evidence relating their physical ailments to their participation in nuclear testing is becoming too conspicuous to ignore. These unique and patriotic veterans deserve to know that someone is listening, that someone cares.

Mr. Speaker, that is what "National Atomic Veterans' Day" is all about. It is a signal to this Congress that issues relating to the exposure of these men to ionizing radiation must be resolved as expeditiously as possible. In light of National Atomic Veterans' Day let us resign ourselves to the resolution of this pejorative issue.

So that my colleagues can better appreciate the dilemma of atomic veterans I am introducing into the RECORD the article "Hairy Chested Officers Ignored Risks of Atomic Blasts" which appears in the July issue of the Public Citizens Journal.

[From the Public Citizens Energy Journal—Critical Mass, July 1983]

NEWLY DISCOVERED NAVAL DOCUMENTS: "HAIRY-CHESTED" OFFICERS IGNORED RISKS OF ATOMIC BLASTS

(By Jan Pilarski)

More than a million tons of radioactive water, spray, and steam rained down on Bikini lagoon during the Navy's July, 1946 atomic bomb experiments, code-named "Operation Crossroads." Thirty-seven years later, the memory of Operation Crossroads is still vivid for the 42,000 atomic veterans who participated in the tests, many of whom now suffer from cases of cancer, heart disease, sterility, and bone and muscle deterioration.

The U.S. Navy and the Veterans Administration (VA) have always maintained that servicemen who might have been exposed to radiation during the atomic tests did not receive doses large enough to cause any injuries. In fact, the VA has denied more than 98 percent of the medical claims brought by servicemen involved in atmospheric testing in the central Pacific and Nevada from 1946 to 1962.

But once-secret documents uncovered recently reveal that the Navy ignored continued warnings of severe health risks for servicemen taking part in Operation Crossroads. Improper decontamination procedures and inadequate radiation monitoring equipment often resulted in exposures of 100 to 200 times the government's permitted level. "Contamination of personnel, clothing, hands, and even food can be demonstrated readily in every ship in increasing amounts day by day," wrote a medical officer involved in the tests.

The newly discovered documents are the personal papers of Colonel Stafford Warren, a physician who was chief of radiological safety for both the Manhattan Project, which developed the atomic bomb, and for Operation Crossroads. Although the documents were declassified twenty years ago, the papers had remained in Warren's possession until his death a year ago, when his widow donated them to UCLA's library. The documents were discovered there by Anthony Guarisco, a veteran of Operation Crossroads, who is director of research for the National Association of Atomic Veterans, an 8,000-member organization headquartered in Missouri.

At Operation Crossroads, a fleet of 90 target ships was positioned at "ground zero" to determine the effects of the atomic explosions on naval vessels in a "limited" nuclear war setting. But the experiment seemed destined for danger from the start, according to official test documents. Experts had warned that if the radioactive "column" of water from a Crossroads underwater test did not rise more than 10,000 feet, the radiological conditions would be "extremely serious." The column from that explosion rose only 6,000 feet, contaminating target ships "which may remain dangerous for an indeterminate time thereafter," said the fleet's Radiological Safety Section.

Decontamination efforts at Crossroads were begun on highly radioactive vessels before anyone really knew how to decon-

taminate a ship. This scope of the contamination also caught the servicemen offguard. "No plans had been prepared for organized decontamination measures . . . since the nature and extent of the contamination was completely unexpected," Warren wrote.

Many military officers also exhibited indifference toward established radiological safety standards. Fleet commanders had a "hairy-chested approach with a disdain for the unseen hazard [of radiation], an attitude which is contagious to the younger officers," reported Captain Lyon of the Radiological Safety Section in a letter to Warren.

In memorandum, Warren wrote that the equipment used to monitor radiation levels was rudimentary and often not used by Crossroads personnel. The instruments available to safety monitors were "experimental," and often failed to work entirely. Many men did not wear film badges, the minimal equipment required to measure external gamma radiation.

A report of the fleet's Radiological Safety Section indicated that "many persons received more than the permissible degree of radiation on a number of days, as indicated by the records of the film badges. It is likely that a number of persons not carrying film badges were similarly over-exposed."

The Defense Nuclear Agency, a division of the Department of Defense, contends that the exposure levels at Crossroads and other test sites "were generally well within the established radiation exposure limits."

However, Warren noted that it was "exceedingly common" to find dose limits surpassed. And contamination from plutonium was "extensive and unpredictable" so that "no one can say any place is safe for any length of time." The equipment to measure plutonium contamination was never made available for the decontamination operation at Crossroads, so exposure levels are pure speculation.

What Colonel Warren observed at Operation Crossroads was alarming enough for him to warn of the possibility of future suits by personnel involved in the atomic tests. A special medical-legal board was established to deflect criticism "and give what assurance was possible so no successful suits could be brought on account of the radiological hazards of Operation Crossroads." Warren wrote that the director of the Manhattan Project was "very much afraid of claims being instituted by men who participated in [Operation Crossroads.]"

A host of claims has indeed been filed with the VA to compensate atomic veterans for their radiation exposure, but the agency has awarded benefits to only 69 out of 3225 veterans who have filed claims.

"The Veterans Administration is out to bury the atomic veterans. They're playing a stonewalling, hide-and-seek game with us," said Glenn Alcalay, science and medical advisor for the National Association of Atomic Veterans.

The VA opposes an independent study to determine the health effects of radiation exposure from the atomic tests, a proposal now before the Senate. And although the VA recently adopted guidelines offering free health care to veterans suffering from any ailment that may be the result of radiation exposure, the agency stalled that plan also, finally offering the veterans free health care 17 months after being required to do so by Congress.

However, the NAAV reports hundreds of cases where atomic veterans have been denied access to free medical treatment since the VA adopted its guidelines two months ago. "It's up to the discretion of the individual physician to decide whether a veteran's ailments are caused by radiation and therefore eligible for free medical care," said Alcalay. "What seems to be happening is that conditions other than cancer are being overlooked for free treatment by the VA," he said.

Atomic veterans seeking to recover claims from the VA are further restricted by a law that forbids them from paying an attorney more than $10 to represent them, because of nine Civil war rules that still remain on the books. Unlike the decisions of other federal agencies, the VA's benefits decisions are not subject to judicial review. In addition, a 1950 Supreme Court ruling, now known as the *Feres* decision, exempts the military from any liability other than veterans' benefits for injuries to servicemen.

Congress recently approved a resolution establishing July 16 (the anniversary of the first atom test bomb) as Atomic Veterans Memorial Day. A number of bills are also pending in Congress which would require a epidemiological survey of veterans and their children, establish a process for judicial review of veterans' claims filed with the VA, and mandate formal rulemaking procedures for VA adjudication of radiation claims.

"We atomic veterans are living and suffering with the effects of our exposure," said Guarisco. "We are seeking nothing more than those benefits which other veterans injured in serving our country are now receiving."●

H.R. 2760

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. EDWARDS of California. Mr. Speaker, the American people and the U.S. Congress are being misled about the situation in Honduras and Nicaragua. I have just returned from a fact-finding trip to Nicaragua, along with Congressmen GEORGE MILLER, MIKE LOWRY, and LES AUCOIN, and I can honestly say that what we saw had little, if any, resemblance to what we are being told by the Reagan administration.

There is most definitely a full scale war in progress between Honduras and Nicaragua. The United States is supporting insurgents that have no other purpose than to overthrow the present Government of Nicaragua. To believe that our money is being used solely to stop the interdiction of arms into El Salvador, is to be totally naive of the reality of the entire situation.

Today the House will begin consideration of H.R. 2760, the Boland-Zablocki bill, which will prohibit any further covert assistance to the insurgents trying to overthrow the Government of Nicaragua. Although this bill is not as strong a bill as I would like to see, I would hope that my colleagues will carefully consider the importance of its prompt passage. It will send a clear signal to this administration that it must adhere to the laws and treaties already in force, whether it agrees with or supports the Government of Nicaragua, or not.

I urge my colleagues to read the following article by Morton H. Halperin, director of the Center for National Security Studies, which was printed in today's New York Times. I think that they will find it both informative and insightful with respect to the current situation in Nicaragua and Honduras. The article follows:

[From the New York Times, July 19, 1983]

FOR OPEN DEBATE

(By Morton H. Halperin)

WASHINGTON.—A policy debate on Capitol Hill often turns into a struggle for the dominant cliché—for the slogan that captures attention as the pithiest way of describing what is at stake and what should be done. So it is that when the House of Representatives this week debates a bill to end covert support for military operations in Nicaragua, opponents of the measure will be arguing for "symmetry." Their proposal will be that the United States should continue to provide aid for those seeking to overthrow the Government of Nicaragua as long as that Government is providing support for the guerrillas in El Salvador. "Symmetry" does have a plausible ring to it. This makes it all the more important to understand why it is a dangerous and inappropriate guide to United States policy in Central America.

The cliché response to "symmetry" is that "two wrongs do not make a right." The longer answer is embodied in a bill co-sponsored by two middle-of-the-road Democratic Congressmen, Clement J. Zablocki of Wisconsin and Edward P. Boland of Massachusetts. It is a careful proposal based on the principle that the United States should obey the law and honor our treaty obligations.

Evidence from Central America makes it clear that the executive branch's "policy" is to aid the contras or counterrevolutionaries, in their effort to overthrow the Sandinista regime. If there were any doubt, it was made even clearer this weekend by publication of a leaked Administration report laying out strategy in the region and referring to the United States' policy of supporting the efforts of the contras to overthrow the Sandinistas. In addition, the House Intelligence Committee, in its important report accompanying the Boland-Zablocki bill, has told the House that it can no longer assure it that the Administration is not seeking to overthrow the Government in Managua.

The Central Intelligence Agency's part in these efforts is simply illegal. More than a year ago the intelligence committees put such activities out of bounds and last December, without dissent, the Congress wrote a clear prohibition into the law. Yet C.I.A. money continues to flow in large quantities to pay for military forces that proclaim as their goal the overthrow of the Sandinistas—and conduct military operations that can have no other purpose. If the House rejects the Boland-Zablocki bill, it will be sanctioning lawlessness and conceding that it can do nothing to force the President to obey the law.

The covert operation that the C.I.A. launched at the direction of the President is also a clear violation of international law and of numerous American treaty obligations that prohibit the interference of one

country in the internal affairs of others. The symmetry principle would suggest that we should break the law as long as others do so. Does this mean that we should use chemical weapons, urge the Salvadoran military to disregard the rules of war and invade neighboring countries simply because other nations do? Clearly not. The way to promote respect for international law is to obey the rules ourselves, seek to punish those who violate the law and, at the least try to counter the effects of their illegal acts.

The Boland-Zablocki bill proceeds along these lines. It takes the Administration at its word that the purpose of the covert operation is to interdict the flow of supplies from Nicaragua to the rebels in El Salvador and authorizes substantial assistance to the governments of the region for that purpose. This aid must be used in a manner that is consistent with international law and according to a plan presented publicly to Congress.

Ronald Reagan's secret war in Nicaragua is not only illegal; it is also extremely dangerous. Only by provoking a wider war—and drawing the United States into it—can the Administration hope to accomplish its purpose. No knowledgeable student of the region in or out of the Government believes that the Washington-armed invasion force can succeed in forcing the Sandinistas to end their support for the revolution in El Salvador or that the invasion force can overthrow the Government in Managua. Either the operation is another miscalculation in the tradition of the Bay of Pigs or its real purpose is to provoke the Nicaraguans to Honduras, thus bringing on a larger war in which United States military forces would be used to overthrow the Sandinistas.

Whatever its purpose, there is no doubt that the military operations by contras entering Nicaragua from Honduras have vastly increased the possibility of a war between these two nations. It is also clear that the United States' increasingly close ties to the Honduran military would make it difficult for us to stay out of that war. Congress and the public have the right to full public debate over any American action that could lead to war.

The first step in regaining that right, before it is too late, is for the House to pass the Boland-Zablocki bill. Congress should then insist that any United States plans for increased interdiction of the arms flow in Central America be debated openly and conducted overtly. Only a policy based on public debate, adherence to principle and respect for the law can command the wide support that is necessary to defend American interests while keeping us out of war.●

THE 25TH OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 18, 1983

● Mr. ZABLOCKI. Mr. Speaker, I am pleased to join my colleagues in the 25th observance of Captive Nations Week. Having participated in this anniversary since its inception, I believe my position is well known on this issue. I would, however, like to make a few very brief comments in the light of the current status of East-West relations.

First, let me reemphasize my strong belief that there is nothing inconsistent about expressing U.S. disapproval over the denial of civil liberties in many areas of the world today and in attempting to negotiate meaningful agreements with other nations.

As chairman of the Committee on Foreign Affairs and as a principal sponsor of this year's nuclear "freeze" resolution, as amended by the committee, I am a strong and consistent advocate of meaningful arms control measures. Negotiations along this line should, in my judgment, be conducted strictly on the merits of the proposals under consideration and in the light of our vital security requirements. They should not, however, be considered expressions of approval or disapproval of Soviet actions in either Eastern Europe or in any other areas of the world.

Captive Nations Week serves as a reminder to all Americans of the liberties we enjoy as a nation as well as of those which are denied to much of mankind. It also underlines the fact that as long as the ideological struggle continues, as our adversaries proclaim it will, there is no more important or compelling human ideal in the world today than the desire for freedom. We should, I believe, never lose sight of that simple but pervasive truth.●

CONSTRUCTION WORK IN PROGRESS, H.R. 555: A CONSUMER ISSUE

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. MARKEY. Mr. Speaker, the issue of construction work in progress charges, or CWIP's, is a consumer issue that deserves the attention of all Members concerned about utility prices for their consumers. CWIP's are potentially damaging to consumers for they add a substantial cost to consumer's already high utility bills. I do not like the idea of consumers paying for an investment by utilities and think that CWIP's make the consumer a loser since the rates are higher in the short term and quite probably higher in the long run as well.

Nonetheless, I do realize that in some cases CWIP's are necessary to insure a supply of power for customers. I firmly believe that this extraordinary form of financing a construction project should be used only when other, conventional, methods of financing are unavailable or prohibitively expensive. Only in this instance, or when CWIP is used to pay for certain socially needed improvements—such as pollution controls—can CWIP's be considered acceptable.

The bill I want to address today, H.R. 555, provides protection to consumers against unreasonable surcharges on their utility bills while giving those utilities in need an avenue for rate relief. I am concerned that consumers receive ample protection since a CWIP, in the plainest terms, means consumers must pay a return on a project before it is available for his useful service. A consumer must invest in a utility project, many times against his will, and then wait for a return until the project comes on line. In most instances, if the ratepayer is still around to collect and has not moved away—which in our transient society I think would be the dominant case—the ratepayer receives a a lower return on his forced investment than he would have received from many other investment vehicles.

For these reasons I support H.R. 555. This bill will end automatic CWIP's allowed by the Federal Energy Regulatory Commission. I think it is important this body not allow the FERC to institute automatic construction work in progress charges. Instead, FERC should be permitted to use this extreme way of financing utility projects only when the safeguards included in H.R. 555 are met.

Although I support H.R. 555, Mr. Speaker, there are two elements of the bill that I would like to bring to the attention of my colleagues. The first provision of the bill which merits discussion is the so-called mirror CWIP. This provision, added by amendment in the full Energy and Commerce Committee, requires utilities to essentially pay back the ratepayers the CWIP charges in the same amount of time the CWIP charges were collected.

I find this provision to be patently fair: Consumers are not banks, consumers are consumers. They should not be asked to give up their money under terms banks would not accept, or for a longer period of time. Under this provision, utilities would not be required to start paying back the ratepayers until the project comes on line and they start receiving revenues: Then, utilities would be obligated to pay back ratepayers in the same amount of time they benefited from the CWIP—if they were collecting CWIP's for 6 years, then it must be paid back in 6 years. Or more like it, if the utility collects CWIP for 12 to 14 years, then it would have to be paid back in that amount of time after the project goes on line. This requirement is hardly burdensome on utilities. It is only fair and reasonable to ask a prompt repayment to ratepayers. To do any less, for this body to allow any less protection for ratepayers, would be an outrage.

The other provision worth noting, Mr. Speaker, is a provision in the bill which I find somewhat objectionable.

That provision allows for utilities to file CWIP's if their internal cash flow is less than 40 percent of construction expenditures. I supported the original language in the bill which stipulated a level of 30 percent, for I believe ratepayers should not be asked to support alone a utility. There should be some participation by the financial markets. I find most objectionable any effort to raise that level to 50 percent of internal cash flow, as some Members have tried to do. To raise the level to 50 percent would allow all utilities building nuclear powerplants to file CWIP's. A level of 50 percent would be a golden CWIP, enabling a healthy utility to avoid going to the financial markets and instead soaking their ratepayers. A level of 50 percent would be a disgrace, forcing consumers to bear the costs of building nuclear powerplants all over the country. The 50-percent level would be a further travesty, since it would take any risk or controls away from the utility and put them all on the consumers—a group who is unable to shoulder this enormous burden. A level of 50 percent would impair this bill so significantly that I would find it very hard to support.

In conclusion, Mr. Speaker, I urge my colleagues to support H.R. 555 when it comes up on the floor. This bill is a consumer protection bill for it stops FERC from instituting automatic CWIP's—which automatically hurt consumers. Consumers should only be asked to support utilities protects in the most extreme circumstances. This bill contains important safeguards which insures ratepayers will only pay when they have to, and only pay as much as needed. The bill also insures that consumers will get their money back as fast as they turned it over. All of these provisions are entirely reasonable and serve two important functions: Extends to utilities needing help the financial help they need; and guarantees consumers will only pay in extreme circumstances and will be paid back in a reasonable time.

CWIP's inherently unfair. If we are not careful, as the bill H.R. 555 is, then CWIP will come to mean "consumer whipped in process." The protection contained in this bill should not be weakened. Although being unfair, CWIP's in limited cases serve a necessary function. For those Members concerned with power generation and customer's bills, I urge you to support H.R. 555 as a reasonable compromise between utilities needing to answer their investors and ratepayers needing to meet the confines of their budgets.●

CHARLES J. BONAPARTE 23D ANNUAL CEREMONY

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. ADDABBO. Mr. Speaker, on Thursday, June 2, 1983, at 11 a.m. at the Great Hall of the Department of Justice, 10th Avenue and Pennsylvania Avenue NW., in Washington, D.C., there was held the 23d Annual Charles J. Bonaparte Ceremony. This annual ceremony is sponsored by the Attorney General of the United States and the Italian Historical Society of America. This ceremony followed the tradition which commenced on June 22, 1961, at the same Great Hall of the Department of Justice when the first ceremony was sponsored by the Italian Historical Society and the principal speaker on that occasion was the Honorable Robert F. Kennedy, then the Attorney General of the United States. The ceremony is largely the brainchild of Mr. John N. LaCorte, the founder and director of the Italian Historical Society of America, who spearheaded the effort to honor Attorney General Bonaparte not only for his contribution to government in general but for his specific contribution in having established a unit in the Department of Justice that became the Federal Bureau of Investigation. The presiding officer at that 1961 ceremony was the Honorable Edward D. Re, who then served in the Kennedy administration as Chairman of the Foreign Claims Settlement Commission and later, in the Johnson administration, as Assistant Secretary of State for Educational and Cultural Affairs. I mention this because it is interesting to note that ever since that date, both Mr. LaCorte and the Honorable Edward D. Re, now Chief Judge of the U.S. Court of International Trade, have attended each annual ceremony that has been held either in the Great Hall of the Department of Justice or in the Charles J. Bonaparte Auditorium in the J. Edgar Hoover Building of the Federal Bureau of Investigation.

For much of the planning for this year's ceremony, we are indebted to Mr. D. Jerry Rubino, Director of Security and Mr. Orfeo Trombetta, Jr., Special Assistant to the Director of Security, of the Department of Justice, and Dr. Phillip Guarino, director of the Washington Chapter of the Italian Historical Society of America.

In accordance with past practice, on this occasion the Italian Historical Society made a special award at this ceremony. The recipient this year was the Honorable Anthony C. Liotta, Deputy Assistant Attorney General, Land and Natural Resources Division.

On this occasion, in addition to welcoming remarks by the Honorable Edward D. Re and Mr. John N. LaCorte, and words of acceptance by Mr. Liotta, the special guest speaker was Mr. William Lee Colwell, Executive Assistant Director of the Federal Bureau of Investigation. I have been familiar with these ceremonies for many years and, indeed, have been honored on prior occasions. Although I had been invited to attend this most recent ceremony, I regret that the pressure of business prevented me from attending. I have, nonetheless, had occasion to read the remarks delivered by Mr. Colwell and, since I find them to be of great interest I wish to share them with my colleagues.

Mr. Speaker, it is with great pleasure that I insert the remarks of Mr. John N. LaCorte in presenting the award to Deputy Assistant Attorney General Liotta, the man who was honored on this occasion, followed by the remarks of the Honorable William Lee Colwell, which was delivered on Thursday, June 2, 1983, at the 23d Annual Charles J. Bonaparte Ceremony, held in the Great Hall of the Department of Justice.

The speeches follow:

REMARKS OF MR. JOHN N. LA CORTE

This year we are honoring Deputy Assistant Attorney General Anthony C. Liotta, Lands and Natural Resources Division, a career employee of the Department of Justice for 25 years. Among his career achievements that are generally recognized throughout the Department and acknowledged on a national level are:

The trial and supervision of eminent domain cases

The trial and supervision of land acquisition cases

The supervision and preparation for trial of claims pursuant to the establishment of the Redwoods National Park

The management of suits concerning oil and gas revenues for the United States

Mr. Liotta has received, as a result of his achievements, several awards and honors including a 20 percent bonus, outstanding performance appraisals, a nomination for the Attorney General's Award for Distinguished Service and a nomination for the John Marshall Award.

Mr. Liotta exemplifies those characteristics which are the essence of the spirit of dedication to duty which Charles J. Bonaparte saw as the true nature of patriotism and service to our country.

On this day, therefore, we honor Mr. Liotta by entering his name as a member of the Italian-American Hall of Fame.

REMARKS OF WILLIAM LEE COLWELL, EXECUTIVE ASSISTANT DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

America is a great land—rich with the heritage of many nations brought here by our immigrant ancestors. They came, the rich and the poor, seeking a better life for themselves and their families in this land of opportunity. Nurtured by a desire to succeed, many went on to become great leaders in their adopted homeland.

Too often we forget these great people and the forces that forged their characters. I'm honored to be here today to remember one of these noble Americans. For us in the

FBI, Attorney General Bonaparte is a figure of commanding importance.

Charles J. Bonaparte was Attorney General at a time of rampant political and business corruption. An untiring advocate of justice, fairness and political reform, he was dismayed that the Department of Justice had no permanent detective force to investigate violations of Federal law. In 1907, he complained to Congress about this problem. He said:

"It seems obvious that the Department on which not only the President, but the courts of the United States must call first to secure the enforcement of the laws, ought to have the means of such enforcement subject to its call; a Department of Justice with no force of permanent police in any form under its control is assuredly not fully equipped for its work."

On July 26, 1908, Attorney General Bonaparte issued an order creating a permanent investigative service in the Department of Justice. In 1909, the service was named the Bureau of Investigation, and in 1935 we were given our present title: The Federal Bureau of Investigation. Although our name has changed and our size has grown far beyond the original 34 employees, we are still dedicated to the purpose that Attorney General Bonaparte envisioned over 75 years ago: The just and effective enforcement of Federal law.

It is appropriate that in this year, when we celebrate the 75th anniversary of the creation of the FBI, we take time to honor the man whose wisdom and foresight brought the Federal Bureau of Investigation into being.●

TRIBUTE TO SLAIN ATF AGENTS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BIAGGI. Mr. Speaker, it is with great sadness that I rise today to report the tragic death of special agent Eddie Benitez. Agent Benitez, a 3-year veteran of the Bureau of Alcohol, Tobacco, and Firearms, was mortally wounded on July 8, 1983, in a northwest Miami parking lot. He was shot while trying to apprehend a man who had sold illicit firearms and explosives to undercover agents. The suspect, who was taken into custody, remained uninjured.

My grief for the death of agent Benitez is immense, yet it has been multiplied many times by my knowledge that it is not a rare occurrence. A little over 6 months ago, two other Alcohol, Tobacco, and Firearms special agents were shot during an undercover operation. Both men, assigned to the Miami Drug Task Force, had been infiltrating a drug and weapons buy at a Miami hotel when they were shot on December 8, 1982. Ariel Rios, 28 years of age, married with children, was fatally shot. His death struck particularly close to home as he was born in my home borough of the Bronx. Special agent group supervisor Alexander D'Atri, 36, married with children was critically wounded. Although shot five times, D'Atri made a miraculous recovery and has since returned to duty.

Paying tribute, as we do now, to agents Benitez, Rios, D'Atri is quite appropriate, yet it is not enough. Our society, based on the rule of law, is reduced to chaos without enforcement of those laws. It must remain of the highest priority to protect the officers and agents who enforce the laws that we so proudly make.

The Bureau of Alcohol, Tobacco, and Firearms of which Benitez, Rios, and D'Atri were agents is a particularly dangerous unit. Its agents are exposed, on a regular basis, to hardened criminals, suppliers of explosives, terrorists, and drug dealers, who often do not think twice about pulling the trigger. Yet, as one who was wounded 10 times during my 23 years with the New York City Police Department, I recognize the risks involved in all units of law enforcement, and the need to minimize those risks.

With this goal in mind, I have authored several bills aimed at better protecting our Nation's law enforcement personnel. H.R. 953 would outlaw the so-called cop killer bullets—armor-piercing handgun ammunition that can penetrate the bulletproof vests worn by police. H.R. 2424 would place tighter controls on the sale of bulletproof vests to crack down on the increasing number of criminals caught wearing vests. H.R. 3038 would deny certain Federal aid to States that do not prescribe the death penalty for those persons convicted of killing an on-duty law enforcement officer. These bills are necessary to preserve the lives of our officers and agents who preserve the structure of our society, as well as the people within it.

We all mourn the deaths of agents Benitez and Rios, and all other law enforcement officers who have courageously sacrificed their lives in the line of duty. Let us also remember that there is a critical need to better protect those who continue to protect us.●

GEN. ROBERT BARROW

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mrs. HOLT. Mr. Speaker, today I rise to commend Gen. Robert Barrow for a job well done and to congratulate him on his retirement after 40 years in the Marine Corps. Many Members have detailed his service in China, Korea, and Vietnam as well as his numerous commendations. Instead of repeating his many achievements and honors, I will speak about my personal association with General Barrow.

In particular, I am referring to the last 4 years General Barrow has spent here in Washington leading the whole of the Marine Corps. Specifically, General Barrow served from July 1978 to July 1979 as Assistant Commandant and from July 1979 to July 1983 as the Commandant of the Marine Corps. During that time, General Barrow testified before the Armed Services Committee on quite a few occasions. While he spoke on many different issues of importance to the Marines, we on the committee could always count on him for his frank assessments and his forthright views. His consistently superior performances before the committee benefited not only the members of the committee and the Congress, but also the Marine Corps and the entire free world.

In short, although General Barrow's retirement was effective July 1, his professionalism, his zeal, his courage, and his dedication will live on in the great tradition that is the hallmark of the Marines. Duncan and I wish General and Mrs. Barrow all the best in whatever the future may hold in store for them.●

CONGRESSIONAL FAST AND PRAYER VIGIL FOR SOVIET JEWRY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. CONTE. Mr. Speaker, as a participant in the Congressional Fast and Prayer Vigil for Soviet Jewry, I would like to submit the following letters that I have written on behalf of Lev Elbert and his family.

Mr. Elbert, like so many other Jews in the Soviet Union, has attempted to emigrate many times but has continually been denied. Presently, Mr. Elbert is confined to a prison cell for refusing to serve in the army, which would have made emigration even more difficult.

I hope the Soviet Union will answer our prayers and letters and allow Soviet Jews like Lev Elbert and his family to emigrate to Israel.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1983.

His Excellency YURI V. ANDROPOV,
Chairman of the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, Moscow, RSFSDR, USSR.

DEAR MR. CHAIRMAN: I am writing to urge your government to allow Lev Elbert and his family to emigrate to Israel.

He, his wife and son have sought exit visas to Israel for nine years. On May 25, he was sentenced to one year in prison for "evasion of an army reserve callup notice." Lev Elbert agreed to serve on the condition that he not be allowed access to classified information which might further obstruct his immigration from the U.S.S.R. He was subsequently arrested. According to official sources, Mr. Elbert has been denied exit

from the Soviet Union because he had "access to classified information while in the army." Most recently, he has also been denied appeal and thus will have to serve out his prison sentence.

In a period of tense bilateral relations between the Soviet Union and the United States, the granting of exit visas to Soviet Jews like Lev Elbert, would be a symbolic gesture toward improved relations between both countries. Although the immigration case of the Elbert family is only a minor issue when viewed in the same light as the arms control talks, or peace negotiations in the Middle East, it is nonetheless an issue which must be confronted and resolved to demonstrate that the Soviet Union is committed to human rights.

The plight of Soviet Jews is an important issue for me and other members of the U.S. Congress. I request that you allow the family of Lev Elbert to emigrate to Israel and look forward to hearing from you on this important matter.

With warm regards, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1983.

His Excellency ANATOLY DOBRYNIN,
Ambassador Extraordinary and Plentipotentiary, The Embassy of the U.S.S.R., Washington, D.C.

DEAR MR. AMBASSADOR: Enclosed is a letter to Chairman Andropov explaining the plight of the Elbert family. I am requesting that this letter be forwarded to Mr. Andropov. The letter concerns the case of Mr. Lev Elbert and his family.

He and his family have sought exit visas to Israel for nine years. On May 25, he was sentenced to one year in prison, and most recently was denied appeal. According to official sources, Mr. Elbert and his family have been denied exit from the Soviet Union because he had "access to classified information while in the army." He is serving a prison sentence for refusing to join a reserve unit.

The case of Lev Elbert is very important to many members of the U.S. Congress. I hope that you will forward the enclosed letter to Chairman Andropov so that he can personally view the case of the Elbert family. I look forward to your response on this important issue.

With best wishes, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1983.

Mr. F. K. GLUKH,
Republican Procurator,
G. Kiev, Ukrainskaya, SSR, USSR.

DEAR MR. GLUKH: I am writing on behalf of Lev Elbert and his family. I urge your government to allow Lev Elbert and his family to emigrate to Israel.

He, his wife and son have sought exit visas to Israel for nine years. On May 25, he was sentenced to one year in prison for "evasion of an army reserve call up notice." Lev Elbert agreed to serve on the condition that he not be allowed access to classified information which might further obstruct his immigration from the U.S.S.R. He was subsequently arrested. According to official sources, Mr. Elbert has been denied exit from the Soviet Union because he had "access to classified information while in the army." Most recently, he has also been denied appeal and thus will have to serve out his prison sentence.

Mr. Lev Elbert seems to have been placed in double jeopardy and thus not allowed to emigrate to Israel. I urge you to intercede on his behalf and release Mr. Elbert from prison. Once this is done, I hope that the Elbert family will be allowed to emigrate to Israel and begin their lives anew. I look forward to your response on this important issue.

With best wishes, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 30, 1983.

Mr. ELLIOT ABRAMS,
Assistant Secretary, Bureau of Human Rights and Humanitarian Affairs, Department of State, Washington, D.C.

DEAR MR. ABRAMS: I am writing to inform you of my interest in the plight of Mr. Lev Elbert and his family in the Soviet Union. Enclosed you will find letters that I have written on their behalf.

I am sure that you are aware of this highly publicized case. Mr. Elbert, his wife and son have sought exit visas to Israel for nine years and have been denied each time. On May 25, Mr. Elbert was sentenced to one year in prison for "evasion of an army reserve call up notice." Lev Elbert agreed to serve on the condition that he not be allowed access to classified information which might further obstruct his immigration from U.S.S.R. According to official sources, Mr. Elbert was subsequently arrested for his refusal to serve. Ironically, he was denied exit from the Soviet Union because he had "access to classified information while in the army." Most recently, Mr. Elbert has been denied appeal and thus will have to serve out his prison sentence.

Meanwhile, his family will be forced to suffer the loss of Mr. Elbert and their hopes of ever emigrating to Israel have been dampened. I hope that you will join with me in seeking the release of Mr. Elbert from prison and allowing him and his family to emigrate to Israel. Please keep me updated on any information you might receive concerning Lev Elbert and his family.

With best wishes, I am

Cordially yours,

SILVIO O. CONTE,
Member of Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 14, 1983.

INNA and KARMI ELBERT,
Volgogrodskaya 6, Apt. 33,
Kiev, Ukranian SSR, USSR.

DEAR INNA AND KARMI: Recently, I have been informed of the desire of your family to emigrate to Israel. I have also been informed that Lev Elbert has been placed in prison by Soviet officials and later been denied appeal.

It saddens me to think of the turmoil and misery that you are experiencing I encourage you to remain hopeful that someday your family will be together in Israel. Yesterday, in Congress, we held a prayer and vigil for all Soviet Jews suffering in the USSR. I said a prayer for both you and Lev. Also, I have personally written various letters regarding Lev Elbert's imprisonment, including an appeal to Chairman Andropov. I hope and pray that we are able to see some positive results from these letters.

I will continue to support Lev's goal to emigrate to Israel. If I can be of any further assistance to you, do not hesitate to contact me. Give my regards to Mr. Elbert.

With best wishes, I am

Cordially yours,

SILVIO O. CONTE.●

THE FIRST-TIME HOMEBUYER ASSISTANCE ACT OF 1983

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. CONABLE. Mr. Speaker, today I am introducing the First-Time Home Buyer Assistance Act of 1983. This is a bill which was originally introduced by Senator DOLE for himself and Mr. LONG, Mr. DOMENICI, Mr. BRADLEY, Mr. WALLOP, and Mr. TOWER. The bill provides a new option for State and local governments and housing authorities that are now permitted to issue mortgage subsidy bonds. For any given year, a State or locality could elect, under the bill, not to issue some or all of the mortgage bonds authorized for that year by the Internal Revenue Code. In lieu of the bonds, the State or locality would be permitted to issue mortgage credit certificates directly to homebuyers. The mortgage credit certificate will enable a homebuyer to buy down prevailing mortgage market interest rates by claiming a tax credit equal to a specified percentage of the interest paid on a home mortgage.

A tax credit program could be designed and implemented on the State and local level to do viturally everything that is currently feasible with mortgage subsidy bonds. However, because the tax credit mechanism is much more efficient than tax-exempt bonds, the bill can permit a 10-percent increase in the total amount of subsidy going to homebuyers, and still provide Federal savings of 20 to 40 percent over the cost of mortgage bonds. In addition, although the mortgage credit certificate option can be used to duplicate existing mortgage bond programs, it also can be utilized with greater effectiveness and flexibility by those States and localities that may wish to modify the program of mortgage assistance they are currently providing.

It should be emphasized that this bill provides only one alternative for providing basically the same benefits which are allowed currently under the mortgage subsidy bond program. I would encourage other Members to suggest other alternatives for providing similar benefits at reduced cost to the Federal Government. As we consider the proposed legislation to extend the sunset date on the mort-

gage subsidy bond program, I think that it is important that all alternative means of furnishing similar benefits be examined. A detailed explanation of the bill is set forth below.

The explanation follows:

FIRST TIME HOMEBUYER ASSISTANCE ACT OF 1983

SUMMARY

The Mortgage Subsidy Bond Tax Act of 1980 (the "1980 Act") imposed restrictions on the ability of State and local governments to issue tax-exempt bonds to finance owner-occupied residences. The 1980 Act provides that interest on mortgage subsidy bonds is exempt from taxation only if the bonds are "qualified mortgage bonds" or "qualified veterans' mortgage bonds". The 1980 Act restricts the aggregate annual volume of qualified mortgage bonds which a State, and local governments within the State, may issue. Qualified mortgage bonds must satisfy a number of additional requirements including a requirement that the bonds be issued before January 1, 1984.

The bill would allow State and local governments to elect, for any year, to exchange all or part of their qualified mortgage bond authority for authority to issue qualified mortgage credit certificates (MCCs). MCCs would entitle homeowners to refundable credits not exceeding 50 percent (but not less than 10 percent) of mortgage interest on qualifying principal residences. (The deduction for mortgage interest would be adjusted to reflect the credit). The credits would be subject to the existing eligibility requirements for mortgage subsidy bonds.

The amount of MCCs distributable by a State or local government would be determined by computing the value of a 14.35 percent credit on mortgages equal in value to the amount of exchanged mortgage subsidy bond authority. The issuing authority would be free to distribute this amount among credits of varying percentages (subject to the 50 percent and 10 percent limits and the rules applicable to mortgage subsidy bonds). For States and localities which issued less than their full authorized volume of mortgage subsidy bonds in 1983, the authority to issue MCCs would be phased in over a 5-year period.

Under the bill, MCCs could be distributed only following the announcement by the States or local government, at least 90 days before distribution, of a proposed plan of distribution.

Present law

Overview.—The Mortgage Subsidy Bond Tax Act of 1980 (the "1980 Act")[1] imposed restrictions on the ability of State or local governments to issue interest on bonds issued for the purpose of making mortgage loans on single family residences. The 1980 Act provides that interest on mortgage subsidy bonds is exempt from taxation only if the bonds are "qualified mortgage bonds" or "qualified veterans' mortgage bonds".

Qualified Veterans' Mortgage Bonds.—Qualified veterans' mortgage bonds are general obligation bonds, the proceeds of which are used to finance mortgage loans to veterans. Unlike qualified mortgage bonds, the tax-exemption for veterans' bonds does not expire after December 31, 1983.

Qualified Mortgage Bonds.—Qualified mortgage bonds must satisfy numerous requirements, discussed below. Also, interest on these bonds is tax-exempt only if the bonds are issued before January 1, 1984.

Volume limitations

The 1980 Act restricts the aggregate annual volume of qualified mortgage bonds that a State, and local governments within the State, can issue. The State ceiling is equal to the greater of (1) 9 percent of the average annual aggregate principal amount of mortgages executed during the 3 preceding years for single-family owner-occupied residences located within the State, or (2) $200 million.

Limitation to single-family, owner-occupied residences

All proceeds (except issuance costs and reasonably required reserves) of qualified mortgage bonds must be used to finance the purchase of single-family residences located within the jurisdiction of the issuing authority. Additionally, it must be reasonably expected that each residence will become the principal residence of the mortgagor within a reasonable time after the financing is provided. Generally, the term single-family residence includes, 2, 3, and 4 family residences if (1) the units in the residence were first occupied at least 5 years before the mortgage is executed and (2) one unit in the residence is occupied by the owner of the units.

General limitation to new mortgages

With certain exceptions, all proceeds of qualified mortgage bonds must be used for the acquisition of new mortgages rather than existing mortgages. Exceptions are provided that permit replacement of construction period loans and other temporary initial financing, and certain rehabilitation loans. Rehabilitation loans must be made for work begun at least 20 years after the residence is first used and the expenditures must equal 25 percent or more of the mortgagor's adjusted basis in the building. Additionally, at least 75 percent of the existing external walls of the building must be retained as such after the rehabilitation.

Certain mortgage assumptions permitted

Loans financed by qualified mortgage bond proceeds may be assumed if the residence satisfies the location and principal residence requirements, discussed above, and the assuming mortgagor satisfies the three-year and purchase price requirements, discussed below.

Limitation on advance refunding

Qualified mortgage bonds may not be advance refunded.

Targeting requirement

At least 20 percent of the proceeds of each issue must be made available for owner-financing in "targeted areas" for a period of at least one year. The term targeted area means a census tract in which 70 percent or more of the families have income which is 80 percent or less of the statewide median family income, or an area designated as an area of chronic economic distress.

Three-year requirement

In order for an issue to be a qualified mortgage issue, at least 90 percent of the mortgages financed from the bond proceeds are required to be provided to mortgagors, each of whom did not have a present ownership interest in a principal residence at any time during the three-year period ending on the date the mortgage is granted. The three-year requirement does not apply with respect to mortgagors of residences in three situations: (1) mortgagors of residences that are located in targeted areas; (2) mortgagors who receive qualified home improvement loans;[2] and (3) mortgagors who receive qualified rehabilitation loans.

Purchase price requirement

In order for an issue to be a qualified mortgage issue, all of the mortgages (or other financing) provided from the bond proceeds, except qualified home improvement loans, are required to be for the purchase of residences where the acquisition cost of each residence does not exceed 110 percent (120 percent in targeted areas) of the average area purchase price applicable to that residence.

Arbitrage requirements

In order for an issue to be a qualified mortgage issue, the issue is required to meet certain limitations regarding arbitrage as to both mortgage loans and nonmortgage investments. The effective rate of interest on mortgages provided under an issue of qualified mortgage bonds (determined on a composite basis) may not exceed the yield on the issue by more than 1.125 percentage points. The 1980 Act also imposes restrictions on the arbitrage permitted to be earned on nonmortgage investments and requires that any arbitrage on nonmortgage investments must be paid or credited to the mortgagors or paid to the Federal Government.

Qualified mortgage bonds usually have established a reserve to secure payment of debt service on the bonds. This reserve must be reduced as the debt service is reduced. However, if the sale of any investment would result in a loss exceeding the amount otherwise required to be paid or credited to mortgagors, the investment may be retained until it can be sold without resulting in such a loss.

EXPLANATION OF PROPOSED CREDIT

Qualified mortgage credit certificates

The bill would allow State and local governments to elect, for any year, to exchange all or part of their qualified mortgage bond authority for authority to issue qualified mortgage credit certificates (MCCs). MCCs would take the form of certificates entitling taxpayers to credits for an applicable percentage of interest paid or accrued on indebtedness incurred to finance the acquisition (or qualified rehabilitation or improvement) of their principal residences.[3] Each certificate would specify (1) the principal amount of indebtedness which qualified for the credit and (2) the applicable percentage. The applicable percentage could not exceed 50 percent, but could not be less than 10 percent, of interest on the qualifying indebtedness. (The actual amount of the credit would depend upon the mortgage interest rate). The certificate would remain valid for each year during which the residence remained the principal residence of the mortgagor.

Subject to the 50 and 10 percent limitations, a State or locality could vary the applicable percentage for different sized mortgages or mortgages held by different classes of taxpayers. For example, a State or locali-

[1] Title XI of the Omnibus Reconciliation Act of 1980 (Pub. L. 96-499). The provisions of this Act (i.e., Code Sec. 103A) were subsequently amended by section 220 of the Tax Equity and Fiscal Responsibility Act of 1982 (Pub. L. 97-248) ("TEFRA").

[2] Qualified home improvement loans are loans, not exceeding $15,000, that finance the alteration or repair of a residence in a manner that substantially protects "the basic livability or energy efficiency of the property," (sec. 103A(l)(6)).

[3] Loans between related persons would not qualify for the credit.

ty could decide to provide higher percentage credits for mortgages held by lower-income taxpayers.

Under the bill, MCCs would not be available for property financed with mortgage subsidy bonds.

Refundability.—MCCs would be fully refundable to the taxpayer. Thus, a taxpayer entitled to a credit which exceeded his income tax liability (determined without regard to the credit) would receive a direct payment for the excess.

Adjustment of interest deduction.—When a taxpayer received an MCC, the taxpayer's deduction for interest on the mortgage (sec. 163(a)) would be reduced by the amount of the credit. For example, a taxpayer receiving a 50 percent credit, and making $1,000 of interest payments, would receive a $500 credit and a deduction for the remaining $500 of interest payments.

Criteria for eligibility

MCCs would be subject to the existing eligibility requirements (with the exception of the advance refunding and arbitrage limitations) applicable to mortgage subsidy bonds. Thus, MCCs would generally (1) be limited to single-family owner occupied residences (as defined under the mortgage subsidy bond provisions) located within the jurisdiction of the issuing authority; (2) be available for new mortgages (with allowances for qualified rehabilitation and improvement loans and for certain mortgage assumptions); and (3) be available to finance the acquisition of residences the acquisition cost of which does not exceed 110 percent (120 percent targeted areas) of the average area purchase price applicable to the residence. Additionally, 90 percent of MCCs distributed under each MCC program [4] would be required to be made available only to mortgagors who did not have a present ownership interest in a principal residence at any time during the 3-year period ending on the date the mortgage is granted (with exceptions for qualified rehabilitation and home improvement loans and residences located in targeted areas). Finally, at least 20 percent of MCCs issued under each program (determined by multiplying the qualifying indebtedness for each certificate by the applicable percentage for that certificate) would be required to be made available for financing in targeted areas for a period of at least one year.[5]

Under the bill, MCCs could be issued for debt incurred to refinance a principal residence if (1) the refinancing takes the place of an existing mortgage for which a certificate has already been issued and (2) the refinancing does not extend the term or increase the principal amount of the original mortgage.

As in the case of mortgage subsidy bonds, a State or locality would be free to establish stricter criteria (including income limitations or more stringent purchase price requirements) for participation in an MCC program.

Volume limitations

General rules.—Under the amendment, the aggregate annual amount of MCCs issued by a State or locality could not exceed 14.35 percent of the aggregate volume of mortgage subsidy bonds which the issuing authority elects not to issue in order to issue MCCs. For example, a State which was entitled to issue $200 million of mortgage subsidy bonds, and which elected to surrender $100 million of bond authority, could distribute an aggregate amount of MCCs not exceeding $14.25 million.[6]

The aggregate annual amount of MCCs issued by a State or locality would be determined by multiplying (1) the principal amount of each MCC certificate issued by the State or locality by (2) the applicable percentage for each certificate, and adding the products. For example, a State which elected to exercise $14.35 million of MCC authority could distribute credits for 14.35 percent of the interest payments on mortgages having an aggregate principal amount of $100 million (thereby approximating the benefits provided by $100 million of mortgage subsidy bonds). However, the State could also issue 50 percent credits for $28.7 million of mortgages, 10 percent credits for $143.5 million of mortgages, or a mix of higher and lower percentage credits designed to achieve its objectives (subject to the 10 and 50 percent requirements and the targeting and purchase price requirements applicable to mortgage subsidy bonds).

Phase-in of MCC authority.—States or localities which issued mortgage subsidy bonds in amounts less than their maximum legal authority, during 1983, would be subject to a 5-year phase-in of authority to issue MCCs. For each of these years, the amount of mortgage subsidy bond authority which a State or locality could exchange for authority to issue MCCs would be limited to the volume of mortgage subsidy bonds it actually issued during the year preceding July 1, 1983, increased for each year by 25 percent of the remaining difference between the 1983 volume and the statutory amount. For example, a State which had authority to issue $200 million of mortgage subsidy bonds in 1983, but actually issued only $100 million, would be entitled to exchange $125 million of authority in 1984 ($100 million plus 25 percent of the remaining statutory authority), $144 million in 1985 ($125 million plus 25 percent of authority remaining in 1984), $158 million in 1986, $167 million in 1987, $175 million in 1988, and the full $200 million in 1989. (These amounts would then be multiplied by 14.35 percent to determine the amount of MCCs which could be issued.) The amount of bond authority which could be exchanged during the phase-in period would thus approximate the estimated volume of bonds that a State or locality actually would have issued during this period.

The phase-in schedule would apply regardless of the amount of authority actually exercised by a State or locality in any intervening year. Thus, in the example above, the State could exchange $144 million of bond authority in 1985 for authority to issue MCCs (resulting in an aggregate amount of $20.6 million of MCCs), regardless of the volume of its 1984 issues.

Where a State or locality issued both mortgage subsidy bonds and MCCs, the phase-in would apply to the total amount of bonds and credits which it could issue. Thus, in the example above, the State (if it elected to issue MCCs) could use or exchange a total of $144 million of mortgage subsidy bond authority in 1985. The phase-in would not apply if the State elected to issue only mortgage bonds. Thus, the bill would not impose any restrictions on the use or issuance of mortgage subsidy bonds except where an authority elected to exchange some or all of its bond authority in order to issue credits.

Public reporting requirement

Under the amendment, State or local housing agencies could issue MCCs only after making generally available, at least 90 days prior to distribution, a proposed plan of distribution of the credits. The proposed plan would set forth the eligibility requirements to receive MCC certificates and the methods by which the certificates would be issued. State or local agencies could adopt plans of distribution for MCCs in connection with other housing assistance programs (including taxable bond issues, private development projects, or private mortgage lending programs).

Effective date

The amendment would apply to interest paid or accrued after December 31, 1983, on mortgages executed after December 31, 1983.●

[4] A State or locality could have more than one MCC program in each year (subject to the aggregate volume limitations on MCCs).

[5] A State or locality will be considered to satisfy the single-family, purchase price, and targeted area restrictions, if (1) it attempts in good faith to meet such requirements and (2) any failure to meet such requirements results from inadvertent error.

[6] On the basis of data provided by the General Accounting Office (GAO) and the Federal Home Loan Bank Board, it is estimated that mortgage subsidy bonds provided loans in 1981 and 1982 bearing an effective interest rate between 10 and 15 percent below market interest rates for equivalent loans. It is also estimated that only 87 percent of mortgage subsidy bond proceeds are actually lent to homebuyers. The 14.35 percent subsidy rate established in the bill is derived by multiplying 87 percent, by the high (15 percent) estimate of the benefits of mortgage subsidy bonds loans. That product is then increased by 10 percent, to yield a subsidy rate that is estimated to increase the average subsidy provided to homebuyers by 10 percent. Using the low estimate of mortgage subsidy bond benefits (10 percent reduction of market interest rates), the 14.35 percent subsidy rate would yield a 65 percent increase in the average subsidy provided to homebuyers under mortgage subsidy bonds. Using a midrange estimate of mortgage subsidy bond benefits to homebuyers (12.5 percent reduction of market interest rates), the 14.35 percent subsidy rate would yield a 32 percent increase in the average subsidy provided to homebuyers.

CENTRAL AMERICA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. DELLUMS. Mr. Speaker, since the advent of this administration we have seen a deliberate policy of confrontation, military escalation and illegal covert activity. This administration has fanned the local conflicts to the extent that we are at the brink of creating and involving ourselves in a widespread regional war.

This policy must stop. It is bound for defeat and disaster. We instead must seek to resolve differences. It should be the policy of the United States to seek, in Central America, a halt to the militarization of the region, an end to foreign intervention, withdrawal of foreign military advisers and combat personnel, and the removal of all foreign military bases.

The premise of our policy is wrong. The seeds of the local struggles are oppression, poverty, disease and hunger. They are not Soviet bloc plots against the Americas. Because of the long-

standing economic inequities of the region, there would still be revolution in Central America if the U.S.S.R. and Cuba were nonexistent. It is time for us to recognize that democracy does mean their right to decide their form of government and economy.

NICARAGUA

According to the press, the President authorized covert actions against Nicaragua in December 1981. Since then, we have secretly supported a collection of forces that included the most reactionary survivors of the Somoza regime. These forces are clearly committed to the overthrow of the Sandanista government. They have killed, injured and molested at least 500, perhaps thousands, of innocent Nicaraguans. The Reagan administration has as its hallmark of foreign policy, the intention to view all situations militarily. Beyond this, the shortsightedness of this approach is compounded by a stubborn reticence to enter into thoughtful dialog with any adversary. This does not convey confidence in the goals of the administration for does it offer a means to achieve a peaceful settlement. Our actions, our directives, our support and our real intent are violations of the O.A.S. charter and the laws of our land as well as the principles of our American tradition. They must cease now.

The Mexico and Venezuela initiative, the Contadora nations, and Nicaragua itself have offered vehicles for discussion. Let us commit ourselves now to negotiation and discussion rather than coercion and war.

HONDURAS

In the last year and a half a civilian government has emerged in Honduras. This administration has attempted to suffocate this fragile democracy. We have strengthened the military to the disadvantage of the civilian leaders. We have heightened internal political conflicts. Worse, we have pulled Honduras into conflicts with Nicaragua and the revolutionaries of El Salvador. Clearly the nation and its democratic government are in peril.

GUATEMALA

The administration is seeking a friendly relationship with a genocidal dictatorship. The Guatemalan military is attempting to stop broad-based opposition by systematic and widespread killing of civilians, especially Indians. Besides genocide, there are no serious proposals for basic reforms, nor any coherent development strategies. If we are committed to democracy, we must continue to condemn the Rios Montt government of Guatemala.

The alternatives to our present policy of military aid and escalation must be a political approach.

We must support an end to violence, repression and killing. We must assist the end of political and economic privilege and seek justice. We must assist basic economic change. We must commit ourselves to dialog and negotiation. It is time to turn toward peace.●

DR. KARL MENNINGER

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. WINN. Mr. Speaker, over 60 years ago, a young Harvard-educated psychiatrist from Kansas began a crusade in the mental health field that has resulted in the founding of the Menninger Foundation, the Kansas Diagnostic Center, a familylike setting for abandoned and abused children called the Villages, the writing of many books and articles, and above all, thousands of changed lives. Today I join with my colleagues from Kansas in paying tribute to a truly outstanding Kansan, Dr. Karl Menninger, on the event of his 90th birthday.

Dr. Menninger is a remarkable man who has devoted his life to relieving some of the pain and injustice that has afflicted many in our society. He has played a major role in developing rehabilitative methods and programs for our criminal justice system based on the notion that criminals are capable of changing: with decent humane prisons, with a helping hand from others, and with job training and attention to their personal problems. He has most definitely lent a helping hand through his service on most major national committees and commissions on crime and through his testimony at numerous congressional hearings.

Perhaps his greatest direct influence on psychiatry has been as head of the Menninger School of Psychiatry, a role he assumed in 1946. According to foundation estimates, 7 percent of the psychiatrists practicing in America today have been trained there.

Dr. Menninger has relentlessly given of his time and efforts to campaigns aimed at ending child abuse, promoting Indian rights, upgrading care in nursing homes, and developing foster homes for children.

Today we join in offering him a word of thanks for the compassion he has shown and the assistance he has rendered to not only the people of Kansas, but to many others throughout the world as well. Happy 90th birthday, Dr. Karl. May you continue to enjoy good health, happiness and all the blessings life has to offer.●

GREECE AND THE UNITED STATES: A NEW AGREEMENT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BROOMFIELD. Mr. Speaker, let me take this occasion to call the attention of my colleagues to a new defense and economic cooperation agreement between the United States and Greece. I was delighted to hear that the respective governments initialed the agreement in Athens on July 15. I want to congratulate the U.S. negotiating team, as well as the Greek negotiators, for their fine efforts.

As all of you know, our Government has been engaged in renegotiating the 1953 defense accord with various Greek Governments since 1975.

U.S. military facilities in Greece are both strategically significant and numerous. The accord involves 4 major U.S. bases in Greece, with over 3,400 U.S. military personnel and a similar number of dependents. Also included are 20 smaller installations scattered throughout the country.

The most critical facility is the Souda Bay complex on Crete which provides port and anchorage facilities for the 6th Fleet. This base also maintains supplies of critical 6th Fleet ammunition and fuel and is linked to an important North Atlantic Treaty Organization missile range. Other significant security functions are performed by an air base in Gournies which reportedly monitors the ever-increasing Soviet naval activity in the eastern Mediterranean.

The newly initialed agreement basically extends for another 5 years the presence of U.S. military naval training, support, and communications functions in facilities in that country.

I am confident that all of my colleagues here will join me in hoping that the new agreement will be continued beyond the 5-year period spelled out in the accord.

The complex and protracted talks concerning the status of the U.S. facilities in Greece appeared to be bogging down during the past year. Both nations exchanged acrimonious comments ad infinitum. The Greek Government threatened to dismantle the U.S. facilities while our Government suggested that aid to Greece be reduced. Fortunately, cooler heads prevailed and the high-caliber negotiators were instructed by their respective governments to somehow work out a solution to the remaining problems. In the end, it was the leaders of both countries who determined that friendship and good relations between our two great nations must continue.

I want to single out the exemplary performance of U.S. Special Ambassa-

dor Reginald Bartholomew and the chief Greek negotiator, Deputy Foreign Minister Ioannis Kapsis. In addition, the excellent support given to the U.S. negotiators by Ambassador Monteagle Stearns and his Embassy staff in Athens is well appreciated by those of us in Congress who have carefully followed the progress of these delicate talks.

I am truly gratified that Greece and America shook hands last week on this key agreement. The government of President Papandreau took a significant step away from neutralism and toward keeping Greece a member of the Western strategic camp in initialing the new accord. I believe that this agreement provides a good basis for a long-term defense relationship. It also benefits both countries. It will serve the purpose of continuing good bilateral relations across the board and will support the NATO alliance to which both nations belong.

I again salute the outstanding efforts of the Greek and American Governments in making this agreement a reality. I also hope that the historically warm links between our two allied nations will continue to flourish and prosper.●

SUPPORT FOR SICKLE CELL ANEMIA AWARENESS MONTH

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. DYMALLY. Mr. Speaker, I am proud to join with over 200 of my colleagues to sponsor legislation which will provide the Nation with a month of this year in which we will be able to inform ourselves about a tragic illness that is a heavy burden in the black community: sickle cell anemia. It is fitting that we should pause in the hectic activity of life to consider the dimensions of a disease which strikes down many in the prime of their life.

It is well enough known that the life expectancy of blacks is somewhat less than it is for the white population of this country. In many cases, the means for increasing that life expectancy are well within our power to effect. The means include good nutrition, regular checkups, the cessation of violence in our communities. But sickle cell anemia is different. One can eat well, sleep well, see a doctor regularly and still have sickle cell anemia. Every disease, every malady over which we have insufficient control is a source of fear and loathing. But fear is not a good enough reaction to such a killer. Our awareness of the disease can serve to promote further research into the causes and, ultimately, the cure of the disease. Moreover, all of us need to know what measures might be taken to exercise some control over the disease should one of us be unfortunate enough to have it.

Over the past decade, awareness of sickle cell anemia and its presence in the black community has grown. This awareness did not arise out of thin air. It happened because enough people showed enough concern to get out and educate the rest of us. That is what "Sickle Cell Anemia Awareness Month" is all about. It is a chance to concentrate our efforts so that, together, we can create a healthier, longer lived community. I heartily endorse the activities that will take place during this special month, and I look forward to the day when such times of mutual education and support will no longer be necessary.●

RESOLUTION ON THE RIGHTS OF THE BALTIC NATIONS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Ms. OAKAR. Mr. Speaker, on June 12, 1983, Baltic Americans of Greater Cleveland gathered at Cardinal Mindszenty Square in downtown Cleveland to commemorate the 42d anniversary of the mass deportations of innocent Baltic citizens to Siberia. The deportations which were carried out by the illegal Soviet occupation authorities, continued for many years. The following resolution was adopted by the gathering of citizens in Cleveland. They should be commended for their continuing commitment to human and national rights in the country of their origin.

RESOLUTION

Whereas, in 1918, the Baltic States after a long and bitter struggle, gained their independence from foreign rulers, and subsequently as fully constituted members of the League of Nations, they grew and prospered; and

Whereas, in 1940, the Soviet Union, as a direct result of a conspiracy between the two tyrants, Hitler and Stalin, broke all treaties with the governments of the Baltic States, occupied its territories and illegally incorporated them into the Soviet Union, a fact which has been confirmed by the Select Committee on Communist Aggression of the United States House of Representatives of the 83rd Congress; and

Whereas, the free world has recognized the evils of imperialism and has therefore divested itself of its colonies, the Soviet Union still remains as the last colonial empire. It continues to subjugate, exploit and deny the basic human rights of freedom and self-determination to the Baltic people through fear, intimidation, imprisonment and other insidious means such as confinement in psychiatric hospitals and administration of mind altering drugs; and

Whereas, the Soviet Union oppresses the Baltic Nations with incessant russification efforts whereby threatening the national and cultural identity of the Baltic people. However, despite over forty years of foreign subjugation, the Baltic spirit and its aspirations for freedom and self-determination has not been suppressed, as evidenced by strong resistance activities of brave Baltic people as well as the existence of an extensive underground press. Now, therefore, be it

Resolved, That we express our gratitude to the President of the United States, who under the authorization and the request of the Congress of the United States, will tomorrow declare June 14, 1983 as Baltic Freedom Day. We express our deep gratitude to Congress for the adoption of the Resolution whereby again reaffirming the long-standing policy of the United States Government of non-recognition of the illegal annexation of the Baltic States into the Soviet Union. We convey also our gratitude to the European Parliament for adopting its resolution requesting the United Nations to address the Baltic States question. Be it further

Resolved, That we urge the United States Government to bear diplomatic, economic and other feasible pressures upon the Soviet Union to withdraw its forces from the territory of the Baltic States and return all functions of government to the Baltic citizens; and be it finally

Resolved, That this resolution be forwarded to the President of the United States and copies thereof to the Secretary of State, Congressmen from the State of Ohio and the news media.

This resolution is presented by the Baltic American Committee of Greater Cleveland and adopted by this assembly. Maris A. Mantenieks, President.●

FIRST NATIONAL CONVENTION OF THE ASSOCIATION OF BLACK SECRETARIES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. DELLUMS. Mr. Speaker, it is with great pleasure that I take this opportunity to announce the First National Convention of the Association of Black Secretaries (TABS), to be held August 19–21, in Oakland, Calif.

The convention, cosponsored with Progressive Black Business and Professional Women, Inc. will include workshops on time management, communications, assertiveness training, and data processing. Guest speakers and workshop leaders have been selected from the local and national corporate and professional communities. The workshops will emphasize future trends in the office environment of the 1980's and will explore creative solutions to the unique problems faced by office support personnel.

In addition to the workshops and speakers there will be company exhibits, a fashion show, and a celebrity night with exciting entertainment, including blues singer, Lowell Fulson.

TABS is a 10-year-old organization which offers personal and professional development counseling and services. Their activities have included the establishment of a communications net-

work, a job resource bank and publication of "Catchall, the Secretary's Desk" magazine and a newsletter, "Keeping Tabs." TABS also conducts "Think Tank" workshops, skills training, and one-on-one counseling.

I am proud, Mr. Speaker, that the Association of Black Secretaries originated in the Oakland area. Their president, Ms. Doris Peeler, has a lengthy and commendable record of community service which makes her, without a doubt, one of the Bay Area's most valuable assets.●

VENEZUELA AND THE SANDINISTA THREAT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. LAGOMARSINO. Mr. Speaker, a number of news reports and commentaries portray the efforts of the Contadora groups as being at odds with U.S. policy in Central America. Disputing that perception is a young Venezuelan who has been closely involved in the Contadora group's deliberations. I had the pleasure of meeting this Venezuelan, Rafael Emilio Marquez, last month. His views should be considered carefully by my colleagues, and I urge them to read the following article, which appeared in the July 12 Washington Times.

VENEZUELA AND THE SANDINISTA THREAT

(By Cleto Di Giovanni)

Contrary to rumor, Washington and Caracas are not on a collision course over Central America. In fact, the Venezuelan government feels pretty comfortable with President Reagan's perception of what's happening in El Salvador and Nicaragua. That was the message brought to Washington in mid-June by Rafael Emilo Marquez, executive secretary of the Advisory Commission on Foreign Affairs to the president of Venezuela.

It was not a message liberal critics of the administration wanted to hear. They have accused Reagan of ignoring the advice of his Latin American colleagues, of failing to understand the origins of the region's confict. As a cornerstone of their argument, they have asked why countries like Mexico and Venezuela, closer to Central America than is the United States, aren't more worried about the communist threat to the region—if the threat is real.

The answer, according to Marquez, is that the threat is real, and Venezuela is worried. He is a more authoritative analyst of his nation's policies than are some of the folks in town who have tried to speak for Venezuela—like some liberal Democrats on the Hill and in Dupont Circle think-tanks. Marquez's commission consists of the former presidents of Venezuela, six former foreign ministers, two Senate representatives, two from the chamber of deputies, two personal representatives of the current Venezuelan president and the chairman of the joint chiefs of staff. Its purpose is to advise the president of the republic and others throughout the government about foreign affairs policies and issues.

Former Nicaraguan President Anastasio Somoza and dictators like him created the conditions now being exploited by the Sandinistas, said Marquez. That nation's past, however, doesn't excuse the violence being committed by its present rulers, violence toward their own people and their neighbors.

The Sandinistas have a Marxist-Leninist orientation and are tied to the Cuban dictatorship. They remain in power, according to Marquez, by aggression. They are totalitarian, radical; they have substituted misery for liberty in Nicaragua, and have spread subversion and turmoil throughout Central America, in the opinion of the executive secretary.

They have not, in his assessment, lived up to their promises to the Nicaraguan people when they took power in 1979; to respect the human rights of all Nicaraguans, to hold free and open elections, and to prepare a path toward true democracy, including freedom of expression. "Venezuela," said Marquez, "plans to hold the Sandinistas responsible for making good on these promises."

As essential steps toward achieving peace, development and democracy in the area, Marquez said the Contadora Group (Venezuela, Colombia, Panama and Mexico) would like to see the troubled Central American nations disarm, be free of foreign military advisers and have their borders and internal military installations overseen by a multinational observer force.

Only Nicaragua has opposed this formula, said Marquez. The Sandinista foreign minister said that Cuban, Russian and Eastern bloc advisers are essential in Nicaragua. Sandinista Directorate member Humberto Ortega has said that whatever weapons are in Nicaragua are no one's business other than Nicaragua's. Marquez concluded that these statements, and the continuing build-up of Soviet bloc-supplied heavy weapons in Nicaragua, indicate that the "Sandinistas do not have the will for peace in Central America."

"If you come to a definite point of stubbornness," said Marquez, "where there is no possibility of a rational approach, the people have a right to rebel. Personally speaking, I have a great deal of respect for all the people risking their lives in Nicaragua to obtain democracy for their country."

The numbers of those people are impressive, he said, and quantify the discontent in Nicaragua. In two months, in a nation of 2.3 million people, the forces opposed to the Sandinistas have acquired over 7,000 men. In El Salvador, by contrast, it has taken the guerrillas three years, in a nation of 4.5 million, to maintain a strength of 5,000-6,000.

Nevertheless, he said, it's too early to shut the door on a peaceful solution to the region's conflict, and he welcomed Reagan's endorsement of the Contadora's continuing search for a diplomatic way out of the mess. "I believe," Marquez said, "as does my government, that as long as there is the smallest hope for a political and diplomatic solution, we must keep that hope alive. With time, however, that hope fades."●

CHESAPEAKE COUNTRY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. DYSON. Mr. Speaker, in these times of economic hardship and uncertain business prospects, a private, nonprofit organization has been created in my congressional district whose goal is the betterment of the quality of life for my constituents through the attraction of new business to the region. This organization, Chesapeake Country, includes 12 of the 13 counties within my district.

Chesapeake Country sees its purpose as complementary to that of county and municipal economic development agencies; that is, it seeks to create an awareness of its members by marketing them competitively on a national/international basis. Those counties and municipalities may then have the opportunity to persuade businesses to relocate or expand into the region. Since Chesapeake Country provides all inquiries it receives from firms to all members, it is up to each member to decide whether or not they have the facilities for, or indeed want, a particular business in their community. The board of directors consists of 24 representatives, 2 chosen from each county, 1 usually an economic development professional and the other a member of the county government in an economic development role.

The President has called for a greater contribution on the part of the private sector to increase the productive capacity and thereby the welfare of our Nation. Chesapeake Country, funded initially by the Balance-of-State Private Industry Council and supported by generous private donations, is an excellent example of the important work that can be undertaken with that purpose in mind.●

MX MISSILE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. AuCOIN. Mr. Speaker, now, as we once again turn to the debate over the MX missile, I am struck by one of the central realities of this never ending controversy. And that is once you get outside the walls of this Chamber and this building, there just are not very many people who support the MX missile.

It is peculiar, but true, that the ability of many people to think clearly about the MX, to see the insanity of spending billions on a provocative missile, the unjustifiability of placing them in existing silos, increases the further away from the Capital you get.

One of my constitutents hit it right on the nose. "I know MX doesn't stand for monstrous excess," he wrote, "but that is just what it really is. The money could be better spent on social or education programs which would really strengthen the country rather than expose us to a greater risk of nuclear disaster."

And when I read that, I thought again how all too frequently, we stand in this well and argue at one another, when what we really should be doing is listening to the voice of reason, the voice of those sincere Americans who entrust in us their hopes for a saner and fuller future.

Many people in my district have written me in recent weeks on this issue. The overwhelming majority of them oppose the MX. From all walks of life—businessmen and businesswomen, teachers, clergy, machinists, housewives, grade-school children and senior citizens—constitutents throughout my district are concerned about the deficit, about the defense budget, and about the dangerous step we would take by going forward with the MX missile.

I would like to share the following excerpts from a selection of their letters as part of the CONGRESSIONAL RECORD on this important issue. I hope this "what the folks at home are saying" perspective will shed a little different light on our upcoming debate on whether or not to authorize procurement funds for the MX missile.

The MX should be scrapped permanently and the money used to produce and maintain a more efficient defense. It is time the military put "their house in order" on an economic and waste-free basis. The economy should be our first line of defense at this time.—The Pritchard's.

So many in this country seem to be blinded by our technological wealth that they are incapable of basic wisdom. To suggest that we need the MX for national resolve, although it is useless as a weapon and counter productive as a deterrent, is a prime example of this lack of wisdom.—T. DeSpain.

The MX is a very serious mistake. Do not vote to fund this ridiculous project. If we must spend 20 billion more dollars on the military (which we probably don't), let us spend it on training and upgrading our conventional forces and air defense systems aboard our fleet.—C. Morgante.

The MX is a waste of money. The two primary things that now face this country are not an armed force that spends too much, but a country that thinks it can run forever on credit . . . Perhaps our army should refer to World War II and the "Desert Fox." He beat us with mobility not largeness or first strike ability.—P. Walters.

We think it (the MX) is a waste of tax payers money and it will not aid in the security of our country. We urge you to continue a strong opposition to this important issue.—M. and S. Hill-Tanquist.

As president of the National Spinal Cord Association, Oregon chapter, I understand that cancellation of just one MX missile would supply the financial needs for spinal cord research for 20 years. . . . Now, who cares about MX missiles? I want my chance to walk.—D. and L. Stewart.

Children don't receive toys and put them on the shelf and never play with them. Nations don't arm to the teeth without ever using them. We can't play with nuclear weapons; they are too deadly.—A. Brettauer.

Do anything you can to stop the MX. It is insanity. It galls me no end to see my hard earned tax dollars going into something that will destroy the world.—R. P. Scanlon.

It is time to stop the madness of the nuclear arms race. Let's concentrate on defense, not offensive first-strike capability. Surely that would be less expensive and politically more sensible, especially in the eyes of foreign observers.—M. Campbell.

My wife and I basically support President Reagan. However, on this issue we feel you are 100% correct. Please save us, the tax payers, $20 billion.—M. and T. Beck.

My views concerning the MX are these: The MX should not be built or funded. This country needs defense, but not in the form of offensive weapons. If we need to build more weapons, then they should be conventional (non-nuclear) systems that we can use in the legitimate defense of our country.— L. Broadbent.

I know MX doesn't stand for Monsterous eXcess, but that is just what it really is. The money could be better spent on social or educational programs which would really strengthen the country rather than expose us to a greater risk of nuclear disaster—R. Miller.

I feel that we are totally wasting our time by continuing to discuss the MX. How many times has it been voted down? Why is it constantly resurrected? If we have to spend money, why not improve the Navy? . . . I say the government can, and should, come up with more worthwhile projects (non-military) to put people back to work.—M. Nast.

We are convinced that the MX missile would be viewed as a first strike weapon and hence would increase the likelihood of nuclear war. The present administration seems inclined to be aggressive towards the U.S.S.R. and this, too, makes "peace" more fragile. It is clear to us that the MX missile is a tragic mistake.—E. and R. Million.

Our over commitment to excessive weapons has left us impoverished in education, health care, and community services. We must stand against the MX.—J. and M. McWilliams.

The MX costs too much and shows no realistic benefit for Americans. The economy cannot accept a project of this size in our immediate future.—M. Goulet.

There is a point at which any strategy is no longer justified—the costs no longer look attractive given the benefits. The benefit of arms build-up should be strength and peace of mind. There is, however, no strength and peace of mind available in the current arms situation. . . . Our nation has never won battles because we have had superior tools (in some cases we have had), but because our moral resources were superior. It is time to take a moral offensive, not an immoral offensive (nuclear weaponry).—J. Westfall.

One is inclined to believe in this time of economic hardship, with both industry and individuals in a period of flux, that this country should focus its resources for the benefit of its people, and not for the doubtful promise of nuclear security.—J. Goss.

Eventually, the people of this world will have to give up these instruments of destruction, if we as a people, are to survive on this planet. We can start now—by not building this missile system. Instead, let's use the money to improve the quality of education and the standard of living. We'll be much better for it, rather than a new missile system. I hope you, Congressman, vote "No" against funding of the MX system.—D. Bergstrom.

I am opposed to the continued arms race and the MX missile. Our backs are almost broken by taxes now, and our country could well use the funds to get the economy moving again, not continually spending needlessly beyond our means. I have been in Russia and believe the people there want peace as much as we do. The leaders of our two countries should stop trying to outstockpile each other, and get on with acting responsible with the people's resources. I urge a "no" vote on the MX missile.—J. Collins.

MX is an idea whose time has come for burial. It's a very ineffective way to defend the country. It seems we would be wise to spend our defense dollars more on training, education, and other personnel related matters. . . . Things like the MX, if funded, will only convince me that the U.S. government is more of an enemy than Russia.—L. Kohn.

From all I've read and observed about the MX system, I think it's an ill-conceived system. I think it should be scrapped. If and when another system is considered. I think it will be better off submarine based. Let's just hope we start having arms reduction before then.—W. Scheide.

I am all for maintaining a defense system capable of defending—but the MX will only make nuclear war more likely. As a citizen, I find the issue almost too complicated to unravel—so many conflicting arguments from the "experts." My main concern is to prevent nuclear war so my 11-year-old daughter has a world to grow up in. The threat of nuclear war is the uppermost problem confronting us today.—C. Tuma.

I fully support your fight against the MX. A strong defense is not just dependent on an outlandish nuclear arsenal but also a stable economy with citizens experiencing a reasonable quality of life.—G. Gouveia.

I'm with your ideas on defense spending. Our country has gone nuts over defense. We must stop the growth of this defense budget. The MX does invite first strike. I don't wish to be put in that position.—L. Opdycke.

A federal deficit of $200 billion or more is completely unacceptable. We should spend only what is absolutely necessary for our defense system.—J. Dettmer.

Our focus needs a change to how we can improve the quality of life for ourselves and others, not how to better destroy it.—G. Newton.

MX Missile—ridiculous! If we spend $22 billion on MXs, we will never get the housing business going again.—B. Headlee.

I am unequivocally opposed to anything but a minimum defense budget. Our internal problems should be our primary concerns.—B. Zehrung.

Hurray for less defense spending. Let's pump it into housing before Oregon collapses!—S. G. Chandler.●

UNFAIR PRACTICES IN THE INTERNATIONAL TRADE

HON. DAN COATS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. COATS. Mr. Speaker, on June 21, the Energy and Commerce Committee approved H.R. 1234, the Fair Practices in Automotive Products Act. This legislation would require automobile manufacturers to use certain percentages of domestic made products in cars sold in the United States.

As a member of the Energy and Commerce Committee, I opposed this legislation because I believe it fails in two important ways. First, it would not contribute significantly to making our domestic automobile companies more productive and competitive. Second, it would lead to severe consequences in other sectors of our economy, primarily by prompting retaliation against our export industries. The unfortunate result of enactment of this legislation would be a net loss of jobs in the United States and a further decline in our own standard of living.

I believe there are better ways to address the very real problem of unfair practices in the international trade arena. For the benefit of my colleagues, I am enclosing a recent guest column published in the Fort Wayne News-Sentinel. The column is written by Mr. Charles M. Freeland, treasurer of Central Soya Co., Inc. Mr. Freeland's comments are straight-forward and to the point and I commend them to the attention of my colleagues.

The article follows:

JAPAN UNDERVALUES YEN FOR TRADE ADVANTAGE

(By Charles Freeland)

"Buy American." You see plenty of those bumper stickers around town; even an occasional "Bayh American." Such sentiments being expressed on our bumpers, and even in our voting booths, reflect the feelings of many of us that a large share or our economic problems are the result of imports, especially Japanese cars.

Cheap foreign imports are believed to be a root cause of our smokestack industries' hard times and, of course, the resulting high levels of unemployment. Urging us all to "Buy American" is simply asking us to help our fellow citizens and to keep our money at home.

Well, altruism is a fine thing, but it does have its limits. Very few of us, it seems, are willing to sacrifice our own financial interests in order to keep our friends in the United Auto Workers fully employed.

I publicly confess to owning a Toyota. There, I said it.

We bought a Toyota a couple of years ago after expressly setting out to "Buy American." We needed a second car in the family, primarily for my wife's use in chauffeuring the kids around, hauling groceries, dry cleaning, etc. We went about the task very scientifically, making a list of specific features we wanted in a car. My wife likes to drive a smaller car, but she needed enough room for the groceries and the kids.

As I admitted, we bought a Toyota. The Toyota was the least expensive of all the cars with the features we wanted. Not only was it the least expensive, it seemed to be the best car. Quality is, admittedly, a subjective matter, but the Japanese seemed to have engineered out all of the rattles, "tinniness" and ill-fitting doors that were standard equipment on the products of their U.S. competitors.

Why, I asked myself, should I spend several hundred dollars more (more than a thousand in some cases) as a favor to the UAW? What have they ever done for me? As I say, altruism has its limits.

Clearly, the same questions have been asked by millions of other American auto buyers. We have all read the statistics. The average U.S. autoworker makes close to $20,000 per year when all the fringes and benefits are counted. His Japanese counterpart, on the other hand, makes only about $12,000. No wonder they can make a cheaper car. Also, we have all heard about the Japanese government's role in the matter, offering unfair export incentives and helping to hide dumping practices. But someone in Japan is paying the cost of producing the cars and it still turns out a lot cheaper than U.S. vehicles.

As we might have expected, this entire matter is looming as a key political issue for 1984. With organized labor being the natural and traditional constituency of the Democratic Party, would-be Democratic presidential candidates are already staking out positions in favor of some sort of protection for U.S. workers. These Democratic hopefuls expect to get our votes by supporting legislation that would force us all to pay more for our cars. Politics is a funny business.

But there is another facet to this problem that you seldom hear about. That's because the politicians and media reporters don't understand it. That other facet is currency exchange rates.

To fully understand our import problem you need to know something about exchange rates. When we compare the income of the U.S. autoworker ($20,000) to that of his Japanese counterpart ($12,000), for example, our analysis really isn't correct. The Japanese worker isn't paid in dollars, he is paid in yen. Similarly, the costs of steel, rubber, plastic and almost everything else that goes into a Toyota are incurred in yen. The exchange rate by which we convert those yen to dollars is critical to any analysis of the problem.

If you were to land at Narita Airport in Tokyo today and, while waiting for your luggage to come around, walk up to the bank teller's window you could purchase about 235 Japanese yen for each of your Yankee dollars. That is the current rate of exchange: 235 to 1. Several years ago you could get up to 360 yen for your dollar. Since you get fewer yen for your dollar today than you used to, it is said the yen has strenghtened against the dollar. Each yen is worth more in dollars than it used to be.

The important thing to know about the yen-dollar exchange rate is, however, that most people who know about such things think the yen ought to be a lot stronger than it is, say, about 180 yen to the dollar. It is common knowledge in international financial circles that the yen was kept artificially undervalued for many years following World War II. This undervaluation was quietly acquiesced by the U.S. because it helped Japan get back on its economic feet in the years after the war.

The undervalued yen coupled with enormous organizational efficiency and determination created the economic miracle that Japan is today. Over the last couple of decades, however, Japan's trading partners have pressured her to bring the yen more into line. The Japanese authorities have been very slow to do so. The Japanese government and central bank have, in fact, followed a policy of maintaining an undervalued yen as a continuing boost to their export-oriented economy.

To illustrate how this works, let's look at a Toyota that sells in this country for $7,500. Converted to yen at the current exchange rate of 235, the car's price equals 1,762,500 yen. Let's say that Toyota has about a 10 percent profit margin so that the cost of producing the car is about 1,602,000 yen.

Now, if the yen-dollar exchange rate were where a lot of people think it should be, around 180, at what price would Toyota have to sell its car? The yen production cost of 1,602,000 equals about $8,900 at a 180 exchange rate. Adding on the same profit margin, you end up with a price of almost $9,800.

It doesn't take a degree in calculus to see that their undervalued exchange rate plays a large role in the Japanese export marketing program.

The interesting part of all this, to me, is the lack of political focus on the exchange-rate problem. Maybe it's just due to our friends in Washington being so uncomfortable with arithmetic. A quick look at the federal budget will show you that they are not any good at adding and subtracting. Exchange rates require multiplying and dividing. I guess it's just too much to ask.

In any case, it seems that the Republicans are once again failing to grasp an issue that they could use to their advantage. Rather than allowing the Democrats to gain the advantage on this issue by calling for various protectionist remedies such as the so-called "local content" legislation, the Republicans could be using their clout as the incumbent party to bring pressure on the Japanese. It is not as though such pressure would be without cause.

Protectionist measures should be used only as a last resort. The history of economic relapses, be they recession or depression, reads, in large measure, like a history of barriers to the free flow of goods and capital. Retaliation breeds retaliation and everyone loses in the end. The infamous Smoot-Hawley Tariff of 1929 certainly didn't save anybody's job.

It makes more political and economic sense to begin getting tough with the Japanese. Surely they must understand that they need us a lot more than we need them. By addressing the real problem of exchange rates, rather than advocating protectionist legislation that won't work, the Republicans can gain the high ground on this issue and avoid being painted as the bad guys. It would allow them to focus on the Japanese as the cause of the problem instead of being in a position where they have to blame the unions. No sense in alienating all those votes if you don't have to.

Wouldn't it be nice to "Buy American" because you want to instead of because you have to?●

PROTECT THE CHESAPEAKE BAY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mrs. HOLT. Mr. Speaker, the Chesapeake Bay is Maryland's greatest natural resource, and the protection of the bay requires the energetic efforts of both the State and private industry.

Each year, the State department of natural resources and the Maryland Petroleum Council present the "Tawes Award" to individuals who have performed outstanding service in the prevention and control of oilspills.

Two such awards were presented this year to H. Frederick Jones, Jr., and Paul R. Stoner, of the resources protection program of the department of natural resources.

On July 5, a plaque honoring these and prior recipients of the award was installed and dedicated in the Tawes State Office Building in Annapolis, Md.

I should note that the late J. Millard Tawes was a former Governor of Maryland who became the first secretary of the cabinet-level department of natural resources. Governor Tawes would be very pleased to see the continuing concern for the environment represented by these annual awards that carry his name.●

"WHEN I GROW UP I WANT TO BE A VOTER, TOO," A FOURTH GRADER IN DALY CITY, CALIF., WRITES ABOUT VOTING

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. LANTOS. Mr. Speaker, teachers, schools, and children in our Nation have been receiving negative attention as reports continue to be published telling us how bad things are inside the classroom. Even the recently published report by the Education Commission of the States says, redundantly, that it is convinced a "real emergency" is upon us.

I, too, concur that our schools need more support from the Federal Government, teachers need much better pay, and the learning of children in classrooms must be the very best we can provide. However, many outstanding teachers do teach in our schools. They are on the job every day, planning carefully the instructional program, providing feedback to individual children.

I want to share with my colleagues one statement from a set of essays sent to me by a fourth grade teacher, Christiana Graham, of Daly City, Calif. The topic was "Elections and Voting." The papers were written in typical fourth grade uneven scrawl and syntax. Ms. Graham had carefully corrected each mistake and had added supporting comments to each child. She demonstrated what good teachers do daily with assignments which require research, thought, and written expression even by fourth graders.

One boy, Marcos, wrote, "When I grow up, I want to be a voter, too. We are very lucky that we can vote in this country . . . If we don't get the person we want, we have another chance next election."

He describes in fourth-grade, childlike language, the essence of representative government. Let us give credit to the teachers of America who are teaching children to think about, to understand, and to value our democratic process.●

VICTIMS OF VIOLENT CRIME

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BERMAN. Mr. Speaker, a short time ago I joined with my colleague, Chairman PETER RODINO, in introducing H.R. 3498, a bill to assist victims of violent crime. Our proposal follows many of the recommendations set forth in the report of the President's Task Force on Victims of Crime, issued at the beginning of this year, which detailed the need for congressional action to encourage the growth of State victim compensation and victim assistance programs.

At present, 38 States operate programs to compensate victims for their medical expenses and lost wages resulting from injuries suffered in a crime. Programs offering assistance in the form of counseling and services related to particular categories of crime, such as rape crisis centers, have also been established across the country. In my own State of California, the needs of victims have become so great that an emergency measure by the State legislature was required to save the program from bankruptcy. Other States are facing similar problems in maintaining their programs and expansion, despite the enormous need, is clearly out of the question.

H.R. 3498 authorizes Federal funding for grants to States with victim compensation programs meeting certain eligibility criteria. States would be required to match at least 50 percent of the grant, except for the costs of compensating victims of crimes falling under exclusive Federal jurisdiction, in which case the Federal Government would cover 100 percent of the costs.

In addition, money would be available under this bill to assist victim services programs. These programs, in order to qualify for Federal assistance, would have to offer services directly to crime victims and their families. This may be general assistance, or it may be directed to a specific category of crime victim. The programs would also be required to receive at least part of their support from sources other than grants authorized under H.R. 3498.

The fund created to finance this program would derive its revenue from fines and forefeitures collected in Federal criminal cases, penalty assessments paid by Federal defendants, and the existing excise tax on handgun sales. This is a sensible method of financing in that it draws primarily from criminals, and not from the General Treasury.

I look forward to working with Chairman RODINO, Chairman JOHN CONYERS of the Criminal Justice Subcommittee, and my other colleagues on the Judiciary Committee to make this proposal a reality. I hope hearings can be scheduled shortly in the Criminal Justice Subcommittee to shed further light on the pressing need for this legislation.●

DRUG PRICE COMPETITION ACT

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. WAXMAN. Mr. Speaker, I have introduced today H.R. 3605, the Drug Price Competition Act. This legislation will make available lower cost generic drugs by allowing the Food and Drug Administration (FDA) to approve generic versions of drugs approved after 1962. Under current law, FDA generally allows generic versions only of drugs approved before 1962. The bill applies the same procedures used by FDA to approve generic versions of drugs approved before 1962 to those approved after 1962.

The Federal Food, Drug, and Cosmetic Act requires that all new drugs, including generics, be approved before they are marketed. For pioneer drugs, a manufacturer must conduct clinical tests and submit results in a new drug application (NDA) which show the product to be safe and effective.

As a result of the 1962 Drug Amendments, FDA established a policy permitting the approval of a generic drug equivalent to a pioneer drug on the basis of an abbreviated new drug application (ANDA). Under the ANDA process, a manufacturer must show

that the generic is the same as the pioneer drug and that it will be properly manufactured and labeled. The generic manufacturer need not conduct human clinical trials. Such retesting is unnecessary and wasteful because FDA has already determined that the drug is safe and effective. In fact, such retesting may be unethical because it requires that some sick patients take placebos and be denied treatment known to be effective.

Unfortunately, FDA applies this ANDA policy only to drugs approved before 1962. There is no ANDA procedure for approving generic equivalents of post-1962 drugs. Although FDA has permitted the use of "paper NDA's"—that rely on published scientific reports, instead of clinical trials, to support findings of safety and efficacy—this procedure is inadequate because satisfactory reports are not available for most post-1962 drugs.

H.R. 3605 extends FDA's existing ANDA policy to permit the approval of generic versions of drugs approved after 1962. This change does not, in any way, infringe upon the patent of a pioneer drug. Generic drug makers will not be able to market their product until after the patent on the pioneer drug has expired.

Mr. Speaker, approximately 84 percent of our citizens pay their drug bill without any form of government subsidy. This is particularly hard on senior citizens, who are the largest consumers of medication, but are also those least able to afford the high price of drugs. Lower cost drugs can make a big difference in the health care costs paid by older Americans. This is because generic drugs, which are equivalent to the brand name version, are 300 to 1,500 percent cheaper.

The Subcommittee on Health and the Environment will hold a hearing on this legislation on Monday, July 25, 1983.●

PHYSICIANS ON HOME HEALTH AGENCY BOARDS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Ms. SNOWE. Mr. Speaker, I am pleased to introduce today H.R. 3603, a bill to allow physicians who serve in an uncompensated capacity as officers or directors on home health agency boards to prepare plans of care and certify clients for home care at their agencies. This practice was barred by regulations issued on October 26, 1982, by the Health Care Financing Administration, effective November 26, 1982.

Since that time, HCFA has reportedly admitted to several legislators and the National Association for Home Care (NAHC) that the regulations were overly broad and "inadvertently" covered uncompensated physicians. Nevertheless, the regulations still stand. As a result, numerous physicians across the country who voluntarily serve on home health agency boards have been denied the ability to refer clients and have been discouraged from participating in home health care treatment.

My bill would correct this error by amending the enabling legislation to retroactively—to November 26, 1982—allow uncompensated physicians to make referrals, allowing their clients to receive medicare coverage.

The extent of the impact of this regulation cannot be understated. I understand NAHC has received over 200 letters from home health providers in over 30 States detailing the adverse impact on their clients and physicians board members. In my own State of Maine, Dr. Valarie Lamont, president, board of directors, Community Health Services in Portland, Maine, and Betsy J. Perry, executive director of the Androscoggin Home Health Services, have written me that the regulation has discouraged physician involvement and client access. They note that in rural areas the problem is further exacerbated by the limited number of physicians to serve on home health agency boards and to certify patients for medicare.

I urge the Members of Congress to support my legislation to correct this regulation which continues to unnecessarily curtail involvement of well-intentioned physicians as well as needlessly limits the access of needy elderly and disabled persons to cost-effective home health care.●

WELCOMING GENERAL BARROW HOME TO LOUISIANA

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 14, 1983

● Mr. LONG of Louisiana. Mr. Speaker, it is a particular pleasure for me to welcome home Marine Corps Commandant Robert H. Barrow, a loyal son of Louisiana who has retired after four decades of exemplary service to his country.

Although his absence from the Joint Chiefs of Staff will be keenly felt, General Barrow has given notice of his intention to return to his beloved Rosale Plantation in St. Francisville, La.

It is my privilege, Mr. Speaker, to represent St. Francisville in Congress, and to welcome General Barrow as an honored constituent. I hope to have the benefit of his counsel on military and defense issues that come before the House.

I believe that Bob Barrow represents a military tradition held in particular high regard in the South; a tradition that esteems duty, self-sacrifice, and a sense of personal honor. I know the people of my district recognize and appreciate these soldierly traits.

General Barrow's 4 years as Marine Corps Commandant capped a long career that began with his enlistment, in 1942, as an assistant drill instructor. During the next 41 years, he set an example of selfless and distinguished service in the very highest tradition of the Corps.

Commissioned in 1943, he spent the remainder of World War II with a Chinese guerilla force in Japanese-held territory in China. He later saw combat in Korea and Vietnam, where he commanded an infantry regiment.

In all, General Barrow served seven tours of duty in the Far East, and was awarded many decorations, including the Navy Cross, the Army Distinguished Service Cross, the Silver Star, three Legions of Merit, two Bronze Stars and the Joint Service Commendation Medal.

In peace, General Barrow displayed the same drive to excel, initiative and adroit leadership which marked his wartime service. Named Commandant in 1979, he quickly won acclaim as a forceful and innovative administrator. Known as "a marine's marine," General Barrow brilliantly embodies the virtues that are synonamous with the Corps: fortitude, pride and loyalty.

Mr. Speaker, Louisianans reserve a special affection for those who have fought to defend our Nation's safety and our freedom. Therefore, I know they will give General Barrow a joyful homecoming.

I join in offering General Barrow, and his wife, Patty, my hopes for a long and fruitful retirement in St. Francisville, La.●

DEMOCRAT AND REPUBLICAN DIFFERENCES

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. JACOBS. Mr. Speaker, the following is circa early 1960's, but it probably remains about right.

TO BE READ ALOUD BY A DEMOCRAT TO A REPUBLICAN OR BY A REPUBLICAN TO A DEMOCRAT

(By Will Stanton)

Although to the casual glance Republicans and Democrats may appear to be almost indistinguishable, here are some

hints which should result in positive identification:

Democrats seldom make good polo players. They would rather listen to Béla Bartók.

The people you see coming out of white wooden churches are Republicans.

Democrats buy most of the books that have been banned somewhere. Republicans form censorship committees and read them as a group.

Republicans are likely to have fewer but larger debts that cause them no concern.

Democrats owe a lot of small bills. They don't worry either.

Republicans consume three fourths of all the rutabaga produced in this country. The remainder is thrown out.

Republicans usually wear hats and almost always clean their paintbrushes.

Democrats give their worn-out clothes to those less fortunate. Republicans wear theirs.

Republicans post all the signs saying No Trespassing and These Deer are Private Property and so on. Democrats bring picnic baskets and start their bonfires with signs.

Republicans employ exterminators. Democrats step on the bugs.

Republicans have governesses for their children. Democrats have grandmothers.

Democrats name their children after currently popular sports figures, politicians and entertainers. Republican children are named after their parents or grandparents, according to where the most money is.

Large cities such as New York are filled with Republicans—up until 5 p.m. At this point there is a phenomenon much like an automatic washer starting the spin cycle. People begin pouring out of every exit of the city. These are Republicans going home.

Democrats keep trying to cut down on smoking, but are not successful. Neither are Republicans.

Republicans tend to keep their shades drawn, although there is seldom any reason why they should. Democrats ought to, but don't.

Republicans fish from the stern of a chartered boat. Democrats sit on the dock and let the fish come to them.

Republicans study the financial pages of the newspaper. Democrats put them in the bottom of the bird cage.

Most of the stuff you see alongside the road has been thrown out of car windows by Democrats.

On Saturday, Republicans head for the hunting lodge or the yacht club. Democrats wash the car and get a haircut.

Republicans raise dahlias, Dalmatians and eyebrows. Democrats raise Airedales, kids and taxes.

Democrats eat the fish they catch. Republicans hang them on the wall.

Democrats watch TV crime and Western shows that make them clench their fists and become red in the face. Republicans get the same effect from the presidential press conferences.

Christmas cards that Democrats send are filled with reindeer and chimneys and long messages. Republicans select cards containing a spray of holly, or a single candle.

Democrats are continually saying, "This Christmas we're going to be sensible." Republicans consider this highly unlikely.

Republicans smoke cigars on weekdays.

Republicans have guest rooms. Democrats have spare rooms filled with old baby furniture.

Republican boys date Democratic girls. They plan to marry Republican girls, but feel they're entitled to a little fun first.

Democrats make up plans and then do something else. Republicans follow the plans their grandfathers made.

Democrats purchase all the tools—the power saws and mowers. A Republican probably wouldn't know how to use a screwdriver.

Democrats suffer from chapped hands and headaches. Republicans have tennis elbow and gout.

Republicans sleep in twin beds—some even in separate rooms. That is why there are more Democrats.●

SENIOR EDITOR LEAVES AFTER 9 YEARS, 6,000 READERS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 19, 1983

● Mr. BONKER. Mr. Speaker, I would like to direct the attention of the House to a constituent of mine who is remarkable in her dedication and service to the senior citizen community of Cowlitz and Wahkiakum Counties.

After 9 years as the editor and guiding force for the Cowlitz-Wahkiakum Senior News, Charlotte Keiter is moving on. By no means, however, is she slowing down. This fall, Mrs. Keiter, who turned 70 in March, will teach a writing class for senior citizens at Lower Columbia College.

Senior citizens are the fastest growing demographic group in America today. Sadly, they are also the most poorly served. Charlotte Keiter took over the Senior News and its circulation of 1,200 and turned it into a vital, imformative tabloid with a circulation of over 6,700. Perhaps more importantly, as communication through the News grew, so did support and interest in various senior programs in the Longview-Kelso area.

I am proud to have this opportunity to honor Mrs. Keiter. I commend her achievements and the following article to the attention of my colleagues.

The article follows:

[From the Longview (Wash.) Daily News, July 12, 1983]

SENIOR EDITOR LEAVES AFTER 9 YEARS, 6,000 READERS

(By Linda Wilson)

She was a clergyman's wife who had to go back to work, the mother of five children who became an expert on senior citizen rights.

Now at 70, Charlotte Keiter is stepping down from her position as editor, reporter and sometime photographer of the monthly Cowlitz-Wahkiakum Senior News—a job she has held since 1975.

"There comes a time when you need to try something new," says Mrs. Keiter, who will teach a writing class at Lower Columbia College next fall. "But it's been a fascinating job."

As editor of Senior News, Mrs. Keiter took it from a circulation of 1,200 to more than 6,000. She has also played her own quiet part in helping establish many other activities for seniors in this area.

"She's done a spectacular job," says Merilyn Thompson, community services coordinator for the Community Action Council. "She is a senior herself and she knows what the seniors' needs are.

"She's not a spokeswoman by any means, but she can funnel you in the correct direction."

Mrs. Keiter was born March 21, 1913, in Ottawa, Ill., where her father was principal of the town's only high school. He believed the school should be a cultural gathering place for the community.

Consequently, she grew up listening to the likes of opera star Amelita Galli-Curci and violinist Mischa Elman.

"It was a more cultural environment than in some small towns," she says.

She has wanted to attend Vassar College in Poughkeepsie, N.Y. but her mother died of cancer while she was still in high school and her father died less than three years later of ruptured appendix.

After working two years as a clerk in the high school office to earn money for school, Charlotte managed to go to Northwestern University where she met her husband, Louis, who was studying at a nearby Episcopal seminary. Although she graduated with a degree in psychology, she wasn't to use her formal education for many years.

She and Louis were married in the fall of 1936 and moved to Milwaukie, Ore., for his first assignment.

"Each period of life has problems, difficulties and joys," Charloitte says. "When my husband and I were first married we went to a little church in Milwaukie that hadn't had a resident clergyman in 40 years.

"The older people didn't accept us very well and there wasn't anything to do and we lived on $125 a month. Yet those were the happy times, too."

Eventually they moved to Portland where Louis was rector of All Saints Episcopal Church for 30 years and Charlotte raised her children, Walter, Margaret, Paul, John and Hobart.

"I was a cleryman's wife," she says. "You stay home and help with the music and the guilds, whatever needs to be done."

Then in 1964 she learned her husband had emphysema.

"That's when I realized I had to take a job," she says.

Her first job was in the bookstore at Reed College.

Then they moved to California so her husband could teach Greek and theology at the Church Divinity School of the Pacific. Charlotte got her adult teaching credentials and taught adults how to read.

The Keiters moved to Longview in 1972 to be near their daughter, Margaret Lapic. Charlotte's husband died a month later.

That same year she was hired by the Community Action Council to help get some senior programs started in Longview.

It took three long years and the effort of many people—not just her, Charlotte says—to get a senior citizen center, a senior travel program, a retired senior volunteer program, an information and assistance office and the senior newsletter all off the ground.

In 1975 Charlotte become the first half-time, paid editor of the newsletter, which

was printed at LCC and mailed to 1,200 people.

Last Friday, the *Senior News*, which is now in tabloid form, was mailed for free to more than 6,200 seniors in Cowlitz and Wahkiakum counties.

From the beginning, the newsletter has focused on senior citizen needs and interests including legislative news, lists of events and personal histories.

To keep up on the issues Charlotte increased her already avid reading.

"Everything I read was grist for the mill," she says.

She says the biggest problem facing senior citizens is medical expenses.

"If you get one major illness these days all your savings are wiped out," she says. "Twenty-five percent of the older people are way below poverty level. Older women in particular have a terrible time.

"So if you can stay well maybe you can beat this thing."

Some seniors feel unneeded in a youth-oriented culture, and Charlotte worries about civilizations that don't look to their elders for wisdom.

"But maybe that's changing because the people of the baby boom are getting older."

She smiles, "A lot of congressmen are getting older and that's going to have some effect on the country."●